MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

LYNN P. TALLEY,
Chairman and Federal Reserve Agent

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

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE
Eleventh Federal Reserve District

	February	January	Inc. or Dec.	
Bank debits to individual accounts (at 15 cities)	$670,051,000	$771,944,000	Dec.	13.2%
Department store sales	....	....	Dec.	4.1%
Reserve Bank loans to member banks at end of month	$ 2,599,093	$ 2,705,670	Dec.	3.9%
Reserve Bank ratio at end of month	73.5%	67.2%	Inc.	6.3 points
Building permit valuations at larger centers	$ 6,968,818	$ 6,958,217	Inc.	.2%
Commercial failures (number)	79	78	Inc.	1.3%
Commercial failures (liabilities)	$ 1,670,801	$ 1,312,836	Inc.	27.3%
Oil production (barrels)	12,808,811	15,775,968	Dec.	18.8%
Lumber orders at pine mills (per cent of normal production)	83%	86%	Dec.	3 points

The outstanding feature of the banking situation during the past month was the increase of $26,000,000 in the deposits of member banks at a period when substantial withdrawals are usually made. While there has been some increase in the demand for credit accommodations, the demand has been lighter than usual and commercial banks have been amply able to take care of their customers out of their own resources as is shown by the small borrowings at the Federal Reserve Bank. A further evidence of the large cash reserves of commercial banks was their heavy oversubscription to the March 15th issues of the Treasury Department.

The continued drouth in the Eleventh District is affecting adversely the agricultural and livestock industries, is curtailing the distribution of merchandise in rural sections, and is causing serious concern in many quarters relative to final outcome of the drouth situation. The winter wheat and oats made poor progress during the month and the dry weather is gradually reducing the stand. While the planting of corn and cotton has commenced in many sections, planting operations generally are now being held up awaiting sufficient rain to germinate the seed. The dry weather has caused a further deterioration in the livestock ranges and in many places there is a shortage of stock water. The grass is short and much feeding is necessary to carry over the livestock.

Consumers in the rural sections and in turn the retailers generally are limiting purchases to actual needs until the outcome of the drouth situation can be, to some extent, determined. This curtailment in buying is being reflected in wholesale distribution. The February sales in most lines not only showed a more than seasonal decline from the previous month, but a decrease as compared to the corresponding month last year. Furthermore, reports indicate that March sales are proving even more unsatisfactory. On the other hand, the consumer demand in the larger cities continues active. The February sales of department stores reflected a smaller seasonal decline than usual and were 9 per cent larger than in February a year ago. The volume of public spending as measured by charges to depositors' accounts at banks in the principal cities was 17 per cent greater than in February last year.

The past month witnessed a further increase in the business mortality rate, both the number of insolvencies and the amount of indebtedness being larger than in either the previous month or the corresponding month of 1924.

The valuation of building permits issued at the principal cities was practically the same as in January, and was slightly above the February, 1924, total. There was a substantial increase in the production and shipments of cement, but the production and shipments of lumber declined. Reports indicate that the drouth is retarding building operations in rural sections and thereby curtailing the demand for lumber.

CROP CONDITIONS

Scattered sections of the district have been favored with rains during the past month, but the district as a whole remains dry. The fair, dry weather has enabled farmers to make good progress with farm work, but in many sections the ground is too hard for efficient plowing. There are only a few portions which have sufficient surface moisture for planting and subsoil conditions are very unsatisfactory.

The sowing of spring oats and barley has been practically completed and corn planting has become general in many portions of the district. Cotton planting has begun in the Rio Grande Valley and other portions of South Texas, and is gradually extending farther north. However, there is not enough surface moisture to last very long and unless there is rain within a short time much replanting will be necessary. Peach and plum trees are in bloom and other fruit trees are budding.

The winter grains in Texas made poor progress during the month and are suffering from the effects of the drouth. Many sections of the state report that the dry weather has further reduced the stand and that rain is badly needed in most localities to stimulate their growth. Reports from southeastern Oklahoma indicate that while winter wheat has come through the winter in fairly good condition, more moisture is needed at the present time.

The Department of Agriculture estimated that on March 1st there were 1,550,000 bushels of wheat, or 6 per cent of the 1924 crop, remaining on the farms in Texas as compared to 7 per cent on the same date last year. The March 1st stock of oats on Texas farms was estimated at 10,756,000 bushels, as against 10,521,000 bushels on that date a year ago. The present stock of corn was estimated at 20,332,000 bushels as against 26,825,000 bushels last year and 40,103,000 bushels two years ago.

LIVESTOCK

The drouth remains unbroken in most of the district's range territory. The precipitation in Southeastern Arizona has been beneficial to the ranges and has replenished the supply of stock water, but drouthy conditions still prevail in New Mexico and Texas. Although some rain has fallen in the latter states, it has covered only scattered areas and has been light in most places. In fact there has not been sufficient rain to relieve the dry range conditions. The effect of the drouth has caused a further deterioration in the ranges and has created a shortage of stock water in many places. In favored sections weeds and grass have started, but over the ranges as a whole very little grass is available and feeding has been necessary. This condition is aggravated by the lack of grain pastures which usually furnish considerable grazing.

The Texas cattle ranges on March 1st averaged only 69 per cent of normal as compared to 91 per cent on that date a year ago. This condition represents a decline of one point during February as compared to an increase of two points last year. In East Texas and in the Coastal section there was a substantial improvement in the ranges but in other sections there were moderate to heavy declines. The condition of cattle averaged 75 per cent of normal as compared to 90 per cent a year ago. The sheep ranges declined 3 points during the month and on March 1st were 30 points below the condition figure on that date last year. The condition of sheep declined four points during the month.

Movements and Prices. Receipts of all classes of livestock at the Fort Worth market during February were substantially less than in January, but, with the exception of hogs, were greater than in the corresponding month last year.

The outstanding feature of the market was the decided advance on hogs, the February top price being $12.40. During the first week in March the upward swing in the market continued and carried values to $14.40 at the high point, but later showed a reaction. This was the highest point reached since October, 1920. There was a sharp downward revision on lambs and sheep, the decline on lambs being $1.00, and a decline of 50 to 75 cents on sheep. The cattle market was generally steady during February.

FORT WORTH LIVESTOCK RECEIPTS

	February 1925	February 1924	Loss or Gain	January 1925	Loss or Gain
Cattle	59,354	44,691	G 14,663	75,530	L 16,176
Calves	10,810	9,622	G 1,188	15,055	L 4,245
Hogs	40,558	43,444	L 2,886	50,941	L 10,383
Sheep	18,029	9,200	G 8,829	30,451	L 12,422

COMPARATIVE TOP LIVESTOCK PRICES

	February 1925	February 1924	January 1925
Beef steers	$ 7.80	$ 8.50	$ 8.50
Stocker steers	7.75	6.25	7.25
Butcher cows	5.60	5.75	5.50
Stocker cows	3.50	3.75	3.75
Calves	8.00	8.50	7.60
Hogs	12.40	7.65	11.25
Sheep	10.50	9.25	11.25
Lambs	16.00	14.00	16.75

Cotton Movements. While the February exports of cotton from all United States ports showed a substantial decline from the heavy exports of the three previous months, they were 91 per cent greater than in the corresponding month of 1924. Total exports during the present season have exceeded those of the previous season by 43 per cent. Receipts and stocks of cotton at Houston and Galveston continued considerably above a year ago.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	February 1925	February 1924	Aug. 1st to Feb. 28th This Season	Aug. 1st to Feb. 28th Last Season
Net receipts	249,161	125,412	3,305,835	2,621,258
Exports	382,198	157,630	2,928,454	2,423,900
Stocks, Feb. 28th			468,108	231,044

GALVESTON STOCK STATEMENT

	Feb. 28, 1925	Feb. 28, 1924
For Great Britain	25,168	300
For France	19,000	2,100
For other foreign ports	45,500	9,508
For coastwise ports	10,000	6,500
In compresses and depots	368,440	212,636
Total	468,108	231,044

HOUSTON COTTON MOVEMENTS

	February 1925	February 1924	Aug. 1st to Feb. 28th This Season	Aug. 1st to Feb. 28th Last Season
Receipts—Gross	333,936	130,058	4,405,703	3,286,280
Receipts—Net	172,921	54,341	2,463,883	1,740,385
Exports	160,298	61,019	1,459,416	958,203
Stocks, Feb. 28th			543,739	232,571

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

	This Season	Last Season
Receipts since Aug. 1st	8,028,846	5,826,628
Exports: Great Britain	2,108,970	1,435,800
France	714,054	564,790
Continent	2,521,433	1,782,091
Japan-China	700,157	452,699
Mexico	18,082	5,632
Total foreign ports	6,062,696	4,241,012
Stocks at all U. S. ports, Feb. 28th	1,285,925	764,714

SPOT COTTON PRICES
(Middling basis)

	February, 1925 High	February, 1925 Low	March 14, 1925
New York	25.35	24.25	25.90
New Orleans	25.40	24.10	25.80
Dallas	25.35	23.75	25.80
Houston	26.00	24.25	26.25
Galveston	25.80	24.10	26.25

COTTON CONSUMED AND ON HAND

	Cotton Growing States: February, 1925	February, 1924	Aug. 1st to Feb. 28th: This Season	Last Season	United States: February, 1925	February, 1924	Aug. 1st to Feb. 28th: This Season	Last Season
Cotton consumed	372,524	349,902	2,403,930	2,422,244	550,132	508,677	3,489,437	3,605,044
Cotton on hand at end of month:								
(a) in consuming establishments			914,801	946,245			1,546,210	1,583,439
(b) in public storage and compresses			2,751,915	2,205,587			3,075,140	2,497,075

COTTONSEED PRODUCTS

Shipments of cottonseed products from the Eleventh District's mills were on a smaller scale during February than during the previous month. The average price received for the February shipments of crude oil of 76 mills was $0.0906 per pound, as compared to $0.0916 in January. The price on hulls, cake, and meal showed a further gain. Hulls were sold at an average price of $9.22 per ton in February as against $9.15 per ton in January. Cake and meal brought $37.25 in February as compared to $36.07 in the previous month.

COTTONSEED PRODUCTS SHIPPED AND AVERAGE PRICE RECEIVED

	February: Products Shipped	Av. Price F.O.B. Mill
Crude oil	21,329,143 lbs.	$ .0906 per lb.
Cake and meal	35,139 tons	37.25 per ton
Hulls	34,451 tons	9.22 per ton
Linters	10,835,575 lbs.	.0400 per lb.

COTTONSEED RECEIVED AT THE MILLS

	February	January
Cottonseed received at reporting mills (tons)	27,639	59,431
Average price per ton paid for seed (including freight)	$38.53	$40.65

STATISTICS OF COTTONSEED AND COTTONSEED PRODUCTS

	Texas Aug. 1st to Feb. 28th: This Season	Last Season	United States Aug. 1st to Feb. 28th: This Season	Last Season
Cottonseed received at mills (tons)	1,507,000	1,292,000	4,336,000	3,124,000
Cottonseed crushed (tons)	1,294,000	1,096,000	3,751,092	2,743,305
Cottonseed on hand (tons)	220,000	204,000	559,626	386,018
Crude oil produced (pounds)	375,485,000	306,897,656	1,129,162,513	808,500,651
Cake and meal produced (tons)	602,000	510,635	1,716,842	1,259,884
Hulls produced (tons)	374,000	321,098	1,073,000	778,413
Linters produced (500-lb. bales)	244,000	213,046	732,000	555,972
Stocks on hand end of Feb.:				
Crude Oil (pounds)	32,030,000	34,219,836	96,922,000	107,227,013
Cake and meal (tons)	44,000	52,032	210,571	218,989
Hulls (tons)	60,000	61,478	193,000	138,360
Linters (500-lb. bales)	46,000	54,787	165,991	173,533

TEXTILE MILLING

Gradual improvement in the textile industry continued during the past month, but buying is still being confined to nearby deliveries. However, the volume of such buying is steadily increasing. Orders on hand at the end of the month were substantially larger than those on hand a year ago. Due to the short month the February production declined 8.9 per cent from January but was 7.7 per cent greater than in the corresponding month last year.

TEXTILE MILLING STATISTICS

	February 1925	February 1924	January 1925
Number bales cotton consumed	2,387	2,367	2,626
Number spindles active	79,872	79,872	79,872
Number pounds cloth produced	1,165,579	1,082,662	1,278,924

WHOLESALE TRADE

The slackening in the demand for merchandise at wholesale was a significant feature of the trade situation during the past month. Following the active distribution during December, January and the early part of February, a reaction set in in most lines and there has been a steadily declining demand. The February sales in most of the reporting lines of trade not only evidenced a decline which was more than seasonal as compared to the previous month, but there was a smaller distribution than in the same month a year ago. Business during the first half of March was generally disappointing. The decline is attributed largely to the widespread drouth, which is reaching serious proportions in most sections of the district. The unfavorable crop outlook has curtailed consumer buying, which in turn has limited buying at wholesale. Despite the slow movement of merchandise at the present time, dealers generally feel that if there is sufficient rain within a short time to allow the farmers to proceed with planting operations under favorable conditions the spring business will be satisfactory.

Retailers are operating cautiously. As a rule they bought liberally early in the year but are now awaiting the outcome of the drouth before making further purchases other than those to cover current requirements. While retailers' stocks are generally well assorted, they are below normal in most instances and in case there is a revival in consumer demand, it will be immediately reflected in wholesale channels.

The February distribution of dry goods reflected a seasonal gain of 24.4 per cent as compared to the previous month but was 7.5 per cent below the corresponding month of 1924. Retailers are making their purchases mostly as the demand arises, and are placing but few orders for forward delivery. Dealers state that the dry weather is curtailing consumer buying and this is being reflected in reduced purchases at wholesale. Prices are firm with an upward trend.

There was a decline of 13.4 per cent in the February sales of drug firms as compared to the previous month, but an increase of 2.0 per cent over the same month last year. Retailers are showing a disposition to avoid forward commitments and are making purchases to cover current needs only. Stocks in the hands of the retailers are as a general rule lighter than usual but are well assorted. Reports indicate that consumers are limiting purchases largely to actual necessities, thereby reducing distribution. Dealers state that the dry weather is beginning to affect business. Prices remained steady with an upward tendency.

The February sales of reporting farm implement firms reflected a marked decline, being 38.6 per cent less than in January, and 23.5 per cent less than a year ago. The drouth which is retarding planting operations has greatly reduced the demand for implements. Bookings for forward delivery have been generally light and some orders placed last fall for spring delivery have been cancelled. The outlook for the spring is dependent upon the developments in the agricultural situation. Dealers are of the opinion that there will be a revival of trade if sufficient rain comes in time for planting operations to be carried on under favorable conditions, as the farmers are financially able to make the needed purchases. However, they are delaying buying to see what weather conditions will do.

There was a decline of 4.8 per cent in the February sales of reporting grocery firms as compared to the previous month, but a slight gain as compared to February, 1924. Reports indicate that there was a further slackening during the early part of March, but the decline has not been so marked as in some other lines of trade. Dealers state that there has been a tendency for retailers to increase their stocks since the first of the year and that at the present time stocks are normal in some sections and above normal in others. This is accounted for by the fact that there seems to be a shortage of some items and that prices are showing a tendency to work to higher levels.

While the sales of hardware during February were slightly above the previous month and 10.9 per cent greater than a year ago, reports indicate that there has been a curtailment in demand since the first of March due to the drouth. Retailers are confining purchases largely to immediate needs. While dealers are still generally optimistic regarding the spring business, they state that it will be determined by the outcome of the drouth situation. Prices since the first of the year have shown an upward tendency.

CONDITION OF WHOLESALE TRADE DURING FEBRUARY, 1925
Percentage of Increase or Decrease in

	Net Sales Feb. 1925 compared with		Net Sales Jan. 1 to date compared with same period last year	Stocks Feb. 1925 compared with	
	Feb. 1924	Jan. 1925		Feb. 1924	Jan. 1925
Groceries	+ .3	— 4.8	+ 3.9	+ 8.8	+ 3.7
Dry goods	— 7.5	+24.4	—17.8	—19.2	+ 1.7
Farm implements	—23.5	—38.6	— 7.5	— 7.4	— .7
Hardware	+10.9	+ .3	+ 7.8	— 2.6	+ 1.3
Drugs	+ 2.0	—13.4	+ 4.0	+ 5.2	+ 6.8

RETAIL TRADE

Department store trade reflected a further improvement during February. The decrease of 4.1 per cent in the sales of twenty-four firms was less than the usual February decline, and there was a gain of 9.3 per cent in sales as compared to the corresponding month last year. Merchants generally have had good success in clearing out their stocks of winter merchandise, and the fair weather has stimulated the buying of spring merchandise.

Stocks on hand at the close of February were 10.4 per cent greater than those at the end of January, but 4.2 per cent less than a year ago. The percentage of sales to average stocks was 21.2 in February as compared to 18.5 last February, indicating that the merchants are obtaining a better turnover.

The ratio of February collections to accounts receivable on February 1st was 40.5 per cent as compared to 42.6 per cent in January and 38.5 per cent in February last year.

BUSINESS OF DEPARTMENT STORES

	Dallas	Ft. Worth	Houston	All Others	Total District
Total sales—					
Feb. 1925, compared with Feb. 1924	+ 8.0	+10.7	+10.4	+ 9.4	+ 9.3
Feb. 1925, compared with Jan. 1925	— 1.5	+13.4	— 4.4	—13.1	— 4.1
Jan. 1st to date compared with same period last year	+ 7.6	+ 7.2	+ 7.4	+ 8.4	+ 7.8
Credit sales—					
Feb. 1925, compared with Feb. 1924	+ 6.5	+18.9	+11.3	+11.4	+10.2
Feb. 1925, compared with Jan. 1925	None	+25.1	— 3.3	—15.1	— 3.3
Jan. 1st to date compared with same period last year	+ 7.3	+10.7	+ 9.9	+11.0	+ 9.2
Stocks—					
Feb. 1925, compared with Feb. 1924	— 2.7	— 1.6	—10.5	— 4.0	— 4.2
Feb. 1925, compared with Jan. 1925	+10.6	+10.9	+ 5.4	+12.4	+10.4
Percentage of sales to average stocks in					
February, 1924	19.1	16.0	20.3	18.4	18.5
February, 1925	21.1	17.9	24.7	21.2	21.2
Percentage of sales to average stocks—					
Jan. 1st to Feb. 29, 1924	39.3	33.1	42.8	41.2	39.5
Jan. 1st to Feb. 28, 1925	43.5	34.9	49.5	46.5	43.9
Ratio of outstanding orders to last year's purchases	11.5	10.3	8.0	7.3	10.0
Ratio of Feb. collections to accounts receivable, due and outstanding Feb. 1, 1925	39.2	36.9	40.9	43.3	40.5

FINANCIAL

The volume of checks charged to depositors' accounts at banks located in the fifteen principal cities of this district during February reflected a seasonal decline of 13.2 per cent from January but was 16.9 per cent greater than in the same month last year.

CHARGES TO DEPOSITORS' ACCOUNTS

	February 1925	February 1924	Inc. or Dec.	January 1925	Inc. or Dec.
Albuquerque	$ 8,395,000	$ 9,518,000	—11.8	$ 11,016,000	—23.8
Austin	21,767,000	18,962,000	+14.8	25,851,000	—15.8
Beaumont	17,685,000	15,913,000	+11.1	18,912,000	— 6.5
Corsicana	10,265,000	7,942,000	+29.2	11,441,000	—10.3
Dallas	203,672,000	168,471,000	+20.9	236,899,000	—14.0
El Paso	31,514,000	33,107,000	— 4.8	35,127,000	—10.3
Fort Worth	70,890,000	63,745,000	+11.2	91,940,000	—22.9
Galveston	47,321,000	37,731,000	+25.4	58,018,000	—18.4
Houston	144,491,000	114,001,000	+26.7	151,414,000	— 4.6
Roswell	2,888,000	2,858,000	+ 1.0	2,994,000	— 3.5
San Antonio	36,707,000	30,684,000	+19.6	40,528,000	— 9.4
Shreveport	37,321,000	35,789,000	+ 4.3	42,171,000	—11.5
Texarkana	9,231,000	7,984,000	+15.6	10,904,000	—15.3
Tucson	8,107,000	7,941,000	+ 2.1	9,255,000	—12.4
Waco	19,797,000	18,409,000	+ 7.5	25,474,000	—22.3
Total, 11th District	$670,051,000	$573,055,000	+16.9	$771,944,000	—13.2

Acceptance Market. There was a further sharp decline in the volume of acceptances executed by accepting banks of this district and which were outstanding on the last day of February. The acceptances of these banks outstanding on February 28th totaled $2,653,-993.75 as against $3,723,473.99 on January 31st. The amount of acceptances executed against import and export transactions declined from $2,259,359.50 on January 31st to $1,127,614.31 on the last day of February, while those based on the domestic shipment and storage of goods increased from $1,464,114.49 on January 31st to $1,526,-379.44 on February 28th.

Condition of Member Banks in Selected Cities. During the four weeks' period ending March 4th there was a further gain of $11,385,000 in net demand deposits of member banks in selected cities, and $2,004,000 in time deposits. Their loans during the same period increased $11,307,000, this increase being about equally divided between commercial loans and loans on corporate securities. Their bills payable and rediscounts with the Federal Reserve Bank during February declined $349,000, while their reserve deposits increased $1,512,000. The ratio of loans to net demand deposits stood at 83 per cent on March 4th as compared to 85 per cent on February 4th, and 91 per cent on March 5, 1924. It is interesting to note that on March 4, 1925, the deposits of these banks were $71,436,000 greater than on March 5th last year, and loans were $46,601,000 greater.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	Mch. 4, 1925	Mch. 5, 1924	Feb. 4, 1925
1. Number of reporting banks	49	50	49
2. U. S. securities owned	$50,271,000	$55,792,000	$ 49,152,000
3. All other stocks, bonds and securities owned	21,198,000	14,077,000	21,277,000
4. Loans secured by U. S. Government obligations	3,612,000	3,163,000	3,710,000
5. Loans secured by stocks and bonds other than U. S. Government obligations	73,236,000	61,199,000	67,384,000
6. All other loans	241,205,000	207,090,000	235,652,000
7. Net demand deposits	294,450,000	230,952,000	283,065,000
8. Time deposits	95,929,000	87,991,000	93,925,000
9. Reserve with Federal Reserve Bank	32,666,000	25,598,000	31,154,000
10. Bills payable and rediscounts with Federal Reserve Bank	1,750,000	4,487,000	2,099,000
11. Ratio of loans* to net demand deposits	83%	91%	85%

*Loans include only items 4 and 6.

Savings Deposits The savings deposits of 104 reporting banks which operate a savings department reflected a gain of 2.4 per cent over those of January 31st, and 7.0 per cent over those of February 29, 1924. The number of savings depositors of these banks on February 28th was 225,606 as compared to 222,333 on January 31st, and 196,778 on the last day of February, 1924.

SAVINGS DEPOSITS

	Number of Reporting Banks:	February 28, 1925		February 29, 1924			January 31, 1925		
		Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Inc. or Dec.	Number of Savings Depositors	Amount of Savings Deposits	Inc. or Dec.
Beaumont	4*	4,719	2,288,453	4,409	2,286,905	+ .1	4,773	2,379,627	— 3.8
Dallas	6	43,683	13,869,885	35,535	11,514,290	+20.5	43,214	13,585,102	+ 2.1
El Paso	3	16,018	5,832,444	14,914	6,751,128	—13.6	15.724	5,899,519	— 1.1
Fort Worth	3	12,873	4,767,688	11,305	4,311,765	+10.6	12,363	4,566,571	+ 4.4
Galveston	3	13,494	8,130,916	11,214	7,293,363	+11.5	13,274	7,913,550	+ 2.7
Houston	12*	39,220	19,861,769	32,876	18,371,278	+ 8.1	38,500	18,997,108	+ 4.6
San Antonio	6	23,352	10,966,285	20,053	9,756,243	+12.4	23,039	10,835,897	+ 1.2
Shreveport	5	24,135	9,714,209	22,738	10,991,010	—11.6	23,857	9,379,993	+ 3.6
Waco	5	7,772	4,187,429	5,741	2,920,540	+43.4	7,535	4,105,476	+ 2.0
Wichita Falls	3	6,676	1,568,233	6,598	1,647,664	— 4.7	6,608	1,536,815	+ 2.0
All others	54*	33,664	14,313,294	31,395	13,371,620	+ 7.0	33,446	14,096,255	+ 1.5
Total	104	225,606	95,500,605	196,778	89,215,796	+ 7.0	222,333	93,275,913	+ 2.4

*Only 3 banks in Beaumont, 11 banks in Houston, and 51 banks in all others reported the number of savings depositors.

MARCH DISCOUNT RATES — Prevailing Rates

	Dallas	El Paso	Ft. Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act:						
(a) running 30-60-90 days	4-6	8	4-6	5-6	4½-8	5-7
(b) running 4-6 months	4-6	8	4-6	5-6	4½-8	5-7
Rate charged on loans to other banks, secured by bills receivable	4½-6	6-7	5-6	4½-5	6	5-5½
Rate on ordinary commercial loans running 30-60-90 days secured by Liberty Bonds and certificates of indebtedness (not including loans to enable purchase of bonds)	4½-6	8	5½-6	5-6	4½-8	6
Rate on loans secured by prime stock exchange or other current collateral						
(a) demand	5-6	8	6-8	5-6	6-8	6-7
(b) time	5-7	8	6-8	5-6	6-8	6-7
Rate on commodity paper secured by warehouse receipts, etc.	4½-7	8	6-8	5-6	6-8	6-8
Rate on cattle loans	7-8	8	6-8	6-8	7-8	....

DEPOSITS OF MEMBER BANKS

	All Member Banks		Banks in Cities with a population of less than 15,000		Banks in Cities with a population of over 15,000	
	Total Demand	Total Time	Demand	Time	Demand	Time
Feb. 27, 1924	594,482	157,225	294,406	42,161	300,076	115,124
Mch. 26, 1924	568,800	155,257	276,019	43,430	292,781	111,827
Apr. 23, 1924	549,057	156,696	265,613	46,326	283,444	110,370
May 28, 1924	522,820	154,085	250,732	45,837	272,088	108,248
June 25, 1924	512,565	157,153	244,723	46,329	267,842	110,824
July 23, 1924	502,763	157,714	237,982	47,006	264,781	110,708
Aug. 27, 1924	510,092	160,201	242,995	46,387	267,097	113,814
Sept. 24, 1924	562,283	160,260	276,886	46,029	285,397	114,231
Oct. 29, 1924	609,594	159,889	303,481	44,983	306,113	114,906
Nov. 26, 1924	641,603	158,722	315,786	43,967	325,817	114,755
Dec. 24, 1924	670,487	158,107	322,361	41,676	348,126	116,431
Jan. 28, 1925	660,847	160,584	320,036	44,219	340,811	116,365
Feb. 25, 1925	680,428	166,895	321,650	45,834	358,778	121,061

Deposits of Member Banks. The total deposits of member banks in this district which amounted to $847,323,000 on February 25th were not only $25,892,000 greater than those on January 28th and $95,616,000 greater than those on February 27, 1924, but were $18,729,000 larger than those on December 24, 1924, which was the highest figure previously reported. During February demand deposits gained $19,581,000 and time deposits increased $6,311,000.

Operations of the Federal Reserve Bank. The limited demand on the part of member banks for rediscount accommodations continued during February. Loans to member banks reached a new low point on February 10th at $1,889,000, but there has been a slight increase since that time. While loans on February 28th were slightly less than those on January 31st, there has been an increase in the number of borrowing banks and a tendency for the demand for credit to shift from reserve city banks to country banks. At the close of February 54 banks were owing to the Federal Reserve Bank as compared to 38 at the end of January. On February 29, 1924, there were 141 banks owing us $10,181.250.

Due to a further reduction in our holdings of bankers' acceptances, total bills of all classes declined from $25,-455,441.31 on January 31st to $17,803,381.97 on February 28th, distributed as follows:

Member banks collateral notes (secured by U. S. Government obligations)	$ 339,500.00
Rediscounts and all other loans to member banks	2,259,593.30
Open market purchases (bankers' acceptances)	15,204,288.67
Total bills held	$17,803,381.97

Federal reserve notes in actual circulation on February 28th totaled $46,274,135, which was $1,435,665 less than on January 31st, but was $1,473,975 greater than on February 29, 1924. The reserve deposits of member banks totaled $66,154,077.86 or $1,281,516.98 greater than on January 31st.

FAILURES

Commercial failures in February reflected a further slight increase over the previous month and were substantially larger than a year ago. There were 79 insolvencies in February with an indebtedness of $1,670,801, as compared to 78 defaults in January with liabilities amounting to $1,312,-836, and 57 failures in February, 1924, which owed $1,-280,548.

PETROLEUM

Production of crude oil in the Eleventh Federal Reserve District declined during February to 12,808,811 barrels from the high mark of 15,775,968 barrels produced in January. That the decline was not entirely due to the twenty-eight day month is shown by the fact that the daily average production during February amounted to only 457,457 barrels, as against a daily average of 508,902 barrels during January, a decrease of 51,445 barrels. Although there were 574 new wells completed during February as compared to 530 in January, only 370 were successful and netted a flush production of 97,602 barrels of crude oil, as compared to 366 successful wells in January from which a flush production of 376,845 barrels of oil was obtained.

The major portion of the decrease in oil production in this district during February was caused by the slump at the Wortham field. While more wells were brought in during February in this field than in January, the slump in production was enormous. Louisiana daily average production increased slightly.

Crude Oil Prices. The crude oil markets in this district are firm and premium payments are being continued in order to guard crude supplies. During the period February 13th to March 12th, the price on North Texas oil increased 35 cents per barrel; Texas Coastal rose 25 cents; Corsicana light, Mexia, and Currie advanced 20 cents, while Corsicana heavy remained stationary. There was an increase of 25 cents per barrel in the posted prices of all Louisiana oils.

OIL PRODUCTION

Field	February Total	February Daily Average	January Total	January Daily Average	Increase or Decrease Total		Increase or Decrease Daily Avg.	
North Texas	2,446,170	87,363	2,576,400	83,110	Dec.	130,230	Inc.	4,253
Central-West Texas	5,758,565	205,663	7,654,000	246,903	Dec.	1,895,435	Dec.	41,240
Texas Coastal	1,552,404	55,443	2,207,145	71,198	Dec.	654,741	Dec.	15,755
Miscellaneous fields	1,458,588	52,092	1,586,179	51,167	Dec.	127,591	Inc.	925
Total, Texas	11,215,727	400,561	14,023,724	452,378	Dec.	2,807,997	Dec.	51,817
North Louisiana	1,593,084	56,896	1,752,244	56,524	Dec.	159,160	Inc.	372
Total, 11th District	12,808,811	457,457	15,775,968	508,902	Dec.	2,967,157	Dec.	51,445

FEBRUARY DRILLING RESULTS

Field	Completions	Producers	Failures	Initial Production
North Texas	221	138	83	23,350
Central-West Texas	207	151	56	55,023
Texas Coastal	55	38	17	10,746
East Texas	10*	10*	....	....
Miscellaneous fields	7	7	....	2,053
Texas wildcats	35	13**	22	3,690
Totals, Texas	535	357	178	94,862
North Louisiana	39	23***	16	2,740
February totals, District	574	370	204	97,602
January totals, District	530	366	164	376,845

*Gas wells. **Includes 1 gas well. ***Includes 6 gas wells.

CRUDE OIL PRICES

Texas—	Mch. 12, 1925	Mch. 15, 1924
Corsicana light	$2.00	$2.00
Corsicana heavy	1.00	1.00
Texas Coastal	2.00	1.65
Mexia	2.00	2.00
Currie	2.00	2.25
North Texas (42 gravity and above)	2.35	......
Louisiana—	**Mch. 12, 1925**	**Mch. 15, 1924**
Caddo (38 gravity and above)	$2.05	$1.85
Bull Bayou (38 gravity and above)	1.85	1.80
Homer (35 gravity and above)	1.80	1.85
Haynesville (33 gr. and above)	1.70	1.75
De Soto Crude	1.90	1.85

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

LUMBER

Activities at the pine mills of the Eleventh District during February continued at about the same pace as in January, although production fell further below normal than usual. During February orders were received for 90,804,-968 feet of lumber, or 83 per cent of normal production as against orders for 86 per cent of normal production in January. However, unfilled orders on February 28th called for 55,211,619 feet of lumber as compared to orders for 49,152,288 feet on the books of the 48 reporting mills on January 31st. Production during February was 11 per cent below normal, as against only 8 per cent below normal in January, and shipments of lumber from the mills were 9 per cent below actual production as compared to shipments only 8 per cent below production during January. Stocks held at the mills continued to increase, being 24 per cent below normal as against 26 per cent below normal at the close of January.

FEBRUARY PINE MILL STATISTICS	
Number of reporting mills	48
Production	96,833,430 feet
Shipments	88,546,214 feet
Orders	90,804,968 feet
Unfilled orders, Feb. 28th	55,211,619 feet
Normal production	109,231,303 feet
Stocks, Feb. 28th	248,449,936 feet
Normal stocks	327,864,614 feet
Shipments below production	8,287,216 feet= 9%
Actual production below normal	12,397,873 feet=11%
Orders below normal production	18,426,335 feet=17%
Stocks below normal	79,414,678 feet=24%

BUILDING

The valuation of building permits issued at twelve of the principal centers of the Eleventh District during February amounted to $6,968,818, an increase of two-tenths of one per cent over the January valuation of $6,958,217, and an increase of 2.0 per cent over the $6,835,269 valuation of permits issued during February, 1924.

During the period from January 1st to February 28th inclusive there were 5,259 permits issued at reporting centers having a valuation of $13,927,035, as compared to 5,325 permits valued at $15,286,091 issued during the same period of 1924, a decrease in valuation of 8.9 per cent.

BUILDING PERMITS

	February 1925		February 1924		Inc. or Dec.	January 1925		Inc. or Dec.	First Two Months				Inc. or Dec.
									1925		1924		
	No.	Valuation	No.	Valuation		No.	Valuation		No.	Valuation	No.	Valuation	
Austin	62	126,905	40	199,038	—36.2	45	67,175	+88.9	107	194,080	85	281,283	—31.0
Beaumont	163	171,230	196	166,975	+ 2.5	137	202,158	—15.3	300	373,388	380	302,180	+23.6
Dallas	488	2,147,552	444	2,179,694	— 1.5	474	2,903,070	—26.0	962	5,050,622	823	5,176,464	— 2.4
El Paso	68	99,070	54	85,595	+15.7	57	49,955	+98.3	125	149,025	128	174,653	—14.7
Fort Worth	200	834,882	199	784,241	+ 6.5	190	690,299	+20.9	390	1,525,181	397	1,403,355	+ 8.7
Galveston	330	141,798	354	183,993	—22.9	250	85,029	+66.8	580	226,827	587	826,365	—72.6
Houston	550	1,639,668	530	981,918	+67.0	444	1,298,866	+26.2	994	2,938,534	1,088	3,050,582	— 3.7
Port Arthur	145	108,630	190	149,962	—27.6	124	58,580	+85.4	269	167,210	365	292,249	—42.8
San Antonio	340	760,207	324	858,750	—11.5	312	604,470	+25.8	652	1,364,677	699	1,517,660	—10.1
Shreveport	260	369,012	240	841,073	—56.1	268	356,395	+ 3.5	528	725,407	529	1,602,259	—54.7
Waco	68	264,554	52	154,905	+70.8	75	278,810	— 5.1	143	543,364	110	306,366	+77.4
Wichita Falls	119	305,310	78	249,125	+22.6	90	363,410	—16.0	209	668,720	134	352,675	+89.6
Total	2,793	6,968,818	2,701	6,835,269	+ 2.0	2,466	6,958,217	+ .2	5,259	13,927,035	5,325	15,286,091	— 8.9

CEMENT

There were 339,000 barrels of Portland cement produced at Texas mills during February, as compared to 304,000 barrels produced in January, which represented an increase of 11.5 per cent, but was a decrease of 6.6 per cent as compared to the February, 1924, production of 363,000 barrels. Shipments of cement from the mills during February increased 33.6 per cent over shipments in January, and were 39.6 per cent greater than those made during the corresponding month last year. Due to the heavy shipments, stocks held at the close of February were 9.5 per cent less than stocks on hand at the close of January, and 14.3 per cent less than those held at the end of February, 1924.

PRODUCTION, SHIPMENTS, AND STOCKS OF PORTLAND CEMENT. (Barrels)

	February 1925	February 1924	Per Cent Inc. or Dec.	January 1925	Per Cent Inc. or Dec.	First Two Months		Per Cent Inc. or Dec.
						1925	1924	
Production of Texas Mills	339,000	363,000	— 6.6	304,000	+11.5	643,000	677,000	— 5.0
Shipments from Texas Mills	374,000	268,000	+39.6	280,000	+33.6	654,000	555,000	+17.8
Stocks at end of the month at Texas Mills	343,000	400,000	—14.3	379,000	— 9.5	....	....	....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, as of March 24, 1925.)

Production in basic industries declined in February from the high rate of output in January but continued above the level of a year ago. Notwithstanding a decline in prices of agricultural commodities, the average of wholesale prices rose slightly owing to a further advance in prices of certain other commodities.

PRODUCTION

The Federal Reserve Board's index of production in twenty-two basic industries, which is adjusted to allow for differences in the number of working days and for seasonal variations, declined 3 per cent in February but continued to be higher than at any time since the peak reached in May, 1923. Average daily output of iron and steel was exceptionally heavy, and copper production per day was the largest since 1918. There was a slight decline in activity in the woolen industry and more considerable reductions in the output of lumber, cement, bituminous coal, and crude petroleum. Production of automobiles increased 19 per cent in February, the largest monthly increase in nearly two years, but the output was still over 25 per cent smaller than a year ago. Factory employment increased by about 2 per cent in February, considerable increases being reported for the automobile, iron and steel, and clothing industries, while the number of workers in the packing and cement industries declined. Earnings of industrial workers in February were larger than in January, reflecting in part the resumption of full time work after the inventory period.

Reports to the Department of Agriculture of intentions to plant in 1925 indicate that the acreage of practically all grains and of tobacco will be larger and that of white potatoes smaller than in 1924.

TRADE

Total railroad freight movements continued at approximately the same daily rate in February as in January, and shipments of merchandise increased in recent weeks and were much larger than a year ago. Wholesale and retail sales were smaller during February than a year ago, owing partly to the fact that this year February had one less business day. Department stores' sales were one per cent smaller in February than in the corresponding month in 1924. Wholesale trade in all lines except meats and hardware was less than a year ago, and showed in February about the usual seasonal changes. Sales of groceries, meats, and drugs decreased, while sales of dry goods and shoes increased.

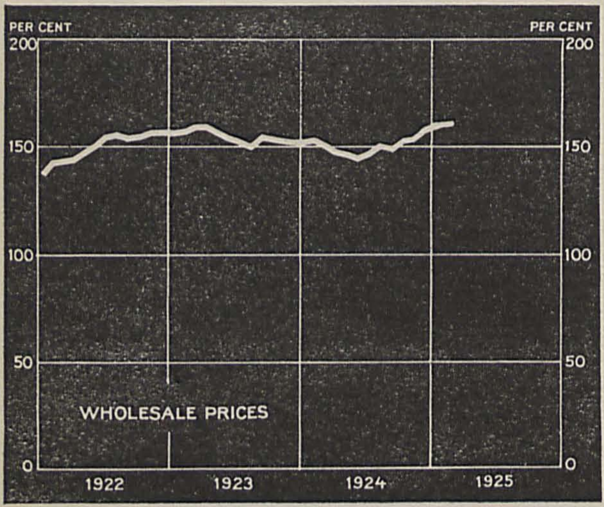
PRICES

The slight rise in the wholesale price index of the Bureau of Labor Statistics was due to advances in the fuel and lighting group largely in petroleum and building materials, while prices of all other commodity groups declined. In the first three weeks of March prices of hogs, cotton goods, and rubber increased, while prices of many other commodities decreased, the largest decreases being those for wheat and other grains.

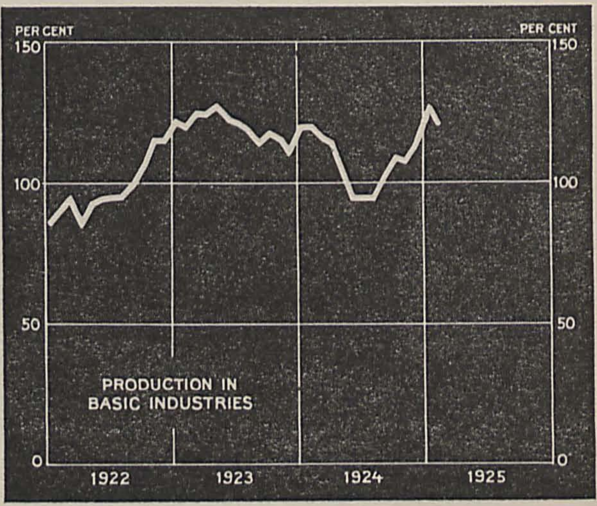
BANK CREDIT

Loans of member banks in principal cities continued to increase between the middle of February and the middle of March, and on March 11th were larger than at any time in the past four years. The volume of loans for commercial purposes has been at a high and almost constant level since last autumn, and loans on stocks and bonds, which have increased continuously since the summer of 1924, reached in March the largest amount on record. Increases in loans were accompanied by further reduction in the holdings of securities, particularly at banks in the financial centers. At the reserve banks demand for credit increased between the end of January and the middle of March, chiefly as the result of the export demand for gold and the growth in domestic currency requirements, with the consequence that earning assets increased. After March 15th, however, temporary abundance of funds arising out of Treasury operations resulted in a sharp reduction in member bank borrowings.

Somewhat firmer conditions in the money market in the later part of February and the early weeks of March were indicated by an advance of the rate on 4-6 months prime commercial paper from 3¾ to 4 per cent.



Index of U. S. Bureau of Labor Statistics. (1913=100, base adopted by Bureau.) Latest figures February, 161.



Index of 22 basic commodities corrected for seasonal variations (1919=100). Latest figures—February, 124.