

MONTHLY BUSINESS REVIEW

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DISTRICT SUMMARY

The production of manufactured products in the Eleventh District showed a moderate expansion during March and employment and payrolls advanced further, maintaining a substantial margin of gain over the corresponding month last year. Distribution of commodities to consumers continued heavy, with durable and semi-durable goods in strong demand. Department store trade increased seasonally from February to March, the dollar volume exceeding that of a year ago by 4 per cent. The daily average value of construction contracts awarded during March was down nearly one-fourth from the preceding month, but awards were much greater than in March, 1940. Crude oil production expanded further, whereas, refinery operations declined moderately from the all-time peak established in February. Production and shipments of lumber from mills in this district continued considerably higher than a year ago. The outlook for agriculture improved somewhat during the latter part of March and the first half of April, when warm, dry weather enabled farmers to make rapid progress with land preparation and planting operations.

BUSINESS

Consumer purchases in the Eleventh District appear to have been well sustained during March. The distribution of merchandise through department stores increased by about the average seasonal amount and exceeded that in March, 1940, by 4 per cent. The latter gain is especially significant since all of the Easter trade fell in March last year, whereas, a major portion of that business was transacted during the first two weeks of April, 1941. Reflecting pre-Easter buying, sales at weekly reporting department stores during the two weeks ended April 12 were about 40 per cent greater than in that period a year earlier. During the first quarter of 1941, department store trade averaged 8 per cent higher than in the initial three months of 1940. Reports indicate that the gain was general throughout the district.

Inventories of merchandise at reporting department stores were increased 10 per cent during March, and the dollar value at the month-end was 2 per cent greater than a year earlier. It is probable, however, that the physical volume of stocks held on that date was little different from that of a year ago due to higher average prices prevailing on department store merchandise.

The business of reporting wholesale firms in six lines of trade in this district evidenced a substantial seasonal gain in March, and sales exceeded those in the corresponding month last year by 16 per cent. Sales in all reporting lines of trade except tobacco and tobacco products participated in the gain over the year. During the first three months of 1941, the distribution of merchandise through wholesale trade channels averaged about 13 per cent greater than in that period of 1940. Among the individual lines of trade the most significant gains recorded for the three-month period were in sales of machinery and hardware, which exceeded those in the initial three months of 1940 by 32 per cent and 19 per cent, respectively. The aggregate value of inventories held on March 31 at reporting wholesale firms was 11 per cent greater than on that date last year.

Employment and payrolls in Texas increased further in March. On the basis of figures compiled by the United States Bureau of Labor Statistics it appears that the number of em-

ployees in nonagricultural businesses exceeded by a small margin the 1940 peak of 1,084,000 recorded last December. According to the Bureau of Business Research of the University of Texas, employment in Texas during March was 5 per cent greater than a year ago and payrolls were up 9 per cent. The increases over the year appear to be fairly general over the State, but the most pronounced gains have occurred at Amarillo, Dallas, El Paso, and Wichita Falls.

The number and liabilities of business failures in the Eleventh District declined by about 10 per cent from February to March but continued higher than a year ago. Dun & Bradstreet reported 30 insolvencies during the month, with an aggregate indebtedness of \$366,000.

AGRICULTURE

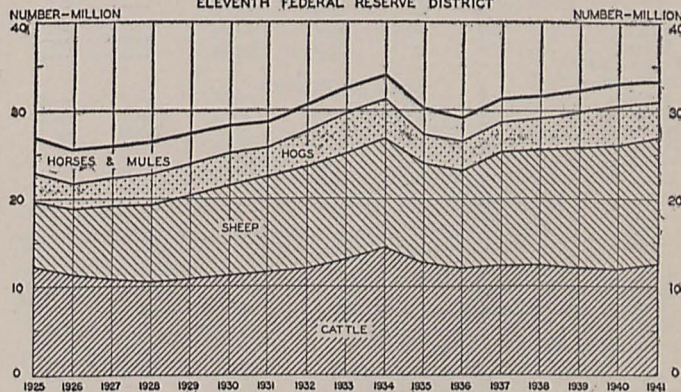
Persistent rainfall over the major portion of the Eleventh District during the first three weeks of March caused a further delay in spring plowing and planting operations, but toward the latter part of the month and early in April generally fair weather enabled farmers to make rapid progress with field work. By the middle of April planting of corn was nearing completion in north Texas and the seeding of cotton had extended into central Texas. The appearance of warm, dry weather was also beneficial to the growth of small grains, range feed, fruits and commercial vegetable crops. Moisture conditions are good to excellent throughout most of the district.

Although the growth of the Texas wheat crop has been handicapped by a late start and considerable shifting of soil, physical conditions have been generally favorable for the crop in recent weeks. The principal area in which the crop has been seriously damaged by soil blowing is in the western portion of the Panhandle, where the abandonment of acreage is expected to be heavy. Elsewhere in the wheat growing area of Texas, the crop has shown a noticeable recovery from the damaging effects of high winds. The Department of Agriculture in its April 1 forecast placed the indicated production of wheat in Texas at 41,420,000 bushels, which, if realized, would be the fourth largest crop of record, exceeding the 1940 harvest by about 12,000,000 bushels. The indicated yield per acre in this State was placed at 9.5 bushels as against a 1930-1939 average yield of 6.8 bushels. The prospective production of wheat in Oklahoma was forecast at 62,959,000 bushels on April 1, as compared with a ten-year average harvest of 47,682,000 bushels.

The growth and harvesting of spring vegetable crops in the truck growing area of south Texas, which had been delayed by

LIVESTOCK ON FARMS

JANUARY 1 OF EACH YEAR
ELEVENTH FEDERAL RESERVE DISTRICT



low temperatures and excessive rainfall earlier in the season, made some progress during the first half of April with the advent of warm, dry weather. Shipments of vegetables and citrus fruits from south Texas thus far this season have averaged 18 per cent smaller than in the corresponding period last season. According to the Department of Agriculture, the condition of fruits and nuts is generally good throughout Texas. On April 1 the condition of peaches was placed at 85 per cent of normal, as against 77 per cent on that date in 1940. Production of peaches in Texas in the latter year was in near record volume.

The Department of Agriculture's annual survey on the proposed acreage to be utilized by farmers in this district during 1941 in the production of twelve principal summer crops except cotton shows that approximately 23,079,000 acres will be planted. This total, if realized, would exceed the 1940 acreage planted to similar crops by 234,000 acres and would be 1,100,000 acres in excess of the 1930-1939 average. In Texas, farmers plan to utilize 13,263,000 acres in the production of these crops, which would be 2 per cent larger than in 1940 and 7 per cent greater than the ten-year average. As compared with 1940, it is estimated that the acreage to be planted in this district and in Texas to corn, tame hay, rice, potatoes, and legume crops will be larger, whereas, that seeded to oats will be moderately smaller. The indicated acreage to be planted to grain sorghums is about the same as that in 1940.

Livestock ranges in the Eleventh District showed the usual seasonal improvement in March, and the growth of range feeds was further stimulated by favorable weather conditions during the first half of April. On the whole, prospects for spring and summer grazing are the best in several years. Although low temperatures during March caused a shrinkage in livestock weights and light to heavy losses among new-born lambs and kids and freshly shorn goats, the condition of livestock continues above the average for this season, and in view of the favorable range conditions, animals are expected to mend rapidly with the appearance of seasonable temperatures. The outlook is favorable for a large supply of grass-fat cattle and sheep for slaughter this spring, and it is anticipated that a larger number of animals will be fattened for market in this district than has been the case in recent years due to the favorable range conditions. The Department of Agriculture reports that contracting of cattle for future delivery has been active, but total commitments have been smaller than usual.

The number of range animals on farms and ranches in this district increased further in 1940 and at the close of the year the total was at an all-time peak for that date. According to the Department of Agriculture, cattle and calves on farms at the beginning of 1941 numbered 400,000 head higher than a year earlier and the inventory of sheep and lambs was nearly 500,000 head larger. The pronounced expansion in sheep raising that has developed during recent years accounts for the record established in the number of sheep and cattle on farms in this district. The cattle inventory on January 1 this year was still 14 per cent, or 2,000,000 head, smaller than on January 1, 1934, when the highest point in recent years was reached. Following a marked increase in the preceding year, the number of hogs on farms in the Eleventh District showed a substantial decline in 1940, reflecting heavy marketings and a reduction in the number of pigs raised. The trend toward mechanical farming, which has been in progress since the early 1920's continued in 1940; the number of horses and mules on farms declined 3 per cent over the year, the total on January 1, 1941, being about 40 per cent smaller than the 1920-1929 average.

- FINANCE

The Secretary of the Treasury announced during March that three new series of United States Savings bonds, as well as Postal Savings stamps, will be offered for sale, commencing May 1, 1941. The new issues are designed to appeal to individual investors in all income groups, as well as to other investors. None of the savings bonds may be purchased by banks.

On March 18, the United States Treasury announced an offering of 2½ per cent Treasury bonds dated March 31, 1941. To this issue the Treasury invited cash subscriptions in the amount of \$500,000,000 and also offered the bonds in exchange for the 1⅓ per cent Treasury notes maturing on June 15, 1941, outstanding in the amount of \$500,000,000. The holders of the 1⅓ per cent notes were also given the option of exchanging them for the ¾ per cent Treasury notes dated March 15, 1941. In this district, a total of \$2,524,500 of outstanding notes was exchanged for the new issues, and cash subscriptions to the 2½ per cent Treasury bonds aggregated \$138,830,000, against which allotments of \$12,513,300 were made.

NUMBER AND VALUE OF LIVESTOCK ON FARMS AS OF JANUARY 1, 1941 AND 1940—(000's omitted)

	Texas				Eleventh District†			
	No. head	Total value	No. head	Total value	No. head	Total value	No. head	Total value
1941	1940	1941	1940	1941	1940	1941	1940	1940
Horses and colts.....	665	679	31,545	34,850	1,328	1,359	62,910	70,440
Mules and colts.....	633	659	47,421	53,347	1,016	1,052	79,995	89,997
All cattle and calves.....	6,944	6,677	219,694	199,782	12,598	12,195	409,753	373,410
Milk cows.....	1,457	1,443	59,737	54,834	2,662	2,618	112,314	103,353
Hogs, including pigs.....	1,926	2,293	12,827	13,000	3,874	4,674	23,637	25,082
All sheep and lambs.....	10,620	10,069	55,339	49,413	14,347	13,852	76,541	69,864
Total.....	20,788	20,377	366,826	350,482	33,163	33,132	652,836	628,793

*Cows and heifers two years old and over kept for milk; number and value included in "all cattle and calves". †Eleventh District figures represent combined totals for the five states wholly or partially included in the Eleventh District. r-Revised.

SOURCE: United States Department of Agriculture.

LIVESTOCK RECEIPTS—(Number)

	Fort Worth		San Antonio	
	March 1941	March 1940	March 1941	March 1940
Cattle.....	33,175	36,147	26,309	13,589
Calves.....	16,390	22,704	16,415	13,340
Hogs.....	53,837	43,416	48,359	14,171
Sheep.....	45,439	49,088	18,740	7,994

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

	January, 1941		Government payments		Total receipts	
	Crops	Livestock*	January 1941	January 1940	January 1941	January 1940
Arizona.....	4,666	1,970	555	7,191	5,475	6,635
Louisiana.....	3,629	5,108	464	9,201	6,635	3,606
New Mexico.....	1,049	1,840	783	3,672	14,749	39,564
Oklahoma.....	4,480	8,362	2,710	15,552	79,519	70,029
Texas.....	15,943	16,156	11,804	43,903		
Total.....	29,767	33,436	16,316	79,519	70,029	

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

WHOLESALE AND RETAIL TRADE STATISTICS

	Number of reporting firms	Percentage change in:			
		Net sales	Stocks	March, 1941 from March, 1940	March, 1941 from Feb., 1941
Retail trade:					
Department stores:					
Total 11th Dist.	46	+ 4	+21	+ 8	+ 2
Dallas.....	7	+ 4	+12	+ 6	+ 9
Fort Worth.....	4	+ 1	+33	+ 8	+ 5
Houston.....	7	- 2	+20	+ 6	+17
San Antonio.....	5	+17	+31	+16	+ 8
Shreveport.....	3	- 2	+23	+ 7	+ 9
Other cities.....	20	+ 5	+26	+10	+10
Independent stores:					
Arizona.....	258	+ 5	+13	+ 8	....
New Mexico.....	174	+ 5	+ 5	+ 7	....
Oklahoma.....	548	+ 6	+19	+12	....
Texas.....	1,028	+ 5	+17	+12	....
Wholesale trade:					
Machinery, eqpt. & supplies.....	5	+33	+ 7	+32	- 7
Drugs (incl. liquors).....	11	+13	+ 9	+ 7	+ 9
Groceries.....	32	+12	+14	+11	+ 8
Hardware.....	15	+28	+13	+19	+14
Surgical equipment.....	5	+11	+ 4	....	+ 5
Tobacco & products.....	5	No chg.	+ 4	....	....

*Compiled by United States Bureau of Census. †Change less than one-half of one per cent.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS (1923-1925 average=100)

	March 1941	February 1941	January 1941	March 1940
Sales (daily average):				
Without seasonal adjustment.....	112	100 r	96	110
With seasonal adjustment.....	118	118	126	112
Stocks (end of month):				
Without seasonal adjustment.....	74	67 r	63	71
With seasonal adjustment.....	72	70 r	72	69

r-Revised.

Treasury financing during March resulted in some adjustments in the investment portfolios of weekly reporting member banks in this district. Between March 12 and April 9 investments of these banks in Treasury bills were increased \$2,587,000 and holdings of Treasury bonds rose \$10,691,000 to the highest level in recent years. Investments in Treasury notes, on the other hand, were reduced \$7,642,000, reflecting chiefly exchanges of outstanding notes for new issues of Treasury bonds. Holdings of Government guaranteed obligations were also reduced \$3,178,000 during the period. Although total investments on April 9 were only \$2,800,000 greater than four weeks earlier, they exceeded those of a year ago by \$13,500,000. Loans at weekly reporting banks showed little change between March 12 and April 9 but the total of \$320,235,000 on the latter date was \$50,440,000 greater than on the corresponding date in 1940.

Total deposits at reporting banks decreased \$11,076,000 during the four weeks ended April 9. Although United States Government deposits increased \$5,233,000, there were declines of \$10,219,000 in adjusted demand deposits, of \$4,750,000 in interbank deposits, and \$1,340,000 in time deposits.

Reserves of member banks in this district declined about \$21,000,000 during the last half of March, reflecting chiefly the effects of income tax collections and cash settlements covering purchases of the 2½ per cent Treasury bonds dated March 31, 1941; nevertheless, daily average reserves for the period were still \$30,000,000 greater than a year ago. Daily average excess reserves during that period decreased further by \$8,200,000 to \$85,800,000, which was the lowest figure recorded for any semi-monthly period during the current year. During the first half of April both reserve balances and excess reserves averaged slightly higher than in the preceding period.

Total earning assets of the Federal Reserve Bank of Dallas rose \$1,264,000 during the month ended April 15, reflecting chiefly an increase in holdings of United States Government securities occasioned by a reallocation of the System's investment account among the several Reserve banks. After reaching an all-time peak on March 4, Federal Reserve notes of this bank in actual circulation showed a moderate downward trend until the final week of the month when month-end requirements for payrolls and business settlements caused an expansion to a new record of \$101,800,000 on April 2. During the first quarter of 1941, Federal Reserve notes of this bank in actual circulation averaged \$16,900,000 higher than in the corresponding period of 1940.

INDUSTRY

The aggregate value of construction contracts awarded in this district during March was 6 per cent smaller than in the preceding month, reflecting declines in awards for non-residential building and engineering projects. On the other hand, the value of awards for residential building was moderately higher than in February. Contracts let for all classes of construction work showed a marked gain in value over the relatively small total in March, 1940.

During the first quarter of 1941, the value of building contracts issued in this district amounted to \$66,500,000, which was near the record for that period, and nearly 50 per cent greater than in the initial three months of 1940. Increases in each principal class of construction work contributed toward the gain over 1940, but among the specific types of construction the most pronounced increases occurred in awards for manufacturing buildings, one-family dwellings, and streets and highways.

Daily average crude oil production in the Eleventh District and in the United States increased moderately from February to March, but remained at a lower level than a year ago. During the first quarter of 1941, operations resulted in a strengthening in the inventory position of the petroleum industry. Petroleum output during the three-month period was

in fairly close alignment with demand, and above-ground stocks of crude oil showed a much smaller gain than was experienced in the corresponding period last year. Furthermore, conservation authorities in the eight prorating states, which account for 84 per cent of the nation's crude oil production, show a disposition to hold allowables near the estimated demand as computed by the United States Bureau of Mines.

Although a high rate of refinery operations during the initial three months of 1941 caused a heavy accumulation of gasoline, stocks of that product at the close of March were 3 per cent smaller than a year ago, and expressed in terms of days' supply at the current rate of consumption, motor fuel stocks are about 10 per cent smaller than a year ago. The inventory position of industrial fuel and heating oils is generally satis-

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

	April 15, 1941	April 15, 1940	March 15, 1941
Total cash reserves.....	\$323,408	\$249,569	\$311,806
Discounts for member banks.....	53	274	None
Other bills discounted.....	None	30	None
Industrial advances.....	277	482	277
United States Government securities.....	88,046	95,012	86,835
Total earning assets.....	88,376	95,798	87,112
Member bank reserve deposits.....	253,164	212,978	255,056
Federal reserve notes in actual circulation.....	99,567	79,542	98,705

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

	April 9, 1941	April 10, 1940	March 12, 1941
Total loans and investments.....	\$594,115	\$530,143	\$591,360
Total loans.....	320,235	269,795	320,300
Commercial, industrial and agricultural loans.....	219,257	178,027	220,946
Open market paper.....	1,939	1,759	1,650
Loans to brokers and dealers in securities.....	3,269	4,396	3,854
Other loans for purchasing or carrying securities.....	11,923	13,401	11,895
Real estate loans.....	23,814	22,264	23,471
Loans to banks.....	532	438	640
All other loans.....	59,501	49,510	57,844
United States Government direct obligations.....	174,640	151,223	169,004
Obligations fully guaranteed by United States Govt.....	37,207	49,874	40,385
Other securities.....	62,033	59,251	61,671
Reserves with Federal Reserve Bank.....	149,195	132,254	161,057
Balances with domestic banks.....	306,451	292,088	307,499
Demand deposits—adjusted*.....	546,487	473,439	556,708
Time deposits.....	136,650	136,016	137,990
United States Government deposits.....	27,653	31,093	22,420
Interbank deposits.....	289,776	263,161	294,526
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.

DEBITS TO INDIVIDUAL ACCOUNTS (In thousands of dollars)

	March 1941	March 1940	Pctg. change over year	February 1941	Pctg. change over month
Abilene.....	\$ 14,297	\$ 8,517	+68	\$ 12,224	+17
Austin.....	33,773	35,185	-4	34,088	-1
Beaumont.....	28,202	23,780	+19	27,193	+4
Corsicana.....	3,701	3,329	+11	3,373	+10
Dallas.....	303,792	263,377	+15	266,539	+14
El Paso.....	44,647	33,249	+34	46,800	-5
Fort Worth.....	87,700	80,971	+8	83,361	+5
Galveston.....	28,149	28,078	+1	24,449	+15
Houston.....	278,724	251,008	+11	260,147	+7
Port Arthur.....	9,914	9,599	+3	10,188	-3
Roswell.....	4,579	4,467	+3	4,577	+1
San Antonio.....	84,433	72,100	+17	78,347	+8
Shreveport.....	52,718	45,376	+16	45,716	+15
Texasarkana*.....	8,800	8,244	+7	8,406	+5
Tucson.....	15,342	13,022	+18	13,387	+15
Tyler.....	11,393	12,410	-8	11,439	-1
Waco.....	16,556	14,722	+12	14,606	+13
Wichita Falls.....	17,750	16,608	+7	15,508	+14
Total.....	\$1,044,470	\$924,042	+13	\$960,348	+9

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

†Change less than one-half of one per cent.

SAVINGS DEPOSITS

	March 31, 1941			Percentage change in savings deposits from	
	Number of reporting banks	Number of savings depositors	Amount of savings deposits	March 31, 1940	Feb. 28, 1941
Beaumont.....	3	10,339	\$ 4,288,599	+ 7.7	+ .9
Dallas.....	8	91,902	26,723,707	+ 1.9	+ .2
El Paso.....	2	19,735	8,424,408	+ 2.1	+ 1.0
Fort Worth.....	3	35,128	13,129,768	+ .9	No chg.
Galveston.....	4	19,075	12,220,080	- 1.4	+ .7
Houston.....	10	78,096	32,544,091	+ 4.5	+ .4
Port Arthur.....	2	5,983	3,236,465	+ 1.3	- .9
San Antonio.....	5	23,346	18,011,133	+ 1.2	+ .5
Shreveport.....	3	25,486	12,370,889	+ 1.6	+ .5
Waco.....	3	8,136	4,519,051	- 2.1	+ .2
Wichita Falls.....	3	7,131	3,611,480	- 1.6	- 1.2
All others.....	69	62,803	30,765,570	+ 1.5	- .2
Total.....	115	387,160	\$169,844,736	+ 1.8	+ .2

factory. From the standpoint of demand, domestic consumption of gasoline during the first quarter of 1941 was considerably larger than in that period of 1940 and consumption of industrial fuel oil also showed an appreciable increase, reflecting the high rate of industrial activity. The United States Bureau of Mines estimated that the combined export and domestic demand for all refined products during the second quarter of 1941 should be about 5 per cent greater than in that period of 1940.

Wholesale prices of gasoline advanced moderately during March from the extremely low levels that had prevailed for several months, and prices of fuel oil and lubricants also increased. Posted prices for crude oil in the Mid-Continent area, which had remained virtually unchanged since October, 1938, were advanced from 5 to 7 cents per barrel during the latter part of March and early in April. A similar increase was later effected in Illinois, Michigan and the Rocky Mountain producing sections.

Drilling activity in the Eleventh District showed a counter-to-seasonal decline in March, and the daily average number of wells completed was much smaller than a year ago. In contrast with the decline in this district, well completions elsewhere in the United States increased sharply from February to March and were at a 6 per cent higher rate than in March last year. Drilling activity in the United States during the first quarter of 1941 was at a 5 per cent lower rate than in that period of 1940.

The rate of activity at cotton textile mills in the United States rose to a new all-time peak during March, as mills

stepped up operations in order to meet the current demand for products and to make scheduled deliveries on earlier commitments. The volume of cotton consumed totaled 854,200 bales, which was more than one-third greater than a year ago and exceeded the previous maximum established in January this year by nearly 11,000 bales. Although demand for cotton goods fell off somewhat during the latter part of March and early in April, numerous inquiries were reported for industrial fabrics and for products needed by converters to fill Government contracts. Prices of cotton goods showed further increases during March and early in April. On April 7 the average price of print cloth at mills in the United States was at the highest level in nearly four years and about 50 per cent above that of a year ago. Purchases of raw cotton by processing establishments during March closely approximated the amount consumed, and although the total of 1,911,000 bales on hand at the close of March was one-fifth greater than a year ago, it was sufficient for only two and one-fourth months' operations at the March rate of consumption.

Spot cotton prices in the United States showed a further increase during the final week of March and since that time they have shown little net change. Current prices are only moderately below the highest level reached since August, 1937. On April 15 the price of cotton, middling, 15/16-inch staple, in ten spot markets averaged 11.13 cents per pound, as against 10.66 cents a month earlier. Cotton in the Government loan is being released to producers at a substantial rate.

Exports of cotton from the United States totaled only 97,300 bales during March as against 434,000 bales in the corresponding month of 1940. During the first eight months of the current season foreign shipments of American cotton averaged slightly more than 100,000 bales monthly.

VALUE OF CONSTRUCTION CONTRACTS AWARDED (In thousands of dollars)

	March 1941	March 1940	February 1941	January 1 to March 31 1941	January 1 to March 31 1940
Eleventh District—total...	\$ 22,161	\$ 13,945	\$ 23,581r	\$ 66,510	\$ 45,892
Residential.....	8,072	6,637	7,565	24,085	17,618
All other.....	14,089	7,308	16,016r	42,425	28,274
United States*—total.....	479,903	272,178	270,373	1,055,481	668,943
Residential.....	147,859	121,708	116,459	375,624	273,966
All other.....	332,044	150,470	153,914	679,857	394,977

*37 states east of the Rocky Mountains.

r-Revised.

SOURCE: F. W. Dodge Corporation.

BUILDING PERMITS

	March, 1941		Percentage change valuation from		Jan. 1 to Mar. 31, 1941		Percentage change valuation from 1940	
	No.	Valuation	Mar., 1940	Feb., 1941	No.	Valuation		
Abilene.....	75	\$ 261,674	+490	+369	163	\$ 392,287	+190	
Amarillo.....	62	175,697	— 34	— 11	184	547,182	+ 2	
Austin.....	191	441,444	— 60	— 43	595	1,602,790	— 32	
Beaumont.....	114	451,556	+ 26	+ 71	345	547,319	+ 67	
Corpus Christi.....	266	625,880	+ 63	— 36	714	3,584,302	+ 9	
Dallas.....	827	1,068,405	— 1	+ 10	2,151	3,088,653	+ 7	
El Paso.....	109	208,395	— 2	— 27	396	717,209	+ 37	
Fort Worth.....	290	570,839	+ 18	+ 63	733	1,422,380	+ 13	
Galveston.....	228	591,997	+ 166	+ 512	515	799,822	+ 12	
Houston.....	537	2,587,185	+ 39	+ 132	1,371	5,707,900	+ 19	
Port Arthur.....	96	74,823	— 48	— 30	300	265,667	— 10	
San Antonio.....	500	476,384	— 33	+ 26	1,560	1,938,831	+ 22	
Shreveport.....	126	270,419	— 50	— 9	364	893,714	+ 21	
Waco.....	59	239,278	+ 90	+ 58	194	555,929	+ 54	
Wichita Falls.....	76	203,468	+ 80	+ 151	142	342,713	+ 40	
Total.....	3,556	\$8,247,444	+ 8	+ 29	9,727	\$22,406,698	— 2	

*Includes Highland Park and University Park.

†Indicates change of less than one-half of 1 per cent.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to March 31 This season	Last season	August 1 to March 31 This season	Last season
Cottonseed received at mills (tons).....	1,059,288	895,040	4,286,714	3,974,155
Cottonseed crushed (tons).....	992,285	915,117	3,708,565	3,777,965
Cottonseed on hand March 31 (tons).....	82,750	34,991	616,991	316,816
Production of products:				
Crude oil (pounds).....	303,080,487	266,238,498	1,187,725,834	1,193,710,185
Cake and meal (tons).....	463,021	438,992	1,646,284	1,705,857
Hulls (tons).....	253,078	234,361	934,726	954,387
Linters (running bales).....	245,033	212,644	1,002,455	965,190
Stocks on hand March 31:				
Crude oil (pounds).....	22,463,827	26,460,047	69,438,440	68,419,521
Cake and meal (tons).....	64,477	51,684	245,634	175,093
Hulls (tons).....	91,539	32,163	197,563	80,874
Linters (running bales).....	69,397	97,214	258,458	318,687

SOURCE: Bureau of Census.

CRUDE OIL PRODUCTION—(Barrels)

	March, 1941		Increase or decrease in daily average production from	
	Total production	Daily avg. production	March, 1940	Feb., 1941
North Texas.....	5,426,650	175,053	— 11,571	+ 2,553
West Texas.....	8,308,150	268,005	— 36,230	+ 2,048
East Texas.....	14,305,450	461,466	— 29,542	+ 13,632
South Texas.....	6,455,250	208,234	— 50,484	+ 5,090
Texas Coastal.....	7,877,450	254,111	+ 3,006	+ 50
Total Texas.....	42,372,950	1,366,869	— 124,521	+ 23,373
New Mexico.....	3,305,700	106,636	— 6,306	+ 4,423
North Louisiana.....	2,177,500	70,242	+ 2,089	+ 615
Total District.....	47,856,150	1,543,747	— 129,038	+ 28,411

SOURCE: Estimated from American Petroleum Institute weekly reports.

CRUDE OIL PRICES—(40 gravity and above)

	Mar. 31, 1941	Mar. 31, 1940	Feb. 28, 1941
North and west central Texas.....	\$1.08	\$1.03	\$1.03
East central Texas.....	1.17	1.12	1.12
Texas Gulf Coast.....	1.38	1.28	1.28
West Texas—New Mexico.....	1.02	.95	.95
North Louisiana.....	1.10	1.05	.99
East Texas (flat price).....	1.15	1.10	1.10

SOURCE: The Oil Weekly, Houston, Texas.

RECEIPTS, EXPORTS, AND STOCKS OF COTTON AT THE PORTS OF

HOUSTON AND GALVESTON—(Bales)

	March 1941	March 1940	February 1941	August 1 to March 31 This season	Last season
Receipts.....	98,475	248,977	100,143	1,679,126	3,617,418
Exports (for g'n & coastwise).....	104,306	281,269	74,749	791,076	3,096,460
Stocks, end of month.....	1,909,691	1,457,794	1,961,039	.....	.....

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

	March 1941	March 1940	February 1941	August 1 to March 31 This season	Last season
Consumption at:					
Texas mills.....	21,157	10,507	19,368	103,610	92,960
United States mills.....	854,179	627,194	793,626	6,075,096	5,330,901
U.S. stocks—end of month:					
In consuming estab'nts.....	1,911,238	1,596,334	1,905,413	.....	.....
Public stg. & compresses.....	13,243,573	11,409,520	14,038,917	.....	.....
Exports from U. S. to:					
United Kingdom.....	4,362	110,795	12,920	344,350	1,636,723
France.....	None	51,080	None	None	668,984
Italy.....	None	57,288	None	None	442,420
Germany.....	None	None	None	None	18,992
Other Europe.....	26,196	62,400	8,435	190,238	980,232
Japan.....	8,185	74,480	9,986	57,641	749,660
All other countries.....	58,549	77,799	29,256	237,763	853,342
Total exports.....	97,292	433,842	60,597	829,992	5,350,353

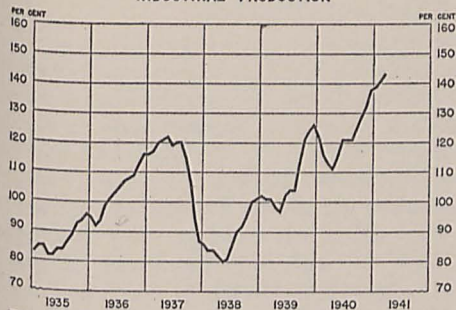
MONTHLY BUSINESS REVIEW

May 1, 1941

NATIONAL SUMMARY OF BUSINESS CONDITIONS

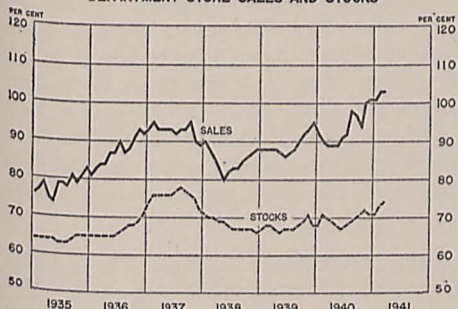
(Compiled by the Board of Governors of the Federal Reserve System)

INDUSTRIAL PRODUCTION



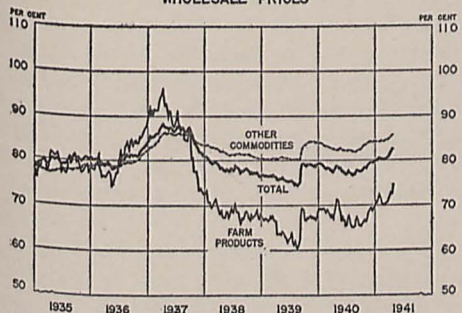
Federal Reserve index of physical volume of production, adjusted for seasonal variation, 1935-39 average = 100. By months, January, 1935 to March, 1941.

DEPARTMENT STORE SALES AND STOCKS



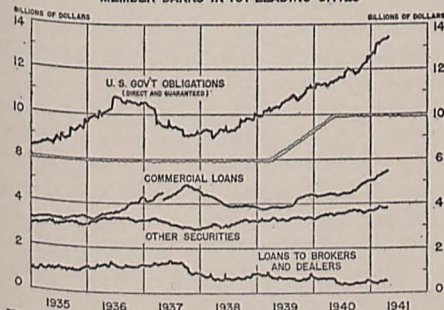
Federal Reserve indexes of value of sales and stocks, adjusted for seasonal variation, 1923-25 average = 100. By months, January, 1935 to March, 1941.

WHOLESALE PRICES



Bureau of Labor Statistics' indexes, 1926 = 100. "Other" includes commodities other than farm products and foods. By weeks, January 5, 1935 to week ending April 12, 1941.

MEMBER BANKS IN 101 LEADING CITIES



Wednesday figures, January 2, 1935 to April 9, 1941. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937 so-called "Other loans" as then reported.

Industrial activity increased further in March but declined somewhat in the first half of April owing to temporary reductions in output of bituminous coal and automobiles. Wholesale prices of many commodities advanced considerably and the Government took steps to limit price advances of some additional industrial materials.

PRODUCTION

Volume of industrial output continued to increase in March and the Board's seasonally adjusted index rose from 141 to 143 per cent of the 1935-39 average. Activity increased further in most durable goods industries, particularly in those producing machinery, aircraft, ships, and armament. Steel production increased to about 100 per cent of rated capacity.

Automobile production, which usually increases considerably in March, showed little change from the high rate reached in February. In the first half of April output was reduced considerably owing to a shutdown at plants of the Ford Motor Company during an industrial dispute which was settled about the middle of the month. Retail sales of new and used cars advanced to new peak levels in March and dealers' stocks at the beginning of April amounted to about a month's supply at the current rate of sales. Output of lumber, which had been sustained at unusually high levels during the winter months, rose less than seasonally.

Activity in the textile and shoe industries increased further in March. Cotton consumption rose to a record level of 854,000 bales and there was also an increase in rayon deliveries. At wool textile mills activity was sustained at the peak rate reached in February, not showing the usual large seasonal decline, and in the chemical and rubber industries further advances were reported.

Bituminous coal production rose considerably, while output of crude petroleum was maintained in March at about the rate that had prevailed in the four preceding months. In the first half of April coal production declined sharply, however, as most mines were closed pending conclusion of contract negotiations between mine operators and the miners' union. Production of nonferrous metals continued in large volume in March and deliveries of refined copper showed a sharp rise as domestic production was supplemented by supplies received from South America.

Construction contract awards rose sharply in March and were larger than in any month since the middle of 1930, according to the F. W. Dodge Corporation data. The rise was chiefly in awards for publicly-financed work, which had been reduced considerably in January and February, and in private nonresidential projects, particularly factory construction. Awards for private residential building, which had been unusually large during the winter months, showed less than the customary seasonal rise in March.

DISTRIBUTION

In March distribution of commodities to consumers was sustained at the high level reached in February. Sales at mail-order houses and department stores increased seasonally and variety store sales showed more than the usual seasonal rise.

Freight-car loadings increased by about the usual seasonal amount. Loadings of coal and grain rose considerably, while shipments of miscellaneous freight, which in previous months had risen steadily, on a seasonally adjusted basis, showed a smaller increase than is usual at this time of year.

COMMODITY PRICES

Prices of basic commodities continued to advance sharply from the middle of March to the middle of April. There were substantial increases in prices of domestic foodstuffs and further advances in burlap, cotton, rubber, and lead. Increases were also reported in wholesale prices of a number of manufactured products and the general index of the Bureau of Labor Statistics rose two points to 83 per cent of the 1926 average.

Informal action was taken by the Government to discourage price increases of some additional industrial materials and maximum price schedules were established for steel, bituminous coal, secondary and scrap aluminum and zinc, and iron and steel scrap. Sharp reductions in prices of some kinds of nonferrous metal scrap resulted. Announcement of an expanded Federal purchase program for hog, dairy, and poultry products was followed by price increases for these and related products.

BANK CREDIT

Total loans and investments at reporting member banks in 101 cities increased during March and the first two weeks of April. Commercial loans continued to rise substantially, and holdings of United States Government securities increased further, reflecting purchases of new Treasury offerings.

UNITED STATES GOVERNMENT SECURITY PRICES

Prices of United States Government securities declined irregularly from March 15 to April 9 but subsequently rose slightly. The 1960-65 bonds showed a net loss of about $\frac{3}{4}$ of 1 point on April 15, following a rise of about $3\frac{1}{4}$ points in the previous month. The yield on this issue on April 15 was 2.14 per cent, compared with 2.03 per cent at the all-time peak in prices on December 10, and 2.30 per cent at the recent low in prices on February 15.