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OF THE FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	April 1937	Percentage change from	
		Apr., 1936	Mar., 1937
Bank debits to individual accounts (18 cities) . . .	\$879,974,000	+26.6	- 1.2
Department store sales		+12.0	- 1.3
Wholesale trade sales (five lines)		+13.4	- 7.4
Value of construction contracts awarded	\$ 12,617,000	-28.2	+ 14.7
Valuation of building permits (14 cities)	\$ 5,815,252	+24.4	- 8.0
Commercial failures (number)	16	- 5.9	+ 77.8
Commercial failures (liabilities)	\$ 344,000	-33.8	+166.7
Daily average crude oil production (barrels)	1,557,452	+22.1	- .5

The April volume of trade in the Eleventh District was maintained at a level substantially above that in the same month last year. Department store sales showed a gain of 12 per cent over last April, which was nearly as large as the first quarter increase, and the fractional decline from March was due to the shorter month, as daily average sales increased 3 per cent. Although wholesale distribution fell off more than usual from March to April, the increase of 13 per cent over a year ago equalled the average gain for the preceding three months. The decline in bank debits was considerably less than seasonal, and the April total, which was the largest for that month since 1929, exceeded last year's figure by 27 per cent. The number and liabilities of business failures, despite increases in April, continued at low levels in comparison with other years.

In the construction industry the total value of contracts awarded, as reported by the F. W. Dodge Corporation, was 28 per cent smaller than in April last year, but exceeded the total for any intervening month. The value of awards for residential building increased further by 11 per cent over March and was 53 per cent greater than a year earlier. The valuation of building permits issued at principal cities, although 8 per cent smaller than in March, increased about one-fourth in comparison with April of the preceding year.

After declining to some extent in April, owing to the lower Texas allowable, petroleum production in this district increased sharply in the first half of May, and the daily output at the middle of the month was at an all-time high level.

Weather conditions, on the whole, continued unfavorable for the growth and development of row crops. The detrimental effects of subnormal rainfall during the last six weeks were accentuated by the dry winds which sapped surface moisture in many sections. As a result, seed germination was slow and unsatisfactory, and crop growth was retarded, though some betterment occurred following the recent scattered rains and the advent of higher temperatures. Small grains showed an improvement except in the dry areas, and, on the basis of the May 1 estimates of the Department of Agriculture, production is expected to be much larger than a year ago. Nevertheless, additional moisture would be very beneficial for maturing the crops. Livestock continue in good condition, but ranges are becoming dry in some sections. Cattle and sheep are moving to market in large volume.

Between April 14 and May 12, loans and investments of weekly reporting member banks in the district's leading cities declined further by \$3,035,000, of which \$1,845,000 was in loans and \$1,190,000 was in investments. These banks added to their holdings of United States Government securities, but this increase was more than offset by a reduction in holdings of other securities. The daily average of gross demand and time deposits of the district's member banks was \$7,667,000 lower in April than in March and was off \$65,869,000 from the high level reached last December. Reserve deposits of member banks increased sharply during the latter part of April, and in the first half of May averaged close to \$179,000,000, which was apparently about \$45,000,000 in excess of the higher reserve requirements effective May 1.

BUSINESS

Wholesale Trade
The combined sales of reporting firms in the five lines of wholesale trade surveyed by this bank remained 13.4 per cent above those in the same month of 1936, but the 7.4 per cent decline from the previous month was larger than the

average March to April recession. Collections on outstanding accounts in the grocery, dry goods, and hardware trades increased noticeably from March to April, while in the lines of drugs and farm implements a seasonal recession occurred.

Dry goods sales, which showed a contrary-to-seasonal increase in March, declined 15.6 per cent in April, and were 1.8 per cent below those in the same month last year. Demand for groceries at wholesale in April was unusually heavy. The dollar volume of sales evidenced a counter-to-seasonal increase of 4.1 per cent over the March volume, and was 19.2 per cent greater than in April a year ago, the latter increase being the largest recorded for that comparison since May, 1935. While distribution of drugs at wholesale witnessed the customary seasonal recession from March to April, sales continued 5.2 per cent greater than in the corresponding month last year. Farm implement sales showed a further decline of 36.5 per cent from those a month earlier, yet the 51.7 per cent gain over a year ago is considerably larger than the average increase during the first quarter of 1937. A continuance of the strong demand for hardware at wholesale is evidenced by the fact that April sales did not show the usual seasonal decline from those in March and were 23.1 per cent greater than in April, 1936.

Stocks of merchandise on hand April 30 at grocery and drug firms were smaller than the holdings a month earlier, while dry goods, farm implement, and hardware firms increased their inventories. All lines of trade reported increases in stocks as compared with a year ago.

CONDITION OF WHOLESALE TRADE DURING APRIL, 1937

Percentage of increase or decrease in—

	Net Sales		Net Sales		Stocks		Ratio Apr. collections to accounts outstanding Mar. 31
	April, 1937 compared with Apr. 1936	Mar. 1937	Jan. 1 to Apr. 30 compared with same period last year	Apr. 30, 1937 compared with Apr. 30, 1936	Mar. 31, 1937		
Groceries.....	+19.2	+4.1	+18.0	+2.6	-4.8	89.9	
Dry goods.....	-1.8	-15.6	+6.0	+53.9	+3.9	33.8	
Farm implements..	+51.7	-36.5	+21.3	+5	+4.2	6.3	
Hardware.....	+23.1	-2	+21.1	+22.9	+5.4	53.8	
Drugs.....	+5.2	-7.2	+5.5	+7.7	-2.0	63.7	

Retail Trade

April sales of reporting department stores in eleven leading cities in this district were 12.0 per cent greater than in the same month of 1936. This increase, though smaller than in March, was very favorable in view of the fact that a considerable portion of Easter purchases last year was made in April. Among the individual departments particularly large gains over a year ago were shown for some items of ladies' ready-to-wear, neckwear and scarfs, household linens and furnishings, luggage, silverware, and jewelry. Total sales showed a month-to-month decline of 1.3 per cent, but because there was one less business day in April, daily average sales increased 2.5 per cent. The adjusted index of department store sales rose to 106.1 per cent of the 1923-25 average in April, which compares with 97.6 per cent in March, and 91.7 per cent in April last year. The cumulative sales of reporting department stores for the first four months of 1937 were 13.6 per cent greater than in the same period of 1936.

The value of inventories carried by reporting firms on April 30 was 3.1 per cent larger than at the close of March, and continued 14.2 per cent greater than on the like date a year ago. The rate of stock turnover during the first four months of 1937 was 1.06, as compared with 1.07 in the same period last year.

Contrary to the usual seasonal trend, collections on open book accounts in April evidenced a slight decline, the total being 40.9 per cent of accounts outstanding on April 1, as against 41.3 per cent in March, and 40.7 per cent in April 1936. Collections on installment accounts reflected a decline as compared with both comparative months.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
April, 1937, compared with April, 1936.....	+14.5	+1.3	+9.9	+14.7	+14.6	+12.0
April, 1937, compared with March, 1937.....	-.9	-10.7	-.2	+7	+1.7	-1.3
January 1 to April 30, 1937, compared with same period last year.....	+14.4	+9.9	+14.9	+11.5	+15.0	+13.6
Credit sales (percentage):						
April, 1937, compared with April, 1936.....	+17.8	+2.6	+13.6	+13.2	+9.7	+13.3
April, 1937, compared with March, 1937.....	-.1	-10.8	+2	+7.5	+1.6	-.02
January 1 to April 30, 1937, compared with same period last year.....	+17.8	+13.3	+18.9	+12.8	+12.8	+16.0
Stocks on hand at end of month (percentage):						
April, 1937, compared with April, 1936.....	+14.2	-3.7	+11.8	+18.8	+23.4	+14.2
April, 1937, compared with March, 1937.....	+2.6	+6.6	+5.3	+2.8	+1.5	+3.1
Stock turnover (rate):						
Rate of stock turnover in April, 1936.....	.30	.24	.28	.30	.24	.27
Rate of stock turnover in April, 1937.....	.30	.24	.26	.29	.22	.27
Rate of stock turnover January 1 to April 30, 1936.....	1.21	.92	1.05	1.16	.90	1.07
Rate of stock turnover January 1 to April 30, 1937.....	1.19	1.00	1.05	1.09	.87	1.06
Ratio of April collections to open accounts receivable and outstanding April 1, 1937.....	42.4	33.5	41.9	43.5	41.0	40.9
Ratio of April collections to installment accounts receivable and outstanding April 1, 1937.....	16.5	11.4	.....	11.9	18.7	14.8
Indexes of department store sales:						
Unadjusted—March, 1937.....	106.0	100.6	97.1	89.4	.....	97.6
Unadjusted—April, 1937.....	109.3	93.9	99.2	93.4	.....	99.7
Adjusted—March, 1937.....	102.9	100.6	98.1	88.5	.....	97.6
Adjusted—April, 1937.....	116.3	98.8	103.3	95.3	.....	106.1
Indexes of department store stocks:						
Unadjusted—March, 1937.....	69.4	65.6	46.7	63.5	.....	69.8
Unadjusted—April, 1937.....	71.2	70.0	50.7	66.1	.....	72.2
Adjusted—March, 1937.....	68.7	63.7	46.7	59.9	.....	67.8
Adjusted—April, 1937.....	69.1	67.3	49.2	62.4	.....	69.4

Commercial Failures

Although the April business mortality rate in the Eleventh District showed a sharp upturn from the low level in March, the number of failures and the amount of liabilities were below those for any corresponding month since 1920. According to Dun & Bradstreet, Incorporated, the number of commercial failures increased from 9 in March to 16

in April, the latter number comparing with 17 insolvencies in April, 1936. Liabilities of defaulting firms rose to \$344,000 in April, which was more than two and one-half times greater than in the preceding month and the largest total reported for any month since last April when insolvent concerns had a combined indebtedness of \$520,000.

AGRICULTURE

*Crop
Conditions*

Subnormal rainfall in a large part of Texas during the past six weeks, cool nights, and dry north winds which depleted surface moisture impeded progress of row crops and interfered with seed germination. While scattered rains toward the middle of May were of temporary benefit, a heavy general rain is needed to overcome the moisture deficiency and to stimulate plant growth. Cotton planting has advanced rapidly and is nearing completion except in north-west Texas where operations have become general since the recent rains in that area. Poor stands, however, have necessitated considerable replanting in some sections. Corn generally has made poor to only fair growth, with plants considerably smaller than usual at this time of the year.

Sufficient precipitation occurred in the wheat growing sections of Texas during April and the first half of May to bring about an improvement in the State's wheat crop. Prospects on May 1, as reported by the Department of Agriculture, indicated a harvest of 41,296,000 bushels, which is 4,091,000 bushels higher than the April 1 estimate, more than double last year's production, and about the same as the 1928-32 average production. Acreage abandonment has been heavy—26 per cent of the acreage sown last fall—especially in the extreme northwestern portion of the State where, because of the prolonged drouth, only a small portion of the crop remains for harvest. For the State as a whole the per acre yield on the 3,933,000 acres remaining for harvest is estimated at 10.5 bushels as compared with 7.7 bushels in 1936. Although the New Mexico wheat crop deteriorated somewhat in April on account of the dry winds, the production estimate of 2,460,000 bushels on May 1 is more than three times larger than last year's harvest.

The May 1 condition of the oat crop was 3 points lower than the 1924-32 average in Texas but 14 points higher in Louisiana. In both states present prospects indicate a much larger crop than in 1936. Oats generally are heading out and in some sections harvesting has begun. In states wholly or partially attached to this district, tame hay was in a better condition on May 1 than a year ago but was below the average for that date.

An improvement in the Texas Irish potato crop occurred in April and the 75 per cent condition on May 1 compares with 66 per cent a year ago and 73 per cent for the nine-year average. The commercial crop turned out well in the lower Rio Grande Valley and fair yields are indicated elsewhere, though maturity will be later than usual. The 40 per cent of normal condition of the Texas peach crop on May 1 indicates a production of 1,160,000 bushels which is about the same as last year's harvest. Seeding of rice in south Texas is about completed and the crop is making good growth.

*Cash Farm
Income*

Cash receipts from marketings of principal farm products in the five states wholly or partially attached to this district increased in March, and were 27.8 per cent above those in the same month last year. The larger receipts from farm crops accounted for the major portion of the improvement, as the income from this source registered a gain of 58.6 per cent over March last year. Cash income from the sale of livestock and livestock products also in-

creased but by a smaller amount than receipts from the sale of farm crops. Government payments to farmers, which amounted to \$22,172,000 this March as compared with \$4,381,000 a year ago, were unusually large, constituting 35.4 per cent of the total cash farm income including these payments. Therefore, total receipts from the sale of principal farm products and from Government payments showed an increase of 73.7 per cent over those in March, 1936.

RECEIPTS FROM THE SALE OF PRINCIPAL FARM PRODUCTS
(In thousands of dollars)

State	Receipts from:					
	Farm crops		Livestock and livestock products		Total receipts	
	March 1937	March 1936	March 1937	March 1936	March 1937	March 1936
Arizona.....	1,897	1,721	1,458	1,334	3,355	3,055
Louisiana.....	4,190	1,505	957	941	5,147	2,446
New Mexico.....	276	203	1,107	1,167	1,383	1,370
Oklahoma.....	2,425	1,655	7,560	6,999	9,985	8,654
Texas.....	10,003	6,763	10,629	9,411	20,632	16,174
Total five states....	18,791	11,847	21,711	19,852	40,502	31,689

SOURCE: United States Department of Agriculture.

Livestock

With the exception of the drouth sections in southwest and northwest Texas, range vegetation made good growth during the month in nearly all the district's territory, though rain is needed generally to sustain growth and assure adequate summer grazing. Conditions are becoming serious in some portions of southwest Texas where considerable feeding of livestock has been necessary because of the poor ranges. Some rain has fallen recently in northwest Texas, but it was insufficient generally to furnish subsoil moisture or to improve materially grazing conditions.

Livestock continued to improve in April and the first half of May, and animals are now in much better condition than at this time last year. According to the Department of Agriculture, shipments of cattle from Texas to outside pastures were heavy in April, and the spring movement is expected to greatly exceed that in 1936. Prospects indicate larger than usual calf and lamb crops. New-born animals are making rapid growth and losses have been light. Sheep shearing is well under way, with wool being marketed in substantial volume at the highest prices obtained in several years.

*Movements
and Prices*

Reflecting chiefly the heavy marketings of yearlings and wethers, sheep receipts at the Fort Worth market during April exceeded those in the same month of any preceding year and were nearly as large as the record run in May, 1931. Smaller than average gains in cattle and calf receipts occurred from March to April, due mainly to the heavy marketings in the earlier month, but supplies were substantially larger than in April of other recent years. Hog receipts showed a decline of 28 per cent from the previous month, which was partly seasonal, and fell 16 per cent under arrivals in April last year.

Under the pressure of heavy receipts, quotations on all classes of cattle were lowered during the first half of May, largely cancelling the advances registered in the two preceding weeks. The sharp advance in the hog market toward the middle of May raised the top quotation to \$10.50 the highest price paid since last September. Reflecting near

record receipts, lamb prices continued to decline until the second week in May when a noticeable increase occurred.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	April 1937	April 1936	Change over year	March 1937	Change over month
Cattle.....	62,118	48,760	+ 13,358	53,402	+ 8,626
Calves.....	25,251	21,054	+ 4,197	24,586	+ 665
Hogs.....	34,688	41,371	- 6,683	48,345	- 13,657
Sheep.....	277,096	95,117	+181,979	82,690	+194,406

COMPARATIVE TOP LIVESTOCK PRICES

(Dollars per hundredweight)

	April 1937	April 1936	March 1937
Beef steers.....	\$ 10.75	\$ 8.50	\$ 11.00
Stocker steers.....	7.50	7.60	7.50
Heifers and yearlings.....	11.50	9.00	11.00
Butcher cows.....	8.00	6.50	7.00
Calves.....	8.60	7.50	8.00
Hogs.....	10.00	10.15	10.10
Lambs.....	12.00	10.25	12.50

FINANCE

Operations of the Federal Reserve Bank

Earning assets of the Federal Reserve Bank of Dallas showed a further expansion of \$1,543,000 during the month and on May 15 were \$3,716,000 in excess of those on that date last year. The principal factor in the increase over the thirty-day period was the rise of \$1,149,000 in holdings of United States Government securities, which represents this bank's proportionate share of additions to the Federal Reserve System's investment account. Discounts for member banks continued in relatively small volume, but the total of \$906,000 on May 15 was \$280,000 higher than a month earlier and \$493,000 greater than a year ago. Industrial advances outstanding and holdings of acceptances purchased in the open market also increased somewhat. Federal Reserve note circulation stood at \$89,670,000 on May 15, an increase of \$792,000 over the month and \$14,238,000 over the year. Member bank reserve balances, which had fluctuated widely during March and April, showed relatively small variations in the first half of May. These balances aggregated \$179,930,000 on May 15, which represents an increase of \$11,363,000 over those on April 15, and \$55,469,000 over those a year ago. After making allowance for the increase in reserve requirements which became effective on May 1, excess reserves of member banks in this district were approximately \$45,000,000, or about one-third of total reserve requirements.

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

	May 15, 1937	May 15, 1936	April 15, 1937
Total cash reserves.....	\$189,250	\$150,162	\$178,844
Discounts for member banks.....	906	413	626
Industrial advances.....	1,331	1,721	1,236
Bills bought in the open market.....	112	133	87
United States Government securities.....	98,634	95,000	97,485
All other investments.....	None	None	6
Total earning assets.....	100,983	97,267	99,440
Member bank reserve deposits.....	179,930	124,461	168,567
Federal Reserve notes in actual circulation....	89,670	75,432	88,878
Commitments to make industrial advances....	302	582	444

Condition of Member Banks in Leading Cities

Reporting member banks in the district's leading cities increased their holdings of Government securities by \$2,572,000 during the four weeks ended May 12, but they decreased holdings of other securities by \$3,762,000, with the result that total investments showed a reduction of \$1,190,000 for the period. Their loans, after reaching a spring peak on April 7, declined \$3,943,000 in the following three weeks, then showed a slight increase in the first two weeks of May. However, nearly one-half of this decline occurred in the week ended April 14, so that the net recession in the subsequent four weeks amounted to only \$1,845,000. Between April 14 and May 12 adjusted demand deposits rose \$1,222,000 to a new high level at \$395,266,000, and in the same period

time deposits increased \$340,000. On the other hand, there were withdrawals of \$7,409,000 in interbank deposits and \$3,494,000 in United States Government deposits. These banks, in turn, withdrew \$13,031,000 of their funds on deposit with correspondent banks, thereby reducing these balances to \$154,522,000 on May 12, which was \$19,086,000 lower than a year earlier. Their reserves with the Federal Reserve Bank rose to \$112,886,000 on May 12, an increase of \$6,855,000 over those on April 14 and \$34,297,000 over those on May 13, 1936.

CONDITION STATISTICS OF MEMBER BANKS IN LEADING CITIES

(In thousands of dollars)

	May 12, 1937	May 13, 1936	April 14, 1937
United States Government securities.....	\$187,389	\$167,676	\$183,422
Securities fully guaranteed by United States Government.....	28,195	36,441	29,590
All other stocks, bonds, and securities.....	52,173	47,834	55,935
Loans on securities.....	45,640	42,935	46,161
All other loans.....	168,757	150,077	170,081
Total loans.....	214,397	193,012	216,242
Demand deposits—adjusted*.....	395,266	338,384	394,044
Time deposits.....	120,571	118,045	120,231
United States Government deposits.....	7,677	27,479	11,171
Interbank deposits.....	178,724	169,804	186,133
Balances with domestic banks.....	154,522	173,608	167,553
Reserve with Federal Reserve Bank.....	112,886	78,589	106,031
Bills payable and rediscounts with Federal Reserve Bank.....	620	None	350

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

Deposits of Member Banks

The downward trend in gross demand deposits of member banks in this district, which was in evidence during the first quarter of 1937, continued during April, but the amount of decline was smaller than in any of the preceding three months. During the four months, the daily average of gross demand deposits declined \$64,654,000, of which \$8,216,000 occurred in April. At country banks these deposits averaged \$1,270,000 higher in April than in the previous month, whereas there was a further recession of \$9,486,000 at reserve city banks. The daily average of time deposits rose \$549,000 from March to April due mainly to the increase at country banks.

GROSS DEMAND AND TIME DEPOSITS OF MEMBER BANKS

(Average of daily figures—in thousands of dollars)

Month and Year	Combined Total		Reserve City Banks		Country Banks	
	Gross demand deposits	Time deposits	Gross demand deposits	Time deposits	Gross demand deposits	Time deposits
1936 — April.....	\$ 927,928	\$ 195,515	\$ 527,743	\$ 107,560	\$ 400,185	\$ 88,015
May.....	926,927	194,692	529,858	107,863	397,069	86,829
June.....	943,139	196,703	540,958	108,065	402,181	88,638
July.....	999,460	199,576	578,721	109,652	420,739	89,924
August.....	988,321	199,824	570,488	109,534	417,833	90,290
September.....	1,017,186	199,602	585,513	109,364	431,673	90,238
October.....	1,061,297	200,763	608,277	109,623	453,020	91,140
November.....	1,097,227	200,783	627,187	110,105	470,040	90,678
December.....	1,108,410	200,898	632,243	110,280	476,167	90,618
1937 — January.....	1,094,826	199,824	621,186	109,726	473,640	90,098
February.....	1,079,858	199,798	607,432	109,355	472,426	90,443
March.....	1,051,972	199,134	587,596	108,501	464,376	90,634
April.....	1,043,756	199,683	578,110	108,562	465,648	91,121

Debits to Individual Accounts

Debits to individual accounts at banks in eighteen Eleventh District cities were maintained at a high level in April, being only slightly under the heavy March volume, and the largest for any corresponding month since

1929. All reporting cities shared in the average increase of 26.6 per cent over April, 1936, the individual cities showing gains ranging from 16.7 per cent at Waco to 54.3 per cent at Texarkana.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	April 1937	April 1936	Percentage change over year	March 1937	Percentage change over month
Abilene.....	\$ 8,333	\$ 6,570	+26.8	\$ 8,474	- 1.7
Austin.....	33,805	26,921	+25.6	29,477	+14.7
Beaumont.....	26,918	21,740	+23.8	25,256	+ 6.6
Corsicana.....	3,595	2,830	+27.0	3,879	- 7.3
Dallas.....	242,752	196,996	+23.2	255,053	- 4.8
El Paso.....	27,333	22,467	+21.7	30,909	-11.6
Fort Worth.....	90,240	71,157	+26.8	85,490	+ 5.6
Galveston.....	26,487	20,888	+26.8	26,630	- 5.5
Houston.....	218,662	166,706	+31.2	225,983	- 3.2
Port Arthur.....	9,845	7,573	+30.0	9,565	+ 2.9
Roswell.....	3,882	2,597	+49.5	3,217	+20.7
San Antonio.....	73,099	58,573	+24.8	73,328	- 3.3
Shreveport.....	46,538	35,595	+30.7	48,875	- 3.8
Texarkana.....	9,357	6,064	+54.3	8,276	+13.1
Tucson.....	12,535	10,167	+23.3	12,957	- 3.3
Tyler.....	15,562	13,313	+16.9	14,803	+ 5.1
Waco.....	14,377	12,317	+16.7	14,279	+ 7.7
Wichita Falls.....	16,654	12,854	+29.6	14,954	+11.4
Total.....	\$879,974	\$695,328	+26.6	\$890,905	- 1.2

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

Acceptance Market

There was a further expansion during April in the volume of outstanding acceptances executed by banks in this district. At the close of the month, the total amounted to \$2,454,308 as compared with \$2,210,634 on March 31. This increase was due to an expansion of \$325,912 in acceptances based on the domestic shipment and storage of goods, which was only partially offset by a decline of \$82,238 in those executed against import and export transactions.

Savings Deposits

The number of savings depositors and the volume of savings deposits at 116 reporting banks in this district showed little change during April and on April 30 the increases in the respective totals over a year ago were about the same as those a month earlier.

SAVINGS DEPOSITS

	Number of reporting banks	April 30, 1937			April 30, 1936			March 31, 1937		
		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	Number of savings depositors	Amount of savings deposits	Percentage change over month in savings deposits
Beaumont.....	3	9,237	\$ 3,635,929	+ 4.2	8,737	\$ 3,489,879	+ 4.2	9,164	\$ 3,612,551	+ .6
Dallas.....	8	79,964	25,670,180	+ 4.7	77,650	24,507,966	+ 4.7	79,825	25,613,281	+ .2
El Paso.....	2	14,483	7,740,291	+21.3	12,554	6,379,938	+21.3	14,337	7,665,953	+ 1.0
Fort Worth.....	3	37,082	12,550,192	+ 7.6	34,937	11,666,713	+ 7.6	37,001	12,542,270	+ .1
Galveston.....	4	17,589	11,092,096	+ 6.0	16,925	10,466,268	+ 6.0	17,604	11,130,193	- .3
Houston.....	10	70,213	28,115,977	- 1.2	66,498	28,444,041	- 1.2	70,041	27,994,974	+ .4
Port Arthur.....	2	5,635	2,381,295	+ 8.0	5,128	2,205,663	+ 8.0	5,583	2,343,657	+ 1.6
San Antonio.....	5	20,940	16,228,837	+ 6.1	18,851	15,301,396	+ 6.1	20,872	16,164,716	+ .4
Shreveport.....	3	24,101	11,430,695	+ 9.3	22,605	10,458,255	+ 9.3	23,998	11,545,356	- 1.0
Waco.....	3	9,435	5,153,260	- 7.9	9,455	5,597,917	- 7.9	9,448	5,168,400	- .3
Wichita Falls.....	3	6,635	3,376,245	+ 2.1	6,308	3,306,326	+ 2.1	6,648	3,363,787	+ .4
All others.....	70	56,069	27,617,844	+ 8.4	52,924	25,476,762	+ 8.4	55,791	27,498,668	+ .4
Total.....	116	351,383	\$154,992,841	+ 5.2	332,602	\$147,301,124	+ 5.2	350,312	\$154,643,806	+ .2

DISCOUNT RATES CHARGED BY MEMBER BANKS DURING MAY, 1937

Prevailing rates

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	1½-8	5-6	1-7	4-7	5-7	2-6
Rate charged on loans to other banks secured by bills receivable.....	.....	.....	4-6	5-6	6	5
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	2-4	6	4-10	3-7	5-6	6
Time.....	4-8	5-8	4-10	3-7	5-7	6
Rate charged on commodity paper secured by warehouse receipts, etc.....	2-8	6-8	5-8	2-7	5-8	5-8
Rate on cattle loans.....	6-8	5-8	5-10	7-10	7-8	8

INDUSTRY

Cottonseed Products

Operations of cottonseed oil mills in Texas dropped to a low level in April, as many of the mills had closed down following the completion of the season's crush. Stocks of cottonseed on hand at the mills were reduced to 9,384 tons on April 30, the lowest for any corresponding date since 1923. Mills have likewise disposed of most of their manufactured products; consequently, stocks of products at these mills were at an unusually low level for that date.

Although crushings of cottonseed and production of products at United States mills declined seasonally in April, they were about a third larger than in April last year. Shipments of products from the mills continued to exceed production by a substantial margin, thereby causing a further reduction in stocks. At the end of the month mill supplies of cottonseed oil were only one-fourth of those on April 30 last year; cake and meal were about one-half; hulls were about the same as a year ago; and linters were a third larger.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to April 30		August 1 to April 30	
	This season	Last season	This season	Last season
Cottonseed received at mills (tons).....	904,505	956,067	4,415,228	3,678,240
Cottonseed crushed (tons).....	904,997	956,764	4,279,306	3,669,931
Cottonseed on hand April 30 (tons).....	9,384	21,715	157,613	97,884
Production of products:				
Crude oil (pounds).....	257,966,828	273,306,765	1,291,897,528	1,114,161,379
Cake and meal (tons).....	423,329	444,266	1,921,780	1,663,597
Hulls (tons).....	239,377	259,326	1,090,249	950,250
Linters (running bales).....	195,688	189,369	1,065,808	836,079
Stocks on hand April 30:				
Crude oil (pounds).....	926,770	21,110,198	15,438,556	64,875,139
Cake and meal (tons).....	21,908	35,070	101,199	202,421
Hulls (tons).....	18,686	54,561	94,109	94,963
Linters (running bales).....	28,995	31,087	149,151	114,116

SOURCE: Bureau of Census.

Textile Milling That activity at cotton mills continued at a high level in April is indicated by the fact that 718,947 bales of cotton were consumed. Although this figure represents a drop of 60,355 bales, or 7.7 per cent, from the all-time peak established in March, it surpassed by a sizeable margin the total for any other month on record and registered a gain of 24.7 per cent over the amount processed in the corresponding month of 1936. Consumption for the nine months of the 1936-37 season aggregated 6,010,883 bales, which represents an increase of 29.1 per cent over the 4,657,761 bales consumed in a like period of the previous season. Mill stocks of cotton at the end of April, which amounted to 1,987,280 bales, were only 92,582 bales under the record holdings of 2,079,862 bales a month earlier, indicating that mills were again heavy buyers of the raw product in April. Mill holdings of cotton on April 30, 1936, amounted to 1,189,605 bales.

COTTON CONSUMED AND ON HAND (Bales)

	April	April	August 1 to April 30	
	1937	1936	This season	Last season
Cotton-growing states:				
Cotton consumed.....	595,608	486,697	5,010,763	3,912,201
Cotton on hand April 30 in—				
Consuming establishments.....			1,630,605	972,964
Public storage and compresses.....			4,104,772	5,878,897
United States:				
Cotton consumed.....	718,947	576,762	6,010,883	4,657,761
Cotton on hand April 30 in—				
Consuming establishments.....			1,987,280	1,189,605
Public storage and compresses.....			4,213,860	5,989,676

SOURCE: Bureau of Census.

Cotton Movements Cotton receipts during April at Houston and Galveston, although seasonally lower than in the previous month, were 5.8 per cent larger than a year ago. The month-to-month decline in exports was larger than the average in April, and the month's shipments fell 27.1 per cent under those of the corresponding month of 1936. Stocks of cotton on April 30 were substantially smaller than a month earlier or a year ago.

Exports of cotton from the United States in April amounted to 373,158 bales, a decline of 20.2 per cent from the previous month but a gain of 5.8 per cent over last year. Although April was the third consecutive month in which exports have shown a favorable comparison with those of the corresponding month a year earlier, thereby narrowing somewhat the spread between the cumulative exports for the two seasons, aggregate shipments of 4,762,357 bales for the first nine months of the current season were still 7.8 per cent lower than in the like period

of the 1935-36 season. Countries which have imported a larger quantity of American cotton this season than last are as follows: Japan, France, Canada, Sweden, and the Netherlands.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	April	April	August 1 to April 30	
	1937	1936	This season	Last season
Receipts.....	28,641	19,620	1,684,163	1,529,554
Exports.....	94,460	77,799	1,615,108	1,218,386
Stocks, April 30.....			431,250	535,821

COTTON—GALVESTON STOCK STATEMENT (Bales)

	April 30,	April 30,
	1937	1936
For Great Britain.....	6,600	700
For France.....	2,600	500
For other foreign ports.....	20,400	12,300
For coastwise ports.....	3,000	1,100
In compresses and depots.....	398,650	521,221
Total.....	431,250	535,821

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	April	April	August 1 to April 30	
	1937	1936	This season	Last season
Receipts.....	22,578	28,797	1,268,909	1,668,842
Exports.....	54,193	126,211	1,058,635	1,554,822
Stocks, April 30.....			314,703	379,793

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

	August 1 to April 30	
	This season	Last season
Receipts.....	6,505,216	6,071,637
Exports: United Kingdom.....	1,026,547	1,165,754
France.....	632,448	612,425
Italy.....	313,302	321,304
Germany.....	574,095	673,245
Other Europe.....	575,495	800,074
Japan.....	1,354,681	1,319,385
All other countries.....	285,789	274,883
Total exports.....	4,762,357	5,167,070
Stocks held at all United States ports, April 30.....	1,614,051	1,837,398

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

	April, 1937		May 15, 1937
	High	Low	
New York.....	15.17	13.26	13.26
New Orleans.....	14.95	13.08	13.07
Dallas.....	14.47	12.66	12.66
Houston.....	14.70	12.96	12.95
Galveston.....	14.67	12.96	12.95

Petroleum

Eleventh District crude oil production in April declined somewhat from the high March level reflecting the lower Texas allowable in effect during the month. The daily average output in Texas dropped from 1,392,742 barrels in March to 1,380,009 barrels in April, a reduction of 12,733 barrels, but the daily average production in New Mexico and north Louisiana rose 3,281 barrels and 2,243 barrels, respectively, partially offsetting the decline at Texas fields. Consequently, the daily average production in the district as a whole, which amounted to 1,557,452 barrels showed a recession of only 7,209 barrels from that in the preceding month. This decline was apparently insufficient to counter-balance the falling off in demand which developed during the month, with the result that production continued considerably in excess of market requirements, and crude oil stocks at the district's fields showed a larger increase in April than in March.

Drilling activity showed a further increase during the period. During the four weeks ended April 24, 1,278 wells were completed, including 973 producers of oil with an initial daily yield of 1,316,286 barrels.

OIL PRODUCTION
(Barrels)

	April, 1937		Increase or decrease over over March, 1937	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	4,383,650	146,122	— 97,450	+ 1,570
West Texas.....	6,999,900	233,330	— 399,600	— 5,364
East Texas.....	17,249,300	574,977	— 541,750	+ 1,072
South Texas.....	6,765,050	225,502	— 319,200	— 3,022
Texas Coastal.....	6,002,350	200,078	— 416,750	— 6,989
Total Texas.....	41,400,250	1,380,009	—1,774,750	—12,733
New Mexico.....	3,165,300	105,510	— 3,800	+ 3,281
North Louisiana.....	2,158,000	71,933	— 2,400	+ 2,243
Total District.....	46,723,550	1,557,452	—1,780,950	— 7,209

APRIL DRILLING RESULTS

	Number of wells				Initial production (barrels daily)
	Com- pletions	Pro- ducers	Gas wells	Fail- ures	
North Texas.....	237	147	13	77	35,360
West Texas.....	274	215	5	54	295,528
East Texas.....	254	239	5	10	787,331
South Texas.....	324	218	8	98	82,810
Texas Coastal.....	110	89	3	24	37,245
Total Texas.....	1,205	908	34	263	1,238,274
New Mexico.....	49	48	1	....	74,046
North Louisiana.....	24	17	2	5	3,966
*April totals, district.....	1,278	973	37	268	1,316,286
†March totals, district.....	1,437	1,092	36	309	1,517,972

*April figures represent four weeks ended April 24, 1937.
†March figures represent five weeks ended March 27, 1937.

CRUDE OIL PRICES
(Price per barrel)

	April 30, 1937	April 30, 1936
North and west central Texas.....	\$1.20	\$1.08
East central Texas.....	1.27	1.15
Texas Gulf coast.....	1.41	*
West Texas—New Mexico.....	1.08	*
North Louisiana.....	1.22	1.10

NOTE: Prices quoted apply to oil 40 gravity and above.

*Prices for a comparable grade of oil is not available.

SOURCE: "The Oil Weekly", Houston, Texas.

Building

Residential construction in the Eleventh District, which has shown a steady expansion since last November, rose to \$5,431,000 in April, an increase of 11.1 per cent over the March figure and 53.3 per cent over that for the same month last year. Total construction contracts awarded increased 14.7 per cent from March to April and reached the highest level since April, 1936, but was 28.2 per cent under the total for that month.

Building permits issued at fourteen principal cities were valued at \$5,815,252 in April, which compares with \$6,319,163 in March, and \$4,675,184 in the same month last year. The 8.0 per cent decrease from the preceding month resulted from the lower valuation of building permits issued at larger cities in the group, as this recession more than offset the appreciable expansion recorded at other centers. As compared with April, 1936, ten of the reporting cities showed increases in the value of permits issued, and the average gain for the fourteen cities amounted to 24.4 per cent. The number of permits issued during April, although smaller than in March, remained substantially higher than in the same month of 1936.

VALUE OF CONSTRUCTION CONTRACTS AWARDED
(In thousands of dollars)

	April 1937	April 1936	March 1937	January 1 to April 30, 1937	January 1 to April 30, 1936
Eleventh District—total...	\$ 12,617	\$ 17,562	\$ 11,000	\$ 40,942	\$ 53,517
Residential.....	5,431	3,542	4,890	18,105	12,366
All other.....	7,186	14,020	6,110	22,837	41,151
United States*—total.....	270,125	234,806	231,246	932,731	780,677
Residential.....	108,204	67,200	90,168	359,783	191,111
All other.....	161,921	167,606	141,078	592,948	589,566

*37 states east of the Rocky Mountains.

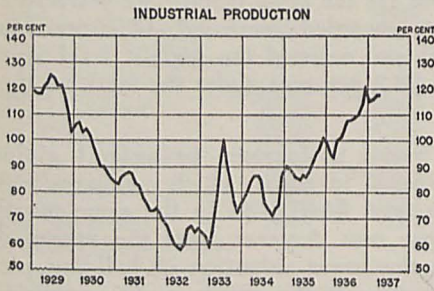
SOURCE: F. W. Dodge Corporation.

BUILDING PERMITS

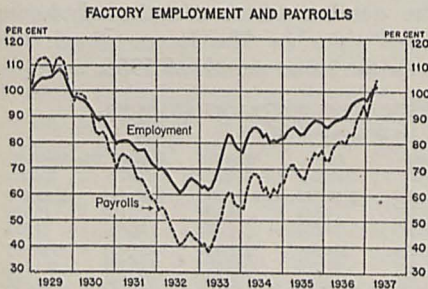
	April, 1937		April, 1936		Percentage change valuation over year	March, 1937		Percentage change valuation over month	January 1 through April 30				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1937		1936		
Amarillo.....	50	\$ 99,445	23	\$ 144,471	— 31.2	40	\$ 59,957	+ 65.9	137	\$ 299,042	113	\$ 285,211	+ 4.8
Austin.....	163	653,946	152	342,107	+ 91.2	161	290,292	+125.3	565	1,430,584	606	1,839,114	— 22.2
Beaumont.....	169	97,543	119	66,663	+ 46.3	173	181,039	— 46.1	571	438,643	436	501,517	— 12.5
Corpus Christi.....	145	346,575	94	161,005	+115.3	144	208,560	+ 66.2	535	1,108,342	341	678,137	+ 63.4
Dallas.....	547	874,337	541	1,314,628	— 33.5	580	1,009,053	— 13.4	1,811	2,898,461	1,904	5,627,412	— 48.5
El Paso.....	97	119,682	84	117,370	+ 2.0	102	78,774	+ 51.9	369	435,803	257	249,937	+ 74.4
Fort Worth.....	237	1,232,191	164	584,610	+110.8	226	1,642,244	— 25.0	757	3,430,471	582	2,112,833	+ 62.4
Galveston.....	124	111,147	117	70,805	+ 57.0	103	171,126	— 35.0	391	541,952	398	259,619	+108.7
Houston.....	425	1,410,055	390	1,240,205	+ 13.7	442	1,628,865	— 13.4	1,543	7,292,735	1,438	8,566,628	— 14.0
Port Arthur.....	202	129,284	124	78,847	+ 64.0	185	107,093	+ 20.7	617	370,966	427	288,201	+ 28.7
San Antonio.....	264	267,868	258	299,951	— 10.7	341	507,497	— 47.2	1,040	1,769,356	914	1,162,632	+ 52.2
Shreveport.....	159	274,789	136	170,233	+ 61.4	165	302,509	— 9.2	568	1,281,278	438	582,024	+120.1
Waco.....	55	146,725	26	31,269	+369.2	55	113,420	+ 29.4	186	350,886	131	153,856	+128.1
Wichita Falls.....	25	51,665	19	53,020	— 2.6	18	18,734	+175.8	65	104,219	47	97,448	+ 6.0
Total.....	2,662	\$5,815,252	2,247	\$4,675,184	+ 24.4	2,735	\$6,319,163	— 8.0	9,155	\$21,752,738	8,032	\$22,404,560	— 2.9

SUMMARY OF NATIONAL BUSINESS CONDITIONS

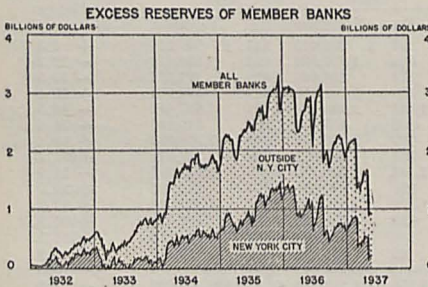
(Compiled by the Board of Governors of the Federal Reserve System)



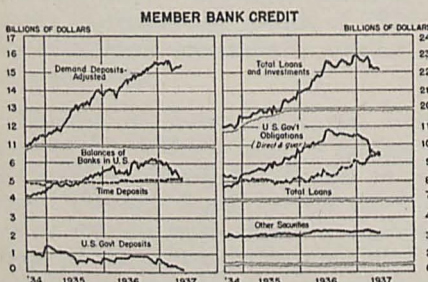
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, to April, 1937.



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-25 average = 100. By months, January, 1929, to April, 1937. Indexes compiled by the United States Bureau of Labor Statistics.



Wednesday figures of estimated excess reserves for all member banks and for New York City banks. January 6, 1932, to May 19, 1937.



Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, to May 19, 1937.

Industrial activity in April and the first half of May was maintained at the relatively high level of recent months. The general level of wholesale commodity prices declined somewhat, reflecting considerable reductions in prices of many raw materials and semi-finished products.

PRODUCTION, EMPLOYMENT, AND TRADE

The Board's seasonally adjusted index of industrial production in April continued at 118 per cent of the 1923-1925 average. Manufacturing production rose further reflecting increased output of durable goods. Activity at steel mills was at a rate slightly higher than in March and about equal to that in the peak month of 1929. Automobile production continued to expand. In the first three weeks of May output in these industries was maintained at the levels reached at the close of April. Increases in output in April were also reported for lumber and plate glass. At textile mills where output has been at a high level in recent months there was a slight reduction in activity.

At bituminous coal mines output declined sharply following an increase in March, when consumers accumulated stocks of coal in anticipation of a strike. Crude petroleum output, which had risen sharply from November to March, showed further growth in April. Production of most metals also increased.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, increased more than seasonally from March to April and continued higher than a year ago, reflecting, as in earlier months of the year, a larger volume of residential building and of other privately-financed work. Contracts awarded for publicly-financed construction have been considerably smaller in the first four months of this year than in the corresponding period of 1936.

Employment rose further between the middle of March and the middle of April. There was a considerable growth in the number of persons employed in manufacturing and on the railroads, little change in those employed in the public utility industries and in trade, and a decline at bituminous coal mines. At factories the principal increases in employment were reported by the steel, machinery, and automobile industries, while the number employed in the clothing industry declined. Working forces at textile mills were maintained, although a decrease is usual at this season. Factory payrolls increased more than employment, reflecting chiefly further increases in wage rates.

In April sales at department stores showed little change and mail-order sales were also maintained at the March level, while sales at variety stores declined.

COMMODITY PRICES

The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, declined from 88.3 per cent of the 1926 average at the beginning of April to 86.9 per cent in the middle of May. Prices of non-ferrous metals, steel scrap, cotton, and rubber declined considerably and there were also decreases in the prices of grains, cotton goods, silk, hides, and chemicals, while prices of shoes and clothing showed further small advances. Since the middle of May prices of hogs and pork have advanced sharply and grain prices have also risen.

BANK CREDIT

Following upon the final increase in reserve requirements, which became effective on May 1, excess reserves of member banks declined from \$1,600,000,000 to about \$900,000,000 and in the first three weeks of May fluctuated around the new level.

Adjustments by banks to the new requirements were reflected in a decrease in interbank balances and in a small increase in borrowings. The Federal Reserve System in April purchased \$96,000,000 of United States Government securities, for the purpose of easing the adjustment to the new requirements and preserving orderly conditions in the money market.

Total loans and investments of reporting member banks showed a small decline from the middle of April through May 19. Holdings of United States Government obligations and other securities showed some decline, which was offset in part by increases in loans.

While domestic interbank and United States Government deposits declined further, balances of foreign banks and other demand and time deposits at reporting member banks increased.

MONEY RATES

The open market rate on 90-day bankers' acceptances, which between January and the latter part of March had advanced from $\frac{1}{8}$ to $\frac{1}{6}$ per cent, was reduced to $\frac{1}{2}$ per cent on May 7, and the rate on nine-months Treasury bills declined to .62 per cent on May 24 compared with a high point of .74 per cent on May 3. Other short-term rates have shown little change in recent weeks. Yields on long-term Treasury and other high-grade bonds have declined somewhat.