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OF THE FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	October 1936	Change from September
Bank debits to individual accounts (at 18 cities).....	\$890,878,000	+ 12.5%
Department store sales.....		+ 15.7%
Reserve bank loans to member banks at end of month.....	\$ 79,302	—\$139,000
Building permit valuation at larger centers.....	\$ 5,448,486	+ 40.3%
Commercial failures (number).....	10	— 1
Commercial failures (liabilities).....	\$ 80,000	—\$ 28,000
Oil production (barrels).....	41,516,050	+ 5.0%

The major indices of business and industrial activity in the Eleventh Federal Reserve District reflected substantial seasonal gains during October, and the level of activity was higher than in any corresponding month in recent years. Retail distribution, as measured by department store sales in principal cities, increased by 16 per cent between September and October, and exceeded the October, 1935, volume by 33 per cent. The combined sales of reporting wholesale firms showed a further increase of 9 per cent as compared with the previous month, and were 26 per cent greater than in the corresponding month last year. Payments on accounts at both wholesale and retail establishments evidenced a material improvement. There was also a betterment in the business mortality rate. Debits to individual accounts at banks in principal cities continued upward, the aggregate for the month being 13 per cent above that for September, and 23 per cent larger than in October last year.

Following the seasonal decline in September, construction activity turned sharply upward in October. The valuation of building permits issued at principal cities was 40 per cent greater than in September, and 45 per cent above the Octo-

ber, 1935, figure. According to the compilation of the F. W. Dodge Corporation, the value of construction contracts awarded in this district during October was 17 per cent and 35 per cent, respectively, higher than in September this year and October last year.

The gross deposits of member banks in this district averaged \$1,262,060,000 in October as compared with \$1,216,899,000 in September. Their reserves with the Federal Reserve Bank amounted to \$162,397,000 on November 15, which was \$6,281,000 higher than a month earlier, and \$40,906,000 in excess of those a year ago. The loans of reporting member banks in leading cities evidenced a further increase of \$7,618,000 between October 7 and November 11, and on the latter date they were \$37,177,000 larger than those on the corresponding date last year. Federal Reserve notes in actual circulation amounted to \$92,159,000 on November 15, representing an expansion of \$1,131,000 during the month and \$21,839,000 over the circulation on the same date last year.

Developments in the agricultural and livestock industries were generally favorable. According to the November 1 report of the Department of Agriculture, the cotton crop showed some improvement which was offset in part by lower estimates for some feed and minor food crops. Farmers have made good progress with harvesting operations and the seeding of small grains. A good season obtains in practically all sections of the district, and the soil is in excellent condition for winter plowing. Ranges generally are in better than average condition and livestock are going into the winter in fine shape.

BUSINESS

Wholesale Trade

Buying at wholesale was at a more active pace during October, reflecting the upward trend in consumer demand. The

combined volume of business in the five lines of wholesale trade reporting to this bank was 8.5 per cent higher than in the previous month and the increase over the corresponding month last year averaged 25.9 per cent. This latter

figure compares with an average gain of 22.5 per cent for the past four months and an increase of 14.1 per cent in the first half of the year. Collections reflected a further noticeable increase from September to October, and they were considerably higher than a year ago both in total volume and in relation to the amount of notes and accounts outstanding.

The October distribution of dry goods at wholesale, while showing a seasonal decline of 6.1 per cent, evidenced a gain of 26.7 per cent over the same month of 1935 as compared with an average of 27.4 per cent for the period July 1 to October 31. In the first half of the year there was a gain of only 12.2 per cent. Collections were very brisk, being 33.7 per cent larger in October than in September.

The expansion in the outlet for farm implements which began in August continued at an accelerated pace in October. The October sales of reporting firms were 59.3 per cent in excess of those in the previous month, 103.7 per cent larger than in the same month last year, and the highest for any month in recent years. Collections evidenced a very large increase over the previous month.

The buying of drugs at wholesale broadened during October. Sales of reporting firms rose 16.2 per cent above those in September, and exceeded those in October, 1935, by 27.2 per cent. The gain for the four months ended October 31 over the comparative period last year averaged 19.6 per cent. Inventories were increased 3.2 per cent during the month, and on October 31 were 19.8 per cent higher than a year ago. There was a general increase in collections between September and October, the average being 12.0 per cent.

Distribution of hardware continued to increase in October, the aggregate volume of business registering a gain of 6.5 per cent over that in September, and an increase of 29.6 per cent as compared with October last year. Throughout the current year, sales have exceeded those of a year ago by a wide margin, but there have been only two months in which the gain was larger than in October. October collections were 18.3 per cent larger than in September.

The business of reporting wholesale grocery firms was somewhat spotty during the past month, but the combined sales of reporting firms showed an expansion of 1.7 per cent from September to October. While the month's gain of 6.3 per cent over the corresponding month last year was smaller than the July 1 to October 31 average increase, the narrowing of the spread was due in part to the active business in October, 1935. Collections in October reflected a moderate increase.

CONDITION OF WHOLESALE TRADE DURING OCTOBER, 1936
Percentage of increase or decrease in—

	Net Sales Oct., 1936 compared with		Net Sales July 1 to date compared with same period last year	Stocks Oct. 31, 1936 compared with		Ratio of collections during Oct. to accounts and notes outstanding Sept. 30
	Oct. 1935	Sept. 1936		Oct. 31, 1935	Sept. 30, 1936	
Groceries.....	+ 6.3	+ 1.7	+11.1	+12.9	+ 6.1	92.1
Dry goods.....	+ 26.7	- 6.1	+27.4	+13.3	- 7.3	41.3
Farm implements.....	+103.7	+59.3	+72.2	+ 1.1	- 5	20.0
Hardware.....	+29.6	+ 6.5	+26.9	+ 2.2	- 3.3	50.4
Drugs.....	+ 27.2	+16.2	+19.6	+19.8	+ 3.2	62.7

Retail
Trade

Stimulated by cooler weather, the business of department stores in principal cities reflected a better than average gain from September to October. The month's sales, which were larger than in any corresponding month since 1929, exceeded those of the previous month by 15.7 per cent, and were 33.4 per cent higher than those in the same month last year. The latter comparison, however, is tempered by the fact that business in October, 1935, did not show the usual expansion. This bank's index of department store sales, which is adjusted to make allowance for seasonal changes, reflected the larger than seasonal increase by rising from 103.1 per cent of the 1923-25 average in September to 104.7 per cent in October. The index figure for October last year was 79.9 per cent. Total sales for the ten months of the current year were 19.6 per cent larger than in the same period of 1935.

Inventories on hand at reporting department stores reflected a general increase, the aggregate dollar value on October 31 being 4.4 per cent higher than a month earlier, and 3.7 per cent above that a year ago. The rate of stock turnover in the first ten months of 1936 was 2.87 as against 2.55 in 1935.

There was a substantial improvement in collections during the month. The ratio of October collections to regular accounts outstanding on October 1 was 42.4 per cent as compared with 37.0 per cent in September and 40.5 per cent in October, 1935. There was also a noticeable increase in collections on installment accounts.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total Dis't.
Total sales (percentage):						
October, 1936, compared with October, 1935.....	+ 37.2	+ 35.5	+ 28.1	+ 31.4	+ 30.4	+ 33.4
October, 1936, compared with September, 1936.....	+ 24.5	+ 21.7	+ 2.9	+ 6.9	+ 14.5	+ 15.7
January 1 to October 31, 1936, compared with same period last year.....	+ 21.5	+ 21.8	+ 14.8	+ 22.1	+ 16.9	+ 19.6
Credit sales (percentage):						
October, 1936, compared with October, 1935.....	+ 34.0	+ 31.8	+ 26.8	+ 32.4	+ 26.1	+ 31.2
October, 1936, compared with September, 1936.....	+ 22.6	+ 17.1	+ .2	+ 6.2	+ 14.2	+ 14.3
January 1 to October 31, 1936, compared with same period last year.....	+ 20.9	+ 20.1	+ 17.6	+ 20.9	+ 8.5	+ 18.4
Stocks on hand at end of month (percentage):						
October, 1936, compared with October, 1935.....	+ 2.3	+ .6	+ .5	+ 6.2	+ 7.6	+ 3.7
October, 1936, compared with September, 1936.....	+ 1.0	+ 5.1	+ 10.1	+ 7.3	+ 5.0	+ 4.4
Stock turnover (rate):						
Rate of stock turnover in October, 1935.....	.33	.26	.25	.30	.24	.29
Rate of stock turnover in October, 1936.....	.44	.33	.30	.35	.29	.36
Rate of stock turnover January 1, to October 31, 1935.....	2.94	2.21	2.35	2.78	2.13	2.55
Rate of stock turnover January 1, to October 31, 1936.....	3.22	2.57	2.67	3.14	2.39	2.87
Ratio of October collections to open accounts receivable and outstanding October 1, 1936...	43.9	37.7	44.2	45.1	38.9	42.4
Ratio of October collections to installment accounts receivable and outstanding October 1, 1936.....	16.7	10.5	.....	16.9	16.4	15.2
Indexes of department store sales:						
Unadjusted—September, 1936.....	119.3	107.5	118.2	93.7	.....	109.3
Unadjusted—October, 1936.....	142.8	127.1	106.9	96.2	.....	120.4
Adjusted—September, 1936.....	112.5	110.8	117.0	91.9	.....	103.1
Adjusted—October, 1936.....	117.0	111.5	102.8	85.9	.....	104.7
Indexes of department store stocks:						
Unadjusted—September, 1936.....	65.7	71.8	42.1	51.9	.....	65.5
Unadjusted—October, 1936.....	66.5	75.7	46.3	56.4	.....	68.1
Adjusted—September, 1936.....	60.3	64.7	37.9	47.6	.....	59.5
Adjusted—October, 1936.....	59.4	65.8	39.9	49.9	.....	60.3

Commercial Failures

The commercial failure rate in the Eleventh Federal Reserve District remained at a low level during October.

According to the October report of Dun & Bradstreet, Incorporated, there were only 10 failures during the month with liabilities of \$80,000, which compares with 11 defaults

in September, having an indebtedness of \$108,000, and 13 insolvencies in October, 1935, with aggregate liabilities of \$152,000. During October there were fewer failures and smaller liabilities in the Eleventh District than in any other Reserve district.

AGRICULTURE

Crop Conditions

Weather conditions during the past month have been favorable generally for harvesting operations and the seeding of

small grains and have been beneficial to some crops. The Department of Agriculture's report shows that prospective per acre yields, based on the combined yields of 33 important crops, were higher on November 1 than a month earlier in states wholly or partially attached to this district. The seeding of winter wheat made good progress in the heavy producing areas of north and northwest Texas and much of the crop is up to a good start and making rapid growth. While moisture supplies are ample in all except a few areas, the late October rains were beneficial to small grains and farm pastures. Farmers have made good progress with harvesting operations and in many sections this work is nearing completion.

The cotton crop in states attached to this district is turning out better than was expected as the favorable weather conditions permitted the development of late bolls. The Texas crop increased 90,000 bales, the Department of Agriculture's estimate being raised from 2,915,000 bales on October 1 to 3,005,000 bales on November 1. The latter figure is 49,000 bales larger than the 1935 production. While the yield per acre was raised to 122 pounds, it is still 11 pounds lower than the per acre yield last year, and 17 pounds below the ten-year average per acre yield. During the past month, the improvements in the crop took place mostly in the north and northwest sections of the State. The appended table shows the indicated production by districts in Texas.

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

District	Indicated		Production 1935	Five-year average 1928-32
	Nov. 1, 1936	Oct. 1, 1936		
N. W. High Plains.....	415	398	338	423
N. W. Rolling Plains.....	410	353	603	759
North Central Plains.....	72	67	117	119
North Blacklands.....	1,035	1,008	743	1,347
East Texas.....	467	466	468	770
Trans-Pecos.....	67	62	46	60
Edwards Plateau.....	72	72	88	103
Southern Prairies.....	282	297	354	643
Coastal Plains.....	78	84	113	204
South Texas.....	107	108	91	152
Total State.....	3,005	2,915	2,956	4,580

SOURCE: Department of Agriculture

Ginnings prior to November 1 in Texas totaled 2,303,000 bales, as compared with 1,903,000 bales to the same date in 1935. On the basis of the current estimate of production, approximately 79 per cent of the crop had been ginned prior to November 1 this year as compared with 66.8 per cent to the same date in 1935. The estimated production in Louisiana was raised to 755,000 bales on November 1, which is 44,000 bales higher than the October 1 estimate, and 199,000 bales above the 1935 crop. The per acre yield for the State was estimated at 271 pounds, which is 53 pounds larger than in 1935, and the highest in thirty years. On the other hand, the yield of cotton in Oklahoma is estimated at only 63 pounds per acre as compared with 117 pounds

last year, 149 pounds for the ten-year average, and a low yield of 58 pounds in 1934. The indicated production for the State is 300,000 bales as compared with an estimate of 239,000 bales on October 1 and a harvest of 567,000 bales a year ago. The forecast for New Mexico was raised 7,000 bales in the November 1 report.

The yields of feed crops in states attached to this district were lower than earlier expectations. The Texas corn crop was estimated by the Department of Agriculture at 59,668,000 bushels, which was 4,262,000 bushels lower than the October 1 estimate. On the other hand, the indicated production in Louisiana was increased 1,547,000 bushels. Production in Louisiana, Oklahoma, and Texas in 1936 is sharply lower than the output a year ago. The prospective harvest of grain sorghums in Texas declined 1,780,000 bushels in October, and the crop in New Mexico declined 375,000 bushels. Production of this crop in Oklahoma and Texas is only slightly more than one-half the amount produced in 1935.

The peanut crop in Texas was benefited by favorable weather during October and the November 1 estimate of 91,960,000 pounds was 3,135,000 pounds higher than on October 1. There was an increase of 160,000 pounds in the Louisiana crop, but a decline of 1,200,000 pounds in the indicated production in Oklahoma. Rice production in Texas was estimated at 10,557,000 bushels on November 1 as compared with 10,764,000 bushels on October 1, and an actual production of 8,840,000 bushels in 1935. The forecasted production of sweet potatoes in Texas was reduced 488,000 bushels during October, and the November 1 estimate of 3,782,000 bushels compares with a production of 6,300,000 bushels in 1935. While the indicated production in Louisiana increased 464,000 bushels, the current estimate of 7,888,000 bushels is 968,000 bushels lower than the production in 1935. Weather conditions continued generally favorable for citrus fruits in Texas. The trees were reported by the Department of Agriculture as being in good condition and heavily loaded with fruit. The fruit is maturing rapidly and harvesting is actively under way.

Livestock

Ranges and livestock in most sections of the Eleventh District continue in good condition and they are well above the average condition for this season of the year. According to the November 1 report of the Department of Agriculture, range and feed supplies are ample, except that ranges are short in the northern Panhandle of Texas, southwestern New Mexico and portions of southeastern Arizona. In these sections there is still a deficiency of moisture. In the Edwards Plateau region ranges carry a good supply of grass and there is a large supply of dry feed; consequently, in practically all of the sheep producing areas of Texas, there is an abundance of feed and additional stock can be cared for. October rains were very beneficial to small grains which are up to a good

start and will furnish considerable winter pasturage. Live-stock, which have shown rapid improvement since the fall rains set in, are going into the winter in good flesh and indications are that they will winter under favorable conditions. The Department of Agriculture stated that there seems to be a tendency to hold ewe lambs. Commercial reports indicate that contracting of the 1937 wool clip is under way.

According to the Department of Agriculture, the condition of cattle ranges in Texas was rated at 86 per cent of normal on November 1, the same as a month earlier, and practically the same as a year ago. Sheep and goat ranges, which were maintained at 92 per cent of normal condition on November 1, were well above the ten-year average condition for that date. The condition of cattle remained unchanged at 86 per cent of normal on November 1, which was 2 points lower than on the same date in 1935, but 3 points higher than the ten-year average. During the month, the condition of sheep rose 3 points and that of goats 1 point, and while the November 1 condition figures were 4 and 3 points, respectively, lower than on the same date a year ago, they were 3 points higher than the ten-year average. The condition of ranges and livestock in New Mexico and Arizona declined during October and the condition figure at the end of the month was lower than a year ago.

Movements and Prices While receipts of cattle and calves at the Fort Worth market reflected a substantial seasonal increase from September to October, they were considerably smaller than in the corre-

sponding month last year. The arrivals of hogs were more numerous than a month earlier or a year ago. Reflecting the good range conditions there has been a small movement of sheep and lambs and market supplies have been very light.

The cattle market held generally steady until the second week of November when heavy receipts brought a downward revision of prices on practically all classes of cattle. The trend of hog prices continued uneven with the market reflecting a loss of \$.50 for the month. Sheep and lamb prices remained generally steady.

FORT WORTH LIVESTOCK RECEIPTS (Number)

	Oct. 1936	Oct. 1935	Change over year	Sept. 1936	Change over month
Cattle.....	61,652	78,001	-16,349	55,193	+ 6,459
Calves.....	45,212	49,108	- 3,896	36,965	+ 8,247
Hogs.....	19,429	18,228	+ 1,201	15,757	+ 3,672
Sheep.....	26,773	50,370	-23,597	32,979	- 6,206

COMPARATIVE TOP LIVESTOCK PRICES (Dollars per hundredweight)

	Oct. 1936	Oct. 1935	Sept. 1936
Beef steers.....	\$ 8.25	\$ 9.25	\$ 9.00
Stocker steers.....	7.00	7.25	7.00
Heifers and yearlings.....	10.00	9.25	9.00
Butcher cows.....	5.00	5.50	5.25
Calves.....	6.35	7.50	7.25
Hogs.....	10.35	10.55	10.85
Sheep.....	6.25	5.50	5.00
Lambs.....	8.50	9.25	8.50

FINANCE

Condition of Member Banks in Leading Cities Reports from member banks in leading cities in this district reflected a noticeable increase in deposits, loans, and investments during the five-week period ended November 11. The investments of these banks in the direct and fully guaranteed obligations of the United States Government totaled \$226,735,000 on November 11, which represents an increase of \$1,741,000 during the five weeks and a gain of \$18,441,000 over the year. Holdings of other stocks and bonds were increased \$2,550,000 between October 7 and November 11, and on the latter date they were \$7,309,000 above those on November 13, 1935. While loans on securities showed little change, "all other" loans (agricultural, commercial, and industrial loans) reflected a further expansion of \$7,570,000 during

the five weeks. These loans have evidenced a steady upward trend since mid-summer and reached a total of \$185,046,000 on November 11, which represents a total increase of \$35,815,000 over the four months, and a rise of \$34,082,000 as compared with November 13, 1935. Between October 7 and November 11, there was an increase of \$10,353,000 in demand deposits-adjusted, \$749,000 in time deposits, and \$22,570,000 in inter-bank deposits, offset in part by a decline of \$5,282,000 in United States Government deposits. Against the gain in deposits, these banks increased their loans and investments \$11,909,000, their balances with other domestic banks \$9,936,000, and their reserves with the Federal Reserve Bank \$7,434,000.

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

	Nov. 11, 1936	Nov. 13, 1935	Oct. 7, 1936
United States securities (owned).....	\$184,674	\$157,787	\$187,098
Securities fully guaranteed by United States Government (owned).....	42,061	50,507	37,896
All other stocks, bonds, and securities (owned).....	51,306	43,997	48,756
Loans on securities.....	44,423	41,328	44,375
All other loans.....	185,046	150,964	177,476
Total loans.....	229,469	192,292	221,851
Demand deposits—adjusted*.....	372,669	325,013	362,316
Time deposits.....	121,295	121,760	120,546
United States Government deposits.....	37,786	17,608	43,068
Interbank deposits.....	219,787	181,367	197,217
Balances with domestic banks.....	185,095	173,292	175,159
Reserves with Federal Reserve Bank.....	103,931	69,947	96,497
Bills payable and rediscounts with Federal Reserve Bank.....	None	None	None

*Demand deposits other than interbank and United States Government, less cash items reported as on hand or in process of collection.

Operations of the Federal Reserve Bank Member bank borrowings at the Federal Reserve Bank amounted to only \$39,000 on November 15, which compares with \$145,000 on October 15, and \$50,000 on the same date last year. Industrial advances outstanding on November 15 totaled \$1,410,000 as compared with \$1,482,000 a month earlier, and \$1,809,000 a year ago. While the reserve deposits of member banks averaged \$155,760,000 in October as compared with \$151,160,000 in September, there was an increase in average required reserves of \$3,746,000 between the two months. During the first half of November there was a further increase in these deposits, the total on November 15 being \$162,397,000 as compared with \$156,116,000 on October 15, and \$121,491,000 on November 15, 1935. Federal Reserve notes in actual circulation, which stood at \$91,028,000 on October 15, rose to a new high

level of \$92,944,000 on November 9, but had declined to \$92,159,000 at the middle of the month. The total of these notes in circulation on November 15, 1935, was \$70,320,000.

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

	Nov. 15, 1936	Nov. 15, 1935	Oct. 15, 1936
Total cash reserves.....	\$173,777	\$125,706	\$164,380
Discounts for member banks.....	39	50	145
Other bills discounted.....	None	None	None
Industrial advances.....	1,410	1,809	1,482
Commitments to make industrial advances.....	495	599	498
Bills bought in the open market.....	87	121	87
United States Government securities owned.....	100,637	78,975	100,637
All other investments.....	14	3	12
Total earning assets.....	102,187	80,958	102,363
Member bank reserve deposits.....	162,397	121,491	156,116
Federal Reserve notes in actual circulation.....	92,159	70,320	91,028

Deposits of Member Banks There is presented a table showing the demand deposits-adjusted and time deposits of member banks in the Eleventh Federal Reserve District as of each 'call' date from June 30, 1933, to June 30, 1936, inclusive, segregated according to reserve city and country banks.

DEPOSITS OF MEMBER BANKS
(In thousands of dollars)

Call dates:	Combined Total		Reserve City Banks		Country Banks (2)	
	Demand deposits adjusted (1)	Time Deposits	Demand deposits adjusted (1)	Time Deposits	Demand deposits adjusted (1)	Time Deposits
	June 30, 1933 (3).....	\$379,662	\$189,863	\$176,729	\$114,301	\$202,933	$75,562
Oct. 25, 1933.....	405,974	189,949	181,897	108,733	224,077	81,216
Dec. 30, 1933.....	444,205	190,000	194,914	107,497	249,291	82,503
Mar. 5, 1934.....	489,524	193,799	216,647	108,256	272,877	85,543
June 30, 1934.....	495,520	197,280	232,911	111,854	262,609	85,426
Oct. 17, 1934.....	542,021	195,992	246,436	109,410	295,585	86,582
Dec. 31, 1934.....	551,276	196,066	242,422	112,117	308,854	83,949
Mar. 4, 1935.....	572,576	195,056	259,032	111,861	313,544	83,195
June 29, 1935.....	583,644	195,210	276,556	113,421	307,088	81,789
Nov. 1, 1935.....	628,988	194,362	294,456	111,873	334,532	82,989
Dec. 31, 1935.....	642,167	198,495	292,629	111,851	349,538	86,644
Mar. 4, 1936.....	662,216	196,626	300,624	109,285	361,592	87,341
June 30, 1936.....	697,486	200,661	327,353	110,966	370,133	89,695

- (1) Demand deposits other than interbank and United States Government, less cash items in process of collection and, prior to December 31, 1935, less cash items reported on hand but not in process of collection.
- (2) Outlying banks in reserve cities which have been authorized to carry country bank reserves are included with country banks.
- (3) Beginning June, 1933, figures relate to licensed banks only.

Acceptance Market The value of acceptances executed by accepting banks in this district reflected a large seasonal expansion during October, the total outstanding at the end of the month being \$2,136,813 as compared with \$899,508 on September 30 and \$2,019,553 on October 31, 1935. The expansion occurred

largely in acceptances based on the domestic shipment and storage of goods in which classification the total increased from \$548,196 on September 30 to \$1,751,530 on October 31. Acceptances executed against export and import transactions rose from \$351,312 on the former date to \$385,283 on the latter date.

Debts to Individual Accounts

A general expansion in debts to individual accounts occurred at banks in 18 reporting cities in this district during October. The total for the month aggregated \$890,878,000, which was 12.5 per cent larger than in September, 22.5 per cent above the total for October, 1935, and the largest volume for any corresponding month since 1929. The increase from September to October was shared in by all reporting cities, and there was only one city which reported a decrease from the corresponding month of 1935.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	Oct. 1936	Oct. 1935	Pctg. change over year	Sept. 1936	Pctg. change over month
Abilene.....	\$ 10,341	\$ 9,683	+ 6.8	\$ 8,088	+27.9
Austin.....	28,906	25,145	+15.0	22,410	+29.0
Beaumont.....	22,640	19,750	+14.6	20,560	+10.1
Corsicana.....	4,554	3,483	+30.7	3,993	+14.0
Dallas.....	266,366	222,167	+19.9	247,229	+ 7.7
El Paso.....	32,064	22,109	+45.0	22,415	+43.0
Fort Worth.....	83,412	72,329	+15.3	73,731	+13.1
Galveston.....	34,874	24,097	+44.7	28,737	+21.4
Houston.....	214,824	165,208	+30.0	189,676	+13.3
Port Arthur.....	8,434	6,570	+28.4	7,569	+11.4
Roswell.....	3,931	2,907	+35.2	2,798	+40.5
San Antonio.....	67,521	61,144	+10.4	61,190	+10.3
Shreveport.....	47,894	35,351	+35.5	44,323	+ 8.1
Texarkana*.....	9,055	6,966	+30.0	8,445	+ 7.2
Tucson.....	10,651	8,562	+24.4	8,675	+22.8
Tyler.....	15,195	11,400	+33.3	13,237	+14.8
Waco.....	16,775	15,581	+ 7.7	15,789	+ 6.2
Wichita Falls.....	13,441	14,524	- 7.5	12,755	+ 5.4
Total.....	\$890,878	\$726,976	+22.5	\$791,620	+12.5

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

Savings Deposits

There was a further general increase during October in the savings deposits at 125 banks in this district which operate savings departments. Savings deposits at these banks aggregated \$158,623,375 on October 31, reflecting a gain of 0.6 per cent as compared with those on September 30 and 2.6 per cent over those a year ago. There was a slight decline in the number of savings depositors during the month.

SAVINGS DEPOSITS

	October 31, 1936		October 31, 1935		Percentage change over year in savings deposits	Sept. 30, 1936		Percentage change over month in savings deposits
	Number of reporting banks	Amount of savings deposits	Number of savings depositors	Amount of savings deposits		Number of savings depositors	Amount of savings deposits	
Beaumont.....	3	9,021	\$ 3,640,980	9,197	\$ 3,717,692	8,960	\$ 3,614,434	+ .7
Dallas.....	9*	80,650	26,411,712	77,767	25,115,654	80,716	26,167,741	+ .9
El Paso.....	2	13,359	7,181,503	11,854	5,909,997	13,265	6,920,376	+ 3.8
Fort Worth.....	3	36,420	12,366,921	35,068	11,381,327	36,299	12,305,308	+ .5
Galveston.....	4	17,090	10,846,481	17,129	10,623,387	17,400	10,840,335	+ .1
Houston.....	11*	68,217	29,781,241	66,880	32,683,479	68,123	29,828,887	+ .2
Port Arthur.....	2	5,358	2,318,479	5,422	2,196,818	5,348	2,309,538	+ .4
San Antonio.....	6*	19,926	18,199,035	17,666	16,774,478	20,177	18,112,964	+ .5
Shreveport.....	3	23,887	11,177,513	22,266	10,637,656	23,791	11,079,240	+ .9
Waco.....	3	9,554	5,405,516	9,831	6,283,444	9,533	5,412,428	+ .1
Wichita Falls.....	3	6,487	3,428,618	6,220	3,278,446	6,517	3,422,159	+ .2
All others.....	76*	52,118	27,865,376	50,485	26,025,131	52,546	27,641,838	+ .8
Total.....	125	342,087	\$158,623,375	329,785	\$154,627,509	342,675	\$157,655,248	+ .6

*Only 8 banks in Dallas, 10 in Houston, 5 in San Antonio and 68 in "All others" reported the number of savings depositors.

DISCOUNT RATES CHARGED BY MEMBER BANKS DURING NOVEMBER, 1936

	Prevailing Rates					
	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	1-8	5-8	1½-6	4-7	5-7	2-6
Rate charged on loans to other banks secured by bills receivable.....	5	.....	4-6	5-6	6	5
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	4-10	3-7	6	6
Time.....	5-8	5-8	4-10	3-7	6-8	6
Rate charged on commodity paper secured by warehouse receipts, etc.....	2-8	6-8	1-8	2-7	6-8	5-8
Rate on cattle loans.....	5¼-8	5-8	5-10	5-10	7-8	8

INDUSTRY

Cottonseed Products

The operations of Texas and United States cottonseed oil mills during October were seasonally larger than in September and at Texas mills they were somewhat larger than a year ago. The crushings of cottonseed and the production of products at all United States mills fell slightly below those in October last year. While supplies of cottonseed products on hand at mills continued to increase seasonally, shipments of crude oil and linters were in larger volume than in the same month of 1935. Stocks of all products at United States mills and stocks of crude oil and hulls at Texas mills were lower on October 31 than on the corresponding date last year. Supplies of cottonseed at mills increased substantially between September 30 and October 31, and holdings on the latter date at United States mills were 53.6 per cent higher than on the same date in 1935.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to October 31		August 1 to October 31	
	This season	Last season	This season	Last season
Cottonseed received at mills (tons).....	586,967	491,452	2,690,046	2,068,484
Cottonseed crushed (tons).....	375,555	310,322	1,437,799	1,328,771
Cottonseed on hand				
Oct. 31 (tons).....	221,288	203,542	1,274,173	829,288
Crude oil produced (lbs.).....	105,608,849	86,610,227	428,337,056	400,281,750
Cake and meal produced (tons).....	172,342	143,902	642,195	599,560
Hulls produced (tons).....	100,457	82,278	368,981	340,284
Linters produced (running bales).....	80,008	59,214	341,030	288,702
Stocks on hand October 31:				
Crude oil (pounds).....	17,856,641	19,456,215	56,808,247	64,704,874
Cake and meal (tons).....	69,163	61,971	190,068	255,155
Hulls (tons).....	50,246	57,460	116,220	122,529
Linters (running bales).....	38,671	38,206	126,627	140,898

Source: Bureau of Census.

Textile Milling

There was a seasonal increase in the domestic consumption of cotton from September to October. Consumption in October totaled 646,499 bales, which was 16.9 per cent higher than consumption in October, 1935, and the largest figure for any October on record. Consumption in the three months of the current season aggregated 1,850,515 bales, a gain of 31.1 per cent over the comparable period of the

COTTON CONSUMED AND ON HAND

	(Bales)			
	Oct. 1936		August 1 to October 31	
	1936	1935	This season	Last season
Cotton-growing states:				
Cotton consumed.....	541,335	459,815	1,549,039	1,182,564
Cotton on hand October 31 in—				
Consuming establishments.....			1,239,525	935,756
Public storage and compresses.....			7,983,695	8,377,191
United States:				
Cotton consumed.....	646,499	552,840	1,850,515	1,411,812
Cotton on hand October 31 in—				
Consuming establishments.....			1,402,916	1,077,796
Public storage and compresses.....			8,028,140	8,482,269

Source: Bureau of Census.

previous season. Mill purchases of raw cotton were unusually heavy in October, as is indicated by the fact that stocks on hand at mills rose from 848,734 bales on September 30 to 1,402,916 bales on October 31. The latter figure compares with stocks of 1,077,796 bales on the same date in 1935.

Cotton Movements

The movement of cotton to the concentration points of Houston and Galveston continued in heavy volume during October. The combined receipts at these ports totaled 949,727 bales which was 52.3 per cent larger than in September and 10.3 per cent greater than a year ago. Exports of cotton from the two ports reflected a large seasonal increase from September to October, and the totals for the latter month were substantially higher than in the same month of 1935. The combined shipments from the two ports during the first quarter of the current season averaged 52.0 per cent greater than in the corresponding period of the previous season.

Exports of cotton from the United States during October reflected a further seasonal expansion, the total for the month being 861,016 bales as compared with 569,624 bales in September and 711,664 bales in October, 1935. Aggregate

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	(Bales)			
	Oct. 1936		August 1 to October 31	
	Oct. 1936	Oct. 1935	This season	Last season
Receipts.....	527,307	397,558	940,202	733,688
Exports.....	274,457	129,508	473,681	190,807
Stocks, October 31.....			828,716	767,534

COTTON—GALVESTON STOCK STATEMENT

	(Bales)	
	Oct. 31, 1936	Oct. 31, 1935
For Great Britain.....	3,500	3,000
For France.....	9,000	2,400
For other foreign ports.....	36,100	48,300
For coastwise ports.....	4,000	1,200
In compresses and depots.....	776,116	712,684
Total.....	828,716	767,534

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	(Bales)			
	Oct. 1936		August 1 to October 31	
	1936	1935	This season	Last season
Receipts.....	422,420	463,220	706,337	687,540
Exports.....	195,653	177,777	355,447	354,588
Stocks, October 31.....			517,216	640,006

SPOT COTTON PRICES

	Middling Basis		Nov. 15, 1936
	(Cents per pound)		
	October, 1936		
	High	Low	
New York.....	12.64	12.01	12.18
New Orleans.....	12.55	11.97	12.20
Dallas.....	12.03	11.51	11.63
Houston.....	12.34	11.80	11.96
Galveston.....	12.29	11.75	11.92

shipments during the three months of the current season amounted to 1,613,127 bales, which represents a gain of 12.0 per cent over exports in the corresponding period of the previous season. Exports of cotton to France, Germany, and Japan continued to show substantial increases over a year ago.

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

	August 1 to October 31	
	This season	Last season
Receipts.....	3,419,549	3,214,201
Exports:		
United Kingdom.....	344,313	377,632
France.....	288,190	150,213
Italy.....	72,675	104,545
Germany.....	200,683	174,563
Other Europe.....	185,115	223,294
Japan.....	441,398	348,716
All other countries.....	80,753	60,949
Total exports.....	1,613,127	1,439,912
Stocks held at all United States ports Oct. 31.....	2,733,011	2,749,641

Petroleum Crude oil production in the Eleventh District, after declining moderately in September, rose in October to the highest level recorded since the spring of 1933. Total output for the month amounted to 41,516,050 barrels as compared with 39,529,350 barrels in the previous month, and 34,507,000 barrels in October, 1935. The increase from September to October was due only in part to the longer month as the daily average production was 21,582 barrels greater. The rate of drilling activity remained at about the same level as in the previous period. There were 1,048 wells completed in the four weeks ended October 24, and the 803 producers yielded an initial flow of 1,122,548 barrels.

Texas fields produced a daily average of 1,181,800 barrels in October, which was 24,207 barrels higher than in the previous month, and 159,621 barrels in excess of the daily average output in October, 1935. During the month there was an increase at all fields except north Texas. Production in New Mexico reached a new peak with a daily average output of 80,827 barrels. In north Louisiana daily average

production dropped to 76,600 barrels, which was the lowest figure recorded since June.

OIL PRODUCTION (Barrels)

	October, 1936		Increase or decrease over September, 1936	
	Total	Daily Avg.	Total	Daily Avg
North Texas.....	3,646,000	117,613	— 19,100	— 4,557
West Texas.....	6,354,650	204,989	+ 387,850	+ 6,096
East Texas.....	15,816,750	510,218	+ 892,950	+12,758
South Texas.....	2,678,550	86,405	+ 111,100	+ 823
Texas Coastal.....	8,139,850	262,575	+ 535,200	+ 9,087
Total Texas.....	36,635,800	1,181,800	+1,908,000	+24,207
New Mexico.....	2,505,650	80,827	+ 135,800	+ 1,832
North Louisiana.....	2,374,600	76,600	— 57,100	— 4,457
Total District.....	41,516,050	1,389,227	+1,986,700	+21,582

OCTOBER DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	192	123	12	52	39,304
West Texas.....	191	146	7	38	228,355
East Texas.....	201	184	2	15	644,302
South Texas.....	292	214	7	71	91,664
Texas Coastal.....	72	54	3	15	22,143
Total Texas.....	948	726	31	191	1,025,768
New Mexico.....	48	45	1	2	60,080
North Louisiana.....	52	32	12	8	36,700
*October totals, District.....	1,048	803	44	201	1,122,548
**Sept. totals, District.....	1,070	817	35	218	994,689

*October figures represent four weeks ended October 24, 1936.
**September figures represent four weeks ended September 26, 1936.

CRUDE OIL PRICES (Price per barrel)

	Nov. 6, 1936	Nov. 4, 1935
Texas Coastal (34 gravity and above).....	\$1.22	\$1.12
North Texas (40 gravity and above).....	1.08	1.03
North Louisiana (40 gravity and above).....	1.10	1.08

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

Building Construction activity in this district turned sharply upward in October. The valuation of building permits issued at fourteen principal cities rose to \$5,448,486, which was 40.3 per cent larger than the September volume and 45.0 per cent in excess of the total for the corresponding month a year ago. The October volume was the largest for any month since March this year, and was higher than any October figure since 1929. The cumulative total for the ten months of the current year amounted to \$50,237,544, which was 89.5 per cent larger than in the corresponding period of 1935.

BUILDING PERMITS

	October, 1936		October, 1935		Pctg. change valuation over year	September, 1936		Pctg. change valuation over month	January 1 through October 31				Pctg. change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1936		1935		
Amarillo.....	32	\$ 543,601	32	\$ 47,138	*	39	\$ 59,559	+812.7	309	\$ 1,055,078	291	\$ 254,392	+314.7
Austin.....	147	221,696	133	267,353	— 17.1	154	576,881	— 61.6	1,612	3,920,401	1,569	4,804,474	— 18.4
Beaumont.....	127	106,447	155	68,114	+ 56.3	130	61,637	+ 72.7	1,186	970,870	1,165	509,243	+ 90.6
Corpus Christi.....	142	248,505	98	74,120	+235.3	113	212,305	+ 17.1	1,127	2,372,879	579	471,440	+403.3
Dallas.....	469	458,247	366	533,258	— 14.1	413	466,443	— 1.8	4,939	8,692,450	3,936	3,194,092	+172.1
El Paso.....	77	103,450	77	53,823	+ 92.2	63	56,152	+ 84.2	643	808,850	458	971,470	— 16.7
Fort Worth.....	251	522,533	120	350,775	+ 49.0	233	414,949	+ 25.9	1,796	7,476,622	1,138	2,822,405	+164.9
Galveston.....	128	96,690	174	47,810	+102.2	115	166,924	— 42.1	1,109	1,440,405	1,133	571,126	+152.2
Houston.....	460	2,296,387	322	663,340	+246.2	410	1,077,594	+113.1	3,866	15,814,432	2,632	5,563,236	+184.3
Port Arthur.....	181	79,633	91	27,111	+193.7	161	69,519	+ 14.5	1,405	813,030	784	501,202	+ 62.2
San Antonio.....	284	428,936	268	220,903	+ 94.2	232	258,593	+ 65.9	2,496	3,770,989	5,727	3,762,836	+ 2
Shreveport.....	161	265,189	128	129,955	+104.1	186	341,176	— 22.3	1,323	2,151,394	1,288	1,076,431	+ 99.9
Waco.....	42	60,320	30	1,256,933	— 95.2	38	83,703	— 27.9	371	612,166	280	1,727,308	— 64.6
Wichita Falls.....	21	16,852	18	17,445	— 3.4	15	37,945	— 55.6	187	337,978	243	275,447	+ 22.7
Total.....	2,522	\$5,448,486	2,062	\$3,758,078	+ 45.0	2,302	\$3,833,380	+ 40.3	22,369	\$50,237,544	21,223	\$26,505,602	+ 89.5

*Increase over one thousand per cent.

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Board of Governors of the Federal Reserve System)

Volume of industrial production increased seasonally in October and there was a substantial rise in employment and payrolls. Prices of a number of industrial raw materials and finished products have advanced.

PRODUCTION AND EMPLOYMENT

In October the Board's seasonally adjusted index of industrial production was at 109 per cent of the 1923-1925 average, about the level of the three preceding months. Steel production was in larger volume than in any other month since 1929, and the rate of activity was sustained in the first three weeks of November. Output of automobiles rose sharply from September to October. The increase in this period was less than a year ago, reflecting the fact that this year the date of the shift to production of new models was less uniform among the leading producers, but in the first three weeks of November production increased further and was larger than last year. Activity at textile mills, which usually increases in October, declined slightly from the high level of September. In the meat-packing industry output showed a further increase. Coal production increased seasonally, and production of crude petroleum continued at recent high levels.

Factory employment increased by more than the usual seasonal amount between the middle of September and the middle of October. Increases in employment were general among the durable goods industries, with the largest expansion reported at factories producing automobiles and machinery, while changes in employment in the nondurable goods industries were largely of a seasonal character. Factory payrolls rose by considerably more than the usual seasonal amount.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was slightly smaller in October than in September, with a decline in publicly-owned projects partly offset in the total by an increase in awards for private non-residential construction.

DISTRIBUTION

Sales by department stores and by mail-order houses serving rural areas increased from September to October

by a larger amount than is usual at this season. Variety store sales showed a less than seasonal rise. Freight-car loadings increased further in October, reflecting chiefly a larger volume of shipments of miscellaneous freight and of coal.

COMMODITY PRICES

The general level of wholesale commodity prices advanced somewhat during the first three weeks of November, following two and a half months of little change. Since the middle of October prices of a number of industrial raw materials, particularly nonferrous metals, hides, rubber, silk, and wool, have shown a considerable rise and there have also been substantial increases in the prices of some finished products, including automobile tires, glass, woolen goods, and cotton goods.

BANK CREDIT

Member bank reserves increased in the four weeks ended November 18, chiefly as a result of transfers of gold to the United States. On that date member bank reserves were \$2,270,000,000 larger than legal requirements, the highest level since the increase in reserve requirements which became effective in the middle of August.

Adjusted demand deposits at weekly reporting member banks in leading cities have continued to increase, and on November 18 amounted to about \$15,400,000,000. Since the end of last May these deposits have increased by over \$800,000,000, reflecting a rise in deposits outside New York City. Time deposits at reporting banks have remained at about the \$5,000,000,000 level.

Holdings of United States Government obligations at reporting banks have recently declined somewhat further. Since the end of June the decline has amounted to about \$300,000,000 and has been at New York City, with little change elsewhere. Holdings of other securities have declined in recent weeks, reflecting chiefly a reduction in the amount held by New York City banks. Loans to customers have shown some further increase.