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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

	November 1936	Change from October
Bank debits to individual accounts (at 18 cities)	\$774,362,000	— 13.1%
Department store sales	—	— 17.6%
Reserve bank loans to member banks at end of month	\$ 10,022	—\$ 69,280
Building permit valuation at larger centers	\$ 3,541,273	— 35.0%
Commercial failures (number)	15	+ 5
Commercial failures (liabilities)	\$ 204,000	+\$124,000
Oil production (barrels)	39,363,050	— 5.2%

total for the same month of 1935. Residential contracts, however, showed an increase of 70 per cent over last November.

Reporting member bank loans, after reaching a seasonal peak toward the end of November, declined during the subsequent two weeks and the total of \$228,876,000 on December 9 was moderately lower than four weeks earlier. These banks made a further addition of \$4,405,000 to their investment portfolios between November 11 and December 9, representing largely the purchases of direct and fully guaranteed obligations of the United States Government. The average gross deposits of member banks rose to \$1,298,010,000 in November, which was \$35,950,000 larger than the October average. The reserves of member banks were maintained at an average of 60 per cent above requirements in November. There was a further substantial increase in reserves during the first half of December, but the gain was more than cancelled at the middle of the month due to the cash payments on subscriptions to the December 15 Treasury issues of United States Government securities. Federal Reserve notes in actual circulation were moderately higher on December 15 than a month earlier.

The position of the district's agricultural and livestock industries remained generally satisfactory although some unfavorable circumstances developed during the month. There is a growing need for additional moisture in the 1936 drouth area to provide a good subsoil season and to stimulate the growth of small grains. Wet soil in other areas delayed farm work in November. Early freezes prevented maturity of range grass in some sections. Livestock, however, are going into the winter in good shape.

BUSINESS

Wholesale Trade

Wholesale distribution in this district reflected an end-of-season decline during November. It should be noted, however, that the volume of business was maintained at a level substantially higher than that obtaining a year ago. The combined sales of reporting firms in the five lines of wholesale trade investigated by this bank were 22.6 per cent larger

than those in November last year, which was practically the same percentage gain registered for the five months ended November 30. Increases for the period in individual lines ranged from 10.6 per cent for groceries to 86.7 per cent for farm implements. The heavier volume of wholesale trade is a reflection of the expansion in consumer demand resulting partly from the larger cash agricultural income, the spread

in employment, and the increase in payrolls. Inventories in most lines at the end of November were considerably above those a year ago.

The sales of dry goods by reporting wholesale firms declined 36.4 per cent between October and November. While this recession was somewhat larger than seasonal, purchases during the late summer and fall were very heavy. November sales were 3 per cent above those in the same month last year, and the gain for the period from July 1 to November 30 averaged 23.4 per cent. Stocks held by reporting firms on November 30 were 3.8 per cent smaller than a month earlier, but they exceeded those a year ago by 23.4 per cent. Reports indicate that the cotton goods market is generally strong and that mill deliveries on some items are slow.

The distribution of farm implements at wholesale during November, although 5.4 per cent smaller than in October, was 140.9 per cent above that in the same month of 1935. Sales have shown a marked expansion since mid-summer and the margin of increase over a year ago has widened as the season advanced. During the past few years in which farm income has been rising, farmers have been replacing obsolete and worn out equipment at an accelerated rate, but buying has been particularly heavy in recent months.

The November sales of reporting wholesale grocery firms reflected a seasonal recession of 12.0 per cent, but they remained appreciably above those a year ago. Although inventories showed a seasonal decline of 2.2 per cent during November, they had been increased by more than the usual amount during the preceding four months, and the total on November 30 was 11.9 per cent higher than a year earlier.

The wholesale drug business in November, while 13.8 per cent smaller than in October, exceeded that in the same month last year by 21.5 per cent. Sales during the five months ended November 30 were 20.0 per cent larger than those in the corresponding period of 1935. Stocks on November 30 were about the same as a month earlier, and were 16.0 per cent higher than on the same date in 1935.

The wholesale hardware trade, after showing an upward trend during the preceding nine months, declined 17.1 per cent between October and November. The month's sales, however, were 22.5 per cent larger than in the same month last year. Business throughout the year has been stimulated by the marked expansion in building activity.

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

Percentage of increase or decrease in—						Ratio of collections during Nov. to accounts and notes outstanding on Oct. 31
	Net Sales Nov., 1936 compared with		Net Sales July 1 to date compared with	Stocks Nov. 30, 1936 compared with		
	Nov. 1935	Oct. 1936	same period last year	Nov. 30, Oct. 31, 1935	1936	
Groceries.....	+ 8.7	—12.0	+10.6	+11.9	— 2.2	84.2
Dry goods.....	+ 3.0	—36.4	+23.4	+23.4	— 3.8	38.1
Farm implements.....	+140.9	— 5.4	+86.7	+13.6	+13.6	14.8
Hardware.....	+ 22.5	—17.1	+29.7	+ .2	— .7	51.4
Drugs.....	+ 21.5	—13.8	+20.0	+16.0	+ .7	60.5

Retail
Trade

Adverse weather conditions prevailing during much of the month and a falling off in tourist trade were factors partially accounting for the larger than seasonal decline in department store sales during November. The recession in the cities of Dallas and Fort Worth was greater than the 17.6 per cent average for the district. Total sales for the month were 12.0 per cent above those in November, 1935, when there was one additional business day. The adjusted index of department store sales compiled by this bank declined from 104.7 per cent of the 1923-1925 average in October to 97.2 per cent in November, and the latter figure compares with 83.8 per cent in the same month of the previous year. Late reports indicate that Christmas shopping, stimulated by payments of bonuses and dividends, is gaining momentum as the holiday season approaches and will be in unusually large volume this December.

Among the individual departments, increases over November a year ago occurred in all departments with the exception of piece goods and accessories. Departments registering gains of 20 per cent or better were as follows: Blankets and comfortables; silverware; stationery; millinery; women's and misses' coats and suits; house furnishings; china and glassware; and domestic floor coverings.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total Dist.
Total sales (percentage):						
November, 1936, compared with November, 1935.....	+ 15.8	+ 11.1	+ 11.4	+ 5.6	+ 11.9	+ 12.0
November, 1936, compared with October, 1936.....	- 25.1	- 18.6	- 5.5	- 12.5	- 15.6	- 17.6
January 1 to November 30, 1936, compared with same period last year.....	+ 20.9	+ 19.6	+ 14.4	+ 19.3	+ 16.4	+ 18.5
Credit sales (percentage):						
November, 1936, compared with November, 1935.....	+ 13.7	+ 15.8	+ 15.7	+ 7.8	+ 9.7	+ 12.9
November, 1936, compared with October, 1936.....	- 26.3	- 15.5	- 6.9	- 14.1	- 18.3	- 19.1
January 1 to November 30, 1936, compared with same period last year.....	+ 20.1	+ 18.8	+ 17.4	+ 19.4	+ 13.8	+ 18.5
Stocks on hand at end of month (percentage):						
November, 1936, compared with November, 1935.....	+ 5.7	- 2.6	+ 4.2	+ 12.6	+ 10.9	+ 6.5
November, 1936, compared with October, 1936.....	+ 6.4	+ .4	+ 5.6	+ 8.4	+ 3.8	+ 5.1
Stock turnover (rate):						
Rate of stock turnover in November, 1935.....	.29	.24	.26	.30	.23	.27
Rate of stock turnover in November, 1936.....	.32	.26	.28	.29	.24	.28
Rate of stock turnover January 1, to November 30, 1935.....	3.23	2.39	2.62	3.12	2.37	2.81
Rate of stock turnover January 1, to November 30, 1936.....	3.53	2.77	2.95	3.42	2.63	3.13
Ratio of November collections to open accounts receivable and outstanding Nov. 1, 1936.....	43.0	38.5	44.1	44.1	40.7	42.3
Ratio of November collections to installment accounts receivable and outstanding November 1, 1936.....	16.2	11.0	.....	14.3	17.6	14.6
Indexes of department store sales:						
Unadjusted—October, 1936.....	142.8	127.1	106.9	96.2	.....	120.4
Unadjusted—November, 1936.....	121.4	116.9	120.6	97.8	.....	112.7
Adjusted—October, 1936.....	117.0	111.5	102.8	85.9	.....	104.7
Adjusted—November, 1936.....	102.9	97.4	103.1	85.0	.....	97.2
Indexes of department store stocks:						
Unadjusted—October, 1936.....	66.5	75.7	46.3	56.4	.....	65.1
Unadjusted—November, 1936.....	71.1	76.0	50.1	64.1	.....	72.1
Adjusted—October, 1936.....	59.4	65.8	39.9	49.9	.....	60.3
Adjusted—November, 1936.....	65.2	67.3	43.6	57.7	.....	64.4

The dollar value of department store stocks rose 5.1 per cent in November, and at the close of the month were 6.5 per cent higher than a year ago. Compared with last year, the increase in average end-of-month stocks has been much smaller than the gain in sales causing a higher rate of stock turnover. Thus far this year reporting stores have turned their stocks 3.13 times as compared with 2.81 times in the same period of 1935.

Collections on regular accounts showed practically no change from October to November, but there was a moderate decline in payments on installment contracts. The ratio of payments on regular accounts was 42.3 per cent in November

as against 41.6 per cent last year. On installment accounts the ratio was 14.6 per cent for the current month, and 15.3 per cent in the same month of 1935.

Commercial Failures

The number and liabilities of commercial failures in the Eleventh Federal Reserve District increased during November. Dun & Bradstreet, Incorporated, reported that there were 15 failures with liabilities aggregating \$204,000, which compares with 10 defaults in October with an indebtedness of \$80,000, and 30 insolvencies in November, 1935, with aggregate liabilities of \$314,000.

AGRICULTURE

Crop Conditions

Farm work in many sections of the Eleventh District was retarded by wet soil during November, but the more favorable weather prevailing recently has enabled farmers to proceed with field operations. The harvesting of crops and the seeding of small grains are practically completed, and winter plowing can be pushed forward rapidly in the event weather conditions remain favorable. While the supply of moisture is generally ample over the major portion of the district, there is a shortage of subsoil moisture in a considerable portion of the 1936 drouth area, and a deficiency of surface moisture in some portions. Early sown grains are up to a good stand and making fair to good growth although rain is needed in the heavy producing areas of northwest Texas to insure plant development and to provide a deep subsoil season.

The Department of Agriculture in its report as of December 1 estimated production of cotton in Texas at 2,945,000 bales, which compares with an estimate of 3,005,000 bales on November 1. The Department stated that the reduction of 60,000 bales in prospective production during the month resulted from the damage to late fruit caused by frost and freezes in the High Plains and adjacent areas. While the latest estimate is only 11,000 bales below last year's production, the acreage harvested was 11 per cent larger. The indicated per acre yield on December 1 was 119 pounds, as compared with 133 pounds in 1935, and 114 pounds in the drouth year of 1934. There was considerable variation as compared with a year ago in the amount of cotton produced in the several districts of the State. An increase in production occurred in the Northwest High Plains, North Blacklands, Trans-Pecos, and South Texas districts due to the larger acreage and more favorable growing conditions. The summer drouth caused reduced yields in the Northwest Rolling Plains, North-Central Plains, and in portions of the Edwards Plateau district, while the mid-summer floods and

insect activity were responsible for the lower yields in the Southern Prairies and Coastal Plains districts. Ginnings in Texas prior to December 1 totaled 2,713,000 running bales, which represents approximately 95.2 per cent of the present estimate. This figure compares with 84.8 per cent in 1935, and 94.0 per cent in 1934.

Total production of cotton in Louisiana was estimated at 763,000 bales, or the largest crop produced since 1931. The indicated per acre yield of 265 pounds exceeds that for any year since 1906. The December 1 estimate of 290,000 bales for the Oklahoma crop was only about half the poor harvest of 1935 and less than one-third of the 1928-1932 average production. The cotton crop in Arizona and New Mexico exceeded earlier expectations and the final estimates are considerably larger than last year's production.

According to the Department of Agriculture, winter vegetable crops in south Texas showed an improvement during November. The condition of winter crops is reported to be favorable in all sections except the Coastal Bend area where the lack of surface moisture has delayed planting and development of crops. Most of the fall crops are still being harvested and some of the early winter crops are beginning to move. Citrus fruits are moving in large volume.

Livestock

The condition of ranges and livestock in most sections of the Eleventh District remained generally favorable. Ranges carry a fair to good supply of matured grass, except in those areas affected by the 1936 drouth where the grass did not make sufficient growth to insure ample range feed. Likewise, supplies of dry feed in these areas are short, and additional moisture is needed to stimulate growth of grain for winter pasturage. This is particularly true of northwest Texas and southwestern New Mexico. In most other sections of Texas, there is an ample to surplus supply of range grass and dry feed to carry livestock through the winter in good shape. Livestock are in very good condition in practically all sections, and are entering the winter under favorable circumstances. The Department of Agriculture reported that the shipments of sheep and lambs from Texas have been very small in proportion to the large lamb crop. There was considerable contracting for 1937 wool during November, but commercial reports indicate that contracting has slowed down recently.

The Department of Agriculture reported that the condition of cattle and sheep and goat ranges in Texas declined 4 points during November, which was greater than the average decline, but the condition on December 1 was

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

District	Forecast		Production 1935	Five-year average 1928-32
	Dec. 1, 1936	Nov. 1, 1936		
N. W. High Plains.....	394	415	338	423
N. W. Rolling Plains.....	386	410	603	759
North Central Plains.....	70	72	117	119
North Blacklands.....	1,022	1,035	743	1,347
East Texas.....	455	467	468	770
Trans-Pecos.....	68	67	46	60
Edwards Plateau.....	72	72	83	103
Southern Prairies.....	289	282	354	643
Coastal Plains.....	81	78	113	204
South Texas.....	108	107	91	152
Total State.....	2,945	3,005	2,956	4,580

SOURCE: Department of Agriculture

considerably above the ten-year average. The condition of cattle was rated at 84 per cent of normal on December 1, which was 2 points lower than a month earlier or a year ago. Sheep and goats reflected a decline of 1 point during the month, and the condition on December 1 was 4 and 3 points, respectively, lower than a year ago. As compared with the ten-year average, the condition of cattle was 2 points higher and that of sheep and goats 3 points. The condition of ranges in New Mexico and Arizona declined during November, and on December 1 it was lower than on the same date a year ago. Livestock generally are in good condition.

Movements and Prices

The November receipts of cattle at the Fort Worth market showed a further seasonal increase as compared with the previous month, but they continued to fall short of arrivals a year ago. The supply of calves and hogs was larger than in either the previous month or the same month last year. The receipts of sheep were in small volume, being considerably below those in either October this year or November a year ago.

The cattle market showed considerable variation during

the past thirty days, but there was usually a good demand at firm to higher prices for quality offerings. There was a broad outlet for calves and the trend of the market was upward. After holding generally steady during the last half of November, hog prices advanced in the first week of December, but the reaction during the subsequent week cancelled part of the gain. Reflecting the light supply, sheep and lamb prices were firm to moderately higher.

FORT WORTH LIVESTOCK RECEIPTS (Number)

	Nov. 1936	Nov. 1935	Change over year	Oct. 1936	Change over month
Cattle.....	67,843	73,824	— 5,981	61,652	+ 6,191
Calves.....	53,202	45,385	+ 7,817	45,212	+ 7,990
Hogs.....	20,572	15,473	+ 5,099	19,439	+ 1,133
Sheep.....	20,156	30,506	—10,350	26,773	— 6,617

COMPARATIVE TOP LIVESTOCK PRICES (Dollars per hundredweight)

	Nov. 1936	Nov. 1935	Oct. 1936
Beef steers.....	\$ 8.75	\$ 9.00	\$ 8.25
Stocker steers.....	7.00	7.10	7.00
Heifers and yearlings.....	10.00	9.25	10.00
Butcher cows.....	5.00	5.50	5.00
Calves.....	6.25	7.00	6.35
Hogs.....	9.45	9.65	10.35
Sheep.....	6.00	5.50	6.25
Lambs.....	8.25	9.75	8.50

FINANCE

Condition of Member Banks in Leading Cities

The investments and deposits of reporting member banks in leading cities reflected a further increase between November 11 and December 9, but there was a small decline in loans. The total of direct and fully guaranteed obligations of the United States Government held by these banks rose to \$230,487,000, which was \$3,752,000 greater than on November 11, and \$29,307,000 larger than on December 11, 1935. Investments in other securities rose \$653,000 during the four-week period and were \$7,002,000 greater than a year earlier. Between November 11 and December 9, loans on securities reflected an expansion of \$1,467,000, which was more than offset by a decline of \$2,060,000 in "all other" loans (agricultural, commercial, and industrial loans), representing a net recession in total loans of \$593,000 for the four-week period. Total loans on December 9 were \$35,207,000 larger than a year earlier. During the four-week period there was an increase of \$9,729,000 in demand deposits-adjusted, \$698,000 in time deposits, and \$2,936,000 in inter-bank deposits, which was partially offset by a decline of \$3,661,000 in United States Government deposits. On December 9, the

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

	Dec. 9, 1936	Dec. 11, 1935	Nov. 11, 1936
United States securities (owned).....	\$187,156	\$149,821	\$184,674
Securities fully guaranteed by United States Government (owned).....	43,331	51,359	42,061
All other stocks, bonds, and securities (owned).....	51,959	44,957	51,306
Loans on securities.....	45,890	41,888	44,423
All other loans.....	182,986	151,781	185,046
Total loans.....	228,876	193,669	229,469
Demand deposits—adjusted*.....	332,398	323,950	372,669
Time deposits.....	121,993	121,574	121,295
United States Government deposits.....	34,125	14,195	37,786
Interbank deposits.....	222,723	186,990	219,787
Balances with domestic banks.....	187,154	179,910	185,095
Reserves with Federal Reserve Bank.....	107,276	74,672	103,931
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.

total of these deposits was \$109,530,000 greater than on the corresponding date in 1935. Between November 11 and December 9, these banks increased their balances with other banks \$2,059,000 and their reserves with the Federal Reserve Bank \$3,345,000.

Operations of the Federal Reserve Bank

Federal Reserve Bank loans to member banks declined to the nominal amount of \$6,000 on December 15, which compares with \$39,000 on November 15, and \$174,000 on December 15, 1935. Outstanding industrial advances reflected a further decline of \$50,000 between November 15 and December 15, and the total of \$1,360,000 on the latter date was \$452,000 smaller than on the corresponding date in 1935. Holdings of United States Government securities aggregated \$100,896,000 on December 15, as compared with \$100,637,000 a month earlier, and \$78,975,000 a year ago. The reserve deposits of member banks averaged \$162,182,000 in November, as compared with \$155,760,000 in October. Average reserves carried during November were 60.1 per cent in excess of requirements as compared with 55.9 per cent in the preceding month. Reserves rose to a new high level at \$170,740,000 on December 8, but they had declined to \$166,852,000 on December 15. Federal reserve notes in actual circulation amounted to \$92,663,000 on December 15, as compared with \$92,159,000 a month earlier and \$73,694,000 a year ago.

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

	Dec. 15, 1936	Dec. 15, 1935	Nov. 15, 1936
Total cash reserves.....	\$175,854	\$132,951	\$173,777
Discounts for member banks.....	6	174	39
Other bills discounted.....	None	None	None
Industrial advances.....	1,360	1,812	1,410
Commitments to make industrial advances.....	492	596	495
Bills bought in the open market.....	87	121	87
United States Government securities owned.....	100,896	78,975	100,637
All other investments.....	14	7	14
Total earning assets.....	102,363	81,089	102,187
Member bank reserve deposits.....	166,852	126,746	162,397
Federal Reserve notes in actual circulation.....	92,663	73,694	92,159

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.....	\$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 20, 1935.....	583,644	195,210	276,556	113,421	307,088	81,789
Nov. 1, 1935.....	628,988	194,362	294,456	111,373	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.

Acceptance Market

Outstanding acceptances executed by accepting banks in this district increased further between October 31 and November 30, the total on the latter date being \$2,236,634 as compared with \$2,136,813 a month earlier, and \$2,373,539 a year ago. Acceptances based on the domestic shipment and storage of goods amounted to \$1,850,025, while those executed against import and export transactions totaled \$386,609.

Debts to Individual Accounts

The volume of debts to individual accounts at banks in reporting cities of the Eleventh Federal Reserve District reflected a seasonal decline between October and November. The recession, which was general over the district, averaged 13.1 per cent, but the November aggregate exceeded that of the same month last year by 12.4 per cent.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	Nov. 1936	Nov. 1935	Pctg. change over year	Oct. 1936	Pctg. change over month
Abilene.....	\$ 8,593	\$ 8,823	- 2.6	\$ 10,341	-16.9
Austin.....	22,634	20,184	+12.1	28,906	-21.7
Beaumont.....	20,486	20,478	+ .03	22,640	- 9.5
Corsicana.....	3,444	2,850	+20.8	4,554	-24.4
Dallas.....	224,017	197,966	+13.2	266,366	-15.9
El Paso.....	27,214	23,766	+14.5	32,064	-15.1
Fort Worth.....	79,710	71,178	+12.0	83,412	- 4.4
Galveston.....	31,081	25,064	+24.0	34,874	-10.9
Houston.....	189,516	160,614	+18.0	214,824	-11.8
Port Arthur.....	7,611	6,391	+19.1	8,434	- 9.8
Roswell.....	3,635	3,198	+13.7	3,931	- 7.5
San Antonio.....	59,323	62,738	- 5.4	67,521	-12.1
Shreveport.....	40,159	31,291	+28.3	47,894	-16.2
Texarkana*.....	7,546	6,320	+19.4	9,055	-16.7
Tucson.....	9,918	9,406	+ 5.4	10,651	- 6.9
Tyler.....	12,834	10,657	+20.4	15,195	-15.5
Waco.....	14,334	14,188	+ 1.0	16,775	-14.6
Wichita Falls.....	12,307	13,557	- 9.2	13,441	- 8.4
Total.....	\$774,362	\$688,669	+12.4	\$890,878	-13.1

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

Savings Deposits

The amount of saving deposits at 114 banks in this district which operate savings departments was \$153,467,627 on November 30, as compared with \$152,712,907 on October 31, and \$150,193,297 on November 30, 1935. The number of savings depositors increased slightly during November.

SAVINGS DEPOSITS

	November 30, 1936		November 30, 1935		Percentage change over year in savings deposits	October 31, 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	8,823	\$ 3,640,115	9,224	\$ 3,772,329	9,021	\$ 3,640,980	-.02
Dallas.....	8	80,583	26,142,654	76,808	24,912,481	80,650	26,032,869	+ .4
El Paso.....	2	13,530	7,309,630	11,967	6,062,619	13,359	7,181,503	+ 1.8
Fort Worth.....	3	36,534	12,401,051	35,100	11,474,019	36,420	12,366,921	+ .3
Galveston.....	4	17,075	10,831,464	16,945	10,606,418	17,092	10,846,481	- .1
Houston.....	10	68,197	28,179,194	67,501	31,235,975	68,217	28,189,158	-.03
Port Arthur.....	2	5,359	2,288,857	5,540	2,223,455	5,358	2,318,479	- 1.3
San Antonio.....	5	19,985	16,020,432	17,796	14,894,519	19,885	15,909,666	+ .7
Shreveport.....	3	23,834	11,255,640	22,085	10,726,842	23,733	11,177,213	+ .7
Waco.....	3	9,558	5,427,239	9,845	6,296,748	9,554	5,405,516	+ .4
Wichita Falls.....	3	6,467	3,457,313	6,196	3,283,330	6,487	3,428,618	+ .8
All others.....	68	52,356	26,514,038	50,399	24,704,562	52,183	26,215,503	+ 1.1
Total.....	114	342,301	\$153,467,627	329,406	\$150,193,297	341,959	\$152,712,907	+ .5

DISCOUNT RATES CHARGED BY MEMBER BANKS DURING DECEMBER, 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.....	3-8	5-6	1½-6	4-7	5-7	2-6
Rate charged on loans to other banks secured by bills receivable.....	5	.....	4-6	4½-6	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.....	4	6-8	4-8	3-7	6	6
Time.....	5-8	5-8	4-8	3-7	6-7	6
Rate charged on commodity paper secured by warehouse receipts, etc.....	2-8	6-8	1½-8	2-7	5-8	5-8
Rate on cattle loans.....	5-8	5-8	4-8	7-10	7-8	8

INDUSTRY

Cottonseed Products

The receipts and crushings of cottonseed and the production of cottonseed products at United States mills declined during November, but were at a higher level than in the

corresponding month last year. The operations of Texas mills, while smaller than in the previous month, were in about the same volume as in November last year. For the four months of the current season, the production of all

classes of cottonseed products at both Texas and United States mills exceeded by a substantial margin the output for the same period of the previous season. Stocks of products on hand at the mills showed a further increase between October 31 and November 30, but holdings on the latter date were smaller than a year earlier.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to November 30 This season	Last season	August 1 to November 30 This season	Last season
Cottonseed received at mills (tons).....	752,723	691,437	3,481,082	2,754,368
Cottonseed crushed (tons).....	546,246	476,573	2,124,053	1,956,284
Cottonseed on hand Nov. 30 (tons).....	216,353	237,276	1,378,955	887,658
Crude oil produced (lbs.).....	152,756,736	134,593,769	631,753,036	591,074,013
Cake and meal produced (tons).....	250,190	219,798	952,933	883,435
Hulls produced (tons).....	146,359	128,225	546,186	503,216
Linters produced (running bales).....	115,636	91,647	510,312	432,599
Stocks on hand November 30:				
Crude oil (pounds).....	20,223,320	22,570,260	62,105,004	68,378,444
Cake and meal (tons).....	81,347	84,520	209,660	315,890
Hulls (tons).....	63,302	79,525	143,900	164,775
Linters (running bales).....	52,663	56,247	164,917	172,510

Source: Bureau of Census.

Textile Milling The November consumption of cotton by domestic mills, although smaller than in October, continued at a relatively high level. The total for the month amounted to 626,695 bales as compared with 646,499 bales in October, and 512,312 bales in November, 1935. The previous high figure for November was in 1927 when consumption aggregated 626,742 bales. During the first four months of the current season, domestic mills consumed 2,477,210 bales, which was 553,086 bales, or 28.7 per cent, larger than in the corresponding period of the previous season. Mill purchases of raw cotton continued in heavy volume. Stocks of cotton on hand at consuming establishments rose to 1,792,250 bales on November 30, which was 27.8 per cent greater than a month earlier, and larger than at any month-end in several years.

COTTON CONSUMED AND ON HAND

	(Bales)			
	Nov. 1936	Nov. 1935	August 1 to November 30 This season	Last season
Cotton-growing states:				
Cotton consumed.....	528,513	430,785	2,077,552	1,613,349
Cotton on hand November 30 in—				
Consuming establishments.....			1,575,907	1,173,595
Public storage and compresses.....			8,357,837	8,519,799
United States:				
Cotton consumed.....	626,695	512,312	2,477,210	1,924,124
Cotton on hand November 30 in—				
Consuming establishments.....			1,792,250	1,348,830
Public storage and compresses.....			8,418,408	8,629,078

Source: Bureau of Census.

Cotton Movements The past month witnessed a sharp decline in the movements of cotton to the ports of Houston and Galveston. The combined receipts at these ports during November were 30.2 per cent smaller than in October, and 10.0 per cent lower than a year ago. The decline is accounted for partly by the heavy movement earlier in the season following the rapid ginning and marketing of the Texas crop. Total receipts at the two ports from August 1 to November 30 aggregated 2,309,365 bales, which was 7.0 per cent greater than in the like period of the previous season. Exports of cotton from both ports reflected a non-seasonal decline from October to November and were smaller than a year ago. Stocks of cotton continued to accumulate.

Exports from all United States ports were likewise smaller than in either the previous month or the corresponding month last year. November exports amounted to 689,815 bales, which represents a decline of 19.9 per cent as compared with October and 39.2 per cent as compared with November, 1935. Shipments during the month to all leading importing countries were smaller than a year ago. Reflecting the sharp decline in November, exports thus far this season dropped 10.6 per cent below those for the corresponding period of the previous season.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	(Bales)			
	Nov. 1936	Nov. 1935	August 1 to November 30 This season	Last season
Receipts.....	383,870	321,147	1,324,072	1,054,835
Exports.....	225,497	259,262	699,178	450,069
Stocks, November 30.....			987,089	829,419

COTTON—GALVESTON STOCK STATEMENT

	(Bales)			
	Nov. 1936	Nov. 1935	Nov. 30, 1935	Nov. 30, 1935
For Great Britain.....			13,600	11,000
For France.....			25,500	20,000
For other foreign ports.....			64,600	75,500
For coastwise ports.....			4,000	2,200
In compresses and depots.....			879,889	720,719
Total.....			987,089	829,419

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	(Bales)			
	Nov. 1936	Nov. 1935	August 1 to November 30 This season	Last season
Receipts.....	278,956	415,046	985,293	1,102,586
Exports.....	180,829	317,561	536,276	672,149
Stocks, November 30.....			606,872	732,464

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

	(Bales)			
	August 1 to November 30 This season	Last season	August 1 to November 30 This season	Last season
Receipts.....	4,548,380	4,646,359		
Exports:				
United Kingdom.....			466,548	637,463
France.....			368,871	309,809
Italy.....			111,592	162,603
Germany.....			286,922	311,126
Other Europe.....			278,670	412,230
Japan.....			662,772	634,424
All other countries.....			127,567	107,131
Total exports.....			2,302,942	2,574,786
Stocks held at all United States ports Nov. 30.....			3,019,331	2,984,547

SPOT COTTON PRICES

Middling Basis (Cents per pound)

	November, 1936		Dec. 15, 1936
	High	Low	
New York.....	12.43	12.08	12.92
New Orleans.....	12.36	12.05	12.72
Dallas.....	11.88	11.58	12.37
Houston.....	12.21	11.86	12.60
Galveston.....	12.13	11.82	12.52

Petroleum

The November output of crude oil in the Eleventh Federal Reserve District reflected a decline from the previous month due both to the shorter month and a decrease in the rate of production. The total for the month amounted to 39,363,050 barrels as compared with 41,516,050 barrels in October, and 34,414,500 barrels in November, 1935. The decrease in the production rate is evidenced by a recession of 27,125 barrels in daily average output between October and November. The rate of drilling activity reflected no material change from the previous period. In the five-week period ended November 28, there were 1,393 wells completed, which

included 1,057 oil producers yielding an initial flow of 1,514,131 barrels.

The daily average production at Texas fields amounted to 1,151,233 barrels in November, which was 30,567 barrels lower than in the previous month. The rate of output was increased in north Texas and in east Texas, but it was more than offset by the decrease recorded at other fields. The daily average production in north Louisiana was up slightly as compared with October, but it was lower than in any other month since June. In New Mexico the daily average output rose to a new high level.

OIL PRODUCTION (Barrels)

	November, 1936		Increase or decrease over October, 1936	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,816,400	127,213	+ 170,400	+ 9,600
West Texas.....	5,540,450	184,682	— 814,200	— 20,307
East Texas.....	15,409,650	513,655	— 407,100	+ 3,437
South Texas.....	5,025,300	167,510	*	*
Texas Coastal.....	4,745,200	158,173	*	*
Total Texas.....	34,537,000	1,151,233	— 2,098,800	— 30,567
New Mexico.....	2,502,950	83,432	— 2,700	+ 2,605
North Louisiana.....	2,323,100	77,437	— 51,500	+ 837
Total District.....	39,363,050	1,312,102	— 2,153,000	— 27,125

*The coastal section of south Texas was formerly included with Texas Coastal. Combined production for the two fields during November was 1,047,900 barrels smaller than in October, and daily average production declined 23,297 barrels.

NOVEMBER DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	310	185	16	109	40,313
West Texas.....	228	175	5	48	201,560
East Texas.....	310	282	4	24	1,034,263
South Texas.....	344	248	11	85	105,112
Texas Coastal.....	110	90	2	18	29,164
Total Texas.....	1,302	980	38	284	1,410,412
New Mexico.....	49	47	1	1	62,224
North Louisiana.....	42	30	5	7	41,495
*Nov. totals, district.....	1,393	1,057	44	292	1,514,131
*October totals, district.....	1,048	803	44	201	1,122,548

*November figures represent five weeks ended November 28, 1936.

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

CRUDE OIL PRICES (Price per barrel)

	Dec. 11, 1936	Dec. 13, 1935
Texas Coastal (34 gravity and above).....	\$1.22	\$1.12
North Texas (40 gravity and above).....	1.08	1.08
North Louisiana (40 gravity and above).....	1.10	1.08

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

Cement

Although the production and shipments of cement at Texas mills declined between October and November, they were maintained at a level substantially higher than in the same month last year. Production during the month amounted to 444,000 barrels, which represents a recession of 18.2 per cent from the October output, but an increase of 35.8 per cent over that in November, 1935. Shipments reflected a decline of only 7.3 per cent as compared with the previous month and exceeded those a year ago by 57.2 per cent. Reflecting the excess of shipments over production, mill stocks declined 6.3 per cent between October 31 and November 30.

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

	Nov. 1936	Nov. 1935	Percentage change from Oct. 1936	January 1 through Nov. 30, 1936	Percentage change over year
Production at Texas mills.....	444	+35.8	—18.2	5,339	+58.4
Shipments from Texas mills.....	492	+57.2	— 7.3	5,386	+58.2
Stocks at end of month at Texas mills.....	696	+11.4	— 6.3	—	—

Source: United States Bureau of Mines.

Building

Following the marked increase in October, the valuation of building permits issued at fourteen principal cities in this district reflected a greater than seasonal decline in November. This decrease was participated in by all but two of the reporting cities. The total for the month amounted to \$3,541,273, and while this figure was 35.0 per cent lower than the October volume, it was 26.8 per cent above that for November, 1935, and was larger than the total for any corresponding month since 1930.

BUILDING PERMITS

	November, 1936		Pctg. change valuation over year	November, 1935		Pctg. change valuation over month	October, 1936		Pctg. change valuation over month	January 1 to November 30 1936		January 1 to November 30 1935		Pctg. change valuation over period
	No.	Valuation		No.	Valuation		No.	Valuation		No.	Valuation	No.	Valuation	
Amarillo.....	24	\$ 45,777		27	\$ 19,075	+140.0	32	543,601	— 91.6	333	\$ 1,100,855	318	\$ 273,467	+302.6
Austin.....	114	256,172	— 20.3	117	321,404	+ 27.7	147	221,696	+ 15.6	1,726	4,176,573	1,686	5,125,878	— 18.5
Beaumont.....	117	51,784	+ 27.7	88	40,557	+ 27.7	127	106,447	— 51.4	1,303	1,022,654	1,253	549,800	+ 86.0
Corpus Christi.....	126	204,245	+237.2	69	60,565	+237.2	142	248,505	— 17.8	1,253	2,577,124	648	532,005	+384.4
Dallas.....	414	351,386	— 44.4	369	631,998	— 44.4	469	458,247	— 23.3	5,853	9,043,836	4,305	3,826,090	+136.4
El Paso.....	74	81,162	— 19.6	66	100,997	— 19.6	77	103,450	— 21.5	717	890,012	524	1,072,467	— 17.0
Fort Worth.....	185	434,733	+275.9	81	115,650	+275.9	251	522,533	— 16.8	1,981	7,911,355	1,219	2,938,055	+169.3
Galveston.....	94	60,664	+ 7	102	60,260	+ 7	128	96,690	— 37.3	1,203	1,501,069	1,235	631,386	+137.7
Houston.....	348	1,302,445	+ 75.8	263	740,675	+ 75.8	460	2,296,387	— 43.3	4,214	17,116,877	2,895	6,303,911	+171.5
Port Arthur.....	119	40,725	+ 42.9	72	28,497	+ 42.9	181	79,633	— 48.9	1,524	853,755	856	529,699	+ 61.2
San Antonio.....	216	380,458	+101.0	239	189,318	+101.0	284	428,936	— 11.3	2,712	4,151,447	5,966	3,952,154	+ 5.0
Shreveport.....	113	231,399	+ 98.9	137	116,351	+ 98.9	161	265,189	— 12.7	1,436	2,882,793	1,425	1,192,782	+ 99.8
Waco.....	31	91,180	— 74.4	23	356,760	— 74.4	42	60,320	+ 51.2	402	703,346	303	2,084,568	— 66.3
Wichita Falls.....	25	9,143	— 21.8	27	11,685	— 21.8	21	16,852	— 45.7	212	347,121	270	287,132	+ 20.9
Total.....	2,000	\$3,541,273	+ 26.8	1,680	\$2,793,792	+ 26.8	2,522	\$5,448,486	— 35.0	24,369	\$53,778,817	22,903	\$29,299,894	+ 83.5

*Increase over one thousand per cent.

SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

Production, wage payments, and the distribution of commodities to consumers increased considerably from October to November. Wholesale commodity prices have advanced steadily since the end of October.

PRODUCTION AND EMPLOYMENT

The Board's index of industrial production, which makes allowance for changes in the number of working days in the month and for the usual seasonal variations, was 114 per cent of the 1923-1925 average in November, as compared with 109 per cent in October. Output of both durable and non-durable manufactures showed a considerable rise. Production of steel ingots increased further to a rate of 79 per cent of capacity in November, and output of automobiles also increased. Figures for the first three weeks of December indicate continued expansion in output of both steel and automobiles. In the plate glass industry, where there has been a strike, production was sharply reduced in November, and activity at lumber mills declined, reflecting the effects of the maritime shipping strike on the Pacific Coast. Increases in output were reported at meat-packing establishments and textile mills, and sugar meltings and output of tobacco products declined by less than the usual seasonal amount. At mines, coal production increased and output of crude petroleum and iron ore showed a smaller than seasonal reduction.

Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, continued at about the same rate in November as in the previous month.

Factory employment showed little change from October to November, although a decrease is usual at this season of the year, and the Board's seasonally adjusted index advanced to 96 per cent of the 1923-1925 average. The number employed at factories producing durable goods continued to increase, with the largest expansion in the automobile and machinery industries. There was a decline in employment at lumber mills and in the glass industry. In the non-durable goods industries, as a group, employment showed a smaller decline than is usual in November. At shoe factories and establishments producing wearing apparel smaller than seasonal declines were reported and there were increases in employment at cotton and woolen textile mills and at meat-packing plants.

DISTRIBUTION

Department store sales increased substantially in November, and there was also a rise in sales at variety stores and at chain grocery stores. Sales by general merchandise stores and mail-order houses serving rural areas declined from the high level reported for October.

Freight-car loadings showed a smaller than seasonal decrease in November. Loadings of coal, coke, and grain increased contrary to the usual seasonal tendency, and shipments of miscellaneous commodities and of most other classes of freight declined by less than the seasonal amount.

COMMODITY PRICES

The general level of wholesale commodity prices continued to advance from the middle of November to the third week of December. There were substantial increases in the prices of wheat, flour, nonferrous metals, and rubber. Prices of wool, cotton yarns, and worsted yarns advanced somewhat further and cotton, pig iron, and steel scrap prices also increased in this period.

BANK CREDIT

The reserve position of member banks in recent weeks has been influenced largely by temporary seasonal developments in connection with holiday currency requirements and mid-December financing by the United States Treasury.

Notwithstanding the increased demand for currency for Christmas shopping, there was a further growth in demand deposits at weekly reporting member banks through the first half of December, reflecting additions to monetary gold stock, as well as a sharp increase in bank loans.

At reporting banks outside New York City holdings of Government securities increased by \$140,000,000 in the four weeks ending December 16, while at New York City banks they showed a further small decline. There was an increase of \$100,000,000 in loans to brokers and dealers in securities in New York City, largely for the purpose of buying United States Government securities. Commercial loans showed a further increase of \$150,000,000, carrying the total volume of such loans to a level \$800,000,000 higher than a year ago.