

MONTHLY REVIEW OF BUSINESS AND INDUSTRIAL CONDITIONS

IN THE
ELEVENTH FEDERAL RESERVE DISTRICT
FEDERAL RESERVE BANK OF DALLAS

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A reduction of at least 30 per cent in the cotton acreage of the State of Texas stands out as perhaps the most important development brought to light during the past thirty days in the district's industrial situation. This reduction is evidenced by returns just received from a questionnaire addressed by this bank to its correspondents in all of the cotton producing counties of the State.

Credit conditions have eased somewhat since our last report. The month of April, contrary to what has been the usual credit movement during that month, witnessed a contraction in the volume of outstanding indebtedness of member banks to the Federal Reserve Bank of Dallas, there being a net retirement during the month of \$4,900,000.00, while during the corresponding month last year there was a net expansion of \$18,700,000.00. It should be noted, however, that the recent liquidation was confined to paper secured by government securities, there being a slight increase in other classes of paper.

The past month saw a slowing up in the district's wholesale and retail trade activities, bank clearings and charges to depositors' accounts. The slower pace in business is ascribed to a variety of causes, including continued unsettlement of prices, industrial unemployment, and unseasonable weather. By contrast with the situation a year ago, such transactions as merchandise sales, construction contracts, and bank clearings are being carried on upon a largely reduced scale, judging from the measurement of movements by dollar totals. The latter, however, on account of the past year's sweeping and uneven readjustments of values, is no longer a reliable instrument for measuring industrial and commercial activities where a twelve months' comparison is sought.

The volume of building activities in this district increased 9 per cent during the month of April as compared with March. All reports indicate that labor is plentiful, more efficient, and generally contented.

An unusually large surplus of farm labor is reported from the rural districts, due largely to the growing tendency on the part of the farmers to cultivate only such acreage as they are able to take care of without hired help. In fact, a conspicuous feature of the agricultural situation this year is the unusually large amount of farm land not under cultivation.

A hopeful sign of reviving life in the Southwestern wool market was the recent auction sale of half a million pounds of fleece at San Angelo, at prices ranging from 16 to 21½ cents. This marks the reopening of the open wool market in this section after being dormant for twelve months.

AGRICULTURE

A Late Start. Unseasonably low temperatures which have prevailed since our last report have administered a setback to early planted crops, and generally resulted in an unfavorable start for farm operations. Not only has the weather been too cool for the best growth of cotton, corn, and small grain, but these crops have also been adversely affected by the extremely uneven rainfall throughout the district. In East Texas and parts of Central and North Texas there has been too much rain; while in the South Plains and throughout West Texas, Southern New Mexico, and Southern Arizona, there has been a scarcity of moisture which has reached the proportions of a serious drouth.

The effect of the cold waves occurring in April and May was to check the growth of cotton where the plant had germinated and to retard its germination elsewhere. Poor germination, both of cotton and corn, has necessitated the replanting of these crops over a considerable part of the district. Both planting and replanting of cotton is progressing slowly throughout the State except in West Texas, where plowing and planting have been delayed by drouth. The late start due to slow germination and

much replanting places an unfavorable aspect upon the outlook for 1921 cotton production, as it lessens the chances for the crop to escape the ravages of the boll weevil.

Winter Wheat.

The condition of winter wheat is reported to be only fair in Arizona and New Mexico. The condition of the Texas crop on May 1st was placed by the government at 72 per cent of normal, representing a fall of 16 per cent since April 1st. The deterioration is attributed to drouth, high winds and the inroads of greenbugs and rust. The Texas acreage, allowing for a 4 per cent abandonment, is officially estimated to be 1,760,640 acres. The Texas Panhandle seems to be the most favored part of the district just now with respect to wheat prospects.

The district's fruit prospects indicate a larger and more satisfactory yield than that of 1920, although late frosts and subsequent hailstorms have inflicted some damage in West Texas, New Mexico, and Arizona, the extent of which has not yet been definitely determined. A heavy watermelon crop is in prospect in Texas.

Texas Cotton Acreage Reduced 30%.

Below will be found a synopsis of the results of a survey made by the Federal Reserve Bank of Dallas covering the cotton situation in 150 counties as of May 1st. These counties,—which in 1920 produced nine-tenths of the Texas cotton crop—have submitted reports which indicate a net reduction of 30 per cent in the Texas cotton acreage for 1921 as compared with 1920. Reductions, ranging from 5 per cent to 75 per cent, are shown by all counties in the reporting list except Eastland, Hidalgo, and Lubbock. As planting has been completed in most of the reporting counties, it is believed that the acreage estimates are in the main conservative and reliable. These statistics indicate a somewhat heavier reduction than was generally estimated a month ago, but the present figures are corroborated to some extent by recent official reports on the increased acreage devoted to other crops. While growing conditions in 1921 will play an important part in determining whether the reduction in acreage will be followed by a corresponding curtailment of production, there are evidences,—such as the late start, unfavorable weather, and the shrinkage in fertilizer sales,—to indicate that the per-acre output this year cannot be expected to exceed last-year's yield. A 30 per cent reduction in the production of Texas cotton this year would mean a 2,900,000 bale crop as compared with the 1920 crop of 4,100,000 bales.

In addition to acreage statistics, our survey developed the following data: observers estimate that the number of bales of old cotton on hand and unsold in the reporting counties on May 1st was 714,790 bales. With respect to the supply of farm labor as of May 1st, 1921, 61 counties (40.6%) reported a surplus of labor, 87 counties a normal supply, and one

county (Young) a shortage. With respect to farm wages the reports show that a year ago the average cash wage was \$2.80 per day, while the present average is \$1.36, a decrease of about 51 per cent.

The results of the survey, based on replies received from two member banks in each of the counties under investigation, are shown below in detail:

THE TEXAS COTTON SITUATION BY COUNTIES
as of May 1st 1921:

Reporting		Acreage % of Decrease	Labor Supply	Number Bales Ginned From 1920 Crop	Number Bales 1920 Crop Unsold
County	City				
Anderson	Palestine	34	Surplus	17,499	2,500
Angelina	Lufkin	32	Normal	4,084	1,000
Archer	Dundee	42	Normal	3,388	700
Atascosa	Jourdanton	5	Surplus	14,565	2,800
Austin	Bellville	27	Normal	20,976	6,000
Bastrop	Bastrop	27	Normal	27,421	750
Baylor	Seymour	50	Surplus	18,331	5,000
Bee	Beeville	32	Surplus	21,188	3,000
Bell	Belton	25	Surplus	97,925	16,000
Bexar	San Antonio	20	Surplus	17,049	7,500
Blanco	Blanco	33	Normal	3,844	500
Bosque	Meridian	60	Normal	18,918	100
Brazos	Bryan	37	Normal	18,171	5,500
Brown	Brownwood	32	Surplus	21,238	5,500
Burleson	Caldwell	22	Normal	17,727	4,500
Burnet	Burnet	20	Normal	18,758	
Caldwell	Lockhart	18	Normal	56,201	7,000
Calhoun	Port Lavaca	27	Normal	6,019	900
Callahan	Baird	45	Normal	19,018	3,250
Cameron	Brownsville	12	Normal	18,098	1,500
Camp	Pittsburg	27	Surplus	6,764	1,500
Cass	Linden	30	Surplus	18,437	2,000
Cherokee	Rusk	25	Normal	21,998	4,000
Childress	Childress	29	Surplus	19,930	1,500
Clay	Henrietta	35	Normal	20,256	2,000
Coleman	Coleman	30	Normal	52,735	9,000
Collin	McKinney	30	Normal	71,488	2,500
Collingsworth	Wellington	42	Normal	8,816	1,100
Comanche	Comanche	37	Surplus	11,659	1,900
Concho	Eden	35	Normal	22,235	875
Colorado	Columbus	60	Surplus	17,843	5,000
Cooke	Gainesville	42	Surplus	9,835	900
Coryell	Gatesville	25	Surplus	36,965	8,500
Crosby	Crosbyton	67	Normal	11,521	1,500
Dallas	Dallas	25	Normal	44,212	10,000
Denton	Denton	40	Normal	11,410	2,150
Delta	Cooper	30	Normal	24,373	1,500
DeWitt	Cuero	30	Normal	47,434	18,000
Donley	Clarendon	50	Normal	11,210	200
Duval	San Diego	33	Surplus	10,899	300
Eastland	Eastland		Surplus	7,608	1,500
Ellis	Waxahachie	25	Surplus	145,994	30,000
Erath	Stephenville	35	Normal	9,849	400
Falls	Marlin	37	Normal	80,845	14,250
Fannin	Bonham	27	Surplus	65,731	9,750
Fayette	LaGrange	15	Normal	37,722	15,000
Fisher	Roby	17	Surplus	34,902	1,000
Floyd	Floydada	45	Surplus	6,622	600
Foard	Crowell	50	Normal	14,767	3,250
Fort Bend	Richmond	46	Normal	22,829	2,000
Franklin	Mt. Vernon	25	Normal	6,757	1,000
Freestone	Teague	22	Surplus	26,210	2,750
Frio	Pearsall	35	Normal	11,474	600
Garza	Post	30	Normal	7,260	1,250
Gillespie	Fredericksburg	25	Normal	9,384	6,000
Goliad	Goliad	30	Normal	18,077	2,500
Gonzales	Gonzales	30	Normal	37,972	10,500
Grayson	Sherman	25	Surplus	43,950	6,600
Gregg	Longview	27	Normal	10,080	1,500
Grimes	Anderson	33	Normal	19,896	7,500
Gusadalupe	Seguin	20	Normal	37,903	10,000
Hall	Memphis	40	Surplus	29,678	1,500
Hamilton	Hamilton	25	Normal	19,039	1,000
Hardeman	Quanah	35	Surplus	22,772	3,000
Harrison	Marshall	29	Surplus	21,441	4,500
Haskell	Haskell	35	Surplus	33,408	3,000
Hays	San Marcos	22	Normal	22,050	4,000
Henderson	Athens	40	Normal	20,355	3,000
Hidalgo	Edinburg	Same	Surplus	16,036	750
Hood	Granbury	33	Normal	1,892	500
Hopkins	Sulphur Spgs.	27	Normal	29,509	2,000
Houston	Crockett	30	Normal	22,946	7,500
Hunt	Greenville	27	Normal	60,673	25,000
Jack	Jacksboro	37	Normal	2,571	350
Jackson	Edna	30	Normal	10,777	1,750
Jasper	Jasper	40	Normal	670	500
Jim Wells	Alice	35	Surplus	9,237	2,000
Johnson	Cleburne	27	Normal	41,710	11,000

TEXAS COTTON SITUATION BY COUNTIES—Cont.

Reporting		Ac'rge % of De- crease	Labor Supply	Number Bales Ginned From 1920 Crop	Number Bales 1920 Crop Unsold
County	City				
Jones	Anson	29	Surplus	55,041	2,400
Kaufman	Kaufman	29	Surplus	70,005	19,750
Kendall	Boerne	75	Normal	502	
Know	Trusecott	42	Surplus	35,634	5,000
Lamar	Paris	29	Surplus	56,914	12,500
Lampasas	Lampasas	35	Surplus	12,989	2,000
Lavaca	Hallettsville	27	Normal	42,718	4,750
Lee	Giddings	30	Surplus	9,372	5,000
Leon	Centerville	30	Surplus	19,557	7,500
Liberty	Liberty	60	Normal	1,648	300
Limestone	Groesbeck	35	Surplus	80,738	16,000
Live Oak	George West	17	Normal	4,809	90
Lubbock	Lubbock		Surplus	17,856	2,500
Mason	Mason	45	Surplus	3,945	400
Matagorda	Bay City	75	Surplus	5,583	250
McCulloch	Brady	32	Surplus	32,566	7,000
McLennan	Waco	24	Normal	133,373	30,000
Medina	Hondo	60	Normal	4,312	2,000
Menard	Menard	50	Normal	2,305	50
Milam	Cameron	27	Normal	73,294	12,500
Mills	Goldthwaite	35	Surplus	10,439	1,500
Mitchell	Colorado	17	Surplus	31,666	5,000
Montgomery	Conroe	50	Normal	4,062	300
Morris	Daingerfield	25	Normal	6,830	3,000
Motley	Matador	35	Normal	6,560	1,000
Nacogdoches	Nacogdoches	37	Normal	17,174	10,200
Navarro	Corsicana	30	Surplus	98,716	30,000
Newton	Newton	15	Normal	29	
Nueces	Corpus Christi	20	Surplus	73,197	20,000
Palo Pinto	Palo Pinto	50	Surplus	2,100	800
Panola	Carthage	35	Normal	16,488	
Parker	Weatherford	29	Normal	3,319	500
Polk	Livingston	37	Normal	6,607	3,000
Rains	Emory	27	Surplus	6,386	500
Red River	Clarksville	37	Normal	29,216	9,000
Refugio	Tivoli	32	Normal	17,374	1,750
Robertson	Franklin	30	Normal	30,980	15,000
Rockwall	Rockwall	27	Normal	19,402	1,750
Runnels	Ballinger	35	Surplus	57,682	2,750
Rusk	Henderson	35	Surplus	21,588	3,750
Sabine	Hemphill	30	Normal	2,855	2,000
San Augustine	San Augustine	52	Normal	6,926	4,500
San Jacinto	Coldspring	25	Normal	4,243	1,000
San Patricio	Sinton	20	Normal	51,480	10,000
San Saba	San Saba	32	Normal	14,476	750
Shelby	Center	25	Normal	19,171	6,500
Smith	Tyler	25	Surplus	24,778	5,000
Somervell	Glen Rose	50	Normal	540	100
Stonewall	Aspermont	27	Normal	15,903	500
Tarrant	Fort Worth	40	Surplus	11,151	1,500
Taylor	Abilene	25	Surplus	40,762	5,000
Throckmorton	Woodson	57	Normal	3,600	650
Titus	Mt. Pleasant	34	Surplus	7,377	3,100
Travis	Austin	25	Surplus	63,915	18,000
Trinity	Groveton	30	Surplus	4,431	400
Tyler	Woodville	50	Surplus	1,034	525
Upshur	Gilmer	35	Surplus	19,209	1,500
Van Zandt	Canton	32	Surplus	36,395	5,000
Victoria	Victoria	30	Normal	23,427	5,000
Walker	Huntsville	45	Normal	8,789	1,400
Waller	Hempstead	37	Normal	8,436	500
Washington	Brenham	20	Normal	26,792	16,000
Wharton	Wharton	40	Normal	18,072	1,850
Wheeler	Wheeler	30	Normal	5,970	500
Wichita	Wichita Falls	36	Surplus	7,348	1,600
Wilbarger	Vernon	33	Surplus	24,870	7,000
Williamson	Georgetown	30	Normal	157,678	20,000
Wilson	Floresville	25	Surplus	20,998	5,000
Wise	Decatur	50	Surplus	5,035	900
Wood	Quitman	25	Normal	21,646	1,500
Young	Graham	52	Sho'tge	13,014	5,000
		29.7		3,729,846	714,790

Cotton
Movements.

Galveston exports last month exceeded those of March by 20 per cent. Total exports at this port for the current season (since August 1st, 1920) have been 2,262,579 bales, which is about 200,000 bales in excess of the exports for the corresponding period last season. The increase in the cotton export movement through Galveston this year is in marked contrast with cotton exports for the United States as a whole, as the outbound movement from all ports this season has been smaller by 1,500,000 bales than last season's exports.

COTTON MOVEMENTS THROUGH THE PORT
OF GALVESTON

	April		This Season	Last Season
	1921	1920		
Gross receipts.....	216,287	114,016	2,495,175	2,080,489
Exports	158,625	126,914	2,262,579	2,058,502
Stocks April 30th.....			341,682	224,650

GALVESTON STOCK STATEMENT

	April, 1921	April, 1920
For Great Britain.....	19,073	12,871
For France.....	3,333	
For other foreign ports.....	40,085	39,759
For coastwise ports.....	3,500	15,000
In compresses.....	275,691	157,020
Total.....	341,682	224,650

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

	This Season	Last Season
Receipts to April 30th.....	5,291,055	5,531,587
Exports: Great Britain.....	1,340,535	2,753,244
France	463,539	515,377
Continent	1,853,232	1,526,396
Japan-China	329,205	742,684
Mexico	24,017	512
Total foreign exports.....	4,010,528	5,538,213
Stocks at all U. S. ports.....	1,470,798	1,167,668

Grain

Movements.

The appended table shows a sharp increase during the month of April in the volume of wheat receipts at the principal centers of this district compared with those of March. This increase consists chiefly of arrivals at the port of Galveston, where the April export movement of wheat amounted to 5,666,248 bushels as against total exports for the corresponding month last year of only 1,326,874 bushels. The amount of wheat exported through this port since July 1, 1920, is 58,000,000 bushels, which is an increase of 42,000,000 bushels over the exports for the same period during the previous season.

COMPARATIVE GRAIN RECEIPTS

	April (Cars)	March (Cars)
Wheat	5,176	3,181
Corn	114	355
Oats	77	163

LIVESTOCK

Range

Conditions.

The general condition of both live-stock and ranges in this district has undergone some deterioration since our last report. Observers in the Texas Panhandle, Eastern New Mexico, and Southern Arizona report that the month of April was marked by a serious

shortage in moisture throughout those regions, particularly in the western states. From Arizona advices are to the effect that range cattle and sheep are in poor condition, the lamb crop small, and stock is being moved from the drouth stricken regions to better grazing grounds in other states. The drouth in New Mexico has necessitated considerable feeding of livestock, which are said to be in poor condition, and heavy losses are feared during the lambing and calving season. The president of the Texas-Southwest Cattle Growers' Association estimates that more than 2,000,000 cattle in Southern Arizona, New Mexico and that part of Texas contiguous to El Paso, have begun to suffer from the effects of the drouth. Despite the shortage of moisture in the Texas Panhandle, however, stock in that section is reported fair to good; and elsewhere Texas range conditions, though not of the best, are reasonably satisfactory.

Livestock Movements and Prices. Last month witnessed an unusually heavy movement of cattle from winter ranges to more favorable grazing lands for the purpose of finishing their preparation for the market. As a result of the drouth in the western part of the district; Arizona and New Mexico cattle in large numbers have been moved into Texas pastures that have been recently vacated by the cattle that have been shipped to Kansas in what is said to be the heaviest "grass cattle movement" in many years. On the other hand, the spring market movement has been slow to materialize in the leading Southwestern livestock markets. Cattle receipts at Fort Worth last month were the smallest of any April on record except the month of April, 1903, being 43,200 head which was about one-half the number yarded during the corresponding month a year ago. Southwest Texas cattle, which usually reach the market in fair volume at this time of the year, have for some reason failed to make a showing at the Fort Worth market during the month just past. Dealers, however, expect a sharp increase in May receipts from that section of Texas.

While the receipts of sheep at this market registered a gain of 33,109 head over March, the total fell far short of the receipts of April, 1920, which were 120,066. The usual spring run from West Texas had not fairly gotten under way at the end of April. There was a decline of 50 per cent in the volume of hog supplies as compared with the month of March.

Prices during the past month have continued the downward course which has characterized the market for the past year. The recessions were generally moderate, but carried quotations on all classes of livestock to the lowest levels of the past several years. Buyers succeeded in hammering beef steers for a net reduction of \$1.00 at the close of the month. Stockers suffered heavier depreciations, and there was practically no market for this class an any time. Genuine lambs reached a top price of \$10.25 as compared with the March maximum of \$12.00, while spring lambs at the best period sold at \$8.00 to \$8.50. The sheep market was comparatively steady under heavy receipts, but closed at a decline of 75 cents, good wethers selling late in the month as high as \$5.75.

The drive on hog prices carried that division steadily downward until the end of the month, there being less support for the market than usual from the outside trade, although the April deals again included some purchases for shipment to California, Mexico, and other distant markets.

The following figures reflect the receipts and prices of livestock at the Fort Worth market of April, 1921.

FORT WORTH LIVESTOCK RECEIPTS

	April 1921	March 1921	Loss or Gain	April 1920	Loss or Gain
Cattle	43,200	34,712	G 8,488	78,007	L 34,807
Calves	11,074	8,293	G 2,781	9,893	G 1,181
Hogs	34,313	66,994	L 32,681	38,958	L 4,645
Sheep	43,741	10,632	G 33,109	120,066	L 76,325

COMPARATIVE TOP LIVESTOCK PRICES

	April, 1921	March, 1921	April, 1920
Beef steers	\$ 8.40	\$ 9.00	\$ 11.75
Stocker steers.....	7.25	8.10	10.60
Butcher cows.....	6.50	7.50	9.50
Stocker cows.....	5.50	6.00	9.00
Calves	9.75	11.00	14.00
Hogs	9.10	10.30	15.35
Sheep	6.00	6.75	14.25
Lambs	10.25	12.00	19.50

LUMBER

With the resumption of building operations on a broader basis as spring advances the lumber industry in this district has shown a more favorable trend. During the past month the improvement, while moderate, unquestionably denotes renewed life in the demand for lumber, as is shown by the statistics of twenty-nine reporting mills reproduced below.

Continued reduction in mill stocks is shown by the fact that April production was again less than shipments for that month, while the ratio of April orders to normal production, 72 per cent, presents a substantial improvement over the corresponding ratio for the month of March, which was 61 per cent.

On April 29th the volume of unfilled orders on the books of twenty-nine reporting mills was 37,699,200 feet, which compares with 30,265,302 feet reported by a like number of mills under date of April 1st.

Pine mill statistics for the month of April are as follows:

APRIL PINE MILL STATISTICS

Number of reporting mills.....	29
Average weekly production.....	10,768,051 ft.
Average weekly shipments.....	11,325,825 ft.
Average weekly orders received	12,643,155 ft.
Unfilled orders April 29th.....	37,699,200 ft.
Average weekly normal production	17,672,826 ft.
Production below shipments.....	557,774 ft. = 5%
Actual production below normal..	6,904,775 ft. = 39%
Orders below normal production..	5,029,671 ft. = 28%

PETROLEUM

Production Off.

A decline of 631,000 barrels is shown in this district's April oil production when compared with March figures. However, the total of 11,587,470 barrels slightly exceeded the yield for the corresponding month last year. The falling off in production was not unexpected in view of the further decline in the price of crude, which tended to check drilling operations in all parts of the country. All fields registered smaller yields for April. The heaviest decline occurred in the Central West Texas section.

Drilling Results.

The most important development in the drilling activities of the past month was the bringing in of a 5,000-barrel wildcat well near Haynesville, Claiborne Parish, Louisiana. This well, which is situated northwest of Homer, opens up an entirely new field, larger, perhaps, than the Homer field and possibly approaching, in size, the El Dorado, Arkansas, pool. This discovery has done much to bolster the steadily declining Louisiana production, and drilling enter-

prises in the new field will be the center of interest until its producing area is definitely defined.

With the exception of the new pool tapped in Louisiana there were no developments of importance in the drilling activities of the district. To the contrary the month of April was the third month in succession to show a marked decrease in number of completed wells, only 359 completions being reported for the past month, which compares with 395 for March and a total of 609 for the month of April, 1920.

Prices.

During the past month the large pipe line companies announced an additional cut of 25 cents in the price of crude at most of the fields in this district. This reduced the price to \$1.50 at North Texas fields and to \$1.00 in the coastal section. The reduction is generally attributed to the recently published statistics of production and consumption for the month of March. These figures showed an unprecedented volume of production, with the rate of consumption about stationary.

OIL PRODUCTION

Field	April		March		Increase or Decrease	
	Total	Daily Avg.	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	2,239,530	74,651	2,373,375	76,561	Dec. 133,845	Dec. 1,910
Central-West Texas.....	3,920,640	130,688	4,177,622	134,762	Dec. 256,982	Dec. 4,074
Texas Coastal.....	3,251,850	108,395	3,322,036	107,162	Dec. 70,186	Inc. 1,233
Totals, Texas.....	9,412,020	313,734	9,873,033	318,485	Dec. 461,013	Dec. 4,751
North Louisiana.....	2,175,450	72,515	2,346,376	75,689	Dec. 170,926	Dec. 3,174
Totals, Eleventh District.....	11,587,470	386,249	12,219,409	394,174	Dec. 631,939	Dec. 7,925

APRIL DRILLING RESULTS

Field	Completions	Producers	Failures	Initial Production
Central-West Texas.....	129	108	21	36,910
North Texas.....	89	52	37	6,116
Texas Coastal.....	61	47	14	44,383
Texas Wildcats.....	22	6	16	795
Totals, Texas.....	301	213	88	88,204
North Louisiana.....	58	43	15	8,972
April Totals, District.....	359	256	103	97,176
March Totals, District.....	395	281	114	139,413

CRUDE OIL PRICES

Texas		Louisiana (38 Gravity and Above)	
Corsicana light.....	\$1.00	Caddo	\$1.75
Corsicana heavy.....	.75	Homer	1.00
Texas Coastal fields.....	1.00	Bull Bayou	1.40
All other Texas fields.....	1.50	De Soto.....	1.65

TRADE

Wholesale Trade.

Our April reports from 35 wholesale houses are featured by continued shrinkage of prices and sales. Generally speaking the downward price curves show no definite tendency toward flattening out. To the contrary, with one exception, the recessions reported in April were slightly greater than those shown in March.

Reports from seventeen wholesale grocery houses reflect an average decrease of 12 per cent in the value of April sales as compared with March, accompanied by a 4 per cent fall in prices; and a 48 per cent decline in sales as compared with the corresponding month last year, partially accounted for by a concurrent fall of 33 per cent in prices. All firms report that the trend of prices is still downward and that buying continued on a hand-to-mouth basis.

Sales of drugs and chemicals were 19 per cent in value below those of the previous month, and 29 per cent under the record for April, 1920. Some leading authorities in the drug trade report having noticed a firmer undertone in prices lately, and state that, considering the fact that April and May are usually the duller months of the year in that trade, business just now is considered satisfactory.

In the dry goods market there has been no important change since our last report. Buying continues at a slow rate and on a very conservative basis. The extremely cool spring has depressed the demand for summer goods, and the spirit of caution which has dominated retail buying for some months shows no sign of abatement. Collections in this line are described as slow to fair.

CONDITION OF WHOLESALE TRADE DURING APRIL, 1921
Percentage of Increase or Decrease in

	NET SALES		NET SALES	STOCKS		PRICES	
	April, 1921, compared with	March 1921	January 1st, to date, compared with same period, 1920	April, 1921, compared with	March 1921	April, 1921, compared with	March 1921
Groceries.....	-48.0	-12.4	-38.2	-24.3	-3.3	-33.6	-4.4
Drugs.....	-29.3	-19.6	-28.5	-10.3	+ 9.2	-12.5	-1.0
Dry Goods.....	-40.7	-25.8	-51.5	-32.4	+ .3	-52.5	-5.0
Furniture.....	-48.1	-20.9	-42.4	-2.9	-20.0	-10.0
Farm Implements.....	-83.1	-2.6	-80.3	+34.4	-1.9	+10.0	-11.3
Hardware.....	-30.0	-9.7	-30.6	+ 9.7	-2.9	-20.0	-7.2

Retail Trade.

Sales of merchandise by department stores in April fell below those of March by 12 per cent. The slackening in demand for seasonable merchandise is partially attributable to the weather, which has been unusually cool for this season of the year. The value of goods sold by reporting firms during the first four months of 1921 was 11 per cent less than for the corresponding period last year. A careful study of prices, however, for the past month and for April, 1920, reveals a deflation estimated as averaging 25 to 30 per cent, indicating that the physical volume of distribution exceeds that of a year ago.

The automobile and accessory business, which is

particularly sensitive to changes in the general business situation, is reported, by some of the largest firms in the district, to be enjoying a pronounced increase in income, both in the form of sales and collections. Accessory dealers report that whereas a few weeks ago price revisions were being made by manufacturers almost daily, changes in price lists are now rare occurrences and the retailers are enlarging their stocks in response to an increased demand and the more stabilized status of prices. The improvement in automobile sales has been noted in practically all makes, although those which have reduced prices from the peak levels seem to have been in more active demand.

BUSINESS OF DEPARTMENT STORES

	Increase or Decrease
Net Sales—	
April, 1921 compared with April, 1920.....	-17.7
April, 1921, compared with March, 1921.....	-12.7
Net Sales—	
January 1st to date, compared with same period, 1920.....	-11.2
Stocks at end of April, 1921—	
Compared with same month, 1920.....	-18.1
Compared with stocks at end of March, 1921.....	+ .5
Ratio of stocks to sales.....	369.6
Ratio of outstanding orders to last year's purchases.....	4.6
Ratio of April collections to Accounts Receivable, due and outstanding, April 1st, 1921.....	47.4

Department Store Losses in 1919.

A survey, recently completed, covering losses sustained in 1919 by Texas department stores doing a credit business, elicited the fact that during that year the combined charge sales of ten firms

amounted to \$17,588,000.00, against which estimated losses amounting to \$123,000.00 were charged off as uncollectable. Of the total amount charged off \$61,000.00 was subsequently recovered, making a net loss of \$62,000.00 for the year 1919, or approximately one-third of one per cent.

FINANCIAL

Federal Reserve Operations.

Eleventh District member banks during the month of April reduced their indebtedness to the Federal Reserve Bank of Dallas by \$4,894,299.22, total outstandings on April 30th being \$73,403,886.35, distributed as follows:

Member bank collateral notes.....	\$14,775,777.63
(Secured by Government Obligations)	
Other loans to member banks, including	
rediscounts.....	58,603,286.02
Open market purchases of bankers' acceptances.....	24,822.60
Total outstanding loans to member banks	\$73,403,886.35

The above total (which includes rediscounts with other Federal reserve banks \$8,992,400.00) was practically the same as the amount of member banks' indebtedness at the corresponding period last year. On April 30th we had Federal reserve notes outstanding amounting to \$58,126,645.00 which reflects a decrease of \$5,728,500.00 since the close of the previous month and the much heavier decrease of \$25,358,555.00, or 30 per cent, by comparison with April 30, 1920.

A gain of \$2,407,801.00 was made in the amount of member bank reserve deposits, which on April 30th stood at \$45,432,392.12.

Acceptance Market. Our holdings of bankers' acceptances purchased in the open market aggregated only \$24,822.60 at the close of April. Less than \$4,000.00 of these securities were

acquired by this bank during that month, and only a nominal volume seems to have passed through member banks since our last report. The predominating type of acceptance executed in this district consists of bills of exchange used to finance the intra-state movement of cotton. The current rate on this class of paper at the present time is 8 per cent, which is the rate quoted by banks at Dallas, El Paso, and Waco, no quotations being made at Houston, San Antonio, or Fort Worth.

Since our last report there has been no visible improvement in the demand for acceptances as a medium of investment, nor is such improvement looked for in this district until money conditions become easier.

Condition of Member Banks in Selected Cities.

A shrinkage of \$5,000,000.00 in deposits, while loans were decreasing only about one-half that amount, brought about a somewhat more unfavorable ratio between the deposits and loans of reserve city member

banks at close of April, which was 112 per cent, compared with a ratio of 110 per cent at the close of March.

The pressure which member banks in the larger cities have exerted for a reduction of their bills receivable during the past year is clearly reflected by a comparison of the amount of this item, on April 29, 1921, \$220,900,000.00, with the total carried on April 30th of last year, \$244,900,000.00, reflecting a net decrease of \$24,000,000.00 in the loans and investments of these banks.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	April 29, 1921	March 25, 1921	April 30, 1920
Number of reporting banks.....	52	52	44
U. S. Securities owned.....	\$37,086,000	\$41,269,000	\$59,707,000
Loans secured by U. S. War obligations.....	6,570,000	7,320,000	9,767,000
All other loans and investments.....	214,403,000	215,911,000	235,274,000
Net demand deposits.....	197,846,000	202,611,000	235,431,000
Reserve with Federal Reserve Bank.....	21,998,000	22,289,000	26,472,000
Bills payable with Federal Reserve Bank.....	22,485,000	25,571,000	50,739,000
Percentage of loans to deposits.....	112%	110%	104%

Bank Clearings. Another contraction in bank clearings was reported by all cities in the district, save two, for the month of April. Figures of the eleven reporting cities show an average decline of 12.7 per cent in volume of April clearing house transactions as compared with

those of the preceding month, and a loss of 32.9 per cent by comparison with April, 1920. For the first four months of the year these cities have suffered a net reduction of 27.6 per cent in bank clearings as compared with those of the first four months of 1920. Detailed statistics follow:

BANK CLEARINGS

	April, 1921	March, 1921	Inc. or Dec.	April, 1920	Inc. or Dec.	Since Jan. 1, 1921	Since Jan. 1, 1920	Inc. or Dec.
Austin	\$ 6,272,945	\$ 7,021,959	-10.7	\$ 8,176,746	-23.3	\$ 24,270,783	\$ 32,560,072	-25.5
Beaumont.....	4,347,745	5,228,413	-16.8	6,618,500	-34.3	20,614,855	27,433,729	-24.9
Dallas	103,295,148	117,553,362	-12.1	164,175,292	-37.1	450,940,055	701,653,304	-35.7
El Paso	22,654,434	25,833,074	-12.3	27,829,467	-18.6	95,577,009	116,963,787	-18.3
Fort Worth ..	47,562,626	57,389,244	-17.1	86,623,778	-45.1	215,484,797	350,375,887	-38.5
Galveston	25,090,120	29,539,824	-15.1	28,605,900	-12.3	127,881,927	125,901,532	+ 1.5
Houston	90,772,234	108,114,282	-16.0	121,207,107	-25.0	402,965,051	486,176,457	-17.1
San Antonio..	28,908,003	29,881,294	- 2.3	36,063,354	-19.8	119,666,355	140,576,301	-14.9
Shreveport ..	16,576,059	16,427,474	+ 0.9	24,075,074	-31.1	69,709,361	94,563,541	-26.3
Waco	8,753,746	10,667,591	-17.9	15,137,467	-42.2	42,866,624	62,433,436	-31.3
Wichita Falls	10,677,000	10,266,904	+ 4.0	25,615,403	-58.3	44,189,333	89,432,011	-50.6
Totals.....	\$ 364,910,060	\$ 417,923,421	-12.7	\$ 544,128,088	-32.9	\$ 1,614,166,150	\$ 2,228,070,057	-27.6

Discount Rates.

Effective May 16, 1921, the Federal Reserve Bank of Dallas reduced its discount rate on commercial, agricultural and live-stock paper from 7 per cent to 6½ per cent. At the same time the rate on paper secured by War Finance Corporation bonds was reduced to 7½ per cent.

In the following table will be found the "high," "low" and "customary" discount rates charged by commercial banks in the cities named below, for the thirty day period ending May 15th. Fractional declines in customers' paper rates at Fort Worth and San Antonio are the only changes of consequence since our previous report.

APRIL DISCOUNT RATES

Prime Commercial Paper:	Dallas			El Paso			Fort Worth			Houston			San Antonio			Waco		
	H	L	C	H	L	C	H	L	C	H	L	C	H	L	C	H	L	C
Customers' 30 to 90 days	8	7	7	10	7	8	8	7	8	8	6	7	8	6	7½	8	7¾	8
Customers' 4 to 6 months.....	8	7	7	10	8	8	8	7	7½	7½	6½	7	8	6	7½	8	7¾	8
Open market 30 to 90 days	8	8	8	8	8	8										8	8	8
Open market 4 to 6 months	8	8	8	8	8	8										8	8	8
Interbank loans ..	7	6	6¾	8	7	8	8	7	7	7	6	7	8	6	7	7	7	7
Collateral loans, demand	8	6	7½	10	5¾	8	8	7	8	8	6	7	8	6	7	8	8	8
Collateral loans, 3 months	8	6	7½	10	8	8	10	7	8½	8	6	7	8	6	7½	8	8	8
Collateral loans, 3 to 6 months	8	6	7½	10	8	8	10	8	9	8	6	7	8	6	7½	8	8	8
Cattle loans	8	8	8	10	8	9	10	8	8	8	7	7½	10	6	7½	8	8	8
Loans secured by warehouse receipts, Bs-L. etc.	8	7½	7¾	10	8	8	8	7	8	8	7	7	8	6	7½	8	8	8
Loans secured by Gov. Securities	8	6½	8	10	6	8	10	7	8	8	6	7	8	6	7½	8	6	8

COMMERCIAL FAILURES

	Number 1921	Liabilities 1921	Number 1920	Liabilities 1920
January.....	155	\$ 3,359,871	33	\$ 284,096
February.....	137	2,117,068	31	1,830,522
March.....	98	2,702,583	19	203,445
April.....	98	2,905,847	16	100,582
Total.....	488	11,085,369	99	2,418,645

BUILDING

Building enterprises numbering 2,588 and valued at \$5,633,649.00 were launched during the month of April according to building permit statistics of the nine largest cities. This reflects an increase of 257 in number and \$443,458.00 in valuation, as compared with the month of March, and is the best month's

record in building activities made by these cities during the past six months. Although the total outlay represented by the April permits fell below that of April, 1920, by 12 per cent, a comparison of this decline with the much heavier decline in the prices of building material would indicate that the physical magnitude of construction work is greater than it was a year ago.

BUILDING PERMITS

	April, 1921, No.	April, 1921, Valuation	April, 1920, No.	April, 1920, Valuation	Inc. or Dec.
Austin	22	\$ 30,560	11	\$ 27,990	+ 9.2
Beaumont	128	70,543	149	227,192	- 68.9
Dallas	448	1,603,845	266	1,081,252	+ 48.3
El Paso.....	183	548,685	152	436,139	+ 25.8
Fort Worth.....	190	600,919	260	1,757,643	- 65.8
Galveston	429	101,402	312	83,550	+ 21.4
Houston	584	1,174,695	383	2,209,036	- 46.8
Shreveport	291	341,645	187	345,830	- 1.2
San Antonio.....	313	1,161,355	188	283,885	+309.1
Total.....	2,588	\$ 5,633,649	1,908	\$ 6,452,517	- 12.7