

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	October	September	Increase or Decrease	
Bank debits to individual accounts (at 17 cities).....	\$1,162,702,000	\$981,231,000	Inc.	18.5%
Department store sales.....			Inc.	17.0%
Reserve bank loans to member banks at end of month.....	\$ 32,278,278	\$ 34,112,983	Dec.	5.4%
Reserve bank ratio at end of month.....	55.2%	60.7%	Dec.	5.5 points
Building permit valuation at larger centers.....	\$ 8,389,467	\$ 6,465,678	Inc.	29.8%
Commercial failures (number).....	47	38	Inc.	23.7%
Commercial failures (liabilities).....	\$ 579,600	\$ 315,886	Inc.	83.5%
Oil production (barrels).....	27,784,550	27,299,250	Inc.	1.8%
Lumber orders at pine mills (per cent of normal production).....	84%	79%	Inc.	5 points

The heavy general rainfall which relieved the drouthy conditions in many sections and provided needed moisture for growing crops was an important development in the Eleventh Federal Reserve District during the past thirty days. The additional moisture greatly benefited that portion of small grain crops already sown and will enable farmers to complete seeding operations and to proceed with preparation of the soil for next year's crops. As a result of the additional moisture and favorable temperatures prevailing during October some of the feed and minor crops showed a higher prospective yield on November 1 than a month earlier. It should be borne in mind, however, that, according to the November 1 report of the Department of Agriculture, the indicated yield of three of the District's important crops—cotton, corn, and grain sorghums—is considerably below the 1928 production and is having the effect of greatly reducing the farmers' income for the current year. The rains, likewise, improved the physical condition of the District's ranges and livestock but the condition figure is still noticeably below that of a year ago.

The trade situation reflected improvement during the month. The sales of department stores in larger cities evidenced a further seasonal increase of 17 per cent as compared to the previous month and were 2 per cent larger than in October, 1928. Wholesale distribution was in larger volume than in the previous month and some lines of trade showed an increase over a year ago. Reports from some sections, however, indicate that consumer demand is being reduced by reason of the smaller returns from crops and that merchants are adhering more closely to conservative buying policies. Debits to individual accounts at larger centers reached a new high record in October, being 19 per cent

larger than in September and 8 per cent above those for October last year.

The commercial failure record in the Eleventh District which has shown a relatively favorable trend during the current year, while more unfavorable in October than in the previous month, continued to reflect an improvement over the corresponding month last year. During the first ten months of the current year, the number of defaults has shown a decline of 22 per cent as compared to the same period in 1928 and the indebtedness involved has fallen off 29 per cent.

The daily average deposits of member banks in this District rose from \$892,636,000 in September to \$900,260,000 in October but continued to run below those of a year ago reflecting the reduced agricultural income. While Federal Reserve Bank loans to member banks declined from \$34,112,983 on September 30 to \$25,825,752 on November 15, most of the reduction occurred during the last four days of the period. Loans to country banks have shown a steady decline since the middle of August but those to banks in reserve cities have fluctuated widely and have remained at a level considerably higher than a year ago.

Construction activity reflected a substantial improvement in October, the valuation of building permits issued at principal cities being 30 per cent larger than in the previous month and 17 per cent greater than in the same month last year. The production and shipment of cement, likewise, reflected large increases over both periods. The production, shipments, and new orders for lumber, while showing an improvement over the previous month, were on a smaller scale than a year ago.

CROP CONDITIONS

Agricultural conditions in the Eleventh Federal Reserve District evidenced some improvement during the past month. According to the November 1 estimates of the Department of Agriculture the prospective yield of most crops in the process of being harvested is equal to or greater than it was a month earlier. The rains during the latter part of October and the first half of November relieved the drouthy condition which was existent in many sections with the result that a good season is now in the ground in all parts of the District. The rains were very beneficial to that portion of the small grains which had already been sown and provided ample moisture for the completion of seeding operations. A considerable portion of small grains is already up to a good stand and growing well. Furthermore, moisture conditions are such that farmers can now make good progress with winter plowing.

The greatest improvement during the past month occurred in the prospective yield of the two major feed crops, corn and grain sorghums. In each instance, the most noticeable improvement was in Texas. According to the figures derived from the November 1 estimates of the Department of Agriculture, the production of corn in this District will total 105,545,000 bushels as compared to an estimated yield of 100,956,000 bushels on October 1 and an actual yield of 114,742,000 bushels a year ago. The estimated production of the Texas crop on November 1 was 90,611,000 bushels as compared to 86,796,000 bushels a month earlier. Much of the State's production is light in weight due to the unfavorable conditions prevailing during the growing season. Only 77 per cent of the crop was of merchantable quality as against 84 per cent a year ago. The grain sorghums improved materially in Texas, Arizona, and New Mexico during October due to the timely rains in September and the favorable temperatures during October. On November 1 prospects pointed toward a production of 48,331,000 bushels of grain sorghums in Texas as against an estimate of 39,148,000 bushels on October 1. The prospective production of this crop also increased in the states of Oklahoma, New Mexico, and Arizona.

The cotton crop in this district showed practically no change during the past month. The figures derived from the November 1 estimates of the Department of Agriculture indicate that production in the Eleventh District this year will total 4,899,000 bales which is only 10,000 bales greater than the October 1 estimate but 1,047,000 bales below the actual yield in 1928. The Bureau of Census reported that prior to November 1 there had been ginned in Texas 3,143,000 bales which represents 82 per cent of the estimated production for the year in 500-lb. bales. This compares with 78 per cent prior to that date last year. Ginnings in Louisiana totaled 745,505 running bales prior to November 1 as against an estimated yield of 830,000 500-lb. bales. Picking and ginning have made rapid progress under favorable conditions and are nearing completion in North Louisiana, Southeastern Oklahoma and all sections of Texas except in the West and Northwest. This work is progressing normally in New Mexico and Arizona.

The Department of Agriculture in its November 1 report estimated the production of peanuts in Texas at 77,000,000

pounds which compares to a forecast of 85,747,000 pounds on October 1 and an actual production of 78,000,000 pounds last year. The yield per acre is lighter this year due to the dry weather which prevailed during most of the season but the larger acreage this year has held up total output. Oklahoma and Louisiana are raising larger crops than a year ago. The sweet potato crop in Texas, Louisiana, and Oklahoma reflected a material improvement in October. The September rains and favorable weather in October enabled the crop in these states to partially overcome the effects of the dry weather in August but the Department reported that the quality of the crop in Texas and Oklahoma was far below the average.

The Texas rice crop turned out better than expected due to the exceptionally favorable conditions prevailing during both the growing and harvesting season. The Department of Agriculture estimated that the prospective production on November 1 was 7,128,000 bushels as compared to an estimate of 6,707,000 bushels on October 1 and an actual production of 7,308,000 bushels in 1928. The per acre yield this year is reported as 44 bushels as against 42 bushels last year. Harvesting and threshing are practically completed and most of the crop is of excellent quality.

LIVESTOCK

The physical condition of ranges and livestock in the Eleventh Federal Reserve District reflected some improvement during the past thirty days. Since the rains in October and the early part of November, grass and weeds in many localities are making new growth with the result that prospects for winter ranges are somewhat improved. In those portions of Northwest Texas where rainfall has been ample, wheat fields are providing good pasturage. Prior to the rains during the last days of October and early November, conditions in Texas were very spotty as the dry weather had caused a shortage of grass in localities in practically every section of the State. The late rains have largely corrected this situation by leaving a good season in the ground, insuring ample stock water for winter needs and stimulating the growth of range vegetation. In practically all sections of the State, stockmen have culled herds closely due to poor ranges in many areas and the scarcity and high price of feed. In Southern New Mexico and Southeastern Arizona, ranges are in good to excellent condition with range feed generally well matured. Hay and other feed supplies are reported to be ample to meet winter needs unless prolonged feeding should be necessary. Trading on the ranges has been slow for this season of the year but an improvement in demand is in evidence in some sections.

The November 1 condition of cattle ranges in Texas was 1 point lower than a month earlier and 6 points below that of a year ago. The condition of sheep and goat ranges showed an improvement of 4 points during the month but was 11 points below the condition a year ago. The condition of cattle in Texas showed no change from a month ago. The condition of sheep improved 1 point and that of goats declined 1 point. In each instance the condition was considerably below that of a year ago.

Movement and Prices The October receipts of cattle at the Fort Worth market reflected a large gain over those of a month earlier but fell short of those in October, 1928, while the arrivals of calves showed a good gain over both periods. The receipts of hogs showed a further decline, the number yarded being considerably smaller than in either the previous month or the same month last year. The arrivals of sheep were fewer than in September but slightly larger than a year ago.

The prices on practically all classes of cattle evidenced a further downward trend during the past six weeks. At times, demand showed a tendency to strengthen but the supply was usually sufficient to fill orders. Receipts of stocker cattle were more liberal than in the past few months and usually met with fair demand. Hog prices, while somewhat uneven, worked to lower levels despite the reduced supply. Toward the latter part of October, the demand for sheep and lambs developed a considerable improvement and prices showed a good recovery but later reacted somewhat.

FORT WORTH LIVESTOCK RECEIPTS

	October 1929	October 1928	Loss or Gain	September 1929	Loss or Gain
Cattle.....	87,784	91,211	L 3,427	68,315	G 19,469
Calves.....	53,066	46,894	G 6,172	44,228	G 8,838
Hogs.....	22,928	27,162	L 4,234	25,909	L 2,981
Sheep.....	42,278	41,643	G 635	45,675	L 3,397

COMPARATIVE TOP LIVESTOCK PRICES

	October 1929	October 1928	September 1929
Beef steers.....	\$12.75	\$13.75	\$13.00
Stocker steers.....	11.35	12.50	11.50
Butcher cows.....	8.50	9.50	9.00
Stocker cows.....	6.50	8.50	6.25
Calves.....	11.00	12.00	12.00
Hogs.....	10.15	10.50	10.90
Sheep.....	8.25	8.25	8.50
Lambs.....	12.50	13.00	12.75

Cotton Movements A further large seasonal increase was reflected in the receipts of cotton at the ports of Houston and Galveston during October. Receipts at Galveston, however, were smaller than a year ago. October exports from both of these ports were considerably larger than in September but were smaller than in the same month last year. Total exports from the United States amounted to 1,251,300 bales as compared to 725,876 bales in the previous month and 1,240,702 bales in October, 1928. This is the first time since January that the current

month's exports have exceeded those of the corresponding month of the previous year. The domestic consumption of cotton rose to 640,798 bales which was 17 per cent greater than in September and 4 per cent larger than in October last year.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	October 1929	October 1928	August 1 to This Season	October 31 Last Season
Receipts.....	611,048	784,875	929,816	1,334,486
Exports.....	312,190	507,687	481,834	749,629
Stocks, October 31.....			523,577	668,443

GALVESTON STOCK STATEMENT

	October 31, 1929	October 31, 1928
For Great Britain.....	23,300	33,000
For France.....	21,400	22,000
For other foreign ports.....	68,000	77,000
For coastwise ports.....	4,000	5,000
In compresses and depots.....	406,877	531,443
Total.....	523,577	668,443

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	October 1929	October 1928	August 1 to This Season	October 31 Last Season
Receipts.....	966,350	918,540	1,413,739	1,496,566
Exports.....	306,487	407,317	563,191	704,158
Stocks, October 31.....			932,690	870,054

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

	August 1 to This Season	October 31 Last Season
Receipts.....	4,226,233	4,144,059
Exports:		
United Kingdom.....	405,866	407,199
France.....	285,137	233,336
Italy.....	201,995	179,453
Germany.....	639,068	638,235
Other Europe.....	289,383	324,480
Japan.....	277,512	410,577
All other countries.....	104,233	110,002
Total foreign ports.....	2,203,194	2,303,282
Stocks at all United States ports October 31.....	2,367,649	2,126,734

SPOT COTTON PRICES—(Middling Basis)

	October, 1929		Nov. 15, 1929
	High	Low	
New York.....	19.15	18.00	17.50
New Orleans.....	18.65	17.70	17.12
Dallas.....	18.10	16.95	16.40
Houston.....	18.90	17.80	17.30
Galveston.....	19.00	18.00	17.45

COTTON CONSUMED AND ON HAND

	COTTON GROWING STATES				UNITED STATES			
	Oct., 1929	Oct., 1928	August 1 to This Season	Last Season	Oct., 1929	Oct., 1928	August 1 to This Season	Last Season
Cotton consumed.....	489,897	471,357	1,341,337	1,255,800	640,798	616,238	1,744,560	1,634,885
Cotton hand October 31:								
(a) In consuming establishments.....			1,069,160	996,260			1,360,557	1,195,770
(b) In public storage and compresses.....			5,148,815	4,550,878			5,311,920	4,632,109

COTTONSEED PRODUCTS

The receipts of cottonseed and the production of cottonseed products during October at both Texas and all United States mills were on a smaller scale than in the corresponding month last year. During the first quarter of the current season, operations at all United States mills were on

a larger scale than a year ago while those at Texas mills were smaller. Mill stocks of crude oil on October 31 were larger than a year earlier at Texas mills but smaller at all United States mills. Stocks of other cottonseed products were larger at the close of October than a year ago. The

disappearance of all classes of cottonseed products was on a larger scale during the first quarter of the current season than in the same period of the previous season.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to October 31		August 1 to October 31	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	786,966	1,020,585	2,647,433	2,577,417
Cottonseed crushed (tons).....	493,204	541,759	1,507,619	1,406,054
Cottonseed on hand.....	313,877	491,620	1,181,420	1,192,935
Crude oil produced (pounds)....	141,452,473	155,485,877	461,120,812	430,415,967
Cake and meal produced (tons)...	231,134	252,630	670,961	627,624
Hulls produced (tons).....	130,656	146,641	411,447	386,004
Linters produced (running bales).....	103,794	108,248	310,088	284,904
Stocks on hand, October 31:				
Crude oil (pounds).....	32,191,601	25,734,241	77,680,283	80,308,919
Cake and meal (tons).....	49,271	32,334	162,074	123,833
Hulls (tons).....	66,220	56,611	152,248	123,832
Linters (running bales).....	49,132	42,073	155,082	147,198

TEXTILE MILLING

An increase over both the previous month and the same month last year was shown in the consumption of cotton and production of cloth at textile mills in the Eleventh District in October. There were 3,864 bales of raw cotton consumed at these mills as compared to 3,448 bales in September and 3,321 bales in October, 1928. Production of cloth exceeded that in the previous month by 7.1 per cent and was 11.4 per cent larger than during the same period last year. Orders on hand on October 31 showed an increase over those on September 30 and a year ago. Stocks held at the end of October, although larger than a month earlier, were considerably less than on October 31, 1928.

TEXTILE MILLING STATISTICS

	October 1929	October 1928	September 1929
Number bales consumed.....	3,864	3,321	3,448
Number spindles active.....	102,756	102,756	102,756
Number pounds cloth produced.....	1,722,439	1,546,221	1,618,322

WHOLESALE TRADE

The demand for merchandise in wholesale channels of distribution reflected a seasonal expansion during October. Sales of all reporting lines except dry goods were in excess of those during the previous month and those of hardware and farm implements exceeded those of the corresponding month last year by a substantial margin. The cooler weather which prevailed during the month stimulated buying of seasonal merchandise in some lines. Reports indicate that business continues to be somewhat spotty due to the varying returns from crops. In those sections where the agricultural income has been generally satisfactory, buying has been fair to good, but it has been slow in those sections which had poor crops. Collections have been generally good in all lines.

The distribution of dry goods at wholesale reflected a further decline during the past month. Sales of reporting

firms were 4.4 per cent less than in September and 6.0 per cent below those in October, 1928. Sales from July 1 to October 31 this year have averaged 3.4 per cent less than in the same period a year ago. Buying of winter merchandise was stimulated to some extent by the cooler weather. In some portions of the district where crops were poor, buying has been running considerably below the average. Collections showed a substantial seasonal increase. Prices on most lines remained generally firm.

While the October sales of reporting wholesale drug firms were 1.5 per cent larger than those in September, they were 4.1 per cent less than in the corresponding month of 1928. Business has been good in some sections but poor in others. Collections reflected a substantial increase over the previous month.

A strong demand for farm implements at wholesale was in evidence during the past month. The October sales not only showed a seasonal gain of 42.6 per cent as compared to the previous month but were 51.1 per cent larger than in the corresponding month last year. Sales for the period July 1 to October 31 averaged 32.4 per cent greater than in the same period of 1928. Sales have been brisk in those sections which have harvested good crops. Collections reflected a substantial improvement.

Sales of reporting wholesale grocery firms showed a further slight increase over the previous month but were 3.2 per cent less than in the same month a year ago. Business in some sections has been very brisk but it has been slow in other sections. Reports generally, however, indicate that demand has ranged from fair to good. Collections reflected a considerable improvement. Prices showed no material change.

After a general slowing down during September, a strong demand for hardware at wholesale developed during the past month. Sales of reporting firms were 8.2 per cent larger than in the previous month and 7.4 per cent greater than in October last year. The cooler weather had the effect of stimulating the demand for seasonal merchandise. Collections showed a large increase as compared to the previous month.

CONDITION OF WHOLESALE TRADE DURING OCTOBER, 1929

Percentage of increase or decrease in:

	Net Sales		Stocks		Ratio of collections during Oct. compared with to accounts and notes outstanding on September 30.
	September, 1929 compared with Oct. 1928	September, 1929 compared with Sept. 1929	July 1 to date compared with same period last year	October, 1929 compared with Oct. 1928	
Groceries.....	- 3.2	+ 3	- .3	+ 7.5	76.5
Dry Goods.....	- 6.0	- 4.4	- 3.4	- 10.7	35.8
Farm Implements.....	+51.1	+42.6	+32.4	+11.3	19.7
Hardware.....	+ 7.4	+ 8.2	+ 7.0	- .5	42.6
Drugs.....	- 4.1	+ 1.5	- .6	+14.7	43.8

RETAIL TRADE

Retail distribution in larger centers, as reflected by department store sales, evidenced a further seasonal expansion of 17.0 per cent as compared to the previous month and was 1.7 per cent greater than in October, 1928. Since the advent of cooler weather seasonal merchandise has been moving in substantial volume. This has been particularly true of women's and misses' ready-to-wear, certain items of women's ready-to-wear accessories, and men and boys' wear.

Stocks on hand at the close of October were 4.6 per cent greater than a month earlier and 0.3 per cent greater than a year ago. The rate of stock turnover during the first ten months of 1929 was 2.45 as compared to 2.35 during the same period in 1928.

Collections reflected a substantial seasonal increase. The ratio of October collections to accounts receivable on October 1 was 37.8 per cent as compared to 33.7 per cent in September and 38.8 in October, 1928.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
October, 1929, compared with October, 1928.....	+ 7.0	+ 2.3	- 2.5	- 7.9	+ 3.5	+ 1.7
October, 1929, compared with September, 1929.....	+22.4	+24.2	+ 4	+12.2	+23.1	+17.0
January 1 to date compared with same period last year.....	+ 5.1	- 1.9	- 1.4	- 3.8	0.0	+ .4
Credit Sales (Percentage):						
October, 1929, compared with October, 1928.....	+11.0	+10.2	+ 5.0	-10.1	+10.0	+ 7.1
October, 1929, compared with September, 1929.....	+22.5	+27.5	+ 1.6	+ 2.1	+27.1	+17.8
January 1 to date compared with same period last year.....	+ 7.8	+ 6.5	+ .6	- .3	+ 3.1	+ 4.4
Stocks (Percentage):						
October, 1929, compared with October, 1928.....	+ 5.3	- .5	+ .7	- 4.9	- 3.4	+ .3
October, 1929, compared with September, 1929.....	+ 5.7	+ 7.7	+ 4.8	+ 2.2	+ 1.4	+ 4.6
Stock Turnover (Rate):						
Rate of stock turnover in October, 1928.....	.31	.21	.25	.32	.20	.26
Rate of stock turnover in October, 1929.....	.33	.22	.24	.30	.21	.26
Rate of stock turnover January 1 to October 31, 1928.....	2.42	2.01	2.49	2.74	2.22	2.35
Rate of stock turnover January 1 to October 31, 1929.....	2.61	2.02	2.60	2.84	2.24	2.45
Ratio of October collections to accounts receivable and outstanding October 1, 1929.....	35.7	35.7	39.6	42.6	39.3	37.8

FINANCIAL

Debits to individual accounts at banks located in principal cities of the Eleventh District reached the highest level on record in October, exceeding the previously high level of last December by 6.5 per cent. Charges to depositors' accounts at banks in these centers aggregated \$1,162,702,000 as against \$981,231,000 in September and \$1,074,628,000 in October last year, representing increases of 18.5 per cent and 8.2 per cent, respectively, over the two previous periods.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	October 1929	October 1928	Increase or Decrease	Sept. 1929	Increase or Decrease
Abilene.....	\$ 11,150	\$ 13,464	-17.2	\$ 9,986	+11.7
Austin.....	24,251	24,145	+ .4	22,928	+ 5.8
Beaumont.....	33,409	25,526	+30.9	26,792	+24.7
Corsicana.....	8,351	7,631	+ 9.4	7,640	+ 9.3
Dallas.....	334,837	303,577	+10.3	267,300	+25.2
El Paso.....	44,659	39,493	+13.1	35,645	+23.3
Fort Worth.....	131,232	117,008	+12.2	108,732	+20.7
Galveston.....	53,630	59,786	-10.3	42,892	+25.0
Houston.....	259,559	244,266	+ 6.3	221,892	+17.0
Port Arthur.....	15,392	10,660	+44.3	13,479	+14.2
Roswell.....	4,769	4,727	+ .9	4,257	+12.0
San Antonio.....	96,356	90,152	+ 6.9	87,391	+10.3
Shreveport.....	53,805	48,297	+11.4	54,723	- 1.7
Texarkana*.....	19,918	18,215	+ 9.3	16,428	+21.2
Tucson.....	11,869	10,770	+10.2	10,409	+14.0
Waco.....	28,505	27,619	+ 3.2	24,467	+16.5
Wichita Falls.....	31,010	29,292	+ 5.9	26,180	+18.4
Total.....	\$1,162,702	\$1,074,628	+ 8.2	\$ 981,231	+18.5

*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 Federal Reserve District and outstanding at the close of the month rose to a new high level in October. Standing

at \$11,454,311 on October 31, the volume of acceptances outstanding was \$5,063,478 greater than a month earlier and \$4,129,214 above that of a year ago. Acceptances of these banks executed against import and export transactions increased from \$2,304,440 on September 30 to \$3,226,097 on October 31, and those based on the domestic shipment and storage of goods rose from \$4,086,393 on the former date to \$8,228,214 on the latter date.

Condition of Member Banks in Selected Cities Reports from member banks in selected cities of the Eleventh Federal Reserve District reflected a decline in loans on securities but a further large increase in all other loans (largely commercial). These

latter loans rose from \$269,941,000 on October 2, to \$283,327,000 on November 6, the increase being due principally to financial needs in connection with the seasonal expansion of business and industry and the movement and storage of cotton. Loans on securities which amounted to \$105,534,000 on October 2, declined to \$101,236,000 on November 6. A reduction of \$3,128,000 was reported in the investments of these banks in United States securities which more than offset an increase of \$805,000 in their holdings of other stocks and bonds. Total loans and investments amounted to \$501,182,000 on November 6, as against \$494,417,000 on October 2 and \$477,244,000 on November 7, 1928. Net demand deposits increased \$11,683,000 during the five-week period ending November 6, but time deposits declined \$2,535,000. Their bills payable and rediscounts with this bank rose from \$23,581,000 on October 2 to \$29,795,000 on November 6 and on the latter date compared with \$19,250,000 on November 7, 1928.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	November 6, 1929	October 2, 1929	November 7, 1928
1. Number of reporting banks.....	40	42	44
2. United States Securities owned.....	\$ 73,628,000	\$ 76,756,000	\$ 82,907,000
3. All other stocks, bonds and securities owned.....	42,991,000	42,186,000	37,769,000
4. Loans on securities.....	101,236,000	105,534,000	108,800,000
5. All other loans.....	283,327,000	269,941,000	247,768,000
6. Total loans.....	384,563,000	375,475,000	356,568,000
7. Net demand deposits.....	298,573,000	286,890,000	312,687,000
8. Time deposits.....	138,567,000	141,102,000	131,115,000
9. Reserve with Federal Reserve Bank.....	34,165,000	31,948,000	35,514,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	29,795,000	23,581,000	19,250,000

Savings Deposits Savings deposits of banks in the Eleventh District which operate a savings department amounted to \$148,463,452 on October 31, representing a slight decline of 0.6 per cent as compared to September 30 but a gain of 4.2 per cent over

those on the corresponding date last year. There were 287,809 savings accounts carried at 73 of these banks at the close of the month as against 275,321 on September 30 and 254,791 on October 31, 1928.

SAVINGS DEPOSITS

	Number of Reporting Banks	October 31, 1929		October 31, 1928		Increase or Decrease	September 30, 1929		Increase or Decrease
		Number of Depositors	Amount of Deposits	Number of Depositors	Amount of Deposits		Number of Depositors	Amount of Deposits	
Beaumont.....	3	5,678	\$ 1,820,907	5,428	\$ 1,828,787	— .4	5,676	\$ 1,861,172	— 2.2
Dallas.....	5	61,041	25,429,903	40,674	24,189,691	+ 5.1	44,143	25,352,176	+ .3
El Paso.....	2	15,668	5,867,048	14,604	5,896,409	— .5	15,453	5,814,889	+ .9
Fort Worth.....	3	24,088	8,884,818	26,642	8,242,664	+ 7.8	24,016	8,742,172	+ 1.6
Galveston.....	3	13,699	8,526,284	13,904	9,558,958	—10.8	13,811	8,867,295	— 3.8
Houston.....	12*	68,758	34,479,307	69,160	33,395,974	+ 3.2	73,931	34,906,647	— 1.2
San Antonio.....	7*	26,749	22,509,609	17,246	20,087,562	+12.1	26,716	22,832,432	— 1.4
Shreveport.....	4*	21,493	11,411,037	21,046	12,349,561	— 7.6	21,236	11,505,772	— .8
Waco.....	4	9,993	6,896,459	9,815	6,499,378	+ 6.1	10,022	6,846,127	+ .7
Wichita Falls.....	2	4,191	1,569,924	4,226	1,529,984	+ 2.6	4,215	1,613,342	— 2.7
All Others.....	37*	36,451	21,068,176	32,486	18,965,540	+11.1	36,102	21,090,707	— .1
Total.....	82	287,809	\$148,463,452	254,791	\$142,544,508	+ 4.2	275,321	\$149,432,731	— .6

*Only 10 banks in Houston, 5 banks in San Antonio, 3 banks in Shreveport, and 33 banks in "All others" reported the number of savings depositors.

NOVEMBER DISCOUNT RATES

Prevailing Rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rates charged customers on prime commercial paper such as is not eligible for rediscount under the Federal Reserve Act.....	5½-7	6-8	6-8	6	6	6-8
Rates charged on loans to other banks secured by bills receivable.....	6	5-6	6	5½-6	6	6
Rates 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	6-7	6-8	7-8
(b) Time.....	6-8	6-8	6-8	6-7	6-8	7-8
Rates charged on commodity paper secured by warehouse receipts, etc.....	6-7	8	6-8	6½	6-8	6½-7
Rates on cattle loans.....	6-7	6-8	6-8	7-8	4-8	7-8

Deposits of Member Banks The daily average of net demand and time deposits of members banks in the Eleventh Federal Reserve District increased from \$892,636,000 in September to \$900,260,000 in October. Net demand deposits of these banks rose from a daily average of \$658,520,000 in the former month to \$674,587,000 in the latter month, more than offsetting the decline shown in the daily average of time deposits which amounted to \$234,116,000 in September and \$225,673,000 in October. Actual deposits of member banks totaled \$963,139,000 on November 7, 1928.

DAILY AVERAGE DEPOSITS OF MEMBER BANKS
(In thousands of dollars)

	Combined Total		Reserve City Banks		Country Banks	
	Net demand deposits	Time deposits	Net demand deposits	Time deposits	Net demand deposits	Time deposits
Jan., 1929.....	\$745,109	\$225,788	\$229,004	\$132,908	\$446,105	\$92,880
Feb., 1929.....	733,901	227,359	291,979	130,680	441,922	96,679
Mar., 1929.....	718,066	230,965	292,149	132,987	425,917	97,978
April, 1929.....	693,137	231,507	287,987	135,064	405,150	96,443
May, 1929.....	673,097	230,791	280,284	133,018	392,813	97,773
June, 1929.....	643,038	226,110	260,317	129,412	382,721	96,698
July, 1929.....	640,034	230,834	270,274	138,357	369,760	92,477
Aug., 1929.....	629,909	230,643	260,019	137,174	369,890	93,469
Sept., 1929.....	658,520	234,116	266,795	136,950	391,725	97,166
Oct., 1929.....	674,587	225,673	282,630	134,198	391,957	91,475

Operations of the Federal Reserve Bank While Federal Reserve Bank loans to member banks reflected a decline from the total of \$34,112,983 shown on September 30, they remained above the \$30,000,000 level throughout the greater part of October.

Total loans to member banks amounted to \$32,278,279 at the close of the month which was \$1,834,704 less than on September 30 but \$9,804,690 greater than a year ago. A substantial decline occurred in loans to banks in rural districts as a result of further liquidation from the cotton crop in these sections but borrowings of reserve city banks increased. On November 15, total loans to member banks amounted to \$25,825,752, reflecting principally a decline in accommodations to reserve city banks but there was a slight reduction in loans to country banks. There were 121 borrowing banks on October 31 as compared to 192 a month previous and 105 on October 31, 1928.

Due to the increase in open market purchases, total bills held rose from \$45,443,352.07 on September 30 to \$46,795,927.11 on October 31, distributed as follows:

Member banks' collateral notes secured by United States Government obligations.....	\$ 9,482,600.00
Rediscounts and other loans to member banks.....	22,795,678.19
Discounts for non-member banks.....	1,000.00
Open market purchases (Bankers' Acceptances).....	14,516,648.92
Total bills held.....	\$46,795,927.11

Federal reserve notes in actual circulation amounted to \$51,284,545 on October 31 which was slightly less than a month earlier but \$3,242,415 greater than on the same date in 1928. The daily average reserve deposits of member banks amounted to \$65,750,579 in October as compared to \$62,780,088 in September and \$68,898,913 in the corresponding month last year.

FAILURES

While the business mortality rate in the Eleventh Federal Reserve District increased in October over September it was substantially below that in the corresponding month last year. There were 47 defaults during October with liabilities of \$579,600 as compared to 38 failures in the previous month with indebtedness of \$315,836 and 65 insolvencies in October last year that owed \$857,123. During the ten months of the current year there have been 449 failures in the Eleventh District with liabilities aggregating \$8,189,163, representing a decline as compared to the same period of 1928 of 127 in the number of defaults and a reduction of \$3,288,882 in the indebtedness involved.

PETROLEUM

Total production of crude oil in the Eleventh Federal Reserve District increased in October but due to the longer month the daily average flow was smaller. There were 27,784,550 barrels produced during the month as compared to 27,299,250 barrels in September and 23,153,100 barrels in October last year. A gain was noted in field work in the district as a whole but new production was lower. There were 919 completions during the month of which 482 were producers of oil with an initial output of 142,344 barrels

as compared to 718 completions in September of which 368 were oil producers, yielding 173,864 barrels of new production.

Production in Texas fields declined from a daily average of 872,937 barrels in September to 856,562 barrels in October. Gray county in the Panhandle section reported a further decline in new production which partly accounted for the decreased output of North Texas. Pecos county of Central West Texas showed a decline in completions but a gain was reflected in new production. Rigid proration restrictions which were applied in May to Winkler county, also located in Central West Texas, were ordered extended for another six months period. Interest in Southwest Texas was centered in Refugio field which showed considerable activity during the month. Production of Barbers Hill in the Gulf Coastal

area increased throughout October while the weekly output of the Spidle Top field showed only slight variation. A development of importance during the month was the discovery on October 14, of a new fault field in Van Zandt county of East Texas. The discovery well located in the Eastern section of the county registered a daily flow of 3,000 barrels of high gravity oil at a total depth of 2,710 feet. North Louisiana increased its daily average yield 2,675 barrels.

CRUDE OIL PRICES

	Nov. 15 1929	Nov. 16 1928
Texas Coastal grade "A".....	\$1.30	\$1.20
North and Central Texas and North Louisiana (52 gr. and above).....	1.85	1.76

OCTOBER DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Failures	Initial Production
North Texas.....	295	168	20	107	29,666
Central West Texas.....	278	161	4	113	39,715
East and East Central Texas.....	21	.....	6	15	.....
Southwest Texas.....	99	41	16	42	11,667
Texas Coastal.....	111	85	2	24	58,795
Texas wild-Cats.....	52	5	.....	47	1,065
Total Texas.....	856	460	48	348	140,908
North Louisiana.....	63	22	28	13	1,436
October Totals, district.....	919	482	76	361	142,344
September totals, district.....	718	368	73	277	173,864

OIL PRODUCTION

	October		September		Increase or Decrease	
	Total	Daily Average	Total	Daily Average	Total	Daily Average
North Texas.....	6,248,750	201,572	6,802,500	226,750	Dec. 553,750	Dec. 25,178
Central West Texas.....	13,105,250	422,750	12,615,150	420,505	Inc. 490,100	Inc. 2,245
East Central Texas.....	550,100	17,745	533,400	17,780	Inc. 16,700	Dec. 35
Texas Coastal.....	4,417,150	142,489	4,008,150	133,605	Inc. 409,000	Inc. 8,884
Southwest Texas.....	2,232,200	72,006	2,228,900	74,297	Inc. 3,300	Dec. 2,291
Total Texas.....	26,553,450	856,562	26,188,100	872,937	Inc. 365,350	Dec. 16,375
North Louisiana.....	1,231,100	39,713	1,111,150	37,038	Inc. 119,950	Inc. 2,675
Total District.....	27,784,550	896,275	27,299,250	909,975	Inc. 485,300	Dec. 13,700

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

LUMBER

As reflected in production, shipments, and new orders for lumber, activities at pine mills in the Eleventh District increased in October but were on a smaller scale than in the corresponding month last year. Production of lumber was 89 per cent of normal as compared to 87 per cent in September and 95 per cent in October, 1928. Shipments, amounting to 86 per cent of normal production, were 6 points higher than in the previous month but 17 points below those in the same period of last year. New orders for lumber rose from 79 per cent of normal production in September to 84 per cent in October but showed a decline in the latter month of 20 points as compared to the corresponding month of the previous year. Stocks on hand at the close of the month after increasing for five consecutive periods declined to 104 per cent of normal on October 31

which was 8 points less than a month earlier but 12 points higher than they were on the same date in 1928. Unfilled orders for lumber amounted to 45,147,814 feet on the books of 44 mills on October 31 as against 48,222,608 feet recorded a month earlier.

OCTOBER PINE MILL STATISTICS

Number of reporting mills.....	44
Production.....	82,131,771 feet
Shipments.....	79,075,775 feet
Orders.....	77,281,382 feet
Unfilled orders October 31.....	45,147,814 feet
Normal production.....	92,135,122 feet
Stocks October 31.....	245,403,757 feet
Normal stocks.....	235,921,193 feet
Shipments below normal.....	13,059,347 feet—14%
Actual production below normal.....	10,003,351 feet—11%
Orders below normal production.....	14,853,740 feet—16%
Stocks above normal.....	9,482,564 feet—4%

(Lumber statistics compiled by the Southern Pine Association.)

CEMENT

Production of cement at Portland cement mills in Texas was larger in October than during any previous month on record and shipments, with the exception of those in August, were likewise greater than in any previous month.

There were 777,000 barrels of cement produced in October as compared to 707,000 barrels in September and 617,000 barrels in the corresponding month last year. Shipments amounted to 743,000 barrels as against 680,000 barrels in

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

	October 1929	October 1928	Increase or Decrease	September 1929	Increase or Decrease	Ten Months 1929	1928	Increase or Decrease
Production at Texas Mills.....	777,000	617,000	+25.9	707,000	+9.9	6,115,000	5,344,000	+14.4
Shipments at Texas Mills.....	743,000	552,000	+34.6	680,000	+9.3	6,111,000	5,456,000	+12.0
Stocks at end of month at Texas mills.....	527,000	346,000	+52.3	493,000	+6.9	.....	.....	.....

the previous month and 552,000 barrels in October, 1928. Stocks on hand on October 31 were 6.9 per cent above those a month earlier and were 52.3 per cent larger than a year ago. Production during the ten months of the current year showed a gain of 14.4 per cent over the same period of 1928 and shipments reflected an increase of 12.0 per cent.

BUILDING

A substantial increase over both the previous month and the same month last year was shown in the valuation of building permits issued at principal cities in the Eleventh

District in October. The valuation of building permits issued at these centers aggregated \$8,389,467 as against \$6,465,678 in September and \$7,161,407 in October, 1928. It will be observed that five cities showed increases and seven cities showed decreases as compared to both the previous month and the same month last year, while two cities reflected declines from September but increases as compared to October, 1928. A decline of 1.2 per cent was shown in the total for the ten months of the current year as compared to the same period of 1928.

BUILDING PERMITS

	October, 1929		October, 1928		Increase or Decrease	September, 1929		Increase or Decrease	Ten Months				Increase or Decrease
	No.	Valuation	No.	Valuation		No.	Valuation		1929		1928		
									No.	Valuation	No.	Valuation	
Amarillo.....	70	\$ 181,187	48	\$ 96,446	+ 87.9	53	\$ 69,165	+162.0	511	\$ 1,592,575	815	\$ 2,748,214	- 42.1
Austin.....	89	193,305	86	216,480	- 10.7	102	220,083	- 12.2	885	2,775,521	760	2,275,396	+ 22.0
Besumont.....	159	174,081	181	313,800	- 44.5	167	186,140	- 6.5	1,739	2,390,487	1,712	3,228,739	- 26.0
Corpus Christi.....	129	82,701	71	121,650	- 32.0	78	282,245	- 70.7	733	1,920,659	812	4,945,803	- 61.2
Dallas.....	368	1,655,474	226	552,651	+199.6	303	768,367	+115.5	2,996	8,712,857	3,199	7,027,344	+ 24.0
El Paso.....	133	245,780	98	160,502	+ 53.1	111	264,977	- 7.2	1,142	2,961,253	812	1,435,448	+106.3
Fort Worth.....	258	1,132,641	345	851,001	+ 33.1	231	1,411,397	- 19.8	3,001	10,460,555	3,824	11,854,481	- 11.8
Galveston.....	169	98,854	205	105,286	- 6.1	161	99,363	- .5	1,829	3,530,854	1,987	2,350,750	+ 50.2
Houston.....	470	3,267,646	445	3,225,073	+ 1.3	530	1,622,669	+101.4	4,665	27,196,595	5,111	28,317,266	- 4.0
Port Arthur.....	135	229,841	105	51,189	+349.0	165	213,665	+ 7.6	1,327	2,563,662	1,182	1,768,341	+ 45.0
San Antonio.....	423	596,080	320	822,885	- 27.6	376	806,040	- 26.0	3,663	14,398,450	3,420	13,057,339	+ 10.3
Shreveport.....	308	190,039	304	433,304	- 56.1	232	313,909	- 39.5	2,643	3,197,439	2,628	3,738,136	- 14.6
Waco.....	33	321,526	33	104,980	+206.3	40	119,110	+169.9	434	2,369,622	328	1,890,327	+ 25.4
Wichita Falls.....	71	20,312	56	106,160	- 80.9	27	88,548	- 77.1	380	955,539	521	1,449,681	- 34.1
Total.....	2,815	\$ 8,389,467	2,523	\$ 7,161,407	+ 17.1	2,576	\$ 6,465,678	+ 29.8	25,948	\$85,026,068	27,111	\$86,087,265	- 1.2

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of November 25, 1929)

Industrial production declined further in October, and there was also a decrease in factory employment. As compared with a year ago industrial activity continued to be at a higher level, and distribution of commodities to the consumer was sustained. Bank credit outstanding increased rapidly in the latter part of October when security prices declined abruptly and there was a large liquidation of brokers' loans by non-banking lenders. In the first three weeks of November further liquidation of brokers' loans was reflected in a reduction of security loans of member banks. Money rates declined throughout the period.

PRODUCTION

Production in basic industries, which had declined for several months from the high level reached in midsummer, showed a further reduction in October. The Board's index of industrial production decreased from 121 in September to 117 in October, a level to be compared with 114 in October of last year. The decline in production reflected chiefly further decreases in output of steel and automobiles. Daily average output of shoes, leather, and flour also declined, while production of cotton and wool textiles increased. Preliminary reports for the first half of November indicate further reduction in output of steel and automobiles and a decrease in cotton textiles. Total output of minerals showed little change. Production of coal increased and copper output was somewhat larger, while daily output of crude petroleum declined slightly for the month of October and was further curtailed in November. The volume of construction, as measured by building contracts awarded, changed little between September and October and declined in the early part of November.

DISTRIBUTION

Shipments of freight by rail decreased slightly in October and the first two weeks in November, on an average daily basis. Department store sales continued as in other recent months to be approximately 3 per cent larger than a year ago.

WHOLESALE PRICES

The general level of wholesale prices showed little change during the first three weeks of October, but in the last week of the month declined considerably. The decline reflected chiefly price reductions of commodities with organized exchanges, which were influenced by the course of security prices. During the first three weeks of November prices for most of these commodities recovered from their lowest levels. Certain prices, particularly those of petroleum, iron and steel, and coal, showed little change during the period.

BANK CREDIT

Following the growth of \$1,200,000,000 in security loans by New York City banks during the week ending October 30, when loans to brokers by out of town banks and non-banking lenders were withdrawn in even larger volume, there was a liquidation of these loans, accompanying the decline in brokers' loans during the first three weeks of November. All other loans increased and there was also growth in the banks' investments. Reserve bank credit, after increasing by \$310,000,000 in the last week of October, declined by about \$120,000,000 in the following three weeks. On November 20 discounts for member banks were about \$100,000,000 larger than four weeks earlier, and holdings of United States securities \$190,000,000 larger, while the banks' portfolio of acceptances declined by \$100,000,000. Money rates in New York declined rapidly during October and the first three weeks in November. Open market rates on prime commercial paper declined from 6½ per cent on October 22 to 5½—5¾ per cent on November 20; during the same period rates on 90 day bankers' acceptances declined from 5¾ per cent to 3¾ per cent; rates on call loans were 6 per cent during most of this period, but declined to 5 per cent in the third week of November; and rates on time loans also declined. The discount rate of the Federal Reserve Bank of New York was lowered from 6 to 5 per cent, effective November 1 and to 4½ per cent, effective November 15, and the discount rates of the Federal Reserve Banks of Boston and Chicago were lowered from 5 to 4½ per cent, effective November 21 and November 23, respectively.