

# 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 1934	Change from March
Bank debits to individual accounts (at 17 cities).....	\$524,717,000	— 5.3%
Department store sales.....	.....	— 11.7%
Reserve bank loans to member banks at end of month.....	\$ 243,012	+ 82.1%
Reserve bank ratio at end of month.....	61.1%	— 2.2 points
Building permit valuation at larger centers....	\$ 1,006,538	+ 1.8%
Commercial failures (number).....	31	+ 10.7%
Commercial failures (liabilities).....	\$ 425,629	— 26.7%
Oil production (barrels).....	31,767,000	0.0

corn crop generally is doing well and the planting of cotton is nearing completion in all sections except Northwest Texas. In the older cotton sections a considerable portion of the crop is chopped to a stand and fields generally are in a good state of cultivation. While the heavy general rains were very beneficial and furnished much needed moisture in the dry areas of West and Northwest Texas, the north winds which followed have dried out the top soil in many sections and more rain is needed immediately to stimulate crop growth. Livestock and their ranges showed a sharp recovery during the past month. Except in the drouth areas, range grass has made good growth and livestock are putting on flesh.

Member bank borrowings at the Federal Reserve Bank reflected a gradual expansion during the past month, but they continued in small volume. The combined net demand and time deposits of member banks declined seasonally in April, the daily average being \$715,945,000, as compared with \$728,121,000 in March, and \$580,951,000 in April last year. Their reserve deposits at the Federal Reserve Bank showed considerable fluctuation between April 15 and May 15, but on the latter date totaled \$118,089,000 which was only \$1,035,000 lower than a month earlier, and \$68,484,000 in excess of those on the same date last year. The actual circulation of Federal reserve currency amounted to \$41,828,000 on May 15, as compared with \$42,925,000 on April 15, and \$38,260,000 on May 15, 1933. While the investments of member banks in selected cities declined sharply between April 11 and May 9, their loans reflected an increase.

Building activity evidenced little change during the month. While the April valuation of building permits issued at principal cities was 2 per cent larger than the March volume, it was 6 per cent lower than a year ago.

## BUSINESS

reflected in March, but it should be observed in this connection that in April, 1933 a contrary to seasonal expansion occurred in the business of all wholesale lines except drugs. The general sentiment of wholesalers and retailers alike in most sections of the district continued to indicate that business is holding up satisfactorily. There was a tendency toward further enlargement of inventories in all lines except groceries, and in every case the stocks on hand the last day of April were larger than a year ago. Following the seasonal tendency, which is usually upward in April,

Business and industrial activity in the Eleventh Federal Reserve District was fairly well sustained during the past month. Retail distribution in larger cities, as measured by department store sales, reflected a decline of 12 per cent as compared with the heavy March volume, but was 16 per cent larger than that of the corresponding month in 1933. While the recession in wholesale trade from March to April was larger than usual in most lines, this was not surprising in view of the greatly increased volume during the first quarter of the year. Sales in all reporting lines continued to reflect substantial gains over the corresponding month a year ago. Collections generally showed a seasonal improvement. Debits to individual accounts at banks in principal centers were 5 per cent smaller than in March, but were 29 per cent above those in April, 1933.

Commercial failures in this district in April were slightly more numerous than in the previous month, but the indebtedness of defaulting firms was smaller. As compared with a year ago, both the number and liabilities of commercial failures declined by more than 50 per cent.

Rapid progress with agricultural operations were made following the rains late in April and early in May. The

**Wholesale Trade**  
A moderate leveling off was witnessed during April in the sales of merchandise by reporting wholesale firms in the Eleventh Federal Reserve District. While some decline in demand normally occurs in this month, there were three reporting lines that showed larger than seasonal reductions. Comparisons with the corresponding month a year ago continued favorable, and the increases ranged from 10.6 per cent in the case of groceries to 127.4 per cent in the case of farm implements. None of the gains were as large as those



collections in all lines except groceries were larger than those in March.

The distribution of dry goods through wholesale channels showed a material recession during April, only part of the 21.3 per cent decline being attributable to seasonal influences. Dollar sales were 25.7 per cent larger than in the same month last year, and a similar expansion of 78.6 per cent was registered in the period from January 1 through April 30. The inventories reported by wholesalers in this district reflected an increase of 6.1 per cent during the month, and on April 30 were more than twice as large as a year ago. The month's collections exceeded those of March by 1.4 per cent.

The demand for hardware at wholesale was well sustained during April, total sales being approximately as large as in March. The increase over a year ago amounted to 54.3 per cent, and in the period from January to April, inclusive, there was an expansion of 67.0 per cent as compared with the first four months in 1933. Inventories rose 4.4 per cent during the month, but remained only 2.3 per cent above those on April 30 last year. The rate of collections during the month reflected a further pick-up.

A decrease of 12.2 per cent, slightly larger than seasonal, was shown last month in the demand for drugs at wholesale in this district. The comparison with the same month in 1933 held up fairly well, there being an increase of 25.2 per cent in April as against 36.9 per cent in March. Stocks on April 30 were 1.3 per cent above those a month earlier and 11.5 per cent greater than a year ago. Collections increased somewhat as compared with the March volume.

Following the contrary to seasonal increases which occurred in the two preceding months, a falling off of 20.3 per cent was reflected in the April business of reporting wholesale farm implement firms. Nevertheless, a considerably stronger demand was visible than at this time last year, as evidenced by the fact that sales were 127.4 per cent larger than in April, 1933. Prices showed an upward tendency during the month. There was an increase of 16.7 per cent in the volume of collections.

As is usually the case in April, a small decline was reported in the sales of wholesale grocery firms in the Eleventh District last month. Business was 2.6 per cent below the level of the previous month, but 10.6 per cent

above that of the same month in 1933. Stocks on hand at the close of April showed a slight reduction as compared with March 31. There was a decrease of 3.4 per cent in collections during April.

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

	Net Sales April, 1934 compared with Apr., 1933		Net Sales Jan. 1 to date compared with same period last year		Stocks April, 1934 compared with Apr., 1933		Ratio of collec- tions during April to accounts and notes outstanding on March 31	
	1933	1934			1933	1934		
Groceries.....	+10.6	-2.6	+21.8	+39.0	-1.0		81.3	
Dry goods.....	+25.7	-21.3	+78.6	+106.3	+6.1		32.2	
Farm implements..	+127.4	-20.3	+245.4	+12.6	+7.1		6.5	
Hardware.....	+54.3	-.6	+67.0	+2.3	+4.4		51.6	
Drugs.....	+25.2	-12.2	+31.0	+11.5	+1.3		45.6	

### Retail Trade

Following the appreciable increase in consumer demand during March, the business of department stores in principal cities of the Eleventh District was well sustained in April. Although a decline was registered during April as compared with the previous month, its effect is minimized after due allowances are made for the stimulating sales factors that occurred during the earlier month. The distribution of merchandise in April averaged 11.7 per cent less than in the previous month, but continued 16.3 per cent above that in the like month of 1933. The latter percentage is even more significant when it is recalled that business in April this year did not include "Easter" purchases as was the case in 1933. The seasonally adjusted index of department store sales also evidenced the sustained business activity during the past month, being 80.5 per cent of the 1923-25 average in April, as against 80.3 per cent in March, and only 66.8 per cent in April last year. Sales of merchandise during the current year were 34.5 per cent above those in the first four months of 1933.

Stocks of merchandise held by reporting stores on April 30 were 3.4 per cent greater than at the close of the preceding month, and continued materially above those on the same date last year. The rate of stock turnover during the four months of 1934 was 1.00, as against .87 in the like period of 1933.

Contrary to seasonal tendencies collections on open accounts during April evidenced a decline as compared with March, but they remained in much larger volume than a

### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
April, 1934, compared with April, 1933.....	+27.7	+7.2	+9.3	+17.0	+10.1	+16.3
April, 1934, compared with March, 1934.....	-9.9	-13.2	-13.1	-4.7	-18.7	-11.7
January 1 to date compared with same period last year.....	+44.2	+25.1	+34.4	+31.7	+25.7	+34.5
Credit sales (percentage):						
April, 1934, compared with April, 1933.....	+31.7	+9.2	+10.8	+22.9	+11.1	+20.1
April, 1934, compared with March, 1934.....	-4.9	-12.6	-9.9	-1.8	-16.5	-8.1
January 1 to date compared with same period last year.....	+45.2	+26.3	+35.4	+35.1	+23.1	+35.9
Stocks on hand at end of month (percentage):						
April, 1934, compared with April, 1933.....	+27.4	+16.0	+29.4	+19.1	+26.7	+24.4
April, 1934, compared with March, 1934.....	+5.1	+6.0	+4.9	-1.7	+1.2	+3.4
Stock turnover (rate):						
Rate of stock turnover in April, 1933.....	.25	.20	.30	.34	.21	.25
Rate of stock turnover in April, 1934.....	.26	.19	.25	.33	.19	.27
Rate of stock turnover January 1 to April 30, 1933.....	.89	.70	.96	1.10	.78	.87
Rate of stock turnover January 1 to April 30, 1934.....	1.12	.80	1.00	1.22	.82	1.00
Ratio of April collections to accounts receivable outstanding April 1, 1934.....	38.4	30.0	39.9	41.5	35.4	37.3
Ratio of April collections to installment accounts receivable outstanding April 1, 1934.....	15.9	11.0	.....	.....	17.8	14.8
Indexes of department store sales:						
Unadjusted—April, 1934.....	76.9	78.0	86.5	71.1	.....	75.7
Unadjusted—March, 1934.....	80.2	83.2	94.3	70.1	.....	80.3
Adjusted—April, 1934.....	81.8	82.1	90.1	72.6	.....	80.5
Adjusted—March, 1934.....	77.9	83.2	95.3	69.4	.....	80.3
Indexes of department store stocks:						
Unadjusted—April, 1934.....	55.2	71.6	47.1	41.6	.....	58.2
Unadjusted—March, 1934.....	52.8	67.6	46.3	42.5	.....	56.0
Adjusted—April, 1934.....	53.6	68.8	45.7	39.2	.....	56.4
Adjusted—March, 1934.....	52.3	65.6	40.3	40.1	.....	54.8



year ago. The ratio of April collections to open accounts outstanding on April 1 was 37.3 per cent, as against 40.0 per cent in March, and 31.9 per cent in April, 1933.

#### *Commercial Failures*

While the number of insolvencies in the Eleventh Federal Reserve District increased from 28 in March to 31 in April, the total indebtedness of defaulting firms was reduced from

\$581,012 in the earlier month to \$425,629 in the latter month. The comparative figures reported by Dun & Bradstreets, Incorporated, for April, 1933, showed that 65 commercial failures occurred in that month and the liabilities involved amounted to \$852,051. The average indebtedness of insolvent firms declined from \$20,750 in March to \$13,730 in the subsequent month.

## AGRICULTURE

#### *Crop Conditions*

Farmers throughout most of the Eleventh District have made good progress generally with farm work during the past thirty days. Moderate to heavy rains have fallen over most areas of the district, including some sections where drouth conditions had prevailed for some time. Nevertheless, there are some portions in West and Northwest Texas, Southern New Mexico, and Southeastern Arizona which have had little or no rain and farming operations are being retarded. In many localities throughout other sections of the district, the dry winds during the first half of May have dried out the top soil and rains are needed to correct this situation.

The outlook for wheat in Texas was improved slightly during April. The Department of Agriculture on May 1 estimated the prospective production of wheat at 25,749,000 bushels, as against a forecast of 23,018,000 bushels on April 1, and an actual production of 13,002,000 bushels in 1933. The abandonment of acreage was placed at 30 per cent this year, as compared with 56 per cent last year. Production in Oklahoma was estimated at 35,880,000 bushels on May 1, as compared with 40,172,000 bushels a month earlier, and a harvest of 33,095,000 bushels last year. The Department placed the abandonment of acreage in New Mexico at 60 per cent as against 45 per cent last year, and the probable production at 847,000 bushels, whereas 1,210,000 bushels were harvested in 1933. The Texas oat crop was rated at 74 per cent of normal on May 1 as compared with 55 per cent on the same date a year ago. The crop is now nearing maturity and harvesting has begun in the southern half of the State. The May 1 condition of oats in Louisiana was placed at 85 per cent as against 63 per cent last year.

The warm and generally fair weather during the first half of May was favorable to field work, with the result that the seeding of cotton is nearing completion in all sections of the district except Northwest Texas and is making good headway there. In South Texas practically all the crop has been chopped to a stand and the older cotton is forming squares. Chopping is becoming general in the early planted fields in other sections. Over most of the district the crop is later than a year ago, but recently the plants have made rapid growth. While there are fields in many localities infested with weeds and grass, the crop as a whole is in a good state of cultivation, stands are fair to good, and little replanting has been necessary. Over a considerable area of South, Central, West, and Northwest Texas the top soil has been dried out by the north winds and moisture is needed to correct this condition. Elsewhere moisture is generally sufficient for the present.

The corn crop has made fair to good growth in most sections of the district, stands are average, and the fields are well cultivated. Corn in South Texas has reached the tasseling stage. Moisture is adequate for the present in most sections, but additional rains would be beneficial to the crop. The tame hay crop in Texas was rated by the Department of Agriculture at 74 per cent of normal on May 1

as compared with 68 per cent a year ago, and in Louisiana it was 75 per cent this year and 67 per cent last year. The May 1 condition of tame hay was also higher than a year ago in New Mexico, but it was lower in Oklahoma and Arizona.

According to the Department of Agriculture, the condition of oranges and grapefruit in Texas on May 1 was 63 and 53 per cent, respectively, and compares with 81 per cent on the same date last year. Conditions are spotted as to localities and varieties. The lower condition this year is attributable largely to the effects of the hurricane in September, 1933, which greatly damaged many of the trees. The condition of the Texas peach crop was placed at 60 per cent of normal on May 1 as compared with 25 per cent in 1933, and this year's production was estimated at 1,980,000 bushels as against a harvest of 782,000 bushels last year. The condition and prospective production of this crop in Oklahoma and Louisiana are also higher than in 1933.

#### *Livestock*

A further rapid improvement in the condition of ranges and livestock occurred in most sections of this district during the past month. In portions of West and Northwest Texas rains have broken the long drouth, but there are still areas in those sections and in New Mexico where little or no rain has fallen, and where the situation is becoming acute. Range vegetation has made rapid growth in most sections and is providing good pasturage. With ample grazing available, livestock have taken on flesh and are mending rapidly. The prospects for calf crops in most areas are good and the new-born calves generally are doing well. Lambing is about over and the crop is reported smaller than last year.

The condition of Texas cattle ranges was rated at 82 per cent of normal on May 1 as compared with 74 per cent on April 1 and 79 per cent a year ago. Sheep and goat ranges at 80 per cent of normal on May 1, were 9 points higher than a month earlier and 2 points above a year ago. While the condition of cattle gained 5 points during the month, the condition figure of 79 per cent on May 1 was 2 points lower than on the same date last year. There was a gain of 7 points in the condition of sheep and 12 points in that of goats. As compared with a year ago, the condition of goats was unchanged and that of sheep was 1 point lower.

#### *Movements and Prices*

Contrary to the usual seasonal trend, receipts of calves at the Fort Worth market in April were moderately smaller than in the previous month, but slightly larger than a year ago. While cattle receipts were larger than in March, they showed a small decline from April last year. Sheep and hogs yarded in April were substantially in excess of the arrivals in March, but fell considerably short of receipts in April, 1933. Receipts of sheep at Fort Worth during the first four months of the current year were less than half of those in the same period last year.



The cattle market reflected an uneven trend during the past month with a tendency toward lower levels. Nevertheless, quality stock usually found an outlet at good prices. Hog prices reflected a steady decline throughout April and then remained generally stable during the first half of

May. Sheep and lamb receipts were generally light and offerings were usually taken at steady to firm prices.

PORT WORTH LIVESTOCK RECEIPTS  
(Number)

	April 1934	April 1933	Change over year	March 1934	Change over month
Cattle.....	33,768	34,624	— 856	32,114	+ 1,654
Calves.....	11,289	10,622	+ 667	13,079	— 1,790
Hogs.....	48,616	53,462	— 4,846	37,830	+10,786
Sheep.....	37,125	134,727	—97,602	29,093	+ 8,032

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars per hundredweight)

	April 1934	April 1933	March 1934
Beef steers.....	\$6.00	\$5.25	\$5.75
Stocker steers.....	.....	4.75	.....
Butcher cows.....	4.50	3.25	3.25
Stocker cows.....	.....	2.50	.....
Calves.....	6.00	6.50	5.25
Hogs.....	4.30	3.65	4.70
Sheep.....	5.00	3.25	5.00
Lambs.....	9.50	6.50	10.00

## FINANCE

### Operations of the Federal Reserve Bank

Member bank borrowings at the Federal Reserve Bank reflected a gradual expansion during the past month. These loans rose from \$205,000 on April 15 to \$359,-

000 on May 15, and the total on the latter date compared with \$6,067,000 on the corresponding date in 1933. There were 15 borrowing banks on May 15, as compared with 9 banks a month earlier, and 149 banks a year ago. There was a further sharp decline in the holdings of bills purchased in the open market, the total on May 15 being only \$310,000 as compared with \$3,361,000 on April 15, and \$508,000 on the same date last year. While investments in Government securities showed no change during the month, holdings at the middle of May were \$27,536,000 greater than a year earlier. The reserve deposits of member banks, which amounted to \$119,124,000 on April 15, declined rapidly during the last half of April, but the increase in the first half of May brought the total to \$118,089,000 at the middle of the month. The latter figure was \$68,484,000 larger than that a year ago. There was a further slight decline in the circulation of Federal reserve currency. The total on May 15 was \$41,828,000 as compared with \$42,-925,000 on April 15, and \$38,260,000 on May 15, 1933.

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

	May 15, 1934	May 15, 1933	April 15, 1934
Total cash reserves.....	\$103,176	\$46,881	\$104,408
Discounts for member banks.....	359	6,067	205
Other bills discounted.....	None	None	None
Bills bought in open market.....	310	508	3,361
United States securities owned.....	71,475	43,939	71,475
Other investments.....	None	5	None
Total earning assets.....	72,144	50,519	75,041
Member bank reserve deposits.....	118,089	49,605	119,124
Federal reserve notes in actual circulation.....	39,053	38,260	39,720
Federal reserve bank notes in actual circulation.....	2,775	None	3,205

### Condition of Member Banks in Selected Cities

There was a further decline during the past month in the investments and deposits of member banks in selected cities, but their loans reflected a slight upturn.

Their investments in United States securities amounted to \$149,436,000 on May 9, which represents a decline of \$12,852,000 as compared with April 11, but a gain of \$56,854,000 as compared with May 10 last year. Since the peak was reached late in February, holdings of Government securities have declined \$45,381,000. Investments in other stocks and bonds, however, increased \$1,264,-000 between April 11 and May 9, but on the latter date were still \$3,070,000 less than on the corresponding date in 1933. During the four-week period loans on securities

were reduced \$1,800,000, but "all other" loans (largely commercial) rose \$2,134,000. As compared with a year ago, total loans on May 9 were \$28,006,000 smaller. While their net demand deposits declined \$3,885,000 between April 11 and May 9 the total on the latter date was \$58,073,000 greater than on the corresponding date last year. Their time deposits rose \$752,000 during the four-week period, but were \$2,480,000 below those a year ago. While their reserve with the Federal Reserve Bank showed a substantial decline during the latter part of April, there was a marked increase during the first part of May which carried the total on May 9 to approximately the same figure as on April 11.

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

	May 9, 1934	May 10, 1933	April 11, 1934
United States securities owned.....	\$149,436	\$ 92,582	\$162,288
All other stocks, bonds, and securities owned.....	51,466	54,536	50,202
Loans on securities.....	59,598	65,858	61,398
All other loans.....	126,531	148,277	124,397
Total loans.....	186,129	214,135	185,795
Net demand deposits.....	269,939	211,866	278,824
Time deposits.....	121,213	123,693	120,461
Reserve with Federal Reserve Bank.....	75,294	27,480	75,749
Bills payable and rediscounts with Federal Reserve Bank.....	None	1,588	None

### Deposits of Member Banks

Reflecting the effect of seasonal influences, deposits of member banks in the Eleventh Federal Reserve District declined materially in April and the daily average amounted to \$715,945,000. This figure, while \$12,-176,000 smaller than that reported in March, exceeded the average of April, 1933, by \$134,994,000. Most of the decline from the previous month was registered in net demand deposits, it being about equally divided between reserve city and country banks.

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, 1933.....	\$394,790	\$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	195,145	110,146	205,452	77,362
Oct., 1933.....	436,027	186,936	210,987	109,264	225,040	77,672
Nov., 1933.....	466,198	187,947	228,265	106,914	237,933	81,033
Dec., 1933.....	494,176	186,687	240,971	106,132	253,205	80,556
Jan., 1934.....	508,009	192,214	249,091	108,317	256,818	83,897
Feb., 1934.....	532,717	195,746	261,770	110,348	270,947	85,398
Mar., 1934.....	535,355	192,766	263,291	108,385	272,064	84,881
April, 1934.....	523,397	192,548	257,838	107,615	265,559	84,933



### Debits to Individual Accounts

There was a seasonal decline of 5.3 per cent in the April volume of debits to individual accounts at banks in seventeen leading centers in the Eleventh District. The total amounted to \$524,717,000, as against \$554,058,000 in the previous month, and \$406,847,000 in April, 1933.

DEBITS TO INDIVIDUAL ACCOUNTS  
(In thousands of dollars)

	April 1934	April 1933	Percentage change over year	March 1934	Percentage change over month
Ablene.....	\$ 4,756	\$ 3,989	+19.2	\$ 5,440	-12.6
Austin.....	21,829	17,242	+26.6	18,599	+17.4
Beaumont.....	14,304	11,269	+26.9	16,122	-11.3
Corsicana.....	2,380	1,878	+26.7	2,748	-13.4
Dallas.....	154,178	110,680	+39.3	162,556	-5.2
El Paso.....	15,227	12,887	+18.2	17,901	-14.9
Fort Worth.....	51,630	43,312	+19.2	56,810	-9.1
Galveston.....	17,182	14,760	+16.4	19,065	-9.9
Houston.....	127,915	100,861	+26.8	134,984	-5.2
Port Arthur.....	4,800	3,952	+21.5	5,017	-4.3
Roswell.....	2,069	1,806	+14.5	2,204	-6.2
San Antonio.....	47,022	37,926	+24.0	48,489	-3.0
Shreveport.....	28,732	20,969	+37.0	28,924**	-7.0
Texarkana.....	5,122	4,185	+22.4	5,505**	-7.0
Tucson.....	7,408	6,833	+8.4	7,786	-4.9
Waco.....	9,875	8,777	+12.5	11,592	-14.8
Wichita Falls....	10,288	6,921	+48.6	10,316	-0.3
Total.....	\$524,717	\$406,847	+29.0	\$554,058**	-5.3

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

All cities continued to show substantial increases over a year ago, the average gain being 29.0 per cent.

### Acceptance Market

Reports from accepting banks in this district reflected a considerable decrease during April in the volume of acceptances which were executed in this district and outstanding at the close of the month. The total amount reported declined from \$1,099,562 on March 31 to \$275,675 on the last day of the subsequent month, and the latter figure compares with a total of \$1,076,156 on April 30, 1933. The greater part of the reduction from both comparative dates occurred in the acceptances executed against the domestic shipment and storage of goods.

### Savings Deposits

A further small though rather general increase in savings deposits was reflected during April at 129 banks in this district, and on the last day of the month there was a larger gain over the corresponding date last year than was shown on March 31. Total savings deposits reported by these banks amounted to \$137,566,230 on April 30, as compared with \$137,137,305 a month earlier, and \$133,484,212 a year ago. There were 310,636 savings depositors on record April 30 at 117 of the reporting banks, as against 309,147 at the close of March, and 303,754 on the last day of April, 1933.

SAVINGS DEPOSITS

	April 30, 1934			April 30, 1933			March 31, 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	8,300	\$ 3,194,372	8,081	\$ 3,022,743	+ 5.7	8,231	\$ 3,132,904	+2.0
Dallas.....	9*	74,384	24,064,750	73,203	24,079,085	- 1.1	74,150	23,820,266	+1.0
El Paso.....	2	10,655	4,429,167	10,427	3,358,319	+31.9	10,502	4,337,276	+2.1
Fort Worth.....	4	32,946	10,065,624	33,179	10,886,392	- 7.5	32,880	10,054,549	+ 1.1
Galveston.....	4	16,655	9,634,602	16,565	9,712,495	- 0.8	16,620	10,377,040	-7.2
Houston.....	11*	54,961	27,865,011	52,980	29,319,811	- 5.0	54,839	27,560,597	+1.1
Port Arthur.....	2	4,968	1,869,176	4,317	1,909,478	- 2.1	4,929	1,874,306	- 0.3
San Antonio.....	7*	17,655	14,670,601	16,358	13,710,904	+13.9	17,368	14,442,832	+1.6
Shreveport.....	3	21,517	10,197,614	21,810	8,951,694	+13.9	21,550	10,552,880	-3.4
Waco.....	3	10,511	5,834,577	10,312	5,559,652	+ 4.9	10,451	5,794,642	+ 0.7
Wichita Falls....	3	5,691	2,797,178	5,551	2,314,209	+20.9	5,631	2,768,681	+1.0
All others.....	78*	52,393	22,943,558	50,971	20,659,370	+11.1	51,996	22,421,332	+2.3
Total.....	129	310,636	\$137,566,230	303,754	\$133,484,212	+ 3.1	309,147	\$137,137,305	+ .3

\*Only 8 banks in Dallas, 9 in Houston, 6 in San Antonio, and 70 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 that now eligible for rediscount under the Federal Reserve Act.....	3-7 4½-6	6-8 5-6	3-8 6	5-7 4-6	5-8 5-6	3-6 5½
Rate charged on loans to other banks secured by bills receivable.....						
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.....	5-8 4½-7	6-8 8	5-10 6-8	5-7 3-7	6-8 6-8	6-8 5-6
Rate charged on commodity paper secured by warehouse receipts, etc.....	6	6-8	6-10	7-10	8-10	8
Rate on cattle loans.....						

## INDUSTRY

### Cottonseed Products

With the movement of the 1933 cotton crop practically completed, continued declines of a seasonal nature were re-

flected in the operations of cottonseed oil mills located in Texas, and with the exception of the output of linters activities in April remained on a level below those a year ago. Despite these consistent declines, however, operations were on a scale approximately the same as the average for that month. Activities during the nine months of the current season were below those in the corresponding period of the preceding season.

The usual slowing down in operations of cottonseed oil establishments was also evidenced at mills located throughout the United States during the past month, and activities were below those in the like month of 1933. Excepting linters operations at these mills during the current season remained below those in the first nine months of the previous season. Stocks of cottonseed oil and cake and meal at Texas mills on April 30 were larger than a year ago, while at all United States mills the supplies of oil were smaller. Inventories of hulls and linters at the close of April were below those on April 30, 1933, at both Texas and American mills.



## STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to April 30 This season	Last season	August 1 to April 30 This season	Last season
Cottonseed received at mills (tons).....	1,292,842	1,406,260	4,007,438	4,367,171
Cottonseed crushed (tons).....	1,279,718	1,363,109	3,853,982	4,072,639
Cottonseed on hand April 30 (tons).....	111,910	218,419	373,877	593,526
Crude oil produced (pounds)....	378,273,497	413,368,016	1,202,732,380	1,266,488,703
Cake and meal produced (tons)....	596,214	627,814	1,750,490	1,840,994
Hulls produced (tons).....	350,423	404,015	1,026,164	1,153,144
Linters produced (running bales).....	220,824	161,329	735,442	644,267
Stocks on hand April 30:				
Crude oil (pounds).....	33,222,899	27,138,420	82,317,454	86,370,065
Cake and meal (tons).....	62,795	59,056	252,014	219,965
Hulls (tons).....	32,511	36,345	69,805	95,298
Linters (running bales).....	36,721	77,168	141,089	252,930

**Textile** Activities in the cotton textile industry of the United States reflected a normal slowing-down during April as compared with the preceding month, but they continued on an appreciably higher scale than in the same month of 1933. There were 512,703 bales of cotton consumed in April this year, as compared with 543,690 bales in March, and 470,359 bales in April, 1933. The percentage increase in cotton consumption during the current season over the corresponding period last season showed a further gain during April, advancing from 5.2 per cent at the close of March to 5.7 per cent at the close of April. Stocks of raw cotton held on April 30 by consuming establishments were seasonally less than those a month earlier, and below the holdings on April 30 last year.

Although the actual production of cloth at reporting cotton textile mills in Texas showed a large decline during April as compared with the previous month, the consumption of raw cotton evidenced a slight increase. Consumption was also in larger volume than in April, 1933, while production of cloth reflected a small decline. Orders for finished products held by these mills on April 30 were in smaller volume than at the close of either the previous month or the same month last year. Supplies of finished goods on hand April 30 were greater than a month earlier, but remained below those a year ago.

COTTON CONSUMED AND ON HAND  
(Bales)

	April 1934	April 1933	August 1 to April 30 This season	Last season
Cotton-growing states:				
Cotton consumed.....	406,678	388,895	3,551,759	3,522,822
On hand April 30 in—				
Consuming establishments.....			1,233,115	1,011,141
Public storage and com- presses.....			6,755,820	7,661,265
United States:				
Cotton consumed.....	512,703	470,359	4,458,077	4,218,932
On hand April 30 in—				
Consuming establishments.....			1,584,746	1,371,218
Public storage and com- presses.....			7,101,941	8,151,913

**Cotton** The exports of cotton through the ports of Houston and Galveston reflected a large decline during April, which was only partly seasonal, and they were also considerably below those in April, 1933. Despite this reduction as compared with April last year, shipments during the current season as a whole continued in much larger volume than in the first nine months of the previous season. Receipts of cotton at the port of Galveston during April were only fractionally less than in March, and exceeded those in April, 1933,

by a wide margin. On the other hand, receipts at Houston were much smaller than in either the previous month or the same month last year. Stocks of raw cotton held at both ports on April 30 were in smaller volume than a year ago, but at Galveston they were greater than at the close of March.

Total foreign exports of cotton from the United States also reflected an abnormally large decline during the past month, which may be attributable in part to other than seasonal factors. Shipments were also substantially below those in April last year. There were 386,594 bales of American cotton exported during the month, as against 550,104 bales in March, and 436,450 bales in April, 1933. At the close of April there had been 6,484,605 bales of lint shipped to foreign countries during the current season, which compares with 6,521,184 bales in the first nine months of the 1932-33 season.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON  
(Bales)

	April 1934	April 1933	August 1 to April 30 This season	Last season
Receipts.....	114,656	71,732	2,085,543	1,902,081
Exports.....	92,221	109,254	1,861,904	1,667,011
Stocks, April 30.....			658,636	697,249

COTTON—GALVESTON STOCK STATEMENT  
(Bales)

	April 30, 1934	April 30, 1933
For Great Britain.....	1,300	3,500
For France.....	3,100	3,000
For other foreign ports.....	30,400	30,500
For coastwise ports.....	4,000	3,000
In compresses and depots.....	619,836	657,249
Total.....	658,636	697,249

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON  
(Bales)

	April 1934	April 1933	August 1 to April 30 This season	Last season
Receipts.....	32,070	85,292	2,172,355	2,614,244
Exports.....	108,315	151,978	2,211,011	2,028,604
Stocks, April 30.....			1,079,214	1,651,033

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

	August 1 to April 30 This season	Last season
Receipts.....	7,194,745	7,882,445
Exports:		
United Kingdom.....	1,125,962	1,116,224
France.....	682,849	718,254
Italy.....	570,378	628,339
Germany.....	1,192,662	1,429,941
Other Europe.....	871,377	798,463
Japan.....	1,564,344	1,371,467
All other countries.....	477,033	458,496
Total foreign ports.....	6,484,605	6,521,184
Stocks at all United States ports, April 30.....	3,009,734	4,198,433

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

	April, 1934		May 15, 1934
	High	Low	
New York.....	12.30	10.90	11.45
New Orleans.....	12.27	10.97	11.38
Dallas.....	11.90	10.60	11.00
Houston.....	12.25	11.00	11.45
Galveston.....	12.20	11.00	11.45



*Petroleum*

While the crude oil produced in the Eleventh District during April, aggregating 31,767,000 barrels, was in approximately the same volume as in the previous month, there was an increase of 33,900 barrels in daily average output which was accounted for by the shorter month. Production totaled 31,775,000 barrels in March, and 26,800,500 barrels in April a year ago. Evidencing a material expansion in drilling activity, the total number of wells completed rose from 716 in March to 989 in April, and the initial output of successful wells increased from 1,994,835 barrels in the earlier month to 2,734,842 barrels in the succeeding month.

The daily petroleum yield in Texas averaged 987,700 barrels in April, as against 955,500 barrels in the preceding month, and 827,200 barrels in the same month last year. The gain as compared with March was general over the State, and ranged from 1,050 barrels in North Texas to 24,050 barrels in East Texas. Daily production in the western and southern parts of the State was on a smaller scale than a year ago. Reflecting an increase of 2,700 barrels over the previous month, the daily output from fields in New Mexico during April amounted to 44,950 barrels, while that

of North Louisiana was reduced further and amounted to 26,250 barrels.

## APRIL DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas wells	Fail- ures	Initial production
North Texas.....	249	151	3	95	33,672
Central West Texas.....	84	48	2	34	139,341
East Texas.....	353	333	2	18	2,448,030
South Texas.....	155	78	11	66	31,436
Texas Coastal.....	103	76	4	23	56,048
Total Texas.....	944	686	22	236	2,708,527
New Mexico.....	9	8	..	1	24,530
North Louisiana.....	36	20	2	14	1,785
April totals, district.....	989	714	24	251	2,734,842
March totals, district.....	716	515	23	178	1,994,835

## CRUDE OIL PRICES

	May 11, 1934	May 12, 1933
Texas Coastal (34 gr. and above).....	\$1.12	\$ .30*
North Texas (40 gr. and above).....	1.03	.25*
North Louisiana (40 gr. and above).....	1.08	.25*

\*Flat price.

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

## OIL PRODUCTION—(Barrels)

	April, 1934		Increase or decrease over March, 1934	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,352,500	111,750	— 79,200	+ 1,050
Central West Texas.....	4,947,000	164,900	— 93,600	+ 2,300
East Texas.....	14,998,500	499,950	+245,600	+24,050
South Texas.....	1,462,500	48,750	+ 34,950	+ 2,700
Texas Coastal.....	4,870,500	162,350	— 97,250	+ 2,100
Total Texas.....	29,631,000	987,700	+ 10,500	+32,200
New Mexico.....	1,348,500	44,950	+ 38,750	+ 2,700
North Louisiana.....	787,500	26,250	— 57,250	— 1,000
Total District.....	31,767,000	1,058,900	— 8,000	+33,900

*Building*

The valuation of construction permits issued at leading cities in this district reflected a further increase in April and amounted to \$1,006,538, as compared with \$988,507 in the preceding month, and \$1,070,678 in the same month last year. Despite the 6.0 per cent decrease from a year ago, seven cities reported sizable gains over both comparative months. The total number of building permits issued rose from 1,437 in March to 1,560 in April, these figures being materially in excess of those at this time last year.

## BUILDING PERMITS

	April, 1934		April, 1933		Percentage change valuation over year	March, 1934		Percentage change valuation over month	Jan. 1 through April 30				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1934		1933		
									No.	Valuation	No.	Valuation	
Amarillo.....	24	\$ 52,797	17	\$ 4,965	+963.4	17	\$ 8,378	+530.2	72	\$ 129,112	58	\$ 31,376	+311.5
Austin.....	81	67,116	106	123,025	— 45.4	90	85,406	— 21.4	276	212,610	322	631,494	— 66.3
Beaumont.....	105	15,233	64	8,407	+ 81.2	94	17,690	— 13.9	324	53,808	283	44,242	+ 21.6
Corpus Christi..	16	25,790	25	35,440	— 27.2	21	13,215	+ 95.2	84	119,264	78	61,693	+ 93.3
Dallas.....	409	202,786	317	145,410	+ 39.5	384	283,751	— 28.5	1,492	812,460	1,045	692,514	+ 17.3
El Paso.....	42	18,550	43	9,297	+ 99.5	40	11,525	+ 61.0	149	92,116	126	77,982	+ 18.1
Fort Worth.....	70	63,800	93	388,000	— 83.6	97	78,600	— 18.8	319	239,820	324	795,523	— 69.9
Galveston.....	131	55,252	89	29,339	+ 88.3	147	36,624	+ 50.9	453	149,026	329	136,114	+ 9.5
Houston.....	199	262,845	175	182,678	+ 43.9	193	301,760	— 12.9	693	977,525	655	708,395	+ 38.0
Port Arthur....	42	13,819	48	6,920	+ 99.7	37	11,406	+ 21.2	159	48,028	139	22,880	+109.9
San Antonio....	130	48,122	158	77,610	— 38.0	158	66,281	— 27.4	516	252,840	527	374,901	— 32.6
Shreveport....	228	90,932	100	22,433	+305.3	124	53,809	+ 69.0	530	205,275	351	88,334	+132.4
Waco.....	28	80,387	37	30,307	+165.2	22	15,067	+433.5	78	130,508	107	104,952	+ 24.4
Wichita Falls..	55	9,109	51	6,847	+ 33.0	13	4,995	+ 82.4	83	29,589	114	17,876	+ 65.5
Total.....	1,560	\$1,006,538	1,323	\$1,070,678	— 6.0	1,437	\$ 988,507	+ 1.8	5,228	\$3,451,981	4,458	\$ 3,788,276	— 8.9

*Cement*

Activities at Portland cement mills in Texas during the past month reflected contrary to seasonal declines as compared with the previous month, and they were also in smaller volume than a year ago. April production of cement totaled 354,000 barrels, as compared with 433,000 barrels in March, and 372,000 barrels in April, 1933. Shipments aggregated 316,000 barrels, being 8.7 per cent below those in March, and 8.9 per cent lower than the April, 1933 volume. Supplies of cement held by Texas mills on April 30 were greater than those a month earlier, but less than on the same date of the previous year. During the first four months of 1934 production

of cement at these mills was 5.3 per cent greater than in the same period of 1933, while shipments showed a slight decline.

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

	Percentage change from			January 1 through April 30, 1934	Percentage change over year
	April 1934	April 1933	March 1934		
Production at Texas mills.....	354	— 4.8	—18.2	1,262	+ 5.3
Shipments from Texas mills....	316	— 8.9	— 8.7	1,109	— .9
Stocks at end of month at Texas mills.....	617	— 7.4	+ 6.6	.....	.....



# SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, May 22, 1934)

Volume of manufacturing production increased during April, while the output of mines declined. Employment and payrolls continued to increase. The general level of commodity prices remained substantially unchanged during April and the first three weeks in May, although prices of individual commodities showed considerable changes.

## PRODUCTION AND EMPLOYMENT

Production of manufactures which had increased continuously since last November showed a further advance in April, according to the Board's seasonally adjusted index, while output of mines was smaller in April than in March. The Board's combined index of industrial production remained practically unchanged at 85 per cent of the 1923-1925 average. The growth in manufacturing reflected increases in iron and steel, automobiles, and meat packing. Lumber production declined in April, and activity at wool and silk mills was considerably reduced, while cotton consumption by mills showed little change. Crude petroleum output continued to increase, but there was a more than seasonal decline at the beginning of April in the mining of both anthracite and bituminous coal. During the first two weeks of May steel operations increased further, but declined somewhat in the third week. Output of automobiles decreased considerably in May. Volume of employment and wage payments continued to increase in April and employment in factories, according to the new index of the Bureau of Labor Statistics, was larger than at any time since the end of 1930. There was a substantial seasonal increase in the number of workers employed in private construction as well as in those engaged in projects financed by the Public Works Administration. Employment on railroads, in metal mining, and quarrying, and in various service activities also increased further, while in coal mining there was a considerable decrease. Construction contracts awarded during April, as reported by the F. W. Dodge Corporation, were smaller in value than during March. There was a substantial decline in public works contracts, while contracts for privately financed projects showed a slight increase in April. Following the extended drouth in important grain areas, the Department of Agriculture forecast of the winter wheat crop was reduced from 492,000,000 bushels on April 1 to 461,000,000 bushels on May 1. This compares with a five-year average for 1927-1931 of 632,000,000 bushels. The condition

of rice, hay, and pastures has also been adversely affected by the drouth.

## DISTRIBUTION

Railroad freight-car loadings declined in April as compared with March, and in the first half of May there was a smaller than seasonal increase in total loadings. The April decline was largely the result of a substantial decrease in coal shipments from the relatively large volume of March. Department store sales showed little change from March to April, after allowance is made for differences in the number of business days, for usual seasonal changes, and for changes in the date of Easter. Sales continued larger than a year ago.

## COMMODITY PRICES

The general level of wholesale commodity prices, as measured by the Bureau of Labor Statistics index, has shown little change during the past three months. Prices of grains, cotton, silk, and silver, which declined sharply in April, rose during the first three weeks of May. Rubber prices advanced sharply until early in May, but subsequently declined somewhat and prices of textile products declined during recent weeks. Steel scrap has declined since March, while finished steel products, automobiles, non-ferrous metals, and building materials advanced. Cattle and beef prices rose during April and the early part of May while prices of hogs declined.

## BANK CREDIT

Excess reserves of member banks remained at a level of about \$1,600,000,000 between the middle of April and the middle of May. There were no considerable changes in monetary gold stock or in money in circulation. The total volume of reserve bank credit also showed little change. At reporting member banks in leading cities in the five weeks ending May 16 there were decreases of about \$240,000,000 in loans and of \$80,000,000 in investments, the latter reflecting a decrease in holdings of securities other than those of the United States Government. Net demand and time deposits increased by nearly \$200,000,000 while United States Government deposits were reduced by about \$300,000,000. Short term money rates in the open market continued at low levels during May and yields on United States Treasury bonds declined further to the lowest levels of the post war period.