

# MONTHLY BUSINESS REVIEW

## of the FEDERAL RESERVE BANK of Dallas

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The output of manufactures in the Eleventh District during November continued at the advanced level attained in other recent months, and consumer buying showed a marked increase, following a substantial decline in October. Employment increased further and payrolls remained virtually unchanged from the ten-year high recorded in October. Consumer purchases at department stores during November exceeded those a year ago by about 13 per cent. Distribution of merchandise through wholesale channels evidenced the usual seasonal contraction from October to November, but continued much greater than in November, 1939. Activity in the building and allied industries, including lumber, cement, brick and tile, and structural steel, was well sustained, exceeding that of a year ago by a substantial margin. The value of construction contracts awarded in November was nearly 80 per cent greater than in November, 1939. Petroleum production and refinery operations showed little change over the month, but the rate of drilling operations increased moderately. Consumption of cotton at Texas textile mills registered a new high for recent years, the November consumption exceeding the average amount utilized during the first quarter of the current season by 31 per cent. Loans at weekly reporting member banks continued to advance sharply, the total outstanding on December 11 exceeding that of a year ago by \$23,100,000. The outlook for the agricultural and livestock industries has been improved by widespread rains.

### BUSINESS

Department store trade in the Eleventh District, which had fallen off sharply in October, showed a marked expansion in November. Daily average sales showed a counter-to-seasonal increase of 15 per cent from October to November, and as a consequence this bank's seasonally adjusted index rose 18 points to 117 per cent of the 1923-1925 average, which compares with 115 per cent during the third quarter of this year, and 104 per cent in November, 1939. The dollar value of sales in November this year exceeded that in the corresponding month of 1939 by 13 per cent. Reports indicate that the strong demand for merchandise during November was general over the district, with all reporting stores participating in the expansion over a year ago. Cumulative sales during the eleven months ended November 30 were 5 per cent greater than in that period of 1939. During the first half of December consumer buying at weekly reporting firms averaged about 2 per cent smaller than in the corresponding period of 1939.

Inventories of merchandise at reporting department stores showed little net change in November, and at the month-end the value of stocks on hand was 3 per cent smaller than a year ago. The rate of collections on regular accounts outstanding increased seasonally in November and exceeded that in November last year by 6 per cent.

Aggregate sales of merchandise at reporting wholesale firms in eight lines of trade in this district showed the usual seasonal contraction from October to November; nevertheless, demand for goods by retailers continued strong, reflecting in part numerous replacement orders, and sales exceeded those in November, 1939, by about 10 per cent. The latter figure compares with an average gain over a year ago of 6 per cent in sales during the first eleven months of the year. In individual lines of trade, pronounced increases in sales over those of a year ago were recorded in five of the eight lines, with the distribution of surgical equipment being the only line to evidence a

substantial decline in business. Sales of tobacco and drugs at wholesale closely approximated those in November last year. Stocks of merchandise at reporting firms were lowered 2 per cent in November, but the total on hand at the close of the month in a majority of lines continued well above that of a year ago. The rate of collections on accounts receivable averaged 75 per cent in November, which is about the same as that in the preceding month but moderately lower than in November, 1939.

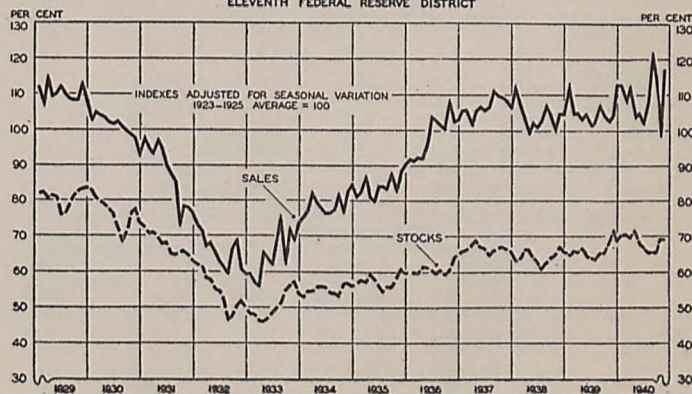
According to the Bureau of Business Research of the University of Texas, the number of workers employed in manufacturing and extractive industries and at trade and service establishments in Texas, which, on a seasonally adjusted basis, had risen in September and October to a point above that for any month since the latter part of 1937, increased moderately further in November, and payrolls remained at about the October level, which was the highest in more than ten years. In comparison with November, 1939, employment and payrolls were up 3 per cent and 7 per cent, respectively. Among individual manufacturing lines, substantial increases over a year ago in both the number of workers employed and the amount of payrolls were recorded at cotton textile mills and at those establishments producing foods, lumber, stone and clay, and structural iron and steel products.

According to Dun & Bradstreet, liabilities of commercial failures in this district showed a further sharp increase in November, reflecting chiefly the failure of one large industrial concern. The number of bankruptcies, on the other hand, declined 21 per cent from October to November. There were 26 insolvencies during the latter month, with an aggregate indebtedness of \$3,145,000.

### AGRICULTURE

Weather conditions had varying effects upon conditions in the agricultural and livestock industries in this district during November. Washing rains and floods in the central and eastern portions of the district and a heavy ice coating in the northern half of the Texas Panhandle caused considerable damage to property and growing crops as well as some loss of livestock. In addition, unseasonably cold weather in the northern part of the commercial truck growing area of south Texas reduced the prospective yield of some vegetable crops in that area. Despite these unfavorable developments, the general outlook for the agricultural and livestock industries was greatly improved by the betterment in moisture supplies. Rainfall during November, which was general over the district, supplied a good sub-

DEPARTMENT STORE SALES AND STOCKS  
ELEVENTH FEDERAL RESERVE DISTRICT





soil season, replenished stock water, and placed the soil in good condition for plowing and seeding operations. Although the Texas wheat crop on December 1 was spotted and in various stages of development, due chiefly to delayed planting and inadequate rainfall, prospects are now favorable for rapid growth. The Department of Agriculture reports that moisture conditions in the Texas wheat belt are now the best in recent years.

Reflecting the effects of the adverse weather prevailing in November, the quality of cotton that remained to be gathered in this district was damaged considerably, and the prospective production was also reduced, with the greatest loss occurring in north and northwest Texas. The final production estimate for the State was lowered 95,000 bales to a total of 3,285,000 bales, which compares with a harvest of 2,846,000 bales in 1939. The average per acre yield of cotton in Texas was placed at 185 pounds, which is sharply higher than the 1939 and ten-year average yields. The prospective production of cotton in Oklahoma was lowered 20,000 bales in November, but the December forecast of 805,000 bales is nearly as high as the ten-year average production. In contrast with the declines in Texas and Oklahoma, the production forecast for New Mexico was raised to 123,000 bales, which is one-fifth higher than the 1939 harvest. The final estimate of cotton production in the United States during 1940 was placed at 12,686,000 bales, representing an average yield of 252 pounds per acre on the 25,073,000 acres harvested. The totals for production and per acre yield average about 7 per cent higher than in 1939.

Although frosts and cold weather resulted in a considerable loss of tender, fall maturing vegetables in portions of the truck growing area of south Texas during November, the outlook for the production of winter vegetable crops in this area is still favorable. The acreages planted to several crops are somewhat larger than a year ago, and on December 1 the condition of cabbage, carrots, Bermuda onions, and spinach was considerably higher than on the corresponding date a year earlier.

The average condition of livestock ranges in this district, which ordinarily declines in November, showed little change during that month of 1940 and continued much higher than a year ago. In the eastern portion of the district excessive rainfall caused some deterioration of ranges by grass-rot, but elsewhere ranges held up well or improved. Furthermore, the out-

look for winter grazing on range weeds and grasses over most of the district was much improved by the betterment in moisture conditions, and prospects are now favorable for widespread grazing on small grain fields in north and northwest Texas by early January. Although some losses of cattle occurred during November as a result of the cold weather and floods, the number was comparatively small, and, on the whole, livestock continued in good condition. The average weight of animals on December 1 was considerably higher than that of a year ago and the ten-year average for that date. According to the Department of Agriculture, a material increase in lamb feeding is expected in Texas during the current season, reflecting the favorable range conditions existing in the sheep-growing areas.

Cash income of farmers in this district during the third quarter of 1940 was sharply lower than in the corresponding period of 1939, reflecting a smaller amount of Government benefit payments and smaller marketings of cotton, occasioned by the lateness of the 1940 crop. Income from the sale of livestock and livestock products during the three-month period continued at about the same rate as that during the first half of the year, which was 2 per cent higher than in 1939. Reflecting chiefly heavy marketings of the 1940 cotton crop, total farm income during October showed a marked increase, exceeding that of a year ago by 28 per cent. This expansion more than offset decreases from a year ago that had been recorded in preceding months, with the result that total income during the first ten months of 1940 was about 1 per cent higher than in the corresponding period of 1939.

### FINANCE

The demand for funds to finance commerce, industry and agriculture continued unabated during the four weeks ended December 11, and as a consequence, total loans at weekly reporting banks in this district rose further by \$13,100,000 to the highest level since April, 1931. The expansion in loans at these banks since the beginning of last August has amounted to \$43,700,000 which is the largest gain for any corresponding period for which data are available. Total loans amounted to \$308,700,000 on December 11, and of this amount more than two-thirds represented advances for commercial, industrial and agricultural purposes. Reporting banks, however, reduced their investments by \$4,200,000 during the four weeks. Total loans and investments at these banks on December 11

### WHOLESALE AND RETAIL TRADE STATISTICS

	Percentage change in:		Ratio Nov. collections to accounts outstanding November 1	
	Net sales	Stocks*	Regular	Instalment
	Nov., 1940 from Nov., 1939	Nov., 1940 from Nov., 1939	Nov., 1940 from Nov., 1939	Nov., 1940 from Nov., 1939
Retail trade:				
Department stores:				
Total 11th Dist.	+12.8	+6.7	+4.9	—3.4
Dallas	+11.1	+3.4	+4.8	+5.5
Fort Worth	+7.5	+9	+3.8	+6.5
Houston	+10.1	+17.5	+3.1	+3.9
San Antonio	+26.8	+9.9	+12.0	+2
Other cities	+11.7	+5.0	+2.0	+9.7
Independent stores:†				
Arizona	+10.0	.....	+6.0	.....
New Mexico	+6.0	.....	+2.0	.....
Oklahoma	+12.0	+3.0	.....	.....
Texas	+11.0	+2.0	+6.0	.....
Wholesale trade:‡				
Machinery, eqpt & supplies (except electrical)	+10.6	—9.1	+9.5	—9.6
Automotive supls.	+54.4	+15.2	.....	+2.6
Drugs (incl. liquors)	—1.3	—7	.....	+6.5
Electrical supplies	+28.1	—4	+3.3	+6.5
Groceries	+8.0	—6.7	+6.8	—2.0
Hardware	+17.6	—13.8	+5.8	+7.0
Surgical eqpt.	—29.9	—16.9	.....	+11.6
Tobacco & prod's.	—4	+18.0	.....	No chg.

\*Stocks at close of month.

†Compiled by United States Bureau of Census.

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

	With seasonal adjustment		Without seasonal adjustment	
	Sales—Nov. 1940	Stocks—Nov. 1939	Sales—Nov. 1940	Stocks—Nov. 1939
Total Eleventh Dist.	117.3	104.4	89.1	71.6
Dallas	120.5	108.5	75.0	74.1
Fort Worth	108.7	98.9	66.0	70.6
Houston	119.5	107.1	50.3	53.1
San Antonio	109.9	85.0	58.8	58.6
			126.4	97.7
			65.3	65.0

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

	September, 1940		Government payments		Total receipts	
	Crops	Livestock*	Sept. 1940	Sept. 1939	Jan. 1 to Sept. 30 1940	Sept. 1939
Arizona	1,656	1,850	80	3,586	3,801	37,477
Louisiana	5,081	3,890	1,957	9,528	18,287	69,452
New Mexico	1,409	2,585	84	4,078	6,516	28,045
Oklahoma	5,510	10,170	340	16,020	20,653	131,065
Texas	37,544	20,150	9,589	67,283	81,904	351,639
Total	51,800	36,645	12,050	100,495	131,161	617,678

\*Includes receipts from the sale of livestock and livestock products.

SOURCE: United States Department of Agriculture.

### LIVESTOCK RECEIPTS (Number)

	Fort Worth		San Antonio	
	Nov. 1940	Nov. 1939	Nov. 1940	Nov. 1939
Cattle	47,103	54,420	58,621	16,066
Calves	42,722	44,937	57,051	25,555
Hogs	35,594	25,209	37,300	13,550
Sheep	44,654	38,006	63,570	4,446

### COMPARATIVE TOP LIVESTOCK PRICES (Dollars per hundredweight)

	Fort Worth		San Antonio	
	Nov. 1940	Nov. 1939	Nov. 1940	Nov. 1939
Beef steers	\$10.50	\$9.25	\$10.75	\$9.00
Stocker steers	9.75	8.50	9.25	7.50
Heifers and yearlings	10.50	10.00	11.00	9.25
Butcher cows	6.50	6.25	6.50	6.15
Calves	9.00	8.75	8.75	9.00
Hogs	6.80	6.70	6.60	6.50
Lambs	9.00	8.25	8.25	8.00



were up \$8,800,000 from those four weeks earlier, and \$20,000,000 as compared with a year ago.

The daily average of combined gross demand and time deposits at all member banks in this district has increased by \$153,600,000 since last August, reflecting principally increases in adjusted demand and interbank deposits. Total deposits in November averaged \$1,700,000,000, which was an all-time high, exceeding those of a year ago by \$131,000,000.

Member bank reserves carried with the Federal Reserve Bank of Dallas continued to rise between the middle of November and the middle of December, though at a more moderate rate than in the preceding sixty days. Nevertheless, reserve balances on December 15 were at a new high level of \$242,800,000. Daily average excess reserves of member banks in this district, which amounted to \$86,400,000 during the first half of November, showed little net change during the month ended December 15, since the expansion in total reserves was counterbalanced by a corresponding increase in required reserves.

Participation by the Federal Reserve Bank of Dallas in the System's investment account declined further by \$2,000,000 between November 15 and December 15, reflecting this bank's pro-rata share of a net liquidation in the System's holdings of United States Government securities. Discounts for member banks were virtually liquidated during the month and industrial advances declined \$140,000. Federal Reserve notes of this bank in actual circulation, which had shown a net increase in each of the preceding six months, reached an all-time peak of \$95,900,000 on December 9. Although a moderate decline occurred in the subsequent week, total circulation on December 15 was \$2,600,000 higher than a month earlier and \$12,000,000 greater than at the middle of December, 1939. The expansion in note circulation that has occurred since mid-year has been at a much faster rate than in any of the three preceding years, which is indicative of the widespread increase in business and industrial activity.

On December 11 the United States Treasury invited cash subscriptions to a \$500,000,000 issue of National Defense, 3/4 per cent, Treasury notes dated December 18, 1940. In the Eleventh District subscriptions amounted to \$71,756,000, but allotments against these subscriptions totaled only \$9,443,500.

### INDUSTRY

Construction activity in the Eleventh District during November was featured by marked increases in non-residential building and in public utilities construction. In the non-residential field, important gains were recorded in awards for commercial and manufacturing buildings and in the construction of facilities at various army camps. The total value of contracts awarded for all non-residential building during November was 58 per cent greater than in October and nearly three times the amount of awards in November, 1939. The value of utilities construction started in November exceeded that of a year ago by more than three and one-half times. Awards for residential building and public works construction declined considerably from October to November, but continued in excess of the respective totals for the corresponding month of 1939. The value of all contracts awarded in November this year was 78 per cent greater than a year ago. During the past four months there have been wide fluctuations from month to month in the volume of contracts awarded for the several classes of construction work, but despite these variations the total value of contracts let in each of those months was approximately the same, totaling about \$22,500,000 monthly. It is significant, moreover, that the heavy volume of construction work initiated in this district since last June has not been limited to any particular type or class of building. Although publicly-financed building accounted for about 55 per cent of the June-November total, privately-financed

work begun during that period was 13 per cent higher than in the comparable period of 1939.

Production and shipments of lumber at pine mills in this district showed a further seasonal decline in November, and the rate of incoming orders also fell off. Nevertheless, operations were maintained at a comparatively high level; during the first week of December production and new orders received expanded substantially. Shipments of lumber have continued in

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

	Dec. 15, 1940	Dec. 15, 1939	Nov. 15, 1940
Total cash reserves	\$294,542	\$260,098	\$294,414
Discounts for member banks	17	4	58
Other bills discounted	28	140	24
Industrial advances	82	506	222
United States Government securities	84,923	90,875	86,923
Total earning assets	85,050	91,525	87,227
Member bank reserve deposits	242,800	215,606	236,350
Federal Reserve notes in actual circulation	95,257	83,290	92,665

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

	Dec. 11, 1940	Dec. 13, 1939	Nov. 13, 1940
Total loans and investments	\$580,037	\$560,005	\$571,216
Total loans	308,653	285,551	295,595
Commercial, industrial and agricultural loans	209,133	190,191	199,064
Open market paper	1,611	1,858	1,611
Loans to brokers and dealers in securities	4,004	5,163	2,836
Other loans for purchasing or carrying securities	13,337	14,036	13,348
Real estate loans	23,833	21,635	23,523
Loans to banks	552	246	504
All other loans	56,183	52,422	54,709
United States Government direct obligations	171,245	164,368	170,533
Obligations fully guaranteed by United States Govt.	41,987	52,209	45,387
Other securities	58,152	57,877	59,701
Reserve with Federal Reserve Bank	145,846	138,860	151,705
Balances with domestic banks	277,492	264,231	291,251
Demand deposits—adjusted*	519,015	472,833	515,309
Time deposits	135,264	135,504	133,877
United States Government deposits	25,479	33,375	32,386
Interbank deposits	274,807	272,431	283,636
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 process of collection.

### DEBITS TO INDIVIDUAL ACCOUNTS (In thousands of dollars)

	November 1940	November 1939	Pctg. change over year	October 1940	Pctg. change over month
Abilene	\$ 9,981	\$ 8,299	+20.3	\$ 10,788	+ 7.5
Austin	32,794	29,250	+12.1	33,575	+ 2.3
Beaumont	27,279	24,513	+11.3	24,912	+ 9.5
Corpus Christi	3,550	3,315	+ 7.1	4,882	+27.3
Dallas	281,346	254,047	+10.7	293,501	+ 4.1
El Paso	42,569	31,808	+33.8	33,482	+27.1
Fort Worth	87,810	83,037	+ 5.7	87,898	+ .1
Galveston	38,463	29,452	+30.6	29,588	+30.0
Houston	270,900	239,214	+13.2	265,575	+ 2.0
Port Arthur	10,033	9,355	+ 7.2	10,324	+ 2.8
Roswell	7,048	5,843	+20.6	5,758	+22.4
San Antonio	76,946	65,961	+16.7	78,126	+ 1.5
Shreveport	46,063	45,657	+ .9	46,691	+ 1.3
Texasarkana*	8,278	7,304	+13.3	9,064	+ 8.7
Tucson	12,942	12,055	+ 7.4	13,354	+ 3.1
Tyler	12,023	11,727	+ 2.5	13,594	+11.6
Waco	14,763	13,815	+ 6.8	16,748	+11.9
Wichita Falls	17,588	13,031	+35.0	17,831	+ 1.4
Total	\$1,000,366	\$887,683	+12.7	\$995,691	+ .5

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

### 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
November, 1938	\$1,188,469	\$222,920	\$667,021	\$122,980	\$521,448	\$ 99,940
November, 1939	1,340,118	232,340	777,045	128,081	563,073	104,259
July, 1940	1,332,386	234,758	778,481	129,001	553,905	105,757
August, 1940	1,315,554	234,123	768,031	128,963	547,523	105,160
September, 1940	1,340,346	233,023	783,742	128,161	562,604	104,862
October, 1940	1,408,515	233,323	814,555	128,295	593,960	105,028
November, 1940	1,469,895	233,412	842,576	128,213	627,319	105,199

### SAVINGS DEPOSITS

	November, 30, 1940		Percentage change in savings deposits from		
	Number of reporting banks	Number of savings depositors	Amount of savings deposits	Nov. 30, 1939	Oct. 31, 1940
Beaumont.....	3	9,987	\$ 4,135,620	+ 6.4	+ .8
Dallas.....	8	90,706	26,407,180	+ .4	+ .6
El Paso.....	2	18,636	8,303,238	+ .2	+ .5
Fort Worth.....	3	35,127	13,011,311	+ 4.1	+ .3
Galveston.....	4	18,512	12,175,171	+ .4	+ .2
Houston.....	10	77,320	31,822,166	+ 3.5	+ .5
Port Arthur.....	2	6,037	3,281,428	+ 7.5	+ 2.4
San Antonio.....	5	22,874	17,961,127	+ .6	+ .2
Shreveport.....	3	25,042	12,299,585	+ 3.3	+ .2
Waco.....	3	8,151	4,612,611	+ 2.5	+ .5
Wichita Falls.....	3	7,216	3,649,234	+ 3.3	+ .2
All others.....	69	61,655	31,021,996	+ 2.8	+ 1.1
Total.....	115	381,263	\$168,680,667	+ 1.2	+ .4



excess of production and mill stocks have been reduced further to a new 1939-1940 low. Although the backlog of unfilled orders on the books of reporting mills showed a net reduction of 5 per cent during the five weeks ended December 7, on the latter date they were about 75 per cent larger than on the comparable date of 1939.

Production of crude petroleum and the volume of crude oil runs to refinery stills in the Eleventh District and in the United States showed only moderate changes from October to November, and the rate of operations in the nation as a whole closely approximated that in the corresponding month of 1939. In this district daily average crude oil production was 4 per cent smaller than in November, 1939, but refinery operations were 6 per cent higher.

The rate of crude oil production both in this district and in the nation was in close alignment with the amount of petroleum utilized during November; in consequence, above-ground stocks of crude oil showed little change over the month. The production of refined products in November was also in line with the demand, thereby enabling the industry to further improve its inventory position in relation to that of a year ago. Following a further substantial non-seasonal decline in the first week of November, stocks of gasoline increased during the subsequent three weeks, but the volume on hand at the close of the month was still fractionally below that of a month earlier. Moreover, the accumulation of inventories during the last three weeks of November was at a much slower rate than in that period of 1939, with the result that the spread between the volume of stocks on hand this year and last year was reduced further to an excess of only 5 per cent, as against an excess of 17 per cent at the beginning of last September. Coincident with lower temperatures, the demand for heating oil expanded seasonally in November, and stocks of that product

in the United States were reduced 5 per cent over the month. Inventories of industrial fuel oil also declined and at the end of November were 3 per cent lower than a year earlier.

Drilling activity in this district and in the United States expanded moderately from October to November, and was in about the same volume as that of a year ago.

The rate of activity at cotton textile mills in the United States rose further during November. The Board of Governors' index of cotton consumption increased from 126 per cent of the 1935-1939 average in October to 135 per cent in November, an all-time high level. Due to fewer working days in November, the quantity of raw cotton utilized during the month was moderately smaller than in October, but on a daily average basis consumption exceeded that of a month earlier by 7 per cent and was 9 per cent greater than in November, 1939. Mill sales of cotton products during November were fairly well sustained, though reports indicate that the commercial demand dropped off somewhat during the latter part of the month and in early December. Prices of cotton goods have advanced moderately further, and mill margins continue to widen. Stocks of raw cotton at consuming establishments were increased seasonally by 24 per cent in November, but at the close of the month they were still 6 per cent smaller than a year ago.

Exports of cotton from the United States during November continued at the sharply reduced rate that has prevailed thus far this season. Shipments totaled only 144,700 bales, which was about one-fourth the volume in November last year. Great Britain, Russia and Canada continue to be the chief importers of American cotton. Russian takings during the first four months of the current season have been at the highest rate in many years, and they represent about one-fourth of the total shipments during the season.

The Commodity Credit Corporation reported that 2,384,500 bales of the 1940 cotton crop had been placed in government loan stocks prior to December 9, including 1,223,000 bales of the Texas crop.

#### VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

	November 1940	November 1939	October 1940	Jan. 1 to Nov. 30 1940	Jan. 1 to Nov. 30 1939
Eleventh District—total...	22,500	12,672	22,798	228,071	181,507
Residential.....	7,636	6,186	10,560	83,977	78,672
All other.....	14,864	6,486	12,238	144,094	102,835
United States*—total....	380,347	299,847	383,069	3,547,768	3,196,445
Residential.....	152,838	116,588	148,469	1,437,669	1,245,591
All other.....	227,509	183,259	234,600	2,110,099	1,950,854

\*37 states east of the Rocky Mountains.

SOURCE: F. W. Dodge Corporation.

#### BUILDING PERMITS

	November, 1940		Percentage change valuation from		Jan. 1 to Nov. 30, 1940		Percentage change valuation from 1939	
	No.	Valuation	Nov., 1939	Oct., 1940	No.	Valuation		
Abilene.....	17	\$ 37,425	+ 29.5	-39.0	267	\$ 601,354	+ 7.3	
Amarillo.....	49	165,820	- 8.3	+ 9.6	829	2,349,565	- 7.0	
Austin.....	127	737,343	+113.9	+45.7	2,769	6,716,315	- 2.7	
Beaumont.....	131	163,152	- 49.5	+29.0	1,523	1,456,659	-10.6	
Corpus Christi.....	167	280,746	- 79.3	-37.6	2,233	7,845,560	+22.2	
Dallas*.....	526	686,582	- 7	-40.8	7,208	13,261,537	+ 8.6	
El Paso.....	87	131,899	- 4.4	- 2.3	985	2,923,129	+21.2	
Fort Worth.....	169	407,557	+ 1.0	-20.7	2,817	4,663,991	-30.5	
Galveston.....	138	231,314	+212.0	+95.7	1,620	2,045,615	+53.9	
Houston.....	316	1,083,580	- 21.9	-43.3	5,277	21,098,260	-10.0	
Port Arthur.....	146	71,617	- 41.0	-30.5	2,182	1,077,999	+ 4	
San Antonio.....	478	2,151,997	+103.8	+63.2	7,120	8,436,503	+ 6.0	
Shreveport.....	111	373,609	+ 33.8	+41.0	1,934	4,595,706	-17.9	
Waco.....	62	102,713	+ 70.7	-87.6	810	2,482,115	+72.5	
Wichita Falls.....	27	74,130	- 34.1	-72.5	513	1,298,316	+27.6	
Total.....	2,541	\$6,699,484	+ 2.2	-13.9	38,092	\$80,852,624	- .5	

\*Includes Highland Park and University Park.

#### CRUDE OIL PRODUCTION—(Barrels)

	November, 1940		Increase or decrease in daily average production from	
	Total production	Daily avg. production	Nov., 1939	Oct., 1940
North Texas.....	5,300,100	176,670	+14,097	-15,869
West Texas.....	7,446,850	248,228	-13,482	-11,845
East Texas.....	13,383,350	446,112	-62,211	+21,639
South Texas.....	6,023,050	200,768	- 6,015	-16,664
Texas Coastal.....	7,079,150	235,972	+13,559	+10,829
Total Texas.....	39,232,500	1,307,750	-54,052	-11,910
New Mexico.....	3,032,650	101,088	+ 438	+ 409
North Louisiana.....	2,002,450	66,748	- 765	+ 454
Total District.....	44,267,600	1,475,586	-54,379	-11,047

SOURCE: Estimated from American Petroleum Institute weekly reports.

#### STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to November 30 This season	November 30 Last season	August 1 to November 30 This season	November 30 Last season
Cottonseed received at mills (tons).....	787,708	759,924	2,896,024	3,203,686
Cottonseed crushed (tons).....	533,639	544,144	1,773,304	2,031,535
Cottonseed on hand Nov. 30 (tons).....	270,481	270,848	1,162,227	1,292,777
Production of products:				
Crude oil (pounds).....	159,824,189	155,988,729	563,566,351	630,238,964
Cake and meal (tons).....	249,161	256,852	790,651	910,310
Hulls (tons).....	137,061	81,692	442,023	516,321
Linters (running bales).....	128,015	121,635	461,447	497,530
Stocks on hand November 30:				
Crude oil (pounds).....	34,617,804	25,542,545	110,476,264	86,899,372
Cake and meal (tons).....	59,778	81,692	153,465	206,503
Hulls (tons).....	73,087	71,918	143,021	159,141
Linters (running bales).....	65,407	113,003	202,118	374,195

SOURCE: United States Bureau of Census.

#### CONSUMPTION, STOCKS AND EXPORTS OF COTTON—(Bales)

	November 1940	November 1939	October 1940	August 1 to November 30 This season	November 30 Last season
Consumption at:					
Texas mills.....	20,583	12,800	15,772	67,774	47,126
United States mills.....	744,088	781,719	770,702	2,808,545	2,660,020
U.S. stocks—end of month:					
In consuming establmnts.	1,682,278	1,782,589	1,354,063		
Public stg. & compresses.	14,727,234	15,484,383	13,848,115		
Exports from U. S. to:					
United Kingdom.....	51,850	158,364	111,005	288,086	790,725
France.....	None	49,378	None	None	241,913
Italy.....	None	30,819	None	None	149,440
Germany.....	None	None	None	None	18,992
Other Europe.....	44,878	124,594	54,573	101,239	538,783
Japan.....	2,787	116,707	7,956	20,851	298,239
All other countries.....	45,195	103,782	20,717	85,214	289,603
Total exports.....	144,710	583,644	194,251	495,390	2,327,695

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

	November 1940	November 1939	October 1940	August 1 to November 30 This season	November 30 Last season
Receipts.....	320,964	555,844	346,684	1,189,007	2,243,298
Exports.....	131,441	350,357	125,079	428,329	1,439,113
Stocks, end of month.....	1,895,820	1,766,900	1,723,622		

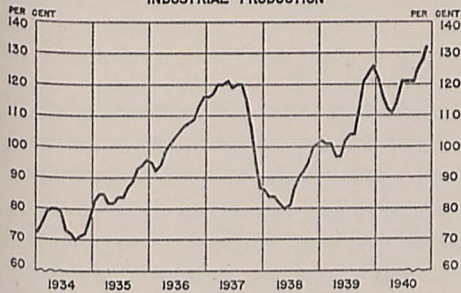


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## NATIONAL SUMMARY OF BUSINESS CONDITIONS

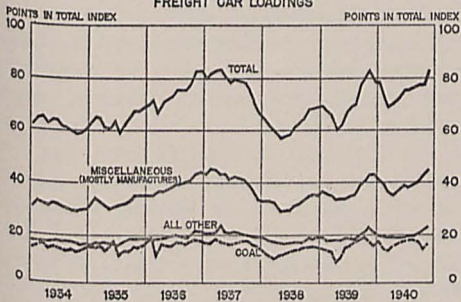
(Compiled by the Board of Governors of the Federal Reserve System)

## INDUSTRIAL PRODUCTION



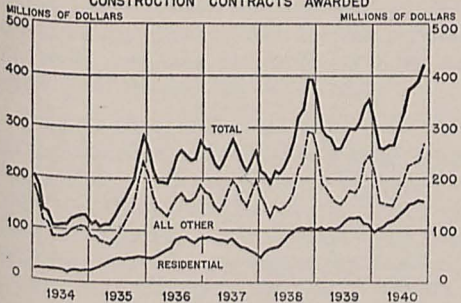
Index of physical volume of production, adjusted for seasonal variation, 1935-1939 average = 100. By months, January, 1934 to November, 1940.

## FREIGHT CAR LOADINGS



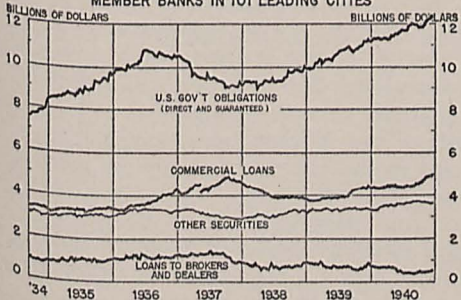
Index of total loadings of revenue freight, adjusted for seasonal variation, 1923-1925 average = 100. Miscellaneous, coal, and all other expressed in terms of points in the total index. By months, January, 1934 to November, 1940.

## CONSTRUCTION CONTRACTS AWARDED



Three-month moving averages of F. W. Dodge Corporation data for value of contracts awarded in 37 Eastern States, adjusted for seasonal variation. Latest figures based on data for October and November and estimate for December.

## MEMBER BANKS IN 101 LEADING CITIES



Wednesday figures, September 5, 1934 to December 11, 1940. Commercial loans based on new classification beginning May 19, 1937.

Industrial activity continued at a high rate in November and the first half of December and distribution of commodities increased considerably. Commodity prices generally showed little change following earlier advances.

## PRODUCTION

Volume of industrial production, which usually declines at this season, showed little change from October to November, and the Board's seasonally adjusted index rose 3 points further to 132 per cent of the 1935-1939 average.

Reflecting work on a large volume of orders for national defense purposes and for civilian needs, activity in the machinery and textile industries continued to increase sharply. At machinery plants and at cotton textile mills activity reached new high levels and at woolen mills output was close to the previous peak reached early in 1937.

Steel ingot production, which had been at about 94 per cent of capacity in October, increased somewhat further in November and the first half of December. Automobile production continued in unusually large volume, amounting in November to around 500,000 cars and trucks. Retail sales of new cars have been large this autumn and production has been maintained at high levels in order to supply this demand and to build up dealers' stocks. Lumber production declined less than seasonally from October to November. New orders for lumber continued somewhat above the current rate of production although below the high level of the three preceding months when large orders were placed for cantonment construction. Lumber stocks at mills continued to decline and were smaller than at any time in recent years. Bituminous coal production increased considerably in November, following a sharp decline in the previous month, while output of crude petroleum was maintained at about the October rate. Production of most metals continued in large volume.

Value of total construction contract awards declined less than seasonally in November. In the 37 eastern States for which F. W. Dodge Corporation data are available total contracts showed little change; awards for public construction increased further and those for private work declined by somewhat less than the usual seasonal amount. In the far western States contract awards showed a decline from the unusually high level reached in October.

## DISTRIBUTION

Distribution of commodities to consumers increased considerably in November. Sales at department stores and mail-order houses rose sharply, while variety store sales increased by about the usual seasonal amount. In the first half of December there was the customary large expansion in retail sales.

Total freight-car loadings showed considerably less than the usual seasonal decline in November and the early part of December. Loadings of coal, which had been curtailed in October, increased sharply and shipments of ore and of miscellaneous merchandise declined much less than is usual at this time of the year.

## WHOLESALE COMMODITY PRICES

Prices of basic commodities, which had risen substantially since August, generally showed little change from the middle of November to the middle of December. Prices of a few imported commodities, particularly cocoa, burlap, and shellac, increased considerably and there were small advances in steel scrap and some other domestic commodities, while moderate declines were reported for such varied commodities as lead, grains, and lard.

## BANK CREDIT

Total loans and investments at reporting member banks in 101 leading cities have increased sharply since the beginning of October. Commercial loans continued to increase in November and the first half of December, and holdings of United States Government obligations at New York City banks rose sharply. Principally as a result of the expansion of bank loans and investments, Government expenditures, and foreign disbursements financed by additional gold imports, bank deposits increased to new high levels. At the same time there has been a considerable increase in currency in circulation partly in response to seasonal trade demands.

## UNITED STATES GOVERNMENT SECURITY PRICES

Prices of United States Government securities continued to rise during the latter half of November and the early part of December, and the 1960-65 bonds advanced to successive new high levels, with a peak of about 111½ on December 10. The yield on this issue declined to a low point of 2.03 per cent on the latter date, but increased slightly toward the middle of the month, reflecting some easing in prices.