

# 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

	November 1933	Change from October
Bank debits to individual accounts (at 17 cities).....	\$530,491,000	— 4.9%
Department store sales.....		— 9.7%
Reserve bank loans to member banks at end of month.....	\$ 1,259,576	+ 4.2%
Reserve bank ratio at end of month.....	66.9%	+ 2.2 points
Building permit valuation at larger centers....	\$ 682,995	— 11.2%
Commercial failures (number).....	32	— 20.0%
Commercial failures (liabilities).....	\$ 527,099	— 62.4%
Oil production (barrels).....	28,859,400	— 13.2%

\$17,704,000 greater than a month earlier, and \$55,575,000 above that a year ago. Federal reserve bank loans to member banks showed little variation from the low level reached at the middle of November, and only a small number of banks are now indebted to the Federal Reserve Bank. The seasonal demand for currency was reflected in the expansion of circulating Federal reserve currency. The total on December 15 was \$54,102,000, as compared with \$52,288,000 on November 15, and \$38,965,000 on the corresponding date in 1932. While loans to member banks in selected cities declined between November 8 and December 13, their investments showed a further increase. Subscriptions to the one year Treasury Certificates of Indebtedness, bearing  $2\frac{1}{4}$  per cent interest, totaled \$89,559,000 against which allotments of \$22,400,500 were made.

Sustained activity in the buying of merchandise was a prominent feature of business development during the past month. Retail distribution, as reflected by department store sales in principal cities, while showing the usual seasonal recession between October and November, exceeded that in the corresponding month last year by 11 per cent. Statistics on purchases at wholesale likewise exhibited favorable comparisons. In some lines sales evidenced a counter-to-seasonal expansion as compared with the previous month, while in other lines the declines were smaller than usual at this season. Sales in all lines reflected substantial increases over a year ago and in most instances the increase reported for the month of November, 1933, over November, 1932, was larger than for any previous month this year over the corresponding month in 1932. While collections generally were seasonally smaller than in October, reports indicate that payments on both current and old accounts have been in substantial volume. Debits to individual accounts declined 5 per cent between October and November, but were 16 per cent larger than a year ago.

The deposits of member banks continued to expand during November. The daily average of combined net demand and time deposits during the month amounted to \$654,145,000 as against \$622,963,000 in the previous month, and \$614,411,000 in November last year. The November total was the largest recorded since early in 1932. The reserve deposits of these banks with the Federal Reserve Bank rose to the record figure of \$102,867,000 on December 15, which was

The open weather during November was favorable for increasing production of some maturing crops and facilitated harvesting operations. The Department of Agriculture in its December 1 report again raised the estimated production of cotton in this district by a substantial amount and the lateness of frost permitted the maturing of fall feed crops. Harvesting of crops is nearing completion in most sections of the district and winter plowing is more advanced than usual. Offsetting some of the favorable factors has been the continued deficiency of moisture over a large area of the district, which has affected adversely small grains and has left the plants susceptible to injury from freezes. Furthermore, there is a large deficiency in subsoil moisture caused by the long period of dry weather, and heavy general rains are needed to correct this situation. Livestock ranges generally are poor to only fair and stock water is low in some areas. Livestock, however, have held up reasonably well under the circumstances and should go into the winter in fair shape.

Construction activity, as reflected by the valuation of building permits issued in principal cities, was 11 per cent lower than in October, but 11 per cent larger than in November, 1932. The production and shipments of cement were larger than the low October figures, but continued substantially under the corresponding month last year.

### BUSINESS

**Wholesale Trade**  
A well sustained demand for merchandise at wholesale was in evidence in the Eleventh District during November. While the volume of distribution in the lines of groceries,

farm implements, and dry goods was smaller than in the previous month, the declines were less than usually occur at this season. Sales of hardware and drugs were materially larger than in October, the gains being contrary to the usual

seasonal trend. Every reporting line showed a more favorable comparison with the same month last year than was reflected in October. The increases as compared with November, 1932, ranged from 13.1 per cent in the case of drugs to 228.8 per cent in the case of farm implements. As there was a good retail demand for merchandise in most sections, retailers have been buying for replacement purposes. Wholesale inventories were appreciably reduced during November, although in the lines of dry goods and groceries they remained considerably larger than a year ago. Seasonal declines in collections occurred in the lines of groceries, dry goods, and drugs.

A further seasonal decrease of smaller than seasonal proportions was shown in the distribution of dry goods through wholesale channels during November, the decline amounting to 13.1 per cent. Business was on a scale 27.0 per cent larger than in the same month last year. Reports indicate that an improved demand was visible in some areas during the month. Stocks at the end of November were 7.5 per cent less than a month earlier, but 51.3 per cent larger than a year ago. There was a seasonal recession of 6.4 per cent in collections during November.

An improvement was shown last month in the business of wholesale drug firms in the Eleventh District. Contrary to the usual tendency at this season, the volume of sales during November turned upward and was 2.5 per cent higher than in October. As compared with November, 1932, there was an increase of 13.1 per cent, whereas in the period from July 1 to November 30 the average gain over a year ago amounted to only 4.5 per cent. Stocks fell off somewhat and were 3.4 per cent less than a year ago. A small seasonal decline was shown in the month's volume of collections.

Contrary to the downward seasonal tendency which is usually apparent in November, the business of wholesale hardware firms in this district last month reflected an increase of 2.5 per cent over October, and was 43.4 per cent larger than in November last year. Inventories on November 30 were at a lower level than a month earlier or a year ago. November collections exceeded those in October by 2.4 per cent.

Substantially less than the usual seasonal decrease was reflected in the distribution of groceries through wholesale

channels during November. Total sales reported were 6.0 per cent smaller than in the preceding month, but 14.5 per cent in excess of those in the same month a year ago. The five-month average increase from July through November, as compared with the same months last year, amounted to 12.6 per cent. Inventories were reduced 6.8 per cent between October 31 and November 30. Collections during the month were somewhat smaller than in October.

Although the demand for farm implements at wholesale declined 7.1 per cent in November, this reduction was smaller than seasonal and the dollar volume of distribution was more than three times as large as in the same month a year ago. Total sales since July 1 are shown to be more than twice the amount reported in the corresponding period last year. Prices held fairly stable during the month. Collections continued in substantial volume.

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

	Net Sales Nov., 1933 compared with Nov., 1932		Net Sales July 1 to date compared with same period last year		Stocks Nov., 1933 compared with Nov., 1932		Ratio of collections during Nov. to accounts and notes outstanding on October 31
	Nov., 1933	Oct., 1932	July 1 to date	same period last year	Nov., 1933	Oct., 1932	
Groceries.....	+ 14.5	- 6.0	+ 12.6	+ 24.9	+20.5	- 6.8	71.2
Dry goods.....	+ 27.0	-13.1	+ 24.9	+114.1	+51.3	- 7.5	37.1
Farm implements..	+228.8	- 7.1	.....	.....	.....	.....	.....
Hardware.....	+ 43.4	+ 2.5	+ 29.0	.....	- 4.5	- 3.7	47.2
Drugs.....	+ 13.1	+ 2.5	+ 4.5	.....	- 3.4	- 3.0	41.5

### Retail Trade

Consumer buying at department stores in principal cities of the Eleventh District continued active during November despite a decline of 9.7 per cent as compared with the previous month. This reduction was due in part to seasonal factors following the October fall buying, and also to the fact that November has one less business day than October. Another appreciable increase of 10.7 per cent was witnessed in November sales over those in the like month of 1932. Following this increase was a further betterment in the cumulative sales percentage for the year. On November 30 business during the eleven months of the current year was only 2.1 per cent less than in the corresponding period of 1932, while at the close of October it was 3.5 per cent less for the ten-month comparison. This bank's seasonally adjusted index of department store sales dropped from 71.0 per cent of the 1923-25 aver-

### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
<b>Total sales (percentage):</b>						
November, 1933, compared with November, 1932.....	+15.5	+ 5.8	+21.2	+ 1.7	+ 2.3	+10.7
November, 1933, compared with October, 1933.....	-19.3	- 6.7	+ 3.2	- 6.5	- 8.5	- 9.7
January 1 to date compared with same period last year.....	- .7	- 2.5	+ 4.3	- 8.5	- 5.2	- 2.1
<b>Credit sales (percentage):</b>						
November, 1933, compared with November, 1932.....	+15.9	+ 5.6	+22.6	+ 5.4	- .5	+11.2
November, 1933, compared with October, 1933.....	-19.9	- 8.7	- 2.7	- 7.3	-10.8	-12.4
January 1 to date compared with same period last year.....	- .4	- .6	+ 7.8	- 6.8	- 6.7	- 1.2
<b>Stocks on hand at end of month (percentage):</b>						
November, 1933, compared with November, 1932.....	+10.5	+ .9	+28.9	+10.2	+14.7	+11.7
November, 1933, compared with October, 1933.....	- .1	+ 3.9	+ 2.9	- 3.5	- 2.8	- .2
<b>Stock turnover (rate):</b>						
Rate of stock turnover in November, 1932.....	.23	.19	.27	.20	.22	.23
Rate of stock turnover in November, 1933.....	.24	.21	.24	.26	.20	.23
Rate of stock turnover January 1 to November 30, 1932.....	2.53	1.95	2.52	2.94	2.08	2.38
Rate of stock turnover January 1 to November 30, 1933.....	2.69	2.17	2.57	3.00	2.16	2.51
<b>Ratio of November collections to accounts receivable outstanding November 1, 1933.....</b>	<b>36.5</b>	<b>25.5</b>	<b>40.7</b>	<b>40.6</b>	<b>32.3</b>	<b>35.0</b>
<b>Indexes of department store sales:</b>						
Unadjusted—October, 1933.....	87.7	88.7	90.9	60.7	.....	81.6
Unadjusted—November, 1933.....	73.5	86.0	98.0	62.4	.....	76.9
Adjusted—October, 1933.....	71.9	77.8	87.4	54.2	.....	71.0
Adjusted—November, 1933.....	62.3	71.7	83.8	54.3	.....	66.3
<b>Indexes of department store stocks:</b>						
Unadjusted—October, 1933.....	57.9*	76.0	64.1	47.9	.....	64.0*
Unadjusted—November, 1933.....	57.7	79.0	69.4	46.5	.....	64.6
Adjusted—October, 1933.....	51.7*	66.1	55.3	42.4	.....	56.6*
Adjusted—November, 1933.....	52.9	69.9	60.3	41.9	.....	57.7

\*Revised.

age in October to 66.3 per cent in November, but it remained 6 points above that in the same month last year. Recent reports indicate that holiday buying is in substantial volume.

Inventories of merchandise on November 30 were in approximately the same volume as those a month earlier, but a further increase of 11.7 per cent was reflected over those held on the same date of 1932. The rate of stock turnover during the eleven months of 1933 was 2.51, as against 2.38 in the corresponding period of 1932.

November collections evidenced an increase over both the previous month and the same month last year. The ratio of collections during November to accounts and notes outstanding on the first of the month was 35.0 per cent, as against

34.4 per cent in October, and 32.8 per cent in November, 1932.

*Commercial Failures*

There was an appreciable decrease in the number of commercial failures in this district during November, and the amount of indebtedness involved was at the lowest level reported since November, 1929. According to the figures compiled by Dun & Bradstreet, Inc., a total of 32 firms became insolvent during the month, as compared with 40 in October, and 96 in November a year ago. Aggregate liabilities of these firms amounted to \$527,099, as against \$1,400,261 in the previous month, and \$2,111,500 in the same month last year.

**AGRICULTURE**

*Crop Conditions*

Farmers throughout the Eleventh District have made rapid progress with the harvesting of crops and with field work during the past month as the open weather has been conducive to these operations. Harvesting operations are nearing completion in most sections of the district and winter plowing in many areas is further advanced than is usual at this season. The lateness of frost was favorable to the maturity of some crops, especially cotton and the late feed crops. On the other hand, the deficiency in rainfall over a very large portion of the district is having an adverse effect upon small grains and pastures. In only limited areas has there been sufficient moisture to give small grains a good root growth, and in some of the drier sections of west and northwest Texas seeds which were dusted in earlier in the fall have not germinated. Over other areas root growth is insufficient to withstand severe freezes without adequate snow cover. There is a cumulated deficiency of moisture in most sections and there is an absence of a subsoil season. Heavy general rains throughout the district are badly needed not only to stimulate growth of small grains but also to accumulate subsoil moisture, which is an important factor in crop growth during the summer months.

The Department of Agriculture in its December 1 report again increased the estimated production of cotton in Texas. The exceptionally favorable weather for maturing and harvesting of the crop, which prevailed throughout November, greatly increased prospects in the northwest High Plains and Rolling Plains and the Trans-Pecos sections of the State. The increases in indicated production for these areas offset the slightly lower estimates for several other sections and brought the estimated production of the State to 4,475,000 bales on December 1, which was 125,000 bales larger than the estimate a month earlier, and only 25,000 bales under the actual production in 1932. The estimated yield on December 1 was placed at 187 pounds per acre as compared with an estimate of 185 pounds on November 1, and a yield of 162 pounds in 1932. The area remaining for harvest was placed at 11,467,000 acres in the December 1 report, which indicates that the removal and abandonment of acreage amounted to 28.4 per cent of the 16,014,000 acres in cultivation on July 1. The indicated production was also raised in Oklahoma, New Mexico, and Arizona, and the current forecast for those states was for a production considerably higher than in 1932, due to the high per acre yields. The estimate for Louisiana was further reduced by 4,000 bales, the current estimate of 486,000 bales comparing with 611,000 bales harvested a year ago. The forecasted yield per acre, however, was 181 pounds for this year's crop as against 173 pounds harvested last year. Over

a large area of the district picking and ginning of cotton are practically completed and are proceeding rapidly in other sections under the stimulus of favorable weather. Ginnings prior to December 1 in all states attached to this district, except Louisiana, were larger than in the corresponding period in 1932. The totals for the current year are as follows: Texas—4,038,514 bales; Oklahoma—1,167,951 bales; Louisiana—466,622 bales; New Mexico—74,973 bales; and Arizona—58,972 bales.

According to the report of the Department of Agriculture, fall and winter commercial vegetable crops in south Texas made generally good progress during November as weather conditions were conducive to growth. While absence of rainfall in the lower Rio Grande Valley was very beneficial to crops, the continuation of dry weather in other areas during December may have a decidedly adverse effect upon crop growth. The surface soil is becoming dry over a considerable area and rainfall is needed for the germination of late-sown seed. There is given below comparative condition figures for principal crops:

CONDITION OF COMMERCIAL TRUCK CROPS IN SOUTH TEXAS

	December 1, 1933 Per Cent	December 1, 1932 Per Cent	November 1, 1933 Per Cent
Snap beans.....	74	53	80
Beets.....	73	72	53
Broccoli.....	74	72	65
Cabbage.....	77	78	70
Carrots.....	66	70	65
Cauliflower.....	80	70	73
Eggplant.....	70	58	68
Onions.....	75	79	85
Green peas.....	70	..	72
Green peppers.....	80	62	81
Early Irish potatoes.....	61	64	58
Spinach.....	73	79	74
Strawberries.....	80	50	75
Tomatoes.....	81	50	70
Turnips.....	58	77	70

*Livestock*

The condition of ranges in this district is very spotty. In portions of the Texas Panhandle and in favored localities elsewhere in the range territory, sufficient moisture has been received for wheat pasturage and with additional rains in the near future should furnish considerable grazing during the winter. The late summer rains were sufficient to mature range grass and permit the planting of feed crops, a large portion of which matured because of the late frosts. In the Edwards Plateau region and in much of west and northwest Texas and eastern New Mexico, ranges are very dry and there is a shortage of both pasturage and dry feed. Most of the south Texas range territory is also suffering from a lack of moisture. A heavy, general rain is needed to stimulate the growth of grain

pastures and to replenish the supply of stock water. Despite the poor range conditions, livestock have held up fairly well due in part to the mild temperatures which have prevailed throughout the fall.

The condition of cattle ranges in Texas on December 1, as reported by the Department of Agriculture, was 71 per cent of normal as compared with 72 per cent on November 1, and 82 per cent on December 1, 1932. There was a decline of 2 points in the condition of sheep and goat ranges during November, and the 62 per cent on December 1 was 20 points lower than a year earlier. The December 1 condition of cattle was rated at 76 per cent of normal as compared with 78 per cent a month earlier, and 85 per cent last year. There was a decline during the month of 2 points in the condition of sheep and 1 point in that of goats. As compared with a year ago, sheep registered a decline of 11 points and goats 7 points.

#### Movements and Prices

The November receipts of cattle, calves and sheep at the Fort Worth market reflected a substantial decline as compared

with both the previous month and the corresponding month last year. On the other hand, the arrivals of hogs were moderately larger than in October and considerably above a year ago.

The demand for cattle during November was sluggish, and prices on practically all grades and classes of slaughter

cattle evidenced a downward trend. The market during the first half of December continued weak although supplies were not excessive. The hog market, while somewhat erratic, showed a sharp decline during November and the first half of December. At the close of the period, prices were at the lowest level reached since May. Sheep and lamb prices were generally steady to strong.

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	November 1933	November 1932	Change over year	October 1933	Change over month
Cattle.....	33,197	36,617	- 3,420	38,947	- 5,750
Calves.....	28,735	32,516	- 3,781	34,588	- 5,853
Hogs.....	22,426	12,995	+ 9,431	20,900	+ 1,526
Sheep.....	26,006	39,663	-13,657	43,607	-17,601

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars per hundredweight)

	November 1933	November 1932	October 1933
Beef steers.....	\$5.00	\$6.40	\$5.00
Stocker steers.....	3.90	5.50	4.50
Butcher cows.....	3.00	3.75	3.25
Stocker cows.....	2.20	3.00	2.85
Calves.....	3.75	5.50	4.25
Hogs.....	4.70	3.95	5.35
Sheep.....	3.25	2.00	2.50
Lambs.....	6.25	4.50	6.25

## FINANCE

#### Operations of the Federal Reserve Bank

Federal reserve bank loans to member banks fluctuated within narrow limits between November 15 and December 15.

The total on the latter date amounted to only \$1,003,000 and was about equally divided between loans to reserve city banks and those to country banks. Thus the reduction in country bank borrowings was about offset by borrowings of reserve city banks. There were only 23 banks indebted to the Federal Reserve Bank on December 15, as compared with 40 banks a month earlier, and 131 banks a year ago. There was no change during the month in this bank's investments in United States Government securities, but the holdings of bankers' acceptances showed a large increase. The total on December 15 amounted to \$4,542,000 as compared with \$378,000 on November 15 and \$830,000 a year ago. The cash reserves of this bank increased \$11,550,000 between November 15 and December 15 and on the latter date were \$53,428,000 larger than on that date last year. The reserve deposits of member banks rose to the highest point on record on December 15, the total of \$102,867,000 representing a gain of \$17,704,000 during the month and \$55,575,000 over those a year ago. The seasonal demand for currency was reflected in a further increase in the actual circulation of Federal reserve currency. The combined circu-

lation of Federal reserve notes and Federal reserve bank notes amounted to \$54,102,000 on December 15, as compared with \$38,965,000 on December 15, 1932.

#### Condition of Member Banks in Selected Cities

A further increase in investments and deposits and a decline in loans was reported by member banks in selected cities of this district during the five-week period ending December 13. Investments in

United States securities increased from \$122,766,000 on November 8 to \$125,081,000 on December 13, and holdings of other securities showed a gain of \$564,000 during the same period. As compared with a year ago, holdings of the former classification were \$36,869,000 larger, while those of the latter were \$1,445,000 lower. Loans on securities on December 13 were \$602,000 smaller than five weeks earlier and \$12,811,000 below those on the corresponding date in 1932. "All other" loans (largely commercial), which showed a steady rise from early in August to the middle of November, showed a seasonal decline during the subsequent month. These loans amounted to \$153,095,000 on December 13, which represents a recession of \$3,304,000 as compared with November 8, and \$14,145,000 as compared with December 14, 1932. The net demand deposits of these banks rose to the highest point recorded in more than two years. The total

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

	Dec. 15, 1933	Dec. 15, 1932	Nov. 15, 1933
Total cash reserves.....	\$97,041	\$43,613	\$85,491
Discounts for member banks.....	1,003	5,613	1,027
Other bills discounted.....	None	None	None
Bills bought in the open market.....	4,542	830	378
United States securities owned.....	66,475	45,721	66,475
Other investments.....	5	5	5
Total earning assets.....	72,025	52,169	67,885
Member bank reserve deposits.....	102,867	47,292	85,163
Federal reserve notes in actual circulation.....	41,777	38,965	38,493
Federal reserve bank notes in actual circulation.....	12,325	None	13,795

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

	Dec. 13, 1933	Dec. 14, 1932	Nov. 8, 1933
United States securities owned.....	\$ 125,081	\$ 88,212	\$ 122,766
All other stocks, bonds, and securities owned.....	54,592	56,037	54,028
Loans on securities.....	58,893	71,504	59,295
All other loans.....	153,095	167,240	156,399
Total loans.....	211,788	238,744	215,694
Net demand deposits.....	267,920	223,564	237,584
Time deposits.....	120,209	128,414	121,927
Reserve with Federal Reserve Bank.....	63,519	27,245	49,218
Bills payable and rediscounts with Federal Reserve Bank.....	400	125	100

on December 13 was \$30,336,000 larger than five weeks earlier, and \$44,356,000 greater than a year earlier. On the other hand, time deposits declined \$1,718,000 during the current period and were \$8,205,000 lower than a year ago. There was a further large increase in the reserves of these banks with the Federal Reserve Bank. Borrowings from the Federal Reserve Bank amounted to \$400,000 on December 13, as compared with \$100,000 on November 8, and \$125,000 on December 14, 1932.

**Debts to Individual Accounts** Less than the usual seasonal decline was reflected in the total volume of debits to individual accounts at banks in leading cities in this district during November, the reduction from the previous month amounting to only 4.9 per cent. There was an increase of 16.3 per cent as compared with the same month a year ago. Charges to depositors' accounts during November aggregated \$530,491,000, as against \$558,036,000 in October, and \$456,103,000 in the corresponding month last year.

**DEBITS TO INDIVIDUAL ACCOUNTS**  
(In thousands of dollars)

	November 1933	November 1932	Percentage change over year	October 1933	Percentage change over month
Abilene.....	\$ 7,869	\$ 5,271	+49.3	\$ 6,907	+13.9
Austin.....	13,571	13,553	+ .1	17,311	-21.6
Beaumont.....	13,137	12,473	+ 5.3	13,632	- 3.6
Corsicana.....	2,870	2,349	+22.2	3,106	- 7.6
Dallas.....	164,407	132,077	+24.5	171,263	- 4.0
El Paso.....	16,562	15,014	+10.3	15,021	+10.3
Fort Worth.....	54,831	50,319	+ 9.0	60,186	- 8.9
Galveston.....	20,128	22,400	-10.1	22,317	- 9.8
Houston.....	130,300	106,569	+22.3	138,669	- 6.0
Port Arthur.....	5,137	3,933	+30.6	5,032	+ 2.1
Roswell.....	2,340	2,115	+10.6	2,185	+ 7.1
San Antonio.....	39,158	38,338	+ 2.1	41,447	- 5.5
Shreveport.....	26,352	19,533	+86.1	25,363	+ 3.9
Texarkana*.....	5,064	4,963	+ 2.0	5,225	- 3.1
Tucson.....	6,932	7,111	- 2.5	6,037	+14.8
Waco.....	11,565	11,622	- .5	13,760	-16.0
Wichita Falls....	10,268	8,463	+21.3	10,575	- 2.9
Total.....	\$530,491	\$456,103	+16.3	\$558,036	- 4.9

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

**Deposits of Member Banks** A further considerable increase was shown in the daily average of net demand and time deposits of member banks in the Eleventh District during November. The combined average amounted to \$654,145,000, as against \$622,963,000 in October, and \$614,411,000 in November last year. Daily average net demand deposits rose from \$436,027,000 in October to \$466,198,000 in November; daily average time deposits increased from \$186,936,000 in the former month to \$187,947,000 in the latter month. The largest expansion was shown in the net demand deposits of reserve city banks, but this was offset to some extent by a reduction in their time deposits.

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

	Combined Total		Reserve City Banks		Country Banks	
	Net demand deposits	Time deposits	Net demand deposits	Time deposits	Net demand deposits	Time deposits
Nov., 1932.....	\$421,165	\$193,246	\$204,361	\$118,816	\$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	113,890	203,572	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
Nov., 1933.....	466,198	187,947	228,265	106,914	237,933	81,033

**Savings Deposits** Little change was witnessed during November in the amount of savings deposits on record at 134 banks in this district that operate savings departments. These deposits totaled \$134,108,858 on November 30, which compares with \$133,884,068 on the last day of the previous month, and \$138,533,070 on the same date last year. The number of savings depositors reported at the close of November amounted to 316,973, as against 316,418 a month earlier, and 328,056 a year ago.

**SAVINGS DEPOSITS**

	Number of reporting banks	November 30, 1933		November 30, 1932		Percentage change over year in savings deposits	October 31, 1933		Percentage change over month in savings deposits
		Number of sav- ing de- positors	Amount of sav- ings de- posits	Number of sav- ings de- positors	Amount of sav- ings de- posits		Number of sav- ings de- positors	Amount of sav- ings de- posits	
Beaumont.....	3	8,071	\$ 3,005,592	8,175	\$ 2,999,774	+ .2	7,971	\$ 3,113,910	- 3.5
Dallas.....	9*	73,299	23,326,905	74,615	25,486,832	- 8.5	73,076	23,260,483	+ .3
El Paso.....	2	9,784	3,986,464	10,639	3,366,458	+18.4	9,717	3,963,768	+ 1.3
Fort Worth.....	4	31,509	10,236,508	33,621	11,329,078	- 9.6	31,577	10,258,246	- .2
Galveston.....	4	16,491	9,925,855	16,943	9,758,719	+ 1.7	16,516	9,895,610	+ .3
Houston.....	11*	64,429	27,235,191	65,453	30,304,759	-10.1	64,371	27,574,017	- 1.2
Port Arthur.....	2	4,666	1,867,166	4,083	1,801,962	+ 3.6	4,623	1,870,008	- .2
San Antonio.....	7	19,745	13,850,744	20,078	14,264,730	- 2.9	19,600	13,679,714	+ 1.3
Shreveport.....	3	21,358	11,628,690	24,299	10,255,488	+13.4	21,301	11,577,902	+ .4
Waco.....	3	10,483	5,685,449	10,350	5,568,051	+ 2.1	10,502	5,608,220	+ 1.4
Wichita Falls....	3	5,541	2,478,890	5,681	2,263,206	+10.1	5,499	2,431,720	+ 1.9
All others.....	83*	51,597	20,881,404	54,119	21,134,013	- 1.2	51,665	20,650,470	+ 1.1
Total.....	134	316,973	\$134,108,858	328,056	\$138,533,070	- 3.2	316,418	\$133,884,068	+ .2

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

**DECEMBER DISCOUNT RATES**

Prevailing rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as that now eligible for rediscount under the Federal Reserve Act.....	2½-7	6-8	4½-8	5-7	6-7	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.....	5-6	6-8	6-10	5-7	6-8	6-8
Time.....	5-8	6-8	6-10	5-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	3½-7	8	6-8	5-7	6-8	4-6
Rate on cattle loans.....	6-8	6-8	6-10	7-10	8-10	7-8

**Acceptance  
Market**

Continuing the trend that was shown in the previous month, the volume of bankers' acceptances executed in this district and outstanding at the close of November reflected a large seasonal increase over the amount reported on October 31.

**Cottonseed  
Products**

The operations of cottonseed oil mills in Texas were reduced seasonally during the past month, and they remained considerably below the respective month's average. With the exception of the output of linters activities also continued on a smaller scale than in the corresponding month of 1932. In fact, the crushings of seed and the production of oil, cake and meal, and hulls were in smaller volume during November than in any corresponding month since 1923. During the current season, excepting the production of linters, operations have dropped considerably below those in the period from August 1 to November 30, 1932.

Activities of cottonseed oil mills throughout the United States reflected declines during November very similar to those in Texas. Operations were seasonally smaller than in the previous month, and they were below those in November a year ago. Supplies of cottonseed on hand at consuming establishments on November 30 were greater than the holdings thirty days earlier at both Texas and United States mills, but they were less than on the same date last year. Stocks of oil on November 30 were the largest for that date in over a decade, while supplies of other products were less than those held a year ago, and hulls were smaller than a month earlier.

**STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS**

	Texas		United States	
	August 1 to November 30		August 1 to November 30	
	This season	Last season	This season	Last season
Cottonseed received at mills (tons).....	1,037,537	1,069,085	3,101,004	3,249,401
Cottonseed crushed (tons).....	655,367	716,853	1,979,302	2,106,840
Cottonseed on hand Nov. 30 (tons).....	481,473	527,500	1,342,640	1,442,585
Crude oil produced (pounds).....	193,588,171	211,684,730	611,846,339	646,108,060
Cake and meal produced (tons).....	304,202	331,829	888,055	949,006
Hulls produced (tons).....	183,349	209,190	535,508	596,387
Linters produced (running bales).....	102,553	84,853	352,676	331,653
Stocks on hand November 30:				
Crude oil (pounds).....	37,252,755	29,584,216	123,493,123	93,035,647
Cake and meal (tons).....	88,291	94,014	315,070	367,469
Hulls (tons).....	66,732	105,168	147,877	261,651
Linters (running bales).....	44,571	82,203	159,473	277,403

**Textile  
Milling**

As reflected by the consumption of cotton a decline, partly seasonal in character, was witnessed during November in the operations of domestic cotton textile mills. Activities were also on a smaller scale than in the corresponding month of 1932. Total consumption of cotton at all United States mills amounted to 475,368 bales during the month, as compared with 503,873 bales in October, and 502,434 bales in November last year. Despite the November decline from a year ago consumption of cotton during the present season, August 1 through November 30, remained above that in the same period of the 1931-32 season. There have been 2,067,297 bales of cotton consumed this season, as against 1,901,566 bales in the first four months of the previous season. Supplies of raw cotton held by textile mills on November 30 continued in greater volume than those a month earlier or a year ago.

After declining contrary to seasonal in October the consumption of cotton and the production of cloth at reporting

The expansion occurred in domestic acceptances, as those based on import and export transactions were reduced somewhat. The total amount outstanding on November 30 was \$3,054,486, which compares with \$2,263,292 a month earlier, and \$1,963,996 a year ago.

**INDUSTRY**

Texas textile mills turned upward in November and reflected an increase over both the previous month and the corresponding month last year. Orders for finished products on hand on November 30 were, however, less than those in either comparative month. Stocks of finished materials held by these establishments at the close of November were larger than those a month earlier, but remained below those held a year ago.

**COTTON CONSUMED AND ON HAND**  
(Bales)

	November	November	August 1 to November 30	
	1933	1932	This season	Last season
Cotton-growing states:				
Cotton consumed.....	379,272	420,263	1,650,145	1,582,514
On hand November 30 in—				
Consuming establishments.....			1,245,563	1,185,274
Public storage and compresses.....			10,050,625	10,249,618
United States:				
Cotton consumed.....	475,368	502,434	2,067,297	1,901,566
On hand November 30 in—				
Consuming establishments.....			1,573,744	1,454,305
Public storage and compresses.....			10,411,491	10,693,717

**Cotton  
Movements**

Contrary to the usual seasonal trend the exports of cotton through the ports of Houston and Galveston reflected a decline during November, and at the latter port they were substantially below those in the corresponding month of 1932. The receipts of cotton at these two concentration points during the past month also evidenced declines, which were, however, of a seasonal character. Receipts were also in smaller volume than a year ago. During the first four months of the current season exports continued in greater volume than in the like period of 1932 at both ports, and at Galveston receipts were also larger. Stocks of cotton on November 30 at

**COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON**  
(Bales)

	November	November	August 1 to November 30	
	1933	1932	This season	Last season
Receipts.....	400,554	487,231	1,273,561	1,199,771
Exports.....	304,222	359,783	810,350	718,519
Stocks, November 30.....			898,208	943,431

**COTTON—GALVESTON STOCK STATEMENT**  
(Bales)

	Nov. 30,	Nov. 30,
	1933	1932
For Great Britain.....	12,000	14,500
For France.....	9,000	8,500
For other foreign ports.....	44,500	45,000
For coastwise ports.....	2,500	1,500
In compresses and depots.....	830,208	873,931
Total.....	898,208	943,431

**COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON**  
(Bales)

	November	November	August 1 to November 30	
	1933	1932	This season	Last season
Receipts.....	390,523	625,335	1,610,617	1,624,300
Exports.....	324,589	323,868	1,186,018	956,333
Stocks, November 30.....			1,578,147	1,741,244

these ports remained above those a month earlier, but were less than a year ago.

Total foreign exports of cotton from all United States ports likewise reflected a decline contrary to seasonal during November. Shipments were also in smaller volume than in the same month of 1932. There were 915,304 bales of American cotton taken by foreign countries during November, as compared with 1,046,524 bales in October, and 1,012,411 bales in November last year. Despite the November decline as compared with a year ago, it was insufficient to offset the large increases in exports during the preceding three months; consequently shipments during the current season continue above those in the first four months of the 1932-33 season.

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

	August 1 to November 30	
	This season	Last season
Receipts.....	4,732,984	4,762,427
Exports: United Kingdom.....	576,279	540,213
France.....	414,836	412,298
Italy.....	297,397	277,310
Germany.....	635,140	783,537
Other Europe.....	412,208	372,725
Japan.....	801,560	634,966
All other countries.....	222,579	185,204
Total foreign ports.....	3,359,999	3,206,253
Stocks at all United States ports, November 30.....	4,146,874	4,917,895

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

	November, 1933		Dec. 15, 1933
	High	Low	
New York.....	10.40	9.55	10.20
New Orleans.....	10.08	9.28	9.93
Dallas.....	9.85	8.95	9.65
Houston.....	10.05	9.20	9.90
Galveston.....	10.05	9.20	9.90

**Petroleum** A considerable reduction in the output of crude oil was reported in all sections of this district in November, and only a portion of it was attributable to the shorter month. Total production amounted to 28,859,400 barrels, which compares with 33,250,600 barrels in the previous month, and 28,099,500 barrels in November, 1932. The daily average yield decreased from 1,072,600 barrels in October to 961,980 barrels in the succeeding month. Field activity during November was on a somewhat smaller scale than in the previous month, there being a total of 730 wells completed, of which 576 were producers with an initial yield of 2,760,849 barrels. In October 877 completed wells were reported, of which 671 were successful and had a flush output of 2,851,471 barrels.

Daily average production of fields in Texas amounted to

894,077 barrels in November, as against 1,004,700 barrels in the preceding month, and 875,800 barrels in the same month last year. The declines from October ranged from 3,685 barrels in North Texas to 69,617 barrels in East Texas. In South Texas and Central West Texas there were material decreases as compared with November, 1932. The daily petroleum yield in New Mexico and North Louisiana remained at the same level as in October.

OIL PRODUCTION—(Barrels)

	November, 1933		Increase or decrease over October, 1933	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	2,929,950	97,665	- 211,900	- 3,685
Central West Texas.....	4,348,950	144,965	- 268,500	- 3,985
East Central Texas.....	13,546,000	451,533	-2,609,650	- 69,617
South Texas.....	1,287,850	42,929	- 190,850	- 4,771
Texas Coastal.....	4,709,550	156,985	-1,042,500	- 28,565
Total Texas.....	26,822,300	894,077	-4,323,400	-110,623
New Mexico.....	1,259,850	41,995	- 42,150	- 5
North Louisiana.....	777,250	25,908	- 25,650	+ 8
Total District.....	28,859,400	961,980	-4,391,200	-110,620

NOVEMBER DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	118	80	..	38	12,367
Central West Texas.....	53	28	..	25	188,235
East Central Texas.....	348	338	1	9	2,451,465
South Texas.....	85	49	6	30	27,157
Texas Coastal.....	89	67	2	20	77,963
Total Texas.....	693	562	9	122	2,757,187
New Mexico.....	3	3	..	..	1,892
North Louisiana.....	34	11	4	19	1,770
November totals, district.....	730	576	13	141	2,760,849
October totals, district.....	877	671	24	182	2,851,471

CRUDE OIL PRICES

	Dec. 8, 1933	Dec. 9, 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** Although the valuation of construction permits issued during November at fourteen principal cities in the Eleventh Federal Reserve District was 11.2 per cent below the level of the previous month, it showed an increase over November, 1932, amounting to 10.7 per cent. The total amount reported was \$682,995, as against a volume of \$768,828 in October, and \$616,858 in the corresponding month last year. The cities of Austin, Corpus Christi, El Paso, and San Antonio reflected increases over both comparative months.

BUILDING PERMITS

	November, 1933		November, 1932		Percentage change valuation over year	October, 1933		Percentage change valuation over month	Jan. 1 through Nov. 30				Percentage change valuation over period
	No.	Valuation	No.	Valuation		1933			1932				
						No.	Valuation		No.	Valuation			
Amarillo.....	14	\$ 3,327	14	\$ 5,179	- 35.8	12	\$ 11,442	- 70.9	182	\$ 152,474	232	\$ 282,192	-46.0
Austin.....	71	88,828	63	48,906	+ 81.6	75	33,074	+168.6	923	1,317,753	981	5,126,663	-74.3
Beaumont.....	76	15,675	88	13,606	+ 15.2	119	28,320	- 44.7	925	187,956	953	285,660	-34.2
Corpus Christi.....	18	12,788	27	8,678	+ 47.4	30	11,215	+ 14.0	268	156,779	355	138,518	+13.2
Dallas.....	330	128,610	270	113,780	+ 13.0	332	152,566	- 15.7	3,665	1,850,735	3,005	2,292,338	-19.3
El Paso.....	26	39,785	26	34,656	+ 14.8	32	15,869	+150.7	383	200,168	433	348,423	-42.6
Fort Worth.....	80	40,169	87	106,577	- 62.3	108	74,406	- 46.0	947	2,617,976	1,350	1,356,980	+92.9
Galveston.....	90	40,388	84	14,911	+170.9	122	45,141	- 10.5	1,040	397,984	1,494	498,104	-20.1
Houston.....	117	130,800	140	137,110	- 4.6	192	246,357	- 46.9	1,921	2,907,017	2,191	2,628,149	+10.6
Port Arthur.....	41	8,026	28	3,656	+119.5	47	13,273	- 39.5	513	100,024	395	85,701	+16.7
San Antonio.....	103	99,994	113	40,783	+145.2	166	77,174	+ 29.6	1,463	970,443	1,938	1,500,345	-35.3
Shreveport.....	119	25,983	86	39,187	- 33.7	120	32,654	- 20.4	1,192	415,650	1,312	447,757	- 7.2
Waco.....	20	44,912	18	46,909	- 4.3	15	19,992	+124.6	248	318,113	321	374,627	-15.1
Wichita Falls.....	9	3,710	13	2,920	+ 27.1	30	7,345	- 49.5	289	78,531	169	494,280	-84.1
Total.....	1,114	\$ 682,995	1,057	\$ 616,858	+ 10.7	1,400	\$ 768,828	- 11.2	13,959	\$11,671,603	15,129	\$15,859,737	-26.4

**Cement** The production of Portland cement at mills in Texas during November amounted to 132,000 barrels, as compared with 113,000 barrels in the preceding month, and 351,000 barrels in the same month last year. A total of 218,000 barrels was shipped from these mills during the month, this figure being 6.3 per cent higher than that of the previous month, but 38.1 per cent below that of November, 1932. Stocks on hand at the close of November, which totaled 628,000 barrels, were 12.2 per

cent less than on October 31, but 15.0 per cent larger than on the corresponding date a year ago.

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

	Nov., 1933	Percentage change from		January 1 through Nov. 30	Percentage change from year
		Nov., 1932	Oct., 1933		
Production at Texas mills.....	132	-62.4	+16.8	2,822	-18.5
Shipments from Texas mills....	218	-38.1	+6.3	2,869	-21.0
Stocks at end of month at Texas mills.....	628	+15.0	-12.2	.....	.....

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, December 22, 1933)

Total volume of industrial production, after declining further during October, showed little change during November and the first half of December. The amount of construction undertaken continued to increase, reflecting an expansion of public works.

### PRODUCTION AND EMPLOYMENT

Output of basic commodities, as measured by the Federal Reserve Board's seasonally adjusted index, was 73 for November, on the basis of the 1923-1925 average as 100, compared with 77 for October. This total for the month reflects the maintenance during November, with allowance for usual seasonal changes, of the level reached at the end of October after a continuous decline during the preceding three months. Activity at steel mills, after declining from 44 per cent of capacity in the early part of October to 25 per cent in the early part of November, subsequently increased to a rate of 34 per cent in the third week of December. Output of automobiles, which was curtailed sharply in November in preparation for new models, also increased somewhat in the early part of December. Consumption of cotton by domestic mills was in somewhat smaller volume in November than in the preceding month and activity at woolen mills decreased. At shoe factories production showed a decline larger than is usual at this season. Volume of factory employment and payrolls declined from the middle of October to the middle of November by somewhat more than the usual seasonal amount. The Board's seasonally adjusted index of factory employment for November was 72, as compared with 74 in October and 57 at the low point in March. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a further substantial increase in November. This increase, at a season when construction contracts usually decline, reflects a growth in the volume of public works.

### DISTRIBUTION

Shipments of commodities by rail decreased in November as compared with October by an amount somewhat smaller

than is usual at this season. Sales of merchandise at department stores declined, contrary to seasonal tendency, while sales by variety stores showed little change.

### WHOLESALE PRICES

Wholesale commodity prices, as measured by the weekly index of the Bureau of Labor Statistics, advanced from 70.9 per cent of the 1926 average in the first week of November to 71.7 per cent in the third week, and then declined to 70.9 per cent in the week ending December 9. These movements reflected chiefly changes in the prices of farm products and foods. Prices of hogs declined considerably after the middle of November, owing partly to seasonal factors.

### FOREIGN EXCHANGE

The value of the dollar in the foreign exchange market advanced from a low point of 59 per cent of its gold parity on November 16 to about 64 per cent for the period from November 27 to December 20.

### BANK CREDIT

Between November 15 and December 20 there was the usual seasonal increase, about \$195,000,000, in the demand for currency by the public. This currency demand was met largely through the purchase of \$100,000,000 of acceptances by the Federal reserve banks and the issuance of additional bank notes by the National banks. Reserve balances of member banks showed little change for the period, and continued to be at a level of about \$800,000,000 above legal requirements. Total loans and investments of reporting member banks in leading cities declined by \$160,000,000 between November 15 and December 13, reflecting chiefly sales of acceptances to the reserve banks and a reduction in holdings of investments other than United States Government securities. Loans on securities, chiefly to brokers in New York City, increased by \$40,000,000, while all other loans, which include holdings of acceptances, declined by \$125,000,000. Short-term money rates advanced slightly during the period.