

# 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

	September 1933	Change from August
Bank debits to individual accounts (at 17 cities).....	\$497,315,000	+ 13.8%
Department store sales.....		+ 12.8%
Reserve bank loans to member banks at end of month.....	\$ 3,163,364	- 25.6%
Reserve bank ratio at end of month.....	68.0%	+ 9.2 points
Building permit valuation at larger centers.....	\$ 615,385	- 33.0%
Commercial failures (number).....	17	- 67.9%
Commercial failures (liabilities).....	\$ 538,021	- 65.5%
Oil production (barrels).....	34,501,500	- 12.9%

An increase in the indicated production of several agricultural commodities and returns from the marketing of cotton and other cash crops, augmented by receipts from the Agricultural Adjustment Administration, stimulated the consumer demand for merchandise in rural sections of this district during September. Reflecting this expansion in rural buying, sales in reporting lines of wholesale trade evidenced a larger than seasonal increase over the previous month, and a most lines showed substantial gains as compared with a year ago. The improvement in collections was also larger than usual at this season. Retail business in the larger centers, as reflected by the department store sales, showed a smaller than seasonal increase between August and September and was 7 per cent lower than sales in the corresponding month last year. Debits to individual accounts at principal centers in this district during September were 14 per cent larger than in August, and 16 per cent greater than in September, 1932.

There was a further improvement in the prospective agricultural production during the month due to the continuance of favorable weather conditions. The most significant betterment occurred in the district's cotton crop which, according to the October 1 report of the Department of Agriculture, indicated a production of approximately 640,000 bales

above the prospects two months earlier. Farmers are likewise benefiting from larger yields of other crops. Harvesting of crops has proceeded at a rapid rate. Timely rains have left the soil in good condition over a large area of the district, but there are some sections where more rain would be beneficial to the germination and growth of small grains. While the condition of livestock and ranges has shown some improvement, recovery from the effects of the summer drouth has been slow and there are some areas which are badly in need of moisture.

The past month witnessed a substantial seasonal reduction in member bank borrowings at the Federal Reserve Bank. These loans amounted to \$2,258,000 on October 15, as compared with \$4,237,000 a month earlier, and \$10,331,000 on the corresponding date last year. The heavy movement of funds into this district was reflected by the sharp increase in the reserve deposits of member banks during the month. The circulation of Federal reserve bank currency showed a rapid expansion between September 15 and October 15, the total of \$49,915,000 on the latter date being \$8,195,000 greater than a month earlier, and \$12,074,000 above a year ago. While the investments of member banks in selected cities declined somewhat between September 13 and October 11, commercial loans reflected a further substantial increase. The daily average of combined net demand and time deposits of member banks evidenced a seasonal expansion of \$7,997,000 in September, and the average for that month was only \$12,226,000 less than in the same month of 1932.

Construction activity showed a further sharp decline during September. The valuation of building permits issued at principal cities was 33 per cent less than in August, and 19 per cent under a year ago. A large increase in the production of cement was registered during the month, but shipments declined slightly. As compared with a year ago, both production and shipments reflected a substantial recession.

## BUSINESS

### Wholesale Trade

A further increase in the demand for merchandise at wholesale was in evidence during September. All reporting

lines showed an expansion as compared with August and the gains were to a large extent non-seasonal in nature, ranging from 9.7 per cent in the case of groceries to 35.9 per cent in the case of farm implements. Only one line failed to register an increase over September, 1932, and in the case

of groceries, farm implements, and drugs this comparison was more favorable than in the previous month. Increasing confidence and expanding consumer demand have been visible in many sections during recent weeks, and retailers have found it necessary to enlarge their purchases. Total sales during the third quarter of the current year reflected increases over the same period last year ranging from 1.8 per cent in the case of drugs to 72.2 per cent in the case



of farm implements. Substantially larger collections, only partly attributable to seasonal influences, were reported in all lines during September.

A materially larger than seasonal expansion was shown during September in the demand for drugs at wholesale. Total sales of reporting firms in this district were 20.8 per cent in excess of those in August and 5.7 per cent above the level of September last year. Distribution during the third quarter of the current year was on a scale 1.8 per cent above that in the same period in 1932. Business appeared to be fairly good in practically all sections. The volume of collections increased by 9.4 per cent over that in August.

The demand for dry goods at wholesale turned upward again in September and showed an increase of 11.8 per cent over the preceding month. However, the volume of sales was 5.2 per cent under that of the same month last year. Wholesalers reduced their inventories 3.1 per cent during the month, but on September 30 they were 47.2 per cent larger than on the same date in 1932. There was an increase of 24.4 per cent over the previous month in collections during September.

There was a considerable increase in the business of wholesale farm implement firms during the past month, and it was due in most part to factors other than those of a seasonal nature. Sales were 35.9 per cent larger than in August and 120.1 per cent greater than in September a year ago. After falling off in August, the volume of collections in September reflected a substantial increase.

Distribution of hardware through wholesale channels during September reflected a seasonal increase of 10.1 per cent and was on a scale 16.9 per cent higher than a year ago. Aggregate sales in July, August, and September were 25.0 per cent larger than in the same period last year. Inventories on September 30 were somewhat smaller than either a month earlier or a year ago. Collections during the month were 8.2 per cent above those reported in August.

Sales of groceries at wholesale in September were seasonally larger than in August, the increase over both the previous month and the same month last year amounting to 9.7 per cent. Business continues to be somewhat better in rural sections. Stocks were enlarged 5.7 per cent during the month, but on September 30 showed a smaller increase

over a year ago than was shown at the close of August. Collections reflected a gain of 18.1 per cent as compared with the preceding month.

CONDITION OF WHOLESALE TRADE DURING SEPTEMBER, 1933  
Percentage of increase or decrease in—

	Net Sales Sept., 1933 compared with Sept., 1932	Net Sales July 1 to date compared with same period last year	Stocks Sept., 1933 compared with Sept., 1932	Ratio of collec- tions during Sept. to accounts and notes outstanding on August 31
Groceries.....	+ 9.7	+ 9.7	+10.5	+ 5.7
Dry goods.....	+ 5.2	+11.8	+32.6	+ 3.1
Farm implements..	+120.1	+35.9	+72.2	+ 1.5
Hardware.....	+16.9	+10.1	+25.0	+ 1.1
Drugs.....	+ 5.7	+20.8	+ 1.8	+ .7

### Retail Trade

While the demand for merchandise at department stores in principal cities of the Eleventh District was greater during September than in the preceding month, the gain was somewhat smaller than usually occurs at that season. Consumer buying also dropped below that in the corresponding month last year after two consecutive months of sizable increases. This decline is attributable in large part to the warm weather and the slowing down following the heavy purchases in the previous month. As compared with a year ago, the largest recessions occurred in women's and misses' ready-to-wear and accessories. The dollar volume of sales averaged 12.8 per cent above that in August, but 7.4 per cent less than in September, 1932. The smaller than seasonal increase in sales was reflected also in the department store index figure, which declined from 81.3 per cent of the 1923-25 average in August to 64.8 per cent in September. During the first nine months of 1933 distribution of merchandise averaged 4.7 per cent less than in the same period of 1932. Reports indicate that consumer buying during the early days of October was fairly good.

Merchants continued to add to their inventories during September, which resulted in stocks of goods on hand at the close of the month being 15.8 per cent above those held a month earlier, and 16.5 per cent greater than those on hand September 30, 1932. The rate of stock turnover during the current year remained above that a year ago.

Collections on customers' accounts during September were greater than those a month earlier or a year ago. The

### BUSINESS OF DEPARTMENT STORES

Total sales (percentage):	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
September, 1933, compared with September, 1932.....	- 7.2	- 5.9	- 6.9	- 7.9	- 9.2	- 7.4
September, 1933, compared with August, 1933.....	+ 3.2	+ 4.5	+22.4	+21.3	+23.8	+12.8
January 1 to date compared with same period last year.....	- 3.7	- 4.5	+ .4	- 9.8	- 7.5	- 4.7
Credit sales (percentage):						
September, 1933, compared with September, 1932.....	- 7.1	- 6.2	- 5.8	- 4.4	-14.5	- 7.5
September, 1933, compared with August, 1933.....	+ 1.9	+ 7.0	+21.8	+29.0	+24.3	+12.6
January 1 to date compared with same period last year.....	- 3.2	- 2.1	+ 4.0	- 8.9	- 8.5	- 3.7
Stocks held at end of month (percentage):						
September, 1933, compared with September, 1932.....	+14.0	+ 2.5	+31.5	+29.5	+18.1	+16.5
September, 1933, compared with August, 1933.....	+19.2	+11.5	+ 8.6	+17.8	+16.1	+15.8
Stock turnover (rate):						
Rate of stock turnover in September, 1932.....	.30	.20	.32	.39	.23	.28
Rate of stock turnover in September, 1933.....	.25	.19	.21	.29	.19	.23
Rate of stock turnover January 1 to September 30, 1932.....	1.98	1.54	1.97	2.34	1.64	1.87
Rate of stock turnover January 1 to September 30, 1933.....	2.13	1.73	2.10	2.48	1.74	2.01
Ratio of September collections to accounts receivable outstanding September 1, 1933.....	31.4	21.7	34.1	36.3	27.5	29.9
Indexes of department store sales:						
Unadjusted—August, 1933.....	62.2	66.6	62.2	48.5*	.....	58.5*
Unadjusted—September, 1933.....	68.1	72.2	81.4	61.8	.....	68.7
Adjusted—August, 1933.....	86.4	93.8	90.1	68.3*	.....	81.3*
Adjusted—September, 1933.....	64.2	74.4	80.6	60.6	.....	64.8
Indexes of department store stocks:						
Unadjusted—August, 1933.....	46.4	64.1	54.4	38.4*	.....	52.4*
Unadjusted—September, 1933.....	55.1	71.4	57.9	46.4	.....	60.8
Adjusted—August, 1933.....	44.6	62.8	53.3	38.8*	.....	51.4*
Adjusted—September, 1933.....	50.6	64.3	52.2	42.6	.....	55.0

\*Revised.



ratio of collections to accounts outstanding on September 1 was 29.9 per cent as against 28.8 per cent in August, and 27.7 per cent in September, 1932.

#### *Commercial Failures*

The business mortality rate in the Eleventh Federal Reserve District during September reflected a sharp decline and was at the lowest point reached since May, 1920. Total

indebtedness of defaulting firms also showed a sizable reduction from both the previous month and the same month last year. According to the report compiled by Dun & Bradstreet, Inc., there were 17 commercial failures in September, with liabilities amounting to \$538,021, as compared with 53 insolvencies in August, owing \$1,559,123, and 65 defaults in September a year ago, with an indebtedness of \$1,237,934.

## AGRICULTURE

#### *Crop Conditions*

Weather conditions during September were generally favorable for the growth, maturity, and harvesting of crops in most

sections of this district. Reflecting this condition, the October 1 report of the Department of Agriculture showed increased production prospects for cotton, grain sorghums, and several minor crops, and the indicated production of other crops reflected little or no variation. Timely rains have fallen over many areas of the district and the soil generally is in good condition for fall plowing and seeding operations, although additional moisture would be beneficial in some sections.

The cotton crop in most sections of the district reflected a further substantial improvement during September. The indicated production for this district on October 1, as compiled by the Federal Reserve Board from the estimates, by states, of the Department of Agriculture, was 4,864,000 bales, as compared with 4,499,000 bales on September 1, and an actual production of 5,233,000 bales in 1932. As was the case in August, most of the improvement occurred in Texas and Oklahoma. The indicated production for Texas rose from 3,815,000 bales on September 1 to 4,190,000 bales on October 1. The latest report indicates a per acre yield of 178 pounds, which is the largest since 1914, and compares with 162 pounds last year, and a ten-year average of 136 pounds. The Department stated that from present prospects all sections of the State showed promise of a larger yield per acre than a year ago, with the exception of a few scattered communities. The indicated production for Oklahoma was 1,175,000 bales on October 1, as compared with 1,133,000 bales a month earlier. The forecasted yield per acre was increased 7 pounds during the month. The prospective production for New Mexico was raised 8,000 bales, but that for Louisiana was reduced 33,000 bales. Ginnings prior to October 1 for states attached to this district were as follows: Arizona—8,252 bales; Louisiana—305,629 bales; New Mexico—10,434 bales; Oklahoma—318,895 bales; and Texas—2,291,057 bales.

Grain sorghums, which suffered severely from the drouth during the summer months, showed a further rapid improvement during September. The indicated production for Texas on October 1 was 61,306,000 bushels, as compared with 54,964,000 bushels on September 1, and an actual production of 63,008,000 bushels last year. The Oklahoma prospects were increased to 16,742,000 bushels, which was somewhat larger than either a month earlier or a year ago. While this crop in New Mexico showed no change during September, the indicated production on October 1 was considerably larger than the output in 1932. The forecasted production of hay crops in Texas, Oklahoma, and New Mexico was increased during September, and offset by a considerable margin the slight decline in Louisiana. The corn crop in Louisiana, Oklahoma, and Arizona showed some decline during September, but there was a slight increase in the prospects for New Mexico. The Texas crop remained unchanged.

The production of peanuts in Texas on October 1 was placed at 96,460,000 pounds, as compared with 94,640,000 pounds on September 1, and an actual production of 99,000,000 pounds in 1932. While there was a slight decline in the forecast for Louisiana, the indicated production on October 1 was larger than a year ago. There was a considerable improvement in this crop for Oklahoma and the prospective yield of 23,800,000 pounds on October 1 was somewhat above the estimate a month earlier, or the actual production in 1932. Increased production of sweet potatoes was indicated for Texas and Oklahoma, but in each state, production was slightly below the output last year. The estimated yield of pecans in Texas on October 1 was moderately larger than that a month earlier or the actual production last year. On the other hand, the prospects in Oklahoma declined during September and present indications are for a yield of only 9,000,000 pounds as against 19,000,000 pounds last year. The condition of the Texas rice crop on October 1 was placed at 88 per cent of normal, which indicates a yield of 53 bushels per acre, or a total production of 7,473,000 bushels, as compared with an indicated production of 7,332,000 bushels a month earlier. The production last year was placed at 9,300,000 bushels. The Texas citrus fruit crops, which were severely damaged by the tropical storms during the late summer, are in a very poor condition.

#### *Livestock*

Range and livestock conditions over most of the Eleventh Federal Reserve District showed a further improvement during the past month. Rains have fallen over a large portion of the district stimulating the growth of range vegetation and supplying stock water, but there are still a few areas in Texas and New Mexico where rain is needed. The Edwards Plateau region in particular has been badly in need of moisture although light to moderate rains, which fell over a considerable portion of this area about the middle of October, partially relieved the situation. Range feed is very short in the Edwards Plateau region and in portions of the Texas Panhandle. While wheat pasture prospects in Northwest Texas are fairly good, additional rains would improve the condition. While cattle have shown some improvement, they have not fully recovered from the effects of the drouthy condition during the summer and the fall movement to market is expected to be late.

The condition of cattle ranges in Texas was placed by the Department of Agriculture at 80 per cent of normal on October 1, as compared with 77 per cent on September 1, and 91 per cent on the same date a year ago. Due to the continued drouth, sheep and goat ranges declined from 71 per cent of normal on September 1 to 69 per cent on October 1, and the latter figure was 27 points lower than a year ago. Prospects for winter grazing are poor in this area. The condition of cattle gained 3 points during September, but the 81 per cent of normal condition on October 1 was 7 points lower than a year ago. There was a decline of 1 point in the condition of sheep during September, and



the October 1 condition figure was 12 points below that last year. The condition of goats on October 1 was 84 per cent of normal as compared with 81 per cent on September 1, and 86 per cent on October 1, 1932. The fall shearing of sheep and goats is about completed and the market on wool and mohair has continued firm to higher.

**Movements and Prices** Receipts of hogs at the Fort Worth market during September greatly exceeded those in either the preceding month or the same month last year. The heavy shipments were due largely to the purchases of the Government. The arrivals of cattle, calves, and sheep were larger than in September, 1932, but those of sheep and cattle were smaller than in August.

The outstanding feature of the livestock market was the rapid advance in hog prices. After reaching a low level in the early days of September, prices turned upward and showed a steady advance, reaching a high point of \$5.35 during the first week of October, or a gain of \$1.35 during the period. While there was a reaction early in the following week, the market was near the high point at the middle of the month. The cattle market during the past month was

slow and generally weak. Sheep and lamb prices ruled generally steady during September and were a little firmer during the first half of October.

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	September 1933	September 1932	Change over year	August 1933	Change over month
Cattle.....	34,746	32,583	+ 2,163	38,040	- 3,294
Calves.....	24,963	18,932	+ 6,031	22,131	+ 2,832
Hogs.....	84,207	16,877	+67,330	44,979	+39,228
Sheep.....	31,399	28,591	+ 2,808	38,487	- 7,092

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars per hundredweight)

	September 1933	September 1932	August 1933
Beef steers.....	\$5.15	\$7.75	\$5.65
Stocker steers.....	5.60	5.60	5.60
Butcher cows.....	3.25	4.00	3.50
Stocker cows.....	3.40	3.40	3.50
Calves.....	4.50	5.25	4.75
Hogs.....	5.20	4.40	4.40
Sheep.....	3.00	2.25	3.00
Lambs.....	6.25	4.75	6.80

## FINANCE

**Condition of Member Banks in Selected Cities** The reports from member banks in selected cities for the four-week period ending October 11, while showing a recession in investments, reflected a substantial increase in loans and deposits.

Investments in United States securities amounted to \$115,051,000 on October 11, which was \$2,175,000 less than on September 13, but \$23,650,000 greater than on the same date in 1932. Their investments in other stocks and bonds increased \$56,000 between September 13 and October 11, but on the latter date were \$5,075,000 less than a year ago. While loans on securities declined \$321,000 during the four-week period, "all other" loans (largely commercial) reflected an expansion of \$7,658,000. The loans of the latter classification have shown a steady expansion since early in August, and are now at the highest point reached since the first weeks of January. As compared with a year ago, total loans on October 11 were \$24,116,000 smaller, and the decline was about equally divided between loans on securities and "all other" loans. There was also a rapid expansion in the net demand deposits of these banks, the total of \$228,890,000 on October 11 being \$12,535,000 greater than on September 13, and \$9,708,000 above those on October 12, 1932. Their time deposits showed a very small decline during the four-week period, and on October 11 were \$4,720,000 below those on the corresponding date last year. Their reserves with the Federal Reserve Bank totaled \$47,195,000 on October 11, which represents a gain of \$14,454,000 as compared with September 13 and \$20,431,000

as compared with October 12, 1932. Borrowings of these banks from the Federal Reserve Bank amounted to \$150,000 on October 11 as compared with \$40,000 a year ago.

**Operations of the Federal Reserve Bank** There was a steady liquidation of member bank indebtedness at the Federal Reserve Bank during the past month.

Member bank borrowings amounted to \$2,258,000 on October 15, as compared with \$4,237,000 on September 15, and \$10,331,000 on October 15, 1932. This reduction came coincident with the heavy movement of the cotton crop and was made entirely by country banks. Reserve city bank borrowings continued on a very small scale. There were only 68 banks indebted to the Federal Reserve Bank on October 15, as compared with 129 banks a month earlier, and 214 banks a year ago. Holdings of bills purchased in the open market reflected a slight increase during the month. Investments in United States securities rose to \$57,177,000 on October 15, which represents a gain of \$4,395,000 during the month, and an increase of \$16,456,000 as compared with the corresponding date last year. Reflecting the movement of funds into this district as a result of the movement of the cotton crop, the reserve deposits of member banks increased from \$55,225,000 on September 15 to \$79,014,000 on October 15, and the latter figure compares with \$43,691,000 on the same date in 1932. Due to the seasonal demand for currency, the combined circulation of Federal reserve notes and Federal reserve bank notes rose to \$49,915,000 on October 15, which represents a gain

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

	Oct. 11, 1933	Oct. 12, 1932	Sept. 13, 1933
United States securities owned.....	\$ 115,051	\$ 91,401	\$ 117,226
All other stocks, bonds, and securities owned.....	52,158	57,233	52,102
Loans on securities.....	59,368	71,907	59,689
All other loans.....	155,925	167,502	148,267
Total loans.....	215,293	239,409	207,956
Net demand deposits.....	228,890	219,182	216,355
Time deposits.....	123,296	128,016	123,315
Reserve with Federal Reserve Bank.....	47,195	26,764	32,741
Bills payable and rediscounts with Federal Reserve Bank.....	150	40	None

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

	Oct. 15, 1933	Oct. 15, 1932	Sept. 15, 1933
Total cash reserves.....	\$ 83,244	\$ 41,952	\$ 54,445
Discounts for member banks.....	2,258	10,331	4,237
Other bills discounted.....	None	None	None
Bills bought in the open market.....	280	865	177
United States securities owned.....	57,177	40,721	52,782
Other investments.....	5	5	5
Total earning assets.....	59,720	51,922	57,201
Member bank reserve deposits.....	79,014	43,691	55,225
Federal reserve notes in actual circulation.....	33,975	37,841	31,292
Federal reserve bank notes in actual circulation.....	15,940	None	10,428



of \$8,195,000 as compared with a month earlier, and \$12,074,000 as compared with a year ago.

### Deposits of Member Banks

The daily average of combined net demand and time deposits of member banks in this district during September amounted to \$588,105,000, as compared with \$580,108,000 in the preceding month, and \$600,331,000 in the corresponding month last year. The gain over August, which was largely seasonal in character, occurred in net demand deposits, as the time deposits of both reserve city and country banks reflected a decline.

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
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
Nov., 1932.....	421,165	193,246	204,361	116,816	216,804	76,430
Dec., 1932.....	420,762	192,266	202,913	117,465	217,849	74,801
Jan., 1933.....	416,655	194,407	201,437	119,215	215,218	75,192
Feb., 1933.....	415,200	192,412	199,397	118,756	215,803	73,656
Mar., 1933.....	413,776	188,547	202,276	115,737	211,500	72,810
April, 1933.....	394,790	186,161	193,431	113,723	201,359	72,438
May, 1933.....	394,336	186,596	191,847	113,101	202,489	73,495
June, 1933.....	395,983	186,405	192,396	113,390	203,587	73,015
July, 1933.....	396,783	191,055	196,040	113,908	200,743	77,147
Aug., 1933.....	389,177	190,931	191,302	112,665	197,875	78,266
Sept., 1933.....	400,597	187,508	195,145	110,146	205,452	77,362

### Acceptance Market

Although there was a slight increase in the amount of acceptances based on import and export transactions, total acceptances executed by banks in this district and outstanding at the close of September were in smaller volume than those outstanding a month earlier. The amount reported on September 30 was \$1,924,757, which compares with \$1,955,966 on August 31, and \$1,570,872 on the corresponding date last year. Acceptances executed against the domestic shipment and storage of goods were reduced from \$1,700,474 on the last day of August to \$1,642,746 on September 30.

### Debits to Individual Accounts

There was a seasonal expansion of 13.8 per cent in the total amount of charges to depositors' accounts during September at banks located in leading cities in the Eleventh District. The volume reported was \$497,315,000, as against \$436,988,000 in the previous month, and \$430,598,000 in the same month last year. The increase of 15.5 per cent over a year ago represented the most favorable such comparison shown in over four years.

DEBITS TO INDIVIDUAL ACCOUNTS  
(In thousands of dollars)

	September 1933	September 1932	Percentage change over year	August 1933	Percentage change over month
Abilene.....	\$ 4,782	\$ 4,197	+13.9	\$ 3,834	+24.7
Austin.....	15,294	13,318	+14.8	14,757	+3.6
Beaumont.....	12,739	12,241	+4.1	11,520	+10.6
Corsicana.....	3,181	2,568	+23.9	2,297	+38.5
Dallas.....	150,578	128,037	+17.6	124,396	+21.0
El Paso.....	12,743	12,314	+3.5	12,097	+5.3
Fort Worth.....	49,161	43,004	+14.3	46,839	+5.0
Galveston.....	19,051	17,311	+10.1	16,145	+18.0
Houston.....	126,543	104,282	+21.3	108,444	+16.7
Port Arthur.....	4,542	3,691	+23.1	4,436	+2.4
Roswell.....	1,824	1,624	+12.3	1,714	+6.4
San Antonio.....	39,632	37,452	+5.8	39,751	+3.3
Shreveport.....	24,525	22,481	+9.1	23,514	+4.3
Texarkana.....	5,098	5,179	-1.6	4,897	+4.1
Tucson.....	5,289	5,326	-.7	4,848	+9.1
Waco.....	13,788	9,972	+38.3	9,417	+46.4
Wichita Falls....	8,545	7,601	+12.4	8,082	+5.7
Total.....	\$497,315	\$430,598	+15.5	\$436,988	+13.8

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

### Savings Deposits

Total savings deposits reported by 138 banks in this district on September 30 amounted to \$135,599,463, as compared with \$135,863,816 a month earlier, and \$139,704,088 on the same date last year. Expressed in percentages, the declines amounted to 0.2 and 2.9, respectively. Five of the eleven larger cities showed increases over the previous month, and a like number reflected gains over a year ago.

SAVINGS DEPOSITS

	September 30, 1933			September 30, 1932			August 31, 1933		
	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.....	3	7,885	\$ 3,103,204	8,047	\$ 2,969,665	+4.5	7,829	\$ 3,088,048	+ .5
Dallas.....	9*	72,445	23,270,048	74,744	25,208,312	-7.7	72,511	23,524,269	-1.1
El Paso.....	2	9,666	3,970,958	10,524	3,289,891	+20.7	9,665	3,980,400	- .2
Fort Worth.....	4	32,279	10,253,599	33,713	11,161,844	-8.1	32,228	10,267,880	+ .1
Galveston.....	4	16,614	9,947,721	17,156	10,139,623	-1.9	16,564	9,814,794	+1.4
Houston.....	11*	63,142	27,761,404	65,817	30,090,785	-7.7	63,758	27,887,658	- .5
Port Arthur.....	2	4,526	1,863,458	4,271	1,810,304	+2.9	4,662	1,816,504	+2.6
San Antonio.....	8	21,150	13,721,731	21,791	14,416,819	-4.8	21,059	13,829,959	- .8
Shreveport.....	3	21,318	11,387,757	23,060	9,998,598	+13.9	21,337	11,319,693	+ .6
Waco.....	3	10,440	5,544,367	10,254	5,547,856	- .1	10,391	5,500,295	+ .8
Wichita Falls.....	3	5,465	2,407,982	5,599	2,316,685	+3.9	5,463	2,427,926	- .8
All others.....	86*	51,382	22,367,234	54,302	22,753,706	-1.7	51,547	22,406,390	- .2
Total.....	138	316,312	\$135,599,463	329,278	\$139,704,088	-2.9	317,014	\$135,863,816	- .2

\*Only 8 banks in Dallas, 10 in Houston, and 75 in "All others" reported the number of savings depositors.

OCTOBER 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.....	2½-7	6-8	3-8	5-7	6-8	3-6
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	5-6	5-6	6	5½
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	6	6-8	5-8	5-7	6-8	6-8
Time.....	4-8	6-8	5-8	5-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	2½-7	8	6-8	5-7	8	5-6
Rate on cattle loans.....	6-8	6-8	6-8	7-10	8-10	7-8



## INDUSTRY

*Cottonseed Products*

Reflecting the heavy movement of this year's cotton crop, the operations of cottonseed oil mills in Texas again evidenced a large seasonal increase over the preceding month. The comparisons with the corresponding month of 1932, however, showed declines in the crushings of seed, and the production of oil, cake and meal, and hulls. During the first two months of the 1933-34 season the receipts and crushings of seed and the output of all products were greater than in the same period of the previous season.

Activities of all cottonseed oil mills in the United States during the past month also reflected the usual seasonal increase, but were under those a year ago with the exception of the output of linters. Operations during the season continued above those last year. Stocks of seed held on September 30 at both Texas and United States mills were considerably greater than a month earlier, but at the latter mills were less than a year ago. Supplies of all products were seasonally greater than those held on August 31, but at Texas mills the stocks of oil, hulls, and linters were below those on hand September 30, 1932.

## STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to September 30 This season	Last season	August 1 to September 30 This season	Last season
Cottonseed received at mills (tons).....	465,344	333,923	1,124,005	1,090,918
Cottonseed crushed (tons).....	303,999	289,686	755,813	723,920
Cottonseed on hand Sept. 30 (tons).....	260,648	219,505	589,130	667,022
Crude oil produced (pounds).....	89,569,389	83,499,481	230,332,144	218,890,135
Cake and meal produced (tons).....	141,573	135,592	339,483	327,115
Hulls produced (tons).....	86,090	84,294	209,822	205,881
Linters produced (running bales).....	45,067	33,498	128,326	108,698
Stocks on hand Sept. 30:				
Crude oil (pounds).....	25,222,141	26,033,955	91,332,769	64,158,654
Cake and meal (tons).....	81,234	68,323	258,257	201,923
Hulls (tons).....	64,462	76,233	146,444	202,521
Linters (running bales).....	35,215	63,671	114,111	227,648

*Textile Milling*

The operations of textile mills in the United States during the past month continued to show a sharp falling-off in the consumption of cotton, but despite this contrary to seasonal recession activities remained on a higher level than a year ago. There were 499,486 bales of cotton consumed during the month, as compared with 588,570 bales in August, and 492,742 bales in September last year. During the two months of the current season consumption averaged 21.3 per cent greater than in the same period of the previous season. Stocks of cotton held by consuming establishments on September 30 were in practically the same volume as those a month earlier, but remained above those a year ago.

The consumption of cotton at reporting Texas textile mills during September was above that a month earlier and

COTTON CONSUMED AND ON HAND  
(Bales)

	September 1933	September 1932	August 1 to September 30 This season Last season	
Cotton-growing states:				
Cotton consumed.....	401,373	409,011	865,716	747,761
On hand September 30 in—				
Consuming establishments.....			890,269	833,122
Public storage and compresses.....			7,010,659	7,568,994
United States:				
Cotton consumed.....	499,486	492,742	1,088,056	897,239
On hand September 30 in—				
Consuming establishments.....			1,160,457	1,084,549
Public storage and compresses.....			7,374,556	7,997,797

a year ago, and the production of cloth, while slightly smaller than in September, 1932, was considerably greater than that in the previous month. Orders for finished products on hand on September 30 were less than those held a month earlier or a year ago. Stocks of manufactured goods held on the last day of the month were greater than on August 31, but much less than on September 30, 1932.

*Cotton Movements*

The usual heavy movement of cotton at this season was evidenced during the past month at the ports of Houston and Galveston. Exports showed a marked increase over the previous month, and exceeded those in the corresponding month last season by a wide margin. Heavy shipments of the new cotton crop to concentration points were reflected by the large volume of receipts at both ports; they exceeded those in both the previous month and the same month last year by a large amount. Stocks of cotton at both ports on September 30 were greater than a month earlier or a year ago.

Foreign exports of American cotton from all United States ports were also in large volume during September. Shipments exceeded those in August by 63.8 per cent, which is much larger than seasonal, and were 18.5 per cent greater than in September, 1932. Exports during the month aggregated 869,244 bales, as compared with 530,627 bales in August, and 733,665 bales in September a year ago. During the first two months of the fiscal cotton year exports were substantially greater than in the corresponding period of the previous year.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON  
(Bales)

	September 1933	September 1932	August 1 to September 30 This season Last season	
Receipts.....	302,921	189,523	352,404	222,553
Exports.....	146,447	83,724	198,522	143,250
Stocks, September 30.....			588,879	541,482

COTTON—GALVESTON STOCK STATEMENT  
(Bales)

	Sept. 30, 1933	Sept. 30, 1932
For Great Britain.....	4,000	3,000
For France.....	3,500	2,500
For other foreign ports.....	26,000	18,000
For overseas ports.....	2,000	500
In compresses and depots.....	553,379	517,482
Total.....	588,879	541,482

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON  
(Bales)

	September 1933	September 1932	August 1 to September 30 This season Last season	
Receipts.....	486,362	385,933	652,452	470,214
Exports.....	315,021	210,847	500,715	390,762
Stocks, September 30.....			1,308,837	1,151,623

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

	September, 1933		Oct. 14, 1933
	High	Low	
New York.....	10.45	8.85	9.40
New Orleans.....	10.25	8.51	9.00
Dallas.....	9.75	8.15	8.65
Houston.....	10.15	8.50	8.95
Galveston.....	10.15	8.40	8.95



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

	August 1 to September 31 This season	Last season
Receipts.....	1,866,670	1,484,126
Exports: United Kingdom.....	246,567	164,172
France.....	165,718	187,480
Italy.....	126,068	110,864
Germany.....	262,024	357,847
Other Europe.....	182,666	148,973
Japan.....	344,656	161,871
All other countries.....	72,172	64,612
Total foreign ports.....	1,399,871	1,185,819
Stocks at all United States ports, September 30.....	3,463,321	3,638,100

**Petroleum**

The output of crude oil during September in the Eleventh Federal Reserve District aggregated 34,501,500 barrels. This figure compares with 39,604,050 barrels in the previous month, and 29,191,500 barrels in the same month last year. Daily average production declined from 1,277,550 barrels in August to 1,150,050 barrels in September. Drilling activity, on the other hand, increased appreciably, as was evidenced by the completion of 633 wells in the latter month as against 459 in the former month. The initial output of new producing wells in September amounted to 2,192,204 barrels, as compared with 1,424,493 barrels in the preceding month.

## OIL PRODUCTION—(Barrels)

	September, 1933		Increase or decrease over August, 1933	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	2,952,000	98,400	— 194,500	— 3,100
Central West Texas.....	4,776,000	159,200	— 903,200	— 24,000
East Central Texas.....	17,361,000	578,700	— 3,058,700	— 80,000
South Texas.....	1,440,000	48,000	— 158,050	— 3,550
Texas Coastal.....	5,940,000	198,000	— 754,450	— 17,950
Total Texas.....	32,469,000	1,082,300	— 5,068,900	— 128,600
New Mexico.....	1,257,000	41,900	— 50	+ 1,350
North Louisiana.....	775,500	25,850	— 33,600	— 250
Total District.....	34,501,500	1,150,050	— 5,102,550	— 127,500

Daily average yield in Texas amounted to 1,082,300 barrels, which is 128,600 barrels less than in August, but 170,300 barrels larger than in September a year ago. Decreases from the previous month were general over the State, ranging from 3,100 barrels in North Texas to 80,000 barrels in East Texas. There was an increase of 1,350 barrels in the daily output reported by New Mexico, while North Louisiana showed a 250-barrel decline.

## SEPTEMBER DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Fail- ures	Initial Production
North Texas.....	116	68	2	46	5,227
Central West Texas.....	41	16	2	23	1,673
East Central Texas.....	271	265	..	6	2,084,063
South Texas.....	81	40	3	38	15,626
Texas Coastal.....	94	68	3	23	85,180
Total Texas.....	603	457	10	136	2,191,769
New Mexico.....	7	1	..	6	50
North Louisiana.....	23	5	4	14	385
September totals, district....	633	463	14	156	2,192,204
August totals, district.....	459	306	20	133	1,424,493

## CRUDE OIL PRICES

	Oct. 13, 1933	Oct. 14, 1932
Texas Coastal (34 gr. and above).....	\$1.12	\$1.10*
North Texas and North Louisiana (40 gr. and above).....	1.03	1.12

\*Price paid for oil, 40 gr. and above.

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

**Building**

Principal cities in the Eleventh Federal Reserve District reported further substantial declines in the valuation of building permits issued during September. Total valuation amounted to \$651,385, which compares with \$972,107 in the previous month, and \$808,014 in September, 1932. While the decrease from August was rather general, five reporting centers showed appreciable gains as compared with the same month last year.

## BUILDING PERMITS

	September, 1933		September, 1932		Percentage change valuation over year	August, 1933		Percentage change valuation over month	Nine Months				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1933		1932		
									No.	Valuation	No.	Valuation	
Amarillo.....	12	\$ 4,572	26	\$ 20,702	— 77.9	19	\$ 22,714	— 79.9	156	\$ 137,705	201	\$ 270,449	— 49.1
Austin.....	65	61,359	100	102,353	— 40.1	88	95,145	— 35.5	777	1,195,851	821	4,980,421	— 76.0
Beaumont.....	86	19,822	92	15,244	+ 30.0	123	12,114	+ 63.6	730	143,961	769	258,265	— 44.3
Corpus Christi.....	34	16,561	29	11,129	+ 48.8	28	18,360	— 9.8	220	132,776	298	127,010	+ 4.5
Dallas.....	268	112,554	243	191,231	— 41.1	373	180,684	— 37.7	3,003	1,569,559	2,480	2,064,648	— 24.0
El Paso.....	30	3,585	54	34,135	— 89.5	48	22,295	— 83.9	325	144,514	363	287,707	— 49.8
Fort Worth.....	79	76,921	157	84,628	— 9.1	95	105,351	— 27.0	759	2,503,401	1,171	1,147,803	+ 118.1
Galveston.....	115	20,558	184	27,107	— 24.2	94	29,636	— 30.6	828	312,455	1,267	440,205	— 29.0
Houston.....	194	209,078	190	174,737	+ 19.7	261	235,655	— 11.3	1,612	2,529,860	1,850	2,316,826	+ 9.2
Port Arthur.....	75	17,466	26	4,792	+ 264.5	90	15,821	+ 10.4	425	78,725	336	77,004	+ 2.2
San Antonio.....	121	47,925	184	62,054	— 22.8	125	92,880	— 48.4	1,194	793,275	1,625	1,383,257	— 42.7
Shreveport.....	104	34,362	132	32,172	+ 6.8	155	97,576	— 64.8	953	357,013	1,096	351,168	+ 1.7
Waco.....	17	23,967	28	36,407	— 34.2	22	32,923	— 27.2	213	253,209	279	296,358	— 14.6
Wichita Falls...	14	2,655	19	11,323	— 76.6	31	10,953	— 75.8	250	67,476	145	486,220	— 86.1
Total.....	1,214	\$ 651,385	1,464	\$ 808,014	— 19.4	1,552	\$ 972,107	— 33.0	11,445	\$ 10,219,780	12,701	\$ 14,487,341	— 29.5

**Cement**

An increase of 77.1 per cent was shown in the production of Portland cement at Texas mills during September, following two months in which substantial declines were registered. The output, which amounted to 271,000 barrels, was still 36.5 per cent less than in September, 1932. Shipments during September totaled 183,000 barrels, as compared with 198,000 barrels in the previous month, and 315,000 barrels in the same month last year. Stocks on hand at these mills on September 30 aggregated 807,000 barrels, being 12.2 per cent larger

than on August 31, and 12.6 per cent above the level of a year ago.

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

	Sept., 1933	Percentage change from Sept., 1932	Aug., 1933	January 1 through Sept. 30	Percentage change from year
Production at Texas mills.....	271	— 36.5	+ 77.1	2,577	— 10.9
Shipments from Texas mills.....	183	— 41.9	— 7.6	2,446	— 15.7
Stocks at end of month at Texas mills.....	807	+ 12.6	+ 12.2	.....	.....



# SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, October 24, 1933)

Activity declined, as it had in August, following the rapid expansion of the spring and early summer. Factory employment and payrolls increased further between the middle of August and the middle of September.

## PRODUCTION

Industrial production, as measured by the Board's seasonally adjusted index, declined from 91 per cent of the 1923-1925 average in August to 84 per cent in September. Activity decreased in most lines of industry, and particularly in those in which output had increased rapidly in earlier months. Production of steel, lumber, cement, bituminous coal, and petroleum declined considerably and automobile output was reduced. Deliveries of silk to mills were small in September, while consumption of cotton and wool, although reduced during the month, was nevertheless larger than in other recent years at this season. Meat packing plants were more active, partly because of processing of pigs under the Government's emergency marketing program; and output of flour was larger than the exceptionally small volume produced in August. In the first half of October further declines in output of automobiles, bituminous coal, and petroleum were reported. Steel mill activity, after increasing in the first half of October, receded in the third week.

## EMPLOYMENT

Employment of factory workers increased between the middle of August and the middle of September, and total earnings were larger, partly as a result of further advances in wage rates and the expansion of operations in seasonally active industries such as canning. Employment in public utilities, railroads, stores, and mines also increased and it is estimated that about 200,000 industrial wage earners found work during the period. Preliminary reports for the first half of October indicate some decrease in employment and a continuation of about the same volume of earnings in basic manufacturing industries.

## CONSTRUCTION

Construction contracts awarded increased in September to the highest level for the year according to reports by the F. W. Dodge Corporation, the largest volume of new awards being for public works and for other nonresidential projects. In the third quarter of the year value of construction contracts was 25 per cent of the 1923-1925 average.

## DISTRIBUTION

Sales at department stores in leading cities increased less than seasonally in September, following an unusually large increase in sales in August. Trade reports indicate that sales volume was affected by unseasonably warm weather and by

price advances. Sales of chain variety stores continued in somewhat larger volume than in 1932. On the railroads, average daily freight shipments during September increased by somewhat less than is usual in the early autumn, but were in larger volume than at any time since the latter part of 1931. In the first two weeks of October car-loadings were at a higher level than in late September.

## PRICES

During September and the first two weeks of October the general average of wholesale prices in the United States was relatively stable at about 71 per cent of the 1926 average, reflecting, however, widely divergent movements in prices of individual commodities. Prices of raw materials traded on organized exchanges declined sharply during the first two weeks of October and then recovered somewhat. There have been further advances during recent weeks in prices of fuels, iron and steel, building materials, and house furnishings, while prices of cotton textiles and leather have declined. Retail prices of food showed little change in September, while prices of clothing continued to advance.

## FOREIGN EXCHANGE

The value of the dollar in the foreign exchange market fluctuated around 65 per cent of its gold parity during the latter part of September and the first half of October, advanced to 71 per cent in the third week, and declined to 70 per cent on October 23.

## BANK CREDIT

Excess reserves of member banks increased by \$100,000,000 between September 13 and October 20 in consequence of the purchase by the Federal reserve banks of \$170,000,000 of United States Government securities during the period, offset in part by a further decline in discounts and a seasonal increase in the demand for currency. While these purchases of United States Government securities were made chiefly in New York City, member bank funds arising from these purchases were transferred to other parts of the country through expenditures in outlying areas by Federal agencies, and through payment for crops marketed. At reporting member banks in leading cities there was little change in loans and investments during this period; a decline in the volume of loans on securities was offset by growth in all other loans. Money rates in the open market continued at low levels. On October 20 the Federal Reserve Bank of New York reduced its buying rate on bills from a range from 1 to 1 $\frac{1}{4}$  per cent for different maturities to a range from  $\frac{1}{2}$  to 1 per cent. The rediscount rate at New York was reduced from 2 $\frac{1}{2}$  per cent to 2 per cent, effective October 20, and on October 21 the Federal Reserve Banks of Cleveland and Chicago reduced their discount rates from 3 per cent to 2 $\frac{1}{2}$  per cent.