

# MONTHLY BUSINESS REVIEW

## OF THE FEDERAL RESERVE BANK OF DALLAS

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### DISTRICT SUMMARY

THE SITUATION AT A GLANCE  
Eleventh Federal Reserve District

	February	Change from January
Bank debits to individual accounts (at 17 cities).....	\$814,544,000	- 12.6%
Department store sales.....		+ 6.2%
Reserve bank loans to member banks at end of month.....	\$ 12,867,063	+ 9.8%
Reserve bank ratio at end of month.....	58.2%	- 1.7 points
Building permit valuation at larger centers.....	\$ 5,243,193	+ 5.7%
Commercial failures (number).....	42	- 37.3%
Commercial failures (liabilities).....	\$ 1,359,396	+ 83.7%
Oil production (barrels).....	24,416,371	- 11.7%
Lumber orders at pine mills (per cent of normal production).....	92%	+ 3.0 points

A noticeable expansion in the demand for merchandise at retail in larger centers, increased production in some lines of industry, and a material improvement in the agricultural situation were the outstanding developments in the Eleventh Federal Reserve District during February. Department store sales, contrary to the usual seasonal trend, reflected a sizable increase over the previous month and were only slightly less than in February a year ago. The production and shipments of cement were materially larger than in either the previous month or the same month last year, and the production, shipments, and new orders for lumber were larger than in January. While the valuation of building permits issued at principal cities was considerably under that of a year ago, it was greater than in the previous month. The distribution of merchandise at wholesale, however, continues to lag as consumer demand in rural sections is still at a low level and retailers are showing no disposition to increase commitments beyond definite requirements.

The long period of favorable weather and the rapid progress with agricultural operations have created a more optimistic feeling among farmers. The preparation of the soil is practically completed and planting operations are becoming

general in many sections of the district. There is a good season in the ground in most sections and the soil is in excellent condition for planting. The growth of small grains during the past six weeks has been rapid and these crops are now in generally good condition. While the improvement in the condition of livestock has been slow and extensive feeding has been necessary, the grass and weeds on the ranges have started and prospects point toward good pastures somewhat earlier than usual, and livestock are expected to improve rapidly when ample pasturage becomes available.

The financial situation, likewise, presents a more satisfactory picture. While the combined total of daily average net demand and time deposits of member banks during February was still materially below that of the same month last year, it was larger than in the previous month. Federal Reserve Bank loans to member banks declined from \$11,720,323 on January 31 to \$7,345,398 on March 15 and on the latter date, were \$6,050,602 less than on the corresponding date last year. While there has been a gradual expansion in the demand for funds by country banks, this increase has been more than offset by the retirement of loans by the reserve city banks. The demand for funds at reserve city banks continued to decline and these banks have been adding to their secondary reserves as a means of employing surplus funds. Subscriptions to the United States Treasury 3½ per cent Certificates of Indebtedness dated March 15, amounted to \$39,295,500 against which allotments of \$22,892,000 were made.

The business mortality rate reflected a sharp decline in February when failures were fewer than in any corresponding month since 1920, with the exception of February, 1929. While the insolvency of a few large concerns greatly increased the amount of indebtedness involved, the total liabilities of defaulting firms were not unusually heavy as compared to those in the month of February of previous years.

### BUSINESS

#### Wholesale Trade

Distribution of merchandise at wholesale during the short month of February was on a smaller scale than in the previous

month and was considerably below that for February, 1929. While the sales of dry goods and hardware were larger than

in the previous month, those of groceries, farm implements, and drugs were smaller; and sales in all reporting lines, with the exception of groceries, showed a substantial decline from the corresponding month last year. Merchants throughout the district in all reporting lines are following very

conservative buying policies and are keeping commitments well in line with consumer demand. Nevertheless, reports indicate that there is a growing spirit of optimism among both retailers and consumers. Collections are poor in some lines but good in others.

The sales of wholesale dry goods firms reflected a further increase of 18.0 per cent as compared to the previous month, but were 17.6 per cent less than those in February, 1929. While buying during February was stimulated to some extent by the favorable weather and the opening of the spring buying season, merchants generally are holding commitments to a low level until it is possible to gauge more accurately the prospects for agriculture. The continued weakness in raw cotton prices has retarded the demand for cotton goods. Collections showed a decline from the previous month.

The demand for farm implements showed a seasonal decline. The February sales of reporting firms were 22.5 per cent less than in January and 23.9 below the large volume for February, 1929. Reports indicate that buying has been slow in many sections of the district. Collections reflected a substantial decline as compared to both the previous month and the same month last year.

The sales of reporting wholesale hardware firms reflected an increase of 2.5 per cent as compared to the previous month, but were 14.4 per cent less than a year ago. While buying has been somewhat spotty, it has been very good in some sections. The warm weather during February reduced the demand for some items of winter merchandise, but stimulated the demand for other items. Collections showed a slight improvement.

The distribution of drugs at wholesale reflected a slight decline from the previous month and was 11.4 per cent less than in the corresponding month last year. While retailers are buying cautiously, reports indicate that business in many sections is improving. Collections showed a substantial decline from the previous month and were smaller than a year ago.

The demand for groceries at wholesale was fairly well

sustained during February. While there was a decline of 4.5 per cent in sales as compared to the previous month, they were 1.1 per cent greater than in the corresponding month of 1929. Some dealers report that business during March is showing some improvement. Prices on some items reflected a decline. Collections were considerably better than in the previous month.

CONDITION OF WHOLESALE TRADE DURING FEBRUARY, 1930  
Percentage of increase or decrease in:

	Net Sales February, 1930 compared with Feb. 1929		Net Sales Jan. 1 to date compared with same period last year		Stocks February, 1930 compared with Feb. 1929		Ratio of collec- tions during Feb. notes outstanding on January 31
	1929	1930	1929	1930	1929	1930	
Groceries.....	+ 1.1	- 4.5	+ .1	- 1.8	+ 1.0		70.1
Dry goods.....	-17.6	+18.0	-22.9	-17.6	- 2.3		23.2
Farm implements..	-23.9	-22.5	-20.8	+35.8	- 1.8		8.0
Hardware.....	-14.4	+ 2.5	-13.9	- 3.8	+ 1.0		38.7
Drugs.....	-11.4	- .9	-23.1	+ 5.8	- 1.8		42.8

### Retail Trade

Following the poor demand for merchandise in January, retail trade in larger centers reflected a substantial improvement in February. Despite the shorter month, which usually causes a decline, February sales were 6.2 per cent larger than those in January. When sales are reduced to a daily average basis, the increase is much larger. As compared to a year ago, sales were only 0.3 per cent smaller. Late reports indicate that there is a good demand for spring merchandise and that business is holding up well in view of the fact that March, 1929, business was stimulated by an early Easter.

Reflecting the receipts of spring merchandise, stocks on hand at the close of February were 7.5 per cent larger than a month earlier, but were 4.9 per cent less than on February 28, 1929. The rate of stock turnover during the first two months of 1930 was slightly less than in the same period last year.

Collections reflected a further slight decline. The ratio of February collections to accounts receivable on February 1 was 34.0 per cent as compared to 35.3 per cent in January and 36.3 per cent in February, 1929.

### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
<b>Total Sales (Percentage):</b>						
February, 1930, compared with February, 1929.....	+ 6.4	- 5.7	- 4.0	- 8.3	+ 3.6	- .3
February, 1930, compared with January, 1930.....	+14.0	+10.5	+ 1.8	- 9.4	+ 7.3	+ 6.2
January 1 to date, compared with same period last year.....	- 2.8	- 8.5	- 9.3	- 9.4	- 5.3	- 6.5
<b>Credit Sales (Percentage):</b>						
February, 1930, compared with February, 1929.....	+11.6	+ 1.2	+ .5	- 3.3	+10.0	+ 5.9
February, 1930, compared with January, 1930.....	+21.8	+ 7.3	+ .4	- 9.1	+11.5	+ 9.6
January 1 to date, compared with same period last year.....	+ .4	+ 1.4	- 4.8	- 6.0	+ 1.7	- 1.0
<b>Stocks (Percentage):</b>						
February, 1930, compared with February, 1929.....	+ 1.8	+ 1.6	- 5.9	-17.9	-10.8	- 4.9
February, 1930, compared with January, 1930.....	+ 8.0	+13.2	+ 4.9	- 1.0	+ 8.0	+ 7.5
<b>Stock Turnover (Rate):</b>						
Rate of stock turnover in February, 1929.....	.24	.18	.25	.26	.16	.21
Rate of stock turnover in February, 1930.....	.24	.18	.24	.28	.18	.22
Rate of stock turnover January 1 to February 28, 1929.....	.50	.37	.51	.57	.35	.45
Rate of stock turnover January 1 to February 28, 1930.....	.45	.33	.47	.57	.35	.42
Ratio of February collections to accounts receivable and outstanding February 1, 1930....	33.0	31.5	36.3	36.4	34.3	34.0

### Commercial Failures

According to the statistics compiled by R. G. Dun & Company, there was a sharp decline during February in the number of commercial failures in the Eleventh Federal Reserve District, but owing to the failure of some relatively large firms, the liabilities of defaulting firms showed a substantial in-

crease. The number of insolvencies occurring during the month totaled 42 with aggregate liabilities of \$1,359,396 as compared to 67 failures in January with liabilities aggregating \$739,826 and 40 defaults in February, 1929, owing \$551,720.

AGRICULTURE

*Crop Conditions*

Weather conditions since the first of February have been generally favorable for agricultural operations and farmers

have made rapid progress with farm work. The preparation of the soil for spring planting is nearing completion in most sections of the district but only fair progress has been made with this work in Eastern and some South Central counties of Texas where the soil has been too wet. The planting of corn has made rapid progress in South Texas and in some portions of East Texas and North Louisiana, and is becoming general in Central Texas. The cold, wet soil in some of the Eastern counties of Texas, however, has been unfavorable for germination. The planting of cotton has started in South Texas. There is a considerable area in Northwest and West Texas where the soil is becoming very dry and additional moisture would be beneficial in portions of Central Texas.

The wheat crop apparently escaped serious damage from the January freezes, and while growth has been slow, the crop is reported to be in generally good condition. A considerable portion of the crop in Northwest Texas is badly in need of moisture and rain would improve conditions over most of the wheat territory. The Department of Agriculture estimated the area sown to winter wheat last fall as 2,927,000 acres as compared to 2,710,000 acres sown in the fall of 1928. The Department stated that, on the basis of a ten-year average yield and acreage abandonment, the 1930 wheat acreage in Texas should produce around thirty million bushels. While the unusually cold weather during January killed a considerable acreage of fall sown oats in the Northern and Central portions of Texas, most of this acreage has been replanted to spring oats and reports indicate that the crop is now making rapid growth.

The appended table, compiled from the report of the United States Department of Agriculture, shows the statistics relating to stocks of corn, wheat, and oats on farms on March 1 in those states attached to the Eleventh Federal Reserve District.

	Stocks on farms Mar. 1		Per cent of last crop		Per cent of last crop shipped out of county where grown	
	In thousands of bushels		1930	1929	1930	1929
<b>OATS</b>						
Arizona.....	24	27	5	5	12	7
Louisiana.....	60	22	5	2	1	1
New Mexico.....	290	58	25	8	6	5
Oklahoma.....	3,089	5,091	15	22	13	17
Texas.....	7,064	7,150	15	20	21	27
<b>WHEAT</b>						
Arizona.....	68	76	6	6	10	10
New Mexico.....	574	246	10	12	68	65
Oklahoma.....	4,003	5,362	82	84	82	84
Texas.....	2,268	1,552	6	7	75	74
<b>CORN</b>						
Arizona.....	161	183	14	18	5	6
Louisiana.....	7,087	6,756	33	32	2	6
New Mexico.....	1,463	1,045	35	30	30	16
Oklahoma.....	11,597	21,045	24	30	16	23
Texas.....	22,254	33,715	27	34	7	10

There has been a considerable improvement in the condition of vegetable and truck crops in the Rio Grande Valley section of Texas. While shipments of fruits and vegetables have been falling below those of a year ago since the January freezes, total shipments for the season still show a substantial increase. The early plantings of potatoes in this

section show a sharp increase over a year ago. The condition of the onion crop was reported as only 70 per cent of normal as compared to 85 per cent last year. The tomato crop, on the other hand, is doing much better than last spring. The demand for Texas cabbage is exceeding supply and prices are advancing.

*Livestock*

While there has been some improvement in the condition of Texas ranges and livestock from the low condition prevailing at the beginning of February, brought about by the severe freezing temperatures in January, it has been slow in most sections. Livestock lost flesh rapidly during January, and as there was a deficiency in pasturage throughout much of the range territory, they have regained flesh slowly. While losses were heavy in some sections during January, subsequent losses have been much lighter than was expected due to the unusually mild temperatures prevailing since the first of February. Feeding of livestock has been necessary over much of the range territory and feed in many localities is becoming scarce. In Arizona and New Mexico there is ample old grass and browse and livestock are in generally good condition. Grass and weeds on the ranges have started in most sections of the district and the prospects are for fairly early spring pastures, but rains are needed in most areas to keep the weeds and grass growing.

The March 1 condition of cattle ranges in Texas was 72 per cent of normal as compared to 71 per cent a month earlier and 79 per cent a year ago. The condition of sheep and goat ranges rose 3 points during February and on March 1 was 8 points below that a year ago. The condition of cattle showed an improvement of 2 points during February, but was 4 points below that on March 1, 1929. The condition of sheep and goats declined during the month and was considerably lower than a year ago. The shearing of goats is well under way and sheep shearing has started.

*Movements and Prices*

While there was a sharp reduction in the February receipts of cattle and calves at the Fort Worth market as compared to the previous month, they were larger than in the corresponding month last year. The number of hogs yarded showed a

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	February 1930	February 1929	Change over Year	January 1930	Change over Month
Cattle.....	35,710	32,511	+ 3,199	51,733	-16,023
Calves.....	12,595	9,553	+ 3,042	23,051	-10,456
Hogs.....	36,043	39,929	- 3,886	28,323	+ 7,720
Sheep.....	24,016	26,297	- 2,281	33,850	- 9,834

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars Per Hundred Weight)

	February 1930	February 1929	January 1930
Beef steers.....	\$12.00	\$11.75	\$11.75
Stocker steers.....	12.00	12.75	11.75
Butcher cows.....	8.25	8.85	10.50
Stocker cows.....	5.50	9.00	5.00
Calves.....	12.00	12.00	12.00
Hogs.....	10.75	10.85	10.50
Sheep.....	8.50	10.50	9.50
Lambs.....	11.00	15.50	13.25

considerable increase over January but was lower than in February, 1929. The arrivals of sheep were fewer than in either period.

Despite the smaller receipts, prices on most classes of cattle worked to lower levels during February. The market was some stronger in the first week of March and remained

## FINANCE

### Operations of the Federal Reserve Bank

The demand for Federal Reserve Bank funds was relatively stable during February. The borrowings of member banks fluctuated within narrow limits and stood at \$12,867,063 on February 28, as compared to \$11,720,323 on January 31. There was a gradual expansion in the borrowings of country banks, but this increase was offset by the liquidation by reserve city banks. During the first half of March, Federal Reserve Bank loans reflected a substantial reduction, due almost entirely to the retirement of borrowings by the reserve city banks. Federal Reserve Bank loans amounted to \$7,345,398 on March 15, as compared to \$13,396,000 on the corresponding date a year ago. There were 102 banks borrowing at the Federal Reserve Bank on February 28 as compared to 76 on January 31, and 79 at the close of February, 1929. Thus, it will be seen that while borrowings are in considerably smaller volume this year than was the case a year ago, Federal Reserve Bank funds are distributed much more widely this year.

Due to the large increase in open market purchases, total bills held by this bank rose from \$22,285,475.82 on January 31 to \$29,236,798.32 on February 28, distributed as follows:

Member banks collateral notes secured by United States Government obligations.....	\$ 1,433,550.00
Rediscounts and other loans to member banks.....	11,433,512.92
Open market purchases (Bankers' Acceptances).....	16,367,020.40
Discounts for non-member banks.....	2,715.00
<b>Total bills held.....</b>	<b>\$29,236,798.32</b>

Federal reserve notes in actual circulation on February 28, amounted to \$39,863,240, which represents an increase of \$469,100 as compared to those a month earlier, and an increase of \$1,003,990 over those in actual circulation on February 28, 1929. The daily average reserve deposits of member banks totaled \$63,617,140 during February as compared to \$63,067,732 in January, and \$70,685,489 in February, 1929.

### Condition of Member Banks in Selected Cities

A sharp falling off in commercial loans, a decline in deposits, and a further reduction in borrowings at the Federal Reserve Bank, were the principal changes in the condition of member banks in selected cities in the Eleventh District for the five-week period ending March 12. While loans on securities showed a slight increase of \$569,000 during the period, all other loans (largely commercial) declined \$16,167,000 and on March 12 were \$2,334,000 less than on the corresponding date of 1929. The decline in commercial loans was due largely to the smaller requirements of trade and industry and the release of loans against commodities in storage, which are gradually moving into consumptive channels. The investments of these banks in United States securities amounted to \$64,900,000 on March 12, which was \$923,000 greater than five weeks earlier, but \$26,024,000 less than on March 13, 1929. Investments in other stocks and bonds showed only a slight change. The net demand deposits of these

about steady the following week. After advancing during the first half of February, the hog market reacted somewhat during the following four-week period. Sheep and lamb prices reflected a further decline during the six-week period ending March 15 and reached the lowest level recorded in several months.

banks declined from \$287,020,000 on February 5 to \$282,362,000 on March 12, and on the latter date were \$34,780,000 less than on the corresponding date a year ago. Time deposits declined \$1,802,000 during the five-week period and were \$636,000 below those on March 13 last year. Bills payable and rediscounts of these banks with the Federal Reserve Bank amounted to \$4,710,000 on March 12 as compared to \$7,092,000 on February 5, and \$12,839,000 on March 13, 1929.

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

	March 12, 1930	February 5, 1930	March 13, 1929
United States securities owned .....	64,900	63,977	90,924
All other stocks, bonds, and securities owned.....	40,974	40,375	40,529
Loans on securities .....	108,422	107,853	120,470
All other loans .....	237,524	253,691	239,858
Total loans .....	345,946	361,544	360,328
Net demand deposits .....	282,362	287,020	317,142
Time deposits .....	143,066	144,868	143,702
Reserve with Federal Reserve Bank .....	33,827	32,844	35,450
Bills payable and rediscounts with Federal Reserve Bank.....	4,710	7,092	12,839

### Deposits of Member Banks

The daily average of combined net demand and time deposits of member banks amounted to \$887,877,000 in February, which represents a gain of \$3,298,000 as compared to January, but a decline of \$73,383,000 as compared to February, 1929. The falling off in deposits from a year ago occurred in net demand deposits as time deposits were \$5,399,000 higher. It will be noted that this gain in time deposits occurred at reserve city banks. While the daily average of net demand deposits in February declined \$3,991,000 as compared to January, the daily average of time deposits rose \$7,289,000.

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
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	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
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
Feb., 1930 .....	655,119	232,758	268,197	136,111	386,922	96,647

### Debits to Individual Accounts

Charges to depositors' accounts at banks in principal cities in the Eleventh District during February showed a further decline of 12.6 per cent as compared to the previous month and were 6.2 per cent below those in February, 1929. The falling off from a year ago, however,

was smaller than in the two preceding months. It will be noted that practically all cities participated in the decline.

**Acceptance Market**

The volume of acceptances executed by accepting banks in this district and outstanding at the end of February, reflected a further seasonal decline as compared to a month earlier, but was considerably larger than a year ago. Acceptances outstanding on February 28 totaled \$7,003,513 as compared to \$8,159,595 on January 31, and \$4,755,124 on February 28, 1929. The amount of these acceptances based on import and export transactions declined from \$2,852,554 on January 31 to \$2,834,578 on February 28, and those executed against the domestic shipment and storage of goods were reduced from \$5,307,041 on the former date to \$4,168,935 on the latter date.

**Savings Deposits**

Savings deposits of 90 reporting banks in the Eleventh Federal Reserve District totaled \$148,011,105 on February 28. This represented a decrease of 1.0 per cent from the aggregate of a year ago, and was 0.4 per cent smaller than on January 31. The number of savings accounts carried at 83 of these banks reflected an increase, being 315,246 on February 28, as compared to 284,112 on February 28, 1929, and 313,739 on January 31 of this year.

**DEBITS TO INDIVIDUAL ACCOUNTS**  
(In Thousands of Dollars)

	February 1930	February 1929	Percentage Change over Year	January 1930	Percentage Change over Month
Abilene.....	\$ 9,118	\$ 10,619	-14.1	\$ 10,641	-14.3
Austin.....	19,856	23,305	-14.8	20,553	-3.4
Beaumont.....	30,300	27,280	+11.1	27,593	+9.8
Corsicana.....	5,649	5,784	-2.3	7,991	-29.3
Dallas.....	210,891	235,300	-10.4	249,792	-15.6
El Paso.....	41,361	38,347	+7.9	42,338	-2.3
Fort Worth.....	90,844	95,780	-5.2	101,931	-10.9
Galveston.....	28,573	37,101	-23.0	37,991	-24.8
Houston.....	179,905	187,922	-4.3	206,468	-12.9
Port Arthur.....	11,365	9,959	+14.1	11,850	-4.1
Roswell.....	4,325	3,650	+18.5	4,412	-1.9
San Antonio.....	80,540	85,153	-5.4	83,674	-3.7
Shreveport.....	38,109	40,119	-5.0	49,125	-22.4
Texarkana*.....	12,881	13,910	-7.4	16,196	-20.5
Tucson.....	9,539	10,913	-12.6	12,633	-24.5
Waco.....	16,952	17,484	-3.0	20,557	-17.5
Wichita Falls.....	24,336	25,934	-6.2	28,308	-14.0
Total.....	\$ 814,544	\$ 868,560	-6.2	\$ 932,053	-12.6

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

**SAVINGS DEPOSITS**

	Number of Reporting Banks	February 28, 1930		February 28, 1929		Percentage Change Over Year in Savings Deposits	January 31, 1930		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*	5,766	\$ 2,552,893	5,711	\$ 2,522,274	+ 1.2	5,717	\$ 2,446,605	+ 4.3
Dallas.....	4	68,446	25,450,468	58,346	25,030,878	+ 1.7	68,719	25,435,430	+ .1
El Paso.....	2	16,210	5,987,756	14,814	6,180,445	- 3.1	16,030	6,147,768	- 2.6
Fort Worth.....	2	18,293	7,227,441	17,405	7,294,222	- .9	18,258	7,626,814	- 5.2
Galveston.....	3	13,636	7,972,352	13,904	9,613,722	-17.1	13,594	8,088,933	- 1.4
Houston.....	12*	72,689	34,108,491	62,559	33,392,209	+ 2.1	72,402	33,698,816	+ 1.2
Port Arthur.....	3	5,667	1,770,317	4,759	1,884,167	- 6.0	5,530	1,735,086	+ 2.0
San Antonio.....	7	36,517	22,310,562	33,081	21,795,650	+ 2.4	37,194	22,849,997	- 2.4
Shreveport.....	4*	22,311	11,164,934	21,313	12,432,756	-10.2	21,496	11,006,078	+ 1.4
Waco.....	4	10,062	6,961,511	9,824	7,061,037	- 1.4	10,009	7,118,583	- 2.2
Wichita Falls.....	2	3,860	1,726,972	4,153	1,563,627	+10.4	3,791	1,691,797	+ 2.1
All others.....	43*	41,789	20,777,408	38,243	20,783,082	0.0	40,999	20,766,247	+ .1
Total.....	90	315,246	\$148,011,105	284,112	\$149,554,069	- 1.0	313,739	\$148,612,154	- .4

\*Only 3 banks in Beaumont, 11 banks in Houston, 3 banks in Shreveport and 39 banks in "All others" reported the number of savings depositors.

**MARCH 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.....	5-7	6-8	6-8	6	6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5½-6	5-6	5-6	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 volume of cottonseed crushed at all United States mills during February reflected a further decline as compared to the previous month, but was slightly larger than a year ago. Crushings at Texas mills were considerably smaller than in either period. Stocks of oil, cake and meal, and hulls on hand at all mills on February 28 were smaller than those a month earlier and considerably below those on the corresponding date a year ago. Stocks of hulls at Texas mills showed a substantial reduction as compared to those on January 31 and February 28, 1929, but stocks of cake and meal and linters were larger.

**STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS**

	Texas		United States	
	August 1 to February 28 This Season	Last Season	August 1 to February 28 This Season	Last Season
	Cottonseed received at mills (tons).....	1,224,503	1,649,258	4,585,365
Cottonseed crushed (tons).....	1,157,996	1,487,874	4,097,292	4,228,967
Cottonseed on hand (tons).....	86,449	174,178	528,006	648,135
Crude oil produced (pounds).....	340,330,687	438,749,189	1,269,322,103	1,322,934,705
Cake and meal produced (tons).....	541,521	696,593	1,817,992	1,901,375
Hulls produced (tons).....	310,659	404,966	1,129,286	1,139,493
Linters produced (running bales).....	243,885	306,807	843,686	890,298
Stocks on hand, February 28:				
Crude oil (pounds).....	27,347,333	27,170,679	72,565,007	81,435,170
Cake and meal (tons).....	67,925	56,364	205,909	257,932
Hulls (tons).....	42,061	67,925	96,813	145,443
Linters (running bales).....	88,408	64,295	269,110	217,570

**Textile Milling**

Due in part to the shorter month, the February output of textile mills in Texas was smaller than in the previous month.

The consumption of cotton totaled 2,933 bales as compared to 3,280 bales in the previous month and 3,723 bales in February, 1929. The production of cloth was 9.7 per cent less than in January and 19.8 per cent smaller than in the corresponding month last year. Orders on hand at the mills at the close of February were slightly smaller than those a month earlier and considerably below those a year ago, while stocks were larger than on either date. The uncertainty in the raw cotton market is still retarding the demand for cotton goods.

The February consumption of cotton at all United States mills totaled 495,204 bales as compared to 577,235 bales in January and 594,720 bales in February, 1929. Consumption for the seven months of the current season was 5.6 per cent less than in the corresponding period of the previous season. While the amount of cotton on hand at consuming establishments on February 28 was slightly smaller than a month earlier, it was greater than on the same date of 1929.

**TEXTILE MILLING STATISTICS—TEXAS**

	February 1930	February 1929	January 1930
Number of bales consumed.....	2,933	3,723	3,280
Number of spindles active.....	103,775	106,312	104,728
Number pounds cloth produced.....	1,352,454	1,686,286	1,497,660

**COTTON CONSUMED AND ON HAND**  
(Bales)

	February 1930	February 1929	August 1 to This Season	February 28 Last Season
<b>Cotton growing states:</b>				
Cotton consumed.....	382,099	451,562	2,956,190	3,089,893
On hand February 28 in—				
Consuming establishments.....			1,371,296	1,272,486
Public storage and compresses.....			4,621,179	3,666,685
<b>United States:</b>				
Cotton consumed.....	495,204	594,720	3,816,041	4,042,365
On hand February 28 in—				
Consuming establishments.....			1,811,639	1,744,229
Public storage and compresses.....			4,858,609	3,862,223

**Cotton Movements**

A further decline in the receipts and exports of cotton from the ports of Houston and Galveston, as compared to both the previous month and the corresponding month last year, was in evidence during February. Total foreign exports of cot-

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

	February 1930	February 1929	August 1 to This Season	February 28 Last Season
Receipts.....	69,947	124,999	1,762,840	2,689,534
Exports.....	145,003	249,404	1,474,143	2,284,263
Stocks February 28.....			364,292	488,857

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

	Feb. 28, 1930	Feb. 28, 1929
For Great Britain.....	8,800	9,600
For France.....	5,600	8,900
For other foreign ports.....	32,800	49,100
For coastwise ports.....	3,000	3,000
In compresses and depots.....	314,092	418,257
<b>Total.....</b>	<b>364,292</b>	<b>488,857</b>

ton from the United States dropped to 402,074 bales in February, which was 44.8 per cent less than in January and 34.5 per cent below those in February, 1929. The largest declines from a year ago were in exports to the United Kingdom, Germany, Japan, and some of the smaller European countries.

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

	February 1930	February 1929	August 1 to This Season	February 28 Last Season
Receipts.....	78,725	110,717	2,498,334	2,679,568
Exports.....	136,668	174,529	1,474,613	1,816,803
Stocks February 28.....			977,917	809,008

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

	August 1 to This Season	February 28 Last Season
Receipts.....	7,711,209	8,363,986
Exports:		
United Kingdom.....	1,064,447	1,503,206
France.....	681,747	647,896
Italy.....	504,603	467,882
Germany.....	1,350,038	1,508,006
Other Europe.....	607,992	705,110
Japan.....	790,551	1,031,523
All other countries.....	293,708	327,410
Total foreign ports.....	5,293,086	6,191,033
Stocks at all United States ports, February 28.....	2,237,752	2,309,953

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

	February, 1930		March 15, 1930
	High	Low	
New York.....	16.50	14.90	14.85
New Orleans.....	16.06	14.62	14.07
Dallas.....	15.70	14.35	14.50
Houston.....	16.35	15.00	15.00
Galveston.....	16.60	15.10	15.15

**PETROLEUM**

Total February production of crude oil in the Eleventh Federal Reserve District, which amounted to 24,709,700 barrels, was up 2,302,800 from February of last year but represented a decline of 2,943,350 barrels from January. While this decline was due in part to the shorter month, the daily average production decreased from 892,034 barrels in January to 882,489 in February. There were 525 wells completed during February of which 294 were producers, as compared to 556 completions in January including 282 producers, and 577 completions in February, 1929, of which 313 were producers. Initial production of new wells amounted to 181,613 barrels, as against 143,324 for the previous month, and 199,356 for the same month last year.

The daily average production of crude petroleum in Texas was 842,826 barrels for February, as compared to 853,110 for January and 764,559 for February, 1929. Practically all of the reduction from January was accounted for by the North and Central West sections of Texas. Southwest Texas showed a reduction of only 1,043 barrels in daily average production, while the East Central and Texas Coastal sections of the State reflected small increases.

In North Louisiana the daily average production rose to 39,663 barrels, which was 739 barrels greater than daily average production during January and 3,976 barrels larger than during February last year. Increased interest and activity has been noted in recent weeks, especially in the

Zwolle field, which has been extended considerably, and in the old Cartersville-Sarepta field, in which a higher stratum of pay sand has been discovered.

OIL PRODUCTION—(Barrels)

	February, 1930		Increase or Decrease Over January, 1930	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	4,781,400	170,764	— 810,400	— 9,617
Central West Texas.....	11,313,400	404,050	—1,318,200	— 3,421
East Central Texas.....	670,400	23,943	— 6,650	+ 2,103
Texas Coastal.....	4,955,700	176,989	— 478,450	+ 1,694
Southwest Texas.....	1,878,250	67,080	— 233,550	— 1,043
Total Texas.....	23,599,150	842,826	—2,847,250	—10,284
North Louisiana.....	1,110,550	39,663	— 96,100	+ 739
Total District.....	24,709,700	882,489	—2,943,350	— 9,545

FEBRUARY DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	93	57	9	27	17,981
Central West Texas.....	188	106	8	74	24,526
East Texas.....	9	6	2	1	38,000
Southwest Texas.....	94	58	6	30	58,308
Texas Coastal.....	75	54	8	13	37,125
Texas Wild-Cats.....	33	1	1	31	45
Total Texas.....	492	282	34	176	175,985
North Louisiana.....	33	12	10	11	5,628
February totals, district.....	525	294	44	187	181,613
January totals, district.....	556	282	67	207	143,324

CRUDE OIL PRICES

	March 11, 1930	March 12, 1929
Texas Coastal Grade "A".....	\$1.05	\$1.20
North and Central Texas and North Louisiana (44 gr. and above).....	1.44	1.44

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

Lumber

Favorable weather prevailing during the greater part of February had a noticeable effect on the operations of lumber mills in the Eleventh

Federal Reserve District. While there was only a small gain in new orders received at the mills, production and shipments showed sizable increases. Actual production during the four-week period ending February 22 was 91 per cent of normal as compared to 79 per cent during the previous four-week period. Shipments during the same period were 16 per cent below normal production as compared to 23 per cent during the four-week period ending January 25. Unfilled orders on the books of 50 reporting mills on February 22 were for 66,655,000 feet of lumber as compared to 59,037,000 feet on the books of 51 mills on January 25. The lumber market is showing a firmer undertone and orders for immediate shipment are increasing.

PINE MILL STATISTICS

(Four-week period ending February 22, 1930)

Number of reporting mills.....	50
Production.....	78,267,000 feet
Shipments.....	72,445,000 feet
Orders.....	79,656,000 feet
Unfilled orders February 22.....	66,655,000 feet
Normal production.....	86,384,000 feet
Stocks February 22.....	301,483,000 feet
Shipments below normal production.....	13,939,000 feet—16%
Actual production below normal.....	8,117,000 feet—9%
Orders below normal production.....	6,728,000 feet—8%

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

Building

Construction activity during February, as evidenced by the valuation of building permits issued at principal cities in the Eleventh Federal Reserve District, while larger than the low volume of January, was 22.2 per cent smaller than in February of last year. The valuation of permits issued in these cities amounted to \$5,243,193 for February, as compared to \$4,962,650 for January, and \$6,739,925 for February, 1929. For the two-month period ending February 28, there was a decline in the valuation of permits issued of 19.9 per cent from the same period last year. Among the fourteen reporting cities, Amarillo, Dallas, El Paso, Fort Worth, and San Antonio showed sizable increases over both January of this year and February of last year.

BUILDING PERMITS

	February, 1930		February, 1929		Percentage Change Valuation Over Year	January, 1930		Percentage Change Valuation Over Month	Two Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1930		1929		
									No.	Valuation	No.	Valuation	
Amarillo.....	61	\$ 308,826	44	\$ 261,763	+18.0	34	\$ 92,360	+234.4	95	\$ 401,186	82	\$ 376,505	+ 6.6
Austin.....	75	169,376	68	164,682	+ 2.9	129	367,470	— 53.9	204	536,846	146	355,127	+51.2
Beaumont.....	128	136,373	169	396,733	— 65.6	122	445,663	— 69.4	250	582,036	301	634,472	— 8.3
Corpus Christi.....	51	51,099	52	122,911	— 58.4	64	311,667	— 83.6	115	362,766	124	336,541	+ 7.8
Dallas.....	306	589,012	237	467,022	+26.1	215	535,830	+ 9.9	521	1,124,842	543	1,347,475	—16.5
El Paso.....	124	316,660	107	285,544	+10.9	131	220,713	+ 43.5	255	537,373	187	454,964	+23.5
Fort Worth.....	207	759,734	218	585,466	+29.8	157	477,580	+ 59.1	364	1,237,314	495	1,196,576	+ 3.4
Galveston.....	142	151,614	156	178,509	—15.1	80	66,277	—128.8	222	217,891	300	344,100	—36.7
Houston.....	340	1,246,891	430	2,121,622	—41.2	288	1,096,413	+ 13.4	626	2,343,304	848	4,124,492	—43.2
Port Arthur.....	123	106,928	111	406,802	—73.7	80	137,747	— 29.7	203	244,675	209	471,201	—48.1
San Antonio.....	320	1,132,455	350	1,069,365	+ 5.9	270	733,860	+ 54.3	590	1,806,315	685	2,127,418	—12.3
Shreveport.....	178	111,466	214	325,582	—65.8	135	235,305	— 52.6	313	346,771	423	609,802	—43.1
Waco.....	44	149,284	37	236,544	—36.9	23	149,384	— 1	67	298,668	75	364,822	—18.1
Wichita Falls.....	19	13,475	32	117,380	—88.5	17	92,381	— 85.4	36	105,856	61	264,533	—60.0
Total.....	2,118	\$5,243,193	2,225	\$6,739,925	—22.2	1,743	\$4,962,650	+ 5.7	3,861	\$10,205,843	4,479	\$ 12,988,028	—19.9

Cement

The 482,000 barrels of cement which were produced at Texas mills during February represented an increase of 50.2 per cent over the preceding month, and 20.8 per cent over February, 1929. Shipments for February amounted to 521,000 barrels, as compared to 317,000 barrels for January, and 416,000 for

the same month last year. Stocks at the end of the month had been reduced to 779,000 barrels, which was 4.7 per cent below those on January 31, but 51.9 per cent above those a year ago. For the first two months of 1930, production was 7.2 per cent less and shipments were 4.2 per cent smaller than in the same period of 1929.

PRODUCTION, SHIPMENTS, AND STOCKS OF PORTLAND CEMENT  
(In thousands of barrels)

	February 1930 Number	Percentage Change Over		January through February 28 Number	Percentage Change Over Year
		Month	Year		
Production at Texas mills.....	482	+50.2	+20.8	803	- 7.2
Shipments at Texas mills.....	521	+64.4	+25.2	838	- 4.2
Stocks at end of month at Texas mills.....	779	- 4.7	+51.9		

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

Industrial production increased in February, while the number of workers employed in factories was about the same as in January. Wholesale commodity prices continued to decline. Credit extended by member banks was further reduced in February, but increased in the first two weeks of March. Money rates continued to decline.

### PRODUCTION

In February, industrial production increased about two per cent according to the Board's index, which is adjusted to allow for seasonal variations. This increase reflected chiefly a substantial gain in the output of iron and steel. Automobile production was in larger volume than during January, but was 30 per cent smaller than the large output of a year ago. Cotton and wool consumption by mills was substantially lower in February, and production of bituminous coal and copper also decreased. In the first two weeks of March the output of steel mills declined in comparison with February, contrary to the usual seasonal movement. Bituminous coal output was smaller also. The volume of building contracts awarded in February was about the same as in the preceding month. Residential building continued at an exceptionally low level while contracts for public works and utilities were large in comparison with the corresponding month in other recent years. Awards in the first two weeks of March were larger than in the first half of February.

### EMPLOYMENT

The volume of factory employment, which had reached a low point in January, showed little change in February, when an increase usually occurs. Factory payrolls increased during the month, but by a smaller amount than is usual at this season. In the steel, automobile, agricultural implement, and tobacco industries, employment increased during the four-week period, while further decreases occurred in the cotton and wool textile, lumber, automobile tire, electrical machinery, and machine tool industries.

### DISTRIBUTION

Freight car-loadings on an average daily basis were slightly larger than in January, but smaller than in the cor-

responding month of any other recent year. A slight seasonal increase was reported during early March. Department store sales in February continued to be below the level of a year ago.

### PRICES

Wholesale prices of commodities declined further during February, and the Bureau of Labor Statistics Index at 92.1 per cent of the 1926 average was at the lowest point since January, 1922. Marked declines occurred during the month in the prices of many agricultural products—grains, hides, raw wool, and cotton; in certain imported raw materials, notably sugar and silk; and also in textiles, petroleum, and pig iron. During the first part of March, a number of these commodities declined still further in price. Wheat and cotton prices were considerably lower, and silver reached the lowest point on record. By the middle of the month, however, prices of cotton, hides, and silver had recovered somewhat.

### BANK CREDIT

Liquidation of credit at member banks continued throughout February and on February 26 total loans and investments of member banks in leading cities were in about the same volume as in the early summer of last year. During the following two weeks, however, there was an increase of \$230,000,000 in loans and investments, chiefly in loans on securities. All other loans, largely for commercial purposes, increased slightly. From the middle of February to the middle of March, the volume of reserve bank credit outstanding decreased further by \$90,000,000. This decline reflected chiefly an increase in gold stock of \$75,000,000 and a further decline of money in circulation, offset in part by some increase in member bank reserve balances. Member bank indebtednesses at the reserve banks declined to \$267,000,000, the lowest level since early in 1925; reserve bank holdings of bills declined, while those of United States securities increased. Money rates in the open market eased further and bond yields declined rapidly to the lowest level since 1928. At the middle of March the discount rate at the Federal Reserve Bank of New York was reduced from 4 to 3½ per cent, and the rate at the Cleveland, Philadelphia and San Francisco banks from 4½ to 4 per cent.