MONTHLY REVIEW OF BUSINESS AND INDUSTRIAL CONDITIONS

IN THE

ELEVENTH FEDERAL RESERVE DISTRICT
FEDERAL RESERVE BANK OF DALLAS

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GENERAL SUMMARY

Brighter agricultural prospects have followed in the wake of the exceptionally heavy rains that have recently covered practically every part of the district except Arizona and New Mexico. While it is true that these rains have retarded planting operations in Texas and in fact have resulted in some losses to the farmers (especially in the eastern half of the state) by reason of floods and overflows which have necessitated the replanting of thousands of acres of cotton and other crops, the coming of warm weather will rapidly improve crop conditions, and with the present excellent supply of subsoil moisture the state looks forward to a year of abundant crop production, subject, of course, in the case of cotton, to curtailment by insect damage.

In West Texas conditions are more propitious than they have been since 1919. In fact, the improvement in range and crop conditions that has taken place in that section since our last report was issued gives promise of making 1922 one of the banner production years of its farmers and stockmen, and recalls the situation that existed there in 1919, when seasonable rains enabled that section to reach the peak of its productiveness and contributed materially to that year's record-breaking crop production of the state as a whole.

A further contraction in bank loans, as shown by the April reports of reserve city banks and the reduction of rediscounts held by the Federal Reserve Bank of Dallas, emphasizes the unusual credit situation that now obtains. Normally the tendency at this season of the year is for loans to expand as the demand for credit for financing the planting and growing of the new crops increases. The backwardness of this demand is attributable in part, at least, to the fact, that planting operations have been delayed by weather conditions.

Trade activity in April exhibited some diminution from the high tide of distribution reached in March. Both retailers and wholesalers reported somewhat smaller sales totals, except dealers in furniture hardware, building materials and farm implements. Collections, both at wholesale and retail, although reported to be slowing up, are characterized in current reports as generally satisfactory.

Building activity continued its expansion, accompanied by a steadily growing demand for lumber and other materials and a further reduction in unemployment.

Labor conditions are showing gradual improvement, the past month witnessing the settlement of a long-drawn-out strike of coal miners at Bridgeport, Texas, involving a reduction both of wage scales and tonnage rates pending a new agreement between all operators and miners in Texas, Oklahoma, and Arkansas.

Resumption of mining and milling plants at Silver City and Kingston, N. M., and the reopening of a large copper smelter at Globe, Arizona, were outstanding developments of the month in the mining industry of the district.

The wool and mohair market has shown increasing firmness during the past thirty days, and wool prices are now ruling at a level approximately 50 per cent above that of a year ago. This fact, together with the extraordinary advance in sheep and lamb prices that has occurred this spring, as well as the almost ideal range conditions that now prevail, have greatly heartened the producers and augur well for a more prosperous year than they had hoped to enjoy.

CROP CONDITIONS

Heavy and continuous rainfall, occurring during the latter part of April and early in May, produced both damaging and beneficial effects upon crop conditions in the Eleventh District.

Flood waters caused by the deluge of rains in the eastern half of the district inundated thousands of farms in that section, and in some of the lowlands destroyed crops and livestock. The damage to crops, inflicted chiefly upon cotton and corn, cannot be accurately estimated at this time. Much replanting will have to be done as soon as the fields dry out sufficiently to permit these operations.

On the other hand, farms and ranches in West Texas and Southwest Texas, where a more moderate rainfall occurred, received the most beneficial precipitation that has visited that section since 1908. Farmers and ranchmen of West Texas are now jubilant over the crop and livestock outlook in that semiarid region, and favorable reports have also been received as to conditions in New Mexico and Arizona.

On the whole the flood damage in the eastern and southern sections has been more than offset, it is believed, by the beneficial effects of rains in the West. West Texas, according to reports on present conditions, should have one of the best years it has ever known, from an agricultural standpoint.

The Texas cotton crop will this year be from two to four weeks late, due to the interruption of the planting operations and the necessity of replanting much of the crop as a result of an unusually heavy rainfall, which came at the height of the planting season. While reports continue to indicate that this district will show a considerably enlarged cotton acreage this year, the exact extent of the increase is not only uncertain but comparatively unimportant, since the acreage, as a factor in estimating production, has lost much of its usual significance this year as a result of the unknown effect of unusual weather conditions and the future activities of the boll weevil.

Federal statisticians report a heavy abandonment —estimated at 41 per cent—of the Texas winter wheat acreage, due to the destructive effects of the drouth that prevailed last fall and winter. The heaviest abandonment occurred in the Panhandle district, which producers about 60 per cent of the Texas crop. The economic loss from this source will be greatly reduced, however, by the fact that practically all of the abandoned wheat acreage in the Panhandle has been reclaimed for the production of such row crops as grain sorghums, cotton, and sudan. Following the heavy spring rains, however, that portion of the crop which survived the drouth has made excellent growth, and an average yield of 12 bushels per acre from a total effective acreage of 1,023,000 is estimated to produce a total of 12,276,000 bushels in the state of Texas, based on the present outlook. While the stand is somewhat thin in the plains of West Texas, reports show the crop to be in good condition in the wheat counties of North Texas.

Some reduction in the district's fruit crop is indicated by current reports. In Arizona fruit is doing well in the lower altitudes, but elsewhere has been badly damaged by frosts. Continued cold weather in New Mexico has retarded the crop in that state. In North and East Texas the prospective yield of peaches has been heavily reduced as the result of killing frosts which occurred during the budding season. The outlook for the truck and tomato crop of East Texas, which constitutes an important item of agriculture in that section, is also unfavorable.

Cotton Movements. While the inland movement of cotton was less active than in the previous month (as indicated by reduced April receipts at Texas seaports), the exportation of this staple from the port of Galveston registered a marked increase over the outbound movement for March. As a result there was a heavy reduction in stocks at that point, both as compared to the previous month and as compared with stocks on hand a year ago. The present season's export movement through Galveston has amounted to 2,230,975 bales, which, considering the short crop produced last year and the fact that the total about equals the record for the previous season when the crop set a new high production record, would seem to reflect a healthy improvement in the foreign demand. This is apparently borne out by the export statistics for all United States ports, which show that the short crop of 1921 has already yielded a foreign export movement of 4,708,000 bales, as against a total of only 4,046,000 for the corresponding date last season.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	April 1922	March 1922	Aug. 1st to Apr. 29th This Season	Aug. 1st to Apr. 29th Last Season
Gross Receipts	131,223	210,267	2,233,004	2,495,175
Exports	210,027	156,649	2,230,975	2,262,579
Stocks, April 29th	....	....	244,716	341,682

GALVESTON STOCK STATEMENT

	April 29, 1922	April 30, 1921
For Great Britain	25,053	19,073
For France	9,500	3,333
For other foreign ports	21,685	40,085
For coastwise ports	3,000	3,500
In compresses	185,478	275,691
Total	244,716	341,682

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

	This Season	Last Season
Receipts since Aug. 1	5,241,091	5,339,081
Exports: Great Britain	1,301,973	1,350,506
France	601,513	470,217
Continent	2,002,738	1,872,827
Japan-China	800,012	329,380
Mexico	2,100	24,017
Total foreign ports	4,708,336	4,046,947
Stocks all U. S. ports, Apr. 29	943,336	1,470,798

Grain Movements. Wheat cargoes shipped from Galveston in April showed a falling off of 47 per cent by comparison with the previous month, the total being only 644,000 bushels as against 1,356,000 in March. A comparison with last year's movement shows an even more startling decrease, the total for April, 1921, being 5,666,000 bushels, which was nine times as large as the April movement this year. The heavy decrease is attributable in part to a falling off in the takings of foreign markets, and in part to the fact that a larger proportion of the wheat exported from this district is moving overland by rail than was the case a year ago.

Comparative grain receipts at Dallas, Wichita Falls, Fort Worth, Waco, and Galveston are shown in the table below.

COMPARATIVE GRAIN RECEIPTS

	April (cars)	March (cars)
Wheat	611	1,142
Corn	165	301
Oats	81	121

LIVESTOCK

Range Conditions The abnormally heavy rains which occurred in Texas during the past thirty days, and which inflicted considerable injury, in the form of flood damage, to the farming industry in some sections of the state, have proven the salvation of the ranges in that state. As a rule they were in poor condition at the end of the winter, due to a drouth that had existed since June, 1921. But they responded well to the snows and moderate rains of February and March, and the abundant precipitation of April and May put the finishing touches on a situation that is now reported to be almost ideal for the rapid growth and fattening of cattle, except in the vicinity of El Paso and certain sections of Eastern New Mexico. With the exception of the latter, all parts of the district report that grass is making unusually vigorous growth and cattle are taking on flesh at a rapid rate. Some feeding, however, is still necessary in New Mexico, where cattle and other livestock are weak as a result of scant pasturage.

The recent rainfall in the plains country of West Texas, which averaged from two to four inches over a large area tributary to San Angelo, invigorated grass and weeds and placed a most promising aspect upon the outlook for the production of sheep, wool, and mohair.

Prices and Movements Livestock movements—both to market and northern pastures — continued on an exceptionally restricted basis in April. In Arizona the movement of spring lambs to eastern markets is under way, and growers are receiving satisfactory prices. Many fine feeder cattle are reported to be held in that state awaiting buyers. At the Fort Worth market the month brought a repetition of the conditions prevailing in March—light receipts and firm prices. In fact the supply was even smaller than that of March, due largely to floods and washouts that impeded railroad traffic, but also attributable in part to the improved range conditions which cut down the movement of cattle to Oklahoma and Kansas pastures, and to improved financial conditions in the cattle industry which have enabled producers to borrow money on breeding stock which is now being held to a greater extent than has been practiced for some time.

The demand has continued to rule firm, advances being scored in April on all classes of livestock except sheep and lambs, which reacted slightly from the exceptionally high levels attained in March. The top prices for sheep and lambs, however, as shown in the table below, are still something like fifty per cent higher than those of a year ago, and with the increasing strength of the raw wool market, the sheep industry is now facing a brighter outlook than it has known for several years.

FORT WORTH LIVESTOCK RECEIPTS

	April 1922	March 1922	Loss or Gain	April 1921	Loss or Gain
Cattle	42,750	53,833	L 11,083	44,447	L 1,697
Calves	6,197	11,406	L 5,209	11,513	L 5,316
Hogs	46,087	70,258	L 24,171	35,560	G 10,527
Sheep	13,897	45,120	L 31,223	45,110	L 31,213

COMPARATIVE TOP LIVESTOCK PRICES

	April 1922	March 1922	April 1921
Beef steers	$ 8.75	$ 8.50	$ 8.40
Stocker steers	7.25	6.75	7.25
Butcher cows	6.75	5.75	6.50
Stocker cows	4.25	4.25	5.50
Calves	9.25	9.50	9.75
Hogs	10.15	10.60	9.10
Sheep	9.50	9.25	6.00
Lambs	16.50	15.10	10.25

WHOLESALE TRADE

A marked strengthening of demand in some lines of wholesale trade, despite the accompanying irregularities prevalent in the general trade situation, was the characteristic feature of trade developments during the month of April. Sales of farm implements and furniture not only displayed a further seasonal expansion but reflected a substantial gain over sales of April, 1921. Hardware sales scored a noteworthy increase over March sales and showed a decisive betterment in relation to sales of the previous year. April dry goods sales did not equal those either of last month or the same month a year ago, but the seasonal falling off was not as large as last year. The grocery and drug trades showed that the peak of the seasonal movement occurred in March, as a decrease was registered both from last month and the same month a year ago.

The flood, hail, and storm damage, as well as the heavy rains which have been general throughout the district, have brought about many irregularities in trade both at retail and wholesale. These weather conditions have made traveling in some sections difficult and the washouts on the railroads have delayed shipment. Retailers generally are continuing the policy of conservative merchandising and in most cases are supplying only their well defined needs. This is an added factor to the other irregularities of the situation.

Collections in general have been satisfactory though in most lines they fell somewhat below those of the previous month. The rise in prices of agricultural products and livestock has enabled the farmer to sell his surplus holdings and to apply the returns on his open accounts or to pay cash for what he buys. Betterment of sales at retail has also been a factor in the larger collections of wholesalers.

Prices as a rule have held their own. While there has been some minor decreases, noticeable advances have occurred in certain items of the hardware and grocery trade, and the textile group has moved upward, reflecting the advance of raw materials, the heavier demand at retail and the continued labor troubles which have resulted in a curtailment of production.

While the general outlook is encouraging, it must be remembered that there are many factors at work which may impede distribution. Although the city trade will likely hold its own, the country trade is a variable factor and will fluctuate more or less in accordance with the crop prospects.

Dry Goods The effect of a late Easter and the large distribution at retail which resulted in numerous replacement orders were the factors which bouyed up sales of wholesale dry goods firms during April. While the sales of eleven firms were 8 per cent less than last month and 10.7 per cent less than for April, 1921, this season's sales show a better comparison with the corresponding period of the previous year than was reflected at the close of March. Retail distribution, while it was active during April and indications are that it will hold up in the event of warmer weather, remains as an uncertain factor in wholesale circles. Retail dealers have shown no disposition to anticipate future business and only a very small volume of buying is being done on fall merchandise. In fact they are still feeling their way cautiously and are holding their stocks to a minimum in order to avoid the effects of any possible break in prices and to obtain a rapid turnover of stocks which will enable them to carry on their business with a minimum amount of capital.

The combined influences of curtailed production, continued labor troubles, and price increases on raw materials, have caused increased prices on practically all textiles but reports indicate that buyers are slow in meeting the advanced prices as there is some doubt whether it can be passed on to the ultimate consumer.

Although the wholesalers reduced their stocks 7.8 per cent during April, stocks were 9.3 per cent greater on April 29th than they were at that date a year ago.

Reports seem to indicate that the wholesalers are optimistic as to the future business and consider the outlook favorable for a reasonable increase in case of fair weather and an improvement in the crop prospects.

Furniture The strong demand displayed for furniture during March continued throughout April and sales of reporting wholesale dealers registered a gain of 14.2 per cent over the previous month. The optimistic feature of the April reports was the increase of 21.6 per cent over sales of April, 1921. Sales for the first four months of the current year, however, were only slightly larger, than for the corresponding period of 1921. It is interesting to note that the course of this season's sales is directly in line with the belief of many dealers that 1922 sales will show a substantial increase over those of 1921. The city trade did not slump to the same extent as the country trade during the depression period, and the active home building campaign in the cities together with the ordinary demand from the city customers has been responsible for most of the recuperation in the furniture trade. As yet the demand from the small towns and rural districts has been of little consequence, but now that building operations are being extended to those sections and with the deferred buying as a large potential factor, barring crop failures, the smaller furniture dealers should enjoy a good trade when the crops are marketed. Prices remained steady throughout the month and some dealers state that forward orders are now being received in a large volume.

Drugs. The increased activity evident in the wholesale drug trade during March was lacking in April business, when eight drug firms reported a loss in sales amounting to 15.3 per cent; while sales from January 1st to April 29th were 15.1 per cent less than during the corresponding period of 1921. However, this decrease should be considered in the light of the fact that as a general rule April business is lighter than March in this line of trade. Some firms state that the heavy rains interefered considerably with sales during the last week of the month, and they would probably approach those of last year had the excessive rains not occurred. However, brighter prospects should follow a period of fair weather and sales should increase when it does come. Prices remained steady during the month. There was a slowing down in collections due to a lighter business among the retail dealers.

Farm Implements After the temporary lull in March, the sales of wholesale farm implement firms reflected a large increase during April. Sales were not only 71.5 per cent greater than March, but also 89.5 per cent greater than the corresponding month of 1921. The large volume of sales during April brought the total for the first four months of the current year to a point 5.3 per cent greater than for the similar period of the previous year. This larger distribution at wholesale followed the wider retail distribution which came as a result of the early spring rains. These early rains gave promise of good crops and as the farmers have been buying only necessities for the past two years (repairing old implements in order to obtain the best results possible under existing conditions) they began replacing these old implements with new ones as the prospects for a better crop justified it. However, the heavy flood and hail damage in some sections of the state during the first two weeks of May and the appearance of rust in sections of the grain area have again brought a halt to heavy purchasing.

Groceries The sales of twelve wholesale grocery firms reflected a decrease of 9.3 per cent from last month and a decrease of 8.3 per cent from April, 1921, sales. The distribution of groceries at wholesale generally slows up in the spring when produce begins to come to market in a large volume. The April sales showed a better comparison with the corresponding month of 1921 than March sales, due largely to the fact that the heavy rains and floods decreased the available supply of produce. Prices are generally firm with some few advances. Beans and dried fruit continue upward as the available supply is reported to be low. While the price of sugar has remained at about the same level as a month ago, the approach of the fruit preserving season may exert some influence on its future course. Prices on rice and coffee continue to go higher as reports come in that supplies are getting low.

Hardware The wholesale hardware trade, which did not show any marked recuperative powers until March of this year, came to the forefront in April when the sales of twelve firms reflected a further seasonal gain of 1.7 per cent over the previous month. Sales for April were only 4.4 per cent less than April, 1921, and for the first four months of the year the decrease was 15.9 per cent. New life has been injected into the trade, and although the continued rains have slowed down sales considerably, an almost normal volume of business is expected to follow improved weather conditions. The hardware trade has to some extent followed the lead of farm implements, and, as the farmer needs hardware as well as implements, this element of the trade has again come into the market. Larger operations in the district's oil fields increased the demand for drilling supplies. The expansion of building operations has also augmented sale of small builders' hardware. Prices have remained firm on all articles and some further advances have occurred on the basic iron and steel articles. Collections, while they fell off slightly from those of last month, remained satisfactory. Reports indicate that the demand has been improving with the advance of the current month and the outlook appears encouraging.

CONDITION OF WHOLESALE TRADE DURING APRIL, 1922
Percentage of Increase or Decrease in

	NET SALES April 1922, compared with		NET SALES January 1 to date, compared with same period 1921	STOCKS April 1922, compared with		PRICES April 1922, compared with	
	April 1921	March 1922		April 1921	March 1922	April 1921	March 1922
Groceries	— 8.3	— 9.3	—12.9	—12.9	— 4.3	—12.7	+ 4.8
Dry Goods	—10.7	— 8.0	—12.6	+ 9.3	— 7.8	....	....
Hardware	— 4.4	+ 1.7	—15.9	—16.4	— 1.0	—23.0	— 1.1
Farm Implements	+89.5	+71.5	+ 5.3	....	....	—31.6	— 1.0
Furniture	+21.6	+14.2	+ .9	....	....	....	....
Drugs	—15.3	—15.3	—15.1	—13.5	— .1	....	....

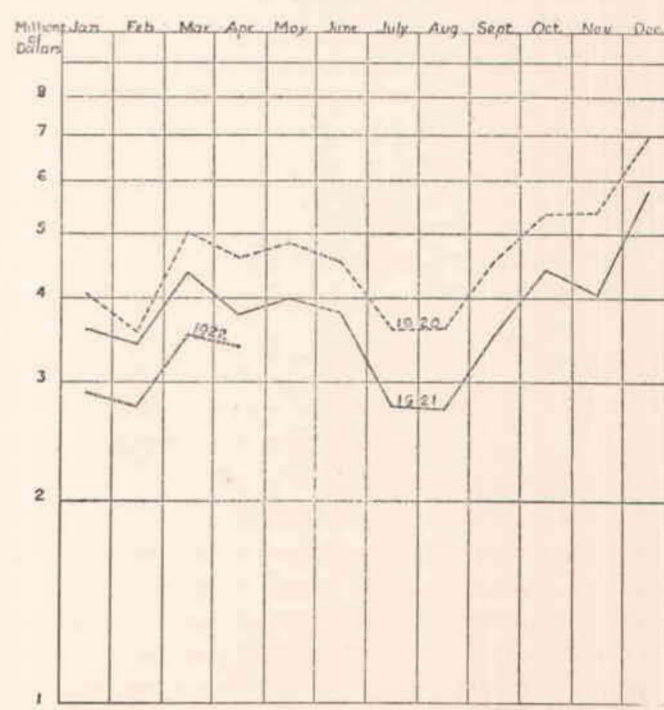
RETAIL TRADE

The outstanding feature of the retail trade situation during the month was the large pre-Easter buying which exceeded expectations and entered as the stimulating force to bring the volume of April sales well up to the March volume. Moreover, further reduced prices on spring merchandise and introductory sales on summer goods inaugurated during the last two weeks of April met a fairly active response from consumers regardless of the serious weather drawbacks. The April sales of twenty-two department stores were only 3.4 per cent less than March and 11.1 per cent less than April, 1921. It is interesting to note that sales for the current month more nearly approximated sales of the corresponding month of the previous year than has been the case for more than a year.

Stocks at the end of April showed a decrease of 3.1 per cent from the amount carried at the close of April a year ago and were 1.5 per cent less than the previous month. Department store managers are gradually reducing their stocks as the season advances, thereby obtaining a better rate of turnover. The ratio of stocks to sales for the first four months of the current year was 484 per cent as compared to 487.9 per cent for the first quarter.

The ratio of outstanding orders at the end of April to total purchases during 1921 was 5.0 per cent, which is practically the same percentage shown last month. Orders for fall shipments are being placed only to a limited extent and apparently for those items on which prices seem to be fairly stable. Buyers have shown but little concern over the present textile situation and continue to purchase these goods as the demand warrants.

The ratio of April collections to accounts receivable on the first of the month was 36.7 per cent as compared to 37.4 per cent during March.



NET SALES OF TWENTY DEPARTMENT STORES BY MONTHS DURING 1920, 1921 AND 1922.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	All Other	Total District
Total Sales:					
April, 1922, compared with April, 1921	— 13.7	— 12.9	+ .4	— 13.5	— 11.1
April, 1922, compared with March, 1922	— 15.6	— .1	+ 7.5	+ 5.4	— 3.4
Jan. 1, to date compared with same period last year	— 16.0	— 22.0	— 9.5	— 20.2	— 17.2
Credit Sales:					
April, 1922, compared with April, 1921	— 10.3	— 5.6	+ 7.7	— 9.5	— 6.5
April, 1922, compared with March, 1922	— 14.2	— 5.9	+ 10.9	+ 3.0	— 5.8
Jan. 1, to date compared with same period last year	— 13.2	— 15.8	— 2.9	— 13.4	— 11.7
Stocks:					
April, 1922, compared with April 1921	— 1.8	— 2.4	— 1.3	— 6.4	— 3.1
April, 1922, compared with March, 1922	+ .2	+ .7	— .8	— 5.3	— 1.5
Ratio of stocks to sales	470.8	553.2	483.6	468.6	484.0
Ratio of outstanding orders to last year"s purchases	5.3	3.2	7.8	3.6	5.0
Ratio of April collections to accounts receivable, due and outstanding April 1, 1922	31.7	40.7	40.5	45.2	36.7

FINANCIAL

Measured by charges to depositors' accounts, the April volume of public spending was on a smaller scale than during the previous month. The weekly average of debits during April was $134,174,000, or a decrease of 1.8 per cent from the weekly average of $136,682,000 during March. It is interesting to note, however, that for the first time during the current year the weekly average was larger than for the corresponding month of the previous year. The weekly average for April, 1921, was only $127,073,-000, which shows that debits this April were 5.8 per cent greater than last year. This would seem to indicate, in view of the general lower scale of prices in effect at the present time, that trade is going forward in a larger volume than last year.

CHARGES TO DEPOSITORS' ACCOUNTS

	AVERAGE WEEKLY DURING		
	April 1922	March 1922	April 1921
Albuquerque	$ 1,849,000	$ 1,800,000	$ 1,380,000
Austin	3,178,000	2,917,000	2,606,000
Beaumont	3,075,000	3,380,000	2,991,000
Dallas	31,729,000	33,042,000	31,532,000
El Paso	6,869,000	7,077,000	7,370,000
Fort Worth	29,410,000	31,568,000	18,962,000
Galveston	14,915,000	14,340,000	18,252,000
Houston	24,117,000	23,295,000	24,840,000
San Antonio	5,901,000	6,118,000	6,705,000
Shreveport	6,998,000	6,874,000	6,347,000
Texarkana, Texas	1,417,000	1,544,000	1,526,000
Tuscon	1,558,000	1,467,000	1,332,000
Waco	3,158,000	3,260,000	3,230,000
Totals, Eleventh District	134,174,000	136,682,000	127,073,000

Savings Deposits. The savings deposits of 117 banks of this district on April 29th were 8.8 per cent larger than a year ago but practically the same as last month.

While this district has a number of banks which conduct a savings department as an adjunct to their principal line of business, which is the handling of ordinary demand deposits, there are exceedingly few institutions in this section which may properly be classed as savings banks. This fact is attributable to a variety of causes. One is that the population of this part of the United States contains only a relatively small group of foreign-born citizens, who make up an important proportion of the customers of Northern and Eastern savings banks. Another is that the people of this district prefer other forms of savings. A larger proportion of the salaried class and wage earners are home owners, and for that reason building and loan associations constitute one of the popular media for savings. Some authorities believe that the negro population of this section constitutes a potential field of opportunity for savings banks. This idea has gained some impetus as the result of experiments along this line recently made in the North, particularly one that was recently described by the financial writer, Richard Spillane, as having been developed successfully in the city of Philadelphia, where a savings bank for the negro race is said to have met with marked success.

SAVINGS DEPOSITS

	Number of Reporting Banks	April 29, 1922	April 30, 1921	Inc. or Dec.	March 31, 1922	Inc. or Dec.
Beaumont	4	1,356,632	1,353,332	+ .2	1,324,436	+ 2.4
Dallas	7	8,994,789	8,477,475	+ 6.1	8,796,800	+ 2.3
El Paso	6	7,129,194	6,359,889	+12.1	7,145,740	— .2
Fort Worth	2	2,204,638	2,134,365	+ 3.3	2,186,786	+ .8
Houston	6	11,485,533	10,575,311	+ 8.6	11,531,502	— .4
San Antonio	5	5,694,358	5,306,301	+ 7.3	5,697,603	— .1
Shreveport	5	4,540,082	4,739,327	— 4.2	4,414,521	— 2.8
Waco	3	437,442	385,307	+13.5	369,683	+18.3
Wichita Falls	3	2,162,168	1,341,599	+61.2	2,164,283	— .1
All others	76	21,989,161	19,981,374	+10.1	21,978,115	+ .1
Total, District	117	65,993,997	60,654,280	+ 8.8	65,609,469	+.6

Acceptance Market There was a further decrease in the volume of outstanding acceptances held by accepting banks of this district. On April 29th, the acceptances outstanding amounted to $289,273.09, as compared to $692,541.26 on March 31st. The amount executed against import and export transactions was $158,084.65 as compared to $111,341.26 for the previous month. The amount based on domestic shipments and storage of goods showed a sharp decline, being $131,188.44 on April 29th as against $581,200.00 on March 31st.

Condition of Reserve City Banks Reports from reserve city banks disclosed a better condition than was in evidence a month ago. Loans were reduced $2,916,000 during the month while demand deposits increased $6,778,000. The bills payable with the Federal Reserve Bank showed a further decrease from $4,680,000 on March 29th, to $4,085,000 on April 26th, but their reserve accounts increased from $21,605,000 to $24,431,000. These banks have made further investments in United States government securities and at the same time have reduced their loans secured by United States government obligations. The ratio of loans to deposits on April 26th was 93 per cent as compared to 98 per cent on March 29th, and 107 per cent on April 27, 1921. This is the most favorable comparison shown in more than two years.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	April 26, 1922	March 29, 1922	April 27, 1921
1. Number of reporting banks	52	52	52
2. U. S. securities owned	$42,926,000	$41,927,000	$37,186,000
3. All other stocks, bonds, and securities owned	7,325,000	7,890,000	9,566,000
4. Loans secured by U. S. Government obligations	4,874,000	5,065,000	6,570,000
5. Loans secured by stocks and bonds other than U. S. Government obligations	43,103,000	40,705,000	36,660,000
6. All other loans	184,521,000	187,246,000	204,837,000
7. Net demand deposits	203,908,000	197,130,000	197,846,000
8. Time deposits	64,021,000	63,004,000	60,577,000
9. Reserve with Federal Reserve Bank	24,431,000	21,605,000	21,998,000
10. Bills Payable with Federal Reserve Bank	4,085,000	4,680,000	22,485,000
11. Percentage of loans (*) to net demand deposits	93%	98%	107%

*Loans include only items 4 and 6.

Operations of The Federal Reserve Bank. The rapid decline in our loans to member banks which has been in evidence since last September slowed down considerably during April, when a reduction of only $464,218.00 occurred. However, between the 1st and 15th of May there was a further decline of $3,981,203.43. Our ratio of reserves to combined deposits and note liabilities was reduced from 61 per cent on March 31st to 58.5 per cent on April 29th, due to a heavy transfer of funds to other districts during the last week of the month which temporarily reduced our gold holdings. Shortly after the first of the month our gold holdings were again replenished and our reserve ratio had risen to 67.2 per cent on the 15th of May.

Total bills held by this bank on April 29th amounted to $34,499,682.03, distributed as follows:

Member banks', collateral notes secured by U. S. Government obligations	$ 2,179,573.86
Rediscounts and other loans to member banks	32,305,108.17
Open market purchases (Bankers' Acceptances)	15,000.00
Total bills held	$34,499,682.03

There was a contraction in Federal Reserve notes during the month of $782,134, notes in actual circulation amounting to $27,039,855 at the close of business on April 29th as compared to $27,821,989 at the close of business on March 31st. The reserve deposits of member banks increased from $44,043,908.20 on March 31st to $45,656,373.30 on April 29th, or a net gain of $1,612,465.10.

Discount Rates. The customary discount rate charged on customers' paper at Dallas banks was one-fourth of one per cent higher, at Houston banks this rate was one per cent higher, while there was a reduction of one-half of one per cent at Waco, and one per cent at Fort Worth. The banks at the three former cities discounted some paper at a rate of one per cent lower than during the previous thirty-day period, while at Fort Worth the rate was two per cent lower. The "high," "low," and "customary" rates charged by commercial banks during the thirty-day period ending May 15th are shown for the cities listed below.

APRIL DISCOUNT RATES

	Dallas			El Paso			Ft. Worth			Houston			San Antonio			Waco		
	H	L	C	H	L	C	H	L	C	H	L	C	H	L	C	H	L	C
Prime commercial paper:																		
Customers' 30 to 90 days	7	5	6¼	10	6	8	5½	4	5	7	5	6	8	6	7	8	7	7½
Customers' 4 to 6 months	7	5	6¼	10	8	8	5½	4	5	7	5	7	8	6	7	8	7	7½
Open market 30 to 90 days	7	6	6½	5½	4¾	5	5½	4	5	....	....	....	....	....	..	5	4¾	4¾
Open market 4 to 6 months	7	6	6½	10	8	8	5½	4	5	....	....	....	....	....	..	5	4¾	4¾
Interbank loans	7	5½	6	9	6	8	8	5	6½	6½	5	6	8	6	6	7	6	7
Collateral loans, demand	8	6	6½	10	6	8	8	4	8	8	6	7	8	6	7½	8	7	8
Collateral loans, 3 months	8	6	6½	10	6	8	8	6	8	8	6	7	8	6	7½	8	7	8
Collateral loans, 3 to 6 months	8	6	6½	10	6	8	8	6	8	8	6	7	8	6	7½	8	7	8
Cattle loans	7½	7	7½	10	7	8	8	8	8	8	7	7	9	6	7½	....	7	....
Loans secured by warehouse receipts, Bs-L, etc.	8	6	6½	10	6	8	9	5	8	8	7	8	8	6	7	8	6	8
Loans secured by Government securities	8	5½	6½	10	6	8	8	6	8	7	5	6	8	6	7	8	6	8

FAILURES

The insolvency statistics for the month of April as compiled by R. G. Dun & Company reflected a sharp increase both in number and liability over the previous month. There were 167 failures with liabilities amounting to $3,865,301 as compared to 107 defaults with total liabilities of $2,121,725 during March; however, the totals were less than for either January or February of this year. The exceedingly large business mortality rate must be considered from several viewpoints. In the first place, during the war period, as well as the inflation and prosperity periods following, many new concerns were brought into the field and consequently this larger number of business enterprises cannot be ignored in an analysis of these statistics. Therefore it should be expected that, following such a period of inflation, unbalanced production and over-development of productive capacity, failures in large numbers should occur. A second consideration is that the months of most numerous failures has passed. While the record of failures during April was large and some subsequent months will undoubtedly reveal a large insolvency record, it is true nevertheless, that the general trend has turned downward. Thirdly, those concerns which cannot survive the intense competition of a reconstruction period are fast being eliminated, and those organizations which have withstood the hardships of the depression period and have emerged in a strong position fundamentally will enjoy a larger volume of business as the current betterment of conditions gradually makes itself felt.

COMMERCIAL FAILURES

	1922		1921	
	Number	Liabilities	Number	Liabilities
January	207	$ 4,326,594	155	$3,359,871
February	207	5,889,143	137	2,117,068
March	107	2,121,725	98	2,702,583
April	167	3,865,301	98	2,905,847
Total, Eleventh District, four months	688	$16,202,763	488	$11,085,369

PETROLEUM

The Eleventh District's crude oil output, which reached a peak during the month of March at 16,246,680 barrels, underwent a sharp decline during April when only 13,750,590 barrels were produced. This heavy reduction was due in part to the unfavorable weather conditions and in part to the low flush production of new wells completed. The Louisiana and Texas fields all shared in this large reduction. The total Texas production for April fell from the March yield to 12,088,280 barrels to 10,491,390 barrels, while the Louisiana output dwindled from 4,158,400 barrels during March to 3,259,200 barrels during April. Due to large reductions in output, Texas dropped to second rank among oil producing states after holding first place for several months. The April daily average yield for all Texas fields was 349,713 barrels as against a daily average flow of 389,944 barrels during March, which reflected a decrease of 40,231 barrels during the month. Most of this reduction occurred in the Central-west Texas field where the decrease in daily average production amounted to 38,808 barrels. The Mexia district showed an almost steady decline throughout the month in spite of many completions; but the bringing in of some relatively large producers in the Fish Pond area during the last week swelled to some extent the daily average production, but not in sufficient volume to overcome the loss in previous weeks. Thus the daily average yield dropped from 157,080 barrels during March to 118,390 barrels during April, or a decrease of 38,690 barrels. Both the Stephens County and Ranger districts showed small declines in the daily average production but these decreases were about offset by increases in the smaller producing district of the Central-west Texas field.

Although all the Louisiana fields showed a lower yield for April than for March, the Haynesville field suffered the largest loss in production and was responsible for most of the decrease in that state's output. The Midcontinent field, composed of Oklahoma, Texas, Arkansas, and Kansas showed a slightly reduced output, as the increased production in Oklahoma and Arkansas was not large enough to overbalance the decreased yield in the other three states.

Drilling Operations Despite the fact that heavy rains during the past month impeded drilling operations, the district witnessed the completion of more new wells than any month during the preceding year. A large factor in the situation was the general rains throughout the district which broke a long drouth and supplied an abundance of boiler water, the lack of which had been in evidence for the past several months. There were 531 wells completed in all fields of the district of which 401 proved successful. This record compares with 358 wells completed during March which included 268 producers; however, the 401 producers completed during April yielded a flush production of 216,320 barrels as against an initial flow of 253,895 barrels from 268 producers completed during March. In the Mexia field alone there were 160 completions, including 108 producers, which had an initial production of 88,485 barrels, as against 108,020 barrels initial flow from the 79 successful completions during March. As a general rule, the new producers are showing a steady decline in flush production, especially in some of the outlying sections; however, a noticeable exception to this occurred during the last week in April when some good producers were completed in the Fish Pond area which created a new interest in that area, and a general revival of activity in drilling operations has taken place north of the old production area. The Wild Cat territory in Palo Pinto County, where large producers were completed, furnished the big attraction during April and operators are preparing further developments in that district. A new boom has been started in Eastland County where operators are launching active drilling campaigns around the town of Eastland and developments are expected to reach large proportions in the near future. The Haynesville (La.) field showed a large reduction in initial production despite the fact that there was a substantial increase in the number of new wells completed. The 66 successful completions yielded an initial flow of 51,830 barrels as against 70,420 barrels from 55 producers completed during March. The sharp decline in daily average production is being explained by the rapid disappearance of gas pressure, but the production rate will be held up to some extent by new operations as only a little more than sixty per cent of the probable production area has been drilled.

Crude Oil Prices The differential against the Haynesville crude oil going into storage was removed on April 14th, due to the big decline in that field's production and an increase in storage facilities which enabled the purchasers of this to take care of the total production. The competition by refineries for the North Texas crude oil is becoming more pronounced following the oversold condition of the gasoline output and these refineries are finding it difficult to obtain extra allowances. Thus the premium on spot crude oil advanced from twenty-five to thirty-five cents per barrel with only a small amount available.

OIL PRODUCTION

Field	April Total	April Daily Avg.	March Total	March Daily Avg.	Increase or Decrease Total		Increase or Decrease Daily Avg.	
North Texas	1,789,110	59,637	1,858,795	59,961	Dec.	69,685	Dec.	324
Central-West Texas	5,502,000	183,400	6,888,445	222,208	Dec.	1,386,445	Dec.	38,808
Texas Coastal	3,200,280	106,676	3,341,040	107,775	Dec.	140,760	Dec.	1,099
Totals, Texas	10,491,390	349,713	12,088,280	389,944	Dec.	1,596,890	Dec.	40,231
North Louisiana	3,259,200	108,640	4,158,400	134,142	Dec.	899,200	Dec.	25,502
Totals, 11th District	13,750,590	458,353	16,246,680	524,086	Dec.	2,496,090	Dec.	65,733

APRIL DRILLING RESULTS

Field	Completions	Producers	Failures	Initial Production
North Texas	94	78	16	5,900
Central-West Texas	216	146	70	100,755
Texas Coastal	69	63	6	48,590
Texas Wildcats	35	10	25	2,705
Totals, Texas	414	297	117	157,950
North Louisiana	117	104	13	58,370
April totals, District	531	401	130	216,320
March, totals, District	358	268	90	253,895

CRUDE OIL PRICES

Texas—	May 3 1922	May 7 1921	Louisiana—	May 3 1922	May 7 1921
Corsicana light	$1.30	$1.25	Caddo (38 gravity and above)	$2.00	$2.00
Corsicana heavy	.75	.75	Bull Bayou (38 gravity and above)	1.90	1.65
Texas Coastal fields	1.25	1.25	Homer (36 gravity and above)	2.00	1.75
Mexia	1.50	......	Haynesville (34 gravity and above)	1.85	......
All other Texas fields	2.25	1.75	De Soto Crude	2.00	1.90

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

LUMBER

The production rate of the Eleventh District's pine mills, which reflected a marked improvement in March, declined to some extent during April. Production for the month was 78 per cent of normal, while the March output was 87 per cent. Orders, on the other hand, were relatively higher than during the previous month, being 11 per cent above normal production as compared to 4 per cent last month. Shipments continued at a steady rate, production being 18 per cent below shipments as compared to 10 per cent for the previous month. The unfilled orders on the books of forty-two mills as of April 29th amounted to 70,787,500 feet, which reflects a large increase over the unfilled orders on the books of forty-six miles as of March 31st, which amounted to 59,156,346 feet. Stocks, reflecting the heavy shipments and low production, decreased from 92 per cent of normal to 88 per cent.

For the past several months there has been a readjustment in prices which has tended to bring the price on all classes of lumber to more consistent levels with respect to grade differences, but during April quotations on all grades moved upward in harmony with the stronger general demand. No. 3 lumber is approaching the recent price of No. 2, while No. 2 is now nearing the former price of No. 1, and No. 1 has itself felt the movement to higher ground.

APRIL PINE MILL STATISTICS

Number of reporting mills	42
Production	79,370,504 feet
Shipments	96,810,698 feet
Orders	112,757,573 feet
Unfilled orders April 29th	70,787,500 feet
Normal production	101,180,689 feet
Stocks, April 29th	260,814,327 feet
Normal stocks	296,583,584 feet
Production below shipment	17,440,194 feet=18%
Actual production below normal	21,810,185 feet=22%
Orders above normal production	11,576,884 feet=11%
Stocks below normal	35,769,257 feet=12%

BUILDING

The building boom prominent in this district since the beginning of the current year, has assumed larger proportions with the advance of spring. During April the valuation of permits issued in the ten principal cities of the district registered an increase over March of 10.9 per cent and an increase of 11.9 per cent over April, 1921. Although Dallas, Fort Worth, and Beaumont showed considerable decreases in their permit valuation, the increase in other cities offset this decrease by a good margin. With the urgent and widespread demand for housing accommodations, small homes and apartment houses have comprised a substantial portion of the building during the present boom; however, business and industrial construction, including repairs on business and office buildings as well as the enlargement of factories and warehouse facilities, has also entered as a large element.

BUILDING PERMITS

	April, 1922		March, 1922		Inc. or Dec.	April, 1921		Inc. or Dec.
	No.	Valuation	No.	Valuation		No.	Valuation	
Austin	40	61,902	35	49,020	+ 26.3	22	30,560	+102.6
Beaumont	114	100,105	109	141,929	— 29.5	128	70,543	+ 41.9
Dallas	407	1,326,197	492	1,592,007	+ 16.7	448	1,603,845	— 17.3
El Paso	112	436,958	97	167,095	+161.5	183	548,685	— 20.4
Fort Worth	268	557,486	219	1,057,501	— 47.3	190	600,919	— 7.2
Galveston	396	183,258	362	182,950	+ 0.2	429	101,402	— 80.7
Houston	698	1,689,967	619	1,328,925	+ 27.2	584	1,174,695	+ 43.9
San Antonio	290	1,150,605	450	632,366	+ 82.0	313	1,161,355	+ 0.9
Shreveport	261	721,907	240	477,543	+ 51.2	291	341,645	+111.3
Waco	41	126,314	49	100,930	+ 25.2	19	43,540	+190.1
Total	2,627	6,354,699	2,672	5,731,266	+ 10.9	2,607	5,677,189	+ 11.9