

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 16 cities).....	\$771,434,000	\$708,364,000	Inc. 8.9%
Department store sales.....			Inc. 25.5%
Reserve Bank loans to member banks at end of month.....	\$ 5,277,314	\$ 2,646,794	Inc. 99.4%
Reserve Bank ratio at end of month.....	66.2%	70.2%	Dec. 4 points
Building permit valuations at larger centers.....	\$ 16,134,114	\$ 8,406,500	Inc. 91.9%
Commercial failures (number).....	66	47	Inc. 40.4%
Commercial failures (liabilities).....	\$ 945,144	\$ 1,637,036	Dec. 42.3%
Oil production (barrels).....	22,407,400	19,850,250	Inc. 12.9%
Lumber orders at pine mills (per cent of normal production).....	110%	93%	Inc. 17 points

The record breaking volume of construction work and a further expansion in the distribution of merchandise in both wholesale and retail channels were outstanding developments in the Eleventh Federal Reserve District during the past month. The valuation of building permits issued at principal cities totaled \$16,134,114, which was considerably larger than the previous high record in October, 1925, and was 39 per cent greater than in March, 1927. Coincident with the heavy construction activity, the production and shipments of cement reached the highest level in several years and there was an exceedingly active demand for lumber. Sales of department stores in the larger cities reflected a gain of 26 per cent as compared to February and were 5 per cent greater than in March, 1927. Distribution of merchandise at wholesale reflected a seasonal increase as compared to the previous month and was substantially larger than a year ago. It is significant to note that the increased demand for merchandise has been general throughout the district. Nevertheless, retailers continue to follow a cautious and conservative buying policy and show no disposition to make purchases beyond well defined needs. Charges to depositors' accounts during March were 9 per cent larger than in February and exceeded those of March, 1927, by 2 per cent.

The agricultural situation was greatly improved as the result of the general rains and snows during the early part

of April, yet there is a considerable area in the district where a subsoil season is lacking and more rain is urgently needed to sustain the growth of crops. The cold weather, however, interfered with the germination of seed and in some instances killed tender vegetation. The planting of corn is practically completed with a substantial portion of the crop up to a good stand and growing rapidly. The planting of cotton and minor crops is now becoming general. The physical condition of the district's ranges has shown some improvement and livestock generally are in fair to good condition. Market prices of cattle have declined somewhat from the high levels reached in February, but cattle continue to change hands on the ranges at high prices.

The financial situation reflected largely the effects of seasonal factors. The deposits of member banks, which amounted to \$904,251,000 on March 7, were \$27,921,000 less than on February 8, yet they were \$82,672,000 greater than on March 23, 1927. Federal Reserve Bank loans to member banks rose to \$6,670,926 on April 14, which represents a gain of \$4,024,132 since February 29, and \$2,854,754 as compared to April 14, 1927. While the number of commercial failures reflected a sharp increase in March, the indebtedness of defaulting firms showed a heavy decline as compared to both the previous month and the same month last year, indicating that the failures were principally among smaller concerns.

CROP CONDITIONS

Farm work in most sections of the Eleventh District progressed favorably during the past thirty days but the cold weather and high winds together with a deficiency of rainfall over most of the western half of Texas and in southeastern New Mexico retarded somewhat the growth of crops. A subsoil season is still lacking in these sections but the rains and snows during the first half of April checked crop deterioration and provided surface moisture for present needs. In other sections of the district a fair to good subsoil

season obtains and crops are in generally good condition.

The planting of corn is practically completed and reports indicate that this crop is up to a fair to good stand in most sections. While cotton planting was retarded somewhat by cold weather and high winds, it has now become general. There are some fields of cotton up in nearly all the eastern half of the district, although in some parts of East Texas replanting will be necessary due to recent killing freezes. In this part of the district the soil has been unusually well

prepared and is in good condition for planting. The boll weevil survival has been unusually heavy and presents a menace to this year's crop.

The condition of the wheat crop declined in all sections of the district during March, but it has held up well in view of the unfavorable conditions and has improved somewhat since the rains and snows in the early part of April. The condition of the Texas crop on April 1, was 74 per cent of normal, an increase of one point over that of December 1. The early sown wheat has stood well but the late sown is thin. Abandonment has been heavy in some localities ranging from 5 to 20 per cent. Some damage from the greenbugs has been reported. The Texas oat crop on April 1, was placed at 72 per cent of normal as compared to 85 per cent on that date in 1927. Although about one-half of the Texas oat crop is usually winter sown, the spring acreage is much larger this year as a substantial portion of the winter sown oats was killed.

The sowing of the Texas rice crop has made good progress and the planting of sorghum and the grain sorghums is well under way. The commercial potato crop in the Rio Grande Valley has begun to move but prospects point to a substantially smaller output than a year ago. The condition of the crop was lowered by the unfavorable weather during March. The Texas Bermuda onion crop is also moving with indications that movements will be heavier than a year ago.

The ratio of the farm labor supply to demand in Texas on April 1, was 118 per cent as against 114 per cent in 1927.

LIVESTOCK

The general rains and snows early in April were beneficial to ranges throughout the district. In Western and Southern Texas and in Southeastern New Mexico the added moisture has retarded the deterioration of the ranges as the high dry winds were rapidly exhausting the soil of its little remaining moisture. In these sections additional moisture is badly needed. In other sections reports indicate that there is a fairly good underground season and range conditions are generally good. The cold rains and snows early in April were unfavorable to livestock and some losses of calves, lambs, kids, and recently shorn goats, were reported. Early indications are that there will be large crops of calves, lambs, and kids. Goat shearing is about completed and the shearing of sheep has become general. Calves and lambs are being contracted for fall delivery at attractive prices. The strong demand for livestock at high prices continues in evidence.

According to the Department of Agriculture the April 1st condition of ranges and livestock in Texas reflected a gain over that for a month earlier but was less than a year ago. Cattle ranges improved one point in March to 82 per cent of normal and that of sheep and goat ranges rose 6 points to 85 per cent. The average condition of cattle, sheep, and goats rose one, four, and two points, respectively.

Movements and Prices The March receipts of cattle and calves at the Fort Worth market reflected a substantial decline as compared to both the previous month and the corresponding month last year. The supply of hogs was considerably larger than in either February this year or March last year. While the receipts of sheep were larger than in the previous month they were smaller than a year ago.

While there was a reduced supply of cattle, the demand

for most classes was light and prices reflected a decline from the high values registered in February. Hog prices after showing a steady decline for several months, remained generally steady. There was a broad demand for sheep and lambs at most times and the trend of prices was upward. Some spring lambs closed at \$16.50.

FORT WORTH LIVESTOCK RECEIPTS

	March 1928	March 1927	Loss or Gain	February 1928	Loss or Gain
Cattle	43,382	59,454	L 16,072	55,771	L 12,389
Calves	8,690	11,966	L 3,276	9,319	L 629
Hogs	58,607	47,988	G 10,619	46,898	G 11,709
Sheep	31,304	38,543	L 2,239	22,473	G 8,831

COMPARATIVE TOP LIVESTOCK PRICES

	March 1928	March 1927	February 1928
Beef steers	\$13.25	\$10.00	\$14.25
Stocker steers	12.85	8.50	12.50
Butcher cows	9.40	7.00	8.60
Stocker cows	8.10	6.40	8.25
Calves	13.00	10.00	13.00
Hogs	8.35	12.00	8.35
Sheep	9.50	9.00	10.00
Lambs	16.50	15.00	15.75

Cotton

Movements

Receipts and exports of cotton through the ports of Houston and Galveston during March reflected a decline as compared to both the previous month and the same month last year. Foreign exports from all United States ports continued in considerably smaller volume than a year ago. The domestic consumption of cotton during March was slightly larger than in February but was smaller than in March last year.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	March 1928	March 1927	August 1 to March 31 This Season	Last Season
Receipts	126,752	306,436	2,232,771	3,519,398
Exports	227,179	398,138	2,045,969	3,127,770
Stocks, March 31			332,831	541,554

GALVESTON STOCK MARKET

	March 31, 1928	March 31, 1927
For Great Britain	10,000	19,400
For France	8,200	9,600
For other foreign ports	33,200	68,000
For coastwise ports	3,000	4,500
In compresses and depots	278,431	440,054
Total	332,831	541,554

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	March 1928	March 1927	August 1 to March 31 This Season	Last Season
Receipts	62,050	213,067	2,393,936	3,376,539
Exports	147,366	255,544	1,580,717	2,149,027
Stocks, March 31			621,579	539,381

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

	August 1 to March 31 This Season	Last Season
Receipts	7,447,409	11,523,262
Exports: Great Britain	1,083,022	2,179,161
France	750,731	859,370
Continent	3,042,555	4,120,607
Japan-China	811,542	1,415,707
Mexico	16,026	14,750
Total foreign ports	5,703,875	8,589,595
Stocks at all United States ports March 31	1,770,061	2,447,400

COTTON CONSUMED AND ON HAND

	COTTON GROWING STATES				UNITED STATES			
	March 1928	March 1927	August 1 to March 31 This Season	August 1 to March 31 Last Season	March 1928	March 1927	August 1 to March 31 This Season	August 1 to March 31 Last Season
Cotton consumed.....	431,495	497,058	3,550,942	3,399,544	581,318	693,081	4,780,513	4,711,752
Cotton on hand March 31:								
(a) In consuming establishments.....			1,079,634	1,334,916			1,593,486	1,975,694
(b) In public storage and compresses.....			3,237,664	4,114,686			3,510,534	4,482,905

SPOT COTTON PRICES
(Middling Basis)

	March, 1928		April 14, 1928
	High	Low	
New York	20.00	18.70	20.50
New Orleans	19.58	18.26	20.04
Dallas	18.95	17.75	19.45
Houston	19.60	18.35	19.90
Galveston	19.70	18.40	20.10

COTTONSEED PRODUCTS

The operations of cottonseed oil mills in both Texas and the United States reflected a further seasonal decline as compared to the previous month and were considerably smaller than a year ago. Cottonseed on hand at Texas mills declined from 159,281 tons on February 29 to 79,991 tons on March 31, and on the latter date stocks were 112,091 tons less than on the corresponding date of 1927. The production of crude oil in Texas during the period from August 1, to March 31, was 6.5 per cent less than during the same period of the previous season and that for the United States was 17.5 per cent less. Stocks of crude oil on hand at all mills in the United States on March 31, were only slightly larger than a year ago. It should be noted that while stocks of crude oil increased 3,085,247 pounds during March, 1927, they declined 28,390,952 pounds in March this year, indicating that consumption was greater than production. Stocks of cake and meal, hulls, and linters at the close of March were substantially smaller than a month earlier or a year ago.

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)	1,506,363	1,850,252	4,524,032	6,109,997
Cottonseed crushed (tons)	1,460,303	1,663,542	4,351,372	5,564,633
Cottonseed on hand (tons)	79,991	192,082	261,944	561,686
Crude oil products (pounds)	435,397,386	465,435,000	1,370,423,659	1,660,167,552
Cake and meal produced (tons)	675,935	766,000	1,947,252	2,494,187
Hulls produced (tons)	414,770	493,000	1,230,640	1,626,938
Linters produced (running bales)	279,107	267,000	813,538	909,416
Stocks on hand March 31:				
Crude oil (pounds)	32,241,529	26,533,000	99,624,118	98,231,880
Cake and meal (tons)	28,910	37,000	110,819	173,737
Hulls (tons)	42,419	70,000	105,560	234,485
Linters (running bales)	39,999	51,000	133,062	172,259

TEXTILE MILLING

Activities of Textile mills in this district in March were maintained at practically the same level as in February. There were 2,623 bales of raw cotton consumed as compared to 2,600 bales in the previous month, and 3,425 bales in March of last year. Production showed a slight increase

of 1.7 per cent over the output in February, but was 22.8 per cent below production in March, 1927. Orders on hand at the end of March, although somewhat larger than on February 29, were considerably below the volume on the same date last year. An increase was shown in stocks on March 31, over those at the close of February and on March 31, a year ago.

TEXTILE MILLING STATISTICS

	March, 1928	March, 1927	Feb., 1928
Number of bales consumed.....	2,623	3,425	2,600
Number of spindles active.....	82,084	89,584	82,084
Number pounds cloth produced.....	1,236,854	1,602,583	1,258,649

WHOLESALE TRADE

The demand for merchandise in wholesale channels of distribution reflected a further seasonal expansion as compared to the previous month and exceeded that of a year ago by a wide margin. During the first quarter of 1928 sales in all lines have shown a substantial increase as compared to a year ago, ranging from 8.8 per cent in the case of groceries to 76.9 per cent in the case of farm implements. While the increased demand was fairly general throughout the district, reports indicate that the unseasonable weather has retarded distribution in some lines. Retailers generally are still following conservative buying policies and are keeping commitments closely aligned with consumer demand. Collections in most lines have shown some improvement.

While the distribution of dry goods at wholesale was 7.4 per cent less than in the previous month it was 2.9 per cent greater than in March, 1927. Sales during the first quarter of this year have averaged 15.9 per cent greater than in the corresponding period of last year. The cold weather has retarded the sales of spring merchandise in most sections. Retailers generally appear to be limiting commitments largely to well defined needs. Collections were in practically the same volume as in the previous month. The outlook is reported to be good.

An active demand for groceries was in evidence during March. Sales were 7.6 per cent greater than in the previous month and were 10.7 per cent greater than in March, 1927. Sales during the first quarter of 1928 were 8.8 per cent greater than in the same period a year ago. The increased demand was general throughout the district. Reports indicate that prices on most commodities are firm to higher. Collections showed a further increase over the previous month. Dealers state that the outlook is from fair to good.

The past month witnessed a sustained demand for farm implements. Sales of reporting firms were 0.8 per cent larger than in February and were 121.3 per cent greater than in March, 1927. In fact, March sales were larger than in that month for any year since 1924. While the demand

has been generally good, it has been retarded somewhat by the continued dry weather in certain portions of the district. The outlook is generally good.

A strong demand for drugs at wholesale was noticeable during the past month. The March sales of reporting firms were 15.2 per cent greater than in the previous month and were 13.5 per cent larger than in March, 1927. The improved demand appears to have been general over the district. Collections reflected a slight increase. While reports indicate that business was affected adversely early in April by weather conditions, the outlook is good for spring and early summer trade.

Sales of wholesale hardware firms reflected an increase of 4.6 per cent as compared to the previous month and was 14.1 per cent greater than in the same month last year. Distribution during the first three months of 1928 exceeded

that during the corresponding period of 1927 by 22.3 per cent. Reports indicate that the buying of seasonable goods has been retarded by unfavorable weather. Merchants appear to be holding commitments largely to actual needs. Prices are firm to slightly higher on some items. Prospects for future business appears good.

CONDITION OF WHOLESALE TRADE DURING MARCH, 1928

	—Net Sales—		Net Sales		—Stocks—	
	March, 1928 Compared with March 1927	February 1928	Jan. 1 to Date Compared with Same Period Last Year	March, 1928 Compared with March 1927	February 1928	March, 1928 Compared with February 1928
Groceries	+10.7	+7.6	+8.8	+3.0	+3.8	
Dry goods	+2.9	+7.4	+15.9	+16.8	+1.9	
Farm implem'ts	+121.3	+8	+76.9	+23.2	+1.6	
Hardware	+14.1	+4.6	+22.3	+10.1	+2.0	
Drugs	+13.5	+15.2	+10.3	+2.6	+1.7	

RETAIL TRADE

Retail distribution, as measured by department store sales in larger cities reflected a substantial improvement during March. Sales showed a seasonal increase of 25.5 per cent as compared to the previous month and exceeded those of the same month last year by 4.7 per cent. Sales during the first quarter of 1928 were 3.6 per cent greater than during the corresponding period last year. Business during March was stimulated by the demand for spring merchandise prior to Easter but the cold weather in April retarded buying to

some extent.

Stocks on hand at the close of March were 3.8 per cent larger than a month earlier but were 5.1 per cent less than at the end of March, 1927. The rate of stock turnover during the first quarter of 1928 was .69 as against .66 during the same period last year.

The ratio of March collections to accounts receivable on March 1 was 36.3 per cent as compared to 36.1 per cent in February and 36.9 per cent in March, 1927.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	All Others	Total District
Total Sales:						
March, 1928, compared with March, 1927.....	+ .2	+ 7.4	+ 6.8	+ 5.7	+ 7.0	+ 4.7
March, 1928, compared with February, 1928.....	+21.2	+26.9	+24.4	+32.0	+28.1	+25.5
January 1 to date compared with same period last year.....	+ 1.5	+ 6.0	+ 4.2	+ .4	+ 7.6	+ 3.6
Credit Sales:						
March, 1928, compared with March, 1927.....	+ 3.1	+16.2	+10.1	+10.0	+16.7	+ 9.3
March, 1928, compared with February, 1928.....	+20.2	+24.2	+21.0	+34.8	+31.3	+24.6
January 1 to date compared with same period last year.....	+ 6.4	+12.5	+ 5.7	+ 4.4	+11.4	+ 7.6
Stocks:						
March, 1928, compared with March, 1927.....	-13.2	+ 2.2	+ 5.2	-16.1	+ 1.0	- 5.1
March, 1928, compared with February, 1928.....	- 2.0	+ 4.8	+11.2	+ 1.7	+ 7.0	+ 3.8
Rate of stock turnover in March, 1927.....	.24	.21	.24	.23	.22	.23
Rate of stock turnover in March, 1928.....	.26	.22	.26	.28	.23	.25
Rate of stock turnover January 1 to March 31, 1927.....	.66	.58	.81	.69	.62	.66
Rate of stock turnover January 1 to March 31, 1928.....	.72	.61	.71	.76	.64	.69
Ratio of March collections to accounts receivable and outstanding						
March 1, 1928.....	33.7	33.8	39.3	42.2	37.4	36.3

FINANCIAL

Debits to individual accounts at principal cities in the Eleventh District showed a seasonal increase of 8.9 per cent

DEBITS TO INDIVIDUAL ACCOUNTS (In Thousands of Dollars)

	March 1928	March 1927	Inc. or Dec.	February 1928	Inc. or Dec.
Abilene	\$ 11,338	\$ 12,431	- 8.3	\$ 11,228	+ 1.0
Austin	21,526	24,264	-11.3	17,097	+25.9
Beaumont	25,698	26,665	- 3.6	22,829	+12.6
Corsicana	6,950	7,450	- 6.7	5,577	+24.6
Dallas	230,032	211,214	+ 8.9	214,279	+ 7.4
El Paso	35,645	32,274	+10.4	33,822	+ 5.4
Fort Worth	100,046	96,728	+ 3.4	89,759	+11.5
Galveston	36,428	48,648	-25.1	39,138	- 6.9
Houston	182,667	177,548	+ 3.2	164,464	+11.1
Port Arthur	9,067	10,290	-11.9	9,161	- 1.0
*San Antonio	83,313			77,766	+ 7.1
Roswell	3,620	2,941	+23.1	3,255	+11.2
Shreveport	42,700	41,360	+ 3.2	37,114	+15.0
Texas	11,146	9,989	+11.6	10,460	+ 6.5
Tucson	10,141	9,994	+ 1.5	9,320	+ 8.8
Waco	16,490	14,598	+13.0	16,091	+ 2.5
Wichita Falls	27,940	32,099	-13.0	24,770	+12.8
Total, 11th District.....	\$771,434	\$758,493	+ 1.8	\$708,364	+ 8.9

*San Antonio figures not included in totals.

in March over those in February and were 1.8 per cent greater than in the corresponding month of last year. March charges aggregated \$771,434,000 as compared to \$708,364,000 in the previous month and \$758,493,000 in March, 1927.

Acceptance Market

The volume of acceptances executed by accepting banks of this District and outstanding at the close of the month showed little change on March 31, as compared to a month earlier. Total acceptances aggregated \$6,541,839 on this date, which was only \$40,807 less than on February 29, but \$3,944,527 greater than on the corresponding date of last year. Acceptances of these banks executed against import and export transactions increased from \$1,611,132 on February 29 to \$1,765,019 on March 31, while those based on the domestic shipment and storage of goods declined from \$4,971,514 on the former date to \$4,776,820 on the latter

date. The large increase shown in total acceptances over a year ago was due almost entirely to the marked expansion in those based on the domestic shipment and storage of goods.

Condition of Member Banks in Selected Cities After declining in February, loans and investments of member banks located in selected cities of the Eleventh District increased in March and were considerably larger than a year ago. Total loans and investments amounted to \$446,763,000 on April 4, representing an increase of \$10,750,000 over those on March 7, and were \$39,171,000 greater than on April 6, 1927. Investments in United States securities rose to the highest level in recent years amounting to \$77,521,000 on April 4, as compared to \$70,104,000 four weeks earlier and reflects in part

the March 15 financial operations of the Treasury Department. Investments in other stocks and bonds rose \$766,000 during the period. Loans on Government securities amounted to \$3,485,000, representing a gain of \$102,000, however, corporate loans which stood at \$84,154,000 on April 4, showed a decline of \$3,538,000 in March. Commercial loans amounted to \$251,319,000, as compared to \$245,316,000 on March 7, or an increase of \$6,003,000. Net demand deposits reflected a seasonal decline of \$6,996,000 but time deposits increased \$786,000. In contrast to the movement in combined deposits, reserves of these banks with the Federal Reserve Bank increased \$192,000 between March 7 and April 4. Their bills payable and rediscounts with the Reserve Bank rose \$702,000. The ratio of loans to net demand deposits was 85 per cent as against 81 per cent on March 7, and 86 per cent on April 6, 1927.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	April 4, 1928	March 7, 1928	April 6, 1927
1. Number of reporting banks.....	45	45	45
2. U. S. securities owned.....	\$ 77,521,000	\$ 70,104,000	\$ 59,689,000
3. All other stocks, bonds and securities owned.....	30,284,000	29,518,000	26,115,000
4. Loans secured by U. S. Government obligations.....	3,485,000	3,383,000	2,502,000
5. Loans secured by stocks and bonds other than U. S. Government obligations.....	84,154,000	87,692,000	78,838,000
6. All other loans.....	251,319,000	245,316,000	240,448,000
7. Net demand deposits.....	300,701,000	307,697,000	280,994,000
8. Time deposits.....	118,179,000	117,393,000	107,189,000
9. Reserve with Federal Reserve Bank.....	34,852,000	34,660,000	31,244,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	2,730	2,028	1,866
11. Ratio of loans* to net demand deposits.....	85%	81%	86%

*Loans include only items 4 and 6.

Savings Deposits Reports from 91 banks in this district which operate a savings department show that savings deposits amounting to \$131,413,328 on March 31, were .6 per cent larger than a month earlier and 9.6 per cent greater than on the corresponding

date of last year. There were 272,595 savings accounts carried at 83 of these banks at the close of March as compared to 271,184 on February 29, and 258,705 on March 31, 1927.

SAVINGS DEPOSITS

	March 31, 1928			March 31, 1927			Inc. or Dec.	February 29, 1928			Inc. or Dec.
	Number of Reporting Banks	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*	6,177	\$ 2,403,419	5,654	\$ 2,317,748	+ 8.7		6,155	\$ 2,339,541	+ 2.7	
Dallas.....	6	53,231	22,699,582	50,613	19,137,281	+18.6		52,904	22,276,512	+ 1.9	
El Paso.....	3	15,523	5,652,730	14,719	5,162,145	+ 9.5		15,354	5,559,028	+ 1.7	
Fort Worth.....	3	22,300	7,482,650	20,547	6,338,857	+18.0		22,148	7,187,430	+ 4.1	
Galveston.....	3	13,587	9,847,294	13,363	10,033,510	- 1.9		13,492	9,670,435	+ 1.8	
Houston.....	12*	66,984	31,249,205	60,781	27,953,241	+11.8		66,247	30,977,802	+ .9	
San Antonio.....	6*	23,912	14,350,130	23,395	12,739,894	+12.6		23,764	14,278,547	+ .5	
Shreveport.....	4*	22,328	10,823,158	23,373	10,577,210	+ 2.3		22,261	11,133,971	- 2.8	
Waco.....	4	8,658	6,439,577	8,331	5,248,915	+22.7		8,926	6,466,222	- .4	
Wichita Falls.....	2	4,179	2,103,178	3,914	3,045,877	-31.0		4,150	1,946,619	+ 8.0	
All others.....	44*	35,766	18,362,355	34,015	17,359,683	+ 5.8		35,733	18,820,254	- 2.4	
Total.....	91	272,595	\$131,413,328	258,705	\$119,914,361	+ 9.6		271,184	\$130,656,361	+ .6	

*Only 3 banks in Beaumont, 11 banks in Houston, 5 banks in San Antonio, 3 banks in Shreveport, and 40 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.....	4½-6	8	5-8	5-6	4¼-6	5½-7
Rate charged on loans to other banks secured by bills receivable.....	5	6	5-6	5-5½	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	6-8	5-8	5-6	5½-7	6-7
(b) Time.....	5-7	6-8	5-7	5-6	5½-8	6-7
Rate charged on commodity paper secured by warehouse receipts, etc.....	5-6	7-8	6-8	5-7	6-8	7-8
Rate on cattle loans.....	6	6-8	6-8	7-8	4-8	7-8

Deposits of Member Banks A seasonal decline occurred in the combined deposits of member banks in the Eleventh District during the four-week period ending March 7, however, they were considerably larger on that date than a year ago. Total deposits amounted to \$904,251,000 which was \$27,921,000 less than on February 8 but \$82,672,000 above those on March 23, 1927. Net demand deposits declined \$25,906,000 from February 8, to March 7, this year, and time deposits were reduced \$2,015,000.

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
March 23, 1927.....	645,449	176,130	278,998	46,021	366,451	130,109
April 27, 1927.....	632,818	175,836	272,254	46,624	360,564	129,212
May 25, 1927.....	613,136	178,895	265,858	47,618	347,278	131,277
June 22, 1927.....	606,696	180,545	263,813	48,119	342,883	134,786
July 27, 1927.....	603,312	178,368	261,809	47,666	341,503	136,933
Aug. 24, 1927.....	611,818	182,793	266,790	48,343	345,028	132,426
Sept. 28, 1927.....	667,854	183,131	303,977	49,023	363,877	130,702
Oct. 26, 1927.....	698,989	185,866	322,579	49,887	376,360	134,450
Nov. 9, 1927.....	721,728	185,415	333,579	48,882	388,149	134,108
Dec. 7, 1927.....	729,213	186,104	334,427	48,631	387,473	135,479
Jan. 11, 1928.....	720,401	189,298	329,418	49,942	390,983	139,356
Feb. 8, 1928.....	736,338	195,834	336,958	52,836	399,385	143,998
March 7, 1928.....	710,432	193,819	317,918	53,698	392,514	140,121

Operations of the Federal Reserve Bank A substantial increase was shown in loans to member banks in March. Borrowings of member banks from the Federal Reserve Bank amounted to \$5,277,314 on March 31, representing an increase of \$3,630,520 as compared to February 29, and \$1,432,730 over those on the corresponding date of last year. The large increase in loans during the current month is in contrast to the condition which existed in 1926 and 1927, when the volume at the close of March reflected only a slight variation from that a month earlier. While loans to country banks in March, this year, showed a moderate increase the greater part of the gain in total loans at the close of the month over those on February

29th was due to the expansion in accommodations to reserve city banks. Borrowings of member banks showed a further increase during the first two weeks of April reaching the highest point for the current year at \$7,624,300 on April 13, but declined to \$6,670,926 on the following day. On April 14, however, member bank borrowings were \$2,854,754 above those on the corresponding date of 1927. There were 87 borrowing banks on March 31, as against 58 a month earlier and 110 on March 31 last year.

Due principally to the substantial increase in loans to member banks, total bills held rose from \$15,561,016.27 on February 29 to \$18,485,578.53 on March 31, distributed as follows:

Member banks' collateral notes secured by United States Government obligations	\$ 1,579,200.00
Rediscounts and all other loans to member banks.....	3,698,114.21
Open market purchases (Bankers' Acceptances).....	13,208,264.32

Total bills held.....\$18,485,578.53

Federal Reserve notes in actual circulation showed a further decline at the close of the current month reaching the lowest level for March 31st of any year since 1923. The actual circulation of Federal Reserve notes at the close of March amounted to \$35,041,465, which was \$2,289,080 less than a month earlier and \$4,045,385 below that on the corresponding date of 1927. The daily average reserve deposits of member banks amounted to \$67,116,922, representing a decline of \$2,289,080, as compared to February, but was \$4,926,792 greater than the average in March last year.

FAILURES

The statistics compiled by R. G. Dunn & Company reflect a substantial increase in the number of commercial failures in the Eleventh Federal Reserve District but a decline in the liabilities of defaulting firms. There were 66 failures in March with liabilities amounting to \$945,144 as against 47 insolvencies in February owing \$1,637,036 and 59 defaults in March, 1927, with an indebtedness of \$1,415,400.

PETROLEUM

With a further large gain in total output of crude oil in Central-West Texas, augmented by moderate increases in all other fields of the District, total production in the Eleventh Federal Reserve District reached the highest level on record in March. There were 22,407,400 barrels of crude oil produced during the month which was 2,557,198 barrels greater than in February and represents a 275,174-barrel increase over December, 1926, the record month prior to March this year. Drilling operations increased also and initial production was the largest of any month since January, 1925. Although nothing definite has been accomplished as yet in this district, movements have been on foot for some time to curtail production by a prorated plan in those areas whose output continues to show phenomenal gains. There was 665 completions in March of which 337 were successful with an initial flow of 365,189 barrels of oil, as compared to 463 completions in the previous month of which 241 were producers of oil yielding 224,945 barrels of new production.

The daily average output of crude oil in Texas amounted to 678,433 barrels as against 639,178 barrels in February, representing an increase of 39,255 barrels. Although all fields in the State showed increases in total production, the daily average output of North Texas and East-Central Texas

declined, due to the longer month. A further large increase was reflected in the total yield of Central-West Texas, whose output amounted to 12,047,350 barrels as against 10,005,850 barrels in February. The completion of large producers in Winkler County in Central-West Texas and the rise in the daily average yield to the 200,000-barrel mark were outstanding developments in that area in March. Due in part to a series of wildcat strikes, activity in North Texas increased. Total production of crude oil in North Louisiana rose from 1,314,100 barrels in February to 1,375,950 barrels in March but as a result of the 31-day month a decline was shown in the daily average production.

MARCH DRILLING RESULTS

Field—	Comple-tions	Pro-ducers	Gas Wells	Fail-ures	Initial Production
North Texas	201	109	18	74	12,960
Central West Texas.....	268	159	11	98	313,073
East Texas	18	2	10	6	1
Texas Coastal	54	41	13	27,282
Southwest Texas	13	5	4	4	288
Texas Wildcats	38	8	30	5,415
Total, Texas.....	592	324	43	225	359,019
North Louisiana	73	13	33	27	6,170
March Totals, District	665	337	76	252	365,189
Feb. Totals, District.....	463	241	37	185	224,945

OIL PRODUCTION

	March		February			Increase or Decrease	
	Total	Daily Average	Total	Daily Average		Total	Daily Average
North Texas.....	4,345,250	140,169	4,250,250	146,560	Inc.	95,000	Dec. 6,391
Central-West Texas.....	12,047,350	388,624	10,005,850	345,029	Inc.	2,041,500	Inc. 43,595
East-Central Texas.....	722,000	23,290	700,300	24,148	Inc.	21,748	Dec. 858
Texas Coastal.....	3,179,900	102,577	2,913,400	100,463	Inc.	266,500	Inc. 2,114
Southwest Texas.....	736,950	23,773	666,350	22,978	Inc.	70,600	Inc. 795
Total, Texas.....	21,031,450	678,433	18,536,150	639,178	Inc.	2,495,348	Inc. 39,255
North Louisiana.....	1,375,950	44,385	1,314,100	45,313	Inc.	61,850	Dec. 928
Total, District.....	22,407,400	722,818	19,850,250	684,491	Inc.	2,557,198	Inc. 38,327

CRUDE OIL PRICES

	April 11, 1928	April 13, 1927
Texas Coastal (Grade "A").....	\$1.20	\$1.20
North and Central Texas and North Louisiana (52 gravity and above).....	1.76	1.60

(Oil statistics compiled by the Oil Weekly, Houston, Texas)

LUMBER

Reflecting the activity in building in the opening month of spring, operations at pine mills in the Eleventh District in March increased, orders showing a large increase over the past month and production and shipments of lumber exceeding those of any previous month in several years. Production was 3 per cent above normal as compared to 5 per cent below normal production in the previous month and 11 per cent below in March last year. Shipments rose from 93 per cent of normal production in February to 4 per cent above normal production in March. Orders

amounted to 10 per cent above normal production as against 7 per cent below normal in the previous month. After increasing for three consecutive months stocks on hand at the close of the month decreased and amounted to 10 per cent above normal on March 31 as compared to 11 per cent a month earlier. Unfilled orders for lumber recorded at 49 mills totaled 70,312,706 feet which compares with 62,599,185 feet on record at 50 mills on February 29.

MARCH PINE MILL STATISTICS

Number of reporting mills.....	49
Production.....	104,180,007 feet
Shipments.....	105,501,699 feet
Orders.....	111,334,301 feet
Unfilled orders March 31.....	70,312,706 feet
Normal production.....	101,131,774 feet
Stocks March 31.....	281,203,155 feet
Normal stocks.....	254,579,015 feet
Shipments above normal.....	4,869,925 feet—4%
Actual production above normal.....	3,048,233 feet—3%
Orders above normal production.....	10,202,527 feet—10%
Stocks above normal.....	26,624,140 feet—10%

BUILDING

A new high level was reached in the valuation of permits issued at fourteen principal cities of the Eleventh District in March, the aggregate exceeding that in the same month of last year by a wide margin and almost doubling the valuation in February. Permits issued during the month totaled \$16,134,114 in valuation as compared to \$8,405,500 in February and \$11,639,105 in the corresponding month

of 1927. Although the majority of the cities reported increases in March over the previous month, it will be observed that the greater part of the increase was reported by two cities. As compared to a year ago, the valuation of permits issued during the three months of the current year was 17.7 per cent larger.

BUILDING PERMITS

	March, 1928		March, 1927		Inc. or Dec.	February, 1928		Inc. or Dec.	Three Months					
	No.	Valuation	No.	Valuation		No.	Valuation		1928		1927		Inc.	
									No.	Valuation	No.	Valuation		
Amarillo.....	85	\$ 255,190	316	\$ 2,002,670	— 87.3	76	\$ 344,495	— 25.9	250	\$ 320,360	815	\$ 3,766,344	— 91.5	
Austin.....	83	324,399	27	86,855	+273.5	67	153,380	+111.5	209	1,069,702	80	154,830	+590.6	
Beaumont.....	202	221,422	202	575,290	— 61.5	149	256,486	— 13.7	202	682,337	526	1,645,273	— 58.5	
Corpus Christi.....	79	739,771	56	91,895	+705.0	75	1,370,635	— 46.0	210	2,500,226	152	263,075	+959.1	
Dallas.....	445	858,466	392	1,083,994	— 20.8	251	473,434	+ 81.3	1,031	1,951,289	1,046	2,025,540	— 3.7	
El Paso.....	69	203,900	98	96,712	+110.8	60	115,144	+ 77.1	189	420,280	182	150,097	+180.0	
Fort Worth.....	750	4,487,700	387	1,085,473	+313.4	364	1,203,384	+272.9	1,464	6,790,362	950	3,458,029	+ 96.4	
Galveston.....	213	312,528	329	141,298	+121.2	193	180,262	+ 73.4	576	658,142	724	945,044	— 30.4	
Houston.....	575	6,593,317	634	3,961,796	+ 66.4	580	2,129,657	+209.6	1,723	11,065,691	1,628	8,822,160	+ 25.4	
Port Arthur.....	136	132,372	133	122,489	+ 8.1	98	114,048	+ 16.1	348	306,414	355	355,452	— 13.8	
San Antonio.....	342	1,045,438	317	1,669,665	— 37.4	354	1,222,429	— 14.5	1,070	3,405,238	901	3,144,601	+ 8.3	
Shreveport.....	275	348,073	193	267,682	+ 30.0	201	246,962	+ 40.9	658	1,189,087	597	789,432	+ 50.6	
Waco.....	45	435,290	31	140,244	+210.4	31	443,450	— 1.8	110	1,111,372	101	325,264	+241.7	
Wichita Falls.....	66	176,248	107	313,042	— 43.7	68	151,734	+ 16.2	190	539,855	275	1,344,774	— 59.9	
Total.....	3,365	\$16,134,114	3,222	\$11,639,105	+ 38.6	2,567	\$8,405,500	+ 91.9	8,230	\$32,010,355	8,332	\$27,189,915	+ 17.7	

CEMENT

Production of Portland cement at Texas mills in March was the largest of any month in several years and shipments, with the exception of those in May, 1927, were greater than in any previous month during the same period. There were 552,000 barrels produced during the month as compared to 460,000 barrels in February and 465,000 barrels in March, 1927. Shipments amounted to 563,000 barrels, an increase of 33.1 per cent over those in the previous month and 21.1

per cent greater than in March of last year. Stocks on hand at the close of the month declined as a result of shipments exceeding production and amounted to 449,000 barrels on March 31, as against 460,000 barrels a month earlier. Production of cement during the three months of the current year was 18.6 per cent greater than during the same period in 1927 and shipments were 18.2 per cent larger.

PRODUCTION, SHIPMENTS AND STOCKS OF PORTLAND CEMENT (Barrels)

	March 1928	March 1927	Inc. or Dec.	February 1928	Inc. or Dec.	—Three Months— 1928 1927		Inc. or Dec.
Production at Texas mills.....	552,000	465,000	+18.7	460,000	+20.0	1,475,000	1,244,000	+18.6
Shipments from Texas mills.....	563,000	465,000	+21.1	423,000	+33.1	1,433,000	1,212,000	+18.2
Stocks at end of month at Texas mills.....	449,000	448,000	+ .2	460,000	— 2.4			

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of April 26, 1928)

Industrial production during March was in about the same volume as in February and there was a seasonal increase in the distribution of commodities. Wholesale prices remained practically unchanged. During the past month there have been increases in bank credit in use and in member bank borrowing at the reserve banks, and open market money rates have shown further advances.

PRODUCTION

Production of manufacturers was maintained during March at the high level reached in February, and the output of minerals also showed little change. Productions of passenger autos and trucks during March totaled 413,000, the largest output recorded for any month since August, 1926, and production schedules in automobile plants continued large during April. Activity in the iron and steel industry was also maintained at a high level during March and April, and lumber productions was in larger volume than a year ago. Cotton and wool consumption declined in March but silk deliveries were the largest on record. There was some decline in meat-packing and in the production of sole leather, and the output of boots and shoes in March showed less than the usual seasonal increase. Mining of bituminous coal decreased during March by less than the usual seasonal amount, but as the result of a strike in certain middle western mines, production in the early weeks of April was considerably curtailed. Building contracts awarded were smaller in March than a year ago while those for the first three weeks in April were in about the same volume as in the corresponding period of last year. As a result of large contracts during the first two months of this year, total awards for the year to April 20, exceeded those for the same period of 1927. Contracts for residential buildings and for public works have been especially large.

TRADE

Sales of wholesale firms increased less than usual in March and were somewhat smaller than in the same month of last year. Sales of department stores, on the other hand, after allowance is made for customary seasonal changes and the early date of Easter, were about the same in March as in the preceding month and in March, 1927. Stocks of merchandise carried in March by wholesale firms were larger, while those of department stores were smaller, than at this time last year. The volume of freight-car-loadings showed more than the usual seasonal increase in March, but declined

in the first two weeks of April. Loadings continued smaller than a year ago for all classes of commodities except grains and livestock.

PRICES

The general level of wholesale commodity prices showed little change in March, the index of the Bureau of Labor Statistics declining slightly from 96.4 to 96 per cent of the 1926 average. There were decreases in the prices of livestock, dairy products, meats, coal, and rubber; prices of grains, cattle feed, cotton, and steel on the other hand, advanced. During the first three weeks in April, there were further substantial increases in the prices of grains and more moderate advances in flour, hogs, cotton, and lumber, while prices of cattle and rubber declined.

BANK CREDIT

Between March 21 and April 18, total loans and investments of member banks in leading cities increased by about \$410,000,000, reaching the highest level on record. The advance was largely in loans on securities which showed an increase of nearly \$380,000,000 and in April were close to the high point of the first of the year. Loans for commercial purposes continued the increase which began in February and notwithstanding a small decline during the last week of the period were nearly \$350,000,000 larger on April 18, than at the end of January.

The volume of reserve bank credit in use increased by \$180,000,000 during the five weeks ending April 25, reflecting increased reserve requirements of member banks and a further net outflow of gold amounting to more than \$50,000,000. Reserve bank holdings of securities were reduced by about \$80,000,000 during the period, while discounts for member banks increased by \$230,000,000. Acceptance holding sales showed a small increase.

A firmer tendency in the money market was evidenced at the end of March and during April by further increases in rates on call and time loans on securities, and by increases of from 4-4 $\frac{1}{4}$ per cent to 4 $\frac{1}{2}$ per cent in the rates on commercial paper and from 3 $\frac{1}{2}$ per cent to 3 $\frac{7}{8}$ per cent in the rate on 90-day bankers' acceptances. Between April 20 and April 25, discount rates were raised from 4 to 4 $\frac{1}{2}$ per cent at the Boston, Chicago, St. Louis, Richmond, and Minneapolis Federal Reserve Banks.