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RATES OF LIVESTOCK PRODUCTION—A MEASURE OF FARMING EFFICIENCY

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In response to a record demand for agricultural products during the war and postwar years, agricultural production in the United States has been expanded to a very high level by more intensive utilization of land resources, the use of improved cultural practices, and by improvements in the breeding, feeding, and care of livestock and poultry. However, the fact that present large agricultural production and an evident slackening in demand for most agricultural commodities, including many livestock products, are bringing supply and demand into better balance is reflected in the downward adjustments in farm prices since early or mid-1948. Such developments call for careful attention to problems of efficiency in agricultural production, the solution of which is a requisite to the maintenance of a sound and stable agriculture. One of these problems, discussed in the December 1, 1948, issue of the *Monthly Business Review*, is crop yields per acre of land cultivated. Another problem of equal importance is "livestock yields," or rates of livestock production, such as calves saved per 100 cows, eggs laid per hen, or wool produced per sheep. Both crop yields and rates of livestock production, in fact, are measures of the efficiency of agriculture; and while they are always of vital importance to the farmer and rancher, they have special significance when prices are undergoing a downward readjustment.

From 1940 to about 1948, the huge demand for livestock and livestock products both at home and abroad enabled farmers and ranchers to sell their production at prices much in excess of prewar levels; since costs did not rise commensurately with prices, profits were rather large. During the past year, however, farm prices and profit margins have been reduced as a result of declines in foreign and domestic demand for livestock and poultry products. Supplies of many of these products now are more than adequate for current needs, and further downward adjustments in prices may occur.

The costs of producing livestock and poultry in 1948 were more than double the prewar (1935-39) average, and some items of cost may average even higher in 1949. On the other hand, the April 15 index of feed grain and hay prices was down 44 percent, and the index of prices paid by farmers for feeds was 30 percent lower, as compared with the peak of mid-January 1948. Also, rents and livestock purchases may average lower this year. It is expected that the net result of these changes will be a substantial decline in costs of livestock and poultry farming this year, as compared with 1948. However, in looking ahead, farmers and ranchers should consider the probability that further reductions in farm costs will be at a slower rate than declines in livestock and poultry prices. Under such conditions, it is only by improving the efficiency of production that profit margins can be maintained.

But what progress is being made in increasing the efficiency in livestock production in the United States? One of the best indications of this progress is the production of livestock products per unit of livestock—a measure computed by the United States Department of Agriculture by combining all

major types of livestock and poultry into units based on feed consumption. According to Department estimates, the production per livestock unit in 1943-47 averaged 16 percent above 1924-28, which is substantial improvement considering the fact that increases in productivity of livestock and poultry are more gradual than in yields of many crops. The progress made in increasing the productivity of specific types of livestock and poultry products between 1924-28 and 1943-47 is illustrated in Table I, which shows, for example, that milk produced per cow per year increased 11 percent, while annual egg production per hen rose 27 percent. The production of wool per sheep and mohair per goat rose 4 percent and 17 percent, respectively, and the number of pigs saved per litter increased 13 percent. These and other data in the table indicate that the greatest proportionate increase in the rate of production was scored by the poultry producers, while the least success was attained by the wool growers. On the basis of these data, it appears that dairymen, cattlemen, goat raisers, and hog producers are making progress.

From the data in Table I, it may be concluded that the over-all trend in production of livestock products per unit of livestock in Texas between 1924-28 and 1943-47 was also upward, although not keeping pace with the Nation as a whole. Rates of production of many livestock products in this State failed to make increases paralleling those of other important producing states, and in the case of ewes (as lamb producers) and of dairy cows (as producers of milk and butterfat) the rates of production declined slightly. As shown in Table I, milk produced per cow in the State declined slightly from 1924-28 to 1943-47, falling from 72 percent to 64 percent of the national average, as indicated in Table II. The production of eggs per hen per year increased 13 percent but did not increase relative to the average for the United States. The average number of lambs saved per 100 ewes each year in Texas declined from 73 head to 70 head, while the production of wool per sheep, which increased a fraction of a pound, did not increase as much proportionately as did the national average. The number of calves saved per 100 cows (dairy and beef cows combined) increased significantly on farms in Texas, reflecting a relatively larger increase than that indicated for the United States. The number of pigs saved per litter in the State increased substantially also. The greatest proportionate increases in productivity in Texas, as determined by these measures, were accomplished by the cattlemen, poultrymen, mohair growers, and hog producers.

These are rates of livestock production for which measures are readily available and for which data can be obtained; however, there are others, equally important, for which only limited information is available. Illustrative of these are the number of pounds of pork, poultry, or beef produced per ton of feed; the amount of feed consumed in the production of beef cattle of given weights or in producing a given quantity of livestock or poultry products; or the production per man-hour. Based on surveys conducted during 1946 and 1947, the United States Department of Agriculture estimates that in the production of 100 pounds of milk, Texas farmers—those selling milk or cream—feed an average of 42 pounds of grain and concentrates, compared with an average of only 30 pounds for the Nation's dairy farmers. While this difference is due in part to the poor condition of pastures and ranges during periods of drought, it reflects to some extent the relative efficiency in management of dairy enterprises.

TABLE I

CHANGES IN RATES OF PRODUCTION OF SELECTED LIVESTOCK AND LIVESTOCK PRODUCTS IN THE UNITED STATES AND IN TEXAS BETWEEN PERIODS 1924-28 AND 1943-47

Unit	Texas			United States		
	1924-28	1943-47	Percent change	1924-28	1943-47	Percent change
Milk per cow..... lb.	3,106	3,066	— 1	4,303	4,772	11
Butterfat per cow..... lb.	136	135	— 1	171	190	11
Eggs per hen ¹ no.	89	101	13	92	117	27
Wool per sheep shorn ² lb.	7.5	7.7	3	7.7	8.0	4
Mohair per goat clipped lb.	4.3	5.1	19	4.2	4.9	17
Lambs saved per 100 ewes no.	73	70	— 4	87	86	— 1
Calves saved per 100 cows no.	70	80	14	75	83	11
Pigs saved per litter..... no.	5.4	6.1	13	5.6	6.3	13

¹ Estimated number of eggs laid per layer on hand January 1.

² Not entirely comparable to United States average because many Texas ranchers shear twice annually, while ranchers in all other states, except California, shear once a year.

SOURCE: United States Department of Agriculture.

TABLE II

RELATION OF RATES OF LIVESTOCK PRODUCTION IN TEXAS TO UNITED STATES AVERAGES, 1924-28 AND 1943-47

	Texas rates of livestock production as percent of United States averages	
	1924-28	1943-47
Milk per cow.....	72	64
Butterfat per cow.....	80	71
Eggs per hen.....	97	86
Wool per sheep shorn.....	97	96
Mohair per goat clipped.....	102	104
Lambs saved per 100 ewes	84	81
Calves saved per 100 cows	93	96
Pigs saved per litter.....	97	97

SOURCE: United States Department of Agriculture.

The quality of the product also should be considered in reaching final conclusions concerning the efficiency of production, for the better quality of livestock products sometimes compensates for the lower rate of production. For example, the pounds of wool produced per sheep in Texas (weight per fleece shorn) is below the national average, and although this is due partly to shearing some sheep twice a year, the smaller poundage is counterbalanced by the exceptionally fine quality of wool produced. Some breeds of livestock excel in quantity production, while others are noted for the fine quality of their product; in choosing between them the farmer or rancher must be guided by economic conditions, relative prices, consumer preferences, and other factors.

It should be pointed out that there is considerable variation in rates of livestock production within the State or between different groups of livestock producers. The report of the Texas Dairy Herd Improvement Association covering data for October 1948 shows, for example, that among 25 local associations reporting, the associations' averages of milk produced per cow during the month varied between 305 pounds and 699 pounds, while the averages of butterfat produced per cow varied between 15.1 pounds and 29.1 pounds. In records kept on a large number of turkey producers, The Luling Foundation found that from December 1, 1946, to April 15, 1947, the flock averages of turkey eggs produced per hen varied from 52 eggs to 14 eggs, with corresponding variations in gross returns between \$13.90 and \$3.78 per hen. As the turkeys were all bred by the Foundation and were of uniform breeding, these variations were due entirely to differences in management by the farmers, which involves shelter, quality of feeds, time of feeding, parasite control, and other factors.

The variations in and the course of rates of livestock production in Texas, which to some extent reflect the efficiency—or inefficiency—in livestock production, raise the questions of, "Why are many rates of production relatively low or declining?" and "What can be done to increase them?"

The decline in rates of livestock production in Texas, or the failure of these rates in the State to make increases paralleling those in other important producing states, may be explained partly by several factors. One important factor applying to most classes of livestock is the poor quality of animals or poultry on many farms, which reflects poor breeding practices. Other factors contributing to low rates of livestock production are improper feeding; the presence of diseases, parasites, and predatory animals; the poor quality of pastures and ranges; the presence of poisonous plants; and often a lack of adequate housing or shelter. Some of the decline in rates of livestock production during recent years may be attributed to a lack of sufficient labor to feed and care for livestock and poultry properly and to combat parasites and predatory animals, and to the shortage of trained veterinarians in many rural areas of the State. Also, there have been occasional shortages of feed and seasonal shortages of pasture and range grasses.

Although a discussion of steps that may be taken to increase the rates of livestock production involves all phases of livestock production, most of the approaches to the problem may be classified under six interrelated headings: (1) Improvement in breeds of livestock and poultry; (2) Improvement in feeds and feeding practices; (3) Control and eradication of poisonous plants; (4) Control of parasites, rodents, and predatory animals; (5) Control of diseases; and (6) Use of adequate housing and equipment.

Improvement in Breeds of Livestock and Poultry

It is generally recognized that breeding is a basic factor in the improvement of livestock and poultry and in the attainment of higher rates of production. However, the trends in rates of livestock production suggest that too few farmers have a vital interest in developing top quality stock; this seeming indifference may result, in part, from the fact that the longer life cycle of livestock, which results in a slow rate of reproduction as compared with many plants, makes rapid improvement more difficult and partly from the fact that profits from such undertakings may not be immediately apparent. Also, the judging of the merits of livestock frequently is based on color and size without giving sufficient consideration to their productivity, or ability to convert grasses and feed grains into food products. In improving livestock or poultry it should be kept in mind constantly that the only possible way to obtain high rates of production is to secure or develop high-producing stock, because the ability of dairy cows to produce milk and the ability of hens to lay eggs are inherited characteristics.

The farmer or rancher pursuing a program of stock improvement must have in mind the kind of enterprise he intends to operate, or the kind of product he intends to produce—meat, milk, eggs, etc.—and should seek to attain high standards in productivity, which will yield the greatest return. The attainment of these standards likely will depend partly on the breed raised, and while the selection of breed of livestock or poultry usually is influenced by the farmer's personal likes and dislikes, consideration should be given also to the relative efficiency of the different breeds or crossbreeds for production of specific kinds of products, the costs of different breeds, and the demands of the buyer or consumer for the products.

One method of obtaining better quality livestock or poultry, which is available to the individual producer but not to the industry as a whole, is the immediate replacement of his present herds or flocks with more productive stock. The dairyman with low-producing cows, for example, can sell his entire herd and buy a more productive one. For most producers this method is too expensive and will not prove immediately feasible or profitable; however, many farmers have found it practicable to buy a few improved livestock at a time and gradually build up their herds or flocks. The replacement method is more feasible for poultrymen who buy many chicks each year or who buy eggs to hatch their own flocks.

A second method of improving the quality of livestock or poultry is to obtain better males and gradually build up the herd or flock. This method is in widest use, for it is more feasible for most producers since, in the short run, it is less expensive than buying all new stock. Although this method of obtaining better quality stock is available and potentially profitable for all livestock producers, fully one-third of the dairy cows in Texas are still being bred to scrub or beef bulls. The selection of the male breeders is relatively more important than the selection of female breeders, because the offspring of each male are more numerous than the offspring of any female and the male constitutes one-half of the heritage given to all the offspring. In addition to obtaining better males, however, the farmer should produce as many offspring as possible from the best female animals he has and use them for replacements.

An alternative to buying better males is participation in an artificial breeding association such as dairymen have established in many parts of the State. In the main, the object of artificial insemination is to increase the usefulness of outstanding sires, but the technique is also helpful in controlling certain diseases. Artificial breeding associations represent an important step forward in the improvement of dairy cows in the State and deserve the active support of all dairy farmers and others who are interested in better dairying in their communities. Research is under way to make artificial insemination of other types of livestock available to farmers. The poultry department at Texas A. & M. College is experimenting with artificial insemination of poultry, which may soon become practical for use by farmers. Also, the Foundation of Applied Research near San Antonio is carrying on studies of ova transplantation, by which it may become possible to produce registered cattle of the finest type from ordinary stock. Livestock and poultry producers in the State will profit by keeping abreast of developments in stock improvement and by incorporating into their operations the new facts and principles contributed by research organizations.

Next to securing better livestock or poultry through purchases or improved breeding, proper culling of herds and flocks is perhaps most important in a program of improvement. Culling can be done properly only by keeping production records which will indicate the profitableness of each animal or bird.

Improvement in Feeds and Feeding Practices

In addition to having livestock or poultry with inherited efficiency and capacity for high production, one of the most important requirements for obtaining high rates of livestock or poultry production is proper feeding. Proper feeding involves the kinds or types of feeds made available to livestock, the forms in which they are fed, and the hours and frequency of feeding, any one of which may have a very important effect upon the profitableness of livestock or poultry enterprises.

The principal requirements for a sound feeding program vary according to the type of livestock or poultry fed and the purpose for which they are raised. However, to achieve economical feeding, it is necessary to have productive pastures, to produce home-grown grains and roughages where

possible, and to supplement these with proteins, minerals, vitamins, and plenty of water. When it is considered that an egg contains about 13 percent protein, 11 percent fat, 11 percent mineral, and 65 percent water, and that a hen's body consists of about 22 percent protein, 17 percent fat, 4 percent mineral, and 56 percent water, it is understandable that the feed ration should contain all of these elements or those from which they are derived.

To implement an economical feeding program the farmer generally should consider first his pastures, which are economical sources of many nutritive elements, including minerals and vitamins; by adding legumes, fertilizing, mowing, planned grazing, and stocking properly, he can make them as productive as possible and keep his feed purchases at a minimum. The value of pastures in raising cattle and sheep is generally known, but poultrymen can save up to 25 percent on their feed bill for growing pullets by maintaining good pastures. Also, pastures can supply all the vitamin requirements, most of the mineral, and about one-half of the protein requirements for hogs.

Where soils and climate permit, it is usually desirable to produce as much of the grain requirements as possible. The grains supply carbohydrates which aid in maintaining weight or fattening, furnish some nutrients for milk and egg production, and supply energy. Where hay or silage are required, livestock producers should produce them if practicable in preference to buying them. These crops serve the same general purpose in the feed ration as the pastures, although they differ greatly in their nutritive content. In the livestock feed ration, protein feeds such as cottonseed meal and cake and peanut, linseed, and soybean meal add to the value of grains and roughages, increase gains per pound of feed and rates of gain, maintain good digestion and appetite, stimulate milk production, and encourage regular breeding and production of large, healthy offspring.

Vitamins and minerals are essential for growth, body processes, reproduction, digestion, and assimilation. Most livestock obtain adequate vitamins from green pastures, good roughage, and sunlight, but supplements are sometimes necessary. Poultry also may need additional vitamins under certain conditions. Minerals most commonly needed by livestock are salt, calcium, and phosphorus, and mineral nutritional diseases in Texas most frequently result from calcium and phosphorus deficiencies. Phosphorus may be supplied by such feeds as wheat bran or cottonseed cake and meal; grass, legume, hay, and range forage usually supply calcium. County agricultural agents can supply livestock and poultry producers with detailed information on feeds.

It is important that livestock and poultry farmers know the feed requirements of their animals or birds and that they recognize the fact that the feed or ration that is good for one type of livestock is not necessarily good for others. For example, ground barley is equal to ground corn for dairy cows, but for fattening cattle, sheep, or pigs it is worth appreciably less per ton than corn. Wheat is fully equal to corn for fattening cattle, but it is worth only about 83 to 85 percent as much as corn for fattening lambs. From time to time the various agricultural experiment stations issue reports on studies of the feed values of different feeds for specific types of livestock, and these are helpful to farmers and ranchers in improving their feeding program.

The quantity of feed that should be fed to livestock depends upon the quality of the animals and their efficiency in the use of feed. On the one hand, the farmer should try to avoid underfeeding. Approximately 75 percent of the feed consumed by chickens, when liberal feeding methods are practiced, is utilized by the birds for body maintenance; consequently, any underfeeding cuts sharply into egg production. On the other hand, the farmer should avoid overfeeding because the economic limits to increased feeding are reached before the physical limits. Studies of dairy farming have shown that dairymen who feed the most grain per cow have the highest rate of production, but their net incomes sometimes average lower than on farms where somewhat smaller amounts of grain are fed per cow. The economic limits will vary, of course, with the capacity of the cows to produce and with the price of the product in relation to the cost of feed and other expenses.

Livestock and poultry producers should strive constantly to find the most profitable rates of feeding for their animals or birds, keeping in mind the influence of changing economic conditions. Studies have shown that, generally, it is profitable to try to obtain rates of production which are considerably above the average of the community—for commercial dairying or poultry raising, from 50 to 100 percent above the average.

Control and Eradication of Poisonous Plants

Poisonous plants, which have constituted a major economic problem to the livestock industry in many parts of Texas throughout its history, still cause heavy animal losses each year. Plant specialists have identified some 25 principal plants in Texas known to be poisonous to livestock. Some of the most common, according to the 1948 *Yearbook of Agriculture*, are pingue, jimmyweed, locoweed, water-hemlocks, larkspurs, lupines, crazy weeds, and bitter rubberweed. Most poisonous plants are readily accessible to grazing animals because they usually grow among forage plants.

The effects of poisonous plants upon livestock may range between illness of short duration and death, depending upon their toxicity and the quantity consumed. Some of the most common illnesses are breathing difficulties, spasms, prostration, loss of appetite, inflammation of stomach and intestines, paralysis, and nervous tremors, all of which may result in loss of flesh, stunted growth, and reduced productivity. Detailed information on the identification and control of these plants and the known remedies for affected animals can be obtained from bulletins available at offices of local county agricultural agents.

The recognition and identification of poisonous plants are the first requirements for control and eradication. While many of the more common poisonous plants are easily recognized, ready identification of some of them may require considerable study, as well as consultation with the county agricultural agent or with a range or pasture specialist who makes a special study of poisonous plants.

Certain well-defined practices will assist in the eradication of poisonous plants or in the prevention of their spread. First, over-grazing of range and pasture lands should be avoided in order to give desirable grasses more opportunity to develop. This method is effective because animals which obtain ample food through grazing the more palatable plants will not eat poisonous species, and a vigorous and healthy growth of the more desirable grasses will tend to choke out the poisonous plants and prevent their spread. Second, very hungry animals, such as those which have been shipped or driven long distances without feed, should be placed on ranges or pastures relatively free of poisonous plants. Under such conditions they may eat poisonous plants that they at other times would pass over. Third, care should be taken to avoid harvesting seed of poisonous plants when harvesting hay or grain crops; this may be the means of spreading these noxious plants. Fourth, care should be exercised in placing animals on ranges and pastures during early spring, since some poisonous plants start growth earlier than many good forage plants. Where possible, early grazing should be limited to pastures free of poisonous plants. Fifth, where pastures or ranges contain plants that are more injurious to one kind of livestock than another, selectivity should be followed in placing livestock on the land. Finally, where grazing lands contain a large number of poisonous plants palatable to livestock, a program of eradication is essential to avoid losses. Eradication may be accomplished by selective chopping, mowing, or by use of chemical sprays.

Reference should be made to the fact that many of the more valuable feed crops may become poisonous under certain conditions. Sorghum, Sudan grass, Johnson grass, and flax contain substances which under certain circumstances may develop hydrocyanic, or prussic, acid. Poisoning from hydrocyanic acid acts rapidly and offers little opportunity for remedial treatment, but veterinarians may be helpful if the victim can be reached in time. The white potato and the tomato may become poisonous by developing a complex chemical character containing basic nitrogen. There are others about which little is known, such as the so-called "wheat poisoning," which is not poison in the usual sense but which killed more than 1,000 cattle in the Amarillo area this spring. The Texas Agricultural Experiment Station is participating in a cooperative project to learn the cause of wheat poisoning and how to prevent or remedy it.

In many cases of plant poisoning, treatment of the affected animals is unsatisfactory and may have little effect. The outcome in each case depends to a very large extent upon the amount of toxic material that has been eaten and assimilated. Treatment usually is directed toward eliminating any toxic substance that still remains in the digestive tract. In chronic poisoning, recovery may follow a change of feed, especially if green feed is available. In all cases, good care with plenty of water and the right kind of feed will do much to hasten recovery. From the standpoint of economy, prevention is of far greater value than treatment and, when properly carried out, will pay good returns.

Control of Parasites, Rodents, and Predatory Animals

Farmers suffer heavy losses caused by livestock and poultry parasites, rodents, and predatory animals. The destructive work of parasites often is carried on so expertly that the producer does not even realize his loss, such loss usually being in the form of unthriftiness in stock, feebleness, stunting, and death of young stock and poultry. The unhealthiness in particular is a serious drain on the resources of livestock producers, since it involves both the expenditure of money for medication to alleviate symptoms of sickness and a waste of feed in unsuccessful attempts to promote growth and fattening of parasitized animals. Losses due to unthriftiness and stunting are more difficult to estimate than actual death losses, but it is known that the waste of feed in raising and fattening parasitized stock is enormous.

There are a number of precautions or steps that livestock producers may take to help control animal and poultry parasites. One of these is the purchase of breeds that are immune or less susceptible to parasitic infections common to the area. Another factor is proper feeding, which makes livestock and poultry more resistant to parasite attack. Parasites sometimes can be controlled by producing in confinement, as with broilers and turkeys, although this method may involve periodic rotation of yards or ranges. Branding, dehorning, and shearing of livestock should be timed to make any resulting wounds less susceptible to parasite attack. The breeding program also may be planned so that calves or lambs may be born in a season when a minimum of parasites are present. Livestock or poultry should be inspected carefully before shipping, to avoid spreading parasites to other farms. Infected animals on the farm should be isolated from the herd or flock for treatment.

There are four things that a farmer or rancher should know in connection with parasite control: (1) the right insecticide and where to get it, (2) the correct formula to use, (3) the proper method of application, and (4) the time when the parasites are most vulnerable. County agricultural agents and other farm specialists are always ready to help farmers by providing information and counsel.

When parasites are present on livestock or poultry, dusts may be applied by hand or sifted from a small container to the back of an animal or bird. If animal parasites are present in large numbers, they may be brought under control more readily by the use of sprays, which may be applied to both the livestock and the buildings. For some of the animal parasites more difficult to destroy, such as ticks, farmers may dip the animals. Medicines are available for combating the more common internal parasites.

The most spectacular and exasperating losses suffered by livestock producers are those caused by wolves, coyotes, mountain lions, bobcats, panthers, and other predatory animals. Through the years the livestock producer has used guards, guns, traps, poisons, bounties, and enclosures to protect flocks or herds from their depredations. However, reports from all parts of Texas show that the predatory animal population is on the increase and that further efforts will have to be made to bring these animals completely under control. There are also the rodents, such as jack rabbits, ground squirrels, rats, and prairie dogs, which not only destroy growing and stored crops and much of the range grasses that should support the farming and livestock industries, but in some cases also spread diseases to which livestock are susceptible. Careful attention to methods of eradicating animal and poultry parasites, rodents, and predatory animals and the taking of immediate steps to eliminate them will prove to be profitable to any livestock or poultry producer and undoubtedly will contribute much toward increasing the rates of livestock production in Texas.

Control of Diseases

Diseases cause heavy losses to the livestock and poultry industries in Texas each year. Reports of the Livestock Sanitary Commission of Texas show the presence of an astonishingly large number of different livestock diseases in the State, although relatively few diseases accounted for the great majority of cases of illness. The losses from diseases extend through all types of livestock and poultry and take a heavy toll of the farmer's potential income.

One of the most important steps in controlling livestock and poultry diseases is for farmers to be able to recognize the symptoms of as many diseases as possible and to know the simpler methods of

prevention and control. The veterinarians alone, because of their limited number, cannot possibly do all that needs to be done in controlling disease, and in areas where there is no readily accessible veterinarian it is specially important that farmers be prepared to handle disease problems.

A second important requirement for disease control is the purchase of livestock or poultry as nearly free of disease as possible. Poultrymen, for example, may secure this advantage by buying from hatcheries with good records for disease control.

As a third step, producers should secure strains of livestock or poultry that are immune or resistant to diseases most common in their areas. Experimental work has shown that elements making for vigor are inherited independently of disease resistance but that it is possible to breed for both and in some cases to obtain livestock or poultry having both vigor and disease resistance. In localities where a disease appears year after year it is advisable to vaccinate susceptible birds or animals while they are healthy, *i.e.*, before exposure. Efforts to keep livestock and poultry quarters as clean as possible will pay large dividends in healthy stock.

Many of the diseases of livestock in Texas are nutritional in origin. Proper feeding, which has already been discussed in this article, helps to prevent diseases, and poor nutrition tends to break down the natural barriers of the animal organism against the ravages of disease. Among the animal disorders listed by the Livestock Sanitary Commission of Texas in its 1947-48 report are deficiencies of calcium, cobalt, phosphorus, and vitamins, all of which could have been prevented by proper feeding.

Also, in the control of disease, it is necessary to segregate diseased animals and to have proper housing and shelter. This subject is treated more fully in the following section.

Finally, there are many federal and state regulatory activities that help in control of livestock and poultry diseases in which producers should cooperate. Some of the most important are the federal and state quarantines, campaigns for control and eradication of diseases, public stockyard inspection, meat inspection, and regulations covering shipments of livestock and poultry.

Farmers and ranchers who keep livestock on a small or large scale may confidently expect to profit by applying modern disease-prevention practices in their daily farm operations, for by doing so they can produce with much greater efficiency.

Use of Adequate Housing and Equipment

The importance of adequate buildings and equipment is emphasized strongly by successful livestock and poultry producers, and there can be no doubt that adequate facilities on more farms and ranches would contribute greatly to increased rates of production. Livestock and poultry cannot produce at maximum efficiency unless they are properly housed, especially during the winter months or other periods of inclement weather.

What constitutes adequate buildings is something that the livestock or poultry producer must determine for himself. The buildings certainly should be large enough, because overcrowding may be a major cause of poor production and may even be a cause of death losses. The buildings should have adequate light and ventilation, advantageous arrangement of stalls or pens, as well as capacity for feed storage. They should be built on well-drained locations and with reference to the position of other buildings on the farm. In the construction of new buildings the farm operator should consider the type of construction, the cost, and the appearance.

The dairy barn, for example, should be planned to meet exacting standards and regulations in the production of clean milk. In reality, it takes about the same barn for a poor herd as for a high-producing one. The farmer can save mistakes and avoid the errors others have made by using the ideas of successful dairymen and others who have made a close study of barns. County agricultural agents and extension specialists at Texas A. & M. College have building plans for all kinds of farm buildings, and these plans may be secured without charge.

While there is a need for more and better dairy barns, brooder houses, and the like in Texas, reports show that at least some of this need is being fulfilled. The 1948 annual reports filed by county agents at the Texas A. & M. College Extension Service show that, despite the high cost of construction, 3,405 laying houses, 4,126 brooder houses, and 1,435 range shelters were built by Texas poultrymen last year. An additional 9,002 old poultry houses were remodeled. Other estimates indicate that some 5,000 dairy barns were built or repaired in the State during 1947 and 1948. Anderson County alone has over 200 new dairy barns, and considerable construction has been under way in other counties of the principal city milksheds during the last several years. The progress being made in construction of poultry houses and dairy barns will contribute toward greater efficiency in poultry and livestock production in the State.

In connection with adequate housing, the farmer should have the proper equipment and machinery to obtain maximum efficiency in livestock and poultry production. Handling feeds, grinding grains, hauling livestock and poultry, spraying parasitized stock, disinfecting barns, producing feed crops, pumping water, milking cows, and, in fact, a major part of the operations involved in production of livestock and poultry can be mechanized for the purpose of increasing the efficiency of production. The use of machinery results in an increased output per worker by enabling him to do the job faster, to do a better job, and to do the work at the proper time.

Summary

A study of the trends in rates of livestock and poultry production in Texas shows that generally the efficiency in production is increasing but is not keeping pace with that of the Nation as a whole. The rates of production of some livestock products have declined in contrast with increases for the United States, while other rates have increased but not as rapidly as for the Nation. The relatively unfavorable trends in the State apparently have resulted largely from the poor quality of livestock and poultry on many farms and from the slowness of producers generally in adopting improved farm and range management practices.

Many producers in various parts of the State have demonstrated on their respective farms and ranches that improved rates of livestock and poultry production are possible. These results have been accomplished by the adoption of improved breeding practices and the purchase of improved stock; by feeding livestock and poultry the right kinds of feed and following proper feeding practices; by adoption of measures to control diseases, parasites, rodents, predatory animals, and poisonous plants; by use of adequate housing, shelter, and equipment; and by using understanding care in handling livestock and poultry. Significant improvements in rates of production can be made on other farms and ranches throughout the State by adopting some or all of these measures and following them consistently.

In view of the opportunities for developing greatly increased efficiency in farm and ranch operations, these measures deserve careful consideration not only by individual livestock or poultry producers but also by all persons whose operations are related directly or indirectly to the maintenance of a sound and prosperous livestock industry in Texas. Much is being accomplished in some communities where groups, through concerted action, are striving to promote interest in increasing efficiency, and such efforts will pay dividends wherever undertaken. The present is an especially desirable time to work intensively for increased efficiency in livestock and poultry production because of the probability that net incomes of producers may decline during the next several years as a result of lower market prices and relatively high production costs.

Review of Business, Industrial, Agricultural, and Financial Conditions

DISTRICT SUMMARY

The good to excellent condition of livestock and ranges, prospects for a near-record wheat crop, the rapid development of other small grain crops, and ample moisture supplies constitute some of the favorable factors in the outlook for the agricultural and livestock industry in the Eleventh Federal Reserve District. On the other hand, excessive rains over a large area of the District have delayed crop cultivation, retarded the planting of row crops, necessitated extensive replanting of cotton and some other crops because of overflows, grassy fields, and poor germination, and caused considerable damage to some growing crops.

Nonfarm employment in Texas during May apparently was maintained at a level moderately higher than a year ago, the increases being distributed among most of the major types of employment. Construction contracts awarded in the District in April declined about 16 percent from the high March level but exceeded the April 1948 total by a small margin. Awards for the first four months of 1949 were down 15 percent from those in the corresponding period last year. As a result of the further reduction in production allowables, daily average output of crude petroleum in the District during April was 9 percent below the March rate and 22 percent under the rate in April 1948. Refinery operations declined 5 percent from March and 7 percent from April last year.

The increase of 3 percent in department store sales from March to April was smaller than is usual at this season when allowance is made for the late date of Easter this year. The decline of 5 percent in sales from April last year was slightly smaller than the average decrease for the first four months of 1949 as compared with the same period of 1948. Sales of reporting furniture stores in April were 7 percent larger than in March but 11 percent smaller than in April last year.

The loans of weekly reporting member banks in the District showed a further decline of \$14,000,000 between April 13 and May 11, but investments increased \$46,000,000 during the same period. Since total deposits showed a net decline of \$45,000,000 during the four weeks, these banks drew upon their balances with the Federal Reserve Bank and correspondent banks for funds to increase their investments.

BUSINESS

The dollar volume of sales at reporting department stores in the Eleventh Federal Reserve District rose 3 percent during April, reflecting largely the effects of the late date of Easter, special promotions, and price reductions. This increase, however, was smaller than is usual at this season when allowance is made for the date of Easter, and sales were 5 percent smaller than in April 1948. As pre-Easter buying tended to lag behind expectations during the first half of April, special promotions and clearance sales were widely advertised, and these became even more prominent after Easter. Price reductions, which have been most pronounced on some of the durable goods and on special purchase merchandise, apparently are spreading to other merchandise throughout the store. Moreover, larger quantities and varieties of merchandise in the lower and medium priced lines are becoming available to consumers. Although consumers generally are still very cautious in their buying, they show readiness to buy when price and quality are in line with their preferences and are shopping to a greater extent than for many years. This trend was indicated in April by the generally favorable reaction to offerings of quality merchandise at lower prices, and the

presence of shoppers in such large numbers suggests a huge potential demand when available merchandise meets consumer approval.

WHOLESALE AND RETAIL TRADE STATISTICS

	Number of reporting firms	Percentage change in				
		Net Sales			Stocks†	
		April 1948	1949 from March 1949	4 mo. 1949 comp. with 4 mo. 1948	April 1948	1949 from March 1949
Retail trade:						
Department stores:						
Total Eleventh District	48	— 5	3	— 6	— 5	— #
Corpus Christi.....	4	8	— 2	#	— 1	— 1
Dallas.....	7	— 8	— 4	— 7	— #	1
Fort Worth.....	4	— #	13	— 5	2	2
Houston.....	7	— 6	2	— 5	— 9	— 1
San Antonio.....	5	— 11	2	— 11	— 7	— 3
Shreveport, La.....	3	10	12	3	..	..
Other cities.....	18	— 2	10	— 4	— 10	1
Furniture stores:						
Total Eleventh District	45	— 11	7	..	— 5	#
Dallas.....	4	1	19	..	— 14	— 4
Houston.....	6	— 16	7	..	..	..
Port Arthur.....	4	17	11	..	— 18	— 12
San Antonio.....	3	— 17	17	..	..	..
Wholesale trade:						
Automotive supplies...	4	— 39	— 14	— 20	..	..
Drugs and sundries...	6	— 1	— 10	3	1	#
Dry goods.....	7	— 31	— 17	— 14	— 29	— 7
Grocery (full-line wholesalers not sponsoring groups).....	27	— 9	— 7	— 6	— 10	— 9
Hardware.....	5	— 18	— 2	— 16	— 8	— 1
Machinery eqpt. & supplies except elec.....	3	— 22	— 12	..	..	..
Tobacco products.....	11	7	— 3	5	— 19	— 8
Wiring supplies, construction materials distributors.....	4	— 28	— 22	..	..	..

*Preliminary data. Compiled by United States Bureau of Census.

#Indicates change of less than one-half of one percent.

†Stocks at end of month.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

Daily average sales—(1935-39=100)

	Unadjusted*				Adjusted			
	Apr. 1949	Mar. 1949	Feb. 1949	Jan. 1949	Apr. 1949	Mar. 1949	Feb. 1949	Jan. 1949
11th District..	377	353	315	306	398 ^a	374 ^a	392 ^a	393 ^a
Dallas.....	335	335	311	277	363	353	356	323
Houston.....	423	399	340	363	449 ^a	427	463	386

Stocks—(1935-39=100)

	Unadjusted*				Adjusted			
	Apr. 1949	Mar. 1949	Feb. 1949	Jan. 1949	Apr. 1949	Mar. 1949	Feb. 1949	Jan. 1949
11th District..	388	392	362	346	402 ^a	373 ^a	377 ^a	373 ^a
Dallas.....	388	392	362	346	402 ^a	373 ^a	377 ^a	373 ^a
Houston.....	423	399	340	363	449 ^a	427	463	386

*Unadjusted for seasonal variation.

^aRevised.

An extensive revision of indexes of department store sales and stocks is being made, and the indexes shown in this table represent tentative estimates pending completion of the revision.

The effect of pre-Easter and spring buying upon sales and the shift to lower priced lines were especially noticeable during April. Basement sales increased from March to April and were substantially larger than in April last year, with the most pronounced increases occurring in sales of men's and boys' clothing and in women's and misses' ready-to-wear. In the main store, sales of the latter items declined from March and were substantially below those in April 1948. Sales of small wares and of women's and misses' ready-to-wear accessories, however, increased from March to April and were somewhat larger than a year ago. Sales of men's and boys' wear, which had been lagging in recent months, increased sharply to a level moderately higher than a year earlier. Sharp declines from the previous month and from a year ago occurred in sales of household textiles and housefurnishings, including household appliances.

Retailers generally have been endeavoring to maintain inventories at the lowest levels consistent with sound merchandising policies. In view of the consumers' attitude of careful selection and their efforts to obtain the exact article desired at the lowest price consistent with good quality, retailers have found it necessary to maintain a well-diversified stock in order to obtain

consumer appeal. The value of stocks at District department stores reflected a month-to-month increase during the first quarter of 1949 but showed practically no change in April. Although confronted with the problem of carrying a wide variety of merchandise, retailers have been able to hold stocks below those of a year ago, and the monthly margin of decrease gradually is widening. This decrease has reflected to a considerable extent the declining level of prices. In each of the past three years retailers have reduced sharply the dollar volume of outstanding orders during February, March, and April, but this year the decrease was greater than in either of the two preceding years. At the end of April, outstanding orders were only about one-half as large as those a year ago. The current low level of orders is indicative of the retailers' flexible merchandising policy which enables them to take advantage of special purchases, to maintain adequate stocks of items in demand, and to pass along to consumers savings resulting from a declining price level.

The ratio of collections during April to accounts receivable outstanding at the first of the month, while lower than in March, was maintained at the average level for the first quarter of the year. The ratio of collections on regular accounts declined moderately to 51 percent from 54 percent in March, while that on instalment accounts eased downward to 20 percent, one percentage point below the level of the previous month. The ratio of cash sales to total sales in April rose to 35 percent from the March level of 34 percent and was the same as that in April 1948.

Furniture stores in the Eleventh Federal Reserve District in April reported a 7 percent increase in the dollar volume of sales from the March level, reflecting the introduction of new styles in the medium price field, as well as increased promotional activity and price reduction sales. Nevertheless, furniture sales in April were 11 percent below those of April 1948, due in part to the increased availability of merchandise in the lower price ranges, the substantial price reductions on some items, and the decreased demand for housefurnishings resulting from the slower building activity and the diminished backlog of urgent replacement demand.

Reflecting in part the increased use of cash in purchases of soft goods during April, furniture sales for cash declined 9 percent as compared with March and 32 percent from April 1948. Credit sales increased 9 percent from March to April, indicating, at least in part, the increased demand for new summer styles and outdoor furniture, the purchase of which was aided by the lower down payments and longer pay-out periods. Credit sales continued lower than a year ago but the 7 percent year-to-year decline in April was the smallest in seven months. The ratio of credit sales to total sales in April rose to a postwar high of 90 percent from 88 percent in March and compares with 87 percent in April 1948.

While accounts receivable increased 2 percent from March to April, the spread between accounts receivable this year and last year continued to narrow; in April, accounts receivable were only 14 percent above the level of a year ago, compared with a year-to-year increase of 29 percent in December 1948.

In contrast with the increase in sales at reporting furniture stores from March to April, the value of inventories remained unchanged. Moreover, the decrease of 5 percent in the value of inventories from April 1948 was the largest year-to-year percentage decline for any month in the postwar period.

AGRICULTURE

Excessive rains over the principal farming areas of the Eleventh District during the past six weeks delayed field work and caused considerable damage to growing crops. Extensive re-

planting of cotton and some other crops has been necessary because of overflows, grassy fields, and poor germination. Losses also have been heavy among some commercial vegetable crops. Due to the prolonged period of rainy weather and cool nights, growth of row crops has been slow. Planting operations and crop cultivation are progressing much more slowly than usual at this season. Open weather is needed urgently for harvest of flax, hay, and small grains and to permit cultivation of growing crops and completion of spring planting. Ranges and livestock generally are in good to excellent condition.

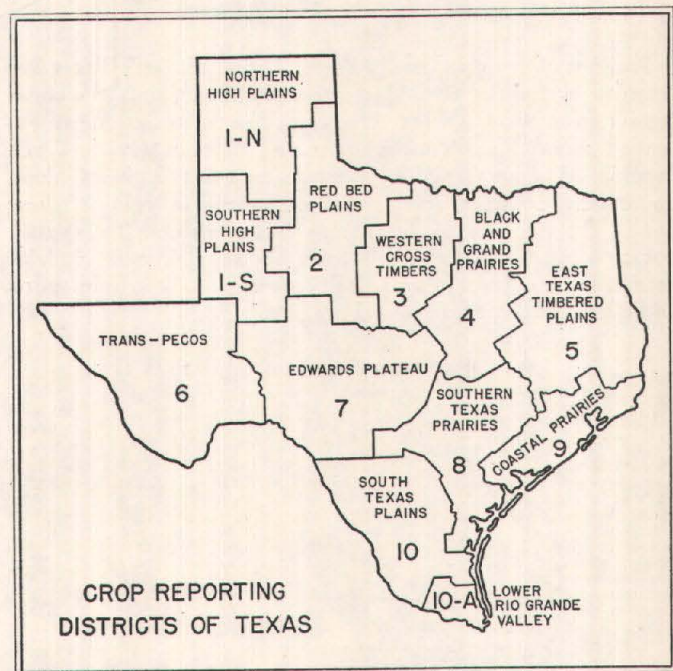
Conditions in the Winter Wheat Belt of northwest Texas and New Mexico during the past month generally have been favorable, except for storms and heavy rains in scattered localities. Moisture in most areas is sufficient to mature the crop. Harvest began in the early maturing areas in late May and is expected to start on the High Plains in early June. Reflecting the generally satisfactory growing conditions, the United States Department of Agriculture forecast on May 1 a Texas wheat crop of 123,216,000 bushels—24 percent above the April 1 forecast. This estimate, which is more than double production in 1948, is only slightly under the record harvest of 1947. The

ESTIMATED WHEAT PRODUCTION IN TEXAS IN 1949, BY CROP REPORTING DISTRICTS

Crop reporting district	Acres harvested (Thousands)			Yield per harvested acre (Bushels)			Production (Thousand bushels)		
	1949*	1948	1947	1949*	1948	1947	1949*	1948	1947
1-N.....	4,800	3,493	4,767	18.2	9.7	18.7	87,360	33,882	89,225
1-S.....	160	95	208	17.1	7.7	16.5	2,736	736	4,898
2.....	1,400	1,266	1,382	14.9	10.1	14.5	20,860	12,789	19,985
3.....	340	348	348	14.5	10.6	12.7	4,930	3,683	4,426
4.....	425	343	341	13.8	13.0	12.0	5,865	4,451	4,100
7.....	118	79	168	11.9	8.7	9.3	1,405	692	1,567
Other.....	5	5	6	12.0	11.4	10.9	60	57	69
Total.....	7,248	5,629	7,310	17.0	10.0	17.0	123,216	56,290	124,270

*Indicated May 1.

SOURCE: United States Department of Agriculture.



acreage of wheat for harvest was estimated on May 1 at 7,248,000 acres, about 13 percent above the 1948 acreage. The estimated yield per acre of 17 bushels compares with 10 bushels last year and a 10-year (1938-47) average of 12.2 bushels per acre. The Texas oat crop on May 1 was in the best condition for that date in several years. Recent rains greatly improved prospects

for the spring-planted oats, and good yields per acre are indicated. Combining of winter oats in southern counties of Texas is under way.

Development of the corn crop, which has been retarded by heavy rains and cool nights, is showing improvement with the advent of open weather, except where damaged by standing water. Sorghums in the commercial Coastal Bend area have made good progress and are well along toward maturity; in the High Plains and northern counties of the Low Rolling Plains fields have been too wet for seeding and much of the crop remains to be planted. Hay crops in Texas were making excellent growth the first of May, with their condition estimated at about 13 percent above the same date last year. Except for some losses of cut alfalfa hay due to rains, the condition and growth of hay crops continue good. Stocks of hay on farms in Texas on May 1 were estimated at 170,000 tons, which is 35,000 tons above a year earlier but 26 percent below the 10-year average for that date.

Cotton in southern counties of Texas has been retarded by excessive rains and cool weather, which caused poor germination of planted seed and delayed cultivation of grassy fields. The crop in the Coastal Bend area had reached the square stage at mid-May with only light insect damage. Planting and replanting have been in full swing throughout the State except in parts of north Texas and the Plains areas, where delayed further by rains.

Rice planting in Texas has been delayed seriously by excessive rains, but farmers have taken advantage of recent periods of open weather to rush seeding operations. Flax harvest has been under way, although interrupted by rains. Planting of peanuts continues in all areas of Texas, with some acreage in northern counties up to a good stand. A larger-than-average crop of 2,100,000 bushels of peaches was forecast for Texas on the first of May, which is 84 percent above the small crop of 1948.

Progress of crops in the commercial areas of south Texas was retarded by rains in late April and early May. Damage was extensive in some areas where crops stood under water for an extended period. Field work was resumed by mid-May, however, at which time harvest of early season crops was active. Onions, cucumbers, potatoes, and green corn moved in volume, along with light harvests of cantaloups and tomatoes. The Valley potato harvest was practically over, but supplies were available from the San Antonio area. All growing crops in mid-season and late areas are making good progress.

PRODUCTION OF SELECTED SPRING VEGETABLES IN TEXAS (In thousands of units)

Crop	Unit	1949	1948	10-year (1938-47) average
Snap beans—early	Bushel	325	187	308
Cucumbers—early	Bushel	240	231	222
Garlic	Sack	5	8	12
Onions—early	Sack	2,605	4,194	3,804
Onions—late	Sack	1,026	553	1,148
Irish potatoes—early*	Bushel	1,050	1,148	838
Irish potatoes—late	Bushel	584	578	548
Strawberries—early	Crate	55	63	68
Tomatoes—early*	Bushel	1,680	2,197	2,427
Tomatoes—late	Bushel	2,190	2,100	2,225

*Lower Rio Grande Valley only.

SOURCE: United States Department of Agriculture.

Summer range and pasture feed prospects in Texas on May 1 were uniformly better over the State than at any time since 1941. Having improved an estimated 10 percent during April, the condition of all ranges was 17 percent above a year earlier. Range and pasture feed is abundant in all areas of the District except in the Trans-Pecos section of Texas, where rains came late in April and feed has been slow in starting.

Cattle and calves continued to gain rapidly during May on the luxuriant green range and pasture feed. Demand for stocker cows and calves continued strong during the early part of May but tapered off later in the month. The condition of sheep and lambs has continued to improve also. Ewes have made substantial improvement on the generally plentiful supply of new green feed. Spring lambs have made excellent development on the heavy flow of milk.

LIVESTOCK RECEIPTS—(Number)

Class	Fort Worth market			San Antonio market		
	April 1949	April 1948	March 1949	April 1949	April 1948	March 1949
Cattle.....	37,906	85,583	39,160	23,404	32,849	26,311
Calves.....	8,151	14,318	12,615	9,118	22,649	13,607
Hogs.....	49,495	97,001	68,924	5,026	9,177	8,292
Sheep.....	61,200	143,232	36,925	20,753	58,397	17,460

TOP LIVESTOCK PRICES

(Dollars per hundredweight)

Class	Fort Worth market			San Antonio market		
	April 1949	April 1948	March 1949	April 1949	April 1948	March 1949
Slaughter steers.....	\$28.00	\$30.50	\$25.00	\$26.00	\$30.50	\$24.50
Stocker steers.....	25.50	28.50	27.00	..	..	..
Slaughter cows.....	20.25	24.00	20.00	20.50	23.50	21.50
Slaughter heifers and yearlings.....	28.00	30.00	27.00	26.00	30.50	25.50
Slaughter calves.....	28.00	30.00	26.00	27.50	30.00	28.00
Stocker calves.....	27.00	30.00	28.50	27.00	..	27.00
Slaughter lambs.....	33.50	25.00	32.00	30.00	23.50	27.50
Hogs.....	20.00	22.50	21.25	20.00	21.75	21.25

Combined receipts of livestock at the Fort Worth and San Antonio markets in April were 4 percent below those of March, as the unfavorable weather interfered to some extent with marketing. April marketings reflected decreases from the preceding month of 14 percent for cattle and calves and of 29 percent for hogs but a seasonal increase of 15 percent for sheep and lambs. Combined receipts during April averaged 54 percent below those of April 1948, with marketings of cattle down 31 percent and receipts of calves, hogs, and sheep less than one-half those of April last year.

The index of prices received by Texas farmers for agricultural commodities on April 15 was at the lowest level since October 1947 and 12 percent below the all-time high reached in June 1948. Sharply lower prices for hogs, truck crops, and cottonseed, together with limited declines for most feed grains, rice, hay, and dairy products, more than offset the substantial gains made by sheep and lambs and sweet potatoes. Reports from spot commodity markets indicate that from April 15 to mid-May the prices of grains, hogs, and lambs declined substantially, while prices of cotton and slaughter cattle showed little net change.

CASH RECEIPTS FROM FARM MARKETINGS

(In thousands of dollars)

State	March 1949			March 1948	Cumulative receipts Jan. 1 to March 31,	
	Crops	Livestock	Total	Total	1949	1948
Arizona.....	\$ 12,446	\$ 7,442	\$ 19,888	\$ 15,182	\$ 57,193	\$ 47,859
Louisiana.....	14,468	9,204	23,672	22,631	85,118	69,607
New Mexico.....	4,116	8,118	12,234	10,299	36,115	30,301
Oklahoma.....	9,385	21,911	31,296	28,063	96,420	117,910
Texas.....	40,497	62,756	103,253	109,610	312,806	389,694
Total.....	\$ 80,912	\$ 109,431	\$ 190,343	\$ 185,785	\$ 587,652	\$ 655,371

SOURCE: United States Department of Agriculture.

Farm Real-Estate Values Decline

Farm real-estate values in the United States and in the Eleventh Federal Reserve District, which had shown a steadily upward trend for about 10 years, declined 1 percent and 5 percent, respectively, during the four months ended March 1, 1949, according to the United States Department of Agriculture. The decline in the United States resulted largely from lower values

reported in the western, southwestern, and Pacific Coast states, since several eastern and southeastern states reported further increases. Compared with March 1, 1948, however, farm real-estate values were up 3 percent in the United States and 1.5 percent in the Eleventh District. Details of these trends, with comparisons, are shown in the following table:

INDEXES OF ESTIMATED PRICE PER ACRE OF FARM REAL ESTATE
(1935-39=100)

	Pctg. change Mar. 1949 over									
	Mar. 1, 1949	Nov. 1, 1948	Mar. 1, 1948	Mar. 1, 1940	Mar. 1, 1920	Nov. 1, 1948	Mar. 1, 1948	Mar. 1, 1940	Mar. 1, 1920	
United States.....	211	213	205	101	205	— .9	2.9	108.9	2.9	
Eleventh District.....	201	212	198	n.a.	n.a.	—5.2	1.5	n.a.	n.a.	
Arizona.....	191	197	193	101	176	—3.0	—1.0	89.1	8.5	
Louisiana.....	209	201	184	110	180	4.0	13.6	90.0	16.1	
New Mexico.....	239	239	224	104	178	0	6.7	129.8	34.3	
Oklahoma.....	232	226	203	102	182	2.7	14.3	127.5	27.5	
Texas.....	196	209	196	104	182	—6.2	0	88.5	7.7	

①—Preliminary.
n.a.—Not available.

SOURCE: United States Department of Agriculture, Bureau of Agricultural Economics.

The decline in land values in the western part of the country reflects, in part at least, the effects of (1) the 15 percent decline in farm prices from January 1948 to March 1949, (2) the extended drought in the Southwest during the past three years, and (3) the severe storms in the northern Plains and Mountain states during the past winter. Furthermore, a slightly smaller net income for farm operators in 1948 has tended to confirm the belief of many prospective buyers that farm earnings will be lower during the next few years. The Department of Agriculture reports that although comments from farm real-estate dealers indicate that there is still a strong demand for the more desirable farms in better farming areas, more sellers are finding it necessary to reduce their asking price in order to make a sale. The fact that sellers have been reluctant to lower their prices is reflected in a 17 percent smaller volume of sales for the year ended March 1, 1949, than for the comparable period a year earlier. Buyers are apparently uncertain of future trends in general economic conditions and the prices of farm products and, therefore, are exercising more caution in the purchase of land.

The Department of Agriculture reports further that the financial position of most buyers in the farm real-estate market is not quite so strong as during the war and immediate postwar years, when many buyers paid cash for farms. In view of this, it is expected that fewer cash sales will be made this year, and many prospective buyers may not have sufficient resources to make a down payment. There is also an indication that lenders are becoming more selective in making loans and are particularly cautious when the loan involves the purchase of a less desirable farm or when the buyer cannot make a sizable down payment. Some increase in the interest rates has been noticed, but there is little indication that the lack of loanable funds is a factor in limiting sales or depressing farm land prices.

Distribution of the dollar volume of farm credit extended during the calendar year 1948 was as follows: individuals and commercial banks, about 68 percent; insurance companies, 20 percent; and federal credit agencies, about 12 percent. Compared with a year earlier, there were increases of 3 percent and 12 percent in the total dollar volume of credit supplied by individuals and insurance companies, respectively, but a reduction of about 10 percent in the volume of credit supplied by commercial banks. The position of federal credit agencies remained unchanged.

Despite the 17 percent smaller volume of sales indicated above, the amount of new mortgage credit extended during 1948 was only 1 percent less than in 1947. The total outstanding farm mortgage debt on January 1, 1949, was 5 percent

higher than a year earlier and about 9 percent above the very low point of \$4,682,000,000 in January 1946. Agriculture as a whole is still in a strong financial position with respect to mortgage debt, however, with a total outstanding mortgage debt of \$5,108,000,000, non-real-estate debt of \$6,120,000,000, of which \$1,120,000,000 represented Commodity Credit Corporation guarantees, and total assets of \$130,325,000,000, giving a ratio of liabilities to assets of 1 to 13. This compares with a ratio of 1 to 5.3 in 1940.

Although agriculture as a whole appears to be in an excellent financial position with respect to outstanding debt, individual farmers who have purchased farms at high prices and have a relatively small equity in the assets may find payments on outstanding debts extremely burdensome in a period of reduced agricultural income. Furthermore, the higher level of fixed costs in agriculture, created by the wide-scale adoption of machinery, greater specialization in production, and higher standard of living, requires a higher ratio of assets to debt for solvency and profitable operations.

FINANCE

The decline in loans that has been taking place at selected member banks in this District since the first of the year continued during the four-week period ended May 11, as total loans and discounts declined from approximately \$1,071,000,000 to about \$1,057,000,000. During this period commercial, industrial, and agricultural loans of these banks declined by almost \$20,000,000, with part of the decline in this major category of loans being offset by increases in "all other" loans and loans for carrying securities.

Since the first of the year loans and discounts at selected member banks in the District have declined about \$82,600,000, or approximately 7 percent. About 80 percent of the decline, or \$66,500,000, has resulted from the contraction of commercial, industrial, and agricultural loans as business demands for bank credit have lessened somewhat due to the decline in business activity, lower prices, and somewhat smaller requirements for carrying inventories. Figures of weekly reporting member banks in leading cities throughout the country show a decline in total

CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS
IN LEADING CITIES—Eleventh Federal Reserve District

(In thousands of dollars)

Item	May 11, 1949	May 12, 1948	April 13, 1949
Total loans and investments.....	\$2,256,647	\$2,187,646*	\$2,225,053
Total loans—Net.....	1,046,705	1,060,820	1,060,820
Total loans—Gross.....	1,056,845	1,021,974*	1,070,957
Commercial, industrial, and agricultural loans....	716,228	705,054	736,154
Loans to brokers and dealers in securities.....	6,671	6,255	6,058
Other loans for purchasing or carrying securities..	53,066	59,604	52,341
Real-estate loans.....	86,736	81,831	87,152
Loans to banks.....	442	466	204
All other loans.....	193,702	168,764	189,048
Total investments.....	1,199,802	1,165,672	1,154,066
U. S. Treasury bills.....	60,173	19,582	28,057
U. S. Treasury certificates of indebtedness.....	255,872	163,558	244,525
U. S. Treasury notes.....	40,832	93,418	39,838
U. S. Government bonds (inc. gtd. obligations)...	722,316	774,089	721,957
Other securities.....	120,609	115,025	119,719
Reserves with Federal Reserve Bank.....	483,273	492,069	529,037
Balances with domestic banks.....	268,533	316,032	312,870
Demand deposits—adjusted*.....	1,898,759	1,893,801	1,939,029
Time deposits except Government.....	442,586	392,594†	418,382
United States Government deposits.....	33,072	48,264†	52,320
Interbank demand deposits.....	506,680	531,000	516,471
Borrowings from Federal Reserve Bank.....	0	0	0

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

†Revised.

‡After deductions for reserves and unallocated charge-offs.

*Prior to June 30, 1948, the individual classes of loans were reported net; however, the amount of reserves deducted subsequent to June 30, 1948, was so small as to have no significant effect upon the comparability of the data.

loans of about \$1,926,000,000 since the first of the year, or more than 7 percent. Whereas the decline in commercial, industrial, and agricultural loans represents about 80 percent of the total loan decline in this District, throughout the Nation the

decline in this major class of loans has been even more marked, as the total has contracted from \$15,560,000,000 to \$13,908,000,000.

As loans of the selected member banks in the District declined during the four-week period ended May 11, total investments rose by approximately \$46,000,000, principally as a result of an increase in holdings of Treasury bills and certificates of indebtedness. Changes in other types of investment securities were negligible during the period.

Demand deposits of member banks in leading cities of the District declined during the four-week period under consideration but during the week ended May 11 showed an increase of about \$47,000,000 over the total of the preceding week. Major changes in deposits occurred in the deposits of individuals, partnerships, and corporations, which declined by about \$33,000,000 during the full four-week period but rose by \$30,000,000 during the last week of the period. Other types of deposits reflected declines but of a comparatively minor nature.

During the first four months of this year gross demand deposits of all member banks in the District declined steadily from \$5,431,000,000 in January to \$5,001,000,000 in April. This decline of about \$430,000,000 is accounted for by a contraction in deposits at Reserve city banks in the District from \$2,612,000,000 to \$2,388,000,000 and at country banks from \$2,819,000,000 to \$2,612,000,000. During the first three months of this year time deposits of the District's member banks showed comparatively little change but increased during April by more than \$14,000,000 as Reserve city banks added over \$12,000,000 to this class of deposits and country banks, approximately \$2,000,000. Despite the steady decline in gross demand deposits that has occurred since the first of the year, the total amount reported for April 1949 is slightly larger than the total reported during the same month last year.

GROSS DEMAND AND TIME DEPOSITS OF MEMBER BANKS

Eleventh Federal Reserve District
(Averages of daily figures. In thousands of dollars)

Date	Combined total		Reserve city banks		Country banks	
	Gross demand	Time	Gross demand	Time	Gross demand	Time
April 1947.....	\$4,617,549	\$524,355	\$2,208,463	\$330,604	\$2,409,086	\$193,751
April 1948.....	4,987,656	574,507	2,354,485	362,306	2,633,171	212,201
December 1948.....	5,427,633	595,339	2,613,198	382,118	2,814,435	213,221
January 1949.....	5,430,929	607,167	2,612,025	390,582	2,818,904	216,485
February 1949.....	5,193,624	607,063	2,474,757	390,045	2,718,867	217,018
March 1949.....	5,139,728	607,104	2,450,349	388,298	2,689,379	218,806
April 1949.....	5,000,682	621,486	2,388,424	400,555	2,612,258	220,931

SAVINGS DEPOSITS

City	Number of reporting banks	April 30, 1949		Percentage change in savings deposits from	
		Number of savings depositors	Amount of savings deposits	April 30, 1948	March 31, 1949
Louisiana: Shreveport.....	3	40,348	\$ 25,976,895	1.6	3.4
Texas:					
Beaumont.....	3	12,148	6,275,592	-0.9	-0.5
Dallas.....	8	142,005	78,008,039	-0.04	0.4
El Paso.....	2	32,734	22,883,073	-0.2	0.1
Fort Worth.....	4	23,908	35,309,218	2.0	0.5
Galveston.....	4	28,639	21,251,132	-3.0	-0.3
Houston.....	8	98,639	74,286,188	3.1	0.4
Lubbock.....	2	1,729	3,167,688	73.6	-8.1
Port Arthur.....	2	5,919	4,648,743	-5.6	-0.9
San Antonio.....	5	39,921	45,027,664	-4.5	-0.3
Waco.....	3	9,671	10,131,028	5.6	-0.3
Wichita Falls.....	3	7,428	4,555,114	0.4	-0.03
All other.....	55	93,902	54,523,199	0.4	0.1
Total.....	102	521,695	\$386,643,571	0.6	0.3

Possibly reflecting the slowing down in business activity and the declining volume of retail trade, bank debits reported by banks in 24 cities throughout the District were 7 percent lower in April than in March and approximately the same as the total reported for April last year. During April all reporting cities in the District experienced a decline in bank debits, with the

declines ranging from as low as 1 percent at Port Arthur to as high as 26 percent in Austin. Banks in Dallas reported a decline of 6 percent in bank debits during the month, while Houston banks reported a decline of 8 percent. Also reflecting to some degree the slower rate of spending, the annual rate of turnover of deposits declined during April to 12.6 times from 13.3 reported during March and was slightly lower than the 13.1 turnover rate which prevailed in April 1948. Dallas banks experienced the highest deposit turnover on an annual rate basis, with banks in Houston, El Paso, and Austin following in that order.

BANK DEBITS, END-OF-MONTH DEPOSITS, AND ANNUAL RATE OF TURNOVER OF DEPOSITS

(Amounts in thousands of dollars)

City	April 1949	Debits#		End-of-month deposits* April 30, 1949	Annual rate of turnover		
		April 1948	March 1949		April 1949	April 1948	March 1949
Arizona: Tucson.....	\$ 58,749	- 5	-10	\$ 83,991	8.3	8.6	9.1
Louisiana:							
Monroe.....	33,713	5	- 6	41,524	9.7	9.5	10.2
Shreveport.....	132,507	- 2	- 6	159,860	9.8	10.4	10.2
New Mexico: Roswell.....	13,935	3	- 7	18,190	9.1	9.1	9.7
Texas:							
Abilene.....	31,638	- 6	- 9	37,846	10.0	10.0	10.3
Amarillo.....	89,128	3	- 2	81,932	13.0	12.4	13.1
Austin.....	118,992	6	-26	103,368	13.7	13.1	18.4
Beaumont.....	91,619	- 3	- 8	98,119	11.2	11.9	11.8
Corpus Christi.....	71,583	- 6	- 8	79,179	10.9	12.5	11.8
Corsicana.....	9,322	-12	- 6	19,802	5.6	6.6	5.9
Dallas.....	994,521	†	- 6	740,557	16.2	17.2	17.2
El Paso.....	133,045	8	- 2	115,209	13.7	12.7	13.6
Fort Worth.....	293,020	- 3	- 6	286,912	12.2	13.4	12.7
Galveston.....	69,553	3	- 8	94,890	8.6	8.8	9.2
Houston.....	1,056,782	2	- 8	888,589	14.2	14.8	15.1
Laredo.....	17,354	- 9	- 2	22,134	9.5	10.2	9.5
Lubbock.....	57,063	-15	-11	61,637	10.8	11.5	11.4
Port Arthur.....	33,727	- 1	- 1	39,189	10.2	10.4	10.2
San Angelo.....	26,151	-15	- 9	37,377	8.4	9.8	8.9
San Antonio.....	249,838	1	- 3	309,026	9.6	9.5	9.7
Texarkana**.....	13,939	- 8	- 2	22,497	7.3	8.2	7.4
Tyler.....	37,951	-11	-14	49,571	9.1	10.2	10.3
Waco.....	47,536	2	- 9	66,056	8.6	9.0	9.5
Wichita Falls.....	55,396	4	- 7	79,270	8.3	8.4	8.8
Total—24 cities.....	\$3,737,062	†	- 7	\$3,536,725	12.6	13.1	13.3

†Indicates change of less than one-half of one percent.

#Debits to deposit accounts except interbank accounts.

*Demand and time deposits at the end of the month include certified and officers' checks outstanding but exclude deposits to the credit of banks.

**This figure includes only one bank in Texarkana, Texas. Total debits for all banks in Texarkana, Texas-Arkansas, including two banks located in the Eighth District, amounted to \$23,745.

Principal changes in the condition of the Federal Reserve Bank of Dallas included a decline in holdings of United States Government securities from \$915,534,000 on April 15 to \$846,549,000 on May 15. Inasmuch as only comparatively minor changes were reported for other earning assets, this decline in holdings of Government securities was reflected in a decline of about \$66,600,000 in the bank's earning assets. The second major change in the condition of the Federal Reserve Bank of Dallas was the decline in member bank reserve deposits from \$914,441,000 to \$858,660,000. This decline in member bank

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	May 15, 1949	May 15, 1948	April 15, 1949
Total gold certificate reserves.....	\$ 686,082	\$ 554,203	\$ 688,098
Discounts for member banks.....	5,220	795	2,280
Foreign loans on gold.....	4,742	5,338	5,323
U. S. Government securities.....	846,549	924,020	915,534
Total earning assets.....	856,511	930,162	923,137
Member bank reserve deposits.....	858,660	822,066	914,441
Federal Reserve notes in actual circulation.....	591,706	587,678	593,368

reserve deposits reflected the reduction in reserve requirements on net demand deposits at Reserve city banks in the District from 22 percent to 21 percent effective May 5 and at country banks from 16 percent to 15 percent effective May 1 and against time deposits from 7.5 percent to 7 percent at all banks in the District, with effective dates May 5 for Reserve city banks and May 1 for country banks.

Sales of savings bonds in the Eleventh District during April amounted to \$16,410,881, or about \$385,000 more than during the same month last year. This increase was due entirely to an increase of \$743,000 in sales of E bonds, since sales of Series F and G bonds declined during April 1949. Despite this net increase, sales of savings bonds in the District during the first four months of the year were \$249,000 less than sales reported for the same period in 1948.

Notwithstanding the somewhat frequent impression that redemptions of savings bonds have been in larger amounts as business has slowed down, the figures for this District show that redemptions were \$3,958,000 less during April this year than in April 1948 and \$8,793,000 less during the first four months of this year than during the same period a year ago. National figures show the same general pattern, with redemptions during the first four months of 1949 running below those of the comparable period of last year.

On May 19 the Treasury announced an offering of one-year $1\frac{1}{4}$ percent Treasury certificates of indebtedness in exchange for the certificates of indebtedness maturing June 1, 1949, in the amount of \$4,301,117,000 and the Treasury bonds of 1949-51 called for redemption on June 15, 1949, in the amount of \$1,014,018,900. On May 13 the Treasury announced that all outstanding 2 percent Treasury bonds of 1949-51 dated May 15, 1942, are called for redemption on September 15, 1949. Holders of these bonds may be offered, in advance of the redemption date, the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which case public notice will be given and an official circular governing the exchange offering will be issued.

A recent legislative development of interest to bankers is the introduction of a bill on May 2 by the Chairman of the Senate Banking and Currency Committee designed to establish a "National Monetary Commission." Among other things, the bill provides that the Commission shall study and inquire into changes deemed necessary or desirable in the banking and monetary system of the United States. It is intended that the Commission will "investigate, without limitation, the present requirements and methods governing the matters of legal reserves of banks, eligible deposits thereagainst, open market operations of the Federal Reserve banks, adequacy or paucity of eligible paper other than Government obligations, specie reserves, foreign exchange fluctuations, and any and all other factors in this or other countries which may relate to the purposes of Section 1 of the bill." Section 1 of the bill declares in very broad terms that it is the policy of the Congress to promote and maintain the utmost stability of domestic and international trade.

INDUSTRY

Nonfarm employment in Texas continued to follow the normal seasonal pattern with a slight increase from mid-March to mid-May and reached a level 3 percent higher than in May 1948, according to estimates of the Texas Employment Commission. The principal gain in manufacturing employment occurred at food processing plants and the lumber and wood products industries. Outside of manufacturing, employment in construction and in retail trade accounted for most of the rise of employment since March, but construction employment in May was about 9 percent less than a year earlier. Nonfarm unemployment in March amounted to approximately 3 percent of the nonfarm labor force, or the same percentage as a year earlier.

In the Nation, total employment in April showed further moderate seasonal improvement, but the seasonal expansion in agricultural and construction employment more than accounted

for all of the increase, with moderate declines due to layoffs occurring in manufacturing and other sectors of the economy. The number of unemployed persons reported in April was 3,016,000, or 151,000 less than in the previous month though 823,000 more than a year earlier.

NONAGRICULTURAL EMPLOYMENT IN TEXAS

(In thousands)

	Number of employees				
	May 1949 ^a	May 1948	March 1949	May 1948	March 1949
Total.....	2,321.0	2,255.6	2,301.5	65.4	19.5
Manufacturing.....	395.3	379.9	389.1	15.4	6.2
Food and kindred products.....	82.4	79.7	80.4	2.7	2.0
Lumber and wood products.....	32.4	34.0	30.7	-1.6	1.7
Products of petroleum and coal.....	56.8	55.7	57.2	1.1	— .4
Transportation equipment.....	33.7	23.7	32.4	10.0	1.3
Other manufacturing.....	190.0	186.8	188.4	3.2	1.6
Nonmanufacturing.....	1,925.7	1,875.7	1,912.4	50.0	13.3
Construction.....	156.4	171.3	146.4	-14.9	10.0
Transportation and allied service.....	157.2	155.8	157.7	1.4	— .5
Wholesale trade.....	118.8	108.7	119.0	10.1	— .2
Retail trade.....	532.1	514.6	529.8	17.5	2.3
Finance, insurance, and real estate.....	84.3	81.0	84.1	3.3	— .1
Service establishments.....	171.1	165.1	171.0	6.0	— .1
Medical and other professional service.....	244.8	237.7	244.6	7.1	— .2
Private households.....	195.7	192.5	195.4	3.2	— .3
Government establishments.....	125.0	116.4	125.5	9.5	— .4
Other nonmanufacturing.....	139.4	132.6	138.9	6.8	— .5

^aEstimated.

SOURCE: Texas Employment Commission.

Further reductions in domestic crude output and in imports have contributed to a gradual improvement in the overall relation of the Nation's supply of petroleum to the demand at present prices. However, the imbalance among types of crude petroleum and refined products has continued, with excess output of low gravity or "fuel oil" type crudes as compared to higher gravity crudes. In the Eleventh Federal Reserve District, daily crude oil production in April was 2,170,000 barrels, or 209,000 barrels under the rate for the previous month. At this level, daily production was 485,000 barrels less than a year earlier and 601,000 barrels under the November 1948 peak rate. These large reductions reflect the fact that most of the curtailment in crude oil production has occurred in the Eleventh District, with the declines in output for the Nation approximating those in this District. Only very moderate net reductions in daily allowable production in Texas were announced for May, while some increase was allowed in Louisiana.

CRUDE OIL PRODUCTION—(Barrels)

Area	April 1949		Increase or decrease in daily average production from	
	Total production	Daily avg. production	April 1948	March 1949
Texas:				
District 1.....	758,200	25,273	—507	—1,495
2.....	3,654,900	121,830	—50,405	—17,489
3.....	10,957,100	365,237	—127,948	—42,237
4.....	5,584,900	186,163	—67,227	—18,118
5.....	1,075,800	35,860	—10,130	—6,013
6.....	7,635,700	254,523	—62,347	—19,614
Other 6.....	2,555,100	85,170	—36,220	—12,235
7b.....	1,761,000	58,700	14,235	—2,145
7c.....	1,282,900	42,763	—1,607	—4,214
8.....	16,187,000	539,567	—139,013	—74,680
9.....	3,565,700	118,857	—18,633	—7,417
10.....	2,630,200	87,673	3,468	412
Total Texas.....	57,648,500	1,921,616	—496,334	—205,245
New Mexico.....	3,906,500	130,217	2,542	—4,057
North Louisiana.....	3,533,900	117,797	8,444	240
Total Eleventh District.....	65,088,900	2,169,630	—485,348	—209,062
Outside Eleventh District.....	82,715,450	2,757,182	16,795	3,926
United States.....	147,804,350	4,926,812	—468,553	205,136

SOURCE: Estimated from American Petroleum Institute weekly reports.

Crude oil runs to refinery stills in April averaged 5,175,000 barrels daily in the Nation and 1,549,000 barrels daily in the Eleventh District, representing decreases of 4 percent in the Nation and 5 percent in the District as compared to the previous month. The national figure is down 11 percent from a year ago, and the District figure, down 7 percent.

An indication of the better balance between the supply of and the demand for crude petroleum and refined products in the United States is the fact that the over-all stock position of the industry showed relatively little net change during April. Nevertheless, stocks of crude oil and of the principal refined products are substantially larger than a year ago, and there is considerable internal imbalance among the various refined products as well as among the various grades of crude oil, with stocks of heavy crude and of fuel oils being the most burdensome. In view of the heavy inventory of fuel oil and the rise in gasoline consumption during the warmer months, refiners have continued to reduce the yields of fuel oil and increase those of gasoline in order to improve the relation between the supplies of and demands for these products. The gasoline output ratio for the Nation recently was reported at over 44 percent, as compared with 39 percent a year earlier.

As a result of additional declines in the prices of light and heavy fuel oils and of kerosene during April and early May, the downward pressure on the prices of low gravity "fuel oil" type crudes has been increased, and further scattered price decreases have occurred. While the prospective seasonal increase in the demand for gasoline may contribute some steadiness to the prices of high gravity crudes, any substantial decline in low gravity crude prices would tend to exert pressure upon the prices of other crudes.

During the first quarter of 1949, new oil and gas wells completed in the District totaled 3,366, an increase of about 17 percent over completions during the corresponding period of 1948. This compares with an increase of only 9 percent in the Nation. Of the completions in the District, 60 percent were oil wells, 7 percent gas wells, and 33 percent dry wells. These percentages show no significant change from a year ago. Exploratory completions in the District totaled 805, compared to 687 during the same period last year; 25 percent of this year's completions were productive, compared to 24 percent a year earlier.

BUILDING PERMITS

City	April 1949		Percentage change		Jan. 1 to Apr. 30, 1949		Percentage change
	No.	Valuation	April 1948	March 1949	No.	Valuation	
Louisiana:							
Shreveport.....	372	\$1,417,403	25	49	1,189	\$4,248,322	-76
Texas:							
Arlington.....	139	584,215	-26	53	371	1,890,088	-9
Amarillo.....	224	935,713	49	-11	689	4,368,878	-29
Austin.....	235	3,137,485	-2	103	978	7,897,010	-15
Beaumont.....	332	435,329	-63	-55	1,279	3,318,025	9
Corpus Christi.....	262	1,118,146	-20	10	925	3,915,624	-49
Dallas.....	1,492	6,507,539	-35	10	4,712	22,891,764	-38
El Paso.....	282	879,645	-20	15	866	3,075,047	-16
Fort Worth.....	658	1,922,263	-48	-20	2,206	7,709,157	-14
Galveston.....	124	130,138	-72	-49	642	2,193,973	98
Houston.....	609	8,888,457	15	100	2,216	23,100,657	-42
Lubbock.....	222	831,012	-24	-25	616	2,880,449	-32
Port Arthur.....	182	283,464	16	-3	569	1,130,962	58
San Antonio.....	970	1,867,790	-37	-31	4,174	9,513,119	-26
Waco.....	175	833,247	-5	-20	566	2,721,297	-46
Wichita Falls.....	83	276,245	-52	-20	291	1,080,420	-40
Total.....	6,361	\$30,038,091	-19	19	22,319	\$101,734,792	-35

The dollar volume of construction contract awards in the Eleventh Federal Reserve District in April amounted to \$55,000,000, which is \$10,000,000 less than in the previous month though fractionally more than in April 1948. Residential construction was up 16 percent from both the previous month and the corresponding month a year ago. Nonresidential construction awards in April were 28 percent lower than in March and 6 percent lower than in April 1948. Awards for public works totaled \$13,000,000 in April, which is 23 percent less than the high total of \$17,000,000 the previous month. The April figure, however, is as high as the monthly average maintained in 1948 and about double the rate of the first two months of this year. Utility construction increased fractionally as compared

to the previous month but was lower than in most recent months. Nonresidential building awards in April were at practically the same level as in March but were moderately higher than the monthly average during 1948.

During the first four months of 1949, construction contract awards in the District totaled \$211,000,000, which is 15 percent less than during the corresponding period a year earlier. Residential awards were 24 percent lower and public works awards 28 percent lower, while awards for nonresidential building were only 3 percent less and utility awards were 55 percent higher. The decline in residential building resulted chiefly from a decline in awards for apartments and two-family dwellings, which were only about a third of last year's level.

VALUE OF CONSTRUCTION CONTRACTS AWARDED
(In thousands of dollars)

	April 1949 ^②	April 1948	March 1949	January 1 to April 30, 1949 ^②	1948
Eleventh District—total....	\$ 55,437	\$ 54,764	\$ 65,712	\$ 210,612	\$ 247,821
Residential.....	21,342	18,471	18,396	69,515	91,245
All other.....	34,095	36,293	47,316	141,097	156,576
United States*—total.....	842,586	873,882	747,619	2,641,656	2,860,818
Residential.....	303,825	351,604	251,770	907,796	1,098,493
All other.....	538,761	522,278	495,849	1,733,860	1,762,325

*37 states east of the Rocky Mountains.

②—Preliminary.

SOURCE: F. W. Dodge Corporation.

In the Nation, the value of construction contract awards as indicated by data for 37 states increased in April to 13 percent above the March level, though remaining 4 percent below the level of April 1948. During the first four months of 1949, awards totaled 8 percent less than a year earlier.

DOMESTIC CONSUMPTION AND STOCKS OF COTTON—(Bales)

	April 1949	April 1948	March 1949	August 1 to April 30, This season	Last season
Consumption at:					
Texas Mills.....	10,748	13,338	12,769	112,350	117,367
United States mills.....	597,031	829,960	720,892	6,162,162	7,141,067
U. S. stocks—end of month:					
In consuming establishments..	1,448,450	2,182,969	1,559,265	.....	.....
Public storage and compresses..	5,871,447	2,861,102	6,615,516	.....	.....

Cotton consumption in April in both Texas and the Nation was the lowest since June 1940, with declines from the previous month of 18 percent in the Nation and 16 percent in Texas. The April consumption figures were 28 percent less than a year ago for the Nation and 19 percent less for Texas. Previous to April, cotton consumption in Texas had continued for a year on a plateau about 2 percent below the level of the previous year, while consumption in the Nation had moved generally downward for about the same length of time. During the first nine months of the 1948-49 season, consumption in the Nation was 14 percent below that of the previous season. Estimates of the Association of Cotton Textile Merchants of New York indicate that the output of cotton cloth during the first half of 1949 will be about 20 percent below that of the same six months last year. Unless there is an unexpected increase in demand for cotton textiles, the output for the year 1949 may be the smallest since 1940. Mill inventories are high, and buyers are exercising extreme caution in the purchase of these goods. For about a year prices of cotton textiles have been under pressure. Exports, after declining during most of 1948, increased considerably in December of that year and in January and February 1949 were the largest on record for those two months.

Recent developments in the closely allied rayon industry have paralleled somewhat earlier developments in cotton manufacturing, with stocks of finished rayon goods piling up during the first quarter of 1949, followed by production cutbacks and price reductions. Such price reductions tend to intensify the competition of rayon with cotton and to exert a downward pressure upon the demand for cotton goods.