

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 1934	Change from February
Bank debits to individual accounts (at 17 cities).....	\$554,766,000	+ 8.0%
Department store sales.....	.....	+ 38.4%
Reserve bank loans to member banks at end of month.....	\$ 133,480	+110.8%
Reserve bank ratio at end of month.....	63.3%	+ 2.6 points
Building permit valuation at larger centers.....	\$ 988,507	+ 41.9%
Commercial failures (number).....	28	+ 7.7%
Commercial failures (liabilities).....	\$ 581,012	+ 58.3%
Oil production (barrels).....	31,775,000	+ 16.0%

closing of the banks for two weeks in March last year.

The prospects for agriculture and livestock were materially bettered as a result of general rains in March and the first half of April. Small grains have made rapid improvement. Farmers generally have made good progress with planting operations although this work has been retarded in some areas by wet soil. Vegetation on the ranges is greening and in some sections is furnishing considerable grazing. Livestock have come through the winter in fairly good condition and reports indicate that they are taking on flesh. While the added moisture in the western half of the district has relieved to some extent the effects of the prolonged drouth, there are many areas where there is a marked deficiency in soil moisture and more rain is urgently needed.

The daily average of combined net demand and time deposits of member banks was well sustained during March. The average for the month amounted to \$728,121,000, and while it was \$342,000 below that in February, it exceeded the average for March last year by \$125,798,000. The March figure was \$148,013,000 above the low level reached in August, 1933. Member bank borrowings at the Federal Reserve Bank increased somewhat during the past month, the total on April 15 being \$205,000 as compared with \$66,000 on March 15. The reserve deposits of member banks declined from \$126,427,000 at the middle of March to \$119,124,000 on April 15, but on the latter date they were \$68,097,000 greater than on the corresponding date last year. There was a further seasonal return flow of Federal reserve currency, the total in actual circulation amounting to \$42,925,000 on April 15, as compared with \$46,024,000 a month earlier, and \$41,628,000 on April 15, 1933.

Construction activity reflected a considerable improvement. The valuation of building permits issued at principal cities in March was 42 per cent larger than in February and 5 per cent above that in March last year.

BUSINESS

Wholesale Trade
A substantial demand for merchandise at wholesale continued to be in evidence during March, and comparisons with the previous month in all lines except one were as good as or better than seasonal. Only two reporting lines showed a less favorable comparison with a year ago than was shown in February, increases over March, 1933, ranging from 13.5 per cent in the case of groceries to 395.2 per cent in the case of farm implements. Although a stronger demand was visible in some parts of the district than in others, a general

undertone of confidence appeared to be maintained. Prices held steady in most lines during the greater part of the month. All lines with the exception of hardware reported further increases in stocks on hand. While material gains over the previous month were reflected in the collections of dry goods and hardware firms, those in other lines reported a somewhat smaller volume than in February.

There was a seasonal recession of 3.0 per cent in the sales reported by wholesale dry goods firms during March. The

month's volume was 87.2 per cent above that of the same month a year ago, and distribution during the first quarter was twice as large as in the same period last year. Stocks on hand March 31 reflected increases of 3.9 per cent and 80.5 per cent, respectively, as compared with a month earlier and a year ago. Collections during March totaled substantially more than those in the previous month.

Somewhat more than the usual seasonal upturn was registered in the distribution of drugs through wholesale channels during March, sales being 10.6 per cent larger than in the previous month and 36.9 per cent in excess of those in March, 1933. Business during the first quarter of the current year was on a scale 32.8 per cent higher than that of the same period last year. Wholesalers increased their inventories further during the month, and on March 31 reported them to be 10.1 per cent greater than a year ago. Collections continued in fairly good volume during the month.

An expansion of 11.2 per cent, due in most part to seasonal influences, was witnessed in the business of reporting wholesale hardware firms during March. Total sales showed a gain of 75.6 per cent over the same month last year, the improvement being fairly general over the district. Stocks on hand declined 2.8 per cent during the month, and were at about the same level on March 31 as a year ago. The volume of collections registered a gain of 6.8 per cent over the preceding month.

For the second consecutive month a material counter to seasonal increase was reflected in the sales of farm implements at wholesale during March. The business of reporting firms in this district was 20.1 per cent larger than in February, and a gain of 395.2 per cent was shown as compared with March, 1933. Sales during the first three months of 1934 were 312.0 per cent above those in the same period last year. Following the sizable increase in the previous month, the volume of collections during March declined appreciably.

Contrary to the usual upward tendency in March, the demand for groceries at wholesale last month decreased by 4.2 per cent as compared with February. The volume of distribution was only 13.5 per cent larger than in the corresponding month last year, whereas in the preceding month there was a similar increase of 40.7 per cent. Business was rather spotty, but in some sections of the district was re-

ported to be improving. There was a decline of 5.1 per cent in collections during March.

CONDITION OF WHOLESALE TRADE DURING MARCH, 1934
Percentage of increase or decrease in—

	Net Sales March, 1934 compared with Mar., 1933		Net Sales Jan. 1 to date compared with same period last year	Stocks March, 1934 compared with Mar., 1933		Ratio of collec- tions during Mar. and notes outstanding on February 28
	1933	1934		1933	1934	
Groceries.....	+13.5	-4.2	+25.8	+49.3	+2.7	73.2
Dry goods.....	+87.2	-3.0	+100.1	+80.5	+3.9	33.6
Farm implements..	+395.2	+20.1	+312.0	+5.1	+4.4	5.6
Hardware.....	+75.6	+11.2	+69.5	+9	-2.8	46.8
Drugs.....	+36.9	+10.6	+32.8	+10.1	+2.5	45.9

Retail Trade

Department stores in principal cities of the Eleventh District witnessed a large increase in business during the past month. Consumer demand for spring merchandise, stimulated by an early Easter, carried the dollar volume of sales to the highest level for that month since 1931. Sales were 38.4 per cent above those in February, and 58.4 per cent greater than in March, 1933. This bank's seasonally adjusted index of department store sales, which makes allowance for the variable date of Easter, also reflected the increased volume of business during March, advancing from 78.2 per cent of the 1923-25 average in February to 80.3 per cent in March, which compares with an index of only 54.3 per cent in March last year. Distribution of merchandise during the first quarter of the current year averaged 42.7 per cent greater than in the corresponding three months of 1933.

Merchants continued to increase their inventories during March. Stocks on hand March 31 were 8.2 per cent above those held thirty-one days earlier, and 21.4 per cent larger than on the same date last year. The rate of stock turnover during the initial quarter of 1934 was .76, as compared with .61 in the same period of 1933.

Collections on open accounts during March evidenced an unusually large seasonal increase, and they remained in much larger volume than a year ago. The ratio of March collections to open accounts outstanding on March 1 was 40.0 per cent, as against 37.1 per cent in February, and 29.8 per cent in March, 1933. Installment account collections increased from 15.0 per cent in February to 15.8 per cent in March.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
March, 1934, compared with March, 1933.....	+64.9	+43.7	+64.1	+62.3	+48.2	+58.4
March, 1934, compared with February, 1934.....	+21.8	+40.9	+49.5	+49.3	+53.9	+38.4
January 1 to date compared with same period last year.....	+51.1	+33.2	+47.0	+38.8	+32.4	+42.7
Credit sales (percentage):						
March, 1934, compared with March, 1933.....	+61.0	+38.0	+57.1	+62.8	+41.2	+54.0
March, 1934, compared with February, 1934.....	+15.9	+39.5	+44.9	+53.2	+53.5	+33.8
January 1 to date compared with same period last year.....	+50.9	+34.0	+47.6	+41.1	+28.1	+42.9
Stocks on hand at end of month (percentage):						
March, 1934, compared with March, 1933.....	+20.5	+8.2	+32.0	+27.3	+24.2	+21.4
March, 1934, compared with February, 1934.....	+7.5	+2.6	+12.6	+9.0	+10.8	+8.2
Stock turnover (rate):						
Rate of stock turnover in March, 1933.....	.22	.17	.24	.27	.20	.21
Rate of stock turnover in March, 1934.....	.31	.23	.30	.35	.25	.28
Rate of stock turnover January 1 to March 31, 1933.....	.64	.49	.66	.75	.56	.61
Rate of stock turnover January 1 to March 31, 1934.....	.86	.61	.75	.88	.63	.76
Ratio of March collections to open accounts receivable outstanding March 1, 1934.....	40.9	33.0	42.9	46.2	36.6	40.0
Ratio of Mar. collections to installment accounts receivable outstanding Mar. 1, 1934.....	16.9	11.3	.....	.....	21.1	15.8
Indexes of department store sales:						
Unadjusted—March, 1934.....	80.2	83.2	94.3	70.1	.....	80.3
Unadjusted—February, 1934.....	72.9	66.5	71.7	53.5	.....	65.7
Adjusted—March, 1934.....	77.9	83.2	95.3	69.4	.....	80.3
Adjusted—February, 1934.....	82.8	80.1	84.4	64.4	.....	78.2
Indexes of department store stocks:						
Unadjusted—March, 1934.....	52.8	67.6	46.3	42.5	.....	56.4
Unadjusted—February, 1934.....	49.3	65.9	43.7	39.1	.....	52.6
Adjusted—March, 1934.....	52.3	65.6	46.3	40.1	.....	54.8
Adjusted—February, 1934.....	51.4	68.6	47.0	38.7	.....	54.8

Commercial Failures

There was an increase in the number of commercial failures in this district during March, and the amount of indebtedness involved was also larger than in February. However, both of these figures continued to be materially smaller than in the corresponding month a year ago. According to the report

compiled by Dun & Bradstreet, Incorporated, there were 28 insolvencies in March, with total liabilities of \$581,012, as compared with 26 defaults in the previous month, owing \$366,937, and 58 failures in March, 1933, their indebtedness amounting to \$871,159.

AGRICULTURE

Crop Conditions

Moisture conditions over practically all the Eleventh District were improved by the frequent and widespread rains which occurred during the past six weeks. Nevertheless, in much of West and Northwest Texas and portions of Southern New Mexico there is still a deficiency in moisture due to the effects of the prolonged drouth. In the eastern half of the district, spring planting operations have been retarded by wet soil resulting from the frequent rains.

(No figures were collected by the Department on intentions to plant cotton.) The intended acreage for corn in Texas, Oklahoma, New Mexico, and Arizona, and for rice in Texas and Louisiana was reported to be lower than the area harvested last year. The report indicated that the area for practically all other crops would be larger than a year ago. In Texas the largest increases were indicated for oats, barley, tame hay, and grain sorghums.

Small grains have shown considerable improvement due to the favorable temperatures and better moisture conditions. The April 1 report of the Department of Agriculture placed the condition of the Texas wheat crop at 62 per cent of normal as compared with 50 per cent a year ago. The initial forecast indicated a yield of 23,018,000 bushels as compared with an actual production of 13,022,000 bushels last year. In the heavy producing sections of Northwest Texas the condition of the crop is spotted due to moisture deficiency, and frequent rains during the remaining portion of the growing season will be needed to sustain crop growth. The Texas oat crop generally is reported to be in good condition and the reports indicate that the acreage is larger than a year ago. The condition of the Oklahoma wheat crop was rated at 71 per cent on April 1 as against 49 per cent last year. Prospective production was indicated as 40,172,000 bushels as compared with a production of 33,095,000 bushels in 1933. The 49 per cent condition in New Mexico indicated a crop of 842,000 bushels, whereas 1,210,000 bushels were harvested last year.

PLANTING INTENTIONS OF TEXAS FARMERS AS OF MARCH 1, 1934
(Compiled by the U. S. Department of Agriculture)

	Area harvested in 1933 (acres)	Intended for harvest, 1934 (acres)	Per cent of 1933
Corn.....	5,422,000	5,151,000	95
Oats.....	1,189,000	1,617,000	136
Barley.....	172,000	206,000	120
Rice.....	141,000	127,000	90
Grain sorghums.....	4,228,000	4,566,000	108
Potatoes.....	57,000	58,000	102
Sweet potatoes.....	78,000	80,000	102
Peanuts.....	202,000	214,000	106
Cowpeas.....	106,000	106,000	100
Tame hay.....	515,000	566,000	110

The planting of corn is nearing completion in most sections of the district. Cotton planting has become general as far north as Central Texas and is starting in many other sections. Wet fields in many areas have delayed this work.

Livestock

A further improvement in range prospects following general rains late in March and the first half of April occurred in practically all sections of the range territory of this district. Stimulated by favorable temperatures and added moisture range vegetation has made good growth and in some areas is furnishing considerable grazing. In the eastern half of the district moisture generally is ample and prospects for early pasturage are good. In much of West and Northwest Texas, New Mexico, and Arizona moisture is insufficient to make spring feed and heavy rains will be needed to provide good spring and summer grazing. The eastern portion of the Edwards Plateau region has had heavy rainfall and grazing prospects are good, but there is still a marked deficiency in the western portion and ranges are poor. Due to the mild temperatures, livestock have come through the winter in fairly good condition. Cattle losses generally have been light. Stock cows are in a fairly strong condition and calf prospects are favorable. Reports indicate that the Texas lamb crop will be below normal. The condition of early lambs is poor and losses have been heavy. Lamb crops in New Mexico and Arizona are expected to be normal or better. Losses in these states have been light.

Commercial vegetable crops suffered from the effect of adverse weather conditions during March. There was too much moisture for the best progress of most crops, and frost damaged all crops with the exception of cabbage, carrots, and onions. The condition of all principal crops on April 1 was lower than a month earlier as is shown by the accompanying table compiled from the report of the Department of Agriculture.

CONDITION OF COMMERCIAL VEGETABLE CROPS IN TEXAS

	April 1, 1934 (per cent)	April 1, 1933 (per cent)	March 1, 1934 (per cent)
Snap beans.....	46	75	83
Beets.....	67	72	77
Cabbage.....	80	64	89
Carrots.....	68	65	70
Cucumbers.....	42	78	75
Onions.....	63	62	75
Early Irish potatoes.....	76	70	81
Spinach.....	56	60	63
Strawberries.....	82	62	84
Tomatoes.....	50	73	93

According to the April 1 report of the Department of Agriculture, the condition of ranges in Texas was 74 per cent of normal as compared with 69 per cent on March 1, and 81 per cent a year ago. The condition of sheep and cattle gained 3 points in March, but the April 1 figure of 74 per cent was 8 and 6 points, respectively, lower than on the same date last year. The condition of ranges and livestock showed a slight gain during the month in New Mexico but there was a decline in Arizona.

Planting Intentions

According to the report of farmers' intentions to plant, as of March 1, 1934, the indicated acreage intended for harvest this year of principal crops, excluding cotton, in states attached to this district is larger than that harvested in 1933.

Movements and Prices

The receipts of cattle at the Fort Worth market during March were larger than in either the previous month or the corresponding month last year. While the arrivals of calves de-

clined slightly from those in February, they were sizably larger than in March, 1933. The receipts of hogs and sheep were moderately larger than in the preceding month, but showed a heavy decline from a year ago.

The market on most classes of cattle continued steady to higher during most of March, but during the last days of the month prices weakened somewhat. While some declines were registered during the first half of April, a firmer tone developed toward the middle of the month. The weakness in

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	March 1934	March 1933	Change over year	February 1934	Change over month
Cattle.....	33,114	29,281	+ 3,833	31,394	+ 1,720
Calves.....	13,079	9,186	+ 3,893	13,834	- 755
Hogs.....	37,830	50,256	-12,426	29,100	+ 8,730
Sheep.....	28,693	67,455	-38,762	25,096	+ 3,597

the hog market which appeared early in March continued throughout the subsequent six weeks, and at the middle of April prices were lower than at any time since early in February. In the third week of March lamb prices reached the highest level in about three years, but the market eased somewhat during the subsequent three weeks. Sheep prices remained generally steady.

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	March 1934	March 1933	February 1934
Beef steers.....	5.75	4.75	5.10
Stocker steers.....	.....	4.35	4.50
Butcher cows.....	3.25	3.00	3.25
Stocker cows.....	.....	2.25	.....
Calves.....	5.25	5.50	5.00
Hogs.....	4.70	3.95	5.00
Sheep.....	5.00	2.75	4.75
Lambs.....	10.00	4.50	8.75

FINANCE

Operations of the Federal Reserve Bank

The past month witnessed a slight though gradual increase in member bank borrowings at the Federal Reserve Bank. The total on April 15 amounted to \$205,000 as compared with \$66,000 a month earlier, and \$5,762,000 on the corresponding date last year. There were only 9 banks borrowing from the Federal Reserve Bank on April 15 as compared with 164 banks on the same date last year. There was a further decline in the holdings of bills purchased in the open market, the total on April 15 being \$3,361,000 as compared with \$9,392,000 on March 15. Total holdings of United States Government securities amounted to \$71,475,000, which was the same as a month earlier, and \$22,536,000 greater than on April 15, 1933. While the reserve deposits of member banks declined from \$126,427,000 on March 15 to \$119,124,000 on April 15, the total on the latter date was \$68,097,000 greater than a year ago. The combined circulation of Federal reserve notes and Federal reserve bank notes amounted to \$42,925,000 at the middle of April, which was \$3,099,000 less than a month earlier, but \$1,297,000 greater than on the same date in 1933.

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

	April 15, 1934	April 15, 1933	March 15, 1934
Total cash reserves.....	\$ 104,408	\$ 45,852	\$ 109,333
Discounts for member banks.....	205	5,762	66
Other bills discounted.....	None	None	9,392
Bills bought in open market.....	3,361	538	71,475
United States securities owned.....	71,475	48,939	71,475
Other investments.....	None	5	None
Total earning assets.....	75,041	55,244	80,933
Member bank reserve deposits.....	119,124	51,027	126,427
Federal reserve notes in actual circulation...	39,720	41,628	41,169
Federal reserve bank notes in actual circulation.....	3,205	None	4,855

Condition of Member Banks in Selected Cities

The loans, investments, and deposits of member banks in selected cities of this district reflected a substantial decline during the five-week period ending April 11. The investments of these banks in

United States securities declined from \$191,977,000 on March 7 to \$162,288,000 on April 11, but on the latter date they were still \$69,982,000 greater than on the corresponding date in 1933. Their holdings of other stocks and bonds declined \$5,749,000 during the five-week period and were

\$5,143,000 lower than a year ago. Their loans on securities were increased \$2,831,000 between March 7 and April 11, but this gain was more than offset by a decline of \$4,791,000 in "all other" loans (largely commercial). As compared with a year ago, total loans were \$27,504,000 smaller. During the five-week period ending April 11 the net demand deposits of these banks declined \$9,959,000 and their time deposits receded \$424,000. Nevertheless, their combined net demand and time deposits on April 11 were \$55,912,000 greater than on April 12, 1933. The reserve deposits of these banks with the Federal Reserve Bank amounted to \$75,749,000 on April 11, which was \$6,154,000 greater than on March 7, and \$46,163,000 in excess of those on April 12, 1933.

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

	April 11, 1934	April 12, 1933	March 7, 1934
United States securities owned.....	\$ 162,288	\$ 92,306	\$ 191,977
All other stocks, bonds, and securities owned.....	50,202	55,345	55,951
Loans on securities.....	61,398	67,982	58,567
All other loans.....	124,397	145,317	129,188
Total loans.....	185,795	213,299	187,755
Net demand deposits.....	273,824	213,939	283,783
Time deposits.....	120,461	124,434	120,885
Reserve with Federal Reserve Bank.....	75,749	29,586	69,595
Bills payable and rediscounts with Federal Reserve Bank.....	None	435	None

Despite the fact that the deposits of member banks usually reflect a material seasonal decline in March as compared with February, the daily average reported in this district last

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
Mar., 1933.....	\$413,776	\$188,547	\$202,276	\$115,737	\$211,500	\$72,810
April, 1933.....	394,700	186,161	193,431	113,723	201,359	72,438
May, 1933.....	394,336	186,596	191,847	113,101	202,489	73,495
June, 1933.....	395,983	186,405	192,396	113,390	203,587	73,015
July, 1933.....	396,783	191,055	196,040	113,908	200,743	77,147
Aug., 1933.....	389,177	190,931	191,302	112,665	197,875	78,266
Sept., 1933.....	400,597	187,508	195,187	110,146	205,452	77,362
Oct., 1933.....	436,027	186,936	210,987	109,264	225,040	81,033
Nov., 1933.....	466,198	187,947	228,265	106,914	237,933	80,555
Dec., 1933.....	494,176	186,887	240,971	106,132	253,205	83,897
Jan., 1934.....	505,909	192,214	249,091	108,317	256,818	85,398
Feb., 1934.....	532,717	195,746	261,770	110,348	270,947	84,381
Mar., 1934.....	535,355	192,766	263,291	108,385	272,064	84,381

month amounted to \$728,121,000, which is only \$342,000 less than that of the previous month. In March, 1933, the average amounted to \$602,323,000, and the past month's increase over this figure is the most favorable such comparison shown in several years. While net demand deposits were appreciably larger in March than in February, the increase was not sufficient to offset the reduction which occurred in time deposits.

Acceptance Market The volume of acceptances executed by banks in this district and outstanding at the close of March amounted to \$1,099,562, as against \$1,646,029 on February 28, and \$1,290,375 on the last day of March, 1933. Of the total amount outstanding, \$106,298 represented acceptances executed against import and export transactions, and \$993,264 was the amount based on the domestic shipment and storage of goods. The latter figure compares with \$1,528,645 a month earlier and \$1,147,546 a year ago.

Debits to Individual Accounts Debits to individual accounts during March at banks in leading cities in this district totaled \$554,766,000, as against \$513,474,000 in the previous month, and \$356,697,000 in the same month last year. The increase as compared with February, which amounted to 8.0 per cent, was seasonal in nature. With one exception, all of the seventeen reporting cities showed gains over both the preceding month and the corresponding month in 1933.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	March 1934	March 1933	Percentage change over year	February 1934	Percentage change over month
Abilene.....	\$ 5,440	\$ 3,386	+60.7	\$ 5,384	+ 1.0
Austin.....	18,599	14,056	+32.3	18,501	+ .5
Beaumont.....	16,123	10,887	+48.1	15,638	+ 3.1
Corsicana.....	2,748	1,584	+73.5	2,527	+ 8.7
Dallas.....	162,556	97,141	+67.3	148,364	+ 9.6
El Paso.....	17,900	11,666	+53.4	17,151	+ 4.4
Fort Worth.....	56,810	37,800	+50.3	51,596	+10.1
Galveston.....	19,065	13,924	+36.9	19,640	- 2.9
Houston.....	134,984	88,667	+52.2	123,476	+ 9.3
Port Arthur.....	5,017	3,892	+28.4	4,917	+ 2.0
Roswell.....	2,205	1,423	+55.0	1,997	+10.4
San Antonio.....	48,488	33,751	+43.7	44,065	+10.0
Shreveport.....	26,927	16,237	+65.2	26,790	+10.6
Texarkana.....	5,548	3,425	+61.9	4,749	+16.0
Tucson.....	7,786	5,808	+34.1	7,204	+ 8.1
Waco.....	11,592	6,811	+70.2	11,586	+ .1
Wichita Falls....	10,316	6,739	+53.1	9,889	+ 4.3
Total.....	\$554,766	\$356,697	+55.8	\$513,474	+ 8.0

*Includes figures of two banks in Texarkana, Arkansas, located in the Eighth District.
554,058

Savings Deposits The savings deposits reported by 130 banks in the Eleventh District totaled \$137,330,143 on March 31, reflecting a further general increase of 1.4 per cent during the month, and showing a gain of 2.5 per cent as compared with the same date last year. The total on February 28 amounted to \$135,406,521, and at the close of March, 1933, the amount reported was \$133,943,481. The number of savings depositors increased further during the month and was substantially larger than a year ago.

SAVINGS DEPOSITS

	March 31, 1934			March 31, 1933			February 28, 1934		
	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.....	3	8,221	\$ 3,132,904	8,013	\$ 3,025,754	+ 3.5	8,198	\$ 3,092,715	+ 1.3
Dallas.....	9*	74,150	23,810,721	73,837	24,203,214	- 1.6	73,645	23,572,499	+ 1.0
El Paso.....	2	10,502	4,337,276	10,422	3,282,664	+32.1	10,355	4,244,271	+ 2.2
Fort Worth.....	4	32,875	10,054,549	33,293	10,952,594	- 8.2	32,713	9,932,838	+ 1.2
Galveston.....	4	16,620	10,377,040	16,680	9,788,329	+ 6.0	16,594	10,126,813	+ 2.5
Houston.....	11*	66,243	27,658,731	65,218	29,261,250	- 5.5	65,754	27,449,771	+ .8
Port Arthur.....	2	4,929	1,874,306	4,284	1,880,049	- .3	4,910	1,854,259	+ 1.1
San Antonio.....	7	20,649	14,442,832	19,850	13,857,724	+ 4.2	20,511	14,308,628	+ .9
Shreveport.....	3	21,550	10,552,880	21,767	9,022,062	+17.0	21,465	10,280,897	+ 2.6
Waco.....	3	10,451	5,794,642	10,273	5,597,156	+ 3.5	10,418	5,755,888	+ .7
Wichita Falls.....	3	5,631	2,768,681	5,620	2,277,629	+21.6	5,702	2,743,313	+ .9
All others.....	79*	54,269	22,516,581	52,460	20,795,056	+ 8.3	53,520	22,044,629	+ 2.1
Total.....	130	326,090	\$137,330,143	321,717	\$133,943,481	+ 2.5	323,785	\$135,406,521	+ 1.4

*Only 8 banks in Dallas, 10 in Houston, and 72 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 that now eligible for rediscount under the Federal Reserve Act.....	2½-7	6-8	2½-8	5-7	6-7	3-6
Rate charged on loans to other banks secured by bills receivable.....	6	5-6	6	5-6	6	5½
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	6-8	5-10	5-7	6-8	6-8
Time.....	4-8	6-8	5-10	5-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	4½-6	8	6-8	5-7	6-8	5-6
Rate on cattle loans.....	6-8	6-8	6-10	7-10	8-10	8

INDUSTRY

Cottonseed Products Operations at Texas cottonseed oil mills continued along seasonal lines during March, the receipts and crushings of seed and the production of all products evidencing average declines as compared with the preceding month. On the other hand, the comparisons with the corresponding month of

1933 were somewhat irregular. The output of linters remained on a scale considerably higher than in March last year, while the production of cake and meal was in approximately the same volume as a year ago; seed receipts, crushings, and the production of oil and hulls were on levels below those in March, 1933. During the eight months of the

current season all activities, with the exception of linter output, remained below those in the same period of the previous season.

Developments during March at cottonseed crushing establishments located throughout the United States were also seasonal in character. All operations reflected normal declines from the previous month, and they were, with the exception of the output of linters, below those in the same month of 1933. Also excepting linters, the aggregate of operations during the current season was smaller than in the corresponding eight months of the 1932-33 season. Stocks of cottonseed held on March 31 were in smaller volume than a month earlier or a year ago at both Texas and United States mills. Supplies of oil, cake and meal, and hulls at domestic mills on March 31 were also smaller than on either comparative date, while at Texas mills stocks of oil were greater than a year earlier, and linters were above those held on February 28.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to March 31 This season	Last season	August 1 to March 31 This season	Last season
Cottonseed received at mills (tons).....	1,282,751	1,383,465	3,966,694	4,273,526
Cottonseed crushed (tons)....	1,234,056	1,287,598	3,683,394	3,823,936
Cottonseed on hand March 31 (tons).....	147,481	271,135	503,721	748,584
Crude oil produced (pounds)...	363,727,609	389,844,381	1,144,531,451	1,184,952,650
Cake and meal produced (tons).....	574,469	592,622	1,669,676	1,724,844
Hulls produced (tons).....	336,068	381,608	979,847	1,083,080
Linters produced (running bales).....	209,734	152,761	694,838	603,452
Stocks on hand March 31:				
Crude oil (pounds).....	41,321,336	36,331,632	111,365,263	116,746,493
Cake and meal (tons).....	67,732	73,455	264,299	284,577
Hulls (tons).....	35,356	48,469	77,021	112,121
Linters (running bales).....	34,382	85,859	144,494	283,733

Textile Milling

The domestic consumption of cotton during March reflected an increase considerably larger than is usual for that month,

and a further large increase was evidenced as compared with the corresponding month of 1933. Total consumption during the month was 543,690 bales, as against 447,890 bales in February, and 495,183 bales in March last year. Cotton consumed during the first eight months of the current season amounted to 3,945,304 bales, which represents an increase of 5.2 per cent over the 3,748,573 bales consumed in the corresponding period last season. Inventories of raw cotton held by consuming establishments on March 31 were slightly smaller than those a month earlier, but continued in larger volume than a year ago.

COTTON CONSUMED AND ON HAND (Bales)

	March		August 1 to March 31	
	1934	1933	This season	Last season
Cotton-growing states:				
Cotton consumed.....	429,441	413,292	3,145,081	3,133,927
On hand March 31 in—				
Consuming establishments.....			1,278,944	1,066,271
Public storage and compresses.....			7,502,509	8,403,839
United States:				
Cotton consumed.....	543,690	495,183	3,945,304	3,748,573
On hand March 31 in—				
Consuming establishments.....			1,649,807	1,343,114
Public storage and compresses.....			7,852,780	8,901,203

While consumption of cotton at reporting textile mills located in Texas was on a slightly lower level than a month earlier, the production of cloth evidenced an encouraging increase. Both of these activities continued in larger volume than a year ago. Orders for finished products on hand

March 31 were smaller than at the close of February, and were also below those a year ago. Stocks of products held on the final day of March were smaller than a month earlier or a year ago.

Cotton Movements

Although the exports of cotton through the ports of Houston and Galveston reflected further seasonal declines during March, the reduction at the former of these two ports was very small, being only fractionally less than in February. The comparisons with the corresponding month of 1933 were very favorable, both ports showing appreciable increases. The receipts of cotton at Galveston during March were in larger volume than those a month earlier or a year ago, while at Houston they were less than in either comparative month. At both ports stocks on March 31 were seasonally smaller than a month earlier, and remained considerably below those a year ago.

Notwithstanding the fact that total foreign exports of cotton from the United States reflected an abnormally large sea-

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	March		August 1 to March 31	
	1934	1933	This season	Last season
Receipts.....	116,364	77,292	1,970,887	1,830,349
Exports.....	169,855	148,706	1,769,683	1,557,757
Stocks, March 31.....			636,201	734,771

COTTON—GALVESTON STOCK STATEMENT (Bales)

	March 31, 1934	March 31, 1933
	For Great Britain.....	6,000	4,500
For France.....	5,500	4,000
For other foreign ports.....	42,500	31,500
For coastwise ports.....	5,000	3,000
In compresses and depots.....	577,201	691,771
Total.....	636,201	734,771

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	March		August 1 to March 31	
	1934	1933	This season	Last season
Receipts.....	68,878	94,649	2,140,285	2,528,952
Exports.....	196,645	177,126	2,102,696	1,876,636
Stocks, March 31.....			1,165,405	1,719,936

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

	August 1 to March 31	
	This season	Last season
Receipts.....	6,878,033	7,563,737
Exports: United Kingdom.....	1,055,867	1,052,560
France.....	666,525	681,521
Italy.....	533,670	580,439
Germany.....	1,142,753	1,298,978
Other Europe.....	800,735	722,566
Japan.....	1,451,920	1,320,548
All other countries.....	446,541	428,122
Total foreign ports.....	6,098,011	6,084,734
Stocks at all United States ports, March 31.....	3,150,838	4,347,267

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

	March, 1934		April 14, 1934
	High	Low	
New York.....	12.50	12.50	12.10
New Orleans.....	12.39	11.88	12.04
Dallas.....	12.00	11.55	11.05
Houston.....	12.40	11.95	12.00
Galveston.....	12.40	12.00	12.05

sonal decline during March, they remained on a scale higher than the average for that month, and were in much larger volume than in the same month of the previous year. There were 550,104 bales of cotton exported during the month, as compared with 628,457 bales in February, and 487,988 bales in March, 1933. At the close of March there had been 6,098,011 bales of cotton exported from the United States during the current season, which compares with 6,084,734 bales in the first eight months of the previous season. The increase in exports during the current season over those of the previous year is attributable almost entirely to larger takings by Oriental countries, and some of the small European and South American nations.

Petroleum Crude oil produced in this district during March aggregated 31,775,000 barrels, which compares with 27,384,000 barrels in February, and 29,773,950 barrels in March last year. While a large part of the gain over the previous month was attributable to the smaller number of days in February, a material increase was also reflected in the daily average production. New wells completed during March totaled 716, of which 515 were producers with an initial flush output of 1,994,835 barrels. There were 651 wells completed in February, of which 486 were producers having a combined initial yield of 1,927,832 barrels.

The output of Texas fields during March averaged 955,500 barrels, being 47,250 barrels in excess of the daily yield

OIL PRODUCTION—(Barrels)

	March, 1934		Increase or decrease over over February, 1934	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,431,700	110,700	+ 648,500	+11,300
Central West Texas.....	5,040,600	162,600	+ 713,200	+ 8,050
East Texas.....	14,752,900	475,900	+2,087,100	+23,550
South Texas.....	1,427,550	46,050	+ 212,350	+ 2,650
Texas Coastal.....	4,967,750	160,250	+ 528,350	+ 1,700
Total Texas.....	29,620,500	955,500	+4,189,500	+47,250
New Mexico.....	1,309,750	42,250	+ 144,950	+ 650
North Louisiana.....	844,750	27,250	+ 56,550	- 900
Total District.....	31,775,000	1,025,000	+4,391,000	+47,000

during February, and 64,000 barrels larger than that of the same month last year. Approximately half of the increase over the preceding month occurred in East Texas, and the North and Central West portions of the State also reflected further substantial gains. A decline from March, 1933, was shown in Central West Texas and South Texas. While New Mexico's daily average production was on a larger scale than in either comparative month, that of North Louisiana was below the level of both February this year and March a year ago.

MARCH DRILLING RESULTS

	Com-pletions	Pro-ducers	Gas wells	Fail-ures	Initial production
North Texas.....	162	105	4	53	18,220
Central West Texas.....	82	43	3	36	126,020
East Texas.....	253	241	4	8	1,762,390
South Texas.....	80	44	4	32	18,173
Texas Coastal.....	100	65	3	32	65,805
Total Texas.....	677	498	18	161	1,990,608
New Mexico.....	4	3	1	...	2,110
North Louisiana.....	35	14	4	17	2,117
March totals, District.....	716	515	23	178	1,994,835
February totals, District....	651	486	22	143	1,927,832

CRUDE OIL PRICES

	April 6, 1934	April 7, 1933
Texas Coastal (34 gr. and above).....	\$ 1.12	\$. 62
North Texas and North Louisiana (40 gr. and above).....	1.03	. 52

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

Building

The valuation of building permits which were issued at fourteen leading centers in the Eleventh Federal Reserve District during March amounted to \$988,507, as compared with \$696,642 in the previous month, and \$946,341 in the corresponding month last year. A majority of the reporting cities participated in the increases over both comparative months. There were 1,437 permits issued in March, as against 1,135 in February, and 1,184 in the same month a year ago.

BUILDING PERMITS

	March, 1934		March, 1933		Percentage change valuation over year	February, 1934		Percentage change valuation over month	Three months				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1934		1933		
									No.	Valuation	No.	Valuation	
Amarillo.....	17	\$ 8,378	24	\$ 10,160	- 17.5	9	\$ 5,083	+ 64.8	48	\$ 76,315	41	\$ 26,411	+189.0
Austin.....	90	85,406	68	72,355	+ 18.0	49	29,300	+191.5	195	145,494	216	508,469	- 71.4
Beaumont.....	94	17,690	88	8,652	+104.5	68	10,335	+ 71.2	219	38,575	219	35,835	+ 7.6
Corpus Christi..	21	13,215	23	12,490	+ 5.8	28	17,335	- 23.8	68	93,474	53	26,253	+256.0
Dallas.....	384	283,751	240	98,794	+187.2	322	153,150	+ 85.3	1,083	609,674	728	547,104	+ 11.4
El Paso.....	40	11,525	32	11,036	+ 4.4	32	38,905	- 70.4	107	73,566	83	68,685	+ 7.1
Fort Worth.....	97	78,600	77	255,123	- 69.2	82	40,000	+ 96.5	249	176,020	231	407,523	- 56.8
Galveston.....	147	36,624	107	57,690	- 36.5	80	36,278	+ 1.0	322	93,774	240	106,775	- 12.2
Houston.....	193	301,760	202	143,365	+110.5	174	252,495	+ 19.5	494	714,680	480	525,717	+ 35.9
Fort Arthur.....	37	11,406	39	7,755	+ 47.1	54	12,989	- 12.2	117	34,209	91	15,960	+114.3
San Antonio.....	158	66,281	143	222,133	- 70.2	128	68,990	- 3.9	386	204,718	369	297,291	- 31.1
Shreveport.....	124	53,809	90	16,540	+225.3	88	20,715	+159.8	302	114,343	251	65,901	+ 73.5
Waco.....	22	15,067	24	25,826	- 41.7	13	8,907	+ 69.2	50	50,121	70	74,645	- 32.9
Wichita Falls..	13	4,995	27	4,422	+ 13.0	8	2,160	+131.3	28	20,480	63	11,029	+ 85.7
Total....	1,437	\$988,507	1,184	\$946,341	+ 4.5	1,135	\$696,642	+ 41.9	3,668	\$2,445,443	3,135	\$2,717,598	- 10.0

Cement

The output of Portland cement at Texas mills rose to 433,000 barrels in March, being 54.6 per cent larger than in the previous month, and 15.5 per cent above the level of the same month last year. Shipments, which totaled 346,000 barrels, exceeded those of the previous month by 26.7 per cent but were 7.7 per cent smaller than in March, 1933. Stocks reported on the last day of the month amounted to 579,000 barrels, as compared with 492,000 barrels a month earlier, and 640,000 barrels a year ago.

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

	March, 1934	Percentage change from March, 1933	Feb., 1934	January 1 through Mar. 31, 1934	Percentage change over year
Production at Texas mills.....	433	+15.5	+54.6	908	+ 9.8
Shipments from Texas mills....	346	- 7.7	+26.7	883	+ 2.3
Stocks at end of month at Texas mills.....	579	- 9.5	+17.7	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, April 21, 1934)

Volume of industrial production increased further in March and there was considerable growth in factory employment and payrolls. The general level of commodity prices showed little change between the middle of March and the middle of April, but in the third week of April there was a sharp decline in grain prices.

PRODUCTION AND EMPLOYMENT

Output of manufactures and minerals, as measured by the Federal Reserve Board's seasonally adjusted index of industrial production, advanced from 81 per cent of the 1923-1925 average in February to 84 per cent in March. This advance reflected chiefly increases of more than the usual seasonal amount in the output of steel, automobiles, and lumber and an increase contrary to seasonal tendency in the output of coal. Production of textiles showed little change in volume on a daily average basis. In the early part of April, activity at steel mills and automobile factories increased further, according to trade reports, while coal production declined by a more than seasonal amount. Volume of employment at factories increased further between the middle of February and the middle of March by about 4 per cent, an amount larger than is usual at this season. Employment on the railroads and at mines also showed an increase. The number on the payrolls of the Civil Works Administration was reduced from about 3,700,000 in the middle of February to about 2,400,000 in the middle of March and 1,900,000 at the end of the month. The value of construction contracts awarded in March, as reported by the F. W. Dodge Corporation, showed a considerable increase from the low level of February, followed in the first half of April by a decline. For the first quarter as a whole, the value of contracts was somewhat smaller than in the last quarter of 1933. Publicly financed projects continued to make up about three-fourths of the total.

DISTRIBUTION

Volume of freight-car loadings showed a further increase in March, reflecting chiefly seasonal increases in shipments of merchandise, of miscellaneous freight, and a continued large volume of coal shipments, which usually decline in

March. In the early part of April, total car-loadings showed a decline, reflecting a sharp reduction in coal shipments. Dollar volume of trade at department stores increased in March by considerably more than the estimated seasonal amount, after allowance for the early date of Easter this year.

PRICES

The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, was 73.3 per cent of the 1926 average in the week ending April 14, as compared with 73.8 per cent in the week ending March 10. During this period prices of steel, copper, and automobiles advanced, while prices of farm products decreased somewhat. In the third week of April wheat prices declined sharply and there were also declines in the prices of other grains, cotton, and silver.

BANK CREDIT

During the four weeks ending April 18 member bank reserve balances increased by \$220,000,000, raising the volume of reserves in excess of legal requirements to \$1,600,000,000. This increase reflected a growth of \$105,000,000 in the monetary gold stock and further disbursements by the Treasury of funds from its cash holdings and its deposits with the reserve banks. At reporting member banks in leading cities an increase of \$400,000,000 in net demand and time deposits for the four-week period ending April 11 reflected chiefly the deposits by the public of funds disbursed by the Treasury, as well as a growth in bankers' balances. Government deposits were reduced by about \$200,000,000. Holdings by these banks of securities, other than United States Government obligations, increased by \$64,000,000 and their loans both on securities and "all other" also increased slightly, with the consequence that total loans and investments showed a growth of \$100,000,000 for the period. Money rates in the open market declined further in April. Rates on prime 4-6 month commercial paper were reduced from a range of 1-1 $\frac{1}{4}$ per cent to 1 per cent, and rates on 90-day acceptances were reduced from $\frac{1}{4}$ per cent to a range of $\frac{1}{8}$ - $\frac{1}{4}$ per cent. Yields on Government securities also declined.