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OF THE FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

The outlook for the agricultural and livestock industries in the Eleventh District was improved by widespread rains during April and the first half of May. Distribution of commodities to consumers declined considerably in April, but the rate of industrial activity continued at a high level. The value of construction contracts awarded increased sharply, exceeding that of a year ago by 15 per cent. Daily average production of crude oil, which had increased substantially in March, was maintained at the advanced rate in April but declined about 2 per cent in the first half of May. Operations at petroleum refineries in Texas during April were near the peak rate established in July, 1939. Cotton mill activity in Texas expanded moderately to a level 17 per cent greater than a year ago. Following a sharp increase in March, department store trade showed a noticeable contraction in April and sales were moderately smaller than in April, 1939. Wholesale trade declined seasonally but was 9 per cent higher than in April last year.

BUSINESS

Consumer buying at reporting department stores in the Eleventh District during April was considerably smaller than the heavy demand in the preceding month and 1 per cent lower than in April, 1939. When allowance is made for the earlier date of Easter this year, however, April sales closely approximated those of a year ago. Due to the marked variations in consumer purchases resulting from differences in the date of Easter and in weather conditions during March and April of 1939 and 1940, a better comparison between the two years is afforded by combining the sales of March and April of each year. Total sales during the two months of the current year were 3 per cent greater than those in the corresponding period of 1939 and considerably higher than those in that period of any other recent year. During the first four months of 1940 the business of reporting firms was 4 per cent larger than in the comparable period of 1939. On the basis of preliminary reports, department store trade during the first two weeks of May was 6 per cent above that in the first half of May last year.

Inventories of merchandise at reporting firms were increased by more than the average seasonal amount in April, and at the close of the month the value of inventories exceeded that of a year ago by 7 per cent. The rate of collections on both open and instalment accounts during April was considerably higher than in that month of 1939.

Distribution of commodities through wholesale channels in the Eleventh District evidenced a moderate decline in April, but exceeded that in the corresponding month of 1939 by 9 per cent. All reporting lines of trade participated in the expansion over a year ago. During the first four months of the current year, distribution of machinery and equipment exceeded that in the corresponding period of 1939 by 36 per cent and sales of electrical supplies and hardware were up 7 and 6 per cent, respectively. In nondurable goods lines, the gains over a year ago for the four-month period ranged from 1 per cent for tobacco and tobacco products to 10 per cent for drugs, including liquors. The aggregate dollar volume of inventories at reporting firms showed virtually no change during April, and the total at the end of the month remained about 4 per cent higher than a year ago. Collections on out-

standing accounts during April were at a slower rate than in April last year.

Employment and payrolls in Texas, as reported by the Bureau of Business Research of the University of Texas, showed little change from March to April, but continued considerably higher than a year ago. In manufacturing industries the number employed during April was 5 per cent higher than a year earlier and payrolls were up 10 per cent.

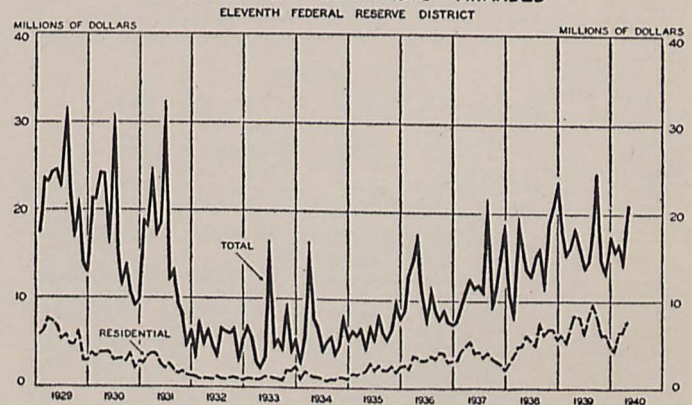
The number and liabilities of commercial failures in the Eleventh District increased from March to April but continued at considerably lower levels than in the corresponding month of 1939. Dun & Bradstreet reported 23 insolvencies during the month with an aggregate indebtedness of \$215,000.

AGRICULTURE

Weather conditions during April had varying effects upon the agricultural and livestock industries in the Eleventh District. Cold weather and high winds interfered with seed germination, retarded the growth of crops and range feeds and damaged truck, corn, fruit and cotton crops. On the other hand, the low temperatures destroyed much insect life, and heavy rains over the major portion of the district greatly improved moisture conditions. Rainfall during April in the Texas Panhandle, the Lower Rio Grande Valley and extreme west Texas was light, but the moisture deficiency in those areas was partially relieved by fairly general rains early in May. Seeding operations were retarded during April by the cold weather and wet soil. Considerable replanting of feed crops has been necessary as a result of the damage sustained by the April freeze. Condition of the Texas cotton crop ranges from fair to good with seeding operations proceeding satisfactorily in north and northwest Texas. Stands are irregular, however, and wet soil has delayed cultivation of the crop in east Texas.

Prospective production of winter wheat in Texas showed a marked increase during April. The betterment in conditions was particularly noticeable in the Blackland area and in north-central Texas where April rainfall was very beneficial. The condition of the crop in the Panhandle was spotted on May 1, and according to the Department of Agriculture, late sprouted seed in this area is susceptible to considerable damage from high winds and lack of moisture. Light to heavy precipitation in that area during the first half of May afforded some relief. The indicated production of wheat in

CONSTRUCTION CONTRACTS AWARDED



Texas on May 1 was placed at 26,172,000 bushels, which is sharply higher than the April 1 forecast and compares with a production of 27,650,000 bushels in 1939 and a ten-year, 1929-1938, average harvest of 32,958,000 bushels. Acreage abandonment in this State was placed at 30 per cent of the area seeded to wheat last fall, which is about the average. The indicated yield per acre on the 2,900,000 acres left for harvest on May 1 was 9.0 bushels as compared with a 1939 and a ten-year average yield of 10.0 bushels. Production prospects in Oklahoma also showed an improvement during April but the May 1 forecast of 31,178,000 bushels was still sharply below the 1939 harvest. The prospective production of 2,480,000 bushels of wheat in New Mexico compares with a harvest of 2,740,000 bushels in 1939. The condition of oats and tame hay in Texas on May 1 was somewhat higher than on that date last year.

The Texas peach crop was damaged considerably by the April freeze; nevertheless, prospects are still favorable for an above average yield. The outlook for citrus crops in this State has been affected adversely by unfavorable weather. The 1940 bloom is somewhat later than usual and the set of oranges and grapefruit is expected to be comparatively light.

Livestock ranges showed a noticeable improvement during April in most sections of the Eleventh District, since the betterment in moisture conditions more than counterbalanced the adverse effects of the cold weather. The condition of ranges on May 1 was much higher than a month earlier and a year ago and moderately above the ten-year average condition for that date. Precipitation early in May in portions of the Texas Panhandle and in south and west Texas partially relieved the drouth in those areas, but additional rains are needed to insure summer grazing. Cattle and sheep have responded to the improvement in ranges, and their condition on May 1 was likewise considerably higher than a month earlier and a year ago. The 1940 calf crop is expected to be about average in number, and a record lamb crop is anticipated. Losses of young animals have been light. According to the Department of Agriculture, the demand for cattle has been good, but sales have continued comparatively light. The movement of sheep and lambs, on the other hand, was fairly large during the latter part of April and shipments in May and June are expected to be much heavier than a

year ago. Shearing of sheep is under way in the Edwards Plateau and wool sales and contracts for future delivery are active. The Department of Agriculture reported that the spring clip of mohair in Texas was larger than usual.

Prices of cattle and calves on the Fort Worth market were stimulated by a strong demand during the final two weeks of April, and some sales of beef steers and yearlings were made at the highest prices since the fall of 1937. During the first half of May, cattle prices were well sustained. Hog prices showed little net change between April 15 and May 15, as the decline around the middle of May cancelled the earlier advances. The increase in receipts of sheep and lambs during the last half of April was accompanied by a strong demand at rising prices, but a portion of the price gains was lost in the second week of May when marketings were in record volume. The market for Texas wool and mohair strengthened in April, and current prices are considerably higher than a year ago.

The data compiled by the United States Department of Agriculture show that cash farm income in the five states included in this district during the first two months of 1940 was materially larger than in the corresponding period of 1939. Receipts from the sale of farm crops and livestock and livestock products were only 3 per cent higher than in that period of 1939, but Government benefit payments, which totaled nearly \$50,000,000 during the two months, were four times those of a year ago, and the highest of record for that period; moreover, they constituted 37 per cent of aggregate cash farm income from all sources. Total farm income, which includes Government benefit payments, exceeded that in the initial two months of 1939 by 35 per cent.

FINANCE

Daily average reserve balances of member banks in the Eleventh Federal Reserve District showed a noticeable increase during the last half of April and the first two weeks in May, following a substantial decline in the preceding 31-day period. The increase was principally in the reserve balances of Reserve city banks and reflects the shifting to the Federal Reserve Bank of funds made available by a decline in loans and investments. Daily average excess reserves during the first half of May rose to a new all-time peak at about \$84,000,000, or approximately 65 per cent of required reserves. Total earning assets of the Federal Reserve Bank

WHOLESALE AND RETAIL TRADE STATISTICS

Retail trade:	Percentage change in:				Ratio April collections to accounts outstanding April 1		
	Net sales		Stocks*		Regular	Installment	
	April, 1940 from April, 1939	Jan. 1 to April 30, 1940 from 1939	April, 1940 from April, 1939	April, 1940 from March, 1940			
Department stores:							
Total 11th Dist.	+ 1.3	- 9.9	+ 4.0	+ 7.2	+ 3.7	40.9	15.5
Dallas	+ 1.3	- 6.5	+ 5.1	+ 2.2	+ 4.0	41.0	17.4
Fort Worth	- 7.2	- 24.2	+ 5.7	+ 11.9	+ 10.6	36.8	11.2
Houston	- 7.6	- 10.9	+ 2.0	+ 15.0	+ 5.7	40.6	
San Antonio	+ 5.1	- 2.6	+ 5.5	+ 8.0	+ 2.9	44.4	13.4
Other cities	- 2.1	- 11.7	+ 1.5	+ 9.4	- .5	41.3	19.8
Independent stores:†							
Arizona	+ 5.0		+ 8.5				
Oklahoma	- 1.5	- 6.0	+ .1				
New Mexico	+ 3.0		+ 7.3				
Texas	+ 3.0	- 11.6	+ 6.4				
Wholesale trade:‡							
Machinery, eqpt & supplies (except electrical)	+ 46.0	- 11.1	+ 35.6	- 7.6	- 2.9	32.3	
Groceries	+ 9.1	- 1.4	+ 6.9	+ 7.1	- 2.1	85.0	
Drugs	+ 13.9	- 4.4	+ 9.6	+ 1.8	- .6	75.6	
Hardware	+ 2.0	- 1.1	+ 5.5	+ 6.8	+ .9	72.7	
Electrical supplies	+ 3.2	+ 11.9	+ 6.6	+ 30.7	+ 18.2	90.3	
Tobacco & prod'ns	+ .8	+ 3.9	+ 1.0			80.9	

*Stocks at close of month. †Compiled by United States Department of Commerce.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS (1923-25 average = 100)

	With seasonal adjustment				Without seasonal adjustment			
	Sales—April		Stocks—April		Sales—April		Stocks—April	
	1940	1939	1940	1939	1940	1939	1940	1939
Total Eleventh Dist.	103.0	103.6	71.3	67.0	98.9	103.6	74.2	69.7
Dallas	114.5	113.1	72.7	71.5	107.6	109.7	74.9	73.6
Fort Worth	98.9	106.0	70.8	62.9	94.0	103.9	73.6	65.4
Houston	105.0	112.0	55.4	49.3	100.8	110.9	57.1	50.8
San Antonio	99.6	92.3	59.0	54.7	97.6	93.2	62.5	58.0

CASH FARM INCOME FROM THE SALE OF PRINCIPAL FARM PRODUCTS AND GOVERNMENT BENEFIT PAYMENTS (In thousands of dollars)

	February, 1940		Total receipts				
	Receipts from:		February 1940	February 1939	Jan. 1 to Feb. 29 1940	1939	
	Crops	Livestock* Government payments					
Arizona	1,650	1,215	714	3,588	3,415	9,063	8,845
Louisiana	3,503	1,797	1,252	6,552	5,849	13,187	12,529
New Mexico	546	1,595	933	3,074	2,023	6,680	4,868
Oklahoma	2,697	5,460	5,219	13,376	8,663	28,125	20,563
Texas	9,332	10,853	14,350	34,585	25,764	74,149	50,677
Total	17,787	20,920	22,468	61,175	45,714	131,204	97,482

*Includes receipts from the sale of livestock and livestock products. SOURCE: United States Department of Agriculture.

LIVESTOCK RECEIPTS (Number)

	Fort Worth			San Antonio		
	April 1940	April 1939	March 1940	April 1940	April 1939	March 1940
Cattle	35,245	52,310	36,147	14,884	21,929	13,281
Calves	18,361	22,714	22,704	14,307	28,300	14,347
Hogs	34,719	34,043	43,416	8,321	13,031	8,817
Sheep	147,638	101,901	49,088	6,740	8,673	5,631

COMPARATIVE TOP LIVESTOCK PRICES (Dollars per hundredweight)

	Fort Worth			San Antonio		
	April 1940	April 1939	March 1940	April 1940	April 1939	March 1940
Beef steers	\$10.00	\$10.50	\$ 9.25	\$ 8.50	\$ 9.50	\$ 8.75
Stocker steers	10.00	9.50	10.00	7.50	7.50	7.25
Heifers and yearlings	10.50	10.35	10.00	9.50	9.75	9.00
Butcher cows	7.00	7.25	6.50	6.50	7.00	6.35
Calves	10.25	9.25	9.00	9.25	9.00	9.00
Hogs	6.35	6.85	5.50	6.60	6.75	5.50
Lambs	9.50	9.50	11.00	7.50	7.00	7.50

of Dallas increased moderately during the month ended May 15, reflecting chiefly an increase of \$222,000 in holdings of United States Government securities. Federal Reserve notes of this bank in actual circulation declined slightly further between April 15 and May 15, but the total of \$78,714,000 at the middle of May was still \$2,400,000 greater than a year earlier.

Total loans and investments at weekly reporting member banks in the Eleventh District declined further by \$8,100,000 during the five weeks ended May 15, and on that date they were only \$11,700,000 greater than a year earlier. Loans declined \$2,400,000 during the five weeks, reflecting contractions in advances for commercial, industrial and agricultural purposes and in loans to brokers and dealers in securities. All classes of investments participated in a total contraction of \$5,700,000, but the most pronounced liquidation occurred in holdings of securities guaranteed by the United States Government.

Deposits at reporting banks were increased by \$15,600,000 during the five-week period, and the total on May 15 was \$98,500,000 greater than a year ago. The expansion in available funds at these banks resulted in a marked increase in balances on deposit at other domestic commercial banks and an increase of \$2,900,000 in their reserves at the Federal Reserve Bank.

INDUSTRY

A marked increase in contracts awarded for publicly-financed engineering projects resulted in a sharp expansion in construction activity in the Eleventh District during April. The aggregate value of contracts awarded was 50 per cent greater than in March and 15 per cent higher than the total for April, 1939. Heavy awards for street and highway construction and for a large dam project in Texas accounted for the increase in public works construction, the value of which was above that for any other month in more than two years and more than three and one-half times that in April, 1939. Although awards for public utility construction were much higher than in March, they were only about one-third of those in April last year. A 15 per cent increase in residential building from March to April raised the value of awards for this type of construction to the highest level since last September but the total was 8 per cent smaller than in the corresponding month of 1939. Awards for non-residential building, which declined further by 15 per cent in April, were also about 5 per cent smaller than a year ago. This class of building activity, which includes commercial and industrial construction, has shown a noticeable decline from the high level reached in February; nevertheless, the total value of awards thus far in 1940 has exceeded that in the corresponding period of 1939 by 4 per cent. The cumulative value of contracts awarded in this district for all types of construction during the first four months of 1940 was about the same as that in the comparable period of 1939.

Daily average production of crude petroleum in the Eleventh District and in the United States, which had increased considerably in March, showed little change in April. In comparison with April last year output in this district was only 2 per cent higher, but the gain for areas elsewhere in the United States amounted to 15 per cent. The latter increase reflected the marked expansion in output in Illinois, where daily average production during April this year was about two and one-half times that in the corresponding month of 1939. The rapid development of new oil fields in Illinois during the past three years has resulted in a rise in production from about 20,000 barrels daily in 1937 to more than 400,000 barrels daily in the first four months of 1940.

Inventories of crude oil are still at a considerably lower level than a year ago; nevertheless, the expansion in stocks

in recent months has reduced the spread between the two years. On May 4 stocks of crude petroleum in the Eleventh District were 15 per cent greater than at the beginning of 1940 and in the United States they were 8 per cent higher. Refinery operations, as measured by crude oil runs to stills,

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

	May 15, 1940	May 15, 1939	April 15, 1940
Total cash reserves.....	\$246,759	\$223,170	\$249,569
Discounts for member banks.....	335	359	274
Other bills discounted.....	30	None	30
Industrial advances.....	476	599	482
Bills bought in the open market.....	None	16	None
United States Government securities.....	95,234	102,282	95,012
Total earning assets.....	96,075	103,256	95,798
Member bank reserve deposits.....	213,494	189,586	212,978
Federal Reserve notes in actual circulation.....	78,714	76,314	79,542

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

	May 15, 1940	May 17, 1939	April 10, 1940
Total loans and investments.....	\$522,036	\$510,299	\$530,143
Total loans.....	267,361	251,961	269,795
Commercial, industrial and agricultural loans.....	175,433	165,573	178,027
Open market paper.....	2,356	1,366	1,759
Loans to brokers and dealers in securities.....	2,346	3,537	4,396
Other loans for purchasing or carrying securities.....	13,352	15,108	13,401
Real estate loans.....	22,423	19,513	22,264
Loans to banks.....	591	405	438
All other loans.....	50,860	46,459	49,510
United States Government direct obligations.....	150,389	154,065	151,223
Obligations fully guaranteed by United States Govt.....	45,940	46,167	49,874
Other securities.....	58,346	58,106	59,251
Reserves with Federal Reserve Bank.....	135,180	114,460	132,254
Balances with domestic banks.....	314,628	244,987	292,088
Demand deposits—adjusted*.....	479,482	442,904	473,439
Time deposits.....	136,541	136,164	136,016
United States Government deposits.....	30,824	33,807	31,093
Interbank deposits.....	272,461	207,906	263,161
Borrowings from Federal Reserve Bank.....	None	None	None

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

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	Time	Gross demand	Time	Gross demand	Time
April, 1938.....	\$1,074,855	\$217,942	\$592,059	\$120,896	\$482,796	\$ 97,046	
April, 1939.....	1,178,066	229,687	672,316	127,813	505,750	101,884	
December, 1939.....	1,344,386	234,145	777,931	130,299	566,455	103,846	
January, 1940.....	1,340,235	233,470	775,643	129,435	564,592	104,035	
February, 1940.....	1,355,474	234,306	785,130	129,055	570,344	105,251	
March, 1940.....	1,350,015	235,036	782,012	129,589	568,003	105,447	
April, 1940.....	1,340,972	232,409	777,099	128,764	563,873	103,645	

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	April 1940	April 1939	Pctg. change over year	March 1940	Pctg. change over month
Abiene.....	\$ 8,640	\$ 8,157	+ 6.0	\$ 8,517	+ 1.5
Austin.....	36,493	36,920	- 1.2	35,185	+ 3.7
Beaumont.....	24,345	22,933	+ 6.2	23,780	+ 2.4
Corsicana.....	3,342	2,859	+16.9	3,329	+ .4
Dallas.....	257,803	227,487	+13.3	263,377	- 2.1
El Paso.....	29,864	28,142	+ 6.1	33,249	-10.2
Fort Worth.....	81,802	72,218	+13.3	80,971	+ 1.0
Galveston.....	24,061	22,501	+10.9	28,078	-11.1
Houston.....	239,356	207,593	+15.3	251,008	- 4.6
Port Arthur.....	9,519	8,595	+10.8	9,599	- .8
Roswell.....	4,199	3,662	+14.7	4,487	- 6.0
San Antonio.....	71,847	66,872	+ 7.4	72,100	- 1.9
Shreveport.....	46,236	39,465	+17.2	45,376	+ 1.9
Texasarkana*.....	7,251	7,079	+ 2.4	8,244	-12.0
Tucson.....	12,622	11,557	+ 9.2	13,022	- 3.1
Tyler.....	11,686	10,607	+10.2	12,410	+ 5.8
Waco.....	13,795	12,178	+13.3	14,722	- 6.3
Wichita Falls.....	17,327	15,091	+14.8	16,608	+ 4.3
Total.....	\$901,097	\$803,917	+12.1	\$924,042	- 2.5

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

SAVINGS DEPOSITS

	Number of reporting banks	April 30, 1940		Percentage change in savings deposits from	
		Number of savings depositors	Amount of savings deposits	April 30, 1939	March 31, 1940
Beaumont.....	3	9,833	\$ 3,991,182	+ 1.4	+ .2
Dallas.....	8	89,670	26,288,167	- 3.1	+ .2
El Paso.....	2	18,169	8,127,845	- .7	+ 1.5
Fort Worth.....	3	35,974	13,051,886	- 5.9	+ .3
Galveston.....	4	19,055	12,319,038	+ 2.2	- .6
Houston.....	10	77,245	31,271,269	+ 4.8	+ .4
Port Arthur.....	2	5,854	3,226,965	+11.5	+ 1.0
San Antonio.....	5	22,876	17,814,597	- 6.2	+ .1
Shreveport.....	3	25,237	12,248,099	+ 5.7	+ .6
Waco.....	3	8,293	4,623,613	+ .3	+ .1
Wichita Falls.....	3	7,320	3,664,199	- 5.3	- .1
All other.....	69	61,822	30,451,701	+ 1.9	+ .5
Total.....	115	381,348	\$167,078,561	+ .1	+ .2

increased further in April and exceeded those of a year ago by about 7 per cent. Despite a seasonal increase in demand, production of gasoline continued to exceed consumption. Stocks of motor fuel, which reached an all-time peak on April 20 at 102,800,000 barrels, declined in the subsequent two weeks, but the total on May 4 was still slightly higher than five weeks earlier and 18 per cent larger than on the corresponding date of 1939. Although gasoline prices ordinarily strengthen at this season of the year, the heavy inventories continue to exert a depressing influence on the market. The export demand for crude petroleum and refined products has shown a marked decline in recent months, due chiefly to the effects of the European war on foreign demand; whereas, imports of crude oil into the United States have shown a sharp increase.

The rate of drilling activity in this district and in the United States showed little change from March to April, but it continued at a sharply higher level than a year ago. During the first four months of 1940, the number of wells completed in the United States was 4 per cent greater than in the comparable period of 1937 when drilling activity was the heaviest in recent years.

The volume of cotton consumed in the United States showed little change from March to April, but continued at a 15 per cent higher level than a year ago. During the latter part of March and the first half of April, the demand for cotton textiles expanded sharply, but since the middle of April mill sales apparently have been much smaller than production. Prices of some constructions of cotton goods have declined in recent weeks, reflecting the contraction in demand. The 624,000 bales of cotton consumed in April this year brought the total for the current season to 5,955,000 bales, which is 16 per cent greater than the amount consumed in the first nine months of the previous season, but slightly smaller than the record volume for that period established in the 1936-1937 season. Domestic stocks of raw cotton at consuming establishments and in public storage and compresses were reduced further in April, and at the close of the month the total was 14 per cent smaller than a year ago.

Domestic cotton prices, which had fluctuated within narrow limits during April, turned downward early in May and in the second week of that month the market dropped sharply following the extension of the war in Europe. The price of

VALUE OF CONSTRUCTION CONTRACTS AWARDED (In thousands of dollars)

	April		March		January 1 to April 30	
	1940	1939	1940	1939	1940	1939
Eleventh District—total...	\$ 21,048	\$ 18,291	\$ 13,945	\$ 66,940	\$ 67,555	
Residential.....	7,665	8,289	6,637	25,283	26,694	
All other.....	13,383	9,992	7,308	41,657	40,861	
United States*—total.....	300,504	330,030	272,178	969,447	1,102,561	
Residential.....	135,420	114,405	121,708	409,386	398,813	
All other.....	165,084	215,625	150,470	560,061	703,748	

*37 states east of the Rocky Mountains.
SOURCE: F. W. Dodge Corporation.

BUILDING PERMITS

	April, 1940		Percentage change valuation from		Jan. 1 to Apr. 30, 1940		Percentage change valuation from 1939	
	No.	Valuation	Apr., 1939	Mar., 1940	No.	Valuation	from 1939	
Abilene.....	30	\$ 60,390	-36.9	+36.1	113	\$ 195,872	-19.2	
Amarillo.....	86	240,085	-38.0	-10.1	275	777,741	-14.9	
Austin.....	334	549,067	+16.4	-50.4	1,177	2,890,389	-10.8	
Beaumont.....	131	122,094	+10.3	+1.3	441	449,804	-4.8	
Corpus Christi..	203	327,903	+60.1	-42.2	842	3,613,217	+85.0	
Dallas*.....	709	1,234,524	+30.5	+13.9	2,454	4,320,675	-15.8	
El Paso.....	109	356,402	+101.8	+67.7	373	878,402	+24.3	
Fort Worth.....	289	449,457	+7.8	-7.0	969	1,710,548	-25.4	
Galveston.....	145	133,850	+24.8	-39.9	553	845,402	+64.0	
Houston.....	600	1,704,330	-48.3	-8.6	1,989	8,738,185	-13.9	
Port Arthur.....	151	119,113	+32.4	-16.8	501	414,990	+22.6	
San Antonio.....	909	585,192	+65.6	-18.3	2,641	2,170,925	+26.9	
Shreveport.....	301	437,945	+38.6	-18.6	795	1,563,208	-8.1	
Waco.....	75	105,699	-22.1	-16.2	263	466,179	-28.5	
Wichita Falls..	71	179,496	+201.7	+59.2	190	423,877	+46.9	
Total.....	4,143	\$6,605,547	-9.9	-13.2	13,576	\$20,459,414	-2.8	

*Includes Highland Park and University Park.

spot cotton, middling, $\frac{1}{8}$ -inch staple, at ten designated markets averaged 9.60 cents per pound on May 15 as compared with 10.70 cents per pound at the beginning of the month.

Exports of cotton from the United States during April amounted to 345,000 bales, which was nearly double those in the corresponding month last year, thereby maintaining the rate of gain for the first nine months of the season. April shipments, however, were only about one-third of those in January this year. The contraction in exports during the past three months has been due in part to seasonal influences, but other factors contributing to the decline include the accumulation of heavy stocks of raw cotton in foreign countries, and the temporary cessation of shipments to Great Britain under the cotton-rubber barter agreement, as well as the difficulties involved in making shipments of cotton to other European countries. At the present time exports are being affected adversely by the extension of the European war to the Low countries and a 50 per cent reduction by the British Government in the allotment of freight space for the importation of American cotton. The British Government has also restricted the amount of cotton textiles that may be purchased by its domestic population to 75 per cent of the pre-war trade.

CRUDE OIL PRODUCTION

	Total production		Daily average production	
	April 1940	March 1940	April 1940	March 1940
North Texas.....	5,451,800	5,785,350	181,727	186,624
West Texas.....	9,091,700	9,431,300	303,056	304,235
East Texas.....	14,476,550	15,221,250	482,551	491,008
South Texas.....	7,547,300	8,020,250	251,577	258,718
Texas Coastal.....	7,547,300	7,784,250	251,577	251,105
Total Texas.....	44,114,650	46,242,400	1,470,488	1,491,690
New Mexico.....	3,357,500	3,501,200	111,917	112,942
North Louisiana.....	2,072,500	2,112,750	69,083	68,153
Total District.....	49,544,650	51,856,350	1,651,488	1,672,785

March figures from *The Oil Weekly*, Houston, Texas.

April figures estimated from the A. P. I. weekly reports.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to April 30 This season	Last season	August 1 to April 30 This season	Last season
Cottonseed received at mills (tons).....	897,968	1,004,801	4,003,054	4,102,573
Cottonseed crushed (tons).....	934,315	1,125,193	3,952,034	4,098,179
Cottonseed on hand April 30 (tons).....	18,721	61,681	171,646	337,004
Production of products:				
Crude oil (pounds).....	273,353,146	333,373,667	1,254,388,459	1,283,941,287
Cake and meal (tons).....	449,950	531,836	1,788,119	1,850,452
Hulls (tons).....	240,759	299,855	1,001,806	1,065,097
Linters (running bales).....	219,067	249,519	1,015,659	1,017,518
Stocks on hand April 30:				
Crude oil (pounds).....	20,275,733	35,188,036	58,622,374	109,677,414
Cake and meal (tons).....	41,388	47,221	157,768	175,454
Hulls (tons).....	20,453	52,615	67,308	123,747
Linters (running bales).....	93,043	158,103	305,876	583,409

SOURCE: Bureau of Census.

CONSUMPTION, STOCKS AND EXPORTS OF COTTON

	April		March 1940	August 1 to April 30	
	1940	1939		This season	Last season
Consumption at:					
Texas mills.....	10,790	9,240	10,507	103,750	91,741
United States mills.....	623,893	543,187	626,331	5,954,728	5,152,547
U.S. stocks—end of month:					
In consuming estab'nts.....	1,469,617	1,292,565	1,595,722		
Public stg. & compresses.....	10,743,002	12,976,432	11,404,298		
Exports from U. S. to:					
United Kingdom.....	111,655	20,022	110,795	1,748,378	370,880
France.....	33,016	6,787	51,080	702,000	326,444
Italy.....	47,494	13,534	57,288	489,914	242,555
Germany.....	None	15,382	None	18,992	271,239
Other Europe.....	42,340	30,874	62,430	1,022,572	659,000
Japan.....	54,314	56,530	74,480	803,974	776,933
All other countries.....	55,790	35,098	77,769	909,132	317,047
Total exports.....	344,609	178,225	433,842	5,694,962	2,964,098

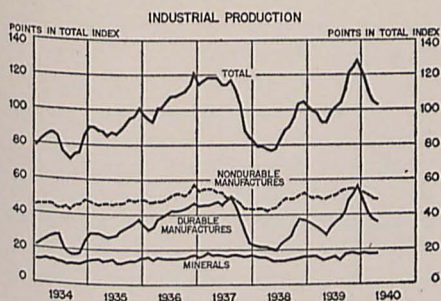
RECEIPTS, EXPORTS, AND STOCKS OF COTTON AT THE PORTS OF HOUSTON AND GALVESTON—(Bales)

	April		March 1940	August 1 to April 30	
	1940	1939		This season	Last season
Receipts.....	93,738	21,477	248,977	3,711,156	1,943,962
Exports.....	195,995	116,713	281,269	3,292,455	2,021,329
Stocks, end of month.....	1,376,601	1,119,998	1,457,794		

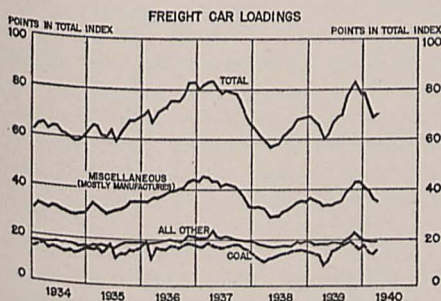
JUNE 1, 1940

NATIONAL SUMMARY OF BUSINESS CONDITIONS

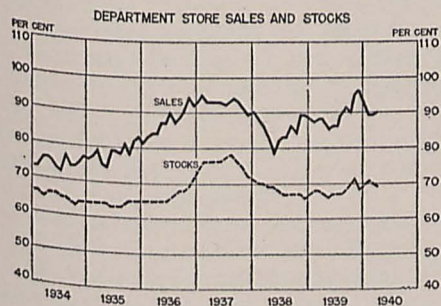
(Compiled by the Board of Governors of the Federal Reserve System)



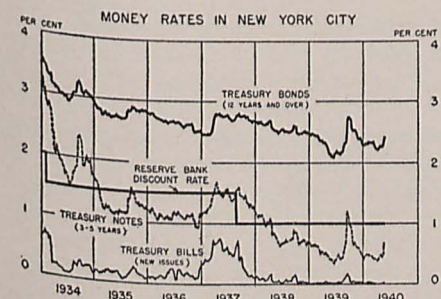
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. Durable manufactures, nondurable manufactures, and minerals expressed in terms of points in the total index. By months, January, 1934 to April, 1940.



Index of total loadings of revenue freight, adjusted for seasonal variation, 1923-1925 average = 100. Miscellaneous, coal, and all other expressed in terms of points in the total index. By months, January, 1934 to April, 1940.



Indexes of value of sales and stocks, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934 to April, 1940.



For weeks ending January 6, 1934 to May 18, 1940.

Industrial activity was steady during April after three months of sharp decline, and in the first half of May increases appeared in some lines, particularly steel. Prices of basic commodities showed mixed changes toward the middle of May, accompanying the extension of active warfare in Europe, while stock prices declined sharply.

PRODUCTION

The Board's seasonally adjusted index of industrial production for the month of April was 102, compared with 104 for March and 109 for February. Steel ingot production was steady during April at slightly over 60 per cent of capacity as compared with an average rate of 64 per cent in March; in the first half of May output rose sharply and currently is scheduled at about 70 per cent of capacity. Automobile production in April continued at about the March rate, although ordinarily there is an increase at this season, and in early May declined somewhat. Retail sales of new cars approximated production in April and dealers' stocks of both new and used cars remained at earlier high levels. Output of plate glass, used largely by the automobile industry, declined considerably in April, and lumber production showed somewhat less than the usual seasonal increase. In the machinery, aircraft, and shipbuilding industries activity continued at the high rate of other recent months.

In the textile industry activity at cotton and woolen mills declined somewhat further in April, following considerable reductions in March. At silk mills activity remained at a low level, while rayon production was maintained at a high rate. Output at meat-packing establishments continued in large volume. There was some further curtailment in shoe production in April; in most other industries producing nondurable goods changes in output were largely seasonal in character.

Coal production, which usually declines sharply in April, showed only a small decrease this year. Output of crude petroleum, which had reached record high levels in March, was largely maintained in April and the first half of May, although stocks of crude oil were increasing and gasoline stocks were unusually large.

Value of construction contract awards increased further in April, reflecting principally a rise in contracts for private building, according to figures of the F. W. Dodge Corporation. Awards for private residential building were in somewhat larger volume than a year ago. Private non-residential building was about one-third greater than at this season last year and was near the previous peak level reached in mid-1937. Awards for public construction, however, were considerably below the level of last spring.

DISTRIBUTION

Distribution of commodities to consumers showed little change in April and the first half of May. The Board's seasonally adjusted index of department store sales was 90 per cent of the 1923-1925 average in April, about the level that has prevailed since the first of the year but below the peak of 96 reached last December.

Total freight-car loadings in April were in about the same volume as in March. Shipments of coal declined less than seasonally, while loadings of miscellaneous freight, which include most manufactured products, showed less than the sharp rise that is customary at this season. In the early part of May increases were reported in shipments of most classes of freight.

FOREIGN TRADE

Exports of United States merchandise, which have been at a high level since last December, declined somewhat in April. A large part of the decrease in April was accounted for by the complete cessation of shipments to northern European countries after outbreak of hostilities there, but declines were also reported in shipments to most other countries. Exports to Canada, the Union of South Africa, and France, however, increased.

Shipments of commercial vehicles declined sharply, following a considerable rise in March, and exports of iron and steel products, which had been increasing steadily since last summer, also showed a decline. Exports of cotton and copper decreased further from earlier high levels, while machinery and aircraft shipments continued in large volume.

During April, the monetary gold stock of the United States increased by \$337,000,000, the largest increase since August, 1939. Acquisitions of gold in the first two weeks of May totaled \$169,000,000.

COMMODITY PRICES

Prices of a number of basic commodities, which had been declining after a rise in April, advanced from May 10 to May 14. Increases in this period were particularly marked for imported materials, such as rubber, tin, and silk. Grain prices rose at first but subsequently showed sharp declines. Price changes for other commodities were mixed; steel scrap advanced, while cotton declined considerably. Prices of certain steel products, which had been reduced early in April, were restored to earlier levels on May 1, and producers announced that steel purchased at the lower prices must be taken by the buyers on or before June 30.

GOVERNMENT SECURITY MARKET

Prices of United States Government securities declined sharply from May 10 to May 14, accompanying the further spread of war in Europe. Prices of long-term Treasury bonds on May 14 were $3\frac{3}{4}$ points below the high point reached on April 2. The yield on the 1960-65 $2\frac{3}{4}$ per cent bonds rose from 2.26 per cent on April 2 to 2.48 per cent on May 14.

BANK CREDIT

Total loans and investments at reporting member banks in 101 leading cities increased during the four weeks ending May 8. Most of this increase was at New York City banks and reflected purchases of United States Government obligations. Deposits and reserves of banks in leading cities continued at record high levels.