

MONTHLY REVIEW OF BUSINESS AND INDUSTRIAL CONDITIONS

IN THE

ELEVENTH FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE

Eleventh Federal Reserve District

| | September | August | Inc. or Dec. | |
|---|---------------|---------------|--------------|------------|
| Bank debits to individual accounts (at 13 cities)..... | \$700,272,000 | \$578,843,000 | Inc. | 21.0% |
| Department store sales..... | ..... | ..... | Inc. | 45.0% |
| Reserve Bank loans to member banks at end of month..... | \$ 29,879,178 | \$ 48,982,277 | Dec. | 38.2% |
| Reserve Bank ratio at end of month..... | 54% | 51.6% | Inc. | 2.4 points |
| Building permit valuations at larger centers..... | \$ 6,515,395 | \$ 6,558,106 | Dec. | .7% |
| Commercial failures (number)..... | 79 | 68 | Inc. | 16.2% |
| Commercial failures (liabilities)..... | \$ 1,757,766 | \$ 1,020,596 | Inc. | 72.2% |
| Oil production (barrels)..... | 16,048,115 | 14,174,705 | Inc. | 13.2% |
| Lumber orders at pine mills (per cent of normal production) | 103% | 95% | Inc. | 8 points |

The rapidly increasing and greatly enhanced purchasing power of the cotton farmer has fore-shadowed all other developments in this district during the past thirty days. The price of cotton has risen to the highest point since 1920, despite the fact that indications point toward a 4,000,000 bale crop for the state of Texas. Bank deposits have increased heavily, loans have been liquidated at a rapid rate, collections on book credit have been the best in several years, and the circulation media have risen to the highest point reached in more than two years. Federal Reserve Bank loans between September 1st and October 15th reflected a net decline of \$25,100,-620.81, and Federal reserve notes in circulation stood at \$59,222,855 on the latter date. Charges to depositors' accounts increased 21 per cent in September as compared to the previous month, and were only 3 per cent less than those of September, 1920. The Federal Reserve Bank, as well as many member banks, has turned to the open market as a medium for the investment of its idle funds.

The large returns from cotton and the high wages paid the laborers for gathering the crop have been further reflected in the broadening demand for merchandise at both wholesale and retail. Department store sales for September were 45 per cent in excess of August sales, and four of the reporting lines of wholesale trade showed substantially larger volumes of business than for the previous month. Despite the heavy consumer demand, merchants show no general departure from the policy of limiting commitments to well-defined needs. It is significant to note that this policy continues to receive the encouragement of the wholesalers themselves, who are no doubt influenced to some degree by the current statistics on commercial failures, which continue comparatively heavy.

Lumber mill orders at the district's pine mills were above normal production in September for the first time since January of this year. The September construction activity, as evidenced by the building per-

mit valuation at the larger cities, was well maintained, being practically equivalent to the volume during the previous month.

Oil production in this district reached an almost record-breaking volume during September in the face of a steadily declining market. This, together with the price competition among the major refining companies, has resulted in gasoline being sold at an exceptionally low level.

The recent heavy rainfall in this district has been helpful to the livestock industry, and, to some extent,

to agriculture. Abundant stock water and pasturage have been assured for winter ranges, and this improvement in physical conditions, coming at a time when the financial situation of the cattle men is being fortified by the functioning of the Federal Intermediate Credit Bank, will accelerate the recovery of the livestock industry. These rains, while beneficial to some of the fall crops, have greatly retarded the maturing cotton crop in West Texas, however, and somewhat emphasized the danger of damage by an early frost.

CROP CONDITIONS

Continued rains throughout the district during the past month have greatly improved the condition of the growing feed crops, have benefited the unopened cotton bolls in some sections by causing them to mature normally and have left the soil in good condition for fall plowing and seeding.

While the average deterioration of cotton during September for the past decade has been five points, the Department of Agriculture in its September 25th report estimated the condition of the Texas cotton crop at 56 per cent of normal, which is one point higher than that of August 25th. On the basis of this estimate the indicated yield for Texas is 4,168,000 bales. However, the continued rains have resulted in the reduction of the grade of lint, caused by the beating out of the cotton and rotting of the bolls and have greatly increased the insect activity. The leaf worms have been unusually active, and in a large portion of the state have stripped the stalks of all foliage and have to a great extent eliminated the possibility of a top crop. The unfavorable weather conditions prevailing since the issuance of the Government report have had an adverse effect upon conditions and it is thought by some to have materially reduced the prospective yield. This is particularly true in the northwestern section of the state, where the crop was somewhat late, and picking did not get well under way until the last week in September. Much damage has been done by the leaf worms and boll worms, and the rainy, cool weather has retarded the opening of the bolls and picking operations. Continued rains in West Texas have, by retarding the maturity of the cotton crop, subjected it to the danger of being injured by early frosts.

Picking and ginning have been practically completed in South Texas, and operations are reaching the final stages in the central and northern portions of the state. The September 25th Ginner's Report showed that 2,185,219 bales had been ginned in Texas

prior to September 25th, as compared to 1,825,568 bales ginned prior to that date a year ago. The labor shortage has now shifted to the northwest, where considerable difficulty is being experienced in obtaining sufficient help to gather the crop.

Those counties in Oklahoma attached to this district have, for the third consecutive year, experienced adverse conditions in agricultural production and business has greatly suffered, although the cotton crop is somewhat larger than the crop of 1922. The cotton production this year will range from one-third to two-thirds of the normal crop, and production of feed crops will not average much more than a third normal. During the past year the cotton acreage was increased at the expense of feed crops, with the result that it will be necessary for that portion of the district to purchase a large portion of the feed needed to make the next crop. This also is true of East Texas.

In other parts of the district, feed crops have shown a further improvement during the past month. The yield of grain sorghums in Texas was estimated at 43,720,000 bushels on October 1st, as against an estimated yield of 42,434,000 bushels on September 1st. However, some fear is being expressed that an early killing frost will cover that section of the state before the crop has been fully matured and harvested, in which event the yield will be greatly reduced. While the hay crops have received considerable benefit from the rains, the estimated yield for this year on October 1st was 981,000 tons, as compared to 1,074,000 tons last year. The decreased production, however, is accounted for largely by the reduced acreage. It is estimated that the corn crop will fall short of last year's production by approximately 27,000,000 bushels, due to the smaller acreage and the influence of the dry summer. On the other hand, the oat crop will yield approximately 16,360,000 bushels more than last year. Not

only has the yield in the main oat sections been satisfactory, but the quality of the grain was good.

In the following table, which shows the car lot shipments of fruits and vegetables in Texas for this season and last season, it will be noted that the shipments of pears, apples, and watermelons have exceeded those of a year ago, while shipments of sweet potatoes and white potatoes are considerably less than last year. Although the sweet potato crop has just begun to move, it is estimated that this year's production will be approximately 2,000,000 bushels less than the 1922 production.

CAR LOT SHIPMENTS OF FRUITS AND VEGETABLES IN TEXAS

| Commodity— | Totals to Sept. 29th 1923 | 1922 | Entire Season 1922 |
|----------------------|------------------------------|-------|-----------------------|
| Pears | 93 | 45 | 47 |
| Apples | 12 | 5 | 5 |
| Watermelons | 5,299 | 4,129 | 4,131 |
| Sweet Potatoes | 37 | 194 | 976 |
| White Potatoes | 787 | 1,420 | 1,433 |
| Total | 6,227 | 5,793 | 6,592 |

Cotton Movements The movement of the Texas cotton crop, which has been earlier than usual this year, has been exceptionally heavy during the past month. Receipts for September at the port of Galveston totaled 532,248 bales, as compared to 431,532 bales during September last year. September exports from Galveston amounted to 385,470 bales, as against 225,972 bales in the same month of 1922. Receipts of cotton at Galveston for this season have increased 35 per cent over last season, while exports have increased 53 per cent. From the Galveston stock statement for September 30th it will be noted that the amount of cotton on shipboard was substantially greater than on that date a year ago, but the amount in compresses and warehouses was considerably less.

The net receipts at Houston amounted to 487,380 bales in September, as compared to 340,406 bales in September, 1922. There were 193,691 bales exported from Houston in September, as against 84,560 bales in that month a year ago.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

| | September 1923 | September 1922 | Aug. 1st to Sept. 30th This Season | Last Season |
|-------------------------|-------------------|-------------------|--|----------------|
| Gross receipts..... | 532,248 | 431,532 | 737,695 | 545,503 |
| Exports | 385,470 | 225,972 | 472,563 | 308,112 |
| Stocks, Sept. 30th..... | | | 283,803 | 302,126 |

GALVESTON STOCK STATEMENT

| | Sept. 30, 1923 | Sept. 30, 1922 |
|------------------------------|-------------------|-------------------|
| For Great Britain..... | 22,463 | 13,493 |
| For France..... | 23,500 | 8,500 |
| For other foreign ports..... | 53,247 | 33,748 |
| For coastwise ports..... | 19,000 | 9,000 |
| In compresses..... | 165,593 | 237,385 |
| Total | 283,803 | 302,126 |

HOUSTON COTTON MOVEMENTS

| | September 1923 | September 1922 | Aug. 1st to Sept. 30 This Season | Last Season |
|------------------------|-------------------|-------------------|--|----------------|
| Receipts—Gross | 858,151 | 582,351 | 1,169,198 | 736,213 |
| Receipts—Net | 487,380 | 340,406 | 677,303 | 437,674 |
| Exports | 193,691 | 84,560 | 260,751 | 108,892 |
| Stock, Sept. 30th..... | | | 273,032 | 235,499 |

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

| | This Season | Last Season |
|---|-------------|-------------|
| Receipts since Aug. 1..... | 1,214,619 | 985,231 |
| Exports: Great Britain | 248,910 | 222,578 |
| France | 119,633 | 113,935 |
| Continent | 311,888 | 223,604 |
| Japan-China | 35,444 | 49,687 |
| Mexico | | 2,600 |
| Total foreign ports | 715,875 | 612,404 |
| Stocks at all U. S. Ports, Sept. 30, 1923..... | 511,770 | 666,089 |

LIVESTOCK

Steady improvement was noted in the district's ranges throughout the past month. Ranges are now reported to be in a satisfactory condition and there is an abundant supply of stock water. Present prospects point toward an ample supply of winter pasturage, but the grass is curing slowly in New Mexico and Texas due largely to excessive rains. In Arizona a light frost has aided in maturing the winter feed. Losses have been very light this fall, and livestock are generally reported to be in good to excel-

lent condition. Considerable livestock have been marketed from the vicinity of the Panhandle.

Movements and Prices

The receipts of cattle, hogs, and sheep on the Fort Worth market during September were well above the September receipts for the past few years, but there was a decrease in the volume of calves yarded. The cattle and calf receipts were considerably less

than during the month of August, but the receipts of hogs and sheep were considerably greater. Common and medium grades of cattle predominated in the runs and the better grades of fed steers were relatively scarce. A good demand prevailed for all useful kinds throughout the month, but there was a general scaling down of prices in all kinds of livestock. The hog market reached the high mark of the year during the first week of the month, but subsequently declined and the month closed with the best grade bringing only \$8.50, or \$1.15 lower than the price paid during the first week. In the calf division an especially strong competition prevailed and receipts fell below trade requirements. Calves sold at an advance during the greater part of the month, but during the last week a break in the market occurred, and prices declined below those prevailing at the opening of the month. During the first part of October a further weakness developed and the best grade of calves sold down as low as \$6.00, or approximately \$1.50 below the top for September. Although the demand for sheep was good despite the increased supply, there was a considerably declining market. At the close of the month the best wethers were selling around \$7.00 to \$7.25, as against the high point of \$8.50 during the first

week. Although lambs were slightly lower during the greater part of the month the top price in September reached \$13.00 as against \$12.50 in August, but a larger portion of the month's supply cleared at between \$10.00 and \$11.00.

FORT WORTH LIVESTOCK RECEIPTS

| | September 1923 | August 1923 | Loss or Gain | September 1922 | Loss or Gain |
|-------------|-------------------|----------------|-----------------|-------------------|-----------------|
| Cattle | 87,814 | 115,547 | L 27,733 | 76,771 | G 11,043 |
| Calves | 34,992 | 48,460 | L 13,468 | 55,063 | L 20,071 |
| Hogs | 42,670 | 27,273 | G 15,397 | 28,761 | G 13,909 |
| Sheep | 53,306 | 25,942 | G 27,364 | 31,459 | G 21,847 |

COMPARATIVE TOP LIVESTOCK PRICES

| | September 1923 | August 1923 | September 1922 |
|----------------------|-------------------|----------------|-------------------|
| Beef steers | \$ 7.75 | \$ 9.00 | \$ 7.75 |
| Stocker steers | 6.50 | 6.55 | 6.00 |
| Butcher cows | 4.75 | 5.00 | 5.25 |
| Stocker cows | 3.50 | ..... | 4.00 |
| Calves | 7.50 | 7.60 | 6.50 |
| Hogs | 9.65 | 9.30 | 9.95 |
| Sheep | 8.50 | 8.35 | 7.00 |
| Lambs | 13.00 | 12.50 | 11.50 |

TEXTILE MILLING

By reason of the increasing importance of textile milling in the Southwest, the consequent need for accurate information on the month to month operations of this industry, and believing it will prove of interest to readers of the Review, we will in the future devote a section to the cotton mill industry in the district.

At the present time there are twenty cotton textile mills operating within the state of Texas. According to a survey made by the Texas Chamber of Commerce, these mills consumed a total of 103,831 bales of cotton during the year ending July 31, 1923, which was eleven per cent in excess of the amount consumed during the year ending July 31, 1922.

In response to an inquiry sent to the mills by the Federal Reserve Bank, reports were received from twelve mills. These reports showed that 115,676 spindles were active during September, as compared to 110,676 in August, and 106,244 in September a year ago. The consumption of the reporting mills

in September was 3,778 bales of cotton, as compared to 3,263 bales during September of last year, and 4,113 bales in August. While the September consumption was slightly less than August, this was due in part to some mills going on to finer goods, which required less cotton. The mills as a rule have been running at full capacity, and some mills have been running day and night.

Stocks on hand at the mills are generally light, and the orders on the books range from one to four months' production.

The responses received from the majority of the mills of whom inquiry was made in our preliminary survey of the textile industry are gratifying. It is hoped that through the co-operation of all of the mills in the district that the statistics published, and comparison of operations, may be informing, not only to the manufacturers themselves, but business men and bankers generally.

WHOLESALE TRADE

Increased purchasing power for the farmer, the broadening of consumer demand, good collections, larger buying at wholesale, and the continuance of a

conservative policy on the part of most retailers were the outstanding developments pertaining to trade conditions during the past month. All reporting

lines of trade reflected a larger volume of sales in September than during the corresponding month a year ago, and sales of drugs, groceries, furniture, and farm implements were greater than the previous month. The progress in the gathering of the cotton crop prior to October 15th indicates that the final returns will be larger than were indicated earlier in the season, and the wages paid the laborers have been more satisfactory than for several years past. The increased returns have not only enabled the merchants to collect the larger portion of their outstanding accounts, but the enlarged purchasing power has intensified the consumer demand. While merchants bought heavily early in the season to take care of the prospective demand, many have found it necessary to make replacement orders. As a rule, the merchants show a disposition to cling to the conservative policy which they have been following and are limiting their commitments to well-defined needs. According to reports, there are indications that some merchants show a tendency to overbuy. This has been largely counteracted by the wholesaler in restricting the buying of such merchants. Dealers in automobiles, jewelry, and musical instruments, state that their business has shown a material improvement during the past month.

Dry Goods The volume of business in the wholesale dry goods trade during the past month was well maintained and a feeling of confidence seems to prevail as to the outlook for fall and winter. The net sales of twelve firms for September, while 1.1 per cent less than August sales, were 17.3 per cent larger than September, 1922, sales. As the gathering and marketing of the cotton proceeds, the demand for goods in the rural sections continues to expand. Indications are that distribution has been heavier than was anticipated earlier in the fall, and many merchants are not only taking the goods previously purchased to cover fall requirements, but are making replacement orders to cover the new demand. While retailers generally show no disposition to deviate from their course of conservative buying, reports indicate that some merchants are being restricted in buying by the wholesalers where they show a tendency to overbuy.

The primary textile markets have followed an irregular course during the past month. The break in the cotton market following the Government's condition report had an unsettling effect upon the market, and in some instances caused an easing in prices, but the subsequent recovery in the cotton

market has had a tendency to stabilize prices on the finished products. In wholesale channels prices are holding to a firm basis, and are advancing on some lines.

It is significant to note that stocks of wholesalers were 13.2 per cent less on September 29th than on August 31st.

Collections from all sections of the state are reported to be good.

Farm Implements Renewed activity was reflected in the farm implement trade during the past month, when the net sales of reporting firms were 20.5 per cent greater than August sales, and 55.3 per cent greater than September, 1922, sales. The exceptionally early movement of the cotton crop this year and the abundant rains which have left the soil in good condition for fall plowing and seeding, have enabled the farmers to begin the preparation of the soil for the new crop earlier than usual. Furthermore, the farmers were able to gauge more accurately the net proceeds from this year's crop. These factors have stimulated sales and the buying demand is greatly improved, yet it is still comparatively light.

While the outlook in this line of trade is the best experienced in the past three years, the prospects are not altogether encouraging. Many farmers who have been operating on a minimum amount of implements during the past few years seem to be disposed to invest their surplus funds in an automobile rather than to turn them into the implements needed for making next year's crop.

Drugs The buying demand in the wholesale drug trade has shown a further improvement during September, the sales of eight firms being 2.4 per cent larger than August sales, and 4.5 per cent larger than September, 1922, sales. Sales of these firms between July 1st and September 30th were 6.5 per cent greater than during the corresponding period of 1922. Buying for immediate or nearby needs continues good, but orders for future delivery (except for holiday goods) have been placed on a very conservative basis. Collections were reported to be good.

Furniture The buying of furniture at wholesale during September was 14.4 per cent greater than during the previous month, and 5.2 per cent greater than in September, 1922. While the

demand for furniture in the cities has been particularly active throughout the year, it is just now beginning to reach the country sections. All grades of furniture seem to be selling well, but there has been a growing demand for the better grades.

Groceries The wholesale grocery trade enjoyed an active business during the past month. Sales of thirteen firms were 25.1 per cent greater than August sales, and 18.4 per cent greater than sales during September a year ago. Active buying began in August, coincident with the movement of the cotton crop, and has been rapidly increasing. Prices have generally remained steady, but some advances have been noted. Collections have been exceptionally good in all parts of the district. The present buying demand is good and the outlook is very favorable.

Hardware The hardware trade reflected a falling off of 15.4 per cent in September as compared to August, but a gain of 1.6 per cent as compared to the corresponding month a year ago. Although trade was reported to be good, the retailers are operating on a very conservative basis. The trade in oil machinery during the past two months has been slow, due to the depressed conditions in the oil industry. Other lines, however, continue to sell well. There is a striking contrast in conditions at present and those which obtained a year ago. Last year the bulk of the trade was coming from the cities, but the condition is reversed this year. The good cotton crop has greatly enhanced the purchasing power of the farmer, while the rise in prices has affected the city trade adversely. Prices as a rule have remained steady on small articles, but concessions have been made on heavier and staple articles. Collections have continued to come in at a good rate.

CONDITION OF WHOLESALE TRADE DURING SEPTEMBER, 1923
Percentage of Increase or Decrease in

| | NET SALES | | —Net Sales— July 1st to date compared with same period last year. | STOCKS | |
|----------------------|----------------------------|-------------|--|----------------------------|-------------|
| | Sept., 1923, compared with | Sept., 1922 | | Sept., 1923, compared with | Sept., 1922 |
| Groceries | +18.4 | +25.1 | +12.3 | +9.4 | +3.9 |
| Dry Goods..... | +17.3 | — 1.1 | +11.8 | +27.9 | —13.2 |
| Furniture | + 5.2 | +14.4 | + 2.2 | ..... | ..... |
| Farm Implements..... | +55.3 | +20.5 | +47.1 | — .2 | — 7.5 |
| Drugs | + 4.5 | + 2.4 | + 6.5 | +14.4 | + 2.5 |
| Hardware | + 1.6 | —15.4 | +21.8 | +22.4 | — 3.2 |

RETAIL TRADE

A broad seasonal demand for merchandise characterized retail distribution during the past month. The September sales of twenty-four Texas department stores reflected an increase of 45 per cent over those of the previous month. While sales were four-tenths of one per cent less than during the corresponding month of 1922, it should be remembered that the latter month was one of exceptionally heavy sales.

At the close of September stocks were 5.3 per cent greater than those on hand at the close of August, which indicates that department stores received heavy shipments of fall merchandise during the month. Stocks were 7.4 per cent larger than at the close of September a year ago.

The ratio of stocks to sales for the three months'

period ending September 30th was 545.9 per cent as compared to 511.3 per cent during the corresponding period of 1922.

The ratio of outstanding orders to last year's purchases at the close of September was 8.8 per cent as compared to 10.6 per cent at the close of August. This ratio usually declines as the season advances, due to the fact that merchants make their largest commitments at the beginning of the season.

The collection situation failed to show the improvement which usually occurs in September. The ratio of September collections to accounts receivable on September 1st was 33.7 per cent, or practically the same as during the previous month.

BUSINESS OF DEPARTMENT STORES

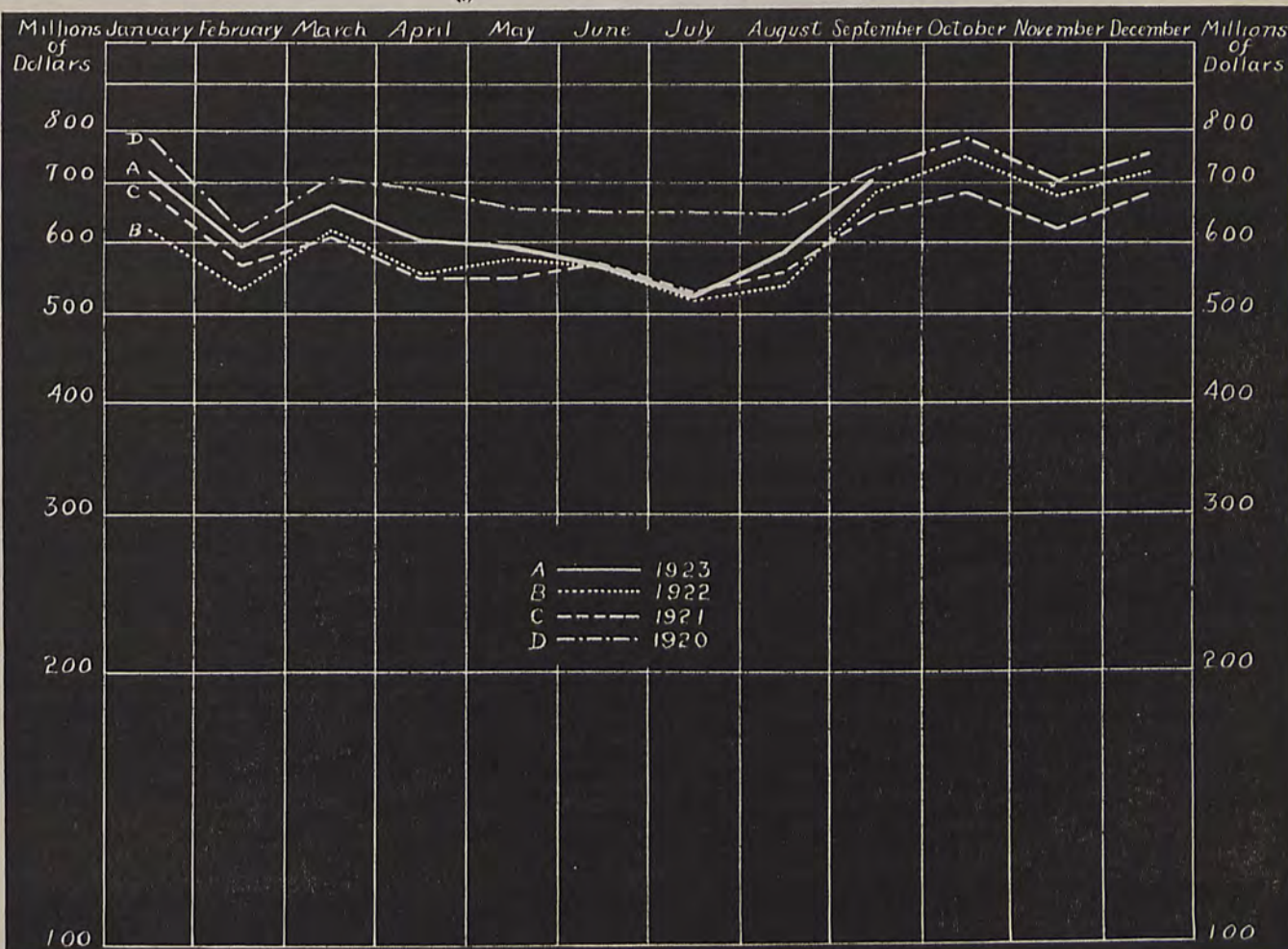
| | Dallas | Ft. Worth | Houston | All Other | Total District |
|--|--------|-----------|---------|-----------|----------------|
| Total Sales— | | | | | |
| September, 1923, compared with Sept. 1922..... | — 2.9 | — .7 | +14.3 | — 3.6 | — .4 |
| September, 1923, compared with Aug. 1923..... | +60.5 | +44.1 | +37.5 | +32.1 | +45.0 |
| July 1st to date compared with same period last year | — .8 | + .9 | +11.9 | — 2.9 | + .7 |
| Credit Sales— | | | | | |
| September, 1923, compared with Sept. 1922..... | — 1.9 | + 8.1 | +33.1 | — 1.5 | + 3.6 |
| September, 1923, compared with August, 1923..... | +72.2 | +63.6 | +59.4 | +43.3 | +60.9 |
| July 1st to date compared with same period last year | + .1 | +10.8 | +27.1 | + 3.7 | + 6.0 |
| Stocks— | | | | | |
| September, 1923, compared with September, 1922..... | +11.9 | + 7.3 | + 2.1 | + 5.9 | + 7.4 |
| September, 1923, compared with August, 1923..... | + .6 | + 8.4 | + 5.6 | + 8.9 | + 5.3 |
| Ratio of stocks to sales..... | 538.0 | 556.3 | 531.9 | 559.7 | 545.9 |
| Ratio of outstanding orders to last year's purchases..... | 9.6 | 8.3 | 6.4 | 8.8 | 8.8 |
| Ratio of September collections to Accounts Receivable, due and outstanding on Sept. 1, 1923..... | 31.6 | 35.9 | 35.4 | 35.0 | 33.7 |

FINANCIAL

The volume of payments by check at the principal cities of this district for the month of September reflected a seasonal increase of 21 per cent, and exceeded the volume of September a year ago by 2.6 per cent. The total of debits to individual accounts

at these centers amounted to \$700,272,000 in September, as compared to \$578,843,000 in August, and \$682,205,000 in September, 1922.

The accompanying chart shows that due to the active business during the first few months of the



DEBITS TO INDIVIDUAL ACCOUNTS AT 13 CITIES.

year debits were substantially in excess of those during the corresponding months of 1922 and 1921, but as business slowed down during the summer there was more than a seasonal decline. However, during the months of August and September, on account

of the revival in business and the heavy movement of the cotton crop at high prices, the volume of debits was greatly augmented, and during September they were only 3.5 per cent less than those of September, 1920.

CHARGES TO DEPOSITORS' ACCOUNTS

| | September, 1923 | August, 1923 | Inc. or Dec. | September, 1922 | Inc. or Dec. |
|---------------------------------|-----------------|--------------|--------------|-----------------|--------------|
| Albuquerque | \$ 8,568,000 | \$ 9,168,000 | — 6.5 | \$ 7,966,000 | + 7.6 |
| Austin | 18,291,000 | 14,649,000 | +24.9 | 19,319,000 | — 5.3 |
| Beaumont | 14,564,000 | 15,660,000 | — 7.0 | 14,177,000 | + 2.7 |
| Dallas | 184,132,000 | 139,566,000 | +31.9 | 179,770,000 | + 2.4 |
| El Paso | 23,556,000 | 27,118,000 | —13.1 | 27,860,000 | —15.4 |
| Fort Worth | 67,011,000 | 62,983,000 | + 6.4 | 86,428,000 | —22.5 |
| Galveston | 128,501,000 | 96,674,000 | +32.9 | 109,533,000 | +17.3 |
| Houston | 146,281,000 | 113,178,000 | +29.2 | 138,645,000 | + 5.5 |
| San Antonio | 32,152,000 | 33,202,000 | — 3.2 | 30,972,000 | + 3.8 |
| Shreveport | 31,896,000 | 31,842,000 | + .2 | 29,945,000 | + 6.5 |
| Texarkana | 9,540,000 | 8,273,000 | +15.3 | 6,759,000 | +41.1 |
| Tucson | 6,987,000 | 6,489,000 | + 8.5 | 6,456,000 | + 8.2 |
| Waco | 28,793,000 | 20,091,000 | +43.3 | 24,375,000 | +18.1 |
| Totals, Eleventh District | \$700,272,000 | 578,843,000 | +21.0 | \$682,205,000 | + 2.6 |

Acceptance Market The volume of acceptances executed by accepting banks of this district and outstanding on the last

day of the month underwent a substantial increase during September. Outstanding acceptances on September 30th amounted to \$2,107,287.94 as compared to \$1,579,450.91 on August 31st. There was a large increase in the amount executed against import and export transactions, being \$379,686.56 on August 31st as compared to \$1,558,687.86 on September 30th. On the other hand, those based on the domestic shipments and storage of goods declined from \$1,199,764.35 on August 31st to \$548,600.08 on September 30th. The amount of this type of paper held in the portfolio of the Federal Reserve Bank on September 30th was \$26,791,824.41.

Condition of Reserve City Banks.

The reserve city banks, due to the increased demand for bank credit to finance the movement of the cotton crop and the seasonal expansion in business, increased their loans \$8,612,000 between August 29th and October 3rd. The total volume of loans amounted to \$214,666,000 on October 3rd as compared to \$206,054,000 on August 29th. The net demand deposits of these banks rose from \$208,088,000 on August 29th to \$234,725,000 on October 3rd, or a gain of \$26,637,000. Their reserve with the Federal Reserve Bank increased from \$21,486,000 to \$25,695,000. These banks, on account of the increase in deposits, were able to meet the increased demand for bank credit and at the same time were able to reduce their rediscounts and bills payable with the Federal Reserve Bank from \$16,412,000 on August 29th to \$7,822,000 on October 3rd. The ratio of loans to deposits was 91 per cent on October 3rd, as compared to 99 per cent on August 29th and 95 per cent on October 4, 1922.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

| | Oct. 3, 1923 | Aug. 29, 1923 | Oct. 4, 1922 |
|--|--------------|---------------|--------------|
| 1. Number of reporting banks..... | 52 | 52 | 52 |
| 2. U. S. securities owned..... | 55,426,000 | 52,758,000 | 50,258,000 |
| 3. All other stocks, bonds and securities owned..... | 11,275,000 | 10,746,000 | 7,462,000 |
| 4. Loans secured by U. S. Government obligations..... | 2,938,000 | 3,760,000 | 4,346,000 |
| 5. Loans secured by stocks and bonds other than U. S. Government obligations | 57,363,000 | 51,861,000 | 41,048,000 |
| 6. All other loans..... | 211,728,000 | 202,294,000 | 206,179,000 |
| 7. Net demand deposits..... | 234,725,000 | 208,088,000 | 222,679,000 |
| 8. Time deposits..... | 76,027,000 | 74,415,000 | 66,386,000 |
| 9. Reserve with Federal Reserve Bank..... | 25,695,000 | 21,486,000 | 23,662,000 |
| 10. Bills payable and rediscounts with Federal Reserve Bank..... | 7,822,000 | 16,412,000 | 5,005,000 |
| 11. Ratio of loans (*) to net demand deposits..... | 91% | 99% | 95% |

*Loans include only items 4 and 6.

Operations of the Federal Reserve Bank The period between September 1st and October 15th was one of liquidation. During that six weeks' period our loans to member banks dropped from \$49,183,931.18 to \$24,083,310.37, a net decrease of \$25,100,620.81.

The number of borrowing banks declined from 498 on August 31st to 323 on September 30th, showing that 175 banks had completely retired their lines at the Federal Reserve Bank during that time. On the latter date there were 64 fewer banks owing us than on the same date last year. Total loans on October 15th were \$6,457,507.38 less than on that date a year ago.

The volume of new borrowing at the Federal Reserve Bank on customers' notes has been comparatively light and is steadily declining. On the other hand, borrowings on bill-of-lading drafts have been rapidly increasing, indicating that the burden has shifted largely to the bigger city banks in the regular course of financing the movement of cotton.

The total amount of bills held increased from \$49,426,171.93 on August 31st to \$56,671,002.17 on September 29th, distributed as follows:

| | |
|---|-----------------|
| Member banks' collateral notes secured by U. S. Government obligations..... | \$ 5,222,950.00 |
| Rediscounts and all other loans to member banks | 24,656,227.76 |
| Open market purchases..... | 26,791,824.41 |
| Total bills held..... | \$56,671,002.17 |

Federal reserve notes in actual circulation showed another substantial increase during the past month. The circulation of these notes increased \$12,744,010 during September, and \$4,365,960 during the first half of October, bringing the total circulation to \$59,222,855 on October 15th. This was the highest point reached in Federal reserve note circulation in more than two years. The member bank reserve deposits on September 29th, although \$5,233,783.65 greater than on August 31st, were \$2,285,460.95 less than on September 30, 1922.

Deposits of Member Banks Beginning with this issue of the *Review*, we will show the deposits of member banks in this district. There is presented below a table showing the deposits classified, first, as to demand deposits and time deposits, and, second, as to the size of the cities in which the banks are located.

DEPOSITS OF MEMBER BANKS
(000's Omitted)

| | All Member Banks | | Banks in Cities With a Population Less Than 5,000 | | Banks in Cities With a Population Between 5,000 and 14,999 | | Banks in Cities With a Population Between 15,000 and 99,999 | | Banks in Cities With a Population Over 100,000 | |
|---------------------|------------------|------------|---|--------|--|--------|---|--------|--|--------|
| | Total Demand | Total Time | Demand | Time | Demand | Time | Demand | Time | Demand | Time |
| April 25, 1923..... | 527,082 | 138,213 | 150,690 | 18,021 | 87,901 | 20,885 | 118,429 | 51,546 | 170,062 | 47,761 |
| May 23, 1923..... | 514,274 | 139,612 | 145,741 | 17,902 | 86,847 | 21,626 | 113,985 | 51,278 | 167,701 | 48,806 |
| June 27, 1923..... | 496,227 | 141,251 | 139,013 | 18,261 | 84,832 | 21,692 | 109,330 | 50,897 | 163,052 | 50,401 |
| July 25, 1923..... | 485,644 | 139,868 | 133,796 | 18,507 | 84,405 | 22,014 | 107,579 | 50,940 | 159,864 | 48,407 |
| Aug. 29, 1923..... | 501,088 | 139,356 | 149,580 | 18,516 | 87,772 | 22,989 | 103,508 | 49,699 | 160,228 | 48,152 |
| Sept. 26, 1923..... | 574,421 | 139,472 | 186,786 | 18,344 | 101,334 | 22,978 | 109,108 | 50,264 | 177,193 | 47,886 |

Savings Deposits The savings deposits of 117 banks which operate a savings department were practically the same on September 29th as they were on August 31st, but were 13.7 per cent larger than on September 30, 1922.

Among the larger cities of the district: Albuquerque, Houston, Shreveport, and Wichita Falls showed a smaller volume of savings deposits on September 29th than on August 31st.

SAVINGS DEPOSITS

| | Number of Reporting Banks: | Sept. 29, 1923 | Sept. 30, 1922 | Inc. or Dec. | Aug. 31, 1923 | Inc. or Dec. |
|--------------------|----------------------------|----------------|----------------|--------------|---------------|--------------|
| Albuquerque..... | 3 | 1,644,521 | 1,614,952 | + 1.8 | 1,759,298 | + 6.5 |
| Beaumont..... | 4 | 2,160,671 | 1,815,941 | +19.0 | 2,022,516 | + 6.8 |
| Dallas..... | 6 | 10,814,877 | 8,310,622 | +30.1 | 10,523,306 | + 2.8 |
| El Paso..... | 4 | 4,207,917 | 3,895,771 | + 8.0 | 4,152,252 | + 1.3 |
| Fort Worth..... | 8 | 7,425,299 | 6,859,978 | + 8.2 | 7,387,051 | + .5 |
| Galveston..... | 3 | 6,881,089 | 5,935,322 | +15.9 | 6,830,178 | + .7 |
| Houston..... | 12 | 18,898,054 | 15,728,716 | +20.2 | 18,956,188 | — .3 |
| San Antonio..... | 6 | 9,354,898 | 8,651,403 | + 8.1 | 9,348,683 | + .1 |
| Shreveport..... | 4 | 8,016,082 | 7,248,740 | +10.6 | 8,102,042 | — 1.1 |
| Waco..... | 5 | 2,454,547 | 1,735,872 | +41.4 | 2,375,329 | + 2.1 |
| Wichita Falls..... | 3 | 1,439,141 | 2,832,857 | —49.2 | 1,748,352 | —17.7 |
| All others..... | 59 | 16,284,495 | 14,173,697 | +14.9 | 16,334,695 | — .3 |
| Total..... | 117 | 89,581,321 | 78,803,871 | +13.7 | 89,539,890 | None |

Discount Rates

The discount rates charged by commercial banks in Dallas and Waco were slightly easier in September

than during the previous month. There is presented below the "high," "low," and "customary" rates charged by commercial banks in the cities listed.

SEPTEMBER DISCOUNT RATES

| | Dallas | | | El Paso | | | Ft. Worth | | | Houston | | | San Antonio | | | Waco | | |
|---|--------|----|----|---------|---|----|-----------|---|----|---------|----|----|-------------|------|------|------|----|----|
| | H | L | C | H | L | C | H | L | C | H | L | C | H | L | C | H | L | C |
| Prime Commercial paper: | | | | | | | | | | | | | | | | | | |
| Customers' 30 to 90 days..... | 6 | 5 | 5½ | 10 | 6 | 8 | 7 | 6 | 6 | 7 | 6 | 6 | 8 | 6 | 7 | 8 | 5 | 6½ |
| Customers' 4 to 6 months..... | 6 | 5 | 5½ | 10 | 8 | 8 | 7 | 6 | 6 | 7 | 6 | 6 | 8 | 6 | 7 | 8 | 5 | 6½ |
| Open market 30 to 90 days..... | 6 | 5½ | 5½ | 5½ | 4 | 4½ | 5½ | 5 | 5½ | 5½ | 5 | 5½ | .... | .... | .... | 7 | 5½ | 5½ |
| Open market 4 to 6 months..... | 6 | 5½ | 5½ | 10 | 8 | 8 | 5½ | 5 | 5½ | 5½ | 5 | 5½ | .... | .... | .... | 7 | 5½ | 5½ |
| Interbank loans..... | 7 | 5 | 5½ | 9 | 6 | 8 | 6 | 6 | 6 | 6 | 5½ | 5½ | 8 | 6 | 6 | 7 | 5½ | 6 |
| Collateral loans, demand..... | 8 | 6 | 6½ | 10 | 8 | 8 | 8 | 6 | 8 | 8 | 6 | 7 | 8 | 6 | 7½ | 8 | 6 | 7½ |
| Collateral loans, 3 months..... | 8 | 6 | 6½ | 10 | 8 | 8 | 8 | 6 | 8 | 8 | 6 | 7 | 8 | 6 | 7½ | 8 | 6 | 7½ |
| Collateral loans 3 to 6 months..... | 8 | 6 | 6½ | 10 | 8 | 8 | 8 | 6 | 8 | 8 | 6 | 7 | 8 | 6 | 7½ | 8 | 6 | 7½ |
| Cattle loans..... | 8 | 6 | 7½ | 10 | 8 | 8 | 8 | 7 | 8 | 8 | 7 | 8 | 8 | 6 | 7½ | 8 | 7 | 8 |
| Loans secured by warehouse receipts, Bs-L, etc. | 8 | 6 | 6½ | 10 | 8 | 8 | 8 | 6 | 7 | 8 | 6 | 7 | 8 | 6 | 7½ | 8 | 6 | 7 |
| Loans secured by government securities..... | 8 | 5 | 6½ | 10 | 8 | 8 | 8 | 6 | 6 | 8 | 6 | 7 | 8 | 6 | 6½ | 8 | 6 | 8 |

FAILURES

The September commercial failure statistics for the Eleventh Federal Reserve District, as compiled by R. G. Dun & Company, reflect an increase in both the number of defaults and the liabilities involved as compared to the previous month and the corresponding month a year ago.

There were 79 failures in September with a total indebtedness of \$1,757,766, as compared to 68 insolvencies in August with liabilities amounting to \$1,020,596, and 70 defaults in September, 1922, with

an indebtedness of \$1,480,222. It is to be noted, however, that there were 795 failures during the first nine months of 1923, with liabilities aggregating \$25,405,443, as compared to 1,105 insolvencies during the corresponding period of 1922 with a total indebtedness of \$28,768,890.

The combined statistics for all Federal Reserve Districts show a decline in both the number of failures and the amount of indebtedness involved.

COMMERCIAL FAILURES

| | Eleventh Federal Reserve District | | | | All Federal Reserve Districts | | | |
|-------------------------|-----------------------------------|------------|-------|------------|-------------------------------|-------------|--------|-------------|
| | 1923 | | 1922 | | 1923 | | 1922 | |
| | No. | Amount | No. | Amount | No. | Amount | No. | Amount |
| January | 117 | 1,524,107 | 207 | 4,326,594 | 2,126 | 49,210,497 | 2,723 | 73,795,780 |
| February | 91 | 2,104,596 | 207 | 5,889,143 | 1,508 | 40,627,939 | 2,331 | 72,608,393 |
| March | 91 | 2,474,504 | 107 | 2,121,725 | 1,682 | 48,393,138 | 2,463 | 71,608,192 |
| April | 93 | 8,874,897 | 167 | 3,865,301 | 1,520 | 51,491,941 | 2,167 | 73,058,637 |
| May | 78 | 3,779,959 | 84 | 2,175,351 | 1,530 | 41,022,277 | 1,960 | 44,402,886 |
| June | 97 | 1,293,018 | 114 | 2,481,679 | 1,358 | 28,678,276 | 1,740 | 38,242,450 |
| July | 81 | 2,576,000 | 64 | 1,230,581 | 1,231 | 35,721,188 | 1,753 | 40,010,313 |
| August | 68 | 1,020,596 | 85 | 5,198,294 | 1,319 | 34,334,722 | 1,714 | 40,279,718 |
| September..... | 79 | 1,757,766 | 70 | 1,480,222 | 1,266 | 28,696,649 | 1,566 | 36,908,126 |
| Total, nine months..... | 795 | 25,405,443 | 1,105 | 28,768,890 | 13,500 | 358,176,627 | 18,417 | 490,914,495 |

PETROLEUM

Although there were evidences of declining production and a further curtailment of drilling activity in practically all fields of the district, the total output of the Eleventh Federal Reserve District was only slightly lower than the record production of March, 1922, due almost entirely to the operations of the Corsicana-Powell field. The total output for September amounted to 16,048,115 barrels, as against 14,174,705 barrels during August. There were 481 wells completed, 339 of which were producers with an initial flow of 553,416 barrels, as compared to 360 completions in August, including 230 producers with an initial flow of 336,266 barrels. Texas fields established a new production record at 13,900,255 barrels, as against the previous high record established in March, 1922, at 12,088,280, and 12,040,539 barrels in August, 1923. Completions in Texas fields numbered 421 wells, of which 305 were successful, yielding an initial flow of 552,336 barrels.

Production in the Central-West Texas fields rose from 6,177,135 barrels in August to 7,946,670 barrels in September. There were 204 completions in September as compared to 118 in August, and 473,202 barrels of new production was added from 172 producers, as compared to an initial output of 284,018 barrels from 87 producers in August. However, in the Corsicana-Powell field alone there were 154 completions, only five of which were failures, and 470,200 barrels of new production were added. In August there were 62 producers out of 75 completions which made a flush production of 282,720 barrels. This field's production rose from 3,089,655 barrels in August to 5,227,260 barrels in September. Thus it will be seen that practically all of the district's increase was accounted for in the Corsicana-Powell field. In the other fields of this section there were no important completions, and each field suffered a loss in production as compared with the previous month. Despite the large production in the Corsicana-Powell field, there has been no overproduction, due to the fact that the pipe lines and storage facilities were sufficient to take care of the daily runs.

In the North Texas district production declined from 2,366,895 barrels in August to 2,203,710 barrels in September, with each field sharing in the decline, but the biggest decline occurred in the Burnett field, due to the rapid decline at the Hirschi section of the field. While the Archer County field showed a slight decline from the previous month, this field reported 69 completions out of a total of 118 for the district, and added 11,090 barrels of new production as against 12,669 for the district as a whole. The activity in this field was due to their ability to market the daily runs at a satisfactory price.

The Texas Gulf Coast field displayed but little activity during the month. There were only 33 completions, of which 20 were producers yielding an initial production of 11,105 barrels. This compares to 62 completions in August, 44 of which were producers with a flush production of 37,101 barrels. The output of the field declined 262,220 barrels as compared with the previous month.

After steadily declining for two months, the Louisiana fields reflected a slight increase in production during September. The month's output amounted to 2,147,860 barrels, as compared to 2,134,166 in August. There were 60 completions, including 20 producers of oil and 14 gas wells. The initial production of these wells amounted to 1,080 barrels of oil.

Crude Oil Prices

The crude oil market continued its downward trend during the past month, but no major changes were noted in the posted price. However, some of the larger companies have reduced the price on some grades at which they will buy from the producers, and the independent refineries have been able to supply their needs at prices under those posted by the major companies. The arrangements for the operation of pipe line runs continued in effect.

CRUDE OIL PRICES

| | Oct. 13, 1923 | Oct. 14, 1922 | | Oct. 13, 1923 | Oct. 14, 1922 |
|--|------------------|------------------|---|------------------|------------------|
| TEXAS— | | | LOUISIANA— | | |
| Corsicana light | \$1.00 | \$1.00 | Caddo (38 gravity and above)..... | \$1.25 | \$1.25 |
| Corsicana heavy | .50 | .65 | Bull Bayou (38 gravity and above)..... | 1.15 | 1.15 |
| Texas Coastal | 1.00 | 1.25 | Homer (35 gravity and above)..... | 1.25 | 1.25 |
| Mexia | 1.00 | 1.25 | Haynesville (33 gravity and above)..... | 1.20 | 1.10 |
| Currie | 1.00 | 1.50 | De Soto Crude..... | 1.25 | 1.25 |
| North Texas (40 gravity and above).... | 1.75 | * | | | |

(*) 1922 prices for North Texas oil are not comparable with 1923 prices, due to the fact that this oil was not purchased on a gravity basis until December, 1922. North Texas crude on Oct. 14, 1922, was selling for \$1.50 per barrel.

OIL PRODUCTION

| Field— | September | | August | | Increase or Decrease | |
|----------------------------|------------|------------|------------|------------|----------------------|-------------|
| | Total | Daily Avg. | Total | Daily Avg. | Total | Daily Avg. |
| North Texas..... | 2,203,710 | 73,457 | 2,366,895 | 76,351 | Dec. 163,185 | Dec. 2,894 |
| Central-West Texas..... | 7,946,670 | 264,889 | 6,177,135 | 199,262 | Inc. 1,769,535 | Inc. 65,627 |
| Texas Coastal..... | 2,652,760 | 88,425 | 2,914,980 | 94,032 | Dec. 262,220 | Dec. 5,607 |
| Miscellaneous fields..... | 1,097,115 | 36,571 | 581,529 | 18,759 | Inc. 515,586 | Inc. 17,812 |
| Totals, Texas..... | 13,900,255 | 463,342 | 12,040,539 | 388,404 | Inc. 1,859,716 | Inc. 74,938 |
| North Louisiana..... | 2,147,860 | 71,595 | 2,134,166 | 68,844 | Inc. 13,694 | Inc. 2,751 |
| Totals, 11th District..... | 16,048,115 | 534,937 | 14,174,705 | 457,248 | Inc. 1,873,410 | Inc. 77,689 |

SEPTEMBER DRILLING RESULTS

| Field— | Completions | Producers | Failures | Initial Production |
|---------------------------------|-------------|-----------|----------|--------------------|
| North Texas..... | 118 | 77 | 41 | 12,669 |
| Central-West Texas..... | 204 | 172 | 32 | 473,202 |
| Texas Coastal..... | 33 | 20 | 13 | 11,105 |
| Miscellaneous fields..... | 30 | 30 | .... | 55,295 |
| Texas Wildcats..... | 36 | 6 | 30 | 65 |
| Totals, Texas..... | 421 | 305 | 116 | 552,336 |
| North Louisiana..... | 60 | *34 | 26 | 1,080 |
| September totals, District..... | 481 | 339 | 142 | 553,416 |
| August totals, District..... | 360 | 230 | 119 | 336,266 |

*Includes 14 gas wells.

LUMBER

While the production rate of the Eleventh District pine mills evidenced a further slight decline during September, the new orders at the mills reflected a sharp increase and were considerably in excess of both shipments and production.

The September production rate was six per cent below normal as compared to three per cent in August. Shipments during the past month were seven per cent below production as compared to five per cent below production during the previous month. On the other hand, orders received during September were three per cent above normal production as compared to five per cent below normal production in August.

The unfilled orders on the books of 47 mills at the close of September amounted to 73,079,986 feet, as compared to 51,319,770 feet on the books of 43 mills

at the close of August. Due to the fact that shipments have continued below production, stocks on hand September 29th were sixteen per cent below normal as compared to twenty-four per cent below normal August 31st.

SEPTEMBER PINE MILL STATISTICS

| | |
|-------------------------------------|---------------------|
| Number of reporting mills..... | 47 |
| Production | 99,025,168 feet |
| Shipments | 91,826,888 feet |
| Orders | 108,731,822 feet |
| Unfilled orders September 30th..... | 73,079,986 feet |
| Normal production | 105,814,609 feet |
| Stocks, September 30th..... | 269,828,485 feet |
| Normal stocks | 320,128,384 feet |
| Shipments below production..... | 7,198,280 feet= 7% |
| Actual production below normal.. | 6,789,441 feet= 6% |
| Orders above normal production.. | 2,917,213 feet= 3% |
| Stocks below normal..... | 50,299,899 feet=16% |

BUILDING

Construction activity, as measured by the valuation of building permits issued at eleven principal cities of this district, continued heavy during September, but was slightly less than the August vol-

ume. The September valuation of permits issued at these cities amounted to \$6,515,395, as compared to \$6,558,106 in August, and \$5,226,832 in September, 1922. The valuation of permits issued during

the first nine months of 1923 was 27.4 per cent in excess of those issued during the same period of 1922. El Paso, Galveston, and Waco were the only

cities to show a smaller valuation for this period in 1923 as compared to the same period of 1922.

BUILDING PERMITS

| | September, 1923 | | September, 1922 | | Inc. or Dec. | August, 1923 | | Inc. or Dec. | First Nine Months | | | | Inc. or Dec. |
|------------------|-----------------|-----------|-----------------|-----------|--------------|--------------|-----------|--------------|-------------------|------------|--------|------------|--------------|
| | No. | Valuation | No. | Valuation | | No. | Valuation | | 1923 | | 1922 | | |
| | | | | | | | | | No. | Valuation | No. | Valuation | |
| Austin..... | 39 | 85,134 | 32 | 50,463 | + 68.7 | 34 | 50,354 | + 69.1 | 474 | 1,343,844 | 275 | 500,085 | + 168.7 |
| Beaumont..... | 233 | 431,426 | 94 | 169,319 | + 154.8 | 223 | 226,991 | + 90.1 | 1,557 | 2,326,626 | 944 | 1,244,206 | + 87.0 |
| Dallas..... | 285 | 2,005,895 | 359 | 1,856,488 | + 8.0 | 419 | 1,810,082 | + 1.1 | 3,662 | 17,666,457 | 3,492 | 14,703,068 | + 20.2 |
| El Paso..... | 65 | 130,897 | 89 | 250,855 | - 47.8 | 63 | 357,998 | - 63.4 | 789 | 1,869,960 | 912 | 2,751,171 | - 32.0 |
| Fort Worth..... | 203 | 534,035 | 185 | 492,338 | + 8.5 | 195 | 389,952 | + 36.9 | 2,364 | 6,216,789 | 1,917 | 5,237,543 | + 18.7 |
| Galveston..... | 368 | 552,723 | 331 | 138,594 | + 298.8 | 346 | 38,646 | + 1,330.2 | 3,011 | 1,626,481 | 3,102 | 1,849,233 | - 12.0 |
| Houston..... | 562 | 1,536,861 | 541 | 915,133 | + 67.9 | 535 | 1,129,908 | + 36.0 | 4,755 | 15,260,011 | 5,195 | 10,909,943 | + 39.9 |
| Port Arthur..... | 218 | 182,682 | 115 | 86,556 | + 111.1 | 249 | 281,685 | - 35.1 | 1,706 | 2,389,924 | 915 | 899,650 | + 165.7 |
| San Antonio..... | 284 | 518,455 | 344 | 635,115 | - 18.4 | 263 | 632,265 | - 18.0 | 2,852 | 6,806,811 | 3,305 | 5,615,641 | + 21.2 |
| Shreveport..... | 292 | 429,722 | 217 | 571,481 | - 24.8 | 269 | 1,574,677 | - 72.7 | 2,564 | 7,090,968 | 2,142 | 4,490,105 | + 57.9 |
| Waco..... | 47 | 107,565 | 28 | 60,490 | + 77.8 | 41 | 65,548 | + 64.1 | 402 | 946,392 | 373 | 1,686,130 | - 43.9 |
| Total..... | 2,596 | 6,515,395 | 2,335 | 5,226,832 | + 24.7 | 2,637 | 6,558,106 | - .7 | 24,136 | 63,544,263 | 22,572 | 49,886,775 | + 27.4 |

CEMENT

A decline was registered in the September production of Portland cement of Texas mills as compared to the previous month, but was slightly above the September, 1922, output. September production totalled 367,000 barrels as compared to 385,000 barrels in August, and 365,000 barrels in September last year.

The output for the first nine months of this year

was 24.5 per cent greater than during the corresponding period of the previous year.

A sharp decline was noted in the September shipments from the mills, being 305,000 barrels as compared to 413,000 in August and 330,000 barrels in September a year ago. On account of the excess in production over shipments, stocks rose from 159,000 barrels on August 31st to 220,000 on September 29th.

PRODUCTION, SHIPMENTS AND STOCKS OF PORTLAND CEMENT
(Barrels)

| | September 1923 | September 1922 | Per Cent Inc. or Dec. | August 1923 | Per Cent Inc. or Dec. | Nine Months | | Per Cent Inc. or Dec. |
|--|----------------|----------------|-----------------------|-------------|-----------------------|-------------|-----------|-----------------------|
| | | | | | | 1923 | 1922 | |
| Production of Texas mills..... | 367,000 | 365,000 | + .5 | 385,000 | - 4.7 | 3,268,000 | 2,625,000 | + 24.5 |
| Shipments from Texas mills..... | 305,000 | 330,000 | - 7.6 | 413,000 | - 26.2 | 3,243,000 | 2,767,000 | + 17.2 |
| Stocks at the end of the month at Texas mills..... | 220,000 | 152,000 | + 44.7 | 159,000 | + 38.4 | | | |

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of October 26, 1923.)

Production of basic commodities declined during September. Wholesale trade continued large, while retail trade, though larger than a year ago, increased less than is usual at this season of the year. Wholesale prices, particularly those of agricultural products, advanced during the month.

PRODUCTION:

Production in basic industries, according to the Federal Reserve Board's index, declined 5 per cent during September, and was 10 per cent below the peak output of May. The principal factors in this decline were the suspension of anthracite coal mining for over two weeks, and a substantial reduction in the production of iron and steel. Cement production and sugar meltings were larger than in August. The decline in the production index, which is corrected for seasonal variations and reflects chiefly changes in the output of raw and semi-finished products, was not accompanied by a reduction of employment at industrial establishments. New building construction showed about the usual seasonal decline in September, due to curtailment in contracts for residences. Contract awards for business and industrial buildings, however, were larger than in August.

Estimates by the Department of Agriculture on October 1st showed some reduction from the September forecasts in the yields of corn, wheat, oats, and tobacco, but increased yields of cotton, potatoes, and hay.

TRADE:

Distribution of all classes of commodities by railroads continued at a high rate throughout September. Wholesale trade, according to the Federal Reserve Board's index in September, reached the largest total in three years, and was 9 per cent larger than a year ago. Sales of meat, hardware, and drugs were considerably larger than in last September, while shoe sales were smaller. Retail trade was slightly larger in September, but the increase was

much less than is usual at this season of the year. Department store sales were six per cent more than in September, 1922, and stocks at the end of the month were 13 per cent larger than a year ago.

PRICES:

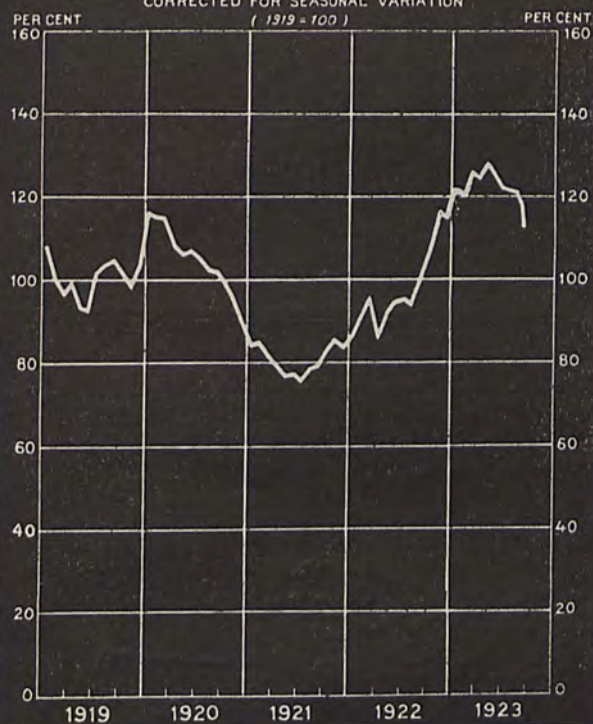
Wholesale prices increased over 2 per cent during September, according to the index of the Bureau of Labor Statistics, particularly large increases occurring in the price of clothing, farm products, and foods. Fuel prices, on the other hand, declined in September for the eighth successive month, and prices of building materials and metals were also lower. During the first three weeks of October prices of certain farm products continued to advance, wheat and cotton reaching the highest points of the current year, while prices of hogs, coal, and metals declined.

BANK CREDIT:

Demand for bank credit showed a seasonal increase in September, and the early part of October, loans of member banks in leading cities increasing by \$116,000,000 between September 12th and October 10th. This increase reflected chiefly the demand for commercial loans, which on the latter date stood at a new high point for the year, almost \$100,000,000 above the total on September 12th. Increases in the holdings of Government securities by these banks were partly offset by reductions in corporate security holdings. The demand for accommodations at the Federal reserve banks in some of the agricultural districts increased, while at the reserve banks in the East the volume of discounts for member banks declined. Federal reserve note circulation continued to increase, and in the middle of October was about \$100,000,000 above the July level.

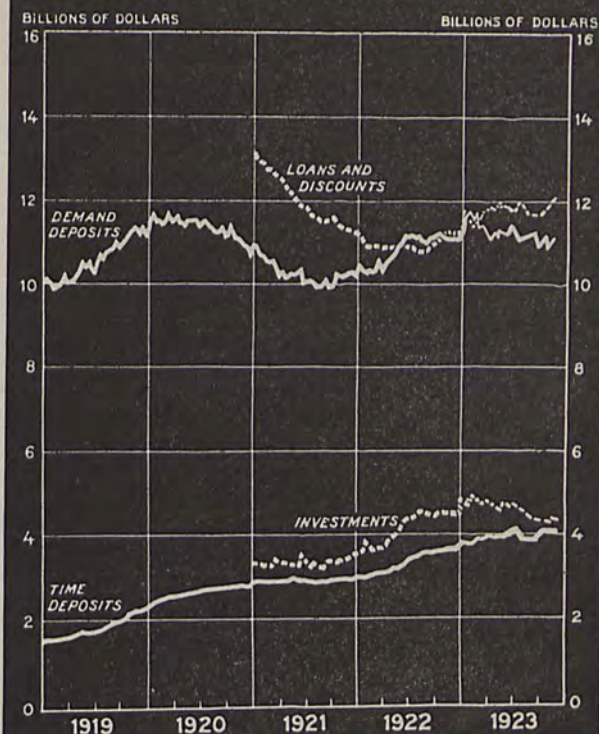
In October money rates showed an easier tendency, and after the fifteenth of the month rates for commercial paper in the New York market declined from a range of $5\frac{1}{4}$, $5\frac{1}{2}$ to $5\frac{3}{4}$ per cent.

INDEX OF PRODUCTION IN BASIC INDUSTRIES

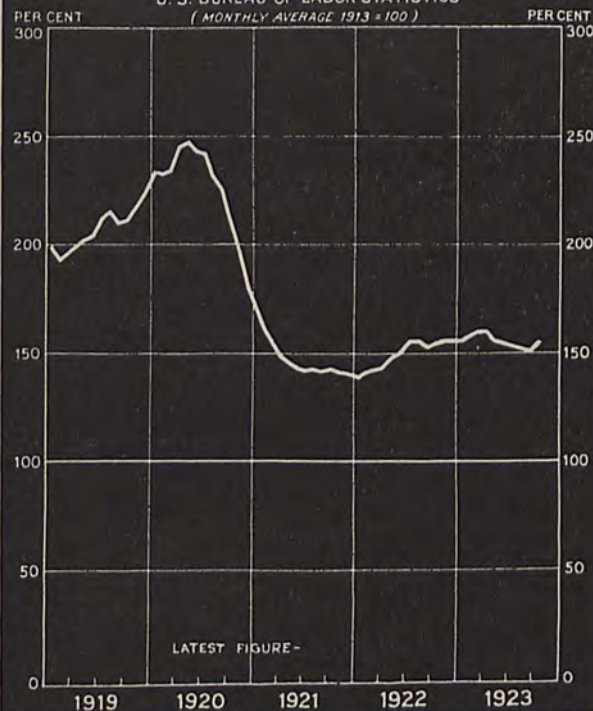
COMBINATION OF 22 INDIVIDUAL SERIES
CORRECTED FOR SEASONAL VARIATION
(1919 = 100)

BANK CREDIT

800 MEMBER BANKS IN LEADING CITIES

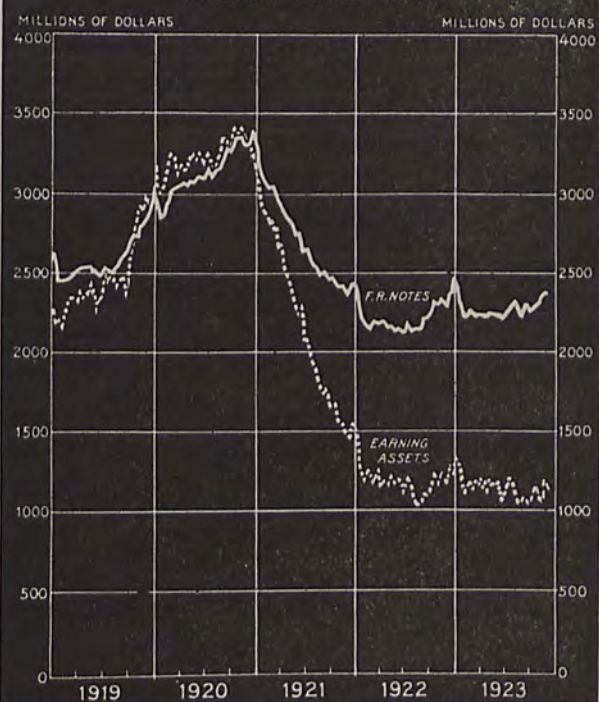


PRICES

INDEX NUMBERS OF WHOLESALE PRICES
U. S. BUREAU OF LABOR STATISTICS
(MONTHLY AVERAGE 1913 = 100)

BANK CREDIT

ALL FEDERAL RESERVE BANKS



ELEVENTH FEDERAL RESERVE DISTRICT

