

MONTHLY BUSINESS REVIEW

OF THE FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	October 1934	Change from September
Bank debits to individual accounts (at 17 cities).....	\$627,184,000	+ 9.6%
Department store sales.....		+ 1.4%
Reserve bank loans to member banks at end of month.....	\$ 9,388	— 83.8%
Reserve bank ratio at end of month.....	63.2%	No change
Building permit valuation at larger centers....	\$ 1,790,818	+ 51.8%
Commercial failures (number).....	20	+ 17.6%
Commercial failures (liabilities).....	\$ 189,152	+ 9.3%
Oil production (barrels).....	31,757,950	— 2.2%

The demand for merchandise in wholesale and retail channels of this district was fairly well sustained during the past month despite the retarding effects of the unusually warm weather. The sales of department stores in larger centers reflected a gain of 1 per cent over those in September and were 8 per cent greater than in October a year ago. While the increase over the previous month was considerably less than seasonal, the distribution in August and September expanded more rapidly than usual. Business at wholesale in most reporting lines reflected a further expansion over the previous month and was materially above that in October last year. Collections reported by both wholesale and retail firms again showed a noticeable improvement. Debits to individual accounts at banks in leading cities of this district evidenced a seasonal gain of 10 per cent over the previous month and were 12 per cent larger than in October, 1933.

The agricultural and livestock industries continue to reflect the effects of the prolonged drouth, which remains unbroken in much of the western half of the district. While the November 1 report of the Department of Agriculture

did not change materially the estimated production of principal crops in states attached to this district, the low yields indicate the extremely unsatisfactory growing conditions during the current season. Of particular importance is the scarcity of feed supplies, which will not only affect adversely the making of 1935 crops but has created a serious problem relative to the carrying of livestock through the winter. This situation has been aggravated by the lack of sufficient grain pastures as the continued drouth over a large area of the district has retarded the seeding and growth of small grains. As range grass in the drouth area is practically exhausted, livestock must be fed or moved to other areas. While the situation has been partially relieved by the heavy purchases of cattle, calves, and sheep by the Federal Government, a severe winter may cause substantial losses as livestock generally are going into the winter in poor condition.

The daily average of combined net demand and time deposits of member banks in this district during October rose to \$778,176,000, which compares with \$751,533,000 in September, and \$622,963,000 during the corresponding month last year. The commercial loans of member banks in selected cities reflected a further expansion between October 10 and November 14, but there was a reduction in their investments. The demand for Federal Reserve Bank credit continued light. The volume of Federal reserve notes in actual circulation showed little change between October 15 and November 15, but the total on the latter date was considerably larger than on the corresponding date last year.

Construction activity in principal cities of this district evidenced a substantial betterment in October. The valuation of building permits issued was 52 per cent above the September volume and 133 per cent larger than in the corresponding month last year.

BUSINESS

Wholesale Trade

The demand for merchandise at wholesale in the Eleventh Federal Reserve District was well sustained in October,

although business was better in some lines than in others. Appreciable increases occurred in the lines of farm implements, hardware, and drugs, while declines from September were reported in the case of groceries and dry goods. Sales in every line were higher than in October, 1933, the increases ranging from 1.1 per cent in the case of dry goods to 101.3 per cent in the case of farm implements. Inventories held by reporting firms on October 31 were substan-

tially larger than a year ago in the case of every line except hardware. Increases over September were registered in the volume of collections during the month in all lines with the exception of groceries.

Distribution of dry goods through wholesale channels during October was on a scale 23.0 per cent smaller than in the previous month, the decrease being attributable in part to seasonal factors. The unusually high temperatures prevailing during October retarded the distribution of seasonable merchandise. Sales were only 1.1 per cent above

those in the same month last year, as against a similar gain of 28.0 per cent in September. Wholesale inventories were further reduced by 6.1 per cent in October, but at the end of the month were 9.2 per cent greater than a year ago. The volume of collections exceeded that of September by 28.7 per cent.

A second monthly expansion of larger than seasonal proportions occurred in the demand for hardware at wholesale during October. The business reported by twelve firms in this district reflected an increase of 13.3 per cent over the previous month, and was 14.7 per cent better than in October a year ago. For the period from July 1 through October 31 of the current year total sales were 8.2 per cent above those in the same period in 1933. Stocks on the last day of October were reported to be less than either a month earlier or a year ago. A material increase was shown in collections during the month.

In spite of the favorable comparisons which were shown in August and September, a further gain in the business of wholesale drug firms was witnessed during October. The increase over September amounted to 7.3 per cent, whereas there is usually little change in this month. Distribution during October registered a gain of 13.5 per cent over the same month in 1933, which is larger than the average expansion that has been shown in the four months since mid-year. Inventories were substantially larger than on either September 30 or October 31 a year ago. The month's collections were 9.6 per cent greater than those in September.

While a further small improvement usually occurs during October in the wholesale grocery business, sales reported last month showed a decline of 8.9 per cent from September. However, they were 10.9 per cent larger than in October last year, and for the months from July to October, inclusive, a similar gain of 16.3 per cent was recorded. Stocks on hand increased 12.3 per cent during the month. Following the material gains of the two preceding months, the volume of collections in October fell off somewhat.

Sales of farm implements increased further in October, as is usual at this season, the volume being 7.0 per cent greater than in September and more than twice as large as in the same month last year. No material change in prices was reported during the month. Collections were slightly larger than in September.

CONDITION OF WHOLESALE TRADE DURING OCTOBER, 1934
Percentage of increase or decrease in—

	Net Sales Oct., 1934 compared with Oct., 1933	Net Sales Sept., 1934	Net Sales July 1 to date compared with same period last year	Stocks Oct., 1934 compared with Oct., 1933	Ratio of collec- tions during Oct. to accounts and notes outstanding September 30
Groceries.....	+10.9	-8.9	+16.3	+16.3	+12.3
Dry goods.....	+1.1	-23.0	+11.6	+9.2	-6.1
Farm implements..	+101.3	+7.0	+76.0	.....	.....
Hardware.....	+14.7	+13.3	+8.2	-3.7	-5
Drugs.....	+13.5	+7.3	+9.0	+14.2	+7.0
					76.3
					39.5
					48.5
					50.1

Retail Trade

While the rate of increase in consumer demand for merchandise at department stores in principal cities of the Eleventh District was somewhat lower during October than is usual for that month, business held up fairly well considering the unseasonably warm weather during the month and the brisk movement of merchandise in both August and September. The dollar volume of sales was 1.4 per cent above that in September, and 8.3 per cent greater than in October a year ago. As a result of the small seasonal increase in sales during the month this bank's seasonally adjusted index of department store sales declined from 85.9 per cent of the 1923-25 average in September to 74.3 per cent in October, which compares with 71.0 per cent in October, 1933. Distribution of merchandise during the period from January 1 through October 31 this year continued 22.7 per cent above that in the corresponding period of 1933. Recent reports indicate that department store business again turned upward during November with the appearance of lower temperatures.

Inventories of merchandise held by department stores on October 31 reflected a further seasonal increase of 9.3 per cent over those a month earlier, and were 4.6 per cent greater than those held on October 31, 1933. The rate of stock turnover during the first ten months of 1934 was 2.51, as compared with 2.32 in the corresponding period last year.

Collections on both open and installment accounts evidenced a large seasonal increase during the month. The ratio of October collections on open accounts outstanding on October 1 was 40.4 per cent, as against 35.3 per cent in September, and 34.4 per cent in October last year. Installment account collections rose from 13.0 per cent in September to 15.1 per cent in October.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
October, 1934, compared with October, 1933.....	+12.2	+ .7	+ 3.4	+17.0	+ 4.5	+ 8.3
October, 1934, compared with September, 1934.....	+ 7.8	+ 1.3	- 8.0	0.0	+ .3	+ 1.4
January 1 to date compared with same period last year.....	+27.9	+14.0	+23.9	+22.4	+18.8	+22.7
Credit sales (percentage):						
October, 1934, compared with October, 1933.....	+14.3	+ .7	+ 5.0	+16.4	+ 5.7	+ 9.9
October, 1934, compared with September, 1934.....	+ 9.3	- .6	- 6.5	+ .3	+ 1.3	+ 2.7
January 1 to date compared with same period last year.....	+27.3	+14.3	+26.3	+23.6	+17.5	+22.3
Stocks on hand at end of month (percentage):						
October, 1934, compared with October, 1933.....	+ 6.4	- 1.5	+12.0	+ 7.9	+ .2	+ 4.6
October, 1934, compared with September, 1934.....	+ 9.0	+ 7.8	+14.1	+14.6	+ 5.0	+ 9.3
Stock turnover (rate):						
Rate of stock turnover in October, 1933.....	.30	.22	.25	.27	.22	.26
Rate of stock turnover in October, 1934.....	.32	.23	.23	.31	.24	.28
Rate of stock turnover January 1 to October 31, 1933.....	2.46	1.94	2.33	2.83	2.05	2.32
Rate of stock turnover January 1 to October 31, 1934.....	2.77	2.09	2.37	2.99	2.14	2.51
Ratio of October collections to open accounts receivable outstanding October 1, 1934.....	41.3	35.6	41.9	45.4	36.7	40.4
Ratio of Oct. collections to installment accounts receivable outstanding Oct. 1, 1934.....	15.1	15.4	.....	.....	24.6	15.1
Indexes of department store sales:						
Unadjusted—September, 1934.....	95.2	91.7	106.0	75.7	.....	91.1
Unadjusted—October, 1934.....	95.1	86.0	85.7	71.0	.....	85.4
Adjusted—September, 1934.....	89.8	94.5	105.0	74.2	.....	85.9
Adjusted—October, 1934.....	78.0	75.4	82.4	63.4	.....	74.3
Indexes of department store stocks:						
Unadjusted—September, 1934.....	55.6	69.4	49.2	41.4	.....	58.7
Unadjusted—October, 1934.....	61.0	74.9	57.6	48.6	.....	64.4
Adjusted—September, 1934.....	51.0	62.5	44.3	38.0	.....	53.4
Adjusted—October, 1934.....	54.5	65.1	49.7	43.0	.....	57.0

Commercial Failures

While commercial failures increased somewhat from September to October, they continued to show a very favorable comparison with the same month a year ago. According to the report issued by Dun & Bradstreet, Incorporated, there were

20 insolvencies in this district during October, as against 17 in the previous month and 40 in October, 1933. The liabilities of defaulting firms totaled \$189,152, as compared with \$173,049 in September, and \$1,400,261 in the corresponding month last year.

AGRICULTURE**Crop Conditions**

Prospective yields of important crops on November 1 in states attached to the Eleventh Federal Reserve District, as reported by the United States Department of Agriculture, showed little change from those a month earlier. The low yields for most crops emphasize the extremely unfavorable growing conditions during the current season, particularly in the states of Texas, Oklahoma, and New Mexico. In these states the per acre yields of most important crops are sharply lower than those for 1933 or the ten-year average. While the dry weather in October enabled farmers to make rapid progress in the picking of cotton, it had an adverse effect on some late maturing crops and retarded the seeding of small grains. Rains during the first half of November over a considerable portion of the district were very beneficial, but the whole district needs heavy general rains to provide a subsoil season.

The principal development in the feed crop situation in the past month was a substantial reduction in the indicated production of grain sorghums in Texas. The forecast for the State was placed at 21,140,000 bushels on November 1, as compared with an indicated production of 33,824,000 bushels on October 1, and an actual harvest of 46,508,000 bushels in 1933. A per acre yield of only 5 bushels was indicated on November 1, which compares with 11 bushels in 1933 and 15 bushels for the ten-year average. The reduction in the indicated production between October 1 and November 1 was due to the lack of rainfall, which prevented the expected improvement. There was practically no change during the month in the indicated production of other feed crops, but the yields reported earlier are sharply lower than in the previous year.

The forecasted production of cotton in this district was increased slightly during the past month. The production, as derived by the Federal Reserve Board from the November 1 estimates by states of the Department of Agriculture, was placed at 2,917,000 bales as compared with 2,865,000 bales on October 1. Most of the gain was accounted for in Texas, where good picking weather and the maturing of additional late bolls in North-Central Texas increased the outturn. According to the Department of Agriculture the indicated yield of 110 pounds per acre for Texas is the lowest on record except in 1921 and 1918 when the yields were 101 and 109 pounds, respectively, per acre. The harvested acreage this year of 10,390,000 acres is the lowest since 1910. The Census Bureau reported that Texas gin-

nings amounted to 2,055,000 running bales prior to November 1, which represents 86 per cent of the forecasted production. The accompanying table shows the Department of Agriculture's estimates of prospective Texas production segregated by districts.

It will be noted that production in the Trans-Pecos and South Texas areas is expected to exceed that of 1933, but that production in all other areas reflects sharp declines from a year ago. The largest declines occurred in the three northwestern sections. The Oklahoma crop was reduced by 20,000 bales in October, and the indicated crop on November 1 of 350,000 bales compares with a production of 1,266,000 bales in 1933. The Louisiana crop was increased 10,000 bales.

The Texas rice crop was estimated at 7,728,000 bushels on November 1 as compared with 7,590,000 bushels on October 1 and an actual harvest of 7,473,000 bushels in 1933. There was a decline during October in the indicated production of sweet potatoes in Texas and Oklahoma, but there was an increase in Louisiana. The November 1 forecast for peanuts in Texas was placed at 52,000,000 pounds as compared with 56,000,000 pounds on October 1 and a harvest of 103,540,000 pounds last year. There was also a decline in Oklahoma, but it was offset by an increase in Louisiana. The forecasted production of oranges and grapefruit in Arizona and Texas on November 1 was substantially higher than the small crop of 1933. Fall vegetables in South Texas made favorable progress in October, but the Department of Agriculture stated that it is too dry to plant winter vegetables except where irrigation is available.

Livestock

The condition of livestock ranges in the Eleventh Federal Reserve District declined during October and the situation continues very critical in many sections. Over most of the Panhandle and western sections of Texas, southern New Mexico, and localities in southeastern Arizona, ranges are very poor, livestock are thin, and prospects for winter feed are serious. In much of this territory there is little range grass, the outlook for wheat pastures is not good, the supply of dry feed is limited, and in some areas there is a shortage of stock water. In the southern and Coastal areas of Texas, ranges are in good condition and are furnishing some feed to other sections with some cattle being shipped in for pasture. In the eastern half of Texas, the situation has been improved by the rains during the first half of November and as there is now sufficient moisture for the seeding of small grains, it is likely that some pasturage from that source will be available. As livestock generally will go into the winter in poor condition, severe weather may cause heavy losses.

According to the Department of Agriculture, the condition of cattle ranges in Texas on November 1 was 50 per cent of normal as compared with 54 per cent a month earlier and 73 per cent a year ago. Sheep and goat ranges were rated as 41 per cent of normal, which represents a decline of 2 points during the month and 23 points from the same date last year. Livestock have about held their own. While the condition of cattle declined 1 point, that of sheep remained unchanged and that of goats rose 5 points.

TEXAS—PRODUCTION OF COTTON BY DISTRICTS
(In thousands of 500-pound G. W. B.)

District	Forecast 1934	Production 1933	5-year average 1928-1932
N. W. High Plains.....	88	453	423
N. W. Rolling Plains.....	274	954	759
North Central Plains.....	60	148	119
North Blacklands.....	744	1,211	1,347
East Texas.....	416	589	770
Trans-Pecos.....	58	71	60
Edwards Plateau.....	49	637	103
Southern Prairies.....	446	192	643
Coastal Plains.....	126	120	204
South Texas.....	129	120	152
Total State.....	2,390	4,428	4,580

The condition of all classes of livestock on November 1 was sharply lower than on the same date in 1933. In New Mexico ranges are the poorest on record with some water shortage and no wheat pastures.

Government Purchases For the benefit of our readers who may be interested in the livestock situation, we are publishing below the government purchases of cattle, calves, and sheep, up to and including November 7, 1934, as reported by the United States Department of Agriculture. Figures for each state attached to the Eleventh Federal Reserve District are shown separately.

GOVERNMENT PURCHASES OF LIVESTOCK UP TO AND INCLUDING
NOVEMBER 7, 1934 (Number)

	Cattle and Calves	Sheep
Arizona.....	76,907	3,746
Louisiana.....	30,967	.....
New Mexico.....	435,945	245,666
Oklahoma.....	415,702	.....
Texas.....	1,513,540	1,035,575
Total five states*	2,473,061	1,284,987
All other states.....	4,614,805	2,097,405
Total all states.....	7,087,866	3,382,392

*States which lie partly or wholly within the Eleventh Federal Reserve District.
SOURCE: Department of Agriculture.

Movements and Prices The October receipts of cattle, calves, and hogs at the Fort Worth market reflected a further decline from the previous month. Due to the arrival of sheep purchased by the Federal Government, the receipts of sheep showed a large increase. The arrivals of all classes of livestock in October were substantially above those in the corresponding month last year.

Condition of Member Banks in Selected Cities The past month witnessed an expansion in the loans and deposits of member banks in selected cities, but a decline in their investments. Holdings of United States Government securities totaled \$174,982,000 on November 14, as compared with \$179,221,000 on October 10, and \$124,372,000 on November 15, 1933. While investments in other stocks and bonds declined \$627,000 during the five-week period, they were \$5,494,000 greater on November 14 than a year earlier. Loans on securities declined \$329,000 between October 10 and November 14, and on the latter date were \$10,012,000 lower than on the same date last year. "All other" loans reflected a further expansion of \$1,892,000 during the five-week period. The net demand deposits of these banks totaled \$317,442,000 on November 14, which was \$27,295,000 greater than five weeks earlier, and \$69,807,000 above those a year ago. Time deposits rose \$1,136,000 between October 10 and November 15, and were \$1,436,000 greater than on November 15, 1933. The reserves of these banks with the Federal Reserve Bank reflected an expansion of \$3,459,000 during the five-week period.

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

	Nov. 14, 1934	Nov. 15, 1933	Oct. 10, 1934
United States securities owned.....	\$174,982	\$124,372	\$179,221
All other stocks, bonds, and securities owned.....	59,428	53,934	60,055
Loans on securities.....	49,200	59,212	49,529
All other loans.....	147,301	157,970	145,409
Total loans.....	196,501	217,182	194,938
Net demand deposits.....	317,442	247,635	290,147
Time deposits.....	122,860	121,424	121,724
Reserve with Federal Reserve Bank.....	80,090	51,788	76,631
Bills payable and rediscounts with Federal Reserve Bank.....	None	200	None

The trend of the cattle market followed a downward course during the past month. The bulk of the offerings, however, were of the plain and common grades, which did not furnish a real test of the market. Choice quality stock generally met with a good demand. Hog prices declined during most of October and at the low time were approximately a dollar lower than at the close of the previous month, but most of the loss was regained during the first half of November. Sheep and lamb prices ruled generally steady.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	October 1934	October 1933	Change over year	September 1934	Change over month
Cattle.....	72,616	38,947	+33,669	83,975	-11,359
Calves.....	49,988	34,588	+15,400	52,646	-2,659
Hogs.....	26,381	19,900	+6,481	31,679	-5,298
Sheep.....	96,891	43,607	+53,284	46,145	+50,746

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	October 1934	October 1933	September 1934
Beef steers.....	\$7.25	\$5.00	\$6.75
Stocker steers.....	4.50	4.50	4.15
Butcher cows.....	3.50	3.25	3.65
Stocker cows.....	2.25	2.85	.....
Calves.....	4.60	4.25	4.75
Hogs.....	6.35	5.35	7.45
Sheep.....	3.25	2.50	3.50
Lambs.....	6.00	6.25	6.00

FINANCE

Deposits of Member Banks The combined daily average of net demand and time deposits of member banks in this district during October, which amounted to \$778,176,000, was \$26,643,000 larger than in the previous month, and \$155,213,000 above that of October last year. While increases were shown in all classifications, most of the expansion over September occurred in net demand deposits. It was only slightly greater in the case of country banks than in the case of reserve city banks.

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., 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
Dec., 1933.....	494,176	186,687	240,971	106,132	253,205	80,555
Jan., 1934.....	505,900	192,214	249,091	108,317	256,818	83,897
Feb., 1934.....	532,717	195,740	261,770	110,348	270,947	85,398
Mar., 1934.....	535,355	192,706	265,291	108,385	272,064	84,381
April, 1934.....	523,397	192,548	257,838	107,615	265,559	84,933
May, 1934.....	516,090	192,830	253,762	108,146	262,338	84,684
June, 1934.....	519,465	192,712	256,456	109,597	263,009	83,115
July, 1934.....	521,333	197,690	255,210	112,632	266,123	85,058
Aug., 1934.....	527,054	196,825	260,061	111,551	266,993	85,274
Sept., 1934.....	557,318	194,215	275,831	109,110	281,487	85,105
Oct., 1934.....	583,558	194,618	287,250	109,459	296,308	85,159

Operations of the Federal Reserve Bank Member bank borrowings from the Federal Reserve Bank reflected a further decline during the past month, the total on November 15 being only \$17,000 as compared with \$57,000 on October 15, and \$1,027,000 on the corresponding date last year. On the other hand, advances by the Federal Reserve Bank to established industrial and commercial businesses for working capital purposes showed a substantial expansion. The total of these advances amounted to \$576,000 on November 15 as compared with

\$157,000 a month earlier. Investments of this bank in United States securities remained unchanged on November 15 at \$71,475,000. Holdings of bills purchased in the open market declined from \$159,000 on October 15 to \$154,000 on November 15, and the total on the latter date compares with \$378,000 on the same date last year. The reserve deposits of member banks with the Federal Reserve Bank totaled \$127,670,000 on November 15, as compared with \$124,348,000 a month earlier, and \$85,163,000 on the same date in 1933. The actual circulation of Federal reserve notes, which amounted to \$54,261,000 at the middle of November, was only slightly lower than on October 15, but was \$15,768,000 higher than a year ago.

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

	Nov. 15, 1934	Nov. 15, 1933	Oct. 15, 1934
Total cash reserves.....	\$120,364	\$85,491	\$122,666
Discounts for member banks.....	17	1,027	57
Industrial advances.....	576	None	157
Bills bought in open market.....	154	378	159
United States securities owned.....	71,475	66,475	71,475
Other investments.....	441	5	None
Total earning assets.....	72,663	67,885	71,848
Member bank reserve deposits.....	127,670	85,163	124,348
Federal reserve notes in actual circulation.....	54,261	38,493	54,559
Federal reserve bank notes in actual circulation.....	None	13,795	None

Acceptance Market

Bankers' acceptances executed in this district and outstanding at the close of October increased seasonally over those

reported a month earlier, and while they continued in lower volume than a year ago the margin of decrease was the smallest shown in several months. The total amount outstanding was \$1,639,475, as compared with \$930,541 on September 30, and \$2,263,292 on October 31 a year ago.

Debits to Individual Accounts

A seasonal increase of 9.6 per cent was reflected in the volume of charges to depositors' accounts during October at banks located in leading centers in the Eleventh District. Total debits to individual accounts at these banks amounted to \$627,184,000, as compared with \$572,122,000 in the previous month, and \$558,036,000 in October, 1933. With only two exceptions, all reporting cities participated in the gains which occurred.

DEBITS TO INDIVIDUAL ACCOUNTS (In thousands of dollars)

	October 1934	October 1933	Percentage change over year	September 1934	Percentage change over month
Abilene.....	\$ 7,274	\$ 6,907	+ 5.3	\$ 5,265	+38.2
Austin.....	29,993	17,311	+73.3	22,989	+30.5
Beaumont.....	16,858	13,632	+23.7	15,619	+ 7.9
Corsicana.....	3,021	3,106	- 2.7	3,167	- 4.6
Dallas.....	183,144	171,263	+ 6.9	173,515	+ 5.5
El Paso.....	22,618	15,021	+50.6	17,332	+30.5
Fort Worth.....	63,171	60,186	+ 5.0	55,956	+12.9
Galveston.....	20,727	22,317	- 7.1	24,042	-13.8
Houston.....	147,937	138,669	+ 6.7	132,920	+11.3
Port Arthur.....	5,702	5,032	+13.3	5,053	+12.8
Roswell.....	2,678	2,185	+22.6	2,122	+26.2
San Antonio.....	52,289	41,447	+26.2	48,985	+ 6.7
Shreveport.....	33,927	25,363	+33.8	30,150	+12.5
Texarkana*.....	5,875	5,225	+12.4	5,281	+11.2
Tucson.....	7,053	6,037	+16.8	5,949	+18.6
Waco.....	13,953	13,760	+ 1.4	13,572	+ 2.8
Wichita Falls....	10,964	10,575	+ 3.7	10,205	+ 7.4
Total.....	\$627,184	\$558,036	+12.4	\$572,122	+ 9.6

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

Savings Deposits

The savings deposits of 129 banks in the Eleventh District increased further during October and at the close of the month were 9.8 per cent larger than a year ago. The total reported was \$144,563,773, which compares with \$142,954,188 on September 30, and \$131,681,031 on October 31 last year. With the exception of one city the increase over both comparative dates was general throughout the district.

SAVINGS DEPOSITS

		October 31, 1934		October 31, 1933			September 30, 1934		
	Number of reporting banks	Number of savings depositors	Amount of savings deposits	Number of savings depositors	Amount of savings deposits	Percentage change over year in savings deposits	Number of savings depositors	Amount of savings deposits	Percentage change over month in savings deposits
Beaumont.....	3	8,647	\$ 3,491,428	8,071	\$ 3,113,910	+12.1	8,660	\$ 3,439,676	+1.5
Dallas.....	9*	75,507	24,922,573	73,137	23,260,910	+ 7.1	75,269	24,634,420	+1.2
El Paso.....	2	11,348	4,844,732	9,717	3,963,768	+22.2	11,194	4,762,532	+1.7
Fort Worth.....	3	33,830	10,399,948	31,577	10,339,296	+ 6	33,171	10,299,082	+1.0
Galveston.....	4	16,818	9,893,148	16,516	9,895,610	0.0	16,787	9,940,413	- 5
Houston.....	11*	64,128	29,029,634	62,803	27,574,614	+ 5.3	64,189	28,669,789	+1.3
Port Arthur.....	2	4,946	2,003,139	4,623	1,870,008	+ 7.1	4,866	1,979,515	+1.2
San Antonio.....	6	20,415	15,596,243	17,693	13,261,197	+17.6	20,006	15,286,223	+2.0
Shreveport.....	3	20,809	10,511,144	21,301	9,706,632	+ 8.3	20,721	10,386,840	+1.2
Waco.....	3	10,753	6,233,307	10,502	5,608,220	+11.1	10,610	6,172,312	+1.0
Wichita Falls.....	3	5,870	2,898,314	5,499	2,432,321	+19.2	5,847	2,892,979	+ 2
All others.....	80*	54,207	24,740,163	51,272	20,654,545	+19.8	53,952	24,490,407	+1.0
Total.....	129	327,278	\$144,563,773	312,711	\$131,681,031	+ 9.8	325,272	\$142,954,188	+1.1

*Only 8 banks in Dallas, 10 in Houston, and 73 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.....	2-6 5-6	6-8 5-6	1 1/4-7 2 1/4-6	5-7 5-6	6-8 6	3-6 5 1/2
Rate charged on loans to other banks secured by bills receivable.....						
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	3 1/4-6	6-8	5-10	5-7	6-8	6-8
Time.....	2 1/4-8 1 3/4-8	6-8 7-8	5-10 1 1/4-7	5-7 3-7	6-8 6-8	6-8 5-6
Rate charged on commodity paper secured by warehouse receipts, etc.....	6	6-8	6-10	7-10	6-10	8
Rate on cattle loans.....						

INDUSTRY

Cottonseed Products

The receipts and crushings of cottonseed at oil mills in Texas reflected a contrary to seasonal decline during October,

which may be accounted for in part by the reduced ginnings this year as compared with last year. At all United States mills, however, an increase in receipts and crushings of seed somewhat smaller than the 1921-31 average was registered. The production of all products at United States mills also evidenced an increase over the previous month. As compared with the corresponding month of 1933 the receipts and crushings of seed at Texas mills, and crushings together with the output of oil, cake and meal, and hulls at United States mills reflected declines. For the first three months of the current season all operations at Texas mills were below those in the same period of 1933, while at all domestic mills the production of linters was greater. The October 31 stocks of cottonseed products, with the exception of linters, were seasonally larger than those a month earlier at both Texas and United States mills, but they remained in substantially smaller volume than a year ago.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to October 31 This season	Last season	August 1 to October 31 This season	Last season
Cottonseed received at mills (tons).....	531,618	792,836	2,240,124	2,255,420
Cottonseed crushed (tons).....	302,608	483,726	1,236,655	1,399,976
Cottonseed on hand October 31 (tons).....	331,771	408,413	1,235,230	1,076,382
Crude oil produced (pounds).....	86,756,669	143,054,153	376,892,041	431,233,432
Cake and meal produced (tons).....	143,190	225,591	553,924	628,754
Hulls produced (tons).....	81,049	136,592	324,368	382,894
Linters produced (running bales).....	60,274	74,176	261,411	244,567
Stocks on hand October 31:				
Crude oil (pounds).....	18,789,360	30,355,712	59,843,100	105,760,734
Cake and meal (tons).....	65,682	93,145	257,409	313,723
Hulls (tons).....	46,189	72,609	138,657	169,110
Linters (running bales).....	42,300	42,066	145,542	142,227

Textile Milling

Following the termination of the domestic textile strike, the mill consumption of raw cotton in the United States turned

sharply upward during October. Cotton consumption also showed an appreciable increase over the corresponding month of 1933. There were 520,310 bales of cotton consumed during the month, as compared with 295,960 bales in September, and 504,055 bales in October a year ago. At the close of the first quarter of the current season consumption aggregated 1,237,219 bales, which was 22.3 per cent below that in the same period last season. Stocks of raw cotton held by consuming establishments on October 31 reflected a further increase over those held a month earlier, but remained in smaller volume than a year ago.

Activities at reporting cotton textile mills in Texas during October were considerably below those of the previous

COTTON CONSUMED AND ON HAND

	October 1934	October 1933	August 1 to October 31	
			This season	Last season
Cotton-growing states:				
Cotton consumed.....	410,543	405,175	989,706	1,271,314
On hand October 31 in—				
Consuming establishments.....			892,785	1,091,572
Public storage and com- presses.....			9,145,272	9,124,234
United States:				
Cotton consumed.....	520,310	504,055	1,237,219	1,592,439
On hand October 31 in—				
Consuming establishments.....			1,139,721	1,363,343
Public storage and com- presses.....			9,381,428	9,474,446

month, which was contrary to the usual trend for that season of the year, and they also reflected substantial declines as compared with the corresponding month of 1933. Orders for finished cotton goods on the books of reporting establishments on October 31 were in much smaller volume than a month earlier or a year ago, while stocks of finished products were slightly larger than those held on September 30, but smaller than the holdings on October 31, 1933.

Cotton Movements

Following the trend in other phases of the cotton industry, the receipts and exports of this commodity through the ports of Houston and Galveston during the past month, while reflecting increases over the previous month, were considerably smaller than the customary seasonal gain, and were also in much smaller volume than in the corresponding month last year. The export movement of cotton during the first quarter of the current season from these ports was approximately one-half of what it was in the same period last season. Stocks of cotton at both Houston and Galveston on October 31 were seasonally larger than a month earlier, but continued in substantially smaller volume than a year ago.

Although total foreign exports of domestic cotton from all United States ports were larger in October than in the previous month, they were smaller than in any corresponding month since 1920. There were 615,593 bales of cotton exported during the month, as compared with 479,861 bales in September, and 1,046,524 bales in October, 1933. Ship-

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON
(Bales)

	October 1934	October 1933	August 1 to October 31 This season	Last season
Receipts.....	229,880	520,603	457,774	873,007
Exports.....	162,787	307,606	363,774	506,128
Stocks, October 31.....			605,362	801,876

COTTON—GALVESTON STOCK STATEMENT
(Bales)

	Oct. 31, 1934	Oct. 31, 1933
For Great Britain.....	1,500	5,000
For France.....	3,000	3,500
For other foreign ports.....	19,000	50,500
For coastwise ports.....	500	1,000
In compresses and depots.....	581,362	741,876
Total.....	605,362	801,876

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON
(Bales)

	October 1934	October 1933	August 1 to October 31 This season	Last season
Receipts.....	310,399	567,642	664,364	1,220,094
Exports.....	165,702	360,714	352,087	861,420
Stocks, October 31.....			1,129,163	1,513,620

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

	October, 1934		Nov. 15, 1934
	High	Low	
New York.....	12.65	12.25	12.55
New Orleans.....	12.75	12.37	12.61
Dallas.....	12.30	11.85	12.15
Houston.....	12.70	12.25	12.60
Galveston.....	12.70	12.30	12.65

ments during the current season, August through October, aggregated only 1,363,016 bales, which compares with 2,446,395 bales in the like period last season. According to the Department of Agriculture, the reduced foreign demand for American cotton is largely due to the short domestic crop and the relatively high prices for American cotton, the large increase in carryover and production of foreign grown cotton, and the curtailed activity of textile mills in many Continental European countries.

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

	August 1 to October 31 This season	Last season
Receipts.....	2,237,695	3,502,150
Exports: United Kingdom.....	167,264	419,950
France.....	126,918	318,226
Italy.....	108,247	238,378
Germany.....	146,773	466,823
Other Europe.....	223,817	300,034
Japan.....	504,247	575,404
All other countries.....	85,750	125,880
Total foreign ports.....	1,363,016	2,444,695
Stocks held at all United States ports, October 31.....	3,179,382	3,966,438

Petroleum

A general decline was reflected in the daily average output of crude oil in the Eleventh Federal Reserve District during October, and despite the longer month total production was reduced to 31,757,000 barrels as compared with 32,484,000 barrels in September. In October last year the amount reported was 33,250,600 barrels. Field activity showed a material expansion, there being 961 wells completed in October as against 765 in the preceding month. Of these, 701 were producers with a combined initial yield of 2,576,082 barrels, as compared with 526 successful wells in September, their flush production amounting to 1,900,830 barrels.

Texas fields, particularly those located in the eastern, central-western, and Coastal areas of the State, accounted for most of the reduction in daily output from September to October. Texas production averaged 954,800 barrels during the latter month, which compares with 1,012,650 barrels in September, and 1,004,700 barrels in the same month last year. The daily yield in New Mexico and North Louisiana amounted to 45,850 barrels and 23,800 barrels, respectively, being only slightly smaller than in the previous month.

OIL PRODUCTION—(Barrels)

	October, 1934		Increase or decrease over September, 1934	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,557,250	114,750	+ 9,750	— 3,500
Central West Texas.....	5,225,050	168,550	—266,450	—14,500
East Texas.....	13,850,800	446,800	—420,200	—28,900
South Texas.....	1,796,450	57,950	+ 60,950	+ 100
Texas Coastal.....	5,169,250	166,750	—164,750	—11,050
Total Texas.....	29,598,800	954,800	—780,700	—57,850
New Mexico.....	1,421,350	45,850	+ 36,850	— 300
North Louisiana.....	737,800	23,800	+ 17,800	— 200
Total District.....	31,757,950	1,024,450	—726,050	—58,350

OCTOBER DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas wells	Fail- ures	Initial production
North Texas.....	201	113	2	86	31,366
Central West Texas.....	101	75	1	25	107,540
East Texas.....	394	361	3	30	2,361,072
South Texas.....	124	83	10	31	21,541
Texas Coastal.....	92	51	4	37	22,693
Total Texas.....	912	683	20	209	2,544,212
New Mexico.....	11	11	..	..	31,425
North Louisiana.....	38	7	13	18	445
October totals, district.....	961	701	33	227	2,576,082
September totals, district....	765	526	34	205	1,900,830

CRUDE OIL PRICES

	Nov. 9, 1934	Nov. 10, 1933
Texas Coastal (34 gr. and above).....	\$1.12	\$1.12
North Texas (40 gr. and above).....	1.03	1.03
North Louisiana (40 gr. and above).....	1.08	1.03

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

Building

Total building permits issued in October at fourteen leading cities in this district amounted to \$1,790,818, being 51.9 per cent greater than the volume reported in the previous month, and more than twice as large as that in October, 1933. Nine cities participated in the gain over September, and with one exception all reporting cities showed substantial increases over a year ago. Construction permits issued during the first ten months of the current year exceeded those of the same period in 1933 by 7.9 per cent.

BUILDING PERMITS

BUILDING EXPENDITURES													Percentage change valuation over period
	October, 1934		October, 1933		Percentage change valuation over year	September, 1934		Percentage change valuation over month	January 1 through October 31				
	No.	Valuation	No.	Valuation		No.	Valuation		1934		1933		
									No.	Valuation	No.	Valuation	
Amarillo.....	42	\$ 139,444	12	\$ 11,442	*	28	\$ 28,160	+395.2	297	\$ 373,375	168	\$ 149,147	+150.3
Austin.....	128	113,471	75	33,074	+243.1	109	58,886	+ 92.7	845	797,940	852	1,228,925	— 35.1
Beaumont.....	107	34,050	119	28,320	+ 20.2	95	14,142	+140.8	912	282,803	849	172,281	+ 64.2
Corpus Christi..	43	20,211	30	11,215	+ 80.2	33	71,717	— 71.8	272	313,383	250	143,991	+117.6
Dallas.....	400	217,741	332	152,566	+ 42.7	339	145,078	+ 50.1	3,784	1,970,102	3,335	1,722,125	+ 14.4
El Paso.....	54	22,222	32	15,869	+ 40.0	44	23,411	— 5.1	425	223,479	357	160,383	+ 39.3
Fort Worth.....	134	113,309	108	74,406	+ 52.3	134	85,700	+ 32.2	903	754,587	867	2,577,807	— 70.7
Galveston.....	187	33,602	122	45,141	— 25.6	179	56,642	— 40.7	1,309	457,046	950	357,596	+ 27.8
Houston.....	159	715,625	192	246,357	+190.5	179	319,795	+123.8	1,839	4,232,625	1,804	2,776,217	+ 52.5
Port Arthur.....	54	75,723	47	13,273	+174.4	151	11,615	+551.9	473	185,418	472	91,998	+101.5
San Antonio.....	239	211,733	166	77,174	+470.5	51	58,340	+262.9	1,458	784,241	1,360	870,449	— 9.9
Shreveport.....	148	49,912	120	32,654	+ 52.9	163	273,627	— 81.8	1,584	980,723	1,073	389,667	+151.7
Waco.....	20	28,234	15	19,992	+ 41.2	15	14,513	+ 94.5	182	269,410	228	273,201	— 1.4
Wichita Falls...	46	15,541	30	7,345	+111.6	82	17,241	— 9.9	658	230,400	280	74,821	+207.9
Total.....	1,761	\$1,790,818	1,400	\$ 768,828	+132.9	1,618	\$1,178,867	+ 51.9	14,941	\$11,855,532	12,845	\$10,988,605	+ 7.9

*Increase over one thousand per cent.

Cement

The production of Portland cement at Texas mills totaled 164,000 barrels in October, as compared with 324,000 barrels in the previous month, and 113,000 barrels in the same month last year. Despite the reduction in output from the September level

the volume of shipments during the month rose 18.8 per cent, and amounted to 297,000 barrels as against 205,000 barrels in October, 1933. Stocks on hand at these mills on the last day of the month aggregated 545,000 barrels, being materially smaller than either a month earlier or a year ago.

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

	Oct., 1934	Percentage change from		January 1 through Oct. 31, 1934	Percentage change over year
		Oct., 1933	Sept., 1934		
Production at Texas mills.....	164	+45.1	-49.4	3,012	+12.0
Shipments from Texas mills.....	297	+44.9	+18.8	3,021	+14.0
Stocks at end of month at Texas mills.....	545	-23.8	-19.6	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, November 24, 1934)

Volume of industrial production and factory employment, which usually shows little change at this season, increased in October, reflecting chiefly the resumption of activity at textile mills. Wholesale commodity prices, after declining in September and October, advanced in the first half of November.

PRODUCTION AND EMPLOYMENT

Activity at industrial establishments, as measured by the Board's seasonally adjusted index, showed an increase from 71 per cent of the 1923-1925 average in September to 73 per cent in October. Among the industries producing durable manufactures, output at steel mills increased from 23 per cent of capacity for the month of September to 25 per cent for October, while output of automobiles and lumber declined. In November, activity at steel mills continued to increase and in the week ending November 24 was at about 28 per cent of capacity. Automobile production has declined further in connection with the preparation of new models. The production of non-durable manufactures in the aggregate showed a considerable growth in October, reflecting sharp increases at cotton, woolen, and silk mills, offset in part by a decline in activity at meat packing establishments. The increase in output at textile mills after the strike in September brought output to a higher level than in August. Among the minerals, daily output of crude petroleum declined in October and that of anthracite increased by an amount smaller than is usual at this season. Factory employment and payrolls in the country as a whole increased considerably between the middle of September and the middle of October. Sharp increases were reported at mills producing textile fabrics, while in the automobile, shoe, and canning industries there were declines of a seasonal nature. The value of construction contracts awarded was somewhat larger in October than in any other recent month. There was an increase in residential work as well as in publicly-financed projects. Department of Agriculture estimates, based on November 1 conditions, indicate a cotton crop of 9,634,000 bales, 26 per cent smaller than the 1933 crop, and a corn crop of 1,372,000,000 bushels, 41 per cent smaller than last season and 45 per cent smaller than the 1927-1931 average. The tobacco crop is also considerably smaller than usual, while the white potato crop is slightly above the five-year average.

DISTRIBUTION

The number of freight cars loaded per working day decreased from September to October. Department store sales showed a seasonal increase and were at about the same level, on a seasonally adjusted basis, as in most other months since March. Rural sales of general merchandise, as reported by the Department of Commerce, increased by less than the usual seasonal amount following an unusually large increase in September.

COMMODITY PRICES

Wholesale commodity prices, as measured by the Bureau of Labor Statistics' weekly index, declined from 77.8 per cent of the 1926 average in the week ending September 8 to 76.0 per cent in the week ending November 3 and then rose in the following two weeks to 76.7 per cent. The decline was largely in prices of farm products and foods but there were also some decreases in the prices of textiles and building materials. Increases in the first half of November were largely in the prices of farm products. The price of scrap steel also advanced, while lead and zinc declined.

BANK CREDIT

Excess reserves of member banks were about \$1,910,000,000 on November 21, showing an increase of \$150,000,000 in the preceding five weeks. The increase in reserves held was \$200,000,000, of which \$50,000,000 covered a growth in required reserves. Additions to reserves resulted mainly from gold imports and further issues of silver certificates. Loans and investments of reporting member banks in leading cities declined somewhat in the four weeks ending November 14, following an increase in the previous month. Substantial declines were shown in loans on securities and in holdings of securities other than those of the United States Government. Other loans, which had increased considerably in previous months, also showed some decline, while holdings of direct obligations of the United States Government and of securities fully guaranteed by the Government increased considerably. Customers' deposits continued to increase, while government deposits declined. There was a further decline in open-market rates on bankers' acceptances at the end of October to an offering rate of $\frac{1}{8}$ per cent. Yields on short-term Government securities and other short-term open-market money rates showed little change.