

# 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

	February	January	Increase or Decrease
Bank debits to individual accounts (at 17 cities).....	\$868,562,000	\$1,018,260,000	Dec. 14.7%
Department store sales.....			Dec. 5.7%
Reserve bank loans to member banks at end of month.....	\$ 19,009,260	\$ 19,881,403	Dec. 4.4%
Reserve bank ratio at end of month.....	58.1%	55.1%	Inc. 3 points
Building permit valuation at larger centers.....	\$ 6,739,925	\$ 6,248,103	Inc. 7.9%
Commercial failures (number).....	40	58	Dec. 31.0%
Commercial failures (liabilities).....	\$ 551,720	\$ 1,079,739	Dec. 48.9%
Oil production (barrels).....	22,406,900	24,249,900	Dec. 7.6%
Lumber orders at pine mills (per cent of normal production).....	82%	103%	Dec. 21 points

A sharp reduction in the business mortality rate was an important development in the Eleventh Federal Reserve District during February. The number of failures and the amount of indebtedness involved not only showed a material reduction from the previous month but were considerably less than in February, 1928. In fact, the number of insolvencies was smaller than in any February since 1920 and it is necessary to go back to 1918 to find a February in which the liabilities of defaulting firms were smaller. The generally low rate of failures since the middle of 1928 is evidence of the increasing stability of business and industrial concerns in the district and the growing financial resources of the district's population.

The past month witnessed a substantial decline in the volume of merchandise distribution in both wholesale and retail channels. The smaller volume, while due in part to the shorter month, was partly attributable to the adverse weather which acted as a deterrent to consumer demand. Sales of department stores in larger cities were 6 per cent less than in January and fell 4 per cent below February, 1928. The distribution in most lines of wholesale trade likewise fell below both the previous month and the corresponding month last year. Charges to depositors' accounts at banks in larger centers during February, while reflecting a decline of 15 per cent as compared to January, were 10 per cent greater than in the same month a year ago.

The developments in the financial situation were due in part to seasonal factors. The daily average of combined net demand and time deposits of member banks totaled \$961,260,000 in February as against \$970,897,000 in January and compared with actual deposits of \$904,251,000 on March 7, 1928. There was a further return flow of currency from circulation, Federal reserve notes in actual circulation amounting to \$38,190,305 on March 15 as com-

pared to \$40,924,615 six weeks earlier. Federal Reserve Bank loans to member banks after remaining near the \$20,000,000 level during February and the early days of March declined to \$13,396,000 on March 15. This reduction seems to have been attributable in some measure to the influence of (1) certain seasonal factors which usually cause a temporary decline in member banks' borrowing at this season of the year (2) to a growing tendency on the part of member banks to use Federal reserve credit only for the purpose of taking care of their normal needs arising in the ordinary course of business, and (3) to an advance in this bank's discount rate from 4½ to 5 per cent on March 1.

Agricultural conditions during February were affected adversely by the cold, wet weather in the Eastern half of the district and the deficiency of moisture in the Western part. In the Eastern part farmers are from two to three weeks late with farm work but are taking full advantage of the fair weather in March to complete land preparation and to begin planting operations. Recent rains have relieved the drouthy condition in portions of the West but more rain is needed in many localities. Planting operations are becoming general in those sections of the district where conditions are favorable. Winter wheat and oats have made rapid growth since the advent of warmer weather. The condition of livestock and their ranges declined in February but livestock have come through the winter in good shape.

Construction activity as measured by the valuation of building permits issued at principal cities, reflected a gain of 8 per cent as compared to the previous month but was 20 per cent less than a year ago. The production, shipments, and new orders for lumber and the production and shipments of cement reflected a sharp decline.

## CROP CONDITIONS

Weather conditions during February were very unfavorable for agricultural operations. The cold weather together with the frequent rains in many portions of the Eastern half of the district caused a further delay in land preparation which in turn has delayed the planting of early crops. On the other hand, in the Western part of the district there was a deficiency in the rainfall, which, together with cold and windy weather, also militated against the progress of farm work. Preparation of land in Northwest, West-Central, and Southern sections of Texas has progressed favorably, but more moisture will be needed to insure proper seed beds. During the period of fair weather covering the first half of March, farmers proceeded rapidly with farm work wherever the condition of the soil would permit. Nevertheless, there are many fields in the Eastern portion of the district which are still too wet for plowing and planting. In those areas where the sun had dried the land sufficiently, farmers made good progress with the sowing of spring oats and the seeding of corn. The planting of corn has become general in South Texas and is well advanced in many portions of Central Texas. The rains toward the middle of March were very beneficial in portions of South, Central, West, and Northwest Texas but further delayed operations in the Eastern portion of the district.

The severe cold wave early in February caused some injury to winter wheat and oats and early vegetation. The high winds in the wheat belt in Northwest Texas also did some damage. Small grains generally are in fair to good condition and have made rapid growth since the advent of warmer weather. The recent rains have also been very beneficial to these crops and the present outlook is generally favorable.

According to the report compiled by the Department of Agriculture stocks of wheat on farms in Texas on March 1, 1929, amounted to 1,552,000 bushels which represents 7 per cent of the 1928 production. This compares with 1,077,000 bushels on farms on March 1, 1928, or 6 per cent of the 1927 production. Shipments of wheat out of the county where grown amounted to 74 per cent of the production. Due to the fact that feeding requirements during the past winter were much heavier than in the previous year, stocks of feeding grains on farms on March 1, 1929, were considerably smaller than a year earlier. Stocks of corn amounted to 33,715,000 bushels or 34 per cent of the 1928 production as against 39 per cent of the 1927 production which remained on farms on March 1, 1928. There was only 10 per cent of the 1928 production shipped out of the county where grown, whereas, 13 per cent was shipped in the previous year. There was 81 per cent of the 1928 crop which was of merchantable quality as against 83 per cent in the previous year. The March 1 farm stocks of oats were 20 per cent of the 1928 production as compared to 21 per cent of the 1927 production on farms March 1, 1928. Only 27 per cent of the 1928 crop was shipped out of the county where grown, whereas, in the previous year 32 per cent was shipped out.

The cold weather in February had an adverse effect upon vegetable crops in the Rio Grande Valley. The spinach crop

was injured to some extent and shipments delayed, but toward the middle of March shipments were exceeding those of a year ago. Shipments of the Bermuda type of onions were also delayed. Adverse weather conditions are greatly reducing the prospects for cabbage in the Rio Grande Valley. The cold wave killed large amounts of tomato plants in East Texas and reports indicate that the crop will be late.

## LIVESTOCK

Range and livestock conditions in the Eleventh Federal Reserve District showed a further decline during February which was more than seasonal. It was due largely to the deficiency in rainfall over a large area of the district. While rains during the first half of March corrected this situation in some localities a good general rain is needed over the Western range territory to revive the grass and weeds, fill water tanks and assure an ample supply of spring feed. Due to the poor grazing in many localities and the severe cold wave early in February all classes of livestock lost flesh rapidly but reports indicate that losses were negligible. Considerably more feeding was necessary during February than is usual. The condition of both livestock and ranges is spotty, being fair to good in those sections where there has been an ample supply of moisture but poor to only fair in those localities where there has been a deficiency of rainfall.

The condition of cattle ranges in Texas was 79 per cent of normal on March 1, as compared to 82 per cent a month earlier and 81 per cent a year ago. The March 1 condition of sheep and goat ranges was 79 per cent of normal which was 6 points less than on February 1, but the same as a year ago. The condition of cattle declined 4 points in February and on March 1 was 2 points less than a year ago. The condition of sheep declined 4 points in February and that of goats 6 points. The Department of Agriculture reported that where sheep and goat ranges have been overstocked, grass is short and supplementary feeding has been necessary. Goat shearing is in full swing in the Southern section of the territory and good quality fleeces are being clipped.

*Movements and Prices* The receipts of cattle at the Fort Worth market during February reflected a heavy decline as compared to both the previous month and the same month last year. The arrivals of calves, while considerably smaller than in January, were approximately the same as in February, 1928. Receipts of hogs were slightly larger than in the previous month but were considerably smaller than in February last year. The number of sheep yarded showed a substantial gain over both the previous month and the same month of 1928.

Despite the small receipts of cattle, prices reflected a further downward trend during February but during the first half of March the general trade in cattle showed more activity and the market strengthened, with quotations on a slightly higher basis. During most of the period a very satisfactory demand has prevailed for calves of good to choice quality and the outlet has been generally satisfactory. The hog market showed a further advance during February and the first week in March but showed some reaction thereafter. The demand for sheep and lambs has been generally steady throughout the period.

FORT WORTH LIVESTOCK RECEIPTS

	February 1929	February 1928	Loss or Gain	January 1929	Loss or Gain
Cattle.....	32,668	56,226	L 23,558	46,119	L 13,451
Calves.....	9,629	9,374	G 255	17,096	L 7,467
Hogs.....	40,364	47,541	L 7,177	40,037	G 327
Sheep.....	26,297	22,943	G 3,354	20,233	G 6,064

COMPARATIVE TOP LIVESTOCK PRICES

	February 1929	February 1928	January 1929
Beef steers.....	\$11.75	\$14.25	\$12.00
Stocker steers.....	12.75	12.50	12.50
Butcher steers.....	8.85	8.60	9.00
Stocker cows.....	9.00	8.25	7.95
Calves.....	12.00	13.00	12.25
Hogs.....	10.85	8.35	9.70
Sheep.....	10.50	10.00	10.50
Lambs.....	15.50	15.75	16.00

Cotton Movements

The February receipts and exports of cotton at Houston and Galveston reflected a large seasonal decline as compared to the previous month. The exports from Galveston were slightly larger than a year ago but those from Houston reflected a small decline. Stocks at both of these ports were larger than a year ago. During the current season—August 1 to February 28—exports of cotton to Great Britain and Japan—China reflected a large increase over the corresponding period of the previous season but those to France declined slightly. Exports to other Continental countries were slightly larger than in the previous season. The domestic consumption of cotton which amounted to 598,098 bales reflected a decline of 11 per cent from the heavy January con-

sumption but it was the largest February total on record. Total foreign exports of cotton, including linters, amounted to 613,394 bales in February as compared to 788,645 bales in January and 646,594 bales in February, 1928.

GALVESTON STOCK MARKET

	February 28, 1929	February 29, 1928
For Great Britain.....	9,600	10,000
For France.....	8,900	8,000
For other foreign ports.....	49,100	50,000
For coastwise ports.....	3,000	3,000
In compresses and depots.....	418,257	362,258
Total.....	488,857	433,258

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	February 1929	February 1928	August 1 to February 28 This Season	Last Season
Receipts.....	110,717	87,904	2,679,568	2,331,886
Exports.....	174,529	188,274	1,816,893	1,433,351
Stocks, February 28.....			809,008	745,889

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

	August 1 to February 28 This Season	Last Season
Receipts.....	8,363,986	7,115,156
Exports: Great Britain.....	1,511,692	897,281
France.....	645,694	695,769
Continent.....	2,757,862	2,706,063
Japan—China.....	1,138,332	758,579
Mexico.....	15,828	15,583
Total foreign ports.....	6,069,408	5,073,275
Stocks, all United States ports February 28.....	2,040,348	2,148,802

SPOT COTTON PRICES—Middling Basis

	February, 1929		March 15, 1929
	High	Low	
New York.....	20.80	19.85	21.45
New Orleans.....	19.61	18.75	20.19
Dallas.....	19.20	18.30	19.85
Houston.....	19.80	18.85	20.45
Galveston.....	20.05	19.10	20.55

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	February 1929	February 1928	August 1 to February 28 This Season	Last Season
Receipts.....	124,999	178,692	2,689,534	2,106,019
Exports.....	249,404	247,266	2,284,263	1,818,790
Stocks, February 28.....			488,857	433,258

COTTON CONSUMED AND ON HAND

	COTTON GROWING STATES				UNITED STATES			
	February 1929	February 1928	August 1 to February 28 This Season	Last Season	February 1929	February 1928	August 1 to February 28 This Season	Last Season
Cotton consumed.....	454,864	428,741	3,097,088	3,118,161	598,098	572,875	4,049,461	4,200,369
Cotton on hand February 28:								
(a) In consuming establishments.....			1,274,580	1,124,881			1,746,537	1,668,649
(b) In public storage and compresses.....			3,666,685	3,999,131			3,876,215	4,313,843

COTTONSEED PRODUCTS

The operations of cottonseed oil mills in both Texas and the United States reflected a substantial seasonal decline in February but were on a larger scale than a year ago. Stocks of cottonseed oil on hand at the mills amounted to 81,435,170 pounds at the close of February as compared to 89,277,632 pounds on January 31 and 128,015,070 pounds on February 29, 1928. Stocks of cake and meal and hulls were smaller than a month earlier but larger than a year ago. Stocks of linters remained at approximately the same level as at the end of January but considerably above those at the end of February, 1928. The supplies of cottonseed at the mills reflected a substantial reduction during February but they were still considerably larger than a year ago. The amount of cottonseed oil shipped by the mills during

February showed a considerable decline from shipments in January but were considerably larger than a year ago.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to February 28 This Seas'n	Last Seas'n	This Season	Last Season
Cottonseed received at mills (tons).....	1,650,265	1,484,928	4,858,266	4,422,412
Cottonseed crushed (tons).....	1,488,390	1,360,769	4,230,549	4,028,539
Cottonseed on hand (tons).....	174,669	158,090	646,849	483,157
Crude oil produced (pounds).....	438,749,189	403,774,298	1,323,254,856	1,263,036,767
Coke and meal produced (tons).....	696,593	628,026	1,901,701	1,795,998
Hulls produced (tons).....	404,966	386,752	1,141,249	1,143,722
Linters produced (running bales).....	306,807	257,267	890,783	747,373
Stocks on hand, February 28:				
Crude oil (pounds).....	27,170,679	42,353,468	81,435,170	128,015,070
Cake and meal (tons).....	56,364	39,454	256,982	171,458
Hulls (tons).....	67,925	57,623	146,094	150,994
Linters (running bales).....	64,295	50,609	215,984	154,048

## TEXTILE MILLING

Due partly to the shorter month, consumption of raw cotton and production of cloth at Textile mills in the Eleventh District were less in February than in January. There were 2,678 bales of raw cotton consumed as compared to 2,828 bales in the previous month and 2,463 bales in February last year. Spindle activity was the same in number as in January but greater than in the corresponding month of 1928. Production of cloth exceeded that of January by 1.8 per cent but fell short of the output in February last year by 9.7 per cent. Orders on hand at the close of the month showed a moderate increase over those on January 31 and were considerably larger than on February 29, 1928. Stocks on hand at these mills, although slightly greater than a month earlier, were somewhat less than a year previous.

## TEXTILE MILLING STATISTICS

	February 1929	February 1928	January 1929
Number bales consumed.....	2,678	2,463	2,828
Number spindles active.....	90,032	88,428	90,032
Number pounds cloth produced.....	1,189,657	1,168,150	1,317,428

## WHOLESALE TRADE

A reduction in the volume of distribution of merchandise at wholesale was noticeable during February, which was due in part to the shorter month and in part to adverse weather conditions and the backwardness of agricultural operations in certain sections of the district. The cold, wet weather and muddy roads in some sections were deterrent factors in certain lines while the inability of farmers to proceed with farm work retarded sales of those items useful in this work. As merchants generally are keeping orders closely aligned with consumer demand, the let up in consumptive buying was immediately reflected in wholesale distribution. Collections in most lines during February were slow.

The February sales of dry goods at wholesale reflected a further gain of 2.1 per cent over the previous month but were 10.2 per cent less than in the corresponding month last year. Reports indicate that consumer demand was affected adversely by the unfavorable weather and, as merchants are continuing the conservative policy of gauging orders by consumer purchases, this restricted to some extent distribution at wholesale. Stocks of wholesale merchants were 1.6 per cent less than a month earlier and 13.8 per cent less than a year ago. Collections reflected a sub-

stantial decline during the month.

The distribution of farm implements at wholesale reflected a seasonal decline of 16.7 per cent as compared to the previous month but exceeded that of the corresponding month last year by 16.1 per cent. Sales during the first two months of the year were 31.1 per cent larger than in the same period of 1928. Reports indicate the demand has been good in all sections except portions of West and Northwest Texas where dry weather has retarded buying. Prices remained generally firm.

The demand for groceries at wholesale showed a seasonal decline of 7.5 per cent as compared to the previous month and was 2.7 per cent less than in the corresponding month last year. Business appeared to be somewhat spotty with buying generally good in those sections where conditions are favorable and slow in other sections. Dealers state that the outlook is generally favorable. Prices showed no material changes.

The distribution of drugs at wholesale reflected a sharp decline during February. Sales for the month were 24.5 per cent less than in the previous month and 2.2 per cent less than in the corresponding month last year. It should be borne in mind, however, that sales in December and January were unusually heavy. Collections showed a decline in February.

The sales of wholesale hardware firms showed but little change during the past month, being 0.3 per cent greater than in January but 0.2 per cent less than in February, 1928. The wet weather in many portions of the district which held up farming operations, has retarded the demand for some items of hardware. Collections during February showed a substantial reduction as compared to the previous month.

## CONDITION OF WHOLESALE TRADE DURING FEBRUARY, 1929

Percentage of increase or decrease in:

	Net Sales February, 1929 compared with 1928		Net Sales Jan. 1 to date same period last year		Stocks February, 1929, with compared with 1928		Ratio of collec- tions during Feb. to accounts and notes outstanding on Jan. 31
	Feb. 1928	Jan. 1929	same period	last year	Feb. 1928	Jan. 1929	
Groceries.....	-2.7	+7.5	+1.2	+7.4	+1.3		75.4
Dry Goods.....	-10.2	+2.1	-13.1	-13.8	-1.6		26.9
Farm implements..	+16.1	-16.7	+31.1	-11.3	+3.7		14.3
Hardware.....	-.2	+.3	-2.2	+3.0	-1.9		36.7
Drugs.....	-2.2	-24.5	+10.7	+4.0	+.2		47.8

## RETAIL TRADE

The distribution of merchandise at department stores in larger cities reflected a seasonal decline in February, sales

being 5.7 per cent less than in January and 4.3 per cent less than in the corresponding month last year. While the per-

## BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales: (Percentage)						
February, 1929, compared with February, 1928.....	-2.2	-10.1	-2.9	-4.3	-3.5	-4.3
February, 1929, compared with January, 1929.....	-3.2	+4.0	-9.1	-10.1	-10.9	-5.7
January 1 to date compared with same period last year.....	-.5	-4.4	-1.9	-2.1	-.6	-1.7
Credit Sales: (Percentage)						
February, 1929, compared with February, 1928.....	+1.5	-5.9	-1.7	-1.9	-1.9	-1.2
February, 1929, compared with January, 1929.....	-2.4	+7.8	-1.8	-13.7	-2.7	-2.6
January 1 to date compared with same period last year.....	+.4	-.4	-5.1	+.5	+.6	-.7
Stocks: (Percentage)						
February, 1929, compared with February, 1928.....	-5.6	-3.7	-4.6	-14.9	+2.3	-5.1
February, 1929, compared with January, 1929.....	+16.7	+14.2	+7.9	+9.7	+10.0	+12.5
Stock turnover: (Rate)						
Rate of stock turnover in February, 1928.....	.22	.21	.23	.23	.22	.22
Rate of stock turnover in February, 1929.....	.24	.19	.25	.26	.22	.23
Rate of stock turnover January 1 to February 29, 1928.....	.46	.42	.49	.50	.45	.46
Rate of stock turnover January 1 to February 28, 1929.....	.50	.41	.51	.57	.46	.48
Ratio of February collections to accounts receivable and outstanding February 1, 1929.....	34.0	35.3	38.2	39.9	38.2	36.3

sistence of cold, rainy weather during February retarded business to some extent, the appearance of warmer weather in March and the early Easter has given an impetus to the demand for spring merchandise.

Reflecting receipts of spring merchandise, stocks on hand at the end of February were 12.5 per cent larger than a month earlier, yet they were 5.1 per cent less than a year ago. The rate of stock turnover during the first two months of the year was .48 as compared to .46 in the same period last year.

Collections reflected a slight decline in February. The ratio of February collections to accounts outstanding on February 1 was 36.3 per cent as compared to 37.6 per cent in January and 36.1 per cent in February, 1928.

FINANCIAL

The February volume of debits to individual accounts at banks in the principal cities of the Eleventh Federal Reserve District reflected a further seasonal decline of 14.7 per cent as compared to the previous month but was 9.9 per cent greater than in the corresponding month last year. The combined total for all reporting cities in February amounted to \$868,562,000 as compared to \$1,018,260,000 in January

DEBITS TO INDIVIDUAL ACCOUNTS  
(In Thousands of Dollars)

	Feb. 1929	Feb. 1928	Increase or Decrease	Jan. 1929	Increase or Decrease
Abilene.....	\$ 10,618	\$ 11,227	- 5.4	\$ 12,983	-18.2
Austin.....	23,305	17,097	+36.3	21,984	+ 6.0
Beaumont.....	27,280	22,829	+19.5	31,822	-14.3
Corsicana.....	5,784	5,577	+ 3.7	7,949	-27.2
Dallas.....	235,300	214,279	+ 9.8	287,306	-18.1
El Paso.....	38,349	33,822	+13.4	41,361	- 7.3
Fort Worth.....	95,779	89,759	+ 6.7	121,720	-21.3
Galveston.....	37,101	39,139	- 5.2	44,552	-16.7
Houston.....	187,922	164,464	+14.3	206,281	- 8.9
Port Arthur.....	9,960	9,161	+ 8.7	10,969	- 9.2
Roswell.....	3,651	3,255	+12.2	4,610	-29.8
San Antonio.....	85,153	77,767	+ 9.5	93,676	- 9.1
Shreveport.....	40,119	37,114	+ 8.1	47,300	-15.2
Texaskana*.....	13,910	14,970	- 7.1	18,403	-24.4
Tucson.....	10,913	9,320	+17.1	13,412	-18.6
Waco.....	17,484	16,091	+ 8.7	21,481	-18.6
Wichita Falls.....	25,934	24,770	+ 4.7	32,451	-20.1
Total.....	\$868,562	\$790,641	+ 9.9	\$1,018,260	-14.7

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

and \$790,641,000 in February, 1928. With one exception all cities showed a decline from the previous month but only three cities reported decreases as compared to a year ago.

Acceptance Market

The volume of acceptances executed by accepting banks in the Eleventh District and outstanding at the close of the month showed a further decline on February 28. Standing at \$4,755,124 on that date, acceptances executed by these banks were \$894,428 less than a month earlier. Acceptances executed against import and export transactions declined from \$1,969,346 on January 31 to \$1,591,163 on February 28 and those based on the domestic shipment and storage of goods receded from \$3,680,206 to \$3,163,961.

Condition of Member Banks in Selected Cities

After reflecting an expansion for five consecutive months, total loans and investments of member banks in selected cities of the Eleventh District declined during February. On March 6, combined loans and investments amounted to \$489,024,000 as compared to \$501,496,000 on February 6, representing a decline of \$1,684,000 in investments and a \$1,078,800 reduction in loans. Investments of these banks in U. S. securities declined from \$91,851,000 on February 6 to \$91,381,000 on March 6 and their holdings in other stocks and bonds were reduced from \$41,896,000 to \$40,682,000. As compared to a year ago, however, investments reflected an increase of \$32,441,000 and total loans were \$21,570,000 larger. The decline in loans during February was due principally to the reduction of loans on securities. These loans were reduced from \$127,648,000 on February 6 to \$119,097,000 on March 6, or a decline of \$8,551,000. All other loans, largely commercial, declined only \$2,237,000 during the period. Net demand deposits increased \$3,764,000 between February 6 and March 6, this year, and time deposits gained \$385,000. Following the trend of deposits, reserves of these banks with the Federal Reserve Bank rose \$779,000. Their bills payable and rediscounts with this bank amounted to \$16,512,000, which was \$3,875,000 below those on February 6, but \$14,484,000 greater than last year.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	March 6, 1929	February 6, 1929	March 7, 1928
1. Number of reporting banks.....	43	43	45
2. United States securities owned.....	\$ 91,381,000	\$ 91,851,000	\$ 70,104,000
3. All other stocks, bonds and securities owned.....	40,682,000	41,896,000	29,518,000
4. Loans on securities.....	119,097,000	127,648,000	106,075,000
5. All other loans.....	237,864,000	240,101,000	229,316,000
6. Total loans.....	356,961,000	367,749,000	335,391,000
7. Net demand deposits.....	316,602,000	312,838,000	307,697,000
8. Time deposits.....	143,401,000	148,016,000	117,393,000
9. Reserve with Federal Reserve Bank.....	36,333,000	35,554,000	34,669,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	16,512,000	20,387,000	2,028,000

MARCH DISCOUNT RATES

Prevailing Rates

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rates charged customers on prime commercial paper such as is now eligible for discount under the Federal Reserve Act.....	5 1/2-7	6-8	5 1/2-8	6	6	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 1/2-6	6-8	6-8
(b) Time.....	6-8	6-8	6-8	5 1/2-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	6	7-8	6-8	6	6-8	6-8
Rate on cattle loans.....	6	6-8	6-8	7-8	4-8	6-8

Savings Deposits

Savings deposits of 93 reporting banks in the Eleventh District which operate a savings department amounted to \$147,576,627 on February 28, representing a decrease of 2.4 per cent as compared to a month earlier but an increase of 8.2 per cent

over those a year ago. There were 291,254 savings accounts carried at 83 of these banks at the close of the month as against 294,140 on January 31 and 272,483 on February 29, 1928.

## SAVINGS DEPOSITS

	February 28, 1929			February 29, 1928			January 31, 1929		
	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*	6,845	\$ 2,522,274	6,562	\$ 2,399,431	+ 5.1	6,781	\$ 2,572,052	- 1.9
Dallas.....	6	58,736	25,030,878	52,817	21,598,954	+15.9	58,490	24,667,627	+ 1.5
El Paso.....	2	14,814	6,180,445	13,549	5,293,593	+16.8	14,743	6,017,342	+ 2.7
Fort Worth.....	3	23,409	8,825,790	22,149	7,187,430	+22.8	23,231	8,753,098	+ 8
Galveston.....	3	13,904	9,613,722	13,492	9,670,435	- .6	13,817	9,820,361	- 2.1
Houston.....	13*	72,667	29,359,962	64,036	30,018,375	- 2.2	71,739	33,830,811	-13.2
San Antonio.....	8*	23,724	21,795,650	26,321	20,208,902	+ 7.9	28,481	21,520,848	+ 1.3
Shreveport.....	4*	21,313	12,432,756	22,261	11,133,971	+11.7	21,259	12,276,229	+ 1.3
Waco.....	4	9,819	7,061,037	8,926	6,466,222	+ 9.2	9,747	7,143,953	- 1.2
Wichita Falls.....	3	6,391	2,152,571	6,282	2,455,456	-12.3	6,397	2,054,981	+ 4.7
All others.....	43*	39,632	22,601,542	36,088	19,954,741	+13.3	39,455	22,514,711	+ 4
Total.....	93	291,254	\$147,576,627	272,483	\$136,387,510	+ 8.2	294,140	\$151,172,013	- 2.4

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** The combined daily average of net demand and time deposits of member banks in the Eleventh District, which amounted to \$961,260,000 in February, reflected a decline of \$9,637,000 as compared to January. While the daily average time deposits increased from \$225,788,000 in January to \$227,359,000 in February, that of net demand deposits declined from \$745,109,000 to \$733,901,000. Combined deposits of these banks aggregated \$904,251,000 on March 7, 1928.

**Operations of the Federal Reserve Bank** The loans of the Federal Reserve Bank to member banks reflected considerable fluctuation during the past six weeks. Standing at \$19,881,403 on January 31, these loans rose to the high point of the month at \$22,973,016 on February 6 but had declined to \$16,204,228 on the 18th of the month. At the close of February loans amounted to \$19,009,260 as compared to \$2,646,794 on February 29, 1928. Toward the middle of March loans showed a sharp reduction and on the 15th stood at \$13,396,000, the lowest figure reached this year. During the six-week period loans to country banks reflected a gradual increase but the banks in the larger cities continued as borrowers of the major portion of the Federal Reserve Bank funds. There were 79 banks borrowing from the Federal Reserve Bank on February 28 as compared to 61 banks on January 31 and 58 banks on February 29, 1928.

Due principally to the reduction in holdings of bankers' acceptances, total bills held by the Federal Reserve Bank of Dallas declined from \$40,283,995.96 on January 31 to \$37,361,872.41 on February 28, distributed as follows:

Member banks' collateral notes secured by U. S. Government obligations.....	\$13,332,450.00
Rediscounts and all other loans to member banks.....	5,676,809.97
Open market purchases (Bankers' Acceptances).....	18,352,612.44
Total bills held.....	\$37,361,872.41

The seasonal return flow of currency brought about a further reduction in the actual circulation of Federal reserve notes. The circulation of these notes, which amounted to \$38,859,350 on February 28, was \$2,065,365 less than a month earlier but was \$1,528,705 greater than at the close of February, 1928. The daily average of reserve deposits of member banks amounted to \$70,685,489 in February as compared to \$70,802,905 in January and \$69,314,815 in the corresponding month last year.

## FAILURES

A sharp reduction in the business mortality rate in the Eleventh Federal Reserve District occurred during the past

month. While failures ordinarily decline in the short month of February, the reduction this year was considerably larger than usual. There were 40 defaults during the month with liabilities of \$551,720, as compared to 58 failures with a combined indebtedness of \$1,079,739 in January and 47 insolvencies in February, 1928, which owed \$1,637,036. The indebtedness involved in the February failures was the smallest of any corresponding month in eleven years. The general improvement in the business mortality rate during the past nine months is an indication of the sounder financial conditions among business concerns throughout the district.

## PETROLEUM

Due entirely to the shorter month total production of crude oil in February in the Eleventh Federal Reserve District showed a decline as compared to the previous month. The aggregate production for the month amounted to 22,406,900 barrels, which was 1,843,000 barrels less than the January output but the daily average production was 17,991 barrels greater. It will be noted that North Texas was the only section in which the daily average production showed a decline. Field work declined generally throughout the district, due principally to the recent reduction in crude oil prices, and initial production reflected a sharp decline from 450,006 barrels in January to 199,356 barrels in February. There were 577 completions during the month, of which 313 were producers of oil and 40 were gas wells as compared with 782 completions in January that netted 445 oil wells and 62 gas wells.

The daily average production in Texas rose from 746,618 barrels in January to 764,559 barrels in February as the decline in the North Texas field was more than offset by the increases in the other fields. A noticeable let up was shown

## FEBRUARY DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	143	86	7	50	8,112
Central West Texas.....	231	140	4	87	140,598
East Texas.....	9	.....	7	2	.....
Southwest Texas.....	61	35	8	18	16,233
Texas Coastal.....	68	47	2	19	28,791
Texas Wild-Cats.....	39	2	2	35	5,500
Total Texas.....	551	310	30	211	199,356
North Louisiana.....	26	3	10	13	122
February Totals, District ..	577	313	40	224	199,356
January Totals, District. ...	782	445	62	275	450,006

in drilling activities in Archer and Wilbarger counties, two principal producing units of North Texas. Efforts to reduce allowable production in Winkler County of Central-West Texas failed in February and the daily average output of that section of the State registered a gain of 9,510 barrels. A further increase was shown in total production of Salt Flat field, which partly accounted for the rise in daily average yield of Southwest Texas. Total production of North Louisiana amounted to 999,250 barrels, representing a decline of 105,500 barrels as compared to January.

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CRUDE OIL PRICES

	March 12, 1929	March 14, 1928
Texas Coastal Grade "A".....	\$1.20	\$1.20
North and Central Texas and North Louisiana (52 gr. and above).....	1.44	1.60

OIL PRODUCTION

	February		January		Increase or Decrease	
	Total	Daily Average	Total	Daily Average	Total	Daily Average
North Texas.....	3,881,900	138,639	4,630,250	149,363	Dec. 748,350	Dec. 10,724
Central West Texas.....	12,005,050	428,752	12,996,500	419,242	Dec. 991,450	Inc. 9,510
East Central Texas.....	607,450	21,695	652,150	21,037	Dec. 44,700	Inc. 658
Texas Coastal.....	3,393,750	121,205	3,540,000	114,194	Dec. 146,250	Inc. 7,011
Southwest Texas.....	1,519,500	54,268	1,326,250	42,782	Inc. 193,250	Inc. 11,486
Total Texas.....	21,407,650	764,559	23,145,150	746,618	Dec. 1,737,500	Inc. 17,941
North Louisiana.....	999,250	35,687	1,104,750	35,637	Dec. 105,500	Inc. 50
Total District.....	22,406,900	800,246	24,249,900	782,255	Dec. 1,843,000	Inc. 17,991

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

LUMBER

A sharp decline as compared to both the previous month and the same month last year was noted in the production and shipments of lumber at pine mills in the Eleventh District in February due largely to the heavy and continuous rains over portions of East Texas and North Louisiana. Shipments of lumber declined from 99 per cent of normal production in January to 86 per cent in February and were 7 points below those in the same month last year. Production of lumber, which amounted to 86 per cent of normal, was 14 points less than in the previous month and showed a reduction of 9 points as compared to February, 1928. Orders were 18 per cent below normal production as against 3 per cent above normal production in January. Stocks on hand at the close of the month were reduced from 97 per cent of normal on January 31 to 94 per cent on February

28 and were 17 points below stocks on the corresponding date last year. Unfilled orders for lumber aggregated 59,988,096 feet at 49 establishments at the close of the month and compares with 50,835,268 feet recorded at 42 mills four weeks earlier.

FEBRUARY PINE MILL STATISTICS

Number of reporting mills.....	49
Production.....	86,502,414 feet
Shipments.....	86,715,737 feet
Orders.....	82,966,481 feet
Unfilled orders February 28.....	59,988,096 feet
Normal production.....	100,792,462 feet
Stocks, February 28.....	241,850,998 feet
Normal stocks.....	258,089,178 feet
Shipments below normal.....	14,076,725 feet—14%
Actual production below normal.....	14,230,048 feet—14%
Orders below normal production.....	17,825,981 feet—18%
Stocks below normal.....	16,238,180 feet—6%

Lumber statistics compiled by the Southern Pine Association.

BUILDING

Following the sharp decline in building activity during January some improvement was noted during the past month. The valuation of permits issued at principal cities in the Eleventh District, which amounted to \$6,739,925, was 7.9 per cent greater than in the previous month, yet, it fell 19.8

per cent below the figure for February, 1928. As compared to the previous month 9 cities showed increases and 5 showed decreases, but as compared to a year ago, there were only 5 cities to show increases.

BUILDING PERMITS

	February, 1929		February, 1928		Increase or Decrease	January, 1929		Increase or Decrease	Two Months				Increase or Decrease
	No.	Valuation	No.	Valuation		1928			1928				
						No.	Valuation		No.	Valuation			
Amarillo.....	44	\$ 261,763	76	\$ 344,495	- 24.0	38	\$ 114,742	+128.1	82	\$ 376,505	165	\$ 652,170	- 42.3
Austin.....	68	164,082	67	153,380	+ 7.4	78	190,445	- 13.5	146	355,127	126	745,303	- 52.4
Beaumont.....	169	396,733	149	256,486	+ 54.7	132	237,739	+ 66.9	301	684,472	309	460,915	+ 37.7
Corpus Christi.....	52	122,911	75	1,370,635	- 91.0	72	213,630	- 42.5	124	336,541	131	1,760,455	- 80.9
Dallas.....	237	467,022	251	473,434	- 1.4	306	880,453	- 47.0	543	1,347,475	586	1,092,823	+ 23.3
El Paso.....	107	285,544	60	115,144	+148.0	80	149,420	+ 91.1	187	434,904	120	216,380	+101.0
Fort Worth.....	218	585,466	364	1,203,384	- 51.3	277	611,110	- 4.2	495	1,196,576	714	2,302,662	- 48.0
Galveston.....	156	178,509	193	180,202	- 1.0	144	165,591	+ 7.8	300	344,100	363	345,614	- 4.1
Houston.....	430	2,121,622	580	2,129,657	- .4	418	2,002,870	+ 5.9	848	4,124,492	1,148	4,472,374	- 7.8
Port Arthur.....	111	406,802	98	114,048	+256.7	98	64,399	+531.7	209	471,201	212	174,042	+170.7
San Antonio.....	350	1,069,365	354	1,222,429	- 12.5	335	1,058,053	+ 1.1	685	2,127,418	728	2,359,800	- 9.8
Shreveport.....	214	325,532	201	246,962	+ 31.8	209	284,220	+ 14.6	423	609,802	383	841,014	- 27.5
Waco.....	37	230,544	31	443,460	- 46.7	38	128,278	+ 84.4	75	245,658	65	676,082	- 63.7
Wichita Falls.....	32	117,380	68	151,734	- 22.6	29	147,153	- 20.2	61	264,533	124	373,607	- 29.2
Total.....	2,225	\$6,739,925	2,567	\$8,405,500	- 19.8	2,254	\$6,248,103	+ 7.9	4,479	\$12,868,864	5,174	\$16,473,241	- 21.9

## CEMENT

For the fourth consecutive month the production of cement at Texas mills reflected a further decline in February. The month's output, which amounted to 399,000 barrels was 14.4 per cent less than in January and 13.3 per cent smaller than in the corresponding month last year. Shipments from these mills in February reflected a decline of 9.4 per cent from those in January and 1.7 per cent from those in February,

1928. Due to the excess of shipments over production in February stocks on hand at the end of the month were 3.2 per cent less than a month earlier but were 11.5 per cent greater than a year ago. Production during the first two months of 1929 was 6.3 per cent smaller than in the same period of 1928 but shipments during the period were slightly larger.

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

	February 1929	February 1928	Increase or Decrease	January 1929	Increase or Decrease	Two Months 1929	1928	Increase or Decrease
Production at Texas mills.....	399,000	460,000	-13.3	466,000	-14.4	865,000	923,000	-6.3
Shipments at Texas mills.....	416,000	423,000	-1.7	459,000	-9.4	975,000	970,000	+ .5
Stocks at end of month at Texas mills.....	513,000	460,000	+11.5	530,000	-3.2			

## SUMMARY OF NATIONAL BUSINESS CONDITION

(As Compiled by the Federal Reserve Board March 23, 1929)

Industry and trade continued active in February and the first part of March and there was a growth in the volume of bank loans. Borrowing at reserve banks increased during the period and money rates advanced further.

## PRODUCTION

Production continued at a high rate throughout February and the first half of March and was substantially above a year ago. Automobile output was at a record rate in February and there was also an unusually high daily average production of copper and iron and steel. Large output in the iron and steel industry reflected demands from manufacturers of automobiles, machine tools, and agricultural implements, and from railroad companies. Preliminary reports for the first half of March indicate further expansion in automobile and iron and steel production. During February the daily average output of coal and crude petroleum also increased, and production of cotton and wool textiles continued large, while silk output declined somewhat from the usually high level of January. There was also some decline from January in the production of lumber and cement, and in the output of meat packing companies. The high rate of activity in manufacturing during February was reflected in a larger than seasonal increase in factory employment and payrolls, both of which were considerably above the level of February, 1928.

Building activity declined further in February, and the value of contracts awarded was over 20 per cent smaller than a year ago. Residential building contracts showed the largest decline in comparison with February, 1928, while those for public works and utilities were only slightly smaller in value and commercial and industrial building awards increased. During the first half of March there was some seasonal increase in total building awards but they continued to be substantially below a year ago.

## DISTRIBUTION

In February shipments of commodities by rail increased more than is usual for the season, reflecting larger loadings of coal and coke and miscellaneous freight, which includes automobiles. During the first two weeks of March, freight

car loadings continued to increase. Sales of wholesale firms were generally smaller in February than a year ago. In comparison with January sales of dry goods, shoes, and furniture increased seasonally while sales of groceries and hardware were smaller. Department stores reported about the same daily volume of sales in February as in the preceding month and larger sales than a year ago.

## PRICES

The general level of wholesale prices declined slightly in February and was approximately the same as a year ago. The decline from January reflected primarily decreases in the prices of hides and leather, livestock, and meats and small declines in the prices of wool, cotton and woolen goods. The influence of these declines on the general average was partly offset by increases in the prices of copper, lead, iron and steel, rubber and grain. During the first two weeks of March prices of wool and petroleum continued to decline and rubber prices receded somewhat after a marked rise in February, while leather prices declined sharply. Prices of copper rose further and there were small increases in prices of hides, raw cotton, and certain grades of lumber.

## BANK CREDIT

Between the middle of February and the middle of March there was a rapid growth of loans at member banks in leading cities. The increase was in loans chiefly for commercial purposes which on March 13 were more than \$200,000,000 larger than four weeks earlier. Investments of the reporting banks declined further during the period. Total volume of reserve bank credit declined somewhat between February 20 and March 20, reflecting for the most part some further gold imports from abroad. Member bank borrowing at Federal Reserve Banks was nearly \$80,000,000 larger on March 20 than four weeks earlier, while acceptances showed a further decline of about \$120,000,000 during the period. Security holdings showed relatively little change. Money rates continued to advance. Rates on 4-6 months commercial paper rose from 5½-5¾ to 5¾-6 per cent and rates on 90 day bankers' acceptances increased from 5 to 5¼ per cent on February 13 and to 5½ per cent on March 21. Open market rates for collateral loans also increased.