

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

	November	October	Increase or Decrease	
Bank debits to individual accounts (at 17 cities).....	\$960,128,000	\$1,074,628,000	Dec.	10.7%
Department store sales.....			Inc.	1.3%
Reserve bank loans to member banks at end of month.....	\$ 21,501,152	\$ 22,473,589	Dec.	4.3%
Reserve bank ratio at end of month.....	54.0%	55.4%	Dec.	1.4 points
Building permit valuations at larger cities.....	\$ 8,692,371	\$ 7,161,407	Inc.	21.4%
Commercial failures (number).....	33	65	Dec.	49.2%
Commercial failures (liabilities).....	\$ 756,043	\$ 857,123	Dec.	11.8%
Oil production (barrels).....	22,161,950	\$ 23,153,100	Dec.	4.3%
Lumber orders at pine mills (per cent of normal production).....	99%	104%	Dec.	5 points

A sharp reduction in the number of commercial failures, an unusually large volume of distribution at retail, sustained buying in wholesale channels, and the rising tide of bank deposits were features of outstanding importance in the business and industrial situation in the Eleventh Federal Reserve District during the past month. Commercial failures were fewer in number than in any month since July, 1927, and the combined indebtedness of defaulting firms showed a noticeable reduction as compared to both the previous month and the corresponding month last year. The November sales of department stores in larger cities reflected an increase of one per cent over October, a time when sales usually decline, and were five per cent larger than a year ago. Furthermore, late reports indicate that Christmas shopping which began earlier than usual this year, is proving to be unusually heavy in December. The heavy consumer demand in rural sections is reflected in numerous replacement orders at wholesale establishments at a season when distribution usually slackens perceptibly. These factors taken in conjunction with record breaking bank deposits are illustrative of the strong position of business and industry in the Southwest.

The financial situation has not disclosed any unusual developments during the past month. There has been some diminution in the demand for credit due to the slowing down in the movement of the district's commodities. Federal Reserve Bank loans which amounted to \$15,143,053 on December 15th were \$4,372,725 less than a month earlier, yet they were \$9,510,657 greater than on the corresponding date last year. The combined net demand and time deposits of member banks rose to \$963,139,000 on November 7th,

While the wet weather in portions of the district retarded harvesting operations and winter plowing, farmers generally made good progress with this work during the past

the highest point on record, and represent a gain of \$17,068,000 over those a month earlier and \$55,996,000 over those on November 9, 1927. Coincident with the rise in bank deposits and the liquidation of indebtedness at member banks, there has been a strong demand for short term investment outlets. Member banks have bought bankers' acceptances and commercial paper in large volume and subscriptions to the December 15th issues of United States Treasury Certificates of Indebtedness bearing $4\frac{1}{4}$ per cent totaled \$45,318,000 against which allotments of \$41,070,500 were made.

Agricultural conditions are generally favorable. The harvesting of crops is practically completed, farmers have made good progress with plowing operations, winter wheat and oats are growing rapidly, and the heavy general rains have left a good season in the ground in all parts of the district. While livestock and their ranges deteriorated somewhat in November, conditions are now improving and reports indicate that livestock will go into the winter in fair to excellent shape. Trading on the ranges has slowed down and prices have shown a decline from the high level reached earlier in the fall.

Construction activity reflected some improvement in November. The valuation of building permits issued at principal centers was 21 per cent larger than in October and exceeded that of a year ago by 11 per cent. The production and shipments of cement declined sharply from the large volume reported in October. The production, shipments, and new orders for lumber likewise declined in November but were considerably larger than in the corresponding month last year.

CROP CONDITIONS

month. The moderate to heavy general rains since the first of December have supplied the much needed moisture in many portions of the district and greatly benefited winter

wheat and oats, truck crops, and pastures which are now reported to be in generally good condition.

The Department of Agriculture in its December 1st report, estimated the production of cotton in Texas at 5,150,000 500-lb. gross weight bales which was the same as the estimate a month earlier. The Department points out that the State's prospective production this year has been exceeded only by the record yield of 5,628,000 bales in 1926. The Bureau of Census reported that 4,402,693 running bales had been ginned in Texas prior to December 1, which represents 87 per cent of the probable equivalent number of 500-lb. bales. Weather conditions in Texas during November were generally favorable for picking and 536,541 bales were ginned. In practically all sections of the State except Northwest and portions of the West, cotton is nearly all gathered except scrappings. The rains, in some sections have either lowered the grade or wasted a considerable amount of cotton. The Department reported that approximately two-thirds of the cotton producing counties in Texas are making a greater number of bales than a year ago. The counties which are producing fewer bales than in 1927 are located principally in West and Northwest Texas where the lack of rainfall early in the season was an important factor in the lower yield.

LIVESTOCK

Range conditions over a large area of the district showed a further deterioration during November and in many sections the grass was reported to be short. The heavy general rains recently, however, have been of great benefit in correcting this situation. The supply of stock water has been replenished and ranges have improved considerably. In most areas there will be an ample supply of feed to carry livestock through the winter. Cattle generally have been sold off the ranges rather closely and ranges are not heavily stocked. While livestock generally lost flesh due to the declining ranges and cold weather in some areas, they have held up well and will go into the winter in fair to excellent condition. Prices for cattle on the ranges have declined during the past month and trading in most areas has slowed down considerably. Prices for sheep and goats on the other hand, have advanced slightly and there is a good demand for breeding ewes.

According to the Department of Agriculture, the December 1st condition of cattle ranges in Texas was 84 per cent of normal as against 86 per cent a month earlier and 82 per cent a year ago. The condition of cattle was 86 per cent of normal which reflects a loss of 2 points during the month and 1 point as compared to last year. There was a decline of 3 points in the condition of sheep and goat ranges in Texas during November but on December 1, the condition figure was 8 points greater than a year ago. The condition of sheep declined 2 points in November and that of goats decreased 1 point.

Movements and Prices

Receipts of cattle at the Fort Worth market during November reflected a heavy decline as compared to both the previous month and the same month last year. While the arrivals of calves were larger than in October they were considerably above those in November, 1927. The number of hogs yarded showed a sizeable gain over both periods. The receipts of sheep reflected a large seasonal decline as compared to October and were slightly less than a year ago.

Despite the sharp decline in receipts, the cattle market drifted to a lower level during November but prices on most classes strengthened considerably at the close of the month. Calves showed further strength early in December. The hog market reflected a further decline in November and prices were lower than a year ago. While there were times during the month when the market for sheep and lambs was weak, the demand was usually sufficient to take up the small supplies and prices fluctuated within a comparatively narrow range.

FORT WORTH LIVESTOCK RECEIPTS

	November 1928	November 1927	Loss or Gain	October 1928	Loss or Gain
Cattle.....	78,795	120,406	L 41,611	91,127	L 12,332
Calves.....	48,486	57,659	L 9,173	46,610	G 1,876
Hogs.....	28,965	21,301	G 7,664	26,852	G 2,113
Sheep.....	17,995	18,994	L 999	41,626	L 23,631

COMPARATIVE TOP LIVESTOCK PRICES

	November 1928	November 1927	October 1928
Beef Steers.....	\$13.35	\$11.75	\$13.75
Stocker steers.....	12.25	11.50	12.50
Butcher cows.....	10.40	7.50	9.50
Stocker cows.....	7.85	6.80	8.50
Calves.....	12.25	11.25	12.00
Hogs.....	9.50	10.00	10.50
Sheep.....	8.00	8.00	8.25
Lambs.....	13.50	14.00	13.00

Cotton Movements

The November receipts of cotton at the ports of Houston and Galveston reflected a substantial seasonal decline as compared to the previous month and those at Houston were slightly less than in November, 1927. Exports from both of these cities were considerably larger in November than in the corresponding month last year. The total foreign exports of cotton (including linters) from all United States ports during November were 15 per cent greater than a month earlier and 45 per cent larger than a year ago. It will be noted that Great Britain and Japan—China are showing the largest gains in the takings of American cotton. The domestic consumption of cotton during November amounted to 610,884 bales as compared to 618,788 bales in October and 626,742 bales in November, 1927.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	November 1928	November 1927	August 1 to This Season	November 30 Last Season
Receipts.....	519,447	464,190	1,853,933	1,432,547
Exports.....	507,865	405,150	1,257,494	956,444
Stocks, November 30.....			680,025	622,132

GALVESTON STOCK MARKET

	Nov. 30, 1928	Nov. 30, 1927
For Great Britain.....	26,500	16,300
For France.....	21,800	19,000
For other foreign ports.....	81,100	65,400
For Coastwise ports.....	6,500	4,500
In compresses and depots.....	544,125	516,932
Total.....	680,025	622,132

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	November 1928	November 1927	August 1 to This Season	November 30 Last Season
Receipts.....	479,532	489,790	1,976,098	1,843,133
Exports.....	415,332	244,228	1,119,490	867,316
Stocks, November 30.....			906,719	972,052

COTTON CONSUMED AND ON HAND

	COTTON GROWING STATES				UNITED STATES			
	November 1928	November 1927	August 1 to November 30		November 1928	November 1927	August 1 to November 30	
			This Season	Last Season			This Season	This Season
Cotton consumed.....	469,192	469,252	1,728,372	1,845,457	610,884	626,742	2,248,622	2,502,566
Cotton on hand November 30:								
(a) In consuming establishments.....			1,158,878	1,131,600			1,224,407	1,551,776
(b) In public storage and compresses.....			5,148,598	5,673,081			5,252,843	5,973,958

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

	August 1 to November 30	
	This Season	Last Season
Receipts.....	5,838,134	5,345,195
Exports:		
Great Britain.....	750,977	431,663
France.....	351,480	415,787
Continent.....	1,706,518	1,692,393
Japan—China.....	690,922	501,154
Mexico.....	5,912	6,702
Total foreign ports.....	3,505,809	3,047,699
Stocks at all United States ports, November 30.....	2,353,917	2,644,376

SPOT COTTON PRICES—Middling Basis

	November, 1928		December 15
	High	Low	1928
New York.....	21.00	19.00	20.35
New Orleans.....	19.99	18.07	19.30
Dallas.....	19.60	17.65	18.90
Houston.....	20.30	18.55	19.45
Galveston.....	20.35	18.45	19.55

COTTONSEED PRODUCTS

While the receipts of cottonseed at Texas and all United States mills have been larger during the first four months of the current season than during the same period last season, the amount crushed by these mills has been considerably smaller which is reflected in the lower production of cottonseed products. Stocks of all classes of products at Texas mills are smaller than a year ago and at all United States mills the only product in which stocks are larger is linters.

According to reports received by the Federal Reserve Bank, the average price received for oil and cake and meal during the week ending December 8th, was higher than a month earlier while that for hulls and linters was lower. Comparative prices are shown in the table below:

	Average Price f. o. b. Mill	
	Week Ending	
	Dec. 8, 1928	Nov. 10, 1928
Oil sold (per pound).....	\$.0826	\$.0793
Cake and meal sold (per ton).....	42.11	39.96
Hulls sold (per ton).....	8.89	9.12
Linters sold (per pound).....	.0431	.0441
Cottonseed bought (per ton).....	44.00	43.62

TEXTILE MILLING

The production of cloth at reporting Textile mills in the Eleventh Federal Reserve District reflected a decline in November being 4.1 per cent less than in October and 3.5 per cent below that of the corresponding month last year. There were 2,800 bales of cotton consumed as compared to 2,767 bales in the previous month and 2,750 bales in November,

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	Aug. 1 to Nov. 30		Aug. 1 to Nov. 30	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,289,915	1,241,652	3,569,103	3,436,265
Cottonseed crushed (tons).....	821,838	850,074	2,267,308	2,407,884
Cottonseed on hand (tons).....	480,871	425,509	1,323,367	1,118,165
Crude oil produced (pounds).....	240,295,846	248,633,700	700,723,223	746,108,476
Cake and meal produced (tons).....	388,476	389,510	1,012,793	1,069,875
Hulls produced (tons).....	223,943	242,915	615,603	683,588
Linters produced (running bales).....	166,931	154,896	463,654	432,904
Stocks on hand, November 30:				
Crude oil (pounds).....	30,402,693	44,049,818	82,779,633	117,129,884
Cake and meal (tons).....	36,363	46,591	160,899	206,162
Hulls (tons).....	70,548	107,263	149,496	260,702
Linters (running bales).....	53,585	55,088	186,166	152,034

1927. Orders on hand at the close of the month were 6.9 per cent larger than a month earlier and 9.3 per cent larger than a year ago. Reports indicate that conditions within the industry have improved somewhat

TEXTILE MILLING STATISTICS

	November 1928	November 1927	October 1928
Number of bales consumed.....	2,800	2,750	2,767
Number of spindles active.....	83,936	84,752	83,936
Number pounds cloth produced.....	1,260,511	1,306,473	1,313,810

WHOLESALE TRADE

A seasonal recession in the distribution of merchandise at wholesale was in evidence during November, yet buying in most lines was well sustained and in all reporting lines sales reflected a gain over the corresponding month last year ranging from 2.7 per cent in drugs to 11.7 per cent in groceries. Throughout the fall merchants have been keeping commitments closely aligned to consumer demand with inventories generally low, and the recent improvement in buying at retail has necessitated many replacement orders for immediate shipment. In some lines business in December is reported to be unusually good for this season of the year. While November collections were seasonably smaller than in October, they have been generally satisfactory in most lines this fall and business concerns on the whole are in a stronger financial condition than a year ago.

The November sales of dry goods at wholesale reflected a further seasonal decline of 21.1 per cent as compared to those in October but they exceeded those of a year ago by 9.7 per cent. Although the persistence of warm weather has restricted sales on certain lines of winter merchandise, sales on most lines have held up well for the season. Dealers report that there has been a large number of replacement orders. Merchants generally have followed the conservative policy of keeping orders aligned to demand and the improvement recently in consumer buying has increased

purchases at wholesale. Some dealers report that numerous orders for immediate delivery have been received.

The distribution of farm implements at wholesale during November reflected a seasonal decline of 11.8 per cent as compared to the previous month but it was 6.4 per cent greater than in the corresponding month last year. The sales for the period July 1 to November 30, this year, were 21.1 per cent above those in the same period a year ago. Due to generally satisfactory returns from crops this year, the demand for implements is showing a steady improvement. Prices remained generally firm.

The demand for groceries at wholesale showed a considerable falling off in November. The sales of reporting firms were 12.5 per cent smaller than in October but were 11.7 per cent larger than in the corresponding month last year. Sales since July 1st this year have averaged 9.2 per cent larger than in the same period of 1927. Conditions in the trade are reported to be generally good. Prices remained generally steady on most items.

The November sales of reporting drug firms were 4.9 per cent less than in October, due to seasonal influences, but they were 2.7 per cent larger than in the same month last

year. Reports indicate that buying in most sections of the district is well sustained for this season of the year.

A sustained demand for hardware at wholesale was in evidence during the past month. Sales of reporting firms were practically the same as in the previous month exceeding those of the corresponding month last year by 8.2 per cent. While buying during the fall has not come up to expectations in some sections, distribution generally has been on a satisfactory scale. Sales for the past five months have averaged 8.6 per cent greater than during the corresponding period of 1927. Prices were reported to be steady to slightly higher.

CONDITION OF WHOLESALE TRADE DURING NOVEMBER
Percentage of increase or decrease in:

	Net Sales November, 1928 compared with Nov. 1927		Net Sales July 1 to date comp'd with same period last year		Stocks November, 1928 compared with Nov. 1927		Ratio of collec- tions during Nov. to accounts and notes outstanding on Oct. 31
	1928	1928	1928	1928	1927	1928	
Groceries.....	+11.7	-12.5	+9.2	+8.6	+1.6	77.7	
Dry Goods.....	+9.7	-21.1	-4.4	-12.9	-14.7	40.3	
Farm implements	+6.4	-11.8	+21.1	-5.0	+3.7	25.1	
Hardware.....	+8.2	None	+8.6	+6.3	-3.4	44.1	
Drugs.....	+2.7	-4.9	+3.1	+7.7	+6.7	43.5	

RETAIL TRADE

A strong demand for merchandise at retail in the larger cities was noticeable in November. Although business, normally, declines in that month due to the fewer business days sales this year reflected a gain of 1.3 per cent over October and were 4.7 per cent larger than in November a year ago. Christmas shopping was begun earlier than usual this year and appears to be gathering momentum as the holiday season approaches. Late reports indicate that December sales are in record volume.

Stocks on hand at the close of November were 0.6 per

cent less than those a month earlier and 6.3 per cent below those on hand at the end of November, 1927. The rate of stock turnover during the first eleven months of 1928 was 2.61 as compared to 2.43 during the same period last year.

Collections reflected a further improvement in the past month. The ratio of November collections to accounts outstanding on November 1 was 39.4 per cent as compared to 38.8 per cent in October and 39.0 per cent in November, 1927.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	All Others	Total District
Total Sales:						
November, 1928, compared with November, 1927.....	+ 2.6	+ 3.3	+ 7.5	+ 2.9	+ 8.1	+ 4.7
November, 1928, compared with October, 1928.....	- 5.6	+ 7.7	+12.1	- 4.8	+ .7	+ 1.3
January 1 to date compared with same period last year.....	+ 2.1	+ 2.4	+ 1.9	+ .6	+ 3.1	+ 2.1
Credit Sales:						
November, 1928, compared with November, 1927.....	+ 5.2	+10.8	+ 4.4	+ 4.9	+12.4	+ 7.0
November, 1928, compared with October, 1928.....	- 5.0	+ 7.3	+ 7.7	- 3.6	+ .1	None
January 1 to date compared with same period last year.....	+10.3	+ 7.2	+ 3.1	+ 4.5	+ 6.5	+ 7.0
Stocks:						
November, 1928, compared with November, 1927.....	- 9.5	- .3	- 8.7	-13.2	+ .9	- 6.3
November, 1928, compared with October, 1928.....	+ 2.0	None	- 3.4	+ .2	- 2.9	- .6
Rate of stock turnover in November, 1927.....	.26	.22	.25	.25	.23	.25
Rate of stock turnover in November, 1928.....	.29	.23	.28	.30	.26	.27
Rate of stock turnover January 1 to November 30, 1927.....	2.36	2.19	2.65	2.59	2.43	2.43
Rate of stock turnover January 1 to November 30, 1928.....	2.67	2.24	2.73	3.06	2.46	2.61
Ratio of November collections to accounts receivable and outstanding						
November 1, 1928.....	37.9	37.7	40.9	40.7	42.8	39.4

FINANCIAL

Charges to depositors' accounts at banks in principal cities in the Eleventh Federal Reserve District after reaching a new high record in October, reflected a seasonal decline of 10.7 per cent during November. They were, however, 5.7 per cent greater than in the corresponding month last year.

Acceptance Market Acceptances executed by accepting banks in the Eleventh District and outstanding at the close of the month which amounted to \$8,140,328 on November 30, were \$815,231 greater than a month earlier and exceeded those on the correspond-

ing date last year by \$485,044. Acceptances of these banks executed against import and export transactions declined from \$2,355,850 on October 31, to \$2,310,429 on November 30 but those based on the domestic shipment and storage of goods increased from \$4,969,247 on the former date to \$5,829,899 on the latter date.

Condition of Member Banks in Selected Cities In contrast to the movement in 1926 and 1927, commercial loans in November this year of member banks in selected cities of this district, turned upward. Standing at \$271,924,000 on December 5, these loans were \$5,156,000 greater than on November 7th and ex-

DEBITS TO INDIVIDUAL ACCOUNTS
(In Thousands of Dollars)

	Nov. 1928	Nov. 1927	Increase or Decrease	October 1928	Increase or Decrease
Abilene.....	\$ 13,827	\$ 12,781	+ 8.2	\$ 13,464	+ 2.7
Austin.....	21,469	20,372	+ 5.4	24,145	-11.1
Beaumont.....	24,620	21,634	+13.8	25,526	- 3.5
Coriicana.....	6,665	6,124	+ 8.8	7,631	-12.7
Dallas.....	273,024	258,992	+ 5.4	303,577	-10.1
El Paso.....	40,587	35,098	+15.6	39,493	+ 2.8
Fort Worth.....	109,543	106,374	+ 3.0	117,008	- 6.4
Galveston.....	49,150	53,920	- 8.8	59,786	-17.8
Houston.....	203,025	183,817	+10.4	244,266	-16.9
Port Arthur.....	10,070	9,632	+ 4.5	10,660	- 5.5
San Antonio.....	83,222	79,096	+ 5.2	90,152	- 7.7
Roswell.....	5,375	5,255	+ 2.3	4,727	+13.7
Shreveport.....	41,942	38,465	+ 9.0	48,297	-13.2
Texarkana*.....	15,961	18,230	-12.4	18,215	-12.4
Tucson.....	11,453	9,336	+22.7	10,770	+ 6.3
Waco.....	22,417	23,454	- 4.4	27,619	-18.8
Wichita Falls.....	27,778	25,965	+ 7.0	29,292	- 5.2
Total.....	\$90,128	\$98,545	+ 5.7	\$1,074,628	-10.7

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

239,000 in November and amounted to \$88,200,000 on December 5. Loans on Government securities reflected only a slight change. Investments of these banks in United States securities declined from \$82,907,000 on November 7 to \$81,626,000 on December 5, whereas, their holdings of other stocks and bonds rose from \$37,769,000 on the former date to \$38,256,000 on the latter date. Total loans and investments amounted to \$482,352,000 which was \$3,108,000 greater than a month earlier and \$44,066,000 larger than a year ago. Net demand and time deposits of these banks increased \$5,965,000 and \$1,320,000, respectively, but their reserves with the Federal Reserve Bank were reduced \$509,000, bringing their reserve deposits nearer the margin of requirements. Their bills payable and rediscounts with the Federal Reserve Bank amounted to \$16,532,000 on December 5th as compared to \$19,250,000 on November 7th and \$5,027,000 on the same date last year. The ratio of loans to net demand deposits was 86 per cent, the same as a month ago, but 4 points above the ratio on December 7, 1927.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	December 5, 1928	November 7, 1928	December 7, 1927
1. Number of reporting bank.....	44	44	45
2. United States securities owned.....	\$ 81,626,000	\$ 82,907,000	\$ 67,547,000
3. All other stocks, bonds and securities owned.....	38,256,000	37,769,000	31,263,000
4. Loans secured by United States Government obligations.....	2,346,000	2,361,000	2,725,000
5. Loans secured by stocks and bonds other than United States Government obligations.....	88,200,000	89,439,000	85,204,000
6. All other loans.....	271,924,000	266,768,000	251,547,000
7. Net demand deposits.....	318,652,000	312,687,000	309,359,000
8. Time deposits.....	132,435,000	131,115,000	113,266,000
9. Reserve with Federal Reserve Bank.....	35,005,000	35,514,000	33,313,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	16,532,000	19,250,000	5,027,000
11. Ratio of loans* to net demand deposits.....	86%	86%	82%

*Loans include only items 4 and 6.

ceeded those of a year ago by \$20,377,000. Loans on corporate securities, after increasing in October, declined \$1,-

Savings Deposits
Savings deposits of member banks in the Eleventh District which operate a savings department, amounted to \$141,818,310 on November 30th and represents an increase of 1.4 per cent over those a month earlier and a gain of 11.3 per cent as compared to November 30, 1927. There were 281,399 savings accounts carried at 80 of these banks at the close of the month as against 281,425 on October 31, this year, and 263,328 on the corresponding date last year.

SAVINGS DEPOSITS

	Number of Reporting Banks	November 30, 1928		November 30, 1927		Increase or Decrease	October 31, 1928		Increase or Decrease
		Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits		Number of Savings Depositors	Amount of Savings Deposits	
Beaumont.....	3*	6,642	1,868,848	6,322	1,849,944	+ 1.0	6,618	1,828,787	+2.2
Dallas.....	6	59,245	24,610,648	52,350	20,821,318	+18.2	59,179	24,189,691	+1.7
El Paso.....	2	14,771	6,190,790	13,666	5,163,731	+19.9	14,664	5,896,409	+5.0
Fort Worth.....	2	15,149	7,533,124	14,092	6,243,770	+20.7	16,352	7,307,143	+3.1
Galveston.....	3	13,858	9,439,437	13,432	9,439,604	None	13,903	9,394,551	+ .5
Houston.....	13*	70,070	33,461,767	63,428	30,066,664	+11.3	69,685	33,268,294	+ .6
San Antonio.....	9*	33,324	20,974,570	31,008	18,381,543	+14.1	33,194	20,756,096	+1.1
Shreveport.....	3	21,149	11,315,642	23,911	10,089,874	+12.1	21,046	11,179,315	+1.2
Waco.....	2	5,746	3,750,116	5,448	3,502,948	+ 7.1	5,702	3,676,527	+2.0
Wichita Falls.....	2	4,250	1,607,094	4,235	2,034,685	-21.0	4,226	1,529,893	+5.0
All others.....	43*	37,195	21,066,274	35,436	19,861,887	+ 6.1	30,856	20,883,130	+1.9
Total.....	88	281,399	141,818,310	263,328	127,455,968	+11.3	281,425	139,909,836	+1.4

*Only 2 banks in Beaumont, 11 banks in Houston, 8 banks in San Antonio, 3 banks in Shreveport and 39 banks in "All others" reported the number of savings depositors.

DECEMBER DISCOUNT RATES

	Prevailing Rates					
	Dallas	E 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	8	5-8	5-6	5-8	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	6	5-6	5-6	5-6	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	6-8	6-8
(b) Time.....	6-7	6-8	6-8	5-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	6	7-8	6-8	6	6-8	6-7
Rate on cattle loans.....	6	8	6-8	7-8	4-8	7-8

Deposits of Member Banks Combined deposits of member banks in the Eleventh Federal Reserve District rose to \$963,139,000 on November 7, representing an increase of \$17,068,000 over October 10th and a gain of \$55,996,000 as compared to November 9, 1927. Time deposits of these banks declined \$396,000 during the four week period ending November 7; on the other hand, their net demand deposits increased \$17,464,000. The gain in net demand deposits over those a month earlier was due entirely to the expansion at banks located in cities of less than 15,000 population as a slight decline was shown in the centers of over 15,000 population.

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
Dec. 7, 1927	729,213	186,104	334,427	48,651	394,786	137,473
Jan. 11, 1928	720,401	189,298	329,418	49,942	390,983	139,356
Feb. 8, 1928	736,338	195,934	336,933	52,846	389,355	143,998
March 7, 1928	710,432	193,319	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	156,515
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
Nov. 7, 1928	748,140	214,999	353,994	56,099	394,146	158,900

Operations of the Federal Reserve Bank Standing at \$21,501,152 on November 30, which was only \$972,437 less than one month earlier, loans to member banks in the Eleventh District failed to show the customary liquidation at this season of the year. This was due, however, to the continued heavy borrowing of reserve city banks which very near offset the rapid reduction that occurred in loans to banks in rural sections throughout November. During the first two weeks of December though, borrowings of country banks turned sharply upward while those to reserve city banks reflected a decline. On December 15th total loans to member banks amounted to \$15,143,053 as compared to \$5,632,396 on the corresponding date last year. There were 60 banks borrowing from the Federal Reserve Bank at the close of the month as compared to 105 a month earlier and 45 on November 30, 1927.

Due entirely to the increase in open market purchases total bills held rose from \$44,205,203.31 on October 31st to \$46,793,570.82 on November 30, distributed as follows:

Member banks' collateral notes secured by U. S. Government obligations	\$14,203,450.00
Rediscounts and all other loans to member banks	7,297,702.06
Open market purchases (Bankers' Acceptances)	25,292,418.76
Total bills paid	\$46,793,570.82

Federal reserve notes in actual circulation which amounted to \$48,184,290 on November 30, reflected a further expansion of \$142,160 during the month but were \$586,370 below the actual circulation on the corresponding date last year. The daily average reserve deposits of member banks increased from \$68,898,913 in October to \$71,425,894 in November and were \$3,757,472 greater than in November, 1927.

FAILURES

A marked improvement was noted in the business mortality rate in the Eleventh District during the past month. While the number of failures, normally, increase during the closing months of the year, there was a sharp reduction in November and it is necessary to go back to July, 1927, to find a month in which fewer failures occurred. The 33 failures in November had liabilities of \$756,043 which compares to 65 defaults in October with an indebtedness of \$857,123 and 68 insolvencies in November, 1927, owing \$818,200.

PETROLEUM

The production of crude oil in the Eleventh District during November, which amounted to 22,161,950 barrels reflected a considerable decrease as compared to the heavy output in October. The November production figure represents a decline of 991,150 barrels in total output and 8,143 barrels in the daily average run. A substantial increase in daily average yield was reported for the first two weeks of December. While November witnessed a sharp gain in the number of new wells completed, the new production added fell considerably under that for October. The decline in initial production was due to the large number of wells which proved to have a small initial flow and to the larger percentage of failures. There were 672 wells completed in November of which 339 were producers of oil with an initial production of 228,591 barrels and compares with 623 completions in October of which 348 were oil producers yielding new production of 409,524 barrels.

The daily average production at Texas fields amounted to 700,128 barrels which was 7,938 barrels less than the daily output in October. The Texas Coastal and the Southwest Texas fields reflected a gain in both total and daily average yield but all other major fields in Texas showed a decline. The Winkler County field furnished the excitement for the month when the 36 successful completions yielded an initial flow of 144,715 barrels.

NOVEMBER DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas	246	126	11	109	12,055
Central West Texas	245	145	18	82	188,294
East Texas	7	1	5	1	154
Southwest Texas	29	21	6	2	5,733
Texas Coastal	54	36		18	13,052
Texas wildcats	52	6	3	43	8,780
Total Texas	633	335	43	255	228,073
North Louisiana	39	4	11	24	513
November Totals, District	672	339	54	279	228,591
October Totals, District	623	348	49	226	409,524

CRUDE OIL PRICES

	Dec. 11, 1928	Dec. 14, 1927
Texas Coastal Grade "A"	\$1.20	\$1.20
North and Central Texas and North Louisiana (52 gr. and above)	1.76	1.60

OIL PRODUCTION

	November		October		Increase or Decrease	
	Total	Daily Average	Total	Daily Average	Total	Daily Average
North Texas.....	4,651,550	155,052	4,875,650	157,279	Dec. 224,100	Dec. 2,227
Central West Texas.....	11,482,800	382,760	12,184,250	393,040	Dec. 701,450	Dec. 10,280
East Central Texas.....	639,500	21,317	686,800	22,155	Dec. 47,300	Dec. 838
Texas Coastal.....	3,413,650	113,788	3,395,200	109,523	Inc. 18,450	Inc. 4,265
Southwest Texas.....	816,350	27,211	808,150	26,069	Inc. 8,200	Inc. 1,142
Total Texas.....	21,003,850	700,128	21,950,050	708,066	Dec. 946,200	Dec. 7,938
North Louisiana.....	1,158,100	38,603	1,203,050	38,808	Dec. 44,950	Dec. 205
Total District.....	22,161,950	738,731	23,153,100	746,874	Dec. 991,150	Dec. 8,143

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

LUMBER

While shipments of lumber at pine mills in the Eleventh District were less in November than in October they were larger than in the corresponding month last year and exceeded actual production in November by a good margin. Shipments of lumber during the current month were 99 per cent of normal production as compared to 103 per cent in the previous month and 87 per cent in November, 1927. Production declined from 95 per cent of normal in October to 90 per cent in November but was 9 points greater than last year. New orders for lumber amounted to 99 per cent of normal production as against 104 per cent in the previous month and 82 per cent in the same period of 1927. Stocks on hand on November 30, aggregating 94 per cent

of normal, reflected a 2 point increase over those a month earlier and a year ago. Unfilled orders for lumber totaled 62,283,848 feet at the close of the month and compares with 58,578,928 feet recorded on October 31.

NOVEMBER PINE MILL STATISTICS

Number of reporting mills.....	43
Production.....	86,013,479 feet
Shipments.....	93,873,726 feet
Orders.....	94,263,400 feet
Unfilled orders November 30.....	62,283,848 feet
Normal production.....	95,152,567 feet
Stocks, November 30.....	225,494,893 feet
Normal stocks.....	239,527,557 feet
Shipments below normal production.....	1,278,841 feet—1%
Actual production below normal.....	9,139,088 feet—10%
Orders below normal production.....	889,167 feet—1%
Stocks below normal.....	14,032,664 feet—6%

Lumber statistics compiled by the Southern Pine Association.

BUILDING

A further increase in construction activity in the Eleventh District was noted during November. The valuation of permits issued at principal cities amounted to \$8,692,371 which represents a gain of 21.4 per cent over the previous month and 10.8 per cent over the corresponding month last year. It will be noted that the valuation of permits in November

was larger than in October in all but three of the reporting cities. As compared to a year ago, only half of the reporting cities showed increases. The number of permits issued showed a marked decline as compared to both periods indicating larger types of construction projects.

BUILDING PERMITS

	November, 1928		November, 1927		Increase or Decrease	October, 1928		Increase or Decrease	Eleven Months 1927				Increase or Decrease
	No.	Valuation	No.	Valuation		1928			1927				
						No.	Valuation		No.	Valuation			
Amarillo.....	42	\$ 101,922	83	\$ 680,063	+ 85.0	48	\$ 96,446	+ 5.7	857	\$ 2,850,136	1,674	\$10,324,461	+ 72.4
Austin.....	74	126,749	81	254,076	+ 50.1	86	216,480	+ 41.5	834	2,402,145	556	1,333,295	+ 80.2
Beaumont.....	112	198,315	189	309,395	+ 35.9	181	313,800	+ 36.8	1,824	3,427,054	2,028	4,757,038	+ 28.0
Corpus Christi.....	78	188,725	67	173,210	+ 9.0	71	121,650	+ 55.1	885	5,134,528	712	2,531,100	+102.9
Dallas.....	297	717,617	283	524,932	+ 36.7	226	552,651	+ 29.8	3,496	7,744,961	3,345	9,421,998	+ 17.8
El Paso.....	78	251,961	68	133,205	+ 89.2	98	160,502	+ 57.0	890	1,687,409	687	1,202,572	+ 40.3
Fort Worth.....	266	515,935	273	1,661,836	+ 69.0	345	851,001	+ 39.4	4,090	12,370,416	4,473	13,220,346	+ 6.4
Galveston.....	187	129,771	203	243,639	+ 46.7	205	105,286	+ 23.3	2,174	2,480,521	2,468	2,805,248	+ 11.6
Houston.....	425	3,364,876	488	2,226,863	+ 51.1	445	3,225,073	+ 4.3	5,536	31,682,142	5,566	25,403,159	+ 11.5
Port Arthur.....	83	63,854	100	79,912	+ 20.1	105	51,189	+ 24.7	1,265	1,832,195	1,333	1,695,021	+ 8.1
San Antonio.....	339	1,705,877	411	937,486	+ 82.0	320	822,855	+107.3	3,759	14,763,216	3,601	13,161,991	+ 12.2
Shreveport.....	237	833,281	209	215,623	+286.5	304	433,304	+ 92.3	2,865	4,571,417	2,321	3,817,951	+ 19.7
Waco.....	39	176,866	27	55,175	+220.6	33	104,980	+ 68.5	356	2,067,193	340	1,530,341	+ 35.1
Wichita Falls.....	28	316,622	71	348,454	+ 9.1	56	106,160	+198.2	549	1,766,303	833	3,351,048	+ 47.3
Total.....	2,280	\$ 8,692,371	2,553	\$ 7,843,869	+ 10.8	2,523	\$ 7,161,407	+ 21.4	29,380	\$94,779,636	28,937	\$94,555,569	+ .2

CEMENT

The production of Portland cement at Texas mills during November amounted to 529,000 barrels which was 14.3 per cent less than in October and 0.8 per cent greater than in November, 1927. Shipments from these mills showed a heavy decline being 18.3 per cent less than in the previous month and 16.9 per cent below those in the corresponding month a year ago. Reflecting excess production over ship-

ments, stocks on hand at the close of November rose to 424,000 barrels which was a gain of 22.5 per cent over those a month earlier and 68.3 per cent over those a year ago. Production and shipments during the first eleven months of the current year were 14.2 per cent and 11.3 per cent, respectively, over those in the same period of 1927.

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

	November 1928	November 1927	Increase or Decrease	October 1928	Increase or Decrease	Eleven Months 1928	Eleven Months 1927	Increase or Decrease
Production at Texas mills.....	529,000	525,000	+ 8	617,000	-14.3	5,873,000	5,142,000	+14.2
Shipments at Texas mills.....	451,000	543,000	-16.9	552,000	-18.3	5,907,000	5,307,000	+11.3
Stocks at end of month at Texas mills.....	424,000	252,000	+68.3	346,000	+22.5			

SUMMARY OF NATIONAL BUSINESS CONDITION

(As Compiled by the Federal Reserve Board, December 27th, 1928)

Industrial activity declined somewhat in November, but continued above the level of a year ago. Wholesale commodity prices declined further, reflecting principally a continued decrease in the prices of farm products. Security loans of member banks declined sharply after the first week of December, while other loans increased.

PRODUCTION

Total output of manufacturers was somewhat lower in November, reflecting primarily a decrease in production of automobiles and steel, larger than is usual at this season, but total output continued larger than a year ago. Production of pig iron and copper continued to increase in November, and textile mills remained active. Meat packing and sugar refining declined seasonably during the month, and the production of building materials was smaller. Factory employment and payrolls were seasonably reduced but were larger than in 1927. Mineral production was in about the same volume as in October, according to the Federal Reserve Board's index which makes allowance for seasonal variations. Increases occurred in the production of copper, zinc, and tin, while both anthracite and bituminous coal decreased and the output of petroleum was somewhat smaller. The value of building contracts awarded in November and the early part of December receded sharply from the record figures of the two preceding months. The November total was slightly larger than in the corresponding month in 1927, and the volume of contracts for the first two weeks of December was smaller than a year ago. The December forecast of the Department of Agriculture increased the estimated 1928 production of cotton by 240,000 bales to a total of 14,373,000 bales which is nearly 11 per cent larger than a year ago. The total value of crops, based on December farm prices, is estimated at \$8,456,052,000 as compared with \$8,522,563,000 in 1927.

TRADE

Department store sales showed a seasonal increase in November when allowance is made for the number of business days, and approximated those of a year ago, while inventories continued smaller than in 1927. Sales at wholesale declined seasonably, but were larger than in the same month of last year. Railroad freight shipments decreased in volume during November and the early part of December, but

continued larger than in 1927. The decrease from October was especially marked in loadings of miscellaneous freight.

PRICES

Wholesale commodity prices decreased further in November and the first two weeks of December. The largest price declines during the six-week period were in farm and food products, and leather. While several groups of industrial products, notably iron and steel, non-ferrous metal and cotton goods, were generally higher, wholesale prices of gasoline and automobile tires declined. Among the agricultural products, prices of raw silk, corn, livestock, and meat were lower during November, while raw cotton and wool, wheat, and oats increased somewhat. During the first two weeks of December, however, prices of all these products with the exception of raw silk, declined. Building materials were generally higher in November, but declined somewhat in the middle of December.

BANK CREDIT

Loans and investments of member banks in leading cities increased \$329,000,000 during the four-week period ending December 19. The advance during the first two weeks reflected chiefly a rapid increase in security loans, which include loans to brokers and dealers in securities. Subsequently, a sharp decline in loans on securities was more than offset by a rapid increase in all other loans and in holdings of investments. The increase in all other loans which include loans for commercial purposes was contrary to the usual movement at this season and carried the total to the highest figure in eight years. Seasonal growth in the demand for currency in November and December, together with increases in member bank reserve requirements, consequent upon an increase in their deposits have been reflected in larger borrowings by the member banks from the Reserve banks. This recent growth, following upon demand caused by the loss of gold in earlier months, has carried the total volume of reserve bank credit to the highest level in seven years. The rates on call and time loans on security collateral increased during the last week in November and the first part of December, while rates for commercial paper were generally steady. Rates on certain maturities of bankers' bills increased somewhat.