

# MONTHLY BUSINESS REVIEW

## OF THE FEDERAL RESERVE BANK OF DALLAS

C. C. WALSH,  
Chairman and Federal Reserve Agent

CHAS. C. HALL—W. J. EVANS,  
Assistant Federal Reserve Agents

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### DISTRICT SUMMARY

THE SITUATION AT A GLANCE  
Eleventh Federal Reserve District

	December	November	Increase or Decrease	
Bank debits to individual accounts (at 17 cities).....	\$1,091,490,000	\$960,128,000	Inc.	13.7%
Department store sales.....			Inc.	46.8%
Reserve bank loans to member banks at end of month.....	\$ 11,161,445	\$ 21,501,152	Dec.	48.1%
Reserve bank ratio at end of month.....	83.4%	54.0%	Inc.	9.4 points
Building permit valuations at larger cities.....	\$ 9,755,378	\$ 8,692,371	Inc.	12.2%
Commercial failures (number).....	52	33	Inc.	57.6%
Commercial failures (liabilities).....	\$ 839,808	\$ 756,043	Inc.	11.1%
Oil production (barrels).....	23,339,700	22,161,950	Inc.	5.3%
Lumber orders at pine mills (per cent of normal production).....	77%	99%	Dec.	22 points

The distribution of merchandise at retail in the larger centers during December reflected a seasonal increase of forty-seven per cent as compared to the previous month but it fell two per cent below the heavy volume of December, 1927. While the December sales did not come up to earlier expectations, the total for the full year 1928 was generally satisfactory, showing a gain of two per cent over that for 1927. Wholesale distribution reflected a seasonal recession as compared to the previous month but continued larger than in the corresponding month last year. In most lines of trade, sales during 1928 reflected a substantial increase over the previous year. During the year 1928, retailers generally strengthened their financial position and continued to follow the conservative policy of limiting commitments to well-defined needs.

The past month witnessed a further increase in the deposits of member banks. The combined net demand and time deposits of member banks rose to \$974,968,000 on December 12th which reflects a gain of \$11,829,000 over those a month earlier and \$59,651,000 over those on December 7, 1927. Furthermore, the gross deposits of member banks as reflected by the December 31st call reports, reached a new high record for all time. The borrowings of member banks at the Federal Reserve Bank showed the usual year-end recession, reaching the low point at \$11,161,445 on December 31, but by January 15th they had risen to \$20,296,584 which was \$5,153,531 higher than those thirty days earlier. There is still a strong demand from country banks for bankers' acceptances, commercial paper, and other short time investments.

The general rains during the past thirty days were very beneficial to growing crops and left a good surface and subsoil season in the ground in practically all sections of the

The business mortality rate in this district was more unfavorable during December but such an occurrence is not unnatural during the closing month of the year. While both the number of failures and the amount of liabilities involved showed an increase over November, they were considerably smaller than in December of either of the two immediately preceding years.

The district's farmers practically completed harvesting operations and made good progress with winter plowing. The general rains have placed a good surface and subsoil season in the ground in most sections of the district and the soil is in good condition for spring planting. Weather conditions were generally favorable for the growth of small grains and their condition is reported to be fair to good which is in marked contrast to the condition at this season a year ago. The physical condition of the district's ranges and livestock was well sustained during the past month. Livestock generally are in good shape and are wintering well. Due to the mild weather losses have been few. Market prices have shown a further recession and trading on the ranges has been slow.

For the third consecutive month construction activity, as measured by the valuation of building permits issued at principal cities, reflected a gain as compared to both the previous month and the corresponding month last year. The total valuation in December was 12 per cent larger than in November and 13 per cent greater than in December, 1927. Reflecting the usual year-end decline, the production and shipments of cement and the production, shipments, and new orders for lumber were considerably smaller than in November.

### CROP CONDITIONS

Farmers made fair progress with the picking of cotton and late reports indicate that most of the cotton is now out of the fields. Winter plowing is well advanced in



most sections with the soil in good condition for spring planting. Small grains are reported to be in generally good condition which is in marked contrast to the condition prevailing at this season a year ago.

The Department of Agriculture estimated the area sown to winter wheat in Texas during the fall of 1928 as 2,576,000 acres which represents 98 per cent of the area sown in the previous fall. The area sown to winter wheat in New Mexico was 287,000 acres or an increase of 5 per cent over the acreage sown in the fall of 1927. The Department estimated the condition of the Texas crop as 87 per cent of normal on December 1, as compared to 73 per cent on that date in 1927, and the New Mexico crop as 95 per cent of normal as against 65 per cent a year earlier. The crop in these states has made good progress during the past six weeks. The rye acreage in Texas was decreased 10 per

cent but it showed no change in New Mexico. The condition of the crop on December 1, was reported as 86 per cent of normal in Texas and 93 per cent in New Mexico. A considerable acreage has been sown to winter oats and reports indicate that the crop is making good growth.

Truck crops in the Rio Grande Valley section of Texas have made good progress and some crops are now moving to market in volume. The movement of spinach is now nearing the peak of the season with shipments of 409 cars during the week ending January 12, as compared to 211 cars shipped during the same period in 1928. Shipments of cabbage and mixed vegetables are also increasing rapidly. Preliminary estimates indicate that planting to Bermuda onions in Texas amounted to 19,230 acres which represents an increase of 15 per cent over the heavy planting of the previous season.

### THE YEAR'S CROP RESULTS

According to estimates given out by the United States Department of Agriculture, the yields and value (based on

December 1, (farm price) of the principal crops in Texas for the years 1927 and 1928, were as follows:

COMPARATIVE PRODUCTION AND VALUE OF TEXAS FARM PRODUCTS AS COMPILED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE

Commodity	Quantity		Increase or Decrease	Value, Based on Dec. 1, Farm Price		Inc. or Dec.
	1928	1927		1928	1927	
Cotton.....	5,150,000 bales	4,352,000 bales	Inc. 798,000 bales	\$450,625,000	\$419,968,000	Inc. \$30,657,000
Corn.....	99,162,000 bushels	119,347,000 bushels	Dec. 20,185,000 bushels	77,346,000	77,576,000	Dec. 230,000
Wheat.....	22,176,000 bushels	17,945,000 bushels	Inc. 4,231,000 bushels	24,394,000	21,713,000	Inc. 2,681,000
Oats.....	35,751,000 bushels	42,063,000 bushels	Dec. 6,312,000 bushels	18,233,000	19,770,000	Dec. 1,537,000
Barley.....	3,276,000 bushels	3,120,000 bushels	Inc. 156,000 bushels	2,391,000	2,184,000	Inc. 207,000
Grain sorghums.....	69,000,000 bushels	55,734,000 bushels	Inc. 13,266,000 bushels	41,400,000	36,227,000	Inc. 5,173,000
Rice.....	7,308,000 bushels	8,039,000 bushels	Dec. 731,000 bushels	6,431,000	6,914,000	Dec. 483,000
Hay (tame and wild).....	941,000 tons	968,000 tons	Dec. 27,000 tons	11,881,000	10,853,000	Inc. 1,028,000
Broom corn.....	1,600 tons	1,300 tons	Inc. 300 tons	171,000	143,000	Inc. 28,000
Potatoes (white).....	2,691,000 bushels	2,310,000 bushels	Inc. 381,000 bushels	2,691,000	3,312,000	Dec. 1,121,000
Potatoes (sweet).....	8,284,000 bushels	11,970,000 bushels	Dec. 3,686,000 bushels	8,284,000	8,978,000	Dec. 694,000
Peanuts.....	78,000,000 pounds	70,200,000 pounds	Inc. 7,800,000 pounds	3,900,000	2,457,000	Inc. 1,443,000
Total value of twelve crops.....				\$647,747,000	\$610,595,000	Inc. \$37,152,000
Hypothetical value of all crops.....				\$783,000,000	\$738,000,000	Inc. \$45,000,000

From the above table it will be observed that the production of a majority of the principal crops in Texas in 1928 was larger than a year ago. While the production of corn was 20,185,000 bushels less than in 1927, the total yield was larger than the average and will provide most farmers with an ample supply for use in making 1929 crops. The feed supply will be supplemented by the greatly increased production of grain sorghums. While the yield of the Texas oat crop was very poor, the production of wheat and barley was considerably larger than in 1927. The returns from the peanut crop were very satisfactory as total production showed a substantial increase on only a slightly greater acreage and a much better price was obtained on the product. The yield of the Texas cotton crop rose to 5,150,000 bales which exceeded the 1927 production by 798,000 bales and although the price was smaller than in the previous year, the value of the crop was \$30,657,000 larger. The Department of Agriculture estimates the value of all Texas crops at \$783,000,000 which was \$45,000,000 greater than the value of all crops in 1927. It should be borne in mind, however, that the farmers' net equity in 1928 crops was affected somewhat by the higher production costs caused by excessive replanting operations. In many sections of the district, further progress was made with the diversification of crops and many farmers again made their living at home. The dairy and poultry industries have been expanded and are affording farmers in numerous localities with a sizable income throughout the year. While the returns from crops in some sections were disappointing in 1928, the income

from agriculture in the district generally was very satisfactory.

### LIVESTOCK

Weather conditions were generally favorable to livestock and their ranges during the past month. The rains which fell over practically all of the Eleventh District were very beneficial to the ranges and replenished the supply of stock water. There are only a few localities where ranges are in poor condition. Prior to the freezing weather late in December, considerable green grass and weeds were available for grazing over a large area and the grain pastures have been generally good. Soil moisture on the ranges is generally ample. While the snow and rains in Northwest Texas and portions of New Mexico have caused cattle to draw and lose weight their condition in most areas is fair to excellent. Due to the mildness of the weather, losses this year have been negligible. Cattle trading on the ranges is reported to be slow. Sheep and goats are wintering well and a large lamb and kid crop is in prospect.

The Department of Agriculture reported that the condition of cattle ranges in Texas on January 1, 1929, was 84 per cent of normal which was the same as a month earlier and two points higher than a year ago. The condition of cattle gained one point during December. A decline of 3 points was reported in the condition of sheep and goat ranges but on January 1, the condition figure was four points above that on the same date a year ago. During December, the condition of sheep declined two points and that of goats four points.



**Movements and Prices**

The receipts of cattle and calves at the Fort Worth market during December reflected a heavy decline as compared to both the previous month and the corresponding month last year. The arrivals of sheep were practically the same as in November but were considerably less than in the same month last year. The number of hogs yarded was slightly larger than in the previous month and substantially larger than a year ago.

The cattle market reflected a sharp upward trend during the first week of December but prices reacted in the following week and most of the gains were cancelled. During the remainder of the month the market followed an uneven course with the market tending toward lower levels. Hog prices reflected a further decline. Sheep and lamb prices worked to slightly higher levels.

**FORT WORTH LIVESTOCK RECEIPTS**

	December 1928	December 1927	Loss or Gain	November 1928	Loss or Gain
Cattle.....	55,159	90,578	L 35,419	78,795	L 23,636
Calves.....	23,571	29,036	L 5,465	48,486	L 24,915
Hogs.....	29,373	24,916	G 4,457	28,965	G 408
Sheep.....	17,955	29,260	L 11,305	17,995	L 40

**COMPARATIVE TOP LIVESTOCK PRICES**

	December 1928	December 1927	November 1928
Beef Steers.....	\$13.00	\$13.50	\$13.35
Stocker steers.....	12.25	11.25	12.25
Butcher cows.....	8.75	8.00	10.00
Stocker cows.....	8.00	7.40	7.85
Calves.....	11.25	11.50	12.25
Hogs.....	8.85	8.85	9.50
Sheep.....	9.00	8.00	8.00
Lambs.....	14.00	13.75	13.50

**Cotton Movements**

While the December receipts and exports of cotton through the ports of Houston and Galveston were smaller than in the previous month, they exceeded those of the corresponding month a year ago by a substantial margin. Likewise, receipts and exports for the current season showed a substantial increase over the same period last season. Exports from all United States ports during December amounted to 1,058,013 bales as compared to 744,640 bales in the corresponding month of 1927. The domestic consumption amounted to 534,352 bales

in December as compared to 610,884 bales in November and 538,786 bales in December, 1927.

**COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON**

	December 1928	December 1927	August 1 to This Season	December 31 Last Season
Receipts.....	435,863	300,649	2,289,796	1,733,196
Exports.....	444,195	350,315	1,701,689	1,306,759
Stocks, December 31.....			671,691	572,466

**GALVESTON STOCK MARKET**

	Dec. 31, 1928	Dec. 31, 1927
For Great Britain.....	16,000	13,200
For France.....	17,500	13,000
For other foreign ports.....	55,600	67,400
For Coastwise ports.....	8,000	8,500
In compresses and depots.....	574,591	470,366
Total.....	671,691	572,466

**COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON**

	December 1928	December 1927	August 1 to This Season	December 31 Last Season
Receipts.....	362,216	267,114	2,338,314	2,110,247
Exports.....	324,192	194,483	1,448,682	1,061,799
Stocks, December 31.....			919,193	987,945

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

	December 1928	December 1927	August 1 to This Season	December 31 Last Season
Receipts.....	7,205,566	6,279,162		
Exports: Great Britain.....	1,082,754	548,918		
France.....	485,493	537,708		
Continent.....	2,167,983	2,064,120		
Japan-China.....	905,789	615,986		
Mexico.....	9,412	11,945		
Total foreign ports.....	4,651,431	3,808,659		
Stocks at all United States ports, December 31.....	2,453,484	2,614,819		

**SPOT COTTON PRICES—Middling Basis**

	December, 1928		January 15, 1929
	High	Low	
New York.....	20.65	20.00	20.40
New Orleans.....	19.56	18.98	19.36
Dallas.....	19.15	18.50	18.85
Houston.....	19.75	19.15	19.40
Galveston.....	20.00	19.25	19.65

**COTTON CONSUMED AND ON HAND**

	COTTON GROWING STATES				UNITED STATES			
	December 1928	December 1927	August 1 to This Season	December 31 Last Season	December 1928	December 1927	August 1 to This Season	December 31 Last Season
Cotton consumed.....	405,315	401,633	2,137,687	2,247,090	534,352	538,786	2,782,974	3,041,352
Cotton on hand December 31:								
(a) In consuming establishments.....			1,335,692	1,207,410			1,780,892	1,708,538
(b) In public storage and compresses.....			5,147,637	5,349,207			5,315,411	5,655,574

**STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS**

	Texas		United States	
	August 1 to This Season	December 31 Last Season	August 1 to This Season	December 31 Last Season
Cottonseed received at mills (tons).....	1,476,154	1,353,680	4,276,495	3,933,180
Cottonseed crushed (tons).....	1,051,443	1,035,849	2,968,424	3,009,511
Cottonseed on hand (tons).....	437,505	351,762	1,328,703	1,012,953
Crude oil produced (pounds).....	308,368,288	305,998,472	920,255,197	936,662,879
Cake and meal produced (tons).....	490,428	478,708	1,328,235	1,336,239
Hulls produced (tons).....	284,666	294,629	800,584	856,329
Linters produced (running bales).....	213,576	191,341	612,718	546,603
Stocks on hand, December 31:				
Crude oil (pounds).....	31,819,869	45,686,444	85,334,962	128,788,863
Cake and meal (tons).....	42,755	39,407	182,173	190,228
Hulls (tons).....	72,903	90,500	151,079	226,639
Linters (running bales).....	49,318	51,119	189,776	152,003

**COTTONSEED PRODUCTS**

The amount of cottonseed received and crushed at both Texas and all United States mills during December was smaller than in the previous month but was considerably larger than in the same month last year. The December production of cottonseed oil, cake and meal, and linters at Texas mills was larger than a year ago while the production of hulls was smaller. The production of all products at all United States mills was larger in December than in the corresponding month of 1927. Stocks of crude oil, hulls, cake and meal, on hand at all United States mills were smaller on December 31 than on the same date last year. Stock of linters, however, were considerably larger than a year ago.



## TEXTILE MILLING

Reporting Textile mills in the Eleventh Federal Reserve District consumed 3,168 bales of raw cotton in December as compared to 3,349 bales in the previous month and 3,362 bales in the same month last year. The output at these mills was 1.7 per cent larger than during November but 5.0 per cent less than in the corresponding period of 1927. Spindle activity was the same in number as in the previous month and slightly greater than in December last year. Orders on hand at the close of the month were substantially larger than a month earlier and a year ago and stocks showed an increase over both periods.

## TEXTILE MILLING STATISTICS

	December 1928	December 1927	November 1928
Number of bales consumed.....	3,168	3,362	3,349
Number of spindles active.....	102,776	101,172	102,776
Number pounds cloth produced.....	1,545,455	1,627,461	1,519,525

## WHOLESALE TRADE

The distribution of merchandise in wholesale channels of trade during December reflected the usual slowing down due to the mid-season quietude. Sales of farm implements and drugs were larger than in November but those of dry goods, hardware, and groceries, were smaller. All reporting lines except dry goods and hardware, showed increased business for the month of December and all except dry goods in the final six months of the year as compared to the corresponding periods of the previous year. In some lines of trade, business during December was retarded by the unseasonable temperatures prevailing during the month. Retailers throughout the district continue to limit commitments to actual needs and this was especially true in the past month as merchants generally endeavored to close the year with low inventories. Collections generally were slow.

The December sales of reporting wholesale dry goods firms reflected a decline of 50.3 per cent as compared to the previous month and were 7.1 per cent less than in the corresponding month last year. Distribution during the last half of the year showed a decline of 3.9 per cent which practically offset the gain during the first half. Most firms closed the year with stocks considerably smaller than in the previous year. The decline in December business as compared to a year ago was due in part to unseasonable temperatures and the desire of retail merchants to close the year with small inventories. Collections reflected a decline as com-

pared to the previous month.

A sustained demand for drugs at wholesale was in evidence during December. Sales of reporting firms, contrary to the usual trend, reflected a gain of 6.5 per cent as compared to the previous month and were 16.1 per cent greater than a year ago. Business during the last half of 1928 exceeded the same period of last year by 5.3 per cent. The increase in business in both December and the six-month period was fairly general over the district. Collections were reported to be slow.

The demand for hardware at wholesale reflected a large seasonal decline of 29.2 per cent during December as compared to the previous month and was 9.6 per cent less than in December last year. Distribution during the last six months of 1928 was 4.2 per cent larger than during the corresponding period of the previous year. Trade during December was somewhat spotty, with business good in some sections but slow in others. The mild temperatures prevailing during the month held down buying on some seasonal items.

The demand for farm implements at wholesale reflected a further seasonal expansion during December. Sales were 19.1 per cent greater than in November and were practically the same as in the corresponding month of 1927. Distribution during the last half of 1928 averaged 14.4 per cent larger than during the same period of the previous year. Prices remained generally steady and collections showed some improvement.

The sales of wholesale grocery firms reflected a seasonal decline of 12.8 per cent as compared to the previous month but were 4.5 per cent larger than in December a year ago. Sales during the final six months of the year averaged 8.5 per cent larger than during the same period of 1927. Prices remained generally steady. The buying demand is reported to be generally good.

## CONDITION OF WHOLESALE TRADE DURING DECEMBER

Percentage of increase or decrease in:

	Net Sales December, 1928 compared with Dec. 1927		Net Sales July 1 to date comp'd with same period last year		Stocks December, 1928 compared with Dec. 1927		Ratio of collec- tions during Dec. to accounts and notes outstanding on Nov. 30
	1928	1927	1928	1927	1928	1927	
Groceries.....	+ 4.5	-12.8	+ 8.5	+11.9	- 6.8		89.1
Dry Goods.....	- 7.1	-50.3	- 3.9	- 6.4	- 3.9		38.8
Farm implements	+ .1	+19.1	+14.4	- 7.0	- 7		16.5
Hardware.....	- 9.6	-29.2	+ 4.2	+ 5.4	- 3.2		41.7
Drugs.....	+16.1	+ 6.5	+ 5.3	+ 1.0	-12.0		43.9

## RETAIL TRADE

The distribution of merchandise at retail in the larger cities reflected a large seasonal increase of 46.8 per cent as

compared to the previous month but was 1.9 per cent less than in December, 1927. Sales for the full year 1928 aver-

## BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	All Others	Total District
Total Sales: (Percentage)						
December, 1928, compared with December, 1927.....	0.0	- 4.6	- 4.8	- 1.3	+ 1.8	- 1.9
December, 1928, compared with November, 1928.....	+43.3	+52.2	+46.6	+48.2	+46.7	+46.8
January 1 to date compared with same period last year.....	+ 2.2	+ 1.3	+ .9	0.0	+ 2.9	+ 1.6
Credit Sales: (Percentage)						
December 1928, compared with December, 1927.....	+ 2.2	- .6	- 6.9	+ 1.2	+ 2.6	- 0.0
December, 1928, compared with November, 1928.....	+31.6	+41.0	+39.9	+47.1	+38.6	+37.7
January 1 to date compared with same period last year.....	+ 7.4	+ 7.1	+ 1.1	+14.2	+ 5.8	+ 5.4
Stocks: (Percentage)						
December, 1928, compared with December, 1927.....	-10.0	- 4.6	- 3.9	-13.1	+ 3.3	- 5.9
December, 1928, compared with November, 1928.....	-21.5	-35.3	-19.9	-24.8	-19.4	-23.9
Stock turnover (Rate)						
Rate of stock turnover in December, 1927.....	.43	.45	.49	.46	.43	.45
Rate of stock turnover in December, 1928.....	.47	.43	.47	.52	.43	.46
Rate of stock turnover January 1 to December 31, 1927.....	2.86	2.67	3.17	3.06	2.88	2.92
Rate of stock turnover January 1 to December 31, 1928.....	3.22	2.71	3.24	3.59	2.91	3.11
Ratio of December collections to accounts receivable and outstanding December 1, 1928.....	32.4	38.9	40.5	40.1	43.0	37.3



aged 1.6 per cent greater than in the previous year. Christmas shopping was reported to be in large volume but the unseasonable temperatures prevailing during much of the month tended to hold down ordinary retail distribution. A further retarding factor was the wide-spread illness due to the influenza epidemic.

Stocks on hand at the year-end were 23.9 per cent less than a month earlier and 5.9 per cent less than at the same date in 1927. The rate of stock turnover during 1928 was 3.11 as compared to 2.92 in the previous year. This increase was brought about by an increase in sales and a reduction in the average amount of stocks carried.

Collections during December reflected a seasonal decline. The ratio of December collections to accounts outstanding on December 1 was 37.3 per cent as compared to 39.4 per cent in November and 37.0 per cent in December, 1927.

FINANCIAL

Charges to depositors' accounts at banks located in principal cities of the Eleventh District reached a further high level in December, the second month this year that previous records were broken. Debits to individual accounts at these banks aggregated \$1,091,490,000 as compared to \$960,128,000 in November and \$987,659,000 during the corresponding month last year. As compared to December, 1927, only two cities reported declines.

DEBITS TO INDIVIDUAL ACCOUNTS  
(In Thousands of Dollars)

	Dec. 1928	Dec. 1927	Increase or Decrease	Nov. 1928	Increase or Decrease
Abilene	\$ 14,102	\$ 13,130	+ 7.4	\$ 13,827	+ 2.0
Austin	21,792	23,432	- 7.0	21,469	+ 1.5
Beaumont	29,587	25,179	+17.5	24,620	+20.2
Corsicana	7,664	8,086	- 5.2	6,665	+15.0
Dallas	297,946	269,485	+10.6	273,024	+ 9.1
El Paso	42,860	36,672	+16.9	40,587	+ 5.6
Fort Worth	141,205	120,003	+17.7	109,543	+23.9
Galveston	51,446	47,187	+ 9.0	49,150	+ 4.7
Houston	239,800	217,302	+10.4	203,025	+18.1
Port Arthur	10,308	10,303	None	10,070	+ 2.4
San Antonio	94,567	90,230	+ 4.8	83,222	+13.6
Roswell	6,183	4,920	+25.7	5,375	+15.0
Shreveport	49,956	44,399	+12.5	41,942	+19.1
Texarkana*	17,904	15,708	+14.0	15,961	+12.2
Tucson	13,192	12,422	+ 6.2	11,453	+15.2
Waco	21,612	21,145	+ 2.2	22,417	- 3.6
Wichita Falls	31,366	28,056	+11.8	27,778	+12.9
Total	\$1,091,490	\$ 987,659	+10.5	\$ 960,128	+13.7

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

Acceptance Market

The volume of acceptances executed by accepting banks in the Eleventh District and outstanding at the close of the month increased to \$8,153,611 on December 31st which was the highest level reached this year and compares with \$8,140,328 a month earlier. Acceptances executed against import and export transactions rose from \$2,310,429 on November 30 to \$2,565,792 on December 31, but those based on the domestic shipment and storage of goods declined from \$5,829,899 on the former date to \$5,587,819 on the latter date.

Condition of Member Banks in Selected Cities

With a further increase being shown in December, loans on corporate securities of banks located in principal cities of the Eleventh District reached the highest level of the year during this month. Standing at \$93,664,000 on January 2, they were \$5,464,000 greater than on December 5th and exceeded those on the corresponding date last year by \$8,961,000. On the other hand, loans on government securities declined slightly and those for commercial purposes showed less than their seasonal reduction. On January 2, the volume of commercial loans aggregated \$266,288,000 as compared to \$268,924,000 four weeks earlier. Investments of these banks in United States securities rose from \$81,626,000 on December 5 to \$90,382,000 on January 2, and their holdings of other stocks and bonds, amounting to \$38,552,000 on the latter date, reflected an expansion of \$296,000. Total loans and investments were \$491,204,000 as against \$479,952,000 on December 5 and \$434,566,000 a year ago. Net demand deposits declined \$2,548,000 during the four-week period but time deposits rose \$9,160,000. It will be observed that time deposits showed a gain of \$26,996,000 during the year. Reserves with the Federal Reserve Bank amounted to \$35,934,000, representing an increase of \$929,000 but their bills payable and rediscounts with this bank, which totaled \$15,062,000, showed a decline of \$1,470,000 as compared to December 5. The ratio of loans to net demand deposits was 86 per cent, the same as on December 5, but 4 points below the ratio on January 4, 1928.

NOTE: Certain revisions have been made in the item "All other loans." These revisions are described in the January issue of the Federal Reserve Bulletin where the revised figures for 1927 and 1928 are published.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	January 2, 1929	December 5, 1928	January 4, 1928
1. Number of reporting bank	43	44	45
2. United States securities owned	\$ 90,382,000	\$ 81,626,000	\$ 70,706,000
3. All other stocks, bonds and securities owned	38,552,000	38,256,000	31,013,000
4. Loans secured by United States Government obligations	2,318,000	2,346,000	2,897,000
5. All other loans	93,664,000	88,200,000	84,703,000
6. Net demand deposits	266,288,000	268,924,000	245,247,000
7. Time deposits	315,104,000	318,652,000	305,028,000
8. Reserve with Federal Reserve Bank	141,595,000	132,435,000	114,599,000
9. Bills payable and rediscounts with Federal Reserve Bank	35,934,000	35,005,000	32,893,000
10. Ratio of loans* to net demand deposits	86%	86%	82%

\*Loans include only items 4 and 6. x Revised

JANUARY 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	5½-6½	8	5-7	5-6	5-6	6-8
Rate charged on loans to other banks secured by bills receivable	5-5½	6	5-6	5½	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	5½-7	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	7-8	6-8	6	6-8	6-7
Rate on cattle loans	6	6-8	6-8	7-8	4-8	7-8



**Savings Deposits** Savings deposits, amounting to \$145,175,038 on December 31, of banks operating a savings department and located in the Eleventh District, showed an increase of 0.9 per cent over those a month earlier and were 12.5 per cent greater than a year ago. There were 284,313 savings accounts carried at 81 of these banks as against 281,600 on November 30 and 262,583 on December 31, 1927.

## SAVINGS DEPOSITS

	December 31, 1928			December 31, 1927			November 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*	6,670	\$ 2,603,272	6,369	\$ 2,499,813	+ 4.1	6,552	\$ 2,611,430	- .3
Dallas.....	6	59,192	24,700,132	52,305	20,867,355	+18.4	59,113	24,610,648	+ .4
El Paso.....	2	14,580	6,292,617	13,159	5,454,275	+15.4	13,794	6,190,790	+ 1.6
Fort Worth.....	4	21,653	7,500,164	20,203	6,246,961	+20.1	21,439	8,505,707	-11.8
Galveston.....	3	13,902	9,963,263	13,515	9,755,294	+ 2.1	13,858	9,439,437	+ 5.5
Houston.....	13*	71,241	33,926,118	63,156	30,352,283	+11.8	70,304	33,461,767	+ 1.4
San Antonio.....	8*	26,193	16,987,233	23,537	15,335,630	+10.8	26,057	16,795,535	+ 1.1
Shreveport.....	4*	21,100	12,062,301	23,809	11,161,593	+ 8.1	21,149	12,504,038	- 3.5
Waco.....	4	9,789	6,991,406	8,725	6,272,276	+11.5	9,515	6,635,708	+ 4.4
All others.....	42*	39,993	24,148,532	37,805	21,068,140	+14.6	39,819	23,103,073	+ 5.5
Total.....	90	284,313	\$145,175,038	262,583	\$129,013,620	+12.5	281,600	\$143,858,133	+ .9

\*Only 3 banks in Beaumont, 11 banks in Houston, 6 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 increase was shown in combined deposits of member banks in the Eleventh District during the five week period ending December 12. Net demand and time deposits of these banks aggregated \$974,968,000 which was \$11,829,000 larger than on November 7, and \$59,651,000 greater than those on December 7, 1927. Their net demand deposits rose \$11,468,000 between November 7 and December 12, and time deposits increased \$361,000.

ber 30th to \$36,581,011.45 on December 31st distributed as follows:

Member banks' collateral notes secured by U. S. Government obligations.....	\$ 9,001,450.00
Rediscounts and all other loans to member banks.....	2,159,995.48
Open market purchases (Bankers' Acceptances).....	25,419,565.97
Total bills held.....	\$36,581,011.45

Federal reserve notes in actual circulation, amounting to \$48,584,840 at the close of the month, showed an expansion of \$400,550 during December and exceeded those in actual circulation a year ago by \$1,112,460. The daily average reserve deposits amounted to \$72,170,750 as compared to \$71,425,894 in November and \$69,020,390 in December, 1927.

## FAILURES

Commercial failures during December in the Eleventh Federal Reserve District increased in number and liabilities as is usual in the closing month of the year but the increase was not as pronounced as in recent years. In fact, the number of failures and the indebtedness involved was the smallest of the same month in any previous year since 1925. There were 52 defaults in December with liabilities of \$839,808 as compared to 33 failures in November that owed \$756,043 and 96 in December, 1927, with indebtedness involving \$1,010,587.

A retrospection of business mortality in this district for 1928 discloses fewer failures than in any year since 1924 and the yearly indebtedness was the smallest since 1925. Defaulting firms during the current year numbered 661 with liabilities of \$13,073,896 as against 825 that owed \$14,582,900 in 1927.

## PETROLEUM

Due partly to the lifting of proration orders in some sections and the granting of greater daily allowances, total production of crude oil in the Eleventh District reached another high level in December. The total output amounted to 23,339,700 barrels showing a gain of 1,177,750 barrels over November. While fewer wells were completed the average initial production was considerably larger than in the preceding month. There were 602 completions of which 316 were producers of oil yielding 242,376 barrels of new production as compared to 672 completions in November that netted 339 successful wells with an initial flow of 228,591 barrels of oil.

## 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	\$ 48,631	\$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	143,998
March 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	156,515
Sept. 12, 1928.....	691,993	210,985	305,977	55,154	386,016	155,881
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
Dec. 12, 1928.....	759,608	215,360	352,266	55,145	407,342	160,215

**Operations of the Federal Reserve Bank** Loans to member banks in the Eleventh Federal Reserve District followed an irregular course throughout December, declining sharply during the closing week of the year.

On December 31, borrowings of member banks amounted to \$11,161,445 as compared to \$21,501,152 on November 30 and \$877,923 on the corresponding date of 1927. With the opening of the new year, however, loans turned upward and were maintained throughout the first two weeks of January at practically the same level as before the decline. Total loans aggregated \$20,296,584 on January 15th which was \$9,135,139 greater than on December 31st, and \$16,381,709 above those on the same date of the previous year. Borrowings of both reserve city and country banks followed practically the same course throughout the period, declining at the end of December and increasing in the first half of January. There were 35 borrowing banks on December 31 as against 60 a month earlier and 26 on December 31, 1927.

Due almost entirely to the reduction in loans to member banks, total bills declined from \$46,793,570.82 on Novem-



The daily average output of crude oil in Texas increased from 700,128 barrels in the previous month to 715,561 barrels in December. North Texas and the Texas Coastal regions reported declines in daily average yield due to the longer month but in all other fields an increase was shown. In Southwest Texas there was less new work yet the initial production for the month was larger and total output reflected a phenomenal gain. Large sized producers predominated among the completions in the Hendricks and Yates fields in Central West Texas, however, field work in the Hendricks field showed a further decline. Field develop-

ments were reduced in North Texas and declining production was noted in the principal fields of the Panhandle. North Louisiana showed an increase in field work but initial production of successful wells was smaller than in November. The daily average yield of this area was 1,271 barrels less than in the previous month.

CRUDE OIL PRICES

	Jan. 15, 1929	Jan. 10, 1928
Texas Coastal Grade "A".....	\$1.20	\$1.20
North and Central Texas and North Louisiana (52 gr. and above).....	1.76	1.60

DECEMBER DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	165	100	7	58	13,740
Central West Texas.....	248	144	10	94	196,384
East Texas.....	3	.....	1	2	.....
Southwest Texas.....	29	18	6	5	10,303
Texas Coastal.....	60	43	.....	17	20,647
Texas wildcats.....	45	6	.....	39	1,102
Total Texas.....	550	311	24	215	242,176
North Louisiana.....	52	5	18	29	200
December Totals, District..	602	316	42	244	242,376
November Totals, District..	672	339	54	279	228,591

OIL PRODUCTION

	December		November		Increase or Decrease	
	Total	Daily Average	Total	Daily Average	Total	Daily Average
North Texas.....	4,659,250	150,298	4,651,550	155,052	Inc. 7,700	Dec. 4,754
Central West Texas.....	12,326,050	397,615	11,482,800	382,760	Inc. 843,250	Inc. 14,855
East Central Texas.....	662,050	21,356	639,500	21,317	Inc. 22,550	Inc. 39
Texas Coastal.....	3,477,900	112,190	3,413,650	113,788	Inc. 64,250	Dec. 1,598
Southwest Texas.....	1,057,150	34,102	816,350	27,211	Inc. 240,800	Inc. 6,891
Total Texas.....	22,182,400	715,561	21,003,850	700,128	Inc. 1,178,550	Inc. 15,433
North Louisiana.....	1,157,300	37,332	1,158,100	38,603	Dec. 800	Dec. 1,271
Total District.....	23,339,700	752,893	22,161,950	738,731	Inc. 1,177,750	Inc. 14,162

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

LUMBER

A sharp decline was noted in the activities of pine mills in the Eleventh District in December. Production of lumber, amounting to 86 per cent of normal, was reduced 4 points while shipments during December declined 18 points and aggregated only 81 per cent of normal production. The reduction in shipments was due principally to the tendency

of retail establishments to reduce their stocks at the close of the year. Orders received during the month declined from 99 per cent of normal production in November to 77 per cent in December and stocks were lowered from 94 per cent of normal at the close of the previous month to 91 per cent on December 31. Unfilled orders for lumber on hand at 44 establishments were recorded at 55,073,590 feet at the end of December as against 62,283,848 feet on record at 43 mills a month earlier.

DECEMBER PINE MILL STATISTICS

Number of reporting mills.....	44
Production.....	83,637,171 feet
Shipments.....	78,762,583 feet
Orders.....	74,526,153 feet
Unfilled orders December 31.....	55,073,590 feet
Normal production.....	97,382,451 feet
Stocks, December 31.....	227,199,536 feet
Normal stocks.....	249,445,148 feet
Shipments below normal production.....	18,619,868 feet—19%
Actual production below normal.....	13,745,280 feet—14%
Orders below normal production.....	22,856,298 feet—23%
Stocks below normal.....	22,245,612 feet—9%

Lumber statistics compiled by the Southern Pine Association.

BUILDING

Operations in the building industry as reflected in the valuation of permits issued at principal cities of the Eleventh District, showed a further increase in December and for the third consecutive month were larger than in the corresponding month a year ago. The valuation of permits issued at these centers totaled \$9,755,378 as compared to \$8,692,371 in November and \$8,668,751 in December, 1927. The majority of cities reported increases over the same

BUILDING PERMITS

	December, 1928		December, 1927		Increase or Decrease	November, 1928		Increase or Decrease	Twelve Months				Increase or Decrease
	No.	Valuation	No.	Valuation		No.	Valuation		1928		1927		
									No.	Valuation	No.	Valuation	
Amarillo.....	11	\$ 45,900	46	\$ 148,268	— 69.0	42	\$ 101,922	— 55.0	868	\$ 2,896,036	1,720	\$10,472,729	— 72.3
Austin.....	55	1,811,280	34	38,271	+4632.8	74	126,749	+1329.0	889	4,213,425	590	1,372,566	+ 207.0
Beaumont.....	130	918,352	131	189,449	+ 384.7	112	198,315	+ 363.1	1,954	4,345,406	2,159	4,946,487	— 12.2
Corpus Christi.....	40	97,085	36	97,760	— 7	73	188,725	— 48.6	925	5,231,613	748	2,628,860	+ 99.0
Dallas.....	186	521,799	187	352,525	+ 48.0	297	717,617	— 27.3	3,682	8,266,760	3,532	9,774,523	— 15.4
El Paso.....	103	362,774	57	106,419	+ 240.9	78	251,961	+ 44.0	993	2,050,183	741	1,308,991	+ 56.6
Fort Worth.....	195	498,576	285	3,891,744	— 87.2	266	515,935	— 3.4	4,285	12,868,992	3,758	17,112,090	— 24.8
Galveston.....	106	250,796	138	172,485	+ 45.4	187	129,771	+ 93.3	2,280	2,731,317	2,606	2,977,733	— 8.3
Houston.....	309	3,848,211	304	1,923,316	+ 100.1	425	3,364,876	+ 14.4	5,845	35,530,333	5,870	27,336,475	+ 30.0
Port Arthur.....	63	57,727	75	44,035	+ 31.1	83	63,854	— 9.6	1,328	1,889,922	1,408	1,739,056	+ 8.7
San Antonio.....	275	644,830	300	740,970	— 13.0	339	1,705,877	— 62.2	4,034	15,408,046	3,901	13,902,961	+ 10.8
Shreveport.....	201	343,103	164	214,404	+ 60.0	237	833,281	— 58.8	3,066	4,914,520	2,475	4,032,355	+ 21.9
Waco.....	38	224,152	23	43,300	+ 417.7	28	176,866	+ 26.7	394	2,291,345	363	1,573,641	+ 45.6
Wichita Falls.....	37	130,793	128	705,805	— 81.5	28	316,622	— 58.7	566	1,897,096	961	4,056,353	— 53.2
Total.....	1,749	\$ 9,755,378	1,898	\$ 8,668,751	+ 12.5	2,269	\$ 8,692,371	+ 12.2	31,129	\$104,535,014	30,835	\$103,225,320	+ 1.3



month last year but it will be observed that the larger valuation over November was due to substantial gains in a few cities as the greater number reported declines. The valuation of permits issued during 1928 exceeded those of 1927 by 1.3 per cent, eight cities showing increases and six reporting declines.

### CEMENT

Due principally to seasonal factors, shipments of Portland cement from Texas mills reflected a further decline in December. There were 375,000 barrels shipped during

the month which represents a decline of 16.9 per cent from shipments in November but an increase of 4.7 per cent as compared to the same month last year. Production of cement amounted to 472,000 barrels as against 529,000 barrels in the previous month and 514,000 barrels in December, 1927. The excess of production over shipments increased stocks to 522,000 barrels at the close of the month which was the highest level that stocks have been in several years. Production and shipments during 1928 showed increases of 12.2 per cent and 10.9 per cent, respectively, over 1927.

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

	December 1928	December 1927	Increase or Decrease	November 1928	Increase or Decrease	Twelve Months 1928	Twelve Months 1927	Increase or Decrease
Production at Texas mills . . . . .	472,000	514,000	- 8.2	529,000	-10.8	6,345,000	5,656,000	+12.2
Shipments at Texas mills . . . . .	375,000	358,000	+ 4.7	451,000	-16.9	6,282,000	5,665,000	+10.9
Stocks at end of month at Texas mills . . . . .	522,000	407,000	+28.3	424,000	+23.1			

## SUMMARY OF NATIONAL BUSINESS CONDITION

(As compiled by the Federal Reserve Board as of January 26, 1929)

Industry and trade continued active in December and the general level of prices remained unchanged. Banking and credit conditions at the turn of the year were influenced chiefly by seasonal changes in the demand for currency and by requirements for end-of-year financial settlements.

### PRODUCTION

Output of manufacturers decreased in December but the decline was less than is usual during the month, and the Board's index was slightly higher than in November and above the level of a year ago. Smaller than usual seasonal reductions were reported in the daily average output of steel, pig iron, automobiles, copper, cement, silk, and flour, while cotton and wool textiles declined considerably. Meat-packing increased in December, reflecting a larger output of pork products, though beef and mutton production was smaller. Volume of factory employment and payrolls was larger than at this season of last year. Production of minerals was in somewhat smaller volume in December than in November, reflecting chiefly a large reduction in the output of bituminous and anthracite coal. Production of copper and zinc ore on a daily average basis was slightly smaller, while petroleum output increased. Preliminary reports for the first half of January indicate a steady increase in the output of petroleum and greater activity in the steel, automobile, coal, and lumber industries following the temporary lull during the inventory period at the end of the year. Building contracts awarded in 37 Eastern states declined sharply during December as in the preceding month, and were smaller than in any December since 1924. The decline from November was attributable largely to decreases in awards for residential buildings and public works and utilities by districts. The largest declines over the preceding months were in the Cleveland, Chicago, Boston, and Richmond Federal Reserve Districts, while increases were reported in the New York, Philadelphia, and Atlanta Districts.

### TRADE

Department store trade showed greater activity in December than in the preceding month, after allowance is made for the customary holiday increase. Total sales for the month were the largest on record, exceeding December, 1927 by one per cent although there was one less trading day this

year. Increases over a year ago were reported for the New York and Philadelphia Districts, while substantial decreases occurred in Atlanta and Minneapolis. Distribution at wholesale declined seasonally and was smaller than a year ago. Freight car loadings in December and the first half of January showed a slightly larger than usual seasonal reduction, but, as in earlier months, were above a year ago.

### PRICES

The general level of wholesale prices, as measured by the index of the United States Bureau of Labor Statistics remained approximately the same during December as in the preceding month. Average prices of iron and steel, automobiles, copper, and building materials continued to advance slowly, and prices of farm products, after declining during October and November also rose in December reflecting higher average prices for raw cotton, oats, rye, and some grades of wheat, offset in part by lower prices for corn and cattle. In the first three weeks of January the prices of rubber advanced sharply and wheat, corn, potatoes, and flour also increased, while silk and sugar decreased somewhat, and hides reached the lowest level in more than a year.

### BANK CREDIT

Banking and credit conditions in January were influenced chiefly by the seasonal decline in the volume of money in circulation. At the Reserve banks the return flow of currency from circulation resulted in a liquidation of member bank borrowing and small declines in Reserve bank holdings of acceptances and of United States securities. Total bills and securities showed a decline of about \$450,000,000 for the period from December 26 to January 23, and were in about the same volume as in midsummer of last year. At member banks there was an increase in the total volume of loans at the turn of the year due chiefly to year-end financial settlements, and the temporary withdrawal of funds loaned by corporations in the New York market. In January, deposits and loans of member banks declined to approximately the level of the early part of December. In the money market, rates on call loans declined sharply in January, while rates on time loans on securities remained firm and rates on acceptances advanced.