

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

	December	November	Inc. or Dec.
Bank debits to individual accounts (at 13 cities).....	\$711,759,000	\$695,243,000	Inc. 2.4%
Department store sales.....			Inc. 40.1%
Reserve Bank loans to member banks at end of month.....	\$ 8,872,087	\$ 15,423,162	Dec. 42.5%
Reserve Bank ratio at end of month.....	51%	55.5%	Dec. 4.5 points
Building permit valuations at larger centers.....	\$ 5,099,798	\$ 4,882,124	Inc. 4.5%
Commercial failures (number).....	148	127	Inc. 16.5%
Commercial failures (liabilities).....	\$ 2,046,743	\$ 4,445,724	Dec. 54.0%
Oil production (barrels).....	15,088,747	19,342,590	Dec. 22.0%
Lumber orders at pine mills (per cent of normal production)	99%	79%	Inc. 20 points

A large volume of retail distribution was a prominent feature of the trade situation in the closing month of the year. The December department store sales exceeded November sales by 40.1 per cent and were 4.4 per cent larger than those for December, 1922. These statistics are indicative of the gradual improvement which has taken place throughout the year. Although seasonal quietness prevailed in wholesale trade, each reporting line showed an increase in sales as compared to a year ago. A survey of the year's developments discloses three distinct periods. The early months witnessed a restoration of confidence, increased forward buying, a heavy movement of goods, and rising prices. This period was followed by one of hesitation, decreased demand, and hand-to-mouth buying, which continued throughout the summer. But confidence returned in the early fall when it became apparent that a large cotton crop would be harvested and when the price of cotton began its rapid advance. Consumer demand

increased, wholesale distribution reached the highest point since the depression period, and the liquidation of old and current accounts was more satisfactory than for several years past.

Another billion dollar crop year has enabled the Texas farmers to liquidate their indebtedness and to enter the new year with their financial condition greatly improved. Although the livestock interests have suffered many drawbacks during the past year, this industry is gradually recuperating from the losses sustained in previous years. The present condition of the ranges and the excellent season in the ground offer encouragement to the agricultural and livestock interests for the coming year.

A further evidence of the district's recovery is found in the strong position of the banks. They are not only carrying large cash reserves, but have made heavy purchases of short-term investments. Federal Reserve Bank loans to member banks had declined to \$8,872,087 on December 31st, the lowest

point reached since February, 1918, and shows the extent to which the banks have been able to liquidate both current and frozen loans. Although demand deposits of member banks declined \$7,707,000 between November 28th and December 26th, deposits on the latter date were substantially in excess of those on that date a year ago.

The district has just passed through the biggest building year in history. The total valuation of permits issued at eleven principal cities amounted to \$78,568,638, exceeding the previous year's total by \$9,774,408. Such a construction program called for a vast amount of building materials, with the result that lumber and cement mills registered large production figures for the year. Furthermore, there was a full employment of labor in building trades and some of the surplus of skilled labor in other trades was absorbed.

A distinct improvement was visible in the oil in-

dustry during the past month. The district's production declined more than 4,000,000 barrels, and the advance in the posted price of crude oil at the various fields ranged from 10 cents to 65 cents per barrel. Similar conditions prevailed in this industry during 1922 and 1923. Each year the early months witnessed a rising market only to be depressed later by overproduction. In 1922 it was the Mexia field and in 1923 it was the Corsicana-Powell field. Likewise an improvement in the situation occurred during the closing month of each year.

A decline of 54 per cent in the indebtedness of defaulting firms was the outstanding development in the commercial failure record for the past month. This improvement occurred following an increase in both the number and liabilities of failures each month during the fall despite the activity of business. Although there were fewer failures in 1923 than in the previous year, the indebtedness involved exceeded the large total for 1922.

CROP CONDITIONS

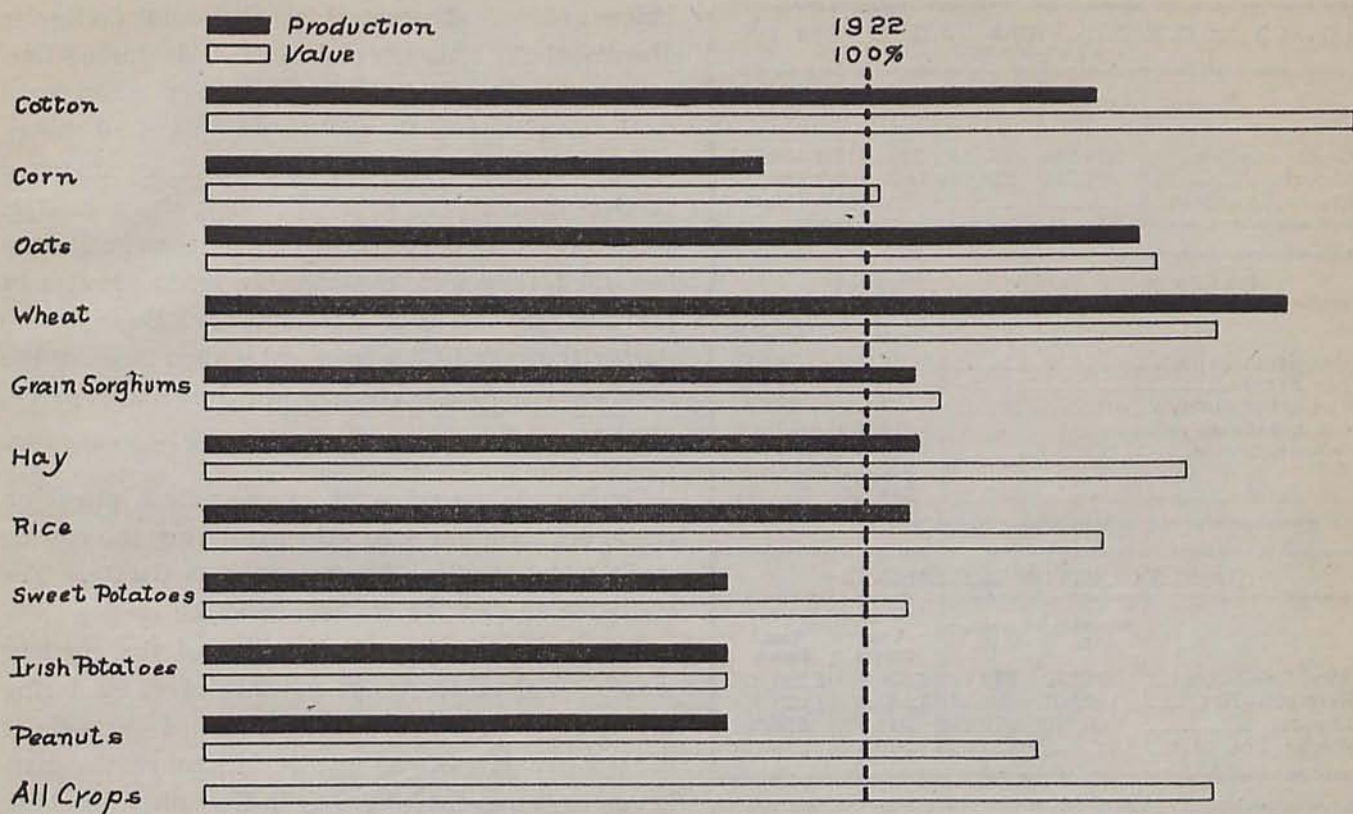
Although farm operations have been greatly retarded throughout the fall on account of the unusually heavy rains, the cold, dry weather prevailing since the beginning of the new year has enabled the farmers to resume their winter plowing. A good season is in the ground, and the recent freezes have pulverized the soil, leaving it in excellent condition for the planting of crops in the spring. The small grain crops are in good condition and are making favorable progress. While the wet weather during the fall has greatly benefited the wheat and made possible a considerable amount of winter pasturage, seeding operations have been materially delayed and late reports indicate that many farmers are planning to reduce the wheat acreage (especially in the northwest) and increase the cotton acreage.

The final remnants of the 1923 cotton crop are now being picked and ginned. The Bureau of the Census reported that 4,084,733 bales had been ginned prior to January 1st, which indicates that the 1923 crop will exceed that of 1922 by more than a million bales.

Texas Crop Results for 1923

The outstanding feature of the appended chart and table, showing the relative production and value of various crops grown in the state of Texas during 1922 and 1923, is the substantial increase in the money return of the 1923 crops. The value of the state's agricultural production last year was \$1,064,775,000, as compared to \$698,572,000 in 1922, reflecting an increase of \$366,203,000, or 52.4 per cent. Of the ten principal crops, corn, sweet potatoes, irish potatoes, and peanuts showed a smaller production than in the previous year, but irish potatoes was the only crop to bring a smaller money return. It is to be noted that the value of the cotton crop for 1923 amounted to \$652,080,000, an increase of \$273,508,000 over the 1922 crop, and was probably the largest in point of value of any crop in history. While the actual production of corn during 1923 fell short of the 1922 crop by 18,140,000 bushels, the value of last year's crop exceeded that of the previous year by \$1,339,000.

A significant feature brought out by the chart is that wheat is the only crop of the ten shown where the percentage increase in value was less than the percentage increase in production, indicating that the 1923 price on this commodity was less than the 1922 price.



COMPARATIVE PRODUCTION AND VALUE OF TEXAS FARM PRODUCTS

(Compiled by U. S. Department of Agriculture)

Commodity:	Quantity		Inc. or Dec.	Value		Inc. or Dec.
	1923	1922		1923	1922	
Peanuts.....	75,640,000 lbs.	96,320,000 lbs.	-20,680,000 lbs.	\$ 4,841,000	\$ 3,853,000	+\$ 988,000
Sweet Potatoes.....	6,880,000 bu.	8,715,000 bu.	- 1,835,000 bu.	7,843,000	7,408,000	+ 435,000
Potatoes.....	1,925,000 bu.	2,418,000 bu.	- 493,000 bu.	3,080,000	3,869,000	- 789,000
Hay (tame and wild).....	1,401,000 tons	1,295,000 tons	+ 106,000 tons	21,618,000	14,561,000	+ 7,057,000
Rice.....	6,360,000 bu.	5,959,000 bu.	+ 401,000 bu.	7,314,000	5,363,000	+ 1,951,000
Oats.....	47,040,000 bu.	33,465,000 bu.	+13,575,000 bu.	26,813,000	18,406,000	+ 8,407,000
Wheat.....	16,370,000 bu.	9,992,000 bu.	+ 6,378,000 bu.	16,861,000	10,991,000	+ 5,870,000
Corn.....	96,440,000 bu.	114,580,000 bu.	-18,140,000 bu.	96,440,000	95,101,000	+ 1,339,000
Cotton.....	4,290,000 bales	3,222,000 bales	+ 1,068,000 bales	652,080,000	378,572,000	+ 273,508,000
Grain Sorghum.....	41,602,000 bu.	39,400,000 bu.	+ 2,202,000 bu.	43,682,000	39,400,000	+ 4,282,000
Total, ten crops.....				880,572,000	577,524,000	+ 303,048,000
Hypothetical value, all crops.....				\$1,064,775,000	\$698,572,000	+\$366,203,000

Cotton Movements

While the December receipts of cotton at the port of Galveston were 107,772 bales less than November receipts, they were 138,787 bales larger than those of the corresponding month of 1922. The export movement for December was heavier than either the previous month or the corresponding month last year, being 451,716 bales in that month, as compared to 430,287 bales in November and 280,784 bales in

December a year ago. In December, 1922, exports declined approximately 45 per cent, as compared to November of that year. The net receipts at Houston declined from 276,518 bales in November to 160,807 bales in December. Exports through Houston for December totaled 166,376 bales as against 185,897 in November and 75,972 bales in December last year. The export movement through this port from August 1st to December 31st was 54 per cent larger than for the corresponding period of 1922.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	December 1923	December 1922	Aug. 1st to Dec. 31st	
			This Season	Last Season
Gross receipts.....	374,594	235,807	2,241,917	1,884,703
Exports	451,716	280,784	1,915,799	1,589,267
Stocks, Dec. 31st.....			344,789	360,171

GALVESTON STOCK STATEMENT

	Dec. 31, 1923	Dec. 31, 1922
For Great Britain.....	24,356	14,031
For France.....	20,700	4,019
For other foreign ports.....	33,800	28,726
For coastwise ports.....	10,000	13,000
In compresses.....	255,933	300,395
Total	344,789	360,171

HOUSTON COTTON MOVEMENTS

	December 1923	December 1922	Aug. 1st to Dec. 31st	
			This Season	Last Season
Receipts—Gross	381,250	214,669	2,934,433	2,299,997
Receipts—Net	160,807	88,130	1,581,662	1,237,971
Exports	166,376	75,972	814,390	529,299
Stocks, Dec. 31st.....			330,593	356,237

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

	This Season	Last Season
Receipts since Aug. 1st.....	4,843,286	3,787,679
Exports: Great Britain	1,192,120	887,716
France	435,985	415,136
Continent	1,212,645	1,129,763
Japan-China	344,098	295,825
Mexico	4,207	6,257
Total foreign ports	3,189,055	2,734,697
Stocks at all U. S. ports, Dec 31st	1,040,411	1,015,094

LIVESTOCK

A light to heavy snow covered the ranges in North-west Texas, Arizona, and New Mexico during the first two weeks of December, but it had practically melted in all sections except the northeastern portion of New Mexico by the latter part of the month, leaving the ranges in good condition for grazing. Some shrinkage in livestock has occurred as a result of the cold weather and feeding has been necessary in many sections. However, livestock generally are in fair to good condition. Reports indicate that stockmen are well supplied with feed and with an abundance of moisture in the soil prospects point toward excellent grazing conditions in the spring. Only a few losses have been reported so far this season.

Prices and Movements

There was a substantial decline in the receipts of all classes of livestock during December as compared to the previous month, and the receipts of all classes except sheep reflected slight declines as compared to December a year ago. Although sheep receipts were more than 50 per cent greater than in December, 1922, they were considerably below receipts of previous years. The total receipts of cattle and sheep during the year 1923 were greater than those of the previous year, while receipts of calves and hogs decreased.

During the second week of the month prices on cattle declined, but strengthened during the closing week when receipts became very moderate. The values at the end of the month on all classes were well in line with those at the close of the previous month. Calves scored an advance of \$1.00 during the first week, which was maintained throughout the greater part of the month. Although the market on hogs was the best early in December, reaching a top price of \$7.70, a shortage was evident at all times and good prices were paid throughout the month. There was a good demand for sheep at all times and a top price of \$7.50 was paid during the last week. Lambs sold as high as \$12.00 during the greater part of the month.

FORT WORTH LIVESTOCK RECEIPTS

	December 1923	November 1923	Loss or Gain	December 1922	Loss or Gain
Cattle	65,924	83,919	L 17,995	66,061	L 137
Calves	19,648	36,738	L 17,090	22,096	L 2,448
Hogs	43,754	45,463	L 1,709	45,704	L 1,950
Sheep	12,452	27,303	L 14,851	7,957	G 4,495

COMPARATIVE TOP LIVESTOCK PRICES

	December 1923	November 1923	December 1922
Beef steers	\$ 7.75	\$ 7.00	\$ 7.25
Stocker steers	7.10	6.50	6.50
Butcher cows.....	5.25	5.00	5.75
Stocker cows	4.00	2.50	3.50
Calves	7.25	7.00	7.25
Hogs	7.70	7.65	8.75
Sheep	7.50	7.00	8.00
Lambs	12.00	11.50	14.00

TEXTILE MILLING

The production of eleven textile mills in December amounted to 1,665,670 pounds as compared to 1,767,566 pounds in November, and 1,785,737 pounds in December, 1922, reflecting a decline of 5.8 per cent from the previous month and 6.7 per cent from the corresponding month last year. The cotton consumed by these mills in December amounted to 3,223 bales in December as against 3,398 in November and 3,473 in December, 1922. There were 115,220 spindles active during the month as compared to 107,116 during the same month a year ago. Both stocks and

unfilled orders on hand at the close of December were slightly less than at the close of November.

TEXTILE MILLING STATISTICS

	December 1923	December 1922	November 1923
Number bales cotton consumed	115,220	3,473	3,398
Number spindles active....	3,223	107,116	114,601
Number pounds cloth produced	1,665,670	1,785,237	1,767,566

WHOLESALE TRADE

**Review of
the Year
1923**

The year 1923 was a remarkable one in many respects, but it had its full share of drawbacks. The heavy movement of goods, which began in the fall of 1922, culminated during the latter part of the first quarter of 1923. During the early months of the year especially large sales as compared to the corresponding months of 1922 featured wholesale distribution. The restoration of confidence led to a change in the buying policy of the retailers, and there was a growing tendency on their part toward the placement of forward commitments to cover anticipated consumer demand rather than to buy on a hand-to-mouth basis. In the meantime, prices gradually worked upward, the shortage of goods in many lines became more marked, and price resistance among consumers in certain quarters became noticeable. Furthermore, unfavorable weather conditions resulted in uncertainty regarding the outcome of the year's crops. Consumer demand slackened; wholesale and retail trade experienced more than the usual summer dullness; and hand-to-mouth buying again appeared as a prominent feature of the trade situation. However, when it became apparent that a large cotton crop would be harvested, and when the price of that staple began its rapid advance, confidence was restored and the distribution at both wholesale and retail reached the highest point since the depression period. Although retailers bought heavily early in the fall to supply the anticipated consumer demand, frequent replacement orders were necessary. Another remarkable feature of the trade situation in the fall was the large reduction in the amount of old indebtedness. Accounts which had been carried for two and three years were in many instances paid in full, while others were materially reduced. In fact, collections last fall were better than they had been for several years. While quieti-

tude prevailed in wholesale channels of distribution during December, a spirit of confidence pervaded the business community at the opening of the new year, and dealers generally are optimistic regarding the outlook for the immediate future.

**Dry
Goods**

The usual midwinter lull in the wholesale dry goods trade was reflected by the December reports of twelve firms. Sales showed a further decline of 56.2 per cent as compared to the previous month, but an increase of 4.6 per cent as compared to the same month of the previous year. As December is the inventory period it is expected to be a month of low sales. It is noted that the distribution of goods during the last six months of 1923 was 17.0 per cent larger than for the corresponding period of 1922.

Since the turn of the year, the demand has been good and buying has shown a substantial improvement. Some orders for future delivery have been received. Both the wholesalers and retailers are optimistic regarding the future business. Collections have been satisfactory. Prices on most items remained firm with cotton goods showing an upward trend.

**Farm
Implements**

Continued activity was the outstanding feature of the farm implement trade during the closing month of 1923. December sales were 38.4 per cent greater than November sales, this being the only reporting line of trade to show larger sales than for the previous month. Despite the fact that December, 1922, sales increased 159 per cent as compared to that month of 1921, December, 1923, sales were 61.2 per cent greater than the same month of 1922. Sales for the year 1923 were 64.5 per cent greater than in 1922.

The buying demand is improving from month to month and many forward orders are being placed in anticipation of the heavy consumer demand in the spring. Some firms report that there is a shortage on some implements. Prices remained firm. Dealers state that the outlook for business this spring is good.

Furniture Sales of wholesale furniture firms declined 20.9 per cent in December as compared to the previous month, but exceeded those of the same month last year by 15.2 per cent, reflecting the strong demand for furniture which has been in evidence for the past two years. Prices generally have remained steady, but steel furniture has advanced.

Hardware There was a recession of 21.4 per cent in the December sales of reporting wholesale hardware firms as compared to the previous month, but a gain of 3.3 per cent was registered over the December, 1922, sales. The demand has quickened considerably since the beginning of the new year and buying of seasonable goods has been satisfactory, but purchases have been on a conservative basis. Prices remained firm.

Drugs Reports from seven wholesale drug firms reflect a decline of 14.3 per cent in December sales, as compared to those of the previous month, but a gain of 12.0 per cent as compared to the corresponding month last year. The buying demand during the first month of the new year is reported to be good, but orders represent largely the current needs of retailers. Dealers state that January collections are well in line with sales, and satisfactory payments are being made on old balances.

Groceries There was a decline in the December sales of reporting grocery firms as compared to the previous month, but a gain over the same month last year. The decline from November amounted to 19.0 per cent. The increase over December last year was only 1.3 per cent. The sales during the last half of 1923 were 12.4 per cent larger than those for the corresponding period of 1922. January business has shown a considerable improvement and dealers report an active buying demand. Prices continued firm. Reports from various sections of the district indicate that an optimistic feeling is prevalent among both wholesalers and retailers.

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

	NET SALES		—Net Sales— July 1st to date compared with same period last year.	STOCKS	
	Dec. 1923 compared with			Dec. 1923 compared with	
	Dec. 1922	Nov. 1923		Dec. 1922	Nov. 1923
Groceries	+ 1.3	-19.0	+12.4	-10.2	-14.8
Dry Goods.....	+ 4.6	-56.2	+17.0	+21.4	+23.7
Furniture	+15.2	-20.9	+12.1	.....	.....
Farm Implements.....	+61.2	+38.4	+46.6	+22.3	+ 4.4
Drugs	+12.0	-14.3	+11.4	+ 7.1	-10.1
Hardware	+ 3.3	-21.4	+11.4	+13.2	- 1.2

RETAIL TRADE

Stimulated by Christmas shopping, the December sales of department stores showed an increase of 40.1 per cent over November sales and were 4.4 per cent above sales for December, 1922. Immediately following the Christmas shopping period, extensive reduced price sales were featured in order to clear out the remnants of winter stocks. Buying during these sales has been greatly augmented by the protracted cold wave which has continued almost uninterrupted since the holiday season.

Stocks at the close of December were 15.5 per cent less than those on hand at the close of November,

but were 14.4 per cent greater than those carried at the close of December, 1922. Although sales for the last six months of 1923 were 6.3 per cent greater than those for the corresponding period of 1922, the ratio of stocks to sales for that period was 415.3 as compared to 405.7 per cent for the same period of 1922, indicating that department stores have been carrying a larger assortment of goods during the past year.

The ratio of outstanding orders at the close of December to total purchases during the year 1922 was 7.8 per cent, as compared to 4.5 per cent at the

close of November, and 7.5 per cent at the close of December last year.

The ratio of December collections to accounts re-

ceivable on December 1st was 40.6 per cent as compared to 40.3 per cent in November, and 39 per cent for the corresponding month a year ago.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	All Others	Total District
Total Sales—					
December, 1923, compared with December, 1922.....	+ 5.7	+ 3.0	+ 9.2	+ .8	+ 4.4
December, 1923, compared with November, 1923.....	+ 37.7	+ 52.4	+ 54.4	+ 31.9	+ 40.1
July 1st to date compared with same period last year	+ 7.0	+ 3.1	+ 9.9	+ 5.5	+ 6.3
Credit Sales—					
December, 1923, compared with December, 1922.....	+ 7.2	+ 7.4	+ 12.4	+ 3.4	+ 7.0
December, 1923, compared with November, 1923.....	+ 27.4	+ 49.5	+ 33.8	+ 24.8	+ 30.2
July 1st to date compared with same period last year	+ 7.8	+ 10.2	+ 20.6	+ 9.4	+ 10.6
Stocks—					
December, 1923, compared with December, 1922.....	+ 16.6	+ 17.8	+ 10.0	+ 12.9	+ 14.4
December, 1923, compared with November, 1923.....	- 17.3	- 15.8	- 14.5	- 14.3	- 15.5
Ratio of stocks to sales.....	410.2	431.0	411.8	416.3	415.3
Ratio of outstanding orders to last year's purchases.....	8.0	10.3	5.4	8.2	7.8
Ratio of December collections to Accounts Receivable, due and outstanding on Dec. 1, 1923.....	37.0	42.3	41.7	45.7	40.6

FINANCIAL

For the first time this year the volume of public spending, as measured by debits to individual accounts at the larger cities, was smaller in December than in the corresponding month last year. From the accompanying table it will be noted that there were substantial increases at some cities, but considerable declines in others, indicating the somewhat irregular conditions prevailing in some sections dur-

ing the closing month of the year. Total debits to individual accounts at thirteen centers were \$711,759,000 in December as compared to \$720,388,000 in the same month last year, and \$695,243,000 in the previous month, reflecting a decline of 1.2 per cent from December, 1922, but an increase of 2.4 per cent over November, 1923.

CHARGES TO DEPOSITORS' ACCOUNTS

	December, 1923	November, 1923	Inc. or Dec.	December, 1922	Inc. or Dec.
Albuquerque	\$ 9,975,000	\$ 10,540,000	- 5.4	\$ 10,377,000	- 3.9
Austin	23,766,000	22,363,000	+ 6.3	18,329,000	+29.7
Beaumont	15,635,000	15,914,000	- 1.8	17,195,000	- 9.1
Dallas	226,674,000	217,059,000	+ 4.4	199,070,000	+13.9
El Paso	34,185,000	28,756,000	+18.9	34,532,000	- 1.0
Fort Worth	86,041,000	73,611,000	+16.9	120,962,000	-28.9
Galveston	57,409,000	78,301,000	-26.7	83,601,000	-31.3
Houston	141,381,000	136,063,000	+ 3.9	131,209,000	+ 7.8
San Antonio	33,380,000	33,295,000	+ .3	31,095,000	+ 7.3
Shreveport	39,352,000	36,913,000	+ 6.6	36,108,000	+ 9.0
Texarkana	10,218,000	9,501,000	+ 7.5	9,882,000	+ 3.4
Tucson	8,783,000	9,184,000	- 4.4	9,166,000	- 4.2
Waco	24,960,000	23,743,000	+ 5.1	18,862,000	+32.3
Totals, Eleventh District	\$711,759,000	\$695,243,000	+ 2.4	\$720,388,000	- 1.2

Acceptance Market There was a further slight decline in the volume of acceptances executed by accepting banks of this district and which were outstanding at the close of December. The amount of these acceptances outstanding on December 31st was \$3,482,776.05, as compared to \$3,727,571.05 on November 30th, and

\$2,324,321.14 on December 31, 1922. Acceptances executed against import and export transactions declined from \$2,785,825.72 on November 30th to \$2,380,591.50 on December 31st, while those based on the domestic shipment and storage of goods increased from \$941,745.33 on November 30th to \$1,102,185.55 on December 31st. The amount of this

type of paper held by the Federal Reserve Bank was \$49,438,406.36 on December 31st, as compared to \$42,373,583.52 on November 30th.

Condition of Member Banks in Selected Cities A falling off of \$7,783,000 was reported in the commercial loans of 52 member banks in selected cities during the five weeks' period from November 28, 1923, to January 2, 1924, bringing the volume of these loans down to \$222,226,000 on the latter date. The net demand deposits of these banks during the same period declined from \$260,504,000 to \$251,605,000. Following the trend of deposits, reserves with the Federal

Reserve Bank receded \$3,512,000. Their bills payable and rediscounts with the Federal Reserve Bank were reduced from \$4,967,000 on November 28, 1923, to \$2,659,000 on January 2, 1924.

It is interesting to compare the January 2, 1924, statement with that of January 3, 1923. During this period loans secured by U. S. government obligations declined \$3,090,000; loans secured by stocks and bonds other than U. S. government obligations increased \$15,102,000; all other loans increased \$12,940,000; investments in U. S. securities increased \$2,519,000; time deposits increased \$7,621,000; and net demand deposits increased \$14,565,000. The ratio of loans to deposits declined from 90 per cent to 88 per cent.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	Jan. 2, 1924	Nov. 28, 1923	Jan. 3, 1923
1. Number of reporting banks.....	52	52	52
2. U. S. securities owned.....	\$59,441,000	\$53,181,000	\$56,922,000
3. All other stocks, bonds and securities owned.....	13,941,000	13,655,000	9,111,000
4. Loans secured by U. S. Government obligations.....	3,188,000	3,072,000	6,278,000
5. Loans secured by stocks and bonds other than U. S. Government obligations.....	64,568,000	66,005,000	49,466,000
6. All other loans.....	219,038,000	226,937,000	206,098,000
7. Net demand deposits.....	251,605,000	260,504,000	237,040,000
8. Time deposits.....	84,574,000	79,384,000	76,953,000
9. Reserve with Federal Reserve Bank.....	24,771,000	28,283,000	24,274,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	2,659,000	4,967,000	3,138,000
11. Ratio of loans (*) to net demand deposits.....	88%	88%	90%

*Loans include only items 4 and 6.

Operations of the Federal Reserve Bank At the close of business on December 31, 1923, there were 98 banks owing the Federal Reserve Bank, and their aggregate borrowings were only \$8,872,087.37, the lowest point reached since February, 1918. On December 31, 1922, 177 banks were owing us \$14,422,329.67, while on the corresponding date of 1921, 536 banks were owing us \$50,597,098.40. These comparative figures show the extent to which the banks of this district have improved their position during the past two years.

The total bills held by this bank increased from \$57,796,745.88 on November 30th to \$58,310,493.73 on December 31st, distributed as follows:

Member banks' collateral notes secured by U. S. Government obligations.....	\$ 524,000.00
Rediscounts and all other loans to member banks.....	8,348,087.37
Open market purchases (bankers' acceptances).....	49,438,406.36
Total bills held.....	\$58,310,493.73

Federal reserve notes in actual circulation declined from \$56,494,965.00 on November 30th to \$52,802,006.00 on December 31st, or a net reduction of \$3,692,959.00 during the month. This movement represents the seasonal flow of these notes back to the Federal Reserve Bank following the heavy demand for currency in connection with the gathering and movement of the cotton crop. As compared to the circulation of these notes on December 31, 1922, there was an increase of \$15,040,871.00, which is attributable in part to the normal growth and expansion of the district's business. The reserve account of member banks amounted to \$58,115,203.68 on December 31st, as compared to \$58,348,680.24 on November 30th and \$54,461,086.84 on December 31, 1922.

Deposits of Member Banks After a rapid rise in member banks' deposits during the cotton marketing season, there was a slight decline in December. The total demand deposits of these banks declined from \$654,398,000 on November 28th to \$646,691,000 on December 26th.

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
Oct. 24, 1923.....	629,944	139,723	209,681	17,447	107,980	23,381	116,717	50,541	195,566	48,354
Nov. 28, 1923.....	654,398	143,713	220,297	17,111	111,284	23,479	117,596	52,550	205,221	50,573
Dec. 26, 1923.....	646,691	144,711	212,277	16,096	111,802	22,669	121,106	51,572	201,506	54,374

Discount Rates There is presented the "high," "low," and "customary" rates charged by commercial banks in the cities listed below.

DECEMBER 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	5½	6	8½	7¾	8	6	4	5	6¾	5½	6	8	6	7	7	6½	7
Customers' 4 to 6 months.....	6	5½	6	8	8	8	.....	.....	.....	6¾	5¾	6½	8	6	7	7½	7	7½
Open market 30 to 90 days.....	5½	5	5	6	5	5	5½	4½	5	5¾	5¼	5½	.....	.....	.....	5¾	5½	5½
Open market 4 to 6 months.....	5	5	5	5	5	5	.....	.....	.....	5¾	5¼	5½	.....	.....	.....	5½	5	5½
Interbank loans.....	6½	5½	5½	7½	7¼	7½	6½	6	6	6	5¾	5¾	8	6	6	.....	.....	.....
Collateral loans, demand.....	8	6	6	8	8	8	10	6	7	7	5½	6½	8	7	7½	8	7½	8
Collateral loans, 3 months.....	8	6	6½	8½	8	8	8	8	8	7¾	5¾	6¾	8	7	7½	8	7½	8
Collateral loans 3 to 6 months.....	8	6	6½	8	8	8	.....	.....	.....	7½	6	6¾	8	7	7½	8	7½	8
Cattle loans.....	8	7	7½	8¾	8¼	8¼	8	7½	8	7¾	6½	7¼	8	7	7½	.....	.....	.....
Loans secured by warehouse receipts, Bs-L, etc.	8	6½	6½	8½	8	8	8	6	6	7¼	6¼	7	8	7	7½	8	6½	7
Loans secured by government securities.....	7	5	6	8	8	8	6	6	6	7	6	6½	8	6	6½	7	7	7

Savings Deposits Reports from 113 banks of this district which operate a savings department, reflect an increase of 1.3 per cent in savings deposits between November 30th and December 31st. There was an increase of 15.6 per cent in these deposits as compared to December 30, 1922. The number of savings depositors of 107 banks was 233,520 on December 31st, as compared to 233,184 on November 30th and 202,479 on December 30th last year.

SAVINGS DEPOSITS

	Number of Reporting Banks	Dec. 31, 1923	Dec. 30, 1922	Inc. or Dec.	Nov. 30, 1923	Inc. or Dec.
Beaumont.....	4	2,225,806	1,701,400	+30.8	2,221,286	+ .2
Dallas.....	6	11,022,632	9,080,497	+21.4	11,353,560	- 2.9
El Paso.....	4	4,479,115	4,028,638	+11.2	4,392,121	+ 2.0
Fort Worth.....	6	6,445,417	5,949,000	+ 8.3	6,389,121	+ .9
Galveston.....	3	6,937,499	6,189,601	+12.1	6,923,283	+ .2
Houston.....	14	19,816,405	16,757,222	+18.3	19,559,830	+ 1.3
San Antonio.....	6	9,788,422	8,961,013	+ 9.2	9,512,972	+ 2.0
Shreveport.....	4	10,316,790	7,374,821	+39.9	9,346,520	+10.4
Waco.....	5	2,686,221	1,888,518	+42.2	2,596,923	+ 3.4
Wichita Falls.....	3	1,575,817	2,544,850	-38.1	1,745,583	- 9.7
All others.....	58	16,327,975	14,771,675	+10.5	16,367,376	- .2
Total.....	113	91,622,099	79,247,235	+15.6	90,408,575	+ 1.3

NUMBER OF SAVINGS DEPOSITORS

	Number of Reporting Banks	Dec. 31, 1923	Dec. 30, 1922	Nov. 30, 1923
Beaumont	3	7,274	6,145	7,192
Dallas	6	37,613	30,415	37,518
El Paso	4	15,779	14,431	15,918
Fort Worth	6	20,893	20,269	20,899
Galveston	3	10,654	11,519	12,172
Houston	13	54,598	43,305	53,788
San Antonio	5	14,983	13,078	14,753
Shreveport	4	19,860	16,808	19,603
Waco	5	5,555	4,671	5,403
Wichita Falls	3	6,283	4,509	6,249
All Others	55	40,028	37,329	39,689
Total	107	233,520	202,479	233,184

FAILURES

The number of commercial failures in the Eleventh Federal Reserve District during December, as compiled by R. G. Dun & Company, reached the highest point since April, 1922. There were 148 firms which suspended business in December as compared to 127 in November, and 129 in December, 1922. However, the amount of indebtedness involved reflected a sharp decline, being \$2,046,743 in December as against \$4,445,724 in November and \$2,118,607 in December last year.

For the year 1923 there were 1,181 defaulting firms as compared to 1,408 in 1922. The liabilities of defaulting firms amounted to \$34,315,380 in 1923 as compared to \$33,262,896 in 1922, reflecting the slight increase of \$1,052,484 for the year.

The combined statistics of all Federal Reserve Districts for December show an increase as compared to the previous month 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	1,226	28,696,649	1,566	36,908,126
October	111	2,417,470	91	1,014,291	1,673	79,301,741	1,708	34,647,438
November	127	4,445,724	83	1,361,108	1,704	50,291,708	1,737	40,265,297
December	148	2,046,743	129	2,118,607	1,841	51,614,730	1,814	58,069,021
Total, twelve months.....	1,181	34,315,380	1,408	33,262,896	18,718	539,384,806	23,676	623,896,251

PETROLEUM

After showing a gain in production for seven consecutive months, the crude oil output of the Eleventh Federal Reserve District declined sharply in December following the rapid depletion of the Corsicana-Powell field. The total production for the month amounted to 15,088,747 barrels as compared to 19,342,590 barrels during the previous month. There were 336 wells completed during the month as compared to 308 during the previous month, but the initial production from the 266 producers brought

in during December amounted to 173,086 barrels as against 505,633 barrels from 234 successful completions in November.

Although some of the major producing areas in Texas reflected a larger output in December than in November, due to the longer month, there was a decrease in the daily average production of all these sections. The heaviest decline was registered in the Corsicana-Powell field. The new completions numbered 302 wells, of which 242 were successful, yield-

ing an initial flow of 172,412 barrels as against 256 completions in November of which 196 were producers with a flush production of 503,740 barrels.

The daily average production of the Gulf Coast field during December amounted to 79,584 barrels, as compared to 79,968 barrels during the previous month. There were only 23 wells completed in this section as compared to 33 wells during November, but 7,105 barrels of flush production was obtained from 14 producers as against 21,105 barrels from 26 producers completed in November.

In the North Texas area drilling operations were more active in December than during November, 109 wells being completed as compared to 60 during the previous month. There was also a substantial increase in the new production added, the initial yield of 88 producers being 14,747 barrels as compared to 4,025 barrels from 41 producers completed in November. The daily average production of the North Texas area amounted to 69,680 barrels in December as compared to 71,370 barrels during November.

The Central-West Texas fields registered a production decline of 4,520,010 barrels in December as compared to the previous month. This section reached the high-water mark in November at 12,463,120 barrels, but the recovery in December amounted to only 7,943,110 barrels, reflecting a decline of 159,208 barrels in the daily average production. The decline in the Corsicana-Powell field alone

amounted to 4,596,300 barrels, but the increases in the Stephens County and Desdemona-Gorman fields offset part of this decrease. There were 150 completions in this section during December, of which 127 were producers as compared to 143 completions in November, including 124 producers, but the small flush production of the new producers in the Corsicana-Powell field reduced the new production added in December to 141,850 barrels as compared to 478,070 barrels during the previous month.

The Louisiana fields reflected a gain in production over the low point reached in November. The December output amounted to 1,940,058 barrels as compared to 1,753,440 barrels in November.

Crude Oil Prices

The crude oil market, which had been on the down grade since last April, developed a strong upward trend during December. Increases in the posted price at the various fields of the district have come in rapid succession. In Texas fields, the Gulf Coast and Currie oils were the leaders, having increased 50 cents per barrel. An advance of 25 cents per barrel was posted on Corsicana light oil; 10 cents on Corsicana heavy oil; 35 cents on Mexia oil; and 15 cents on North Texas oil. Homer oil led in Louisiana with an advance of 65 cents per barrel. The price on the oil at other Louisiana fields gained 25 cents per barrel.

OIL PRODUCTION

Field—	December		November		Increase or Decrease	
	Total	Daily Avg.	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	2,160,090	69,680	2,141,110	71,370	Inc. 18,980	Dec. 1,690
Central-West Texas.....	7,943,110	256,229	12,463,120	415,437	Dec. 4,520,010	Dec. 159,208
Texas Coastal.....	2,467,104	79,584	2,399,020	79,968	Inc. 68,084	Dec. 384
Miscellaneous fields.....	578,385	18,658	585,900	19,530	Dec. 7,515	Dec. 872
Totals, Texas.....	13,148,689	424,151	17,589,150	586,305	Dec. 4,440,461	Dec. 162,154
North Louisiana.....	1,940,058	62,582	1,753,440	58,448	Inc. 186,618	Inc. 4,134
Totals, 11th District.....	15,088,747	486,733	19,342,590	644,753	Dec. 4,253,843	Dec. 158,020

DECEMBER DRILLING RESULTS

Field—	Completions	Producers	Failures	Initial Production
North Texas.....	109	88	21	14,747
Central-West Texas.....	150	127	23	141,850
Texas Coastal.....	23	14	9	7,105
Miscellaneous fields.....	12	12	....	8,710
Texas Wildcats.....	8	1	7	.....
Totals, Texas.....	302	242	60	172,412
North Louisiana.....	34	24	10	674
December totals, District.....	336	266	70	173,086
November totals, District.....	308	234	74	505,633

CRUDE OIL PRICES

Texas—	Jan. 10, 1924	Jan. 9, 1923	Louisiana—	Jan. 10, 1924	Jan. 9, 1923
Corsicana light	\$1.25	\$1.00	Caddo (38 gravity and above).....	\$1.35	\$1.80
Corsicana heavy .....	.50	.60	Bull Bayou (38 gravity and above).....	1.30	1.40
Texas Coastal	1.50	1.25	Homer (35 gravity and above).....	1.75	1.80
Mexia	1.35	1.55	Haynesville (33 gravity and above).....	1.25	1.25
Currie	1.50	1.80	DeSoto Crude	1.35	1.60
North Texas (39 gravity and above).....	1.40	1.80			

(Oil statistics compiled by the Oil Weekly, Houston, Texas.)

LUMBER

The new orders received at Eleventh District pine mills, which declined in October and November, reflected a sharp upturn in December, being equivalent to 99 per cent of normal production as compared to 79 per cent in November and 96 per cent in December last year. The production of these mills, on the other hand, declined from 8 per cent below normal production in November to 23 per cent below normal in December. Shipments in December were 3 per cent above production as compared to 5 per cent below production in November. The unfilled orders on the books of 45 mills at the close of December amounted to 69,597,108 feet, as compared to 50,398,200 feet at the close of November. Stocks on hand December 31st were 16 per cent below normal, as against 17 per cent on November 30th.

The lumber market strengthened considerably during December, an advance in price being marked up on several grades. However, lumber is reported to be from \$5.00 to \$7.00 cheaper than a year ago.

DECEMBER PINE MILL STATISTICS

Number of reporting mills.....	45
Production	77,983,967 feet
Shipments	80,075,169 feet
Orders	100,552,653 feet
Unfilled orders, December 31st..	69,597,108 feet
Normal production	101,560,565 feet
Stocks, December 31st.....	256,443,425 feet
Normal stocks	305,205,359 feet
Shipments above production.....	2,091,202 feet= 3%
Actual production below normal..	23,576,598 feet=23%
Orders below normal production	1,007,912 feet= 1%
Stocks below normal.....	49,761,934 feet=16%

BUILDING

Following a decline in the valuation of building at eleven principal cities of the Eleventh District for three consecutive months, there was a slight increase of 4.5 per cent in December as compared to the previous month. The December valuation amounted to \$5,099,798, as compared to \$4,882,124

in November and \$9,813,956 in December a year ago.

During the year 1923 there were 31,138 permits issued at these cities, with an estimated valuation of \$78,568,638, which compares to 29,214 permits issued in 1922 with an estimated valuation of \$68,794,230.

BUILDING PERMITS

	December, 1923		December, 1922		Inc. or Dec.	November, 1923		Inc. or Dec.	Twelve Months				Inc. or Dec.
	No.	Valuation	No.	Valuation		No.	Valuation		1923		1922		
									No.	Valuation	No.	Valuation	
Austin.....	27	473,023	33	72,645	+ 551.1	40	38,050	+ 1,143.2	592	1,970,076	375	684,297	+ 187.9
Beaumont.....	111	73,078	97	103,070	- 29.1	196	120,094	- 39.1	2,138	2,689,372	1,241	1,501,928	+ 79.1
Dallas.....	251	1,128,902	244	1,184,198	- 4.7	333	1,186,080	- 4.8	4,586	20,987,819	4,552	18,646,988	+ 12.6
El Paso.....	50	77,635	70	305,834	- 74.6	63	56,035	+ 38.5	990	2,101,980	1,164	3,294,513	- 36.2
Fort Worth.....	128	671,029	182	5,859,024	- 88.5	181	586,031	+ 14.5	2,876	8,405,264	2,520	12,128,722	- 30.7
Galveston.....	217	49,797	258	74,618	- 33.3	331	64,090	- 22.3	3,931	1,892,812	4,113	2,131,288	- 11.2
Houston.....	313	1,325,417	191	714,053	+ 85.6	453	941,593	+ 40.8	6,091	18,805,550	6,480	13,418,469	+ 40.1
Port Arthur.....	110	118,830	101	141,169	- 15.8	218	190,647	- 37.7	2,273	2,917,065	1,245	1,232,258	+ 136.7
San Antonio.....	187	277,700	260	535,375	- 48.1	318	394,685	- 29.6	3,766	8,047,546	4,227	7,598,855	+ 5.9
Shreveport.....	235	773,977	205	721,520	+ 7.3	261	1,202,199	- 35.6	3,361	9,467,382	2,822	6,068,329	+ 56.0
Waco.....	48	130,410	30	102,450	+ 27.3	44	102,620	+ 27.1	534	1,283,772	475	2,088,574	- 38.5
Total.....	1,677	5,099,798	1,671	9,813,956	- 48.0	2,438	4,882,124	+ 4.5	31,138	78,568,638	29,214	68,794,230	+ 14.2

*\$5,100,000 estimated permits of buildings erected in the new area taken into the city of Fort Worth. Estimated amount placed into December building account for year 1922.

CEMENT

A sharp decline was registered in both production and shipments of Portland cement of Texas mills during December. The month's production amounted to 227,000 barrels, as compared to 348,000 barrels in November and 365,000 barrels in December last year. December shipments declined 41.6 per cent as compared to November and 45.3 per cent as compared to the same month a year ago. Stocks

at the close of December amounted to 294,000 barrels, as against 254,000 barrels at the close of November.

Production for the year amounted to 4,180,000 barrels, which was 15.1 per cent larger than the 1922 production. Shipments for the past year were 9.1 per cent greater than for the previous year.

PRODUCTION, SHIPMENTS AND STOCKS OF PORTLAND CEMENT
(Barrels)

	December, 1923	December, 1922	Per Cent Inc. or Dec.	November, 1923	Per Cent Inc. or Dec.	Year		Per Cent Inc. or Dec.
						1923	1922	
Production of Texas mills.....	227,000	365,000	-37.8	348,000	-34.8	4,180,000	3,631,000	+15.1
Shipments from Texas mills.....	187,000	342,000	-45.3	320,000	-41.6	4,075,000	3,734,000	+9.1
Stocks at the end of the month at Texas mills.....	294,000	191,000	+53.9	254,000	+15.7			

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of January 25, 1924.)

Production of basic commodities showed a further decline in December and wholesale prices receded slightly. Christmas trade was somewhat larger than a year ago. Changes in the banking situation in January reflected chiefly an unusually large return flow of currency after the holiday season.

PRODUCTION

The index of production in basic industries declined four per cent in December to the low point of the year. The decrease for the month reflected principally a large reduction in consumption of cotton, but also reduced operations in the woolen, petroleum, sugar, and lumber industries. Production of pig iron and anthracite increased. The Federal Reserve Board's index of factory employment decreased one per cent and was four per cent lower than in the spring. The largest decreases were at plants manufacturing food products and railroad equipment. Building contract awards in December were smaller than in November, but almost 25 per cent larger than a year ago.

TRADE

Railroad shipments continued to decrease during December and were slightly less than in December, 1922. Loadings of coal and grain were smaller than a year ago, while loadings on miscellaneous merchandise and live stock were in larger volume. The volume of wholesale trade showed more than the usual seasonal decrease and was at about the same level as a year ago. Sales of meat, hardware, and drugs were larger than in December, 1922, while sales of dry goods and shoes were smaller. Retail trade, though larger in December, 1923, than in any other month on record, did not show as large an increase over November as is usual at the Christmas season.

PRICES

Wholesale prices, according to the index of the Bureau of Labor Statistics, decreased less than one

per cent during December. The chief reductions occurred in prices of fuel and building material, while prices of clothing and metals increased and prices of farm products remained unchanged. During the first two weeks of January prices of corn, wheat, pig iron, petroleum, and lumber advanced, while quotations on cotton, sugar, and copper were lower.

BANK CREDIT

The volume of credit extended by the Federal reserve banks showed the usual sharp increase during the latter part of December in response to holiday requirements for credit and currency and financial settlements falling due on the first of January.

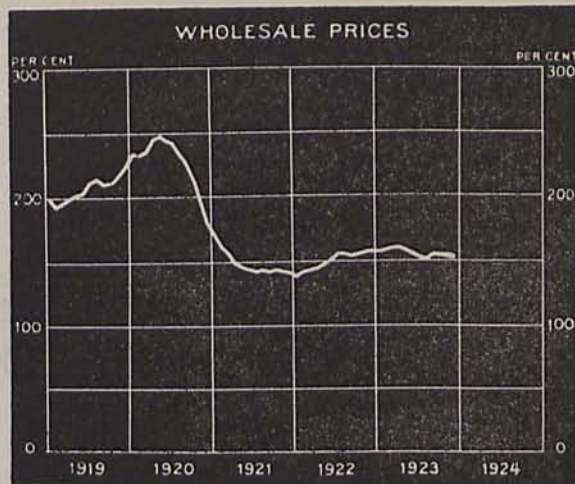
With the passing of the seasonal demands there was an unusually rapid return flow of currency to the reserve banks, reflected both in an increase of reserves and a decrease of Federal reserve note circulation. Member banks used the currency returned from circulation to reduce their borrowing, with the consequence that the earning assets of the Federal reserve banks declined by \$360,000,000 during the four weeks following Christmas, or approximately \$150,000,000 more than during the corresponding period of 1923. At the middle of January the volume of reserve bank credit outstanding was below \$1,000,000,000 for the first time since early in 1918.

Loan made largely for commercial purposes by member banks in principal cities declined between December 12 and January 16 to a point of \$264,000,000 lower than at the peak in October and to about the level of July, 1923. This decrease in loans, which was general throughout the country, was accompanied by a movement of funds to the financial centers and an increase in loans on securities, principally in New York.

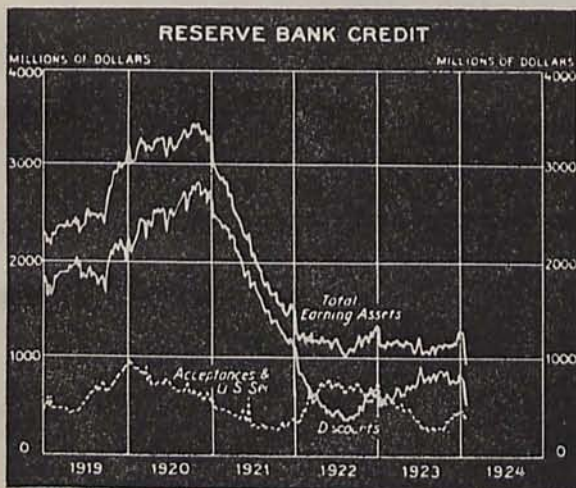
Easier money conditions in January were reflected in a further slight decline in the rate on prime commercial paper to $4\frac{3}{4}$ per cent compared with $4\frac{3}{4}$ to 5 per cent in December and in increased activity in the investment markets.



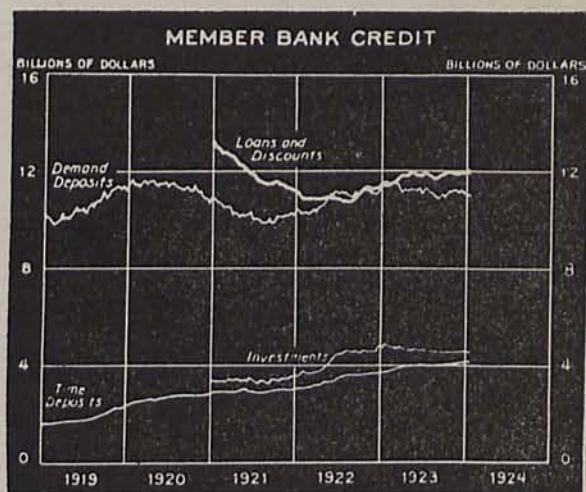
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure—December 111.



Index of U. S. Bureau of Labor Statistics. (1913=100, base adopted by Bureau.) Latest figures, December 151.

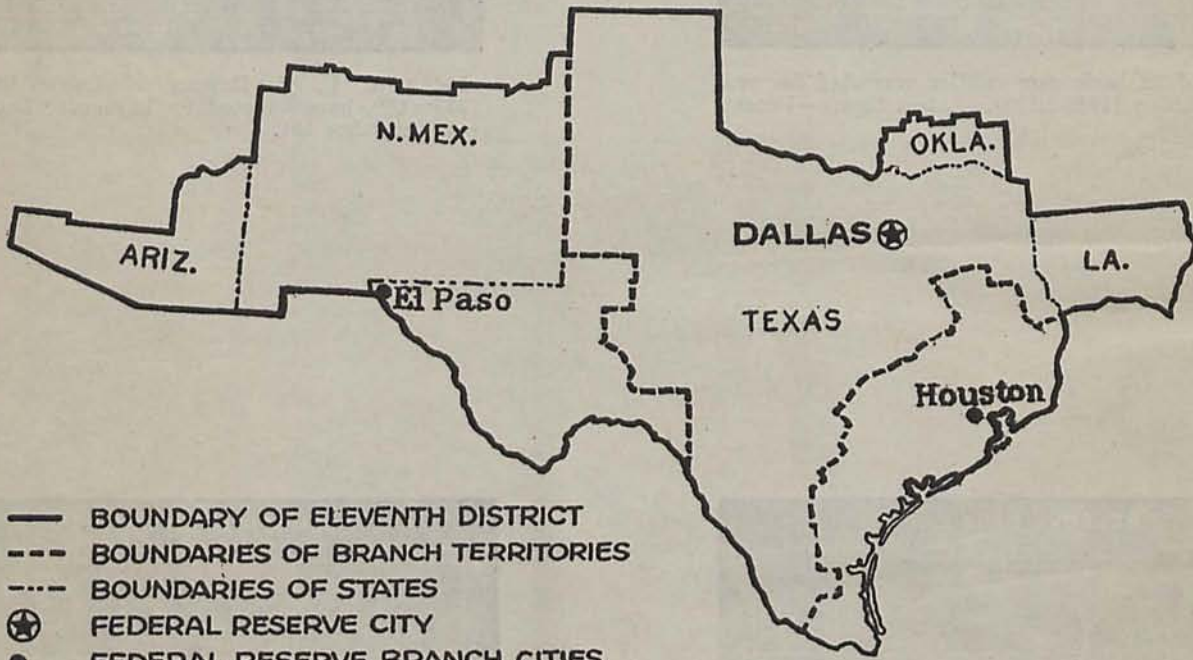


Weekly figures for 12 Federal Reserve Banks. Latest figure, January 16.



Weekly figures for member banks in 101 leading cities. Latest figure, January 9.

ELEVENTH FEDERAL RESERVE DISTRICT



- BOUNDARY OF ELEVENTH DISTRICT
- - - BOUNDARIES OF BRANCH TERRITORIES
- · - · BOUNDARIES OF STATES
- ⊛ FEDERAL RESERVE CITY
- FEDERAL RESERVE BRANCH CITIES