

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

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(Compiled November 15, 1931)

Volume 16, No. 10

Dallas, Texas, December 1, 1931

This copy is released for publication in morning papers— November 29

DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	October 1931	Change From September
Bank debits to individual accounts (at 17 cities).....	\$694,777,000	+ 19.3%
Department store sales.....		+ 14.5%
Reserve bank loans to member banks at end of month.....	\$ 25,579,504	+ 87.1%
Reserve bank ratio at end of month.....	47.7%	— 5.4 points
Building permit valuation at larger centers.....	\$ 3,378,018	+ 33.6%
Commercial failures (number).....	130	+ 39.8%
Commercial failures (liabilities).....	\$ 1,930,446	— 13.4%
Oil production (barrels).....	32,907,300	+ 14.1%

A notable improvement in public confidence and a strong-er undertone in business and industry, engendered by the higher prospective crop yields and by the rising prices of some of the district's principal commodities, particularly wheat and cotton, were important developments in the Eleventh Federal Reserve District during the past month. Although unusually warm weather retarded the distribution of seasonal merchandise, department store sales recorded a substantial seasonal increase over the previous month, and reflected a smaller decline from a year ago than in September. Distribution at wholesale reflected some betterment, although consumer buying is still at a relatively low level as compared to previous years. Merchants are still limiting orders to immediate requirements, yet the gradually strengthening consumer demand and the firmer tone of prices in some quarters are creating a more cheerful sentiment. Debits to individual accounts at banks in principal cities reflected a gain of 19 per cent over the previous month, and the 20 per cent decline from a year ago was the most favorable percentage reported since last January.

Building activity, as measured by the valuation of build-

ing permits issued at principal cities, showed a gain of 34 per cent over the previous month, and while it was 35 per cent below that in October last year, this decline was the smallest since mid-summer. Although the production and shipments of cement were lower than in the previous month, they evidenced a substantial gain over a year ago. Improvement was also noticeable in some of the other industries in this district.

Favorable weather during the past month enabled farmers to make rapid progress with the harvesting of cotton, and added to the prospective production of some late maturing crops. The Department of Agriculture in its November 1 report estimated the production of cotton in this district at a higher figure than a month earlier, and the grade and staple is turning out better than in the two previous years. Larger production was also estimated for some of the minor crops. The condition of ranges showed an improvement during the month, and that of livestock was well maintained. Reports indicate that animals will go into the winter in good shape and that there is an ample supply of dry feed available at reasonable prices.

There was a further expansion in the demand for Federal Reserve Bank funds during the past month. Loans of this bank to member banks, which stood at \$19,339,000 on October 15, rose to \$26,068,000 on November 3, and then showed a gradual decline to \$22,927,000 on November 15. On the latter date, these loans were \$14,729,000 higher than on the corresponding date in 1930. Loans to customers by banks in larger cities also reflected a substantial increase between October 7 and November 12. The daily average of combined net demand and time deposits of member banks amounted to \$689,838,000 in October, as compared to \$724,824,000 in September, and \$831,071,000 in the corresponding month last year.

BUSINESS

Wholesale Trade

Some improvement was in evidence during October both in the demand for merchandise at wholesale and in the general tone or sentiment underlying business in the Eleventh District. Increases over the previous month were reflected in the October sales of groceries, farm implements, and hardware through wholesale channels, and while dry goods and drugs showed declines of 2.9 per cent and 3.7 per cent, respectively, the former was less than the usual seasonal amount. The lines of groceries, dry goods, and drugs reported more favorable

comparisons with the same month last year than were shown in September. While reports indicate that merchants are beginning to feel more confident regarding the present level of prices, commitments for future delivery are still being held to a minimum and most orders are being placed to satisfy current demands for merchandise. As a general rule, both wholesalers and retailers are carrying considerably smaller stocks than they had on hand a year ago. October collections in every line of wholesale trade showed further seasonal increases as compared to the preceding month.

Although business was somewhat spotty, the demand for dry goods in wholesale channels of distribution held up very satisfactorily during October. Sales reflected a decline of 2.9 per cent from the previous month, which is less than the usual amount at this season of the year. As compared to the corresponding month last year, business during October showed a reduction of 20.2 per cent, while in September the decline amounted to 29.4 per cent, and in August it was 38.0 per cent. Stocks on hand reflected a decrease of 13.4 per cent during October. In the volume of collections there was a further gain of 29.2 per cent.

Contrary to the seasonal trend, distribution of groceries at wholesale in the Eleventh Federal Reserve District during October increased 3.6 per cent as compared to the previous month. Sales were 18.8 per cent below the volume of the corresponding month last year, whereas in September this comparison showed a decrease of 24.4 per cent. Total sales during the four months ending October 31 were 17.9 per cent smaller than in the same period in 1930. Reports indicate that prices showed a firmer tone during the month than for some time past. The ratio of collections to accounts and notes outstanding rose from 64.2 per cent in September to 69.2 per cent in October.

Following the material increase which occurred in the previous month, a decline of 3.7 per cent was reflected in the sales of wholesale drug firms in this district during October. Business was 16.1 per cent smaller than in October, 1930, and for the period between July 1 and October 31 this year's sales averaged 17.6 per cent under those a year ago. Orders were small and were restricted principally to merchandise of a staple or seasonal nature. The volume of collections during the month was 7.5 per cent larger than in September.

A seasonal improvement of 5.1 per cent was in evidence in the October business of reporting wholesale hardware firms in the Eleventh District. Despite this increase, the comparison with the corresponding month last year was somewhat less favorable than in September. Most of the demand was for replacement purposes or was stimulated by immediate requirements. During the months from July to October, inclusive, total sales were 33.0 per cent less than in the like period of 1930. The month witnessed an appreciable gain in collections.

Despite a slight up-turn in the demand for farm imple-

ments at wholesale, the total sales of reporting firms during October continued considerably below those a year ago. Distribution during the month was 4.9 per cent larger than in September, but fell 61.5 per cent under the volume of October, 1930. A further substantial increase was registered in the volume of collections during the month.

CONDITION OF WHOLESALE TRADE DURING OCTOBER, 1931

Percentage of increase or decrease in—

	Net Sales Oct., 1931 compared with Oct. 1930		Net Sales July 1 to date compared with same period last year		Stocks Oct., 1931 compared with Oct. 1930		Ratio of collec- tions during Oct. notes outstanding to accounts and on Sept. 30	
	Oct. 1930	Sept. 1931	Oct. 1930	Sept. 1931	Oct. 1930	Sept. 1931	Oct. 1930	Sept. 1931
Groceries.....	-18.8	+ 3.6	-17.9	-22.5	-	.5	69.2	
Dry goods.....	-20.2	- 2.9	-28.3	-30.7	-13.4		28.8	
Farm implements..	-61.5	+ 4.9	-44.0	-10.4	-4.2		4.3	
Hardware.....	-37.5	+ 5.1	-33.0	-15.5	-2.4		32.1	
Drugs.....	-16.1	- 3.7	-17.6	-17.7	- 1.1		36.6	

Retail Trade

Reports to the Federal Reserve Bank from department stores in leading centers of this district showed some improvement in trade conditions during October. Sales of merchandise reflected a seasonal increase of 14.5 per cent, and while a decline of 23.4 per cent was registered as compared to the corresponding month of 1930, it was a more favorable percentage than that shown in the preceding month. Although business during October was further retarded by the prevailing mild weather, reports indicate that during the first half of November some lines of seasonal merchandise were accelerated by the attractively low price offerings. Distribution during the first ten months of 1931 reflected a decline of 15.3 per cent as compared to the same period of 1930.

Supplies of merchandise on hand on October 31 showed a further increase of 3.5 per cent over the previous month, but were 17.9 per cent below those held at the close of October, 1930. During the month, for the first time this year, the rate of stock turnover fell below that of 1930. During the period January 1 through October 31, 1931, the rate was 2.35 as against 2.41 in the corresponding period of 1930.

While partly seasonal, a very favorable development in October was the substantial improvement over the previous month in collections. The ratio of October collections to accounts outstanding on October 1 was 32.0 per cent, as compared to 27.8 per cent in September, and 34.9 per cent in October, 1930.

BUSINESS OF DEPARTMENT STORES

Total Sales (Percentage):	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
October, 1931, compared with October, 1930.....	-20.7	-25.3	-21.0	-32.8	-22.1	-23.4
October, 1931, compared with September, 1931.....	+27.2	+19.1	-	- 6.7	+26.4	+14.5
January 1 to date, compared with same period last year.....	-14.5	-10.5	-16.7	-16.6	-18.8	-15.3
Credit Sales (Percentage):						
October, 1931, compared with October, 1930.....	-24.1	-28.4	-21.4	-31.8	-25.1	-25.5
October, 1931, compared with September, 1931.....	+25.6	+20.9	- 3.1	-10.4	+25.4	+13.8
January 1 to date, compared with same period last year.....	-17.1	-12.1	-16.6	-15.0	-19.4	-16.4
Stocks (Percentage):						
October, 1931, compared with October, 1930.....	-20.6	-13.7	-13.1	-21.6	-19.0	-17.9
October, 1931, compared with September, 1931.....	+ 2.7	+ 3.0	+ 5.2	+ 8.2	+ 1.3	+ 3.5
Stock Turnover (Rate):						
Rate of stock turnover in October, 1930.....	.31	.23	.28	.36	.23	.28
Rate of stock turnover in October, 1931.....	.29	.20	.23	.29	.22	.25
Rate of stock turnover January 1 to October 31, 1930.....	2.51	1.98	2.49	3.22	2.07	2.41
Rate of stock turnover January 1 to October 31, 1931.....	2.42	1.90	2.40	3.14	2.11	2.35
Ratio of October collections to accounts receivable outstanding October 1, 1931.....	32.2	28.5	36.7	29.6	32.8	32.0

Commercial Failures

While the business mortality rate in this district during October was considerably higher than in either the previous month or the same month last year, the total indebtedness of firms becoming insolvent during the month was materially smaller than in September. According to the report of R. G. Dun &

Company, there were 130 defaults during October with combined liabilities of \$1,930,446, as compared to 93 failures in the preceding month owing \$2,229,515, and 51 insolvencies in October, 1930, of which the indebtedness amounted to \$839,861. The average liability of defaulting firms declined from \$23,973 in September to \$14,850 in October.

AGRICULTURE

Crop Conditions

The harvesting of crops made rapid progress during October under the stimulus of generally favorable weather, and

the indicated production of some crops was larger on November 1 than a month earlier. The October rains furnished much needed moisture in practically all sections of the district, except in South and Southeast Texas. The rains were very beneficial for the seeding of small grains and for fall plowing.

In every state attached to this district, except Arizona, the estimated production of cotton on November 1 was larger than a month earlier, and was considerably larger than a year ago in Texas, Oklahoma and Louisiana. According to the figures compiled from the November 1 report of the Department of Agriculture, the estimated production of cotton in this district totals 6,247,000 bales as compared to an estimate of 6,063,000 bales on October 1 and an actual production of 4,849,000 bales in 1930. The largest gain during the month was in Texas where 150,000 bales were added to the estimated production. This improvement was distributed over all sections of the State, except the Northeast, West and East. South Texas is the only district in which the production will fall short of that in 1930. The per acre yield for the State was raised from 154 pounds on October 1 to 159 pounds on November 1, and compares with an actual per acre yield of 114 pounds in 1930. Although slow progress was made with the picking of cotton early in the season, it was unusually rapid during the month of October. On the basis of the report of the Bureau of the Census, 1,766,000 bales were ginned during the month which brought the total ginnings prior to November 1 to 4,035,000 running bales, which is the highest ginnings on record prior to that date. This figure represents 80 per cent of the estimated production. Ginnings in other states attached to this district prior to November 1 were as follows: Louisiana—667,000 bales; Oklahoma—746,000 bales; New Mexico—40,000 bales; Arizona—36,000 bales.

There was no change during the month in the indicated production of corn in Texas which was placed at 112,203,000 bushels, as compared to an actual production of 86,710,000 bushels in 1930. The Department stated that 83 per cent of the State's production is of marketable quality, as compared with 77 per cent last year. While the indicated production in New Mexico and Oklahoma showed a slight decline during the month, it was more than offset by the better prospects in Louisiana.

The estimated yield of grain sorghums in Texas and Oklahoma showed a decline during the month, as the crop was unable to overcome the effects of the September drouth. Production in Texas was placed at 65,142,000 bushels on November 1, as compared to 68,244,000 bushels on October 1, and a final yield of 46,816,000 bushels in 1930.

The prospective production of most minor crops either remained unchanged or showed an improvement. The indicated production of peanuts in Texas rose from 89,320,000 pounds on October 1 to 95,480,000 pounds on November 1, and compares with 52,800,000 pounds actually produced last year. The estimated production in Louisiana was placed at 11,050,000 pounds on November 1, which was 1,700,000 pounds larger than the estimated production a month earlier, and 4,825,000 pounds larger than last year's production. There was also a slight improvement in the Texas rice crop. While the indicated yield of sweet potatoes in Texas showed

a decline, it was more than offset by the better prospects in Louisiana and New Mexico. In Louisiana, New Mexico, Texas, and Oklahoma, the prospective production for white potatoes on November 1 was larger than a month earlier or a year ago. The condition of citrus fruits in Texas continued good and shipments of grapefruit were heavy. Shipments to November 14 this year from the Rio Grande Valley totaled 934 cars, as compared with 665 cars prior to that date in 1930.

Livestock

Range conditions in Texas showed an improvement during October as good rains fell in all sections of the State, except in the South and Southeastern sections and in the Southern portion of the Edwards Plateau region. These areas are still dry and rain is needed to produce winter pastures. In the Southern section there is still much dry grass, due to the abundant growth in the spring and early summer. Supplies of dry feed are plentiful in practically all areas and at relatively low prices. According to the Department of Agriculture, the condition of cattle ranges in Texas on November 1 was 74 per cent of normal, as compared to 71 per cent a month earlier, and 77 per cent on the corresponding date last year. The 76 per cent condition of sheep and goat ranges represents a gain of 4 points during the month, but a decline of 6 points from a year ago. The condition of cattle and sheep on November 1 was 80 and 81 per cent of normal, respectively, and showed no change from either the previous month or a year ago. The condition of goats showed a decline of 1 point during the month and was 4 points lower than on November 1, 1930. The Department of Agriculture stated that while Texas cattle in some localities showed a shrinkage, they have held up well in most sections and are going into the winter in probably the best condition in years. While the dry weather during August and September checked somewhat the expected gains in sheep and lambs, most of the animals are fat and are going into the winter in good condition. In New Mexico there was a slight decline in the condition of both ranges and livestock, but the November 1 figures were higher than a year ago. There was practically no change in conditions in Arizona. In both states winter feed prospects are very good.

Movements and Prices

Receipts of all classes of livestock at the Fort Worth market were larger in October than in September, and the gains were largest in the case of sheep and calves. As compared to Octo-

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	October 1931	October 1930	Change over year	September 1931	Change over month
Cattle.....	56,015	68,884	-12,869	46,809	+ 9,206
Calves.....	40,476	53,436	-12,960	27,934	+12,542
Hogs.....	12,308	17,537	- 5,229	11,917	+ 391
Sheep.....	54,315	28,907	+25,408	42,181	+12,134

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred-weight)

	October 1931	October 1930	September 1931
Beef steers	\$7.50	\$10.50	\$8.35
Stocker steers.....	5.60	7.00	4.40
Butcher cows.....	4.50	6.50	4.25
Stocker cows.....	4.00	4.50	3.00
Calves.....	6.00	8.75	6.00
Hogs.....	6.10	10.10	6.50
Sheep.....	4.50	4.50	3.75
Lambs.....	5.50	7.50	6.00

ber last year, arrivals of sheep showed a material increase, but all other classes registered a substantial decline.

The cattle market was very uneven during the past month, and prices generally were lower at the middle of November than four weeks earlier. Hog prices showed a

sharp decline during the last half of October and reached a low point early in November. By the middle of the month a substantial part of the loss was regained. Prices on sheep and lambs have been somewhat erratic, but those obtaining at the close of the period were about in line with those a month earlier.

FINANCE

Operations of the Federal Reserve Bank There was a strong demand for Federal Reserve Bank funds in this district during the past month. Loans to member banks, which stood at \$19,339,000 on October 15, rose to \$25,642,000 on October 22 and remained around that level through the first week in November. During the second week of the month there was a gradual decline, the total on November 15 being \$22,927,000. This latter figure was \$3,588,000 higher than a month earlier and \$14,729,000 greater than a year ago. While there was a moderate increase in the borrowings of country banks, the greater portion of the expansion occurred at reserve city banks. Several of the country banks retired their lines during the month. On November 15 there were 229 banks borrowing at the Federal Reserve Bank, as compared to 245 banks on October 15. Holdings of bankers' acceptances were reduced \$5,281,000 during the thirty-one-day period, but at the middle of November they were \$11,223,000 greater than a year ago. Investments in United States securities on November 15 were \$535,000 less than a month earlier, and \$9,599,000 less than on the corresponding date in 1930. There was a substantial decline in the reserve deposits of member banks, the total being \$50,197,000 on November 15, as compared to \$53,408,000 on October 15, and \$60,570,000 on the same date last year. Federal reserve notes in actual circulation showed a small expansion during the month, and were \$18,802,000 greater than on November 15, 1930.

CONDITION OF THE FEDERAL RESERVE BANK
(In thousands of dollars)

	Nov. 15, 1931	Oct. 15, 1931	Nov. 15, 1930
Total cash reserves.....	\$ 53,951	\$ 56,251	\$ 55,967
Discounts for member banks.....	22,927	19,339	8,198
Other bills discounted.....	17	31	None
Bills bought in open market.....	18,162	23,443	6,939
United States securities owned.....	19,630	20,165	29,229
Other investments.....	7	7	7
Total earning assets.....	60,743	62,985	44,373
Member bank reserve deposits.....	50,197	53,408	60,570
Federal reserve notes in actual circulation...	51,621	51,396	32,819

Condition of Member Banks in Selected Cities

The loans and deposits of member banks in selected cities reflected some improvement between October 7 and November 11. Loans on securities showed an increase of \$2,540,000 during the period and "all other" loans reflected an expansion of \$3,450,000. The total loans of these banks, which amounted to \$297,446,000 on November 11, were \$39,176,000 smaller than on November 12, 1930. Their net demand deposits, after declining since mid-summer, rose \$3,074,000 between October 7 and November 11, but on the latter date they were \$25,781,000 below those on the corresponding date last year. The time deposits of these banks declined \$1,101,000 during the five-week period, and were \$18,700,000 less than on November 12, 1930. Their investments in United States securities declined \$2,006,000 during the period, but the reduction was partially offset by an increase of \$1,646,000 in investments in other stocks and bonds. Total investments

on November 11 were \$20,064,000 larger than on the same date last year. Borrowings at the Federal Reserve Bank amounted to \$11,834,000 on November 11, as compared to \$5,527,000 on October 7, and \$2,204,000 on November 12, 1930.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES
(In thousands of dollars)

	Nov. 11, 1931	Oct. 7, 1931	Nov. 12, 1930
United States securities owned.....	\$ 74,319	\$ 76,325	\$ 69,199
All other stocks, bonds, and securities owned.....	62,746	61,100	47,802
Loans on securities.....	85,753	83,213	92,060
All other loans.....	211,693	208,243	244,562
Total loans.....	297,446	291,456	336,622
Net demand deposits.....	257,537	254,463	283,318
Time deposits.....	133,829	134,930	152,529
Reserve with Federal Reserve Bank.....	31,049	33,440	33,079
Bills payable and rediscounts with Federal Reserve Bank.....	11,834	5,527	2,204

Deposits of Member Banks

Contrary to the seasonal tendency, daily average deposits of member banks in this district during October reflected a considerable decline from the previous month, and were also much smaller than in the corresponding month last year. The combined daily average during October was \$689,838,000, as against \$724,824,000 in September, and \$831,071,000 in October a year ago. The reduction affected both country banks and reserve city banks.

DAILY AVERAGE DEPOSITS OF MEMBER BANKS
(In thousands of dollars)

	Combined Total		Reserve City Banks		Country Banks	
	Net demand deposits	Time deposits	Net demand deposits	Time deposits	Net demand deposits	Time deposits
Oct., 1930.....	\$593,126	\$237,945	\$265,782	\$141,153	\$327,344	\$96,792
Nov., 1930.....	598,534	239,453	266,796	142,250	321,738	97,203
Dec., 1930.....	574,904	235,119	262,124	139,900	312,780	95,219
Jan., 1931.....	565,888	232,966	258,313	141,257	307,075	91,709
Feb., 1931.....	576,803	236,250	264,844	143,081	311,959	92,569
Mar., 1931.....	567,465	234,707	263,123	143,080	304,345	91,687
April, 1931.....	567,009	234,141	269,207	142,589	297,802	91,552
May, 1931.....	563,222	233,653	267,010	140,362	296,212	93,291
June, 1931.....	543,155	231,880	254,063	139,890	289,092	91,990
July, 1931.....	537,233	225,928	257,244	135,499	279,989	90,429
Aug., 1931.....	523,797	222,266	255,584	133,568	268,213	88,698
Sept., 1931.....	508,850	215,974	242,731	129,116	266,119	86,858
Oct., 1931.....	487,314	202,524	232,544	119,826	254,770	82,698

Debits to Individual Accounts

Total charges to depositors' accounts at banks in principal cities in this district during October showed the largest increase over the previous month that has been recorded in a number of years. The gain, which amounted to 19.3 per cent, brought the volume of debits to individual accounts during the month to \$694,777,000, as against \$582,258,000 in September, and \$868,558,000 in October a year ago. The comparison with the same month last year, which showed a decline of 20.0 per cent, was more favorable than in any other month since January. While all major cities shared in the improvement over September, with one exception they also reflected declines from a year ago.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	October 1931	October 1930	Percentage change over year	September 1931	Percentage change over month
Abilene.....	\$ 6,258	\$ 8,294	-24.5	\$ 4,567	+37.0
Austin.....	19,569	20,625	-5.1	18,626	+5.1
Beaumont.....	19,091	25,647	-25.6	17,457	+9.4
Corsicana.....	4,260	5,103	-16.5	3,397	+25.4
Dallas.....	197,691	245,193	-19.4	165,516	+19.4
El Paso.....	20,487	35,850	-42.9	18,923	+8.3
Fort Worth.....	72,754	94,294	-22.8	62,740	+16.0
Galveston.....	26,770	35,408	-24.4	21,248	+26.0
Houston.....	175,905	198,914	-11.6	137,632	+27.8
Port Arthur.....	7,044	11,428	-38.4	6,389	+10.3
Roswell.....	2,575	3,937	-34.6	2,408	+7.0
San Antonio.....	64,099	84,037	-23.7	59,823	+7.1
Shreveport.....	28,521	37,241	-23.4	24,895	+14.6
Texarkana.....	8,203	11,064	-29.7	8,020	+2.3
Tucson.....	10,120	10,423	-2.9	7,943	+27.4
Waco.....	18,948	18,124	+4.5	12,842	+47.5
Wichita Falls.....	12,482	22,376	-44.2	9,832	+26.9
Total.....	\$694,777	\$869,558	-20.0	\$582,258	+19.3

*Includes the figures of two banks in Texarkana, Arkansas, located in the Eighth District.

Acceptance
Market

A sizable increase was noticeable during October in the volume of outstanding acceptances executed by accepting banks in this district. The total outstanding at the end of the month

amounted to \$3,733,915 as compared with \$1,370,181 on September 30, and \$6,389,367 on the last day of October, 1930. The gain during October was due to seasonal influences, which were accentuated by the fact that the increases which usually occur early in the season were almost negligible in amount this year. While the acceptances based on import and export transactions gained only slightly, amounting to \$961,507 at the end of the month, those executed against the domestic shipment and storage of goods rose from \$537,000 on September 30 to \$2,772,408 on October 31.

Savings

Deposits

A reduction of 6.0 per cent was reflected during October in the amount of savings deposits reported by 74 banks in this district. On the last day of the month the total amounted to \$126,655,084, as compared with \$134,722,322 on September 30, and \$145,978,848 at the end of October, 1930. The cities of Galveston and Port Arthur continued to show savings deposits larger than a year ago, despite an average decline of 13.2 per cent for all reporting banks.

SAVINGS DEPOSITS

		October 31, 1931		October 31, 1930			September 30, 1931		
	Number of Reporting Banks	Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Year in Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Month in Savings Deposits
Beaumont.....	4*	5,571	\$ 2,600,911	5,702	\$ 2,681,524	-2.7	5,570	\$ 2,635,771	-1.0
Dallas.....	4	62,665	23,449,784	64,331	27,338,167	-14.2	62,850	24,014,782	-2.4
Fort Worth.....	2	20,815	7,075,627	18,871	7,701,182	-8.1	20,965	7,282,370	-2.8
Galveston.....	3	12,817	8,205,578	12,934	8,149,856	+ .7	12,882	8,444,984	-2.8
Houston.....	10*	68,886	32,908,219	71,995	35,602,046	-7.6	74,212	33,801,219	-2.6
Port Arthur.....	2	4,650	1,862,889	4,888	1,781,577	+4.6	4,688	1,921,519	-3.1
San Antonio.....	5	17,415	14,700,762	20,116	18,613,620	-21.0	21,859	19,286,690	-23.8
Shreveport.....	4*	20,969	10,725,303	20,805	13,956,038	-23.1	20,991	11,089,240	-3.3
Waco.....	4	10,035	5,765,723	10,858	6,888,211	-16.3	10,322	6,076,507	-5.1
Wichita Falls.....	2	3,236	1,191,601	3,743	1,600,358	-25.5	3,313	1,355,146	-12.1
All others.....	34*	39,000	18,159,687	41,757	21,666,269	-16.2	38,972	18,814,094	-3.5
Total.....	74	266,059	\$126,655,084	276,000	\$145,978,848	-13.2	276,624	\$134,722,322	-6.0

*Only 3 banks in Beaumont, 9 in Houston, 3 in Shreveport, and 30 in "All others" reported the number of savings depositors.

NOVEMBER DISCOUNT RATES

Prevailing Rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	3½-6	6-8	4½-8	5-6	5-8	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	5-6	4½-5	6	5½-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	5-7	6-8	6-8	5-6	6-8	6-8
Time.....	5-8	6-8	6-8	5-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	5-6	8	6-7	5½-6	6-8	5-7
Rate on cattle loans.....	5-7	6-8	6-8	7-8	7-8	7-8

INDUSTRY

Cottonseed
Products

The seasonally increased activities of cottonseed oil mills, which were so pronounced during September, continued throughout October. Further increases over the preceding month were reflected in operations of mills in both Texas and the United States, and with the exception of linters produced, activities at Texas mills were on a scale substantially above a year ago. At United States mills the comparison with the corresponding month of 1930 showed an increase in seed receipts, but declines in crushings and the

production of all products. During the first quarter of the current season production of products at United States mills was below that of the same period of the previous season. On the other hand, the output of oil and hulls at Texas mills was slightly greater. Supplies of crude oil held on October 31 at both Texas and United States mills were considerably above those a month earlier, and were moderately greater than a year ago. Inventories of all other products, excepting hulls at Texas mills, were seasonally above those a month earlier, but smaller than a year ago.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to October 31 This Season	Last Season	August 1 to October 31 This Season	Last Season
Cottonseed received at mills (tons).....	948,223	837,177	2,540,312	2,711,907
Cottonseed crushed (tons).....	528,999	536,681	1,372,504	1,669,952
Cottonseed on hand (tons).....	432,717	317,217	1,192,592	1,087,389
Crude oil produced (pounds).....	155,468,562	155,130,968	422,925,729	504,669,081
Cake and meal produced (tons).....	247,011	251,495	614,913	750,901
Hulls produced (tons).....	152,544	148,141	384,403	462,664
Linters produced (running bales).....	68,815	85,781	212,997	289,696
Stocks on hand Oct. 31:				
Crude oil (pounds).....	26,377,904	20,138,737	64,632,204	60,809,083
Cake and meal (tons).....	46,099	59,156	137,683	202,357
Hulls (tons).....	83,104	65,531	159,660	163,106
Linters (running bales).....	66,847	76,061	247,099	256,214

*Textile
Milling*

Operations of textile mills in this district continued on a small scale during the past month. Some of the mills remained closed and others operated on a reduced schedule. Consumption of cotton and production of cloth were smaller in October than in September, but considerably in excess of the figures for October, 1930. This latter increase was due largely to the fact that several of the mills were closed down last year. Both orders and stocks on hand at the close of October were considerably larger than a month earlier, but stocks were materially lower than a year ago.

Consumption of cotton at all United States mills in October was on a scale approximately the same as in the preceding month, but showed a further substantial increase over the corresponding month of 1930. There were 462,025 bales consumed by domestic mills during October, as against 463,704 bales in September, and 443,284 bales in October, 1930. Consumption during the current season, August through October, continued materially above the same period of the previous season. Stocks of cotton held by consuming establishments on October 31 were above those held a month earlier, but below a year ago.

COTTON CONSUMED AND ON HAND
(Bales)

	October 1931	October 1930	August 1 to October 31 This Season Last Season	
Cotton growing states:				
On cotton consumed.....	378,498	351,849	1,096,401	949,796
On hand Oct. 31 in—				
Consuming establishments.....			859,294	1,022,948
Public storage and com- presses.....			9,098,139	7,123,765
United States:				
On cotton consumed.....	462,025	443,284	1,351,548	1,189,300
On hand Oct. 31 in—				
Consuming establishments.....			1,115,793	1,354,574
Public storage and com- presses.....			9,449,987	7,474,299

*Cotton
Movements*

Further substantial increases, of a seasonal nature, were reflected in the receipts and shipments of cotton at the ports of Houston and Galveston during October. Movements were also in excess of those in the corresponding month a year ago. During the three months of the current season, August through October, activity at Galveston has been on a larger scale than in the same period of the previous season, while at Houston it has been smaller. The combined operations of both ports for the period show a decline of 4.5 per cent in receipts, and a recession of 2.1 per cent in exports. Supplies of cotton on hand at the close of the month continued above those a month earlier and a year ago.

Exports of cotton from all United States ports during the past month reflected a material seasonal increase, and were slightly above the corresponding month of 1930. There were 1,014,180 bales shipped during October, as against 588,192 bales in September, and 1,004,120 bales in October a year ago. Movements during the first quarter of the present season were substantially below those of the same period of the previous season. Takings of American cotton by Japan and China continued heavy in October, and the importation of cotton by Great Britain, Italy, and Germany reflected a material increase.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON
(Bales)

	October 1931	October 1930	August 1 to October 31 This Season Last Season	
Receipts.....	502,961	418,030	737,400	667,830
Exports.....	208,505	186,014	313,569	297,241
Stocks October 31.....			824,893	555,841

COTTON—GALVESTON STOCK STATEMENT
(Bales)

	October 31, 1931	October 31, 1930
For Great Britain.....	9,000	13,500
For France.....	5,200	8,500
For other foreign ports.....	44,800	36,000
For coastwise ports.....	1,000	2,000
In compresses and depots.....	764,893	495,841
Total.....	824,893	555,841

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON
(Bales)

	October 1931	October 1930	August 1 to October 31 This Season Last Season	
Receipts.....	1,016,620	792,350	1,501,611	1,675,965
Exports.....	408,855	382,231	718,896	757,630
Stocks October 31.....			1,495,646	1,392,063

SEASON'S RECEIPTS, EXPORTS AND STOCKS OF COTTON AT ALL
UNITED STATES PORTS—(Bales)

	August 1 to October 31 This Season Last Season	
Receipts.....	3,470,849	4,472,408
Exports:		
United Kingdom.....	204,515	378,626
France.....	71,588	349,941
Italy.....	141,092	146,359
Germany.....	397,649	721,805
Other Europe.....	199,728	231,981
Japan.....	431,684	262,898
All other countries.....	337,146	181,502
Total foreign ports.....	1,783,402	2,273,112
Stocks at all United States ports October 31.....	4,387,612	3,699,548

SPOT COTTON PRICES—(Middling Basis)
(Cents per pound)

	October, 1931		Nov. 14, 1931
	High	Low	
New York.....	6.95	5.50	6.45
New Orleans.....	6.79	5.15	6.35
Dallas.....	6.35	4.75	5.85
Houston.....	6.70	5.20	6.20
Galveston.....	6.80	5.30	6.30

Petroleum

Both the total and daily average production of crude oil in the Eleventh District during October were at a higher level than in either the previous month or the same month last year. Total output

amounted to 32,907,300 barrels, reflecting an increase of 4,067,800 barrels over September, which was due in part to the longer month. As compared to October, 1930, the month's production showed a gain of 6,206,850 barrels. There was a conspicuous increase in drilling activity, as evidenced by the number of wells completed during the month. Out of 813 completions, there were 700 producers, which yielded an initial output of 5,424,609 barrels. In September there were 489 new wells completed, of which 383 were successful and had a flush output of 2,576,332 barrels.

After declining substantially in September, the daily average output of Texas fields turned upward, and in October amounted to 988,780 barrels. This figure compares with 886,898 barrels in the previous month, and 778,363 barrels in the corresponding month last year. In East Texas the daily yield during October was 111,626 barrels larger than in September, and in North Texas there was a gain of 2,023 barrels. Daily production in Central West Texas showed a decrease of 8,907 barrels, and further reductions occurred in the Coastal and South Texas regions. Both New Mexico and North Louisiana showed reductions in daily output.

Posted prices on most grades of petroleum in this district were increased 15 cents per barrel on November 2.

OIL PRODUCTION—(Barrels)

	October, 1931		Increase or Decrease Over September, 1931	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,746,500	120,855	+ 181,550	+ 2,023
Central West Texas.....	6,960,250	224,524	— 42,700	— 8,907
East Central Texas.....	14,399,850	464,511	+3,813,300	+111,626
Texas Coastal.....	3,833,250	123,653	+ 62,850	+ 2,027
South Texas.....	1,712,350	55,237	+ 30,250	— 833
Total Texas.....	30,652,200	988,780	+4,045,250	+101,882
New Mexico.....	1,349,900	43,545	+ 4,750	— 1,293
North Louisiana.....	905,200	29,200	+ 17,800	— 380
Total District.....	32,907,300	1,061,525	+4,067,800	+100,209

OCTOBER DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Fail- ures	Initial Production
North Texas.....	46	16	5	25	1,595
Central West Texas.....	23	12	3	8	1,555
East Central Texas.....	658	639	..	19	5,398,750
South Texas.....	46	16	6	24	11,720
Texas Coastal.....	16	9	..	7	9,872
Total Texas.....	789	692	14	83	5,423,492
New Mexico.....	2	2	..
North Louisiana.....	22	8	4	10	1,117
October totals, district.....	813	700	18	95	5,424,609
September totals, district....	489	383	16	90	2,576,332

CRUDE OIL PRICES

	Nov. 10, 1931	Nov. 11, 1930
Texas Coastal (40 gr. and above).....	\$.86	\$1.00*
North Texas (40 gr. and above).....	.85	1.07
North Louisiana (40 gr. and above).....	.85	1.19**

*Price paid for Texas Coastal, grade "A".

**Price paid for oil, 44 gr. and above.

(Oil statistics compiled by The Oil Weekly, Houston, Texas)

Building

The valuation of building permits issued at leading centers in the Eleventh Federal Reserve District during October, which amounted to \$3,378,018, was one-third larger than the September volume. This represents the first up-turn that has occurred in several months. While the October valuation was 34.6 per cent less than that of the same month a year ago, the cities of Amarillo, Fort Worth, and Galveston reflected substantial increases. Total valuation of construction permits issued between January 1 and October 31 of the current year amounted to \$35,039,959, as compared to \$59,228,714 in the same period in 1930.

BUILDING PERMITS

	October, 1931		October, 1930		Percentage Change Valuation Over Year	September, 1931		Percentage Change Valuation Over Month	Ten Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1931		1930		
									No.	Valuation	No.	Valuation	
Amarillo.....	49	\$ 92,733	46	\$ 46,783	+ 98.2	35	\$ 248,769	— 62.7	475	\$ 2,664,791	558	\$ 1,708,150	+ 56.0
Austin.....	105	130,154	90	179,539	— 27.5	92	88,196	+ 47.6	965	1,881,254	922	3,026,208	— 37.8
Beaumont.....	109	59,776	190	89,931	— 33.5	110	33,425	+ 78.8	1,041	1,033,457	1,503	2,468,565	— 58.1
Corpus Christi.....	53	27,670	48	46,189	— 40.1	35	23,590	+ 17.3	505	467,990	550	987,077	— 52.6
Dallas.....	257	257,976	295	609,942	— 57.7	369	368,377	— 30.0	3,164	4,060,958	3,282	8,976,394	— 54.8
El Paso.....	44	33,031	130	183,728	— 82.0	102	47,460	— 30.4	709	922,282	1,130	2,591,242	— 64.4
Fort Worth.....	167	1,350,000	252	412,725	+227.1	175	386,694	+249.1	1,867	5,192,827	2,371	9,061,317	— 42.7
Galveston.....	118	258,507	127	46,243	+459.0	124	117,384	+120.2	1,241	2,172,733	1,243	1,033,426	+110.2
Houston.....	284	774,270	390	1,368,434	— 43.4	307	846,723	— 8.6	3,169	10,447,087	3,336	15,421,912	— 32.3
Port Arthur.....	51	27,743	99	241,384	— 88.5	58	17,276	+ 60.6	596	900,051	1,071	2,777,047	— 67.6
San Antonio.....	222	262,888	295	1,754,780	— 85.0	234	227,501	+ 15.6	2,277	2,523,943	2,780	7,735,915	— 67.4
Shreveport.....	150	36,129	169	66,561	— 45.7	145	55,123	— 34.5	1,489	853,643	1,720	1,480,640	— 42.3
Waco.....	27	64,300	18	103,754	— 38.0	26	61,709	+ 4.2	270	1,776,165	315	1,063,068	+ 67.1
Wichita Falls.....	10	2,841	17	13,056	— 78.2	8	5,832	— 51.3	109	142,778	226	897,753	— 84.1
Total.....	1,646	\$3,378,018	2,166	\$5,163,049	— 34.6	1,820	\$2,528,059	+ 33.6	17,877	\$35,039,959	21,007	\$ 59,228,714	— 40.8

Cement

While both production and shipments of portland cement at Texas mills during October were on a somewhat smaller scale than in the previous month, they were approximately one-fourth larger than in the corresponding month last year. October production, which amounted to 601,000 barrels, was reduced 3.8 per cent from the previous month; and shipments, which totaled 583,000 barrels, reflected a decline of 15.3 per cent.

Although stocks gained 3.5 per cent and amounted to 558,000 barrels on October 31, they were 22.6 per cent smaller than on the same date last year. The cumulative figures on production and shipments during the first ten months of the current year showed declines of 7.7 per cent and 5.0 per cent, respectively, as compared to the same period in 1930. These are the most favorable comparisons that have been recorded this year.

PRODUCTION, SHIPMENTS, AND STOCKS OF PORTLAND CEMENT
(In thousands of barrels)

	October 1931 Number	Percentage Change Over		January 1 through October 31 Number	Percentage Change Over Period
		Month	Year		
Production at Texas mills.....	601	- 3.8	+24.2	5,432	- 7.7
Shipments from Texas mills.....	583	-15.3	+24.3	5,676	- 5.0
Stocks at end of month at Texas mills.....	558	+ 3.5	-22.6

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of November 24, 1931)

Production and employment in manufacturing industries declined further in October, while output of minerals increased more than is usual at this season. There was a considerable decrease in the demand for reserve bank credit after the middle of October, reflecting a reduction in member bank reserve balances and in November an inflow of gold largely from Japan. Conditions in the money market became somewhat easier.

PRODUCTION AND EMPLOYMENT

Total output of manufactures and minerals, as measured by the Board's seasonally adjusted index of industrial production, declined from 76 per cent of the 1923-1925 average in September to 74 per cent in October. Output of steel remained unchanged at 28 per cent of capacity in October, although it usually shows an increase for that month; in the first half of November activity at steel mills increased somewhat. Automobile production declined sharply in October. Production of shoes and woollens decreased, and cotton mill activity showed little change, although an increase is usual at this season. Output of bituminous coal increased seasonally, and there were large increases in the output of anthracite and petroleum. Volume of factory employment declined substantially from the middle of September to the middle of October. At woolen mills, where an increase in employment is usual at this season, there was a large decrease. In the automobile and shoe industries reductions in employment were considerably larger than usual, while in the canning industry the decline was wholly of a seasonal character. In the silk goods and hosiery industries employment increased by more than the usual seasonal amount. The November cotton crop estimate of the Department of Agriculture was 16,903,000 bales, 600,000 bales larger than the October estimate, and 3,000,000 bales larger than last year in spite of a reduction in acreage. Data on the value of building contracts awarded in the period between September 1 and November 15, as reported by the F. W. Dodge Corporation, showed a continuation of the downward movement. In this period value of contracts was 29 per cent smaller than in the corresponding period of 1930, reflecting smaller volume of construction and somewhat lower building costs.

DISTRIBUTION

Total volume of freight-car loadings remained unchanged in October, while loadings of merchandise decreased. Department store sales increased by somewhat more than the usual seasonal amount.

WHOLESALE PRICES

The general level of wholesale prices declined from 69.1 per cent of the 1926 average in September to 68.4 per cent in October, according to the Bureau of Labor Statistics. Prices of grains, cotton, and silver, after showing a rapid rise beginning early in October, declined considerably, but in the third week of November were still above their October low points; prices of hides and petroleum were also higher in the middle of November than in early October. During this period the prices of livestock and meats declined rapidly, reflecting in part developments of a seasonal character.

BANK CREDIT

Reserve bank credit, which had increased rapidly between the middle of September and the third week of October, declined by \$265,000,000 during the following four weeks. This decline reflected a large reduction in member bank and other balances at the reserve banks, and also an inflow of gold, chiefly from Japan. Demand for currency, which had been on a large scale during September and the first three weeks of October, showed relatively small fluctuations after that time, and in the second week of November declined by somewhat more than the seasonal amount. Loans and investments of member banks in leading cities continued to decline during recent weeks, and on November 18 the total volume was \$500,000,000 smaller than five weeks earlier. This decrease reflected substantial reductions in loans on securities and in other loans, as well as in the banks' holdings of investments. At the same time, deposits of these banks also declined with a consequent reduction in the reserve balances which they were required to hold with the reserve banks. Money rates in the open market, which had advanced sharply during October, declined somewhat early in November. Rates on prime commercial paper declined from a range of 4-4½ per cent to a range of 3¾-4 per cent, and rates on bankers' acceptances from 3¼ per cent to 2⅞ per cent.