

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 1936	Change From March
Bank debits to individual accounts (at 18 cities)	\$695,326,000	— 5.2%
Department store sales	.....	+ 4.7%
Reserve bank loans to member banks at end of month	\$ 315,036	+\$109,430
Reserve bank ratio at end of month	62.0%	— 1.6 points
Building permit valuation at larger centers	\$ 4,675,184	— 18.5%
Commercial failures (number)	17	— 8
Commercial failures (liabilities)	\$ 520,000	+ 137.4%
Oil production (barrels)	38,253,450	— .02%

A noticeable improvement in the outlook for the agricultural and livestock industries and an active demand for merchandise at retail and wholesale were the leading developments in this district during the past month. The April sales of department stores in principal cities showed a further expansion of 5 per cent as compared with the previous month, and exceeded those in the same month of 1935 by 12 per cent. In wholesale trade the volume of business was well sustained. The changes from the previous month in most reporting lines were more favorable than usually occur at this season and sales reflected a substantial increase over April last year. While debits to individual accounts at banks in larger cities evidenced a seasonal decline of 5 per cent between March and April, the total for the latter month was 12 per cent higher than a year ago.

The persistence of the drought during much of April over a wide area of the district affected crops adversely and delayed planting operations. Since the middle of April, however, practically all sections of the district have received

some moisture and the rainfall has been generally heavy over the eastern half of the district and in scattered areas elsewhere. Since the rains most crops have made rapid improvement and farmers have proceeded with planting operations. While small grains were benefited to some extent, acreage abandonment has been heavy and the crops on much of the acreage remaining for harvest are very poor. Livestock ranges deteriorated somewhat in April, but an improvement occurred following the rains. Livestock generally have held up fairly well.

The seasonal demand for funds was reflected by a further moderate increase in Federal Reserve Bank loans to member banks. "All other" loans of reporting member banks in leading cities which include loans for agricultural, commercial, and industrial purposes were expanded between April 8 and May 13, and on the latter date the margin of increase over a year ago was larger than at any time during the current year. Federal Reserve notes in actual circulation amounted to \$75,432,000 on May 15, which was slightly larger than the total a month earlier. The daily average of combined net demand and time deposits of member banks aggregated \$785,633,000 in April as compared with \$778,553,000 in March.

The valuation of building permits issued at principal cities of this district during April declined 19 per cent as compared with the previous month, but the total was 55 per cent larger than in the corresponding month of 1935. The increase over last year was participated in by most of the reporting cities.

BUSINESS

Wholesale Trade Merchandise distribution at wholesale in this district, as reflected by sales of reporting firms, compared favorably with that of the previous month despite the disquieting effects of the drought which persisted during most of the month over much of this district. In most reporting lines the March to April changes were better than average, and the volume of business was materially larger than in the same month last year. Collections generally showed an improvement over the previous month.

The wholesale dry goods trade, after showing an upward trend during the first three months of the year, declined 7.6 per cent in April which was slightly less than the average recession at this season. As compared with a year ago, April sales reflected a gain of 11.7 per cent and those for the year to date averaged 9.9 per cent larger. Reports indicate that consumer demand has been well sustained generally. Inventories at the close of April were moderately lower than a month earlier and continued substantially below those a year ago. Collections showed a general increase over

the previous month, the average being 13.0 per cent.

A seasonal recession in the distribution of drugs by reporting wholesale drug firms occurred during the past month. While the April sales were 5.4 per cent smaller than in the previous month, they exceeded those of the corresponding month last year by 29.2 per cent. Business during the first four months of the year averaged 26.0 per cent better than a year ago. Collections were slightly smaller than in the previous month.

The demand for farm implements at wholesale reflected a sharp decline during April when sales of reporting firms in this district were 52.9 per cent smaller than in the previous month. The volume of business, however, was 18.9 per cent larger than in the same month of 1935, and sales during the first four months of the current year averaged 59.0 per cent above those in the corresponding period of last year. April business over a very large area was restricted considerably by the persistence of the widespread drought during much of the month which caused a deterioration in small grains and delayed planting of row crops. Collections during the month showed a substantial decline.

The April sales of reporting hardware firms were slightly larger than in the previous month and exceeded those of the corresponding month last year by 24.1 per cent. The aggregate volume of business during the first four months averaged 21.6 per cent higher than during the same period of 1935, and the better business was shared by all reporting firms. The hardware trade has been stimulated by the increased building activity evident in most sections of the district. Collections during the month exceeded those of the previous month by 10.2 per cent.

The sales of reporting wholesale grocery firms during April showed a further increase of 2.3 per cent as compared with the previous month, whereas a decline usually occurs at this season. Business was in practically the same volume as during April, 1935. There was an increase of 5.1 per

cent in collections during April as compared with the previous month.

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

	Net Sales April, 1936 compared with		Net Sales Jan. 1 to date compared with		Stocks Apr. 30, 1936 compared with		Ratio of collections during April to accounts and notes outstanding on Mar. 31
	April 1935	March 1936	same period last year	Apr. 30, 1935	Mar. 31, 1936		
Groceries	+ .3	+ 2.3	+ .3	+ 1.3	+ .1	81.1	
Dry Goods	+11.7	- 7.6	+ 9.9	-17.3	- 3.5	36.6	
Farm implements	+18.9	-52.9	+59.0	+85.4	+ .9	5.9	
Hardware	+24.1	+ .7	+21.6	+ 4.5	- .6	50.0	
Drugs	+29.2	- 5.4	+26.0	+19.7	+ 1.5	67.5	

Retail
Trade

Retail trade in larger cities, as reflected by department store sales, showed a further expansion during April. The dollar volume of business was 4.7 per cent larger than in March, and was 11.6 per cent better than in the corresponding month of 1935. The latter figure compares with a similar gain of 9.2 per cent in March. The adjusted index of department store sales computed by this bank, which makes allowance for average seasonal changes and the variable date of Easter, rose from 90.5 per cent of the 1923-25 average in March to 91.7 per cent in April, and the latter figure compares with 80.3 per cent in April, 1935. The increase in sales during the first four months of the current year over those in the same period last year was 12.5 per cent.

The dollar volume of stocks carried by reporting firms on April 30 was 4.5 per cent larger than a month earlier, and exceeded that of a year ago by 4.9 per cent. The rate of stock turnover during the four months of 1936 was 1.06 as against .99 in the same period last year.

Collections on regular accounts reflected an improvement during the month. The ratio of April collections to regular accounts outstanding on April 1 was 40.7 per cent, as compared with 39.5 per cent in March, and 39.6 per cent in April, 1935. While payments on installment accounts declined in April, they were larger than a year ago.

BUSINESS OF DEPARTMENT STORES

	Dallas	Ft. Worth	Houston	San Antonio	Others	Total Dis't.
Total sales (percentage):						
April, 1936, compared with April, 1935.....	+ 11.8	+ 15.3	+ 5.4	+ 15.0	+ 12.4	+ 11.6
April, 1936, compared with March, 1936.....	+ 2.7	+ 4.5	+ 10.8	+ 1.3	+ 6.1	+ 4.7
January 1 to April 30, 1936, compared with same period last year.....	+ 13.1	+ 15.2	+ 8.6	+ 16.2	+ 10.1	+ 12.5
Credit sales (percentage):						
April, 1936, compared with April, 1935.....	+ 14.9	+ 15.5	+ 9.9	+ 18.1	+ 13.0	+ 14.3
April, 1936, compared with March, 1936.....	+ 3.2	+ 9.5	+ 9.6	+ 3.6	+ 8.0	+ 5.8
January 1 to April 30, 1936, compared with same period last year.....	+ 15.0	+ 14.6	+ 13.2	+ 14.9	+ 10.7	+ 14.0
Stocks on hand at end of month (percentage):						
April, 1936, compared with April, 1935.....	+ 10.3	+ .9	- 4.1	+ 8.4	+ 2.2	+ 4.9
April, 1936, compared with March, 1936.....	+ 4.0	+ 9.3	+ 3.7	+ 7.5	+ 1.0	+ 4.5
Stock turnover (rate):						
Rate of stock turnover in April, 1935.....	.29	.20	.26	.28	.22	.25
Rate of stock turnover in April, 1936.....	.30	.24	.27	.30	.24	.27
Rate of stock turnover January 1, to April 30, 1935.....	1.17	.80	.93	1.09	.83	.99
Rate of stock turnover January 1, to April 30, 1936.....	1.21	.92	1.05	1.16	.88	1.06
Ratio of April collections to open accounts receivable and outstanding April 1, 1936.....	41.7	36.7	43.0	42.6	38.0	40.7
Ratio of April collections to installment accounts receivable and outstanding April 1, 1936.....	17.0	11.4	.....	14.9	20.7	15.5
Indexes of department store sales:						
Unadjusted—March, 1936.....	93.3	89.5	83.6	83.1	.....	86.9
Unadjusted—April, 1936.....	94.5	93.7	93.0	80.6	.....	89.9
Adjusted—March, 1936.....	94.2	93.2	88.0	85.7	.....	90.5
Adjusted—April, 1936.....	96.4	94.6	93.0	79.0	.....	91.7
Indexes of department store stocks:						
Unadjusted—March, 1936.....	59.7	66.4	45.5	49.5	.....	61.6
Unadjusted—April, 1936.....	62.2	72.7	46.5	55.4	.....	64.4
Adjusted—March, 1936.....	59.1	64.5	45.5	46.7	.....	59.8
Adjusted—April, 1936.....	60.4	69.9	45.1	52.3	.....	61.9

Commercial Failures The business mortality rate in the Eleventh Federal Reserve District reflected a sharp decline in April. According to Dun & Bradstreet, Incorporated, there were 17

failures during the month as compared with 25 in March and 32 in April, 1935. The indebtedness of defaulting firms increased from \$219,000 in March to \$520,000 in April, and the latter figure compares with \$403,000 in April, 1935.

AGRICULTURE

Crop Conditions Light to heavy rains which have fallen over much of the Eleventh District since the middle of April have been very beneficial for the planting and growth of most field crops. The precipitation was heavy generally over the eastern half of the district. While most of the western half has received some rain, it has been heavy in only a relatively few scattered localities. The drier sections include portions of central-west Texas, most of west Texas, the western half of the Texas Panhandle, and eastern New Mexico. These areas are still in urgent need of heavy general rains.

Small grains deteriorated rapidly during April and the acreage abandonment was very heavy. The Department of Agriculture, in its May 1 report, estimated that 55 per cent of the acreage sown to wheat in Texas in the fall of 1935 had been abandoned, and that the condition of the crop on the acreage remaining for harvest was the lowest of any year on record. The 37 per cent condition on May 1 indicates a per acre yield of 6.4 bushels, as compared with 7.0 bushels in 1935. Production was placed at 13,389,000 bushels as against the April 1 estimate of 19,057,000 bushels, and a harvest of 10,010,000 bushels in 1935. The acreage abandonment was also heavy in New Mexico and Oklahoma and the prospective production was sharply reduced. The condition of oats in Texas on May 1 was rated at 38 per cent as compared with 61 per cent on that date last year. Due to the dry weather, a large percentage of the crop headed short and the rains came too late to be of much benefit. In those sections which received rain before the oats headed a considerable improvement in the crop has occurred. The condition of the crop in Louisiana was reported at 68 per cent on May 1, as compared with 72 per cent a year ago.

The tame hay crop in Texas was estimated at 48 per cent of normal on May 1 as compared with 62 per cent last year. The corn crop, which made poor to only fair progress in April, has shown rapid improvement since the betterment in moisture conditions.

The planting of cotton, which was delayed by dry weather in the northern half of Texas prior to May 1, progressed rapidly during the succeeding two weeks. Planting has started in those areas of northwest Texas where soil moisture permits. The progress of the crop has been mostly good to excellent in the southern half of the State with chopping and cultivation well advanced. Planting is nearing completion in north Louisiana.

The Department of Agriculture reported that the outlook for the Texas peach crop is unfavorable. The peach set in the northern half of the State is very light. On the other hand, it was reported that the outlook is favorable for an excellent crop of citrus from the 1936 bloom as there was a heavy bloom and the set of fruit is very good.

Livestock A noticeable improvement in the condition of ranges and livestock over a large area of this district occurred as a result of the rains during the past month. The precipitation, however, was mostly light and of only temporary benefit in much of the Edwards Plateau region, west Texas, the counties in the western half of the Panhandle, and in eastern New Mexico. These areas need heavy general rains to promote the growth of grass and to insure summer grazing. Rain is also needed in Arizona. Other sections of the district have had sufficient moisture to give ranges a good start. Livestock generally have been maintained in fair to good condition by supplemental feeding, but the supply of old feed is being exhausted in northwest Texas and eastern New Mexico. The Department of Agriculture reported that indications point to good lamb and calf crops and that the animals are in a healthy condition.

The condition of cattle ranges in Texas was rated by the Department of Agriculture at 74 per cent of normal on May 1, as compared with 76 per cent on April 1, and 66 per cent a year ago. Sheep and goat ranges declined 5 points during April, but the 73 per cent condition on May 1 compared with 59 per cent on that date in 1935. The Department of Agriculture stated that the greatest deterioration in cattle ranges during April occurred in the northern half of the State. Livestock held up well despite the dry weather in April as they were maintained by supplemental feeding in the dry areas. The May 1 condition of cattle was reported at 80 per cent, which was 2 points higher than a month earlier, and 10 points above that on the same date in 1935. Sheep and goats declined 2 points during the month. The condition of both ranges and livestock declined during April in New Mexico and Arizona.

Movements and Prices The April receipts of sheep at the Fort Worth market reflected a large seasonal increase over the previous month and were materially above those in the same month last year. While the arrivals of hogs declined sharply between March

FORT WORTH LIVESTOCK RECEIPTS (Number)

	April 1936	April 1935	Change over year	March 1936	Change over month
Cattle.....	48,882	43,447	+ 5,435	47,700	+ 1,182
Calves.....	20,945	19,995	+ 950	21,451	- 506
Hogs.....	41,104	29,740	+11,364	59,567	-18,463
Sheep.....	94,746	73,697	+21,049	40,158	+54,588

COMPARATIVE TOP LIVESTOCK PRICES (Dollars per hundredweight)

	April 1936	April 1935	March 1936
Beef steers.....	\$ 8.50	\$11.00	\$ 8.50
Stocker steers.....	7.60		6.75
Heifers and yearlings.....	9.00	12.00	8.50
Butcher cows.....	6.50	7.25	6.00
Calves.....	7.50	8.50	7.50
Hogs.....	10.15	8.75	10.30
Sheep.....	6.50	5.00	6.00
Lambs.....	10.25	8.00	9.50

and April, they were still considerably higher than a year earlier. The supply of cattle was larger than in either comparative month.

The cattle market evidenced a weak undertone during the past thirty days. While quality offerings usually cleared to a good advantage, there was a decline in the available sup-

ply of this class of arrivals. The hog market remained generally steady around the \$10.00 level during most of April and then declined sharply. At the middle of May the best offerings were bringing only \$8.65. Sheep and lamb prices showed an upward trend during April but declined somewhat during the first half of May.

FINANCE

Operations of the Federal Reserve Bank Reflecting the seasonal demand for funds, the borrowings of member banks at the Federal Reserve Bank of Dallas rose

from \$282,000 on April 15 to \$413,000 on May 15, and the latter total compares with \$511,000 on the same date last year. The volume of industrial advances outstanding declined \$20,000 during the month, and on May 15 was \$87,000 lower than a year earlier. While this bank's investments in United States Government securities showed no change during the month, they were \$23,525,000 larger than a year ago. The cash reserves of this bank totaled \$150,162,000 on May 15, which represents an increase of \$1,965,000 as compared with April 15, and \$53,513,000 as compared with May 15, 1935. The reserve deposits of member banks declined \$3,122,000 between April 15 and May 15, but the total of \$124,461,000 on the latter date was \$14,315,000 larger than a year earlier. Federal Reserve notes in actual circulation rose \$907,000 during the month.

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

	May 15, 1936	May 15, 1935	April 15, 1936
Total cash reserves.....	\$150,162	\$ 96,649	\$148,197
Discounts for member banks.....	413	511	282
Other bills discounted.....	None	None	None
Industrial advances.....	1,721	1,808	1,741
Commitments to make industrial advances.....	582	160	584
Bills bought in the open market.....	133	122	133
United States Government securities owned.....	95,000	71,475	95,000
All other investments.....	None	None	5
Total earning assets.....	97,267	73,916	97,161
Member bank reserve deposits.....	124,461	110,146	127,583
Federal Reserve notes in actual circulation.....	75,432	47,283	74,525

Condition of Member Banks in Selected Cities Reports from member banks in selected cities reflected a further increase in loans and deposits between April 8 and May 13, but there was a decline in investments. Their holdings of direct and fully guaranteed securities of the United States were reduced \$3,911,000 during the five weeks and the total on May 13 was \$3,714,000 lower than a year ago. Investments in other securities were increased slightly to \$47,834,000 on May 13, which amount is \$6,375,000 larger than on May 15, 1935. Loans on securities totaled \$42,935,000 on May 13, which represents a moderate decline from five weeks earlier or a year ago. "All other" loans (agricultural, commercial, and industrial loans) rose from \$147,071,000 on April 8 to \$150,077,000 on May 13, and the total on the latter date exceeded that of a year ago by \$12,883,000. The demand deposits-adjusted of these banks aggregated \$338,384,000 on May 13, which compares with \$330,770,000 on April 8, and \$289,953,000 on May 15, 1935. While their time deposits

increased \$101,000 during the five-week period, they were \$5,522,000 lower than a year earlier.

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

	May 13, 1936	May 15, 1935	April 8, 1936
United States securities (owned).....	\$167,676	\$169,389	\$173,216
Securities fully guaranteed by United States Government (owned).....	36,441	38,442	34,812
All other stocks, bonds, and securities (owned).....	47,834	41,459	47,700
Loans on securities.....	42,935	43,672	43,337
All other loans.....	150,077	137,194	147,071
Total loans.....	193,012	180,866	190,408
Demand deposits—adjusted*.....	338,384	289,953	330,770
Time deposits.....	118,045	123,567	117,944
United States Government deposits.....	27,479	38,501	26,878
Interbank deposits.....	169,804	129,516	174,681
Balances with domestic banks.....	173,608	133,253	169,473
Reserve with Federal Reserve Bank.....	78,589	62,533	78,036
Bills payable and rediscounts with Federal Reserve Bank.....	None	None	None

*Demand deposits other than interbank and United States Government, less cash items reported as on hand or in process of collection.

Debits to Individual Accounts

Debits to individual accounts at banks in eighteen reporting cities in the Eleventh District totaled \$695,326,000 during April, which represents a seasonal decline of 5.2 per cent as compared with those in the previous month, but an increase of 12.3 per cent over the total for April, 1935. There were only two cities which reported April debits in smaller volume than a year ago.

DEBITS TO INDIVIDUAL ACCOUNTS (In thousands of dollars)

	April 1936	April 1935	Pctg. change over year	March 1936	Pctg. change over month
Abilene.....	6,570	6,264	+ 4.9	6,823	- 3.7
Austin.....	26,921	35,269	-23.7	24,462	+10.1
Beaumont.....	21,740	19,007	+14.4	22,405	- 3.0
Corsicana.....	2,830	2,630	+ 7.6	2,691	+ 5.2
Dallas.....	196,996	168,292	+17.1	223,142	-11.7
El Paso.....	22,467	19,331	+13.3	22,623	- 7
Fort Worth.....	71,157	64,905	+ 9.6	71,340	- 3
Galveston.....	20,888	18,683	+11.8	22,573	- 7.5
Houston.....	166,706	138,602	+20.3	176,985	- 5.8
Port Arthur.....	7,573	6,339	+19.5	7,057	+ 7.3
Roswell.....	2,597	2,081	+24.8	2,513	+ 3.3
San Antonio.....	58,573	63,888	- 8.3	59,474	- 3.6
Shreveport.....	35,595	25,368	+37.6	36,909	- 5
Texarkana*.....	6,064	5,252	+15.5	6,094	- 1.7
Tucson.....	10,167	8,470	+20.0	9,995	+ 9.2
Tyler.....	13,313	10,304	+29.2	12,195	+ 6.4
Waco.....	12,317	11,331	+ 8.7	13,159	- 6.0
Wichita Falls.....	12,854	12,051	+ 6.7	12,855	- 0.0
Total.....	695,326	619,067	+12.3	733,295	- 5.2

*Includes the figures of two 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 in the Eleventh Federal Reserve District reflected a further expansion of \$7,080,000 between March

and April. The average for April amounted to \$785,633,000, which was the highest figure recorded for any month during the current year. The principal change during April was in the net demand deposits 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
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	241,931	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
Apr., 1936	590,058	195,575	345,455	107,560	244,603	88,015

Acceptance Market Outstanding acceptances executed by accepting banks in this district reflected a further decline during April. Total acceptances outstanding on April 30 amounted to \$634,364 as compared with \$948,785 on March 31 and \$1,667,756 at the close of April, 1935. The decline occurred in acceptances based on the domestic shipment and storage of goods as those executed against import and export transactions showed an increase over both comparative dates.

Savings Deposits The savings deposits of 121 banks in this district which operate a savings department amounted to \$151,987,623 on April 30, representing a gain of 0.3 per cent over those a month earlier, and 2.2 per cent over those a year ago. There was a further increase in the number of savings depositors.

SAVINGS DEPOSITS

	April 30, 1936		April 30, 1935		Percentage change over year in savings deposits	March 31, 1936		Percentage change over month in savings deposits	
	Number of reporting banks	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	8,737	\$ 3,489,879	8,861	\$ 3,507,358	— .5	8,758	\$ 3,506,819	— .5
Dallas	9*	77,694	24,834,638	77,080	25,138,499	— 1.2	77,389	24,742,095	+ .4
El Paso	2	12,554	6,379,937	12,100	5,436,526	+17.4	12,492	6,230,216	+ 2.4
Fort Worth	3	34,937	11,666,713	34,596	10,991,053	+ 6.1	34,863	11,533,187	+ 1.2
Galveston	4	16,925	10,466,267	16,864	10,015,100	+ 4.5	16,932	10,525,112	— .6
Houston	11*	66,498	29,962,446	65,801	30,761,298	— 2.6	66,451	29,865,262	+ .3
Port Arthur	2	5,128	2,205,663	5,216	2,060,152	+ 7.1	5,654	2,268,118	— 2.8
San Antonio	6*	18,854	17,433,797	17,371	16,266,305	+ 7.2	18,713	17,349,502	+ .5
Shreveport	3	22,605	10,458,255	22,267	10,814,096	— 3.3	22,513	10,469,044	— .1
Waco	3	10,555	5,597,918	10,879	6,418,843	—12.8	10,578	5,632,531	— .6
Wichita Falls	3	6,308	3,306,327	6,072	2,914,297	+13.5	6,322	3,294,338	+ .4
All others	72*	50,765	26,185,783	50,612	24,321,683	+ 7.7	50,619	26,129,737	+ .2
Total	121	331,560	\$151,987,623	327,719	\$148,645,210	+ 2.2	331,284	\$151,545,961	+ .3

*Only 8 banks in Dallas, 10 in Houston, 5 in San Antonio and 65 in "all others" reported the number of savings depositors.

DISCOUNT RATES CHARGED BY MEMBER BANKS DURING MAY

	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	3½-7	5-8	4-7	3-7	5-7	6
Rate charged on loans to other banks secured by bills receivable	.....	5-6	3½-6	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	5-8	6-8	4-8	3-7	6	6-8
Time	5-8	6-8	4-8	3-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.	2½-8	7-8	5-8	3-7	6-8	3-7
Rate on cattle loans	5½	6-8	5-10	6-10	6-8	7-8

INDUSTRY

Cottonseed Products The crushings of cottonseed and the production of cottonseed products at both Texas and United States mills, while seasonally smaller in April than in the previous month,

were on a larger scale than in April, 1935. These operations during the nine months of the current season were also somewhat larger than during the same period of the previous season. Shipments of products from the mills during April reflected a considerable increase over a year ago. Stocks of cottonseed oil on hand at the mills on April 30 were materially larger than on the same date in 1935, but those of other products, except linters at Texas mills, were substantially lower.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to April 30	This season	August 1 to April 30	Last season
Cottonseed received at mills (tons)	956,364	710,031	3,677,215	3,340,365
Cottonseed crushed (tons)	955,581	788,327	3,668,437	3,314,148
Cottonseed on hand				
Apr. 30 (tons)	23,195	29,365	98,353	248,878
Crude oil produced (lbs.)	273,306,765	225,527,406	1,113,561,526	1,031,998,905
Cake and meal produced (tons)	444,266	372,090	1,663,436	1,507,941
Hulls produced (tons)	259,326	208,253	950,305	852,474
Linters produced (running bales)	189,369	167,299	835,925	747,091
Stocks on hand Apr. 30:				
Crude oil (pounds)	21,110,198	8,083,239	64,875,139	28,315,862
Cake and meal (tons)	35,070	46,428	202,429	263,899
Hulls (tons)	54,561	32,109	94,564	128,776
Linters (running bales)	31,087	38,110	113,578	147,481

Textile Milling A further increase in the domestic consumption of cotton at all United States mills was registered during April. The total for the month amounted to 576,762 bales, as compared with 548,913 bales in March, and 468,402 bales in April last year. The April figure represents an increase of 5.1 per cent over the previous month, and 23.1 per cent over the

corresponding month last year. Consumption during the nine months of the current season was 13.0 per cent greater than in the same period of the previous season, and was the largest for a similar period since the 1929-30 season. Stocks of cotton on hand at consuming establishments on April 30 were smaller than a month earlier but larger than a year ago.

COTTON CONSUMED AND ON HAND (Bales)

	April	April	August 1 to April 30	
	1936	1935	This season	Last season
Cotton-growing states:				
Cotton consumed.....	486,749	379,290	3,903,855	3,292,873
Cotton on hand April 30 in—				
Consuming establishments.....			972,743	824,259
Public storage and compresses.....			5,909,742	7,019,872
United States:				
Cotton consumed.....	576,762	468,402	4,649,521	4,115,761
Cotton on hand April 30 in—				
Consuming establishments.....			1,190,413	1,062,143
Public storage and compresses.....			6,020,526	7,203,407

Cotton Movements A further seasonal decline in the receipts of cotton at the ports of Houston and Galveston occurred between March and April, but receipts during the latter month were larger than in the same month last year. Exports of cotton from these ports were smaller than in either comparative period. Stocks of cotton at these ports declined further during the past month and at Houston they were lower than a year earlier.

Foreign exports of cotton from all United States ports again reflected a seasonal decline from those in the previous month. Exports for April totaled 352,710 bales, as compared with 404,741 bales in March, and 323,155 bales in April, 1935. Shipments during the nine months of the 1935-36 season aggregated 5,167,070 bales, which is 32.6 per cent in excess of those during the same period of the previous season. The United Kingdom, France, and Germany have shown the largest increases during the current season in the takings of American cotton.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	April	April	August 1 to April 30	
	1936	1935	This season	Last season
Receipts.....	19,620	14,762	1,529,554	906,152
Exports.....	77,799	90,180	1,218,386	1,028,298
Stocks, April 30.....			535,821	389,347

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	April	April	August 1 to April 30	
	1936	1935	This season	Last season
Receipts.....	28,797	23,182	1,668,842	1,045,792
Exports.....	126,211	131,189	1,554,822	1,154,416
Stocks, April 30.....			379,793	668,454

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

	August 1 to April 30	
	This season	Last season
Receipts.....	6,671,687	4,206,805
Exports:		
United Kingdom.....	1,165,754	607,936
France.....	612,425	318,841
Italy.....	321,304	397,455
Germany.....	673,245	273,569
Other Europe.....	800,074	665,334
Japan.....	1,319,385	1,284,211
All other countries.....	274,883	348,439
Total foreign ports.....	5,167,070	3,895,785
Stocks held at all United States ports, April 30.....	1,837,398	2,016,099

COTTON—GALVESTON STOCK STATEMENT (Bales)

	April 30,	April 30,
	1936	1935
For Great Britain.....	700	11,600
For France.....	500	2,700
For other foreign ports.....	12,500	27,900
For coastwise ports.....	1,100	500
In compresses and depots.....	521,021	346,647
Total.....	535,821	389,347

SPOT COTTON PRICES Middling Basis (Cents per pound)

	April, 1936		May 15,
	High	Low	1936
New York.....	11.88	11.49	11.73
New Orleans.....	11.73	11.35	11.67
Dallas.....	11.32	11.04	11.25
Houston.....	11.69	11.39	11.70
Galveston.....	11.65	11.35	11.67

Petroleum The production of crude oil in the Eleventh Federal Reserve District in April totaled 38,253,450 barrels, which was approximately the same as in March and materially larger than the April, 1935 production of 33,042,000 barrels. The daily average production in April, due to the shorter month, averaged 40,800 barrels above the March figure. There were 1,112 new wells completed in April including 844 producers with an initial output of 1,352,428 barrels.

Fields in Texas reflected an increase of 33,216 barrels in daily average production in April as compared with the previous month. This increase was participated in by all fields except north Texas where there was little change. The largest gain occurred in the Texas Coastal region. There was a further increase in both the total and daily average output of oil in New Mexico and north Louisiana.

OIL PRODUCTION (Barrels)

	April, 1936		Increase or decrease over March, 1936	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,597,800	119,927	— 122,650	— 88
West Texas.....	6,143,900	204,797	— 50,250	+ 4,986
East Texas.....	14,897,000	496,567	— 294,350	+ 6,523
South Texas.....	2,381,700	77,723	+ 61,750	+ 4,499
Texas Coastal.....	7,373,200	245,773	+ 290,400	+17,296
Total Texas.....	34,343,600	1,144,787	— 115,100	+33,216
New Mexico.....	1,909,500	63,650	+ 32,650	+ 3,106
North Louisiana.....	2,000,350	66,678	+ 72,150	+ 4,478
Total District.....	38,253,450	1,275,115	— 10,300	+40,800

APRIL DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	229	141	13	75	38,470
West Texas.....	163	111	9	43	76,919
East Texas.....	265	246	—	19	874,853
South Texas.....	281	209	9	63	97,074
Texas Coastal.....	85	70	1	14	30,302
Total Texas.....	1,023	777	32	214	1,117,618
New Mexico.....	40	39	1	—	101,815
North Louisiana.....	49	28	11	10	132,995
April totals, district.....	1,112	844	44	224	1,352,428
March totals, district.....	1,247	916	43	288	1,725,127

CRUDE OIL PRICES

	May 8, 1936	May 10, 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)

Building The valuation of building permits issued at leading cities of this district reflected a further decline of 18.5 per cent as compared with the previous month. Substantial increases, however, were shown for half of the reporting cities, and the decreases occurred

mostly at those cities which had a large gain in building operations during the first quarter of the year. As compared with the previous year, the April valuation showed a gain of 54.6 per cent, and the aggregate for the four months was 135.6 per cent larger.

BUILDING PERMITS

	April, 1936		April, 1935		Pctg. change valuation over year	March, 1936		Pctg. change valuation over month	January 1 to April 30				Pctg. change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1936		1935		
									No.	Valuation	No.	Valuation	
Amarillo.....	23	\$ 144,471	19	\$ 20,039	+620.9	42	\$ 54,111	+167.0	113	\$ 285,211	101	\$ 80,423	+254.6
Austin.....	152	342,107	134	293,196	+ 16.7	158	241,230	+ 41.8	606	1,839,114	548	2,426,843	- 24.2
Beaumont.....	119	66,663	148	46,008	+ 44.9	142	112,784	- 40.9	436	501,517	458	146,493	+242.3
Corpus Christi.....	94	161,005	41	23,185	+471.2	88	134,542	+ 19.7	341	678,137	204	142,190	+376.9
Dallas.....	541	1,314,628	420	301,596	+335.9	597	1,164,418	+ 12.9	1,904	5,627,412	1,592	1,120,529	+402.2
El Paso.....	84	117,370	64	629,491	- 81.4	76	37,303	+214.6	257	249,937	179	707,150	- 64.7
Fort Worth.....	164	584,610	120	556,208	+ 5.1	198	660,848	- 11.5	582	2,112,333	391	1,073,247	+ 96.9
Galveston.....	117	70,805	126	53,925	+ 31.3	125	143,240	- 50.6	398	259,619	423	316,137	- 17.9
Houston.....	390	1,240,205	270	503,580	+146.3	392	2,570,890	- 51.8	1,438	8,566,628	962	1,786,962	+379.4
Port Arthur.....	124	78,847	89	24,481	+222.1	122	135,601	- 41.9	427	288,201	271	104,759	+175.1
San Antonio.....	258	299,951	1,806	375,070	- 20.0	270	223,780	+ 34.0	914	1,162,632	3,771	878,874	+ 32.3
Shreveport.....	136	170,233	133	132,635	+ 28.3	137	190,938	- 10.8	438	582,024	580	442,087	+ 31.7
Waco.....	26	31,269	41	33,647	- 7.1	44	54,938	- 43.1	131	153,856	113	138,662	+ 11.0
Wichita Falls.....	19	53,020	16	26,509	+100.0	11	12,858	+312.4	47	97,448	112	147,208	- 33.8
Total.....	2,247	4,675,184	3,427	3,024,570	+ 54.6	2,402	5,737,481	- 18.5	8,032	22,404,569	9,705	9,511,564	+135.6

Cement The production and shipments of cement at Texas mills, which rose sharply in March, increased further during April. The production of cement during the month exceeded that of the previous month by 22.4 per cent and reached the highest level for any month since the fall of 1930. The increase over the corresponding month of 1935 was 88.8 per cent. Shipments from the mills rose 4.7 per cent between March and April, and the total for the latter month was 76.1 per cent larger than in April, 1935. Production and shipments during the first four months of 1936 were 60.1 per cent and 71.4 per cent, respectively, higher than in the corresponding period

of the previous year. Due to the excess of production over shipments in April, stocks on hand at the close of the month were 12.6 per cent larger than those a month earlier.

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

	April 1936	Percentage change over		January 1 through April 30, 1936	Percentage change over year
		April 1935	March 1936		
Production at Texas mills.....	655	+88.8	+22.4	1,825	+60.1
Shipments from Texas mills.....	583	+76.1	+ 4.7	1,932	+71.4
Stocks at end of month at Texas mills.....	636	- 6.7	+12.6	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Board of Governors of the Federal Reserve System as of May 27, 1936)

Industrial production increased in April, reflecting principally larger output of steel and of automobiles. Employment and payrolls in the durable goods industries showed advances.

PRODUCTION AND EMPLOYMENT

Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 93 per cent of the 1923-1925 average in March to 100 per cent in April. The average rate of production at steel mills in April was 69 per cent of capacity as compared with 59 per cent for the preceding month. At automobile factories output amounted to 503,000 passenger cars and trucks and, except for the spring months of 1929, was larger than in any previous month. In the first three weeks of May activity in both the steel and automobile industries was maintained at about the levels reported for April. Output of nondurable manufactures in April was slightly larger than in March, due chiefly to increases at cotton textile mills, meat-packing establishments, and tobacco factories. Activity at woolen and silk mills declined. Bituminous coal production showed little change from March to April, although a considerable decrease is usual at this season, while at anthracite mines there was a sharp rise from the low level of March. Output of crude petroleum continued to increase. Factory employment and payrolls were larger in the middle of April than a month earlier. Increases in the number of workers were general in the durable goods industries, with the most marked advances at steel mills and at plants producing machinery, automobiles, and building materials. There was an increase in employment at rubber tire factories, which in March had been affected by a strike, while at woolen mills employment declined. Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, increased in April by somewhat more than the usual seasonal amount. Contracts for residential building were in considerably larger volume, and privately-financed projects other than residential continued to increase.

DISTRIBUTION

Retail trade showed a seasonal increase in April, following a considerable advance in March. Department store sales rose by less than the usual seasonal amount, while at variety stores and mail-order houses there were further increases. Freight-car loadings increased from March to April.

COMMODITY PRICES

Wholesale prices of commodities showed little change during April and declined during the early part of May, reflecting decreases in the prices of farm products and foods, while prices of other commodities as a group continued to show little change.

BANK CREDIT

Excess reserves of member banks have increased steadily since the latter part of March and by May 20 amounted to \$2,860,000,000. The growth was due in April to Treasury disbursements from accumulated balances and in May to continued disbursements together with substantial imports of gold. Treasury disbursements and gold imports have also been reflected in a sharp increase of deposits at reporting member banks in leading cities since the beginning of April. Adjusted demand deposits at these banks increased to a new high level and time deposits rose to the highest figure in three years. Holdings of United States Government obligations by the reporting banks have increased further, while holdings of other securities and loans to customers have remained at the levels reached early in April. Loans to brokers and dealers in securities, which increased considerably in March and April, declined in the first half of May. The rate charged on call loans with stock exchange collateral was raised on May 11 by New York City banks from $\frac{3}{4}$ of one per cent to 1 per cent and that on time loans from 1 per cent to $1\frac{1}{4}$ per cent. Rates on other open-market loans have continued at low levels.