

# MONTHLY BUSINESS REVIEW

## OF THE FEDERAL RESERVE BANK OF DALLAS

C. C. WALSH,  
Chairman and Federal Reserve Agent

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

(Compiled December 15, 1929)

Volume 14, No. 11

Dallas, Texas, January 1, 1930

This copy is released for publication in afternoon papers—

December 31

### DISTRICT SUMMARY

#### THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	November	October	Increase or Decrease	
Bank debits to individual accounts (at 17 cities).....	\$1,011,487,000	\$1,162,702,000	Dec.	13.0%
Department store sales.....			Inc.	8%
Reserve bank loans to member banks at end of month.....	\$ 30,876,816	\$ 32,278,278	Dec.	4.3%
Reserve bank ratio at end of month.....	57.4%	55.2%	Inc.	2.2 points
Building permit valuation at larger centers.....	\$ 5,308,963	\$ 8,389,467	Dec.	36.7%
Commercial failures (number).....	37	47	Dec.	21.3%
Commercial failures (liabilities).....	\$ 437,635	\$ 579,600	Dec.	24.5%
Oil production (barrels).....	26,665,050	27,784,550	Dec.	4.4%
Lumber orders at pine mills (per cent of normal production).....	65%	84%	Dec.	19 points

A slight slowing down in business and industry during November was reflected in reports from correspondents in the Eleventh Federal Reserve District. Offsetting to some extent the decreased activity in other fields was the heavy buying at department stores in larger centers in preparation for the Christmas holidays. The November sales of these firms showed a gain of one per cent over both the previous month and the corresponding month last year. Distribution of merchandise at wholesale reflected a substantial decline from the previous month, due in part to the seasonal falling off in the closing month of the fall season, and was considerably less than in November, 1928. The valuation of building permits issued at principal cities reflected a substantial decline, being 37 per cent less than in the previous month and 39 per cent below that a year ago. The production, shipments, and new orders for lumber, likewise, showed a large decline. While the production and shipments of cement were smaller than the heavy volume in October, they were larger than a year ago.

The business mortality rate in this district reflected an improvement during November even though the trend of failures is usually upward at this season. Both the number of insolvencies and the aggregate indebtedness were smaller than in the previous month and the indebtedness of defaulting firms was less than in the same month last year. While the number of failures was slightly larger than in November, 1928, there has been only one month since that date when failures were fewer than in the past month.

Debits to individual accounts at banks at larger centers were 13 per cent less than the record volume in October,

but exceeded those in the corresponding month last year by 5 per cent. The daily average of combined net demand and time deposits of member banks in the Eleventh District, after showing a seasonal increase in September and October, reflected a slight decline in November. The total of these deposits for the month was \$891,591,000 as compared to \$900,260,000 in October and was considerably smaller than actual deposits on December 12, 1928. The loans and investments of member banks in selected cities showed a considerable decline during November but were slightly larger than a year ago. Federal Reserve Bank loans to member banks on November 30 were only slightly lower than a month earlier but they had declined to \$19,601,350 on December 14, which was \$12,676,928 less than on October 31. On that date, however, they were \$2,536,195 greater than on the corresponding date in 1928. There is still a heavy demand for short term investments as is evidenced by the fact that subscriptions to the United States Treasury Certificates of Indebtedness dated December 16 and bearing  $3\frac{1}{8}$  per cent interest were \$28,452,000 against which allotments of \$14,900,500 were made.

Agricultural operations during the month were retarded as a result of unfavorable weather conditions. Nevertheless, farmers are proceeding as rapidly as possible with the harvesting of remaining crops and the preparation of the soil for next year's crops. The rains have left a good subsoil season in the ground and have been beneficial to small grains. These crops are now mostly up to a good stand and making rapid growth. While livestock are going into the winter in fair to good condition, their condition is not so good as a month earlier or a year ago.

#### CROP CONDITIONS

The progress of farm work throughout the Eleventh District was retarded during the past month as a result of gen-

eral and persistent showers and the low temperatures which kept farmers out of the fields. Nevertheless, farmers have

used available opportunities to complete harvesting operations and to prepare the soil for next year's crops. While the rains have damaged to some extent that portion of the crops unharvested, they have been valuable in placing a deep subsoil season in the ground. Furthermore, they have been very beneficial to small grains. The seeding of these crops is nearing completion and the crops on a large percentage of the area sown are up to a good stand and growing well. In many portions of the district, wheat and oat fields are furnishing excellent pasturage for livestock and in some instances the farmers are deriving a cash income from them.

The Department of Agriculture in its December 1 estimate of cotton production made only slight changes in the states attached to the Eleventh District. The estimate for Texas remained the same, and that for other states was slightly lower so that the estimate for the Eleventh District on December 1 was 4,878,000 bales as compared to 4,899,000 bales a month earlier. The Department estimated that acreage abandonment in Texas since July 1 was 5.5 per cent, which was the largest for any year since 1925. The abandonment in Oklahoma was 3.5 per cent, but it was light in other states attached to this district. The per acre yield in Texas was placed at only 106 pounds, which is the lowest of any cotton growing state, and compared with 138 pounds per acre in 1928. Weather conditions during November were generally unfavorable for the picking of the remaining cotton. The rain, snow, and low temperatures not only retarded picking but wasted the equivalent of many bales and lowered the grade of unpicked cotton. In some areas many late bolls rotted as a result of the rains. While a large percentage of the unpicked cotton is in West and Northwest Texas, Arizona, and New Mexico, there is considerable scrapping to be done in other areas.

The production of citrus fruits and vegetables in South Texas has been in large volume this year and shipments have been exceedingly heavy. The shipments of grapefruit from this section during the current season have been more than three times as large as during the same period last season and have already exceeded shipments during the whole of last season. Shipments of practically all types of vegetables are likewise running considerably ahead of a year ago. According to the report of the Federal and State Departments of Agriculture, total shipments of citrus fruits and vegetables from Texas during the current season to December 14 totaled 3,772 cars as compared to 1,512 cars during the same period of the previous season.

### LIVESTOCK

Weather conditions during the past month were unfavorable to livestock in some parts of the Eleventh Federal Reserve District as the rains and low temperatures caused livestock to lose flesh. Nevertheless, the Department of Agriculture reports that cattle are going into the winter in fair to good shape. While the rains were very beneficial to wheat and oats, which are providing excellent grazing in many portions of the district, there was too much in some portions of New Mexico to permit range grass to mature properly. Range feed is reported to be short in some parts of the district, but is generally sufficient in all sections except in portions of Texas and a few localities in New Mexico. The Department of Agriculture reported that the condition of ranges in Texas was 80 per cent of normal, which is the same as a month earlier and compares with 84 per cent a

year ago. Ranges in New Mexico on December 1 were 92 per cent of normal as compared to 96 per cent on November 1 and 82 per cent on December 1, 1928. The December 1 condition of cattle in Texas was reported as 81 per cent of normal as compared to 83 per cent a month ago and 86 per cent a year ago. The condition of sheep declined 1 point during the month and was 8 points below the condition a year ago. The condition of cattle and sheep in New Mexico declined somewhat during November, but is better than a year ago. While the condition of cattle and sheep and their ranges in Arizona declined during the month, they were considerably higher than on December 1, 1928, when conditions were very unsatisfactory. Trading on the ranges has been slow in practically all sections of the district.

### Movements and Prices

Receipts of all classes of livestock at the Fort Worth market during November reflected a decline from those of the previous month. As compared to a year ago, receipts of sheep showed a large increase, while the arrivals of calves were only slightly larger. The supply of cattle and hogs was considerably smaller.

Prices on all classes of cattle worked to a lower level during the month. The market, however, showed a steadier tone toward the latter part of the month, and quotations on some classes were higher during the first week in December. Hog prices, after showing some strength toward the middle of November, reflected a steady decline throughout the remainder of the period. Sheep and lamb prices also worked lower.

FORT WORTH LIVESTOCK RECEIPTS

	November 1929	November 1928	Loss or Gain	October 1929	Loss or Gain
Cattle.....	73,204	79,507	L 6,303	87,784	L 14,580
Calves.....	48,805	48,344	G 461	53,066	L 4,261
Hogs.....	21,073	29,424	L 8,351	22,928	L 1,855
Sheep.....	31,455	17,978	G 13,477	42,278	L 10,823

COMPARATIVE TOP LIVESTOCK PRICES

	November 1929	November 1928	October 1929
Beef steers.....	\$13.00	\$13.35	\$12.75
Stocker steers.....	11.00	12.25	11.35
Butcher cows.....	8.00	10.00	8.50
Stocker cows.....	7.50	7.85	6.50
Calves.....	10.75	12.25	11.00
Hogs.....	9.75	9.50	10.15
Sheep.....	7.75	8.00	8.25
Lambs.....	12.75	13.50	12.50

### Cotton Movements

Receipts of cotton during November at the ports of Houston and Galveston were smaller than in the previous month and those at Galveston were less than a year ago. Exports from Galveston were larger than in October but smaller than a year ago, while those from Houston were smaller than in either month. Total foreign exports during November amounted to 1,048,760 bales, which were 16.2 per cent less than in October and 26.5 per cent below those for the corresponding month last year. The domestic consumption of

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	November 1929	November 1928	August 1 to This Season	November 30 Last Season
Receipts.....	365,261	519,447	1,295,077	1,853,933
Exports.....	341,310	507,865	823,144	1,257,494
Stocks November 30.....			547,528	680,025

cotton during November totaled 544,150 bales as compared to 640,798 bales in October and 611,173 bales in November, 1928.

**GALVESTON STOCK STATEMENT**

	Nov. 30, 1929	Nov. 30, 1928
For Great Britain.....	12,800	26,500
For France.....	10,200	21,800
For other foreign ports.....	57,200	81,100
For coastwise ports.....	4,500	6,500
In compresses and depots.....	462,828	544,125
<b>Total.....</b>	<b>547,528</b>	<b>680,025</b>

**COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON**

	November 1929	November 1928	August 1 to This Season	November 30 Last Season
Receipts.....	493,184	479,532	1,906,923	1,976,098
Exports.....	305,855	415,332	889,046	1,119,490
Stocks, November 30.....			1,084,899	906,719

**COTTON CONSUMED AND ON HAND**

	COTTON GROWING STATES				UNITED STATES			
	Nov., 1929		Nov., 1928		Nov., 1929		Nov., 1928	
	This Season	Last Season	This Season	Last Season	This Season	Last Season	This Season	Last Season
Cotton consumed.....	427,264	469,503	1,768,601	1,725,303	544,150	611,173	2,288,710	2,246,058
Cotton on hand November 30:								
(a) In consuming establishments.....			1,314,378	1,224,405			1,671,829	1,566,542
(b) In public storage and compresses.....			5,656,205	5,120,173			5,841,950	5,224,418

**COTTONSEED PRODUCTS**

The operations of cottonseed oil mills reflected a noticeable slowing down during November, the output of products being considerably smaller than in either the previous month or the corresponding month last year. Despite the larger ginnings of cotton prior to December 1, the mill receipts of cottonseed this season have been smaller than in the previous season and stocks of cottonseed on hand at mills on November 30 were considerably smaller than a year ago. The stocks of cottonseed oil on hand at both Texas and all United States mills on November 30 were smaller than a month earlier or a year ago. On the other hand, stocks of all other products were considerably larger.

**STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS**

	Texas		United States	
	August 1 to November 30		August 1 to November 30	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	979,563	1,289,908	3,410,479	3,589,073
Cottonseed crushed (tons).....	713,247	820,730	2,292,890	2,270,507
Cottonseed on hand (tons).....	286,431	481,972	1,159,195	1,340,138
Crude oil produced (pounds).....	206,369,473	240,295,846	706,517,179	702,122,644
Cake and meal produced (tons).....	334,867	383,476	1,020,296	1,014,626
Hulls produced (tons).....	191,013	223,943	627,660	616,640
Linters produced (running bales).....	151,099	166,931	474,467	464,117
Stocks on hand November 30:				
Crude oil (pounds).....	29,818,273	30,402,693	73,447,656	82,779,633
Cake and meal (tons).....	64,115	86,363	199,181	161,330
Hulls (tons).....	80,470	70,548	168,455	149,014
Linters (running bales).....	65,019	53,585	208,891	185,557

**TEXTILE MILLING**

As indicated by decreases shown in the consumption of cotton and production of cloth, activities at textile mills in the Eleventh District were on a lower scale than in either the previous month or the same month last year. There were 2,711 bales of raw cotton consumed by reporting mills in November as compared to 3,399 bales in October and 2,951

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

	August 1 to This Season	November 30 Last Season
Receipts.....	5,752,503	5,838,134
Exports:		
United Kingdom.....	638,074	785,971
France.....	417,192	378,477
Italy.....	301,142	269,782
Germany.....	870,743	1,042,183
Other Europe.....	405,556	434,215
Japan.....	459,235	656,287
All other countries.....	160,012	164,086
Total foreign ports.....	3,251,954	3,730,981
Stocks at all United States ports November 30.....	2,656,775	2,355,917

**SPOT COTTON PRICES—(Middling Basls)**

	November, 1929		Dec. 14, 1929
	High	Low	
New York.....	18.10	17.00	17.20
New Orleans.....	17.67	16.57	16.98
Dallas.....	17.00	15.90	16.20
Houston.....	17.99	16.80	17.05
Galveston.....	18.05	16.90	17.15

bales in November, 1928. Production of cloth was 15.8 per cent less than in October and 5.3 per cent below the output during the same period of the previous year. Orders on hand on November 30 were slightly greater than a month earlier but less than a year ago and stocks, while showing an increase over the previous month, were smaller than they were on the same date last year.

**TEXTILE MILLING STATISTICS**

	November 1929	November 1928	October 1929
Number bales consumed.....	2,711	2,951	3,399
Number spindles active.....	96,932	96,516	96,516
Number pounds cloth produced.....	1,237,511	1,306,082	1,469,125

**WHOLESALE TRADE**

The distribution of merchandise in wholesale channels reflected a substantial decline in November which was more than seasonal in character. Sales in every reporting line showed a decline as compared to both the previous month and the same month last year. The falling off appeared to be general over the district except in a few portions where buying continues brisk. Some late reports, however, indicate that business is showing some improvement in December. Collections showed a seasonal decline as compared to the previous month but in some lines they compare favorably with those of a year ago.

The demand for dry goods at wholesale reflected a further sharp decline during November. Sales were 33.5 per cent less than in October and 23.5 per cent below those in November, 1928. Reports indicate that considerable hesitation in buying was in evidence during November but that demand has been improving recently.

Following the strong demand for farm implements during the fall months, November business reflected a slowing

down. Sales of reporting firms were not only 43.6 per cent less than in the previous month but were 3.5 per cent less than in the corresponding month last year. Some let up in business at this season, however, is not unusual. Weather conditions during November which were unfavorable for farm work had a tendency to restrict buying. Sales during the past five months have averaged 25.4 per cent greater than during the same period of 1928. Prices remained generally firm.

The sales of reporting wholesale drug firms reflected a decline of 9.1 per cent as compared to the previous month and were 8.9 per cent less than in November a year ago. While sales normally decline at this season, the falling off this year was greater than usual. Reports indicate that business is slack in practically all sections of the district except Northwest Texas, where the demand is brisk.

The sales of groceries at wholesale reflected a seasonal decline of 10.8 per cent as compared to the previous month and were 5.0 per cent less than in November, 1928. It should be remembered, however, that the demand for groceries was brisk a year ago. Reports indicate that buying continues somewhat spotty. Prices showed no material changes.

The distribution of hardware at wholesale reflected a considerable falling off during November. Sales of reporting firms were 11.6 per cent less than in the previous month and were 8.0 per cent below those in the corresponding month in 1928. Sales during the period July 1 to November

30 this year, however, have averaged 5.1 per cent greater than those in the same period last year.

#### CONDITION OF WHOLESALE TRADE DURING NOVEMBER, 1929

Percentage of increase or decrease in:

	Net Sales November, 1929 compared with		Net Sales July 1 to date compared with same period last year	Stocks Nov., 1929 compared with		Ratio of collec- tions during Nov. to accounts and notes outstanding on October 31.
	Nov. 1928	Oct. 1929		Nov. 1928	Oct. 1929	
Groceries.....	- 5.0	-10.8	- 1.4	- 1.5	- 1	83.5
Dry Goods.....	-23.5	-33.5	- 4.9	-18.2	-13.6	33.8
Farm Implements	- 3.5	-43.6	+25.4	+40.6	+ 2.4	14.6
Hardware.....	- 8.0	-11.6	+ 5.1	+ 2.0	+ 4.5	44.0
Drugs.....	- 8.9	- 9.1	+ .6	+12.5	- .9	44.4

#### RETAIL TRADE

Retail distribution as evidenced by sales of department stores in larger centers reflected a further improvement during November. Despite the fewer number of business days, November sales were 0.8 per cent larger than in the previous month and exceeded those of the corresponding month last year by 0.9 per cent. Reports indicate that recently Christmas buying has been gaining momentum and that the volume will be large in the aggregate.

Stocks on hand at the end of November were slightly greater than in either the previous month or the same month last year. The rate of stock turnover during the first eleven months of the current year was 2.73 as compared to 2.63 during the corresponding period of 1928.

Collections showed some improvement during the month. The ratio of November collections to accounts outstanding on November 1 was 33.8 per cent as compared to 37.8 per cent in October and 39.4 per cent in November last year.

#### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
<b>Total Sales (Percentage):</b>						
November, 1929, compared with November, 1928.....	+ 5.0	+ 3.6	- 1.3	+ 4.2	- 1.5	+ .9
November, 1929, compared with October, 1929.....	- 7.3	+ 1.5	+15.1	+ 7.7	- 3.5	+ .8
January 1 to date compared with same period last year.....	+ 5.1	- 2.1	- 1.4	- 3.4	- .1	+ .4
<b>Credit Sales (Percentage):</b>						
November, 1929, compared with November, 1928.....	+ 3.9	+ 5.9	+11.5	+10.8	- 1.7	+ 5.5
November, 1929, compared with October, 1929.....	-12.9	+ 4.1	+14.4	+18.8	-10.7	- 1.2
January 1 to date compared with same period last year.....	+ 8.3	+ 4.1	+ 1.8	+ .9	+ 2.7	+ 4.2
<b>Stocks (Percentage):</b>						
November, 1929, compared with November, 1928.....	+ 4.7	+ .7	+ 1.2	- 4.3	- 3.1	+ .5
November, 1929, compared with October, 1929.....	+ 1.4	+ 1.3	- .4	+ .8	- 1.4	+ .4
<b>Stock Turnover (Rate):</b>						
Rate of stock turnover in November, 1928.....	.29	.23	.29	.30	.23	.27
Rate of stock turnover in November, 1929.....	.30	.22	.28	.32	.24	.27
Rate of stock turnover January 1 to November 30, 1928.....	2.71	2.24	2.78	3.06	2.48	2.63
Rate of stock turnover January 1 to November 30, 1929.....	2.92	2.24	2.89	3.18	2.50	2.73
Ratio of November collections to accounts receivable and outstanding November 1, 1929..	36.8	39.0	40.1	42.1	38.6	38.8

#### FINANCIAL

Debits to individual accounts at banks located in principal cities of the Eleventh District declined 13.0 per cent in November from the record level reached in the previous month, but they exceeded those in November last year by 5.3 per cent. The total for the month amounted to \$1,011,487,000 as compared to \$1,162,702,000 in October and \$960,128,000 in November, 1928.

**Acceptance Market** The volume of acceptances executed by accepting banks in the Eleventh District and outstanding at the close of the month rose to \$13,113,140 on November 30, exceeding the previous high level of October 31 this year by \$1,658,829 and showing a gain of \$4,972,812 over that of a year ago. Acceptances of these banks executed against import and export transactions increased from \$3,226,097 on October 31 to \$3,510,544 on November 30 and those based on the domes-

#### DEBITS TO INDIVIDUAL ACCOUNTS

(In thousands of dollars)

	Nov. 1929	Nov. 1928	Increase or Decrease	October 1929	Increase or Decrease
Abilene.....	\$ 10,342	\$ 13,827	-25.2	\$ 11,150	- 7.2
Austin.....	24,343	21,469	+13.4	24,251	+ .4
Beaumont.....	28,632	24,620	+16.3	33,409	-14.3
Corsicana.....	6,711	6,665	+ .7	8,351	-19.6
Dallas.....	283,386	273,024	+ 3.8	334,837	-15.4
El Paso.....	44,008	40,587	+ 8.4	44,659	- 1.5
Fort Worth.....	120,625	109,543	+10.1	131,232	- 8.1
Galveston.....	41,896	49,150	-14.8	59,559	-21.9
Houston.....	223,139	203,025	+ 9.9	259,559	-14.0
Port Arthur.....	12,749	10,070	+26.6	15,392	-17.2
Roswell.....	6,314	5,375	+17.4	4,769	+32.4
San Antonio.....	87,055	83,222	+ 4.6	96,356	- 9.7
Shreveport.....	45,158	41,942	+ 7.7	53,805	-16.1
Texarkana*.....	16,115	15,961	+ 1.0	19,918	-19.1
Tucson.....	12,560	11,453	+ 9.7	11,869	+ 5.8
Waco.....	20,584	22,417	- 8.2	28,505	-27.8
Wichita Falls.....	27,840	27,778	+ .2	31,010	-10.2
<b>Total.....</b>	<b>\$1,011,487</b>	<b>\$960,128</b>	<b>+ 5.3</b>	<b>\$1,162,702</b>	<b>-13.0</b>

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

tic shipment and storage of goods rose from \$8,228,214 on the former date to \$9,602,596 on the latter date.

**Condition of Member Banks in Selected Cities** A sharp decline in deposits and in total loans and investments during November was reflected by reports from member banks in selected cities. Investments in United States securities declined \$6,046,000 between November 6 and December 4 and investments in other stocks and bonds declined \$1,235,000 during the same period. Loans on securities which showed a substantial decline during October and the early days of November, rose \$2,941,000 during the four-week period ending Decem-

ber 4, due both to the local demand for funds and the shifting of surplus funds to the New York market. All other loans (largely commercial), which reflected an almost steady increase from mid-summer until the end of October, declined from \$283,327,000 on November 6 to \$269,183,000 on December 4. This reduction was due largely to the gradual liquidation of commodity loans and the seasonal slack in the demand for funds from trade and industry. Coincident with the decline in loans, there was a recession of \$12,092,000 in net demand deposits. Time deposits showed a falling off of \$956,000. The bills payable and rediscounts of these banks with the Federal Reserve Bank were reduced \$5,509,000 during the same period.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	December 4, 1929	November 6, 1929	December 5, 1928
1. Number of reporting banks	40	40	44
2. United States Securities owned	\$ 67,582,000	\$ 73,628,000	\$ 81,626,000
3. All other stocks, bonds and securities owned	41,756,000	42,991,000	38,256,000
4. Loans on securities	104,177,000	101,238,000	107,546,000
5. All other loans	269,183,000	283,327,000	251,924,000
6. Total loans	373,360,000	384,565,000	359,470,000
7. Net demand deposits	286,481,000	298,573,000	318,652,000
8. Time deposits	137,611,000	138,507,000	132,435,000
9. Reserve with Federal Reserve Bank	32,427,000	34,165,000	35,005,000
10. Bills payable and rediscounts with Federal Reserve Bank	24,286,000	29,795,000	16,532,000

**Savings Deposits** Reports from 83 banks in the Eleventh District that operate a savings department show that savings deposits of these banks, amounting to \$145,734,501 on November 30, were 0.4 per cent larger than on October 31 and 2.9 per cent above those

on November 30, 1928. There were 289,573 savings accounts carried at 75 of the reporting banks at the close of the month as compared to 289,714 a month previous and 271,196 a year ago.

SAVINGS DEPOSITS

	Number or Reporting Banks	November 30, 1929		November 30, 1928		Increase or Decrease	October 31, 1929		Increase or Decrease
		Number of Depositors	Amount of Deposits	Number of Depositors	Amount of Deposits		Number of Depositors	Amount of Deposits	
Beaumont	4*	5,688	\$ 2,493,794	5,429	\$ 2,611,440	- 4.5	5,678	\$ 2,503,579	- .4
Dallas	5	61,965	25,304,256	59,332	24,629,095	+ 2.7	61,934	25,429,526	- .5
El Paso	2	15,823	6,225,166	14,709	6,190,790	+ .6	15,668	5,867,048	+ 6.1
Fort Worth	3	22,996	8,886,983	21,439	8,468,645	+ 4.9	24,088	8,884,818	0.0
Galveston	3	13,656	8,223,176	13,858	9,439,437	-12.9	13,699	8,526,264	- 3.6
Houston	12*	72,793	33,993,440	71,924	33,595,867	+ 1.2	72,442	34,290,409	- .9
San Antonio	7*	26,665	22,291,776	19,437	20,300,258	+ 9.8	26,749	22,525,531	- 1.0
Shreveport	4*	21,502	11,306,389	21,149	12,504,038	- 9.6	21,493	11,311,037	0.0
Waco	4	9,996	6,966,816	9,439	6,792,499	+ 2.6	9,984	6,663,281	+ 4.6
Wichita Falls	2	3,692	1,550,603	4,250	1,607,094	- 3.5	3,666	1,569,924	- 1.2
All Others	37*	34,797	18,492,102	30,230	15,528,472	+19.1	34,313	17,638,976	+ 4.8
Total	83	289,573	\$145,734,501	271,196	\$141,667,635	+ 2.9	289,714	\$145,210,393	+ .4

\*Only 3 banks in Beaumont 11 banks in Houston, 5 banks in San Antonio, 3 banks in Shreveport, and 34 banks in "All others" reported the number of savings depositors.

DECEMBER 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	5½-6	6-8	6-8	6	6	6-8
Rates charged on loans to other banks secured by bills receivable	6	5-6	5-6	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	6-8
(b) Time	6-8	6-8	6-8	6-7	6-8	6-8
Rates charged on commodity paper secured by warehouse receipts, etc.	6-6½	8	6-8	6	6-8	6-7
Rates on cattle loans	6-7	6-8	6-8	7-8	7-8	7-8

**Deposits of Member Banks** The combined daily average of net demand and time deposits of member banks in the Eleventh District amounted to \$891,591,000 in November and reflected a decline of \$8,669,000 as compared to October. The daily average of net

demand deposits totaled \$668,818,000 which was \$5,769,000 less than in the previous month and daily average of time deposits which totaled \$222,773,000, was \$2,900,000 smaller than in October. Actual deposits of member banks on December 12 last year amounted to \$974,968,000.

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

	Combined		Reserve City Banks		Country Banks	
	Net demand deposits	Total Time deposits	Net demand deposits	Time deposits	Net demand deposits	Time deposits
Jan., 1929.....	\$745,109	\$225,788	\$299,004	\$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
Nov., 1929.....	668,818	222,773	281,609	132,235	387,209	90,538

*Operations of the Federal Reserve Bank*

Reflecting a decline of only \$1,401,463 during the month but a gain of \$9,375,664 over those a year ago, total loans to member banks in the Eleventh Federal Reserve

District aggregated \$30,876,816 on November 30. A further steady decline occurred in loans to rural banks, and borrowings of reserve city banks although following an irregular course throughout the month were likewise lower on November 30 than a month earlier. The trend in loans to both reserve city and county banks was the same in November this year as last, but the ratio of decline in accommodations to reserve city banks during the current period was larger than a year ago while that of country banks was considerably smaller. On December 14, total loans to member banks had declined to \$19,601,350, due entirely to a sharp reduction in loans to reserve city banks which more than offset a slight increase shown in accommodations to banks in rural sections. Total loans to member banks on December 14 last year amounted to \$17,065,155. There were

96 borrowing banks at the close of November as compared to 121 on October 31 and 60 on the corresponding date of 1928.

Due to a reduction in both loans to member banks and open market purchases, total bills held were reduced from \$46,795,927.11 on October 31 to \$41,466,334.96 on November 30, distributed as follows:

Member banks' collateral notes secured by United States Government obligations.....	\$ 6,587,100.00
Rediscounts and other loans to member bank.....	24,289,716.35
Open market purchases (Bankers' acceptances).....	10,589,518.61
<b>Total bills held.....</b>	<b>\$41,466,334.96</b>

Federal reserve notes in actual circulation amounted to \$50,129,320 on November 30, representing a further decline of \$1,155,225 during the month but an expansion of \$1,945,030 during the year. The daily average reserve deposits of member banks aggregated \$65,166,040 in November as compared to \$65,750,579 in October and \$71,425,894 in the corresponding period of 1928.

### FAILURES

The past month witnessed a decline in both the number of commercial failures and the amount of liabilities involved. The number of failures was fewer than in any month of the current year except June, and September was the only month in which the volume of indebtedness was smaller. There were 37 defaults during the month with liabilities of \$437,535 as compared to 47 insolvencies in October with an indebtedness of \$579,600 and 33 failures in November, 1928, which owed \$756,043.

### PETROLEUM

Reflecting a reduction in all fields except one, total production of crude oil in the Eleventh Federal Reserve District declined from 27,784,550 barrels in October to 26,565,050 barrels in November. Field activity, as shown by the number of completed wells, likewise, reflected a decline but initial output of oil was materially higher. Of 639 completions during the month, 315 were producers of oil yielding 222,674 barrels of new production as compared to 919 completions in October of which 482 were oil producers with an initial flow of 142,344 barrels.

The daily average output of all fields in Texas showed a total decline of 8,131 barrels of oil although gains were reported in the Texas Coastal and Southwest Texas regions. Activity in North Texas subsided materially as only 166

wells were completed as against a total of 295 in October. Operations in Central West Texas, particularly in Pecos county of that area, were decidedly productive as evidenced by new production which amounted to 145,248 barrels from only 112 oil producers in November as against 39,715 barrels from 161 producers completed in October. Barbers Hill, for the first time since the discovery of the deep flank sands, increased its daily average output to first place among producing fields in the Gulf Coastal region. While the Salt Flat field of Southwest Texas continued as the largest producing unit of that area, its total output in November was considerably lower than in the previous month. Total production of oil in North Louisiana amounted to 1,112,100 barrels as compared to 1,231,100 barrels in October.

### OIL PRODUCTION

	November		October		Increase or Decrease	
	Total	Daily Average	Total	Daily Average	Total	Daily Average
North Texas.....	5,763,400	192,113	6,248,750	201,572	Dec. 485,350	Dec. 9,459
Central West Texas.....	12,559,650	418,655	13,105,250	422,750	Dec. 545,600	Dec. 4,095
East Central Texas.....	497,650	16,588	550,100	17,745	Dec. 52,450	Dec. 1,157
Texas Coastal.....	4,418,950	147,298	4,417,150	142,489	Inc. 1,800	Inc. 4,809
Southwest Texas.....	2,213,300	73,777	2,232,200	72,006	Dec. 18,900	Inc. 1,771
<b>Total Texas.....</b>	<b>25,452,950</b>	<b>848,431</b>	<b>26,553,450</b>	<b>856,562</b>	<b>Dec. 1,100,500</b>	<b>Dec. 8,131</b>
North Louisiana.....	1,112,100	37,070	1,231,100	39,713	Dec. 119,000	Dec. 2,643
<b>Total District.....</b>	<b>26,565,050</b>	<b>885,501</b>	<b>27,784,550</b>	<b>896,275</b>	<b>Dec. 1,219,500</b>	<b>Dec. 10,774</b>

NOVEMBER DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Failures	Initial Production
North Texas.....	166	94	11	61	21,660
Central West Texas.....	219	112	13	94	145,248
East Texas.....	6	.....	5	1	.....
Southwest Texas.....	81	34	18	29	7,328
Texas Coastal.....	81	58	1	22	46,970
Texas wild-Cats.....	31	1	.....	30	30
<b>Total Texas.....</b>	<b>584</b>	<b>299</b>	<b>48</b>	<b>237</b>	<b>221,236</b>
North Louisiana.....	55	16	22	17	1,438
November totals, district....	639	315	70	254	222,674
October totals, district.....	919	482	76	361	142,344

CRUDE OIL PRICES

	Dec. 10, 1929	Dec. 11, 1928
Texas Coastal grade "A".....	\$1.30	\$1.20
North and Central Texas and North Louisiana (52 gr. and above).....	1.85	1.76

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

LUMBER

A sharp decline, partly seasonal in character, was shown in production, shipments, and new orders for lumber at pine mills in the Eleventh Federal Reserve District in November. The output of lumber declined from 89 per cent

of normal in October to 75 per cent in November and in the latter month was 15 points below that in November last year. Shipments amounted to only 70 per cent of normal production which was 16 points less than in October and 29 points under the corresponding month of 1928. Reflecting the efforts of retail establishments to reduce year-end stocks, new orders for lumber declined to 65 per cent of normal production in November from 84 per cent in the previous month and showed a reduction of 34 points as compared to November last year. Stocks on hand on November 30 amounted to 130 per cent of normal as against 104 per cent on October 31 and 94 per cent a year ago. Unfilled orders for lumber totaled 46,180,296 feet at 52 mills at the close of the month as compared to 45,147,814 feet on record at 44 mills a month earlier.

NOVEMBER PINE MILL STATISTICS

Number of reporting mills.....	52
Production.....	78,686,912 feet
Shipments.....	73,382,466 feet
Orders.....	67,875,333 feet
Unfilled orders November 30.....	46,180,296 feet
Normal production.....	105,021,489 feet
Stocks November 30.....	300,116,857 feet
Normal stocks.....	268,918,025 feet
Shipments below normal.....	31,639,023 feet—30%
Actual production below normal.....	26,334,577 feet—25%
Orders below normal production.....	37,146,156 feet—35%
Stocks above normal.....	31,198,832 feet—30%

(Lumber statistics compiled by the Southern Pine Association.)

BUILDING

As reflected in the valuation of permits issued at principal cities, construction activity in the Eleventh Federal Reserve District was decidedly less in November than in October or the corresponding month last year. The valuation of permits issued at these centers, amounting to \$5,308,963 as against \$8,389,467 in the previous month and \$8,692,371 in November, 1928, was smaller than in any previous month of the

current year. Of the fourteen reporting centers, it will be observed that only four cities reported increases over October while only three showed gains over November, 1928. The valuation of permits issued during the eleven months of the current year was 4.7 per cent below that during the same period of the previous year.

BUILDING PERMITS

	November, 1929		November, 1928		Increase or Decrease	October, 1929		Increase or Decrease	Eleven Months				Increase or Decrease
	No.	Valuation	No.	Valuation		No.	Valuation		1929		1928		
									No.	Valuation	No.	Valuation	
Amarillo.....	32	\$ 90,035	42	\$ 101,922	- 11.7	70	\$ 181,187	- 50.3	543	\$ 1,682,610	857	\$ 2,850,136	- 41.0
Austin.....	62	85,788	74	126,749	- 32.3	89	193,305	- 55.6	947	2,861,309	834	2,402,145	+ 19.1
Beaumont.....	148	188,721	112	198,315	+ 4.8	159	174,081	+ 8.4	1,887	2,579,208	1,824	3,427,054	- 24.7
Corpus Christi.....	65	341,045	73	188,725	+ 80.7	129	82,701	+312.4	798	2,261,704	885	5,134,528	- 56.0
Dallas.....	263	531,217	297	717,617	- 26.0	368	1,655,474	- 67.9	3,259	9,244,074	3,496	7,744,961	+ 19.4
El Paso.....	137	948,915	78	251,961	+276.6	133	245,780	+286.1	1,279	3,910,168	890	1,687,409	+131.7
Fort Worth.....	193	931,497	266	515,935	+ 80.5	258	1,132,641	- 17.8	3,194	11,392,052	4,090	12,370,416	- 7.9
Galveston.....	104	91,692	187	129,771	- 29.3	169	98,854	- 7.2	1,933	3,622,546	2,174	2,480,521	+ 46.0
Houston.....	308	1,152,084	425	3,364,876	- 65.8	470	3,267,646	- 64.7	4,973	28,348,679	5,536	31,682,142	- 10.5
Port Arthur.....	69	52,153	83	63,854	- 18.3	135	229,841	- 77.3	1,396	2,615,815	1,265	1,832,195	+ 42.8
San Antonio.....	422	568,400	339	1,705,877	- 66.7	423	596,080	- 4.6	4,085	14,966,850	3,759	14,763,216	+ 1.4
Shreveport.....	204	185,760	237	833,281	- 77.7	308	190,039	- 2.3	2,847	3,383,199	2,865	4,571,417	- 26.0
Waco.....	26	93,004	28	176,866	- 47.4	33	321,526	- 71.1	460	2,462,626	356	2,067,193	+ 19.1
Wichita Falls.....	27	48,652	28	316,622	- 84.6	71	20,312	+139.5	407	1,004,191	549	1,766,303	- 43.1
<b>Total.....</b>	<b>2,060</b>	<b>\$ 5,308,963</b>	<b>2,269</b>	<b>\$ 8,692,371</b>	<b>- 38.9</b>	<b>2,815</b>	<b>\$ 8,389,467</b>	<b>- 36.7</b>	<b>28,008</b>	<b>\$90,335,031</b>	<b>29,340</b>	<b>\$94,779,636</b>	<b>- 4.7</b>

CEMENT

While production and shipments of Portland cement at Texas mills showed a decline in November from the heavy volume in October they were materially greater than in the corresponding month last year. There were 661,000 barrels of cement produced during November as against the record output of 777,000 barrels in October and compares with 529,000 barrels in the same month of 1928. Shipments declined from 743,000 barrels in October to 523,000 barrels

in November but in the latter month they were 16.0 per cent greater than in the corresponding month last year. Stocks on hand on November 30 were 26.2 per cent above those on October 31 and 56.8 per cent larger than a year ago. An increase of 15.4 per cent was shown in the production of cement during the eleven months of 1929 as compared to the same period in 1928, and shipments registered a gain of 12.3 per cent.

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

	November 1929	November 1928	Increase or Decrease	October 1929	Increase or Decrease	Eleven Months		Increase or Decrease
						1929	1928	
Production at Texas Mills.....	661,000	529,000	+25.0	777,000	-14.9	6,776,000	5,873,000	+15.4
Shipments at Texas Mills.....	523,000	451,000	+16.0	743,000	-29.6	6,634,000	5,907,000	+12.3
Stocks at end of month at Texas mills.....	665,000	424,000	+56.8	527,000	+26.2	.....	.....	.....

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of December 20, 1929)

Industrial production declined in November for the fifth consecutive month and was below the level of last year. Retail sales at department stores continued in larger volume than a year ago. Wholesale commodity prices moved downward in November and the first half of December.

## PRODUCTION AND EMPLOYMENT

Production in basic industries decreased by 9 per cent in November according to the Board's index and was 5 per cent lower than a year ago. The decline in production, which began in mid-summer was restricted prior to November largely to industries in which the expansion during the earlier part of the year had been exceptionally rapid, particularly iron and steel, automobiles, and related industries. The same industries showed the largest reductions in November but there were declines also in the copper, cotton and wool textiles, and shoe industries, and, in smaller degree, in silk textiles and coal. Production of crude petroleum was also curtailed. Volume of building contracts awarded during the month continued to be considerably smaller than in the corresponding period of 1928. Employment in factories was also reduced during November to a level slightly below a year ago, and there was a somewhat larger decrease in factory payrolls. The decline in employment since mid-summer, however, has been relatively smaller than that in the physical volume of production. Employment was in smaller volume than in November a year ago in the automobile, iron and steel, lumber, and rubber products industries, and larger in the machinery, textiles, paper and printing, leather, and chemicals industries.

## DISTRIBUTION

Distribution of commodities, as measured by freight-car loading, was in smaller volume in November than in October, reflecting larger-than-seasonal decreases in most classes of freight. Miscellaneous freight in less-than-carload lots, however, which includes chiefly commodities for retail trade, showed the usual seasonal change. Department-store sales in leading cities during the month were about one per cent larger than last year, according to preliminary reports.

Increased sales were reported in four agricultural districts—Richmond, Kansas City, Dallas, and San Francisco. In certain of the larger industrial districts—Boston, New York, and Cleveland, sales were approximately the same as in November, 1928.

## WHOLESALE PRICES

Wholesale prices were at a lower level in November than in October and continued to decline during the first half of December. The downward movement, which had previously involved principally commodities with organized exchanges, became general during the latter part of the period.

## BANK CREDIT

Liquidation of bank credit, which had begun early in November, continued throughout that month and the first two weeks of December, and on December 11 total loans and investments of reporting member banks were at about the same level as on October 23, prior to the increase caused by the withdrawal of funds by non-banking lenders. At member banks in New York City loans were somewhat larger and investments considerably larger on December 11 than on October 23, while at reporting banks outside New York loans on securities, all other loans, and investment were smaller than on that date. Reserve bank credit outstanding was also reduced during November and the first two weeks of December, largely in consequence of reduction in balances of member banks at the reserve banks which accompanied the liquidation of member bank credit. The decrease in reserve balances released reserve funds in more than sufficient volume to meet the export demand for gold amounting to \$65,000,000 during the period, as well as the seasonal currency requirements. Between November 6 and December 18, United States security holdings of the reserve banks increased considerably, while their holdings of acceptances declined somewhat, and there was a reduction of \$250,000,000 in the indebtedness of member banks. Money rates in the open market continued to decline and the discount rate, which had previously been reduced at five reserve banks, was lowered at the Kansas City Bank from 5 to 4½ per cent.