

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

C. C. WALSH
Chairman and Federal Reserve Agent

CHAS. C. HALL—W. J. EVANS
Assistant Federal Reserve Agents

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LOANS TO TRADE AND INDUSTRY

In June, 1934, the Federal Reserve Act was amended so as to permit Federal reserve banks to make a substantial volume of credit available to established industrial or commercial businesses in need of additional working capital which cannot be obtained from the usual sources. The loans are to be made on a sound and reasonable basis and may have maturities not exceeding five years.

A member bank may make a loan for working capital purposes and by paying a reasonable commitment charge may procure from the Federal reserve bank an agreement to take over the loan at any time within a specified period without recourse on the member bank for that portion of the loan not guaranteed by it, which may be as much as 80 per cent. The law also permits Federal reserve banks, apart from the commitment feature, to

make loans for working capital purposes in participation with member banks and other financing institutions.

Besides authorizing Federal reserve banks to make commitments to take over industrial loans and advances and to participate in loans with banks and financing institutions, the law also authorizes Federal reserve banks in exceptional circumstances to make direct loans to industry. The Federal Reserve Bank of Dallas has made direct loans, participating loans and commitments in the aggregate amount of \$2,127,550, and a number of other loans and commitments are in process of being closed.

Additional information may be obtained by any bank, financing institution or prospective applicant for credit by addressing an inquiry to the Federal Reserve Bank of Dallas.

DISTRICT SUMMARY

THE SITUATION AT A GLANCE
Eleventh Federal Reserve District

	April 1935	Change from March
Bank debits to individual accounts (at 18 cities).....	\$619,067,000	— 2.4%
Department store sales.....	.....	+ 2.3%
Reserve bank loans to member banks at end of month.....	\$ 502,226	+ \$287,294
Reserve bank ratio at end of month.....	59.4%	+ .5 points
Building permit valuation at larger centers....	\$ 3,024,570	+104.1%
Commercial failures (number).....	32	+ 68.4%
Commercial failures (liabilities).....	\$ 403,287	+210.8%
Oil production (barrels).....	33,042,000	— 3.8%

Heavy and widespread rains which supplied needed moisture in practically all sections of this district, a sharp upturn in building operations, and an active demand for merchandise in wholesale and retail channels were outstanding developments during the past month. A good subsoil season now obtains in all sections except portions of the former drouth area, where additional rain would be beneficial, and farmers can proceed rapidly with planting operations and crop cultivation as soon as the topsoil dries suf-

ficiently. Vegetation on livestock ranges has made rapid growth as a result of the improved moisture situation, and the prospects for early summer pasturage are good. With better grazing conditions livestock should mend rapidly. There is a stronger demand for stocker animals and range prices are rising.

Construction activity reflected a sharp upturn in April. The valuation of building permits issued at leading cities in this district rose to the highest level since the large January figure, and gains were registered by most of the reporting cities. The April total was more than twice that for March, and three times larger than in the same month of 1934.

Retail distribution, as reflected by department store sales, was 2 per cent larger than in March and exceeded that of a year ago by 11 per cent. The improvement, however, was due largely to the lateness of Easter this year. In wholesale trade, the combined sales of reporting firms evidenced a slight seasonal decline as compared with the previous month, but they were substantially larger than a year ago. Debits to individual accounts at banks in principal cities, while slightly smaller than in March, showed a gain of 16 per

cent over a year ago, which was the most favorable comparison reported since last August.

Federal Reserve Bank loans to member banks reflected a further expansion and at the middle of May were larger than a year ago. The investments of member banks in selected cities were increased between April 10 and May 8,

but the commercial loans of these banks showed a small seasonal recession. The daily average of combined net demand and time deposits of member banks rose \$1,131,000 between March and April, and the total in the latter month was \$84,252,000 greater than in the same month of 1934. Effective May 8, 1935, the discount rate of the Federal Reserve Bank of Dallas was reduced to 2 per cent.

BUSINESS

Wholesale Trade

An improvement in business was visible during April in several reporting lines of wholesale trade. The sales of whole-

sale grocery firms in this district reflected an expansion which was contrary to seasonal, and the demand for drugs and dry goods fell off by a somewhat smaller percentage than is often reported at this time of year. Business in four lines reached a larger volume than in the same month last year. In the case of groceries, dry goods, and drugs, this comparison was more favorable than that reported for March. Inventories were increased somewhat during April in all lines except dry goods. Varying trends were evidenced in the volume of collections during the month. Declines from the previous month occurred in the case of groceries, farm implements, and drugs, while substantial gains were reflected in the other two lines.

An increase which was contrary to seasonal and amounted to 4.2 per cent was reflected in the combined sales of reporting wholesale grocery firms in this district during April. As compared with the same month a year ago, business showed a gain of 30.4 per cent, this comparison being the most favorable reported since February, 1934. Stocks on hand April 30 were 3.7 per cent above those a month earlier, and 12.2 per cent larger than a year ago. Total collections during April were only slightly smaller than the previous month's volume.

Distribution of dry goods through wholesale channels during April declined by less than the usual seasonal amount, being 4.9 per cent below that of March. There was an increase of 5.5 per cent over the corresponding month last year, whereas reports in each of the first three months of the current year evidenced substantial declines from 1934. Stocks on hand were further reduced during the month, and on April 30 were 13.5 per cent smaller than a year ago. An increase of 10.7 per cent was shown in the April volume of collections as compared with March.

There was a seasonal decline of 5.1 per cent in the distribution of drugs at wholesale during April. Business was 7.3 per cent larger than in the same month last year, whereas a slight decrease was reflected for this comparison in March. Inventories on April 30 were somewhat higher than a month earlier, this being the fourth consecutive month in which an increase has been registered. A reduction of 4.8 per cent as compared with the previous month was shown in the volume of collections during April.

Sales of farm implements during April by wholesale firms in this district showed a decrease of 32.0 per cent from the preceding month, but continued to be in larger volume than in the same month last year. However, the margin of increase was the smallest that it has been in a number of months. Business sentiment in many sections of the district was improved by the widespread rains which have fallen in

recent weeks. A material decline in collections during April was reported.

After increasing for three consecutive months, the demand for hardware at wholesale declined slightly during April. Total sales for the month were 3.3 per cent less than in March, and they showed a reduction of 1.1 per cent as compared with the same month last year. For the period from January 1 to April 30, there was an increase over 1934 amounting to 0.2 per cent. Collections in April totaled 7.9 per cent more than those of the preceding month.

CONDITION OF WHOLESALE TRADE DURING APRIL, 1935
Percentage of increase or decrease in—

	Net Sales April, 1935 compared with April, Mar., 1934 1935		Net Sales Jan. 1 to date compared with same period last year		Stocks April, 1935 compared with April, Mar., 1934 1935		Ratio of collec- tions during April to accounts and notes outstanding on March 31	
Groceries.....	+30.4	+4.2	+20.0	+12.2	+3.7		81.2	
Dry goods.....	+5.5	-4.9	-9.0	-13.5	-2.8		36.3	
Farm implements..	+17.5	-32.0	+70.2	+15.1	+8.9		5.9	
Hardware.....	-1.1	-3.3	+0.2	-0.8	+0.2		50.0	
Drugs.....	+7.3	-5.1	+5.1	+5.9	+1.6		52.3	

Retail Trade

Stimulated by a late Easter, the business of department stores located in leading cities of the Eleventh District continued very active during the past month. Sales were 2.3 per cent greater than the March volume, and exceeded those in April, 1934, by 11 per cent. The large increase over April, 1934, is due mainly to the fact that pre-Easter buying this year occurred in April, while last year it came in March. A more accurate picture of Easter and spring buying is shown in the comparison of department store business during March and April this year as compared with the same two months of 1934, which reflects an increase of 3.2 per cent in 1935 over last year. This bank's seasonally adjusted index of department store sales averaged 80.3 per cent for April, as against 85.5 per cent in March, and 80.5 per cent in April, 1934. Distribution of merchandise during the first four months of 1935 was 4.9 per cent greater than in the corresponding period last year.

Stocks of merchandise held by reporting firms on April 30 were 3.5 per cent greater than the holdings a month earlier, and 5 per cent above those on hand April 30, 1934. The ratio of stock turnover during 1935 was 1.00, as compared with .99 in the first four months of 1934.

Collections on open accounts evidenced the usual seasonal increase during the past month. The ratio of April collections on open accounts outstanding on April 1 was 39.6 per cent, as against 38.6 per cent in March, and 37.3 per cent in April, 1934. Collections on installment accounts declined from 15.6 per cent in March to 15.0 per cent in April, which compares with 14.8 per cent a year ago.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
April, 1935, compared with April, 1934.....	+13.9	+10.7	+8.4	+3.8	+15.0	+11.0
April, 1935, compared with March, 1935.....	-1.4	+2.8	+11.9	+ .9	+1.6	+2.3
January 1 to date compared with same period last year.....	+9.6	+2.5	-1.9	+5.8	+4.6	+4.9
Credit sales (percentage):						
April, 1935, compared with April, 1934.....	+15.5	+13.4	+14.1	+4.6	+18.7	+13.7
April, 1935, compared with March, 1935.....	- .2	+2.5	+10.1	-2.5	+1.9	+1.8
January 1 to date compared with same period last year.....	+13.0	+5.8	+4.3	+10.1	+8.2	+9.4
Stocks on hand at end of month (percentage):						
April, 1935, compared with April, 1934.....	+3.7	+ .5	+6.1	+20.3	+1.4	+5.0
April, 1935, compared with March, 1935.....	+2.4	+4.8	+6.0	+2.7	+3.6	+3.5
Stock turnover (rate):						
Rate of stock turnover in April, 1934.....	.26	.19	.25	.33	.19	.24
Rate of stock turnover in April, 1935.....	.29	.21	.26	.28	.22	.26
Rate of stock turnover January 1 to April 30, 1934.....	1.12	.79	1.00	1.22	.82	.99
Rate of stock turnover January 1 to April 30, 1935.....	1.17	.80	.93	1.10	.84	1.00
Ratio of April collections to open accounts receivable outstanding April 1, 1935.....	41.0	34.0	42.5	41.7	36.7	39.6
Ratio of April collections to installment accounts receivable outstanding April 1, 1935.....	16.5	10.7	.....	16.3	20.8	15.0
Indexes of department store sales:						
Unadjusted—March, 1935.....	86.8	79.4	79.3	73.7	.....	80.4
Unadjusted—April, 1935.....	84.1	81.7	88.1	69.3	.....	80.3
Adjusted—March, 1935.....	89.5	84.5	85.3	77.6	.....	85.5
Adjusted—April, 1935.....	84.1	80.9	86.4	66.6	.....	80.3
Indexes of department store stocks:						
Unadjusted—March, 1935.....	55.7	66.0	48.5	48.7	.....	59.2
Unadjusted—April, 1935.....	57.0	72.0	51.5	51.0	.....	61.6
Adjusted—March, 1935.....	55.1	64.1	48.5	45.9	.....	57.5
Adjusted—April, 1935.....	55.3	69.2	50.0	48.1	.....	59.2

Commercial Failures

After having declined appreciably in the previous month, the business mortality rate in this district rose materially during April. The liabilities of defaulting firms also showed a substantial increase as compared with March, but they totaled somewhat less than in the same month last year. Figures

released by Dun & Bradstreet, Incorporated, covering commercial failures in the Eleventh District, showed that there were 32 insolvencies in April with a combined indebtedness of \$403,287, as against 19 defaults in the previous month with liabilities amounting to \$129,760, and 31 commercial failures in April, 1934, owing \$425,629.

AGRICULTURE

Crop Conditions

Agricultural conditions in this district have been greatly improved by the heavy rains which have fallen in most sections since the middle of April. While field work has been delayed on account of wet soil and considerable replanting will be necessary, the effects of the delay have been more than offset by the good surface and subsoil season which now obtains in the major portion of the district.

The condition of the Texas wheat crop has shown no improvement as rains were generally light in the heavy producing sections and in most instances came too late to be of material benefit. The Department of Agriculture estimated that 70 per cent of the 4,373,000 acres sown last fall had been abandoned prior to May 1, and that the condition of the 1,312,000 acres remaining for harvest was only 39 per cent of normal, which indicated a per acre yield of 6 bushels and a total harvest of 7,872,000 bushels. The prospective per acre yield is the lowest on record and the percentage of abandonment is the largest. The crop in Oklahoma showed a further deterioration during April. The Texas oat crop, which was suffering from the lack of moisture in March and up to the middle of April, has shown a marked improvement since the rains. The condition of the crop was rated at 61 per cent of normal on May 1 as compared with 74 per cent a year ago. The Louisiana crop was rated at 72 per cent of normal as compared with 85 per cent last year.

The corn crop has made good progress in nearly all sections. The crop had a good start and since the rains plants have grown rapidly. The condition of tame hay in Texas was rated at 62 per cent of normal on May 1 as compared with 68 per cent a year ago. The condition of the crop in other states attached to this district is fair to good. Stocks of hay on farms are low for this season.

The planting of cotton, which had made generally good progress during most of April, has been retarded during the past three weeks as the wet soil has interfered with field work. Due to the severe washing in some areas, to the chilly weather, and to poor germination and seed rotting, much replanting will be necessary. Over a considerable area fields are becoming grassy and weedy as wet soil has prevented cultivation. In some sections there are complaints of cutworms, lice, and other insects injuring young plants. A period of dry, warm weather is now needed over the cotton territory to enable farmers to complete planting operations, to clean fields, and to give young plants a good start.

The outlook for the Texas peach crop is generally favorable with the May 1 condition rated at 61 per cent of normal as compared with 60 per cent last year. Prospects in Louisiana and Oklahoma, however, are not as good as a year ago. The Irish potato crop in Texas was estimated at 71 per cent on May 1, as against 73 per cent in 1934. The condition of the crop in Louisiana was placed at 83 per cent, whereas a year ago it was 78 per cent. The outlook for spring truck crops is favorable although cool weather has delayed the maturity of some crops. Heavy rains have damaged crops in some localities.

Livestock

Heavy rains over most of this district during the past month have greatly improved range prospects. While most areas have sufficient moisture to provide good grazing during early summer, rainfall has been lightest in the drouth areas of west and northwest Texas and eastern New Mexico, and much additional rainfall will be needed to offset the effects of the accumulated deficiencies in soil moisture. While the major portion of the Edwards Plateau region remained dry during March and April, heavy rains have fallen in most of the territory since the first of May and sheep and goat ranges

should improve rapidly. Cattle are in fair to good condition in the eastern two-thirds of Texas, western New Mexico, and southeastern Arizona, but are poor to only fair in eastern New Mexico and west and northwest Texas. While sheep are in good condition in the eastern portion of the Edwards Plateau, they are in poor to only fair condition in the western portion.

The Department of Agriculture rated the condition of cattle ranges in Texas at 66 per cent of normal on May 1 as compared with 61 per cent on April 1, and 82 per cent on May 1, 1934. Sheep and goat ranges were estimated at 59 per cent of normal condition, which is 5 points lower than a month earlier and 21 points below a year ago. During the month, the condition of cattle rose 5 points; that of sheep increased 1 point; and that of goats improved 3 points. In each instance, however, the condition figure on May 1 was substantially lower than on the same date last year.

Movements and Prices

The receipts of cattle at the Fort Worth market during April reflected a noticeable increase over both the previous month and the same month last year. Supplies of sheep showed a large gain over both comparative periods, but the arrivals of hogs showed a large decline. While the receipts of calves were somewhat smaller than in March, they were substantially larger than in April last year.

The cattle market evidenced considerable irregularity

during the past month, but at most times there was an active demand for quality offerings at good prices. While hog prices were weak at times, the market strengthened toward the middle of May and was slightly higher than a month earlier. Sheep and lamb receipts increased in April and prices tended lower but the market strengthened somewhat in the first half of May.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	April 1935	April 1934	Change over year	March 1935	Change over month
Cattle.....	42,805	33,768	+ 9,037	35,361	+ 7,444
Calves.....	19,209	11,289	+ 7,920	20,916	- 1,707
Hogs.....	29,219	48,616	-19,397	35,591	- 6,372
Sheep.....	73,433	37,125	+36,308	25,953	+47,480

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	April 1935	April 1934	March 1935
Beef steers.....	\$11.00	\$6.00	\$11.25
Stocker steers.....			7.25
Heifers and yearlings.....	12.00	6.50	12.00
Butcher cows.....	7.25	4.50	7.00
Stocker cows.....			
Calves.....	8.50	6.00	8.50
Hogs.....	8.75	4.30	9.60
Sheep.....	5.00	5.00	5.25
Lambs.....	8.00	9.50	9.00

FINANCE

Condition of Member Banks in Selected Cities

During the four-week period ending May 8, the reports of member banks in selected cities reflected a gain in investments, but a decline in loans and demand deposits. Holdings of United States securities totaled \$170,129,000 on May 8, which was \$1,880,000 greater than on April 10, and \$20,693,000 above those on May 9, 1934. Investments in other stocks and bonds were increased \$1,083,000 during the four weeks and were \$28,538,000 larger than a year earlier. Following the reduction in the New York call rate on security loans, these banks withdrew most of their New York security loans with the result that loans on securities declined \$5,170,000 during the period. As compared with a year ago, these loans were \$16,378,000 smaller. While "all other" loans (largely commercial) declined \$861,000 between April 10 and May 8, the total on the latter date was \$11,001,000 greater than a year earlier. The net demand deposits of these banks declined \$3,781,000 during the four-week period, but time deposits rose \$1,658,000. As compared with a year ago, combined net demand and time deposits were \$47,228,000 greater. Reserve deposits with the Federal Reserve Bank totaled \$62,566,000 on May 8, which was \$7,869,000 less

than four weeks earlier, and \$12,728,000 below those a year ago.

Operations of the Federal Reserve Bank

The demand for Federal Reserve Bank funds reflected a further seasonal increase during the past month. Total borrowings by member banks aggregated \$511,000 on May 15, as compared with \$359,000 on April 15 this year and May 15 last year. There were 23 borrowing banks on May 15, as against 15 banks a month earlier and a year ago. Loans by the Federal Reserve Bank to established industrial and commercial businesses for working capital purposes totaled \$1,808,000 on May 15, and it had commitments to make advances in the amount of \$160,000. Between April 15 and May 15, this bank reduced its holdings of bills bought in the open market \$16,000 and its investments in United States securities \$5,000,000. The reserve deposits of member banks showed considerable irregularity during the month, but the total on May 15 amounted to \$110,146,000 as compared with \$112,795,000 on April 15. These deposits totaled \$118,089,000 on the same date in 1934. Federal reserve notes in actual circulation totaled \$47,283,000 at the middle of May, which was practically the same as a month earlier, but \$8,230,000 greater than a year ago.

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

	May 8, 1935	May 9, 1934	April 10, 1935
United States securities owned.....	\$170,129	\$149,436	\$168,249
All other stocks, bonds, and securities owned.....	80,004	51,466	78,921
Loans on securities.....	43,220	59,598	48,390
All other loans.....	137,532	126,531	138,393
Total loans.....	180,752	186,129	186,783
Net demand deposits.....	314,769	269,939	318,550
Time deposits.....	123,611	121,213	121,953
Reserve with Federal Reserve Bank.....	62,566	75,294	70,435
Bills payable and rediscounts with Federal Reserve Bank.....	None	None	None

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

	May 15, 1935	May 15, 1934	April 15, 1935
Total cash reserves.....	\$ 96,649	\$103,176	\$ 97,861
Discounts for member banks.....	511	359	359
Industrial advances.....	1,808	None	1,776
Bills bought in the open market.....	122	310	138
United States securities owned.....	71,475	71,475	76,475
Other investments.....	None	None	3
Total earning assets.....	73,916	72,144	78,751
Member bank reserve deposits.....	110,146	118,089	112,795
Federal reserve notes in actual circulation.....	47,283	39,053	47,246
Federal reserve bank notes in actual circulation.....	None	2,775	None

Debits to Individual Accounts

Debits to depositors' accounts at banks in leading cities in this district totaled \$619,067,000 in April. While this is smaller than the \$634,081,000 reported in the previous month, the amount of decline was of less than seasonal proportions. There was an increase of 16.3 per cent as compared with the corresponding month last year, this being the most favorable such comparison reported since last August. At seven reporting centers there were increases as compared with March, and at seventeen cities there were gains over April a year ago.

DEBITS TO INDIVIDUAL ACCOUNTS (In thousands of dollars)

	April 1935	April 1934	Percentage change over year	March 1935	Percentage change over month
Ablene.....	\$ 6,264	\$ 4,756	+31.7	\$ 5,576	+12.3
Austin.....	35,260	21,829	+61.6	33,451	+5.4
Beaumont.....	19,007	14,304	+32.9	18,543	+2.5
Corsicana.....	2,630	2,380	+10.5	2,876	+1.7
Dallas.....	168,292	154,178	+9.2	170,171	+1.1
El Paso.....	19,831	15,227	+30.2	22,915	+13.5
Fort Worth.....	64,905	51,630	+25.7	62,845	+3.3
Galveston.....	18,683	17,182	+8.7	20,725	+9.9
Houston.....	138,602	127,915	+8.4	144,744	+4.2
Port Arthur.....	6,339	4,800	+32.1	6,019	+5.3
Roswell.....	2,081	2,069	+0.6	2,214	+6.0
San Antonio.....	63,888	47,022	+35.9	61,880	+3.2
Shreveport.....	25,868	28,732	-10.0	31,127	+16.9
Texarkana*.....	5,252	5,122	+2.5	4,700	+11.7
Tucson.....	8,470	7,408	+14.3	10,775	+21.4
Tyler.....	10,304	7,767	+32.7	10,361	+0.6
Waco.....	11,331	9,875	+14.7	12,979	+12.7
Wichita Falls.....	12,051	10,288	+17.1	12,380	+2.7
Total.....	\$619,067	\$532,484	+16.3	\$634,081	+2.4

*Includes the figures of 2 banks in Texarkana, Arkansas, located in the Eighth District.

Deposits of Member Banks

The daily average of combined net demand and time deposits of member banks reflected a counter-to-seasonal increase in April, the total of \$800,197,000 being \$1,131,000 greater than in the previous month, and \$84,252,000 above that in the same month last year. The increase over March was about equally divided between net demand and time de-

posits. While there was a decline in the net demand deposits of country banks, it was more than offset by an increase in those of reserve city 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, 1934.....	\$523,397	\$192,548	\$257,838	\$107,615	\$265,559	\$84,933
May, 1934.....	516,090	192,830	253,752	108,146	262,338	84,684
June, 1934.....	519,465	192,712	256,456	109,597	263,009	83,115
July, 1934.....	521,333	197,690	255,210	112,632	266,123	85,058
Aug., 1934.....	527,054	196,825	260,061	111,551	266,993	85,274
Sept., 1934.....	557,318	194,215	275,831	109,110	281,487	85,105
Oct., 1934.....	583,558	194,618	287,250	109,459	296,308	85,159
Nov., 1934.....	596,441	196,512	292,685	111,082	303,756	85,430
Dec., 1934.....	597,645	195,380	286,965	111,630	310,680	83,750
Jan., 1935.....	590,459	196,436	279,110	113,255	311,349	83,181
Feb., 1935.....	609,125	197,155	289,057	112,586	319,168	84,569
Mar., 1935.....	605,672	193,394	294,281	112,019	311,391	81,875
April, 1935.....	606,348	193,849	299,163	112,252	307,185	81,597

Acceptance Market

The volume of acceptances executed by banks in the Eleventh District and outstanding at the close of April reflected a moderate seasonal decline from the preceding month, but was noticeably larger than on the same date last year. The total amount reported was \$1,667,756, which compares with \$1,843,270 on March 31, and \$275,675 on April 30, 1934. The volume of acceptances based on the domestic shipment and storage of goods amounted to \$1,509,893, as against \$1,727,706 a month earlier, and \$193,624 a year ago.

Savings Deposits

Savings deposits totaling \$149,584,517 were reported as of April 30 by 125 banks in this district that operate savings departments. This figure is 0.4 per cent larger than that of a month earlier, when these deposits aggregated \$148,937,685. The total amount reported on the last day of April, 1934, was \$136,811,402. The expansion over a year ago was participated in by all major cities, and only two reported declines as compared with March 31.

SAVINGS DEPOSITS

	Number of reporting banks	April 30, 1935		April 30, 1934		Percentage change over year in savings deposits	March 31, 1935		Percentage change over month in savings deposits
		Number of savings depositors	Amount of savings deposits	Number of savings depositors	Amount of savings deposits		Number of savings depositors	Amount of savings deposits	
Beaumont.....	3	8,876	\$ 3,518,768	8,282	\$ 3,175,723	+10.8	8,891	\$ 3,463,105	+1.6
Dallas.....	9*	77,075	25,137,584	74,384	24,664,750	+1.9	77,026	25,051,836	+3
El Paso.....	2	12,100	5,436,526	10,655	4,429,167	+22.7	11,988	5,296,239	+2.6
Fort Worth.....	3	34,596	10,991,053	32,946	10,066,417	+9.2	34,557	10,843,762	+1.4
Galveston.....	4	16,864	10,015,100	16,655	9,634,602	+3.9	16,859	10,012,978	0.0
Houston.....	11*	65,801	30,761,298	66,447	27,865,011	+10.4	65,719	30,556,966	+7
Port Arthur.....	2	5,216	2,060,152	4,968	1,869,176	+10.2	5,319	2,061,649	+1
San Antonio.....	6*	17,403	16,266,305	15,782	14,254,766	+14.1	17,442	16,187,002	+5
Shreveport.....	3	22,267	10,814,096	22,944	10,197,614	+6.0	22,401	11,234,077	+3.7
Waco.....	3	10,879	6,418,843	10,491	5,834,577	+10.0	10,929	6,367,430	+8
Wichita Falls.....	3	6,072	2,914,397	5,663	2,797,178	+4.2	5,958	2,857,731	+2.0
All others.....	76*	51,559	25,250,395	48,640	22,022,421	+14.7	51,545	25,004,910	+1.0
Total.....	125	328,708	\$149,584,517	317,857	\$136,811,402	+9.3	328,634	\$148,937,685	+0.4

*Only 8 banks in Dallas, 10 in Houston, 5 in San Antonio, and 68 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.....	4-6	6-8	5-6	4-7	6	3-6
Rate charged on loans to other banks secured by bills receivable.....	None	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	6-8	5-8	4-7	6-8	6-8
Time.....	6-8	6-8	5-8	4-7	6-7	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	3½-6	6-8	6-8	3-7	8	5-6
Rate on cattle loans.....	None	6-8	6-8	7-10	6-10	8

INDUSTRY

Cottonseed Products

Operations at cottonseed oil mills during the past month in both Texas and the United States remained on the low level that prevailed throughout the previous month, and continued in substantially smaller volume than in the same month of 1934. With the exception of the output of linters at all United States mills operations during the nine months of the current season remained materially below those in the same period last season. Stocks of cottonseed products on hand April 30 at crushing establishments were seasonally smaller than those a month earlier, and supplies of crude oil were approximately one-third of what they were on April 30, 1934.

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).....	709,140	1,293,686	3,339,740	4,008,375
Cottonseed crushed (tons).....	783,307	1,280,325	3,313,843	3,854,587
Cottonseed on hand April 30 (tons).....	28,494	112,147	248,558	374,209
Crude oil produced (pounds).....	225,527,406	378,273,497	1,031,826,345	1,202,900,480
Cake and meal produced (tons).....	372,090	596,214	1,507,950	1,750,389
Hulls produced (tons).....	208,253	350,423	852,075	1,026,162
Linters produced (running bales).....	167,299	220,824	746,849	734,571
Stocks on hand April 30:				
Crude oil (pounds).....	8,083,239	33,222,899	28,315,862	82,317,454
Cake and meal (tons).....	46,428	62,795	264,999	252,625
Hulls (tons).....	32,109	32,511	129,289	69,885
Linters (running bales).....	38,110	36,721	147,952	141,505

Textile Milling

A normal reduction in the domestic consumption of raw cotton was reflected during April, and operations remained on a scale somewhat below a year ago. Consumption during the month amounted to 462,844 bales, which is considerably less than the average for April, and compares with 481,135 bales in March, and 512,594 bales in April, 1934. During the nine months of the current cotton season, ended April 30, there were 4,096,871 bales of cotton consumed by domestic textile mills, which represents a decrease of 8.1 per cent from the 4,457,741 bales consumed in the corresponding period of the previous season. Stocks of cotton on hand at consuming establishments on April 30 were in smaller volume than a month earlier or a year ago.

Activity at reporting Texas textile mills during April showed a substantial curtailment. Both the consumption of cotton and the production of cloth were in noticeably smaller volume than a month earlier or a year ago. On the other hand, orders for finished products held on April 30 showed a material increase over those a month earlier, and were little less than on the same date last year. Stocks of

COTTON CONSUMED AND ON HAND
(Bales)

	April 1935	April 1934	August 1 to April 30 This season	Last season
Cotton-growing states:				
Cotton consumed.....	374,013	406,318	3,283,801	3,551,011
On hand April 30 in—				
Consuming establishments.....			823,307	1,233,018
Public storage and compresses.....			7,018,160	6,748,217
United States:				
Cotton consumed.....	462,844	512,594	4,096,871	4,457,741
On hand April 30 in—				
Consuming establishments.....			1,060,946	1,584,620
Public storage and compresses.....			7,201,695	7,094,302

finished products held by reporting establishments on April 30 were less than a month earlier, but slightly greater than a year ago.

Cotton Movements

While the exports of cotton through the ports of Houston and Galveston continued on a relatively low level during the past month, they reflected a more favorable comparison with the previous month and the corresponding month last year than has been recorded in some time. Shipments from Houston were greater than in the previous month, which is contrary to seasonal, and exceeded those in April, 1934, by 21.1 per cent. While shipments from Galveston evidenced a slight decline from both comparative periods, it is significant to note that the reduction from the previous month was much smaller than seasonal, and the decline from a year ago was substantially smaller than had been recorded for several months. Receipts of cotton at these ports during April declined seasonally from those in the previous month, and continued considerably below those a year ago. Stocks of cotton held on April 30 were also less than a month earlier or a year ago.

Indicating a check in the downward trend of exports of American cotton, shipments from all United States ports during April turned upward after several months of consistent declines. Exports reflected a contrary to seasonal increase over the previous month, and while a decrease was again registered as compared with a year ago, the reduction was much smaller than any recorded for a similar comparison during the current season. There were 323,155 bales of cotton exported during April, as compared with 317,798 bales in March, and 386,594 bales in April, 1934. Shipments during the nine months of the current season continued below those in the same period last season.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON
(Bales)

	April 1935	April 1934	August 1 to April 30 This season	Last season
Receipts.....	14,762	114,656	906,152	2,085,543
Exports.....	90,180	92,221	1,028,298	1,861,004
Stocks, April 30.....			389,347	658,636

COTTON—GALVESTON STOCK STATEMENT
(Bales)

	April 30, 1935	April 30, 1934
For Great Britain.....	10,000	1,200
For France.....	2,700	3,100
For other foreign ports.....	27,900	30,400
For coastwise ports.....	500	4,000
In compresses and depots.....	346,647	619,836
Total.....	389,347	658,636

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

	August 1 to April 30 This season	Last season
Receipts.....	4,206,305	7,194,745
Exports: United Kingdom.....	607,936	1,125,962
France.....	318,841	682,849
Italy.....	397,455	570,378
Germany.....	273,569	1,192,662
Other Europe.....	665,334	871,377
Japan.....	1,284,211	1,564,344
All other countries.....	348,439	477,033
Total foreign ports.....	3,895,785	6,484,605
Stocks held at all United States ports, April 30.....	2,016,099	3,009,734

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON
(Bales)

	April 1935	April 1934	August 1 to April 30 This season	Last season
Receipts.....	23,182	32,070	1,045,792	2,172,350
Exports.....	131,189	108,315	1,154,416	2,211,011
Stocks, April 30.....			668,454	1,070,214

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

	April, 1935		May 15, 1935
	High	Low	
New York.....	12.25	11.20	12.35
New Orleans.....	12.30	11.25	12.38
Dallas.....	11.75	10.80	12.05
Houston.....	12.30	11.25	12.35
Galveston.....	12.25	11.25	12.35

Petroleum

The production of crude oil in the Eleventh District during April was on a smaller scale than in March, though it continued to exceed that of a year ago by a substantial margin. Total output was reported as 33,042,000 barrels, which compares with 34,335,600 barrels in the previous month, and 31,767,000 barrels in April, 1934. A sharp increase was witnessed in the amount of drilling activity. New wells completed during the month totaled 1,314, as against 876 in March; and the initial production of those that were successful amounted to 3,807,388 barrels, as compared with 2,576,214 barrels in the preceding month. The expansion appeared to be general over the district.

OIL PRODUCTION—(Barrels)

	April, 1935		Increase or decrease over March, 1935	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,546,000	118,200	— 211,200	— 3,000
Central West Texas.....	5,298,000	176,600	— 240,150	— 2,050
East Texas.....	14,814,000	493,800	— 593,000	— 3,200
South Texas.....	1,849,500	61,650	— 12,050	+ 1,600
Texas Coastal.....	5,383,500	179,450	— 208,900	— 950
Total Texas.....	30,891,000	1,029,700	— 1,265,300	— 7,600
New Mexico.....	1,461,000	48,700	— 8,400	+ 1,300
North Louisiana.....	690,000	23,000	— 19,900	+ 100
Total District.....	33,042,000	1,101,400	— 1,293,600	— 6,200

BUILDING PERMITS

	April, 1935		April, 1934		Percentage change valuation over year	March, 1935		Percentage change valuation over month	January 1 through April 30				Percentage change valuation over period
									1935		1934		
	No.	Valuation	No.	Valuation		No.	Valuation		No.	Valuation	No.	Valuation	
Amarillo.....	19	\$ 20,039	24	\$ 52,797	— 62.0	33	\$ 28,773	— 30.4	101	\$ 80,423	72	\$ 129,112	— 37.7
Austin.....	134	293,196	81	67,116	+336.8	162	221,254	+32.5	548	2,426,843	276	212,610	*
Beaumont.....	148	46,008	105	15,233	+202.0	125	37,350	+23.2	458	146,493	324	53,808	+172.3
Corpus Christi..	41	28,185	16	25,790	+ 9.3	70	54,437	— 48.2	204	142,190	84	119,264	+ 19.2
Dallas.....	420	301,596	409	202,786	+ 48.7	438	213,864	+ 41.0	1,592	1,120,529	1,492	812,460	+ 37.9
El Paso.....	64	629,491	42	18,550	*	49	19,712	*	179	707,150	149	92,116	+667.7
Fort Worth.....	120	556,208	70	63,800	+771.8	95	88,150	+531.0	391	1,073,247	319	239,820	+347.5
Galveston.....	126	53,925	131	55,252	— 2.4	114	27,306	+ 97.5	423	316,137	453	149,026	+112.1
Houston.....	270	503,580	199	262,845	+ 91.6	276	318,768	+ 58.0	962	1,786,962	693	977,525	+ 82.8
Port Arthur.....	80	24,481	42	13,819	+ 77.2	91	24,403	+ 3	271	104,759	159	48,028	+118.1
San Antonio.....	1,806	375,070	130	48,122	+679.4	1,659	244,377	+ 53.5	3,771	878,874	516	252,840	+247.6
Shreveport.....	133	132,635	228	90,932	+ 45.9	170	100,273	+ 32.3	580	442,087	530	205,275	+115.4
Waco.....	41	33,647	28	80,387	— 58.1	33	61,927	— 45.7	113	138,662	78	130,508	+ 6.2
Wichita Falls...	16	26,509	55	9,109	+191.0	55	41,289	— 35.8	112	147,208	83	29,589	+397.5
Total....	3,427	\$3,024,570	1,560	\$1,006,538	+200.5	3,370	\$1,481,883	+104.1	9,705	\$9,511,564	5,228	\$3,451,981	+175.5

*Increase over one thousand per cent.

Daily average yield in Texas, which amounted to 1,029,700 barrels was 7,600 barrels less than in March, but 42,000 barrels greater than in April last year. South Texas was the only area in which an increase over the previous month occurred. The daily output in New Mexico increased further during April, and that in North Louisiana also reflected a slight gain.

APRIL DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Fail- ures	Initial production
North Texas.....	306	191	10	105	66,435
Central West Texas.....	127	77	7	43	109,915
East Texas.....	535	504	6	25	3,505,455
South Texas.....	179	101	10	68	29,827
Texas Coastal.....	110	69	2	39	23,486
Total Texas.....	1,257	942	35	280	3,735,118
New Mexico.....	24	21	..	3	71,819
North Louisiana.....	33	10	9	14	451
April totals, district.....	1,314	973	44	297	3,807,388
March totals, district.....	876	673	23	180	2,576,214

CRUDE OIL PRICES

	May 10, 1935	May 11, 1934
Texas Coastal (34 gr. and above).....	\$1.12	\$1.12
North Texas (40 gr. and above).....	1.03	1.03
North Louisiana (40 gr. and above).....	1.08	1.08

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

Building

A marked expansion over both the previous month and the same month last year was shown in the volume of construction permits issued at principal cities in the Eleventh District during April. The total valuation for the month was \$3,024,570, this amount being three times as large as that reported in April, 1934, and more than twice as great as the total for March of this year. The increases were fairly well distributed among the reporting cities, although declines from both comparative months were reflected at two cities. For the first four months of this year, the aggregate valuation of building permits issued amounted to \$9,511,564, as compared with a total of \$3,451,981 for the corresponding period in 1934.

Cement

The production of Portland cement at mills in Texas amounted to 347,000 barrels in April, this being 24.8 per cent larger than the March output, but 2.0 per cent under that of April, 1934. Shipments increased to 331,000 barrels, as compared with a volume of 327,000 barrels in the previous month, and 316,000 barrels in the same month last year. The amount of stocks on hand, reflecting a slight gain during the month, was reported as 682,000 barrels on April 30, as compared with 617,000 barrels a year ago.

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

	April 1935	Percentage change over		January 1 through Apr. 30, 1935	Percentage change over year
		April 1934	Mar. 1935		
Production at Texas mills.....	347	- 2.0	+24.8	1,140	- 9.7
Shipments from Texas mills....	331	+ 4.7	+ 1.2	1,127	- 6.0
Stocks at end of month at Texas mills.....	682	+10.5	+ 1.9	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of May 25, 1935)

Factory production and employment showed little change in April, while output at mines declined. Residential construction showed a further increase.

PRODUCTION AND EMPLOYMENT

Combined output of factories and mines, as measured by the Federal Reserve Board's seasonally adjusted index of industrial production, declined from 88 per cent of the 1923-25 average in March to 86 per cent in April. This downward movement reflected chiefly decreases in the output of steel, cotton, silk textiles, and bituminous coal, offset in part by increased mill consumption of wool, and larger output of anthracite. At steel mills output declined from 49 per cent of capacity in March to 45 per cent in April and, according to trade reports, showed a further slight decline in the first three weeks of May. In the automobile industry there was a further increase in production during April, followed by a decline in the early part of May, partly as a consequence of labor disputes. In the tobacco industry activity was maintained at recent high levels. Output of bituminous coal declined sharply at the beginning of April, following a period of relatively high production earlier in the year. The total number employed in factories was about the same in the middle of April as a month earlier and factory payrolls also showed little change. Declines in employment were reported for railroad repair shops and textile mills, while in the machinery industries employment continued to increase and in the men's clothing industry it showed none of the usual seasonal decline. In agriculture and in the building industry employment increased seasonally. Total value of construction contracts of all kinds, as reported by the F. W. Dodge Corporation, showed little change from March to April. A further increase in residential projects was offset in the total by a decline in contracts for other types of construction.

DISTRIBUTION

Total freight-car loadings declined in April, contrary to seasonal tendency, chiefly as a consequence of a large de-

crease in shipments of bituminous coal. Department store sales, which had shown a sharp increase in March, increased by considerably less than the estimated seasonal amount in April.

COMMODITY PRICES

The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, has shown little change since the middle of April, following an increase in the early part of the month, and in the week ending May 18 was at 80.0 per cent of the 1926 average as compared with 79.9 per cent in the week ending April 13. For this period the prices of cotton, hogs, hides, and non-ferrous metals increased somewhat, while grains and butter declined. In the following week there were further increases in the prices of hogs and of lead, while prices of wheat decreased further.

BANK CREDIT

During the five weeks ended May 22 member bank balances with the Federal reserve banks increased to \$4,820,000,000, the highest figure on record, and excess reserves rose to a new high level of over \$2,350,000,000. The principal factors in the increase of member banks' reserve balances were the disbursement by the Treasury of \$240,000,000 of funds previously held in the form of cash or on deposit with the Federal reserve banks and further gold imports of \$90,000,000. Deposits of reporting banks in leading cities increased further during the four-week period ended May 15, reflecting chiefly disbursements by the United States Treasury. Yield on short-term Government securities declined slightly further during this period, while other short-term open-market money rates remained at low levels. The discount rate was reduced from 2 per cent to 1½ per cent at the Federal Reserve Bank of Cleveland and from 2½ per cent to 2 per cent at the Richmond, Minneapolis, Kansas City, and Dallas banks. Rates are now 1½ per cent at New York and Cleveland, and 2 per cent at all the other reserve banks.