

# MONTHLY BUSINESS REVIEW

OF THE

## FEDERAL RESERVE BANK OF DALLAS

C. C. WALSH

Chairman and Federal Reserve Agent

CHAS. C. HALL—W. J. EVANS

Assistant Federal Reserve Agents

(Compiled November 15, 1933)

Volume 18, No. 10

Dallas, Texas, December 1, 1933

This copy is released for publication in morning papers— Nov. 29

### DISTRICT SUMMARY

#### THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	October 1933	Change from September
Bank debits to individual accounts (at 17 cities).....	\$558,036,000	+ 12.2%
Department store sales.....		+ 20.9%
Reserve bank loans to member banks at end of month.....	\$ 1,314,436	- 58.4%
Reserve bank ratio at end of month.....	64.7%	- 3.3 points
Building permit valuation at larger centers.....	\$ 768,828	+ 18.0%
Commercial failures (number).....	40	+135.3%
Commercial failures (liabilities).....	\$ 1,400,261	+160.3%
Oil production (barrels).....	33,250,600	- 3.6%

An active demand for merchandise in both wholesale and retail channels of distribution and a substantial reduction in bank and commercial indebtedness were important developments in the Eleventh Federal Reserve District during the past month. Sales of department stores in larger cities reflected an expansion of 21 per cent over the previous month, which was larger than seasonal, and were 5 per cent in excess of those a year ago. Distribution of merchandise at wholesale was well sustained as compared with September, and all reporting lines showed sales considerably larger than in October last year. Consumer buying in rural sections has continued in substantial volume. Collections reflected large increases over the previous month, representing payments on both current and carry-over accounts. Debits to individual accounts at banks in principal centers were 12 per cent greater than in September, and exceeded those of October, 1932 by 15 per cent.

Further increases in the production of some crops in this district were indicated by the November 1 report of the Department of Agriculture. The most important improvement again occurred in cotton, the district's major cash crop, which was increased 174,000 bales in October, and the current estimate is only slightly lower than last year's production. The larger returns from this year's crop, due both

to the higher prices and to receipts from the Agricultural Adjustment Administration, have aided in the liquidation of indebtedness and have stimulated the demand for goods. While feed crops were affected adversely by the summer drouth, production in most instances was well in line with the average harvest. Small grains made poor growth prior to November 1 but have shown some improvement since the recent rains. The condition of ranges over a large area declined during October due to the lack of moisture, and livestock suffered a shrinkage on account of the poor pasturage. While the recent rains have partially corrected the situation, and prospects for winter ranges are now more favorable, additional moisture would be very beneficial. Market prices for cattle have continued downward.

Coincident with the marketing of crops, the deposits of member banks evidenced a sharp increase during October. The daily average of combined net demand and time deposits of member banks rose to \$622,963,000, which represents a gain of \$34,858,000 over September, and an increase of \$20,057,000 over October last year. Reflecting in part the large volume of deposits, the reserves of member banks at the Federal Reserve Bank increased from \$79,014,000 on October 15 to \$85,163,000 on November 15, and on the latter date they were \$39,993,000 greater than a year ago. Federal reserve bank loans to member banks amounted to only \$1,027,000 on November 15, as compared with \$2,258,000 a month earlier, and \$7,729,000 on the corresponding date in 1932. The actual circulation of Federal reserve currency reflected a further seasonal expansion during the month. The loans and investments of member banks showed a substantial increase between October 11 and November 8.

After declining during the two preceding months, construction activity turned upward in October. The valuation of building permits issued at principal cities was 18 per cent larger than in September and slightly greater than a year ago.

### BUSINESS

**Wholesale Trade**  
While there was a slight decline in the sales of reporting wholesale firms in this district during October as compared with the preceding month, the reduction was to some extent seasonal and comparisons with the same month a year ago were generally better than those shown in September. Increases over the previous month amounting to 1.2 and 4.8 per cent, respectively, were recorded in the lines of farm implements and hardware, but moderate declines were reflected in the distribution of drugs, groceries, and dry goods. October

sales in all lines were substantially higher than a year ago, the margin of increase ranging from 5.0 per cent in the case of drugs to 172.8 per cent in the case of farm implements. Consumer buying in rural sections continued in substantial volume in October and the first part of November. A further large expansion in the volume of collections during October was registered in all reporting lines.

A seasonal decrease of 3.6 per cent was reflected in the demand for dry goods at wholesale during October. Sales were 8.5 per cent larger than in the same month last year,



whereas in September there was a decline of 5.2 per cent. The appearance of cool weather at the end of the month and early in November stimulated the demand for merchandise of a seasonable nature. Collections during October showed a gain of 36.8 per cent as compared with the previous month.

The business of wholesale hardware firms during October reflected a further seasonal expansion of 4.8 per cent, and reports from most sections of the district continued to indicate active consumer demand. There was an increase of 22.4 per cent over the same month last year, as compared with a like gain of 16.9 per cent in September. Stocks on hand at the close of October, while slightly smaller than a month earlier, were at approximately the same level as a year ago. The month's collections were 24.9 per cent in excess of those reported in September.

While the distribution of drugs through wholesale channels during October showed a reduction of 3.6 per cent from the previous month, there was an increase of 5.0 per cent as compared with the same month last year. With two exceptions, all reporting firms participated in the improvement over a year ago. Stocks were increased substantially during the month, but on October 31 remained 5.8 per cent below the level of the same date in 1932. An expansion of 11.5 per cent over September was reflected in the volume of collections.

Sales of farm implements at wholesale reflected a gain of 172.8 per cent as compared with October, 1932, but they were only 1.2 per cent larger than in the preceding month. For the period from July 1 to October 31 of the current year, total sales were 94.5 per cent greater than in the corresponding period last year. Business in many areas of the district was reported to have improved somewhat in recent weeks following the completion of the cotton picking season. A considerable increase in collections was witnessed during the month.

The wholesale grocery business in this district was fairly well sustained during October, there being only a moderate decline from September. The net reduction amounted to 0.9 per cent, which is smaller than seasonal. The comparison with a year ago was more favorable than in the preceding month, an increase of 10.3 per cent being reflected in October sales. Inventories increased further during the month. Total collections were 8.3 per cent larger than in September.

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

	Net Sales October, 1933 compared with Oct., 1932	Net Sales July 1 to date compared with same period last year	Stocks October, 1933 compared with Oct., 1932	Ratio of collec- tions during Oct. to accounts and notes outstanding on September 30
Groceries.....	+ 10.3	— .9	+24.9	+ 3.8
Dry goods.....	+ 8.5	— 3.6	+25.8	+ 6.8
Farm implements..	+172.8	+ 1.2	+94.5	.....
Hardware.....	+ 22.4	+ 4.8	+26.5	+ .2
Drugs.....	+ 5.0	— 3.6	+ 2.3	— 5.8

### Retail Trade

The upward trend in consumer demand for merchandise that has been in evidence for the past few months at department stores in leading cities of the Eleventh District witnessed a further appreciable increase during October. The total dollar volume of sales was 20.9 per cent greater than that a month earlier, which is larger than seasonal, and 4.6 per cent above the dollar volume in October, 1932. Although department store sales during the first ten months of the current year were 3.5 per cent less than those in the same period last year, the cumulative comparison in sales during the past four months reflects more nearly the actual betterment in business. During the period from July 1 to October 31 this year, distribution was 6.8 per cent greater than in the same period of 1932, while sales during the first six months of 1933 were 10.6 per cent less than a year ago. The seasonally adjusted index of department store sales as compiled by this bank also evidenced an increase during October, being 71.0 per cent of the 1923-25 average, as against 64.8 per cent in September. Recent reports indicate that business during the first two weeks of November held up very well.

A further increase in stocks of merchandise was noted last month. On October 31 inventories were 3.9 per cent greater than those on September 30, and 12.6 per cent above those a year ago. The rate of stock turnover during the current year continues above that a year ago, despite the fact that merchants have increased their stocks considerably during the past few months.

Collections on charge accounts during October reflected the usual seasonal increase. The ratio of collections to accounts and notes outstanding on October 1 was 34.4 per cent, as compared with 29.9 per cent in September, and 32.7 per cent in October, 1932.

### BUSINESS OF DEPARTMENT STORES

Total sales (percentage):	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
October, 1933, compared with October, 1932.....	+ 5.5	+ 3.4	+15.7	— 8.3	+ 4.4	+ 4.6
October, 1933, compared with September, 1933.....	+30.3	+22.8	+17.1	+ 2.0	+23.2	+20.9
January 1 to date compared with same period last year.....	— 2.4	— 3.5	+ 2.3	— 9.6	— 6.0	— 3.5
Credit sales (percentage):						
October, 1933, compared with October, 1932.....	+ 4.4	+ 4.0	+19.9	— 3.5	— .2	+ 4.8
October, 1933, compared with September, 1933.....	+25.5	+22.1	+17.2	0.0	+21.3	+18.9
January 1 to date compared with same period last year.....	— 2.1	— 1.3	+ 6.0	— 8.1	— 7.4	— 2.5
Stocks held at end of month (percentage):						
October, 1933, compared with October, 1932.....	+ 5.9	+ 1.6	+41.5	+16.1	+17.2	+12.6
October, 1933, compared with September, 1933.....	— 1.7	+ 6.4	+19.0	+ 3.6	+ 3.8	+ 3.9
Stock turnover (rate):						
Rate of stock turnover in October, 1932.....	.32	.22	.31	.36	.23	.29
Rate of stock turnover in October, 1933.....	.31	.22	.25	.27	.21	.26
Rate of stock turnover January 1 to October 31, 1932.....	2.30	1.76	2.26	2.66	2.04	2.19
Rate of stock turnover January 1 to October 31, 1933.....	2.46	1.96	2.33	2.74	1.96	2.28
Ratio of October collections to accounts receivable outstanding October 1, 1933.....	36.5	24.2	39.9	39.6	32.0	34.4
Indexes of department store sales:						
Unadjusted—September, 1933.....	68.1	72.2	81.4	61.8	.....	68.7
Unadjusted—October, 1933.....	87.7	88.7	90.9	60.7	.....	81.6
Adjusted—September, 1933.....	64.2	74.4	80.6	60.6	.....	64.8
Adjusted—October, 1933.....	71.9	77.8	87.4	54.2	.....	71.0
Indexes of department store stocks:						
Unadjusted—September, 1933.....	55.1	71.4	57.9*	46.4	.....	60.5*
Unadjusted—October, 1933.....	54.1	76.0	64.1*	47.9	.....	62.5*
Adjusted—September, 1933.....	50.6	64.3	52.2*	42.6	.....	55.0*
Adjusted—October, 1933.....	48.3	66.1	55.3*	42.4	.....	55.3*

\*Subject to revision.



**Commercial Failures**

The number of insolvencies in the Eleventh Federal Reserve District in October reflected a substantial gain over the low record of September, but was considerably smaller than in the corresponding month last year. A like comparison was shown in the amount of indebtedness involved. The number

of commercial failures reported by Dun & Bradstreet, Inc., in October amounted to 40, which compares with 17 in the previous month, and 105 in October, 1932. Liabilities of defaulting firms totaled \$1,400,261, as against \$538,021 in September, and \$2,763,239 in the same month a year ago.

**AGRICULTURE****Crop Conditions**

Unusually favorable weather conditions for the maturing and harvesting of crops continued throughout October in most sections of the Eleventh Federal Reserve District. Rainfall was light and frost in the northwestern portion of the district came about two weeks later than usual. Due to the open weather and the ample supply of labor, farmers made rapid progress with harvesting operations and this work is nearing completion over a large area of the district. While yields of some crops are falling below earlier expectations, the prospective production of a few crops has increased substantially. The lack of moisture affected adversely small grains throughout the district during October. While some benefit was derived from the rains early in November, a heavy general rain over the district is needed to further stimulate the growth of small grains and to leave the soil in good condition for winter plowing.

For the third consecutive month, the indicated production of cotton has shown a substantial improvement. The prospective production of cotton in this district on November 1, as compiled by the Federal Reserve Board from estimates, by states, of the Department of Agriculture was 5,038,000 bales, as compared with 4,864,000 bales on October 1, and an actual production of 5,233,000 bales in 1932. As was the case in the two preceding months, the improvement occurred largely in Texas and Oklahoma. The Department of Agriculture in its November 1 report placed the per acre yield in Texas at 185 pounds, which is the largest since 1912, and compares with a forecast of 178 pounds on October 1, and an actual yield of 162 pounds in 1932. The total production on November 1 was estimated at 4,350,000 bales, which was 160,000 bales larger than the forecast a month earlier, and only 150,000 bales below the production in 1932. The improvement during the month occurred in the north and northwestern sections. The forecast for Oklahoma was increased 75,000 bales, the estimated total on November 1 being 1,250,000 bales. The indicated per acre yield now stands at 204 pounds as compared with 192 pounds a month earlier, and 167 pounds harvested last year. The crop in New Mexico was raised 10,000 bales, while that in Louisiana was lowered the same amount. Picking and ginning have proceeded at a rapid rate. Ginnings prior to November 1, as reported by the Census Department, for states attached to this district, are as follows: Texas—3,522,000 bales; Oklahoma—940,000 bales; Louisiana—440,000 bales; New Mexico—50,000 bales; and Arizona—31,000 bales.

The yields of grain sorghums in Texas and Oklahoma are short of expectations a month ago. Production of this crop in Texas was estimated by the Department of Agriculture on November 1 as 50,736,000 bushels, as against a forecast of 61,306,000 bushels on October 1, and a harvest of 63,008,000 bushels in 1932. The Oklahoma crop was placed at 13,698,000 bushels on November 1, as against 16,742,000 bushels on October 1, and a production of 15,219,000 bushels last year. The production of this crop in New Mexico and Arizona showed a substantial improvement during October and the indicated yields are higher than a

year ago. The indicated production of corn in Texas, Louisiana, and New Mexico showed no change during the month. The outturn in Oklahoma was estimated at 22,323,000 bushels on November 1, as compared with 25,512,000 bushels on October 1, and an actual yield of 65,760,000 bushels a year ago. The November 1 forecast for Arizona was 756,000 bushels, which was greatly in excess of the forecasted yield a month earlier, or the actual yield last year.

Among the minor crops, peanuts showed the greatest improvement. The indicated production of this crop for Texas was raised from 96,460,000 pounds on October 1 to 112,840,000 pounds on November 1. Last year 99,000,000 pounds were harvested. The indicated production of peanuts in Louisiana was placed at 9,600,000 pounds on November 1, as against a prospective yield of 8,000,000 pounds on October 1, and an actual yield of 6,375,000 pounds a year ago. The pecan crop in Texas, while slightly lower on November 1 than a month earlier, was still considerably above last year's production. The forecast for Louisiana was considerably higher than on October 1, and was nearly double the production of last year. The outlook in Oklahoma is for a crop only half the size of that in 1932. The sweet potato crop in Texas remained unchanged, but declined slightly in Louisiana and Oklahoma.

**Livestock**

The condition of ranges and livestock over a large area of this district reflected a deterioration during the past month as winter weeds and grass did not make normal growth because of the deficiency of moisture. The situation in the Edwards Plateau section of Texas reached a very critical stage due to the prolonged drouth over that area. Rains since the first of November, however, have greatly improved the outlook, and the prospects for winter ranges in most sections are fair to good; yet there are still a few areas which are in a poor condition. Additional rains throughout the range territory would be very beneficial. While cattle have suffered deterioration, they have held up remarkably well considering the poor range condition and in most areas will go into the winter in fair shape. The demand for livestock has been light and trading on the range has been slow.

The condition of cattle ranges in Texas on November 1 was rated at 73 per cent of normal, which represents a decline of 7 points as compared with a month earlier, and 15 points from a year ago. Reflecting the effects of the long drouth, sheep and goat ranges declined 5 points during October, and the 64 per cent of normal condition on November 1 was the lowest for that date during the eleven years that the Department of Agriculture has been collecting this information. The November 1 condition last year was rated at 91 per cent. The 78 per cent condition of cattle on November 1 compares with 81 per cent on October 1, and 87 per cent on the corresponding date in 1932. The condition of sheep declined 1 point during the month and on November 1 was 15 points lower than a year ago. The condition figure for goats was placed at 77 per cent of normal, as against 84 per cent a month earlier, and 88 per cent a year ago. In



New Mexico and Arizona the condition of ranges and live-stock showed little change during October and were about the same as at that time last year. Feed in these states is fair to good although it is short in some areas.

### Movements and Prices

Supplies of cattle, calves, and sheep on the Fort Worth market during October were somewhat larger than in the previous month, and those of cattle and calves were greater than a year ago. There was a slight decline in the number of sheep yarded as compared with October, 1932. The arrivals of hogs showed a marked decline as compared with September, but were still in greater volume than in October last year.

The outlet for cattle was very narrow and at most times the demand for supplies was generally slow. All classes of slaughter cattle suffered a downward revision of price levels and the lower grades changed hands at a very low range of prices. The hog market was very erratic. After reaching a high point of \$5.35 early in October, the market declined irregularly and at the middle of November prices were near

the level of early September. Prices on wethers declined somewhat, but the lamb market strengthened during October.

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	October 1933	October 1932	Change over year	September 1933	Change over month
Cattle.....	38,947	35,504	+3,443	34,746	+ 4,201
Calves.....	34,588	26,294	+8,294	24,963	+ 9,625
Hogs.....	20,900	15,880	+5,020	84,207	-63,307
Sheep.....	43,607	44,249	- 642	31,399	+12,208

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars per hundredweight)

	October 1933	October 1932	September 1933
Beef steers.....	\$5.00	\$7.75	\$5.15
Stocker steers.....	4.50	5.60	....
Butcher cows.....	3.25	4.00	3.25
Stocker cows.....	2.85	3.40	....
Calves.....	4.25	5.25	4.50
Hogs.....	5.35	4.40	5.20
Sheep.....	2.50	2.25	3.00
Lambs.....	6.25	4.75	6.25

## FINANCE

### Operations of the Federal Reserve Bank

Gradual liquidation of member banks' indebtedness at the Federal Reserve Bank during the past month reduced total borrowings to \$1,027,000 on November 15, as compared with \$2,258,000 a month earlier, and \$7,729,000 on November 15 last year. All of the reduction occurred in the borrowings of country banks. There were only 40 banks borrowing from the Federal Reserve Bank on November 15, as compared with 68 banks on October 15, and 177 banks on the corresponding date in 1932. Holdings of bills bought in the open market were increased \$98,000 between October 15 and November 15, but on the latter date were \$480,000 less than a year ago. Investments in United States Government securities showed a further increase, total holdings of \$66,475,000 on November 15 being \$9,298,000 greater than on October 15, and \$23,254,000 larger than a year ago. Reflecting in part the inflow of funds from the marketing of crops, the reserve deposits of member banks rose to \$85,163,000 on November 15, as compared with \$79,014,000 a month earlier, and \$45,170,000 on November 15, 1932. There was a further seasonal increase in the demand for currency. The total circulation of Federal reserve currency amounted to \$52,288,000 on November 15, which was \$2,373,000 greater than at the middle of October, and \$13,006,000 above the actual circulation on the corresponding date a year ago.

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

	Nov. 15, 1933	Nov. 15, 1932	Oct. 15, 1933
Total cash reserves.....	\$ 85,491	\$ 43,018	\$ 83,244
Discounts for member banks.....	1,027	7,729	2,258
Other bills discounted.....	None	256	None
Bills bought in the open market.....	378	858	280
United States securities owned.....	66,475	43,221	57,177
Other investments.....	5	5	5
Total earning assets.....	67,885	52,069	59,720
Member bank reserve deposits.....	85,163	45,170	79,014
Federal reserve notes in actual circulation...	38,493	39,282	33,975
Federal reserve bank notes in actual circulation.....	13,795	None	15,940

### Deposits of Member Banks

Reflecting a sizable expansion in net demand deposits during October, the combined daily average of net demand and time deposits of member banks in this district for the

month amounted to \$622,963,000, which compares with \$588,105,000 in September, and \$602,906,000 in October last year. This is the first time in several years that an increase over the same month in the previous year has been registered. The daily average net demand deposits of country banks rose from \$205,452,000 in September to \$225,040,000 in October, and those of reserve city banks increased similarly from \$195,145,000 in the former month to \$210,987,000 in the latter month.

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., 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
Oct., 1933.....	436,027	186,936	210,987	109,264	225,040	77,672

### Condition of Member Banks in Selected Cities

During the four-week period ending November 8, the reports from member banks in selected cities reflected a substantial increase in investments and net demand deposits and a moderate increase in loans. The investments of these banks in United States Government securities were increased from \$115,051,000 on October 11 to \$122,766,000 on November 8, and the latter figure compares with \$90,620,000 on the corresponding date last year. Holdings of other stocks and bonds rose \$1,870,000 during the four-week period, but on November 8 were \$3,559,000 less than a year ago. While loans on securities reflected a further slight decline, "all other" loans (largely commercial) were increased \$474,000. Total loans and investments of these banks amounted to \$392,488,000 on November 8, which represents a gain of \$9,986,000 as compared with four weeks earlier, and \$1,133,000 as compared with November 9, 1932. While the time deposits of these banks declined \$1,369,000 between October 11 and Novem-



ber 8, their net demand deposits rose \$8,694,000. Combined deposits on November 8 were \$5,667,000 greater than on the same date in 1932. Reserve deposits with the Federal Reserve Bank reflected a further increase, the total of \$49,218,000 on November 8 being \$2,023,000 greater than four weeks earlier, and \$23,041,000 larger than a year ago. Borrowings from the Federal Reserve Bank totaled only \$100,000 on November 8, as compared with \$150,000 on October 11, and \$420,000 on November 9, 1932.

#### CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

(In thousands of dollars)

	Nov. 8, 1933	Nov. 9, 1932	Oct. 11, 1933
United States securities owned.....	\$ 122,766	\$ 90,620	\$ 115,051
All other stocks, bonds, and securities owned.....	54,028	57,587	52,158
Loans on securities.....	59,295	71,885	59,388
All other loans.....	156,399	171,263	155,925
Total loans.....	215,694	243,148	215,293
Net demand deposits.....	237,584	225,575	228,890
Time deposits.....	121,927	128,269	123,296
Reserve with Federal Reserve Bank.....	49,218	26,177	47,195
Bills payable and rediscounts with Federal Reserve Bank.....	100	420	150

#### Acceptance Market

Acceptances executed by banks in this district and outstanding on October 31 were seasonally larger than those a month earlier, despite a moderate reduction in the volume that was based on import and export transactions. The total outstanding at the close of the month amounted to \$2,263,292, as against \$1,924,757 on September 30, and \$1,843,992 on October 31 last year. Of the amount reported on the last day of October, \$2,030,631 represented acceptances based on the domestic shipment and storage of goods, while those executed against import and export transactions totaled \$232,661.

#### Debits to Individual Accounts

Reflecting a further seasonal increase of 12.2 per cent over September, the volume of debits to individual accounts during October at banks in principal cities in the Eleventh District amounted to \$558,036,000. This figure

compares with a total of \$497,315,000 in the previous month, and \$483,752,000 in October, 1932. The percentage increase over the corresponding month last year amounted to 15.4, which is approximately the same comparison as was shown in September.

#### DEBITS TO INDIVIDUAL ACCOUNTS

(In thousands of dollars)

	October 1933	October 1932	Percentage change over year	September 1933	Percentage change over month
Abilene.....	\$ 6,907	\$ 5,056	+36.6	\$ 4,782	+44.4
Austin.....	17,311	13,106	+32.1	15,294	+13.2
Beaumont.....	13,632	12,489	+9.2	12,739	+7.0
Corsicana.....	3,106	2,994	+3.7	3,181	+2.4
Dallas.....	171,263	142,700	+20.0	150,578	+13.7
El Paso.....	15,021	13,541	+10.9	12,743	+17.9
Fort Worth.....	60,186	51,654	+16.5	49,161	+22.4
Galveston.....	22,317	22,611	-1.3	19,051	+17.1
Houston.....	138,669	116,521	+19.0	126,543	+9.6
Port Arthur.....	5,032	3,926	+28.2	4,542	+10.8
Roswell.....	2,185	1,927	+13.4	1,824	+19.8
San Antonio.....	41,447	41,965	-1.2	39,632	+4.6
Shreveport.....	25,363	22,492	+12.8	24,525	+3.4
Texarkana*.....	5,225	5,362	-2.6	5,098	+2.5
Tucson.....	6,037	7,153	-15.6	5,289	+14.1
Waco.....	13,760	11,839	+16.2	13,788	-2.2
Wichita Falls....	10,575	8,416	+25.7	8,545	+23.8
Total.....	\$558,036	\$483,752	+15.4	\$497,315	+12.2

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

#### Savings Deposits

Reports received from 137 banks in the Eleventh District that operate savings departments indicate that while a small increase in savings deposits occurred during October, the comparison at the close of the month with October 31, 1932, was slightly less favorable than the like comparison on September 30. Total savings deposits on the last day of October amounted to \$135,628,650, as against \$135,199,800 a month earlier, and \$140,011,577 on the corresponding date last year. Despite the decline of 3.1 per cent from a year ago, five of the eleven principal centers reported substantial increases.

#### SAVINGS DEPOSITS

	Number of reporting banks	October 31, 1933		October 31, 1932		Percentage change over year in savings deposits	September 30, 1933		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	7,969	\$ 3,113,910	8,000	\$ 2,973,871	+ 4.7	7,901	\$ 3,103,204	+ 3
Dallas.....	9*	73,176	23,260,483	74,822	25,387,471	- 8.4	72,495	23,270,048	+ 0.0
El Paso.....	2	9,717	3,963,768	10,558	3,332,090	+19.0	9,666	3,970,958	- 2.2
Fort Worth.....	4	31,577	10,258,246	33,756	11,320,187	- 9.4	32,279	10,253,599	+ 0.0
Galveston.....	4	16,430	9,895,610	17,113	10,089,739	- 1.7	16,614	9,947,721	+ 0.5
Houston.....	11*	62,903	27,627,874	65,415	30,250,075	- 8.7	62,830	27,761,404	- 0.5
Port Arthur.....	2	4,623	1,870,008	4,310	1,811,195	+ 3.2	4,626	1,863,459	+ 2.0
San Antonio.....	7	19,597	13,679,237	20,364	14,212,301	- 3.8	19,544	13,417,161	+ 1.7
Shreveport.....	3	21,201	11,577,902	23,033	9,950,461	+16.4	21,318	11,387,737	+ 1.2
Waco.....	3	10,507	5,608,220	10,325	5,608,810	0.0	10,440	5,544,367	+ 1.0
Wichita Falls.....	3	5,499	2,432,321	5,655	2,320,993	+ 4.8	5,465	2,407,982	+ 0.3
All others.....	86*	53,300	22,341,071	55,925	22,774,384	- 1.9	52,954	22,272,160	+ 0.3
Total.....	137	316,499	\$135,628,650	329,276	\$140,011,577	- 3.1	316,132	\$135,199,800	+ 0.3

\*Only 8 banks in Dallas, 10 in Houston, and 79 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 that now eligible for rediscount under the Federal Reserve Act.....	2½-7	6-8	4-10	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.....	6-8	6-8	6-10	5-7	6-8	6-8
Time.....	4-8	6-8	6-10	5-7	5-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	3-7	8	6-8	5-7	6-8	4-6
Rate on cattle loans.....	6-8	6-8	6-10	6-10	8-10	7-8



## INDUSTRY

**Cottonseed Products**

The operations of cottonseed oil mills in Texas during October evidenced a counter to seasonal trend. The usual increase in activities that has occurred regularly during October for many years, did not materialize during the past month, despite the fact that ginnings of the current year's cotton crop are well above those a year ago. The receipts of seed and the production of linters were the only activities showing an increase over those a month earlier. The comparisons with the corresponding month last year were even less favorable. The receipts and crushings of seed and the output of oil, cake and meal, and hulls all reflected reduced activity. As a result of these unusual declines in business all operations except the output of linters during the current season fell below those of the previous season.

Activities at all United States oil mills, however, were seasonally greater than those a month earlier, but they too reflected declines as compared with October, 1932, with one exception, the output of linters. Stocks of cottonseed oil and cake and meal on October 31 at both Texas and United States mills were greater than those a month earlier or a year ago, while hulls and linters were below those on hand on October 31, 1932.

## 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).....	793,025	725,699	2,254,479	2,350,151
Cottonseed crushed (tons).....	485,582	516,056	1,402,345	1,432,033
Cottonseed on hand Oct. 31 (tons).....	406,746	384,911	1,073,072	1,218,142
Crude oil produced (pounds)...	143,054,153	151,524,078	431,980,151	437,373,835
Cake and meal produced (tons).....	225,591	240,135	629,100	645,610
Hulls produced (tons).....	136,592	151,873	383,634	405,279
Linters produced (running bales).....	74,176	60,892	244,801	221,308
Stocks on hand Oct. 31:				
Crude oil (pounds).....	30,355,712	28,432,830	105,760,734	85,788,046
Cake and meal (tons).....	93,145	90,269	313,114	308,306
Hulls (tons).....	72,809	103,566	168,433	256,438
Linters (running bales).....	42,066	78,165	142,115	269,998

**Textile Milling**

Activity in the domestic cotton textile industry, which witnessed contrary to seasonal declines in both August and September, turned upward in October, the consumption of cotton being slightly greater than that in the preceding month as well as maintaining a small edge over a year ago. There were 503,873 bales of cotton consumed during October, as compared with 499,486 bales in September, and 501,893 bales in October, 1932. During the three months of the current season, consumption totaled 1,591,929 bales, which represents an increase of 13.8 per cent over that in the corresponding period last season. Stocks of cotton on October 31 at all cotton textile mills in the United States were consider-

COTTON CONSUMED AND ON HAND  
(Bales)

	October 1933	October 1932	August 1 to October 31 This season	October 31 Last season
Cotton-growing states:				
Cotton consumed.....	405,157	414,490	1,270,873	1,162,251
On hand October 31 in—				
Consuming establishments.....			1,088,841	1,011,530
Public storage and compresses.....			9,123,978	9,385,648
United States:				
Cotton consumed.....	503,873	501,893	1,591,929	1,399,132
On hand October 31 in—				
Consuming establishments.....			1,361,190	1,267,181
Public storage and compresses.....			9,474,342	9,824,523

ably larger than at the close of the previous month or on the same date last year.

Operations during October at reporting Texas textile mills reflected declines as compared with the preceding month, but the consumption of cotton and production of cloth continued above a year ago. Orders for finished products held by these establishments on October 31 were less than those a month earlier or a year ago, while stocks of products were substantially larger than those at the end of the previous month.

**Cotton Movements**

The movements of cotton during October through the ports of Houston and Galveston reflected the usual seasonal increase, and were in considerably larger volume than a year ago. Exports from both shipping centers combined totaled 668,320 bales, which represents an increase of 44.8 per cent over those in the previous month, and 34.4 per cent above the exports in October, 1932. It is significant that shipments from these ports during each of the three months of the current season have been substantially above the average. The receipts of cotton at both ports during the past month were also greater than those a month earlier or a year ago. During the first quarter of the 1933-34 season both exports and receipts of cotton were above those in the same period last year. On October 31 stocks of cotton were in much larger volume than a month earlier, but at Galveston they were less than a year ago.

The total foreign exports of American cotton during the past month likewise reflected the usual October increase over

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON  
(Bales)

	October 1933	October 1932	August 1 to October 31 This season	Last season
Receipts.....	520,603	489,987	873,007	712,540
Exports.....	307,606	215,486	506,128	358,736
Stocks, October 31.....			801,876	815,983

COTTON—GALVESTON STOCK STATEMENT  
(Bales)

	October 31, 1933	October 31, 1932
For Great Britain.....	5,000	9,500
For France.....	3,500	4,500
For other foreign ports.....	50,500	41,500
For coastwise ports.....	1,000	1,500
In compresses and depots.....	741,876	758,983
Total.....	801,876	815,983

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON  
(Bales)

	October 1933	October 1932	August 1 to October 31 This season	Last season
Receipts.....	567,642	528,751	1,220,094	998,965
Exports.....	360,714	281,703	861,429	672,465
Stocks, October 31.....			1,513,620	1,399,715

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

	October, 1933		Nov. 15, 1933
	High	Low	
New York.....	9.90	8.95	10.25
New Orleans.....	9.69	8.58	9.94
Dallas.....	9.30	8.25	9.70
Houston.....	9.60	8.55	9.90
Galveston.....	9.60	8.55	9.90



the previous month, and were also greater than in the corresponding month last year. Shipments from all United States ports aggregated 1,046,524 bales, as against 869,244 bales in September, and 1,008,023 bales in October, 1932. During the first three months of the current season shipments totaled 2,446,395 bales, as compared with 2,193,842 bales in the same period of the previous season. Exports this season to the United Kingdom, France, Italy, and Japan are showing appreciable increases over those a year ago, while shipments to Germany are somewhat smaller.

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

	August 1 to October 31	
	This season	Last season
Receipts.....	3,502,150	3,057,944
Exports: United Kingdom.....	419,950	363,590
France.....	318,226	293,980
Italy.....	238,378	208,301
Germany.....	488,523	602,126
Other Europe.....	300,034	257,133
Japan.....	575,404	361,551
All other countries.....	125,880	107,161
Total foreign ports.....	2,446,395	2,193,842
Stocks at all United States ports, October 31.....	3,966,438	4,244,433

#### Petroleum

A further substantial reduction was shown in the production of crude oil in this district during October. The aggregate output was reported as 33,250,600 barrels, this being 1,250,900 barrels less than in the previous month, but 4,028,450 barrels in excess of the amount produced in October, 1932. Daily yield was reduced from 1,150,050 barrels in September to 1,072,600 barrels in the subsequent month. Materially increased activity in drilling was indicated by the larger number of wells completed during the month. A total of 671 new producers was reported in October, as against 463 in the preceding month, and their combined initial yield amounted to 2,851,471 barrels, as compared with 2,192,204 in September. The increase appeared to be rather general throughout the Eleventh District.

In Texas the daily average petroleum output amounted to 1,004,700 barrels, which is 77,600 barrels below the level of the previous month. The only up-turn in October occurred in North Texas, and sizable decreases were shown in East Texas, Central West Texas, and the Coastal region. The

daily volume in New Mexico and North Louisiana was approximately the same as in the preceding month.

#### OIL PRODUCTION—(Barrels)

	October, 1933		Increase or decrease over September, 1933	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,141,850	101,350	+ 189,850	+ 2,950
Central West Texas.....	4,617,450	148,950	— 158,550	— 10,250
East Central Texas.....	16,155,650	521,150	— 1,205,350	— 57,550
South Texas.....	1,478,700	47,700	+ 38,700	+ 300
Texas Coastal.....	5,752,050	185,550	— 187,950	— 12,450
Total Texas.....	31,145,700	1,004,700	— 1,323,300	— 77,600
New Mexico.....	1,302,000	42,000	+ 45,000	+ 100
North Louisiana.....	802,900	25,900	+ 27,400	+ 50
Total District.....	33,250,600	1,072,600	— 1,250,900	— 77,450

#### OCTOBER DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Fail- ures	Initial Production
North Texas.....	148	101	3	44	14,518
Central West Texas.....	82	53	1	28	109,763
East Central Texas.....	378	362	1	15	2,595,225
South Texas.....	114	69	3	42	35,910
Texas Coastal.....	105	68	4	33	94,410
Total Texas.....	827	653	12	162	2,849,826
New Mexico.....	6	4	..	2	450
North Louisiana.....	44	14	12	18	1,195
October totals, district.....	877	671	24	182	2,851,471
September totals, district....	633	463	14	156	2,192,204

#### CRUDE OIL PRICES

	Nov. 10, 1933	Nov. 11, 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

Building permits issued during October in leading cities in this district were larger, both in number and in volume, than in either the previous month or the same month a year ago. The total valuation reported was \$768,828, which compares with \$651,385 in September, and \$755,538 in October last year. Although a smaller increase was shown in the latter comparison, nine of the reporting cities participated in it, while eight reflected gains over the preceding month.

#### BUILDING PERMITS

	October, 1933		October, 1932		Percentage change valuation over year	September, 1933		Percentage change valuation over month	Ten Months				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1933		1932		
									No.	Valuation	No.	Valuation	
Amarillo.....	12	\$ 11,442	17	\$ 6,564	+ 74.3	12	\$ 4,572	+150.3	168	\$ 149,147	218	\$ 277,013	— 46.2
Austin.....	75	33,074	97	97,336	— 66.0	65	61,359	— 46.1	852	1,228,925	918	5,077,757	— 75.8
Beaumont.....	119	28,320	96	13,789	+105.4	86	19,822	+ 42.9	849	172,281	865	272,054	— 36.7
Corpus Christi..	30	11,215	30	2,830	+296.3	34	16,561	— 32.3	250	143,991	328	129,840	+ 10.9
Dallas.....	332	152,566	255	113,910	+ 33.9	268	112,554	+ 35.5	3,335	1,722,125	2,735	2,178,558	— 21.0
El Paso.....	32	15,869	44	26,060	— 39.1	30	3,585	+342.6	357	160,383	407	313,767	— 48.9
Fort Worth.....	108	74,406	92	102,600	— 27.5	79	76,921	— 3.3	867	2,577,807	1,263	1,250,403	+106.2
Galveston.....	122	45,141	143	42,988	+ 5.0	115	20,558	+119.6	950	357,596	1,410	483,193	— 26.0
Houston.....	192	246,357	201	174,213	+ 41.4	194	209,078	+ 17.8	1,804	2,776,217	2,051	2,491,039	+ 11.4
Port Arthur.....	47	13,273	31	5,041	+163.3	75	17,466	— 24.0	472	91,998	367	82,045	+ 12.1
San Antonio.....	166	77,174	200	76,305	+ 1.1	121	47,925	+ 61.0	1,360	870,449	1,825	1,459,562	— 40.4
Shreveport.....	120	32,654	130	57,402	— 43.1	104	34,362	— 5.0	1,073	389,667	1,226	408,570	— 4.6
Waco.....	15	19,992	24	31,360	— 36.2	17	23,967	— 16.6	228	273,201	303	327,718	— 16.6
Wichita Falls...	30	7,345	11	5,140	+ 42.9	14	2,655	+176.6	280	74,821	156	491,360	— 84.8
Total.....	1,400	\$ 768,828	1,371	\$ 755,538	+ 1.8	1,214	\$ 651,385	+ 18.0	12,845	\$10,988,608	14,072	\$15,242,879	— 27.9

#### Cement

Cement production at Texas mills turned downward in October, after having registered a sizable increase in the previous month. The total output amounted to 113,000 barrels, which compares with

271,000 barrels in September, and 218,000 barrels in October last year. Shipments, on the other hand, rose from 183,000 barrels in September to 205,000 barrels in the subsequent month, but the latter figure was 46.2 per cent less than that



reported in October, 1932. Reflecting a reduction of 11.4 per cent during the month, stocks on October 31 amounted to 715,000 barrels, as against 807,000 barrels on September 30, and 554,000 barrels on October 31 a year ago.

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

	Oct., 1933	Percentage change from Oct., 1932	Sept., 1933	January 1 through Oct. 31	Percentage change from year
Production at Texas mills.....	113	-48.2	-58.3	2,690	-13.5
Shipments from Texas mills.....	205	-46.2	+12.0	2,651	-19.2
Stocks at end of month at Texas mills.....	715	+29.1	-11.4	.....	.....

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, November 23, 1933)

Volume of industrial output continued to decline in October. Factory employment and payrolls, after increasing continuously for six months up to the middle of September, showed little change from then to the middle of October. There was an increase in the volume of construction undertaken, reflecting the expansion of public works.

### PRODUCTION AND EMPLOYMENT

Volume of output in basic industries decreased in October as compared with September, contrary to seasonal tendency, and the Board's seasonally adjusted index declined from 84 per cent of the 1923-1925 average to 77 per cent. This compared with an index of 67 in October of last year and 60 at the low point in March of this year. At steel mills activity declined sharply between the middle of October and the first week in November, but in the following three weeks showed little change. In the automobile industry, output has been curtailed in recent weeks in preparation for new models. For the first ten months of the year the number of cars produced was 50 per cent larger than in the corresponding months of 1932. Output at shoe factories showed a seasonal decline in October as compared with September, and there was some decrease in activity at cotton and wool textile mills, contrary to seasonal tendency. At meat packing establishments activity declined sharply from the unusually high rate prevailing in September, which was due to the fact that in that month a large number of pigs purchased by the Federal Government were handled. Total number of employees at factories, excluding canning establishments, showed little change from the middle of September to the middle of October. At canning establishments there was a decline of a seasonal character and the Board's index, which includes this industry, showed a slight decrease. Value of construction contracts awarded during October and the first half of November, as reported by the F. W. Dodge Corporation, showed a considerable advance over the preceding six-week period, reflecting a growing volume of public works.

### DISTRIBUTION

Shipments of commodities by rail showed a somewhat larger decline between the middle of October and the middle of November than is usual at this season. Department store sales increased in October as compared with September by slightly less than the usual seasonal amount.

### PRICES

Wholesale prices, as measured by the weekly index of the Bureau of Labor Statistics, declined from 71.3 per cent of the 1926 average in the first week of October to 70.4 per cent in the third week, and then advanced to 71.7 per cent in the third week of November, a level 20 per cent above the low point of last March. Following declines early in October, prices of cotton, grains, lard, rubber, tin, and silver increased considerably, while cattle prices continued to decline and prices of hogs showed little change.

### FOREIGN EXCHANGE

The value of the dollar in the foreign exchange market fluctuated around 67 per cent of its gold parity during the latter part of October, declined during the first part of November to 59 per cent on November 16, and on November 22 was 61 per cent.

### BANK CREDIT

Between October 18 and November 15 there was little change in the reserves of member banks, which continued to be more than \$800,000,000 in excess of legal requirements. Purchases of United States Government securities by the reserve banks declined gradually from \$25,000,000 during the week ending October 25 to \$2,000,000 during the week ending November 15. For the four-week period as a whole the banks' holdings of United States Government securities showed an increase of \$57,000,000 while holdings of acceptances and discounts for member banks showed little change. Total loans and investments of member banks increased by \$90,000,000 during the period, reflecting a growth of \$150,000,000 in holdings of United States Government securities, of \$25,000,000 in holdings of other securities, and of \$39,000,000 in all other loans, while loans on securities declined. Net demand deposits declined by \$70,000,000 during the period, while Government deposits increased by \$180,000,000. Rates on acceptances and yields on short term United States Treasury bills and certificates rose slightly from mid-October to November 20, and yields on Government and high grade corporate bonds advanced somewhat. Discount rates of the Federal Reserve Banks of Boston, San Francisco, and Philadelphia were reduced from 3 per cent to 2½ per cent on November 2, 3, and 16, respectively.