

MONTHLY BUSINESS REVIEW

OF THE FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	October	September	Increase or Decrease	
Bank debits to individual accounts (at 17 cities).....	\$1,074,628,000	\$931,756,000	Inc.	15.3%
Department store sales.....			Inc.	11.7%
Reserve bank loans to member banks at end of month.....	\$ 22,473,589	\$ 28,452,358	Dec.	21.0%
Reserve bank ratio at end of month.....	55.4%	52.3%	Inc.	3.1 points
Building permit valuations at larger cities.....	\$ 7,161,407	\$ 6,325,734	Inc.	13.2%
Commercial failures (number).....	65	41	Inc.	58.5%
Commercial failures (liabilities).....	\$ 857,123	\$ 533,137	Inc.	60.8%
Oil production (barrels).....	23,153,100	22,504,100	Inc.	2.9%
Lumber orders at pine mills (per cent of normal production).....	104%	103%	Inc.	1 point

A seasonal expansion in the demand for merchandise in both wholesale and retail channels was a noticeable feature of the business situation during October. The sales of department stores in larger cities were 12 per cent greater than a month earlier and were practically the same as a year ago. Distribution of merchandise at wholesale was not only larger than in September but exceeded that of October, 1927, by a substantial margin. The rapid progress with harvesting operations and the accumulating evidence that the net returns from this year's crops will be large has stimulated consumer demand in most sections of the district and this in turn has increased buying at wholesale. While retailers are showing no disposition to depart from the policy of limiting commitments to well defined requirements, reports indicate that there is a strong undertone of confidence in the trade situation.

The farmers took full advantage of the favorable weather prevailing during October and in most sections of the district harvesting operations are nearing completion. According to the Department of Agriculture, the production of three of the district's major commodities, cotton, wheat, and grain sorghums, will be considerably larger than in 1927 and while the yields of other important crops will fall below last year, they are generally satisfactory. On the basis of these reports it appears that a large percentage of the farmers will be able to liquidate their indebtedness and will have a surplus to carry over into the new year. The moderate to heavy rains which fell over the district late in October left the much needed moisture in the soil which enabled farmers to proceed with the seeding of small grains and the preparation of the soil for 1929 crops. The rains

likewise stimulated the growth of winter weeds and grass on the ranges and replenished the supply of stock water. Late reports indicate that the physical condition of the district's ranges is generally good and that livestock will go into the winter in fair to excellent shape.

The heavy marketing and movement of the district's major commodities has been reflected in rising deposits and a sustained demand for credit. The combined net demand and time deposits of member banks rose to \$946,071,000 on October 10th which was \$43,093,000 greater than on September 12th and \$61,766,000 larger than on October 26, 1927. While Federal Reserve Bank loans to member banks declined from \$28,452,358 on September 30th to \$19,515,778 on November 15th, they were, on the latter date, \$13,140,635 greater than on that date in 1927. Debits to individual accounts at banks in larger cities were 15 per cent larger than in September and exceeded those in October last year by 11 per cent.

The business mortality rate in this district, after declining in August and September, turned sharply upward in October, both the number of defaults and the amount of liabilities showing substantial increases over the two previous months and the corresponding month last year.

The valuation of building permits issued at principal cities during October was 13 per cent larger than in the previous month and was slightly above that in October, 1927. The production and shipments of cement, and the production, shipments, and new orders for lumber, were likewise larger than in either the previous month or the same month last year.

CROP CONDITIONS

Due to favorable weather prevailing during the fall months, the district's farmers have been able to proceed

more rapidly than usual with harvesting operations and this work is now nearing completion in most sections of

the district. While the dry weather prior to the October rains delayed the seeding of small grains, moisture conditions are now generally favorable and farmers are actively engaged in the sowing of a large acreage of wheat, oats, and barley. Furthermore, farmers have begun the preparation of the soil for 1929 crops in those sections where harvesting operations are out of the way.

With the results of this year's agricultural operations fairly accurately determined, it is apparent that most crops have returned satisfactory yields and that the net returns from this year's crops will be large despite the increased cost of production. According to the November 1st estimate of the Department of Agriculture, the Texas production of cotton, wheat, grain sorghums, and peanuts, exceeded that of the previous year by a considerable margin, while the production of corn, oats, barley, rice, sweet potatoes, and tame hay, was somewhat smaller.

The picking and ginning of cotton has proceeded very rapidly in all states attached to this district except New Mexico. The Bureau of Census reported that prior to November 1st, there had been ginned in Texas 3,866,152 bales, which represents approximately 77 per cent of the indicated yield. Picking is nearing completion in all sections of Texas except in the Northwest and Western sections. The crop in these portions was unusually late this year but the favorable weather prevailing since early September permitted most of the bolls to reach maturity before the freeze late in October. Late reports indicate that snapping is becoming general in these sections, and labor for gathering the crop is plentiful. The Department of Agriculture in its November report estimated the Texas crop at 5,150,000 bales which compares with an estimate of 5,050,000 bales on October 1st and an actual production of 4,352,000 bales last year. The Department also raised the indicated production in Louisiana and Arizona but reduced it in Oklahoma and New Mexico. In all states attached to this district, the indicated production is larger than the actual production in 1927.

With most of the Texas corn crop already harvested, the out-turn in some sections is proving less than was expected. According to the Department of Agriculture the indicated production on November 1st was 101,346,000 bushels as compared to a production of 119,347,000 bushels in 1927. This year's production in Louisiana and New Mexico is larger than a year ago. The total production of grain sorghums in Texas was placed by the Government at 67,025,000 bushels as compared to 55,734,000 bushels in 1927 and that in New Mexico at 3,760,000 bushels as against 2,394,000 last year. The favorable weather and the lateness of frost were very beneficial to the maturity of this crop and in those localities not affected by the drouth the crop has yielded well.

The weather has been very favorable for the harvesting of the Texas rice crop and this work is practically completed. The yield generally has been very satisfactory and the quality good but prices have been disappointing. Production this year is estimated at 7,308,000 bushels as compared to 8,039,000 bushels in 1927. The production of peanuts in Texas is placed at 77,700,000 pounds which is 7,500,000 pounds greater than a year ago. Yields have been particularly good in the Northern portion of the State where moisture conditions were good. Production has also

been good in Oklahoma and the returns from the crop were very satisfactory. Citrus fruits in the Rio Grande Valley are ripening slowly and are beginning to move in moderate volume. Production this year is reported to be generally good. The Department of Agriculture reported that the condition of the Texas pecan crop this year was estimated at 56 per cent of a full crop. Nuts are being gathered in every section and as a rule, are well matured and of good size and quality. The report states that shipment will be approximately double the 195 cars shipped last year.

LIVESTOCK

The moderate to heavy rains which fell over most of the district's range territory during the last days of October and the first half of November were very beneficial to pastures. The grass and weeds on the ranges have been revived and wheat is growing rapidly and will soon provide considerable pasturage. Prior to the rains, however, ranges, particularly in Northwest, Central, East, and in portions of West-Center and Coast sections of Texas, were showing a noticeable deterioration. Likewise, the condition of cattle in these sections had declined. In other portions of the district, livestock and ranges were reported in generally fair to good condition. Late reports indicate that livestock in most sections of the district are entering the winter under favorable conditions with feed and water generally ample. The fall movement of cattle from this district has been heavy and has now passed the peak. A considerable portion of the shipments from the Western half of the district is moving to the corn belt states and northern feed lots. The heavy outward movement this year is due to the strong demand for feeders at high prices.

The Department of Agriculture reported that the November 1st condition of cattle ranges in Texas was 86 per cent of normal which represents a decline of 3 points during the month but a gain of 1 point over a year ago. The condition of sheep and goat ranges was 94 per cent of normal on November 1st as compared to 98 per cent a month earlier and 89 per cent on November 1, 1927. The condition of sheep and cattle declined 1 point during October but goats gained 1 point. The shearing of sheep in Texas is progressing rapidly and although the fall clip will be smaller than was expected, the quality is unusually good.

Movements and Prices The receipts of cattle and calves at the Fort Worth market during October reflected a substantial seasonal gain as compared to the previous month but were on a smaller scale than in the corresponding month last year. While the number of hogs yarded during the month was slightly smaller than in September, it exceeded that of October, 1927, by a considerable margin. The arrivals of sheep showed a large gain over both the previous month and the same month a year ago.

COMPARATIVE TOP LIVESTOCK PRICES

	October 1928	October 1927	September 1928
Beef Steers.....	\$13.75	\$10.50	\$13.50
Stocker steers.....	12.50	10.00	13.25
Butcher cows.....	9.50	8.00	9.75
Stocker cows.....	8.50	6.75	8.75
Calves.....	12.00	11.75	13.50
Hogs.....	10.50	11.75	12.30
Sheep.....	8.25	10.75	8.50
Lambs.....	13.00	13.25	14.00

FORT WORTH LIVESTOCK RECEIPTS

	October 1928	October 1927	Loss or Gain	September 1928	Loss or Gain
Cattle.....	91,127	93,872	L 2,745	87,292	G 3,835
Calves.....	46,610	53,461	L 6,851	37,405	G 9,205
Hogs.....	26,852	21,329	G 5,523	27,787	L 935
Sheep.....	41,626	21,970	G 19,647	31,805	G 9,821

The market price on all classes of cattle reflected a further decline during the past month. During most of the period the supply was ample to meet the demand and prices gradually worked to lower levels. After showing a considerable advance during August and September, hog prices reflected a sharp decline during October. The market, however, advanced slightly during the first half of November. Reflecting the heavy receipts, sheep and lamb prices were lower in October than for sometime past.

Cotton Movements Reflecting the rapid gathering and ginning of the Texas cotton crop, the receipts of cotton at the ports of Houston and Galveston were exceedingly large. Receipts not only showed a heavy seasonal increase as compared to the previous month but exceeded those of the corresponding month a year ago by a wide margin. Likewise, exports from these ports reflected a large gain as compared to both the previous month and the same month last year. Total foreign exports of cotton (including linters) amounted to 1,240,702 bales in October as compared to 1,126,509 bales in 1927. It will be noted that the exports for the current season to Great Britain and Japan-China show a considerable gain over a year ago but those to France and the Continent are smaller. The domestic consumption of cotton amounted to 618,788 bales in October which represents a slight gain

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	October 1928	October 1927	August 1 to October 31 This Season	August 1 to October 31 Last Season
Receipts.....	784,875	521,571	1,334,486	968,357
Exports.....	507,687	357,864	749,629	551,294
Stocks, October 31.....			668,443	563,092

as compared to September and a 26 per cent gain over October, 1927. The consumption figure was larger than in any month since last November and it was the first time since that month that the current figures showed a gain over the corresponding month of the previous year.

GALVESTON STOCK MARKET

	October 31, 1928	October 31, 1927
For Great Britain.....	33,000	18,200
For France.....	22,000	25,100
For other foreign ports.....	77,000	60,400
For Coastwise ports.....	5,000	7,500
In compresses and depots.....	531,443	451,892
Total.....	668,443	563,092

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	October 1928	October 1927	August 1 to October 31 This Season	August 1 to October 31 Last Season
Receipts.....	918,549	597,608	1,496,566	1,353,343
Exports.....	407,317	304,733	704,158	623,088
Stocks, October 31.....			870,054	784,944

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

	August 1 to October 31 This Season	August 1 to October 31 Last Season
Receipts.....	4,144,059	3,800,831
Exports: Great Britain.....	419,095	267,203
France.....	213,332	266,740
Continent.....	1,134,205	1,182,878
Japan-China.....	427,016	328,010
Mexico.....	2,261	394
Total foreign ports.....	2,195,909	2,045,225
Stocks at all United States ports, October 31.....	2,126,734	1,796,642

SPOT COTTON PRICES

	October, 1928		November 15, 1928
	High	Low	
New York.....	20.20	19.05	19.70
New Orleans.....	19.32	18.24	18.77
Dallas.....	18.85	17.70	18.35
Houston.....	19.45	18.35	19.05
Galveston.....	19.70	18.50	19.15

COTTON CONSUMED AND ON HAND

	COTTON GROWING STATES				UNITED STATES			
	October 1928	October 1927	August 1 to October 31 This Season	August 1 to October 31 Last Season	October 1928	October 1927	August 1 to October 31 This Season	August 1 to October 31 Last Season
	Cotton consumed.....	474,267	449,297	1,250,180	1,376,205	618,788	613,520	1,637,738
Cotton on hand October 31:								
(a) In consuming establishments.....			905,910	969,856			1,194,961	1,323,703
(b) In public storage and compresses.....			4,554,750	5,132,526			4,635,981	5,419,193

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to October 31 This Season	Last Season	August 1 to October 31 This Season	Last Season
Cottonseed received at mills (tons).....	1,007,921	985,743	2,558,312	2,573,207
Cottonseed crushed (tons).....	535,485	596,560	1,397,709	1,808,586
Cottonseed on hand (tons).....	485,230	423,114	1,182,175	1,054,405
Crude oil produced (pounds).....	155,485,877	175,138,000	427,829,833	494,084,111
Cake and meal produced (tons).....	252,630	278,000	625,633	716,977
Hulls produced (tons).....	146,641	174,000	384,053	458,111
Linters produced (running bales).....	108,248	107,000	282,776	284,050
Stocks on hand, October 31:				
Crude oil (pounds).....	25,734,241	35,576,000	80,308,919	101,269,000
Cake and meal (tons).....	32,334	49,000	124,196	179,458
Hulls (tons).....	56,611	103,000	122,596	248,222
Linters (running bales).....	42,073	49,000	147,408	138,584

COTTONSEED PRODUCTS

Due to the rapid gathering of the Texas cotton crop, the receipts of cottonseed at Texas cottonseed oil mills reflected a substantial gain over both the previous month and the same month a year ago. The amount of cottonseed crushed also showed a substantial gain over September and was slightly larger than in the same month last year. At the close of October, there were 485,230 tons of cottonseed on hand at Texas mills as against 317,188 tons a month earlier and 423,114 tons on October 31, 1927. The stocks of all classes of cottonseed products at the close of October were considerably smaller than on the same date last year.

The average price paid for cottonseed by cottonseed oil mills reporting to the Federal Reserve Bank was \$43.02 per

ton during the week ending November 10th as compared to \$39.62 per ton during the week ending October 13th. From the table shown below, it will be noted that the average price received by these mills during the week ending November 10th for hulls, and cake and meal was higher than a month earlier, while that for cottonseed oil and linters was lower.

	Week Ending:	
	Nov. 10, 1928	Oct. 13, 1928
Oil (per pound).....	\$.0793	\$.0810
Cake and meal (per ton).....	39.96	37.75
Hulls (per ton).....	9.12	7.87
Linters (per pound).....	.0441	.0495

TEXTILE MILLING

Activities of Textile mills in the Eleventh Federal Reserve District were on a larger scale in October than in September but were smaller than in the corresponding month last year. There were 3,104 bales of raw cotton consumed as compared to 2,706 bales in the previous month and 3,699 bales consumed in October, 1927. Production of cloth reflected an increase of 11.4 per cent over the previous month but was 12.1 per cent below the output in the same month of last year. Orders on hand at the close of October showed a substantial gain over those a month earlier and a year ago, and stocks were larger than on the corresponding date last year but slightly less than on September 30th this year.

TEXTILE MILLING STATISTICS

	October 1928	October 1927	September 1928
Number bales consumed.....	3,104	3,699	2,706
Number spindles active.....	90,156	90,572	90,156
Number pounds cloth produced.....	1,484,448	1,689,042	1,331,987

WHOLESALE TRADE

The distribution of merchandise in wholesale channels, after reflecting a considerable slowing down in September, evidenced a substantial improvement in October. Sales in all reporting lines except dry goods were larger than in the previous month and those in all reporting lines showed a gain as compared to the corresponding month a year ago. While there are some localities in which buying continues slow, it is significant to note that the improvement in business is fairly general throughout the district. The generally large and satisfactory net returns from agricultural operations, rising bank deposits, firmer commodity prices, and increasing employment have generated a spirit of optimism and confidence. Nevertheless, merchants are still adhering to the conservative policy of keeping commitments closely aligned to consumer demand. Reports indicate that collections have shown an improvement.

The sales of dry goods at wholesale reflected a seasonal decline of 12.6 per cent as compared to the previous month but were slightly larger than in the corresponding month last year. While sales for the past four months have averaged 6.2 per cent less than in the same period in 1927, it should be recalled that the distribution last year was heavy. Dealers report that business recently has been im-

proving and the outlook is good. The cool weather late in October stimulated buying somewhat. The strengthening in the Textile markets has brought in some orders and has tended to strengthen confidence in the price situation. Collections showed a substantial improvement during the month.

The sales of reporting drug firms were slightly larger than in the previous month and exceeded those of the corresponding month last year by 6.4 per cent. While business in most sections was generally good during October, reports indicate that sales in November are showing a considerable seasonal recession. Collections were fair to good in all sections and reflected substantial improvement over the previous month.

After showing a steady decline for three months, the distribution of farm implements reflected a substantial improvement in October. Sales of reporting firms for the month showed a gain of 24.6 per cent over the previous month and were 27.8 per cent larger than in October, 1927. Distribution during the four months ending October 31st were 21.7 per cent greater than during the corresponding period a year ago. Due to the fact that dry weather in some portions of the district retarded the seeding of small grains and fall plowing, the buying of implements was delayed but since the general rains buying has increased. The generally fair to good returns from this year's crops has also stimulated demand. The outlook for winter business is reported to be generally favorable. Prices remained generally steady.

The past month witnessed a substantial increase in the demand for groceries. The October sales of reporting firms were not only 2.3 per cent greater than in September, but were also 12.4 per cent larger than those in the corresponding month last year. The increased demand appeared to be general throughout the district and reports indicate that the future prospects are generally fair to good. Prices were reported to be steady to slightly higher. Collections were materially larger than in the previous month.

The October sales of reporting wholesale hardware firms reflected a gain of 4.4 per cent as compared to the previous month and were 3.0 per cent greater than in the corresponding month last year. While buying was somewhat slack in a few localities, it was very good in others. The cooler weather has stimulated the demand for seasonable goods. Collections reflected a substantial gain over the previous month.

CONDITION OF WHOLESALE TRADE DURING OCTOBER, 1928

Percentage of increase or decrease in:

	Net Sales October, 1928 compared with Oct. 1927		Net Sales July 1 to date compared with same period last year		Stocks October, 1928 compared with Oct. 1927		Ratio of collections during Oct. 1927 to accounts and notes outstanding on Sept. 30
	Oct. 1927	Sept. 1928	July 1 to date 1927	July 1 to date 1928	Oct. 1927	Sept. 1928	
Groceries.....	+12.4	+2.3	+7.8	+6.6	+8.6	84.6	
Dry Goods.....	+1	-12.6	-6.2	-7.2	-6.8	37.6	
Farm Implements.....	+27.8	+24.6	+21.7	-11.7	+4.0	24.7	
Hardware.....	+3.0	+4.4	+6.0	+6.0	-.5	43.8	
Drugs.....	+6.4	+.8	+3.2	-2.8	-1.3	45.4	

RETAIL TRADE

The distribution of merchandise in retail channels at larger centers reflected a gain of 11.7 per cent as compared to the previous month and was on the same scale as a year ago. The cooler weather late in October stimulated the buying of winter merchandise. The departments to show the largest increases as compared to a year ago were: Domestic, Neckwear and Scarfs, Women's and Children's

Gloves, Small Leather Goods, Women's Suits, Waists, Blouses and Sweaters, and House Furnishings. On the other hand, the following departments reflected large declines: Woolen Dress Goods, Laces, Trimmings, Embroideries, Ribbons, Art Goods, Silk and Muslin Underwear, Women's Coats, Misses' Dresses, Coats and Suits, Men's and Boys' Shoes.

Stocks on hand at the close of October were 4.8 per cent greater than a month earlier but 4.7 per cent less than on the corresponding date last year. The rate of stock turnover during the first ten months of 1928 was 2.32 as compared to 2.20 in the same period last year.

Collections showed a substantial seasonal improvement during the month. The ratio of October collections to accounts outstanding on October 1, was 38.8 per cent as compared to 33.0 per cent in September and 37.7 per cent in October, 1927.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	All Others	Total District
Total Sales:						
October, 1928, compared with October, 1927.....	+ 3.3	- 4.0	- 2.0	+ 1.0	- .6	None
October, 1928, compared with September, 1928.....	+24.0	+13.9	- 5.3	+10.7	+11.9	+11.7
January 1st to date compared with same period last year.....	+ .8	+ 2.3	+ 1.2	- .1	+ 2.5	+ 1.3
Credit Sales:						
October, 1928, compared with October, 1927.....	+ 6.8	+ 4.1	- .3	+ 4.5	+ 1.7	+ 4.1
October, 1928, compared with September, 1928.....	+25.3	+17.1	-10.1	+ 5.5	+10.4	+11.9
January 1st to date compared with same period last year.....	+ 8.7	+ 3.3	+ 2.9	+ 3.9	+ 5.8	+ 6.3
Stocks:						
October, 1928, compared with October, 1927.....	- 9.9	+ 2.7	- .8	-14.7	- .7	- 4.7
October, 1928, compared with September, 1928.....	+ 3.9	+ 5.8	+ 7.2	+ 6.9	+ 1.5	+ 4.8
Rate of stock turnover in October, 1927.....	.27	.22	.25	.27	.25	.25
Rate of stock turnover in October, 1928.....	.31	.21	.25	.32	.25	.27
Rate of stock turnover January 1 to October 31, 1927.....	2.13	1.96	2.40	2.33	2.26	2.20
Rate of stock turnover January 1 to October 31, 1928.....	2.38	2.01	2.44	2.74	2.14	2.32
Ratio of October collections to accounts receivable and outstanding October 1, 1928.....	37.2	37.7	40.1	39.8	41.7	38.8

FINANCIAL

October charges to individual accounts at banks located in principal cities of the Eleventh District rose to the highest level on record and exceeded those in September by 15.3 per cent and in the corresponding month of last year by 11.4 per cent. Charges to individual accounts during the current month aggregated \$1,074,628,000 as compared to \$931,756,000 in September and \$964,381,000 in the same month of 1927. It will be observed that all cities reported increases over both comparable periods.

standing on the corresponding date last year. Acceptances executed against import and export transactions rose from \$2,086,010 on September 30th to \$2,355,850 on October 31 but the gain was not sufficient to offset the decline in those based on the domestic shipment and storage of goods which stood at \$4,969,247 on the latter date, or \$567,348 less than on the former date.

Condition of Member Banks in Selected Cities The demand for credit at member banks in principal cities of the Eleventh District showed a further seasonal increase during October. Loans "all other" rose to the highest level at the close of October for any reporting date of the year but reacted somewhat during the first week in November. On November 7th, however, these loans amounted to \$266,768,000 which was \$3,204,000 larger than on October 3rd and \$10,626,000 greater than on the corresponding date last year.

DEBITS TO INDIVIDUAL ACCOUNTS
(In Thousands of Dollars)

	October 1928	October 1927	Increase or Decrease	Sept. 1928	Increase or Decrease
Ablene.....	\$ 13,464	\$ 13,122	+ 2.6	\$ 10,046	+34.0
Austin.....	24,145	22,621	+ 6.7	23,963	- .8
Beaumont.....	25,526	23,227	+ 9.9	24,362	+ 4.8
Corsicana.....	7,631	7,214	+ 5.8	7,056	+ 8.1
Dallas.....	303,577	268,064	+13.2	263,239	+15.3
El Paso.....	39,493	34,054	+16.0	33,675	+17.3
Fort Worth.....	117,008	103,871	+12.6	107,243	+ 9.1
Galveston.....	59,786	57,137	+ 4.6	50,636	+18.1
Houston.....	244,266	213,366	+14.5	203,932	+19.8
Port Arthur.....	10,660	10,065	+ 5.9	9,349	+14.0
San Antonio.....	90,152	81,365	+10.8	81,027	+11.3
Roswell.....	4,727	4,592	+ 2.9	3,954	+19.5
Shreveport.....	48,297	42,820	+12.8	41,100	+17.5
Texarkana*.....	18,215	18,045	+ .9	16,452	+10.7
Tucson.....	10,770	9,961	+ 8.1	8,442	+27.6
Waco.....	27,619	26,649	+ 3.6	22,682	+21.8
Wichita Falls.....	29,292	28,208	+ 3.8	24,598	+19.1
Total.....	\$1,074,628	\$ 964,381	+11.4	\$ 931,756	+15.3

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

Loans on corporate securities totaled \$89,439,000 and represented a gain of \$3,685,000 during the five-week period ending November 7th. While their investments in United States securities increased \$1,207,000, their holdings in other stocks and bonds, amounting to \$37,769,000 showed a reduction of \$4,043,000. As compared to a year ago and five weeks previous, total loans and investments on November 7th this year were larger, respectively, by \$40,817,000 and \$4,051,000. Net demand deposits rose \$8,509,000 during the current five weeks and time deposits increased \$365,000. Reserves of these banks with the Federal Reserve Bank reflected an expansion of \$1,710,000. Their bills payable and rediscounts with this Bank amounted to \$19,250,000 which was \$1,773,000 less than on October 3rd but \$11,793,000 greater than a year ago. Ratio of loans to net demand deposits was 86 per cent as against 87 per cent on October 3rd and 85 per cent on November 7, 1927.

Acceptance Market The volume of acceptances executed by accepting banks in this district and outstanding at the close of the month amounted to \$7,325,097 on October 31, which was \$297,508 less than a month earlier and \$810,348 below the amount out-

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	November 7, 1928	October 3, 1928	November 9, 1927
1. Number of reporting bank.....	44	44	45
2. United States securities owned.....	82,907,000	81,700,000	64,105,000
3. All other stocks, bonds and securities owned.....	37,769,000	41,812,000	30,982,000
4. Loans secured by United States Government obligations.....	2,361,000	2,363,000	2,802,000
5. Loans secured by stocks and bonds other than United States Government obligations.....	89,439,000	85,754,000	84,396,000
6. All other loans.....	266,768,000	263,564,000	256,142,000
7. Net demand deposits.....	312,687,000	304,178,000	306,197,000
8. Time deposits.....	131,115,000	130,750,000	112,743,000
9. Reserve with Federal Reserve Bank.....	35,514,000	33,804,000	33,922,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	19,250,000	21,023,000	7,457,000
11. Ratio of loans* to net demand deposits.....	86%	87%	85%

*Loans include only items 4 and 6.

NOVEMBER DISCOUNT RATES

Prevailing Rates

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rates charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	5½-6	6-8	5-8	5½-6	5-8	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	6	5-6	5-5½	5-5½	6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
(a) Demand.....	6-7	6-8	6-8	5-6	6-7	6-8
(b) Time.....	6-8	6-8	6-8	5½-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	6-7	7-8	6-8	6-7	6-8	6-8
Rate on cattle loans.....	6	6-8	6-8	6-8	4-10	7-8

Savings Deposits Reports from 92 banks in the Eleventh District which operate a savings department show that savings deposits amounting to \$144,475,601 on October 31st were 11.6 per cent larger than a year ago and 1.6 per cent above those a

month earlier. There were 286,949 savings accounts carried at 83 of these banks at the close of the month as against 284,140 on September 30th and 265,474 on October 31, 1927.

SAVINGS DEPOSITS

	October 31, 1928			October 31, 1927			September 30, 1928		
	Number of Reporting Banks	Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Increase or Decrease	Number of Savings Depositors	Amount of Savings Deposits	Increase or Decrease
Beaumont.....	4*	6,554	\$ 2,560,058	6,379	\$ 2,508,449	+ 2.1	6,551	\$ 2,535,807	+ 1.0
Dallas.....	6	59,225	24,189,691	52,302	20,211,467	+19.7	59,051	23,766,675	+ 1.8
El Paso.....	2	14,664	5,896,409	13,404	4,912,983	+20.0	14,882	5,837,326	+ 1.0
Fort Worth.....	3	22,642	8,242,664	20,940	6,916,237	+19.2	21,988	7,883,150	+ 4.6
Galveston.....	3	13,904	9,558,958	13,493	9,772,176	- 2.2	13,746	9,565,228	- .1
Houston.....	13*	69,785	33,249,521	62,687	29,601,024	+12.3	68,778	32,876,663	+ 1.1
San Antonio.....	9*	27,676	20,756,098	25,495	18,104,778	+14.6	27,721	20,552,100	+ 1.0
Shreveport.....	4*	22,643	12,349,560	23,887	11,329,348	+ 9.0	22,491	12,226,105	+ 1.0
Waco.....	4	9,318	6,499,379	8,601	5,814,092	+11.8	9,211	6,298,073	+ 3.2
Wichita Falls.....	2	4,226	1,529,893	4,185	2,005,804	-23.7	4,189	1,511,166	+ 1.2
All others.....	42*	36,312	19,643,370	34,101	18,282,642	+ 7.4	35,932	19,154,403	+ 2.6
Total.....	92	286,949	\$144,475,601	265,474	\$129,459,000	+11.6	284,140	\$142,206,096	+ 1.6

*Only 3 banks in Beaumont, 11 banks in Houston, 7 banks in San Antonio, 3 banks in Shreveport and 39 banks in "All others" reported the number of savings depositors.

Deposits of Member Banks A further seasonal expansion occurred in combined deposits of member banks in the Eleventh District during the four-week period ending October 10th. Standing at \$946,071,000 on the latter date, combined deposits of member banks were \$43,093,000 larger than on September 12th and \$61,766,000 greater than on October 26, 1927. Their net demand deposits rose \$38,683,000 between September 12th and October 10th, this year, and time deposits increased \$29,740,000.

ing of the cotton crop in West Texas and financing the movement of wool and mohair. Accommodations to banks in larger cities continued much larger than to country banks which has been the case throughout this fall. During part of the same period of 1927, however, loans to country banks were larger, in fact, it was not until after the middle of October of that year that reserve city borrowings exceeded those of country banks by any appreciable amount. On November 15th total loans to member banks aggregated \$19,515,778 and represented an increase of \$13,140,635 over those a year ago but showed a decline of \$2,957,811 as compared to October 31. There were 105 borrowing banks at the close of the current month as against 158 a month previous and 81 on October 31, 1927.

Due to the decline in loans to member banks, total bills held were reduced from \$45,519,226.35 on September 30th to \$44,205,203.31 on October 31st, distributed as follows:

Member banks' collateral notes secured by U. S. Government obligations.....\$12,709,950.00
 Rediscounts and all other loans to member banks.....9,763,639.37
 Open market purchases (Bankers' Acceptances).....21,731,613.94

Total bills held.....\$44,205,203.31

Federal reserve notes in actual circulation amounted to \$48,042,130 on October 31, reflecting an expansion of \$4,532,595 during the month and compares with \$50,753,140 in actual circulation on the corresponding date last year. The daily average reserve deposits of member banks aggregated \$68,898,913 as against \$65,533,390 in September and \$64,834,386 in October, 1927.

FAILURES

After declining in August and September, the business mortality rate in the Eleventh Federal Reserve District turned upward in October. There were 65 failures during the month with liabilities of \$857,123 as compared to 41 defaults in September owing \$533,137 and 38 failures in October last year with indebtedness of \$554,653. Although

DEPOSITS OF MEMBER BANKS

	Total Demand	Total Time	Banks in cities with a population of less than 15,000		Banks in cities with a population of over 15,000	
			Demand	Time	Demand	Time
			Oct. 26, 1927.....	\$698,939	\$185,366	\$322,570
Nov. 9, 1927.....	721,729	185,415	333,579	48,482	388,149	136,933
Dec. 7, 1927.....	729,213	186,104	334,427	48,631	394,786	137,473
Jan. 11, 1928.....	720,401	189,298	329,418	49,942	390,983	139,356
Feb. 8, 1928.....	736,338	195,834	336,953	52,836	399,385	145,998
Mar. 7, 1928.....	710,432	193,819	317,918	53,698	392,514	140,121
April 11, 1928.....	689,155	199,178	302,586	53,334	386,569	145,844
May 9, 1928.....	689,329	202,799	303,986	54,878	385,343	147,921
June 13, 1928.....	664,746	202,611	290,164	54,635	374,582	147,976
July 11, 1928.....	668,723	215,878	291,827	55,012	376,896	160,866
Aug. 8, 1928.....	657,087	212,108	292,045	55,593	365,042	156,516
Sept. 12, 1928.....	691,993	210,985	305,977	55,154	386,016	155,831
Oct. 10, 1928.....	730,676	215,395	335,717	56,258	394,959	159,137

Operations of the Federal Reserve Bank Loans to member banks in the Eleventh Federal Reserve District amounted to \$22,473,589 at the close of October which was \$5,978,769 less than a month earlier but

\$11,396,170 greater than on the corresponding date last year. Borrowings of both reserve city and country banks followed an irregular course throughout the month and at the close of October loans to reserve city banks were less than on September 30th while those to banks in rural sections were higher. This increase in country bank loans was occasioned mostly by late borrowings for the financ-

the rate exceeded that of the previous month and of October, 1927, it was not relatively high when compared with other months of the two years.

PETROLEUM

Total production of crude oil in the Eleventh Federal Reserve District showed a further increase in October but due to the longer month the daily average yield was less than in September. The October output amounted to 23,153,100 barrels as compared to 22,504,100 barrels in the previous month, representing an increase of 649,000 barrels in total production and a net decline of 3,262 barrels in the daily average yield. Field activity in the majority of fields was at a slightly higher level than in September. Initial production showed a sharp decline.

The daily average production of crude oil in Texas which amounted to 708,066 barrels was only 3,039 barrels below that in the month previous. North Texas, Southwest Texas,

CRUDE OIL PRICES

	Nov. 13, 1928	Nov. 16, 1927
Texas Coastal Grade "A"	\$1.20	\$1.20
North and Central Texas and North Louisiana (52 gr. and above)	1.76	1.60

and the Texas Coastal regions reported increases in their daily average yields but not in sufficient volume to offset the declines in Central West and East Central Texas. New peak production in Moore and Gray counties boosted the yield of the Panhandle area to a higher level than in September. Rigid enforcement of proration rules in the principal fields of Central West Texas prevented much change being shown in production for that district. Its total yield, however, continued to account for over half of the combined output of the state. The Luling and Laredo fields were the largest producing units in Southwest Texas during the month, while the Spindletop area led in the Gulf Coastal region. North Louisiana increased its total output 32,100 barrels.

OCTOBER DRILLING RESULTS

Field—	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas	190	128	10	52	23,614
Central West Texas	278	156	13	109	358,248
East Texas	9	...	4	5	...
Southwest Texas	30	23	4	3	6,270
Texas Coastal	46	34	...	12	19,124
Texas Wildcats	35	3	2	30	2,060
Total Texas	588	344	33	211	409,316
North Louisiana	35	4	16	15	208
October Totals, District	623	348	49	226	409,524
September Totals, District	548	292	41	215	668,681

OIL PRODUCTION

	October		September		Increase or Decrease	
	Total	Daily Average	Total	Daily Average	Total	Daily Average
North Texas	4,875,650	157,279	4,601,400	153,380	Inc. 274,250	Inc. 3,899
Central West Texas	12,184,250	393,040	12,080,350	402,678	Inc. 103,900	Dec. 9,638
East Central Texas	686,800	22,155	670,950	22,365	Inc. 15,850	Dec. 210
Texas Coastal	3,395,200	109,523	3,210,150	107,005	Inc. 185,050	Inc. 2,518
Southwest Texas	808,150	26,069	770,300	25,677	Inc. 37,850	Inc. 392
Total Texas	21,950,050	708,066	21,333,150	711,105	Inc. 616,900	Dec. 3,039
North Louisiana	1,203,050	38,808	1,170,950	39,031	Inc. 32,100	Dec. 223
Total District	23,153,100	746,874	22,504,100	750,136	Inc. 649,000	Dec. 3,262

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

LUMBER

Activities at pine mills in the Eleventh District were on a larger scale in October than in September and were considerably greater than in the corresponding month of the two previous years. Shipments of lumber were 3 points above normal production as compared to 4 points below normal in the previous month and 13 points below in October last year. Production rose to 95 per cent of normal from 84 per cent in September and compares with 82 per cent of normal in the same month of 1927. New orders for lumber amounted to 104 per cent of normal production and represented an increase of 1 point over the previous month and 16 points over those in October last year. Stocks on hand showed a further decline of 4 points and stood at 92 per cent below normal on October 31, which was also

3 points below those a year ago. Unfilled orders for lumber on the books of 42 mills aggregated 58,578,928 feet at the close of October as compared with 54,781,650 feet recorded at 42 establishments a month earlier.

OCTOBER PINE MILL STATISTICS

Number of reporting mills	43
Production	90,065,574 feet
Shipments	97,839,415 feet
Orders	98,936,231 feet
Unfilled orders October 31	58,578,928 feet
Normal production	94,775,490 feet
Stocks, October 31	218,350,596 feet
Normal stocks	238,578,341 feet
Shipments above normal	3,063,925 feet—3%
Actual production below normal	4,709,916 feet—5%
Orders above normal production	4,160,741 feet—4%
Stocks below normal	20,227,745 feet—8%

CEMENT

Operation of Portland cement mills in Texas during October, although not the largest of the year, exceeded that of any previous October in several years. Shipments of cement were 5.3 per cent above those in September and 3.2 per cent larger than in the corresponding month of 1927. Production showed an increase of 13.4 per cent as com-

pared to that of the previous month and exceeded the output in October, last year, by 16.0 per cent. The excess of production over shipments was reflected in stocks on hand at the close of the month which were 23.1 per cent larger than at the end of September and 28.1 per cent greater than a year ago. Production of cement during the ten

PRODUCTION, SHIPMENTS AND STOCKS OF PORTLAND CEMENT—(Barrels)

	October 1928	October 1927	Increase or Decrease	September 1928	Increase or Decrease	Ten Months 1928	1927	Increase or Decrease
	Production at Texas mills	617,000	532,000	+16.0	544,000	+13.4	5,344,000	4,617,000
Shipments at Texas mills	552,000	535,000	+ 3.2	524,000	+ 5.3	5,456,000	4,764,000	+14.5
Stocks at end of month at Texas mills	346,000	270,000	+28.1	281,000	+23.1

months of the current year showed an increase of 15.7 per cent over the corresponding period of 1927 and there was a gain in shipments of 14.5 per cent.

BUILDING

The valuation of permits issued at principal cities in the Eleventh District during October showed an increase of 13.2 per cent over the previous month and was 1.3 per cent greater than in October last year. Permits issued at these centers were valued at \$7,161,407 as compared to \$6,325,734 in September and \$7,066,856 in the correspond-

ing month of 1927. The number of permits issued was considerably less than in October a year ago and slightly below the number in September which would seem to indicate that more permits were issued for industrial purposes than in the two previous periods. As compared to last year, the valuation of permits granted during the ten months of the current year showed a decline of 0.7 per cent. Despite this decline in the cumulative total, a good majority of cities reported increases for the ten months of this year over the same period of 1927.

BUILDING PERMITS

	October, 1928		October, 1927		Increase or Decrease	September, 1928		Increase or Decrease	Ten Months				Increase or Decrease
	No.	Valuation	No.	Valuation		1928			1927				
						No.	Valuation		No.	Valuation			
Amarillo.....	48	\$ 96,446	101	\$ 570,466	- 83.1	72	\$ 124,585	-22.6	815	\$ 2,748,214	1,591	\$ 9,644,398	- 71.5
Austin.....	86	216,480	70	60,058	+260.5	114	210,829	+ 2.7	760	2,275,396	475	1,079,219	+110.8
Beaumont.....	181	313,800	186	265,803	+ 18.1	146	252,939	+21.1	1,712	3,228,739	1,839	4,447,643	- 27.4
Corpus Christi.....	71	121,050	81	187,330	- 35.1	89	224,585	-45.8	812	4,945,803	645	2,357,890	+109.8
Dallas.....	226	552,051	266	451,704	+ 22.3	309	835,144	-33.8	3,199	7,027,344	3,062	8,897,066	- 21.0
El Paso.....	98	160,502	72	206,190	- 22.2	70	97,355	+64.9	812	1,435,448	619	1,069,367	+ 34.2
Fort Worth.....	345	851,001	332	1,114,003	- 23.6	321	922,143	- 7.7	3,824	11,854,481	3,200	11,558,510	+ 2.6
Galveston.....	205	105,286	267	155,925	- 32.5	208	144,899	-27.3	1,987	2,350,750	2,265	2,561,609	- 8.2
Houston.....	445	3,225,073	520	2,317,929	+ 39.1	415	1,904,054	+69.4	5,111	28,317,266	5,078	23,176,296	+ 22.2
Port Arthur.....	105	51,189	125	274,161	- 81.3	124	121,311	-57.8	1,182	1,768,341	1,233	1,615,109	+ 9.5
San Antonio.....	320	822,885	368	948,488	- 13.2	328	847,082	- 2.9	3,420	13,057,339	3,190	12,224,505	+ 6.8
Shreveport.....	304	433,304	239	252,537	+ 71.6	272	406,505	+ 6.6	2,628	3,738,136	2,112	3,602,328	+ 3.8
Waco.....	33	104,980	29	62,010	+ 69.3	27	143,100	-26.6	328	1,890,327	313	1,475,166	+ 28.1
Wichita Falls.....	56	106,160	69	200,252	- 47.0	39	91,203	+16.4	521	-1,449,681	762	3,002,594	- 51.7
Total.....	2,523	\$ 7,161,407	2,725	\$ 7,066,856	+ 1.3	2,534	\$ 6,325,734	+13.2	27,111	\$86,087,265	26,384	\$86,711,700	- .7

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(As Compiled by the Federal Reserve Board, November 26, 1928)

Industry continued active in October and the distribution of commodities was in large volume. Wholesale commodity prices declined sharply owing chiefly to decreases in the prices of farm products. Member bank credit in use increased in October and November, while reserve bank credit outstanding showed little change. Conditions in the money market were somewhat easier.

PRODUCTION

Industrial production continued in October at the high level of September and considerably above the level of a year ago. Output of minerals increased over September, while the production of manufacturers declined slightly. Factory employment and pay-rolls increased to the highest level since early in 1927. The production of pig iron was particularly large in October and the first half of November and the output of steel continued in record volume. Automobile production declined considerably in October after exceptional activity in September and showed further reduction in November. As is usual at this season, activity increased in October in meat packing and in the textile industries, with the exception of silk. Copper mining and smelting continued at a high level, and the output of coal and petroleum increased by more than the usual seasonal amount while the production of zinc declined. There was also a decline in the output of lumber and building materials. Building contracts awarded continued to increase in October and were larger than in that month of any previous year, but declined sharply during the first two weeks of November. The increase in October was due principally to large contracts for engineering and industrial projects. The November cotton crop estimate of the Department of Agriculture was slightly larger than the October estimate and indicated a yield of 14,133,000 bales, 1,178,000 bales more than the production of 1927. Ginnings of the current crop prior to November 14, totaled 11,320,302 bales, compared with 10,894,912 bales in the similar period a year ago. Indicated yields of wheat, corn, oats, potatoes, and tobacco were larger than the 1927 crops, while estimates of hay, rye, and flaxseed were smaller.

TRADE

Department store sales in October were in about the same volume as in the same period in the preceding year, but showed somewhat less than the seasonal increase from the

high level of September. Inventories of these stores increased during the month but continued smaller than a year ago. The volume of distribution at wholesale was larger than in September and showed a substantial gain over October, 1927. Freight car loadings continued larger in October and November than a year ago, reflecting chiefly large loadings of miscellaneous freight.

PRICES

Wholesale commodity prices declined in October after a continuous increase for three months, and the Bureau of Labor Statistics index for October, at 97.8 per cent of the 1926 average, was over 2 per cent below that of September. This decline reflected chiefly large decreases in prices of farm and food products and hides and leather. Prices of industrial commodities increased slightly, with small gains recorded in metals, building materials, and chemicals and drugs. The principal increases occurred in prices of iron and steel, copper, and raw silk. During the first three weeks of November, prices of cotton, pig iron, copper, and petroleum increased, and prices of most farm and food products, except corn, pork, and sugar, recovered somewhat after the October decline.

BANK CREDIT

Between October 24 and November 21, there was a considerable increase in loans and investments of member banks in leading cities, but at the end of this period the total was still below the large volume outstanding at the middle of the year. Loans chiefly for commercial purposes remained at a high level during the period and loans on securities showed further growth, reflecting a marked increase in the volume of loans to brokers and dealers in securities. Investments showed further decline.

During the four weeks ending November 21, there was little change in the volume of reserve bank credit in use. Reserve bank holdings of acceptances increased further and discounts for member banks declined.

During the last week of October and the first three weeks of November, conditions in the money market were somewhat easier. The rate of four to six months commercial paper declined from a level of 5½ per cent to a range of from 5¼ to 5½ per cent, and rates on call and time loans in the open market also declined slightly.