

# 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

	January	Change from December
Bank debits to individual accounts (17 cities) . . . . .	\$932,053,000	— 7.3%
Department store sales . . . . .		— 55.8%
Reserve bank loans to member banks at end of month . . . . .	\$ 11,720,323	— 11.8%
Reserve bank ratio at end of month . . . . .	59.9%	— 3.7 points
Building permit valuation at larger centers . . . . .	\$ 4,962,050	— 30.6%
Commercial failures (number) . . . . .	67	+ 71.8%
Commercial failures (liabilities) . . . . .	\$ 739,826	+ 28.6%
Oil production (barrels) . . . . .	27,653,050	+ 3.0%
Lumber orders at pine mills (per cent of normal production) . . . . .	89%	+ 13.0 points

The unusually severe weather prevailing over most of the Eleventh Federal Reserve District during January retarded the distribution of merchandise in both wholesale and retail channels, affected adversely the agricultural and livestock industries, and curtailed activities in other fields. Sales of department stores located in larger centers evidenced more than the usual seasonal recession and were materially lower than in the opening month of 1929. Reports indicate that consumer buying in rural sections, likewise, was on a small scale as the situation created by the cold weather was aggravated by the bad roads. While distribution in most lines of wholesale trade was larger than the small December volume, it fell considerably below that for the corresponding month last year. Since the return of fair weather, however, reports are being received to the effect that business is showing a noticeable improvement.

The unfavorable weather also retarded agricultural operations and caused heavy damage to all growing crops. Winter grains suffered considerably in those areas where the snow covering was insufficient for protection. Other vegetation in most sections, except in the extreme Southern part of Texas, was killed and truck farmers in that section sustained heavy losses. Furthermore, the wet soil delayed the preparation of the land for spring planting. The rains and snows,

however, left a good season in the ground and the soil is in excellent condition for plowing and planting. During the period of cold weather, livestock shrank considerably; in some sections where stock were not in good flesh, losses were numerous. Heavy feeding of livestock was necessary in nearly all sections of Texas. The favorable weather prevailing since the first of February, however, has greatly improved the situation.

The valuation of building permits issued at principal cities declined to a low level in January, the volume for the month being 31 per cent less than in December and 21 per cent below January last year. The production, shipments, and new orders for lumber, while larger than in the previous month, were much smaller than a year ago.

According to the report of the Department of Labor, the decline in manufacturing activity and the stoppage of much out-door work brought about a reduction in employment during January. While chemical plants, oil refineries, and coal mines added to working forces, many of the other industries reduced working forces. A surplus of unskilled labor is apparent in practically all sections of the district.

Member banks as a whole in this district have been gradually strengthening their position during the past six weeks. Borrowings at the Federal Reserve Bank, which amounted to \$13,290,916 on December 31, increased sharply during the first week of January but had declined to \$12,452,455 on February 15. This reduction was occasioned by the rapid retirement of borrowings by reserve city banks which more than offset the gradually expanding demand from country banks. The daily average of combined net demand and time deposits of member banks, which totaled \$884,579,000 in January, was practically the same as in December but was \$86,318,000 less than in January, 1929. Effective February 8, 1930, the Federal Reserve Bank of Dallas reduced its rediscount rate on all classes of paper from 5 per cent to 4½ per cent.

### BUSINESS

#### Wholesale Trade

While some improvement, due to seasonal factors, in the distribution of merchandise in wholesale channels was noticeable during January, considerable irregularity was still in evidence.

The sales of dry goods, groceries, and farm implements were larger than in the previous month, but sales in all lines were materially less than in the same month of 1929. While the decline from a year ago was due in part to smaller de-

mand resulting from the diminished purchasing power of the rural population, this condition was aggravated considerably by the unusually severe weather prevailing during the greater part of the month. The cold weather and bad roads in many instances prevented farmers from marketing products, which further reduced purchasing power. Reports indicate that there has been a material improvement in nearly all lines of trade since the appearance of favorable weather. Collections in most sections were slow during the month.

After showing a substantial decline for four consecutive months, the January sales of reporting wholesale dry goods firms reflected an increase of 51.1 per cent as compared to the previous month; yet, they were 28.3 per cent less than in the corresponding month a year ago. The smaller volume of distribution was due in part to the unfavorable weather and bad roads which restricted consumer buying. Another factor in the situation was the weakness in the raw cotton market and the unsettlement of cotton goods prices. Reports indicate that merchants are following a very cautious buying policy and are hesitating to make sizable purchases until the situation becomes more favorably defined.

A further large seasonal expansion in the demand for farm implements was in evidence during January. Sales of reporting firms were 62.6 per cent larger than in the previous month, but were 18.2 per cent smaller than the heavy distribution in the same month of 1929. Collections during the month were slow. Prices remained firm.

There was an active demand for groceries during January in practically all sections of the district. Sales of reporting firms rose 15.7 per cent above those for December, yet there was a decline of 1.8 per cent as compared to January, 1929. There were some sections in which buying was curtailed because of the bad roads. Prices remained fairly steady. Collections showed a decline from the previous month.

The demand for drugs was slow in practically all sections of the district during January. The sales of reporting firms were 5.2 per cent less than in December and fell 24.1 per

cent below those in the corresponding month last year. In considering the comparison with a year ago, however, it should be remembered that business was unusually good at that time. Reports indicate that business has shown a material improvement since the first of February.

There was a further decline in the wholesale hardware business during the past month. Sales reflected a decline of 4.6 per cent as compared to the previous month and were 12.3 per cent smaller than those in January, 1929. The recession appeared to be general over the district. Collections were slow.

CONDITION OF WHOLESALE TRADE DURING JANUARY, 1930  
Percentage of Increase or Decrease in:

	Net Sales January, 1930 compared with		Stocks January, 1930 compared with		Ratio of collec- tions during Jan. to accounts and notes outstanding on December 31
	January 1929	December 1929	January 1929	December 1929	
Groceries.....	-1.8	+15.7	-1.6	+6.5	67.9
Dry goods.....	-28.3	+51.1	-17.2	+28.7	26.2
Farm implements.....	-18.2	+62.6	+43.4	+5	9.8
Hardware.....	-12.3	-4.6	-7.8	+1.5	37.8
Drugs.....	-24.1	-5.2	+7.4	+9	45.3

### Retail Trade

A recession in the business of department stores in larger cities, which was more than seasonal in character, was reflected by the reports for January. Sales were 55.8 per cent less than those in the previous month and were 10.8 per cent below those in January last year. The falling off in sales was due in a large measure to the long period of extremely cold weather. Reports indicate that, since early in February, buying has been gradually widening in scope.

Stocks on hand at the end of January showed a seasonal reduction of 3.1 per cent from those at the close of December, and were slightly less than on January 31, 1929. Due to the decline in sales the rate of stock turnover was .21 in January this year as against .24 in the same month last year.

Collections showed a decline during the month. The ratio of January collections to accounts outstanding on January 1 was 35.3 per cent as against 36.1 per cent in December, and 37.6 per cent in January, 1929.

### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
<b>Total Sales (Percentage):</b>						
January, 1930, compared with January, 1929.....	-7.5	-11.2	-14.2	-9.1	-13.3	-10.8
January, 1930, compared with December, 1929.....	-54.8	-62.1	-55.1	-49.5	-56.7	-55.8
<b>Credit Sales (Percentage):</b>						
January, 1930, compared with January, 1929.....	-14.4	+1.7	-9.6	-8.2	-8.3	-9.5
January, 1930, compared with December, 1929.....	-54.4	-59.8	-50.2	-49.9	-55.7	-54.2
<b>Stocks (Percentage):</b>						
January, 1930, compared with January, 1929.....	+12.7	+2.4	-2.3	-9.6	-10.2	.1
January, 1930, compared with December, 1929.....	+1.3	+2.9	-13.1	-11.3	-1.4	-3.1
<b>Stock Turnover (Rate):</b>						
Rate of stock turnover in January, 1929.....	.24	.21	.27	.31	.20	.24
Rate of stock turnover in January, 1930.....	.22	.18	.23	.30	.18	.21
Ratio of January collections to accounts receivable and outstanding January 1, 1930.....	32.5	32.2	38.4	40.6	37.8	35.3

### Commercial Failures

The number of commercial failures in the Eleventh Federal Reserve District during January, as compiled by R. G. Dun & Company, showed a sharp increase as compared to the previous month and was slightly larger than in the corresponding month of last year. Nevertheless, with the exception of January, 1929, failures were fewer than in any Janu-

ary since 1920. The liabilities of defaulting firms reflected a sharp drop from December and were materially smaller than in any corresponding month since 1920. There were 67 failures in January with liabilities of \$739,826 as compared to 39 defaults in December with an indebtedness of \$1,035,110 and 58 insolvencies in January, 1929, owing \$1,079,739.

## AGRICULTURE

*Crop Conditions*

Farm work in most sections of the Eleventh Federal Reserve District was at a standstill during the greater part of January. The frequent rains, sleet, heavy snows, and the unusually cold weather made it impossible for farmers to carry on field work. The heavy precipitation, however, left a good surface and subsoil season in the ground in all sections of the district and the hard freezes pulverized the soil and destroyed insects. An unfavorable factor resulting from the freezes was the widespread damage to vegetation throughout the district. While the soil in some portions has continued too wet for plowing operations, the prevalence of sunshiny weather since early in February has been very beneficial and many farmers have made rapid progress with field work.

The progress of small grains during the past six weeks has been poor to only fair as a result of the long period of severely cold weather. Winter oats over a large portion of the district were either killed or materially damaged. While late reports indicate that some fields, which appeared to be dead, are beginning to come out, the stands will be thin. Some fields are already being plowed up and reseeded. In those portions of the district where the wheat fields had ample snow covering, the plants are coming out and growing rapidly. In other sections, however, the freeze did considerable damage and plant growth has been slow and generally unsatisfactory. Nevertheless, a long period of fair weather should enable the wheat fields to overcome, to a considerable extent, the effect of the severe weather.

Truck crops were killed in all sections of the district except the Southern part of Texas and were badly damaged there. Tender vegetables did not survive the cold weather in that area. The tomato crop was practically all killed but it was replanted immediately. Onions, beets, carrots, turnips, and potatoes received a severe setback as the tops were frozen but are coming out since the appearance of favorable weather. Cabbage was also damaged considerably. The Department of Agriculture in its report on February 3, estimated the Texas production as 58,800 tons as compared to an actual production of 118,300 tons in 1929. Due to the short crop, not only in Texas, but also in the United States, prices have advanced rapidly during the past month and the higher price will, to some extent, offset the lower production. While vegetable shipments from the Rio Grande Valley fell off considerably during and immediately following the cold wave, they have been increasing recently but are still below those in the corresponding weeks of 1929. According to the Federal-State Market News Service, total shipments of fruits and vegetables for the current season to February 15 amounted to 13,162 cars as compared to 11,104 cars during the same period of the previous season.

*Livestock*

A sharp decline in the condition of ranges in Texas and considerable shrinkage in livestock resulted from the severe weather prevailing during January. During much of the month the ranges were covered with snow and ice and the low temperatures killed weeds, brush and range grasses. In practically all sections, liberal feeding was necessary to prevent heavy losses. Although losses were light, except in the coast section and a few other localities, livestock lost flesh rapidly and are in poor flesh generally. Many newborn calves and fall lambs were lost from exposure and there was a large loss of kids

through premature birth. According to the Department of Agriculture, the condition of cattle ranges in Texas on February 1 was 71 per cent of normal, a decline of 6 points during the month. The condition of sheep and goat ranges declined 11 points during January and on February 1 was 16 points below that of a year ago. There was a decline of 7 points in the condition of cattle during the month and that of sheep and goats was 6 points lower. As compared to a year ago, the condition of cattle and sheep was 10 points lower and that of goats 13 points. In New Mexico and Southeastern Arizona, livestock and their ranges generally remained in good condition. While the cold weather and storms caused some shrinkage, livestock are mostly in good flesh. Losses were light. The supply of range grass and other feeds is generally ample to meet the needs. During the first half of February, there was a substantial improvement throughout the district in the condition of both ranges and livestock as a result of the very favorable weather conditions. Reports indicate that ranges are beginning to green and the outlook is more favorable.

*Livestock Values Decline*

The appended table, which shows the number and value of livestock on farms in Louisiana, New Mexico, and Texas on January 1, 1929, and 1930, as compiled by the Department of Agriculture, brings into bold relief trends in the livestock industry during 1929. The outstanding features, disclosed by the report, were the general decline in livestock prices and the expansion in the number of animals on farms in some classes. It is significant to note that the most pronounced price recessions occurred in the case of cattle, sheep, and goats, where the number of animals on farms reflected a substantial increase during the year. In the case of mules, horses, and swine, there was a tendency to reduce supplies and price changes were of moderate proportions. The aggregate value of cattle, sheep, and goats on farms in Texas on January 1, 1930, was 6 per cent less than a year earlier despite the substantial increase in number.

NUMBER AND VALUE OF LIVESTOCK ON FARMS AS OF  
JANUARY 1, 1929 AND 1930

	Number (000's Omitted)		Average Price Per Head		Total Value (000's Omitted)	
	1930	1929	1930	1929	1930	1929
<b>TEXAS</b>						
Mules.....	1,011	1,021	\$71.00	\$71.00	\$ 71,396	\$ 72,112
Horses.....	682	718	46.00	47.00	31,060	33,389
Milk cows.....	974	955	58.00	61.00	54,544	58,255
All cattle.....	5,677	5,406	37.90	41.70	215,049	225,509
Swine.....	1,028	1,210	9.70	9.70	9,974	11,699
Sheep.....	5,550	5,187	6.90	8.80	38,527	45,895
Goats.....	2,965	2,824	4.90	6.00	14,528	14,944
<b>LOUISIANA</b>						
Mules.....	171	169	84.00	89.00	14,353	15,024
Horses.....	97	102	51.00	53.00	4,942	5,409
Milk cows.....	204	202	47.00	49.00	9,588	9,898
All cattle.....	567	567	31.30	31.90	17,744	18,080
Swine.....	415	437	9.10	9.70	3,783	4,227
Sheep.....	115	110	3.40	3.30	391	362
<b>NEW MEXICO</b>						
Mules.....	34	34	46.00	50.00	1,575	1,711
Horses.....	150	155	33.00	35.00	5,013	5,490
Milk cows.....	67	65	65.00	67.00	4,355	4,355
All cattle.....	1,045	1,017	40.60	46.50	42,386	47,320
Swine.....	73	73	10.90	10.70	794	779
Sheep.....	2,527	2,362	7.90	10.40	20,031	24,657

*Movements and Prices*

The January receipts of cattle and calves at the Fort Worth market reflected a seasonal decline as compared to the previous month but were in a larger volume than in the same month

a year ago. The arrivals of hogs were slightly larger than in December but were considerably smaller than in January, 1929. The receipts of sheep not only showed a substantial increase over the previous month but were considerably larger than a year ago.

The cattle market followed an irregular course during the past six weeks. While there were periods of strength,

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	January 1930	January 1929	Change over Year	December 1929	Change over Month
Cattle.....	51,733	46,070	+ 5,663	58,000	-6,867
Calves.....	23,051	17,057	+ 5,994	28,126	-5,075
Hogs.....	28,323	40,381	-12,058	26,538	+1,785
Sheep.....	33,850	20,455	+13,395	25,381	+8,469

prices were either on about the same level or were slightly lower at the middle of February than six weeks earlier. Hog prices have worked to higher levels. After showing considerable strength during the first half of January, the sheep and lamb market turned weak and materially lower prices prevailed during the following thirty days.

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars Per Hundred Weight)

	January 1930	January 1929	December 1929
Beef steers.....	\$11.75	\$12.00	\$14.00
Stocker steers.....	11.75	12.50	11.00
Butcher cows.....	10.50	9.00	8.25
Stocker cows.....	5.00	7.75	6.25
Calves.....	12.00	12.25	11.25
Hogs.....	10.50	9.70	9.75
Sheep.....	9.50	10.50	9.00
Lambs.....	13.25	16.00	13.00

## FINANCE

### Operations of the Federal Reserve Bank

Federal Reserve Bank loans to member banks, which stood at \$13,290,916 on December 31, 1929, rose to \$17,289,742 on January 6, and then reflected an almost steady decline during the remainder of the month. These loans amounted to \$11,720,323 on January 31 as compared to \$19,881,403 on the same date a year ago. It should be noted that the trend of loans during the past month was in contrast to that in January, 1929, when there was a heavy demand for Federal Reserve Bank funds. During the past month the borrowings of country banks showed a gradual expansion while reserve city banks materially reduced their demands. This reduction resulted in part from the decline in loans which more than offset the deposit withdrawals. During the first half of February, Federal Reserve Bank loans fluctuated within narrow limits and stood at \$12,452,455 on February 15. There were 76 banks borrowing at the Federal Reserve Bank on January 31, as compared to 59 banks a month earlier, and 61 banks a year ago.

As the reduction in loans was largely offset by open market purchases, total bills held showed only a slight change, having declined from \$22,499,979.02 on December 31 to \$22,285,475.82 on January 31, distributed as follows:

Member banks collateral notes secured by United States Government obligations.....	\$ 2,692,500.00
Rediscounts and other loans to member banks.....	9,027,823.40
Open market purchases (Bankers' acceptances).....	10,568,096.42
Discounts for non-member banks.....	2,056.00
<b>Total bills held.....</b>	<b>\$22,285,475.82</b>

Reflecting the return flow of currency after the holiday period, Federal Reserve notes in actual circulation declined from \$46,947,290 on December 31 to \$39,394,140 on January 31, representing a net reduction of \$7,553,150 during the month. The daily average of reserve deposits of member banks amounted to \$63,067,732 during January which was \$1,343,774 less than in the previous month and \$8,735,173 below the average for January, 1929.

### Condition of Member Banks in Selected Cities

A substantial reduction in loans, a sharp increase in time deposits, and a falling off in net demand deposits were the principal changes in the status of member banks in principal cities of the

Eleventh District during the four-week period ending February 5. The volume of loans secured by stocks and bonds

which amounted to \$107,853,000 on February 5, was \$5,341,000 less than on January 8 and \$22,285,000 below that on February 6, 1929. The item "All other loans" (largely commercial), after declining during the first half of the period, again turned upward and on February 5 totaled \$253,691,000, which was \$3,353,000 less than on January 8. These loans on February 5, however, were \$13,590,000 higher than on the corresponding date a year ago. Security holdings increased by \$124,000, representing a gain of \$149,000 in United States Government obligations but a reduction of \$25,000 in other stocks and bonds. Total loans and investments amounted to \$465,896,000 on February 5, as against \$474,466,000 on January 8 and \$503,986,000 on the corresponding date of 1929. Net demand deposits dropped \$4,002,000 between January 8 and February 5, while time deposits, partly as a result of increased municipal funds, rose \$8,979,000. Reserves of these banks with the Federal Reserve Bank declined \$489,000 and their bills payable and rediscounts with the bank receded \$4,844,000.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES  
(In Thousands of Dollars)

	February 5, 1930	January 8, 1930	February 6, 1929
Number of reporting banks.....	38	39	43
United States securities owned.....	\$ 63,977	\$ 63,828	\$ 91,851
All other stocks, bonds, and securities owned.....	40,375	40,400	41,896
Loans on securities.....	107,853	113,194	130,138
All other loans.....	253,691	257,044	240,101
Total loans.....	361,544	370,238	370,239
Net demand deposits.....	287,020	291,022	312,838
Time deposits.....	144,868	135,889	143,016
Reserve with Federal Reserve Bank.....	32,844	33,333	35,554
Bills payable and rediscounts with Federal Reserve Bank.....	7,092	11,936	20,387

### Deposits of Member Banks

The daily average of combined net demand and time deposits of member banks in the Eleventh Federal Reserve District during January, which amounted to \$884,579,000, was practically the same as in the previous month as the decline in net demand deposits was offset by a rise in time deposits. The daily average of net demand deposits dropped from \$663,839,000 in December to \$659,110,000 in January while time deposits rose from \$220,111,000 in the former month to \$225,469,000 in the latter month. As compared to January, 1929, the daily average of net demand and time deposits reflected a decline of \$86,318,000.

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	\$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	280,294	133,018	392,813	97,773
June, 1929	643,038	226,110	280,317	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
Dec., 1929	663,839	220,111	279,611	131,879	384,228	88,232
Jan., 1930	659,110	225,469	270,951	131,152	388,159	94,317

Acceptance Market

The volume of acceptances executed by accepting banks in the Eleventh Federal Reserve District and outstanding at the close of the month amounted to \$8,159,595 on January 31, representing a decline of \$2,880,950 from December 31, but an increase of \$2,510,043 over the aggregate a year ago. Acceptances of these banks executed against import and export transactions declined from \$2,991,355 on December 31 to \$2,852,554 on January 31, while those based on the domestic shipment and storage of goods were reduced from \$8,049,190 on the former date to \$5,307,041 on the latter date.

Debits to Individual Accounts

The volume of debits to individual accounts at banks in principal cities in the Eleventh Federal Reserve District reflected a further decline during January. The aggregate for the month totaled \$932,053,000 which repre-

sents a decline of 7.3 per cent as compared to December and 8.5 per cent as compared to the corresponding month in 1929.

DEBITS TO INDIVIDUAL ACCOUNTS  
(In Thousands of Dollars)

	January 1930	January 1929	Percentage Change over Year	December 1929	Percentage Change over Month
	Abilene	\$ 10,641	\$ 12,983	-18.0	\$ 10,525
Austin	20,553	21,984	- 6.5	22,153	- 7.2
Beaumont	27,593	31,822	-13.3	28,447	- 3.0
Corsicana	7,991	7,949	+ .5	8,673	- 7.9
Dallas	249,792	287,306	-13.1	293,643	-14.9
El Paso	42,338	41,361	+ 2.4	45,769	- 7.5
Fort Worth	101,931	121,720	-16.3	122,709	-16.9
Galveston	37,991	44,552	-14.7	40,324	- 5.8
Houston	206,468	206,281	+ .1	204,887	+ .8
Port Arthur	11,850	10,969	+ 8.0	12,759	- 7.1
Roswell	4,412	4,610	- 4.3	5,510	-19.9
San Antonio	83,674	93,676	-10.7	87,186	- 4.0
Shreveport	49,125	47,300	+ 3.9	49,618	- 1.0
Texarkana*	16,196	18,403	-12.0	14,618	+10.8
Tucson	12,633	13,412	- 5.8	12,833	- 1.6
Waco	20,557	21,481	- 4.3	18,416	+11.6
Wichita Falls	28,308	32,451	-12.8	27,113	+ 4.4
Total	\$ 932,053	\$ 1,018,260	- 8.5	\$ 1,005,183	- 7.3

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

Savings Deposits

Reports from 84 banks in this district, which operate savings departments, showed savings deposits totaling \$147,328,149 on January 31. This amount, while practically the same as on the same date a year ago, was 0.2 per cent larger than on December 31. There were 303,009 savings accounts carried at 77 of these banks on January 31, as compared to 301,414 on December 31 and 281,594 on January 31, 1929.

SAVINGS DEPOSITS

	Number of Reporting Banks	January 31, 1930		January 31, 1929		Percentage Change Over Year in Savings Deposits	December 31, 1929		Percentage Change Over Month in Savings Deposits
		Number of Depositors	Amount of Deposits	Number of Depositors	Amount of Deposits		Number of Depositors	Amount of Deposits	
Beaumont	4*	5,796	\$ 2,446,605	5,773	\$ 2,571,910	- 4.9	5,779	\$ 2,472,328	- 1.0
Dallas	4	68,762	25,435,430	58,934	24,679,706	+ 3.1	68,931	25,264,766	+ .7
El Paso	2	16,030	6,147,768	14,743	6,017,342	+ 2.2	15,912	6,322,109	- 2.8
Galveston	3	13,594	8,088,933	13,817	9,820,361	-17.6	13,633	8,128,276	- .5
Houston	12*	73,127	33,370,789	72,832	33,729,802	- 1.1	72,912	33,817,534	- 1.3
Port Arthur	3*	4,699	1,735,086	4,459	1,895,104	- 8.4	4,684	1,722,845	+ .7
San Antonio	7	37,194	22,849,997	29,372	20,887,829	+ 9.4	36,638	22,737,070	+ 1.8
Shreveport	4*	21,496	11,006,078	21,259	12,276,189	-10.3	21,391	11,210,899	- 1.8
Waco	4	10,000	7,118,583	9,757	7,143,953	- .4	10,030	7,166,018	- .7
Wichita Falls	3	3,791	1,691,645	3,746	1,553,100	+ 8.9	3,685	1,574,804	+ 7.4
All others	29*	48,520	27,437,235	46,902	26,712,553	+ 2.7	47,810	26,606,082	+ 3.1
Total	84	303,009	\$147,328,149	281,594	\$147,287,849	0.0	301,414	\$147,022,731	+ .2

\*Only 3 banks in Beaumont, 11 banks in Houston, 2 banks in Port Arthur, 3 banks in Shreveport and 35 banks in "All others" reported the number of savings depositors.

FEBRUARY DISCOUNT RATES

Prevailing Rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act	5½-6½	6-8	6-8	6	6	6-8
Rate charged on loans to other banks secured by bills receivable	6	5-6	6	5-6	6	6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand	6-7	6-8	6-8	6-7	6-8	6-8
Time	6-8	6-8	6-8	6-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.	6	8	6-8	6	6-8	6-8
Rate on cattle loans	6-7	6-8	6-8	7-8	7-8	7-8

INDUSTRY

Cottonseed Products

The operations of cottonseed oil mills reflected a further decline during the past month and were materially smaller than in the corresponding month last year. The production of

cottonseed products during the first half of the current season was considerably smaller than in the same period of the previous season. Due to the heavy demand during the past month for cake and meal and hulls for use in feeding

livestock during the severe weather, stocks of these products at Texas mills showed a decline. Mill stocks of cottonseed oil on January 31 were considerably smaller than a year ago at both Texas and all United States mills. On the other hand, stocks of linters on January 31 showed a further increase as compared to those a month earlier and a year ago.

#### STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to January 31 This Season	Last Season	August 1 to January 31 This Season	Last Season
Cottonseed received at mills (tons).....	1,185,013	1,605,625	4,297,901	4,696,950
Cottonseed crushed (tons).....	1,032,892	1,311,945	3,577,262	3,716,884
Cottonseed on hand (tons).....	172,436	306,474	760,745	999,198
Crude oil produced (pounds).....	301,405,313	385,435,042	1,105,563,561	1,157,437,899
Cake and meal produced (tons).....	482,223	612,607	1,590,061	1,666,609
Hulls produced (tons).....	276,001	356,398	984,141	1,002,684
Linters produced (running bales).....	217,259	269,140	737,366	776,895
Stocks on hand, January 31:				
Crude oil (pounds).....	30,383,178	35,565,139	77,782,983	89,277,632
Cake and meal (tons).....	65,505	57,208	206,062	238,778
Hulls (tons).....	58,070	75,906	130,439	162,712
Linters (running bales).....	84,546	62,392	263,671	213,892

#### Textile Milling

The activity of textile mills in the Eleventh District during January reflected an improvement as compared to the previous month but was on a smaller scale than in the corresponding month last year. There were 3,103 bales of cotton consumed in January as compared to 2,709 bales in December, and 3,781 in January, 1929. While the production of cloth during the month was 15.4 per cent larger than in the previous month it was 17.0 per cent below January last year. Due to the downward trend of the raw cotton market, buyers have followed a cautious policy with the result that orders on hand at the mills have shown a further decline. Stocks on hand at the mills at the end of January, while larger than those a month earlier, were slightly smaller than a year ago.

#### TEXTILE MILLING STATISTICS

	January 1930	January 1929	December 1929
Number of bales consumed.....	3,103	3,781	2,709
Number spindles active.....	101,192	102,776	103,192
Number pounds cloth produced.....	1,437,988	1,731,706	1,246,087

#### Cotton Movements

The receipts and exports of cotton at the ports of Houston and Galveston during January again showed a decline as compared to the previous month and were on a smaller scale than in the corresponding month of 1929. Total foreign exports of cotton for January amounted to 728,737 bales as compared to 910,321 bales in December and 788,525 bales in January last year. The domestic consumption of cotton during the month totaled 577,235 bales as compared to 453,892 bales in the previous month and 668,286 bales in the corresponding month last year.

#### COTTON—GALVESTON STOCK STATEMENT (Bales)

	January 31, 1930	January 31, 1929
For Great Britain.....	9,500	17,000
For France.....	6,000	10,500
For other foreign ports.....	38,500	54,700
For coastwise ports.....	3,000	6,000
In compresses and depots.....	382,348	525,062
Total.....	439,348	613,262

#### COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	January 1930	January 1929	August 1 to January 31 This Season	August 1 to January 31 Last Season
Receipts.....	127,131	274,739	1,692,893	2,564,535
Exports.....	196,545	333,170	1,329,140	2,034,859
Stocks, January 31.....			439,348	613,262

#### COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	January 1930	January 1929	August 1 to January 31 This Season	August 1 to January 31 Last Season
Receipts.....	129,614	230,537	2,419,609	2,508,851
Exports.....	196,231	198,592	1,337,945	1,642,274
Stocks, January 31.....			1,064,315	908,364

#### SEASON'S RECEIPTS, EXPORTS AND STOCKS OF COTTON AT ALL UNITED STATES PORTS—(Bales)

	August 1 to January 31 This Season	August 1 to January 31 Last Season
Receipts.....	7,415,900	7,916,858
Exports:		
United Kingdom.....	988,240	1,351,138
France.....	629,544	548,774
Italy.....	450,311	418,861
Germany.....	1,263,477	1,399,983
Other Europe.....	563,548	621,573
Japan.....	738,562	917,909
All other countries.....	257,240	283,601
Total foreign ports.....	4,891,012	5,577,639
Stocks at all United States ports, January 31.....	2,492,472	2,312,866

#### SPOT COTTON PRICES—(Middling Basis) (Cents Per Pound)

	January, 1930		February 15, 1930
	High	Low	
New York.....	17.55	16.25	15.95
New Orleans.....	17.24	15.76	15.48
Dallas.....	16.70	15.45	15.30
Houston.....	17.50	16.15	15.95
Galveston.....	17.60	16.35	16.10

#### COTTON CONSUMED AND ON HAND

	January 1930	January 1929	August 1 to January 31 This Season	August 1 to January 31 Last Season
Cotton growing states:				
Cotton consumed.....	451,519	508,221	2,574,001	2,638,331
On hand January 31 in—				
Consuming establishments.....			1,402,705	1,321,977
Public storage and compresses.....			5,170,609	4,411,323
United States:				
Cotton consumed.....	577,235	668,286	3,319,837	3,447,645
On hand January 31 in—				
Consuming establishments.....			1,830,096	1,768,165
Public storage and compresses.....			5,406,771	4,615,312

#### Petroleum

The output of crude oil in the Eleventh Federal Reserve District was 810,200 barrels greater in January than in December. This increase occurred despite the smaller number of new producing wells completed and was indicative of sustained output of old wells. The yield in January totaled 27,653,050 barrels as compared to 26,842,850 barrels in December and 24,249,900 barrels in the corresponding month last year. There were 556 completions during the month of which 282 were producers of oil and 67 were gas wells as against 654 comple-

tions in December that netted 324 oil producers and 74 gas wells. Initial production amounted to 143,324 barrels, a decline of 34,243 barrels from December.

The daily average yield of crude oil in Texas was up 25,968 barrels, revealing gains in all major fields of the state in both total and daily average production except in North and Southwest Texas regions. Inclement weather throughout January hampered field work considerably in the Panhandle and largely accounted for the smaller number of completions in the North Texas section. Total production in the latter area declined 360,100 barrels while in Southwest Texas the yield dropped 120,250 barrels mainly as a result of a further large decline in the Salt Flat field. The output of the Gulf Coastal region rose 1,084,850 barrels, Humble, Raccoon Bend, Barbers Hill, and Spindle Top being credited with the increase. Developments in the Gulf

Coastal area proved of unusual interest during the month since new areas of promise were exploited. In Central West Texas, Callahan, Jack, and Young counties contributed to a combined increase in production of approximately 101,000 barrels. Total output in North Louisiana rose 5,200 barrels.

Effective January 15, a general reduction in the prices of crude oil, ranging from 25 cents per barrel on low to 41 cents per barrel on high gravity oil, was posted in North and Central Texas and North Louisiana. On the same date the posted price of Texas Coastal "Grade A" was lowered 25 cents per barrel.

**Lumber** The operations of pine mills in the Eleventh Federal Reserve District during the four-week period ending January 25, while on a larger scale than in December, were considerably below those in January, 1929. Production during the first four weeks of January was 21 per cent below normal as compared to 30 per cent below normal in December. Shipments were 23 per cent below normal production as compared to 34 per cent in the previous month. New orders received during the month rose to 89 per cent of normal production which was 13 points higher than in December.

OIL PRODUCTION—(Barrels)

	January, 1930		Increase or Decrease Over December, 1929	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	5,591,800	180,381	- 360,100	-11,616
Central West Texas.....	12,631,600	407,471	+ 189,850	+ 6,124
East Central Texas.....	677,050	21,840	+ 10,650	+ 543
Texas Coastal.....	5,434,150	175,295	+1,084,850	+34,995
Southwest Texas.....	2,111,800	68,123	- 120,250	- 3,878
Total Texas.....	26,446,400	853,110	+ 805,000	+25,968
North Louisiana.....	1,206,650	38,924	+ 5,200	+ 168
Total District.....	27,653,050	892,034	+ 810,200	+ 26,136

JANUARY DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	126	69	11	46	15,452
Central West Texas.....	196	111	9	76	61,638
East Texas.....	7	.....	6	1	.....
Southwest Texas.....	55	28	11	16	22,523
Texas Coastal.....	87	57	6	24	42,236
Texas Wild-Cats.....	31	1	.....	30	200
Total Texas.....	502	266	43	193	142,049
North Louisiana.....	54	16	24	14	1,275
January totals, District.....	556	282	67	207	143,324
December totals, District.....	654	324	74	256	177,567

CRUDE OIL PRICES

	February 4, 1930	February 5, 1929
Texas Coastal Grade "A".....	\$ 1.05	\$ 1.20
North and Central Texas and North Louisiana (52 gr. and above).....	1.44	1.44

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

PINE MILL STATISTICS

(Four-week period ending January 25, 1930)

Number of reporting mills.....	51
Production.....	68,288,000 feet
Shipments.....	66,395,000 feet
Orders.....	77,302,000 feet
Unfilled orders January 25.....	59,037,000 feet
Normal production.....	86,504,000 feet
Stocks January 25.....	296,710,000 feet
Shipments below normal production.....	20,109,000 feet—23%
Actual production below normal.....	18,216,000 feet—21%
Orders below normal production.....	9,202,000 feet—11%

Lumber statistics compiled by the Southern Pine Association, New Orleans, La.

**Building** Due in part to the severe weather prevailing throughout January, construction work in the Eleventh Federal Reserve District, as measured by the valuation of building permits issued at principal cities, reflected a sharp decline during the month. The let-up, however, was not general over the district as six cities reported gains over the corresponding month last year and nine showed increases over the previous month. The valuation of permits issued at these centers was \$4,962,650 as compared to \$7,151,906 in December and \$6,248,103 in January, 1929.

BUILDING PERMITS

	January, 1930		January, 1929		Percentage Change Valuation Over Year	December, 1929		Percentage Change Valuation Over Month
	No.	Valuation	No.	Valuation		No.	Valuation	
Amarillo.....	34	\$ 92,360	38	\$ 114,742	- 19.5	32	\$ 162,411	- 43.1
Austin.....	129	367,470	78	190,445	+ 93.0	50	931,860	- 60.6
Beaumont.....	122	445,663	132	237,739	+ 87.5	85	80,115	+ 456.3
Corpus Christi.....	64	311,667	72	213,630	+ 45.9	42	46,401	+ 571.7
Dallas.....	215	535,830	306	880,453	- 39.1	279	532,714	+ .6
El Paso.....	131	220,713	80	149,420	+ 47.7	124	476,789	- 53.7
Fort Worth.....	157	477,580	277	611,110	- 21.8	183	341,243	+ 40.0
Galveston.....	80	66,277	144	165,591	- 60.0	85	37,424	+ 77.1
Houston.....	286	1,096,413	418	2,002,870	- 45.3	276	1,177,951	- 6.9
Port Arthur.....	80	137,747	98	64,399	+113.9	98	86,537	+ 59.2
San Antonio.....	270	733,860	335	1,058,053	- 30.6	340	3,111,380	- 76.4
Shreveport.....	135	235,305	209	284,220	- 17.2	145	74,728	+ 214.9
Waco.....	23	149,384	38	128,278	+ 16.5	26	84,247	+ 77.3
Wichita Falls.....	17	92,381	29	147,153	- 37.2	12	8,106	+1039.7
Total.....	1,743	\$4,962,650	2,254	\$6,248,103	- 20.6	1,777	\$7,151,906	- 30.6

**Cement**

The production of cement at Texas mills, which has been declining since last October, showed a sharp drop in January, being 45.9 per cent below the output in December, and 31.1 per cent smaller than in January, 1929. Shipments reflected a decline of 29.6 per cent as compared to the previous month and 30.9 per cent as compared to the corresponding month last year. Stocks at Texas mills on January 31 were slightly larger than a month earlier and 54.2 per cent greater than a year ago.

PRODUCTION, SHIPMENTS AND STOCKS OF PORTLAND CEMENT			
(In Thousands of Barrels)			
	January, 1930	Percentage	Change Over
	Number	Month	Year
Production at Texas mills.....	321	-45.9	-31.1
Shipments at Texas mills.....	317	-29.6	-30.9
Stocks at end of month at Texas mills.....	817	+ 0.5	+54.2

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of February 21, 1930)

Industrial production increased in January from the extreme low level of December. Factory employment, which was in relatively small volume in the middle of December, was further reduced by the middle of January, but preliminary reports indicate a slight increase in the three weeks following. There was a further liquidation of bank credit and a decline in money rates. Commodity prices continued to move downward.

### PRODUCTION

Industrial production showed an increase of about 4 per cent in January, according to the Board's index, which makes allowance for the usual seasonal variations. This increase reflected principally a larger output of automobiles, steel, cotton textiles, and shoes. Output of copper, cement, lumber, anthracite coal, and flour declined and the increase in bituminous coal output was smaller than is usual for the season. In the first two weeks of February steel plants increased their rate of operation further, but continued to be less active than in the corresponding period of last year. Building contracts awarded showed little change in January, a substantial increase in public works and utilities being in large part offset by a decrease in residential construction. In the first half of February, the daily average of contracts was lower than in January.

### EMPLOYMENT AND PAYROLLS

The number of wage earners employed in factories declined further between the middle of December and the middle of January, and wage payments showed a larger reduction. In automobile and steel plants there was an increase in employment in the month ending January 15, and in recent weeks further increases have been reported for these industries. There were decreases in January in the number of wage earners employed in the machinery car building and repairing, lumber, and cement industries. During the three-week period ending February 3 the Bureau of Labor Statistics, on the basis of preliminary returns, reported a slight increase in factory employment. Shipments of freight were in about the same volume in January as in December. Average daily loadings of miscellaneous freight and merchandise in less than car load lots decreased slightly

during the month, but by a smaller amount than is usual at this season. During the first two weeks in February there was some increase in shipments largely seasonal in nature. Department stores sales in January, according to preliminary figures received by the Federal Reserve System, were about two per cent lower than in the corresponding month of last year, this difference being about the same as was shown the month before.

### WHOLESALE PRICES

Wholesale prices of commodities in January continued to move downward. In general, fluctuations were small until the latter part of the month, when decreases occurred in the prices of grains, cotton, wool, iron and steel, and petroleum. The prices of meats and livestock fluctuated over a wide range and averaged higher in January than in December. In the first half of February the prices of hogs, pork, and cattle increased, while prices of wheat, cotton, pig iron, petroleum, and textiles continued to decline.

### BANK CREDIT

Liquidation of member bank credit in January and the early part of February was in substantially larger volume than in the corresponding period of 1929. Declines were reported in loans on securities and in all other loans which continued to decrease in February, contrary to the usual seasonal trend. There was little change in the banks' holdings of investments. The volume of reserve bank credit outstanding declined by about \$140,000,000 between the middle of January and the middle of February. This decline was due in part to the reduction in member bank balances which accompanied the decline in the banks' loans and investments, in part to the continued return flow of currency from circulation, and in part to gold imports, largely from Brazil and Japan. Money rates in the open market eased further. Rates on commercial paper declined to a range of 4½-4¾ per cent and rates on 60-90 day bankers' acceptances declined from 4 to 3⅞ and later to 3¾ per cent. Discount rates at the Federal Reserve Banks of New York, Chicago, Boston, and Kansas City were reduced from 4½ to 4 per cent and rates at Philadelphia, Cleveland, Richmond, St. Louis, Minneapolis, and Dallas, from 5 to 4½ per cent.