MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE
Eleventh Federal Reserve District

	February	January	Inc. or Dec.	
Bank debits to individual accounts (at 16 cities)	$683,494,000	$800,005,000	Dec.	14.6%
Department store sales			Dec.	1.6%
Reserve Bank loans to member banks at end of month	$5,968,567	$7,447,961	Dec.	19.9%
Reserve Bank ratio at end of month	56.1%	54.2%	Inc.	1.9 points
Building permit valuations at larger centers	$8,596,643	$9,483,498	Dec.	9.4%
Commercial failures (number)	62	108	Dec.	42.6%
Commercial failures (liabilities)	$669,997	$1,457,716	Dec.	54.0%
Oil production (barrels)	10,513,270	12,142,980	Dec.	13.4%
Lumber orders at pine mills (per cent of normal production)	97%	86%	Inc.	11 points

A marked reduction in the business mortality rate and the continuance of record-breaking building activity were outstanding developments in the Eleventh Federal Reserve District during February. There was a decline of 43 per cent in the number of insolvencies and 54 per cent in the indebtedness of defaulting firms. The failure record also reflected a considerable improvement over a year ago. While the valuation of building permits issued at principal cities was 9 per cent below the large January total, it was 23 per cent greater than in the corresponding month last year, and established a new high record for the month of February. The production and shipments of cement reflected a substantial increase as compared to both the previous month and the same month a year ago. The new orders for lumber at the district's pine mills also showed a considerable gain.

A favorable outlook in the agricultural and livestock industries still obtains. Farm work generally is further advanced than it has been at this season for many years. The soil is in fine condition and planting operations are well under way. Ranges in most sections are in good condition with an abundance of early pasturage in prospect. Livestock have wintered well and cheaply, and losses have been light. In fact the livestock industry is in a more favorable position than it has been for many years.

Due to the continued improvement in the district's basic industries, the demand for merchandise in the various channels of distribution is showing a better response to seasonal influences and a stronger undertone of confidence in the present business situation is becoming apparent. The February volume of business at wholesale was well in line with that for January and in some lines it was greater than a year ago. Reports indicate that business early in March is showing a sizable expansion and that the outlook is promising. Nevertheless, conservatism is the dominating policy of business concerns and merchants are showing the practice of keeping commitments closely aligned to actual requirements. Such a policy, however, tends to maintain sound underlying conditions. Department store sales reflected a smaller seasonal decline than usual and were 3 per cent greater than in February, 1925.

The increasing demand for funds with which to finance spring farming operations was reflected by declining deposits and heavier borrowing at the Federal Reserve Bank. The deposits of member banks which amounted to $825,027,000 on February 24th were $2,116,000 less than a month earlier and $22,296,000 less than a year ago. Federal Reserve Bank loans to member banks showed an increase of approximately $1,000,000 between February 15th and March 15th but the volume of such loans remains relatively small.

CROP CONDITIONS

The dry and generally fair weather prevailing during February enabled the farmers of this district to push to rapid completion the preparation of the soil for spring planting. Reports indicate that in many sections of the district farm work is further advanced than it has been at this season for many years, and that the soil is in fine condition. The effects of dry weather during February were becoming noticeable but the general rains early in March partially corrected this situation. Nevertheless more rain is needed in some sections, and particularly in the western half of Texas.

The recent rains have greatly benefited wheat, oats, and barley and these crops are in generally good condition but more moisture is needed to maintain their growth. The sowing of spring oats and barley has made good progress and will soon be completed. Corn planting has become general and in some sections the corn is beginning to come up. Cotton planting is proceeding rapidly in the "Valley" section of Texas and is gradually extending northward into well advanced, and with dry, clear weather rapid progress will be made toward the completion of planting operations.

The rains have greatly benefited the small grains, as these crops were suffering from lack of moisture in portions of the district until the rains began. In most sections of the district these crops are in excellent condition. While the condition is only fair in some localities, it is above normal in others. The condition of the Texas wheat crop on April 1 averaged 93 per cent of normal, the highest figure since April 1, 1919, and the condition of the oat crop averaged 92 per cent.

While it is too early to estimate the damage to the fruit crop as a result of the two periods of severe freezing weather in March, it seems certain that the production will be materially lowered, particularly in the western section of Texas. The home truck crops in most sections of the district were also materially damaged. The hail during the early part of April destroyed a large portion of the Laredo onion crop.

LIVESTOCK

A most satisfactory condition now obtains in practically every section of the district's range territory. Due to the snows and heavy rains during the past month, there is a good season in the ground and grass and weeds are growing very rapidly. In most sections the growth has been faster than usual and there has been ample early pasturage to carry the stock. Due to the excellent condition of the ranges, livestock are taking on flesh rapidly. Calving has already begun and reports indicate that the mother cows have ample milk to enable the calves to make rapid growth. While a good calf crop is in prospect in most sections, there are some sections where it will be light as a result of the poor condition obtaining last summer and fall. In the drouth section of Texas large numbers of cows were shipped to market and many of the remaining cows have not filled.

The condition of cattle ranges in Texas gained 7 points during March, reaching 94 per cent of normal on April 1. This is the highest condition reported at this season in many years. The condition of cattle was 93 per cent of normal on April 1, as compared to 88 per cent a month earlier. The condition of sheep and goats on Texas ranges on April 1 was 98 per cent of normal and their ranges 100 per cent of normal. In many sections the range is several weeks ahead of average years and generally held as seldom better for this time of the year. The freeze late in March killed some of the kids and lambs. Spring shearing of goats has been practically completed and shearing of sheep is well under way. Both wool and mohair are reported to be of unusually good staple and heavy.

Movement and Prices The receipts of livestock at the Fort Worth market during March showed but little change from those during February, but all classes reflected a substantial decline from those during the corresponding month last year. Hogs showed the largest decline. In fact, the March receipts of hogs were the smallest recorded for that month in many years.

Cattle prices during the month were steady with an upward trend in evidence on some classes. Prices at the close of the month were well in line with those at the close of the previous month. Hog prices during the first half of the month were steady, but a decline of about 50 cents occurred during the latter half. The top price during March was $13.25, as compared to $13.60 during February. The sheep and lamb market showed a marked weakness early in the month, but strengthened considerably toward the close of the month.

FORT WORTH LIVESTOCK RECEIPTS

	March 1926	March 1925	Loss or Gain	February 1926	Loss or Gain
Cattle	57,123	75,740	L 18,617	57,876	L 753
Calves	11,935	13,069	L 1,134	11,736	G 199
Hogs	23,658	46,526	L 22,868	23,369	G 289
Sheep	11,737	21,530	L 9,793	8,334	G 3,403

COMPARATIVE TOP LIVESTOCK PRICES

	March 1926	March 1925	February 1926
Beef Steers	$ 9.50	$ 9.75	$ 8.60
Stocker Steers	7.60	8.25	8.35
Butcher Cows	6.65	6.40	6.25
Stocker Cows	5.40	3.25	5.25
Calves	10.25	9.00	10.00
Hogs	13.25	14.40	13.60
Sheep	9.25	9.00	9.50
Lambs	16.00	15.25	15.00

Cotton Movements The March receipts and exports of cotton at Houston and Galveston showed a further decline as compared to both the previous month and the same month last year.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	March 1926	March 1925	Aug. 1st to March 31st. This Season	Aug. 1st to March 31st. Last Season
Net receipts	123,359	187,571	2,823,236	3,493,406
Exports	206,899	356,726	2,386,408	3,285,180
Stocks, March 31			505,744	312,738

GALVESTON STOCK STATEMENT

	March 31, 1926	March 31, 1925
For Great Britain	9,300	13,200
For France	6,800	12,800
For other foreign ports	29,800	17,400
For coastwise ports	6,000	4,000
In compresses and depots	453,844	265,338
Total	505,744	312,738

HOUSTON COTTON MOVEMENTS

	March 1926	March 1925	Aug. 1st to March 31st This Season	Aug. 1st to March 31st Last Season
Receipts—gross	178,729	208,575	4,559,387	4,614,276
Receipts—net	72,915	114,958	2,501,794	2,578,841
Exports	88,806	158,090	1,505,152	1,622,921
Stocks, March 31			604,691	394,634

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

	Aug. 1st to March 31st This Season	Aug. 1st to March 31st Last Season
Receipts	8,564,928	8,724,083
Exports: Great Britain	1,904,825	2,324,142
France	762,107	787,103
Continent	2,737,951	2,940,028
Japan—China	892,598	813,899
Mexico	41,498	19,107
Total foreign ports	6,338,979	6,884,279
Stocks at all U. S. ports, March 31	1,192,734	964,247

COTTON CONSUMED AND ON HAND

	Cotton Growing States: March 1926	March 1925	Aug. 1 to March 31 This Season	Last Season	United States: March 1926	March 1925	Aug. 1 to March 31 This Season	Last Season
Cotton consumed	438,396	392,027	3,030,290	2,796,913	634,593	583,407	4,379,008	4,087,199
Cotton on hand March 31st								
(a) in consuming establishments	....	....	1,068,664	948,610	....	....	1,767,686	1,633,783
(b) in public storage and compresses	....	....	3,930,836	1,708,301	....	....	4,162,628	2,028,331

SPOT COTTON PRICES
(Middling Basis)

	March 1926 High	Low	April 15, 1926
New York	19.60	19.05	19.35
New Orleans	18.59	17.96	18.36
Dallas	18.55	17.95	18.10
Houston	19.00	18.60	18.45
Galveston	19.20	18.80	18.65

COTTONSEED OIL

There was a further strengthening in the cottonseed oil market during March. The reports from 58 cottonseed oil mills in the Eleventh District showed that they shipped 19,548,943 pounds of cottonseed oil during March, for which they received an average price of \$.0961 per pound, as compared to an average price of \$.0919 per pound during February. On the other hand, the price of cake and meal and hulls reflected a further decline. The price received for cake and meal shipped during March averaged \$28.41 per ton, as against \$30.22 per ton in February; the price received for hulls averaged \$8.94 per ton as compared to \$9.01 per ton in February. These mills received 15,813 tons of cottonseed in March, for which they paid \$34.81 per ton, as compared to receipts of 34,793 tons in February at an average price of \$33.16 per ton.

COTTONSEED PRODUCTS SHIPPED AND AVERAGE PRICE RECEIVED

	March, 1926 Products Shipped	Average Price F. O. B. Mill
Crude oil	19,548,943 lbs.	\$ .0961 per lb.
Cake and meal	26,373 tons	28.41 per ton
Hulls	16,034 tons	8.94 per ton
Linters	6,129,196 lbs.	.0444 per lb.

COTTONSEED RECEIVED AT MILLS

	March 1926	February 1926
Cottonseed received (tons)	15,813	34,793
Average price per ton (including freight)	\$34.81	\$33.16

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas Aug. 1 to March 31 This Season	Last Season	United States Aug. 1st to March 31st This Season	Last Season
Cottonseed received at mills (tons)	1,357,000	1,527,142	5,359,000	4,444,848
Cottonseed crushed (tons)	1,288,000	1,409,782	4,973,534	4,135,665
Cottonseed on hand (tons)	90,000	123,430	415,277	323,806
Crude oil produced (pounds)	363,641,000	410,140,000	1,434,833,682	1,247,507,697
Cake and meal produced (tons)	608,000	657,000	2,320,000	1,895,299
Hulls produced (tons)	363,000	410,000	1,372,000	1,182,771
Linters produced (500 lb. bales)	248,000	267,000	937,000	791,620
Stocks on hand March 31:				
Crude oil (pounds)	9,430,000	20,359,000	42,201,000	63,264,917
Cake and meal (tons)	92,000	40,000	348,496	182,737
Hulls (tons)	71,000	42,000	166,000	160,409
Linters (500-lb. bales	48,000	33,000	199,000	127,198

TEXTILE MILLING

The March production of reporting cotton mills reflected an increase of 6.9 per cent over the February production and was 7.3 per cent greater than in the corresponding month last year. These mills consumed 2,620 bales of cotton in March, as compared to 2,354 bales in February and 2,419 bales in March, 1925. Reports indicate that conditions in the industry are unsatisfactory. The fluctuations in the raw cotton market have unsettled cotton goods prices which in turn has restricted buying. Unfilled orders on hand at the mills at the close of the month were considerably smaller than those on hand a month earlier or a year ago. There has been a further accumulation of stocks at the mills.

TEXTILE MILLING STATISTICS

	March 1926	March 1925	February 1926
Number bales cotton consumed	2,620	2,419	2,354
Number spindles active	68,724	65,724	68,724
Number pounds cloth produced	1,170,296	1,091,385	1,093,635

WHOLESALE TRADE

Distribution of merchandise in wholesale channels failed to reflect the usual seasonal expansion during March. An active demand was evident in most lines early in March, but the appearance of unseasonably cold weather and the almost continuous rains from the middle of March to the middle of April greatly reduced the consumer demand for seasonal merchandise and created a spirit of hesitancy among retailers. The effect of untoward weather conditions was visible in all reporting lines. Retailers are adhering to the policy of keeping commitments closely aligned to consumer demand and any marked diminution in consumer buying reacts unfavorably upon wholesale distribution. Reports indicate that collections in practically all lines of trade are slow.

The March distribution of dry goods at wholesale reflected a marked diminution, the sales of reporting firms being 17.9 per cent less than in the previous month and 10.7 per cent less than in the corresponding month last year. Due to the rainy and unseasonably cold weather during March, pre-Easter buying was generally disappointing, and as the merchants are following the policy of keeping commitments closely aligned to consumer demand, the reduction in consumer buying was quickly reflected in wholesale channels. The unsettled condition of the cotton goods market has also had a tendency to retard buying. Collections were reported to be draggy.

A stronger demand for drugs at wholesale was in evidence during March following the somewhat restricted buying during the first two months of the year. The months' sales were 5.7 per cent greater than in February and 6.0 per cent greater than in March last year. However, sales during the first quarter of 1926 averaged 2.4

per cent less than in the same period of 1925. Late reports indicate that business during the first half of April showed a considerable decline and that collections are slowing down. Prices continued generally stable.

The sales of farm implements during March reflected a further decline of 28.6 per cent, as compared to the previous month, but were 5.7 per cent greater than in March last year. The rains during March and early April, which retarded all farm work, have materially decreased the demand for implements, but, as agricultural conditions are fundamentally good, dealers state that the reappearance of fair weather will bring about an increased demand for implements. Prices continued steady.

The March sales of reporting wholesale grocery firms were 1.6 per cent greater than those for February and 0.8 per cent greater than those in March a year ago. The demand for groceries was generally well sustained throughout the district, but some dealers report that business is confined largely to staples. While prices generally are about stationary, some items have shown a weakness.

The sales of hardware at wholesale were practically the same as in both the previous month and the same month last year. Weather conditions had an adverse effect upon distribution during March and the first half of April, but the opinion of the trade seems to be that the return of seasonable weather will create a renewed demand for practically all kinds of hardware. The continuance of record-breaking construction activity in this district is stimulating the demand for builders' hardware. Prices remained firm.

CONDITION OF WHOLESALE TRADE DURING MARCH, 1926
Percentage of Increase or Decrease in

	—Net Sales— March, 1926 compared with		—Net Sales— Jan. 1st to date compared with same Period Last Year	—Stocks— March, 1926 compared with	
	March 1925	Feb. 1926		March 1925	Feb. 1926
Groceries	+ .8	+ 1.6	None	+2.0	+1.0
Dry Goods	—10.7	—17.9	— 9.6	—1.7	+4.9
Farm Implements	+ 5.7	—28.6	—10.6	+ .5	+2.3
Drugs	+ 6.0	+ 5.7	— 2.4	+3.2	+1.8
Hardware	— .6	+ .7	+ .8	— .8	+ .8

RETAIL TRADE

The March sales of department stores in this district were 19.4 per cent greater than in February and 3.2 per cent larger than in the corresponding month last year. Reports indicate that pre-Easter business was somewhat disappointing, as the inclement weather curtailed the demand for seasonable merchandise. Restricted buying was also noticeable during the first half of April.

Stocks on hand at the end of March were 8.0 per cent greater than at the close of February, but 1.4 per cent less than a year ago. The percentage of sales to average stocks during the first quarter of 1926 was 60.8 as against 59.7 during the same period in 1925.

The ratio of outstanding orders to last year's purchases at the close of March was 5.4, as compared to 7.4 at the end of February and 7.2 at the close of March, 1925.

The ratio of March collections to accounts receivable on March 1st was 39.4 as compared to 36.7 in February and 40.9 in March last year.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	All Others	Total District
Total Sales					
March 1926, compared with March 1925	+ 1.4	+14.8	+ 6.7	— 2.8	+ 3.2
March 1926, compared with February 1926	+12.2	+25.9	+29.2	+18.3	+19.4
Jan. 1st to date, compared with same period last year	+ 3.6	+10.8	+ 3.1	— 4.5	+ 2.1
Credit Sales—					
March 1926, compared with February 1926	+ 2.7	+27.2	+ 6.6	+ 3.6	+ 6.3
March 1926, compared with March 1925	+ 9.0	+24.8	+24.0	+16.4	+15.6
January 1st to date, compared with same period last year	+ 8.0	+19.0	+ 4.8	+ 2.6	+ 7.0
Stocks—					
March 1926, compared with March 1925	— 2.3	+ 4.4	+ 5.2	— 7.1	— 1.4
March 1926, compared with February 1926	+ 4.9	+ 8.3	+12.5	+ 9.2	+ 8.0
Percentage of sales to average stocks in					
March 1925	20.4	16.5	24.3	20.7	20.4
March 1926	20.9	17.3	25.8	21.6	21.1
Percentage of sales to average stocks					
January 1st to March 31, 1925	60.6	46.8	68.2	62.0	59.7
January 1st to March 31, 1926	62.9	47.6	70.1	62.0	60.8
Ratio of outstanding orders to last year's purchases	5.8	3.4	6.4	5.2	5.4
Ratio of March collections to accounts receivable due and outstanding March 1, 1926	37.2	37.1	42.7	41.9	39.4

FINANCIAL

The volume of public spending during March as measured by charges to depositors' accounts at banks in the sixteen principal cities of the Eleventh District reflected a seasonal expansion of 7.8 per cent as compared to the previous month. The total volume, which amounted to $736,752,000, was practically the same as during the corresponding month of the previous year.

Acceptance Market Acceptances executed by accepting banks in this district, and which were outstanding on the last day of March, showed a further slight decline from those outstanding on February 28. The total volume of these acceptances on March 31 amounted to $1,834,409.59, as compared to $1,849,538.28 on February 28. The amount executed against ex-

DEBITS TO INDIVIDUAL ACCOUNTS
(In Thousands of Dollars)

	March 1926	March 1925	Inc. or Dec.	February 1926	Inc. or Dec.
Albuquerque	$ 9,683	$ 8,416	+15.1	$ 9,421	+ 2.8
Austin	20,789	32,880	—36.8	19,588	+ 6.1
Beaumont	21,955	17,269	+27.1	21,035	+ 4.4
Corsicana	7,734	9,199	—15.9	6,942	+11.4
Dallas	215,835	219,568	— 1.7	207,691	+ 3.9
El Paso	36,847	34,667	+ 6.3	33,714	+ 9.3
Fort Worth	80,326	74,672	+ 7.6	73,873	+ 8.7
Galveston	38,439	45,877	—16.2	35,500	+ 8.3
Houston	145,719	149,492	— 2.5	124,867	+16.7
Roswell	2,835	2,598	+ 9.1	2,743	+ 3.4
San Antonio	39,620	35,866	+10.5	37,070	+ 6.9
Shreveport	44,281	38,417	+15.3	38,808	+14.1
Texarkana	12,166	9,100	+33.7	9,902	+22.9
Tucson	9,423	8,746	+ 7.7	8,612	+ 9.4
Waco	15,723	18,913	—16.9	16,134	— 2.5
Wichita Falls	35,377	31,680	+11.7	37,594	— 5.9
Total 11th District	$736,752	$737,360	— .1	$683,494	+ 7.8

port and import transactions rose from $718,954.25 on February 28 to $1,041,667.09 on March 31, but those based on the domestic shipment and storage of goods declined from $1,130,584.03 on February 28 to $792,742.50 on March 31.

Condition of Member Banks in Selected Cities

The volume of loans of member banks in selected cities reflected a further decline during March. While loans secured by corporate securities increased $3,028,000, commercial loans and loans secured by Government securities declined $5,837,000, making a net decline of $2,809,000 in total loans. The net demand deposits of these banks declined $5,071,000, but time deposits increased $692,000. Their investments in Government securities increased $4,400,000, but there was a decline of $994,000 in investments in other stocks and bonds. Their bills payable and rediscounts with the Federal Reserve Bank totaled $2,066,000 on March 31 as compared to $5,425,000 on March 3.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	March 31,1926	April 1, 1925	March, 3, 1926
1. Number of reporting banks	49	49	49
2. U. S. securities owned	$ 56,856,000	$ 58,715,000	$ 52,456,000
3. All other stocks, bonds and securities owned	21,842,000	19,861,000	22,836,000
4. Loans secured by U. S. Government obligations	3,111,000	3,378,000	3,146,000
5. Loans secured by stocks and bonds other than U. S. Government obligations	84,177,000	75,532,000	81,149,000
6. All other loans	225,791,000	226,133,000	231,593,000
7. Net demand deposits	272,408,000	279,424,000	277,479,000
8. Time deposits	100,318,000	95,010,000	99,626,000
9. Reserve with Federal Reserve Bank	27,430,000	30,373,000	28,469,000
10. Bills payable and rediscounts with Federal Reserve Bank	2,066,000	105,000	5,425,000
11. Ratio of loans* to net demand deposits	84%	82%	85%

*Loans include only items 4 and 6.

Savings Deposits

Savings deposits of 102 banks in the Eleventh Federal Reserve District which operate a savings department amounted to $113,424,542 on March 31, an increase of six-tenths of one per cent over those at the end of the preceding month, and 9.2 per cent greater than at the end of March, 1925. These banks were carrying 264,695 savings accounts on March 31, as compared to 263,414 on February 28, and 247,990 on March 31, 1925.

SAVINGS DEPOSITS

	Number of Reporting Banks	March 31, 1926		March 31, 1925		Inc. or Dec.	Feb. 28, 1926		Inc. or Dec.
		Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits		Number of Savings Depositors	Amount of Savings Deposits	
Beaumont	4*	5,008	2,221,008	4,939	2,290,365	— 3.0	4,949	2,227,630	— .3
Dallas	7	48,400	16,411,013	43,151	14,987,514	+ 9.5	48,692	16,752,776	— 2.0
El Paso	3	17,207	6,071,525	16,268	5,839,358	+ 4.0	17,084	5,521,797	+10.0
Fort Worth	4	19,460	5,908,169	19,376	5,435,984	+ 8.7	19,396	5,885,547	+ .4
Galveston	3	12,795	8,910,242	13,543	8,191,012	+ 8.8	12,863	8,784,254	+ 1.4
Houston	13*	58,215	25,911,549	52,161	22,889,352	+ 13.2	57,762	25,630,105	+ 1.1
San Antonio	6	25,571	11,858,177	23,526	11,448,188	+ 3.6	25,195	11,876,848	— .2
Shreveport	3	21,493	9,341,958	20,096	8,775,839	+ 6.5	21,127	9,393,764	— .6
Waco	5	8,144	4,789,602	7,830	4,324,852	+ 10.7	8,132	4,756,940	+ .7
Wichita Falls	3	6,999	3,232,992	6,746	1,591,903	+103.1	7,051	2,786,390	+16.0
All Others	51*	41,403	18,768,307	40,354	18,138,359	+ 3.5	41,163	19,151,592	— 2.0
Total	102	264,695	113,424,542	247,990	103,912,726	+ 9.2	263,414	112,767,643	+ .6

*Only 3 banks in Beaumont, 12 banks in Houston and 48 banks in all others reported the number of savings depositors.

APRIL 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:						
(a) running 30-60-90 days	4½-6	5½-8	5-6	5-6	4-8	5-7
(b) running 4-6 months	4½-6	6-8	5-6	5-6	4-8	5-8
Rate charged on loans to other banks, secured by bills receivable	4-6	6-7	5-6	5-6	5-6	5-6
Rate on ordinary commercial loans running 30-60-90 days secured by Liberty Bonds and Certificate of Indebtedness (not including loans to enable purchase of bonds)	4-6	6-8	5-6	5-6	5½-8	6
Rate on loans secured by prime stock exchange or other current collateral:						
(a) demand	6	8	6-8	5-6	6-8	4¼-7
(b) time	6-7	6-8	6-8	5-6	6-8	6-7
Rate on commodity paper secured by warehouse receipts, etc.	4½-6	7-8	6-8	5-6	6-8	6-8
Rate on cattle loans	6-8	8-9	6-8	6-8	6-8	----

Deposits of Member Banks

There was a further seasonal decline in the deposits of member banks in the Eleventh District during March. The decline in net demand deposits between February 24 and March 24 amounted to $16,611,000 and the decline in time deposits amounted to $1,865,000, or a decline of $18,-476,000 in their combined deposits. It will be noted that the major portion of the decline in net demand deposits occurred at banks located in cities with a population of less than 15,000, while the major portion of the decline in time deposits occurred at banks located in cities with a population over 15,000. Their combined deposits on March 24, 1926, which totaled $806,551,000, were $20,091,000 less than on March 25, 1925.

DEPOSITS OF MEMBER BANKS

	Total Demand	Total Time	Banks in cities with a population of less than 15,000		Banks in cities with a population of over 15,000	
			Demand	Time	Demand	Time
Mar. 25, 1925	662,862	163,780	304,459	45,132	358,403	118,648
Apr. 22, 1925	635,576	165,531	292,385	47,963	343,191	117,568
May 27, 1925	605,626	166,006	277,145	48,771	328,481	117,235
June 24, 1925	588,601	167,218	267,143	47,978	321,458	119,240
July 29, 1925	581,038	168,600	261,957	47,643	319,081	120,957
Aug. 26, 1925	590,664	168,110	268,000	47,585	322,664	120,525
Sept. 23, 1925	632,784	169,415	296,777	48,393	336,007	121,022
Oct. 28, 1925	667,413	166,601	318,302	45,861	349,111	120,740
Nov. 25, 1925	674,507	166,821	322,213	46,190	352,294	120,631
Dec. 23, 1925	668,749	163,290	316,643	44,446	352,106	118,844
Jan. 27, 1926	659,813	167,330	308,899	44,722	350,914	122,608
Feb. 24, 1926	654,003	171,024	303,350	45,557	350,653	125,467
March 24, 1926	637,392	169,159	287,084	45,178	350,308	123,981

Operations of the Federal Reserve Bank While the volume of Federal Reserve Bank loans to member banks, which stood at $5,647,472 on March 31, was $321,096 less than at the end of February, there was a steadily increasing demand for rediscount accommodations from the member banks in the agricultural sections. The wider distribution of our loans among member banks is shown by the fact that there were 137 borrowing banks on March 31, as compared to 99 on February 28, or a net increase of 38 banks. The past month witnessed a net reduction of approximately $1,000,000 in the borrowings of reserve city banks. The total amount of loans to member banks on the last day of March, 1925, was only $1,456,376.

There was a further large reduction in the total volume of all classes of bills held during the past month due to the reduction in our holdings of bankers' acceptances. Total bills held declined from $21,887,303.10 on February 28 to $15,199,782.91 on March 31, distributed as follows:

Member bank collateral notes secured by U. S. Government obligations	$ 1,253,500.00
Rediscounts and all other loans to member banks	4,393,971.76
Open market purchases (Bankers' acceptances)	9,552,311.15
Total bills held	$15,199,782.91

Federal reserve notes in actual circulation reflected a further seasonal contraction of $2,573,985 during March and stood at $36,592,625 on the last day of the month. On that date the circulation of these notes was $7,421,745 less than a year earlier. The reserve deposits of member banks, which amounted to $56,557,114 on March 31, were $6,021,580 less than on February 28, and $7,325,907 less than on March 31, 1925.

FAILURES

The past month witnessed an increase in both the number of failures and the volume of liabilities in the Eleventh Federal Reserve District, as compared to both the previous month and the corresponding month a year ago. There were 75 defaults in March with an indebtedness of $809,191, as compared to 62 failures in February with liabilities amounting to $669,997 and 59 insolvencies in March a year ago with an indebtedness of $682,936. Statistics for the first quarter of 1926 disclose that there were 245 failures, with liabilities of $2,936,904, as compared to 216 failures during the corresponding period of 1925 with an indebtedness of $3,666,573.

PETROLEUM

After showing a steady decline in daily average production for nine months there was a substantial increase in the daily average production of oil at the various fields in the Eleventh Federal Reserve District during March. The daily average production for the month amounted to 391,356 barrels, as compared to 375,474 barrels in February, or a net increase of 15,882 barrels. This increase was due in a large measure to the developments in new fields where new wells which have been in the process of drilling for sometime were completed. There were 625 completions during March, of which 368 were producers of oil, yielding a flush production of 73,117 barrels, as compared to 526 completions in February, of which 315 were producers of oil, yielding an initial production of 70,864 barrels. There were 23 gas wells completed in March as compared to 20 in February.

The daily average production in Texas fields reflected an increase of 12,988 barrels. The North Texas, Texas Coastal and South West Texas fields showed a substantial increase in daily average production, but the Central West and East Central Texas fields again reflected a decline. Considerable activity is noted in the Oldham field in Archer County and the Carson-Hutchinson Counties section of the Texas Panhandle. The daily average production in North Louisiana fields, which showed an increase of 2,894 barrels, was due in a large measure to the development work in the Urania field. The production in that field increased from 16,100 barrels in February to 184,047 barrels in March.

Crude Oil Prices There were no changes in the posted price of crude oil at the various fields in the Eleventh Federal Reserve District during the period between March 10 and April 7.

OIL PRODUCTION

	March		February		Increase or Decrease			
	Total	Daily Avg.	Total	Daily Avg.	Total		Daily Avg.	
North Texas	2,829,238	91,266	2,254,940	80,534	Inc.	574,298	Inc.	10,732
Central-West Texas	2,097,313	67,655	1,989,180	71,042	Inc.	108,133	Dec.	3,387
East-Central Texas	1,853,552	59,792	1,695,400	60,550	Inc.	158,152	Dec.	758
Texas Coastal	2,557,276	82,493	2,268,740	81,026	Inc.	288,536	Inc.	1,467
Southwest Texas	1,299,241	41,911	1,035,350	36,977	Inc.	263,891	Inc.	4,934
Total, Texas	10,636,620	343,117	9,243,610	330,129	Inc.	1,393,010	Inc.	12,988
North Louisiana	1,495,418	48,239	1,269,660	45,345	Inc.	225,758	Inc.	2,894
Total, District	12,132,038	391,356	10,513,270	375,474	Inc.	1,618,768	Inc.	15,882

MARCH DRILLING RESULTS

Field—	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas	329	192	3	134	17,100
Central West Texas	109	59	7	43	20,470
East Central Texas	4	......	1	3	....
Texas Coastal	61	41	....	20	17,022
Southwest Texas	13	8	5	......	10,000
Texas Wildcats	27	......	....	27	....
Total, Texas	543	300	16	227	64,592
North Louisiana	82	68	7	7	8,525
March totals, District	625	368	23	234	73,117
Feb. totals, District	526	315	20	191	70,864

CRUDE OIL PRICES

TEXAS—	April 7, 1926	April 10 1925
Texas Coastal (Grade "A")	$1.50	$2.00
North and Central Texas (52 gr. and above)	3.32	*

* Prices for April 10, 1925, not available on a comparative basis.

LOUISIANA—	April 7, 1926	April 10 1925
Caddo (38 gr. and above)	$2.20	$2.05
Bull Bayou (38 gr. and above)	2.00	1.85
Homer (35 gr. and above)	1.95	1.80
Haynesville (33 gr. and above)	1.85	1.70
De Soto Crude	2.05	1.90

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

LUMBER

There was a marked improvement in the lumber industry in the Eleventh Federal Reserve District during March. Despite the heavy rains and unseasonable weather which retarded operations to some extent, production at reporting mills was practically normal, as compared to 22 per cent below normal in February. The strong demand for lumber in this district was reflected in the statistics on shipments and new orders received. Shipments rose from 9 per cent below normal production in February to 3 per cent below normal production in March and the volume of new orders received during the month were equivalent to 104 per cent of normal production, as against 97 per cent in February. The unfilled orders on the books of 47 mills at the close of March amounted to 76,257,888 feet, as compared to 64,436,862 feet on the books of 42 mills at the close of February. Stocks on hand on March 31 were 11 per cent below normal, as compared to 17 per cent below normal on February 28.

MARCH PINE MILL STATISTICS

Number of reporting mills	47
Production	102,126,084 feet
Shipments	98,837,529 feet
Orders	106,394,618 feet
Unfilled orders, March 31	76,257,888 feet
Normal production	102,239,198 feet
Stocks, March 31	263,868,856 feet
Normal stocks	297,670,790 feet
Shipments below normal production	3,401,669 feet= 3%
Actual production below normal	113,114 feet
Orders above normal production	4,155,420 feet= 4%
Stocks below normal	33,801,934 feet=11%

BUILDING

The past month witnessed the continuation of active building which has been in progress in the Eleventh District for several months. For the eighth consecutive month the valuation of building permits issued at the twelve principal cities in this District showed a substantial increase over the corresponding month of the previous year. The valuation of permits issued during March totaled $11,815,457, reflecting an increase of 36.0 per cent over the previous month and 40.4 per cent over the corresponding month of a year ago. The valuation of permits issued during the first three months of 1926 showed an increase of 34.2 per cent over the corresponding period of 1925.

BUILDING PERMITS

	March 1926		March 1925		Inc. or Dec.	February 1926		Inc. or Dec.	Three Months 1926		Three Months 1925		Inc. or Dec.
	No.	Valuation	No.	Valuation		No.	Valuation		No.	Valuation	No.	Valuation	
Austin	53	$ 158,820	52	$ 60,625	+162.0	59	$ 83,887	+ 89.3	164	369,115	159	$ 254,705	+ 44.9
Beaumont	178	163,203	195	169,539	— 3.7	150	113,771	+ 43.4	454	379,615	495	542,927	— 30.1
Dallas	433	2,122,435	554	2,058,841	+ 3.1	449	1,937,580	+ 9.5	1225	5,325,524	1516	7,109,463	— 25.1
El Paso	109	145,759	86	254,309	— 42.7	50	34,426	+323.4	217	319,465	211	403,334	— 20.8
Fort Worth	366	2,206,627	238	722,884	+205.3	401	1,350,387	+ 63.4	1178	4,979,450	628	2,248,065	+121.5
Galveston	268	141,261	320	166,092	— 15.0	259	251,120	— 43.7	740	583,897	900	392,919	+ 48.6
Houston	557	3,132,202	685	2,507,264	+ 24.9	441	1,940,183	+ 61.4	1388	8,581,928	1679	5,445,798	+ 57.6
Port Arthur	140	363,986	177	128,854	+182.5	127	105,534	+244.9	357	563,765	446	296,064	+ 90.4
San Antonio	346	1,675,602	353	982,130	+ 70.6	330	1,608,420	+ 4.2	1005	4,847,238	1005	2,346,807	+106.5
Shreveport	291	451,502	281	358,634	+ 25.9	253	340,579	+ 32.6	837	1,232,518	809	1,084,041	+ 13.7
Waco	40	109,370	76	174,742	— 37.4	36	106,160	+ 3.0	102	260,305	219	718,106	— 63.8
Wichita Falls	202	1,144,690	133	832,790	+ 38.3	201	814,596	+ 41.4	526	2,542,778	342	1,501,510	+ 69.8
Total	2983	11,815,457	3,150	8,416,704	+ 40.4	2,756	8,686,643	+ 36.0	8193	29,985,598	8409	22,343,739	+ 34.2

CEMENT

There was a further substantial increase in the production of Portland cement at Texas mills during March as compared to both the previous month and the same month last year. The month's production, which amounted to 451,000 barrels, was 14.8 per cent greater than in February and 6.9 per cent greater than in March, 1925. March shipments were practically the same as in the previous month, but were 4.5 per cent less than in March a year ago. Stocks on hand at the end of March were 9.8 per cent larger than on February 28 and 56.7 per cent greater than on March 31, 1925.

Production at these mills during the first three months of 1926 was 10.2 per cent above that for the same period in 1925 and shipments were 3.3 per cent greater.

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

	March 1926	March 1925	Inc. or Dec.	February 1926	Inc. or Dec.	Three Months 1926	Three Months 1925	Inc. or Dec.
Production at Texas Mills	451,000	422,000	+ 6.9	393,000	+14.8	1,174,000	1,065,000	+10.2
Shipments from Texas Mills	403,000	422,000	— 4.5	400,000	+ .8	1,111,000	1,076,000	+ 3.3
Stocks at end of month at Texas Mills	536,000	342,000	+56.7	488,000	+ 9.8			

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, as of April 24, 1926)

Industrial output increased in March and the distribution of commodities continued in larger volume owing to seasonal influences. The level of wholesale prices declined for the fourth consecutive month.

PRODUCTION

The Federal Reserve Board's index of production in basic industries increased in March to the highest level for more than a year. Larger output was shown for steel ingots, pig iron, anthracite, copper, lumber, and news print, and there were also increases in the activity of textile mills. The output of automobiles increased further and was larger than in any previous month with the exception of last October. Building contracts awarded also increased in March, as is usual at this season, and the total was near the high figure of last summer. Particularly large increases in building activity as compared with a year ago occurred in the New York, Atlanta and Dallas Federal Reserve Districts. Contracts awarded continued larger during the first half of April than in the same period of last year. Condition of the winter wheat crop has improved since the turn of the year and on April 1 was estimated by the Department of Agriculture to be 84 per cent of normal, compared with 68.7 per cent last year and an average of 79.2 per cent for the same date in the past ten years.

TRADE

Wholesale trade showed a seasonal increase in March and the volume of sales was larger than a year ago in all leading lines except dry goods and hardware. Sales of department stores and mail order houses increased less than is usual in March. Compared with March a year ago, sales of department stores were 7 per cent and sales of mail order houses 9 per cent larger. Stocks of principal lines of merchandise carried by wholesale dealers, except groceries and shoes, were larger at the end of March than a month earlier, but for most lines they were smaller than a year ago. Stocks at department stores showed slightly more than the usual increase in March and were about three per cent larger than last year. Freight car loadings during March continued at higher levels than in the corresponding period of previous years. Shipments of miscellaneous commodities and merchandise in less-than-carload lots were especially larger. Loadings of coal, owing to the large production of anthracite, were also larger, while shipments of coke decreased considerably from the high levels of preceding months.

PRICES

Wholesale prices, according to the Bureau of Labor Statistics index, declined more than 2 per cent in March to the lowest level since September, 1924. The decline was general for nearly all groups of commodities and the largest decreases were noted in grains, cotton, wool, silk, coke and rubber. In the first two weeks of April prices of basic commodities were steadier than in March. Prices of grains, flour and potatoes increased, while prices of cotton goods, wool, silk, bituminous coal, pig iron and rubber declined.

BANK CREDITS

Commercial loans of member banks in leading cities were relatively constant between the middle of March and the middle of April at a level about $200,000,000 higher than at the end of January and approximately equal to the high point reached last autumn. Continued liquidation of loans to brokers and dealers was reflected in a further decline in the total of loans on securities, which on April 14 were more than $500,000,000 below the high point reached at the end of last year.

At the reserve banks an increase of the volume of member bank borrowings during the last two weeks of March was followed by a marked decline in the first three weeks of April, which brought the total near the lowest levels of the year.

Holdings of United States securities increased continuously during the month while the acceptances declined seasonally. Total bills and securities were in smaller volume at the end of the period than at any other time during the year and only slightly larger than a year ago. Open market rates on commercial paper declined in April from 4¼-4½ per cent to 4-4¼ per cent and rates on acceptances and on security loans were also lower in April than in March. On April 23 the discount rate at the Federal Reserve Bank of New York was reduced from 4 to 3½ per cent.