

MONTHLY BUSINESS REVIEW

OF THE FEDERAL RESERVE BANK OF DALLAS

C. C. WALSH
Chairman and Federal Reserve Agent

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

(Compiled January 15, 1931)

Volume 15, No. 12

Dallas, Texas, February 1, 1931

This copy is released for publication in morning papers— January 31

DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	December 1930	Change from November
Bank debits to individual accounts (at 17 cities).....	\$817,485,000	+ 15.6%
Department store sales.....		+ 50.6%
Reserve bank loans to member banks at end of month.....	\$ 4,342,252	- 45.5%
Reserve bank ratio at end of month.....	59.2%	- 1.0 points
Building permit valuation at larger centers.....	\$ 4,910,142	+ 35.6%
Commercial failures (number).....	88	- 3.3%
Commercial failures (liabilities).....	\$ 1,925,910	- 22.9%
Oil production (barrels).....	24,225,700	- 2.7%
Lumber orders at pine mills (per cent of normal production).....	47%	- 4.0 points

indicate that January orders are increasing and that sentiment is improving. It is yet too early, however, to determine whether the improvement is more than seasonal.

The record of insolvencies during December was slightly more favorable than in the previous month, contrary to the usual seasonal development. As compared to December, 1929, however, both the number of failures and the aggregate indebtedness involved, showed a very large increase. Likewise, the figures for the full year 1930 were considerably larger than during the year 1929.

The deposits of member banks reflected a further decline. The daily average of combined net demand and time deposits declined from \$827,987,000 in November to \$810,023,000 in December, and in the latter month was \$73,927,000 less than a year ago. The commercial loans of banks in reserve cities reflected a further sharp decline during the four-week period ending January 7 and on that date were approximately \$50,000,000 less than a year ago. Their investments, however, were approximately \$12,000,000 higher. Federal Reserve Bank loans to member banks declined from \$7,972,351 on November 30 to \$4,342,252 on December 31, and on the latter date were \$8,948,664 lower than at the close of 1929. These loans increased slightly during the first half of January.

The valuation of building permits reflected a sharp increase of 36 per cent over the low November figure but was still 31 per cent less than in the corresponding month last year. Likewise, the total for the year was 31 per cent less than that of the previous year. The production, shipments, and new orders for lumber reached a new low level during the month, and were materially smaller than a year ago. The production and shipments of cement, likewise, showed a large decline as compared to both periods.

In most sections of this district, except those most seriously affected by the drouth, farmers have sufficient feed for use in making 1931 crops; land preparation is more advanced than usual; small grains are in excellent condition; and a good surface and subsoil season is in the ground in practically all sections of the district. Furthermore, all indications for the coming year point toward greater diversification and reduced production costs. In the livestock industry, ranges generally are in good condition and livestock are wintering well.

Retail trade in larger centers reflected some improvement during December. Department store sales reflected a large seasonal increase as compared to the previous month, and while they were 10 per cent less than in the closing month of 1929, the comparison was more favorable than during the preceding month. Wholesale distribution showed a further substantial recession as compared to both the previous month and the corresponding month last year, due both to the light consumer demand and the desire of retailers to close the year with small inventories; yet late reports

BUSINESS

Wholesale Trade
During the month of December, the demand for merchandise in wholesale channels of distribution was very quiet. While a seasonal decrease was to be expected in some lines, the decline in the Eleventh Federal Reserve District was general for all reporting lines and in some cases was larger than usual. In comparison with December, 1929, sales continued at a lower level, but, with the exception of farm implements, all reporting lines showed a more favorable

comparison than they did in November. Distribution in the various lines during the last six months of 1930 registered declines as compared to the corresponding period a year earlier, ranging from 12.7 to 47.2 per cent. While a portion of the falling off was attributable to the extensive price reductions, other important factors were the light consumer demand resulting from the poor crop returns, and the efforts of merchants to reduce inventories. Reports seem to indicate an improved demand and a stronger undertone of confi-

dence since the turn of the year, yet it is too early to determine whether the gain is more than seasonal. Collections in most lines were smaller than in the previous month.

While the demand for dry goods on the part of merchants and retailers during December was 37.4 per cent smaller than in the preceding month, it was only 19.8 per cent less than in the same month a year ago; whereas, November sales were 34.2 per cent below those in November, 1929. Sales during the second half of 1930 averaged 35.6 per cent less than in the corresponding period of 1929. Merchants bought sparingly during December because of the small consumer demand and the desire to close the year with small inventories. Wholesalers reported that their collections continued to be in small volume during December.

Contrary to the usual seasonal movement, business of wholesale farm implement firms registered a decline of 44.1 per cent from the level of the preceding month, and was 68.9 per cent smaller than in December a year ago. Sales for the last half of the year were 47.2 per cent below those of the corresponding period in 1929. Recent reports indicate that sales picked up slightly in the first part of January. No change in prices was reported. The volume of collections during the month showed a substantial seasonal decrease as compared to November.

A further decline of 12.7 per cent occurred in December in the demand for hardware at wholesale in this district, and sales during the month were 22.8 per cent smaller than in December, 1929. Merchants were inclined to limit their purchases to actual necessities over the year-end, in order to reduce their inventories. During the months from July to December, inclusive, business averaged 27.2 per cent below the level of the corresponding period a year ago. It appears that the demand for wholesale hardware was slightly better in South Texas than it was in other sections. Prices continued their downward trend. The ratio of collections during the month to accounts outstanding declined further, from 35.0 per cent in November to 32.9 per cent in December.

The sales of reporting wholesale grocery firms in December were 8.5 per cent smaller than in the preceding month and were 12.5 per cent less than in the same month a year ago. Business was rather spotty, being fairly good in some sections and poor in others. Average sales during the last half-year were 12.7 per cent lower than those of the last half of 1929. Wholesalers reduced their stocks 11.5 per cent during the month, and on December 31, inventories were 19.3 per cent smaller than a year earlier. Collections

were on almost the same scale as in November, but in their relation to accounts outstanding they showed an improvement.

The distribution of drugs at wholesale during December was on a scale 17.9 per cent below that of a year ago, and showed a small decrease from the preceding month. A mid-season quietude was in evidence over the greater part of this district. Demand during the six months ending December 31 registered a decline of 20.2 per cent from the same period in 1929. Collections during the month showed a further decrease of 11.7 per cent as compared to November.

CONDITION OF WHOLESALE TRADE DURING DECEMBER, 1930
Percentage of increase or decrease in—

	Net Sales compared with Dec. 1929		Net Sales compared with same period last year		Stocks compared with Dec. 1929		Ratio of collections during Dec. to accounts and notes outstanding on November 30
	1930	1930	1930	1930	1929	1930	
Groceries.....	-12.5	- 8.5	-12.7	-19.3	-11.5	72.3	
Dry goods.....	-19.8	-37.4	-35.6	-26.3	-13.1	26.0	
Farm implements..	-68.9	-44.1	-47.2	- 2.6	- 3.1	15.0	
Hardware.....	-22.8	-12.7	-27.2	+ 4.6	- 3.7	32.9	
Drugs.....	-17.9	- 4.3	-20.2	-19.9	- 3.1	37.6	

Retail Trade

Stimulated by Christmas shopping, the December sales of department stores in this district reflected an increase of 50.6 per cent over the previous month, but showed a decline of 10 per cent as compared to the same month last year. It is significant, however, that the decline was smaller than in November. Immediately following the holiday shopping period, extensive reduced price sales were featured in order to clear out winter merchandise and reports indicate that results are proving to be very encouraging. Total sales of reporting firms during the year 1930 were 6.9 per cent smaller than those of 1929.

Stocks on hand at the close of the year were 10.2 per cent lower than on November 30 and 25.5 per cent less than on December 31, 1929. While sales have declined, retailers have been able to maintain a normal rate of stock turnover through the gradual reduction of inventories. The ratio of stock turnover during 1930 was 3.17 as compared to 3.21 in the previous year.

Collections reflected a decline during the month. The ratio of December collections to accounts outstanding on December 1 was 32.8 per cent as compared to 34.4 per cent in November and 36.1 per cent in December last year.

BUSINESS OF DEPARTMENT STORES

Total Sales (Percentage):	Dallas	Fort Worth	Houston	Others	Total District
December, 1930, compared with December, 1929.....	-11.2	- 6.1	-13.9	- 8.5	-10.0
December, 1930, compared with November, 1930.....	+43.9	+74.2	+50.4	+44.1	+50.6
January 1 to date, compared with same period last year.....	- 4.4	- 8.0	-10.9	- 5.1	- 6.9
Credit Sales (Percentage):					
December, 1930, compared with December, 1929.....	-12.2	- 1.5	-12.2	- 7.0	- 8.7
December, 1930, compared with November, 1930.....	+33.5	+66.8	+44.3	+36.5	+42.0
January 1 to date, compared with same period last year.....	- 2.5	- 3.0	- 6.9	- 1.0	- 3.1
Stocks (Percentage):					
December, 1930, compared with December, 1929.....	- 4.3	+ 2.6	-18.5	-15.5	-10.2
December, 1930, compared with November, 1930.....	-22.4	-30.1	-25.3	-25.2	-25.5
Stock Turnover (Rate):					
Rate of stock turnover in December, 1929.....	.48	.41	.44	.43	.44
Rate of stock turnover in December, 1930.....	.42	.38	.45	.46	.43
Rate of stock turnover January 1 to December 31, 1929.....	3.65	2.72	3.29	3.11	3.21
Rate of stock turnover January 1 to December 31, 1930.....	3.42	2.60	3.29	3.22	3.17
Ratio of December collections to accounts receivable and outstanding December 1, 1930...	29.2	31.2	37.5	35.0	32.8

Commercial Failures

Contrary to the usual seasonal trend, there was a reduction in the rate of business failures in the Eleventh Federal Reserve District during December. Ordinarily the seasonal

strain resulting from year-end settlements causes more numerous defaults and a larger volume of indebtedness. R. G. Dun & Company reported that 88 defaults occurred in December, with a total indebtedness amounting to \$1,925,-

910, as compared with 91 insolvencies in November of which the combined liability was \$2,497,220. In comparison with the final month of 1929, the record is much less favorable, as in that month only 39 failures were registered, owing a total of \$1,035,110.

AGRICULTURE

Crop Conditions Farmers in this district, since the first of December, have made rapid progress with the preparation of the soil for spring planting as the weather conditions have been generally favorable for this work. Reports indicate that land preparation is now more advanced in most sections of the district than it was at this time a year ago. Another favorable factor is that a deep subsoil season now obtains, with a few local exceptions, in all sections of the district. More severe temperatures will be needed during January and February to pulverize the soil and destroy insects.

Small grains are reported to be in good to excellent condition in practically all sections. The plants have grown rapidly under the stimulus of moderate temperatures and ample moisture. The Department of Agriculture estimated that the area sown to winter wheat in Texas in the fall of 1930 totals 3,152,000 acres, as compared to 3,060,000 acres sown in the fall of 1929, or an increase of 3 per cent. The area in New Mexico was increased from 346,000 acres in the fall of 1929 to 367,000 acres in 1930, representing an increase of 6 per cent. The 42,000 acres sown to this crop in Arizona accounts for a decline of 11 per cent and the 3,877,000 acres sown in Oklahoma was 6 per cent lower than in the fall of 1929. A large area of fall oats has already been seeded and an additional acreage will be sown during the current month.

According to the Department of Agriculture, all important truck crops in Texas, with the exception of spinach, showed a marked gain during December. The crops showing the largest gain were beets, broccoli, cabbage, and carrots. The condition of the spinach crop declined 10 points. While the carload lot shipments of fruit and vegetables from the Rio Grande Valley section declined materially during December, they have shown a large increase since the first of the year. During the week ending January 10, there were 1,409 cars moved, as compared to 1,313 cars for the corresponding week last year. Total movements for the season, however, were only 6,130 cars, as compared to 6,556 cars in the previous season. The commodities showing the heaviest

decline, as compared to last season, were grapefruit, mixed citrus, mixed vegetables, and sweet potatoes. Shipments of spinach, on the other hand, showed a very large increase.

Texas Crop Values Declined Further in 1930 In the table shown below are given the estimates of the United States Department of Agriculture, on the production and value (based on the December 1 farm price) of the principal crops in Texas for the years 1929 and 1930. The hypothetical value of all Texas crops registered a further decline of \$174,462,000 in 1930, bringing the hypothetical value of all crops down to \$434,512,000. While the lower returns were due partly to the lower yields of certain crops resulting from the prolonged drouth over a large area, the major factor was the drastic declines in the prices of agricultural products.

In evaluating the effects of the drouth, it should be emphasized that the per acre yield of every principal crop, with the exception of cotton and white potatoes, was lower in 1930 than in the previous year. While the total production of certain crops exceeded that of the previous year, noticeably corn, oats, rice, and sweet potatoes, it was due entirely to the larger acreage. The effects of the drouth were particularly severe in Northeast Texas and a large area in Northwest Texas where crops have been affected for two or more successive years. In the case of some crops, the late fall rains added to the production estimates of the early fall but did not entirely retrieve the loss sustained from the dry weather during the summer. It is significant, however, that the southern half of the State, which suffered from a low yield of cotton in 1929, harvested a good cotton crop this year.

The heavy decline in the value of agricultural production resulted to a large extent from the widespread price recessions. The lower value was particularly noticeable in the case of cotton and wheat, which accounted for approximately 90 per cent of the decline, that of cotton being 79 per cent and that of wheat around 11 per cent. Nevertheless, all other crops with the exception of white potatoes and major truck crops shared in the decline.

COMPARATIVE PRODUCTION AND VALUE OF TEXAS FARM PRODUCTS AS COMPILED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE

COMMODITY	QUANTITY			VALUE—(Based on December 1 Farm Price)		
	1930	1929	Increase or Decrease in Quantity	1930	1929	Increase or Decrease in Value
Cotton.....	4,100,000 bales	3,940,000 bales	+ 160,000 bales	\$192,700,000	\$315,200,000	—\$122,500,000
Cottonseed.....	1,826,000 tons	1,752,000 tons	+ 74,000 tons	40,172,000	56,064,000	— 15,892,000
Corn.....	91,408,000 bushels	86,127,000 bushels	+ 5,281,000 bushels	66,728,000	73,208,000	— 6,480,000
Wheat.....	28,270,000 bushels	37,809,000 bushels	— 9,539,000 bushels	19,789,000	39,690,000	— 19,901,000
Oats.....	46,610,000 bushels	43,176,000 bushels	+ 3,434,000 bushels	19,589,000	22,020,000	— 2,431,000
Barley.....	3,570,000 bushels	5,075,000 bushels	— 1,505,000 bushels	1,964,000	3,146,000	— 1,182,000
Grain sorghums.....	46,816,000 bushels	46,920,000 bushels	— 104,000 bushels	30,450,000	32,844,000	— 2,394,000
Rice.....	4,483,000 bushels	7,416,000 bushels	+ 1,047,000 bushels	6,517,000	7,194,000	— 677,000
Hay (tame and wild).....	925,000 tons	990,000 tons	— 65,000 tons	11,270,000	12,552,000	— 1,282,000
Broom corn.....	1,200 tons	1,200 tons	None	90,000	134,000	— 44,000
Potatoes (white).....	3,674,000 bushels	2,459,000 bushels	+ 1,215,000 bushels	5,695,000	3,688,000	+ 2,007,000
Potatoes (sweet).....	7,630,000 bushels	7,384,000 bushels	+ 246,000 bushels	7,248,000	7,753,000	— 505,000
Peanuts.....	52,800,000 pounds	71,050,000 pounds	—18,250,000 pounds	1,848,000	2,629,000	— 781,000
Total value of twelve crops.....				\$404,060,000	\$576,122,000	—\$172,062,000
Hypothetical value of all crops.....				\$434,512,000	\$608,974,000	—\$174,462,000

Livestock The condition of livestock and their ranges continued generally good during the past six weeks and prospects are much more promis-

ing than they were a year ago. Due to the general rains during December, practically all sections of the district have a good season in the ground. In some areas there

will be enough grass to carry stock through the winter and there is an ample supply of roughage in most sections. There is an abundance of grain pastures which are affording much supplemental grazing. The condition of cattle ranges on January 1, as reported by the Department of Agriculture, declined 1 point in Texas and New Mexico, but remained unchanged in Arizona. While sheep and goat ranges in Texas declined 4 points during the month to 76 per cent of normal on January 1, the outlook is much brighter than a year ago, as the continuance of the drouthy conditions at the beginning of 1930 caused a heavy deterioration during the fall months, whereas, moisture is ample in all areas this year. The condition of cattle remained unchanged in Texas and Arizona, but declined 1 point in New Mexico. The January 1 condition of sheep in Texas at 81 per cent of normal was 2 points lower than a month earlier and a year ago. There was no change in the condition of sheep in New Mexico and Arizona. Due to the favorable weather conditions very little feeding has been necessary in the sheep areas and they have held up well. Unless unusually severe weather is had, they should go through the winter in much better condition than a year ago.

Movements and Prices The receipts of cattle and calves at the Fort Worth market reflected a decline as compared to both the previous month and

the corresponding month a year ago. While the arrivals of hogs were somewhat larger than in November, they fell considerably short of those during December, 1929. The receipts of sheep reflected a large increase over the previous month and a moderate gain as compared to a year ago.

Operations of the Federal Reserve Bank Federal Reserve Bank loans to member banks remained generally steady during the first three weeks of the month, but ran off considerably toward the year-end.

At the close of December, total loans amounted to \$4,342,252, as compared to \$7,972,351 on November 30. The decline was occasioned by the reduction on the part of both country and reserve city banks. At the close of the year, there were 90 country banks which owed the Federal Reserve Bank approximately \$3,312,000, as compared with borrowings of approximately \$2,500,000 by 43 country banks on December 31, 1929. While city banks on December 31, 1930, were indebted to the Federal Reserve Bank for only \$1,030,000, they were absorbing approximately \$10,790,000 of Federal Reserve Bank loans on December 31, 1929. While our loans to member banks increased somewhat after the turn of the year, the gain was less than usual. On January 15, these loans amounted to \$5,020,595.

Due to the decline in member banks' loans, total bills held by this bank declined from \$14,016,056.42 on November 30 to \$12,916,882.52 on December 31, distributed as follows:

Member banks' collateral notes secured by United States Government obligations.....	\$ 744,500.00
Rediscounts and all other loans to member banks.....	3,597,752.39
Open market purchases (Bankers' Acceptances).....	8,574,630.13
Total bills held.....	\$12,916,882.52

The actual circulation of Federal reserve notes in this district amounted to \$31,900,750 on December 31, which represents a decline of \$549,660, as compared to a month earlier and \$15,046,540, as compared to December 31, 1929. The daily average reserve deposits of member banks amounted to \$57,742,351 during December, which was \$1,044,936 less than in the previous month, and \$6,669,155 lower than in the corresponding month a year ago.

The cattle market during December was characterized by a slow demand and gradually declining prices. Since the first of the year, however, prices have remained generally steady. The demand for stockers recently has been more active. The market for calves, after declining during December, showed some strength during the first half of January. The trend of hog prices has been unevenly downward. Although sheep and lambs have been coming to market in larger volume, prices were a shade stronger during December and developed considerable strength during the first half of January.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	December 1930	December 1929	Change over Year	November 1930	Change over Month
Cattle.....	48,529	58,600	-10,071	49,062	- 533
Calves.....	27,616	28,126	- 510	34,612	- 6,996
Hogs.....	16,904	26,538	- 9,634	14,880	+ 2,024
Sheep.....	29,086	25,381	+ 3,705	17,851	+11,235

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred-weight)

	December 1930	December 1929	November 1930
Beef steers.....	\$11.25	\$14.00	\$10.25
Stocker steers.....	7.75	11.00	7.00
Butcher cows.....	5.35	8.25	5.10
Stocker cows.....	5.35	6.25	6.00
Calves.....	8.50	11.25	8.75
Hogs.....	8.40	9.75	9.25
Sheep.....	5.50	9.00	4.50
Lambs.....	7.60	13.00	7.50

FINANCE

Condition of Member Banks in Selected Cities

Reports from member banks in selected cities during the period, December 10 to January 7, reflected a sharp decline in loans and deposits, but a moderate increase in investments. During the first week of the period, investments of these banks in United States securities increased sharply, but subsequently declined and on January 7 were \$997,000 less than four weeks earlier. Investments in other stocks and bonds increased \$2,927,000 during the period. While loans on securities increased \$109,000, "all other" loans (largely commercial) declined from \$235,603,000 on December 10 to \$226,525,000 on January 7, and on the latter date were \$30,519,000 less than a year ago. Total loans and investments on January 7 were \$7,039,000 lower than four weeks earlier and \$37,836,000 lower than on January 8, 1930. During the four-week period, the net demand deposits of these banks declined \$8,454,000 and their time deposits \$2,077,000. Their combined net demand and time deposits on January 7 were \$11,224,000 below those a year ago. Their bills payable and rediscounts with the Federal Reserve Bank amounted to \$1,140,000 on January 7, as compared to \$2,195,000 on December 10, and \$11,936,000 on January 8, 1930.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES
(In thousands of dollars)

	Jan. 7, 1931	Dec. 10, 1930	Jan. 8, 1930
United States securities owned.....	\$ 63,259	\$ 64,256	\$ 63,828
All other stocks, bonds, and securities owned.....	52,670	49,743	40,400
Loans on securities.....	94,176	94,067	113,194
All other loans.....	226,525	235,603	257,044
Total loans.....	320,701	329,670	370,238
Net demand deposits.....	268,112	276,566	291,022
Time deposits.....	147,575	149,652	135,889
Reserve with Federal Reserve Bank.....	32,899	32,009	33,333
Bills payable and rediscounts with Federal Reserve Bank.....	1,140	2,195	11,936

Deposits of Member Banks There was a further decrease of \$17,964,000 from the previous month in the combined daily average of net demand and time deposits during December. Average deposits of member banks in this district amounted to \$810,023,000 in December, as compared to \$827,987,000 in November, and \$883,950,000 in the final month of 1929. The decline was somewhat larger proportionately in the case of country banks than it was for reserve city banks. While time deposits were \$15,008,000 larger than a year ago, net demand deposits showed a decline of \$88,935,000.

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
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	84,317
Feb., 1930.....	655,119	232,758	268,197	136,111	386,922	86,647
Mar., 1930.....	639,586	229,358	269,635	132,932	369,951	86,426
April, 1930.....	630,029	237,274	271,647	138,980	358,382	88,294
May, 1930.....	623,282	241,429	269,958	142,181	353,324	89,248
June, 1930.....	603,020	244,026	260,854	143,753	342,166	100,273
July, 1930.....	591,565	240,952	261,127	142,482	330,438	98,470
Aug., 1930.....	579,092	241,269	256,176	141,675	322,916	99,594
Sept., 1930.....	592,530	237,595	262,310	139,940	330,220	97,655
Oct., 1930.....	593,126	237,945	265,782	141,153	327,344	96,792
Nov., 1930.....	588,534	239,453	266,796	142,250	321,738	97,203
Dec., 1930.....	574,904	235,119	262,124	139,900	312,780	95,219

Debits to Individual Accounts There was a general increase of 15.6 per cent in the volume of checks charged to depositors' accounts during December at banks located in seventeen leading cities in this district. While there was a decline of 18.7 per cent as compared to the corresponding month last year, the falling off was the smallest recorded since September. Debits to individual accounts during December aggregated \$817,485,000 as against \$707,174,000 in the preceding month and \$1,005,183,000 in December a year ago.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	December 1930	December 1929	Percentage change over year	November 1930	Percentage change over month
Abilene.....	\$ 7,805	\$ 10,525	-25.8	\$ 6,666	+17.1
Austin.....	19,002	22,153	-14.2	17,233	+10.3
Beaumont.....	24,781	28,447	-12.9	21,362	+16.0
Corsicana.....	5,860	8,673	-32.4	4,040	+45.0
Dallas.....	228,246	293,643	-22.3	190,377	+19.9
El Paso.....	32,948	45,769	-28.0	31,258	+ 5.4
Fort Worth.....	84,519	122,709	-31.1	79,408	+ 6.4
Galveston.....	34,268	40,324	-15.0	27,744	+23.5
Houston.....	193,511	204,887	- 5.6	163,918	+18.1
Port Arthur.....	9,496	12,759	-25.6	8,728	+ 8.8
Roswell.....	4,559	5,510	-17.3	4,093	+11.4
San Antonio.....	82,980	87,186	- 4.8	71,662	+15.8
Shreveport.....	30,735	49,618	-38.1	29,023	+ 5.9
Texarkana.....	10,684	14,618	-26.9	10,132	+ 5.4
Tucson.....	13,021	12,833	+ 1.5	9,958	+30.8
Waco.....	15,524	18,416	-15.7	14,879	+ 4.3
Wichita Falls.....	19,546	27,113	-27.9	16,693	+17.1
Total.....	\$817,485	\$1,005,183	-18.7	\$707,174	+15.6

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

Acceptance Market

After showing an increase of \$848,049 in November, the volume of acceptances executed by banks in this district and outstanding at the close of the month declined \$716,255 in December, and amounted to \$6,521,161 on December 31. At the end of 1929, the total of outstanding acceptances was \$11,040,545. Acceptances based on import and export transactions declined \$331,893 during December, amounting to \$2,211,309 at the end of the month; those executed against the domestic shipment and storage of goods were reduced \$384,362 during the month, and aggregated \$4,309,852 on December 31.

Savings Deposits

A decrease of 1.7 per cent occurred during December in the volume of savings deposits, according to figures obtained from 88 banks in the Eleventh District which operate savings departments. The combined savings accounts of these banks amounted to \$152,993,225 on the last day of the year, as against \$155,570,068 on November 30. There was an increase of 3.7 per cent, however, as compared to the volume on December 31, 1929.

SAVINGS DEPOSITS

	December 31, 1930			December 31, 1929			November 30, 1930		
	Number of Reporting Banks	Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Year in Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Month in Savings Deposits
Beaumont.....	4*	5,779	\$ 2,632,198	5,689	\$ 2,472,328	+ 6.5	5,742	\$ 2,688,018	- 2.1
Dallas.....	4	64,313	27,268,242	68,747	25,264,766	+ 7.9	64,156	27,659,917	- 1.4
El Paso.....	2	16,057	5,655,716	15,912	6,322,109	-10.5	16,230	5,702,998	- 8
Fort Worth.....	2	19,391	6,380,988	18,118	6,267,019	+ 1.8	18,919	7,721,799	-17.4
Galveston.....	3	13,648	8,064,239	13,633	8,128,276	- 8	13,670	8,088,783	- 3
Houston.....	11*	73,985	35,212,358	69,659	33,600,022	+ 4.8	73,544	35,580,552	- 1.0
Port Arthur.....	2	4,886	1,728,236	4,647	1,704,835	+ 1.4	4,855	1,723,617	+ 3
San Antonio.....	7*	32,925	23,909,050	30,867	22,737,070	+ 5.2	32,848	23,431,417	+ 2.0
Shreveport.....	4*	20,658	13,570,581	20,391	11,310,899	+20.0	20,764	13,817,622	- 1.8
Waco.....	4	10,504	7,043,211	7,166,018	7,166,018	- 1.7	10,821	6,927,338	+ 1.7
Wichita Falls.....	2	3,719	1,532,762	3,685	1,574,667	- 2.7	3,716	1,609,297	- 4.8
All others.....	43*	39,734	19,995,644	40,798	21,028,949	- 4.9	40,758	20,617,910	- 3.0
Total.....	88	305,599	\$152,993,225	302,169	\$147,585,958	+ 3.7	306,023	\$155,570,068	- 1.7

*Only 3 banks in Beaumont, 10 banks in Houston, 6 banks in San Antonio, 3 banks in Shreveport, and 39 banks in "All others" reported the number of savings depositors.

JANUARY 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.....	4-6	6-8	5-8	5-6	5½-6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5½-6	5-6	5-6	5½-6	5½-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	5-7	6-8	6-8	5-6	6-8	6-8
Time.....	6-8	6-8	6-8	5-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	6	8	6-8	5-6	6-8	5-7
Rate on cattle loans.....	6-8	6-8	6-8	7-8	6-8	7

INDUSTRY

Textile Milling

A further slight improvement over the previous month was shown in the Eleventh Federal Reserve District's textile milling industry during December, but the comparison with a year ago again reflected a decline. There were 2,092 bales of raw cotton consumed by reporting mills during the month, as compared to 2,018 bales in November, and 2,689 bales in December, 1929. Production of cloth was 8.5 per cent greater than in the preceding month but 26.4 per cent less than in the corresponding month of 1929. Stocks on hand on December 31 exceeded those held on November 30 and December 31, 1929, by 14.3 per cent and 8.3 per cent, respectively. New orders recorded on the books of reporting mills were slightly less than on both previous dates.

The domestic consumption of cotton in the United States during December totaled 406,207 bales as compared to 414,887 bales in November, and 452,685 bales in December, 1929. Consumption during the period from August 1 to December 31 of the current season was 26.5 per cent less than that during the corresponding period of the previous season.

TEXTILE MILLING STATISTICS—TEXAS

	December 1930	December 1929	November 1930
Number bales consumed.....	2,092	2,689	2,018
Number spindles active.....	76,177	103,172	74,857
Number pounds cloth produced.....	922,913	1,254,352	850,255

COTTON CONSUMED AND ON HAND
(Bales)

	December 1930	December 1929	August 1 to This Season	December 31 Last Season
Cotton Growing States:				
Cotton consumed.....	322,136	353,072	1,606,464	2,118,129
On hand December 31 in—				
Consuming establishments.....			1,254,204	1,417,257
Public storage and compresses.....			7,996,042	5,685,086
United States:				
Cotton consumed.....	406,207	452,685	2,012,244	2,738,185
On hand December 31 in—				
Consuming establishments.....			1,659,432	1,841,079
Public storage and compresses.....			8,377,720	5,898,506

Cottonseed Products

The past month witnessed a further seasonal decline in the operations of cottonseed oil mills at both Texas and all United States mills, but the latter mills, with the exception of linters produced, reflected an increase over December, 1929. The receipts and crushings of seed this season at both Texas and United States mills have been greater than in the previous season, while stocks on hand on December 31 were less than on the same date a year ago.

The average price received for hulls shipped from mills reporting to the Federal Reserve Bank, increased during the period from December 6 to January 3, while the price of all other products declined. Hulls, which sold for \$9.16 per ton on the former date, increased to \$9.43 per ton on the latter date. The average price received for crude oil declined from \$.0615 per pound on December 6 to \$.0596 per pound four weeks later, while cake and meal brought \$30.87 per ton on the earlier date, as compared to \$29.49 per ton on January 3. Linters declined from \$.0315 per pound to \$.0281 per pound during the four weeks. The average price paid for cottonseed during the period was \$26.59 per ton, as compared to \$26.91 per ton in the four weeks ending December 6.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to December 31		August 1 to December 31	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,135,964	1,129,978	4,081,127	3,983,974
Cottonseed crushed (tons).....	887,088	875,644	3,185,202	2,917,123
Cottonseed on hand (tons).....	265,579	274,449	991,341	1,108,457
Crude oil produced (pounds).....	258,518,514	254,801,290	944,242,206	900,752,046
Cake and meal produced (tons).....	417,895	408,325	1,414,813	1,266,131
Hulls produced (tons).....	248,043	235,647	869,722	798,527
Linters produced (running bales).....	139,091	185,365	542,846	601,339
Stocks on hand December 31:				
Crude oil (pounds).....	23,242,917	30,342,276	75,665,661	74,304,151
Cake and meal (tons).....	79,430	68,738	298,139	202,983
Hulls (tons).....	72,115	76,400	173,720	154,373
Linters (running bales).....	92,241	73,507	325,276	232,518

Cotton Movements

The receipts and exports of cotton at the ports of Houston and Galveston reflected a noticeable seasonal decline during December. Movements were also substantially smaller than in the corresponding month of 1929. Stocks on hand at both ports on December 31 again exceeded those held on the same date a year ago. Foreign exports of cotton from the United States amounted to 765,835 bales in December, as compared to 907,649 bales in November, and 910,321 bales in December, 1929. Exports during the five months of the current season averaged 5.2 per cent less than those during the same period of the preceding season.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON
(Bales)

	December 1930	December 1929	August 1 to This Season	December 31 Last Season
Receipts.....	176,135	270,685	1,197,699	1,565,762
Exports.....	183,433	309,451	678,996	1,132,595
Stocks, December 31.....			703,955	508,762

COTTON—GALVESTON STOCK STATEMENT
(Bales)

	Dec. 31, 1930	Dec. 31, 1929
For Great Britain.....	7,700	12,900
For France.....	10,200	10,200
For other foreign ports.....	37,000	50,500
Coastwise ports.....	1,500	1,000
In compresses and depots.....	647,555	434,162
Total.....	703,955	508,762

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON
(Bales)

	December 1930	December 1929	August 1 to This Season	December 31 Last Season
Receipts.....	277,813	383,072	2,472,611	2,289,995
Exports.....	251,219	272,668	1,842,640	1,141,714
Stocks, December 31.....			1,509,696	1,169,256

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

	August 1 to December 31	
	This Season	Last Season
Receipts.....	7,019,791	6,954,253
Exports:		
United Kingdom.....	742,749	799,599
France.....	640,837	535,859
Italy.....	276,482	399,601
Germany.....	1,064,863	1,115,016
Other Europe.....	392,237	490,696
Japan.....	477,798	609,168
All other countries.....	351,630	212,336
Total foreign ports.....	3,946,596	4,162,275
Stocks at all United States ports, December 31.....	4,288,712	2,727,680

SPOT COTTON PRICES—(Midling Basis)
(Cents per pound)

	December, 1930		Jan. 15, 1931
	High	Low	
New York.....	10.60	9.45	10.10
New Orleans.....	10.30	9.05	9.73
Dallas.....	9.80	8.50	9.40
Houston.....	10.30	9.10	9.80
Galveston.....	10.35	9.15	9.90

Petroleum

The month of December witnessed a further material reduction from the previous month in both the total and daily average production of crude oil in the Eleventh District. The combined output of all fields in the district amounted to 24,225,700 barrels, as compared to 24,907,950 barrels in November, and 27,090,150 barrels in December a year ago. Daily average yield declined from 830,265 barrels in November to 781,474 barrels in the following month. As reflected in the number of wells completed during the month, December drilling activity showed a considerable increase over November, although the number of producers reported was 220 in each month. The new

OIL PRODUCTION—(Barrels)

	December, 1930		Increase or Decrease Over November, 1930	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	4,140,100	133,552	-229,000	-12,085
Central West Texas.....	8,570,950	276,482	-690,400	-32,230
East Central Texas.....	1,258,800	40,606	+ 42,150	+ 51
Texas Coastal.....	5,035,600	162,439	+177,000	+ 486
Southwest Texas.....	2,612,050	84,260	+ 80,050	- 140
Total Texas.....	21,617,500	697,339	-620,200	-43,918
New Mexico.....	1,274,050	41,098	- 75,350	- 3,882
North Louisiana.....	1,334,150	43,037	+ 13,300	- 991
Total District.....	24,225,700	781,474	-682,250	-48,791

DECEMBER DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	149	58	19	72	7,708
Central West Texas.....	89	25	16	48	5,310
East Texas.....	28	24	3	1	125,770
Southwest Texas.....	90	41	10	39	13,453
Texas Coastal.....	76	49	3	24	21,419
Texas wildcats.....	21	2	2	17	3,235
Total Texas.....	453	199	53	201	176,895
New Mexico.....	11	10	1	88,398
North Louisiana.....	50	11	21	18	2,676
December totals, district.....	514	220	75	219	267,969
November totals, district.....	422	220	38	164	306,571

wells yielded a flush production of 267,969 barrels in December, as against 306,571 barrels in the earlier month.

Texas was responsible for a further heavy curtailment in daily average petroleum output, which brought the daily yield during December in this State down to 697,339 barrels. The daily average production in the West and West Central sections was reduced 32,230 barrels and that in North Texas 12,085 barrels, while the East Central and Texas Coastal regions showed relatively slight increases. Much active interest centers in Rusk County, located in East Central Texas, where two discoveries of high gravity oil in large quantity were made during December. Production there was obtained from the Woodbine sand at a depth of from 3600 to 3650 feet, and was of such nature as to cause available leases in the surrounding area to be in very strong demand.

In both New Mexico and North Louisiana, daily production during December showed a decrease from the previous month. New production also was in smaller volume than in November, especially in New Mexico. The initial yield of new wells in that State dropped 82,997 barrels, amounting to 88,398 barrels in December. The sharp decline was due to the fact that no wells were completed during the last half of the month.

CRUDE OIL PRICES

	Jan. 13, 1931	Jan. 14, 1930
Texas Coastal grade "A".....	\$1.00	\$1.30
North Texas (40 gr. and above).....	1.07	1.85*
North Louisiana (44 gr. and above).....	1.19	1.85

*Price paid for oil 44 gr. and above.

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

Building

The valuation of building permits issued in December at leading cities in this district rose to \$4,910,142, reflecting an increase of 35.6 per cent from the low volume of November. A decline of 31.3 per cent was registered, however, from the valuation of construction permits issued in December a year ago. Beaumont, Dallas, and Galveston, reported considerable increases over both the preceding month and the same month in 1929. Amarillo, Austin, and San Antonio, also showed an improvement over the previous month.

The aggregate valuation of building permits during the past year amounted to \$67,760,752, as compared to \$97,606,091 in 1929. These figures represent a decrease of 30.6 per cent for the district as a whole.

BUILDING PERMITS

	December, 1930		December, 1929		Percentage Change Valuation Over Year	November, 1930		Percentage Change Valuation Over Month	Twelve Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1930		1929		
									No.	Valuation	No.	Valuation	
Amarillo.....	34	\$ 69,505	32	\$ 162,411	- 57.2	39	\$ 65,490	+ 6.1	631	\$ 1,843,145	575	\$ 1,845,021	- .1
Austin.....	54	406,573	50	931,860	- 56.4	65	76,922	+428.6	1,041	3,509,703	997	3,793,169	+ 7.5
Beaumont.....	135	129,734	85	80,115	+ 61.9	112	68,056	+ 90.6	1,750	2,666,355	1,972	2,659,323	+ .3
Corpus Christi.....	27	31,755	42	46,401	+ 31.6	246	883,879	+ 44.3	622	1,150,202	840	2,308,105	-50.2
Dallas.....	248	1,275,638	279	532,714	+ 139.5	77	248,599	- 49.2	3,776	11,135,911	3,538	9,776,788	+13.9
El Paso.....	66	126,325	124	476,789	- 73.5	191	586,784	- 19.3	1,273	2,966,166	1,403	4,386,957	-32.4
Fort Worth.....	185	473,673	183	341,243	+ 38.8	118	66,009	+960.4	2,747	10,121,774	3,377	11,733,295	-13.7
Galveston.....	85	699,948	85	37,424	+1770.3	153	1,182,850	- 14.8	1,446	1,799,383	2,018	3,659,970	-50.8
Houston.....	224	1,008,310	276	1,177,951	- 14.4	35	19,995	- 38.4	3,713	17,613,072	5,249	29,526,630	-40.3
Port Arthur.....	34	12,326	98	86,537	- 85.8	216	157,045	+287.1	1,140	2,806,368	1,494	2,702,352	+ 4.0
San Antonio.....	242	607,959	340	3,111,380	- 80.5	171	45,733	- 27.1	3,238	8,500,919	4,425	18,078,230	-53.0
Shreveport.....	126	33,341	145	74,728	- 55.4	24	63,167	- 56.0	2,017	1,659,714	2,992	3,457,917	-54.9
Waco.....	21	27,820	26	84,247	- 67.0	25	25,997	- 72.2	360	1,154,055	486	2,666,037	-56.7
Wichita Falls.....	13	7,235	12	8,106	- 10.7	25	25,997	- 72.2	264	930,985	419	1,012,297	- 8.0
Total.....	1,494	\$4,910,142	1,777	\$7,151,906	- 31.3	1,517	\$3,621,896	+ 35.6	24,018	\$67,760,752	29,785	\$97,606,091	-30.6

Lumber

Operations at the Eleventh District pine mills declined to new low levels during December. It is significant to note, however, that for the first time since last February the demand for lumber, as measured by new orders received, exceeded production, although curtailment of the latter was very heavy. During the four-week period ending December 27 new orders declined 4 points and on that date stood at 47 per cent of normal production, while actual production showed a decrease of 17 points during the period, declining from 61 per cent of normal on November 29, to 44 per cent on December 27. Shipments of lumber reflected a decline of 14 points during the four weeks, being reduced from 57 per cent of normal production on the former date to 43 per cent on the subsequent date. Due to the maintenance of production at a

relatively high level and orders and shipments having shown a steady decline during the past few months, stocks have accumulated in mill yards and are far ahead of order files. Unfilled orders on hand at 45 mills on December 27 aggregated 24,503,000 feet as compared to 21,464,000 feet on hand at 48 establishments on November 29. Operating schedules of mills throughout the district have been reduced.

Cement

A material reduction in the activity of Texas portland cement mills was in evidence during December. Both their production and their shipments were on the lowest level reached since last January. With an output of 392,000 barrels of cement during the month, these mills operated on a scale 21.9 per cent smaller than in November, and 33.9 per cent below that of December, 1929. Their shipments in December amounted to 362,000 barrels, as compared to 453,000 barrels in the previous month, and 450,000 barrels in the corresponding month a year ago. Stocks on hand increased by 29,000 barrels and aggregated 799,000 barrels at the end of December, as against 813,000 barrels at the close of 1929.

Total cement production in Texas declined from 7,369,000 barrels in 1929 to 6,781,000 barrels in 1930. Aggregate shipments during the past year amounted to 6,792,000 barrels, as compared to 7,084,000 barrels in 1929, reflecting a decrease of 4.1 per cent.

PINE MILL STATISTICS
(Four-week period ending December 27, 1930)

Number of reporting mills.....	45
Production.....	34,284,000 feet
Shipments.....	33,172,000 feet
Orders.....	36,798,000 feet
Unfilled orders December 27.....	24,503,000 feet
Normal production.....	77,924,000 feet
Stocks, December 27.....	312,923,000 feet
Shipments below normal production.....	44,752,000 feet—57%
Actual production below normal.....	43,640,000 feet—56%
Orders below normal production.....	41,126,000 feet—53%

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

	December 1930	Percentage Change Over		January through December 31	Percentage Change
	Number	Month	Year	Number	Over Year
Production at Texas mills.....	392	-21.9	-33.9	6,781	- 8.0
Shipments from Texas mills.....	362	-20.1	-19.6	6,792	- 4.1
Stocks at end of month at Texas mills.....	799	+ 3.8	- 1.7

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of January 22, 1931)

Production and factory employment declined further in December. Wholesale prices decreased during the first half of the month but thereafter were generally steadier. Conditions in the money market remained easy and in January money rates reached new low levels.

PRODUCTION

Industrial production was further reduced during December, and the Federal Reserve Board's index, which makes allowance for usual seasonal changes, showed a decline of over 2 per cent. Output of steel and iron, textiles, petroleum, cement, and copper was substantially curtailed. Activity in meat packing plants and at anthracite mines increased in December, and in the automobile industry there was an increase in output, reflecting the introduction of new models. After the turn of the year, automobile output increased further, and steel plants were more active. Construction contracts awarded during December were in about the same volume as in November, according to reports of the F. W. Dodge Corporation. There were slight declines, partly seasonal in nature, in contracts for residential and commercial construction, while public works and utility awards increased somewhat.

EMPLOYMENT AND WAGE PAYMENTS

Employment in manufacturing industries was reduced further by 2.5 per cent between the middle of November and the middle of December, and factory payrolls also declined. The largest reductions in working forces were in the canning, lumber, steel, and wearing apparel industries. There was little change in employment in railroad car shops, and in cotton and silk mills, while in the automobile, meat packing, and paper and printing industries working forces were increased slightly. In early January, following year-end inventory periods, reports indicate increased employment in certain industries, particularly automobiles, steel, and railroads.

DISTRIBUTION

Sales of department stores increased in December by slightly less than the amount which is usual for the holiday season, according to preliminary reports to the Federal Reserve Banks. In December, as in earlier months of the year, the volume of sales probably reflected the influence of declining

retail prices. Distribution of commodities by freight showed a further decline for the month of December as a whole. Value of American exports to foreign countries was smaller in December than in November, and approximately 35 per cent below that of December, 1929, the decrease reflecting in part the decline in wholesale prices.

WHOLESALE PRICES

Wholesale prices of commodities declined sharply in the first half of December, while in the following four weeks average fluctuations were relatively small. For the month of December as a whole, there were large decreases in prices of corn, hogs, cotton, hides, and lumber, while prices of wheat, beef, and silk averaged somewhat higher than in November. During the first two weeks in January, prices of corn, sugar, and silk increased, and the price of wheat in American markets remained fairly stable. Silver prices reached new low levels.

BANK CREDIT AND MONEY RATES

Loans and investments of reporting member banks declined in the four-week period ending January 14, reflecting further liquidation of security loans, as well as a reduction in "all other" loans and in investments. Changes in the position of Reserve banks in recent weeks reflected largely changes in the demand for currency. In December, this demand increased more than is usual for the season, owing to the withdrawal of cash by banks and by the public in districts where there were important bank failures. In the two weeks after Christmas the return flow of currency from circulation was smaller than the usual seasonal amount and the result was that money in circulation, which during the larger part of 1930, had been in considerably smaller volume than in 1929, in January, 1931, was above the level of a year ago. In the following two weeks the return flow of currency was somewhat larger than usual, indicating a return of part of the extra currency which had been called into use in December. Money rates in the open market continued at low levels during December, and declined further in the first half of January. The discount rate at the Federal Reserve Bank of New York was reduced to 2 per cent on December 24, and in the following three weeks the rate at the Federal Reserve Bank of Boston was reduced to 2½ per cent, and rates at the Federal Reserve Banks of Cleveland, St. Louis, Chicago, Atlanta, and San Francisco to 3 per cent.