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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

	January 1938	Percentage change from Jan., 1937 Dec., 1937	
Bank debits to individual accounts (18 cities)...	\$879,469,000	- 1.8	-11.3
Department store sales.....		+ 9.2	-54.1
Wholesale trade sales (six lines).....		- 10.3	- 1.5
Value of construction contracts awarded.....	\$ 10,546,000	+ 37.3	-44.5
Value of building permits issued (14 cities).....	\$ 4,161,994	- 24.7	-21.8
Commercial failures (number).....	25	+127.3	+31.6
Commercial failures (liabilities).....	\$ 217,000	+416.7	+29.2
Daily average crude oil production (barrels).....	1,530,732	+ 7.6	- .1

Mixed trends in business and industry in the Eleventh District were in evidence during January. Department store sales, after allowance is made for the usual seasonal change, increased in January and were at the highest level in recent years. On the other hand, wholesale trade, which failed to show the customary gain from December to January, registered a decrease of 10 per cent from the volume in January last year. Debits to individual accounts at banks in principal cities declined by more than the usual amount in January, and were 2 per cent smaller than in the corresponding month of 1937. The number of commercial failures and the amount of indebtedness involved increased in January and were considerably larger than a year ago.

The value of construction contracts awarded in the Eleventh District, although 45 per cent under the large volume in December, exceeded the total in the corresponding month last year by 37 per cent. As in other recent months, public works and public utility construction represented a considerable proportion of the total, whereas at this time last year the volume of these types of construction was very small. Following the decline in the preceding four months, resi-

dential building increased 35 per cent from December to January but was 13 per cent smaller than a year ago.

Daily average production of petroleum in this district remained at about the December level during January, but declined considerably in the first half of February. In the latter period the production rate was about 5 per cent under that in February last year.

The loans of weekly reporting member banks in the Eleventh District declined further by about \$6,000,000 between January 13 and February 9, but on the latter date they were \$26,000,000 higher than on the same date in 1937. Although their investments showed little change during the four weeks, they were \$24,000,000 below holdings on February 10 last year. Gross deposits of all member banks in this district increased further during January and the average for the month exceeded that of a year ago by \$36,700,000. Member bank reserve balances declined considerably after the middle of January but by February 15 they had risen to \$189,555,000, which was only \$1,901,000 under the total on January 15. The actual circulation of Federal Reserve notes amounted to \$81,324,000 on February 15, which was \$1,687,000 lower than a month earlier and \$6,460,000 below that of a year ago.

Weather conditions generally have been conducive to the growth of winter crops and range vegetation. Moisture supplies, although deficient in a considerable area of the western portion of the district, are unusually favorable in most sections. Livestock have held up well and are in about average condition. Market prices of livestock have continued weak with the trend toward lower levels.

BUSINESS

Wholesale Trade

The combined sales of fifty-three reporting wholesale firms operating in six lines of trade in this district evidenced a contrary-to-seasonal decline of 1.5 per cent during January, and business was 10.3 per cent smaller than a year ago. The dollar volume of collections was slightly larger than in January, 1937, but smaller than a month earlier. In relation to accounts outstanding, collections were somewhat smaller than in either of the two comparative months. The

combined inventories of reporting firms on January 31 were 4.4 per cent smaller than a year ago, due principally to lower stocks at dry goods and grocery establishments.

The business of wholesale grocery firms continued in about the same volume as in December, but it was lower than in January last year. The demand for dry goods increased considerably less than is usual in January, but sales of hardware evidenced a counter-to-seasonal increase of 13.6

per cent. In both instances, however, sales were below those of a year ago. Although the distribution of machinery and equipment reflected an increase of 40.0 per cent over the previous month, sales were 41.4 per cent lower than in January, 1937. Sales of drugs and electrical goods were somewhat smaller than in December, but the distribution of drugs continued substantially above that of a year ago, while the demand for electrical goods was about the same.

CONDITION OF WHOLESALE TRADE DURING JANUARY, 1938

	Percentage of increase or decrease in—				Ratio Jan. collections to accounts outstanding Jan. 1
	Net Sales		Stocks		
	January, 1938 compared with Jan., 1937	Dec., 1937	Jan. 31, 1938 compared with Jan. 31, 1937	Dec. 31, 1937	
Groceries.....	-7.2	-8	-14.9	-3.6	113.3
Dry goods.....	-23.1	+18.8	-13.3	+15.8	38.7
Machinery, equipment, and supplies (except electrical)	-41.4	+40.0	.....	.....	16.1
Hardware.....	-6.9	+13.6	+8.6	+10.5	49.2
Drugs.....	+11.5	-14.2	+8.0	-2.0	88.1
Electrical goods.....	+9	-27.2	+6.9	-5.6	.....

SOURCE: United States Department of Commerce.

Retail Trade Consumer demand for merchandise at department stores in the principal cities of the Eleventh District was unusually active in January. Sales declined considerably less than usual

from December to January, and were 9.2 per cent greater than in the opening month of 1937. Reflecting the active buying during the month, this bank's seasonally adjusted index of department store sales rose in January to 113.8 per cent of the 1923-1925 average, which is the highest point reached in recent years. This figure compares with 111.9 per cent in August last year, 106.4 per cent in December, and 106.1 per cent in January, 1937. Preliminary reports indicate that business in the first two weeks of February was about 6 per cent larger than in the corresponding period last year.

Inventories of reporting firms, which usually show little change from December to January, declined further by 5.8 per cent during the past month, and on January 31 were 4.4 per cent lower than a year ago. The adjusted index of department store stocks declined for the third consecutive month and was at the lowest level since October, 1936.

Collections on open accounts declined seasonally during the month, and were at a slower rate than in January a year ago. The ratio of January collections to open accounts outstanding on the first of the month was 40.7 per cent, as against 42.4 per cent in December, and 41.3 per cent in January, 1937. Payments on installment accounts declined from 16.2 per cent in December to 13.9 per cent in January.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
January, 1938, compared with January, 1937.....	+7.6	+5.6	+11.9	+19.8	+4.4	+9.2
January, 1938, compared with December, 1937.....	-52.5	-62.8	-51.7	-46.7	-57.5	-54.1
Credit sales (percentage):						
January, 1938, compared with January, 1937.....	+9.3	+14.3	+13.7	+14.7	+5.6	+10.7
January, 1938, compared with December, 1937.....	-48.6	-58.7	-46.7	-48.2	-56.7	-50.9
Stocks on hand at end of month (percentage):						
January, 1938, compared with January, 1937.....	-2.3	-8.6	-.1	-2.5	-8.3	-4.4
January, 1938, compared with December, 1937.....	-8.8	-13.5	-14.5	+11.0	-.1	-5.8
Stock turnover (rate):						
Rate of stock turnover in January, 1937.....	.28	.23	.27	.27	.22	.26
Rate of stock turnover in January, 1938.....	.30	.25	.30	.37	.24	.29
Ratio of January collections to open accounts receivable and outstanding January 1, 1938.....	38.1	37.7	43.0	45.0	43.4	40.7
Ratio of January collections to installment accounts receivable and outstanding January 1, 1938.....	15.7	9.1	.....	12.5	15.7	13.9
Indexes of department store sales:						
Unadjusted—December, 1937.....	192.9	214.4	161.9	154.8	.....	184.0
Unadjusted—January, 1938.....	92.6	80.5	89.9	84.0	.....	86.5
Adjusted—December, 1937.....	120.6	121.1	98.7	99.9	.....	106.4
Adjusted—January, 1938.....	107.7	108.8	101.0	92.3	.....	113.8
Indexes of department store stocks:						
Unadjusted—December, 1937.....	60.5	59.4	39.7	46.6	.....	57.5
Unadjusted—January, 1938.....	55.4	51.6	39.0	52.8	.....	55.2
Adjusted—December, 1937.....	68.8	72.4	42.7	52.4	.....	66.1
Adjusted—January, 1938.....	63.7	60.0	45.3	57.4	.....	63.4

AGRICULTURE

Crop Conditions Since the first of the year field work has been retarded by frequent rains and wet soil, and land preparation in many areas is later than usual. On the other hand, moisture conditions are unusually favorable in most areas.

Small grain crops generally made rapid growth during the past month, and are now in good condition in practically all sections of the district except the North Plains section of the Texas Panhandle. In the latter area the condition of wheat is very poor, due to the extended drouth and the destructive effects of recent dust storms. Winter wheat in eastern New Mexico is also in need of additional rainfall.

During the fall of 1937 commercial vegetable crops in south Texas were affected adversely by the drouth which prevailed in a large area of the vegetable-growing territory.

Since the first of December, heavy rains have fallen in all parts of south Texas, and, as a result of the ample moisture and favorable weather, winter vegetables have shown a decided improvement. Planting of spring vegetables has made good progress and some crops are earlier than usual. The Bermuda onion crop is late, but with favorable growing conditions the effects of late planting can be largely over-

CONDITION OF COMMERCIAL TRUCK CROPS IN TEXAS

	(Per cent of 100)		
	Feb. 1, 1938	Feb. 1, 1937	Jan. 1, 1938
Beets.....	78	83	73
Cabbage.....	72	80	76
Carrots.....	81	81	71
Cauliflower.....	80	.....	87
Onions, Bermuda.....	71	79	81
Peas, English.....	62	72	72
Spinach.....	71	69	67
Strawberries.....	82	82	75

SOURCE: United States Department of Agriculture.

come. Shipments of fruits and vegetables from south Texas have continued in considerably smaller volume than a year ago. For the current season shipments have averaged about 13 per cent lower than in the preceding season.

Favorable moisture conditions and good growing weather during January brought about an improvement in Texas grapefruit, and, according to the Department of Agriculture, the crop has "sized up" better than was anticipated earlier in the season. On February 1 the estimated production was increased to 9,750,000 boxes, as compared with an actual harvest of 9,630,000 boxes last season. The indicated yield of oranges remained unchanged from that of a month earlier at 1,900,000 boxes, which is 100,000 boxes less than the record production last season. Citrus trees were reported to be in excellent condition, with a light bloom in evidence by the end of January.

Cash Farm Income Although prices of agricultural products declined in December to a level considerably below that of a year earlier, total farm income from the sale of principal farm products in the five states wholly or partially attached to the Eleventh District continued in substantially larger volume than in the corresponding month of 1936. This gain is attributable to larger receipts from the sale of farm crops, as income from the sale of livestock and livestock products reflected a decline of 5.8 per cent, due to reduced marketings and the lower level of prices. Government benefit payments to farmers amounted to \$517,000 during the month, as compared with \$3,252,000 in December, 1936.

RECEIPTS FROM THE SALE OF PRINCIPAL FARM PRODUCTS

(In thousands of dollars)

Receipts from:

State	Farm crops		Livestock and livestock products		Total receipts	
	Dec. 1937	Dec. 1936	Dec. 1937	Dec. 1936	Dec. 1937	Dec. 1936
Arizona	\$ 4,258	\$ 3,891	\$ 2,366	\$ 2,302	\$ 6,624	\$ 6,193
Louisiana	10,390	11,455	2,153	2,176	12,543	13,631
New Mexico	2,455	2,521	3,456	2,927	5,911	5,448
Oklahoma	5,346	3,595	5,530	7,329	10,876	10,924
Texas	34,003	22,675	12,005	12,355	46,013	35,030
Total five states	\$56,457	\$44,137	\$25,510	\$27,089	\$81,967	\$71,226

SOURCE: United States Department of Agriculture.

Livestock Ranges in most sections of the Eleventh District have shown a considerable improvement since the first of the year and are now in about average condition. With the exception of the North Plains

area of the Texas Panhandle, portions of eastern New Mexico, and southern Arizona, moisture is adequate and prospects are favorable for good spring grazing. In the dry areas, rains will be needed to start the growth of spring feed.

The generally mild temperatures have been very favorable to livestock. Cattle and sheep are coming out of the winter in good condition and are expected to make rapid gains when spring grass becomes available. Supplemental feeding has been necessary in the dry areas and in south Texas where recovery from the 1937 drouth has been slow, but in other areas it has been light. The favorable prospects for spring grazing indicate an early supply of grass-fat cattle, but, according to the Department of Agriculture, the number available for shipment will probably be smaller than last year.

Movements and Prices Although considerable declines from a year ago were registered in the January receipts of hogs and calves at the Fort Worth market, total receipts of all classes of livestock were larger than the average for that month. As compared with the preceding month receipts of hogs and sheep reflected substantial seasonal increases, and marketings of cattle and calves showed smaller than average declines.

The downward trend of cattle prices continued through the first week in February, but considerable improvement in activity and prices occurred in the subsequent week when receipts dropped off. Hog prices at the middle of February were about the same as a month earlier, although the market showed wide fluctuations during the period. Lamb prices continued weak with the trend toward a lower level.

FORT WORTH LIVESTOCK RECEIPTS

(Number)

	January 1938	January 1937	Change over year	December 1937	Change over month
Cattle	53,550	51,323	+ 2,227	58,903	-5,353
Calves	26,716	29,814	- 3,098	32,716	-6,000
Hogs	27,619	37,645	-10,026	19,990	+7,629
Sheep	34,587	34,510	+ 71	26,523	+8,064

COMPARATIVE TOP LIVESTOCK PRICES

(Dollars per hundredweight)

	January 1938	January 1937	December 1937
Beef steers	\$7.85	\$9.75	\$8.25
Stocker steers	7.25	7.15	7.10
Heifers and yearlings	8.00	9.85	8.75
Butcher cows	5.35	6.00	5.50
Calves	7.50	7.65	8.00
Hogs	8.50	10.35	8.10
Lambs	7.50	10.00	8.25

FINANCE

Operations of the Federal Reserve Bank After the middle of January, reserve balances of member banks in the Eleventh District declined considerably, and in the first half of February averaged \$186,000,000, or nearly \$4,500,000 lower than the average in the first half of January. During the same period required reserves also declined, but by a smaller amount than reserve balances, with the result that excess reserves declined by only about \$2,000,000. The earning assets of the Federal Reserve Bank on February 15, amounting to \$100,958,000, was \$102,000 larger than a month earlier, reflecting an increase in discounts for member banks. Federal reserve notes in actual circulation declined further by \$1,687,000 between

January 15 and February 15, and on the latter date were \$6,460,000 smaller than a year ago.

CONDITION OF THE FEDERAL RESERVE BANK

(In thousands of dollars)

	Feb. 15, 1938	Feb. 15, 1937	Jan. 15, 1938
Total cash reserves	\$191,745	\$194,213	\$197,734
Discounts for member banks	242	41	132
Other bills discounted	2	None	None
Industrial advances	930	1,299	940
Bills bought in the open market	16	86	16
United States Government securities	99,768	94,960	99,768
All other investments	None	3	None
Total earning assets	100,958	96,395	100,856
Member bank reserve deposits	189,555	169,061	191,456
Federal Reserve notes in actual circulation	81,324	87,784	83,011
Commitments to make industrial advances	269	486	260

Condition of Member Banks in Leading Cities

Total loans of weekly reporting member banks in leading cities of the Eleventh District declined further during the four weeks ended February 9, but the rate of decline was much smaller than during the first two weeks of January. Since the turn of the year the contraction in loans has amounted to approximately \$17,000,000, of which \$11,300,000 was in commercial, industrial, and agricultural loans. This recession in loans is somewhat smaller than that which occurred in the corresponding period last year, and on February 9 total loans were about \$26,000,000 greater than a year ago.

Total investments of these banks, which had been reduced considerably in the last four months of 1937, have shown relatively little change since the first of the year. Although holdings of direct obligations of the United States Government have declined \$4,000,000, investments in Government guaranteed obligations and in other securities have risen \$1,400,000 and \$1,200,000, respectively. As compared with a year ago, total investments on February 9 were about \$24,000,000 smaller, reflecting chiefly a reduction in holdings of direct obligations of the United States Government.

Adjusted demand deposits of these banks fluctuated widely during the past two months. Following the usual year-end decline, which amounted to about \$24,000,000, these deposits increased \$20,000,000 during the first three weeks of January, but declined \$7,600,000 in the subsequent two weeks. On February 9 they were about \$11,700,000 below the high point reached at mid-December, but were \$3,600,000 greater than a year ago. Interbank deposits were reduced \$10,500,000 between January 5 and February 9, while United States Government deposits and time deposits showed little change. Their balances with other banks have been increased by about \$23,400,000 since the turn of the year and are now at the highest level since last February.

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

	Feb. 9, 1938	Feb. 10, 1937	Jan. 12, 1938
Total loans and investments	\$490,662	\$488,540	\$496,169
Total loans	235,815	210,069	241,805
Commercial, industrial, and agricultural loans	149,311	*	154,228
Open market paper	2,323	*	2,663
Loans to brokers and dealers in securities	2,745	2,844	2,905
Other loans for purchasing or carrying securities	14,508	*	14,906
Real estate loans	20,399	22,753	20,438
Loans to banks	230	208	162
All other loans	46,299	*	46,503
United States Government direct obligations	173,640	192,864	174,610
Obligations fully guaranteed by United States Gov't	29,839	30,129	29,440
Other securities	51,368	55,478	50,314
Reserves with the Federal Reserve Bank	109,017	107,082	117,320
Balances with domestic banks	181,798	184,761	170,146
Demand deposits—adjusted†	395,254	286,667	396,672
Time deposits	128,658	120,814	128,231
United States Government deposits	20,815	29,482	21,820
Interbank deposits	187,786	198,165	188,819
Borrowings from the Federal Reserve Bank	None	None	None

*Comparable figures not available.

†Includes all 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

In contrast with the decline at this season last year, the daily average gross deposits of member banks in this district increased further by about \$1,800,000 in January. The average for the month was \$1,331,000,000, which is \$37,000,000 greater

than in January, 1937. Although gross demand deposits averaged slightly lower in January than in December, time deposits reflected a noticeable increase.

GROSS DEMAND AND TIME DEPOSITS OF MEMBER BANKS

(Average of daily figures—in thousands of dollars)

	Combined Total		Reserve City Banks		Country Banks	
	Gross demand deposits	Time deposits	Gross demand deposits	Time deposits	Gross demand deposits	Time deposits
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	465,646	91,121
May	1,035,133	200,293	569,613	109,344	465,520	90,949
June	1,037,335	201,800	573,110	110,625	464,225	91,175
July	1,053,745	201,893	584,117	110,629	469,628	91,264
August	1,060,580	203,704	586,477	111,312	474,103	92,392
September	1,089,891	208,581	601,677	114,828	488,214	93,753
October	1,110,345	210,451	613,865	116,181	496,480	94,270
November	1,106,106	211,488	605,120	117,133	500,986	94,355
December	1,117,735	211,810	607,769	116,993	509,966	94,817
1938 — January	1,116,242	215,115	608,648	119,174	507,594	95,941

DEBITS TO INDIVIDUAL ACCOUNTS

(In thousands of dollars)

	January 1938	January 1937	Percentage change over year	December 1937	Percentage change over month
Abilene	\$ 8,390	\$ 7,660	+ 9.5	\$ 10,791	-22.3
Austin	29,006	26,417	+ 9.8	34,063	-14.8
Beaumont	25,674	24,991	+ 2.7	26,780	- 4.1
Corsicana	3,569	3,994	-10.6	3,798	- 6.0
Dallas	245,957	264,167	- 6.9	282,612	-13.0
El Paso	28,169	30,368	- 7.2	31,999	-12.0
Fort Worth	95,753	88,394	+ 8.3	105,568	- 9.3
Galveston	28,284	29,583	- 4.4	33,696	-16.1
Houston	219,168	222,231	- 1.4	247,916	-11.6
Port Arthur	9,682	9,186	+ 5.4	10,307	- 6.1
Roswell	3,456	3,609	- 4.2	4,329	-20.2
San Antonio	68,095	70,199	- 3.0	73,874	- 7.8
Shreveport	49,421	49,000	+ .9	53,671	- 7.9
Texarkana*	7,822	9,163	-14.6	8,422	- 7.1
Tucson	11,978	11,560	+ 3.6	12,685	- 5.6
Tyler	12,940	14,138	- 8.5	15,352	-15.7
Waco	14,310	15,902	-10.0	16,401	-12.7
Wichita Falls	17,795	15,333	+16.1	18,838	- 5.5
Total	\$879,469	\$895,895	- 1.8	\$991,102	-11.3

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

SAVINGS DEPOSITS

	Number of reporting banks	January 31, 1938		Percentage change in savings deposits from	
		Number of savings depositors	Amount of savings deposits	Jan. 31, 1937	Dec. 31, 1937
Beaumont	3	9,659	\$ 3,735,838	+ 3.2	+ .1
Dallas	8	89,732	25,979,513	- 1.0	- 1.6
El Paso	2	15,843	8,208,173	+ 8.4	- 1.4
Fort Worth	3	37,631	13,018,288	+ 3.8	- .9
Galveston	4	18,250	11,276,998	+ 5.0	+ 1.0
Houston	10	71,278	28,473,508	+ 1.1	- .8
Port Arthur	2	5,831	2,531,992	+ 8.0	+ 5.6
San Antonio	5	22,873	17,147,720	+ 7.4	- .1
Shreveport	3	24,408	11,102,345	- 2.1	+ .6
Waco	3	9,280	4,848,753	- 9.1	+ 5.3
Wichita Falls	3	6,974	3,404,445	- 1.1	- .3
All others	70	58,126	28,728,741	+ 5.5	+ .04
Total	116	369,885	\$158,456,314	+ 2.5	- .2

Acceptance Market

Following a non-seasonal recession in December, outstanding acceptances executed by member banks in this district declined less than usually in January. Acceptances supported by domestic shipment and storage of goods increased slightly, but those based on import and export transactions, which constitute a relatively small part of the total, declined to the lowest level in almost two years, aggregating only \$316,677. On January 31 total acceptances outstanding amounted to \$2,384,177, as against \$2,509,632 on December 31, and \$1,553,736 on January 31, 1937.

DISCOUNT RATES CHARGED BY MEMBER BANKS DURING FEBRUARY, 1938

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.....	2½-8	5-6	1½-6	3-6	5-7	4-6
Rate charged on loans to other banks secured by bills receivable.....	.....	6	3-6	.....	6	3
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through corresponding banks):						
Demand.....	2-4	6	4-8	3-6	5-6	4½-6
Time.....	4-8	5-8	4-8	3-7	5-7	5-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	1½-8	6-8	1½-8	1½-6	5-8	3-8
Rate on cattle loans.....	6-8	5-8	5-8	6-8	7-8	8

INDUSTRY

Cottonseed Products

Receipts of cottonseed at both Texas and United States mills continued in unusually large volume during January, and mill operations showed about the same percentage increases over a year ago as the average gains for the six months of the current season. Crushings of cottonseed and production of products at Texas mills were about 60 per cent greater than in January last year, and at United States mills they were approximately 28 per cent larger. January shipments of products from the mills, which were nearly as large as production during the month, exceeded those of a year ago by a wide margin. While mill stocks of cottonseed oil and linters were materially higher on January 31 than a year earlier, stocks of hulls and cake and meal were smaller.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to January 31		August 1 to January 31	
	This season	Last season	This season	Last season
Cottonseed received at mills (tons).....	1,546,517	881,732	5,719,704	4,222,869
Cottonseed crushed (tons).....	1,221,163	804,987	4,322,085	3,364,155
Cottonseed on hand Jan. 31 (tons).....	348,226	86,621	1,439,194	880,640
Production of products:				
Crude oil (pounds).....	355,034,209	226,663,685	1,313,737,258	1,003,684,642
Cake and meal (tons).....	572,250	370,915	1,927,158	1,501,007
Hulls (tons).....	319,447	214,372	1,105,684	858,870
Linters (running bales).....	250,435	173,041	982,887	817,595
Stocks on hand Jan. 31:				
Crude oil (pounds).....	25,931,854	13,363,505	83,425,620	49,753,944
Cake and meal (tons).....	75,501	78,733	211,995	224,328
Hulls (tons).....	47,271	55,733	127,180	164,287
Linters (running bales).....	110,570	61,151	461,494	209,475

SOURCE: Bureau of Census.

Textile Milling

Cotton mill activity in the United States, when adjusted for seasonal variation, continued to decline in January. Actual consumption during the month, which amounted to 434,740 bales, was about the same as in December, whereas a substantial increase usually occurs at this season. In comparison with a year ago the January consumption showed a decline of 36 per cent. Total consumption for the first half of the current season aggregated 3,085,298 bales, which is 20 per cent lower than in the same period last year. Mill stocks of raw cotton showed a further increase during January, but at the end of the month they were 15 per cent smaller than a year ago.

COTTON CONSUMED AND ON HAND

	(Bales)		August 1 to January 31	
	January	January	This season	Last season
	1938	1937		
Cotton-growing states:				
Cotton consumed.....	373,080	565,270	2,631,857	3,223,525
Cotton on hand Jan. 31 in—				
Consuming establishments.....	.....	.....	1,489,994	1,755,065
Public storage and compresses.....	.....	.....	11,684,093	6,689,943
United States:				
Cotton consumed.....	434,740	678,786	3,085,298	3,855,288
Cotton on hand Jan. 31 in—				
Consuming establishments.....	.....	.....	1,762,609	2,073,679
Public storage and compresses.....	.....	.....	11,771,749	6,778,820

SOURCE: Bureau of Census.

Cotton Movements

Despite a sharp reduction in the movement of Government financed cotton to the ports of Houston and Galveston, total receipts declined considerably less than usually from December to January, and were almost three times greater than in the initial month of 1937. The narrowing spread between the Government loan price and market price for cotton induced a larger volume of spot sales, which resulted in a larger movement of privately-owned cotton to concentration points. Exports of cotton from these centers continued to decline, the month's total being a third smaller than in December and a fourth smaller than in January last year. During the first half of the 1937-1938 season the combined shipments were 6 per cent lower than in the corresponding period last season. Stocks of cotton at these ports continued to accumulate, and on January 31 were 52 per cent greater than a year ago.

Although foreign consumption of cotton has declined somewhat in recent weeks, exports from the United States were well sustained during January. The prices of American cotton continued generally favorable in relation to prices for foreign grown cotton, and European countries are apparently building up their stocks of raw cotton. Exports amounted to 647,481 bales during the month, which represents an increase of 20 per cent over those of a year ago. During the first six months of the current season shipments aggregated 3,832,247 bales, as compared with 3,435,082 bales in the like period last season.

Cotton prices advanced further in January and the first half of February, and are currently at the highest level since the early part of September last year.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	January	January	August 1 to January 31	
	1938	1937	This season	Last season
Receipts.....	162,092	66,991	1,662,872	1,576,202
Exports.....	131,219	221,591	1,022,072	1,215,723
Stocks, January 31.....	.....	.....	937,780	723,038

COTTON—GALVESTON STOCK STATEMENT (Bales)

	January 31, 1938	January 31, 1937
For Great Britain.....	4,000	10,000
For France.....	4,200	7,000
For other foreign ports.....	46,700	58,000
For coastwise ports.....	2,000	6,500
In compresses and depots.....	880,880	641,538
Total.....	937,780	723,038

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	January	January	August 1 to January 31	
	1938	1937	This season	Last season
Receipts.....	165,481	43,605	1,590,252	1,179,207
Exports.....	123,966	120,139	887,851	820,784
Stocks, January 31.....	.....	.....	902,130	489,361

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

	August 1 to January 31	
	This season	Last season
Receipts.....	6,460,757	5,543,745
Exports: United Kingdom.....	1,195,120	753,021
France.....	614,813	538,545
Italy.....	333,268	202,229
Germany.....	548,317	395,012
Other Europe.....	569,861	424,937
Japan.....	228,505	914,308
All other countries.....	342,363	207,030
Total exports.....	3,832,247	3,435,082
Stocks held at all United States ports, January 31.....	3,219,586	2,488,798

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

	January, 1938		Feb. 15, 1938
	High	Low	
New York.....	8.72	8.38	8.93
New Orleans.....	8.82	8.50	9.07
Dallas.....	8.27	7.83	8.52
Houston.....	8.60	8.28	8.77
Galveston.....	8.59	8.23	8.77

Petroleum

Following the sharp decline during the final four months of 1937, production of crude oil in the Eleventh District showed little change from December to January, as substantial increases in output at East Texas and north Louisiana fields were offset by declines at fields located in the other geographical divisions of the district. In the latter part of January, however, Texas proration officials ordered a shut-down of all Texas fields for six consecutive Sundays, and February production allowances for the Louisiana and New Mexico fields were re-

OIL PRODUCTION
(Barrels)

	January, 1938		Increase or decrease from December, 1937	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	4,311,800	139,091	-162,550	- 5,243
West Texas.....	6,939,450	223,853	- 30,400	- 981
East Texas.....	17,298,750	558,024	+545,800	+17,606
South Texas.....	7,132,050	230,066	-471,300	-15,203
Texas Coastal.....	5,995,650	193,408	- 12,800	- 413
Total Texas.....	41,677,700	1,344,442	-131,250	- 4,234
New Mexico.....	3,320,400	107,110	- 7,150	- 230
North Louisiana.....	2,454,600	79,180	+112,150	+ 3,617
Total District.....	47,452,700	1,530,732	- 26,250	- 847

JANUARY DRILLING RESULTS

	Number of wells				Initial production (barrels daily)
	Completions	Producers	Gas Wells	Failures	
North Texas.....	249	167	20	62	81,221
West Texas.....	247	205	2	40	164,551
East Texas.....	286	272	1	13	1,116,652
South Texas.....	222	134	16	72	48,348
Texas Coastal.....	138	109	5	24	45,094
Total Texas.....	1,142	887	44	211	1,455,866
New Mexico.....	48	44	1	3	29,503
North Louisiana.....	48	40	5	3	27,095
*January totals, district.....	1,238	971	50	217	1,512,464
†December totals, district.....	1,178	911	48	219	1,356,518

*January figures represent five weeks ended January 29, 1938.

†December figures represent four weeks ended December 25, 1937.

duced. In consequence, production declined considerably in the first two weeks in February. Daily average output during the week ended February 12 amounted to 1,416,000 barrels, which was 7.5 per cent below the January average and 5.2 per cent less than the average in February, 1937. January drilling activity was seasonally slower than in December, and slightly below that of a year ago.

Prices of crude oil have continued firm, and in recent weeks the gasoline market has been generally steady following substantial declines in the last quarter of 1937.

CRUDE OIL PRICES

	(Price per barrel)	
	January 31, 1938	January 31, 1937
North and west-central Texas.....	\$1.20	\$1.20
East-central Texas.....	1.27	1.27
Texas Gulf coast.....	1.41	1.41
West Texas—New Mexico.....	1.08	1.08
North Louisiana.....	1.22	1.22

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

SOURCE: The Oil Weekly, Houston, Texas.

Building

Residential building in the Eleventh District, after declining sharply in the last four months of 1937, increased 34.7 per cent from December to January. Although the month's total was 12.9 per cent below that for January last year, it was higher than in any other January since 1930. The bulk of the awards for the month was for one family dwellings. Non-residential construction, which was at a high level in December due chiefly to the large awards for public works and industrial buildings, declined considerably in January, but it was 76.8 per cent above the total for the same month last year. The total value of construction contracts awarded during the month amounted to \$10,546,000 as compared with \$19,007,000 in December, and \$7,679,000 in January, 1937.

Following a substantial increase from November to December, the valuation of building permits issued at fourteen principal cities in the Eleventh District declined in January by an amount considerably larger than the average recession for that month. While the total valuation continued noticeably below that of a year ago, eight of the reporting cities registered increases. The value of permits issued in January aggregated \$4,161,994, which represents percentage declines of 21.8 and 24.7, respectively, from that of a month earlier and a year ago.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

	(In thousands of dollars)		
	January 1938	January 1937	December 1937
Eleventh District—total.....	\$ 10,546	\$ 7,679	\$ 19,007
Residential.....	2,944	3,380	2,185
All other.....	7,602	4,299	16,822
United States*—total.....	195,472	242,719	209,451
Residential.....	36,207	78,407	43,480
All other.....	159,265	164,312	165,971

*37 states east of the Rocky Mountains

SOURCE: F. W. Dodge Corporation.

BUILDING PERMITS

	January, 1938		January, 1937		Percentage change valuation over year	December, 1937		Percentage change valuation over month
	No.	Valuation	No.	Valuation		No.	Valuation	
Amarillo.....	21	\$ 51,518	19	\$ 45,978	+ 12.0	17	\$ 57,397	- 10.2
Austin.....	181	447,723	127	220,092	+103.4	108	148,205	+202.1
Beaumont.....	109	81,079	92	42,260	+ 91.9	93	449,683	- 82.0
Corpus Christi.....	120	207,085	101	305,481	- 32.2	77	735,327	- 71.8
Dallas.....	426	800,506	301	579,753	+ 38.1	320	787,221	+ 1.7
El Paso.....	47	50,039	85	119,349	- 58.1	43	154,973	- 67.7
Fort Worth.....	188	720,289	124	280,231	+157.0	120	398,190	+ 80.9
Galveston.....	147	121,539	80	155,717	- 21.9	107	471,088	- 74.2
Houston.....	234	1,167,795	241	2,906,605	- 59.8	254	1,564,280	- 25.3
Port Arthur.....	110	82,328	99	52,124	+ 57.9	87	37,908	+117.2
San Antonio.....	206	244,222	187	415,652	- 41.2	204	375,255	- 34.9
Shreveport.....	102	109,950	110	353,157	- 68.9	72	106,752	+ 3.0
Waco.....	47	40,110	27	39,046	+ 2.7	23	20,227	+ 98.3
Wichita Falls.....	40	37,811	7	8,950	+322.5	11	14,045	+169.2
Total.....	1,978	\$4,161,994	1,600	\$5,524,395	- 24.7	1,536	\$5,320,551	- 21.8