

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

	April 1931	Change From March
Bank debits to individual accounts (at 17 cities).....	\$654,464,000	— .8%
Department store sales.....		+ 6.1%
Reserve bank loans to member banks at end of month.....	\$ 7,859,640	+ 13.0%
Reserve bank ratio at end of month.....	59.8%	— 1.6 points
Building permit valuation at larger centers....	\$ 4,412,719	+ 34.4%
Commercial failures (number).....	85	+ 11.8%
Commercial failures (liabilities).....	\$ 1,650,741	+ 13.4%
Oil production (barrels).....	28,789,200	+ 14.0%

A further slight improvement in the distribution of merchandise in the Eleventh Federal Reserve District was discernible during the past month. Sales of department stores in larger centers were 6 per cent larger than in the previous month and while sales were 12 per cent less than a year ago in April as compared to 11 per cent in March, the difference is more than accounted for by the fact that Easter came two weeks earlier this year than in 1930. Wholesale distribution reflected an expansion in April as compared to March, contrary to the usual seasonal trend, and comparisons with a year ago were more favorable in a majority of reporting lines than in the earlier months of the year. It should be borne in mind, however, that merchants are following the policy of buying for immediate needs and purchases at the beginning of the season were not as heavy as usual; consequently, the improvement in consumer demand has necessitated frequent reorders from wholesale concerns. While collections are still slow, they were in larger volume during April than in the previous month.

The physical condition of the agricultural industry continued generally favorable, yet some untoward developments occurred during the past thirty days. According to the Department of Agriculture small grains are in good condition

and promise heavy yields. There has been sufficient rainfall to maintain good surface and subsoil seasons in all sections of the district and farmers generally have made fair to good progress with planting operations and the cultivation of the crops. The weather, however, has been too cool for the proper germination of seed and the growth of row crops has been retarded. The record emergence of insects, together with weather favorable to their propagation and growth, presents a potential danger to this year's cotton crop. A betterment in the condition of livestock and their ranges occurred in practically all sections of the district and good summer grazing is practically assured. Grass-fat sheep are moving to the market in record volume and heavy movements of fat cattle are under way. The market prices of livestock, however, have worked to lower levels.

The daily average of combined net demand and time deposits of member banks in this district amounted to \$801,150,000 in April, which represents a decline of \$1,085,000 as compared to March and \$66,153,000 as compared to April, 1930. While the decline this spring has not been as marked as a year ago, it has been due to the fact that deposits of reserve city banks have increased and have tended to offset the withdrawals from country banks. Federal Reserve Bank loans to member banks increased \$1,024,000 between April 15 and May 15 and on the latter date were slightly larger than a year ago. The demand for funds at reserve city banks continued slack and the loans of these banks reflected a further sharp decline during the month. The Federal Reserve Bank of Dallas reduced its rediscount rate from 3½ to 3 per cent, effective May 8.

The valuation of building permits issued at principal cities reflected an increase of 34 per cent over the low March volume, yet it was 43 per cent below April, 1930. The production and shipments of cement from Texas mills again reflected a large increase over the previous month but were considerably smaller than a year ago.

BUSINESS

Wholesale Trade

The month of April witnessed some improvement in the distribution of merchandise in wholesale channels in this district,

which was significant by reason of the fact that a seasonal slowing down usually occurs at this season. While sales in all lines continued to be considerably smaller than a year ago, they reflected a general increase as compared to March.

Business in the wholesale hardware and farm implement lines was noticeably improved, partly because of the present good prospects for agricultural production. While distribution in all lines appears to be gradually improving, merchants still show a disposition to defer forward orders and to buy only as consumer demand arises. Wholesalers and retailers alike are continuing to operate on a cautious basis

and to proceed slowly, because of price readjustments and the uncertainty of the future. Inventories in all lines showed a tendency toward reduction, and they were smaller than at the close of April last year. Although collections were reported to be slow in many sections, there was a general improvement over the previous month.

Contrary to the usual trend at this season, distribution of dry goods through wholesale channels reflected an increase of 2.7 per cent as compared to March. There was, however, a decrease of 27.4 per cent from the volume of April, 1930, and aggregate sales for the first four months of the current year were 32.0 per cent below the level of a year ago. Retailers continue to follow a hand-to-mouth buying policy and are purchasing in small lots, but the better consumer demand has necessitated frequent reorders. Prices of cotton goods have reacted in sympathy with the downward trend of raw cotton. April collections showed a further increase of 4.9 per cent as compared to the previous month.

A sizable gain in the business of wholesale farm implement firms was in evidence during April, being attributable in part to the good physical outlook for crops. Contrary to the usual seasonal trend, sales during the month showed an increase of 42.5 per cent as compared to March, but they were still 40.2 per cent below the level of April a year ago, and for the first four months of the current year they reflected a decline of 55.5 per cent from the corresponding period in 1930. For the first time since October last year, the volume of collections reflected an increase over the preceding month.

There was a further perceptible pick-up during April in the demand for hardware at wholesale in the Eleventh District. While the improvement was general, it was most apparent in those parts of the State which are deriving benefits from the growth of the East Texas oil fields. Aggregate sales during the month, although 18.1 per cent less than in April, 1930, were 15.9 per cent greater than in March. During the months from January to April, inclusive, sales were on the average 26.0 per cent smaller in volume than in the same period last year. Collections reflected a substantial improvement over the preceding month.

The demand for drugs at wholesale was well sustained during April, being on practically the same basis as it was in the previous month. Total sales, however, reflected a decrease of 10.3 per cent as compared to April last year. The volume of business transacted from January 1 through April

30 was 11.0 per cent smaller this year than it was in the same period in 1930. The month of April witnessed a small improvement in collections.

Sales of reporting wholesale grocery firms during April, while 3.4 per cent larger than in the previous month, were on a 15.2 per cent smaller scale than in the same month last year. A majority of the reporting firms showed a larger volume of sales in April than in March, but most of the firms reflected a substantial decline from April, 1930. Although there were no substantial price changes, a further downward trend was in evidence. Collections turned upward during the month and were slightly larger than in March.

CONDITION OF WHOLESALE TRADE DURING APRIL, 1931
Percentage of increase or decrease in—

	Net Sales April, 1931 compared with April 1930		Net Sales Jan. 1 to date compared with same period last year		Stocks April, 1931 compared with April 1930		Ratio of collec- tions during April to accounts and notes outstanding on March 31
	1931	Mar.	1930	Mar.	1931	Mar.	
Groceries.....	-15.2	+ 3.4	-17.9	-13.9	-2.2	69.1	
Dry goods.....	-27.4	+ 2.7	-32.0	-35.6	-4.5	22.2	
Farm implements..	-40.2	+42.5	-55.5	- 5.2	-4.7	3.8	
Hardware.....	-18.1	+15.9	-26.0	- 1.3	-1.5	34.8	
Drugs.....	-10.3	+ .1	-11.0	-16.3	-1.4	38.1	

Retail Trade

The business of department stores in larger cities of the Eleventh District witnessed some improvement during the past month. Sales held up very well after Easter and showed an increase of 6.1 per cent over March. While sales reflected a decline of 12.0 per cent from April, 1930, the decline was only slightly larger than in the previous month, and may be considered favorable when it is recalled that in 1930 most of Easter shopping was done in April, whereas a large part of it occurred in March this year. Sales during the first four months of 1931 averaged 10.8 per cent less than during the like period of 1930.

Stocks of merchandise held at the close of April reflected a decline of about 1 per cent as compared with the previous month, and were 15.0 per cent less than a year ago. The rate of stock turnover during the four months of the current year was .97 as against .93 in the same period of 1930.

Collections during the month were the most favorable since November, 1930. The ratio of charge accounts collected during April was 34.4 per cent as compared to 33.1 per cent in March, and 35.2 per cent in April, 1930.

BUSINESS OF DEPARTMENT STORES

Total Sales (Percentage):	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
April, 1931, compared with April, 1930.....	- 9.9	- 3.4	-13.9	-13.1	-21.1	-12.0
April, 1931, compared with March, 1931.....	+ 9.9	+ 7.9	+11.2	- .7	- 3.2	+ 6.1
January 1 to date, compared with same period last year.....	-12.1	- 3.6	-11.6	- 3.9	-14.8	-10.8
Credit Sales (Percentage):						
April, 1931, compared with April, 1930.....	-13.3	- 5.1	-13.4	-15.3	-23.6	-14.1
April, 1931, compared with March, 1931.....	+ 8.9	+ 7.1	+ 2.6	+ .1	- 2.8	+ 4.4
January 1 to date, compared with same period last year.....	-14.1	- 5.7	-14.5	- 4.5	-16.2	-12.1
Stocks (Percentage):						
April, 1931, compared with April, 1930.....	-17.9	+ .3	-15.9	- 9.0	-24.8	-15.0
April, 1931, compared with March, 1931.....	- 3.4	- .4	+ 1.1	+ 8.6	- 3.4	- .7
Stock Turnover (Rate):						
Rate of stock turnover in April, 1930.....	.25	.20	.26	.34	.21	.25
Rate of stock turnover in April, 1931.....	.27	.20	.27	.35	.22	.26
Rate of stock turnover January 1 to April 30, 1930.....	.96	.77	.96	1.22	.82	.93
Rate of stock turnover January 1 to April 30, 1931.....	1.02	.74	1.03	1.33	.88	.97
Ratio of April collections to accounts receivable outstanding April 1, 1931.....	33.4	31.8	37.6	35.4	35.6	34.4

Commercial Failures

The business mortality rate in this district turned upward in April and, for the first time since January, was higher than in the previous month. Likewise, there was an increase in the indebtedness of defaulting firms. According to the report compiled by R. G. Dun & Company, there were 85 in-

solencies during April with aggregate liabilities amounting to \$1,650,741, as compared to 76 defaults in March with a combined indebtedness of \$1,455,519, and 58 failures in April last year, owing \$1,551,409. The average liability of insolvent firms rose to \$19,420, which is the highest level reached this year.

AGRICULTURE

Crop Conditions

Developments in the agricultural situation have not been altogether favorable during the past six weeks. While the open weather during the first three weeks in April enabled farmers to make rapid progress with farming operations, the rank growth of weeds and grass which sapped the soil moisture and the drying winds left the top soil in some areas with a deficiency of moisture. This situation was corrected, however, during the following two weeks by heavy general rains throughout the district. Throughout most of the period, the weather has been too cool for the proper germination of seed and growth of crops. At the middle of May, soil conditions and moisture supply were excellent in practically all sections; yet row crops generally were making only poor to fair progress due to the continued cool weather and the wet soil in many areas. The dry sunny weather prevailing during the second week in May enabled farmers to make rapid progress with planting operations and to rid the fields of grass and weeds.

Winter grain prospects are still very promising. The Texas wheat crop was reported by the Department of Agriculture to be at 88 per cent of normal condition on May 1 as compared to 68 per cent a year ago. The abandonment of acreage to May 1 this year was only 5.5 per cent as compared to 16 per cent last year. On the basis of the May 1 condition, production was estimated at 41,706,000 bushels as compared to a production of 28,270,000 bushels in 1930. The condition of this crop in New Mexico advanced 5 points during the month and at 98 per cent of normal on May 1 was 19 points above a year earlier. Indicated production was placed at 6,475,000 bushels as compared to a production last year of only 1,361,000 bushels. The wheat crop is likewise in good condition in both Oklahoma and Arizona. The Texas oat crop, although damaged somewhat by cool weather, promises a good yield. The May 1 condition was placed at 85 per cent of normal as compared to 57 per cent a year ago and to 70 per cent for the six-year average. The condition of the crop in Oklahoma and Louisiana was 83 and 80 per cent, respectively, as compared to 60 per cent on May 1, 1930. The rye crop in all states attached to this district is in good condition and prospective yields are considerably larger than a year ago.

While the weather has been too cool for the proper growth of the corn crop and considerable replanting was necessary, it is making fair to good progress and should develop rapidly with the advent of warm weather. The tame hay crop is in much better condition than a year ago and present prospects indicate excellent yields. Alfalfa in Southern New Mexico is ready for the first cutting.

The progress of the cotton crop has been generally slow throughout most of the district. The wet soil in many areas has delayed planting and the cool weather has prevented the proper germination of seed and growth of plants, with the result that considerable replanting has been necessary in certain areas. In South Texas planting is practically completed and much of the crop is chopped to a stand with fields fairly clean. In most other sections, planting is behind schedule with very little cotton in the ground in Northwest Texas. With a large percentage of the crop later than usual, the record emergence of insects presents a serious potential danger. Reports indicate that insects are present in large numbers in many fields and that lice and cutworms are doing considerable damage. With a period of warm, dry weather,

however, the crop should be able to overcome much of the handicap of a late start.

The May 1 condition of the Texas Irish potato crop was only 69 per cent of normal as compared to 73 per cent a year ago. The weather has been too cool for proper germination and growth and there have been some complaints of the seed rotting in the ground. In Louisiana, the crop is making favorable progress with the May 1 condition at 85 per cent of normal as compared to 80 per cent last year. A low yield of peaches in Texas is again in prospect this year. While the May 1 condition was 40 per cent of normal as compared to 34 per cent last year, it was 21 points below the six-year average. The spring freezes killed most of the crop in West and Northwest Texas and only a small crop is expected in the North-Central area. All other sections, except the extreme South, have suffered some damage, ranging from slight in the South to heavy in the Northeast. A fair to good crop is expected in Louisiana.

Livestock

Further improvement in the condition of livestock and ranges in the Eleventh Federal Reserve District occurred during the month of April. Reports indicate that conditions are uniformly good in practically all areas. Since the general rains late in April, moisture is ample in all sections, stock water is plentiful, and weeds and grass have grown rapidly. The Department of Agriculture reports that on the whole the outlook for summer grazing is ideal. The condition of Texas ranges on May 1 was reported by the Department of Agriculture as 91 per cent of normal, which was 3 points above that a month ago and 14 points higher than the May 1 condition last year. The condition of cattle gained 4 points during the month and was 11 points above that obtaining a year ago. Cattle in all parts of the State have put on flesh rapidly and most of them are fat and in marketable condition. Due to the low prices and good range conditions, movements generally have been slow. While the calf crop is not expected to equal that of a year ago, the quality is much better and losses have been small. The condition of sheep and goat ranges in Texas on May 1 was 91 per cent of normal, which was 1 point higher than a month earlier and 22 points above the low condition obtaining on May 1, 1930. Weeds and brush have supplied an abundance of feed, and sheep and goats are now fat and are moving to market in very heavy volume. The condition of sheep and goats gained 3 points during the month and was 17 and 13 points, respectively, higher than a year ago. A much larger lamb crop than a year ago is in prospect. Goat shearing is about over and sheep shearing is well advanced. Range conditions in New Mexico improved 3 points during the month but the cool weather caused some shrinkage in cattle and a few losses in calves. Sheep are in fair to good condition and prospects point toward a good lamb crop. In Arizona there has been an improvement in both livestock and their ranges. Range feed is ample and cattle and sheep are making good gains.

Movements and Prices

The exceptionally heavy movement of sheep to the Fort Worth market was an outstanding feature during April and the first two weeks of May. April receipts of sheep totaled 257,066 head as compared to only 41,159 head in April, 1930, and May receipts have been proportionately greater than in the previous month. Cattle receipts showed a substantial increase over both the previous month and the corresponding month last year. The arrivals of calves were practically the

same as in March, but considerably smaller than a year ago. The number of hogs yarded in April was materially smaller than in either comparative period.

The market on all classes of cattle continued downward and at the middle of May prices were noticeably lower than six weeks earlier. The hog market has been very uneven with

the trend of prices slightly downward. While sheep and lamb prices have worked to lower levels, the market has held up surprisingly well in the face of the exceedingly heavy receipts.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	April 1931	April 1930	Change over Year	March 1931	Change over Month
Cattle.....	58,405	54,034	+ 4,371	45,958	+ 12,447
Calves.....	11,342	16,948	- 5,606	11,094	+ 248
Hogs.....	22,531	37,559	- 15,028	25,715	- 3,184
Sheep.....	257,066	41,159	+215,907	110,919	+146,147

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred-weight)

	April 1931	April 1930	March 1931
Beef steers.....	\$ 8.25	\$12.50	\$ 8.50
Stocker steers.....	5.75	12.00	7.50
Butcher cows.....	5.75	8.50	5.50
Stocker cows.....	5.25	6.35	5.25
Calves.....	10.00	11.50	10.00
Hogs.....	8.00	9.90	8.10
Sheep.....	5.50	6.15	5.75
Lambs.....	8.75	12.00	10.00

FINANCE

Operations of the Federal Re- serve Bank

Federal Reserve Bank loans to member banks which stood at \$7,321,000 on April 15 showed a gradual expansion during the next thirty days and at the end of the period amounted to \$8,345,000, a gain of \$1,024,000. While the increase was about equally divided between reserve city banks and country banks, the bulk of Federal Reserve Bank funds has been absorbed by the country banks. Loans on May 15 were \$579,000 greater than on that date in 1930. There were 172 banks borrowing at the Federal Reserve Bank at the middle of May as compared to 161 thirty days earlier. Bills bought in the open market showed only a slight change during the period but on May 15 were \$1,050,000 less than a year ago. Federal Reserve notes in actual circulation, contrary to the usual seasonal trend, reflected an increase of \$524,000 between April 15 and May 15, but on the latter date were \$3,612,000 less than a year ago. The daily average of reserve deposits of member banks amounted to \$56,977,000 during the thirty-day period ending May 15 as compared to \$57,131,000 during the previous period, and \$61,891,000 during the corresponding period last year.

CONDITION OF THE FEDERAL RESERVE BANK
(In thousands of dollars)

	May 15, 1931	April 15, 1931	May 15, 1930
Total cash reserves.....	\$ 47,480	\$ 52,336	\$ 60,999
Discounts for member banks.....	8,345	7,321	7,766
Other bills discounted.....	6	5	4
Bills bought in open market.....	5,606	5,510	6,656
United States securities owned.....	29,224	29,229	25,637
Other investments.....	7	7	7
Total earning assets.....	43,188	42,072	40,070
Member bank reserve deposits.....	54,249	57,409	63,103
Federal reserve notes in actual circulation....	27,650	27,126	31,262

Condition of Member Banks in Selected Cities

The loans of member banks in selected cities, which have declined steadily since the peak was reached last October, reflected a further sharp drop during the five-week period ending May 13 and on that date were \$47,149,000 less than on the corresponding date in 1930. Loans on securities were reduced \$2,720,000 between April 8 and May 13, and on the latter date were \$27,499,000 below those on May 14, 1930. "All other loans" (largely commercial) declined \$6,831,000 during the five-week period and were \$19,650,000 less than a year ago. While investments in United States securities declined \$1,533,000, this reduction was more than offset by an increase in investments in other stocks and bonds. On May 13 the investments of these banks were \$29,749,000 greater than a year ago. The net demand deposits of these banks have

shown a gradual expansion since the beginning of the year and on May 13 amounted to \$280,943,000, as compared to \$269,144,000 on December 31, 1930, and \$288,920,000 on May 14 last year. Time deposits reflected a decline of \$2,784,000 between April 8 and May 13, and on the latter date were \$2,107,000 less than a year ago. The borrowings of these banks from the Federal Reserve Bank amounted to \$860,000 on May 13, as compared to \$582,000 five weeks earlier and \$629,000 on May 14, 1930.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES
(In thousands of dollars)

	May 13, 1931	April 8, 1930	May 14, 1930
United States securities owned.....	\$ 84,052	\$ 85,585	\$ 65,653
All other stocks, bonds, and securities owned.....	54,940	53,272	43,590
Loans on securities.....	88,943	91,663	116,442
All other loans.....	211,454	218,285	231,104
Total loans.....	300,397	309,948	347,546
Net demand deposits.....	280,943	277,212	288,920
Time deposits.....	147,772	150,556	149,879
Reserve with Federal Reserve Bank.....	33,468	33,551	33,287
Bills payable and rediscounts with Federal Reserve Bank.....	860	582	629

Deposits of Member Banks

Combined net demand and time deposits of member banks in the Eleventh Federal Reserve District reflected a small seasonal decline in April and remained considerably below the volume of a year ago. The combined average during the month amounted to \$801,150,000, which compares with \$802,235,000 in March, and \$867,303,000 in April, 1930. Time deposits decreased in the case of both reserve city and country banks. While the net demand deposits of country banks declined from \$304,345,000 in March to \$297,802,000 in April, an offsetting increase of \$6,084,000 in the net demand deposits of reserve city banks brought this figure to \$269,207,000, which is the highest level recorded since May, 1930.

DAILY AVERAGE DEPOSITS OF MEMBER BANKS
(In thousands of dollars)

	Combined Total		Reserve City Banks		Country Banks	
	Net demand deposits	Time deposits	Net demand deposits	Time deposits	Net demand deposits	Time deposits
April, 1930.....	\$630,029	\$237,274	\$271,647	\$138,980	\$358,382	\$88,294
May, 1930.....	623,282	241,429	269,958	142,181	353,324	99,248
June, 1930.....	603,020	244,026	260,854	143,753	342,166	100,273
July, 1930.....	591,565	240,952	261,127	142,482	330,438	98,470
Aug., 1930.....	579,092	241,269	256,176	141,675	322,916	99,594
Sept., 1930.....	592,530	237,595	262,310	139,940	330,220	97,655
Oct., 1930.....	593,126	237,045	265,782	141,153	327,344	96,792
Nov., 1930.....	588,534	239,453	266,796	142,250	321,738	97,203
Dec., 1930.....	574,904	235,119	262,124	139,900	312,780	95,219
Jan., 1931.....	565,388	232,986	258,313	141,257	307,075	92,569
Feb., 1931.....	576,803	236,250	264,844	143,681	311,959	91,687
Mar., 1931.....	567,468	234,767	263,123	143,080	304,345	91,687
April, 1931.....	567,009	234,141	269,207	142,589	297,802	91,552

Debits to Individual Accounts

Charges to depositors' accounts at banks located in principal cities in this district aggregated \$654,464,000 during April, as compared to \$660,045,000 in March, and \$844,809,000 in April last year. The decrease from the previous month amounted to only 0.8 per cent, being smaller

than the usual seasonal decline which occurs in April. As compared to the corresponding month in 1930, there was a reduction of 22.5 per cent.

Acceptance Market

The volume of acceptances executed by member banks in the Eleventh Federal Reserve District, which amounted to

\$2,461,205 on April 30, reflected a further seasonal decline from the previous month. Acceptances outstanding on March 31 totaled \$3,056,401, and on the last day of April, 1930, the volume was \$3,811,264. Acceptances based on import and export transactions decreased from \$1,774,342 on March 31 to \$1,375,329 on April 30; those executed against the domestic shipment and storage of goods were reduced from \$1,282,059 on the former date to \$1,085,876 on the latter date.

Savings Deposits

Savings deposits, as reported by 85 banks in this district, totaled \$149,884,448 on the last day of April, reflecting a decrease

of 0.9 per cent from a month earlier and a decline of 0.8 per cent from the volume of April 30 last year. This is the first time since March 31, 1930, that savings deposits at the close of any month have failed to show an increase as compared to the same date a year earlier. The number of savings depositors on the books of 78 of these banks rose from 326,618 on the last day of March to 327,835 at the close of April, and on the latter date was larger than a year ago.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	April 1931	April 1930	Percentage change over Year	March 1931	Percentage change over Month
Abilene.....	\$ 6,290	\$ 7,687	-18.2	\$ 5,769	+ 9.0
Austin.....	18,968	24,833	-23.6	20,923	- 9.3
Beaumont.....	21,052	26,131	-19.4	20,368	+ 3.4
Corpus Christi.....	3,647	5,755	-36.6	4,660	-21.7
Dallas.....	162,804	237,646	-31.7	166,796	- 2.7
El Paso.....	26,974	38,466	-29.9	28,040	- 3.8
Fort Worth.....	72,327	95,120	-24.0	72,541	- 3
Galveston.....	20,675	26,167	-21.0	24,298	-14.9
Houston.....	160,788	183,295	-12.3	155,945	+ 3.1
Port Arthur.....	7,616	10,971	-30.6	7,514	+ 1.4
Roswell.....	2,766	4,035	-31.4	2,752	+ .5
San Antonio.....	70,103	80,992	-13.4	69,672	+ .6
Shreveport.....	31,570	39,795	-20.7	33,828	- 6.7
Texarkana*.....	10,145	14,236	-28.7	9,264	+ 9.5
Tucson.....	9,983	11,276	-11.5	9,623	+ 3.7
Waco.....	11,623	14,940	-22.2	12,138	-4.3
Wichita Falls.....	17,633	23,464	-24.9	15,914	+10.8
Total.....	\$ 654,464	\$ 844,809	-22.5	\$ 660,045	- .8

*Includes the figures of two banks in Texarkana, Arkansas, located in the Eighth District.

SAVINGS DEPOSITS

	April 30, 1931			April 30, 1930			March 31, 1931		
	Number of Reporting Banks	Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Year in Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Month in Savings Deposits
Beaumont.....	4*	5,560	\$ 2,592,529	5,732	\$ 2,641,477	- 1.9	5,519	\$ 2,592,905	0.0
Dallas.....	4	63,688	24,614,198	68,918	26,151,152	- 5.9	63,783	25,231,223	- 2.4
El Paso.....	2	15,726	5,330,641	16,352	6,136,276	-13.1	15,992	5,363,959	- .6
Fort Worth.....	2	21,200	7,855,535	18,560	7,366,161	+ 6.6	21,187	7,770,026	+ 1.1
Galveston.....	3	13,750	8,072,734	13,853	8,160,429	- 1.1	13,718	8,188,954	- 1.4
Houston.....	11	88,965	35,385,886	85,200	34,961,761	+ 1.2	88,704	36,016,536	- 1.8
Port Arthur.....	2	4,898	1,833,068	4,756	1,786,426	+ 2.6	4,855	1,830,085	+ .2
San Antonio.....	7	40,826	24,610,694	37,248	22,230,306	+10.7	40,322	24,468,977	+ .6
Shreveport.....	4*	21,168	13,081,617	22,519	12,106,725	+ 8.1	20,826	13,085,149	0.0
Waco.....	4	10,458	6,250,585	10,455	6,864,673	- 8.9	10,508	6,265,512	- .2
Wichita Falls.....	2	3,768	1,490,383	3,786	1,727,387	-13.7	3,684	1,593,058	- 6.4
All others.....	40*	37,828	18,766,578	39,677	20,904,241	-10.2	37,520	18,769,631	0.0
Total.....	85	327,835	\$149,884,448	327,056	\$151,037,014	- .8	326,618	\$151,176,015	- .9

*Only three banks in Beaumont, three in Shreveport, and thirty-five in "All others" reported the number of savings depositors.

MAY 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.....	4-6	8	4-6	5-6	5-6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	6	5-6	4½-5	5-6	5½-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	5-6	8	6-8	5-6	6-8	6-8
Time.....	5-8	6-8	6-8	5-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	5-6	8	6-7	5-6	6-8	6-8
Rate on cattle loans.....	5-7	8	6-8	7-8	6-8	7-8

INDUSTRY

A recession in activity at reporting textile mills in the Eleventh District was reflected by declines in the consumption of cotton,

production of cloth, and a falling off in new orders. There were only 1,867 bales of raw cotton consumed by these mills during April as compared with 2,026 bales in March and 2,278 bales in April, 1930. The production of cloth declined about 1 per cent from the preceding month and was 18.9 per cent below the output in the same month a year ago. New orders received during the month amounted to 1,093,081 pounds of cloth, which represents a decline of 2.7 per cent

compared with the previous month, and was 2.6 per cent less than in the corresponding month of 1930. Stocks of finished products on hand at the close of April were greater than those held at the close of both preceding comparative months.

The United States consumption of cotton totaled 508,744 bales during April, which reflects an increase of 3.7 per cent from the 490,586 bales consumed in March and a decrease of only 4.4 per cent from the April, 1930, volume of 531,911 bales. While the latter comparison is not quite as

Textile Milling

ton, production of cloth, and a falling off in new orders. There were only 1,867 bales of raw cotton consumed by these mills during April as compared with 2,026 bales in March and 2,278 bales in April, 1930. The production of cloth declined about 1 per cent from the preceding month and was 18.9 per cent below the output in the same month a year ago. New orders received during the month amounted to 1,093,081 pounds of cloth, which represents a decline of 2.7 per cent

favorable as in the previous month, it is encouraging from the standpoint that consumption during these two months shows a decided let-up in the long period of declining cotton consumption. During the first nine months of the present season, consumption was 19.6 per cent less than in the corresponding period of the 1929-30 season.

TEXTILE MILLING STATISTICS—TEXAS

	April 1931	April 1930	March 1931
Number bales consumed.....	1,867	2,278	2,026
Number spindles active.....	80,024	81,944	78,960
Number pounds cloth produced.....	817,779	1,008,127	824,393

COTTON CONSUMED AND ON HAND (Bales)

	April 1931	April 1930	August 1 to April 30 This Season	Last Season
Cotton growing states:				
Cotton consumed.....	390,418	512,232	3,081,529	3,755,252
On hand April 30 in—				
Consuming establishments.....			1,001,380	1,223,136
Public storage and com- presses.....			5,632,775	3,381,769
United States:				
Cotton consumed.....	508,744	531,911	3,899,272	4,848,298
On hand April 30 in—				
Consuming establishments.....			1,370,044	1,662,215
Public storage and com- presses.....			6,034,295	3,637,046

Cottonseed Products

The operations of cottonseed oil mills in Texas and the United States reflected a noticeable seasonal decline in April, and at the latter mills continued on a smaller scale than a year ago. The receipts and crushings of seed during the period from August 1 to April 30 of the current season were slightly less than in the corresponding period of the preceding season, and production of products, with the exception of hulls at Texas mills, likewise reflected declines. Stocks of oil on hand at the close of April showed a further decline from those a month earlier. Supplies of other products were smaller than those held at the close of the previous month but greater than a year ago.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to April 30		August 1 to April 30	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,230,195	1,247,683	4,612,740	4,886,583
Cottonseed crushed (tons).....	1,220,041	1,255,882	4,562,859	4,728,681
Cottonseed on hand (tons).....	26,857	11,743	95,297	197,393
Crude oil produced (pounds).....	359,341,184	371,698,836	1,392,117,980	1,477,104,897
Cake and meal produced (tons).....	580,400	590,531	2,087,157	2,102,489
Hulls produced (tons).....	345,131	335,472	1,261,958	1,304,119
Linters produced (running bales).....	189,575	264,889	795,575	975,959
Stocks on hand April 30:				
Crude oil (pounds).....	7,006,636	13,329,345	32,349,167	40,082,454
Cake and meal (tons).....	50,593	45,075	253,609	120,952
Hulls (tons).....	40,121	22,102	90,173	66,457
Linters (running bales).....	63,095	61,457	271,824	224,494

Cotton Movements

Exports of cotton through the port of Houston during the past month reflected a decline as compared with the unusually high March volume, but again showed a substantial increase of 34.5 per cent over the corresponding month of 1930. Exports from Galveston evidenced a noticeable recession as compared with both the preceding month and the same month last year. Receipts of cotton in April at both ports were smaller than in the previous month, but at Galveston they were larger than in April, 1930. Cotton on hand at the

close of the month was smaller than at the end of March, but continued to exceed that a year ago by a wide margin.

The aggregate of foreign exports of cotton from the United States again reflected a substantial increase over the corresponding month last year, but declined seasonally from the high March volume. There were 391,871 bales exported during April as compared to 605,461 bales in March, and 349,762 bales in April, 1930. Exports during the nine months of the current season ending April 30 amounted to 5,909,729 bales as against 6,120,526 bales in the same period of the previous season. Due to favorable activities in the textile industries of Japan and China, imports of American cotton have shown substantial increases this season compared with the previous season. Takings by France also showed a considerable increase.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	April 1931	April 1930	August 1 to April 30 This Season	Last Season
Receipts.....	58,056	42,905	1,511,804	1,861,229
Exports.....	57,530	83,924	1,137,522	1,680,045
Stocks, April 30.....			559,534	256,779

COTTON—GALVESTON STOCK STATEMENT (Bales)

	April 30, 1931	April 30, 1930
For Great Britain.....	2,500	6,300
For France.....	2,500	4,300
For other foreign ports.....	15,000	24,000
Coastwise ports.....	1,000	1,500
In compresses and depots.....	538,534	220,679
Total.....	559,534	256,779

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	April 1931	April 1930	August 1 to April 30 This Season	Last Season
Receipts.....	23,792	31,884	2,809,673	2,579,912
Exports.....	150,723	112,079	2,046,332	1,764,388
Stocks, April 30.....			1,030,895	716,397

SEASON'S RECEIPTS, EXPORTS, AND STOCKS OF COTTON AT ALL UNITED STATES PORTS—(Bales)

	August 1 to April 30 This Season	Last Season
Receipts.....	8,717,010	8,292,162
Exports:		
United Kingdom.....	970,838	1,179,208
France.....	882,044	768,544
Italy.....	408,763	602,382
Germany.....	1,455,769	1,546,251
Other Europe.....	607,308	703,061
Japan.....	1,023,859	941,352
All other countries.....	560,248	379,728
Total foreign ports.....	5,909,729	6,120,526
Stocks at all United States ports April 30.....	3,562,914	1,682,652

SPOT COTTON PRICES—(Middling Basis) (Cents per pound)

	April, 1931		May 15, 1931
	High	Low	
New York.....	10.55	9.75	9.50
New Orleans.....	10.33	9.52	9.20
Dallas.....	9.80	9.15	8.80
Houston.....	10.35	9.60	9.25
Galveston.....	10.50	9.65	9.40

Petroleum

Both the total and the daily average production of crude oil in the Eleventh Federal Reserve District during April were at the highest level on record, due to the immense expansion and unrestricted output of East Texas areas. The month's aggregate production amounted to 28,581,200 barrels, reflecting an increase of 3,328,850 barrels over the previous month and a gain of 2,172,700 barrels as compared to the same month last year. There were 475 wells completed during April, of which 308 were producers with a total initial output of 1,662,775 barrels. This compares with 347 completions during March, of which 156 were producers yielding a flush production of 506,148 barrels. In April, 1930, both the number of wells completed and the number of producers were larger than in the same month this year, but the initial yield of new wells was comparatively small.

The daily average output of fields in Texas rose from 734,434 barrels in March to 874,152 barrels in April, reflecting an increase of 154,547 barrels in daily production of the eastern section of the State. With the exception of the Gulf Coast, which contributed an increase of 7,299 barrels, all other regions showed reductions in daily average yield. Since May 1, the adoption of proration measures in East Texas and, to a lesser extent, the appearance of salt water in many wells, have had the effect of reducing appreciably the daily petroleum output of that section. Daily production in both New Mexico and North Louisiana reflected a further decline as compared to the previous month.

On April 21 the posted price of Texas Coastal oil, grade "A," was reduced \$.10 per barrel.

CRUDE OIL PRICES

	May 12, 1931	May 13, 1930
Texas Coastal grade "A".....	\$.70	\$1.15
North Texas and North Louisiana (40 gr. and above)....	.67	1.57*

*Price paid for oil 44 gr. and above.

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

OIL PRODUCTION—(Barrels)

	April, 1931		Increase or Decrease Over March, 1931	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,353,950	111,798	— 134,000	— 717
Central West Texas.....	7,458,350	248,012	— 652,000	— 13,012
East Central Texas.....	8,773,250	292,442	+4,498,500	+154,547
Texas Coastal.....	4,757,500	158,583	+ 67,700	+ 7,299
South Texas.....	1,881,500	62,717	— 323,100	— 8,399
Total Texas.....	26,224,550	874,152	+3,457,100	+139,718
New Mexico.....	1,185,250	39,508	— 50,750	— 363
North Louisiana.....	1,171,400	39,047	— 77,500	— 1,240
Total District.....	28,581,200	952,707	+3,328,850	+138,115

APRIL DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Fail- ures	Initial Production
North Texas.....	75	21	8	46	2,307
Central West Texas.....	54	25	7	22	16,564
East Central Texas.....	237	212	1	24	1,611,895
South Texas.....	42	14	3	25	5,052
Texas Coastal.....	41	29	..	12	20,870
Total Texas.....	449	301	19	129	1,656,688
New Mexico.....	2	1	1	5,190
North Louisiana.....	24	6	6	12	897
April totals, district.....	475	308	25	142	1,662,775
March totals, district.....	347	156	17	174	506,148

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

Building

Construction permits issued during April at leading centers in this district reflected a substantial improvement of 34.4 per cent as compared to the previous month, but they were 42.7 per cent below the level of April last year. The total valuation of building permits issued during the month was \$4,412,719, as against \$3,284,011 in March, and \$7,707,175 in the corresponding month a year ago. While Galveston showed the largest expansion in activity during April, the cities of Amarillo, Austin, and San Antonio also reported material increases over both the previous month and the same month last year. The volume of building permits issued during the first four months of 1931 was 40.5 per cent smaller than that of the corresponding period last year.

BUILDING PERMITS

	April, 1931		April, 1930		Percentage Change Valuation Over Year	March, 1931		Percentage Change Valuation Over Month	Four Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1931		1930		
									No.	Valuation	No.	Valuation	
Amarillo.....	51	\$ 377,575	82	\$ 286,212	+ 31.9	35	\$ 88,285	+327.7	199	\$ 1,356,644	248	\$ 891,726	+52.1
Austin.....	93	228,518	107	168,389	+ 35.7	83	132,264	+ 72.8	325	1,021,714	398	1,296,746	-21.2
Beaumont.....	132	121,412	154	144,314	- 15.9	124	142,532	- 14.8	490	400,872	568	969,846	-58.7
Corpus Christi..	40	19,637	66	55,275	- 64.5	70	78,055	- 74.8	185	149,740	245	628,146	-76.2
Dallas.....	408	540,273	396	1,034,935	- 47.8	326	546,255	- 1.1	1,342	2,180,047	1,323	2,955,422	-26.2
El Paso.....	88	183,906	119	524,965	- 65.0	89	148,292	+ 24.0	324	521,356	523	1,382,662	-62.3
Fort Worth.....	230	419,609	366	844,760	- 50.3	200	300,275	+ 39.7	823	1,446,494	964	3,265,355	-55.7
Galveston.....	139	379,981	123	85,849	+342.6	144	97,129	+291.2	510	592,888	495	437,797	+35.4
Houston.....	421	1,430,782	395	2,859,831	- 50.0	340	1,064,967	+ 34.3	1,330	4,850,258	1,391	6,562,623	-30.2
Port Arthur.....	52	12,434	127	901,558	- 98.6	68	361,694	- 96.6	250	483,146	430	1,300,485	-62.8
San Antonio.....	271	544,894	254	370,905	+ 46.9	232	185,943	+193.0	917	1,187,320	1,188	3,283,170	-63.8
Shreveport.....	153	83,816	195	123,579	- 32.2	152	74,852	+ 12.0	549	346,316	701	637,260	-45.7
Waco.....	26	63,007	54	189,473	- 66.7	33	43,967	+ 43.3	112	204,951	159	583,548	-64.9
Wichita Falls...	13	6,875	24	117,130	- 94.1	15	19,501	- 64.7	51	40,376	93	665,668	-93.9
Total.....	2,117	\$4,412,719	2,462	\$7,707,175	- 42.7	1,911	\$3,284,011	+ 34.4	7,407	\$14,782,122	8,726	\$ 24,860,454	-40.5

Cement

While there was a further appreciable expansion in the output of Texas portland cement mills during April, the volume was materially below that of the corresponding month last year. There were 585,000 barrels of cement produced during the month, as against 489,000 barrels in March and 757,000 barrels in April a year ago. Shipments, following the same trend, totaled 581,

000 barrels during the month, being 27.4 per cent larger than in the previous month but 25.0 per cent less than in April, 1930. Stocks increased only slightly and on April 30 were 5.8 per cent smaller than a year ago. Total production and shipments during the first four months of the current year were, respectively, 25.4 per cent and 23.9 per cent smaller than in the corresponding period of 1930.

PRODUCTION, SHIPMENTS, AND STOCKS OF PORTLAND CEMENT
(In thousands of barrels)

	April, 1931			January through April 30	
	Number	Percentage Change Over Month	Percentage Change Over Year	Number	Percentage Change Over Year
Production at Texas mills.....	585	+19.6	-22.7	1,682	-25.4
Shipments from Texas mills.....	581	+27.4	-25.0	1,705	-23.9
Stocks at end of month at Texas mills.....	777	+ .5	- 5.8

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of May 21, 1931)

Output of manufacturers and employment at factories showed little change from March to April, and output of mines, which ordinarily decreases at this season, also remained unchanged. Wholesale prices continued to decline, and money rates eased further.

PRODUCTION AND EMPLOYMENT

Industrial production, as measured by the Board's seasonally adjusted index which covers both manufactures and mines, increased from 88 per cent of the 1923-1925 average in March to 89 per cent in April, compared with 82 per cent, the low point reached last December. Steel mill activity declined by considerably more than the usual seasonal amount, while in the automobile industry there was a larger than seasonal increase in output, according to preliminary reports. Consumption of cotton by domestic mills continued to increase, contrary to the usual seasonal movement, while there was a decrease in unfilled orders for cotton cloth, which was only partly seasonal in nature; consumption of wool, which ordinarily declines in April, increased considerably; at silk mills activity declined. There were large increases in the output of petroleum and anthracite coal, while production of bituminous coal declined by about the usual seasonal amount. The number employed in factories at the middle of April was about the same as a month earlier. In car building shops and in establishments producing machinery, employment decreased considerably, while in the automobile and cement industries there were seasonal increases, and in the fertilizer industry a larger than seasonal increase. Employment at textile mills declined by less than the seasonal amount, reflecting chiefly a slight increase in employment at cotton mills, and a small decrease in the clothing industry; at mills producing woolen and silk goods declines in employment were larger than usual. Factory pay rolls declined somewhat in April. Value of building contracts awarded, which fluctuates widely from month to month, declined considerably in April, according to the F. W. Dodge Corporation, and decreases were reported in all the leading classes of construction. In the first four months of the year total awards decreased 26 per cent from the corresponding period of 1930, reflecting declines of 10 per cent for residential building, 17 per cent for public works and utilities, 25 per cent for educational building, 43 per cent for factories, and 57 per cent for commercial buildings.

DISTRIBUTION

Freight-car loadings showed about the usual seasonal increase in April. Department store sales increased 9 per cent from March, and the Board's index, which makes allowance for the usual seasonal variations including changes in the date of Easter, stood at 105 per cent of the 1923-1925 average, compared with 97 per cent in March.

WHOLESALE PRICES

The general level of wholesale prices declined 1.6 per cent further in April, according to the Bureau of Labor Statistics. In the first half of May, prices of many leading commodities were reduced further, and for the six-week period as a whole there were large declines in the prices of cotton, silk, and textiles; livestock and dairy products; cement, petroleum products, and nonferrous metals.

BANK CREDIT

Loans and investments of reporting member banks in leading cities declined by about \$150,000,000 between April 1 and the middle of May, reflecting substantial liquidation in loans on securities and in all other loans, largely commercial. This liquidation of loans was offset in part by further large additions to the banks' investments, which on May 13 were over \$1,000,000,000 larger than at the beginning of the year. Volume of reserve bank credit declined somewhat in the six-weeks ending on May 16. Contrary to the usual seasonal tendency, there was some further increase in currency demand for the period, reflecting chiefly banking disturbances in the Middle West. Gold imports continued in considerable volume and supplied the member banks with sufficient funds to meet the additional demand for currency, and also to reduce somewhat the amount of reserve bank credit outstanding. Money rates declined to new low levels during May. Rates on bankers' acceptances, which had declined from 1½ per cent in the middle of April to 1¼ per cent by the end of the month, were reduced to ⅞ per cent by the 19th of May. Rates on commercial paper declined from a range of 2¼-2½ to a range of 2-2¼ per cent. At the reserve banks buying rates on bankers' acceptances were reduced in April and the first half of May, and in May discount rates were also reduced, the rate at the Federal Reserve Bank of New York being lowered to 1½ per cent.