

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

(Compiled January 15, 1932)

Volume 16, No. 12

Dallas, Texas, February 1, 1932

This copy is released for publication in morning papers— January 31

DISTRICT SUMMARY

THE SITUATION AT A GLANCE
Eleventh Federal Reserve District

	December 1931	Change From November
Bank debits to individual accounts (at 17 cities).....	\$626,484,000	+ 13.6%
Department store sales.....		+ 52.9%
Reserve bank loans to member banks at end of month.....	\$ 10,401,514	- 50.0%
Reserve bank ratio at end of month.....	62.2%	+ 10.1 points
Building permit valuation at larger centers.....	\$ 1,098,781	- 39.0%
Commercial failures (number).....	134	+ 30.1%
Commercial failures (liabilities).....	\$ 2,365,202	+ 37.0%
Oil production (barrels).....	30,722,400	- 2.3%

The loans of reserve city banks reflected a steady decline during December, but their investments were increased by a substantial amount. Federal Reserve Bank loans to member banks ran off rapidly during the final two weeks of the year, but the first half of January witnessed a gradual increase in these loans, with the result that the total on January 15 amounted to \$16,572,000, or only \$3,078,000 less than a month earlier. On the corresponding date last year these loans totaled \$5,021,000. The combined net demand and time deposits of member banks averaged \$677,029,000 in December, which was \$10,669,000 less than in November, and \$132,994,000 below December, 1930. The latter comparison was more favorable than in the two preceding months.

The agricultural situation has been greatly improved by the widespread rains during December and early January, which placed a deep subsoil season in the ground in all sections of the district. While land preparation is behind schedule in some areas, this handicap can be overcome in a short time with the advent of dry weather. Stimulated by ample moisture and moderate temperatures, small grains have grown rapidly and are mostly in good condition. Vegetable crops have likewise made good progress. Weather and moisture conditions have been favorable for ranges and livestock, and animals are going through the winter in good condition. In most sections there is ample feed available for livestock at a low cost. Livestock prices have continued downward.

Construction activity reached a new low level in December. The valuation of permits issued at principal cities reflected a substantial decline as compared with both the previous month and the corresponding month of 1930.

BUSINESS

than is usual in December. Business was retarded by somewhat excessive rainfall, and by the evident intention of merchants to keep their inventories at the lowest practicable level. Aggregate sales during the last half of the year, as compared with the same period in 1930, reflected declines varying from 15.9 per cent to 58.1 per cent. In the case of all lines except hardware, the December volume of collections was seasonally smaller than that of November.

A material shrinkage, which is usual in December, was reflected in the demand for dry goods at wholesale in this

A further recession occurred in the distribution of merchandise through wholesale channels in the Eleventh District during

December, as evidenced by the fact that all reporting lines except hardware reflected material decreases from the previous month. As compared with December, 1930, there were declines ranging from 13.1 per cent in the case of dry goods to 80.7 per cent in the case of farm implements. While the reduced sales volume was to a large extent seasonal, being characteristic of the year-end period, other factors operated to bring about a more pronounced decrease in some lines

Mixed trends in business and industry in the Eleventh Federal Reserve District were in evidence during the closing month of 1931. Sales of department stores in larger centers reflected a larger than usual seasonal increase between November and December, and the decrease from the corresponding month of a year ago was smaller than in the three preceding months. While a stronger consumer demand for merchandise in certain rural sections necessitated frequent reorders in some lines of wholesale trade, the desire of retailers to close the year with small inventories reduced purchases at wholesale to a minimum in the normally quiet month. Wholesale distribution reflected a substantial seasonal decline from the previous month, and continued considerably smaller than a year ago.

At the year-end there was an increase in business failures in this district. Both the number of failures and the amount of indebtedness involved showed a considerable increase as compared to the previous month, and the corresponding month of 1930.

Wholesale Trade

December, as evidenced by the fact that all reporting lines except hardware reflected material decreases from the previous month. As compared with December, 1930, there were declines ranging from 13.1 per cent in the case of dry goods to 80.7 per cent in the case of farm implements. While the reduced sales volume was to a large extent seasonal, being characteristic of the year-end period, other factors operated to bring about a more pronounced decrease in some lines

district. The month's business was 45.8 per cent under the November volume, and showed a decrease of 13.1 per cent as compared with December, 1930. Inventories at both wholesale and retail establishments were comparatively small at the year-end; thus any improvement in consumer buying will be reflected in wholesale distribution. Collections showed a seasonal decline from the previous month.

A further decrease, in part seasonal, was registered in the distribution of drugs at wholesale during December. Total sales of reporting firms during the month were 9.1 per cent less than in November, and showed a reduction of 20.2 per cent as compared with December, 1930. Business during the last half of 1931 was on a scale 17.4 per cent smaller than in the same period in 1930. While collections declined 8.8 per cent as compared with November, there was a corresponding reduction in the volume of accounts outstanding.

The demand for hardware in this district during December was somewhat spotty, being fairly strong in several sections but slow in others. Sales were 0.2 per cent higher than in November, but 24.9 per cent below the volume of December, 1930. The dollar volume of distribution during the last six months in 1931 reflected a decrease of 29.2 per cent as compared with the same period in the previous year. December collections were 2.0 per cent larger than the total in November.

Reflecting in part the disposition of retailers to maintain their stocks at a minimum until after inventory time, the business of wholesale grocery firms in December declined 18.3 per cent from the previous month, and was 16.7 per cent below the volume of the same month a year ago. Inventories on the last day of the year were 7.7 per cent smaller than at the close of November, and 20.0 per cent less than on December 31, 1930. Prices showed a further downward tendency. The amount of collections was 2.6 per cent below that of November.

While a further decrease of 21.2 per cent, contrary to seasonal trend, was reflected in the sales of wholesale farm implement firms during December, the comparison with the

corresponding month in 1930 was slightly more favorable than in November. Business during the month of December was 80.7 per cent less than a year ago, and for the period from July 1 to December 31 reflected a reduction of 58.1 per cent from the total of the same period in 1930. December witnessed a partly seasonal decline in collections.

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

	Net Sales Dec., 1931 compared with Dec. 1930	Net Sales July 1 to date compared with same period last year	Stocks Dec., 1931 compared with Dec. 1930	Ratio of collec- tions during Dec. to accounts and notes outstanding on November 30
Groceries.....	-16.7	-18.3	-20.0	7.7
Dry goods.....	-13.1	-45.8	-37.6	-11.7
Farm implements..	-80.7	-21.2
Hardware.....	-24.9	+2	-29.2	-14.5
Drugs.....	-20.2	-9.1	-17.4	-2.9
				31.0

Retail Trade

The volume of merchandise distribution during December at department stores in principal cities of the Eleventh District reflected a larger than usual seasonal increase over the previous month, and while a further recession was evidenced as compared with the corresponding month of 1930, the comparison was again more favorable than that a month earlier. December sales of merchandise were 52.9 per cent above those in November, but 20.5 per cent less than in the final month of 1930. Although the dollar volume of sales during the entire year of 1931 showed a decline of 16.7 per cent from that in 1930, the recession in the general price level was a factor of considerable importance.

The desire of merchants to close the year with as small a carryover as possible resulted in inventories held on December 31 being the lowest for that month in many years. Stocks were 23.4 per cent less than those a month earlier, and 19.3 per cent below a year ago. The rate of stock turnover during 1931 was 3.02, as against 3.11 in 1930.

Collections reflected a small increase during the month. The ratio of December collections to accounts receivable on December 1 was 33.1 per cent, as compared with 32.0 per cent in November, and 32.8 per cent in December, 1930.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
December, 1931, compared with December, 1930.....	-18.8	-19.7	-22.1	-25.9	-18.1	-20.5
December, 1931, compared with November, 1931.....	+52.5	+70.0	+45.1	+41.9	+58.1	+52.9
January 1 to date, compared with same period last year.....	-15.6	-14.1	-17.7	-18.2	-18.8	-16.7
Credit Sales (Percentage):						
December, 1931, compared with December, 1930.....	-20.5	-19.9	-21.8	-29.2	-18.8	-21.6
December, 1931, compared with November, 1931.....	+41.0	+68.0	+37.2	+35.9	+50.3	+44.8
January 1 to date, compared with same period last year.....	-18.0	-14.1	-17.3	-18.6	-19.5	-17.6
Stocks (Percentage):						
December, 1931, compared with December, 1930.....	-19.9	-17.6	-13.0	-34.9	-15.8	-19.3
December, 1931, compared with November, 1931.....	-20.8	-30.8	-20.6	-23.6	-23.9	-23.4
Stock Turnover (Rate):						
Rate of stock turnover in December, 1930.....	.41	.38	.45	.51	.40	.42
Rate of stock turnover in December, 1931.....	.42	.38	.40	.53	.39	.42
Rate of stock turnover January 1 to December 31, 1930.....	3.23	2.52	3.24	4.11	2.69	3.11
Rate of stock turnover January 1 to December 31, 1931.....	3.10	2.49	3.08	3.99	2.74	3.02
Ratio of December collections to accounts receivable outstanding December 1, 1931.....	34.3	30.4	35.7	29.7	33.5	33.1

Commercial Failures

According to figures compiled by R. G. Dun & Company, both the number and liabilities of defaulting firms in this district during December were larger than in either the previous month or the same month a year ago, the gain over November being largely of a seasonal nature. There were 134 commercial failures in December, owing \$2,365,202, as

compared with 103 insolvencies in the preceding month, with an indebtedness of \$1,726,474, and 88 defaults in the closing month of 1930, with liabilities totaling \$1,925,910. While the business mortality rate during 1931 was considerably higher than in 1930, the average liability of insolvent firms showed a substantial decrease.

AGRICULTURE

Crop Conditions

The heavy and protracted rainfall in practically all sections of the Eleventh District during December and the first

half of January left a good season in the ground, but has delayed the preparation of the soil for spring planting. Over a considerable area of the district land preparation is behind schedule. Temperatures so far have been very mild over most of the district, and cold weather is needed to pulverize the soil and kill insects. Small grains throughout the district are reported to be in generally good condition. While conditions in most sections prior to October were unfavorable for preparation, sowing, and growth, they have been very favorable since that time, as temperatures have been moderate and rainfall plentiful. The Department of Agriculture estimated the area sown to winter wheat in Texas during the fall of 1931 as 3,768,000 acres, as against 3,806,000 acres in 1930, and 3,606,000 in 1929. Acreage sown to winter wheat in Oklahoma was reduced 13 per cent, and in Arizona 17 per cent. There was no change in acreage in New Mexico. The December 1 condition of the Texas wheat crop was 83 per cent of normal as compared to 88 per cent on that date in the previous year.

Moisture and temperature conditions were excellent for vegetable growth in Texas during December and early January, and the Department of Agriculture reported that the condition of vegetable crops improved. Beets, cabbage, carrots, onions, and turnips made substantial gains, and strawberries were reported to be 3 points above the high condition reported a month earlier. Soil conditions are excellent in all vegetable areas of the State for the preparation, planting, and starting of such crops as snap beans, Irish potatoes, and tomatoes. The acreage planted to most crops is smaller than in the previous season. Shipments of most crops continue heavy with cabbage, spinach, and mixed vegetables leading. For the current season to January 16, shipments of beets, cabbage, cauliflower, greens, and mixed vegetables were greatly in excess of those during the previous season. The shipments of spinach were considerably smaller than a year

ago. Heavy shipments of grapefruit are still in progress, and the total forwardings for the current season show a large increase over the previous season.

Texas Crop Production increased, values decreased According to the report of the Department of Agriculture, the production of all important crops in Texas during 1931 was greater than in the previous year due

to the large per acre yield and the larger acreage planted to crops other than cotton. Weather conditions throughout the season were very favorable to most crops. The heavy winter rainfall supplied a deep subsoil season, while the below-normal precipitation during April, May, and June furnished favorable weather for the harvesting of small grains, and the planting and early cultivation of row crops. In July, the critical month for most row crops, rainfall was again above normal and this was followed by a period of dry, hot weather, which was ideal for the ripening and harvesting of most crops. The favorable season enabled farmers to do much of the cultivation and harvesting with family labor, thus reducing the cash outlay for labor. On the other hand, the value of crops produced in Texas (on the basis of December 1 prices) reflected a further sharp decline as compared to the previous year. Every crop of importance, except wheat, had a lower value in 1931 than in 1930. In the case of wheat the higher value was due entirely to the exceptionally large crop, as the price of wheat declined along with other commodities. The hypothetical value of all crops in the State was estimated by the Department of Agriculture as \$297,281,000, as compared to \$402,002,000 in 1930. The greater diversification during 1931 was indicated by the fact that acreage planted to practically all crops, except cotton, showed an increase as compared to the previous year. Due to the increased acreage, excellent per acre yield, and the larger volume of home canning, farmers are well supplied with food and feed for the current year, and should be able to hold to a minimum the cash outlay for the cultivation of 1932 crops. Reports indicate that the program of diversification will be extended this year.

COMPARATIVE PRODUCTION AND VALUE OF TEXAS FARM PRODUCTS AS COMPILED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE

COMMODITY	QUANTITY			VALUE (Based on December 1 Farm Price)		
	1931	1930	Increase or Decrease in Quantity	1931	1930	Increase or Decrease in Value
Cotton.....	5,270,000 bales	4,038,000 bales	+ 1,232,000 bales	\$144,925,000	\$180,786,000	-\$ 44,861,000
Corn.....	94,248,000 bushels	74,144,000 bushels	+20,104,000 bushels	30,159,000	54,125,000	- 23,966,000
Wheat.....	57,433,000 bushels	31,804,000 bushels	+25,629,000 bushels	23,548,000	22,263,000	+ 1,285,000
Oats.....	59,976,000 bushels	33,864,000 bushels	+26,112,000 bushels	11,995,000	14,223,000	- 2,228,000
Barley.....	5,194,000 bushels	2,780,000 bushels	+ 2,414,000 bushels	1,506,000	1,518,000	- 12,000
Grain sorghums.....	60,000,000 bushels	35,930,000 bushels	+24,070,000 bushels	17,400,000	23,354,000	- 5,954,000
Rice.....	10,441,000 bushels	9,709,000 bushels	+ 732,000 bushels	6,369,000	7,670,000	- 1,301,000
Hay (tame and wild).....	780,000 tons	645,000 tons	+ 135,000 tons	5,997,000	7,831,000	- 1,834,000
Broomcorn.....	1,600 tons	1,400 tons	+ 200 tons	66,000	105,000	- 39,000
Potatoes (white).....	4,891,000 bushels	4,788,000 bushels	+ 103,000 bushels	3,913,000	7,182,000	- 3,269,000
Potatoes (sweet).....	4,968,000 bushels	3,290,000 bushels	+ 1,678,000 bushels	2,981,000	3,126,000	- 145,000
Peanuts.....	106,530,000 pounds	80,510,000 pounds	+26,020,000 pounds	2,181,000	2,818,000	- 687,000
Total value of twelve crops.....				\$250,990,000	\$334,001,000	-\$ 83,011,000
Hypothetical value of all crops.....				\$297,281,000	\$402,002,000	-\$104,721,000

Livestock

There is ample moisture over the range territory in the Eleventh Federal Reserve District due to the heavy general rains in Texas, and the larger than usual snowfall in New Mexico and Arizona. According to the Department of Agriculture feed conditions are generally good in Texas, and are better than a year ago. New grass has started in some areas but is short. Wheat fields are furnishing considerable pasturage, and the large

available supply of grain sorghums and other feeds is being used for feeding livestock where grass is short. Range conditions are likewise good in Southern New Mexico and Southeastern Arizona. The Department reported that livestock on Texas ranges are in good condition, as weather has been mild and feed supplies ample, and should be in good flesh next spring if the winter is not severe. While livestock are still in good condition in New Mexico and Arizona,

there has been considerable shrinkage due to the abnormal temperatures.

The Department of Agriculture estimated that the condition of ranges in Texas was 78 per cent of normal on January 1, as compared to 77 per cent a month earlier, and 76 per cent a year ago. The condition of cattle was unchanged from December 1, and that of sheep rose 1 point. The condition of both ranges and livestock declined somewhat during December in New Mexico and Arizona.

Movements and Prices

There was a general decline in the receipts of livestock at the Fort Worth market during the month of December. The

December receipts of cattle, calves, and sheep showed a substantial decline as compared to the previous month, and the corresponding month of the preceding year. While the arrivals of hogs were larger than in either comparative period, they continued in generally small volume.

During the third week in December prices on all classes of livestock reflected a sharp decline despite small receipts, and outlets were generally very unsatisfactory. While prices have rebounded somewhat from the low levels registered during that period, the market has not shown any material

strength. The best gains have been marked up in the calf division. The demand for hogs has continued weak, and prices have remained at low levels.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	December 1931	December 1930	Change over year	November 1931	Change over month
Cattle.....	44,101	48,598	- 4,497	48,122	- 4,021
Calves.....	16,326	27,609	-11,283	38,491	-22,165
Hogs.....	18,000	16,866	+ 1,134	15,898	+ 2,102
Sheep.....	25,264	29,059	- 3,795	63,908	-38,644

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred-weight)

	December 1931	December 1930	November 1931
Beef steers.....	\$6.65	\$11.25	\$7.50
Stocker steers.....	5.00	7.75	5.50
Butcher cows.....	4.25	5.35	4.25
Stocker cows.....	4.00	5.35	4.25
Calves.....	5.65	8.50	6.25
Hogs.....	5.05	8.40	5.85
Sheep.....	3.25	5.50	3.50
Lambs.....	4.75	7.60	5.75

FINANCE

Operations of the Federal Reserve Bank

Federal Reserve Bank loans to member banks, which stood at \$19,650,000 on December 15, declined rapidly during the succeeding two weeks, and amounted

to only \$10,402,000 at the close of the year. After the turn of the year, however, the demand for reserve bank funds was again in evidence and loans had risen to \$16,572,000 at the middle of January. Between December 15 and January 15, reserve city banks reduced their borrowings at the Federal Reserve Bank \$4,608,000, while country banks increased their borrowings \$1,516,000. The Federal Reserve Bank's holdings of bankers' acceptances purchased in the open market were reduced from \$8,025,000 on December 15 to \$3,131,000 on January 15, but its investments in United States securities were increased \$3,762,000 during the same period. The reserve deposits of member banks totaled \$48,510,000 on January 15, as compared to \$50,368,000 on December 15, and \$57,607,000 on the corresponding date last year. Federal reserve notes in actual circulation amounted to \$45,572,000 at the middle of January, which was \$2,373,000 smaller than thirty days earlier, but \$15,728,000 larger than a year ago.

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

	Jan. 15, 1932	Dec. 15, 1931	Jan. 15, 1931
Total cash reserves.....	\$ 56,945	\$ 58,191	\$ 54,830
Discounts for member banks.....	16,572	19,650	5,020
Other bills discounted.....	1	15	2
Bills bought in open market.....	3,131	8,025	5,831
United States securities owned.....	29,863	26,101	29,437
Other investments.....	5	7	7
Total earning assets.....	49,572	53,798	40,297
Member bank reserve deposits.....	48,510	50,368	57,607
Federal reserve notes in actual circulation...	45,572	47,945	29,844

Condition of Member Banks in Selected Cities

period the banks

A further decline in the loans and deposits, but a substantial increase in investments, was reflected in the reports of member banks in selected cities for the four weeks ending January 6. During this

period the banks increased their holdings of Government

securities \$10,171,000, and of other securities \$15,000. As compared to a year ago total investments were \$27,645,000 larger. Loans on securities declined \$463,000 between December 9 and January 6, and "all other" loans declined \$15,531,000. Total loans, which stood at \$272,560,000 on January 6, were \$48,141,000 less than on the corresponding date in 1931. Net demand deposits of these banks amounted to \$245,221,000 on January 6, which represents a decline of \$9,581,000 from those four weeks earlier, and \$22,891,000 as compared to January 7, 1931. Time deposits showed a recession of \$4,255,000 during the four-week period, and were \$16,704,000 lower than a year ago. The borrowings of these banks from the Federal Reserve Bank totaled \$5,363,000 on January 6, as compared to \$10,677,000 on December 9, and \$1,140,000 on the corresponding date a year ago.

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

	Jan. 6, 1932	Dec. 9, 1931	Jan. 7, 1931
United States securities owned.....	\$ 82,940	\$ 72,778	\$ 63,259
All other stocks, bonds, and securities owned.....	60,625	60,610	52,670
Loans on securities.....	79,507	79,970	94,176
All other loans.....	193,053	208,584	226,525
Total loans.....	272,560	288,554	320,701
Net demand deposits.....	245,221	254,802	268,112
Time deposits.....	130,871	135,126	147,575
Reserve with Federal Reserve Bank.....	28,707	30,123	32,899
Bills payable and rediscounts with Federal Reserve Bank.....	5,363	10,677	1,140

Deposits of Member Banks

While the combined daily average of net demand and time deposits of member banks in this district during December was \$10,669,000 smaller than in the previous month, the recession was in large part due to seasonal influences. The combined average amounted to \$677,029,000, as against \$810,023,000 in December, 1930, but this comparison was more favorable than that of October or November. The time deposits of reserve city banks reflected a further slight increase.

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
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	92,569
Mar., 1931.....	567,468	234,767	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
Nov., 1931.....	483,979	203,719	231,919	121,817	252,060	81,902
Dec., 1931.....	474,935	202,094	226,397	122,074	248,538	79,420

Acceptance Market

Acceptances executed by banks in this district, and outstanding at the close of December, reflected an increase over those a month earlier. The total amount reported on December 31 was \$4,294,244, as against \$4,048,924 at the end of the previous month, and \$6,521,161 on the same date a year ago. The volume of acceptances executed against the domestic shipment and storage of goods amounted to \$3,423,360, and those based on import and export transactions aggregated \$870,884.

Debts to Individual Accounts

Debts to depositors' accounts at banks in principal cities in the Eleventh Federal Reserve District during December reflected a seasonal increase of 13.6 per cent as compared to the previous month, but were 23.4 per cent smaller than in the same month a year ago. While the month's volume was \$75,073,000 above the November total,

Acceptances executed by banks in this district, and outstanding at the close of December, reflected an increase over those a month earlier. The total amount reported on December 31 was \$4,294,244, as against \$4,048,924 at the end of the previous month, and \$6,521,161 on the same date a year ago. The volume of acceptances executed against the domestic shipment and storage of goods amounted to \$3,423,360, and those based on import and export transactions aggregated \$870,884.

Debts to depositors' accounts at banks in principal cities in the Eleventh Federal Reserve District during December reflected a seasonal increase of 13.6 per cent as compared to the previous month, but were 23.4 per cent smaller than in the same month a year ago. While the month's volume was \$75,073,000 above the November total,

it was \$191,001,000 less than that of December, 1930. All seventeen cities participated in both the gain over the preceding month and the decline from a year ago.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	December 1931	December 1930	Percentage change over year	November 1931	Percentage change over month
Abilene.....	\$ 5,290	\$ 7,805	-32.2	\$ 5,252	+ .7
Austin.....	16,389	19,002	-13.8	15,994	+ 2.5
Beaumont.....	19,404	24,781	-21.7	16,514	+17.5
Corsicana.....	5,295	5,860	-9.6	3,356	+57.8
Dallas.....	181,133	228,246	-20.6	157,206	+15.2
El Paso.....	20,336	32,948	-38.3	18,237	+11.5
Fort Worth.....	71,408	84,519	-15.5	62,288	+14.6
Galveston.....	27,631	34,268	-19.4	24,416	+13.2
Houston.....	142,580	193,511	-26.3	126,928	+12.3
Port Arthur.....	7,169	9,496	-24.5	6,331	+13.2
Roswell.....	2,589	4,559	-43.2	2,387	+ 8.4
San Antonio.....	56,906	82,980	-31.4	47,159	+20.7
Shreveport.....	26,772	30,735	-12.9	25,718	+ 4.1
Texarkana*.....	7,447	10,684	-30.3	6,675	+11.6
Tucson.....	10,863	13,021	-16.6	9,537	+13.9
Waco.....	13,941	15,524	-10.2	13,335	+ 4.5
Wichita Falls.....	11,331	19,546	-42.0	10,078	+12.4
Total.....	\$626,484	\$817,485	-23.4	\$551,411	+13.6

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

Savings Deposits

Despite a small reduction during December in the amount of savings deposits reported by 74 banks in the Eleventh District, the comparison with the corresponding date a year ago was somewhat more favorable at the close of the month than it was on the last day of November. The total amount on record December 31 was \$129,904,292, as against \$130,866,090 a month earlier, and \$150,385,927 on the final day of 1930. The cities of Houston, Port Arthur, Shreveport, and Waco showed increases over the previous month.

SAVINGS DEPOSITS

	December 31, 1931			December 31, 1930			November 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*	5,557	\$ 2,602,645	5,751	\$ 2,632,198	- 1.1	5,539	\$ 2,618,351	- .6
Dallas.....	4	62,535	23,167,422	64,109	27,268,242	-15.0	62,616	23,372,363	- .9
Fort Worth.....	4	34,456	11,369,981	32,752	11,783,010	- 3.5	34,793	12,560,641	- 9.5
Galveston.....	3	12,043	7,923,735	12,839	8,064,239	- 1.7	12,768	8,108,937	- 2.3
Houston.....	10*	61,167	32,644,647	71,335	35,392,358	- 7.8	61,623	32,555,270	+ .3
Port Arthur.....	2	4,543	1,821,787	4,820	1,728,236	+ 5.4	4,671	1,809,921	+ .7
San Antonio.....	5*	11,752	14,160,893	14,521	19,108,455	-25.9	11,772	14,225,916	- .5
Shreveport.....	4	25,187	12,083,922	25,918	14,727,547	-18.0	25,278	11,051,869	+ 9.3
Waco.....	3	10,312	5,891,989	10,518	7,007,836	-15.9	10,000	5,699,578	+ 3.4
Wichita Falls.....	2	3,053	1,136,878	3,719	1,533,762	-25.9	3,019	1,176,881	+ 3.4
All others.....	33*	37,864	17,100,393	39,764	21,140,044	-19.1	38,541	17,680,363	- 3.3
Total.....	74	269,109	\$129,904,292	286,046	\$150,385,927	-13.6	270,629	\$130,866,090	- .7

*Only 3 banks in Beaumont, 9 in Houston, 4 in San Antonio, and 29 in "All others" reported the number of savings depositors.

JANUARY 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.....	4½-6	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	5-7	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	5-7
Rate on cattle loans.....	5-7	6-8	6-8	6-8	7-8	7

INDUSTRY

Cottonseed Products

Further seasonal declines were registered during the past month in the operations of cottonseed oil mills in both Texas and the United States, but, with the exception of seed receipts

and the production of linters at the latter mills, activities were above those in December, 1930. During the first five months of the present cotton season the receipts of cottonseed were considerably in excess of those in the same period

of the 1930-31 season, and at Texas mills the crushings of seed, production of oil, cake and meal, and hulls reflected an increase. Supplies of cottonseed on hand at the close of the month continued large, with stocks of crude oil and hulls exceeding those a month earlier and a year ago. Inventories of cake and meal, and linters showed a decline from those held on December 31, 1930.

	Texas		United States	
	August 1 to December 31 This Season	Last Season	August 1 to December 31 This Season	Last Season
Cottonseed received at mills (tons).....	1,412,254	1,136,307	4,348,186	4,081,478
Cottonseed crushed (tons).....	984,614	887,439	2,957,967	3,135,430
Cottonseed on hand (tons).....	441,133	265,571	1,400,325	991,464
Crude oil produced (pounds)....	290,668,393	258,518,514	919,515,419	944,531,884
Cake and meal produced (tons).....	458,780	417,895	1,324,769	1,414,535
Hulls produced (tons).....	284,437	248,048	829,665	869,339
Linters produced (running bales).....	127,860	139,091	465,346	543,282
Stocks on hand December 31:				
Crude oil (pounds).....	32,926,871	23,242,917	81,106,132	75,665,661
Cake and meal (tons).....	51,017	79,430	202,496	299,034
Hulls (tons).....	96,868	72,115	226,740	173,498
Linters (running bales).....	82,860	92,241	289,560	316,738

Textile Milling

The December reports of Texas textile mills indicated that operations were on a scale slightly above that a month earlier, and that activities continued above those a year ago. Orders for products held at the close of December were greater than those on hand a month earlier, but were again below those of the same date last year. Inventories of finished products on hand at the end of December were also larger than those held on November 30, but smaller than a year ago.

The consumption of cotton during December at all United States mills aggregated 415,517 bales, which represents a small seasonal decline of only 3.1 per cent from the 428,370 bales consumed during November, and an increase of 2.6 per cent over the 405,158 bales consumed in the corresponding month of 1930. Consumption of raw cotton for the period from August 1 through December 31 continued substantially above that in the same period of the previous season. Stocks of cotton held by consuming establishments on December 31 were above those a month earlier, but were slightly smaller than a year ago.

	December		August 1 to December 31	
	1931	1930	This Season	Last Season
Cotton-growing states:				
Cotton consumed.....	344,362	321,515	1,799,705	1,604,589
On hand Dec. 31 in—				
Consuming establishments.....			1,298,730	1,249,394
Public storage and compresses.....			10,013,768	7,994,265
United States:				
Cotton consumed.....	415,517	405,158	2,195,935	2,010,133
On hand Dec. 31 in—				
Consuming establishments.....			1,630,543	1,655,537
Public storage and compresses.....			10,425,945	8,375,943

Cotton Movements

With foreign orders for cotton continuing in heavy volume, exports during December from the ports of Houston and Galveston showed further increases over the preceding month, contrary to seasonal tendencies, and were again materially above those in the same month of 1930. Receipts of cotton during the month were substantially smaller than in November, but continued above those a year ago. The combined season totals, which reflect operations from August

1 through December 31, continued favorable as compared with the same period of 1930, receipts being slightly greater and exports showing an excess of considerable size. Stocks of cotton held at the close of December reflected a reduction from those a month earlier, but were considerably above those of last year.

Total foreign exports of cotton during December from all United States ports continued at a high level. A substantial increase of 10.3 per cent was registered over the previous month, and the material increase of 54.2 per cent was evidenced as compared with the corresponding month of 1930. There were 1,181,089 bales exported during the month, as against 1,070,643 bales in November, and 765,835 bales in December, 1930. During December for the first time this season aggregate foreign exports of cotton exceeded those of the previous season. Takings of American cotton by Italy, Japan, China, and several of the smaller European countries were very heavy during the month.

	December		August 1 to December 31	
	1931	1930	This Season	Last Season
Receipts.....	311,078	176,135	1,511,980	1,197,699
Exports.....	351,598	183,433	976,967	678,996
Stocks, December 31.....			923,514	703,955

	Dec. 31, 1931	Dec. 31, 1930
	For Great Britain.....	4,000
For France.....	4,000	10,200
For other foreign ports.....	52,700	37,000
For coastwise ports.....	2,000	1,500
In compresses and depots.....	860,814	647,555
Total.....	923,514	703,955

	December		August 1 to December 31	
	1931	1930	This Season	Last Season
Receipts.....	318,432	277,813	2,439,915	2,472,611
Exports.....	417,310	251,219	1,539,509	1,342,640
Stocks, December 31.....			1,596,944	1,509,696

	August 1 to December 31	
	This Season	Last Season
Receipts.....	6,282,742	7,019,577
Exports:		
United Kingdom.....	587,771	742,749
France.....	161,196	639,461
Italy.....	323,201	277,858
Germany.....	780,447	1,064,863
Other Europe.....	374,875	392,237
Japan.....	993,041	477,798
All other countries.....	814,603	351,630
Total foreign ports.....	4,035,134	3,946,596
Stocks at all United States ports, December 31.....	4,705,505	4,288,712

	December, 1931		Jan. 15, 1932
	High	Low	
New York.....	6.55	6.00	6.75
New Orleans.....	6.38	5.92	6.58
Dallas.....	5.90	5.40	6.10
Houston.....	6.30	5.80	6.50
Galveston.....	6.40	5.90	6.55

Petroleum

The total output of crude oil in the Eleventh District during December, which amounted to 30,722,400 barrels, was 738,650 barrels smaller than the yield in November, but continued considerably larger than a year ago. The month's daily average production amounted to 991,045 barrels, as compared with 1,048,702 barrels in the previous month, and 781,474 barrels in December, 1930. There was a reduction in field activity, resulting in the completion of only 444 successful wells during the month, as against 550 producers in November. The flush output of new wells declined from 4,193,964 barrels in the earlier month to 3,049,498 barrels in December.

While Texas' daily average production, amounting to 919,698 barrels, was 222,359 barrels higher than in December, 1930, it showed a decrease of 55,459 barrels from the preceding month. Most of the curtailment was due to a voluntary movement shutting down Sunday production in several sections. The Gulf Coast showed a gain of 1,377 barrels over the daily yield of November, but the other areas reflected decreases. New Mexico and North Louisiana also reported declines in daily output.

OIL PRODUCTION—(Barrels)

	December, 1931		Increase or Decrease Over November, 1931	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,304,100	106,584	-242,300	-11,629
Central West Texas.....	6,644,400	214,335	-137,900	-11,742
East Central Texas.....	13,074,700	421,765	-523,400	-31,505
Texas Coastal.....	3,754,550	121,114	+162,450	+ 1,377
South Texas.....	1,732,900	55,900	- 2,900	- 1,960
Total Texas.....	28,510,650	919,698	-744,050	-55,459
New Mexico.....	1,349,150	43,521	+ 22,550	+ 699
North Louisiana.....	862,600	27,826	- 17,150	- 1,499
Total District.....	30,722,400	991,045	-738,650	-57,657

DECEMBER DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	54	28	1	25	3,219
Central West Texas.....	20	12	4	13	1,115
East Central Texas.....	372	364	2	6	3,021,220
South Texas.....	44	23	2	19	5,944
Texas Coastal.....	24	13	1	10	14,015
Total Texas.....	523	440	10	73	3,045,513
New Mexico.....	4	2	1	1	3,865
North Louisiana.....	16	2	6	8	120
December totals, district....	543	444	17	82	3,049,498
November totals, district....	671	550	22	99	4,193,964

CRUDE OIL PRICES

	Jan. 12, 1932	Jan. 13, 1931
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

Contrary to the seasonal tendency, valuation of building permits issued at leading centers in this district during the final month of 1931 reflected a further decrease of 39.0 per cent as compared with the previous month, and was 65.4 per cent less than the volume of December, 1930. Aggregate valuation in December amounted to \$1,698,781, as against \$2,784,439 in November, and \$4,910,142 in the corresponding month a year ago. Construction permits issued during 1931 totaled \$39,523,179, reflecting a decrease of 41.7 per cent from the volume of 1930, which amounted to \$67,760,752.

BUILDING PERMITS

	Dec., 1931		Dec., 1930		Percentage Change Valuation Over Year	Nov., 1931		Percentage Change Valuation Over Month	Twelve Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1931		1930		
									No.	Valuation	No.	Valuation	
Amarillo.....	21	\$ 43,241	34	\$ 69,505	-37.8	26	\$ 29,539	+46.4	522	\$ 2,737,571	631	\$ 1,843,145	+48.5
Austin.....	60	85,361	54	406,573	-79.0	107	351,298	-75.7	1,132	2,317,913	1,041	3,509,703	-34.0
Beaumont.....	68	40,659	135	129,734	-68.7	82	23,238	+75.0	1,191	1,097,354	1,750	2,666,355	-68.8
Corpus Christi.....	34	16,055	27	31,755	-49.4	26	12,105	+32.6	565	496,150	622	1,150,202	-66.9
Dallas.....	183	363,657	248	1,275,638	-71.5	274	325,608	+11.7	3,621	4,750,223	3,776	11,135,911	-67.3
El Paso.....	24	17,425	66	126,325	-86.2	37	22,049	-21.0	770	961,756	1,273	2,966,166	-67.6
Fort Worth.....	92	258,413	185	473,673	-45.4	132	346,670	-25.5	2,091	5,797,910	2,747	10,121,774	-42.7
Galveston.....	78	28,036	85	699,948	-96.0	120	341,509	-91.8	1,439	2,542,278	1,446	1,799,383	+41.3
Houston.....	149	350,490	224	1,008,310	-65.2	229	876,873	-60.0	3,547	11,674,450	3,713	17,613,072	-33.7
Port Arthur.....	23	6,112	34	12,326	-50.4	48	11,429	-46.5	667	917,592	1,140	2,809,368	-67.3
San Antonio.....	163	445,741	242	607,959	-26.7	168	312,178	+42.8	2,608	3,281,862	3,238	8,500,919	-61.4
Shreveport.....	105	30,870	126	33,341	- 7.4	159	52,628	-41.3	1,753	937,141	2,017	1,559,714	-39.9
Waco.....	13	10,906	21	27,820	-60.8	25	73,340	-85.1	308	1,860,411	360	1,154,055	+61.2
Wichita Falls.....	10	1,815	13	7,235	-74.9	9	5,975	-69.6	128	150,568	264	930,985	-83.8
Total.....	1,023	\$1,698,781	1,494	\$4,910,142	-65.4	1,442	\$2,784,439	-39.0	20,342	\$39,523,179	24,018	\$ 67,760,752	-41.7

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of January 25, 1932)

Industrial activity declined from November to December by slightly more than the usual seasonal amount, while the volume of factory employment showed about the usual decrease. Wholesale prices declined further.

PRODUCTION AND EMPLOYMENT

Volume of industrial output decreased somewhat more than is usual in December and the Board's seasonally adjusted index declined from 72 per cent of the 1923-1925 average in November to 71 per cent in December. Activity in the steel industry decreased from 30 to 24 per cent of capacity for the month, partly as a result of seasonal influences. In the first three weeks of January, it showed a seasonal increase. Automobile output increased considerably in December from the extreme low level of the preceding month, and daily average output at shoe factories, which ordinarily declines at this season, showed little change. At textile mills production was curtailed by more than the usual seasonal amount. The number employed at factories decreased seasonally from the middle of November to the middle of December. In the automobile and shoe industries there were large increases in employment, while in the clothing industries employment declined. In most lines, however, changes were of a seasonal character. For the year 1931 as a whole, the average volume of industrial production was about 16 per cent smaller than in 1930, reflecting large decreases in the output of steel, automobiles, and building materials, offset in part by slight increases in production of textiles and shoes. Value of building contracts awarded, as reported by the F. W. Dodge Corporation, declined considerably more than is usual from the third to the fourth quarter and for the year as a whole was 32 per cent smaller than in 1930, reflecting reduced physical volume of construction, as well as lower building costs.

DISTRIBUTION

Distribution of commodities by rail declined by the usual seasonal amount in December, and department store sales increased by approximately the usual amount.

FOREIGN TRADE

Value of foreign trade continued at low level in Decem-

ber, and for the year as a whole exports showed a decline of 37 per cent from 1930, and imports a decline of 32 per cent, reflecting in part the reduction in prices.

WHOLESALE PRICES

Wholesale prices of commodities declined from 68 per cent of the 1926 average in November to 66 per cent in December, according to the Bureau of Labor Statistics, reflecting decreases in the prices of many domestic agricultural products, sugar, silk, iron and steel, and petroleum products. During the first half of January prices of hogs, lard, and butter declined further, while prices of cotton, silk, coffee, and copper increased.

BANK CREDIT

Reserve bank credit, which had declined from the middle of October to the middle of December and had increased in the latter part of the month, declined again in the first three weeks in January. The growth in the latter part of December reflected a somewhat more than seasonal increase in the demand for currency, partly offset by reductions in the member bank reserve balances and in deposits of foreign central banks. In January the return flow of currency was considerably smaller than in other recent years, while member bank reserve balances continued to decline. Acceptance holdings of the reserve banks, which had reached a total of \$780,000,000 in October, have declined through maturing of bills held almost uninterruptedly since that time, and on January 20 totaled \$190,000,000. The banks' portfolio of United States Government securities showed some increase over the level of the early part of December and discounts for member banks increased substantially. Loans and investments of member banks in leading cities declined further during December and the first two weeks of January, reflecting reductions in loans on securities, as well as in other loans, and in investments. In the middle of January buying rates for bankers' acceptances at the Federal Reserve Banks were reduced and open market rates on 90-day bills declined first from 3 to $2\frac{7}{8}$ per cent and later to $2\frac{3}{4}$ per cent. Yields of high grade bonds, after advancing for a period of about four months, declined after the turn of the year, reflecting a rise in bond prices.