

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 1935	Change from October
Bank debits to individual accounts (at 18 cities).....	\$688,669,000	- 5.3%
Department store sales.....		- 1.8%
Reserve bank loans to member banks at end of month.....	\$ 27,032	-\$67,769
Reserve bank ratio at end of month.....	63.4%	+ .9 points
Building permit valuation at larger centers.....	\$ 2,793,792	- 25.7%
Commercial failures (number).....	30	+ 17
Commercial failures (liabilities).....	\$ 314,248	+107.0%
Oil production (barrels).....	34,414,500	- .3%

An active demand for merchandise in both wholesale and retail channels was in evidence in this district during the past month. The November sales of department stores were 2 per cent less than in October (which was considerably less than the average decline for this season) and exceeded the total for the corresponding month last year by 6 per cent. A seasonal recession in wholesale distribution was also registered, but the volume was materially larger than a year earlier. Furthermore, late reports from some firms indicate that December business is being augmented by a substantial volume of fill-in orders. Payments on accounts at both wholesale and retail were generally satisfactory for this season. Debits to individual accounts at banks in larger cities declined 5 per cent from October to November, but the total for the latter month was 24 per cent larger than in November, 1934.

The position of the agricultural and livestock industries is much improved as compared with a year ago. The heavy rains during the past month furnished much needed moisture in the northwestern portion of the district and added to supplies elsewhere, with the result that all sections have an adequate season in the ground. Small grains have

made rapid growth and are in good condition generally. While weather conditions have interfered with harvesting operations and fall plowing, a period of open weather will enable farmers to go forward rapidly with this work. The final outturn of some crops did not come up to earlier expectations, yet yields generally have been heavy. The large production of feed crops has provided farmers with an ample supply of feed to make 1936 crops, and will be an important factor in holding down the cost of production. Many of the minor crops have produced well and have made satisfactory returns to growers. The cotton crop, while smaller than the ten-year average, was substantially larger than in the previous year. The condition of ranges and livestock is better than for several years, and prices are considerably higher than a year ago.

The financial situation disclosed no material changes. While the investments of member banks in selected cities declined during the four-week period ending December 11, there was a further expansion in loans. Federal reserve bank loans to member banks continued in small volume. The reserve deposits of member banks with the Federal Reserve Bank increased between November 15 and December 15, and this bank's total reserves also reflected a noticeable expansion during the same period. Federal reserve notes in actual circulation rose to \$73,694,000 on December 15, which was \$3,374,000 greater than a month earlier, and \$20,458,000 above that on the same date last year. The daily average of combined net demand and time deposits of member banks amounted to \$784,086,000 in November as compared with \$775,552,000 in October.

Building operations continued in a substantial volume. While the valuation of permits issued at principal cities was 26 per cent less than the large October figure, it exceeded that of the same month last year by 35 per cent.

BUSINESS

Wholesale Trade

The seasonal decreases which are usually in evidence at this time of year were reported for all lines of wholesale trade in November. Business in this district continued to be on a larger scale than a year ago, the increases over November, 1934, ranging from 2.4 per cent in the case of drugs to 53.6 per cent in the case of farm implements. The comparisons recorded for dry goods, hardware, and farm implements

were more favorable than in the preceding month. Reductions as compared with October varied from 4.3 per cent in the case of hardware to 22.2 per cent in the case of dry goods. Total collections reflected a seasonal decrease from the level of the previous month.

Although the November sales of reporting wholesale dry goods firms in this district fell 22.2 per cent below those

of October, this reduction is somewhat less than the decline usually reported in this month. Business was 10.3 per cent better than a year ago, whereas for the period from July 1 to November 30, there was a decrease of 1.2 per cent as compared with the like period in 1934. Late reports indicate that December business is being stimulated by frequent fill-in orders to meet the increased consumer demand. Collections during November were on practically the same basis as in the previous month.

The volume of sales reported for November by wholesale hardware firms showed a decrease of only 4.3 per cent, this comparison being appreciably better than seasonal. An improvement of 19.5 per cent was reflected as compared with the same month last year. Despite the good showing made for the district as a whole, it was indicated that a slackening in demand was visible in some sections. Collections rose materially during November.

Distribution of farm implements at wholesale in this district registered a seasonal reduction of 21.5 per cent last month, but there was an expansion of 53.6 per cent as compared with November, 1934. Combined sales during the months from July to November, inclusive, exceeded those of the same period last year by 52.7 per cent. A moderate decline from the large collections volume of the preceding month was reported in November.

The demand for drugs at wholesale during November was seasonally 9.8 per cent less than in the preceding month, but reports indicate buying in December has been active. While business was 2.4 per cent larger than in the same month a year ago, this gain is substantially below the average percentage increase for the five months since mid-year. A small reduction from the October total was shown in the amount of collections during November.

While the business of reporting wholesale grocery firms reflected a chiefly seasonal decline of 13.9 per cent in November, it continued on a scale well above that of a year ago. The gain over November, 1934, amounted to 5.6 per cent. Stocks on hand November 30 were slightly smaller than a month earlier. Following the substantial gain shown in October, collections during the month registered a decline of 9.2 per cent.

CONDITION OF WHOLESALE TRADE DURING NOVEMBER, 1935
Percentage of increase or decrease in—

	Net Sales Nov., 1935 compared with Nov., 1934		Net Sales July 1 to date compared with same period last year		Stocks Nov., 1935 compared with Nov., 1934		Ratio of collec- tions during Nov. to accounts and notes outstanding on October 31
	Nov., 1934	Oct., 1935	Nov., 1934	Oct., 1935	Nov., 1934	Oct., 1935	
Groceries.....	+ 5.6	-13.9	+ 4.1	—	.2	- 1.1	82.5
Dry goods.....	+10.3	-22.2	- 1.2	—	-16.6	-10.5	39.0
Farm implements..	+53.6	-21.5	+52.7	+43.7	+ 1.0	—	12.5
Hardware.....	+19.5	- 4.3	+20.5	+ 8.5	+ 1.4	—	47.6
Drugs.....	+ 2.4	- 9.8	+14.1	+24.1	+ 2.9	—	52.5

Retail Trade

Stimulated by lower temperatures and early Christmas buying, the business of department stores in principal cities of the Eleventh District was very active during November as is evidenced by the fact that daily average sales were 5.8 per cent greater than in the previous month. Aggregate dollar volume of sales during November was 1.8 per cent smaller than in October, which is considerably below the average decline for that month, and was 6.4 per cent greater than in the corresponding month a year ago. Another indication of the good business enjoyed by merchants during November is that this bank's index of department store sales, after making allowances for seasonal changes, advanced from 79.9 per cent of the 1923-25 average in October to 83.8 per cent in November. Total sales during 1935 to date continued 6.3 per cent greater than in 1934. Reports indicate that the December demand for merchandise at department stores is also in good volume.

The total dollar volume of stocks of merchandise held by reporting firms on November 30 was 2.2 per cent greater than a month earlier, and 5.6 per cent larger than on the same date in 1934. The rate of stock turnover during the eleven months of 1935, ended November 30, was 2.83, as compared with 2.72 in the like period of 1934.

Further increases were witnessed during the past month in collections on both open and installment accounts. The ratio of November collections to open accounts outstanding on November 1 was 41.6 per cent, as against 40.5 per cent in October, and 39.8 per cent in November last year.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
November, 1935, compared with November, 1934.....	+ 7.1	+ 7.3	+ 1.1	+11.7	+ 5.7	+ 6.4
November, 1935, compared with October, 1935.....	-11.2	- 1.3	+ 8.7	+ 9.0	- .8	- 1.8
January 1 to date compared with same period last year.....	+ 9.8	+ 5.5	+ .4	+ 8.2	+ 5.0	+ 6.3
Credit sales (percentage):						
November, 1935, compared with November, 1934.....	+ 8.7	+ 9.7	+ 5.5	+13.4	+ 7.3	+ 8.7
November, 1935, compared with October, 1935.....	-12.7	- 4.2	+ 2.0	+ 6.7	- 6.1	- 5.6
January 1 to date compared with same period last year.....	+13.7	+10.0	+ 6.7	+11.3	+ 8.3	+10.8
Stocks on hand at end of month (percentage):						
November, 1935, compared with November, 1934.....	+12.1	+ 1.2	- 6.3	+10.8	+ 2.5	+ 5.6
November, 1935, compared with October, 1935.....	+ 3.0	+ 2.9	+ 1.8	+ 2.2	+ .7	+ 2.2
Stock turnover (rate):						
Rate of stock turnover in November, 1934.....	.29	.24	.25	.30	.23	.26
Rate of stock turnover in November, 1935.....	.29	.24	.26	.30	.24	.27
Rate of stock turnover January 1 to November 30, 1934.....	3.07	2.32	2.48	3.30	2.29	2.72
Rate of stock turnover January 1 to November 30, 1935.....	3.23	2.39	2.61	3.19	2.39	2.83
Ratio of November collections to open accounts receivable outstanding November 1, 1935.....	40.6	39.2	44.2	45.9	40.2	41.6
Ratio of Nov. collections to installment accounts receivable outstanding Nov. 1, 1935.....	16.3	9.5	.....	19.6	21.1	15.3
Indexes of department store sales:						
Unadjusted—October, 1935.....	105.0	95.5	88.4	73.6	.....	91.9
Unadjusted—November, 1935.....	101.1	100.8	104.9	88.5	.....	97.2
Adjusted—October, 1935.....	86.1	83.8	85.0	65.7	.....	80.9
Adjusted—November, 1935.....	85.7	84.0	89.7	77.0	.....	83.8
Indexes of department store stocks:						
Unadjusted—October, 1935.....	64.7	75.9	50.1	52.5	.....	66.5
Unadjusted—November, 1935.....	66.8	78.0	50.9	56.3	.....	68.4
Adjusted—October, 1935.....	57.8	66.0	43.2	46.5	.....	58.8
Adjusted—November, 1935.....	61.3	69.0	44.3	50.7	.....	61.1

Commercial Failures A noticeable increase in the number and liabilities of commercial failures in the Eleventh Federal Reserve District occurred during November. Dun & Bradstreet, Incorporated,

reported that there were 30 defaults during the month owing \$314,248, as compared with 13 insolvencies in the previous month with an indebtedness of \$151,809, and 17 failures in November, 1934, which had combined liabilities of \$223,903.

AGRICULTURE

Crop Conditions Heavy rains occurred in all sections of the Eleventh District during the past month, and the moisture was particularly beneficial to the dry areas in the northwest portion of the Texas Panhandle and in eastern New Mexico. The rains in the latter areas, which fell late in November and early in December, will materially improve the portion of the wheat crop already sown and will enable farmers to proceed with seeding operations on the land where dry weather had delayed this work. The rains were also beneficial to small grains in other sections of the district. Reports indicate that plants have made rapid growth and are in good condition generally. A good season now obtains in all sections of the district. On the other hand, the wet soil has delayed harvesting operations, fall plowing, and other field work. A period of open weather is needed to enable farmers to proceed with such work.

Oklahoma is again harvesting a poor cotton crop. While the estimated production of 535,000 bales for the current year is considerably larger than the 317,000 bales harvested last year, it is much smaller than average production. The per acre yield in Oklahoma was forecast at 108 pounds as compared with 56 pounds in 1934 and 160 pounds for the 10-year average. In Louisiana, the indicated production is considerably larger than for the two preceding years and the per acre yield exceeds the 10-year average.

The final estimate of the Department of Agriculture, based on December 1 condition figures, lowered considerably the indicated production of cotton in states attached to this district. The reduction between November 1 and December 1 was due largely to the damage to late bolls by frosts and freezes. The Department of Agriculture estimated the Texas crop at 3,050,000 bales on December 1, which represents a reduction of 200,000 bales from the previous estimate, and compares with an initial estimate of 3,851,000 bales in August and an actual harvest of 2,406,000 bales in 1934. Most of the decline during the month occurred in northwest Texas. This section also shows a large increase in production over 1934 as last year's production was seriously affected by the prolonged drouth. The area in Texas left for harvest is estimated at 10,606,000 acres as compared with 10,297,000 acres last year. The indicated lint yield was placed at 138 pounds per acre as compared with the low yield of 112 pounds in 1934. Picking and ginning have been delayed by wet weather, and the grade has been damaged. On the basis of the current estimate, approximately 83 per cent of the crop had been ginned prior to December 1 as compared with 94 per cent in 1934. The following table gives the estimated production for the State by districts:

The November weather was favorable generally for the development of vegetable crops in South Texas. According to the Department of Agriculture most crops have made good progress, except for some insect and high temperature damage to some early plantings. Harvesting of fall vegetables proceeded with little interruption during the past month and shipments will continue in December, but the remaining tonnage of some crops is light. Prospects are good for winter vegetables as there is an ample supply of subsoil moisture and there is no apparent shortage of irrigation water. The Department estimated that plantings of cabbage, spinach, and beets are considerably larger than a year ago, but the acreage planted to carrots is smaller than last season.

Livestock The condition of ranges and livestock in the Eleventh Federal Reserve District continued considerably above the average during the past month. The Department of Agriculture reported that winter range and feed prospects in Texas are the best since 1926, and that cattle are going into the winter in excellent condition. The High Plains areas in northwest Texas and eastern New Mexico, which had been affected adversely by dry weather, received much-needed rainfall late in November and early in December. While conditions in these areas are very poor, the outlook is somewhat brighter as the recent rains made the prospects for wheat pastures better than for several years. In other sections, good range pasturage and an ample supply of dry feed, supplemented by small grains fields available for grazing, should carry livestock through the winter in good condition. An ample supply of stock water is available in all sections.

According to the Department of Agriculture the condition of cattle ranges in Texas was rated at 85 per cent of normal on December 1, as compared with 87 per cent a month earlier, and 52 per cent a year ago. Sheep and goat ranges also declined 2 points, but the 90 per cent condition on December 1 compared with 45 per cent on that date last year. The December 1 condition of cattle in Texas was 86 per cent of normal as compared with 88 per cent on November 1, 60 per cent a year ago, and 81.8 per cent for the 10-year average on December 1. While the condition of sheep and goats declined 1 point in November, the December 1 figure of 90 per cent was 28 and 24 points, respectively, higher than a year ago.

Districts	December 1, November 1,		Production 1934	5-yr. average 1929-1933
	1935 forecast	1935 forecast		
N. W. High Plains.....	350	425	100	444
N. W. Rolling Plains.....	600	795	248	786
North Central Plains.....	120	120	67	124
North Blacklands.....	765	755	763	1,282
East Texas.....	470	460	425	694
Trans-Pecos.....	48	55	57	54
Edwards Plateau.....	81	85	50	96
Southern Prairies.....	358	355	443	623
Coastal Plains.....	106	105	126	199
South Texas.....	92	95	127	143
State.....	3,050	3,250	2,406	4,445

**Movements
and Prices**

The receipts of all classes of livestock at the Fort Worth market in November reflected a substantial decline as compared with the previous month. While the arrivals of cattle and calves were well above those in November last year, the receipts of hogs and sheep were sharply lower.

The cattle market reflected considerable unevenness during the past month, but most classes ruled a little stronger than in the previous month. There was usually a good outlet

for quality offerings. While the hog market was somewhat irregular, prices at the middle of December were slightly higher than a month earlier. The supply of sheep and lambs continued light and prices worked to higher levels. During the first half of December the best offerings of lambs brought \$10.00, which was the best price recorded since the spring of 1934.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	November 1935	November 1934	Change over year	October 1935	Change over month
Cattle.....	73,159	59,046	+14,113	78,001	- 4,842
Calves.....	43,729	33,938	+ 9,791	49,108	- 5,379
Hogs.....	15,475	26,500	-11,025	18,228	- 2,753
Sheep.....	29,990	47,183	-17,193	50,370	-20,380

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	November 1935	November 1934	October 1935
Beef steers.....	\$9.00	\$6.35	\$9.25
Stocker steers.....	7.10	4.00	7.25
Heifers and yearlings.....	9.25	7.25	9.25
Butcher cows.....	5.50	3.25	5.50
Stocker cows.....	.....	.....	.....
Calves.....	7.00	4.75	7.50
Hogs.....	9.65	6.40	10.55
Sheep.....	5.50	3.25	5.50
Lambs.....	9.75	6.00	9.25

FINANCE**Operations of
the Federal Re-
serve Bank**

The borrowings of member banks at the Federal Reserve Bank, which stood at \$50,000 on November 15, declined to \$24,000 early in December, but by the middle of the month they had risen to \$174,000. On December 15 last year member banks were not indebted to the Federal Reserve Bank. While this bank's investments in United States securities showed no change between November 15 and December 15, they were \$7,500,000 larger than a year ago. The total cash reserves of this bank rose to \$132,951,000 on December 15, which compares with \$125,706,000 on November 15, and \$124,082,000 on December 15, 1934. The reserve deposits of member banks reflected considerable variation during the past month but the total at the middle of December was \$5,255,000 larger than a month earlier and \$1,123,000 above those on the same date last year. Federal reserve notes in actual circulation amounted to \$73,694,000 on December 15, as compared with \$70,320,000 on November 15, and \$53,236,000 on December 15, 1934.

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

	Dec. 15, 1935	Dec. 15, 1934	Nov. 15, 1935
Total cash reserves.....	\$132,951	\$124,082	\$125,706
Discounts for member banks.....	174	None	50
Other bills discounted.....	None	None	1,809
Industrial advances.....	1,812	708	None
Commitments to make industrial advances.....	596	None	599
Bills bought in the open market.....	121	154	121
United States Government securities owned.....	78,975	71,475	78,975
All other investments.....	7	None	3
Total earning assets.....	81,089	72,337	80,958
Member bank reserve deposits.....	126,746	125,623	121,491
Federal reserve notes in actual circulation.....	73,694	53,236	70,320

**Condition of
Member Banks
in Selected
Cities**

Reports from member banks in selected cities during the four-week period ending December 11 reflected a further increase in loans, but a decline in deposits and in investments. Loans on securities were increased \$560,000 between November 13 and December 11, but the total on the latter date was \$7,104,000 lower than a year earlier. "All other" loans (largely commercial) reflected a further increase of \$817,000 during the four weeks and at the end of the period exceeded the total on the corresponding date last year by \$5,969,000. Investments of these banks in the direct obligations of the United States

were reduced \$7,966,000 during the current period and on December 11 were \$18,002,000 smaller than a year ago. Holdings of securities fully guaranteed by the United States Government on December 11 were \$852,000 greater than four weeks earlier and \$33,491,000 in excess of those on December 12, 1934. Investments in other securities rose \$960,000 between November 13 and December 11, and on the latter date were \$2,841,000 larger than a year ago. While deposits declined slightly during the four-week period, they were materially larger than at this time last year. The reserve deposits of these banks with the Federal Reserve Bank on December 11 were \$4,725,000 greater than on November 13, but were \$3,658,000 lower than on December 12, 1934.

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

	Dec. 11, 1935	Dec. 12, 1934	Nov. 13, 1935
United States securities owned.....	\$149,821	\$167,823	\$157,787
Securities fully guaranteed by U. S. Govt. owned.....	51,359	17,868	50,507
All other stocks, bonds, and securities owned.....	44,957	42,116	43,997
Loans on securities.....	41,888	48,992	41,328
All other loans.....	151,781	145,812	150,964
Total loans.....	193,669	194,804	192,292
Net demand deposits.....	351,309	311,385	351,737
Time deposits.....	121,574	123,091	121,760
Reserve with the Federal Reserve Bank.....	74,672	78,330	69,947
Bills payable and rediscounts with the Federal Reserve Bank.....	None	None	None

**Acceptance
Market**

Acceptances executed by accepting banks in this district and outstanding November 30 aggregated \$2,373,539, which compares with \$2,019,553 a month earlier, and \$1,151,076 a year ago. The expansion in the case of both comparisons was reflected in the amount of acceptances based on the domestic shipment and storage of goods, as the total of acceptances executed against import and export transactions was materially smaller than on either comparative date.

**Deposits of
Member Banks**

A further increase of \$7,620,000 over the previous month was reflected in daily average net demand deposits of member banks in the Eleventh District during November. A gain was also registered in time deposits, and the combined daily average during the month amounted to \$784,086,000. This figure compares with an average of \$775,552,000 reported

in October. The increase during the month occurred mostly at banks in reserve cities.

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., 1934.....	\$596,441	\$196,512	\$292,685	\$111,082	\$303,756	\$85,430
Dec., 1934.....	597,645	195,380	286,965	111,630	310,680	83,750
Jan., 1935.....	590,459	196,436	279,110	113,255	311,349	83,181
Feb., 1935.....	609,125	197,155	289,957	112,586	310,168	84,569
Mar., 1935.....	605,672	193,394	294,281	112,019	311,391	81,375
April, 1935.....	606,348	193,849	299,163	112,252	307,185	81,597
May, 1935.....	603,787	194,524	296,770	113,128	307,017	81,396
June, 1935.....	609,260	193,253	300,625	112,838	308,635	80,415
July, 1935.....	618,475	194,395	308,892	112,752	309,583	81,643
Aug., 1935.....	630,736	194,580	326,406	111,826	304,330	82,754
Sept., 1935.....	567,887	194,050	313,465	111,616	254,422	82,434
Oct., 1935.....	581,625	193,927	325,245	110,993	256,380	82,934
Nov., 1935.....	589,245	194,841	332,345	111,867	256,900	82,974

NOTE: The method of computing net demand deposits subject to reserve was changed by the Banking Act of 1935 approved August 23, 1935.

Debits to Individual Accounts

The volume of debits to individual accounts during November at banks in leading centers in the Eleventh Federal Reserve District amounted to \$688,669,000. This figure was seasonally smaller than the \$726,976,000 total which was reported in October, but exceeded by 23.7 per cent the amount shown for November last year, when total charges amounted to \$556,846,000. This comparison with a year ago is the most favorable reported since July.

The volume of debits to individual accounts during November at banks in leading centers in the Eleventh Federal Reserve District amounted to \$688,669,000.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	November 1935	November 1934	Percentage change over year	October 1935	Percentage change over month
Abilene.....	\$ 8,823	\$ 5,979	+47.6	\$ 9,683	- 8.9
Austin.....	20,184	22,294	- 9.5	25,145	-19.7
Beaumont.....	20,478	15,805	+29.6	19,750	+ 3.7
Corsicana.....	2,850	2,474	+15.2	3,483	-18.2
Dallas.....	197,906	156,891	+26.2	222,167	-10.9
El Paso.....	23,766	20,565	+15.6	22,109	+ 7.5
Fort Worth.....	71,178	57,629	+23.5	72,329	- 1.6
Galveston.....	25,064	17,611	+42.3	24,097	+ 4.0
Houston.....	160,614	130,306	+23.3	165,208	- 2.8
Port Arthur.....	6,391	5,123	+24.8	6,570	- 2.7
Roswell.....	3,198	2,707	+18.1	2,907	+10.0
San Antonio.....	62,738	49,019	+28.0	61,144	+ 2.6
Shreveport.....	31,291	28,210	+10.9	35,351	-11.5
Texarkana*.....	6,320	5,067	+24.7	6,965	- 9.3
Tucson.....	9,406	7,825	+20.2	8,562	+ 9.9
Tyler.....	10,657	8,177	+30.3	11,400	- 6.5
Waco.....	14,188	11,418	+24.3	15,581	- 8.9
Wichita Falls....	13,557	9,746	+39.1	14,524	- 6.7
Total.....	\$688,669	\$556,846	+23.7	\$726,976	- 5.3

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

Savings Deposits

The savings deposits of reporting banks in this district that operate savings departments totaled \$155,776,759 on November 30, as compared with \$154,601,825 a month earlier, and \$144,546,248 on the same date last year. Practically all cities in the district participated in the increases over both comparative dates. A further small gain in the number of savings depositors occurred during the month.

SAVINGS DEPOSITS

	November 30, 1935			November 30, 1934			October 31, 1935		
	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	9,224	\$ 3,772,329	8,552	\$ 3,491,066	+ 8.1	9,197	\$ 3,717,692	+ 1.5
Dallas.....	9*	76,830	25,197,258	75,709	25,040,715	+ .6	76,767	25,115,654	+ .3
El Paso.....	2	11,967	6,062,619	11,469	4,976,292	+21.8	11,854	5,909,997	+ 2.6
Fort Worth.....	3	35,100	11,474,019	33,964	10,477,408	+ 9.5	35,068	11,381,327	+ .8
Galveston.....	4	16,945	10,606,418	16,800	9,860,113	+ 7.6	17,129	10,623,387	- 2.2
Houston.....	11*	67,501	32,845,444	64,687	29,269,666	+12.2	67,344	32,678,284	+ .5
Port Arthur.....	2	5,540	2,223,455	5,029	1,999,850	+11.2	5,422	2,196,818	+ 1.2
San Antonio.....	6	22,179	16,935,404	20,590	15,803,617	+ 7.2	22,023	16,774,478	+ 1.0
Shreveport.....	3	22,361	10,627,842	22,425	10,640,928	+ .8	22,264	10,637,656	+ .8
Waco.....	3	10,845	6,296,548	10,751	6,310,255	- .2	10,831	6,283,444	+ .2
Wichita Falls.....	3	6,196	3,283,330	5,891	2,908,462	+12.9	6,220	3,274,439	+ .3
All others.....	76*	51,718	26,353,093	50,483	23,767,876	+10.9	51,423	26,008,649	+ 1.3
Total.....	125	336,406	\$155,776,759	326,350	\$144,546,248	+ 7.8	335,542	\$154,601,825	+ .8

*Only 8 banks in Dallas, 10 in Houston, and 69 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 discount under the Federal Reserve Act.....	1 1/4-6	5-8	1 1/2-6	3-7	6-7	6
Rate charged on loans to other banks secured by bills receivable.....	2 3/4-6	5	4-6	4 1/2-6	6	.....
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	5	6-8	4-10	4-7	6	6-8
Time.....	5-8	6-8	4-10	4-7	6-7	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	1 1/2-8	6-8	5-8	3-7	5-8	3-7
Rate on cattle loans.....	6	6-8	6-10	7-10	7-8	8

INDUSTRY

Cottonseed Products

While operations of cottonseed oil mills during November in both Texas and the United States evidenced a seasonal decline from the previous month, they continued in excess of those in the corresponding month of 1934. The demand for cottonseed products, as measured by shipments during the month, continued in good volume. At Texas mills the shipments of crude oil and hulls were greater than in either

the previous month or the same month last year and shipments of cake and meal were in excess of those in November, 1934. Shipments of all products from United States mills were greater than a year ago, but evidenced a seasonal recession from October. During the current season, August to November inclusive, the crushings of cottonseed and the production of all products exceeded those in the corresponding four months of 1934 by a substantial margin.

Receipts of seed at United States mills during the present season continue in smaller volume than in the 1934-35 season. Supplies of cottonseed products on hand November 30 at crushing establishments reflected the usual seasonal increase over the previous month, and with the exception of hulls at United States mills were in greater volume than on the same date last year.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	Aug. 1 to Nov. 30 This season	Last season	Aug. 1 to Nov. 30 This season	Last season
Cottonseed received at mills (tons).....	691,954	598,163	2,753,992	2,783,255
Cottonseed crushed (tons).....	475,522	417,222	1,956,763	1,768,296
Cottonseed on hand Nov. 30 (tons).....	238,844	283,702	886,804	1,237,720
Crude oil produced (pounds)...	134,593,769	119,835,469	591,668,612	542,863,701
Cake and meal produced (tons).....	219,798	198,621	883,163	799,433
Hulls produced (tons).....	128,225	110,408	503,230	458,948
Linters produced (running bales).....	91,647	85,559	432,092	379,252
Stocks on hand November 30:				
Crude oil (pounds).....	22,570,260	12,851,905	68,378,444	46,408,934
Cake and meal (tons).....	84,520	77,088	312,279	298,699
Hulls (tons).....	79,525	57,502	164,190	170,278
Linters (running bales).....	56,247	41,542	172,224	163,401

Textile Milling

The domestic consumption of cotton during November reflected a decline somewhat larger than usually occurs in that month, and the total was also 2.4 per cent smaller than the 1925-1934 average. On the other hand, consumption continued in greater volume than in the like month of 1934. There were 507,836 bales of cotton consumed during the month, as compared with 552,187 bales in October, and 480,081 bales in November, 1934. Despite the large decline from October to November, the month's consumption of cotton was the largest for any corresponding November since 1929. During the first four months of the current cotton year there were 1,917,559 bales of cotton consumed, as against 1,716,750 bales in the same period of 1934. Stocks of raw cotton held by consuming establishments on November 30 were greater than those on hand a month earlier or a year ago.

Activities at reporting textile mills in Texas turned upward during November. Both the consumption of cotton and the production of cloth were greater than a month earlier or a year ago. Orders for finished products on hand November 30 were also greater than on the final day of either comparative month. Stocks of goods held on November 30 were slightly greater than a month earlier, but they were substantially smaller than on the same date last year.

COTTON CONSUMED AND ON HAND (Bales)

	November		Aug. 1 to Nov. 30	
	1935	1934	This season	Last season
Cotton-growing states:				
Cotton consumed.....	426,794	384,937	1,607,307	1,372,630
On hand November 30 in—				
Consuming establishments.....			1,171,280	1,044,921
Public storage and compresses.....			8,520,533	9,588,505
United States:				
Cotton consumed.....	507,836	480,081	1,917,559	1,716,750
On hand November 30 in—				
Consuming establishments.....			1,346,127	1,294,456
Public storage and compresses.....			8,629,812	9,803,690

Cotton Movements

The combined exports of cotton through the ports of Houston and Galveston during November reflected a large seasonal increase over the previous month, and were more than twice as great as in the like month of 1934. The latter increase

is of unusual significance since it is the most favorable gain registered for that comparison in many months. Combined shipments from both ports during the first four months of the current season evidenced an increase of 12.3 per cent over those in the same period of 1934. Receipts of cotton during November were seasonally smaller than those a month earlier at both Houston and Galveston, but they continued in excess of those in the corresponding month last year. Stocks of cotton on hand November 30 were greater than the holdings on October 31, and at Galveston they remained above those a year ago.

For the third consecutive month the exports of American cotton exceeded those of the corresponding month in the previous year, and the November figure was nearly twice that for the same month in 1934. The total of 1,134,874 bales exported in November exceeded that for any month since December, 1931, and was the largest November figure since 1928. Shipments amounted to 711,664 bales in October, and 572,359 bales in November, 1934. Exports during the month were also 6.5 per cent greater than the ten-year (1925-34) November average. During the first four months of the 1935-36 season foreign exports of cotton totaled 2,574,786 bales, as compared with 1,894,142 bales in the same period last season. The large increase in exports of domestic cotton is accounted for by the increased takings of Great Britain, France, Germany, Spain, and many of the smaller countries in Europe and South America.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	November 1935	November 1934	Aug. 1 to Nov. 30	
			This season	Last season
Receipts.....	321,147	164,315	1,054,835	622,089
Exports.....	259,262	115,741	450,069	479,646
Stocks, November 30.....			829,419	653,936

COTTON—GALVESTON STOCK STATEMENT (Bales)

	Nov. 30, 1935	Nov. 30, 1934
For Great Britain.....	11,000	6,600
For France.....	20,000	4,500
For other foreign ports.....	75,500	42,900
For coastwise ports.....	2,200	800
In compresses and depots.....	720,719	599,186
Total.....	829,419	653,936

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	November 1935	November 1934	Aug. 1 to Nov. 30	
			This season	Last season
Receipts.....	415,046	155,945	1,102,586	820,309
Exports.....	317,561	162,790	672,149	514,877
Stocks, November 30.....			732,464	1,119,952

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

	Aug. 1 to Nov. 30	
	This season	Last season
Receipts.....	4,646,359	2,924,047
Exports: United Kingdom.....	637,463	254,595
France.....	309,809	162,859
Italy.....	162,603	184,355
Germany.....	311,126	163,554
Other Europe.....	412,230	302,980
Japan.....	634,424	693,188
All other countries.....	107,181	132,602
Total foreign ports.....	2,574,786	1,894,142
Stocks held at all United States ports, November 30.....	2,984,547	3,203,071

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

	November, 1935		Dec. 14, 1935
	High	Low	
New York.....	12.45	11.35	11.90
New Orleans.....	12.42	11.38	11.68
Dallas.....	11.94	10.79	11.24
Houston.....	12.25	11.20	11.75
Galveston.....	12.24	11.24	11.68

Petroleum Despite a substantial increase in daily average output of crude oil during November, the month's total production in this district fell slightly below that of October. Aggregate output for November amounted to 34,414,500 barrels, as compared with 34,507,000 barrels in the previous month, and 30,762,000 barrels in the same month last year. Field operations turned upward during the month and were relatively more successful than in October. The number of wells completed rose from 848 in the earlier month to 895 in the latter month, and the number of producers included in these totals rose likewise from 585 to 655. Flush production from successful wells amounted to 1,450,441 barrels in November, as against 1,283,354 barrels in October.

The average daily yield from fields in Texas amounted to 1,057,250 barrels in November, which compares with

OIL PRODUCTION—(Barrels)

	November, 1935		Increase or decrease over October, 1935	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,619,500	120,650	+ 68,650	+ 6,107
West Texas.....	5,703,000	190,100	+ 99,900	+ 9,355
East Texas.....	14,352,000	478,400	-276,950	+ 6,498
South Texas.....	1,893,000	63,100	850	+ 2,008
Texas Coastal.....	6,150,000	205,000	+139,200	+11,103
Total Texas.....	31,717,500	1,057,250	+ 29,950	+35,071
New Mexico.....	1,720,500	57,350	-150,300	- 2,998
North Louisiana.....	976,500	32,550	+ 27,850	+ 1,948
Total District.....	34,414,500	1,147,150	- 92,500	+34,021

1,022,179 barrels in the preceding month, and 955,300 barrels in the corresponding month a year ago. The expansion in both cases was general over the State. A reduction from October was shown in the daily production reported for New Mexico, but in North Louisiana the average continued its upward trend.

NOVEMBER DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	223	131	3	89	49,613
West Texas.....	106	75	3	28	83,851
East Texas.....	245	233	..	12	1,105,763
South Texas.....	179	114	6	59	67,343
Texas Coastal.....	95	71	2	22	24,416
Total Texas.....	848	624	14	210	1,330,986
New Mexico.....	28	23	..	5	74,596
North Louisiana.....	19	8	6	5	44,859
November totals, district ...	895	655	20	220	1,450,441
October totals, district	848	585	19	244	1,283,354

CRUDE OIL PRICES
(Price per barrel)

	Dec. 13, 1935	Dec. 14, 1934
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	1.08

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

Building While showing a decrease of 25.7 per cent from the previous month, the valuation of building permits issued during November at principal cities in this district was 35.3 per cent larger than in the same month last year. The aggregate for the month amounted to \$2,793,792 as compared with \$3,758,078 in October, and \$2,065,288 in November a year ago. Increases over the preceding month were registered at six reporting cities, and at nine cities the totals exceeded those of a year ago.

BUILDING PERMITS

	November, 1935		November, 1934		Percentage change valuation over year	October, 1935		Percentage change valuation over month	January 1 through November 30				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1935		1934		
									No.	Valuation	No.	Valuation	
Amarillo.....	27	\$ 19,075	28	\$ 23,676	- 19.4	32	\$ 47,138	-59.5	318	\$ 273,467	325	\$ 397,051	- 31.1
Austin.....	117	321,404	92	163,303	+ 96.8	183	267,353	+20.2	1,686	5,125,878	937	961,243	+433.3
Beaumont.....	88	40,557	89	22,583	+ 77.2	155	68,114	-40.5	1,253	549,800	1,001	305,636	+ 79.9
Corpus Christi.....	69	60,565	31	93,780	- 35.4	98	74,120	-18.3	648	532,005	303	407,163	+ 30.7
Dallas.....	369	631,998	342	713,340	- 11.5	366	533,258	+18.5	4,305	3,826,090	4,126	2,653,942	+ 42.6
El Paso.....	60	100,997	33	8,314	*	77	53,823	-87.6	524	1,072,467	458	231,793	+362.7
Fort Worth.....	81	115,650	105	538,463	- 78.5	120	350,775	-67.0	1,219	2,938,055	1,008	1,293,050	+127.2
Galveston.....	102	60,260	128	40,247	+ 49.7	174	47,810	+26.0	1,235	631,386	1,437	497,293	+ 27.0
Port Arthur.....	263	740,675	145	252,675	+193.1	322	663,340	+11.7	2,895	6,303,911	1,984	4,485,300	+ 40.5
Houston.....	72	28,497	55	52,466	- 45.7	91	27,111	+ 5.1	856	529,699	528	237,884	+122.7
San Antonio.....	239	189,318	160	51,458	+267.9	268	220,903	-14.3	5,966	3,952,154	1,618	835,699	+372.9
Shreveport.....	137	116,351	143	65,934	+ 76.5	128	129,955	-10.5	1,425	1,192,782	1,727	1,046,657	+ 14.0
Waco.....	23	356,760	18	32,827	+986.8	30	1,256,933	-71.6	303	2,084,568	200	302,237	+589.7
Wichita Falls.....	27	11,685	21	5,422	-115.5	18	17,445	-33.0	270	287,132	679	235,822	+ 21.8
Total.....	1,680	\$2,793,792	1,390	\$2,065,288	+ 35.3	2,062	\$3,758,078	-25.7	22,903	\$29,299,394	16,331	\$ 13,920,820	+110.5

*Increase over one thousand per cent.

Cement A further increase of 15.5 per cent over the previous month was shown in the November production of Portland cement at Texas mills. The volume, which amounted to 327,000 barrels, was 25.3 per cent larger than a year ago. Shipments during the month totaled 313,000 barrels, as compared with 314,000 barrels in October and 212,000 barrels in November last year. While stocks on hand rose 2.3 per cent in November, amounting to 625,000 barrels at the close of the month, this figure is with one exception the smallest reported since No-

vember 30, 1934, when inventories totaled 594,000 barrels.

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

	Nov., 1935	Percentage change over		January 1 through Nov. 30, 1935	Percentage change over year
		Nov., 1934	Oct., 1935		
Production at Texas mills.	327	+25.3	+15.5	3,370	+ 3.0
Shipments from Texas mills.	313	+47.6	— .3	3,405	+ 5.3
Stocks at end of month at Texas mills.	625	+ 5.2	+ 2.3	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(As compiled by the Board of Governors of the Federal Reserve System, December 26, 1935)

Industrial production and employment, which usually decline at this season, showed little change from October to November. Distribution of commodities to consumers increased more than seasonally.

PRODUCTION AND EMPLOYMENT

The Board's seasonally adjusted index of industrial production advanced from 95 per cent of the 1923-1925 average in October to 97 per cent in November. Output of industries producing durable goods continued to increase substantially in November, while activity in most other industries declined somewhat. Output of steel increased further during November to a higher rate than in any previous month this year and this high level was maintained during the first three weeks of December. Automobile production in November continued the sharp increase which began after the change to new models in September. Activity at silk mills and at woolen mills declined. Factory employment and payrolls, which usually decline from the middle of October to the middle of November, showed little change for that period this year. Increases in employment were reported for the automobile, iron and steel, machinery, railroad car, and cotton textile industries and at railroad repair shops. There were larger than seasonal declines at sawmills, shoe factories, silk and rayon mills, and establishments producing wearing apparel. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, continued to increase in November and the first half of December. There was a decline, largely seasonal, in residential building, while other types of construction showed an increase.

AGRICULTURE

Crop production in 1935, according to final estimates by the Department of Agriculture, showed an increase of about 20 per cent in volume over the drought year of 1934, and the farm value of 64 crops amounted to \$5,120,000,000 compared with \$4,780,000,000 last season. The cotton crop, which has been reduced in recent months by bad weather, is

now estimated at 10,734,000 bales compared with the exceptionally small output of 9,636,000 bales in 1934. Cash farm income from marketings of crops and livestock and from Government rental and benefit payments is estimated at about \$6,800,000,000 for the calendar year 1935, as compared with \$6,387,000,000 last year.

DISTRIBUTION

Freight-car loadings decreased by less than the usual seasonal amount during November, reflecting principally a smaller decline in shipments of miscellaneous freight than is customary at this time of year. Value of department store sales, on a daily average basis, increased from October to November.

COMMODITY PRICES

The general level of wholesale commodity prices, after a decline during October, increased during November and showed little change during the first two weeks of December.

BANK CREDIT

Excess reserves of member banks, which had increased to a new high level of \$3,310,000,000 on December 11, largely as the result of continued gold imports, declined considerably during the week ending December 18, as a consequence of seasonal demands for currency and a large increase in Treasury balances with the Federal reserve banks, in connection with mid-December fiscal operations. Changes in condition of reporting banks in 101 leading cities during the four weeks ending December 18, reflected principally the influence of new Government financing. These banks showed increases of \$310,000,000 in holdings of United States Government securities, of \$110,000,000 in loans to brokers and dealers in securities, and of \$200,000,000 in United States Government deposits. Adjusted demand deposits showed a further growth of \$270,000,000 in the three weeks ending December 11, and declined by \$250,000,000 in the following week, as a result of withdrawals for holiday currency demands, income tax payments, and the purchase of new Government securities.