

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 1934	Change from October
Bank debits to individual accounts (at 17 cities).....	\$548,669,000	— 12.5%
Department store sales.....		— .3%
Reserve bank loans to member banks at end of month.....	\$ 15,000	+ 59.8%
Reserve bank ratio at end of month.....	64.5%	+ 1.3 points
Building permit valuation at larger centers....	\$ 2,065,288	+ 15.3%
Commercial failures (number).....	17	— 15.0%
Commercial failures (liabilities).....	\$ 223,903	+ 18.4%
Oil production (barrels).....	30,762,000	— 3.1%

improvement in November. The valuation of building permits issued at larger centers exceeded that of the previous month by 15 per cent and reached the highest figure reported in more than two years.

The generally favorable weather during November enabled farmers to practically complete harvesting operations, and the heavy rains over the major portion of the district were very beneficial to winter crops and livestock ranges. Small grains have made rapid growth since the rains and should furnish considerable pasturage later in the winter, partly offsetting the shortage of feed. Despite the improvement that has occurred, livestock and their ranges are still in poor condition.

Sustained activity in business and industry and widespread rains which furnished much needed moisture were encouraging developments during the past month. Despite the unusually warm weather during much of November, sales of department stores in larger cities were maintained at the October level and exceeded those in the corresponding month last year by 19 per cent. While distribution at wholesale showed a seasonal decline from October to November, and the increases over a year ago were somewhat smaller than in the preceding month, late reports indicate that many replacement orders were received in December. Indications are that Christmas buying in both cities and rural sections is in large volume. Debits to individual accounts at banks in principal cities reflected a decrease of 13 per cent from October, which was larger than seasonal, and were only 3 per cent above those in November last year.

Construction activity in this district reflected a further

There was a further increase during the past month in the daily average of combined net demand and time deposits of member banks in this district. The November average amounted to \$792,953,000, which was \$14,777,000 larger than the October figure and the highest recorded since early in 1931. Commercial loans of reporting member banks in selected cities reflected a small seasonal decline between November 14 and December 12. While member banks completely liquidated their indebtedness at the Federal Reserve Bank during the past month, this bank's advances to industrial and commercial businesses for working capital purposes showed a further expansion. Federal reserve notes in actual circulation totaled \$53,236,000 on December 15 as compared with \$54,261,000 on November 15, and \$41,777,000 on the same date last year. Subscriptions to the United States Treasury bonds and notes, dated December 15, totaled \$142,051,900 and allotments of \$40,219,100 were made.

BUSINESS

Wholesale Trade

The business of reporting wholesale firms in the Eleventh Federal Reserve District continued in fairly substantial volume

during November, although decreases which are usual at this season were recorded in all lines except drugs. With one exception every line reported a larger volume of sales than in the same month last year, but the comparisons were somewhat less favorable than in October. Inventories generally declined during November. In three lines the volume of collections showed a seasonal reduction as compared with the preceding month.

The demand for dry goods at wholesale showed the usual seasonal decline in November, the month's sales being one-

fourth smaller than those in October. As compared with the corresponding month last year, there was a reduction of 10.3 per cent. While warm weather retarded consumer demand for merchandise in November, recent reports indicate that lower temperatures prevailing since late in November have stimulated buying and that wholesalers have received numerous replacement orders. While collections were substantially smaller than in October, their ratio to total receivables outstanding at the close of the previous month was only slightly reduced.

A decrease of somewhat less than seasonal proportions was reflected in the distribution of groceries through wholesale channels in this district. November sales were 8.5 per

cent less than those reported in the previous month, but showed an increase of 9.8 per cent as compared with the same month last year. Inventories were reduced 3.5 per cent during the month, but on November 30 were 20.2 per cent greater than a year ago. Collections were 12.8 per cent less than the volume reported in October.

Contrary to the usual seasonal trend in this month, the distribution of drugs at wholesale increased somewhat further during November. The combined sales of ten reporting firms were 0.7 per cent larger than in October, and 11.6 per cent above the volume of November last year. Stocks on hand November 30 were 8.0 per cent less than a month earlier, but 8.0 per cent greater than a year ago. The rate of collections during the month was higher than in October.

The business of wholesale hardware firms in this district last month, while on a scale 5.7 per cent above that of November, 1933, reflected a seasonal decrease of 8.6 per cent as compared with October. An improved demand for merchandise was visible in some areas. Collections during November were in materially larger volume than in the preceding month.

A larger than seasonal falling off in sales was reported by wholesale farm implement firms last month, November business being 29.3 per cent below that of October. It

showed an increase of 49.5 per cent as compared with the same month last year, while for the period from July to November, inclusive, a similar gain of 66.0 per cent was registered. The month witnessed a moderate decline in collections.

Retail Trade

Due to the widespread Christmas shopping and the lower temperatures late in November, department stores located in principal cities of the Eleventh District witnessed a very active demand for merchandise. Dollar volume of sales, which ordinarily declines seasonally during November, was approximately the same as in October, and was 19.1 per cent in excess of that in the corresponding month last year. This bank's seasonally adjusted index of department store sales increased from 74.3 per cent of the 1923-25 average in October to 79.3 per cent in November. The combined sales of merchandise during the eleven months of the current year remained 22.4 per cent greater than in the same period of 1933. Reports on December business at department stores indicate that consumer buying is heavy, and that there is a greater tendency toward purchasing quality merchandise.

Stocks of merchandise held by reporting firms on November 30 were 0.6 per cent less than a month earlier, but continued 3.9 per cent greater than on the same date of 1933. The rate of stock turnover during the eleven months of 1934 was 2.76, as compared with 2.53 in the like period of the previous year.

Collections on both open and installment accounts reflected a slight decline during the month. The ratio of November collections to regular accounts outstanding on November 1 was 39.8 per cent, as against 40.4 per cent in October, and 35.0 per cent in November, 1933. Collections on installment accounts declined from 15.1 per cent in the earlier month to 14.4 per cent in the latter month.

CONDITION OF WHOLESALE TRADE DURING NOVEMBER, 1934

Percentage of increase or decrease in—

	Net Sales Nov., 1934 compared with Nov., 1933		Net Sales July 1 to date compared with same period last year		Stocks Nov., 1934 compared with Nov., 1933		Ratio of collec- tions during Nov. to accounts and notes outstanding on October 31	
	1933	1934	1933	1934	1933	1934	1933	1934
Groceries.....	+9.8	-8.5	+15.0	+20.2	-3.5	69.4		
Dry goods.....	-10.3	-25.0	+7.7	+5.8	-8.3	38.0		
Farm implements.....	+49.5	-29.3	+66.0	.....	.....	.....
Hardware.....	+5.7	-8.6	+6.7	-3.6	-2.1	51.8		
Drugs.....	+11.6	+ .7	+9.6	+8.0	-8.0	50.1		

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
November, 1934, compared with November, 1933.....	+27.3	+12.0	+12.0	+29.4	+11.1	+19.1
November, 1934, compared with October, 1934.....	-8.5	+3.7	+11.8	+3.4	-1.1	- .3
January 1 to date compared with same period last year.....	+27.9	+13.7	+22.5	+23.1	+18.1	+22.4
Credit sales (percentage):						
November, 1934, compared with November, 1933.....	+29.9	+13.7	+14.9	+27.9	+15.6	+22.4
November, 1934, compared with October, 1934.....	-8.7	+3.1	+6.6	+1.8	-2.5	-2.4
January 1 to date compared with same period last year.....	+27.6	+14.2	+24.9	+24.0	+17.5	+23.3
Stocks on hand at end of month (percentage):						
November, 1934, compared with November, 1933.....	+4.8	-3.4	+10.5	+12.0	..5	+3.9
November, 1934, compared with October, 1934.....	-1.6	+1.9	+1.6	+ .1	-2.3	- .6
Stock turnover (rate):						
Rate of stock turnover in November, 1933.....	.24	.21	.24	.26	.20	.23
Rate of stock turnover in November, 1934.....	.29	.24	.25	.30	.23	.26
Rate of stock turnover January 1 to November 30, 1933.....	2.71	2.15	2.57	3.09	2.17	2.53
Rate of stock turnover January 1 to November 30, 1934.....	3.07	2.33	2.62	3.30	2.29	2.76
Ratio of Nov. collections to open accounts receivable outstanding Nov. 1, 1934.....	39.0	35.5	41.2	45.8	38.7	39.8
Ratio of Nov. collections to installment accounts receivable outstanding Nov. 1, 1934.....	15.9	8.8	.....	.....	23.0	14.4
Indexes of department store sales:						
Unadjusted—October, 1934.....	95.1	86.0	85.7	71.0	.....	85.4
Unadjusted—November, 1934.....	94.6	96.4	105.9	79.4	.....	92.0
Adjusted—October, 1934.....	78.0	75.4	82.4	63.4	.....	74.3
Adjusted—November, 1934.....	80.2	80.3	90.5	69.0	.....	79.3
Indexes of department store stocks:						
Unadjusted—October, 1934.....	61.0	74.9	57.6	48.6	.....	64.4
Unadjusted—November, 1934.....	60.0	76.3	56.7	51.2	.....	64.2
Adjusted—October, 1934.....	54.5	65.1	49.7	43.0	.....	57.0
Adjusted—November, 1934.....	55.0	67.5	49.3	46.1	.....	57.3

Commercial Failures

The business mortality rate was lower during November than in October, although the liabilities of defaulting firms registered an increase. The comparisons with a year ago continued to be very favorable. Figures covering the Eleventh District and released by Dun & Bradstreet, Incorpo-

rated, showed a total of 17 commercial failures during the month, as against 20 in October, and 32 in November last year. Total indebtedness amounted to \$223,903, which compares with \$189,152 in the previous month, and \$527,099 in the same month a year ago.

AGRICULTURE

*Crop
Conditions*

General rains which fell over most sections of this district during the past month were very beneficial to agricultural areas. Water supplies have been replenished and soil moisture in most areas is adequate for the present. Farmers who had delayed plowing operations because of dry soil were enabled to proceed with this work and to complete the fall seeding of small grains. Since the rains, small grains in practically all sections have come up to a good stand and are making rapid growth, but plants generally are small for this season of the year. In the grain sections of west and northwest Texas, there is still a deficiency of subsoil moisture and more rain will be needed in the near future to maintain plant growth. Weather conditions during the past month have likewise been favorable for harvesting operations and this work is now practically completed.

The December 1 report of the Department of Agriculture made only minor changes in the estimated production of cotton in states attached to this district. While downward revisions were made in the estimates for Oklahoma and Louisiana, these reductions were about offset by increases in the estimates of Arizona, New Mexico, and Texas. The production in the latter state was placed at 2,395,000 bales, as compared with an estimate of 2,390,000 on November 1, and an actual production of 4,428,000 bales in 1933. The indicated per acre yield was placed at 110 pounds as compared with 185 pounds last year. According to the Bureau of the Census there had been ginned in Texas 2,176,691 running bales prior to December 1, which represents 95 per cent of the forecasted production. While the Department made little change in its forecast from a month ago for the State, the estimate for each district within the State was revised. The indicated production in the Northwest Rolling Plains, the Coastal Plains, and the South Texas districts was lowered, and that for all other districts was increased. The following table gives the revised estimate for each district:

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

Districts	Forecast 1934	Production 1933	5-year average 1928-1932
N. W. High Plains.....	100	453	423
N. W. Rolling Plains.....	250	954	759
North Central Plains.....	63	148	119
North Blacklands.....	751	1,211	1,347
East Texas.....	420	589	770
Trans-Pecos.....	62	53	60
Edwards Plateau.....	50	71	103
Southern Prairies.....	449	637	643
Coastal Plains.....	124	192	204
South Texas.....	126	120	152
Total State.....	2,395	4,428	4,580

The poorest outturn of the cotton crop occurred in Oklahoma. The Department's December 1 report placed the per acre yield at 57 pounds, the lowest on record, and the total production at 325,000 bales, whereas last year the per acre yield was 208 pounds and the total harvest was 1,266,000 bales. The crop of Louisiana and Arizona was slightly larger than a year ago, and that for New Mexico was about the same. The per acre yield in each of these states was larger than in the previous year. Ginnings, prior to December 1, were as follows: Louisiana, 469,862 bales; New Mexico, 77,781 bales; Oklahoma, 281,088 bales; and Arizona, 80,155 bales.

The Department of Agriculture reported that the harvesting of fall snap beans, peppers, egg-plant, and tomatoes continued throughout November without frost damage. The condition of winter crops showed a marked improvement in November and soil moisture throughout South Texas is ample for good crop progress. While plantings of several crops were retarded by dry weather earlier in the season, they have continued active. Some crops are expected to be late on account of the delayed plantings.

Livestock

The condition of ranges in most areas of this district showed some improvement in November due to the fairly general rains. Ranges generally, however, are still in poor condition, particularly in the western third of Texas and southern New Mexico. The most serious situation obtains in the southwestern half of the Edwards Plateau and the Big Bend area of Texas and in portions of southern New Mexico. These areas have had little rain and ranchmen are feeding "sotol" and "prickly pear" as these are practically the only feeds available. Wheat pastures in Northwest Texas were benefited by the rains and snows and will furnish some pasturage later in the season, but considerable dry feeding will be necessary. In other areas, prospects were improved by the November rains and there is probably sufficient feed to carry stock through the winter. The best condition obtains in the southern district of Texas where feed and grazing are being furnished to a large number of cattle from drouth stricken areas.

The condition of cattle ranges in Texas on December 1, as reported by the Department of Agriculture, was 52 per cent of normal as compared with 50 per cent on November 1, and 71 per cent a year ago. There was an increase from 41 per cent to 45 per cent in the condition of sheep and goat ranges between November 1 and December 1, and the latter figure compares with 62 per cent on the same date in 1933. The condition of cattle in Texas was rated at 60 per cent of normal on December 1, which was 1 point lower than a month earlier and 16 points below that on the corresponding date last year. During November the condition of sheep rose 2 points and that of goats 1 point. As compared with a year ago, the condition of sheep on December 1 was 11 points lower and that of goats 10 points.

*Movements
and Prices*

There was a general decline in the receipts of livestock at the Fort Worth market during November, due in part to the reduced purchases by the Federal Government. While there was only a slight recession in the number of hogs yarded, the arrivals of cattle, calves, and sheep reflected substantial declines from October. As compared with No-

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	November 1934	November 1933	October 1934
Beef steers.....	\$6.35	\$5.00	\$7.25
Stocker steers.....	4.00	3.90	4.50
Butcher cows.....	3.25	3.00	3.50
Stocker cows.....	...	2.20	2.25
Calves.....	4.75	3.75	4.60
Hogs.....	6.40	4.70	6.35
Sheep.....	3.25	3.25	3.25
Lambs.....	6.00	6.25	6.00

vember, 1933, receipts of all classes registered noticeable gains.

The demand for most classes of cattle was slow during the past month and the market generally was weak. During most of the period quality offerings were scarce, but these offerings usually found an outlet at better prices. The hog market fluctuated within narrow limits. Sheep and lamb prices were firm to slightly higher.

Operations of the Federal Reserve Board

During the past month member banks in this district completely liquidated their indebtedness at the Federal Reserve Bank, while on December 15, 1933, loans to member banks totaled \$1,003,000. There was a further increase in the advances by the Federal Reserve Bank to established industrial and commercial businesses for working capital purposes. The total of these loans on December 15 was \$708,000 as compared with \$576,000 a month earlier. The holdings by this bank of bills bought in the open market and of United States securities showed no change during the month, the totals on December 15 being \$154,000 and \$71,475,000, respectively. The reserve deposits of member banks with the Federal Reserve Bank, which stood at \$127,670,000 on November 15, declined steadily during the subsequent three weeks reaching a low point at \$119,809,000 on December 5. By the middle of the month they had risen to \$125,623,000. Federal reserve notes in actual circulation amounted to \$53,236,000 on December 15 as compared with \$54,261,000 a month earlier and \$41,777,000 on the corresponding date last year.

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

	Dec. 15, 1934	Dec. 15, 1933	Nov. 15, 1934
Total cash reserves.....	\$124,082	\$ 97,041	\$120,364
Discounts for member banks.....	None	1,003	17
Industrial advances.....	708	None	576
Bills bought in open market.....	154	4,542	154
United States securities owned.....	71,475	66,475	71,475
Other investments.....	None	5	441
Total earning assets.....	72,337	72,025	72,663
Member bank reserve deposits.....	125,623	102,867	127,670
Federal reserve notes in actual circulation.....	53,236	41,777	54,261
Federal reserve bank notes in actual circulation.....	None	12,325	None

Condition of Member Banks in Selected Cities

During the four-week period between November 14 and December 12 the reports of member banks in selected cities reflected a decline in loans, investments, and deposits. The investments of these banks in United States securities declined from \$174,982,000 on November 14 to \$167,823,000 on December 12, but their investments in all other securities rose \$556,000 during the same period. As compared with the corresponding date in 1933, holdings of United States securities were \$42,742,000 larger and those of other securities were increased \$5,392,000. The loans of these banks on securities declined \$208,000 during the four-week period, and on December 12 were \$9,701,000 smaller than a year ago. "All other" loans (largely commercial) reflected a seasonal recession of \$1,489,000 between November 14 and December 12, and on the latter date were \$7,283,000 below those on December 13, 1933. After reaching a peak of \$317,442,000 on November 12, the net demand deposits of these banks reflected a

FORT WORTH LIVESTOCK RECEIPTS (Number)

	November 1934	November 1933	Change over year	October 1934	Change over month
Cattle.....	58,410	33,197	+25,213	73,376	-14,966
Calves.....	33,546	28,735	+ 4,811	50,971	-17,425
Hogs.....	26,485	23,429	+ 3,356	26,588	- 103
Sheep.....	47,432	25,906	+21,526	98,027	-50,595

FINANCE

recession of \$6,057,000 during the subsequent four weeks, but the total on December 12 was \$43,465,000 higher than a year ago. Their time deposits registered a further rise of \$231,000 during the four weeks and at the end of the period were \$2,882,000 greater than those on December 13 last year.

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

	Dec. 12, 1934	Dec. 13, 1933	Nov. 14, 1934
United States securities owned.....	\$167,823	\$125,081	\$174,982
All other stocks, bonds, and securities owned.....	59,984	54,592	59,428
Loans on securities.....	48,992	58,693	49,200
All other loans.....	145,812	153,095	147,301
Total loans.....	194,804	211,788	196,501
Net demand deposits.....	311,385	267,920	317,442
Time deposits.....	123,091	120,209	122,860
Reserve with Federal Reserve Bank.....	78,330	63,519	80,090
Bills payable and rediscounts with Federal Reserve Bank.....	None	400	None

Deposits of Member Banks

For the sixth consecutive month the daily average of net demand and time deposits of member banks in the Eleventh Federal Reserve District during November reflected a substantial increase over the previous month and was also considerably larger than in the same month last year. The combined average amounted to \$792,953,000, as against \$778,176,000 in October, and \$654,145,000 in November a year ago. In the case of both comparisons the increases shown were about equally divided between reserve city banks and country 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
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.....	505,909	192,214	249,091	108,317	256,818	83,897
Feb., 1934.....	532,717	195,746	261,770	110,348	270,947	85,398
Mar., 1934.....	535,355	192,766	263,291	108,385	272,064	84,381
April, 1934.....	523,397	192,548	257,838	107,615	265,559	84,933
May, 1934.....	519,060	192,830	253,752	108,146	262,338	84,684
June, 1934.....	519,465	192,712	256,456	109,597	263,000	83,115
July, 1934.....	521,333	197,600	255,210	112,632	266,123	85,058
Aug., 1934.....	527,054	196,825	260,061	111,551	266,993	85,274
Sept., 1934.....	557,818	194,215	275,831	109,110	281,487	85,105
Oct., 1934.....	583,558	194,618	287,250	109,459	296,308	85,159
Nov., 1934.....	596,441	196,512	292,685	111,082	303,756	85,430

Debits to Individual Accounts

Debits to individual accounts during November at banks in principal centers in this district totaled \$548,669,000, as compared with \$627,184,000 in October, and \$530,491,000 in November a year ago. The decrease from October amounted to 12.5 per cent, being somewhat larger than the decline which usually occurs at this season. At Roswell, New Mexico and Tucson, Arizona the volume of

debits reported was greater than in either the previous month or the same month last year.

DEBITS TO INDIVIDUAL ACCOUNTS (In thousands of dollars)

	November 1934	November 1933	Percentage change over year	October 1934	Percentage change over month
Abilene.....	\$ 5,979	\$ 7,869	-24.0	\$ 7,274	-17.8
Austin.....	22,294	13,571	+64.3	29,993	+25.7
Beaumont.....	15,805	13,137	+20.3	16,858	+6.2
Corsicana.....	2,474	2,870	-13.8	3,021	-18.1
Dallas.....	156,891	164,407	-4.6	183,144	-14.3
El Paso.....	20,565	16,562	+24.2	22,618	-9.1
Fort Worth.....	57,629	54,831	+5.1	63,171	-8.8
Galveston.....	17,611	20,128	-12.6	20,727	-15.0
Houston.....	130,306	130,300	0.0	147,937	-11.9
Port Arthur.....	5,123	5,137	-	5,702	-10.2
Roswell.....	2,707	2,340	+15.7	2,678	+1.1
San Antonio.....	49,019	39,158	+25.2	52,289	-6.3
Shreveport.....	28,210	26,352	+7.1	33,927	-16.9
Texarkana*.....	5,067	5,064	+	5,875	-13.8
Tucson.....	7,825	6,932	+12.9	7,053	+10.9
Waco.....	11,418	11,565	-1.3	13,953	-18.2
Wichita Falls....	9,746	10,268	-5.1	10,964	-11.1
Total.....	\$548,669	\$530,491	+3.4	\$627,184	-12.5

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

Acceptance Market

Following four months in which seasonal increases occurred, the volume of outstanding bankers' acceptances executed against both import and export transactions and the domestic shipment and storage of goods declined in November. Those in the former classification totaled \$169,986 at the close of the month, as against \$359,770 on October 31, and \$145,626 on November 30 last year. Acceptances based on the domestic shipment and storage of goods aggregated \$981,090 on November 30, which compares with \$1,279,705 a month earlier, and \$2,908,860 a year ago.

Savings Deposits

Reports received from 129 banks in this district which operate savings departments showed total savings deposits on November 30 amounting to \$145,725,690, reflecting a further increase of 0.9 per cent during the month, and an expansion of 10.2 per cent as compared with the same date a year ago. At the close of October the savings deposits of these banks aggregated \$144,442,282, and on November 30, 1933, the total was \$132,256,304.

SAVINGS DEPOSITS

		November 30, 1934			November 30, 1933			October 31, 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	8,534	\$ 3,508,963		8,071	\$ 3,010,835	+16.5	8,522	\$ 3,491,428	+ .5
Dallas.....	9*	75,731	25,064,273		73,308	23,326,905	+7.4	75,507	24,922,573	+ .6
El Paso.....	2	11,469	4,976,292		9,784	3,986,464	+24.8	11,348	4,844,732	+2.7
Fort Worth.....	3	33,964	10,477,408		31,519	10,506,508	- .3	33,830	10,399,634	+ .7
Galveston.....	4	16,800	9,860,114		16,491	9,926,855	- .7	16,818	9,893,148	- .3
Houston.....	11*	64,601	29,269,665		64,394	27,269,036	+7.3	64,313	29,030,442	+ .8
Port Arthur.....	2	5,029	1,999,850		4,666	1,867,166	+7.1	4,946	2,003,139	- .2
San Antonio.....	6	20,726	15,795,146		17,852	13,434,118	+17.6	20,409	15,596,242	+1.3
Shreveport.....	3	20,918	10,640,928		21,358	9,918,632	+7.3	20,809	10,511,144	+1.2
Waco.....	3	10,770	6,310,255		10,480	5,685,449	+11.0	10,764	6,233,307	+1.2
Wichita Falls.....	3	5,891	2,908,462		5,541	2,478,275	+17.4	5,870	2,898,314	+ .4
All others.....	80*	53,817	24,914,334		50,755	20,846,061	+19.5	53,441	24,622,179	+1.2
Total.....	129	328,250	\$145,725,690		314,219	\$132,256,304	+10.2	326,577	\$144,442,282	+ .9

*Only 8 banks in Dallas, 10 in Houston, and 72 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.....	2-6	6-8	1-7	5-7	5-8	3-6
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	2½-6	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.....	3½-7	6-8	5-10	5-7	6-8	6-8
Time.....	2½-8	8	5-10	5-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	1¼-8	7-8	6-8	3-7	5-8	5-6
Rate on cattle loans.....	6	6-8	5-10	7-10	8-10	8

INDUSTRY

Cottonseed Products

The receipts of cottonseed at Texas and all United States mills reflected a seasonal decline in November and were materially smaller than in the corresponding month last year. While the crushings of seed and the production of all classes of products at Texas mills increased from October to November, they were still considerably lower than in November, 1933. During the first four months of the current season, the receipts and crushings of seed and the production of all classes of products at both Texas and all United States mills were substantially smaller than in the same period of the previous season. Stocks of cottonseed oil on hand on November 30 were sharply lower than either a month earlier or a year ago. The November 30 supplies of cake and meal,

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to November 30	August 1 to November 30	August 1 to November 30	August 1 to November 30
	This season	Last season	This season	Last season
Cottonseed received at mills (tons).....	597,075	1,045,070	2,777,028	3,115,800
Cottonseed crushed (tons).....	417,434	655,725	1,767,722	1,983,047
Cottonseed on hand Nov. 30 (tons).....	282,402	488,648	1,232,067	1,353,691
Crude oil produced (pounds)....	119,835,469	193,588,171	542,699,882	613,168,023
Cake and meal produced (tons).....	198,621	304,202	799,313	892,330
Hulls produced (tons).....	110,463	183,349	459,019	537,325
Linters produced (running bales).....	85,559	102,553	379,550	353,886
Stocks on hand November 30:				
Crude oil (pounds).....	12,851,905	37,252,755	46,408,934	123,493,123
Cake and meal (tons).....	77,083	88,291	299,200	316,078
Hulls (tons).....	57,502	66,732	169,966	147,641
Linters (running bales).....	41,542	44,571	163,757	160,148

hulls, and linters at Texas mills were lower than on October 31 this year or November 30 last year, but at all United States mills supplies of these products were larger than a month earlier and stocks of hulls and linters were above those on the same date a year ago.

Textile Milling The consumption of cotton at textile mills in the United States, after showing a large increase in October, declined during November. The 477,060 bales consumed in the latter month, however, was slightly larger than the 475,247 bales consumed in the corresponding month of 1933. The consumption of cotton at domestic mills during the four months of the current season was 1,714,279 bales, or 17.1 per cent below that in the same period of the previous season. Mills continue to carry substantially smaller stocks of raw cotton than was the case last year.

The activities of reporting textile mills in Texas were about the same in November as in October, but were on a smaller scale than a year ago. Unfilled orders and stocks of merchandise on hand at the end of November at these mills were larger than a month earlier or a year ago.

COTTON CONSUMED AND ON HAND

	November 1934	November 1933	August 1 to This season	November 30 Last season
Cotton-growing states:				
Cotton consumed.....	385,449	379,238	1,375,155	1,650,552
On hand November 30 in—				
Consuming establishments.....			1,044,645	1,245,147
Public storage and com- presses.....			9,579,626	10,043,534
United States:				
Cotton consumed.....	477,060	475,247	1,714,279	2,067,686
On hand November 30 in—				
Consuming establishments.....			1,293,763	1,572,740
Public storage and com- presses.....			9,794,811	10,404,394

Cotton Movements Movements of cotton through the ports of Houston and Galveston remained at very low levels during the month of November. Exports, which ordinarily show a seasonal increase in that month, were less than in October at both ports, and the comparisons with the corresponding month of 1933 reflected reductions of more than 49 per cent. Receipts of cotton from the interior were likewise substantially smaller than in either the previous month or the same month last year. During the first four months of the current season, August 1 through November 30, exports aggregated 994,523 bales for both ports combined, which compares with shipments totaling 1,996,368 bales in the corresponding period last season. Stocks of raw cotton held at Galveston on November 30 were greater than a month earlier, while at Houston they evidenced a decline. Both ports continue to carry smaller supplies than on the same date of 1933.

Exports of American cotton from all United States ports also reflected a contrary to seasonal decline during November, and remained in substantially smaller volume than in the corresponding month of 1933. There were 572,359 bales of cotton exported during the month, as compared with 615,593 bales in October, and 915,304 bales in November, 1933. Aggregate exports of domestic cotton during the first four months of the current season were 1,935,375 bales, which represents a decline of 42.4 per cent from the 3,359,999 bales shipped in the same period of the previous season. Shipments to all foreign countries, and especially those to Continental Europe, continued light.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	November 1934	November 1933	August 1 to This season	November 30 Last season
Receipts.....	164,315	400,554	622,089	1,273,561
Exports.....	115,872	304,222	479,046	810,350
Stocks, November 30.....			653,936	898,208

COTTON—GALVESTON STOCK STATEMENT (Bales)

	Nov. 30, 1934	Nov. 30, 1933
For Great Britain.....	6,600	12,000
For France.....	4,500	9,000
For other foreign ports.....	42,900	44,500
For coastwise ports.....	800	2,500
In compresses and depots.....	599,136	830,208
Total.....	653,936	898,208

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	November 1934	November 1933	August 1 to This season	November 30 Last season
Receipts.....	155,945	390,523	820,309	1,610,617
Exports.....	162,790	324,589	514,877	1,186,018
Stocks, November 30.....			1,119,982	1,578,147

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

	August 1 to This season	November 30 Last season
Receipts.....	2,024,047	4,732,684
Exports: United Kingdom.....	259,022	576,279
France.....	168,578	414,836
Italy.....	187,262	297,397
Germany.....	168,505	635,140
Other Europe.....	313,359	412,208
Japan.....	704,117	801,560
All other countries.....	134,532	222,579
Total foreign ports.....	1,935,375	3,359,999
Stocks held at all United States ports November 30.....	3,208,671	4,140,874

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

	November, 1934 High	Low	Dec. 15, 1934
New York.....	12.85	12.25	12.80
New Orleans.....	12.91	12.34	12.77
Dallas.....	12.55	11.90	12.35
Houston.....	12.85	12.35	12.70
Galveston.....	12.85	12.30	12.75

Petroleum While the daily production of crude oil in this district during November was slightly higher than in October, the month's total output reflected a reduction which was attributable to the smaller number of days in November. The total production reported was 30,762,000 barrels, as compared with 31,757,950 barrels in the previous month, and 28,859,400 barrels in the same month last year. Drilling activity, as evidenced by the number of wells completed during the month, turned downward again in November. There were 796 completions, as against 961 in October, and the initial yield from successful wells amounted to 1,801,590 barrels, as compared with 2,576,082 barrels in the preceding month.

The daily yield from fields located in Texas averaged 955,300 barrels in November, this figure being 500 barrels

OIL PRODUCTION—(Barrels)

	November, 1934		Increase or decrease over October, 1934	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,336,000	111,200	-221,250	-3,550
Central West Texas.....	5,007,000	166,900	-218,050	-1,650
East Texas.....	13,606,500	453,550	-244,300	+6,750
South Texas.....	1,764,000	58,800	-32,450	+ 850
Texas Coastal.....	4,945,500	164,850	-223,750	-1,900
Total Texas.....	28,659,000	955,300	-939,800	+ 500
New Mexico.....	1,383,000	46,100	-38,350	+ 250
North Louisiana.....	720,000	24,000	-17,800	+ 200
Total District.....	30,762,000	1,025,400	-995,950	+ 950

NOVEMBER DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas wells	Fail- ures	Initial production
North Texas.....	205	128	4	73	20,140
Central West Texas.....	78	55	1	22	49,079
East Texas.....	269	248	1	20	1,670,560
South Texas.....	126	59	6	61	29,397
Texas Coastal.....	62	39	6	17	19,431
Total Texas.....	740	520	18	193	1,788,607
New Mexico.....	18	12	2	4	12,600
North Louisiana.....	38	11	11	16	383
November totals, district.....	796	552	31	213	1,801,590
October totals, district.....	961	701	33	227	2,576,082

CRUDE OIL PRICES

	Dec. 14, 1934	Dec. 15, 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

Construction activity at leading cities in this district increased further in November, as evidenced by a substantial gain in building permits issued during the month. These reached a total valuation of \$2,065,288, as compared with \$1,790,818 in October, and \$682,995 in November a year ago. The cities reporting an expansion over both comparative months were Austin, Corpus Christi, Dallas, Fort Worth, and Shreveport.

BUILDING PERMITS

	November, 1934		November, 1933		Percentage change valuation over year	October, 1934		Percentage change valuation over month	January 1 through November 30				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1934		1933		
									No.	Valuation	No.	Valuation	
Amarillo.....	28	\$ 23,676	14	\$ 3,327	+611.6	42	\$ 139,444	— 83.0	325	\$ 397,051	182	\$ 152,474	+160.4
Austin.....	92	163,303	71	88,828	+ 83.8	128	113,471	+ 43.9	937	961,243	923	1,317,753	- 27.1
Beaumont.....	89	22,883	76	15,675	+ 46.0	107	34,050	- 32.8	1,001	305,686	925	187,956	+ 62.6
Corpus Christi..	31	93,780	18	12,788	+633.3	43	20,211	+364.0	303	407,163	268	156,779	+159.7
Dallas.....	342	713,840	330	128,610	+455.0	400	217,741	+227.8	4,126	2,683,942	3,665	1,850,735	+ 45.0
El Paso.....	33	8,314	26	39,785	- 79.1	54	22,222	- 62.6	458	231,793	383	200,168	+ 15.8
Fort Worth.....	105	538,463	80	40,169	- *	134	113,309	+375.2	1,008	1,293,050	947	2,617,976	- 50.6
Galveston.....	128	40,247	90	40,388	- 3	187	33,602	+ 19.8	1,437	497,293	1,040	397,984	+ 25.0
Houston.....	145	252,675	117	130,800	+ 93.2	159	715,625	- 64.7	1,984	4,485,300	1,921	2,907,017	+ 54.3
Port Arthur.....	55	52,466	41	8,026	+553.7	54	75,723	- 30.7	528	237,884	513	100,024	+137.8
San Antonio.....	160	51,458	103	99,994	- 48.5	239	211,733	- 75.7	1,618	835,699	1,463	970,443	- 13.9
Shreveport.....	143	65,934	119	25,983	+153.8	148	49,912	+ 32.1	1,727	1,046,657	1,192	415,650	+151.8
Waco.....	18	32,827	20	44,912	- 26.9	20	28,234	+ 16.3	200	302,237	248	318,113	- 5.0
Wichita Falls...	21	5,422	9	3,710	+ 46.1	46	15,541	- 65.1	679	235,822	289	78,531	+200.3
Total.....	1,390	\$2,065,288	1,114	\$ 682,995	+202.4	1,761	\$1,790,818	+ 15.3	16,331	\$13,920,820	13,959	\$11,671,603	+ 19.3

*Increase over one thousand per cent.

Cement

Output of Portland cement at Texas mills in November amounted to 261,000 barrels, which compares with 164,000 barrels in October, and 132,000 barrels in the corresponding month last year. The volume of shipments on the other hand, reflected a decline

of 28.6 per cent from the previous month and totaled 212,000 barrels as against 218,000 barrels in November, 1933. The stocks on hand November 30 amounted to 594,000 barrels, being 9.0 per cent larger than a month earlier, but 5.4 per cent below the level of a year ago.

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

	Nov. 1934	Nov. 1933	Percentage change from Oct. 1934	January 1 through Nov. 30, 1934	Percentage change over year
Production at Texas mills.....	261	+97.7	+59.1	3,273	+16.0
Shipments from Texas mills.....	212	-2.8	-28.6	3,233	+12.7
Stocks at end of month at Texas mills.....	594	-5.4	+ 9.0	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

In November the rate of industrial activity showed little change and the general level of commodity prices remained unchanged. Distribution of commodities to consumers was well maintained.

PRODUCTION AND EMPLOYMENT

Volume of industrial production declined in November by an amount somewhat smaller than is usual at this season, and consequently the Board's seasonally adjusted index advanced from 73 per cent of the 1923-1925 average in October to 74 per cent in November. In the steel industry output continued to increase during November and the first three weeks of December, contrary to the usual seasonal tendency. Automobile production also showed an increase in the early part of December, following a decline in connection with preparations for new models. In November lumber output decreased by more than the estimated seasonal amount. At woolen mills there was a considerable increase in output, while consumption of cotton by domestic mills showed a slight decline. Activity at meat packing establishments showed less than the usual seasonal increase. Production of the leading minerals was at about the same level as in October. Factory employment declined between the middle of October and the middle of November by the usual seasonal amount, and was at the same level as a year ago. Declines reported for the automobile, shoe, and canning industries were smaller than seasonal, while decreases at railroad repair shops and sawmills were larger than are usual at this season. At meat packing establishments, where employment has been at a high level in recent months, there was a considerable decline but the number on the payrolls in November was larger than in the corresponding month of other recent years. Employment at woolen mills showed a substantial increase. The number employed on construction projects of the Public Works Administration declined further in November, according to the Bureau of Labor Statistics. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a considerable decline in November and the first half of December, following an increase in October. The indicated decline in awards from the third to the fourth quarter was somewhat smaller than usual. Department of Agriculture estimates for December 1 indicate that production of principal crops this season was about 22 per cent smaller than in 1933, and 32 per cent below the average for the previous

ten years, reflecting reductions in acreage and in yield per acre. There has been a shortage in feed crops accompanied by a sharp increase for the year in the slaughter of live stock. Although output of agricultural commodities has been smaller than in any other recent year, farm income has been larger than in either 1932 or 1933, reflecting chiefly higher prices, and, to a smaller degree, benefit payments.

DISTRIBUTION

Total freight-car loadings declined in November by less than the estimated seasonal amount, reflecting chiefly a smaller decline than is usual in shipments of miscellaneous freight. Retail sales generally have been well maintained. Department store sales increased by slightly less than the estimated seasonal amount in November; preliminary reports for the first half of December, however, indicate a more than seasonal increase in Christmas trade.

WHOLESALE PRICES

Wholesale commodity prices generally showed little change during November and the first half of December. Prices of scrap steel continued to increase during this period, while corn prices, which advanced rapidly in November, declined somewhat after the first week of December. Retail food prices declined in November, reflecting lower prices for meats.

BANK CREDIT

Developments at the Federal Reserve banks in December reflected largely the seasonal increase in the demand for currency and the continued inflow of gold from abroad. Loans and investments of reporting member banks in leading cities showed an increase of \$150,000,000 in the four weeks ended December 12, after declining somewhat in the preceding four weeks. The growth reflected increases in holdings of United States Government obligations and in brokers' loans. Deposits at banks showed a further considerable growth. Yields on short-term Government securities declined slightly in December, while other short-term open-market money rates showed little change. On December 15 the discount rate of the Federal Reserve Bank of Atlanta was reduced from 3 per cent to $2\frac{1}{2}$ per cent, and on December 21 a similar reduction was made at the Kansas City Federal Reserve Bank.