MONTHLY
BUSINESS REVIEW
of the FEDERAL RESERVE BANK of Dallas

Volume 34 | Dallas, Texas, July 1, 1949 | Number 7

THE INTERSTATE AND FOREIGN COMMERCE OF TEXAS

KEITH W. JOHNSON, *Industrial Economist, Federal Reserve Bank of Dallas*

The interstate and international movement of commodities into and out of Texas reflects most of the important industries of the State, as well as the industrial deficiencies of the Texas economy. The industries which account for the greater part of its exports, as well as the major types of products produced in such small amounts that large imports are required, are matters of importance to the people of Texas—the bankers, businessmen, and others. A picture of the commerce of the State of Texas with other areas indicates to some extent the degree to which the State is industrially diversified, the lines in which the Texas economy is particularly vulnerable to fluctuations in national or world demand, and the directions in which further industrial growth is particularly desirable. Texas is especially dependent upon trade with other areas, and the transportation system of the State ranks very high in tonnage handled. Since information on the interstate and foreign commerce of Texas is neither complete nor widely available, a discussion of the nature and significance of this commerce is appropriate.

Texas commodities, chiefly raw materials, are shipped to other states in amounts estimated to equal about half of the total value of the goods and services produced in the State. Roughly matching the value of this flow are the commodities brought into Texas to meet needs not covered by the production of the State. Since many of the goods produced in Texas would not be worth nearly so much if their sale and distribution were confined to Texas markets, this commerce adds considerably to the value of the State's products and to the income of its people. Thus, the interstate and foreign trade of Texas permits, first, the profitable marketing of about half of the State's output of goods and services and, second, the realization of the resulting income in the form of consumption of a wide variety of goods and services, many of which can be obtained either solely or most economically through trade with the rest of the world.

The economic basis for trade is specialization, whereby one group of people, or a region, produces or has available a surplus of certain products but little or none of other products. Such a specialized group or region must trade its surpluses for products of which it has a deficit. The latter products are, of course, normally the surplus output of some other group or region.

The specialization which leads Texas to produce a surplus of petroleum, petroleum products, natural gas, sulphur, pulpwood, cotton, cottonseed oil, rice, citrus fruits, wool, livestock, and other products is based largely on the relative levels of production costs of each of the commodities in Texas as compared to other areas, with the size of the available market also being a significant factor. A large proportion of the exports of the State are accounted for by the extraction and processing of raw materials available at low cost as natural resources or as products of the Texas climate and soil. The labor supply of the State, the well-developed transportation system, and the rapidly growing southwestern market are also factors contributing to the attractiveness of Texas to many industries.

At the same time, although the economy of Texas has an unusual wealth of natural resources, it has not yet developed comparable industrial plant and equipment. This factor, together with the size of the southwestern market, has made the State a net importer of numerous finished products. (In this article the terms "import" and "export" refer to both interstate and foreign commerce.) Among these imports are many products of heavy industry and of industries relying upon a tradition of skilled craftsmanship among their workers. Products of the tropics, such as coffee and bananas, are also important among the imports of Texas. In 1947, Texas exported about 4 times as many tons of raw materials as she imported, while total exports of bulk commodities manufactured from raw materials, particularly refined petroleum products, chemicals, and synthetic rubber, were about 8 to 10 times imports. On the other hand, imports considerably exceeded exports in the case of manufactures of a higher value per ton.

Although the aggregate output of mineral and agricultural raw materials in Texas has been increasing, employment data indicate that the production of finished goods in the State, though still relatively small, has been increasing proportionally even faster. The rising mineral output has supplied most of the raw materials that are making possible the growth of manufacturing. The time should come when much more of Texas' raw materials will be utilized by manufacturers within the State and smaller amounts shipped out for processing. Such a development would also mean more Texas manufactures available for shipment outside of the State, increased imports of raw materials from other areas, and changes in the nature and amounts of finished products imported. Such gradual evolution into a more balanced and mature economy would be associated with increasing population and employment, rising incomes, and a larger total volume of trade within the State. Possibly, such an increased volume of internal trade would be reflected in a greater volume of trade with other areas. The over-all volume of Texas production and consumption would be much greater, so that even a smaller percentage participation in interstate and foreign commerce could mean a larger total volume of such trade. In fact, a more highly industrialized Texas might buy a larger amount of the manufactures of other states. By way of historical illustration, the United States as an industrialized nation buys far more manufactures from industrialized Great Britain than she did a century ago as an agricultural and raw material-producing country trading with the already industrialized British.

The path to a balanced and industrialized economy is long and difficult, even for an area possessing most of the resources required by such an economy. An industrialized Texas will require billions of dollars more of capital in the form of plant and equipment. Much of this new capital is being accumulated out of the production of the State, but, in many cases, the decisions to invest new capital in Texas will have to be made in the great financial and industrial centers outside of the State; hence, alternative investment opportunities throughout the world, as well as competitive effects upon existing non-Texas enterprises, are certain to receive consideration. In competing for industries the Southwest cannot offer so rich and concentrated a market as that of the Northeast, although the smaller southwestern market is much freer from competition, there being less manufacturing production in the area in proportion to the buying power of the market. In many cases, old established companies in other areas, while not interested in moving their main plants to Texas, have set up branch factories and assembly plants in the State. The attractions of a smaller but less cultivated market, together with the raw materials, labor, and other special advantages, are leading to the relatively rapid industrialization of Texas. The further this industrialization goes, the larger the southwestern market will become and the greater the capacity of that market to absorb the products of industry. The extent of the progress of Texas along the road to industrialization at the present time is indicated by the fact that the State has almost exactly half of its per capita share of the Nation's manufacturing employment.

In order to determine the amount and type of Texas' interstate and foreign trade, statistics from a variety of sources had to be pieced together, since no agency collects complete and homogeneous data on the imports and exports of the State. It should be recognized that the data are incomplete and that in some instances the fragmentary and heterogeneous character of the basic data subjects the estimates to possible errors of appreciable magnitude. Exports of each commodity by rail were calculated by subtracting from shipments originating in Texas the amount of shipments terminating at points in Texas, it being assumed that the remaining shipments terminated outside of the State. Similarly, net rail imports of each commodity were obtained by subtracting freight orig-

inated from that terminated in the State. If a commodity were both imported and exported, exports were estimated at somewhere between total originations and the excess, if any, of originations over terminations; and imports were estimated at between total terminations and the excess, if any, of terminations over originations. Such allowances for two-way movements accounted for 7 percent of the estimated total interstate rail shipments. This problem appears unimportant in the case of water and pipe-line shipments.

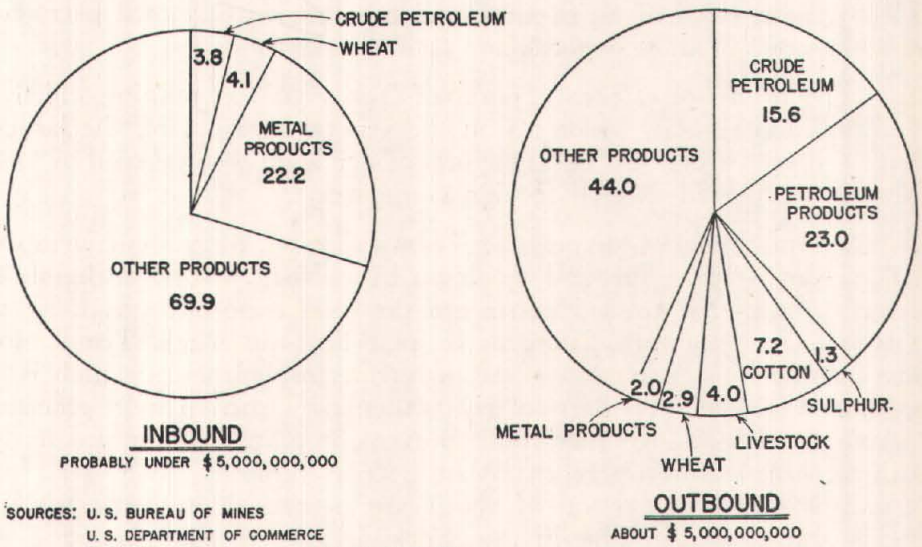
Statistics are available on interstate pipe-line transmission of crude petroleum and natural gas. Pipe-line movements of refined petroleum products could not be segregated from truck shipments, the sum of the two kinds of movements being available only through calculation of the net disappearance of such products from Texas after allowing for estimated Texas consumption. In the case of interstate truck shipments, little data are available, but the exceptionally large volume of shipments by water, rail, and pipe line in the Southwest and the relatively small importance of long-haul truck shipments in the country as a whole seem to indicate that truck shipments are not an important proportion of the total interstate commerce of Texas. Trucks do carry appreciable amounts of some commodities, such as automobiles and other manufactured products, but they are important chiefly in short-haul, intrastate commerce. Air freight, air and rail express, and parcel post shipments are of negligible importance, tonnagewise, in the total interstate and foreign commerce of Texas, though they are significant in the transportation of commodities of concentrated value per pound. Inland river, canal, and lake traffic plays little part in the interstate commerce of Texas.

While some data are available for 1948, any approach to a fairly complete coverage of the commerce of Texas requires use of statistics for 1947, the last year for which data on water and pipe-line shipments are available.

The dollar value of the imports and exports of Texas was estimated on the basis of price data, obtained from a variety of government and trade sources, applied to the physical volume of trade. In the case of commodity groups including many different products, often of widely differing prices, the average value per ton was estimated largely on the basis of products in the group which could be assigned values.

VALUE OF INTERSTATE AND FOREIGN COMMERCE OF TEXAS

ESTIMATED PERCENT DISTRIBUTION BY COMMODITIES, 1947



SOURCES: U. S. BUREAU OF MINES
U. S. DEPARTMENT OF COMMERCE
DEPARTMENT OF THE ARMY, CORPS OF ENGINEERS
INTERSTATE COMMERCE COMMISSION

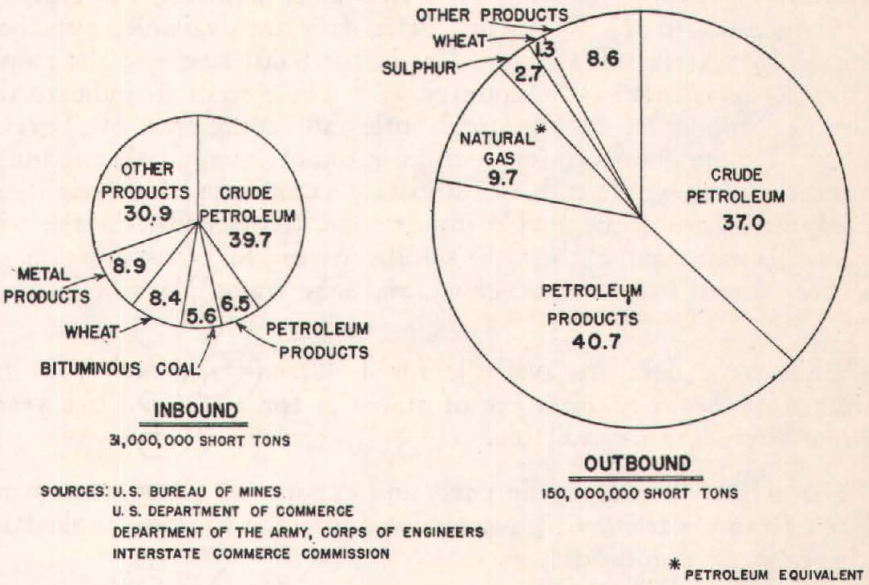
The imports and exports of Texas appear to be about in balance as to dollar value, but, due to the much greater bulkiness of the raw material exports, the physical volume of exports far exceeds that of imports. In 1947, the exports were estimated to be worth about $5,000,000,000 and the imports probably somewhat less. The exports weighed approximately 150,000,000 short tons, or nearly five times as much as the approximately 31,000,000 short tons of imports. Of the estimated export tonnage of Texas, at least 55 percent consisted of raw materials and about 44 percent of other bulky materials and products, with about 1 percent of products of a high value per pound. Of the estimated import tonnage, 41 percent was accounted for by crude petroleum, chiefly from near-by Louisiana and New Mexico,

brought into the State for refining; 20 percent was other raw materials; from 20 to 30 percent other bulky materials and products; and from 10 to 20 percent products of more concentrated value.

Crude petroleum is by far the most important raw material export of Texas. Of the 880,000,000 barrels of petroleum and natural gasoline produced in the State in 1947, 75 percent was exported, about half in the form of crude oil and half as refined products. These exports of the State's own production were augmented by imported crude oil, sent to Texas for refinement. Total crude oil exports were 358,000,000 barrels, worth about $780,000,000 and accounting, valuewise, for nearly one-sixth of total Texas exports. Deducting the 80,000,000 barrels imported in the same year would leave net crude oil exports of 278,000,000 barrels, worth about $610,000,000. The production of refined products amounted to 584,000,000 barrels (including the 62,000,000 barrels of natural gasoline produced), of which about 397,000,000 barrels, worth about $1,148,000,000, were exported. The total quantity of crude and refined products exported was about 755,000,000 barrels, worth approximately $1,928,000,000, or 38 percent of the value of all exports of the State. Even deducting imports of crude oil and products, the net exports amounted to 662,000,000 barrels, worth about $1,729,000,000. On a tonnage basis, crude petroleum alone accounted for over one-third of all exports, and together with refined petroleum products, amounted to over three-fourths of those exports.

PHYSICAL VOLUME OF INTERSTATE AND FOREIGN COMMERCE OF TEXAS

PERCENT DISTRIBUTION BY COMMODITIES, 1947



The crude petroleum exports of Texas go for refining chiefly to Pennsylvania, New Jersey, Indiana, and Illinois, which are in the general area having the largest markets for petroleum products. Only 2 percent of Texas exports of crude oil went abroad in 1947, but 10 percent of the refined products exported entered foreign commerce.

Of the total 1947 exports of Texas crude oil, 62 percent were shipped by boat (chiefly tanker), 35 percent by pipe line, and 3 percent by railroad, with a negligible quantity going by truck. About 87 percent of the refined petroleum products exported moved by water, with 9 percent going by rail and the remaining 4 percent by pipe line and truck. Truck movements of petroleum products are for the most part important in intrastate commerce, which is not covered by the present discussion. Pipe lines and particularly tankers have proved more efficient and economical than railroads or trucks for long-distance, bulk movement of petroleum and its liquid products. Texas crude oil can most economically reach Atlantic coast refineries by water. In addition, the geographical distribution and organization of the Texas petroleum industry encourage water shipment. Large oil fields near the Gulf, pipe-line networks leading to the coast, and numerous refineries located near the water, all channel petroleum and its products to Texas ports.

Another important hydrocarbon export of Texas is natural gas. Of the 2,504,000,000,000 cubic feet produced in the State in 1947, 523,182,000,000 cubic feet or 21 percent were exported, all by pipe line. Those exports are equivalent in heat value to 93,700,000 barrels of oil, assuming 1,075 B.T.U. per cubic foot of gas, compared to 6,000,000 B.T.U. per barrel of oil. The natural gas piped from Texas was thus equivalent to 14 percent as much as the net exports of crude and refined

petroleum. These natural gas exports went to nearly all parts of the Nation and were worth about $25,000,000 in 1947. By 1948, such exports had doubled in amount and value, and further large increases are in prospect.[1]

TEXAS INTERSTATE AND FOREIGN COMMERCE IN CRUDE AND REFINED PETROLEUM, BY METHOD OF TRANSPORTATION, 1947

(Amounts in thousands of barrels)

	Shipments		Net shipments from Texas	Percentage distribution: Shipments		Percentage distribution: Net shipments from Texas
	To Texas	From Texas		To Texas	From Texas	
Crude petroleum:						
Interstate shipments	78,723	351,963	273,240	99.0	98.4	98.2
Boat	24,770	217,291	192,521	31.2	60.8	69.2
Pipe line	53,123	125,322	72,199	66.8	35.0	25.9
Railroad	830	9,350	8,520	1.0	2.6	3.1
Foreign shipments, boat	805	5,798	4,993	1.0	1.6	1.8
Total	79,528	357,761	278,233	100.0	100.0	100.0
Refined products:						
Interstate shipments	n.a.	n.a.	344,085	n.a.	n.a.	89.6
Boat	12,140	306,000	293,860	n.a.	n.a.	76.5
Pipe line and truck	n.a.	n.a.	16,475	n.a.	n.a.	4.3
Railroad	n.a.	n.a.	33,750	n.a.	n.a.	8.8
Foreign shipments, boat	885	40,800	39,915	n.a.	n.a.	10.4
Total	n.a.	n.a.	384,000	n.a.	n.a.	100.0
Total, crude petroleum and refined products:						
Interstate shipments	n.a.	n.a.	617,325	n.a.	n.a.	93.2
Boat	36,910	523,291	486,381	n.a.	n.a.	73.4
Pipe line and truck	n.a.	n.a.	88,674	n.a.	n.a.	13.4
Railroad	n.a.	n.a.	42,270	n.a.	n.a.	6.4
Foreign shipments, boat	1,690	46,598	44,908			6.8
Total	n.a.	n.a.	662,233	n.a.	n.a.	100.0

n.a.—Not available.

SOURCES: United States Bureau of Mines.
United States Department of Commerce.
Department of the Army, Corps of Engineers.
Interstate Commerce Commission.

The total hydrocarbon exports of Texas, including crude and refined petroleum and natural gas, were worth approximately $1,953,000,000 in 1947 and about $2,450,000,000 in 1948. Of the total hydrocarbon exports in 1947, natural gas accounted for about one-eighth in terms of heat units but, due to its relatively low price, accounted for only 1.3 percent of the dollar value. Hydrocarbons accounted for about seven-eighths of the total 1947 exports of Texas in terms of physical volume, counting natural gas as equivalent to petroleum, but amounted to only two-fifths of the dollar value of Texas exports.

Next to the hydrocarbons in the export tonnage of Texas is sulphur, of which nearly 4,000,000 short tons were shipped out in 1947, three-fifths through Gulf ports and two-fifths by rail. Texas produces over three-fourths of the Nation's sulphur, and the State's exports in 1947 were worth about $63,000,000. Other mineral exports include sand and gravel, of which over 600,000 tons were shipped out by rail in 1947, as well as smaller tonnages of salt and other minerals, both metallic and nonmetallic.

Agricultural products, as a group, are second to minerals in the exports of Texas. Texas has long been an exporter of cotton, much of which enters foreign trade channels. Usually, almost the entire crop is exported, since Texas consumption of raw cotton is relatively small. In 1947, about 2,335,000 bales were exported—about two-thirds by rail and one-third by water—while consumption of raw cotton in Texas textile mills in the same year was only 167,761 bales, or 7 percent of the quantity exported. The exports were equal to 68 percent of the 1947 crop, but in the previous calendar year exports had exceeded the crop by a considerable margin. The ratio of exports to the total crop each year tends to be rather irregular, due to the fact that part of the crop is exported the following year. Despite the fact that Texas is the leading cotton-producing state, Texas consumes in its mills less than 40 percent as much raw cotton per capita as the national average, the

[1]For a discussion of "The Natural Gas Industry of the Southwest," see the *Monthly Business Review*, March 1, 1949.

State being a net importer of finished cotton goods. The value of cotton exports of the State in 1947 was $362,000,000, or 7 percent of the value of all exports and about 15 times as much as the value of the natural gas exports.

Cottonseed products also were exported from Texas in 1947, with 140,000,000 pounds of cottonseed oil, worth $38,000,000, heading the list. Cottonseed cake and meal were exported in much smaller amounts.

Wheat is quite important in the interstate and foreign trade of Texas, though much of the trade in wheat consists of through-shipments from other states into Texas and out through Texas ports on the Gulf. In 1947, net shipments of 86,200,000 bushels came in by rail, while the net outshipments by boat were 67,300,000 bushels. However, exports of flour were equivalent to 47,000,000 bushels, and flour imports were 40,300,000 bushels. Thus, the total imports of wheat and flour combined were 126,500,000 bushels and exports 114,300,000 bushels, with net imports of wheat plus flour equal to 12,200,000 bushels.

Rice exports of 16,400,000 bushels were equivalent to 77 percent of the 1947 Texas crop of 21,330,000 bushels. These exports, two-thirds of which moved by rail and one-third by water, were worth $46,000,000.

Corn imports in Texas in 1947 were 21,600,000 bushels, worth $45,000,000; exports 7,200,000 bushels; and net imports 14,400,000 bushels, worth $30,000,000. In 1947, nearly 1,000,000 bushels of mixed feeds also were imported. In recent years, price and weather factors have introduced some seasonal in- and out-movements of corn. With corn prices high, the early Texas crop tended to be shipped out; but later in the year, when drought conditions increased the need for livestock feed in the State, corn from the Midwest tended to be imported. The growth of the poultry industry in Texas has stimulated the importation of mixed feeds. Since the corn and feed imports are used largely as livestock feed, they contribute indirectly to exports of cattle, hogs, and poultry.

There is a considerable volume of fruits and vegetables exported from Texas, with citrus fruits being the most important, but with watermelon, cantaloupe, cabbage, tomatoes, onions, and fresh vegetables also exported in appreciable amounts. Rail exports of these commodities in 1947 totaled about 1,000,000 short tons, worth perhaps $25,000,000, with some additional exports moving by truck. Imports of fruits and vegetables were much smaller, with white potatoes providing the largest tonnage.

Exports of cattle and calves amounted to 1,084,000,000 pounds live weight in 1947, or 45 percent of total Texas marketings of this type of livestock. Exports of sheep and lambs were 84,000,000 pounds, or 30 percent of total marketings of sheep and lambs, while exports of hogs were 134,000,000 pounds, or 28 percent of hog marketings in 1947. The cattle and calf exports were worth approximately $184,000,000, the sheep and lambs $10,000,000, and the hogs $33,000,000. Most of the livestock exports move by rail. Many of the cattle and calves, as well as sheep and lambs, are shipped to other states for fattening and finishing; this factor largely accounts for the relatively small Texas exports of meat as compared to livestock. The total of these three major livestock exports was 1,302,000,000 pounds live weight, worth about $227,000,000. Meat exports were about 160,000,000 pounds, worth about $67,000,000. On the other hand, imports of cooked, cured, smoked, and dried meats and other edible packing house products amounted to about 104,000,000 pounds. Net exports of meat, plus livestock in terms of equivalent meat, were about 800,000,000 pounds, worth about $250,000,000.

Wool and mohair exports amounted to 151,000,000 pounds, worth about $75,000,000. Exports of hides, skins, and pelts amounting to 118,000,000 pounds were worth about $30,000,000. The total of animals and animal products exported was at least 1,750,000,000 pounds, worth from $350,000,000 to $400,000,000.

The total value of all agricultural raw materials exported from Texas in 1947 may be estimated at roughly $800,000,000, an amount equal to 41 percent of the gross agricultural income of

the State. Inclusion of flour, meat, and other processed materials would raise the total agricultural exports to at least $1,000,000,000, or 51 percent of the State's cash receipts from farm marketings.

Pulpwood exports of Texas amounted to 972,000 short tons in 1947, but the State was a net importer of other lumber and forest products by 565,000 tons.

Among processed materials and semifinished products, chemicals were next to refined petroleum products among Texas exports, with 1,164,000 short tons being shipped out in 1947. Sulphuric acid, soda products, carbon black, and toluol were particularly important, but an ever-increasing variety of chemical products is being made from the oil, natural gas, sulphur, salt, sea water and other natural resources of the region. A closely allied export is synthetic rubber, of which 267,000 short tons were shipped out in 1947, largely by rail. The oil and natural gas of Texas, together with the wartime construction of synthetic rubber-producing plants, account for the important position of the State in synthetic rubber production.

Cement production in Texas is primarily for the needs of the State, but in 1947, of the 12,462,925 barrels produced in the State's 10 plants, at least 1,208,000 barrels, or nearly 10 percent, were shipped out. One-seventh was shipped by boat, in part to Latin America, and six-sevenths by rail, chiefly to neighboring states. These Texas exports of cement were worth $2,400,000. Statistics on truck movements of cement are not available, but such movements are believed to involve a small additional net outflow of this commodity.

The total value of the raw materials—mineral, agricultural, and forest products—exported from Texas in 1947 was roughly $1,500,000,000, which, with a like value of bulk commodities processed from raw materials, made a total of about $3,000,000,000 of exports extracted basically from Texas natural resources.

Finished manufactures are exported from Texas in considerable variety, but the total amount involved is relatively small compared both with total Texas exports and with manufactures exported by some more highly industrialized states. Among the numerous manufactures of Texas finding markets outside of its borders are airplanes, cotton gins and other cotton-processing equipment, apparel, and various food products. In most cases, data on the volume of such exports are fragmentary.

The movement of scrap metals is often a clue to the state of development of the metal-producing and metal-using industries of regions trading with each other. In 1947, Texas exported 15,000 short tons of borings, turnings, etc., which was evidence of considerable metal-working activity within the State. However, the exports of such borings and turnings, as well as 331,000 short tons of other iron and steel scrap, reflect the fact that the chief industry consuming such scrap—the steel industry—is relatively much less developed in Texas than in scrap-importing areas. However, 1947 was a period of extreme scarcity of scrap metal, so that abnormally large amounts were drawn into scrap-collecting channels. The volume of such scrap generated in the State does reflect the large amount of iron and steel equipment used and scrapped in the petroleum industry, on the railroads, and on the farms, as well as junked automobiles and miscellaneous scrap.

The imports of Texas are much more varied than her exports. Paradoxically, the largest single import is crude petroleum, but this is not a net import since most of the crude oil entering the State comes in from near-by Louisiana and New Mexico for refining and subsequent exporting. Somewhat similarly, the imports of petroleum products are far outweighed by exports of such products. Most of the wheat and flour imports are also balanced by exports.

Bituminous coal supplied the largest tonnage of net imports among basic materials in 1947, with 1,746,000 short tons entering the State (almost entirely by rail from Oklahoma) and 1,150,000 tons shipped abroad through the Gulf ports. The net imports of 596,000 tons reflect the insignificance of Texas coal production, together with the increase of coal consumption with the development of the iron and steel industry in Texas.

Lumber and wood product imports in 1947 were reported at 652,000 short tons, largely by rail, with exports of 87,000 tons. However, truck movements are not included in these figures

and might alter somewhat the relation between imports and exports. Texas has plenty of pine but must import hardwoods, shingles, and other lumber products.

Metal products of various kinds accounted for at least 2,771,000 short tons of imports in 1947, compared to exports of less than one-tenth that amount. Even counting scrap exports, imports of metal products were 4.5 times exports. Most of these imports came by rail and included at least 1,063,000 tons of oil field pipe and other pipe and fittings; 149,000 tons of iron and steel billets, bars, nails, wire, etc.; 81,000 tons of farm machinery and parts; 131,000 tons of railway equipment; at least 144,000 tons of passenger automobiles (nearly 100,000 vehicles); 278,000 tons of other vehicles and parts; 717,000 tons of other iron and steel manufactures; and 21,000 tons of copper, brass, and bronze. It is probable that the petroleum industry accounted for over half of these various metal product imports. In addition to these rail shipments, many automobiles are driven into the State, while increasing numbers of automobiles and other metal products are shipped in by truck.

All other Texas imports in 1947 are estimated at nearly 7,000,000 short tons and included considerable quantities of canned and packaged food products, beverages, paper products, and numerous other commodities, chiefly finished products. About four-fifths of these miscellaneous imports came by rail and one-fifth by water, with a much smaller but unknown amount entering by truck. There were exports of over 4,000,000 tons of miscellaneous types of commodities, so that net imports of such products amounted to almost 3,000,000 tons.

INTERSTATE AND FOREIGN COMMERCE OF TEXAS, BY COMMODITIES, 1947*

Commodity	Volume (In thousands of short tons)				Value‡ (In millions of dollars)			
	Gross		Net		Gross		Net	
	Inbound	Outbound	Inbound	Outbound	Inbound	Outbound	Inbound	Outbound
Crude petroleum	12,303	55,463	.....	43,160	$ 170	$ 780	.....	$ 610
Natural gas	.....	14,530†	.....	14,530†	.....	25	.....	25
Sulphur	.....	3,982	.....	3,982	.....	63	.....	63
Gravel and sand	.....	606	.....	606	.....	1	.....	1
Bituminous coal	1,746	1,150	596	.....	12	8	$ 4	.....
Pulpwood	.....	972	.....	972	.....	10	.....	10
Lumber and products	652	87	565	.....	32	4	28	.....
Cotton	.....	544	.....	544	.....	362	.....	362
Cottonseed oil	.....	70	.....	70	.....	38	.....	38
Rice	.....	371	.....	371	.....	46	.....	46
Fruits and vegetables	400‡	1,000‡	.....	600‡	10	25	.....	15
Wheat	2,588	2,019	569	.....	183	143	40	.....
Corn	606	197	409	.....	45	15	30	.....
Cattle (live weight)	.....	542	.....	542	.....	184	.....	184
Sheep (live weight)	.....	42	.....	42	.....	10	.....	10
Hogs (live weight)	.....	67	.....	67	.....	33	.....	33
Meat	52	80	.....	28	44	67	.....	23
Wool and mohair	.....	75	.....	75	.....	75	.....	75
Hides, skins, and pelts	.....	59	.....	59	.....	30	.....	30
Petroleum products	2,007	61,022	.....	59,015	38	1,148	.....	1,110
Cement	.....	227	.....	227	.....	2	.....	2
Rubber	1	267	.....	266	.....	112	.....	112
Chemicals	135	1,164	.....	1,029	13	116	.....	103
Flour	906	1,058	.....	152	120	140	.....	20
Metal products	2,771	262	2,509	.....	1,000	100	900	.....
Other products	6,833‡	4,144‡	2,689‡	.....	n.a.	1,463	n.a.	.....
Total	31,000‡	150,000‡	.....	119,000‡	n.a.	$5,000	.....	n.a.

*Truck shipments partially omitted but relatively small for most commodities.
†Petroleum equivalent, assuming 1,075 B.T.U. per cubic foot of gas and 6,000,000 B.T.U. per barrel of petroleum.
‡Estimated.
n.a.—Not available.

SOURCES: VOLUME DATA: United States Department of Agriculture.
United States Bureau of Mines.
United States Department of Commerce.
Department of the Army, Corps of Engineers.
Interstate Commerce Commission.
VALUE ESTIMATES: Based on price data from government and trade sources.

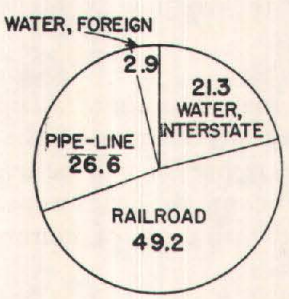
The transportation system of Texas, which carries the interstate and foreign commerce of the State, is among the largest in capacity in the Nation. With 13 deepwater harbors, numerous shallow-draft loading points, and the Intercoastal Waterway, the State is excellently equipped for ocean transportation. These ports are largely man-made, and all of them have extensive installations to serve the petroleum traffic. With 105,469,000 short tons of water-borne traffic in 1947, Texas participated in approximately one-sixth of the total of such traffic in the United States. In 1946, Houston ranked third among the Nation's ports in cargo tonnage handled, being exceeded only by New

York and Philadelphia, with six other Texas ports ranking among the top 35 of the country.[2] With 15,681 miles of railroads in 1947, or 7 percent of the United States total, and with at least 196,230 miles of highways, or 6 percent of the national total, Texas ranks first among the states in the Nation with respect to each of these two types of transportation facilities. Even more outstanding is the position of the State as to pipe-line mileage. With 25,329 miles of crude oil and refined product trunk lines, Texas had 34 percent of the national total and more than three times as much as any other single state. In addition, most of the important natural gas pipe lines originate in Texas. The State ranks high also in airline development, though the volume of traffic moving by air is insignificant compared to that moving by water, rail, or pipe line. With this wealth of transportation facilities, the commerce of Texas is almost inevitably large.

The distribution of tonnage carried by type of transportation is different for Texas commerce than for most other states, in that huge quantities of petroleum and its products, as well as natural gas, move by pipe line or by tanker, leaving the railroads a relatively much smaller proportion of the total commerce. This is particularly true of the exports of the State, 65 percent of which moved by water in 1947, 24 percent by pipe line, and only 11 percent by rail. Imports, on the other hand, are distributed somewhat more normally, with 24 percent coming by water, 27 percent by pipe line, and 49 percent by rail. Of the total interstate and foreign commerce of Texas—imports plus exports—58 percent of the tonnage was carried by water in 1947, 24 percent by pipe line, and 18 percent by rail. Interstate shipments by truck are not included in these figures but are believed to be no more than 1 percent of the total and far smaller in amount than the very large tonnages handled by each of the three chief means of transportation.

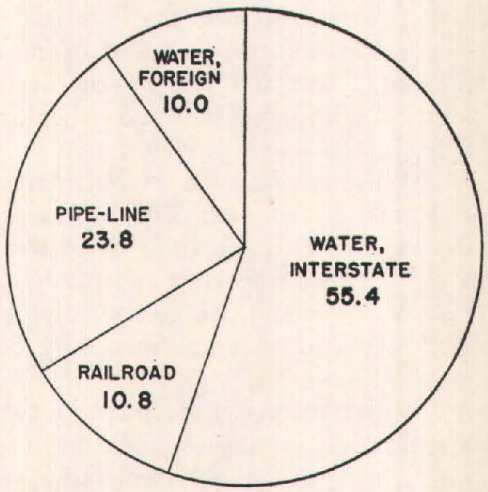
INTERSTATE AND FOREIGN COMMERCE OF TEXAS

BY METHODS OF TRANSPORTATION, 1947



INBOUND

31,000,000 SHORT TONS



OUTBOUND

150,000,000 SHORT TONS

SOURCES: U. S. BUREAU OF MINES
U. S. DEPARTMENT OF COMMERCE
DEPARTMENT OF THE ARMY, CORPS OF ENGINEERS
INTERSTATE COMMERCE COMMISSION

With Texas exports amounting, tonnagewise, to nearly five times imports in 1947, it is not surprising that outbound tonnages exceeded inbound tonnages of each of the three major types of transportation. To the extent that this one-way movement of the State's commerce occurs in pipe lines, there is no serious problem, since pipe lines are meant to carry one-way flows. However, in the case of water transportation, for every 12 full loads shipped out, there was an average of only one full return load. A more balanced Texas economy, with relatively less of bulky raw material exports and more exports of higher value per ton, would result in a closer balance between inbound and outbound freight tonnages; this, in turn, would mean more efficient use of transportation equipment and probably lower freight rates on the exports of the State.

Seasonal fluctuations in the interstate and foreign commerce of Texas are moderate on an over-all basis but are sizable for some commodities. Seasonality is most in evidence in the shipments

[2]For a discussion of "The Ports of Texas—A Resource of the Southwest," see the *Monthly Business Review*, September 1, 1947.

of agricultural products, which reach a peak during the harvest season in the third quarter of the year and are lowest in the first quarter. However, in the Rio Grande Valley, oranges, grapefruit, cabbages, and other fresh vegetables mature early and are shipped in the first quarter of the year, when they bring early season prices. Cotton reaches its shipping peak in the third and fourth quarters, and rice in the fourth quarter. Cement shipments tend to be largest during the peak of construction activity in the summer.

Most of the commerce of Texas with other areas is interstate trade, but an appreciable amount is with foreign countries. Such international trade amounted to at least 15,816,000 short tons in 1947, consisting of 14,917,000 tons of exports and only 899,000 tons of imports. This commerce accounted, tonnagewise, for 10 percent of the State's exports, 3 percent of its imports, and nearly 9 percent of its total trade. Crude petroleum and its products accounted for nearly three-tenths of these imports and nearly half of the exports. However, the foreign market is far less important than the domestic market for crude oil and its products, as well as for most other commodities. Nevertheless, Texas exports of sulphur, bituminous coal, coke, cotton, wheat, flour, and rice find appreciable markets abroad. Among the important Texas imports from abroad are coffee, bananas, and Bolivian tin ores and concentrates for the Texas City smelter. The overwhelming bulk of the foreign commerce of Texas goes through the Gulf ports, with a relatively small amount of trade passing overland to Mexico.

The status of the balance of trade of Texas is somewhat uncertain, due to the insufficient availability of value information for the manufactures and miscellaneous products imported. However, the available evidence suggests that the value of Texas exports somewhat exceeds the value of the State's imports. When services rendered to or received from other areas are considered, as well as other current payments, the balance of payments becomes more difficult to calculate. The total picture would include the flow of investment funds. Such a flow reflects the investments by Texans in non-Texas enterprises and of non-Texans in Texas enterprises, and is affected by the balance of trade of Texas and also by the attractions of the frequently higher profitability of investments in Texas as compared to some other areas.

While the balance of payments situation may be somewhat uncertain, it is unlikely to be seriously adverse to Texas so long as the rich natural resources of the State are available. But, looking further ahead to the time when some of those resources will be less abundant, the further development of manufacturing and other sources of income in Texas appears desirable. Such further industrialization would, of course, directly affect the amount of commerce of the State, as well as the distribution of that commerce by commodities.

While there is not space in this discussion to examine all of the advantages and disadvantages of additional expansion in Texas of petroleum refining, natural gasoline extraction plants, and industries using the natural gas of the State, it is obvious that such industrial expansion would decrease the proportion of raw materials exported but would increase the exports of finished and semifinished products. Similarly advantageous would be greater utilization within Texas of its sulphur, salt, sea water, and natural gas in chemical production; its cotton, wool, and mohair in textile production; and its livestock, grain sorghum, and other farm products in food-product production. Such larger output of more highly processed products would increase the value added by the manufacturing activity within the State, would add to the total and probably the per capita income of Texas, would permit the gainful and more varied employment of a larger labor force, and would lead to further diversity and hence stability of the State's economy.

Such industrial development in Texas might increase rather than decrease the total volume of the State's commerce with other regions. A more industrialized Texas would be a wealthier Texas and one which would purchase larger amounts of both manufactures and raw materials from other areas. A higher proportion of finished and semifinished products among Texas exports would mean a higher total value of such exports and, hence, more purchasing power accruing to Texans to be used by them in purchasing more products from the rest of the Nation and the rest of the world.

Review of Business, Industrial, Agricultural, and Financial Conditions

DISTRICT SUMMARY

Weather conditions in the Eleventh Federal Reserve District during May and the first three weeks of June varied widely and had diverse effects upon agricultural developments. In many areas of the District torrential rains, accompanied by high winds, hail, and floods, caused extensive damage to crops and delayed field work. Some other areas, however, have been too dry for the best development of crops. Despite these unfavorable conditions, prospects for agricultural production this year are generally favorable. Reflecting the high per acre yields, an average crop of oats has been harvested from a smaller than usual acreage. Rapid progress is being made in harvesting a near-record wheat crop, and a good crop of grain sorghums has matured in south Texas. Corn and hay crops generally have developed satisfactorily and promise fair to good yields. The cotton crop in most sections is growing rapidly, with unusually heavy yields indicated in the Lower Rio Grande Valley and in some other areas of south Texas. Field reports indicate substantial increases in cotton acreage in many parts of the District. Range vegetation throughout most of the District continued to make rapid growth, and ranges are in good to excellent condition. Due to the abundance of pasturage, livestock continue to gain in weight.

Construction contract awards in May were in about the same volume as in April but were only about 62 percent of the postwar record volume reached in May last year. Residential awards, which had increased in April, declined to about the March level and were 35 percent below those in May 1948. Daily average production of crude petroleum showed only a moderate decline in May, but the rate for the month was the lowest in more than two years. Production allowables in Texas, which remained in June at about the May level, were reduced about 125,000 barrels daily for July and August.

Sales of department stores in the District decreased only slightly from April to May, despite the substantial decrease at Fort Worth stores as a consequence of the floods about the middle of the month, and were 5 percent smaller than in May last year. Inventories and outstanding orders were reduced further. Furniture store sales increased substantially from April to May and exceeded those in May last year.

The total deposits of reporting member banks in leading cities of the District increased approximately $33,400,000 between May 11 and June 15, but total loans and investments decreased $10,600,000. While investments rose $12,000,000 during the period, loans showed a further decline of $22,600,000, chiefly as a result of the liquidation of commercial, industrial, and agricultural loans.

BUSINESS

Consumer buying at department stores in the District was well sustained in May, the dollar sales of reporting stores during the month being only 1 percent smaller than in April and 5 percent lower than in May 1948. The most pronounced declines as compared with both the previous month and the corresponding month last year occurred at Fort Worth, Texas, where the flood reduced buying severely for a short period around the middle of May. The decrease in total sales in the District from April to May was smaller than is usual at this season; as a consequence, the adjusted index of sales, which makes allowance for the effects of seasonal factors and the variable date of Easter, rose in May to 384 percent of the 1935-39 average from 374 percent in April and compares with 404 percent a year earlier. The May index, however, is still moderately lower than the average for the first quarter of this year.

Available information indicates that retailers generally recently have adopted more aggressive merchandising policies. Clearance and promotion sales have become more frequent and widespread, and price reductions have been effected on an increasing number of items. These reductions reflect adjustments in manufacturers' prices and markdowns on merchandise for clearance purposes, as well as the passing on to consumers of reduced prices obtained by stores through special purchases of merchandise.

WHOLESALE AND RETAIL TRADE STATISTICS

	Number of reporting firms	Percentage change in Net sales: May 1949 from May 1948	Net sales: May 1949 from April 1949	Net sales: 5 mo. 1949 comp. with 5 mo. 1948	Stocks‡: May 1949 from May 1948	Stocks‡: May 1949 from April 1949
Retail trade:						
Department stores:						
Total Eleventh District	48	— 5	— 1	— 1	— 9	— 7
Corpus Christi	4	#	— 5	#	1	— 3
Dallas	7	— 6	— 1	— 7	— 4	— 5
Fort Worth	4	—11	—11	— 3	— 9	—14
Houston	7	— 3	3	— 5	—16	— 8
San Antonio	5	— 4	3	— 9	—10	—10
Shreveport, La.	3	#	— 3	2	..	..
Other cities	18	— 5	— 5	— 4	—11	— 5
Furniture stores:						
Total Eleventh District	44	5	22	..	— 8	— 5
Dallas	3	8	18	..	—20	—11
Houston	6	— 2	41	..	..	..
Port Arthur	4	56	60	..	—29	—11
San Antonio	3	18	22	..	..	..
Wholesale trade:*						
Automotive supplies	5	—27	#	—23	—32	— 9
Dry goods	8	—24	2	—16	—29	— 9
Drugs and sundries	5	10	5	4	6	— 2
Grocery (full-line wholesalers not sponsoring groups)	37	— 6	— 1	— 6	— 2	— 5
Hardware	6	—25	—12	—17	— 8	— 4
Industrial supplies	3	— 5	— 5	..	15	— 1
Tobacco products	12	7	1	5	— #	— 1
Wiring supplies, construction materials distributors	5	—28	13	..	44	1

*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*: May 1949	April 1949	Mar. 1949	May 1948	Adjusted: May 1949	April 1949	Mar. 1949	May 1948
Eleventh District	373	377	353	392Δ	384	374	392	404Δ
Dallas	333	335	335	354	354	353	356	377
Houston	438	423	399	450Δ	456	427	463	468Δ

Stocks—(1935-39=100)

	Unadjusted*: May 1949	April 1949	Mar. 1949	May 1948	Adjusted: May 1949	April 1949	Mar. 1949	May 1948
Eleventh District	365	388	392	393Δ	358	373	377	386Δ

*Unadjusted for seasonal variation.
ΔRevised.

A significant development during the month was the marked increase in sales of housefurnishings from April to May and the narrowing of the year-to-year decrease from 31 percent in April to only 7 percent in May, a trend that was reflected in sales of all major items of housefurnishings. In major household appliances, sales increased sharply and exceeded the large volume in May last year by 4 percent. Sales of men's and boys' wear showed little change from those in April this year or May last year. Sales of small wares, which increased seasonally from April to May, were in about the same volume as in May last year. The sharp decline from April in the sales of women's and misses' ready-to-wear apparel and accessories was more pronounced than usual, and sales were considerably smaller than in May last year. In piece goods and household textiles,

sales increased slightly from April to May, which contrasts with a moderate decline in that period last year, but May sales were still sharply lower than a year earlier.

Inventories of reporting stores at the end of May were 7 percent smaller than a month earlier and 9 percent lower than a year ago. Reflecting the greater than seasonal decline, the adjusted index of stocks for May dropped to 358 percent of the 1935-39 average from 373 percent in April and was sharply below the 386 percent for May 1948. Outstanding orders showed a further decline of 4 percent in May and at the end of the month were 51 percent smaller than on that date last year. As a result of the sharp reduction in outstanding orders in recent months, the total is now at the lowest level since 1942. According to information from primary market centers, retail buyers are shopping intensively for values on fall merchandise in order to give consumers the lowest prices consistent with quality merchandise. There appears to be a tendency to revert to the prewar policy of placing orders for only a portion of requirements, so as to be in a position to take advantage of any price reductions that may occur later in the year.

Sales of reporting furniture stores during May showed a sharp gain of 22 percent over those in April and were 5 percent larger than those in May 1948. This was the first year-to-year gain reported since September last year. While seasonal factors accounted for a portion of the increase, the widely advertised price reductions had the effect of stimulating the demand for many items on which consumers in recent months had been deferring their purchases. Reflecting the large sales and only moderate replacements, inventories of reporting firms declined 5 percent in May, which reduced the total to a level 8 percent below that a year ago. Accounts receivable at the end of May, which had increased 6 percent during the month, were 17 percent larger than at the close of May 1948. Collections showed little change during May as compared to April this year or May last year.

AGRICULTURE

Continued rains through mid-June delayed the maturity and harvest of wheat, necessitated extensive replanting of cotton, and delayed seeding of grain sorghums and peanuts throughout the northern sections of the Eleventh District. However, scattered rains during early June improved crop prospects in southern, central, and eastern sections of the District. Field work was delayed in areas receiving heavy rains but is progressing satisfactorily in other areas. In south Texas planting of rice is complete, and cotton chopping is being rapidly completed in central sections. Harvest of small grains is well advanced, while harvest of the flax crop was completed early in June.

Although excessive rains and storms during late May and the first half of June caused local damage and late fields were showing evidence of damage from stem rust, the condition of the near-record wheat crop continued generally favorable. The United States Department of Agriculture's estimate of the Texas wheat crop as of June 1 is 123,216,000 bushels, the same as the May 1 estimate and more than double the 1948 crop of 56,290,000 bushels. Harvest is virtually complete in early areas and is progressing rapidly in other sections, with the peak of the harvest in the Panhandle expected by mid-July. Available storage space is rapidly being filled.

Cotton planting is virtually complete, with the seeding of a record acreage expected in the High Plains. Frequent and heavy rains have delayed planting of the crop throughout northern Texas, necessitated extensive replanting in the High Plains and northern Blacklands, and caused considerable damage in the Pecos Valley. General rains in Louisiana at mid-June brought relief from the extended period of dry weather in that State, and the cotton crop is much improved over a month ago. Additional rain would be beneficial to the crop in parts of central Texas, but the crop generally is making good progress, with early fields blooming as far north as Dallas. Condition of the crop is good to excellent in the Coastal Bend and El Paso areas. Harvest of the first bale of cotton was completed on June 15 in the Lower Rio Grande Valley, with a record crop in prospect there as a result of increased acreage, the excellent condition of the crop, and very light insect damage. In most sections of the District insect activity has been rather widespread, ranging from moderate to heavy infestations, but damage thus far has not been extensive.

Corn is making good growth as rainfall in southern, south-central, and eastern counties brought needed relief in those areas and warmer weather stimulated growth in northern sections. Much of the crop is laid-by in northern counties and is approaching maturity in southern sections. As fields dried, seeding of grain sorghums made rapid progress in northwestern parts of the District. Some increase in acreage is anticipated in the northwest, as the continued rains of early June diverted some acreage intended for cotton to grain sorghums. The commercial sorghum crop in the Coastal Bend area is being harvested, with good yields in prospect.

The June 1 forecast for the Texas oat crop estimates production at 35,360,000 bushels, more than double last year's very small crop of 14,240,000 bushels and slightly above the 10-year (1938-47) average of about 34,000,000 bushels. Although total harvested acreage is well below the 10-year average, per acre yields are above average in the State. A larger-than-usual acreage, however, has been grown and harvested for grain in southern and southcentral areas of the State. Harvesting of oats is nearing completion. The Texas barley crop is forecast at 2,860,000 bushels as of June 1. This compares with the small 1948 crop of 1,891,000 bushels and a 10-year average of 4,049,000 bushels. Rice planting in Texas was completed early in June, and the crop is reported to be in good condition. Planting of this year's peanut crop, although delayed considerably by excessive moisture, is now complete, and the crop is making good growth throughout the District. Small losses of hay in northern counties, where frequent rains made harvest difficult, were more than offset by unusually good yields made possible by the very favorable growing conditions during May and early June. The June 1 forecast of the Texas peach crop indicates production at about 2,250,000 bushels, representing an increase of 150,000 bushels over the May 1 forecast and about double the poor crop in 1948. Most areas report a satisfactory set of pecans, and growers are making concentrated effort to control case-bearer damage.

Commercial vegetable areas benefited from rains in the early part of June, but some of the important east Texas tomato-producing areas are in need of additional moisture. Cantaloupes and watermelons, as well as sweet corn, onions, and potatoes, are moving to market in volume as harvest of the early crop nears completion. Truck crops in the Panhandle area of Texas continue to make good growth with ample supplies of moisture, while the preparation of seedbeds for fall-crop planting in the Winter Garden and Eagle Pass sections is well advanced.

Range and pasture grasses continue to make excellent growth in all sections of the District. Additional rains in the northwestern counties, scattered showers in eastern and Trans-Pecos

sections, and heavy rains in the Edwards Plateau and southern counties of Texas checked deterioration of ranges in those areas. The condition of pastures as of June 1 was reported at 91 percent of normal, a condition that has been equaled or excelled for that date only twice since 1927. Pasture and range feed supplies are unusually good throughout the District, particularly in northwest areas.

Cattle and calves are making rapid gains on the ample supply of range and pasture feed. Movement of cattle to market has been delayed as ranges and pastures are supplying abundant feed. The condition of sheep and lambs also is improving, and marketing of spring lambs, which was in full swing by the end of May, is about complete.

LIVESTOCK RECEIPTS—(Number)

Class	Fort Worth market			San Antonio market		
	May 1949	May 1948	April 1949	May 1949	May 1948	April 1949
Cattle	47,087	83,269	37,906	37,697	33,724	23,404
Calves	13,539	22,637	8,151	12,677	21,225	9,118
Hogs	45,759	112,227	49,495	6,350	8,709	5,026
Sheep	283,946	290,762	61,200	54,911	72,154	20,753

TOP LIVESTOCK PRICES

(Dollars per hundredweight)

Class	Fort Worth market			San Antonio market		
	May 1949	May 1948	April 1949	May 1949	May 1948	April 1949
Slaughter steers	$26.00	$32.00	$28.00	$25.50	$30.00	$26.00
Stocker steers	26.00	28.00	25.50	.....	.....	.....
Slaughter cows	20.00	25.25	20.25	20.00	24.00	20.50
Slaughter heifers and yearlings	27.00	32.50	28.00	25.50	30.00	26.00
Slaughter calves	28.00	31.00	28.00	27.50	30.15	27.50
Stocker calves	26.50	30.00	27.00	28.00	....	27.00
Slaughter lambs	30.00	29.00	33.50	28.00	26.50	30.00
Hogs	21.00	25.00	20.00	21.00	24.50	20.00

Combined receipts of livestock at the Fort Worth and San Antonio markets in May were 133 percent above the very small receipts of April, reflecting increased seasonal marketing of cattle, calves, sheep, and lambs. Marketings during May reflect increases of 38 percent for cattle, 52 percent for calves, and 313 percent for sheep and lambs, but a seasonal decline of 4 percent for hogs. The unusually large increases in receipts of cattle, calves, sheep, and lambs during May reflect later-than-usual marketings of these classes of livestock because of the very favorable condition of ranges and pastures during March and April, as well as adverse weather conditions in April. A steadily increasing price level for cattle during May probably also encouraged heavier marketings of cattle and calves. The movement of spring lambs, although following the general seasonal pattern, was particularly heavy during the last two weeks of May. Combined receipts during May averaged 22 percent below those of May 1948, with marketings of cattle down 28 percent, calves 40 percent, hogs 57 percent, and sheep 7 percent. These substantial declines from a year ago reflect generally lower numbers of livestock in this area and the abundant feed supplies that are encouraging ranchers to increase herds and flocks and to reduce marketings of calves and breeding stock at this time.

Further declines in prices received by Texas farmers for most agricultural products during the month ended May 15 caused the index of prices received by farmers to drop to the lowest level since September 1947. At 286 percent of the 1910-14 average, it was 13 percent below the all-time high reached in June 1948. Declines were recorded for all major agricultural commodities, except truck crops which increased sharply and cotton lint which advanced slightly over the level of April. Reports from spot commodity markets indicate that from May 15 to mid-June prices of all livestock and cotton increased, while prices of grains registered further declines as harvest of the wheat and oat crops progressed.

CASH RECEIPTS FROM FARM MARKETINGS

(In thousands of dollars)

State	April 1949			April 1948	Cumulative receipts—Jan. 1 to Apr. 30,—	
	Crops	Livestock	Total	Total	1949	1948
Arizona	$ 9,608	$ 8,237	$ 17,845	$ 19,700	$ 75,038	$ 67,559
Louisiana	13,642	6,337	19,979	24,220	105,097	93,827
New Mexico	3,341	9,689	13,030	11,876	49,145	42,177
Oklahoma	8,204	21,228	29,432	32,099	125,852	150,009
Texas	39,695	94,973	134,668	152,505	447,474	542,199
Total	$ 74,490	$140,464	$214,954	$240,400	$802,606	$895,771

SOURCE: United States Department of Agriculture.

Wheat Storage Regulations Relaxed

In view of the acute lack of adequate storage space for this year's bumper wheat crop, which caused the price to farmers to decline well below the loan rate during the early days of harvest, the Secretary of Agriculture on June 7 relaxed wheat price support regulations and on June 20 announced that the revised regulations would apply also to oats, barley, and grain sorghums. The revised regulations permit distress loans at 75 percent of the government support price on grains stored in temporary shelters or on the ground, with the understanding that the grain will be placed in approved farm or other storage within 90 days. The remaining 25 percent of the loan will be paid to the farmer when the grain is placed in approved storage. The grade and quality will be checked when the loan is made, and "the farmers will not be responsible for changes in grade and quality which may occur during the period of the distress loan."

The Secretary also announced that, under the legislation approved on June 7 giving the Commodity Credit Corporation authority to lease and develop storage facilities, farmers will be loaned up to 85 percent of the cost of storage facilities installed on farms. These loans will bear 4 percent interest and will be repayable in five annual instalments. No payment will be required in a year of crop failure, in which event the final maturity will be extended.

FINANCE

Reports of selected member banks in leading cities in the Eleventh District for the five-week period ended June 15 show a decline in total loans of $22,592,000, an increase in total investments of $12,014,000, and an increase in total deposits of $33,401,000. These figures reflect a continuation of the declining loan trend which has been in evidence since the first of the year both in this District and in the Nation, the tendency on the part of selected member banks to place funds released from reserves in Government securities, and a growth in deposits of individuals, partnerships, and corporations, particularly during the first and last weeks of the period.

Virtually all of the shrinkage in total loans at selected member banks in this District was accounted for by a continuing decline in commercial, industrial, and agricultural loans. This class of loans, which amounted to $696,106,000 on June 15, was $20,122,000 less than on May 11 but still $7,671,000 more than the amount outstanding on June 16 last year.

Inventory adjustments at different levels of distribution have been one of the important causes of the decline in business loans that has taken place in this District. Other factors which have contributed to the declining volume have been a seasonal decline in commodity loans, a reduction in construc-

tion loans, the lower level of prices, some contraction in the volume of capital expenditures, a more cautious, selective attitude on the part of banks reflected in a volume of new loans smaller than the amount of repayments, and a decline in working capital requirements associated with a smaller volume of business at a lower level of prices.

The trend of business loans in the months ahead probably will be closely influenced by the level of business activity, and since it is generally believed that the process of adjusting inventories has not been completed and that the downward trend of economic activity has not run its full course, it is possible that loans will continue to slide off for the next few months. Later in the second half of this year there should be some seasonal firming in the loan trend; however, if business activity continues to adjust downward through the fall months, the seasonal increase may be somewhat less than normal.

Reports from various parts of the Eleventh District indicate that the demand for farm production credit is somewhat larger this year than a year ago. If the sizable liquidation of loans guaranteed by the Commodity Credit Corporation is taken into consideration, loans of banks in the agricultural areas in this District show a considerable increase. Continued high production costs, increases in cultivated acreage, and a somewhat less strong cash position of farmers are among the causes most frequently mentioned as accounting for the larger demand for agricultural credit.

The combination of the reduction in reserve requirements effected early in May and the decline in business loans at selected banks in leading cities of the District resulted in an increase in holdings of United States Government securities, with all of the increase being accounted for by additions to holdings of certificates of indebtedness. During the five-week period between May 11 and June 15 these banks increased their holdings of certificates of indebtedness by $26,910,000 while decreasing their holdings of Treasury bills, notes, and bonds in amounts sufficient to bring the net increase in holdings of Government securities to $11,239,000. A minor increase was also reported in holdings of other stocks, bonds, and securities.

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

(In thousands of dollars)

Item	June 15, 1949	June 16, 1948	May 11, 1949
Total loans and investments	$2,246,069	$2,238,926e	$2,256,647
Total loans—Net‡	1,024,359	.....	1,046,705
Total loans—Gross	1,034,253	1,008,551e	1,056,345
Commercial, industrial, and agricultural loans	696,106	688,435	716,228
Loans to brokers and dealers in securities	6,391	5,756	6,671
Other loans for purchasing or carrying securities	51,408	62,002	53,066
Real-estate loans	87,102	83,790	86,736
Loans to banks	481	404	442
All other loans	192,765	168,164	193,702
Total investments	1,211,816	1,230,375	1,199,802
U. S. Treasury bills	48,218	36,340	60,173
U. S. Treasury certificates of indebtedness	282,782	195,836	255,872
U. S. Treasury notes	39,478	94,018	40,832
U. S. Government bonds (inc. gtd. obligations)	719,954	791,366	722,316
Other securities	121,384	112,815	120,609
Reserves with Federal Reserve Bank	512,711	493,018	483,273
Balances with domestic banks	298,306	337,520	268,533
Demand deposits—adjusted*	1,929,711	1,919,033	1,898,759
Time deposits except Govt	441,332	393,140r	442,586
United States Government deposits	29,761	37,506r	33,072
Interbank demand deposits	513,694	557,154	506,680
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.
r—Revised.
‡After deductions for reserves and unallocated charge-offs.
ePrior 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.

Demand deposits of individuals, partnerships, and corporations at selected member banks in the District amounted to $1,899,466,000 on June 15, as compared with $1,830,628,000 on May 11. This increase of approximately $69,000,000 resulted from an increase of about $35,000,000 during the first week of the period and $72,000,000 during the last week of the period, offset partly by decreases during the other weeks. Quarterly tax payments due on June 15 probably reduced deposits of individuals, partnerships, and corporations rather substantially during the last two weeks of June. As Treasury funds are expended, however, there will be a gradual shifting about of funds and a tendency to regain in subsequent weeks the deposits lost as a result of the tax payments.

Gross demand deposits of all member banks in the District during May averaged about $4,943,000,000, or about $58,000,000 less than the average for April and about $55,000,000 less than the amount reported during May last year. Time deposits, on the other hand, continued to increase and during May averaged $631,531,000, or about $10,000,000 more than in April and almost $62,000,000 more than during May 1948.

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
May 1947	$4,600,179	$533,254	$2,207,446	$335,549	$2,392,733	$197,705
May 1948	4,997,789	569,656	2,384,586	358,943	2,613,203	210,713
January 1949	5,430,929	607,167	2,612,025	390,682	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
May 1949	4,942,647	631,531	2,365,633	411,889	2,577,014	219,642

Probably reflecting the slight slowing down in retail trade in the District and the somewhat lower level of business activity, debits to deposit accounts at banks in 24 cities in the District declined by 5 percent during May and were 1 percent below the level of May last year. The turnover of deposits on an annual rate basis also was slightly lower during May than in either April of this year or May last year, as the latest figure is reported at 11.9 times in contrast with 12.6 times for the two earlier periods. During May, all of the 24 reporting cities showed a decline in bank debits with the single exception of San Angelo. Declines ranged from as little as 1 percent in several cities to as much as 12 percent in Austin.

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

(Amounts in thousands of dollars)

City	Debits*			End-of-mo. deposits*	Annual rate of turnover		
	May 1949	Pctg. change over May 1948	Pctg. change over April 1949	May 31, 1949	May 1949	May 1948	April 1949
Arizona: Tucson	$ 57,145	— 7	— 3	$ 82,872	8.2	8.6	8.3
Louisiana:							
Monroe	33,449	3	— 1	40,344	9.8	9.8	9.7
Shreveport	123,755	— 3	— 7	162,837	9.2	9.8	9.8
New Mexico: Roswell	13,174	— 3	— 5	18,039	8.8	9.2	9.1
Texas:							
Abilene	28,197	—13	—11	38,523	8.9	9.5	10.0
Amarillo	81,769	—11	— 8	83,371	11.9	13.2	13.0
Austin	104,186	8	—12	105,371	12.0	11.2	13.7
Beaumont	89,491	— 5	— 2	97,907	10.9	12.0	11.2
Corpus Christi	70,686	— 9	— 1	77,336	10.8	12.7	10.9
Corsicana	8,696	— 5	— 7	19,692	5.3	5.8	5.6
Dallas	969,417	6	— 3	801,979	15.1	15.7	16.2
El Paso	121,813	7	— 8	118,763	12.5	11.5	13.7
Fort Worth	289,352	— 7	— 1	294,616	12.0	13.7	12.2
Galveston	64,850	— 3	— 7	96,421	8.2	8.6	8.6
Houston	984,944	— 4	— 7	912,125	13.1	14.4	14.2
Laredo	16,392	— 8	— 6	21,769	9.0	9.2	9.5
Lubbock	54,369	— 9	— 5	60,203	10.7	10.3	10.8
Port Arthur	33,272	— 5	— 1	40,642	10.0	10.7	10.2
San Angelo	26,368	—15	1	38,614	8.3	9.7	8.4
San Antonio	247,550	— 1	— 1	313,222	9.6	9.6	9.6
Texarkana‡	12,980	— 8	— 7	22,358	7.0	7.7	7.3
Tyler	36,205	— 7	— 5	50,653	8.6	9.0	9.1
Waco	45,772	— 5	— 4	66,568	8.3	9.2	8.6
Wichita Falls	52,872	— 3	— 5	79,666	8.0	8.5	8.3
Total—24 cities	$3,566,704	— 1	— 5	$3,643,891	11.9	12.6	12.6

*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 $22,595.

SAVINGS DEPOSITS

City	Number of reporting banks	May 31, 1949: Number of savings depositors	May 31, 1949: Amount of savings deposits	Percentage change in savings deposits from: May 31, 1948	Percentage change in savings deposits from: April 30, 1949
Louisiana: Shreveport	3	41,317	$ 25,803,483	1.7	—0.7
Texas:					
Beaumont	3	12,134	6,267,628	— 0.8	—0.1
Dallas	8	142,047	78,899,560	0.4	0.4
El Paso	2	32,058	22,856,869	0.3	—0.1
Fort Worth	4	43,857	35,532,376	3.1	0.6
Galveston	4	23,387	21,297,739	— 2.9	0.2
Houston	8	98,774	74,484,874	2.9	0.3
Lubbock	2	1,723	3,191,726	80.1	0.8
Port Arthur	2	5,800	4,630,962	— 5.4	—0.4
San Antonio	5	40,058	45,019,294	— 3.6	—0.01
Waco	3	9,632	10,153,086	6.3	0.2
Wichita Falls	3	7,449	4,509,472	— 0.5	—1.0
All other	55	63,890	54,660,470	1.0	0.3
Total	102	522,136	$387,307,539	1.0	0.2

Principal changes in the condition of the Federal Reserve Bank of Dallas during the month ended June 15 included a decline of about $58,500,000 in gold certificate reserves and a decline of about $11,300,000 in total earning assets. The decline in total earning assets was accounted for by a decline of almost $5,000,000 in discounts for member banks, a decline of approximately the same amount in holdings of United States Government securities, and a reduction in foreign loans on gold amounting to approximately $1,600,000. Federal Reserve notes of this bank in actual circulation rose during the month ended June 15 from $591,706,000 to $596,123,000.

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	June 15, 1949	June 15, 1948	May 15, 1949
Total gold certificate reserves	$628,426	$563,406	$686,982
Discounts for member banks	258	720	5,220
Foreign loans on gold	3,171	8,058	4,742
U. S. Government securities	841,770	939,650	846,549
Total earning assets	845,199	948,428	856,511
Member bank reserve deposits	860,566	844,937	858,660
Federal Reserve notes in actual circulation	596,123	594,669	591,706

On June 18 the Secretary of the Treasury announced an offering of 1¼ percent Treasury certificates of indebtedness on an exchange basis to holders of certificates of indebtedness maturing on July 1, 1949, amounting to $5,782,890,000. The new certificates, dated July 1, 1949, bear interest from that date and will mature on July 1, 1950.

Sales of savings bonds in this District during May amounted to $15,466,000, or about $238,000 more than during the same month last year. Redemptions in the District, which were $2,445,000 less than redemptions in May last year, totaled $17,797,000. As a result of this smaller amount of redemptions and slightly larger sales, redemptions during May this year amounted to 115 percent of sales in the District, as contrasted with about 133 percent in May 1948. Reports received from the Texas Savings Bond Division of the Treasury Department indicate that the Opportunity Drive is progressing very favorably in the State. As of June 18, sales of E bonds during the Drive period totaled approximately $30,300,000. The favorable progress of the Opportunity Drive is indicated by comparison with the progress experienced during the same number of days of the Security Loan Drive last year, when on June 19 sales of E bonds totaled $27,771,000. The Savings Bond Division reports that the market for E bonds appears to be strengthening and that the Opportunity Drive has received the complete cooperation and support of bankers, businessmen, industrialists, and others. In fact, it is said that the cooperation received in connection with this latest drive has been the best since the end of the war.

INDUSTRY

Nonfarm employment in Texas continued to increase slowly, with a rise of 7,000 from mid-April to mid-June, and reached a level 2 percent higher than in June 1948, according to estimates of the Texas Employment Commission. Reflecting largely seasonal factors, the gains from April to June were most pronounced in construction, the lumber and wood products industries, and the food and kindred products industries. The expansion in government employment resulted from additions by local government units, as well as from the increase in activity at military installations, principally at Wichita Falls, Lubbock, and San Antonio, Texas. Total nonfarm employment in Texas in June 1949 is estimated at 40,000 more than a year earlier, with 37,000 of the increase being in nonmanufacturing and only 3,000 in manufacturing. Compared to a year ago, employment in most major manufacturing lines was somewhat less, but a gain of more than 7,000 in the transportation equipment industry—chiefly aircraft plants—assured a gain for total manufacturing employment. In the nonmanufacturing category, increases in employment over a year ago were general in all major classes except construction, where a decline of about 22,000 occurred. The seasonal expansion in construction employment this year has been much smaller than that which occurred in the corresponding period of 1948.

NONAGRICULTURAL EMPLOYMENT IN TEXAS

(In thousands)

	Number of employees: June 1949*	June 1948	April 1949	Increase or decrease from: June 1948	April 1949
Total	2,318.4	2,277.9	2,311.3	40.5	7.1
Manufacturing	392.5	389.4	388.6	3.1	3.9
Food and kindred products	83.1	84.7	81.4	— 1.6	1.7
Lumber and wood products	31.9	33.8	30.1	— 1.9	1.8
Products of petroleum and coal	56.8	57.0	57.7	— .2	— .9
Transportation equipment	33.2	25.9	32.9	7.3	.3
Other manufacturing	187.5	188.0	186.5	— .5	1.0
Nonmanufacturing	1,925.9	1,888.5	1,922.7	37.4	3.2
Construction	157.0	178.7	149.6	—21.7	7.4
Transportation and allied service	156.6	155.8	157.5	.8	— .9
Wholesale trade	119.5	114.4	119.1	5.1	.4
Retail trade	531.8	516.0	533.9	15.8	—2.1
Finance, insurance, and real estate	84.6	81.5	84.3	3.1	.3
Service establishments	171.6	165.8	171.1	5.8	.5
Medical and other professional service	240.3	230.0	244.7	10.3	—4.4
Private households	197.0	194.9	196.4	2.1	.6
Government establishments	127.7	115.7	126.3	12.0	1.4
Other nonmanufacturing	139.8	135.7	139.8	4.1	.0

*Estimated.

SOURCE: Texas Employment Commission.

The value of construction contract awards in the Eleventh District during May, amounting to $56,345,000, was about the same as in April but 38 percent below the postwar peak reached in May last year. Awards for residential building declined 12 percent from April to May, but this decrease was more than counterbalanced by increased awards for other classes of construction. Total awards for the first five months of this year were 21 percent less than in the corresponding period last year, and residential awards were down 27 percent. Except for utility construction and hospital and institutional building, which increased, all major types of construction declined. The decreases in the District were proportionately greater than those reported for the 37 states covered by contract awards statistics, the declines for the latter group of

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

	May 1949	May 1948	April 1949	January 1 to May 31: 1949	January 1 to May 31: 1948
Eleventh District—total	$56,345	$90,666	$56,093	$ 266,214	$ 338,487
Residential	18,693	28,595	21,318	87,995	119,841
All other	37,652	62,070	34,775	178,219	218,646
United States*—total	880,344	970,789	842,586	3,522,000	3,831,607
Residential	346,251	369,780	303,825	1,254,047	1,468,273
All other	534,093	601,009	538,761	2,267,953	2,363,334

*37 states east of the Rocky Mountains.

SOURCE: F. W. Dodge Corporation.

states during the first five months of this year being only 8 percent for total construction and 15 percent for residential construction.

Construction costs, which had decreased very slowly between October 1948 and March this year, began a more rapid decline in April and May. The Bureau of Labor Statistics' wholesale price index for building materials declined 4 percent in those two months, reaching a level 6 percent below the postwar peak last fall, and reflected in part at least the generally ample-to-excessive supplies of most building materials. Important declines occurred in the prices of lumber and paint and paint materials. The lesser demand, as indicated by the smaller volume of construction activity, was also an important factor in the price declines. Both retail and export sales of lumber are smaller than a year ago, while stocks have risen. The labor-cost component of construction costs is reported to have declined due to increased productivity, despite the comparative stability of wages in the industry.

These declines in construction costs should be stimulating to construction activity, since many potential projects have been delayed more or less indefinitely due to high costs. That a considerable backlog of construction projects does exist is suggested by the *Engineering News Record* estimate of the backlog of heavy engineer-type construction in the United States on May 1 at $44,600,000,000, the highest level yet reported for this indicator of potential demand.

BUILDING PERMITS

City	May 1949 No.	May 1949 Valuation	Percentage change in valuation from May 1948	Percentage change in valuation from April 1949	Jan. 1 to May 31, 1949 No.	Jan. 1 to May 31, 1949 Valuation	Percentage change in valuation from 1948
Louisiana:							
Shreveport	346	$1,731,772	— 6	22	1,535	$ 5,980,094	—69
Texas:							
Abilene	104	882,079	133	51	475	2,772,167	13
Amarillo	433	1,118,987	—13	20	1,122	5,487,865	18
Austin	255	1,572,856	—17	—50	1,233	9,469,866	—15
Beaumont	373	646,900	—12	49	1,652	3,964,925	5
Corpus Christi	287	1,225,975	33	10	1,212	5,141,599	—40
Dallas	1,306	4,307,025	—52	—34	6,018	26,998,789	—41
El Paso	215	882,240	—18	#	1,111	3,957,287	—16
Fort Worth	614	1,938,628	—21	1	2,820	9,647,785	—15
Galveston	129	128,706	—42	7	771	2,322,679	75
Houston	771	8,235,685	3	— 7	2,987	31,336,342	—34
Lubbock	194	855,761	—11	3	810	3,736,210	—28
Port Arthur	217	368,919	78	30	786	1,499,881	62
San Antonio	1,301	3,499,490	4	87	5,475	13,012,609	—19
Waco	163	654,654	—12	—21	729	3,375,951	—42
Wichita Falls	90	298,605	85	8	381	1,379,025	—30
Total	6,798	$28,348,282	—15	— 6	29,117	$130,083,074	—32

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

The downward trend in the daily average production of crude petroleum in the District continued during May, though at a much slower rate than in the earlier months of the year. The May production rate of 2,131,000 barrels, while only 38,000 barrels below that in April, was 527,000 barrels smaller than in May 1948 and the lowest since March 1947. In other sections of the United States, May production was about 10,000 barrels daily higher than in April and about the same as a year earlier, emphasizing that virtually all of the reduction in crude oil production in the Nation has occurred in the Eleventh District. On the basis of allowables, production in the District during June was close to the May level.

Refinery operations as measured by crude oil runs to refinery stills increased in the Nation by 2 percent from April to May but were 7 percent smaller than in May 1948, due largely to the lower level of operations in the Eleventh District. In this area, runs to refinery stills declined further by about 2 percent in May and were 14 percent smaller than in the corresponding month of 1948, accounting for about two-thirds of the total decline in the Nation.

CRUDE OIL PRODUCTION—(Barrels)

Area	May 1949 Total production	May 1949 Daily avg. production	Increase or decrease in daily average production from May 1948	Increase or decrease in daily average production from April 1949
Texas;				
District 1	797,300	25,720	— 1,180	447
2	3,680,000	118,710	— 53,330	— 3,120
3	11,070,200	357,103	—136,003	— 8,134
4	5,717,250	184,427	— 71,199	— 1,736
5	1,069,200	34,490	— 11,879	— 1,370
6	7,661,150	247,134	— 56,718	— 7,389
Other 6	2,588,200	83,490	— 38,449	— 1,680
7b	1,763,400	56,884	11,740	— 1,816
7c	1,309,600	42,245	— 2,794	— 518
8	16,140,100	520,649	—167,374	—18,918
9	3,907,800	126,058	— 12,429	7,201
10	2,758,600	88,987	4,421	1,314
Total Texas	58,462,800	1,885,897	—535,194	—35,719
New Mexico	3,981,800	128,445	2,287	— 1,772
North Louisiana	3,629,750	117,089	5,528	— 708
Total Eleventh District	66,074,350	2,131,431	—527,379	—38,199
Outside Eleventh District	85,772,100	2,766,842	— 3,958	9,660
United States	151,846,450	4,898,273	—531,337	—28,539

SOURCE; Estimated from American Petroleum Institute weekly reports.

The demand for gasoline apparently is very strong, with indications that consumption is running at or near record rates even though the period of heaviest consumption usually comes later in the summer. As a means of meeting the heavy demand and of slowing down the rate of decline in refinery profit margins, the yield of gasoline, the high value product, was raised in May to an average of about 44.6 percent of crude oil processed, which is some 3 percentage points higher than in January this year and the highest since 1941. The yields of other major refined products have shown corresponding declines, reflecting the effects of the decreased demand and the heavy accumulation of stocks at refineries.

Despite the strong demand for gasoline, it is apparent that the over-all demand for petroleum and its products continues downward. The changes in inventory positions of crude oil and of refined products during May indicate that additions to supplies were somewhat greater than consumption, whereas in April the two factors were about in balance. In recognition of the imbalance between supply and demand, the Texas Railroad Commission has reduced by about 125,000 barrels daily the allowable production of crude oil in Texas for July and August.

Developments in the price situation in the industry indicate the continuing uncertainty regarding future trends. During May and June further price reductions were effected on heavy crude oil in numerous fields throughout the country, and in isolated fields the price cuts were extended to light oils. In California, where the imbalance between heavy and light crudes is pronounced, one company made a complete revision of the gravity schedule of prices, effective June 1, whereby prices of the higher gravities were raised and those of the lower gravities were reduced. Additional price reductions also have been effected on kerosene and fuel oils, and the market is still in an unstable position due to the unusually large supplies. In an effort to stimulate sales of fuel oils to dealers and consumers, some companies have offered them summer price protection, whereby they would obtain the benefit of price reductions that may occur between the time of purchase and September 1. Moreover, suggestions have been made that the period of price protection be extended to the end of this year as a means of inducing the prompt movement of fuel oils from refinery storage.

DOMESTIC CONSUMPTION AND STOCKS OF COTTON—(Bales)

	May 1949	May 1948	April 1949	August 1 to May 31, This season	August 1 to May 31, Last season
Consumption at:					
Texas mills	9,463	12,435	10,748	121,813	129,802
United States mills	580,078	785,516	597,031	6,742,240	7,926,583
U. S. Stocks—end of month:					
In consuming establishments	1,277,423	2,006,769	1,448,450	.....	.....
Public storage and compresses	5,079,999	2,232,911	5,871,447	.....	.....