

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE

Eleventh Federal Reserve District

	March 1936	Change From February
Bank debits to individual accounts (at 18 cities)	\$733,295,000	+ 7.5%
Department store sales		+ 16.9%
Reserve bank loans to member banks at end of month	\$ 205,606	+ \$118,788
Reserve bank ratio at end of month	63.6%	— .8 points
Building permit valuation at larger centers	\$ 5,737,481	— 25.7%
Commercial failures (number)	25	— 1
Commercial failures (liabilities)	\$ 219,000	— 22.1%
Oil production (barrels)	38,263,750	+ 11.0%

The distribution of merchandise at wholesale and retail in this district was well sustained during the past month. Department store sales in larger cities reflected a seasonal gain of 17 per cent, as compared with the previous month, and were 9 per cent larger than in the corresponding month last year. Buying at wholesale in most reporting lines reflected better than average seasonal changes and was substantially larger than in March a year ago. Debits to individual accounts at banks in principal cities were 8 per cent larger than in February, and exceeded those of March, 1935, by 16 per cent.

The deficiency of moisture over the major portion of the district during the past month continued as a serious drawback to farming operations and crop growth. Early planted row crops made poor to only fair progress except in favored localities and the cotton crop over a large area either has been dry seeded or planting operations delayed pending an improvement in the moisture situation. The Department of Agriculture, in its April 1 report, stated that the wheat crop deteriorated greatly in March and that the abandonment of acreage was expected to be heavy in the

extremely dry areas. Commercial reports indicate that further deterioration occurred during the first half of April. Rainfall, which was heavy in scattered localities, occurred over a considerable area of Texas at the middle of April and will be of material benefit temporarily, but heavy rains are urgently needed throughout the district. Range and livestock conditions in most areas have held up fairly well and are much better than a year ago, but moisture is needed to insure continued growth of range vegetation.

Federal Reserve Bank loans to member banks reflected a further moderate expansion between March 15 and April 15, but on the latter date they were smaller than a year ago. Federal Reserve note circulation remained fairly stable during the past month at about the \$75,000,000 level. The reserve deposits of member banks at the Federal Reserve Bank showed considerable fluctuation during the month and the total on April 15 was \$8,925,000 lower than on March 15. The loans and investments of member banks in selected cities reflected a noticeable increase between March 11 and April 8 and on the latter date were substantially larger than a year earlier. The daily average of combined net demand and time deposits of member banks rose from \$771,136,000 in February to \$778,553,000 in March.

Construction work continued active during the past month. While the valuation of building permits issued at principal cities fell 26 per cent under the heavy February volume, it exceeded the total for March, 1935, by 287 per cent, and was about double the March average for the preceding six years. The figures for two cities again constituted a large percentage of the total, yet those for most other reporting cities reflected substantial gains.

BUSINESS

Wholesale Trade

An active demand for merchandise in wholesale channels of distribution, as reflected by sales of firms reporting to this

bank, was in evidence during March. The sales of dry goods, groceries and hardware showed larger than average seasonal gains from February to March and hardware was the only

line in which the comparison with a year ago was less favorable than similar comparisons in February. Business during the first quarter of 1936 in most reporting lines was substantially larger than during the corresponding period of 1935. Collections in March were generally larger than in the previous month.

The buying of dry goods at wholesale reflected a counter-seasonal gain of 4.8 per cent as compared with the previous month and was 15.0 per cent larger than in March, 1935. The improvement was fairly general over the district as a majority of reporting firms showed increases over both comparative periods. Inventories at the close of March were about the same as a month earlier, but were substantially lower than a year ago. Collections in March were 17.1 per cent greater than in February.

The sales of farm implement firms in March declined 3.9 per cent from those in February, which was somewhat less than seasonal, but showed a gain of 71.9 per cent over those in the same month last year. The latter comparison was the most favorable reported for any month since last August. Stocks carried by reporting firms at the end of March were materially higher than a year ago. A gain of 8.7 per cent over the previous month was registered in March collections.

Following the decline in February, the business of wholesale drug firms in this district reflected a seasonal increase of 4.2 per cent over the previous month and was 29.6 per cent better than in March, 1935. There was a fairly general increase in business throughout the district. Collections were slightly larger than in the previous month.

The demand for groceries at wholesale in March showed a slightly greater than average seasonal gain. Sales of reporting firms were 5.7 per cent larger than in February and exceeded those of the corresponding month last year by 3.9 per cent. The increase in business was well distributed over the district. There was an increase of 1.4 per cent in March collections as compared with those in February. Inventories at the end of March were moderately larger than those a month earlier or a year ago.

A further increase of 15.7 per cent in the sales of hardware at wholesale was registered in March, as compared with the previous month. There was a gain of 18.3 per cent over March, 1935, and the volume of business for the

first quarter of 1936 was 20.3 per cent larger than in the same period a year earlier. An improvement in business was registered by practically all reporting firms. There was a slight decline in collections.

CONDITION OF WHOLESALE TRADE DURING MARCH, 1936
Percentage of increase or decrease in—

	Net Sales Mar., 1936 compared with		Net Sales Jan. 1 to date compared with same period last year	Stocks March, 1936 compared with		Ratio of collections during March to accounts and notes outstanding on Feb. 29
	March 1935	February 1936		March 1935	Feb. 1936	
Groceries	+ 3.9	+ 5.7	+ .3	+ 4.1	+2.4	80.2
Dry goods	+15.0	+ 4.8	+ 9.3	-16.7	+ .4	35.3
Farm implements	+71.9	- 3.9	+66.8	+46.1	-9.0	8.7
Hardware	+18.3	+15.7	+20.3	+ 4.6	-1.6	48.9
Drugs	+29.6	+ 4.2	+25.0	+22.6	+4.3	62.4

Retail
Trade

Consumer buying at department stores in principal cities of the Eleventh District reflected a further increase of 16.9 per cent over the previous month and registered a gain of 9.2 per cent as compared with the corresponding month last year. This bank's adjusted index of department store sales, which makes allowance for average seasonal changes and the variable date of Easter, was 90.5 per cent of the 1923-25 average in March, as compared with 91.2 per cent in February, and 85.5 per cent in March last year. Sales during the first quarter of the current year averaged 12.8 per cent higher than those in the same period of 1935.

The merchandise stocks of reporting firms on March 31 exceeded those of a month earlier by 7.9 per cent and were 3.9 per cent in excess of those on the corresponding date a year ago. The rate of stock turnover during the three months of 1936 was .79 as against .73 in the same period last year.

The collections on regular accounts reflected a decline in March, but payments on installment accounts showed an improvement. The ratio of March collections to regular accounts outstanding on March 1 was 39.5 per cent as compared with 41.0 per cent in February, and 38.6 per cent in March, 1935.

BUSINESS OF DEPARTMENT STORES

	Dallas	Ft. Worth	Houston	San Antonio	Others	Total Dis't.
Total sales (percentage):						
March, 1936, compared with March, 1935.....	+ 7.3	+ 13.4	+ 6.5	+ 16.0	+ 7.0	+ 9.2
March, 1936, compared with February, 1936.....	+ 6.2	+ 18.2	+ 17.1	+ 30.0	+ 28.9	+ 16.9
January 1 to March 31, 1936, compared with same period last year.....	+ 13.6	+ 15.1	+ 10.0	+ 16.7	+ 9.0	+ 12.8
Credit sales (percentage):						
March, 1936, compared with March, 1935.....	+ 8.5	+ 8.0	+ 10.3	+ 14.6	+ 6.6	+ 9.4
March, 1936, compared with February, 1936.....	+ 6.4	+ 11.1	+ 17.5	+ 42.4	+ 31.0	+ 16.8
January 1 to March 31, 1936, compared with same period last year.....	+ 15.1	+ 14.2	+ 14.6	+ 13.6	+ 9.8	+ 13.9
Stocks on hand at end of month (percentage):						
March, 1936, compared with March, 1935.....	+ 8.5	- 3.3	- 2.0	+ 3.6	+ 4.9	+ 3.9
March, 1936, compared with February, 1936.....	+ 5.7	+ 6.2	+ 18.3	+ 5.2	+ 9.5	+ 7.9
Stock turnover (rate):						
Rate of stock turnover in March, 1935.....	.31	.21	.24	.29	.23	.26
Rate of stock turnover in March, 1936.....	.30	.25	.26	.32	.23	.28
Rate of stock turnover January 1, to March 31, 1935.....	.88	.59	.66	.80	.61	.73
Rate of stock turnover January 1, to March 31, 1936.....	.91	.69	.77	.86	.64	.79
Ratio of March collections to open accounts receivable and outstanding March 1, 1936.....	39.4	35.2	41.8	47.0	35.5	39.5
Ratio of March collections to installment accounts receivable and outstanding March 1, 1936.....	16.9	11.5	.....	19.2	22.4	16.1
Indexes of department store sales:						
Unadjusted—February, 1936.....	89.0	78.9	72.6	63.7	.....	76.6
Unadjusted—March, 1936.....	93.8	89.5	83.6	83.1	.....	86.9
Adjusted—February, 1936.....	101.1	95.1	85.4	76.7	.....	91.2
Adjusted—March, 1936.....	94.2	93.2	88.0	85.7	.....	90.5
Indexes of department store stocks:						
Unadjusted—February, 1936.....	57.0	62.6	39.4	48.5	.....	57.6
Unadjusted—March, 1936.....	59.7	66.4	45.5	49.5	.....	61.6
Adjusted—February, 1936.....	59.4	65.2	42.4	48.0	.....	60.0
Adjusted—March, 1936.....	59.1	64.5	45.5	46.7	.....	59.8

Commercial Failures The number and liabilities of commercial failures in the Eleventh Federal Reserve District during March showed a further decline from the previous month, but were larger than in the corresponding month of 1935. Dun & Bradstreet, Incorporated, reported that 25 firms defaulted in March involving liabilities of \$219,000, as compared with

26 failures in February owing \$281,000, and 19 insolvencies in March last year with an indebtedness of \$130,000. During the first quarter of the current year there were 90 commercial failures reported with liabilities totaling \$839,000, as compared with 71 defaults in the same period of 1935 with a combined indebtedness of \$850,000.

AGRICULTURE

Crop Conditions The deficiency in soil moisture continues as a serious drawback to agricultural operations and growth of crops in this district. Except in a few limited areas rainfall since March 1 has been light and the top-soil is becoming very dry. Furthermore, freezing weather and drying winds caused considerable damage to tender crops in northern portions of the district. A heavy general rain is urgently needed throughout the district to stimulate crop growth and to aid farm work.

Small grains have held up fairly well but deterioration is evident in most areas and commercial reports indicate that it is occurring at a rapid rate in northwest Texas where the dust storms have been severe and frequent. The Department of Agriculture, in its April 1 report, estimated the production of winter wheat in Texas at 19,057,000 bushels as against 10,010,000 bushels in 1935. The Oklahoma crop was placed at 35,050,000 bushels as compared with a production of 33,080,000 bushels last year. In New Mexico the estimated production was 1,776,000 bushels, whereas only 700,000 bushels were harvested a year ago. While the April 1 estimates for these states are higher than last year's harvest, they are sharply lower than the 1928-32 average.

The planting of cotton has proceeded in the older cotton sections where soil conditions permitted. In many places the crop has been dry seeded and general rains will be needed for germination. In south Texas cotton has come up to a good stand and reports indicate that the plants have a good color. Chopping is well under way in the extreme south and is advancing northward.

The Department of Agriculture reported that the condition of most vegetable crops in south Texas reflected an improvement during March. The cold waves during the winter caused very little damage to early spring plantings and as subsoil moisture is generally ample, crops have made good progress. The harvesting of winter crops, such as beets, carrots, cabbage, peas, and spinach, is still active. The movement of snap beans, potatoes, strawberries, and onions is well under way. The production of onions in south Texas was estimated by the Department of Agriculture on April 1 at 2,914,000 sacks, or nearly double the 1935 harvest, due both to higher per acre yields and the larger acreage. The estimated production of oranges and grapefruit in Texas on April 1 remained unchanged from that of a month earlier.

Livestock Range and livestock conditions in this district showed little change during the past month as the improvement in some areas was offset by the deterioration in the extremely dry sections. Rainfall since March 1 has been very light and there are some sections which have had no precipitation. The Department of Agriculture reported that conditions in northwest Texas

and portions of eastern New Mexico are becoming critical due to the high winds, frequent dust storms, and the availability of very little range feed. Unless relief is obtained it may be necessary to move cattle to market or to other areas for pasturage. While grass and weeds in other sections have started and will provide grazing for the present, heavy general rains are needed to insure continued growth of range vegetation. Livestock in most areas have held up well and are in very good flesh, but supplemental feeding has been necessary in drouth areas. In south and southeast Texas cattle are in good condition and more grass fat cattle are available than usual. The Department of Agriculture reports that in Texas prospects are for a very good calf crop and for a record lamb crop. It was also stated that goat shearing is about completed and most of the mohair has been sold at satisfactory prices. Sheep shearing has become general.

The Department of Agriculture estimated the condition of cattle ranges in Texas on April 1 at 76 per cent of normal, which was the same as a month earlier and 15 points higher than a year ago, but 5 points lower than the ten-year average. Sheep and goat ranges improved 1 point in March and the 78 per cent condition on April 1 was 14 points above that on the same date in 1935. The condition of cattle declined 2 points in March but that of sheep and goats improved 1 and 2 points, respectively. All classes of stock were in much better condition on April 1 than a year earlier. Ranges and livestock in New Mexico and Arizona declined slightly during the month, but remained in generally good condition.

Movements and Prices The March supplies of cattle, hogs, and sheep at the Fort Worth market were substantially greater than a year ago, and those of hogs and sheep were materially larger than in the previous month. Cattle receipts showed a noticeable decline from February to March. Arrivals of calves reflected a small decline from both comparative periods.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	March 1936	March 1935	Change over year	February 1936	Change over month
Cattle.....	44,974	35,361	+ 9,613	53,371	- 8,397
Calves.....	20,797	20,916	- 119	21,244	- 447
Hogs.....	59,144	35,591	+23,553	42,000	+17,144
Sheep.....	39,744	25,953	+13,791	22,084	+17,660

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	March 1936	March 1935	February 1936
Beef steers.....	\$ 8.50	\$11.25	\$ 8.25
Stocker steers.....	6.75	6.75	7.25
Heifers and yearlings.....	8.50	12.00	9.25
Butcher cows.....	6.00	7.00	6.00
Calves.....	7.50	8.50	7.00
Hogs.....	10.30	9.60	10.35
Sheep.....	6.00	5.25	6.00
Lambs.....	9.50	9.00	9.50

Prices for most classes of cattle on the Fort Worth market were firm to higher during the past month, but some weakness in the market developed toward the middle of April. Hogs sold on a generally steady market and on most days

the best offerings sold at \$10.00 or above. Sheep and lamb prices evidenced an upward trend and toward the middle of April some lambs cleared at \$10.00 for the first time since early in January.

FINANCE

Operations of the Federal Reserve Bank

A further gradual expansion in the borrowings of member banks at the Federal Reserve Bank occurred during the past month. These loans amounted to \$282,-

000 on April 15, as compared with \$178,000 on March 15, and \$359,000 on the corresponding date last year. There was a slight increase in advances to established industrial and commercial businesses for working capital purposes between March 15 and April 15, but the total of \$1,741,000 on the latter date was lower than a year earlier. Commitments to make such advances showed little change during the month. Investments in United States Government securities totaled \$95,000,000 on April 15, which was \$10,000,000 higher than on March 15, and \$18,525,000 larger than a year ago. The reserve deposits of member banks with the Federal Reserve Bank declined sharply during the last half of March, but they had risen to \$127,583,000 on April 15. This amount, while \$8,925,000 smaller than on March 15, was \$14,788,000 higher than on the corresponding date in 1935. The actual circulation of Federal Reserve notes showed little variation during the month, but continued materially higher than a year ago.

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

	April 15, 1936	April 15, 1935	March 15, 1936
Total cash reserves.....	\$148,197	\$ 97,861	\$148,697
Discounts for member banks.....	282	359	178
Other bills discounted.....	None	None	None
Industrial advances.....	1,741	1,776	1,713
Commitments to make industrial advances.....	584	None	587
Bills bought in the open market.....	133	138	133
United States Government securities owned.....	95,000	76,475	85,000
All other investments.....	5	3	10
Total earning assets.....	97,161	78,751	87,034
Member bank reserve deposits.....	127,583	112,795	136,508
Federal Reserve notes in actual circulation.....	74,525	47,246	75,060

Condition of Member Banks in Selected Cities

The loans, investments, and deposits of reporting member banks in selected cities reflected a substantial increase during the four-week period ending April 8. Following the March 15 Treasury financing the

investments of these banks in the direct obligations of the United States reflected a sharp increase, the total on April 8 being \$173,216,000, as compared with \$146,692,000 on March 11, and \$168,249,000 on April 10, 1935. On the other hand, their investments in securities fully guaranteed by the United States Government were reduced \$15,062,000 between March 11 and April 8 and on the latter date holdings were \$2,948,000 lower than a year earlier. These banks increased their holdings of other stocks and bonds \$749,000 during the four-week period and the total on April 8 was \$6,539,000 higher than a year ago. Loans on securities rose \$501,000 during the four weeks, but were still \$5,053,000 lower than on April 10, 1935. "All other" loans (largely commercial) amounted to \$147,071,000 on April 8, which was \$2,738,000 higher than four weeks earlier, and \$8,678,000 above those a year ago. The net demand deposits of these banks rose \$8,980,000 during the four weeks, but their time deposits declined \$416,000 during the same period. Reserve deposits with the Federal Reserve Bank declined

\$6,722,000 between March 11 and April 8.

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

	April 8, 1936	April 10, 1935	March 11, 1936
United States securities (owned).....	\$173,216	\$168,249	\$146,692
Securities fully guaranteed by United States Government (owned).....	34,812	37,760	49,874
All other stocks, bonds, and securities (owned).....	47,700	41,161	46,951
Loans on securities.....	43,337	43,390	42,836
All other loans.....	147,071	138,393	144,333
Total loans.....	190,408	186,783	187,169
Net demand deposits.....	366,434	318,550	357,454
Time deposits.....	117,944	121,953	118,360
Reserve with Federal Reserve Bank.....	78,036	70,435	84,758
Bills payable and rediscounts with Federal Reserve Bank.....	None	None	None

Deposits of Member Banks

There was an increase of \$7,417,000 between February and March in the combined net demand and time deposits of member banks in this district. While the time deposits of these banks decreased from \$197,078,000 in February to \$195,804,000 in March, their net demand deposits rose from \$574,058,000 in the former month to \$582,749,000 in the latter month. Most of the increase in net demand deposits occurred at 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
Mar., 1935.....	\$605,672	\$193,394	\$294,281	\$112,019	\$311,391	\$81,375
Apr., 1935.....	606,348	193,849	299,163	112,252	307,185	81,597
May, 1935.....	603,787	194,524	296,770	113,128	307,017	81,396
June, 1935.....	609,260	193,253	300,625	112,838	308,635	80,415
July, 1935.....	618,475	194,395	308,892	112,752	309,583	81,643
Aug., 1935.....	630,736	194,580	326,406	111,826	304,380	82,754
Sept., 1935.....	567,887	194,050	313,465	111,616	254,422	82,434
Oct., 1935.....	581,625	193,927	325,245	110,993	256,380	82,934
Nov., 1935.....	589,245	194,841	332,345	111,867	256,900	82,974
Dec., 1935.....	585,599	194,525	340,708	111,682	244,891	82,843
Jan., 1936.....	586,980	195,765	345,049	110,051	241,981	85,714
Feb., 1936.....	574,058	197,078	328,805	109,664	245,253	87,414
Mar., 1936.....	582,749	195,804	337,234	108,414	245,515	87,390

Debits to Individual Accounts

Debits to individual accounts at banks in leading centers in this district during March aggregated \$733,295,000, reflecting a seasonal increase of 7.5 per cent over the previous month and an expansion of 15.6 per cent

DEBITS TO INDIVIDUAL ACCOUNTS (In thousands of dollars)

	March 1936	March 1935	Pctg. change over year	Feb. 1936	Pctg. change over month
Abilene.....	6,823	5,576	+22.4	6,623	+3.0
Austin.....	24,462	33,451	-26.9	22,959	+6.5
Beaumont.....	22,405	18,543	+20.8	22,241	+7.7
Corsicana.....	2,691	2,678	+6.2	2,611	+3.0
Dallas.....	223,142	170,171	+31.1	192,981	+15.7
El Paso.....	22,623	22,915	-1.3	22,942	-1.4
Fort Worth.....	71,340	62,845	+13.5	67,225	+6.1
Galveston.....	22,573	20,725	+9.9	21,233	+6.3
Houston.....	176,985	144,744	+22.3	165,970	+6.6
Port Arthur.....	7,057	6,019	+17.2	6,817	+3.5
Roswell.....	2,513	2,214	+13.6	2,287	+9.9
San Antonio.....	59,474	61,880	-3.9	60,203	-1.2
Shreveport.....	36,909	31,127	+18.6	35,486	+4.0
Texarkana*.....	6,094	4,700	+29.7	5,658	+7.7
Tucson.....	9,995	10,775	-7.2	9,287	+7.6
Tyler.....	12,195	10,361	+17.7	11,807	+3.3
Waco.....	13,159	12,979	+1.4	12,577	+4.6
Wichita Falls.....	12,855	12,380	+3.8	12,977	-9.9
Total.....	733,295	634,081	+15.6	681,834	+7.5

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

as compared with March, 1935. The figures reported at four cities were smaller than those a year ago, and at three cities they were slightly less than in February.

Acceptance Market A large decrease in the amount of outstanding bank acceptances was reported by banks in this district during March.

The total outstanding on March 31 was \$948,785, as compared with \$1,985,134 a month earlier, and \$1,843,270 on the same date last year. In both cases the reduction occurred

in the volume of acceptances executed against the domestic shipment and storage of goods.

Savings Deposits While the amount of savings deposits on hand at 125 reporting member banks in this district on March 31 was 0.3 per cent smaller than at the close of February, it was 2.7 per cent larger than on the same date last year. The total reported was \$152,090,555, which compares with a volume of \$152,488,423 a month earlier, and a total of \$148,093,905 on March 31 a year ago.

SAVINGS DEPOSITS

	March 31, 1936			March 31, 1935			February 29, 1936		
	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	8,758	\$ 3,506,819	8,891	\$ 3,453,791	+ 1.5	9,065	\$ 3,512,899	— .2
Dallas.....	9*	77,389	24,742,095	77,026	25,051,446	— 1.2	77,204	24,823,887	— .3
El Paso.....	2	12,492	6,230,216	11,988	5,296,239	+17.6	12,368	6,192,356	+ .6
Fort Worth.....	3	34,863	11,533,187	34,557	10,843,762	+ 6.4	34,704	11,539,821	— .1
Galveston.....	4	16,932	10,525,112	16,859	10,012,978	+ 5.1	16,921	10,435,434	+ .9
Houston.....	11*	66,451	29,865,263	65,819	30,569,659	— 2.3	66,488	30,453,007	+ 1.9
Fort Arthur.....	2	5,654	2,268,118	5,319	2,061,650	+10.0	5,654	2,215,882	+ 2.4
San Antonio.....	6*	13,722	17,349,502	17,417	16,187,003	+ 7.2	13,261	17,350,161	0.0
Shreveport.....	3	22,513	10,469,044	22,401	11,234,077	— 6.8	22,367	10,277,599	+ 1.9
Waco.....	3	10,578	5,632,531	10,929	6,367,430	—11.5	10,581	5,773,970	— 2.4
Wichita Falls.....	3	6,322	3,294,338	5,958	2,857,731	+15.3	6,329	3,318,545	— .7
All others.....	76*	52,262	26,674,330	52,229	24,158,139	+10.4	52,331	26,589,862	+ .3
Total.....	125	332,936	\$152,090,555	329,393	\$148,093,905	+ 2.7	332,273	\$152,488,423	— .3

*Only 8 banks in Dallas, 10 in Houston, 5 in San Antonio and 69 in "all others" reported the number of savings depositors.

APRIL DISCOUNT 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	5-8	4-7	3-7	6-8	6
Rate charged on loans to other banks secured by bills receivable.....	.....	5	4-6	4½-6	6	.....
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	5-6	5-8	4-10	3-7	6	6-8
Time.....	4-8	5-8	5-8	3-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	2-8	7-8	5-8	3-7	6-8	3-7
Rate on cattle loans.....	8	6-8	5-10	5-10	7-8	8

INDUSTRY

Cottonseed Products The receipts and crushings of cottonseed and the production of all products at oil mills located in Texas reflected a further seasonal decline during March, but they continued in larger volume than in the corresponding month of 1935. The demand for cottonseed products, as measured by shipments during the month, likewise evidenced a decline from February, but with the exception of cake and meal, which showed a small recession, shipments were greater than in March last year. Activities at Texas mills during the first eight months of the current season continued well above those in the same period of the previous season.

Operations at crushing establishments located throughout the United States witnessed a decline as compared with both the previous month and the same month a year ago. Shipments of products from these mills were also seasonally smaller than in February, and while the movement of crude oil was greater than in March, 1935, that of cake and meal, hulls, and linters reflected declines ranging from 3 to 5 per cent. Stocks of crude oil on hand March 31 at both Texas and United States mills were seasonally smaller than the holdings a month earlier, but they remained considerably

larger than a year ago. Supplies of all other products were also less than those on hand February 29, and at all United States mills they continued below the holdings on the same date last year.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to March 31	August 1 to March 31	August 1 to March 31	August 1 to March 31
	This season	Last season	This season	Last season
Cottonseed received at mills (tons).....	953,243	704,707	3,645,545	3,321,479
Cottonseed crushed (tons).....	918,817	763,922	3,534,771	3,184,776
Cottonseed on hand Feb. 29 (tons).....	56,838	43,446	200,349	359,364
Crude oil produced (lbs.).....	262,062,562	219,749,269	1,070,424,607	988,473,976
Cake and meal produced (tons).....	425,599	360,545	1,599,337	1,446,237
Hulls produced (tons).....	249,191	203,664	913,658	821,236
Linters produced (running bales).....	181,695	162,775	802,608	713,904
Stocks on hand Mar. 31:				
Crude oil (pounds).....	28,976,268	11,237,858	80,670,719	42,326,106
Cake and meal (tons).....	59,277	59,027	285,958	309,460
Hulls (tons).....	74,073	45,275	130,888	156,139
Linters (running bales)....	48,139	49,905	156,888	178,310

Textile Milling The domestic consumption of cotton turned upward during March, as is usual in that month, and reflected an increase of 6.2 per cent over that in February. Consumption con-

tinued well above that in the same month of 1935, and was in greater volume than in any corresponding month since 1929. There were 548,913 bales of cotton consumed during the month, as compared with 516,649 bales in February, and 482,373 bales in March last year. Consumption during the first eight months of the current season, which totaled 4,072,759 bales, was 11.7 per cent greater than in the like period of the previous season. Stocks of cotton on hand at consuming establishments on March 31 were seasonally smaller than a month earlier, but 19.6 per cent greater than on March 31, 1935. Supplies held in public storage and compresses continued noticeably below those a year ago.

COTTON CONSUMED AND ON HAND

	(Bales)			
	March 1936	March 1935	August 1 to March 31 This season	August 1 to March 31 Last season
Cotton-growing states:				
Cotton consumed.....	464,934	389,218	3,417,106	2,913,583
Cotton on hand March 31 in—				
Consuming establishments.....			1,112,177	874,217
Public storage and compresses.....			6,452,712	7,588,669
United States:				
Cotton consumed.....	548,913	482,373	4,072,759	3,647,359
Cotton on hand March 31 in—				
Consuming establishments.....			1,334,394	1,116,018
Public storage and compresses.....			6,570,182	7,788,346

Cotton Movements

The receipts and exports of cotton at the ports of Houston and Galveston in March, following the trend of the past several months, were seasonally smaller than in the previous month, but continued considerably larger than in the corresponding month a year ago. During the current season, August, 1935, through March, 1936, foreign shipments of cotton from these ports totaled 2,569,198 bales, as compared with exports of only 1,961,345 bales in the previous season. Stocks of cotton on hand March 31 at both Houston and Galveston were seasonally smaller than a month earlier, but at the latter port they continued above those a year ago.

A slight decline from February, which is customary for that month, was witnessed in foreign exports of cotton from all United States ports during March, but the volume of shipments continued well above that in the like month of 1935. There were 404,741 bales of cotton exported during the month, as compared with 406,022 bales in February, and 317,798 bales in March, 1935. Exports of cotton amounted to 4,814,360 bales during the eight months of the current season, which represents an increase of 34.8 per cent over those in the same period of the previous season, but a substantial decline as compared with the shipments in that same period of other recent years.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	(Bales)			
	March 1936	March 1935	August 1 to March 31 This season	August 1 to March 31 Last season
Receipts.....	47,808	25,109	1,509,934	891,390
Exports.....	128,328	94,692	1,140,587	988,118
Stocks, March 31.....			594,000	464,765

COTTON—GALVESTON STOCK STATEMENT

	(Bales)	
	March 31, 1936	March 31, 1935
For Great Britain.....	500	800
For France.....	700	1,500
For other foreign ports.....	15,400	27,700
For coastwise ports.....	500	1,800
In compresses and depots.....	576,900	433,465
Total.....	594,000	464,765

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	(Bales)		August 1 to March 31	
	March 1936	March 1935	This season	Last season
Receipts.....	51,244	30,877	1,640,045	1,022,610
Exports.....	128,116	111,910	1,428,611	1,023,227
Stocks March 31.....			481,210	789,644

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

	(Bales)		August 1 to March 31	
	This season	Last season	This season	Last season
Receipts.....	6,512,235	4,103,560		
Exports: United Kingdom.....	1,085,817	562,117		
France.....	581,894	291,995		
Italy.....	286,372	371,185		
Germany.....	628,670	254,000		
Other Europe.....	747,737	581,557		
Japan.....	1,220,700	1,209,140		
All other countries.....	263,170	302,636		
Total foreign ports.....	4,814,360	3,572,630		
Stocks held at all United States ports, March 31.....	2,101,844	2,326,278		

SPOT COTTON PRICES

Middling Basis
(Cents per pound)

	March, 1936		April 15, 1936
	High	Low	
New York.....	11.72	11.06	11.72
New Orleans.....	11.84	11.09	11.63
Dallas.....	11.24	10.65	11.22
Houston.....	11.73	11.05	11.60
Galveston.....	11.63	11.06	11.55

Petroleum

A large increase over both the previous month and the same month last year was reflected in the output of crude oil in the Eleventh District during March. Production aggregated 38,263,750 barrels, representing a gain over February of 3,785,650 barrels, due both to the longer month and to a further substantial expansion in the daily average yield. The total output in March, 1935, was 34,335,600 barrels. Field operations turned noticeably upward last month, when the number of new wells completed was 1,247 as against 787 in February. Producers numbered 916 in March, as compared with 616 in the previous month. Their combined initial yield was reported as 1,725,127 barrels, which compares with 1,153,763 barrels in the earlier month.

The daily average production from fields in Texas rose from 1,071,200 barrels in February to 1,111,571 barrels in the subsequent month, and the latter figure compares with an output of 1,037,300 barrels daily during March last year. All areas participated in the increase over the preceding month, but in the case of north Texas and east Texas the average output was smaller than a year ago. Material gains over the previous month and the corresponding month in 1935 were registered in New Mexico and north Louisiana.

OIL PRODUCTION
(Barrels)

	March, 1936		Increase or decrease over February, 1936	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,720,450	120,015	+ 386,900	+ 5,065
West Texas.....	6,194,150	199,811	+ 803,050	+ 13,911
East Texas.....	15,191,350	490,044	+ 1,172,750	+ 6,644
South Texas.....	2,269,950	73,224	+ 234,150	+ 3,024
Texas Coastal.....	7,082,800	228,477	+ 797,050	+ 11,727
Total Texas.....	34,458,700	1,111,571	+ 3,393,900	+ 40,371
New Mexico.....	1,876,850	60,544	+ 220,950	+ 3,444
North Louisiana.....	1,928,200	62,200	+ 170,800	+ 1,600
Total District.....	38,263,750	1,234,315	+ 3,785,650	+ 45,416

MARCH DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	276	160	15	101	35,244
West Texas.....	151	106	3	42	168,848
East Texas.....	293	268	2	23	1,021,015
South Texas.....	318	231	9	78	149,447
Texas Coastal.....	104	65	4	35	26,682
Total Texas.....	1,142	830	33	279	1,401,236
New Mexico.....	51	45	4	2	86,659
North Louisiana.....	54	41	6	7	237,232
March totals, district.....	1,247	916	43	288	1,725,127
February totals, district.....	787	616	30	141	1,153,763

CRUDE OIL PRICES

	April 10, 1936	April 12, 1935
Texas Coastal (34 gravity and above).....	\$1.22	\$1.12
North Texas (40 gravity and above).....	1.08	1.03
North Louisiana (40 gravity and above).....	1.10	1.08

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

than at the end of February this year or March last year.

PRODUCTION, SHIPMENTS, AND STOCKS OF PORTLAND CEMENT

(In thousands of barrels)

	March, 1936	March, 1935	February, 1936	January 1 through Mar. 31, 1936	Percentage change over year
Production at Texas mills.....	535	+92.4	+42.7	1,170	+47.5
Shipments from Texas mills.....	557	+70.3	+40.3	1,349	+69.5
Stocks at end of month at Texas mills.....	565	-15.5	- 3.6	.....	.....

Cement The production and shipments of cement at Texas mills reflected a sharp increase in March and were the largest for any corresponding month since 1930. Production rose to 535,000 barrels in March, as compared with 375,000 barrels in February, and 278,000 barrels in March, 1935. Shipments from these mills during the month amounted to 557,000 barrels, which was 40.3 per cent larger than in the previous month and 70.3 per cent greater than a year ago. Stocks on March 31 were smaller

Building Construction activity, as evidenced by the valuation of building permits issued at leading cities in this district, continued on a considerably larger scale during March than in other recent years. Substantial declines from the previous month occurred at some cities which reported a large February volume, but sizable gains were shown at eight of the fourteen reporting cities. The total valuation amounted to \$5,737,481, which compares with the figure of \$7,720,358 reported in February, and an aggregate of \$1,481,883 in March last year. All except three of the reporting cities participated in the increase over a year ago. The volume for the first three months of the current year exceeded that of the corresponding period of 1935 by 173.3 per cent and was the largest for any similar period since 1929.

BUILDING PERMITS

	March, 1936		March, 1935		Pctg. change valuation over year	February, 1936		Pctg. change valuation over month	January 1 to March 31 1936		1935		Pctg. change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		No.	Valuation	No.	Valuation	
Amarillo.....	42	\$ 54,111	33	\$ 28,773	+ 88.1	26	\$ 43,295	+ 25.0	90	\$ 140,740	82	\$ 60,384	+133.1
Austin.....	158	241,230	162	221,254	+ 9.0	142	456,432	- 47.1	454	1,497,007	414	2,133,647	- 29.8
Beaumont.....	142	112,784	125	37,350	+202.0	78	102,232	+ 10.3	317	434,854	310	100,485	+332.8
Corpus Christi.....	88	134,542	70	54,437	+147.2	78	257,060	- 47.7	247	517,132	163	114,005	+353.6
Dallas.....	597	1,164,418	438	213,864	+444.5	347	2,149,091	- 45.8	1,363	4,812,784	1,172	818,933	+426.6
El Paso.....	76	37,303	49	19,712	+ 89.2	50	53,171	- 29.8	173	132,567	115	77,659	+ 70.7
Fort Worth.....	198	660,848	95	88,150	+649.7	118	284,975	+131.9	418	1,528,223	271	517,039	+195.6
Galveston.....	125	143,240	114	27,306	+424.6	74	20,013	+615.7	281	188,814	297	262,212	- 28.0
Houston.....	392	2,570,390	276	318,768	+763.0	387	3,961,612	- 35.1	1,048	7,326,423	692	1,283,382	+470.9
Port Arthur.....	122	135,601	91	24,403	+455.7	112	48,344	+180.5	303	209,354	182	80,278	+160.8
San Antonio.....	270	223,780	1,659	244,377	- 8.4	191	149,012	+ 50.2	656	862,681	1,965	503,804	+ 71.2
Shreveport.....	137	190,938	170	100,273	+ 90.4	92	136,650	+ 39.7	302	411,791	447	309,452	+ 33.1
Waco.....	44	54,938	33	61,927	- 11.3	34	39,896	+ 37.7	105	122,537	72	105,015	+ 16.7
Wichita Falls.....	11	12,858	55	41,289	- 68.9	10	18,575	- 30.8	28	44,428	96	120,699	- 63.2
Total.....	2,402	\$5,737,481	3,370	\$1,481,883	+287.2	1,739	\$7,720,358	- 25.7	5,785	\$17,729,385	6,278	\$6,486,994	+173.3

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Board of Governors of the Federal Reserve System, April 24, 1936)

Production and employment at factories increased from February to March, while output of minerals declined. There was considerable expansion in retail trade.

PRODUCTION AND EMPLOYMENT

The Board's combined index of industrial production, which includes both manufacturing and mining and makes allowance for seasonal changes, remained unchanged in March at the February figure of 94 per cent of the 1923-1925 average. Production of automobiles rose sharply in March to a total of 425,000 passenger cars and trucks and continued to increase during April. There was a seasonal increase in output of steel in March, followed in the first three weeks of April by a rapid rise in activity. Estimates of the rate of production in that period averaged around 67 per cent of capacity as compared with the rate of 59 per cent reported for March. Production of cement and lumber increased more than seasonally from February to March, and activity at meat-packing establishments and at silk mills also increased, although a decline is usual in these industries at this time of the year. There was little change in output at cotton textile mills, while at woolen mills activity decreased by more than the usual amount. Production of anthracite and bituminous coal showed a substantial reduction from the relatively high level of February and this decrease accounted for the decline in total output at mines. Factory employment increased by more than the usual seasonal amount from the middle of February to the middle of March, and payrolls showed a larger increase. Employment increased in the machinery industries, at saw mills, and at establishments producing wearing apparel. There was a decrease in the number of workers at plants producing rubber tires and tubes, where a strike was in progress in the middle of March. At automobile factories the number employed declined slightly, while payrolls showed a considerable increase. The value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, showed a seasonal increase from February to March. Awards for residential building increased seasonally and contracts for other private construction advanced to the highest point since 1931. Value of awards for publicly-owned projects continued considerably smaller than in De-

ember and January, when the dollar volume of such contracts was relatively high.

DISTRIBUTION

Retail trade, which had been reduced in January and February by unusually severe weather, increased considerably in March. Sales at department and variety stores and by mail order houses serving rural areas showed a more than seasonal increase. The number of new automobiles sold was also larger than in February. Freight-car loadings of most classes of commodities increased from February to March by more than the usual seasonal amount. Total loadings declined somewhat from the relatively high level of the three preceding months, however, reflecting a sharp reduction in shipments of coal.

COMMODITY PRICES

The general level of wholesale commodity prices, which had declined somewhat between the third week of February and the middle of March, showed relatively little change in the following four weeks. Retail prices of foods declined during March.

BANK CREDIT

Excess reserves of member banks, after declining sharply in the last half of March, increased by about \$300,000,000 in the first three weeks of April to a total of \$2,640,000,000. This increase, like the preceding decline, was due chiefly to operations of the Treasury. After the middle of March Treasury balances at the Federal Reserve Banks were built up through the collection of taxes and receipts from the sale of new securities, and in April these balances were drawn upon to meet expenditures. Partly as a result of these expenditures, deposits at reporting member banks in leading cities, which had declined in March, increased in the first half of April, when total loans and investments of these banks also increased. From February 26 to April 15 total loans and investments of reporting member banks showed an increase of about \$800,000,000, reflecting increases of \$380,000,000 in investments, of \$180,000,000 in loans to brokers and dealers in securities, and of \$240,000,000 in so-called "other" loans, which include loans for commercial, industrial, and agricultural purposes.