

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

	March	February	Inc. or Dec.
Bank debits to individual accounts (at 17 cities).....	\$801,620,000	\$735,354,000	Inc. 9.0%
Department store sales.....			Inc. 22.5%
Reserve Bank loans to member banks at end of month.....	3,844,584	3,636,552	Inc. 5.7%
Reserve Bank ratio at end of month.....	71.3%	74.0%	Dec. 2.7 points
Building permit valuations at larger centers.....	11,547,210	7,546,601	Inc. 53.0%
Commercial failures (number).....	59	103	Dec. 42.7%
Commercial failures (liabilities).....	1,415,400	2,023,000	Dec. 30.0%
Oil production (barrels).....	20,954,935	18,945,330	Inc. 10.6%
Lumber orders at pine mills (per cent of normal production).....	87%	80%	Inc. 7 points

Indices of business conditions in the Eleventh Federal Reserve District during March disclosed increased activity of business and industry and there appears to be a strengthening in the undertone of confidence in the whole business structure. Charges to depositors' accounts at seventeen principal cities were 9 per cent larger than in February and 4 per cent above March a year ago. Department store sales evidenced a seasonal expansion of 23 per cent over the previous month and were only slightly less than in the corresponding month of 1926. While the volume of distribution of merchandise at wholesale is still below that of last year, the decreases in most lines were small, whereas, in the three preceding months they were generally large. Southwestern car loadings during the four-week period ending March 26 were 5 per cent larger than during the corresponding period in 1926. This measure of commodity distribution has been consistently exceeding all previous records for this season of the year and is a further indication that public spending is being maintained at a high level. While the indebtedness of defaulting firms was 75 per cent greater than in March, 1926, the number of failures was 27 per cent less.

The deposits of member banks declined \$5,803,000 during March but the decline was less than usual and on March 23 they were \$15,028,000 greater than on the corresponding date of 1926. The demand for credit continued light although there has been some increase in the rural districts incident to the financing of agricultural operations. Borrowings at the Federal Reserve Bank increased \$776,360 between March 15 and April 15 but on the latter date they were \$1,916,395 less than on the same date in 1926.

The physical condition of the district's ranges and livestock continued excellent and market prices reflected a further improvement. Livestock are strong and healthy and are fattening earlier than usual. A strong demand for stockers is still in evidence and trading has been active. A large crop of lambs, kids and calves is practically assured.

Farmers made fair progress with plowing and planting operations during March but this work was greatly retarded during the first half of April. In fact, in many sections of the district farm work has been at a standstill due to the heavy and, in some instances, torrential rains which inundated the low lands, thereby destroying part of the crop already planted and making necessary considerable replowing and replanting. Grass and weeds have grown rapidly which will render more difficult the planting and cultivation of crops. Prospects are bright for a heavy production of small grains. The planting of corn made fair progress but reports indicate that due to the lateness of the season, the acreage planted to this crop will probably not be as large as was earlier expected. The planting of cotton has been practically completed in the southern part of Texas and is extending northward.

The valuation of permits issued at principal cities reflected an expansion of 53 per cent as compared to February, but was 9 per cent less than in March, 1926. The production, shipments, and new orders for lumber showed a considerable increase over the previous month but were smaller than a year ago. The production and shipment of cement were materially larger than in either February this year or March last year.

CROP CONDITIONS

Fair progress was made with plowing and planting operations in this district during March except in the eastern fourth of Texas, Southeastern Oklahoma and in some sections of Northern Louisiana where too much rain interfered

with farm work. Heavy rains over a larger area of the district during the first half of April further delayed farming operations and did some damage to growing crops. It is now doubtful whether as large an acreage will be planted

to some of the feed crops as was intended early in the season due to the fact that the farmers have been delayed in planting.

The planting of corn has been practically completed in South and South-Central Texas and has made good progress in other sections except in those portions where the ground has been too wet for this work. However, there is much of the crop yet to be planted in North Texas, Southeastern Oklahoma and North Louisiana. The cold wave during the latter part of March did some damage to corn and some of the acreage had to be replanted.

In South and Southeast Texas the planting of cotton has made good progress and is gradually extending northward. The average planting date in Texas is about May 1st and unless weather conditions should prove very unfavorable the average planting date this year should not deviate materially from the usual experience. For the district as a whole, rainfall during the winter has been above normal and there is a good subsoil season in the ground although there is a slight deficiency in some of the southern and northwestern counties of Texas. The unusually mild temperatures during the winter have enabled a large number of weevil and other insects to survive and a heavy emergence is looked for in those sections where they were abundant last fall. It should be borne in mind that should weather conditions favor the increase in weevil this summer, cotton production could be seriously affected, especially in cases where farmers plant a larger acreage than they will be able to control effectively from the ravages of the insects.

Small grains generally are in good condition. While the condition of the Texas wheat crop was reported 89 per cent normal on April 1st as against 93 per cent a year earlier, it was considerably above the ten-year average of 74 per cent. The Department of Agriculture stated that while a year of heavy production is usually followed by a materially lower yield the following year, a condition of 75 per cent of normal or above for wheat on April 1st has usually resulted in better than average yields with an average abandoned acreage of 4 per cent. In Northwest Texas more rain is needed for this crop but in North and Central Texas there has been too much rain which together with some insect damage has lowered the prospects. The condition of the Texas oat crop on April 1st was reported as 85 per cent normal as against 92 per cent a year ago, yet it should be remembered that the yield per acre in 1926 was the heaviest on record. Conditions in the north, northeast and center sections of the state have not been favorable for sowing due to the wet and cold weather with the result that it is probable that the expected increase in the oat acreage has not fully materialized. There has been some activity of the green bugs noticeable in several of the northern counties.

The Department of Agriculture reported that the supply of farm labor in Texas in percentage of demand on April 1st was 114 per cent as compared to 104 per cent on April 1, 1926.

LIVESTOCK

The physical condition of ranges and livestock in this district continued excellent. In practically every section ranges are earlier and better than is usual at this time. With few exceptions, moisture is plentiful and the prospect for spring and summer grazing is good. Due to the plentifulness of feed and the mild winter livestock have

entered the spring in a strong and healthy condition. All classes of cattle are fattening and the spring movement to market should begin earlier than usual. In most sections there is more pasturage than is needed for the present supply of stock. There appears to be a distinct tendency toward restocking and local trading has been active in many sections with the strongest demand for steer yearlings and stocker cows. However, due to the scarcity of this class of stock and the high prices prevailing, many ranchmen are relying upon the natural increase in the herds to restock the ranges. Outside buyers are contracting for a few head, but due to the scarcity they are finding it hard to supply their needs. Calves are coming fast, are healthy and are making rapid growth. In practically every section the calf crop is expected to be large. Sheep and goats particularly in Texas are in better condition than any other class of stock as their ranges opened up early and have continued in excellent condition. The Department of Agriculture placed the condition of sheep in Texas on April 1st as 97 per cent normal, goats 94 per cent and their ranges at 100 per cent. Lambing is making good progress and prospects point toward a large crop. Goat shearing is practically completed and sheep shearing is well under way. The wool clip is expected to be heavy and of very good quality.

Movements and Prices Receipts of all classes of livestock at the Fort Worth market reflected a gain as compared to both the previous month and the same month last year. The arrivals of sheep and hogs showed large increases.

Strength characterized the cattle market during most of the past month. During the second week of the month some of the best prices in many months were recorded. While some weakness was in evidence during the third week the losses were later largely regained. There was a broad demand for stocker cattle throughout the month and the supply was usually insufficient to meet the demand. Due to the increased supply, hog prices reflected a downward trend. There was a broad demand for sheep and lambs and prices worked to higher levels. The best genuine spring lambs brought \$15.00 as against a top price of \$12.65 in the previous month.

FORT WORTH LIVESTOCK RECEIPTS

	March 1927	March 1926	Loss or Gain	February 1927	Loss or Gain
Cattle	59,018	56,044	G 2,974	48,027	G 10,991
Calves	12,113	11,063	G 1,050	8,729	G 3,384
Hogs	47,289	23,124	G 24,165	37,511	G 9,778
Sheep	33,115	11,934	G 21,181	11,674	G 21,441

COMPARATIVE TOP LIVESTOCK PRICES

	March 1927	March 1926	Feb. 1927
Beef steers	\$10.00	\$ 9.50	\$ 9.25
Stocker steers	8.50	7.60	8.60
Butcher cows	7.00	6.65	6.60
Stocker cows	6.40	5.40	6.60
Calves	10.00	10.25	9.50
Hogs	12.00	13.25	12.70
Sheep	9.00	9.25	9.00
Lambs	15.00	16.00	12.65

Cotton Movement Receipts and exports of cotton through the ports of Houston and Galveston continue large, reflecting substantial increases as compared both to the previous month and the corresponding month last year. Exports of cotton for the period August 1 to March 31 from Houston, Galveston and all United States ports exceed the respective amounts exported during the

whole of the previous season. Total foreign exports of cotton (including linters) for the eight-month period amounted to 8,829,056 bales as compared to 6,506,362 bales during the same period last year. Germany has taken 2,346,541 bales or more than one-fourth of the total amount exported, United Kingdom 2,183,398 bales and Japan 1,268,719 bales. Cotton consumption during March reached a new high record for all time at 694,193 bales of lint and compares with 635,896 bales of lint consumed in March last year. Stocks on March 31 at consuming establishments showed an increase as compared to those a month earlier and a year ago.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	March 1927	March 1926	August 1 to March 31 This season	August 1 to March 31 Last season
Net receipts	306,436	103,166	3,519,398	2,814,413
Exports	398,138	196,814	3,127,770	2,422,325
Stocks—March 31			531,554	473,660

GALVESTON STOCK STATEMENT

	March 31 1927	March 31 1926
For Great Britain	19,400	600
For France	9,600	1,200
For other foreign ports	68,000	8,000
For coastwise ports	4,500	6,500
In compresses and depots	440,054	457,360
Total	541,554	473,660

COTTON CONSUMED AND ON HAND

	COTTON GROWING STATES				UNITED STATES			
	March 1927	March 1926	August 1 to March 31 This Season	August 1 to March 31 Last Season	March 1927	March 1926	August 1 to March 31 This Season	August 1 to March 31 Last Season
Cotton consumed	497,169	439,838	3,400,909	3,032,176	694,193	635,896	4,718,680	4,381,448
Cotton on hand March 31								
(a) in consuming establishments			1,339,185	1,073,405			1,980,103	1,771,897
(b) in public storage and compresses			4,123,620	3,932,260			4,491,955	4,164,062

COTTONSEED PRODUCTS

The volume of cottonseed products shipped from reporting mills in this district declined during March. However, the trend of average prices received for this product continued upward. The average price received for crude oil increased from \$.0711 per pound in February to \$.0732 in March; cake and meal from \$26.11 per ton to \$27.96 per ton; and hulls from \$4.52 per ton in February to 5.36 per

ton in March. Linters sold at an average price \$.0235 per pound, as against \$.0208 per pound in the previous month. There were 28,993 tons of cottonseed purchased by 53 reporting mills during the month at an average price of \$28.94 per ton, as compared to 54,342 tons purchased by 63 mills in February for which an average price of \$25.97 per ton was paid.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to March 31 This Season	August 1 to March 31 Last Season	August 1 to March 31 This Season	August 1 to March 31 Last Season
Cottonseed received at mills (tons)	1,848,701	1,365,995	6,109,858	5,376,068
Cottonseed crushed (tons)	1,661,539	1,297,082	5,563,298	4,995,037
Cottonseed on hand (tons)	192,534	90,006	562,882	410,875
Crude oil produced (lbs.)	465,435,000	363,641,000	1,658,106,078	1,441,067,988
Cake and meal produced (tons)	766,000	608,000	2,491,597	2,329,063
Hulls produced (tons)	493,000	363,000	1,624,208	1,376,714
Linters produced (500-lb. bales)	267,000	248,000	907,216	942,267
Stocks on hand March 31:				
Crude oil (pounds)	26,533,000	9,430,000	98,631,318	40,610,544
Cake and meals (tons)	37,000	92,000	179,376	344,618
Hulls (tons)	70,000	71,000	232,375	166,348
Linters (500-lb. bales)	51,000	48,000	174,873	200,240

COTTON MOVEMENT THROUGH THE PORT OF HOUSTON

	March 1927	March 1926	August 1 to March 31 This season	August 1 to March 31 Last season
Net receipts	213,067	72,915	3,376,539	2,501,794
Exports	255,544	101,089	2,149,027	1,501,881
Stocks, March 31			739,381	604,691

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

	August 1 to March 31 This season	August 1 to March 31 Last season
Receipts	11,523,160	9,584,344
Exports: Great Britain	2,179,161	1,925,070
France	859,370	772,318
Continent	4,120,607	2,764,104
Japan—China	1,415,707	894,923
Mexico	14,750	41,498
Total foreign ports	8,589,595	6,397,913
Stocks at all U. S. ports, March 31	2,477,400	1,151,244

SPOT COTTON PRICES
(Middling Basis)

	March, 1927 High	March, 1927 Low	April 14 1927
New York	14.70	14.00	14.50
New Orleans	14.55	13.75	14.21
Dallas	13.60	12.90	13.30
Houston	14.45	13.65	14.25
Galveston	14.45	13.70	14.25

COTTONSEED PRODUCTS SHIPPED AND AVERAGE PRICE RECEIVED

RECEIVED		
	March, 1927	
	Products Shipped	Average price F. O. B. Mill
Crude oil	19,483,848 lbs.	\$.0732 per lb.
Cake and meal	26,230 tons	27.96 per ton
Hulls	23,437 tons	5.36 per ton
Linters	8,184,965 lbs.	.0235 per lb.

TEXTILE MILLING

Substantial increases in the consumption of cotton and spindle activity over both the previous month and the same month last year were reflected in reports from textile mills in this district during March. There were 1,504,217 pounds of cloth produced at these mills during March, representing an increase of 7.1 per cent over the previous month and 9.0 per cent over the corresponding month of last year. A slight decrease was noted in the volume of unfilled orders

on hand at the close of March, as compared to the same date of last year; however, they were above those on hand at the end of the previous month. Stocks on March 31 showed an increase over those on the corresponding date of 1926, but were below stocks on February 28.

TEXTILE MILLING STATISTICS

	March 1927	March 1926	February 1927
Number bales consumed.....	3,414	3,136	3,051
Number spindles active.....	75,508	72,716	72,784
Number pounds cloth produced.....	1,504,217	1,379,493	1,403,876

WHOLESALE TRADE

The distribution of merchandise at wholesale channels reflected a distinct improvement during March. In the majority of reporting lines sales reflected a substantial increase over the previous month and while sales in all lines except one were less than in March a year ago, the declines were much smaller than those during the preceding three months. While there is no diminution of conservatism as retailers generally are adhering to the policy of limiting commitments to well defined needs, yet there is a strengthening of sentiment and moderate optimism appears to be general throughout the trade.

The distribution of dry goods at wholesale during March was 5.4 per cent less than in the previous month and 1.4 per cent less than in the corresponding month last year. The decline from the previous month was not unexpected, however, as buying usually falls off in March following the early season purchases in February. While merchants are still adhering strictly to the policy of keeping commitments closely aligned to the actual requirements, the volume of replacement orders continues to bulk large in the aggregate. Late reports indicate that business so far in April is proving very satisfactory. Collections reflected a moderate improvement over the previous month.

Following the dullness in wholesale drug trade during February, the March sales reflected more than the usual

seasonal increase, being 17.4 per cent greater than in the previous month and only 3.8 per cent less than in the same month last year. Reports indicate that business in April has been retarded somewhat by the continued rain. Collections were smaller than in the previous month but some dealers report them as fair. Prices showed no material changes.

The past month witnessed improvement in the wholesale hardware trade. After the rather small distribution during the previous three months, March sales reflected an increase of 29.8 per cent as compared to February and 8.6 per cent as compared to March, 1926. The improved demand appeared to be fairly general throughout the district. Collections also reflected a substantial increase as compared to the previous month.

The distribution of farm implements reflected a further decline of 19.4 per cent as compared to the previous month and was 43.2 per cent less than in the corresponding month last year. The buying of farm implements during the past six months has been on a smaller scale than at any time since 1921. Reports indicate that farmers are making replacement only in case of actual necessity. Prices remained generally steady.

A moderate improvement was noticeable in the wholesale grocery trade during March. While sales were 2.9 per cent below March last year, they were 6.4 per cent larger than in February. The increased buying appeared to be general over the district and dealers report that the outlook is fair.

CONDITION OF WHOLESALE TRADE DURING MARCH, 1927

Percentage of Increase or Decrease in:

	—Net Sales— March, 1927 compared with March 1926		—Net Sales— Jan. 1 to date compared with same period last year		—Stocks— March, 1927 compared with Feb. 1927	
	March 1926	Feb. 1927	March 1926	Feb. 1927	March 1926	Feb. 1927
Groceries	2.9	+ 6.4	- 6.2	- 4.5	+ 2.5	
Dry Goods	1.4	- 5.4	-10.1	-14.4	+ .9	
Farm implements	-43.2	-19.4	-46.4	+ 1.4	+ 1.7	
Drugs	3.8	+17.4	- 8.5	- 7.1	- 3.1	
Hardware	+ 8.6	+29.8	- 1.1	- 8.4	+ .1	

RETAIL TRADE

The past month witnessed a more active demand for merchandise at retail. The sales of departments stores reflected a seasonal expansion of 22.5 per cent, as compared to the previous month and were only 1.7 per cent less than in the corresponding month last year. This was the smallest decline of a current month as compared to the same month of 1926 registered this year. Reports indicate that

pre-Easter buying was in good volume. As compared to March a year ago, sales of all kinds of dress goods declined but ready-to-wear goods generally were in better demand. Sales of women's suits, women's dresses, juniors' and girls' ready-to-wear, and waists and blouses were larger than in March last year.

Stocks on hand at the close of March were 8.2 per cent

BUSINESS OF DEPARTMENT STORES

Total Sales.	Dallas	Fort Worth	Houston	All Other	Total District
March, 1927, compared with March, 1926.....	- 3.4	+ 5.6	- 2.2	- 3.5	- 1.7
March, 1927, compared with February, 1927.....	+24.6	+23.3	+16.2	+23.4	+22.5
January 1 to date, compared with same period last year.....	-10.3	+ 4.5	+ 4.0	- 4.1	- 4.4
Credit Sales:					
March, 1927, compared with March, 1926.....	- 8.6	+ 4.8	- 1.2	- 4.8	- 4.5
March, 1927, compared with February, 1927.....	+28.7	+18.4	+12.4	+22.5	+22.5
January 1 to date, compared with same period last year.....	-15.7	+ 5.7	+ 4.9	- 5.5	- 7.0
Stocks:					
March, 1927, compared with March, 1926.....	-16.5	-10.5	- 3.8	- 4.7	-10.0
March, 1927, compared with February, 1927.....	+ 6.0	+ 2.8	+ 9.1	+13.4	+ 8.2
Percentage of sales to average stock in:					
March, 1926	20.9	18.4	28.0	22.0	21.7
March, 1927	23.5	21.0	28.3	22.7	23.4
Percentage of sales to average stock					
January 1 to March 31, 1926.....	62.9	50.0	75.7	61.2	61.7
January 1 to March 31, 1927.....	66.1	56.6	80.9	62.5	65.2
Ratio of outstanding orders to last year's purchases.....	4.2	2.5	8.0	4.8	4.6
Ratio of March collections to accounts receivable due and outstanding March 1, 1927.....	33.7	34.9	42.4	39.8	36.9

larger than a month earlier but were 10.0 per cent less than a year ago. The percentage of sales to average stocks for the period January 1 to March 31 this year was 65.2 as compared to 61.7 during the same period of 1926.

The ratio of March collections to accounts receivable due and outstanding on March 1 was 36.9 as compared to 35.1 in February and 39.4 in March, 1926.

FINANCIAL

Reflecting the seasonal expansion in trade in both wholesale and retail channels as well as the first installment payment of income taxes, debits to individual accounts at banks located in principal cities in this district showed an increase of 9.0 per cent over February and were 4.0 per cent above the same month last year. Of the seventeen reporting centers, fifteen showed increases over the previous month and ten over March, 1926. It will be noted that Abilene, Texas, has been added to the list of reporting cities.

DEBITS TO INDIVIDUAL ACCOUNTS (In Thousands of Dollars)

	March 1927	March 1926	Inc. or Dec.	February 1927	Inc. or Dec.
Abilene	12,431	10,294	+20.8	8,497	+46.3
Austin	24,264	20,789	+16.7	17,992	+34.9
Beaumont	26,665	21,955	+21.5	22,942	+16.2
Corsicana	7,450	7,734	-3.7	6,260	+19.0
Dallas	211,214	215,835	-2.1	196,631	+7.4
El Paso	32,274	36,847	-12.4	28,602	+12.8
Fort Worth	96,728	80,326	+20.4	82,946	+16.6
Galveston	48,648	38,439	+26.6	46,658	+4.3
Houston	177,548	169,876	+4.5	172,876	+2.7
Port Arthur	10,290	8,932	+15.2	9,000	+14.3
Roswell	2,941	2,835	+3.7	2,710	+8.5
San Antonio	43,128	39,621	+8.9	38,409	+12.3
Shreveport	41,360	44,281	-6.6	35,578	+16.2
Texarkana	9,989	12,166	-17.9	12,256	-18.5
Tucson	9,994	9,422	+6.1	8,081	+23.7
Waco	14,598	15,723	-7.7	16,990	-14.6
Wichita Falls	32,098	35,377	-6.7	28,926	+14.1
Total 11th District.....	801,620	770,452	+4.0	735,354	+9.0

Acceptance Market After declining in January and February, the volume of acceptances executed by accepting banks of this district and which were outstanding at the close of March showed a substantial increase. Acceptances of these banks outstanding on March 31 amounted to \$2,597,312.30 as compared to \$2,092,730.14 on February 28, representing an increase of \$504,582.16. The amount of acceptances based on import and export transactions declined from \$1,180,405.08 on February 28 to \$1,045,670.64 on March 31. On the other hand, outstanding acceptances executed against the domestic shipment and storage of goods rose from \$912,324.26 on February 28 to \$1,551,641.66 on March 31.

Condition of Member Bank A slackening in demand for credit for commercial purposes was evidenced by reports from member banks in selected cities in this district during March. On the other hand, investments of these banks increased materially. Coincident with the financial operations of the government in March, these banks increased considerably their investments in U. S. government securities and on April 6 their holdings of these securities were \$8,126,000 greater than on March 2. Their investments in other securities were expanded \$2,154,000 during the same period. Loans on corporate securities reflected an increase of \$3,762,000 but were \$5,842,000 below those of last year. Although commercial loans declined from \$249,290,000 on March 2 to \$240,448,000 on April 6, on the latter date they were \$16,145,000 greater than on April 7, 1926. Net demand deposits decreased \$472,000 but this decrease was offset by a rise of \$493,000 in time deposits. Reserves of these banks with the Federal Reserve Bank declined \$1,458,000, while their bills payable and rediscounts with the Federal Reserve Bank increased \$1,000,000. The ratio of loans to net demand deposits was 86 per cent on April 6 as compared to 89 per cent on March 2 and 83 per cent on April 7, last year.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	April 6, 1927	March 2, 1927	April 7, 1926
1. Number of reporting banks.....	45	45	48
2. U. S. securities owned.....	\$ 59,689,000	\$ 51,563,000	\$ 56,695,000
3. All other stocks, bonds and securities owned.....	26,115,000	23,961,000	22,414,000
4. Loans secured by U. S. Government obligations.....	2,502,000	2,492,000	3,068,000
5. Loans secured by stocks and bonds other than U. S. Government obligations.....	78,838,000	75,076,000	84,680,000
6. All other loans.....	240,448,000	249,290,000	224,303,000
7. Net demand deposits.....	280,994,000	281,466,000	274,456,000
8. Time deposits.....	107,189,000	106,696,000	99,405,000
9. Reserve with Federal Reserve Bank.....	31,244,000	32,702,000	29,689,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	1,866,000	866,000	2,377,000
11. Ratio of loans* to net demand deposits.....	86%	89%	83%

*Loans include only items 4 and 6.

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.....	4 3/4-6	8	4-8	5-6	6-7	6-8
Rate charged on loans to other banks, secured by bills receivable.....	5	6	5-6	5-5 1/2	5-6	5-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
(a) demand.....	5-7	8	5-8	5-6	6-8	6-8
(b) time.....	5-7	8	5-8	5-6	6-8	6-8
Rate on commodity paper secured by warehouse receipts, etc.....	5-7	7-8	6-8	5-7	6-8	6-8
Rate on cattle loans.....	6	6-8	6-8	7-8	4-8	8

Savings Deposits Reports from 94 banks in this district which operate a savings department reflect an increase of 1.2 per cent in the volume of savings deposits on March 31, as compared to February 28,

and 8.9 per cent over savings deposits on March 31, 1926. The number of savings depositors carried on the books of 90 banks was 256,735, as against 252,255 on February 28 and 231,068 on March 31 of last year.

SAVINGS DEPOSITS

	February 28, 1927			February 28, 1926			January 31, 1927		
	Number of Reporting Banks	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*	5,558	\$ 2,317,748	5,153	\$ 2,220,998	+ 4.4	5,409	\$ 2,295,988	+ .9
Dallas	6	51,627	19,003,438	37,032	15,767,224	+20.5	48,176	18,684,360	+1.7
El Paso	2	12,281	4,764,925	13,077	5,623,220	-15.3	12,105	4,862,284	-2.0
Fort Worth	3	20,447	6,332,854	19,534	5,897,839	+ 7.4	20,379	6,285,647	+ .8
Galveston	3	13,363	10,033,510	12,795	8,910,242	+12.6	13,359	9,944,321	+ .9
Houston	12*	50,837	27,424,027	45,067	25,362,227	+ 8.1	50,306	27,139,301	+1.4
San Antonio	6	28,497	13,198,895	25,571	11,858,177	+11.3	28,299	13,001,888	+1.5
Shreveport	4*	23,373	10,577,210	21,493	10,439,577	+ 1.3	23,296	10,544,853	+ .3
Waco	3	8,330	5,248,915	8,139	4,789,602	+ 9.6	8,299	5,204,030	+ .9
All others	51*	42,422	22,181,690	43,207	20,242,549	+ 9.3	42,627	21,680,088	-2.3
Total	94	256,735	\$121,033,212	231,068	111,111,655	+ 8.9	252,255	\$119,592,760	+1.2

*Only 3 banks in Beaumont, 11 banks in Houston, 3 banks in Shreveport, and 45 banks in "all others" reported the number of savings depositors.

Deposits of Net demand deposits of member banks in the Member Bankdistrict declined \$5,430,000 during the past month and time deposits decreased \$373,000 during the same period. Total deposits of these banks amounted to \$821,579,000 on March 23, as compared to \$827,382,000 on February 23 and \$806,551,000 on March 24, 1926.

DEPOSITS OF MEMBER BANKS

	Total		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	Demand	Time
March 24, 1926	637,392	169,159	287,084	45,178	350,308	123,981
April 28, 1926	605,845	165,668	272,389	44,633	333,456	121,035
May 26, 1926	598,483	165,099	265,613	45,085	332,870	120,014
June 23, 1926	588,075	166,827	259,630	44,937	328,445	121,890
July 28, 1926	589,748	165,299	262,499	45,628	327,249	119,671
Aug. 25, 1926	584,463	165,277	257,886	45,407	326,577	119,870
Sept. 22, 1926	612,834	165,732	275,780	45,640	337,054	120,092
Oct. 27, 1926	626,554	164,972	281,080	42,998	345,474	121,974
Nov. 24, 1926	635,704	165,713	287,413	44,194	348,291	121,519
Dec. 29, 1926	632,391	161,503	281,721	41,290	350,670	120,213
Jan. 26, 1927	633,208	166,919	282,875	43,791	350,333	123,128
Feb. 23, 1927	650,879	176,503	290,385	44,869	360,494	131,634
March 23, 1927	645,449	176,130	278,998	46,021	366,451	130,109

Operations of Federal Reserve Bank loans to member banks the Federal showed but little change during March, these Reserve Bank loans on March 31 being only \$208,033 greater than at the close of the previous month. While there was a further increase of \$298,935 during the first fifteen days of April, the volume of such loans was only \$4,143,519 on April 15, or \$1,916,395 less than on the corresponding date a year ago. There were 110 banks borrowing from the Federal Reserve Bank on March

31, as compared to 95 on February 28 and 137 on March 31, 1926.

The slight increase in the volume of bills discounted for member banks was not sufficient to offset the decline in open market purchases, thereby reducing total bills held from \$13,447,382.40 on February 28 to \$12,989,667.16 on March 31, distributed as follows:

Member bank collateral notes secured by U. S. Government obligations	\$ 1,657,050.00
Rediscounts and all other loans to member banks	2,187,534.33
Open market purchases (Bankers' Acceptances)	9,145,082.83

Total bills held.....\$12,989,667.16

A further seasonal decline in the circulation of Federal reserve notes occurred during March, the actual circulation of these notes amounting to \$39,086,850 on March 31, as compared to \$41,882,090 on February 28, and \$36,592,625 on March 31, 1926. The daily average reserve deposits of member banks declined from \$62,419,339 in February to \$60,169,408 in March.

FAILURES

There was a decided improvement in the business mortality rate in the Eleventh District during March. Defaults in March totaled 59, the smallest number reported in any month since last September and compares with 103 failures in February and 75 insolvencies in March, 1926. The indebtedness of March failures aggregated \$1,415,400, as compared to \$2,023,100 in the previous month and \$809,191 in the corresponding month of last year. The aggregate liabilities of insolvencies for the current year continues high, being 97 per cent greater than in the first three months of 1926 and the number of failures increased 20.8 per cent during the same period.

PETROLEUM

There were 20,954,935 barrels of crude oil produced in the Eleventh Federal Reserve District during March as compared to 18,945,330 barrels in February, representing an increase of 2,009,605 barrels in total output. However, due to the longer month a decline of 654 barrels was reflected in the daily average yield. Drilling operations continued active despite the recent break in the crude oil market and completions during March exceeded those of the previous month. Initial production declined slightly, amounting to 109,942 barrels in March as against 113,526 barrels in February. There were 740 completions during the month, of which 467 were producers of oil and 23 were gas wells, as compared to 702 completions in February, of which 456 were successful, including 29 gas wells.

Due to increased production in the Central-West Texas area, the daily average yield of crude oil in Texas fields showed an increase of 449 barrels. The increase in the output of the Central-West Texas field was attributable to substantial production gains in both Brown and Upton counties. An important development in the oil industry in this district is what appears to be a new field, discovered March 21, in the Jacksonville area, Cherokee county, in East Texas. The best test on the well showed an approximate production of 121 barrels per hour, with all indications of it being a 5,000-barrel producer. Following the discovery of the well, leasing activities in the Jacksonville locality have been on a large scale. A further reduction was evidenced in the daily average yield of crude oil in North Louisiana field, amounting to 1,103 barrels in March.

Crude Oil Prices On March 11 a reduction of 35 cents per barrel on crude oil (52 gr. and above) was posted in North and Central Texas and North Louisiana fields, which was the third reduction in the price of crude oil in these areas during the past six weeks. A second reduction of 10 cents per barrel in the posted price of Texas Coastal crude oil (Grade "A") became ef-

fective March 14, bringing the present price of this grade down to \$1.20 per barrel.

CRUDE OIL PRICES

	April 8, 1927	April 9, 1926
North and Central Texas and North Louisiana (52 gr. and above).....	1.60	
*Prices for April 8, 1926, not available on a comparable basis.		
Texas Coastal (Grade "A").....	\$1.20	\$1.50

MARCH DRILLING RESULTS

Field—	Comple- tions	Pro- ducers	Gas Wells	Fail- ures	Initial Production
North Texas	326	217	7	102	35,189
Central-West Texas....	267	191	5	71	41,993
East-Central Texas	7	6	0	1	735
Texas Coastal	52	34	0	18	30,451
Southwest Texas	8	3	5	0	85
Texas Wildcats	30	1	0	29	430
Total Texas	690	452	17	221	108,833
North Louisiana	50	15	6	29	1,109
March Totals, District	740	467	23	250	109,942
Feb. Totals, District	702	427	29	246	113,526

OIL PRODUCTION

	Total	March Daily Avg.	February Total	February Daily Avg.	Increase or Decrease Total	Increase or Decrease Daily Avg.
North Texas.....	7,343,885	236,883	6,755,700	241,275	Inc.	4,392
Central-West Texas.....	5,087,310	164,107	4,108,050	146,717	Inc.	17,390
East-Central Texas.....	1,344,825	43,381	1,412,440	50,444	Dec.	7,063
Texas Coastal.....	4,415,435	142,433	4,102,340	146,512	Inc.	4,079
Southwest Texas.....	1,157,810	37,349	1,085,180	38,756	Inc.	1,407
Total, Texas	19,348,765	624,153	17,463,710	623,704	Inc.	449
North Louisiana.....	1,606,170	51,812	1,481,620	52,915	Inc.	1,103
Total, District.....	20,954,935	675,965	18,945,330	676,619	Inc.	654

(Oil Statistics Compiled by The Oil Weekly, Houston, Texas)

LUMBER

Production and shipments of lumber from Texas mills increased in March, in accordance with the usual seasonal tendency, and were the largest of any preceding month since August of last year. The actual production was 11 per cent below normal, as compared to 18 per cent below normal in February. Lumber shipments increased from 74 per cent of normal production to 90 per cent in March, while orders increased from 80 per cent to 87 per cent of normal production during the same period. For the sixth consecutive month stocks at the end of the month have shown an increase and at the close of March were 7 per cent below normal as against 8 per cent on the last day of February. Unfilled orders recorded at 54 reporting mills on March 31 amounted to 66,229,834 feet of lumber as

compared to orders for 63,809,728 feet on the books of 53 mills February 28.

MARCH PINE MILL STATISTICS

Number of reporting mills.....	54
Production	105,896,035 feet
Shipments	106,657,120 feet
Orders	103,808,764 feet
Unfilled orders, March 31.....	66,229,834 feet
Normal production	119,069,820 feet
Stocks, March 31.....	311,254,682 feet
Normal stocks	334,952,318 feet
Shipments below normal production.....	12,412,700 feet—10%
Actual production below normal.....	13,173,985 feet—11%
Orders below normal production.....	15,261,056 feet—13%
Stocks below normal.....	23,697,636 feet—7%

BUILDING

With the opening of spring, both the number and valuation of permits issued at principal cities in this district showed a large increase in March over the previous month. However, the total value of permits continued to fall below that in the corresponding month of last year. The valuation of permits issued at these cities totaled \$11,547,210

in March as compared to \$7,546,601 in February and \$12,639,481 in March, 1926. In comparison with the same period of last year the valuation of permits granted during the first three months of the current year reflected a decline of 14.6 per cent.

BUILDING PERMITS

	Three Months												
	March, 1927		March, 1926		Inc. or	Feb., 1927		Inc. or	1927		1926		Inc. or
	No.	Valuation	No.	Valuation	Dec.	No.	Valuation	Dec.	No.	Valuation	No.	Valuation	Dec.
Amarillo.....	316	\$ 2,002,670	106	\$ 824,024	+143.0	228	\$ 741,334	+170.1	815	\$ 3,766,344	319	\$ 1,525,159	+146.9
Austin	27	86,855	53	158,820	+ 45.3	26	40,825	+112.7	80	154,830	164	369,115	+ 58.1
Beaumont	202	575,290	178	163,203	+252.5	177	882,064	+ 34.8	526	1,645,273	454	379,615	+333.4
Dallas	392	1,083,994	433	2,122,435	+48.9	327	528,922	+104.9	1,046	2,025,540	1,225	5,325,524	+ 62.0
El Paso	98	96,712	109	145,759	+33.6	35	20,900	+362.7	182	150,097	217	319,465	+ 53.0
Fort Worth	387	1,085,473	366	2,206,627	+ 50.8	264	1,460,285	+ 25.7	950	3,458,029	1,178	4,979,450	+ 30.6
Galveston	329	141,298	268	141,261	224	217,084	+ 34.9	724	945,044	740	583,897	+ 61.9
Houston	634	3,961,796	557	3,132,202	+ 26.5	477	1,647,048	+140.5	1,628	8,822,160	1,388	8,581,928	+ 2.8
Port Arthur.....	133	122,489	140	363,986	+ 66.3	107	140,059	+ 12.5	355	355,452	357	563,765	+ 37.0
San Antonio	317	1,669,665	346	1,675,602	+ 4	326	669,190	+149.5	901	3,144,601	1,005	4,847,238	+ 35.1
Shreveport	193	267,682	291	451,502	+ 40.7	199	311,350	+ 14.0	597	789,432	837	1,232,518	+ 35.9
Waco	31	140,244	40	109,370	+ 28.2	33	75,985	+ 84.6	101	325,264	102	260,305	+ 25.0
Wichita Falls	107	313,042	202	1,144,690	+ 72.7	85	811,555	+ 61.4	275	1,344,774	526	2,542,778	+ 47.1
Total	3,166	\$11,547,210	3,089	\$12,639,481	+ 8.6	2,608	\$7,546,601	+ 53.0	8,180	\$26,906,840	8,512	\$31,510,757	+ 14.6

CEMENT

There was a substantial increase in the production and shipments of Portland cement at Texas mills during March. The cement output of these mills amounted to 465,000 barrels in March, which represents an increase of 17.4 per cent over the previous month and 3.1 per cent over production in March last year. Shipments showed a further increase and were the largest of any month since August, 1926, amounting to 492,000 barrels in March, as compared to 382,000 barrels in February, and 403,000 in March a

year ago. Reflecting the excess of shipments over production, stocks at the end of March declined 5.7 per cent, as compared to February 28, and were 16.4 per cent below those on hand at the close of the same month last year. Production and shipments of cement during the first three months of the current year showed increases of 6.0 per cent and 11.5 per cent, respectively, over the same period in 1926.

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

	March 1927	March 1926	Inc. or Dec.	February 1927	Inc. or Dec.	Three Months 1927	Three Months 1926	Inc. or Dec.
Production at Texas Mills.....	465,000	451,000	+ 3.1	396,000	+17.4	1,244,000	1,174,000	+ 6.0
Shipments from Texas mills.....	492,000	403,000	+22.1	382,000	+28.8	1,239,000	1,111,000	+11.5
Stocks at end of month at Texas mills..	448,000	536,000	-16.4	475,000	- 5.7			

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of April 25, 1927)

Industrial activity increased further in March and was larger than a year ago, while the general level of prices continued to decline. Distribution of commodities at wholesale and retail was somewhat smaller than a year ago.

PRODUCTION

Industrial production, after increasing continuously for three months was larger in March when allowance is made for usual seasonal changes than in any month since last September. Output of bituminous coal, crude petroleum, steel ingots, and mill consumption of raw cotton in March were larger than in any previous month. Since April 1, however, steel mill operations have been somewhat curtailed, and bituminous coal output has been reduced by about 40 per cent since the beginning of the miners strike on April 1. The consumption of silk and wool, sugar meltings, flour production and the output of rubber tires increased in March. Production of automobiles has shown seasonal increases since the first of the year but has been in smaller volume than a year ago. The value of building contracts awarded in March was larger than at any previous time, and the production of building materials has increased considerably in recent weeks. The largest increases in contracts, as compared with last year, were in the middle western states, while the largest decreases occurred in the southeastern states. In the first half of April contracts awarded were in slightly smaller volume than in the same period of last year.

TRADE

Sales of department stores increased less than usual in March and were slightly smaller than last year owing in part of the lateness of Easter. Sales of mail order houses and chain stores, however, were somewhat larger than a year ago. Inventories of department stores increased slightly more than is usual in March in anticipation of the expansion in retail trade before the Easter holidays, and at the end of the month they were in about the same volume as a year ago. Wholesale trade in March continued slightly smaller than in the corresponding period a year ago. Stocks of merchandise carried by wholesale firms were seasonally

larger at the end of March than in February but in most lines continued smaller than last year.

Freight car loadings which showed seasonal increases in March declined in the first ten days of April, owing to the smaller shipments of coal but continued larger than in the corresponding period of previous years. Loadings of miscellaneous freight and of merchandise in less-than-car load lots were in large volume.

PRICES

The general level of wholesale commodity prices declined further in March reflecting decreases in most of the important groups of commodities. Prices of non-agricultural commodities as a group declined to the lowest level since the war while the average for agricultural products which advanced somewhat from November to February, remained practically unchanged in March. During the first half of April prices of winter wheat, sugar, cotton, silk, bituminous coal and hides advanced; while those of hogs, crude petroleum, gasoline and non-ferrous metals declined.

BANK CREDIT

There was some decline in the volume of loans for commercial purposes and in loans on securities at member banks in leading cities between the middle of March and the middle of April. Member bank holdings of U. S. securities, which had increased considerably in the middle of March in connection with the operations of the Treasury have declined by more than \$100,000,000 since that time, but are still about \$200,000,000 larger than in the early months of the year.

At the reserve banks total bills and securities, which have fluctuated near the \$1,000,000,000 level since the end of January showed little change during the six weeks ending April 20. Discounts for member banks were in about the same volume on that date as on March 9, while acceptances showed a decrease and holdings of U. S. securities a slight increase.

During the first three weeks of April quoted rates on prime commercial paper and on acceptances were the same as in the latter part of March, while call money averaged somewhat higher.