

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE
Eleventh Federal Reserve District

	October 1932	Change from September
Bank debits to individual accounts (at 17 cities).....	\$483,752,000	+ 12.3%
Department store sales.....		+ 6.1%
Reserve bank loans to member banks at end of month.....	\$ 8,964,781	- 19.9%
Reserve bank ratio at end of month.....	49.8%	- 2.7 points
Building permit valuation at larger centers....	\$ 755,538	- 6.5%
Commercial failures (number).....	105	+ 61.5%
Commercial failures (liabilities).....	\$ 2,763,239	+123.2%
Oil production (barrels).....	29,222,150	+ .1%

During October business generally reflected a moderate expansion over September, and the comparisons with the corresponding month last year were better than in any month of the current year prior to September. The October sales of department stores in larger cities were 6 per cent larger than in the previous month, but showed a decline of 15 per cent from the same month in 1931. While the sales in some lines of wholesale trade reflected less than the usual expansion at this season, this development was not surprising in view of the large increase in business during the two preceding months. Retailers continue to buy cautiously and mostly for immediate needs, orders being made frequently for small lots. Collections showed an improvement. The ratio of collections to outstandings in both wholesale and retail trade was larger than in either the previous month or the corresponding month last year.

Commercial insolvencies in this district during October were more numerous than in the previous month, but fell considerably under the total in October last year. The indebtedness of defaulting firms was substantially above that in either comparative period due to the failure of some large-sized concerns.

The financial situation was characterized by a further liquidation of borrowings at the Federal Reserve Bank, and

a gradual though moderate expansion in the commercial loans of member banks in leading cities. The loans of the Federal Reserve Bank to member banks amounted to \$7,729,000 on November 15, as compared with \$10,331,000 on October 15, and \$22,927,000 on the corresponding date a year ago. The "all other" loans of reporting member banks in leading cities, which turned upward late in August, reflected a further moderate expansion between October 12 and November 9. The investments of these banks showed only nominal changes during the period. The deposits of all member banks in this district reflected a further slight increase in October. The daily average of combined net demand and time deposits amounted to \$602,906,000 in October, as compared with \$600,331,000 in September, and \$689,838,000 in the corresponding month last year.

Weather conditions during the past month were ideal for the maturing and harvesting of crops, and increased the yield of cotton. On the other hand, dry weather reduced the yield of some feed and minor crops and retarded the growth of small grains. A general rain over the district is needed to stimulate the growth of small grains, and to facilitate fall and winter plowing. Ranges and livestock continued in good condition, and livestock are expected to go into the winter in good shape. The ample supply of range grass and other feeds will be an important factor in sustaining the condition of livestock during the winter months. The movement of livestock to market has been retarded by the good ranges, the poor demand, and declining prices.

The valuation of building permits issued at principal cities receded to a new low level, the total for October being 7 per cent less than in the previous month, and 78 per cent below the corresponding month last year. The production of cement reflected a sharp decline as compared with both the previous month and the corresponding month in 1931. Shipments of cement showed a sizable increase over September, but were considerably under October, 1931.

BUSINESS

Wholesale Trade

According to the reports received from wholesale firms in the Eleventh District, some slackening in the demand for merchandise was in evidence in certain quarters during October and the early part of November. While a contrary-to-seasonal increase of 2.7 per cent was shown in the case of groceries, the sales of drugs, farm implements, and dry goods were on a smaller scale than in September. The distribution of hardware reflected an expansion of less than the

usual seasonal amount. Decreases as compared with October, 1931, ranged from 0.8 per cent in the case of hardware to 22.3 per cent in the case of farm implements. While the comparisons with a year ago, in the case of all lines except hardware, were somewhat less favorable than in September, they were materially better than those shown in other recent months. Declining prices of many commodities, and some uncertainty regarding the course of business in the immediate future have acted as retarding influences on buying. In-

ventories on hand October 31 showed smaller declines from a year ago than were registered a month earlier. There was a further substantial gain in the volume of collections during the month.

The demand for dry goods at wholesale during October was 17.0 per cent less than in the previous month. This decline, though in part seasonal, was chiefly attributable to the fact that a non-seasonal gain of 20.4 per cent was shown in September. Sales were 17.6 per cent below the level of October, 1931. The movement of seasonable merchandise was delayed by the mild open weather prevailing during most of the month. The ratio of collections to accounts outstanding at the close of the previous month amounted to 29.5 per cent, as against 26.9 per cent in September.

The volume of sales reported by wholesale grocery firms in the Eleventh Federal Reserve District during October reflected a further increase of 2.7 per cent over the preceding month, whereas a decline often occurs at this period. Most of the purchases were of a fill-in nature and were made necessary by the fact that merchants bought sparingly in the early fall season. Sales of merchandise showed a reduction of 8.0 per cent from the level of October last year, as compared with a like decrease of 7.3 per cent in September. Collections were in appreciably larger volume than in the previous month.

Partly as a consequence of the substantial improvement which was witnessed in the previous month, the business of wholesale drug firms during October reflected a decrease of 3.7 per cent. The comparison with the same month last year was only slightly less favorable than in September, the decline amounting to 14.7 per cent. Sales since July 1 have averaged 20.4 per cent under a year ago. The month's collections showed a gain of 12.0 per cent over September.

The distribution of hardware expanded somewhat further in October, following the usual trend at this time of year, and was on a scale 3.1 per cent larger than in September. This improvement was visible in most sections of the district. Sales during the month were only 0.8 per cent less than a year ago, but for the period from July 1 to October 31 there was a decline of 11.5 per cent. The month witnessed a substantial pick-up in collections.

The usual expansion in sales of farm implements during October was not in evidence last month. The business of reporting firms was on a scale 13.2 per cent under that of September, and 22.3 per cent below that of October a year

ago. The chief adverse influence was the reduction in income which resulted from the unfavorable price trend of many farm products. There was a seasonal improvement in the volume of collections.

CONDITION OF WHOLESALE TRADE DURING OCTOBER, 1932
Percentage of increase or decrease in—

	Net Sales October, 1932 compared with Oct., 1931		Net Sales July 1 to date compared with same period last year		Stocks October, 1932 compared with Oct., 1931		Ratio of collec- tions during Oct. to accounts and notes outstanding on Sept. 30	
	1932	1931	1932	1931	1932	1931	1932	1931
Groceries.....	-8.0	+2.7	-12.5	-10.7	+2.3	77.0		
Dry goods.....	-17.6	-17.0	-16.5	-26.4	-5.0	29.5		
Farm implements..	-22.3	-13.2	-37.7	-.8	+1.1	3.7		
Hardware.....	-.8	+3.1	-11.5	-10.9	-1.1	31.9		
Drugs.....	-14.7	-3.7	-20.4	-16.8	+ .9	36.5		

Retail Trade

Although there was a slackening in the rate of increase, the distribution of merchandise at department stores in leading cities of the Eleventh District was on a higher scale during October than that in the preceding month. The dollar volume of sales was 6.1 per cent above that in September, and while the recession of 15.1 per cent from the corresponding month of 1931 was not so encouraging as the 8 per cent decline reported last month, it was, with this one exception, the most favorable percentage recorded of any similar comparison during the present year. Due to the small seasonal increase of sales the Federal Reserve Bank's index of department store sales, which makes allowances for seasonal changes, declined 2 points to 68.1 during October. Distribution during the period from January 1 to October 31, 1932, was 24.9 per cent less than in the same period of 1931.

Merchants followed the customary business procedure during October and increased their inventories 9 per cent over those a month earlier, but their stocks at the close of the month were 26.2 per cent below those held on October 31, 1931. The rate of stock turnover during October this year continued above that a year ago, but the rate for the first ten months of 1932 was 2.27, as against 2.34 in the like period of 1931.

Although the improvement was partly seasonal, collections during October evidenced an appreciable increase over those in September, and were also above those in October last year. The ratio of October collections to accounts outstanding on the first of the month was 32.7 per cent, as compared with 27.7 per cent in September, and 32.0 per cent in October, 1931.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
October, 1932, compared with October, 1931.....	-12.4	-18.1	-19.3	-8.0	-19.2	-15.1
October, 1932, compared with September, 1932.....	+14.6	+11.7	-5.7	-.4	+3.0	+6.1
January 1 to date compared with same period last year.....	-22.4	-26.3	-27.0	-28.3	-22.7	-24.9
Credit sales (percentage):						
October, 1932, compared with October, 1931.....	-13.9	-16.4	-24.0	-14.0	-22.0	-17.2
October, 1932, compared with September, 1932.....	+11.7	+10.2	-.7	-3.8	+ .5	+5.7
January 1 to date compared with same period last year.....	-23.3	-24.8	-30.3	-28.9	-25.3	-25.9
Stocks (percentage):						
October, 1932, compared with October, 1931.....	-19.8	-22.6	-40.3	-29.1	-24.8	-26.2
October, 1932, compared with September, 1932.....	+7.5	+7.4	+13.5	+17.6	+6.0	+9.0
Stock turnover (rate):						
Rate of stock turnover in October, 1931.....	.29	.20	.22	.29	.22	.25
Rate of stock turnover in October, 1932.....	.32	.22	.33	.39	.24	.30
Rate of stock turnover January 1 to October 31, 1931.....	2.42	1.83	2.44	3.14	2.11	2.34
Rate of stock turnover January 1 to October 31, 1932.....	2.29	1.73	2.73	2.98	2.01	2.27
Ratio of October collections to accounts receivable outstanding October 1, 1932.....	34.9	26.3	35.9	35.3	29.1	32.7
Indexes of department store sales:						
Unadjusted October, 1932.....	83.6	85.8	79.4	63.2	.....	78.3
Adjusted October, 1932.....	68.5	75.3	76.3	60.9	.....	68.1
Indexes of department store stocks:						
Unadjusted October, 1932.....	51.9	74.8	53.8	40.1	.....	56.9
Adjusted October, 1932.....	46.3	65.0	46.4	35.5	.....	50.4

Commercial Failures

While the business mortality rate in the Eleventh District during October was considerably higher than in the previous month, it showed a material reduction from the level of the corresponding month last year. The liabilities of defaulting firms were substantially larger than in either comparative

month. According to the report compiled by R. G. Dun & Company, there were 105 insolvencies in this district during the month, with liabilities of \$2,763,239, as compared with 65 failures in September, owing \$1,237,934, and 130 defaults in October a year ago, the indebtedness of which totaled \$1,930,446.

AGRICULTURE**Crop Conditions**

The open weather during the past month was very favorable for the maturing and harvesting of crops in the Eleventh District, and farmers made good progress with practically all farm work. The cool winds and scant rainfall left the top soil dry in many sections, which is now impeding fall plowing. Dry weather during the month also reduced the indicated production of some crops. The seeding of small grains has proceeded rapidly, but on account of dry soil stands are poor in some sections and plant growth has been slow. A heavy general rain over the district would be very beneficial.

The cotton crop in some sections of the district showed a noticeable improvement in October. The estimated production of cotton in the three leading cotton states attached to this district was increased by the Department of Agriculture in its November 1 report with the result that total production for the district, as compiled from the State reports, was raised from 4,741,000 bales on October 1 to 4,938,000 bales on November 1. The largest gain occurred in Texas and was caused principally by the pronounced improvement in the Northwest, West, and West-Central districts of the State, where the per acre yield is reported to be greater than that in 1926. The per acre yield for the State was estimated by the Department of Agriculture at 146 pounds, as compared with 165 pounds in 1931, and 126 pounds for the ten-year average. Total production was placed at 4,225,000 bales which is 162,000 bales greater than the October 1 estimate, but considerably below the large crop of 1931. In the Western half of the State the yield is considerably above the average but is below the average in the Eastern half. The estimated production in Louisiana was increased 40,000 bales during October, and that for Oklahoma was raised 41,000 bales. Picking and ginning of cotton made fair to excellent progress in all states attached to this district. Picking is well advanced in the older cotton sections of Texas and is proceeding rapidly in the Western half of the State. While ginnings in Texas, prior to November 1, totaled only 2,956,000 running bales, which is considerably below the average of the past ten years, picking did not become general in the heavy producing sections of West Texas until well into October.

Feed crops did not turn out as well as expected on October 1. The production of corn in this district, as compiled from the November 1 State estimates of the Department of Agriculture, amounted to 117,226,000 bushels, as compared with 123,558,000 bushels on October 1, and 109,442,000 bushels harvested in 1931. Most of the decline occurred in Texas where the estimate was reduced from 108,433,000 bushels on October 1, to 102,726,000 bushels on November 1. This latter estimate, however, is still considerably above the last year's yield of 94,248,000 bushels. The November 1 estimates for Louisiana, New Mexico, and Arizona were also reduced slightly as compared with a month earlier. The Texas production of grain sorghums was estimated by the Department to be 62,715,000 bushels on November 1, as compared with 66,896,000 bushels on October 1, and a harvest

of 60,000,000 bushels in 1931. The reduction was due to the dry weather prevailing over the State and to frosts in Northwest Texas. Dry weather and frosts also greatly reduced prospects for grain sorghums in Oklahoma. The indicated production was reduced from 19,392,000 bushels on October 1 to 14,544,000 bushels on November 1, and compares with an actual yield of 12,987,000 bushels last year. The production forecast of this crop for New Mexico was 3,686,000 bushels, which was considerably below that a month earlier or last year's harvest.

The November 1 prospects for most minor crops either reflected slight declines from a month earlier or showed no change. The November 1 estimates for sweet potato production were reduced slightly in all states attached to this district, but the output will exceed that of a year ago. The peanut crop in Texas promised 99,000,000 pounds on November 1, which was 4,500,000 pounds less than the estimate a month ago, but 13,670,000 pounds above last year's harvest. The Louisiana yield was reduced from 8,400,000 pounds on October 1 to 5,700,000 pounds on November 1, and the latter figure compares with 7,800,000 pounds produced last year. The estimate for the Texas rice crop remained unchanged at 8,418,000 bushels, which is somewhat below last year's production. Other crops showed no material change from a month ago.

Reports indicate that weather conditions during October were favorable for fall vegetables, and most crops have made fair to good growth. Harvesting of fall vegetables in South Texas has started and will soon be well under way.

Livestock Range conditions in this district declined slightly during October but continued generally good. While weather conditions were favorable for the curing of range feeds, winter grass and weeds did not make normal growth due to the lack of moisture. In most sections of the district, however, range feed is plentiful and prospects for grazing are well above the average. In Southern New Mexico rains improved soil moisture and increased the supply of stock water. Livestock generally are expected to go into the winter in good condition and should winter well on account of the ample supply of feed.

The condition of cattle ranges in Texas declined from 91 per cent of normal on October 1 to 88 per cent on November 1, yet the latter figure is 14 points higher than that of a year ago, and is the highest for any corresponding date during the past 5 years. The condition of cattle declined slightly in all sections of Texas, except Southern and Southwest Texas, with the State average reported as 87 per cent of normal on November 1. This figure is 1 point below a month earlier, but 7 points higher than a year ago. Although sheep and goat ranges in Texas declined 5 points during the month, the 91 per cent of normal condition obtaining on November 1 compares with 76 per cent on the corresponding date last year. The condition of sheep and goats showed an improvement of 2 points during the month and was well above the condition on November 1, 1931. Range conditions in New Mexico improved slightly during

October, but there was a decline in the condition of livestock. In Arizona a decline was reported in the condition of both ranges and livestock.

Movements and Prices

The receipts of cattle, calves, and sheep at the Fort Worth market during October were larger than in the previous month, but were substantially smaller than in the corresponding month of 1931. The number of hogs yarded in October, while slightly lower than in September, was moderately larger than in October last year.

Despite the small receipts, market prices for most classes

	October 1932	October 1931	Change over year	September 1932	Change over month
Cattle.....	35,504	56,012	-20,508	32,583	+ 2,921
Calves.....	26,194	40,464	-14,270	19,032	+ 7,162
Hogs.....	15,880	13,575	+ 2,305	16,877	- 997
Sheep.....	44,249	54,312	-10,063	28,591	+15,658

of livestock drifted to lower levels during the past six weeks due to the poor demand. Prices on all classes of cattle were unevenly lower. Quality cattle usually sold to a fair to good advantage, but lower grades were hard to move. The hog market reflected a steady decline throughout October, but showed a good recovery during the first half of November. The lamb market showed some strength during the last half of October but turned weak during the succeeding two weeks. The supply of wethers has been limited and prices have ruled fairly steady.

	October 1932	October 1931	September 1932
Beef steers.....	\$6.40	\$7.50	\$7.75
Stocker steers.....	5.50	5.60	5.60
Butcher cows.....	3.75	4.50	4.00
Stocker cows.....	3.00	4.00	3.40
Calves.....	5.50	6.00	5.25
Hogs.....	3.95	6.10	4.40
Sheep.....	2.00	4.50	2.25
Lambs.....	4.50	5.50	4.75

FINANCE

Condition of Member Banks in Selected Cities

The loans and deposits of member banks in selected cities reflected a further expansion between October 12 and November 9, and their investments showed little change. Investments in United States securities amounted to \$90,620,000 on November 9, which was \$781,000 less than four weeks earlier, but \$16,301,000 above those on the corresponding date last year. While investments in other stocks and bonds were increased \$354,000 during the period, they were \$5,159,000 below a year ago. Loans on securities declined \$22,000 during the four-week period ending November 9, but "all other" loans (largely commercial) showed an expansion of \$3,761,000. Commercial loans have shown a steady increase since the low point was reached toward the latter part of August. The net demand deposits of these banks totaled \$225,575,000 on November 9 as compared with \$219,182,000 on October 12. Time deposits rose \$253,000 during the same period. Combined net demand and time deposits on November 9 were \$37,522,000 less than on the corresponding date in 1931. Their borrowings from the Federal Reserve Bank amounted to \$420,000 on November 9 as compared with \$40,000 on October 12, and \$11,834,000 on November 11, 1931.

	Nov. 9, 1932	Nov. 11, 1931	Oct. 12, 1932
United States securities owned.....	\$ 90,620	\$ 74,319	\$ 91,401
All other stocks, bonds, and securities owned.....	57,587	62,746	57,233
Loans on securities.....	71,885	85,753	71,907
All other loans.....	171,263	211,693	167,502
Total loans.....	243,148	297,446	239,409
Net demand deposits.....	225,575	257,537	219,182
Time deposits.....	128,269	133,829	128,018
Reserve with Federal Reserve Bank.....	26,177	31,049	26,764
Bills payable and rediscounts with Federal Reserve Bank.....	420	11,834	40

Operations of the Federal Reserve Bank

The past month witnessed a further liquidation of the indebtedness of member banks at the Federal Reserve Bank. These loans amounted to \$7,729,000 on November 15, as compared with \$10,331,000 on October 15, and \$22,927,000 on the corresponding date last year. It will

be recalled that borrowings at the Federal Reserve Bank showed a sharp expansion during the fall of 1931. The recession in borrowings during the past month was brought about entirely by the liquidation of indebtedness of country banks, as the borrowings of reserve city banks reflected a slight expansion. There were 177 banks indebted to the Federal Reserve Bank on November 15, as compared with 214 banks on October 15, and 229 banks on the same date in 1931. The holdings by this bank of bankers' acceptances purchased in the open market amounted to \$858,000 at the middle of November which compares with a total of \$18,162,000 on November 15 last year. Investments in Government securities rose to \$43,221,000 on November 15, which was \$2,500,000 greater than holdings a month earlier, and \$23,591,000 greater than those a year ago. The reserve deposits of member banks reflected an increase of \$1,479,000 between October 15 and November 15, but the total of \$45,170,000 on the latter date was still \$5,027,000 below those on the same date last year. The actual circulation of Federal reserve notes totaled \$39,282,000 at the middle of November, as compared with \$37,841,000 a month earlier, and \$51,621,000 on November 15, 1931.

	Nov. 15, 1932	Nov. 15, 1931	Oct. 15, 1932
Total cash reserves.....	\$ 43,018	\$ 53,951	\$ 41,952
Discounts for member banks.....	7,729	22,927	10,331
Other bills discounted.....	256	17	865
Bills bought in the open market.....	858	18,162	40,721
United States securities owned.....	43,221	19,630	5
Other investments.....	5	7	51,922
Total earning assets.....	52,069	60,743	43,601
Member bank reserve deposits.....	45,170	50,197	37,841
Federal reserve notes in actual circulation...	39,282	51,621	

Acceptance Market

Total acceptances executed by accepting banks in this district and outstanding at the close of October amounted to \$1,843,992, as against \$1,570,872 a month earlier, and \$3,733,915 on October 31, 1931. The increase during the month occurred in the classification of acceptances based on the domestic shipment and storage of goods, and it was seasonal in character.

Deposits of Member Banks Contrary to the marked downward trend which was followed at this period last year, the combined daily average of net demand and time deposits of member banks in this district during October reflected a further slight increase. The average amounted to \$602,906,000, as against \$600,331,000 in September, and \$689,838,000 in October a year ago. As compared with the previous month, there was a decline of \$1,539,000 in the net demand deposits of reserve city banks, which was more than offset by gains in the other classifications.

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

	Combined Total		Reserve City Banks		Country Banks	
	Net demand deposits	Time deposits	Net demand deposits	Time deposits	Net demand deposits	Time deposits
Oct., 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	122,674	248,538	79,420
Jan., 1932	468,172	196,782	221,799	118,475	246,378	78,307
Feb., 1932	469,110	195,572	222,116	118,993	246,994	77,579
Mar., 1932	461,557	194,887	221,835	117,339	239,722	77,548
April, 1932	445,050	191,293	216,649	115,732	228,401	75,561
May, 1932	434,865	190,729	212,117	115,372	222,748	75,357
June, 1932	422,594	189,066	207,155	115,634	215,439	73,432
July, 1932	421,727	186,995	209,225	114,505	212,502	72,490
Aug., 1932	409,254	187,908	201,130	114,532	208,124	73,376
Sept., 1932	413,291	187,040	202,121	113,937	211,170	73,103
Oct., 1932	413,190	189,716	200,582	116,186	212,608	73,530

Debits to Individual Accounts The October volume of debits to individual accounts at banks in principal centers in this district, which amounted to \$483,752,000, reflected a seasonal gain of 12.3 per cent as compared with the previous month. The decrease from a year ago amounted to 30.4 per cent, as

against a like decline of 26.0 per cent in September. With one exception, all reporting cities participated in the increase over the preceding month.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	October 1932	October 1931	Percentage change over year	September 1932	Percentage change over month
Abilene	\$ 5,056	\$ 6,258	-19.2	\$ 4,197	+20.5
Austin	13,106	19,569	-33.0	13,318	- 1.6
Beaumont	12,489	19,091	-34.6	12,241	+ 2.0
Corsicana	2,994	4,260	-29.7	2,568	+16.6
Dallas	142,700	197,691	-27.8	128,037	+11.5
El Paso	13,541	20,487	-33.9	12,314	+10.0
Fort Worth	51,654	72,754	-29.0	43,004	+20.1
Galveston	22,611	26,770	-15.5	17,311	+30.6
Houston	116,521	175,905	-33.8	104,282	+11.7
Port Arthur	3,926	7,044	-44.3	3,691	+ 6.4
Roswell	1,927	2,575	-25.2	1,624	+18.7
San Antonio	41,965	64,099	-34.5	37,452	+12.1
Shreveport	22,492	28,521	-21.1	22,481	+ 1
Texarkana	5,362	8,203	-34.6	5,179	+ 3.5
Tucson	7,153	10,120	-29.3	5,326	+34.3
Waco	11,839	18,948	-37.5	9,972	+18.7
Wichita Falls	8,416	12,482	-32.6	7,601	+10.7
Total	\$483,752	\$694,777	-30.4	\$430,598	+12.3

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

Savings Deposits A general increase of 0.5 per cent was reflected during October in the volume of savings deposits on record at 139 reporting banks in this district. The amount reported on the last day of the month was \$138,959,046, as against \$138,232,863 on September 30, and \$153,262,144 on October 31 last year. The decrease of 9.3 per cent from a year ago was the most favorable comparison shown since September, 1931.

SAVINGS DEPOSITS

	Number of reporting banks	October 31, 1932		October 31, 1931		Percentage change over year in savings deposits	September 30, 1932		Percentage change over month in savings deposits
		Number of savings depositors	Amount of savings deposits	Number of savings depositors	Amount of savings deposits		Number of savings depositors	Amount of savings deposits	
Beaumont	3*	5,998	\$ 2,973,871	4,404	\$ 3,450,892	-13.8	6,016	\$ 2,969,665	+ 1
Dallas	9*	73,596	25,387,471	75,643	27,215,312	- 6.7	73,729	25,208,312	+ 7
El Paso	2	10,558	3,332,090	10,500	3,142,661	+ 6.0	10,524	3,289,891	+1.3
Fort Worth	4	33,735	11,320,187	34,894	12,640,802	-10.4	33,735	11,162,377	+1.4
Galveston	4	17,230	10,069,739	18,024	11,895,762	-15.4	17,286	10,139,623	- 7
Houston	11*	65,617	30,250,136	69,763	32,947,525	- 8.2	65,817	30,090,784	+ 5
Port Arthur	2	4,310	1,813,195	4,657	1,862,889	- 2.7	4,271	1,812,305	0.0
San Antonio	7*	14,271	14,057,186	12,706	15,044,651	- 6.6	13,760	13,847,364	+1.5
Shreveport	4	23,033	9,950,491	25,357	11,237,661	-11.5	23,060	9,998,598	- 5
Waco	4	10,324	5,608,810	10,035	5,765,223	- 2.7	10,254	5,547,856	+1.1
Wichita Falls	3*	2,842	2,325,549	3,036	2,569,166	- 9.5	2,819	2,316,685	+ 4
All others	87*	50,173	21,870,351	53,541	25,489,600	-14.2	51,001	21,849,403	+ 1
Total	139	311,687	\$138,959,046	322,560	\$153,262,144	- 9.3	312,272	\$138,232,863	+ 5

*Only 2 banks in Beaumont, 6 in Dallas, 10 in Houston, 6 in San Antonio, 2 in Wichita Falls, and 71 in "All others" reported the number of savings depositors.

NOVEMBER DISCOUNT RATES

Prevailing rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act	3-7	6-8	4½-6	5-7	6-8	6-8
Rate charged on loans to other banks secured by bills receivable	5-6	5-6	5-6	5-6	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	5½-6	6-8	6-10	5-7	6-8	7-8
Time	6-8	6-8	6-10	5-7	6-8	7-8
Rate charged on commodity paper secured by warehouse receipts, etc.	4½-7	8	6-8	5-7	6-8	5-7
Rate on cattle loans	6-7	6-8	6-10	7-8	7-10	8

INDUSTRY

Cottonseed Products Although somewhat smaller than usual, a further seasonal increase was evidenced during the past month in the operations of cottonseed oil mills in both Texas and the United States. On the other hand, the comparisons with the corresponding month of 1931 were not so favorable, there

being a decline in the receipts and crushings of seed and the production of all products. As a result of this recession the volume of activity, at mills located in Texas, during the three months of the present season fell below that in the same period last season; at United States mills, however, all operations except receipts of seed remained above those in

that period of 1931. Inventories of cottonseed held by crushing establishments on October 31 reflected the usual increase over those a month earlier, but at Texas mills they were smaller than those on hand a year ago. Supplies of cottonseed products held on the last day of October were larger than usual. They were seasonally above those a month earlier, and considerably larger than those a year ago.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to October 31 This season	Last season	August 1 to October 31 This season	Last season
Cottonseed received at mills (tons).....	721,131	955,338	2,347,209	2,553,013
Cottonseed crushed (tons).....	515,778	531,183	1,433,076	1,376,768
Cottonseed on hand Oct. 31 (tons).....	380,621	437,648	1,214,157	1,201,029
Crude oil produced (pounds).....	151,524,078	155,468,562	437,686,860	424,586,236
Cake and meal produced (tons).....	240,135	247,011	646,521	617,087
Hulls produced (tons).....	151,873	152,544	406,818	386,061
Linters produced (running bales).....	60,892	68,815	221,612	213,420
Stocks on hand, October 31:				
Crude oil (pounds).....	28,432,830	26,377,904	85,788,046	64,632,204
Cake and meal (tons).....	90,269	46,099	308,788	137,314
Hulls (tons).....	103,566	83,104	257,436	160,190
Linters (running bales).....	78,165	66,847	271,711	248,608

Textile Milling

As reflected by the domestic consumption of cotton, the increased activity, which has been in evidence for some time, continued during October in the Nation's cotton textile industry. A seasonal increase was shown as compared with the previous month, and consumption was again above that in the same month of 1931. The 502,244 bales of cotton consumed during October represents an increase of 2.2 per cent over September's consumption of 491,655 bales, and an increase of 8.9 per cent over the 461,023 bales consumed in October, 1931. During the period from August 1 to October 31 this year consumption was 3.4 per cent above that in the corresponding period of 1931. Stocks of cotton on hand October 31 in consuming establishments were greater than those a month earlier or a year ago.

The consumption of cotton and the production of cloth at reporting Texas textile mills were curtailed during the past month, contrary to seasonal tendencies, but they continued above a year ago. Orders for finished products on hand at the month's end were also smaller than those thirty-one days earlier, but greater than those held on October 31, 1931. Stocks of products held at the close of the month were above those a month earlier and a year ago.

COTTON CONSUMED AND ON HAND (Bales)

	October 1932	October 1931	August 1 to October 31	
			This season	Last season
Cotton-growing states:				
Cotton consumed.....	414,572	378,144	1,160,708	1,097,440
On hand October 31 in—				
Consuming establishments.....			1,011,195	851,786
Public storage and compresses.....			9,388,000	9,108,868
United States:				
Cotton consumed.....	502,244	461,023	1,396,500	1,350,388
On hand October 31 in—				
Consuming establishments.....			1,266,816	1,108,034
Public storage and compresses.....			9,826,875	9,460,691

Cotton Movements

The exports of cotton from the ports of Houston and Galveston were seasonally larger during October than those a month earlier, and at the latter port were greater than in the like month of 1931. Shipments from Houston were 31.1 per cent less than those in October, 1931. The receipts of cotton, at both ports, also reflected an increase of a seasonal nature, but they were in much smaller volume than a year

ago. During the first quarter of the current season the combined exports from both points of concentration were fractionally smaller than those in the same period of the preceding season, and receipts of cotton evidenced a material reduction. Stocks of cotton held at the ports on October 31 showed the usual increase over the previous month, but they were less than those a year ago.

A further large seasonal increase was witnessed during the past month in the total foreign exports of cotton from all United States ports, but a small decline, the first in many months, was shown as compared with the corresponding month of 1931. There were 1,008,023 bales of cotton shipped during October, as compared with 733,665 bales in September, and 1,014,180 bales in October a year ago. Movements during the first three months of the current season aggregated 2,193,842 bales, which represents an increase of 23 per cent over those in the same period of 1931. Although the current season's exports of cotton to Oriental countries have been considerably below those last year, importations by Japan continue materially above the average.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	October 1932	October 1931	August 1 to October 31	
			This season	Last season
Receipts.....	472,656	502,961	712,540	737,400
Exports.....	215,486	208,505	358,736	313,569
Stocks, October 31.....			815,983	824,893

COTTON—GALVESTON STOCK STATEMENT (Bales)

	Oct. 31, 1932	Oct. 31, 1931
	For Great Britain.....	9,500	9,000
For France.....	4,500	5,200
For other foreign ports.....	41,500	44,800
For coastwise ports.....	1,500	1,000
In compresses and depots.....	758,983	764,893
Total.....	815,983	824,893

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	October 1932	October 1931	August 1 to October 31	
			This season	Last season
Receipts.....	528,751	1,016,620	998,965	1,501,611
Exports.....	281,703	408,855	672,465	718,896
Stocks, October 31.....			1,399,715	1,495,646

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

	August 1 to October 31	
	This season	Last season
Receipts.....	3,057,944	3,470,849
Exports: United Kingdom.....	363,590	204,515
France.....	293,980	71,588
Italy.....	208,301	141,092
Germany.....	602,126	397,649
Other Europe.....	257,133	199,728
Japan.....	361,551	431,684
All other countries.....	107,161	337,146
Total foreign ports.....	2,193,842	1,783,402
Stocks at all United States ports, October 31.....	4,244,433	4,387,612

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

	October, 1932		Nov. 15, 1932
	High	Low	
New York.....	7.15	6.15	6.40
New Orleans.....	7.10	6.11	6.34
Dallas.....	6.65	5.60	5.85
Houston.....	7.00	5.95	6.20
Galveston.....	6.95	6.00	6.25

Petroleum

Despite a reduction of 30,400 barrels in the daily average output of crude petroleum in the Eleventh Federal Reserve District during October, the month's total production, which amounted to 29,222,150 barrels, was slightly higher than that of September. However, there was a large decrease of 3,685,150 barrels as compared with October, 1931. Drilling activity turned upward again, there being 865 new wells completed during October, as against 752 in the previous month. The initial yield from successful wells increased to 4,023,045 barrels, as against 3,662,063 barrels in September, and 5,424,609 barrels in October last year.

Daily production from Texas fields during October amounted to 880,850 barrels, which is 31,150 barrels below the average of the preceding month, and 107,930 barrels under a year ago. While all areas participated in the decline from September, the largest reduction was shown in the Gulf Coastal region. Production in both New Mexico and

North Louisiana was slightly higher than in the previous month.

OCTOBER DRILLING RESULTS

	Completions	Producers	Gas wells	Failures	Initial production
North Texas.....	113	42	2	69	5,182
Central West Texas.....	51	26	5	20	8,580
East Central Texas.....	513	497	..	16	3,936,485
South Texas.....	77	36	1	40	18,830
Texas Coastal.....	61	43	1	17	43,152
Total Texas.....	815	644	9	162	4,012,229
New Mexico.....	9	7	..	2	5,829
North Louisiana.....	41	12	4	25	4,987
October totals, district.....	865	663	13	189	4,023,045
September totals, district....	752	612	9	131	3,662,063

CRUDE OIL PRICES

	Nov. 11, 1932	Nov. 10, 1931
Texas Coastal (40 gr. and above).....	\$1.10	\$.86
North Texas and North Louisiana (40 gr. and above).....	1.12	.85

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

OIL PRODUCTION—(Barrels)

	October, 1932		Increase or decrease over September, 1932	
	Total	Daily avg.	Total	Daily avg.
North Texas.....	2,914,000	94,000	+ 31,000	- 2,100
Central West Texas.....	5,775,300	186,300	- 23,700	- 7,000
East Central Texas.....	12,976,600	418,600	+142,600	- 9,200
Texas Coastal.....	3,954,050	127,550	-250,450	-12,600
South Texas.....	1,686,400	54,400	+ 46,900	- 250
Total Texas.....	27,306,350	880,850	- 53,650	-31,150
New Mexico.....	998,900	31,900	+ 33,400	+ 50
North Louisiana.....	926,900	29,900	+ 50,900	+ 700
Total District.....	29,222,150	942,650	+ 30,650	-30,400

Building

Construction activity in the Eleventh District declined further during October, as evidenced by the reduced value of building permits issued at principal cities. The total valuation of these permits amounted to \$755,538, as compared with \$808,014 in September, and \$3,378,018 in October a year ago. Despite the average decrease of 6.5 per cent from the previous month, the cities of Fort Worth, Galveston, Port Arthur, San Antonio and Shreveport showed appreciable gains.

BUILDING PERMITS

	October, 1932		October, 1931		Percentage change valuation over year	September, 1932		Percentage change valuation over month	Ten Months				Percentage change valuation over period
	No.	Valuation	No.	Valuation		1932			1931				
						No.	Valuation		No.	Valuation			
Amarillo.....	17	\$ 6,564	49	\$ 92,733	-92.9	26	\$ 20,702	-68.3	218	\$ 277,013	475	\$ 2,664,791	- 89.6
Austin.....	97	67,336	105	130,154	-25.2	100	102,353	- 4.9	918	5,077,757	965	1,881,254	+169.9
Beaumont.....	96	13,789	109	59,776	-76.9	92	15,244	- 9.5	865	272,054	1,041	1,033,457	- 73.7
Corpus Christi..	30	2,830	53	27,670	-89.8	29	11,129	-74.6	328	129,840	505	467,990	- 72.3
Dallas.....	255	113,910	257	257,976	-55.8	243	191,231	-40.4	2,735	2,178,558	3,164	4,060,958	- 46.4
El Paso.....	44	26,060	44	33,031	-21.1	54	34,135	-23.7	407	313,767	709	922,282	- 66.0
Fort Worth.....	92	102,600	167	1,350,000	-92.4	157	84,628	+21.2	1,263	1,250,403	1,867	5,192,827	- 75.9
Galveston.....	143	42,988	118	258,507	-83.4	184	27,107	+58.6	1,410	483,193	1,241	2,172,733	- 77.8
Houston.....	201	174,213	284	774,270	-77.5	190	174,737	- 3	2,051	2,491,039	3,169	10,447,087	- 76.2
Port Arthur.....	31	5,041	51	27,743	-81.8	26	4,792	+ 5.2	367	82,045	596	900,051	- 90.9
San Antonio.....	200	76,305	222	262,888	-71.0	184	62,054	+23.0	1,825	1,459,562	2,277	2,523,943	- 42.2
Shreveport.....	130	57,402	150	36,129	+58.9	132	32,172	+78.4	1,226	408,570	1,459	853,643	- 52.1
Waco.....	24	31,360	27	64,300	-51.2	28	36,407	-13.9	303	327,718	270	1,776,165	- 81.5
Wichita Falls..	11	5,140	10	2,841	+80.9	19	11,323	-54.6	156	491,360	109	142,778	+244.1
Total.....	1,371	\$ 755,538	1,646	\$3,378,018	-77.6	1,464	\$ 808,014	- 6.5	14,072	\$15,242,879	17,877	\$35,039,959	- 56.5

Cement

A reduction of 48.9 per cent was shown in the output of Portland cement at Texas mills during October. Total production amounted to 218,000 barrels, as compared with 427,000 barrels in the previous month, and 601,000 barrels in the same month last year. Shipments increased 21.0 per cent, the month's total

being 381,000 barrels. They were 34.6 per cent below the level of October, 1931. Stocks on hand at the close of the month, which amounted to 554,000 barrels, were 22.7 per cent less than a month earlier, and 0.7 per cent smaller than a year ago.

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

	October 1932	% change from Sept. 1932	October 1931	Jan. 1 through Oct. 31, 1932	% change from year
Production at Texas mills.....	218	-48.9	63.7	3,110	-42.7
Shipments from Texas mills.....	381	+21.0	34.6	3,281	-42.2
Stocks at end of month at Texas mills.....	554	-22.7	.7	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of November 22, 1932)

Volume of industrial output, after increasing considerably during August and September, remained unchanged in October. Factory employment and payrolls reported for the middle of the month showed a further increase. During October, as in the last three weeks of September, wholesale commodity prices declined and in the first three weeks of November the general average was at the level of early summer.

PRODUCTION AND EMPLOYMENT

Industrial production, as measured by the Board's seasonally adjusted index, continued in October at 66 per cent of the 1923-1925 average, as compared with a low level of 58 per cent in July. In the textile industries, which had shown a rapid expansion in August and September, there was a slight decrease in consumption of raw materials while output of finished products increased somewhat. Shoe production, which also had increased substantially in recent months, showed a seasonal decline. Operations at steel mills expanded from an average of 17 per cent of capacity in September to 19 per cent in October, contrary to seasonal tendency, and, according to trade reports, continued at about this rate through the first three weeks of November. Production of automobiles in October declined further to a new low level. At coal mines activity continued to increase rapidly until the middle of October, but since that time a reduction, largely seasonal in character, has been reported. Employment in most manufacturing industries increased between the middle of September and the middle of October, and the Board's seasonally adjusted index of factory employment showed an advance from 60 per cent of the 1923-1925 average to 61 per cent. At textile mills working forces increased by considerably more than the usual seasonal amount, and substantial increases were also reported at steel mills, lumber mills, and car-building shops. In the canning and automobile industries there were decreases in employment. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, continued at low levels during October and the first half of November. The Department of Agriculture's estimate of the cotton crop, based on November 1 conditions, was 11,950,000 bales, about 525,000 bales larger than the estimate a month earlier.

DISTRIBUTION

From September to October, volume of freight traffic increased by more than the usual seasonal amount; after the middle of October carloadings declined, reflecting chiefly seasonal developments. Dollar value of department store sales increased by the usual amount in October.

WHOLESALE PRICES

Wholesale commodity prices, as measured by the monthly index of the Bureau of Labor Statistics, declined from 65 per cent of the 1926 average in September to 64 per cent in October. Weekly figures show declines in the general average from early September through the first week in November, reflecting reductions in the prices of many domestic agricultural products and their manufactures, as well as in the prices of steel rails, copper, coffee, rubber, and silk. In the second week of November prices of many leading commodities including grains, hogs, cotton, silk, zinc, lead, and tin advanced considerably, but later the prices of these commodities declined.

BANK CREDIT

Volume of reserve bank credit showed little change for the four-week period ending November 16. Member bank balances at the reserve banks increased further by \$75,000,000 and in the middle of November were about \$475,000,000 in excess of legal reserve requirements. This growth in reserve balances reflected an increase of \$60,000,000 in the stock of gold and the issue of additional national bank notes. Demand for currency showed little change during the four-week period. Loans and investments of reporting member banks in leading cities, outside New York City and Chicago, declined further between the middle of October and the middle of November, reflecting a further reduction of loans at these banks. In New York City the investments of member banks increased by an amount larger than the decrease in loans so that total loans and investments of these banks showed a further increase. Money rates in the open market continued at low levels during October and the first half of November. Rates on 90-day bankers' acceptances were unchanged at $\frac{1}{2}$ of 1 per cent, and rates on prime commercial paper declined from a range of $1\frac{3}{4}$ -2 to a range of $1\frac{1}{2}$ - $1\frac{3}{4}$ per cent.