

MONTHLY BUSINESS REVIEW

OF THE FEDERAL RESERVE BANK OF DALLAS

C. C. WALSH
Chairman and Federal Reserve Agent

CHAS. C. HALL—W. J. EVANS
Assistant Federal Reserve Agents

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE
Eleventh Federal Reserve District

	November 1931	Change From October
Bank debits to individual accounts (at 17 cities).....	\$551,411,000	- 20.6%
Department store sales.....		- 21.8%
Reserve bank loans to member banks at end of month.....	\$ 20,782,457	- 18.8%
Reserve bank ratio at end of month.....	52.1%	+ 4.4 points
Building permit valuation at larger centers.....	\$ 2,784,439	- 17.6%
Commercial failures (number).....	103	- 20.8%
Commercial failures (liabilities).....	\$ 1,726,474	- 10.6%
Oil production (barrels).....	31,461,050	- 4.4%

A steady though moderate demand for merchandise in both wholesale and retail channels was in evidence in the Eleventh Federal Reserve District during the past month. Sales of department stores in larger cities reflected the usual seasonal decrease as compared to the previous month, and were 22 per cent below those in November, 1930. This latter decrease, however, was smaller than in either of the two preceding months. In wholesale channels, distribution generally continued to show an improvement. In most reporting lines the decline in sales as compared to the previous month was considerably less than seasonal, and comparisons with the corresponding month a year ago were the most favorable reported in several months. While purchases at wholesale are being made in small lots, the sustained consumer demand has necessitated retailers making frequent reorders to replenish stocks. Debits to individual accounts at banks in principal cities were 21 per cent smaller than in October, and 22 per cent below November, 1930.

The number of commercial failures in this district during November, while higher than a year ago, reflected a

noticeable decline from the preceding month. The indebtedness of defaulting firms was in smaller volume than in either the previous month or the corresponding month of 1930.

Federal Reserve Bank loans to member banks, after reaching a peak at \$26,068,000 early in November, reflected a gradual decline during the subsequent six weeks and stood at \$19,650,000 on December 15. The latter figure, however, was considerably larger than that on the corresponding date of 1930. The combined net demand and time deposits of member banks averaged \$687,698,000 during November, as compared to \$689,838,000 in October, and \$827,987,000 in November a year ago. The loans, investments, and deposits of banks in larger cities reflected a decline between November 11 and December 9. Subscriptions to the Treasury Notes and Certificates of Indebtedness issued on December 15 totaled \$43,332,900, and allotments to the extent of \$37,447,200 were made.

The heavy general rains during the past thirty days were very beneficial to the agricultural and livestock industries. Moisture conditions throughout the district are now favorable, and livestock ranges have shown a noticeable improvement. Small grains have responded to the better moisture conditions and favorable weather, and are now reported to be in satisfactory condition. Livestock generally are going into the winter in good shape.

The valuation of building permits issued at principal cities was 18 per cent less than in October, and 23 per cent below November, 1930; yet the latter comparison was, with one exception, the most favorable shown for the current year. The production and shipments of cement reflected a decline as compared to both the previous month and the corresponding month last year.

BUSINESS

While the month of November witnessed a seasonal slackening in the demand for merchandise at wholesale in the Eleventh Federal Reserve District, sales in all lines except farm implements reflected less than the usual seasonal recession, and comparisons with the corresponding month a year ago were better than had been registered in several months. As compared to the same period in 1930, cumulative sales from July 1 to November 30 of the current year reflected decreases ranging from 16.2 per cent in the case of groceries to 51.9

per cent in the case of farm implements. Purchasing continues on a moderate scale and most orders are made for replacement purposes, as retailers are keeping purchases closely aligned to consumer demand, and are desirous of closing the year with low inventories. On November 30, stocks showed declines from a year ago varying from 8.2 per cent to 39.9 per cent. While the collection of current accounts has been rather active, seasonal declines were reflected in the November collections of all lines except dry goods.

Wholesale
Trade

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For the first time in any month since June, 1929, the sales of wholesale dry goods firms in this district during November reflected a slight increase as compared to the corresponding month of the previous year. The comparison with the preceding month showed a decline of 14.5 per cent, which is much less than the recession that usually occurs in November. Late reports indicate that buying during the first half of December has been holding up fairly well. Total distribution during the months from July to November, inclusive, was 24.1 per cent below the volume of the same period in 1930. Stocks on hand were reduced 20.1 per cent during November. Collections were on practically the same scale as in October.

The business of reporting wholesale hardware firms in November showed a decline of 5.2 per cent from October, which is less than the usual seasonal amount. As compared to the corresponding month last year, there was a reduction of 26.5 per cent, whereas in October the like decrease amounted to 37.5 per cent. In view of these figures, it appears that the volume of distribution is not only holding well up to recent levels, but is showing some tendency toward improvement. Average sales from July 1 to November 30 were 31.8 per cent less than a year ago. Collections declined only slightly during the month.

Reports from wholesale drug firms in this district indicate that business during November held up slightly better than is usually the case in that month. Sales decreased 7.6 per cent as compared to the previous month, and were 16.2 per cent under the volume of the corresponding month last year, showing practically the same comparison as was shown in October. Inventories were reduced 5.8 per cent during the month. November collections were in somewhat smaller volume than in the preceding month.

While the demand for groceries in wholesale channels during November was 5.4 per cent less than in the previous month, the decrease was smaller than is usual at this season. The slight decline was all the more favorable in view of the fact that it followed the contrary-to-seasonal increase which occurred in October. November sales were only 8.2 per cent less than in the same month last year, this being the best comparison that has been recorded since September a year ago. Collections reflected a largely seasonal decline of 9.2 per cent.

A reduction of 49.5 per cent was reflected in the business of wholesale farm implement firms during November as compared to the previous month. Sales fell 81.0 per cent

below the level of November, 1930, the small scale buying being due largely to the reduced purchasing power of farmers caused by low prices of agricultural products. For the period between July 1 and November 30, the volume of distribution this year was on a scale 51.9 per cent below that of the same period last year. After showing two seasonal monthly increases, the volume of collections declined in November.

CONDITION OF WHOLESALE TRADE DURING NOVEMBER, 1931
Percentage of increase or decrease in—

	Net Sales Nov., 1931 compared with Nov. 1930		Net Sales July 1 to date compared with same period last year	Stocks Nov., 1931 compared with Nov. 1930		Ratio of collec- tions during Nov. to accounts and notes outstanding on October 31
	Oct. 1931	1930		Oct. 1931	1930	
Groceries.....	- 8.2	- 5.4	-16.2	-23.2	- 1.4	66.0
Dry goods.....	+ .7	-14.5	-24.1	-39.9	-20.1	29.5
Farm implements..	-81.0	-49.5	-51.9	- 8.2	+ 4.4	3.7
Hardware.....	-26.5	- 5.2	-31.8	-10.0	- 1.9	30.3
Drugs.....	-16.2	- 7.6	-17.4	-17.3	- 5.8	35.1

Retail Trade

The distribution of merchandise at department stores in leading cities of the Eleventh District reflected the usual seasonal decline during November, but the comparison with the corresponding month of 1930 was more favorable than in either of the two preceding months. Sales of merchandise were 8.5 per cent below those in October, and 21.8 per cent less than in the corresponding month of 1930. The latter figure compares with a decline of 23.4 per cent in October and 26.7 per cent in September. Distribution during the first eleven months of 1931 showed a decline of 16 per cent as compared to the same period of 1930. According to reports, holiday trade during the first half of December ranged from fair to good, with practical commodities in greater demand than novelties.

Stocks of merchandise on hand at the close of November reflected a decline of 2.8 per cent as compared to those a month earlier, and continued 21.4 per cent below the same date a year ago. The rate of stock turnover during the eleven months from January 1 through November 30, 1931, was 2.59, as against 2.66 in the same period of the previous year.

November collections remained on the same level as those a month earlier, but showed a decline from a year ago. The ratio of collections to accounts outstanding on November 1 was 32.0 per cent as compared to 34.4 per cent in November, 1930.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
November, 1931, compared with November, 1930.....	-20.8	-18.0	-19.2	-32.5	-19.8	-21.8
November, 1931, compared with October, 1931.....	-18.6	- 7.8	- .1	+ 6.0	- 6.0	- 8.5
January 1 to date, compared with same period last year.....	-15.1	-11.3	-17.0	-18.3	-18.9	-16.0
Credit Sales (Percentage):						
November, 1931, compared with November, 1930.....	-22.6	-20.6	-17.6	-32.5	-21.4	-22.9
November, 1931, compared with October, 1931.....	-18.3	- 7.1	- 5.2	+ 5.9	- 5.9	- 9.9
January 1 to date, compared with same period last year.....	-17.7	-13.0	-16.7	-17.0	-19.6	-17.1
Stocks (Percentage):						
November, 1931, compared with November, 1930.....	-22.2	-17.0	-18.1	-32.7	-20.8	-21.4
November, 1931, compared with October, 1931.....	- 3.3	+ 2.4	- 1.3	- 8.1	- 5.5	- 2.8
Stock Turnover (Rate):						
Rate of stock turnover in November, 1930.....	.24	.18	.26	.35	.21	.24
Rate of stock turnover in November, 1931.....	.24	.18	.24	.31	.21	.23
Rate of stock turnover January 1 to November 30, 1930.....	2.77	2.16	2.75	3.57	2.28	2.66
Rate of stock turnover January 1 to November 30, 1931.....	2.67	2.08	2.64	3.46	2.33	2.59
Ratio of November collections to accounts receivable outstanding November 1, 1931.....	32.1	29.4	36.2	30.3	31.7	32.0

Commercial Failures

The business mortality rate in the Eleventh Federal Reserve District during November, as reported by R. G. Dun & Company, continued somewhat higher than a year ago, but reflected a decrease as compared to October. Total liabilities of defaulting firms not only showed a further decline from the previous month, but were materially smaller than in

November, 1930. The number of firms that became insolvent in November was 103, as compared with 130 in the preceding month, and 91 in the same month last year. Their indebtedness aggregated \$1,726,474, whereas in October the total amounted to \$1,930,446, and in November, 1930, it was \$2,497,220.

AGRICULTURE

Crop Conditions

The general rains which fell over the Eleventh District during November and the first half of December greatly improved the condition of the soil, and overcame to a considerable extent the deficiency in moisture in South and West Texas resulting from the dry weather earlier in the fall. A good supply of moisture now obtains in most sections of the district. While the wet weather delayed fall plowing and retarded the picking of cotton, this work is well advanced. Winter wheat and oats, which suffered from the lack of moisture in September and October, have made good progress during the past six weeks due to the better moisture conditions and mild temperatures, and are now reported to be in a generally satisfactory condition.

benefited by the rains during the first half of December. The acreage planted to most winter truck crops is considerably smaller than a year ago. Shipments of cabbage are heavier than in the fall of 1930, and in response to a good demand, prices being received by growers are better than a year ago. Shipments of carrots and fall tomatoes are also exceeding those of the previous season. On the other hand, the movements of spinach and potatoes are falling considerably short of a year ago. Shipments of citrus fruits from the Rio Grande Valley continue in large volume.

The indicated production of cotton in the Eleventh District, based on the December 1 report of the Department of Agriculture, is slightly larger than a month ago as the increase in Texas and New Mexico more than offset the decline in Louisiana. The December 1 estimate of the Department for Texas was placed at 5,270,000 bales, as compared to 5,250,000 bales on November 1, and an actual yield of 4,038,000 bales in 1930. The per acre yield for the State was estimated at 164 pounds as against only 114 pounds a year ago. The report stated that in Northwest, West, and North Texas, the outturn is exceeding expectations, while the other sections of the State will produce less than expected. Although the heaviest reductions in acreage occurred in Northwest, North, West-Central, and Northeast Texas, these sections showed the largest percentage gain in production, as compared to a year ago. South Texas was the only section to show a decline in production. A substantial increase in per acre and total yield as compared to a year ago was also shown in Louisiana and Oklahoma. In New Mexico a moderate increase in per acre yield was reported, while in Arizona there was a decline. The abandonment of acreage in Texas, Louisiana, and Oklahoma was considerably smaller than in 1930, due mostly to the favorable growing season and the abundance of cheap labor. It was some larger in Arizona. Picking and ginning have made good progress in Texas, Louisiana, and Oklahoma, but they have been slow in Arizona and New Mexico.

Livestock

General rains fell over practically all the district's range territory during November and the first half of December with the result that moisture conditions are now generally favorable. These rains were particularly beneficial to those sections in Texas where moisture had been deficient for some time. Pastures have improved over much of the district, and prospects for winter range feed are now very good. Small grains have improved materially and should furnish considerable winter pasture. Furthermore, there is an abundance of concentrates and roughage available for winter feed. All classes of livestock are going into the winter in unusually good condition.

The condition of cattle ranges in Texas improved 3 points during November, and that of sheep and goat ranges rose 5 points. As compared to a year ago, the condition of cattle ranges showed no change, while that of sheep and goat ranges declined 3 points. The condition of cattle, sheep and goats in Texas rose 1 point during the month, and on December 1 the 81 per cent condition of cattle represented a gain of 2 points over a year ago. The condition of sheep declined 1 point as compared to December 1, 1930, and goats 2 points. The condition of ranges in New Mexico and Arizona showed no change during December, but was better than a year ago. There was a slight decline, however, in the condition of livestock during November.

Movements and Prices

The receipts of sheep and lambs at the Fort Worth market during November reflected a further noticeable gain over the previous month, and showed an unusually large increase over November, 1930. Arrivals of hogs were moderately larger than in either the previous month or the corresponding month last year. The receipts of cattle and calves were smaller than in October, but those of calves were greater than a year ago.

Prices on most classes of cattle at the middle of December were fairly well in line with those a month earlier. Beef steers have sold to a weak demand and prices drifted lower, but the outlet for other classes has been fairly good at most times. The hog market, after rising moderately during the first half of November, turned downward and reached a new low level toward the middle of December. Under the

COTTON STATISTICS FOR YEARS 1931 AND 1930

	Estimated	Actual	Yield Per Acre		Ginnings Prior to	
	Production	Production	Indicated	Actual	December 1	1930
	Dec. 1, 1931	1930	1931	1930	1931	1930
	(Bales)		(Pounds)		(Bales)	
Texas.....	5,270,000	4,038,000	164	114	4,693,885	3,687,756
Oklahoma....	1,220,000	854,000	176	102	1,053,559	708,469
Louisiana....	865,000	715,000	216	162	813,454	682,141
New Mexico..	98,000	99,000	412	375	68,839	77,764
Arizona.....	119,000	155,000	324	346	53,973	94,439

SOURCES: Department of Agriculture, Bureau of Census.

Truck crops in South Texas, which had suffered from the lack of moisture during the fall months, were greatly

pressure of heavy receipts, lamb prices reflected a further decline. The sheep market was a little stronger.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	November 1931	November 1930	Change over Year	October 1931	Change over Month
Cattle.....	48,122	48,970	- 848	56,015	-7,893
Calves.....	38,491	34,614	+ 3,877	40,476	-1,985
Hogs.....	15,898	14,876	+ 1,022	12,308	+3,590
Sheep.....	63,908	17,851	+46,057	54,315	+9,593

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred-weight)

	November 1931	November 1930	October 1931
Beef steers.....	\$7.50	\$10.25	\$7.50
Stocker steers.....	5.50	7.00	5.60
Butcher cows.....	4.25	5.10	4.50
Stocker cows.....	4.25	6.00	4.00
Calves.....	6.25	8.75	6.00
Hogs.....	5.85	9.25	6.10
Sheep.....	3.50	4.50	4.50
Lambs.....	5.75	7.50	5.50

FINANCE

Condition of Member Banks in Selected Cities

The loans, investments, and deposits of member banks in selected cities reflected a decline between November 11 and December 9. During this period their investments in United States securities declined \$1,541,000, and those in other stocks and bonds were reduced \$2,136,000. Total investments on December 9 were \$19,389,000 greater than on the corresponding date in 1930. The loans of these banks totaled \$288,554,000 on December 9, as compared to \$297,446,000 on November 11. This decline was represented by a recession of \$5,783,000 in loans on securities, and \$3,109,000 in "all other" loans (largely commercial). As compared to a year ago total loans were \$41,116,000 smaller. Time deposits of these banks rose \$1,297,000 during the four-week period, but this gain was more than offset by a decline of \$2,735,000 in net demand deposits. Their combined net demand and time deposits on December 9 were \$36,290,000 less than on the corresponding date of 1930. Borrowings from the Federal Reserve Bank amounted to \$10,677,000 on December 9, as compared to \$11,834,000 on November 11, and \$2,195,000 on December 10, 1930.

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

	Dec. 9, 1931	Nov. 11, 1931	Dec. 10, 1930
United States securities owned.....	\$ 72,778	\$ 74,319	\$ 64,256
All other stocks, bonds, and securities owned.....	60,610	62,746	49,743
Loans on securities.....	79,970	85,753	94,067
All other loans.....	208,584	211,693	235,603
Total loans.....	288,554	297,446	329,670
Net demand deposits.....	254,802	257,537	276,566
Time deposits.....	135,126	133,829	149,652
Reserve with Federal Reserve Bank.....	30,123	31,049	32,009
Bills payable and rediscounts with Federal Reserve Bank.....	10,677	11,834	2,195

Operations of the Federal Reserve Bank

The past month witnessed a steady decline in the borrowings of member banks at the Federal Reserve Bank. These loans amounted to \$19,650,000 on December 15, as compared to \$22,927,000 on November 15, and \$6,689,000 on the corresponding date in 1930. The larger portion of the decline during the past month has occurred in the borrowings of country banks. Several banks have completely retired their lines at the Federal Reserve Bank, the total number of borrowing banks being 207 on December 15, as compared to 229 thirty days earlier. The volume of bills bought in the open market showed a substantial decline, as maturing bills were not replaced. The total of these bills on December 15 was \$8,025,000, as compared to \$18,162,000 a month earlier, and \$7,393,000 a year ago. Holdings of United States securities, however, were increased \$6,471,000. The reserve deposits of member banks reflected a slight in-

crease between November 15 and December 15, but on the latter date were \$7,537,000 less than on the corresponding date of 1930. While the actual circulation of Federal reserve notes declined \$3,676,000 during the month, the total of \$47,945,000 in circulation on December 15 was \$15,756,000 larger than a year ago.

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

	Dec. 15, 1931	Dec. 15, 1930	Nov. 15, 1931
Total cash reserves.....	\$ 58,191	\$ 56,167	\$ 53,951
Discounts for member banks.....	19,650	6,689	22,927
Other bills discounted.....	15	None	17
Bills bought in open market.....	8,025	7,393	18,162
United States securities owned.....	26,101	29,662	19,630
Other investments.....	7	7	7
Total earning assets.....	53,798	43,751	60,743
Member bank reserve deposits.....	50,368	57,905	50,197
Federal reserve notes in actual circulation...	47,945	32,189	51,621

Deposits of Member Banks

The daily average of combined net demand and time deposits of member banks in this district during November amounted to \$687,698,000, as compared to \$689,838,000 in the previous month, and \$827,987,000 in November, 1930. The reduction from October, which amounted to \$2,140,000, was largely of a seasonal nature, and the comparison with the same month last year was slightly more favorable than in the preceding month. The time deposits of reserve city banks during November were larger than in October.

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
Nov., 1930.....	\$588,534	\$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.....	565,388	232,966	258,313	141,257	307,075	91,709
Feb., 1931.....	576,803	236,250	264,844	143,681	311,959	91,687
Mar., 1931.....	567,465	234,767	263,123	143,080	304,345	91,552
April, 1931.....	567,009	234,141	269,207	142,589	297,802	93,291
May, 1931.....	563,222	233,653	267,010	140,362	296,212	91,990
June, 1931.....	543,155	231,880	254,063	139,890	289,092	90,429
July, 1931.....	537,233	225,928	257,244	135,499	279,989	88,698
Aug., 1931.....	523,797	222,266	255,584	133,568	268,213	86,858
Sept., 1931.....	508,850	215,974	242,731	129,116	266,119	82,698
Oct., 1931.....	487,314	202,524	232,544	119,826	254,770	82,698
Nov., 1931.....	483,979	203,719	231,919	121,817	252,060	81,902

Debits to Individual Accounts

Partially as a result of seasonal influences, the volume of debits to individual accounts during November at banks in leading cities in this district reflected a decrease of 20.6 per cent as compared to the previous month. Total charges amounted to \$551,411,000, being 22.0 per cent smaller than in the corresponding month last year. In October, the volume of debits to individual accounts was

\$694,777,000, and in November, 1930, it amounted to \$707,174,000.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	November 1931	November 1930	Percentage change over year	October 1931	Percentage change over month
Abilene.....	\$ 5,252	\$ 6,666	-21.2	\$ 6,258	-16.1
Austin.....	15,994	17,233	-7.2	19,569	-18.3
Beaumont.....	16,514	21,362	-22.7	19,091	-13.5
Corsicana.....	3,356	4,040	-16.9	4,260	-21.2
Dallas.....	157,206	190,377	-17.4	197,691	-20.5
El Paso.....	18,237	31,258	-41.6	20,487	-11.0
Fort Worth.....	62,288	79,408	-21.6	72,754	-14.4
Galveston.....	24,416	27,744	-12.0	26,770	-8.8
Houston.....	126,928	163,918	-22.6	175,905	-27.8
Port Arthur.....	6,331	8,728	-27.5	7,044	-10.1
Roswell.....	2,387	4,093	-41.7	2,575	-7.3
San Antonio.....	47,159	71,632	-34.2	64,099	-26.4
Shreveport.....	25,718	29,023	-11.4	28,521	-9.8
Texarkana*.....	6,675	10,132	-34.1	8,203	-18.6
Tulsa.....	9,537	9,958	-4.2	10,120	-5.8
Waco.....	13,335	14,879	-10.4	18,948	-29.6
Wichita Falls.....	10,078	16,663	-39.6	12,482	-19.3
Total.....	\$551,411	\$707,174	-22.0	\$694,777	-20.6

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

Acceptance Market

While the volume of outstanding acceptances executed by banks in this district against import and export transactions declined \$222,342 during November, those based on the domestic shipment and storage of goods reflected an increase of \$537,351, which was largely of a seasonal nature. Total acceptances executed by member banks and outstanding on November 30 amounted to \$4,048,924, as against \$3,733,915 on October 31, and \$7,237,416 at the close of November, 1930.

Savings Deposits

The savings deposits of 74 reporting member banks in the Eleventh Federal Reserve District, which aggregated \$125,426,392 on November 30, reflected a further decrease of 1.3 per cent as compared to the previous month, and were 14.9 per cent smaller than on the same date a year ago. There were 265,810 savings depositors on record at 68 of these banks on November 30, as against 266,802 at the close of October, and 289,976 on the last day of November, 1930.

SAVINGS DEPOSITS

	November 30, 1931			November 30, 1930			October 31, 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*	5,575	\$ 2,618,351	5,724	\$ 2,673,476	-2.1	5,583	\$ 2,609,911	+ .3
Dallas.....	4	62,576	23,372,363	63,977	27,659,817	-15.5	62,632	23,449,526	- .3
Fort Worth.....	2	20,761	6,999,416	18,919	7,721,759	-9.4	20,815	7,078,916	-1.1
Galveston.....	3	12,768	8,108,937	12,861	8,088,783	+ .2	12,817	8,205,578	-1.2
Houston.....	10*	65,123	32,555,272	72,469	35,519,852	-8.3	65,486	32,908,219	-1.1
Port Arthur.....	2	4,671	1,809,921	4,904	1,723,617	+ 5.0	4,670	1,862,889	-2.8
San Antonio.....	5	17,242	14,225,916	20,261	18,684,146	-23.9	17,325	14,700,762	-3.2
Shreveport.....	4	25,278	11,051,869	25,942	15,028,655	-26.5	25,342	11,237,661	-1.7
Waco.....	4	10,015	5,699,578	10,822	6,927,338	-17.7	10,034	5,765,223	-1.1
Wichita Falls.....	2	3,019	1,176,881	3,734	1,609,297	-26.9	3,036	1,191,601	-1.2
All others.....	34*	38,782	17,807,888	40,363	21,722,468	-18.0	39,062	18,055,601	-1.4
Total.....	74	265,810	\$125,426,392	289,976	\$147,359,208	-14.9	266,802	\$127,065,887	-1.3

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

DECEMBER 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	4-8	5-6	6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	5-6	4½-6	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	5-7	6-7	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	5-6	8	6-8	5½-6	6-8	6-8
Rate on cattle loans.....	5-7	6-8	6-8	7-8	7-8	7-8

INDUSTRY

Textile Milling

Activities in the Texas textile milling industry during November reflected a small increase over the previous month, due

partly to the resumption of operations at some mills and to increased operating schedules at other mills. Both the consumption of cotton and the production of cloth continued considerably above those in the corresponding month of 1930. The demand for textile products, as measured by orders on hand at the close of the month, showed a further recession from that a year ago and was slightly smaller than in the preceding month. Inventories of finished products held at the close of November were below both the previous month and the same month of 1930.

The domestic consumption of cotton in the United States during the past month declined 7.2 per cent from the Octo-

ber volume, but continued on a scale 3.3 per cent above the same month a year ago. There were 428,870 bales of cotton

COTTON CONSUMED AND ON HAND
(Bales)

	November 1931	November 1930	August 1 to November 30 This Season	Last Season
Cotton-growing states:				
Cotton consumed.....	358,942	333,278	1,455,343	1,283,074
On hand Nov. 30 in—				
Consuming establishments.....			1,152,892	1,189,925
Public storage and compresses.....			10,324,396	8,039,621
United States:				
Cotton consumed.....	428,870	415,315	1,780,418	1,604,615
On hand Nov. 30 in—				
Consuming establishments.....			1,441,165	1,564,011
Public storage and compresses.....			10,695,797	8,397,549

consumed by American mills during November, as against 462,025 bales in October, and 415,315 bales in November, 1930. Consumption during the first four months of the current season totaled 1,780,418 bales, which is 11 per cent above the low volume for the same period of the preceding season. Stocks of cotton held by consuming establishments on November 30 showed a further increase over those a month earlier, but continued below a year ago.

Cottonseed Products

Although a seasonal recession was evidenced during the past month in the operations of cottonseed oil mills in Texas, the decline was smaller than usual, and at all United States mills, with the exception of seed receipts and the production of hulls, activities were above those of October, contrary to seasonal tendencies. At both Texas and United States mills the production of linters during November was on a scale approximately the same as that a year ago, while all other operations were substantially greater. Supplies of seed on hand at the close of November were larger than on any corresponding date in many years. During the present season, August 1 through November 30, the production of all products at United States mills reflected a decline as compared to the corresponding period of the previous season; on the other hand, the output of crude oil, cake and meal, and hulls at Texas mills showed an increase. Stocks of products held at the end of November reflected a seasonal increase over October, and those of oil and hulls were greater than a year ago, while cake and meal, and linters showed a decline.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to November 30		August 1 to November 30	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,276,852	1,011,548	3,799,016	3,503,339
Cottonseed crushed (tons).....	781,220	730,987	2,239,198	2,465,599
Cottonseed on hand (tons).....	509,125	297,264	1,584,602	1,083,156
Crude oil produced (pounds)....	230,142,696	212,759,145	693,337,630	742,581,965
Cake and meal produced (tons)...	364,830	344,205	1,002,486	1,109,481
Hulls produced (tons).....	225,311	203,392	625,656	682,342
Linters produced (running bales).....	101,180	116,036	350,858	427,603
Stocks on hand Nov. 30:				
Crude oil (pounds).....	29,573,464	20,787,691	84,293,055	62,943,249
Cake and meal (tons).....	47,234	74,511	167,359	254,075
Hulls (tons).....	94,496	78,324	206,809	175,983
Linters (running bales).....	79,919	86,135	280,357	298,939

Cotton Movements

Although the receipts of cotton at the ports of Houston and Galveston reflected a seasonal recession during November, shipments from Galveston were substantially above those in October, while those from Houston evidenced a very small recession. Movements were again materially above those in the same month of 1930. During the four months subsequent to August 1, operations of both ports combined showed an increase in both receipts and exports. Stocks of cotton held at the close of the month continued large.

Aggregate foreign exports of cotton during November from all United States ports evidenced a further increase over those a month earlier, and were considerably above those in November a year ago. Exports during the month amounted to 1,070,643 bales, as against 1,014,180 bales in October, and 907,649 bales in November, 1930. Exports during the first four months of the present season averaged 10.3 per cent below those in the same period of 1930. The Orient continued the heavy importation of American cotton during the month.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	November 1931	November 1930	August 1 to November 30 This Season	Last Season
	Receipts.....	463,502	353,734	1,200,902
Exports.....	311,800	193,322	625,369	495,593
Stocks November 30.....			964,034	711,253

COTTON—GALVESTON STOCK STATEMENT (Bales)

	Nov. 30, 1931	Nov. 30, 1930
For Great Britain.....	6,500	12,500
For France.....	6,000	9,500
For other foreign ports.....	38,300	34,500
For coastwise ports.....	1,000	2,000
In compresses and depots.....	912,234	652,753
Total.....	964,034	711,253

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	November 1931	November 1930	August 1 to November 30 This Season	Last Season
	Receipts.....	619,872	518,833	2,121,483
Exports.....	403,303	333,801	1,122,199	1,091,431
Stocks November 30.....			1,703,510	1,527,465

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

	August 1 to November 30	
	This Season	Last Season
Receipts.....	5,115,357	6,049,405
Exports: United Kingdom.....	424,700	591,823
France.....	105,540	511,413
Italy.....	204,381	198,561
Germany.....	602,165	920,865
Other Europe.....	273,857	313,893
Japan.....	678,039	365,438
All other countries.....	555,363	278,768
Total foreign ports.....	2,854,045	3,180,761
Stocks at all United States ports November 30.....	4,836,757	4,242,497

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

	November, 1931		Dec. 15, 1931
	High	Low	
New York.....	6.85	6.10	6.20
New Orleans.....	6.78	5.99	6.10
Dallas.....	6.20	5.50	5.55
Houston.....	6.60	5.90	5.95
Galveston.....	6.70	6.00	6.10

Petroleum

A decline from the previous month was reflected in both the total and daily average output of crude petroleum in the Eleventh Federal Reserve District during November. The month's production amounted to 31,461,050 barrels, as compared with 32,907,300 barrels in October, and 24,907,950 barrels in November a year ago. While drilling activity was more active than in November, 1930, it was on a smaller scale than in October. There were 671 new wells completed in November, as against 813 in the previous month, and 422 in the same month last year. Of the total completions during the month, 550 were producers with a combined initial yield of 4,193,964 barrels. In October, 700 successful wells were completed, yielding a flush daily output of 5,424,609 barrels; and in November, 1930, only 220 producers were recorded, having a gross initial production of 306,571 barrels.

Daily average yield in Texas during November amounted to 975,157 barrels, as compared with 988,780 barrels in the preceding month, and 741,257 barrels in the same month

a year ago. Despite the great increase in initial yield of East Texas fields, that area reflected a decline of 11,241 barrels in daily output as compared to October. North Texas and the Gulf Coast were responsible for smaller declines, while South Texas and Central West Texas showed increases. Slight upturns in daily production were also recorded in New Mexico and North Louisiana.

	November, 1931		Increase or Decrease Over October, 1931	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,546,400	118,213	- 200,100	- 2,642
Central West Texas.....	6,782,300	226,077	- 177,950	+ 1,553
East Central Texas.....	13,598,100	453,270	- 801,750	-11,241
Texas Coastal.....	3,592,100	119,737	- 241,150	- 3,916
South Texas.....	1,735,800	57,860	+ 23,450	+ 2,623
Total Texas.....	29,254,700	975,157	-1,397,500	-13,623
New Mexico.....	1,326,600	44,220	- 23,300	+ 675
North Louisiana.....	879,750	29,325	- 25,450	+ 125
Total District.....	31,461,050	1,048,702	-1,446,250	-12,823

	Dec. 8, 1931	Dec. 9, 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	1.10**

*Price paid for Texas Coastal, grade "A".
**Price paid for oil, 44 gr. and above.

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

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	53	18	8	27	2,285
Central West Texas.....	19	8	4	7	3,135
East Central Texas.....	504	489	1	14	4,157,875
South Texas.....	52	16	7	29	4,231
Texas Coastal.....	29	15	..	14	16,801
Total Texas.....	657	546	20	91	4,184,327
New Mexico.....	2	2	9,385
North Louisiana.....	12	2	2	8	252
November totals, district	671	550	22	99	4,193,964
October totals, district	813	700	18	95	5,424,609

Building

Although a decline of 17.6 per cent from the previous month was reflected in the valuation of construction permits issued at principal centers in this district during November, the comparison with the corresponding month a year ago was more favorable than in any month this year, excepting May. Building permits issued during November totaled \$2,784,439, as against \$3,378,018 in the preceding month, and \$3,621,896 in the same month last year. Eight of the fourteen cities reported substantial increases over October, and five of these showed gains as compared to November, 1930.

	Nov., 1931		Nov., 1930		Percentage Change Valuation Over Year	Oct., 1931		Percentage Change Valuation Over Month	Eleven Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		1931			1930				
						No.	Valuation		No.	Valuation			
Amarillo.....	26	\$ 29,539	39	\$ 65,490	- 54.9	49	\$ 92,733	- 68.1	501	\$ 2,694,330	597	\$ 1,773,640	+ 51.9
Austin.....	107	351,298	65	76,922	+356.7	105	130,154	+170.0	1,072	2,232,552	987	3,103,130	- 28.1
Beaumont.....	82	23,238	112	68,056	- 65.9	109	59,776	- 61.1	1,123	1,056,695	1,615	2,536,621	- 58.3
Corpus Christi.....	26	12,105	45	131,370	- 90.8	53	27,670	- 56.3	531	480,095	595	1,118,447	- 57.1
Dallas.....	274	325,608	246	883,879	- 63.2	257	257,976	+ 26.2	3,438	4,386,566	3,528	9,860,273	- 55.5
El Paso.....	37	22,049	77	248,599	- 91.1	44	33,031	- 33.2	746	944,331	1,207	2,839,841	- 66.7
Fort Worth.....	132	346,670	191	586,784	- 40.9	167	1,350,000	- 74.3	1,999	5,539,497	2,562	9,648,101	- 42.6
Galveston.....	120	341,509	118	66,009	+417.4	118	258,507	+ 32.1	1,361	2,514,242	1,361	1,099,435	+128.7
Houston.....	229	876,873	153	1,182,850	- 25.9	284	774,270	+ 13.3	3,398	11,323,960	3,489	16,604,762	- 31.8
Port Arthur.....	48	11,429	35	19,995	- 42.8	51	27,743	- 58.8	644	911,480	1,106	2,797,042	- 67.4
San Antonio.....	168	312,178	216	157,045	+ 98.8	222	262,888	+ 18.7	2,445	2,836,121	2,996	7,892,960	- 64.1
Shreveport.....	159	52,628	171	45,733	+ 15.1	150	36,129	+ 45.7	1,648	906,271	1,891	1,526,373	- 40.6
Waco.....	25	73,340	24	63,167	+ 16.1	27	64,300	+ 14.1	295	1,849,505	339	1,126,235	+ 64.2
Wichita Falls.....	9	5,975	25	25,997	- 77.0	10	2,841	+110.3	118	143,753	251	923,750	- 83.9
Total.....	1,442	\$2,784,439	1,517	\$3,621,896	- 23.1	1,646	\$3,378,018	- 17.6	10,319	\$37,824,398	22,524	\$ 62,850,610	- 39.8

Cement

The seasonal lessening of activity at Texas portland cement mills during November was more noticeable this year than usual. Production declined from 601,000 barrels in October to 459,000 barrels in November, and shipments fell off from 583,000 barrels in the former month to 378,000 barrels in the latter month.

The output of cement during November was on a scale 8.6 per cent below that of the same month last year, and shipments reflected a like decrease of 16.6 per cent. Stocks rose to 639,000 barrels on November 30, as compared with 558,000 barrels a month earlier, and 770,000 barrels on the same date last year.

	November 1931 Number	Percentage Change Over Month	Year	January 1 through November 30 Number	Percentage Change Over Year
Production at Texas mills.....	459	-23.6	- 8.6	5,891	- 7.8
Shipments from Texas mills.....	378	-35.2	-16.6	6,054	- 5.8
Stocks at end of month at Texas mills.....	639	+14.5	-17.0

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of December 23, 1931)

Industrial activity and factory employment declined further from October to November, reflecting in part the usual seasonal tendencies. Continued gold imports and further reduction in member bank reserve requirements during November and the first half of December were reflected in a considerable decline in the outstanding volume of reserve bank credit.

PRODUCTION AND EMPLOYMENT

In November, industrial production showed a somewhat larger decrease than is usual at this season, and the Board's seasonally adjusted index declined from 73 to 72 per cent of the 1923-1925 average. Activity declined at woolen mills, lumber mills, and coal mines, while daily average output at steel mills increased and volume of automobile production showed less than the usual seasonal decline from the low level of October. The November increase in steel production was followed by a considerable decline in the first three weeks of December. Output of petroleum increased further in November to a level slightly lower than that prevailing last summer before output was sharply curtailed. Volume of employment in most manufacturing industries declined by more than the seasonal amount between the middle of October and the middle of November. Reductions were particularly large in the wearing apparel, leather, and building materials industries, while in the automobile and tire industries declines were smaller than usual at this season. The value of building contracts awarded, as reported by the F. W. Dodge Corporation, has declined further in recent months and a preliminary estimate of the Board's seasonally adjusted index for the last quarter of 1931 is 49 per cent of the 1923-1925 average, compared with 59 for the third quarter, 65 for the second quarter, and 79 for the first quarter of the year; part of this decline in dollar volume reflects lower building costs. Production of principal crops in 1931 was about 10 per cent larger than in 1930, according to the December crop report of the Department of Agriculture, while acreage harvested was slightly smaller than a year ago. There were large increases in the crops of cotton, corn, winter wheat, apples, and peaches, while the harvests of oats, barley, and rye were smaller than last year; as in 1930 the hay crop was unusually small.

DISTRIBUTION

Commodity distribution continued at about the same rate in November as in October, the volume of freight-car

loadings showing a seasonal decline, while sales at department stores increased by about the usual amount for that month.

WHOLESALE PRICES

The general level of wholesale prices remained practically unchanged from October to November, according to the Bureau of Labor Statistics index; prices of grains, petroleum, and silver advanced, while those of livestock and dairy products showed declines, partly of a seasonal character. Between the middle of November and the middle of December there were decreases in the prices of many leading commodities, including livestock, meats, grains, sugar, silk, and silver; during this period prices of copper and rubber showed a decline, followed by a recovery.

BANK CREDIT

Volume of reserve bank credit outstanding declined during November and the first half of December, and averaged \$360,000,000 less in the week ending December 12 than at its October peak seven weeks earlier. The decrease was in large part in the banks' portfolio of acceptances, as discounts for member banks and holdings of United States Government securities showed little change for the period. The decline in total volume of reserve bank credit outstanding during the period reflected a growth of \$100,000,000 in the stock of monetary gold, largely through imports from Japan, and a continued reduction in the reserve balances of member banks, reflecting a further liquidation of member bank credit. Demand for currency declined during the last three weeks of November, and showed considerably less than the usual seasonal increase in the first half of December. After the middle of December, however, bank suspensions in New England were followed by some increased withdrawals of currency, part of which has begun to return. Loans and investments of member banks in leading cities continued to decline, and on December 9 were \$370,000,000 smaller than four weeks earlier. The decrease was equally divided between the banks' loans and their investments. Deposits of these banks, both demand and time, also showed a decrease, with a consequent reduction in required reserves. Money rates in the open market showed little change from the middle of November to the middle of December. Rates on prime commercial paper continued at $3\frac{3}{4}$ to 4 per cent, while rates on 90-day bankers' acceptances advanced from $2\frac{7}{8}$ to 3 per cent on November 25.