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THE MOHAIR INDUSTRY IN THE SOUTHWEST Recent Developments Indicate Bright Future

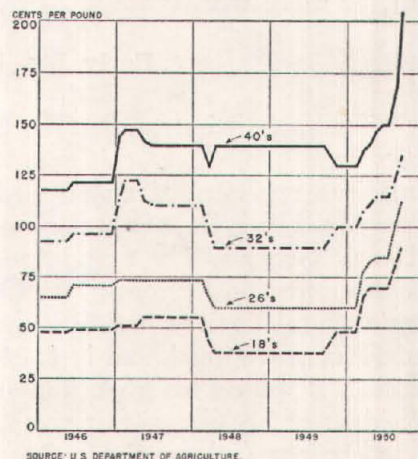
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Probably the one type of agriculture most peculiarly southwestern is goat raising for mohair production, for about 97 percent of the Nation's mohair clip is produced in three of the southwestern states—Arizona, New Mexico, and Texas.¹ The mohair industry is an important factor in the economy of these states and is the leading ranch enterprise in many counties, particularly in the Edwards Plateau and counties to the south and west of this area of Texas. Annual cash income from goat raising is counted in the millions of dollars; from 1940 through 1949, cash receipts from sale of mohair averaged \$9,600,000 in Texas and \$10,250,000 in the three southwestern states. These states receive each year between \$2,000,000 and \$5,000,000 from the sale of goats and kids for slaughter.

The mohair industry presently is enjoying a very favorable market. Prices are at the highest levels since World War II, as shown in Figure 1. The present price situation, which began developing some time before the Korean War, is in marked contrast to that in the last half of 1948 and the first 6 months of 1949, when the industry was in the depths of a postwar depression. The strong demand for mohair which existed during World War II was suddenly reduced soon after termination of hostilities, and stocks of mohair accumulated. There was also a resumption of imports of large quantities of competing wools after World War II. Prices received by producers declined in 1947 and 1948, falling in the latter year below prices received by sheep raisers for wool. That price relationship seldom existed in the past, for mohair traditionally has brought higher prices per pound than wool. Prices in the Del Rio section fell in the autumn of 1948 to 38 cents per pound for adult and 58 cents for kid hair, or lower than 1939 prices.

Faced with declining prices, growers curtailed the production of mohair and liquidated a large number of goats. From 1945 to 1949, the number clipped in the three southwestern states declined from 4,100,000 to 2,750,000 head, or 33 percent. There was widespread belief that the market for

FIGURE 1
PRICES OF SELECTED GRADES OF MOHAIR
GREASE BASIS, UNITED STATES, 1946-1950



¹Some goats are raised in Oklahoma, although the number is small and no count is made of them by the United States Department of Agriculture.

mohair was permanently lost, that the goat raising industry would soon cease to exist on a substantial scale, and that the Angora goat would go the way of the Longhorn steer.

Developments of the past year, however, have done much to dispel the gloom that existed among those connected with mohair production, and deep pessimism appears to have turned into extreme optimism. Many who follow the industry closely believe that the mohair industry has "weathered" its postwar depression and is off on an extended period of prosperity.

The turn to optimism in the mohair industry appears to have originated last year when Argentina placed an embargo on the export of wools. For many years the producers of mohair have competed with sheep raisers of Argentina, who produce a coarse fiber wool which can be substituted for mohair in the production of some materials. The importation of these wools after the end of the war had a depressing effect on the mohair market. Consequently, when the Argentine coarse wools were placed under an embargo and prices of these wools advanced sharply, domestic manufacturers turned immediately to mohair to help fill their needs. The mohair market, which had been dormant for some time, came to life in a flurry of buying and contracting southwestern mohair.

Another factor in the rejuvenation of the mohair industry is the inclusion of price support for mohair in the Agricultural Act of 1949. The passage of this Act, which provides price support for mohair at 60 to 90 percent of parity, occurred at a time when the added stability offered by it granted much encouragement to ranchmen to continue, and even to expand, production. And although support prices are far below current market prices, ranchmen can continue to expand goat numbers with the assurance that prices will not be permitted to fall below given levels.

Meanwhile the recent development of new uses for mohair through scientific research has broadened the over-all demand for the fiber. One important program of research is being sponsored jointly by the Texas Angora Goat Raisers Association and the United States Department of Agriculture and carried on by various spinning mills and manufacturers. This program has already resulted in the development of new uses for mohair, as well as many new blends with other fibers, both natural and scientific. More will be said later about research into the uses of mohair and its significance to the development of the mohair industry.

In contrast to mid-1949, when growers still held large quantities of mohair and were unable to dispose of it at satisfactory prices, the 1950 fall clip is sold, and there has been large-scale contracting of the 1951 spring clip at prices ranging as high as \$1.01½ per pound for adult and \$1.26½ for kid hair, or more than twice the prices of 2 years ago.

Early Development of Mohair Industry in the Southwest

The mohair industry in the United States is 101 years old, for it was in 1849 that the first Angora goats were brought to this country. They were imported into South Carolina by James B. Davis, an American representative stationed in Turkey for the purpose of conducting cotton experiments. Soon after Mr. Davis imported the first Angoras, he sold a number of them to Colonel Richard Peters of Atlanta, Georgia. The first importation was frequently exhibited at fairs and is said to have aroused much interest in Angora goats. Colonel Peters exhibited his goats at an exhibition of the United States Agricultural Society in Philadelphia in 1856 and received \$100 as a special award. Publicity about these Angoras spread, and in 1860 it was reported in the *Savannah (Georgia) Republican* that Colonel Peters was selling his goats for very high prices, that he received \$1,500 for one buck, and that the president of an Illinois fair was so pleased with one of the bucks on exhibition that he offered to buy it and to pay Colonel Peters "the weight of the buck in silver."

About 1860 another shipment of Angoras was brought to America; a third shipment arrived in 1861. However, the Civil War scattered or destroyed nearly all Angoras that were in the eastern and southern states, but a few had already found their way to California and to the Southwest. In 1867 the United States Commissioner of Agriculture sent a representative to the Province of Angora, Turkey, for the purpose of investigating the mohair industry. While there, the American purchased 160 Angora goats for shipment to the United States. Late in the same year these goats arrived and were

placed on a New Jersey farm, with some of them later being shipped to California. Other shipments were subsequently imported from Turkey, and in later years some were brought from South Africa.

The goat raising industry in the Southwest dates back to 1853 when Colonel W. W. Haupt of Hays County, Texas, purchased eight head of Angoras from Colonel Richard Peters of Atlanta, Georgia, at \$100 per head. These goats were placed on Colonel Haupt's stock farm near Kyle, Texas, about 50 miles north of San Antonio. It was these goats which constituted the beginning of the flock that later came to be known locally as "Haupt goats." Colonel Haupt continued his operations in breeding of goats for some 42 years, selling off a few head at a time to neighbors. In 1895 he sold out to W. G. Hughes of Kendall County, Texas. Colonel Haupt is credited with careful selection of breeding animals and the use of good breeding practices, which contributed to the development of goats producing heavier clips of mohair than were produced on the same strain of goats in Georgia. This improvement was due, also, to the relatively high altitude and the ample supply of green vegetation and shrubs on which goats thrive in the Southwest.

An importation of Angoras was made in 1901 by William M. Landrum, one of the notable Angora goat raisers in Texas since about 1883. This importation consisted of two yearling bucks from South Africa. The sire of these two bucks was the prize buck at the Port Elizabeth show in 1900. Mr. Landrum operated a ranch on the Nueces River, north of Uvalde, where he and his three sons carried on their operations in the breeding of Angora goats. One of his sons, Frank Landrum, lived in Uvalde until his death several years ago.

Credit must be given also to other early Texans for raising and improving Angoras, including the Arnold Bros. and J. V. Abrams of Frio Canyon; Judge J. P. Devine and D. & A. Oppenheimer of San Antonio; Rev. D. D. Babb and John S. Brown, Sutton County; J. D. Pepper, the Dismukes Bros., and W. Ellis of Edwards County; Col. W. D. Parish, Guadalupe County; E. L. Witt & Sons and George W. Baylor, Uvalde County; R. H. Lowery, McCulloch County; H. T. Fuchs, Burnet County; and C. W. Kennum, Irion County.

The Angora goat industry spread into many parts of the country during the several decades preceding and following the turn of the century. Introduction into new regions often was largely for the purpose of exterminating brush in the process of clearing new lands. In some of the regions where Angora goats proved to be well adapted, this interest in brush extermination developed into the desire for the best Angoras for the growing of mohair. Finally, the Angora goat and the mohair growing industry became firmly established in certain regions of the United States where these goats proved to be especially well suited to the prevailing conditions of climate and to the customary methods of livestock management.

In 1920 the United States census reported that there were on farms and ranches in this country about 2,100,000 goats that were raised for fleeces. Every one of the 48 states reported fleece goats, but 94 percent of the number reported were in Texas, New Mexico, Arizona, California, Oregon, and Missouri. Texas had 70 percent of the fleece goats in the United States; New Mexico and Oregon had 6 percent each; Arizona and California, 4 percent each; and Missouri had 3 percent. The other 42 states had only about 7 percent of the American Angoras. The greatest concentration of Angoras in this country in 1920, as today, was in the Edwards Plateau of Texas.

In an effort to maintain a record of purebred Angora goats in the United States, the American Angora Goat Breeders' Association was organized about 1900. For many years the headquarters of that group has been maintained at Rocksprings, Texas, which is known as the "Angora goat capital of the world," for more purebred Angoras are recorded there than at any other place on the globe.

Looking toward promotion of production and consumption of mohair, the United Goat and Sheep Raisers' Association was organized at Uvalde, Texas, February 22, 1920. Seven years later the name was changed to Texas Angora Goat Raisers Association.

Trends in Production and Prices of Mohair

There are three principal regions of the world which produce mohair. The one of particular concern here is the southwestern part of the United States. The other two regions are in Turkey,

where commercial mohair production on a substantial scale was first developed, and in the Union of South Africa, where goat raising was introduced in 1838 with the importation of a number of goats from Turkey. Small quantities are produced in other countries, including Mexico, Peru, Argentina, China, and Iran (Persia). Whereas annual production of mohair in the United States during the past decade varied between 15,000,000 and 22,000,000 pounds, annual production in Turkey varied from 10,000,000 to 17,000,000 pounds, while yearly production in the Union of South Africa amounts to only 4,000,000 to 5,000,000 pounds. Trends in production of mohair in these countries are shown in Figure 2. It will be observed that the production of mohair in the United States showed rather phenomenal growth during the past 40 years. Mohair production in Turkey declined during World War I, rose gradually until World War II, and declined again. Production in the Union of South Africa has declined irregularly since 1912, and available information indicates that the downward trend in production continues.

The United States not only produces more mohair than either of the other two leading countries; it also produces the best quality mohair in the world. Southwestern goat raisers excel in mohair production because of the tremendous improvement in the Angora goat breed that has been attained by breeders in this area during the past 75 years. American goat raisers have obtained the best quality animals from Turkey and improved the stock further by selective breeding; they have also introduced new strains obtained from the Union of South Africa, where considerable improvement in breed has been obtained by crossing Angoras with native goats.

The total numbers of goats clipped each year in the three southwestern states, in other goat raising states of this country, and in the United States are shown in Figure 3. These data, beginning in 1909, indicate that the number clipped annually in the United States was rather stable until after World War I. Then the number increased almost steadily and reached a peak in 1931. The period of most rapid increase in goat raising was from 1922 through 1930—a period when there was a strong demand for mohair occasioned by the great expansion in automobile production, particularly closed cars, and when general business activity was at a relatively high level. As a result of the reduced demand for mohair during the economic depression of the early 1930's and of the drought in the Southwest in 1934-35, there was considerable liquidation of goats, and the number clipped declined substantially.

There was a new period of expansion in goat raising in the United States after 1935, which reached a peak in 1941. Subsequent liquidation caused by the relatively low purchasing power of mohair, inadequacy and inefficiency of labor, scarcity of feed and other supplies, the rapid rise in costs of production, and drought conditions in the Southwest in 1947-48 brought goat numbers in the United States in 1949 to the lowest level since 1925. The 2,875,000 goats clipped in 1949 compares with the all-time peak of 4,542,000 head in 1941 and the predepression peak of 4,457,000 head in 1931.

There is some evidence, however, that goat raisers have increased the number of goats on ranches in the Southwest during 1950. At the show and sale held in connection with the annual meeting of the Texas Angora Goat Raisers Association at Kerrville last August, 122 registered Angora billies sold at an average of \$82.00 per head, and 59 registered Angora does averaged \$35.00 per head. A week later, similar registered Angora billies sold at the show in Junction, Texas, for prices ranging as high as \$96.50 each. Furthermore, many breeders of registered Angora goats report that they have practically

FIGURE 2
MOHAIR PRODUCTION
IN MAJOR PRODUCING COUNTRIES
1910-1949

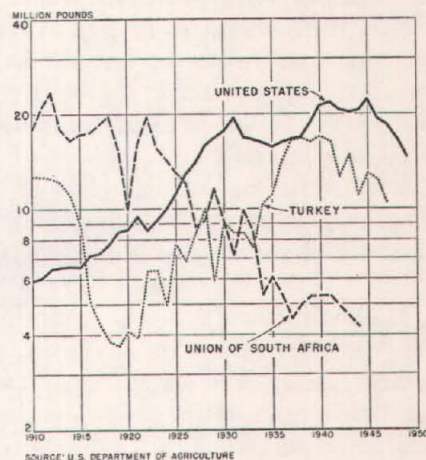
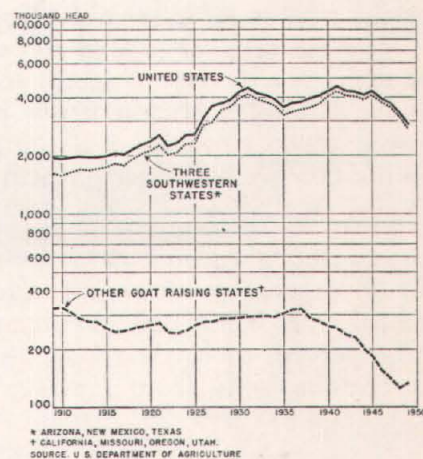
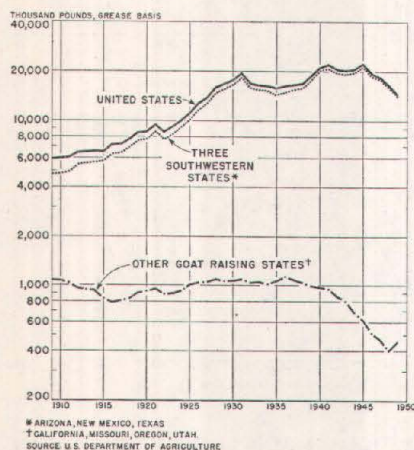


FIGURE 3
NUMBER OF GOATS CLIPPED ANNUALLY
1909-1949



sold out of billies on their ranches by private treaty sale. This suggests that the industry will have more and better goats within the next few years and, naturally, better mohair.

FIGURE 4
MOHAIR PRODUCTION IN THE UNITED STATES
1909-1949



The number of goats clipped annually has followed different trends in the Southwest and in other goat raising states combined. Numbers clipped in the Southwest declined sharply after 1945, whereas those in the other group of states began a sharp decline in 1938, which continued through 1947.

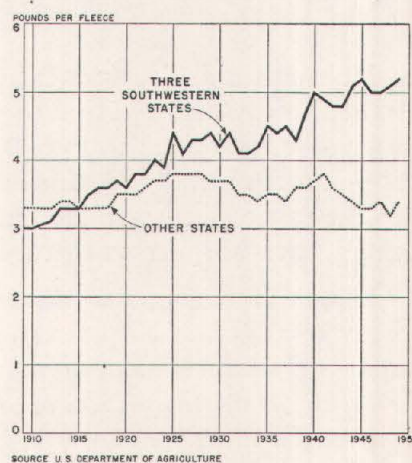
Trends in mohair production follow closely those in numbers of goats clipped, except insofar as changes are made in the production of mohair per goat. Mohair production in the United States rose almost steadily from 1909 through 1931, reaching a peak of 19,376,000 pounds in the latter year, as shown in Figure 4. As a result of heavy liquidation of goat numbers during the next several years, however, mohair production declined to less than 16,000,000 pounds in 1935. With the expansion in goat raising after that year, the annual clip increased to 21,766,000 pounds in 1941 and to 22,038,000 pounds in 1945. The contraction in the goat raising industry during the past 4 years is reflected in the decline in mohair production to 14,633,000 pounds in 1949, the lowest in any year since 1927. Production in 1950 may be even lower.

Production in the southwestern states reached a record high of 21,425,000 pounds in 1945, after which it declined to 14,179,000 pounds in 1949, as shown in Figure 4. Texas has contributed an increasing proportion of the mohair produced in the United States. Twenty-five years ago Texas produced about 70 percent of the United States clip; the comparable figure for 1949 was 95 percent. Production in the State reached a peak of 20,190,000 pounds in 1945 and was down to 13,910,000 pounds in 1949. Production in Arizona and New Mexico has been declining for the past 7 or 8 years. The 1949 clip in Arizona was only 82,000 pounds, or less than one-tenth the clips of 1939 through 1943. Production in New Mexico last year was 187,000 pounds, or only 17 percent of the record 1941 clip.

Trends in mohair production in the nonsouthwestern producing states have differed greatly. Goat raisers in Utah produced around 275,000 pounds annually from 1930 through 1938, but production has declined sharply since the latter year and was negligible in 1949. Production in California declined irregularly for the past 40 years of record, falling from 330,000 pounds in 1909 to 49,000 pounds in 1949. Production in Oregon varied between 400,000 and 600,000 pounds annually from 1909 through 1943, thereafter declining to 200,000 pounds in 1946 but making some recovery since then. Missouri produced an increasing quantity of mohair until 1937, but output has been on a declining trend since that year. The combined production in these states varied around 1,000,000 pounds annually until about 1940 and since then has fallen to less than one-half that figure.

Variations in the relationship of mohair production to numbers of goats clipped depend upon changes in the average weight of mohair produced per goat. Figure 5 shows that there has been a rather noticeable upward trend in the average weight of mohair fleeces per goat clipped both in the United States and in the Southwest. Insofar as quantity production is concerned, this increase reflects an improvement in efficiency in mohair production in this section of the country. Other producing states, as a group, have failed to show a comparable increase in production per clip.

FIGURE 5
AVERAGE WEIGHT OF MOHAIR FLEECES
PER GOAT CLIPPED, 1909-1949



Prices received by goat raisers for mohair are subject to very wide variations over a period of years. As shown in Figure 6, the average price received by ranchers for mohair in the United States since 1910 has varied from 9 to 70 cents per pound on an annual average basis. The annual average price received by ranchers for mohair rose to a high level during World War I, averaging 58 cents per pound in 1918. Mohair prices experienced a sharp decline in 1920, as did prices of most agricultural commodities, but rebounded rapidly after 1921 and were at or near the highest levels of record from about 1924 to 1928. Because of rapid expansion in mohair production during the late 1920's and early 1930's and because of the economic depression following 1929, mohair prices dropped in 1932 to 9 cents per pound, the lowest level of record. Prices rose to higher levels during the late 1930's and held generally between 50 and 60 cents per pound during the early and mid-1940's. With the accumulation of stocks after 1945, however, mohair prices began a decline which lasted until mid-1949.

Some of the factors which affect the price of mohair are the general level of business activity (or the general price level), the construction of homes (or the demand for furniture), and the production and supply of mohair. In a general way, mohair prices tend to fluctuate with wool prices, as might well be expected since demand for the two fibers is subject to many of the same influences.

An analysis of the interrelationships of mohair production and prices shows that production is greatly influenced by price changes. When the purchasing power of mohair (the price received by ranchers for mohair adjusted for changes in the price level) is above average, ranchers expand mohair production. On the other hand, when the purchasing power of mohair is below average, ranchers begin liquidating their goats and curtailing mohair production, although there is a tendency for goat raisers to hold on for a year or two after the purchasing power of mohair declines, simply because they hope prices will rise and they may be able to dispose of their mohair at favorable prices.

Because of the relative size of the mohair industry and because of the overwhelming influence which wool prices and general business conditions have upon mohair prices, it is difficult to establish any relationship which changes in mohair production may have upon mohair prices; some obscure relationship no doubt exists, although it cannot be measured statistically.

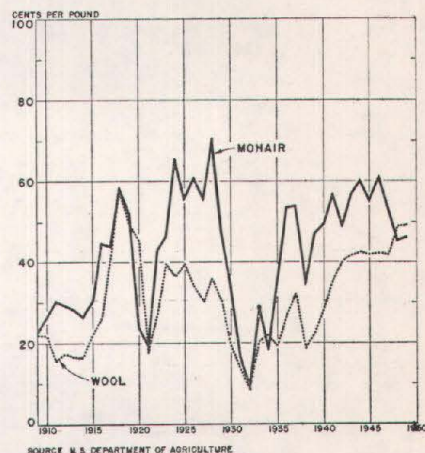
Trends in the Supply and Utilization of Mohair

Mohair is a distinctive textile fiber which is the basic raw material for many types of fabrics. It is used in the manufacture of men's suits and overcoats: in summer suits it adds to their coolness and wrinkle resistance; in tweeds it combats wrinkles and deepens colors. Mohair is used in women's wear—in soft suits, dresses, and coatings—because it adds to color tones, to drape, and to wear. Mohair helps men's ties shed wrinkles and gives them stretch resistance. It is used also for other items of clothing, such as sportswear, robes, and sweaters.

Mohair is used in the manufacture of rugs because of its strength and resilience; it adds years of wear to rugs and carpets. Mohair enthusiasts claim that its luster and affinity for color make it possible to produce modern patterns as beautiful as the ancient Turkish designs. Mohair is used extensively in the manufacture of upholstery for automobiles, busses, trains, planes, and theaters, and for home furniture. Because it is crisp and crush resistant and sheds dirt, mohair is used also for draperies. Mohair is used with wool in the manufacture of blankets because it gives them an added luxuriousness, the lustrous nap will not mat down under hard wear, and it assures extra warmth without added weight.

Before 1930 the supply of mohair in the United States consisted of domestic production and a considerable quantity of imported mohair. In 1926, for example, imports of mohair reached 10,600,000

FIGURE 6
FARM PRICES OF WOOL AND MOHAIR
UNITED STATES, 1909-1949



pounds, actual weight, and equaled more than 80 percent of domestic production. In other years of the 1920's, imports equaled from 15 to 35 percent of production. With the beginning of the depression of the 1930's, however, imports of mohair fell to a low level and equaled only a small fraction of domestic production. From 1930 through 1949, imports usually were less than 1,000,000 pounds annually, with the notable exception of 1944 when they totaled 8,416,000 pounds. Imports totaled only 90,000 pounds in 1949 but have been considerably larger in 1950. As production of mohair in the United States was increased so rapidly during the 1920's and 1930's, the actual domestic supply of mohair was larger throughout the 1940's than in the 1920's, despite the general reduction in imports.

Mill consumption of mohair on woolen and worsted systems in the United States was at the very high level of 29,525,000 pounds, grease basis, in 1943, as shown in Figure 7. This was made possible by the large production of more than 20,000,000 pounds annually for the several preceding years and, to only a small extent, by imports, although the latter had not exceeded 1,000,000 pounds since 1936. It is estimated that in 1943, and in perhaps the previous 10 years, about 70 percent of the mohair consumed in this manner went into automobile upholstery. With mill consumption at a high level, stocks of mohair on hand declined, as also shown in Figure 7. On April 1, 1944, there were less than 8,000,000 pounds of mohair in all positions in the United States, or about one-half the quantity of a year earlier. The use of mohair in automobile upholstery was sharply curtailed in 1944 and succeeding years, however, and consumption on woolen and worsted systems declined, falling to about 11,549,000 pounds in 1948. Meanwhile, stocks began to increase and remained at a relatively high level through the same date in 1949. With a carry-over of mohair in 1948 equal to a year's total clip and with consumption at the lowest level in many years, it is understandable that prices should decline sharply during that year, as described previously.

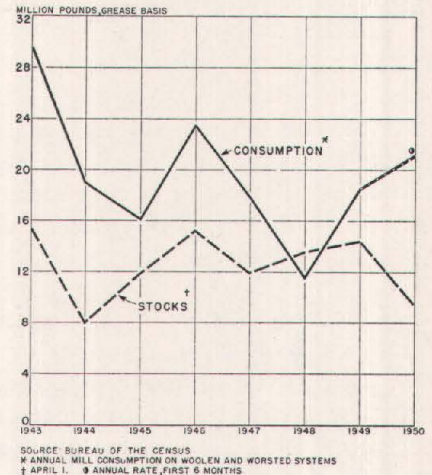
Mohair consumption in 1950 may be at a high level, or as high as available supplies will permit. Consumption during the first 6 months of this year was at an annual rate of 21,000,000 pounds, grease basis, which is 38 percent greater than for the same months of 1949 and 75 percent greater than for the January-June period in 1948.

Factors in the Immediate and Long-Run Outlook for the Mohair Industry

In considering the outlook for the mohair industry within the short run, i.e., within the next year or two, there are several factors that seem to favor an expansion in goat raising. As stated above, stocks of mohair on April 1, 1950, amounted to only 9,398,000 pounds, grease basis, and were lower than they had been on the comparable date in any year since World War II, and supplies were very low in relation to the effective demand for the materials made of the fiber. No bothersome surplus of mohair exists, and it will take several years at the present rate of consumption to accumulate a surplus, even with expanding production.

As also mentioned previously, prices of mohair are at the highest levels of record. No serious drop in prices is expected for some time, in view of the strong domestic demand for the fiber. This demand currently is supported by three principal factors: (1) competitive South American wools are higher in price, and domestic users have turned to mohair because of price advantages; (2) the high level of residential construction has spurred activity in furniture manufacturing, which in turn increases consumption of mohair; and (3) there is a broadening demand for mohair growing out of research during the past few years. Because of the part the Government of Argentina plays in establishing prices on commodities exported from that country, no reduction in price of Argentine wools is expected so long as the world-wide shortage of wools continues. Furthermore, with residential construction continuing at a high level, although some decline in 1951 is anticipated, and with contracting of 1951 spring-clip mohair at record prices, the trade evidently foresees—at least for the

FIGURE 7
CONSUMPTION AND STOCKS OF MOHAIR
UNITED STATES, 1943-1950



short run—a continuing strong demand for mohair. Most large manufacturers of upholstered sofas and chairs report they are booked to capacity for many months to come. They expect 1950 to be a record year for sales, and they foresee no serious slackening of demand in the immediate future. The new uses for mohair developed through research will no doubt play an expanding role in the mohair picture, although the ultimate significance of these developments cannot be fully evaluated as yet.

In taking a long-term view of the mohair situation, a number of factors favor goat raising, or even an expansion of the industry. One which will give more stability to the industry is the price support program for mohair, which is provided for in the Agricultural Act of 1949. The Act states that, "The price of wool (including mohair) shall be supported through loans, purchases, or other operations at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary of Agriculture determines necessary in order to encourage an annual production of approximately 360,000,000 pounds of shorn wool." In establishing the level of support for mohair within the 60 to 90 percent of parity range, the Secretary would be expected to take into account the level of support established for sheep's wool and to establish a level of support for mohair in proper relationship to the level of support for wool. In accordance with the provisions of this Act, the United States Department of Agriculture announced a support program for 1950-clip mohair at an average of 49.1 cents per pound, or 74.1 percent of the March 15 parity price. In view of the fact that domestic production of wool and mohair in 1950 will amount to only about 230,000,000 pounds, it is obvious it will take quite a few years for production to be expanded to exceed the 360,000,000 pounds.

One very important factor in the changing outlook for mohair is the development of new types of fabrics made from the fiber or from blending it with other fibers. Mohair materials that formerly were used in the upholstering of Pullman cars, automobile seats, and even certain types of household furniture are no longer in great demand and less expensive substitutes are being used. The decline in the use of mohair for these purposes—uses for which mohair is well suited because of its durability—showed either that these substitute fabrics could satisfactorily replace mohair or that the plush designs for mohair were antiquated. More recent developments have indicated that mohair is adaptable to many new types of fabric design and that the public had merely grown tired of the old-fashioned plush-type material.

Many mohair producers feared that the mohair fiber could not compete with synthetics, but it now appears that it can; through the combination of mohair with synthetics, a new field has been opened to mohair fabrics. Recent experiments have shown that mohair can be blended with such stand-by fibers as cotton, wool, rayon, and nylon. Several large mills have pioneered in the blending of fibers, and many attractive fabrics for the apparel, furniture, and automotive industries have been developed, using given percentages of mohair with various types of synthetic fibers. Mohair has the strength and resiliency to carry synthetic fibers, and in this new development there is a possibility for a greater demand for mohair.

By blending kid hair with fine wools, manufacturers are now producing such new fabrics as a light or sheer 9-ounce suiting material, which is excellent for both men's and women's summer wear. Other blends are now being used in making new upholstery fabrics for automobiles, railroad coaches, and airplanes. Also, a new double-knot process is being used by which very durable rugs are made of coarser mohair. These, and other developments along this line, are the results of the research program sponsored by the Texas Angora Goat Raisers Association and the United States Department of Agriculture. The results of this research have augmented the demand for mohair and kid hair by mills and by the consuming public.

Mohair production in the years ahead will be favored also by a miscellany of other factors. The United States population is increasing at an annual rate of about 2,600,000 persons per year, and this growing population may be expected to demand more and more articles which may provide a market for mohair. Also, the United States has undertaken a program to stock-pile 100,000,000 pounds of wool, and this will have a stimulating effect on mohair prices for an undetermined number of years. There is, furthermore, a world shortage of wool, and it may be years before world surpluses will arise again. So long as this condition prevails in the wool markets of the world, there will be a strong domestic demand for mohair.

Market for Goat Meat Favors Expansion in Goat Raising

The center of goat marketing in the Southwest, or in the United States, is in San Antonio, Texas. Union Stock Yards San Antonio is nationally recognized as the largest market for goats in the country and is the only supervised public market in the United States required to count and quote goats separate from sheep. The development of the market for goats at Union Stock Yards San Antonio over the past 15 years has been of great value to the goat raising industry. After some research by this market on uses of goat meat and its by-products, some six of the eleven packers in San Antonio now buy on the hoof many goats and kids and sell meat or processed products locally and interstate.

The San Antonio market handles from 200,000 to 400,000 head of goats per year, receiving shipments from as far away as Kingman and Winkelman, Arizona, and from many points in New Mexico, Missouri, Arkansas, and Oklahoma. During 1948, when liquidation of goats on ranches was rather heavy, receipts of goats at this market totaled 440,000 head. Recent price quotations from the market show that goats have been selling as high as \$13.00 to \$13.25 per cwt., while kid goats have been bringing up to \$8.50 per head.

The outlet for goat meat² has become well established during the past few years. Practically all meat from adult goats sold through regular marketing channels is handled in one simple process called "boning out." Packers use or sell this boneless meat for mixed meat formulas or packages, such as fresh or smoked breakfast sausage, frankfurters, and baloney sausage. The milk-fed kids, or "cabritos," are processed in whole or half carcasses and sold to retail meat markets, chain stores, cafes, and hotels. "Cabrito" is in great demand by Mexicans or other Latin Americans who live in the Southwest, although there is a growing demand from the public generally. Kid meat is offered on the menus of many leading hotels and restaurants.³

Another valuable source of cash income from goat raising—one which has been developed by San Antonio market interests during the past decade—is the use of goat and kid skins. Leather made from the pelt or skin of the Angora goat is useful for ornamental purposes and for the manufacture of gloves, purses, and novelties. Adult and kid pelts are processed to obtain the pulled fleece and the smooth, chemically treated skins. It is said that local processors in San Antonio have promoted the sale of Angora goat and kid skins to such an extent that demand now far exceeds the supply. The market for goat and kid skins is an important factor in income from goat raising, and goat raisers have an interest in trying to supply this market.

Possibly the newest outlet of value from slaughtered goats is a by-product from milk-fed animals. This is a newly developed commercial enzyme preparation from certain glandular tissues heretofore unknown to be of commercial value. This preparation is being used in volume in the manufacture of natural cheese. Recently, one packer in San Antonio, operating under Federal inspection, has been extracting a tissue called *Rennet* which is being sold to food processing or manufacturing plants.

Many people have learned to eat goat meat and "cabrito" during the last few years, and it is necessary to keep a steady volume of this species of meat animals coming to the public market in order to hold the volume of consumption, to develop this outlet further, and to maintain the stability of market prices. Unless the demand for this meat is supplied, it will be lost to other meats and may be regained only with great difficulty.

²During the 1920's a group of growers started a movement to name and so label meat of the goat with some name other than "goat," similar to "beef" for cattle meat, "pork" for hog meat, and "mutton" for sheep meat. The name "chevon" was adopted. This term was coined from *chevere* (French for goat), using *chev*, and *mouton* (French for sheep meat), using *on*. The term was used rather widely for a while, but its use has virtually been discontinued. During World War II, the O.P.A. price ceiling regulations, as applied to this species, listed "goat meat" and "kid goat meat."

³R. Beal Pumphrey, Assistant to the President, Union Stock Yards San Antonio, in an address before Texas Angora Goat Raisers Association in Kerrville, Texas, August 3, 1950.

Review of Business, Industrial, Agricultural, and Financial Conditions

DISTRICT SUMMARY

Department store sales in the Eleventh Federal Reserve District declined markedly in October, following the unusually heavy volume in the three preceding months, but improved noticeably during the first part of November. Reflecting this counterseasonal decline from September, October sales fell 1 percent below the year-earlier level, the first decrease registered this year. The letdown in sales was distributed throughout most of the departments, although the most marked decreases from September to October occurred in durable goods items, such as refrigerators, washing machines, and other appliances. Department store stocks showed a substantially greater-than-seasonal increase for the third successive month to reach a new high at the end of October, 27 percent above the same date of last year. Sales at district furniture stores in October were off noticeably from the previous month, as well as from the corresponding month of last year.

Nonfarm employment in Texas reached its fifth successive record peak in November at a level over 4 percent higher than a year earlier. As a consequence of lower allowables in Texas, crude oil production in the Eleventh District in October declined moderately from the September peak, and further cut-backs have been set for November and December. The value of construction contracts awarded in the District in October, although 12 percent below the September level, was 45 percent higher than a year earlier. Both residential and nonresidential awards were well above the levels of a year ago.

Generally open weather over the District during November permitted harvest of the remaining summer crops to move toward completion. Low temperatures and shortages of moisture in many areas delayed germination and growth of small grains and winter cover crops. The cold waves that moved across most of the District in early November caused no serious damage to crops, except to tender growing vegetables in parts of south Texas. Cotton harvest made good progress in the Low Rolling and High Plains counties, with good yields reported; the quality of both lint and cottonseed is high. Lack of sufficient moisture has caused deterioration in condition of pastures and ranges, particularly in the very dry Coastal Bend and south Texas counties; livestock are getting thin in the drier sections. A strong demand for livestock to build up breeding herds of cattle and sheep continues. Farm prices in the District probably averaged higher in November than in any previous month of record.

The loans of weekly reporting member banks in leading cities of the District showed a further sharp increase of \$81,000,000 between October 11 and November 15. Most of this gain occurred in commercial, industrial, and agricultural loans. On the other hand, investments declined about \$21,000,000. The \$199,000,000 increase in deposits at these banks during the 5 weeks occurred chiefly in interbank demand accounts, although other demand deposits increased substantially.

BUSINESS

The eager consumer buying which was evident in department store sales during the 3 months following the outbreak of Korean hostilities appears to have quieted down. Sales in the Eleventh Federal Reserve District in October were off 12 percent from the high September volume and were 1 per-

cent below the year-earlier level. October was thus the first month this year in which sales fell below the corresponding month of 1949. It should be noted, however, that sales during the first part of November showed noticeable improvement and exceeded the year-earlier level by around 9 percent, which is nearly as large as the 11-percent gain over a year ago registered during the first 10 months of 1950.

WHOLESALE TRADE STATISTICS

	Percentage change in			Stocks†	
	Net sales			Oct. 1950 from	
	Oct. 1949	Sept. 1950	10 mo. 1950 comp. with 10 mo. 1949	Oct. 1949	Sept. 1950
Lines of trade:*					
Dry goods.....	- 8	-22	6	71	5
Grocery (voluntary-group and full-line wholesalers not sponsoring groups).....	- 1	- 6	..	6	6
Hardware.....	11	- 7	17	8	7
Industrial supplies.....	55	4	..	7	2
Machinery equipment and supplies except electrical.....	49	28	..	..	..
Tobacco products.....	7	- 1	4	18	8
Wines and liquors.....	23	12	..	43	- 1
Wiring supplies, construction materials distributors.....	68	- 1	..	69	13

* Preliminary data. Compiled by United States Bureau of Census.
† Stocks at end of month.

RETAIL TRADE STATISTICS

	Percentage change in			Stocks†	
	Net sales			Oct. 1950 from	
	Oct. 1949	Sept. 1950	10 mo. 1950 comp. with 10 mo. 1949	Oct. 1949	Sept. 1950
Department stores:					
Total Eleventh District.....	- 1	-12	11	27	11
Corpus Christi.....	4	18	11	15	8
Dallas.....	3	-13	12	29	12
Fort Worth.....	- 7	-11	12	26	17
Houston.....	8	-15	9	24	10
San Antonio.....	- 7	-14	14	37	11
Shreveport, La.....	-14	-14	6	..	..
Other cities.....	-10	-12	12	25	7
Furniture stores:					
Total Eleventh District.....	-11	-25	..	27	13
Dallas.....	-51	-60	..	18	8
Houston.....	- 4	-23	..	..	..
Port Arthur.....	-14	-23	..	30	20
San Antonio.....	..	- 6	..	..	..
Shreveport, La.....	5	-16	..	31	12
Wichita Falls.....	- 6	- 6	..	26	15
Household appliance stores:					
Total Eleventh District.....	-16	-39	..	..	..
Dallas.....	- 8	-38	..	..	..

.. Indicates change of less than one-half of 1 percent.
† Stocks at end of month.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

Daily average sales—(1935-39=100)

	Unadjusted*				Adjusted			
	Oct. 1950	Sept. 1950	Aug. 1950	Oct. 1949	Oct. 1950	Sept. 1950	Aug. 1950	Oct. 1949
Eleventh District.....	405	454	399	414	375	420	449	387r
Dallas.....	390	438	376	372	355	395	443	338
Houston.....	420	472	405	416r	381	441	460	378r

Stocks—(1935-39=100)

	Unadjusted*				Adjusted			
	Oct. 1950	Sept. 1950	Aug. 1950	Oct. 1949	Oct. 1950	Sept. 1950	Aug. 1950	Oct. 1949
Eleventh District.....	479	444	402	384	456	431	406	310r

r Revised.
* Unadjusted for seasonal variation.

The letdown in October sales was apparent not only in some consumer hard goods lines but also in certain soft goods. The decline in consumer hard goods sales resulted from the consumer instalment credit controls, the heavy buying during the three preceding months, and seasonal factors. Compared

with September, sales were down 6 percent for furniture, 36 percent for radio and television sets, and 67 percent for major household appliances. On the other hand, sales of domestic floor coverings increased 2 percent. As compared with October a year ago, however, sales of these important housefurnishings items—with the exception of major appliances—showed large increases, ranging from 36 percent for furniture and bedding to 132 percent for television and radio. Major appliance sales were down 49 percent from the high level of October 1949. The housefurnishings department, in the aggregate, showed a year-to-year gain of 10 percent.

Among the soft goods, sales of men's clothing, although increasing 6 percent from September to October, were 6 percent below year-earlier levels to mark the first year-to-year decline in 10 months. Moreover, women's and misses' coat and suit sales, down 13 percent from the previous month, fell 15 percent below October a year ago, after having registered noticeable year-to-year increases in the preceding 5 months. Unusually warm weather during October probably was a major factor depressing sales of men's and women's suits and coats. Sales of women's and misses' accessories were down 5 percent in October although slightly exceeding the October 1949 volume. Furthermore, while sales of women's and misses' dresses were 13 percent below September, they were 12 percent higher than a year earlier. Linen and sheeting sales continued to compare favorably with last year's volume.

The brightest spot in the department store picture in October was the continued heavy volume of silverware and jewelry sales. Sales of this department were 4 percent higher than the large September volume and 15 percent higher than in October of last year.

The marked decline in the over-all sales volume at district department stores from September to October was due largely to the sharp drop in instalment buying. Instalment sales, under the impact of Regulation W and the falling volume of hard goods sales, were 45 percent lower in October than in the previous month and were 22 percent below the same month last year. This year-to-year decline contrasts sharply with the consistently large monthly increases ranging from 40 to 110 percent in the first 9 months of this year. Charge account sales, although down 2 percent from September, were 6 percent higher than a year ago. On the other hand, cash sales showed a small increase over September but were 2 percent less than a year earlier.

Reflecting these changes, the ratio of instalment to total sales declined from 14 percent in September to 8 percent in October to reach the lowest percentage in almost a year. Meanwhile, charge account sales in October comprised a higher proportion of total sales than in any other month in more than a year, amounting to 61 percent as compared with 58 percent both in September 1950 and in October a year ago. Cash sales made up 31 percent of total sales in October, 28 percent in the previous month, and 32 percent in the corresponding month of 1949.

Instalment accounts outstanding, which had shown a markedly rising trend since May 1949, declined about 3 percent during October. Nevertheless, they were still 77 percent higher than in October of last year. Charge accounts outstanding continued to rise for the fourth consecutive month, a development which is typical for this time of year. Collections of both instalment and charge account receivables showed the usual September-to-October rise, with the collection ratios showing little change from other recent months.

Stocks at district department stores in October showed a substantially greater-than-seasonal increase for the third suc-

cessive month, reaching a new high level. At the end of the month stocks were 11 percent larger than a month earlier and 27 percent higher than a year ago. Orders outstanding continued to decline with the receipt of Christmas merchandise but at the end of October were still 23 percent higher than a year earlier.

The present heavy stock position at district stores is spread generally throughout all departments, although the largest stocks are of items in which consumer war-scare buying had been the heaviest and merchants had anticipated shortages or substantial price increases. Stocks of the housefurnishings department showed the largest increase over year-earlier levels, particularly in stoves, freezers, mattresses and springs, and radio and television sets. A heavy increase is expected in television sets in view of the growth characteristic of the market and the relatively small stocks at this time last year. Nevertheless, marked inventory increases are apparent in a variety of items, such as women's blouses, neckwear and scarfs, knit underwear, children's shoes, blankets, and silverware and jewelry.

Sales at reporting furniture stores in this District declined considerably in October, dropping 25 percent below the September volume and 11 percent below the year-earlier level. The decline in sales was entirely due to a reduction in credit sales, since cash sales actually showed a marked increase. Credit sales were down 29 percent from September and were 15 percent lower than October last year, while cash sales showed a month-to-month increase of 8 percent and an increase over the year-earlier level of 21 percent. The recent weakening in furniture store sales was undoubtedly due, in part, to the imposition of consumer instalment credit controls. Nevertheless, some reaction to the post-Korean buying splurge was to be anticipated. Accounts receivable, reflecting the lower volume of credit sales, declined 3 percent during October and at the end of the month were 19 percent higher than a year previous, as compared with a year-to-year gain of 25 percent on September 30. Collections were down slightly from September but were 21 percent higher than a year earlier. Furniture store stocks showed a 10-percent increase during October, a larger increase than normally occurs at this time of year. Moreover, stocks on October 31 were 27 percent higher than on the same date of last year. Because of heavy inventories and the recent decline in sales, some stores have canceled or requested delay in shipment of orders placed during the post-Korean upsurge in sales, according to recent reports of furniture manufacturers.

AGRICULTURE

Harvest of summer crops in the District moved rapidly toward completion during November, favored generally by open weather. Light to heavy frosts accompanied the freezing weather early in the month, which reached as far south and southeast as within 100 miles of the Gulf Coast. Cold damage to field crops was negligible, with the exception of tender vegetables in the Winter Garden and Eagle Pass sections; also, growth of the winter wheat crop was retarded. Since rainfall over the District has been light, additional moisture is needed in most sections. The winter wheat producing counties of the northwest particularly are in need of rain to settle soil around wheat plants so fields may be pastured. Because of extremely dry surface soil throughout much of the District, germination and growth of small grains, winter cover crops, and pastures have made only limited progress, and completion of soil preparation and planting of winter legumes has been delayed.

Cotton harvest continues to make good progress in west and northwest Texas, although it has been hampered some-

what by cold, high winds and a scarcity of labor in some localities. The improved prospects for cotton production in the late maturing sections of Texas are reflected in the United States Department of Agriculture November estimate of 2,950,000 bales for the State, which is 175,000 bales or about 6 percent above the forecast made a month earlier. Estimates for the five states wholly or partly within the Eleventh Federal Reserve District total 4,228,000 bales, an increase of 291,000 bales over the October forecast. Cotton ginned in Texas through November 13 totaled 2,111,000 bales, or 72 percent of the estimated crop, compared with 66 percent to the same date last year.

TEXAS COTTON PRODUCTION BY CROP REPORTING DISTRICTS

(In thousands of bales—500 lb. gross wt.)

Crop reporting district	1948	1949	1950 indicated Nov. 1	1950 as percent of 1949
1-N.....	115	259	100	39
1-S.....	558	1,571	815	52
2.....	496	1,119	495	44
3.....	22	61	10	16
4.....	773	1,059	535	51
5.....	226	350	120	34
6.....	140	190	145	76
7.....	20	88	40	45
8.....	278	505	220	44
9.....	170	212	112	53
10.....	355	626	358	57
State.....	3,153	6,040	2,950	49

SOURCE: United States Department of Agriculture.

The announcement on November 9 of an increase of 1,350,000 bales in cotton export allocations for all countries except Canada for the period August 1, 1950, through March 31, 1951, brought total allocations for the 8 months to 3,496,000 bales. In addition, it is estimated that at least 250,000 bales will be shipped to Canada during the 8-month period and that about 108,000 bales had moved to other countries before export license controls went into effect on September 8. Following the latest announcement of an increase in cotton export allocations, the cotton market rose sharply, with Middling 15/16-inch cotton reaching a new high level of 43.19 cents per pound in the 10 designated spot markets on November 25, or about 5 cents per pound above the September low point to which prices fell following the initial announcement of export controls.

CROP PRODUCTION

(In thousands of units)

	Unit	Texas			States in Eleventh District*		
		Estimated Nov. 1, 1950	1949	Average 1939-48	Estimated Nov. 1, 1950	1949	Average 1939-48
Corn.....	bu.	65,730	58,208	64,272	117,828	108,626	114,406
Cotton.....	bale	2,950	6,040	2,729	4,228	8,119	4,088
Hay.....	ton	1,358	1,366	1,426	5,022	4,827	4,519
Irish potatoes.....	bu.	2,720	3,686	4,560	6,780	7,253	10,011
Sweet potatoes.....	bu.	5,225	6,775	5,119	15,300	14,555	14,326
Rice.....	cwt.	11,352	10,178	7,873	22,074	21,229	17,755
Sorghum grain.....	bu.	129,072	92,676	62,954	152,918	114,426	76,018
Peanuts.....	lb.	283,200	333,450	283,952	402,570	456,130	384,143
Broomcorn†.....	ton	4,300†	9,300†	4,710†	17,600†	29,200†	23,010†

* Arizona, Louisiana, New Mexico, Oklahoma, and Texas.

† Broomcorn data are in terms of tons rather than thousands of tons.

SOURCE: United States Department of Agriculture.

Threshing of the district peanut crop was virtually completed in November. The five states of the District produced about 400,000,000 pounds of peanuts, with most of the 54,000,000-pound decline from 1949 occurring in Texas. Much of the decline in Texas production is attributed to lower yields per acre, which average 600 pounds—better than in most recent years, although 50 pounds below 1949. Most district farmers have been receiving support prices for peanuts, although premiums of \$3.00 to \$5.00 per ton were paid in highly competitive trading locations during November. No. 1 shelled Spanish peanuts have been selling in the Southwest

between 16 and 17 cents per pound. Crude peanut oil is bringing 21¾ to 22 cents per pound at Texas points.

Combining of grain sorghums became increasingly active in the Low Rolling Plains and southern High Plains during early November and in northern High Plains counties in the latter part of November as late matured grain dried rapidly. The five states of the District will harvest 153,000,000 bushels, compared with 114,000,000 in 1949. Most of this increase is provided by the record Texas crop, which is estimated at 129,000,000 bushels—up 36,000,000 bushels over 1949 due to increased acreage. Despite the record crop in the Southwest, the market for grain sorghums strengthened during November, with prices at the highest levels since July. This advance is associated with the general rise in prices of all grains.

Rice harvest has been completed with very good yields obtained. Texas production is estimated at 11,352,000 100-pound bags (about 7 million barrels), compared with 10,178,000 bags harvested last year. The November 1 estimate of yield per acre is 2,400 pounds (about 15 barrels), compared with 1,935 pounds harvested per acre last year. The Texas and Louisiana rice markets for milled rice strengthened slightly during November; market quotations late in the month showed Zenith bringing \$10.50 per cwt., while Blue Bonnet was \$1.00 higher and Patna was selling at \$12.00.

Production data relative to other important summer field crops in Texas and in the five states of the Eleventh District are shown in an accompanying table. As compared with last year, smaller crops of Irish potatoes and broomcorn were produced, while increased production is reported for corn, hay, and sweet potatoes.

The November estimates of production of citrus fruits in Texas were unchanged from a month earlier, remaining at 12,000,000 boxes of grapefruit and 3,500,000 boxes of oranges. Although the grapefruit and orange crops this season are about double those of last year, and the harvest season opened earlier than in 1949, shipments of grapefruit have been running substantially under those of last season, partly because of the difficulty of obtaining the sizes of fruit demanded by the trade. Movement of oranges, on the other hand, has been much more active than grapefruit, and shipments thus far this season far exceed those for the same period last year.

PRODUCTION OF SELECTED COMMERCIAL VEGETABLES IN TEXAS

(In thousands of units)

	Unit	Indicated 1950	1949	Average 1939-48
Fall crops:				
Eggplant.....	bu.	94	100	79
Green peppers.....	bu.	576	646	450
Late fall crops:				
Snap beans.....	bu.	125	165	121
Tomatoes.....	bu.	864	760	568
Winter crops:				
Beets.....	bu.	840	1,088	1,069
Cauliflower.....	crate	228	240	117
Spinach.....	bu.	3,770	2,250	4,865

SOURCE: United States Department of Agriculture.

Tender vegetables were damaged severely in practically all areas of the Winter Garden and the Quemado sections of the Eagle Pass area, where temperatures as low as 28 degrees were registered during the second week in November. However, tomatoes in the El Indio section, about 20 miles south of Eagle Pass, are reported to have escaped serious damage. Damage to tomatoes in the Laredo section was limited to tip burn on plants in low fields along the Rio Grande. Most tender vegetables in the west end of the Valley are expected to come through without much loss. Prospective production of winter

vegetables from the nonirrigated section continues to dwindle, and many growers have abandoned plans for any acreage this year. Preliminary estimates of production of selected fall and winter vegetables are shown in an accompanying table.

CASH RECEIPTS FROM FARM MARKETINGS

(In thousands of dollars)

State	July 1950			July 1949 Total	Cumulative receipts January 1 to July 31	
	Crops	Livestock	Total		1950	1949
Arizona.....	\$ 15,246	\$ 3,794	\$ 19,040	\$ 14,990	\$ 127,046	\$ 133,937
Louisiana.....	2,991	7,872	10,863	10,533	99,158	115,258
New Mexico.....	2,848	4,472	7,320	8,723	59,843	63,220
Oklahoma.....	28,889	20,950	58,839	77,526	265,316	297,131
Texas.....	88,275	57,902	146,237	158,758	853,482	789,145
Total.....	\$138,249	\$104,050	\$242,299	\$270,529	\$1,403,845	\$1,398,691

SOURCE: United States Department of Agriculture.

CASH RECEIPTS FROM FARM MARKETINGS

(In thousands of dollars)

State	August 1950			August 1949 Total	Cumulative receipts January 1 to August 31	
	Crops	Livestock	Total		1950	1949
Arizona.....	\$ 2,265	\$ 2,711	\$ 4,976	\$ 5,481	\$ 132,022	\$ 139,418
Louisiana.....	15,158	8,171	23,329	20,818	122,487	136,076
New Mexico.....	1,901	4,043	5,944	8,948	64,787	72,168
Oklahoma.....	13,748	34,700	48,448	69,495	313,764	356,626
Texas.....	92,717	59,042	151,759	204,404	1,005,241	993,549
Total.....	\$125,789	\$108,667	\$234,456	\$309,146	\$1,638,301	\$1,707,837

SOURCE: United States Department of Agriculture.

CASH RECEIPTS FROM FARM MARKETINGS

(In thousands of dollars)

State	September 1950			September 1949 Total	Cumulative receipts January 1 to September 31	
	Crops	Livestock	Total		1950	1949
Arizona.....	\$ 12,934	\$ 3,353	\$ 16,287	\$ 8,945	\$ 148,309	\$ 148,363
Louisiana.....	31,105	8,265	39,370	48,275	161,857	184,351
New Mexico.....	3,903	7,843	11,746	11,145	76,533	83,313
Oklahoma.....	11,711	32,640	44,351	57,624	358,115	424,250
Texas.....	108,511	70,588	179,099	232,376	1,184,340	1,225,925
Total.....	\$168,164	\$122,689	\$290,853	\$358,365	\$1,929,154	\$2,066,202

SOURCE: United States Department of Agriculture.

Dry range and pasture feed is plentiful over the north-central and eastern parts of the District, but because of the cold weather some ranchmen are feeding cottonseed cake to supplement dry feed. Wheat pasture in the northwest is supplying only fair grazing as cold, dry weather is checking plant growth. Rain is needed throughout most of the District for the growth of green winter feed. The intensity of the drought in Coastal Bend and extreme southern counties of Texas remains critical, and very thin cows and calves have been moved out to more favorable areas. In all other farming areas, winter grain and roughage supplies are adequate. Bumper grain and forage crops were produced in the Plains counties.

Cattle in the District are going into winter in good flesh, except in the dry southern coastal counties. All classes of available cattle have been moved in volume to the High Plains wheat pastures. Farmers and ranchmen are generally holding top heifer calves and yearlings for replacements. The condition of all cattle has declined seasonally from the favorable situation several months ago, although it is about average for this season of the year.

District ewes generally are in good condition for the winter. However, general rains are needed in the sheep-raising Plateau areas to provide additional green feed. Country demand is absorbing the limited ewe and ewe lamb offerings, with many old ewes being retained in breeding herds. Most sheep and goat ranchers are trying to increase breeding flocks. A large part of the 1951 spring wool and mohair clips has already been sold under contract.

TOP LIVESTOCK PRICES

(Dollars per hundredweight)

Fort Worth market

	October 1950	October 1949	September 1950
Slaughter steers.....	\$33.00	\$27.00	\$30.00
Stocker steers.....	29.50	22.25	30.00
Slaughter cows.....	23.00	17.00	23.50
Slaughter heifers and yearlings.....	33.00	27.00	30.25
Slaughter calves.....	29.00	25.00	30.00
Stocker calves.....	32.00	24.50	35.00
Slaughter lambs.....	29.50	23.50	29.00
Hogs.....	22.25	20.25	23.75

LIVESTOCK RECEIPTS

(Number)

Fort Worth market

San Antonio market

Class	Oct. 1950	Oct. 1949	Sept. 1950	Oct. 1950	Oct. 1949	Sept. 1950
Cattle.....	61,676	65,417	49,614	34,118	33,281	24,139
Calves.....	44,342	34,831	40,909	36,059	22,178	23,707
Hogs.....	61,387	45,008	46,656	7,587	6,577	7,268
Sheep.....	31,385	43,069	36,391	18,632*	33,474*	22,347*

* Includes goats.

Livestock marketing in the Southwest thus far in 1950 has slightly exceeded that of 1949. Receipts at the two major markets—Fort Worth and San Antonio—during the first 10 months show a decline of about 4 percent in marketing of cattle, which is more than offset by an increase of 28 percent in sales of calves. Marketings of sheep and lambs at these markets during the 10-month period are about equal those of corresponding months of last year, while receipts of hogs are up about 15 percent. Commercial meat production in Texas during the first 9 months of 1950 totaled 586,000,000 pounds, or about 5 percent more than during the corresponding period a year ago.

Farm prices in the District generally advanced during November, the average being at or near the highest level of record. In addition to advances of prices of most crops produced in the area, important price rises were reported also for most livestock and livestock products. Cattle prices on the Fort Worth market advanced from \$1.00 to \$2.00 per cwt. While little wool or mohair remains in growers' hands, there was large-scale contracting of 1951 clips at prices ranging as high as \$1.01½ per pound for wool and adult mohair and \$1.26½ per pound for kid mohair. Prices paid for lambs, eggs, turkeys, and milk also held strong or advanced. Contrary to the general rise in prices, however, prices paid for hogs on the Fort Worth market declined seasonally, falling about \$1.00 per cwt. during the month and \$5.00 below the peak level of August.

FINANCE

Loans of all member banks in the Eleventh Federal Reserve District amounted to \$2,219,337,000 on October 4, which represents a record high and an increase of \$335,141,000 from November 1, 1949. A comparison of the statements of condition of member banks on these two call report dates also shows a notable increase in deposits, especially in the category which comprises demand deposits of individuals, partnerships, and corporations. In contrast, holdings of United States Government securities declined moderately. Total resources of the District's member banks amounted to \$6,847,511,000 on October 4, as compared with \$6,432,938,000 on November 1, 1949.

The high and continuing demand for bank credit between November 1, 1949, and October 4, 1950, reflects inflationary pressures and the unusually large volume of total economic activity in the District. Satisfactory levels of activity prevailed generally, but especially favorable conditions affected

the business and industrial sectors, construction, and consumer purchasing. Consequently, the most marked growth in loans was concentrated in these areas.

The inflationary potentialities accompanying the rise in loans at member banks both in the District and the Nation were clearly recognized by the banking and monetary authorities. Expressing concern over the accentuation of inflationary pressures generated by the Korean conflict, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Home Loan Bank Board, and the National Association of Supervisors of State Banks issued a statement on August 4 urging banks and all other institutions engaged in extending credit to exercise special care in lending and investment activities.

Later, on November 17, Chairman McCabe of the Board of Governors of the Federal Reserve System addressed a letter to the chief executive officers of all member banks, calling their attention to the unprecedented expansion of loans between midyear and mid-November and requesting the utmost cooperation of member banks in helping to curb excessive credit expansion and arrest inflationary pressures. Chairman McCabe pointed out that the persistent and unprecedented rise in bank loans since early summer has been the major factor in the country's increasing money supply and that the success of the battle against inflationary dangers depends in large measure upon the maintenance of a reasonable balance between available goods and services and the supply of dollars bidding in the market place.

Between August 18 and August 24, increases were announced in the discount rates of the 12 Federal Reserve banks—from $1\frac{1}{2}$ percent to $1\frac{3}{4}$ percent. Following this action, market rates on short-term Government securities moved upward, so that yields on securities having 12 months to maturity reached approximately $1\frac{3}{8}$ percent on October 4 and since that date have risen to approximately $1\frac{1}{2}$ percent. On September 18, Regulation W, covering the terms of consumer instalment purchasing of listed durables, was reimposed. The terms of the Regulation were tightened on October 16. Regulation X and companion regulations, affecting credit extended to finance new residential construction, became effective on October 12.

Between June 30 and October 4, loans at all member banks in the District rose \$157,176,000, which is approximately 47 percent of the total increase between November 1, 1949, and October 4, 1950. Anticipatory purchasing both by individuals and businesses, in addition to normal seasonal factors, contributed to the sharp rise in the rate of loan expansion. Loans for commercial, industrial, and agricultural purposes accounted for approximately 63 percent of the increase in the total between June 30 and October 4, while "all other" loans, a category comprising a large amount of consumer loans, accounted for approximately 28 percent.

Total investments of member banks in the District rose from \$2,550,004,000 on November 1, 1949, to \$2,559,624,000 on October 4, 1950. Holdings of United States Government securities declined \$34,625,000, but greater-than-offsetting increases occurred in holdings of municipal and other securities. With respect to operations in Government securities, member banks increased their holdings between November 1, 1949, and June 30, 1950, but effected reductions in their portfolios between June 30 and October 4.

Principally as the result of increased lending, but also to some extent the result of the high volume of investments of member banks, deposits rose by \$355,454,000 from Novem-

ber 1, 1949, to October 4, 1950. With the exception of deposits of states and political subdivisions—which declined \$20,859,000—all major categories of deposit accounts showed increases. Most notable growth occurred, however, in demand deposits of individuals, partnerships, and corporations, as this category accounted for approximately 92 percent of the increase in total deposits. Member banks reported total deposits of \$6,387,458,000 on October 4.

Total capital accounts of all member banks in the District amounted to \$422,279,000 on October 4, 1950, an increase of \$44,169,000 from November 1, 1949, and \$18,967,000 from June 30, 1950. These increases represent the strengthening of capital positions through the sale of new stock and the retention of earnings; in addition, seven banks were admitted to membership in the System between November 1, 1949, and October 4, 1950.

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

(In thousands of dollars)

Item	Nov. 15, 1950	Nov. 16, 1949	October 11, 1950
Total loans (gross) and investments.....	\$2,708,711	\$2,512,355	\$2,647,750
Total loans—net.....	1,436,901	1,124,057	1,355,501
Total loans—gross.....	1,450,491	1,133,829	1,368,999
Commercial, industrial, and agricultural loans.....	1,006,796	788,399	931,554
Loans to brokers and dealers in securities.....	6,809	6,993	6,223
Other loans for purchasing or carrying securities.....	57,337	47,309	60,576
Real-estate loans.....	115,618	88,964	112,685
Loans to banks.....	700	69	500
All other loans.....	263,031	203,095	257,461
Total investments.....	1,258,220	1,378,526	1,278,760
U. S. Treasury bills.....	96,180	125,325	114,504
U. S. Treasury certificates of indebtedness.....	53,001	355,295	57,218
U. S. Treasury notes.....	318,485	43,001	319,739
U. S. Government bonds (inc. gtd. obligations).....	634,317	723,670	633,207
Other securities.....	156,237	131,295	154,092
Reserves with Federal Reserve Bank.....	510,444	465,257	487,254
Balances with domestic banks.....	374,205	330,235	333,255
Demand deposits—adjusted*.....	2,103,090	1,982,697	2,115,713
Time deposits except Government.....	436,838	432,126	439,019
United States Government deposits.....	60,089	53,200	57,145
Interbank demand deposits.....	823,361	694,453	689,555
Borrowings from Federal Reserve Bank.....	2,000	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.

† After deductions for reserves and unallocated charge-offs.

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
October 1948.....	\$5,247,519	\$592,462	\$2,506,619	\$370,873	\$2,740,900	\$212,589
October 1949.....	5,278,671	652,043	2,573,396	421,811	2,705,275	230,232
June 1950.....	5,550,468	669,715	2,684,393	424,252	2,866,075	245,463
July 1950.....	5,640,371	660,748	2,757,150	416,753	2,883,221	243,995
August 1950.....	5,685,570	655,792	2,779,305	409,987	2,906,265	245,805
September 1950.....	5,726,635	659,286	2,806,806	410,905	2,919,829	248,381
October 1950.....	5,831,230	657,976	2,850,628	411,759	2,980,602	246,217

During the 5-week period ended November 15, loans at weekly reporting member banks in leading cities of the District rose \$81,492,000, continuing the uninterrupted week-to-week increases which began July 12. Loans for commercial, industrial, and agricultural purposes accounted for the greater part of the growth—92 percent—but real estate loans and "all other" loans rose by \$2,933,000 and \$5,570,000, respectively. Investments in United States Government obligations declined \$22,685,000, as holdings of Treasury bills, certificates of indebtedness, and notes were reduced. The most notable change in the condition of these selected member banks, however, was an increase of \$198,512,000 in deposits. Interbank demand deposits rose \$133,806,000 while demand deposits of individuals and businesses rose \$38,961,000. On November 15, total deposits amounted to \$3,758,048,000, an increase of \$317,370,000 over the year-earlier figure. Other changes include an increase of \$40,950,000 in balances with domestic banks and an increase of \$23,190,000 in reserves with the Federal Reserve Bank.

Debits to deposit accounts reported by banks in 24 cities of the District were significantly higher in each month from January to September of this year than in the comparable months of 1949, reflecting higher levels of business activity, income, and retail trade. Month-to-month increases over year-earlier totals were particularly marked in the 5 months from May to September. Debits in October, the most recent month for which data are available, exceeded September figures by 2 percent but were 27 percent above those reported in October of last year. Banks in El Paso, Corsicana, and Lubbock reported the greater gains over September figures, with increases ranging as high as 32 percent. The turnover of deposits, representing the average annual rate of use of deposit accounts, was 14.6 in October, as compared with 14.4 in September and 12.7 in October 1949.

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

(Amounts in thousands of dollars)

City	Debits*			Deposits*		
	October 1950	Percentage change from Oct. 1949	Sept. 1950	October 31, 1950	Oct. 1949	Sept. 1950
Arizona:						
Tucson.....	\$ 66,689	31	3	\$ 84,457	9.6	8.0
Louisiana:						
Monroe.....	45,331	8	6	47,493	12.0	11.6
Shreveport.....	152,373	16	— 5	181,205	10.1	9.5
New Mexico:						
Roswell.....	21,671	47	13	24,930	11.0	9.7
Texas:						
Abilene.....	57,245	49	11	49,701	14.0	12.2
Amarillo.....	122,780	24	14	96,813	15.6	13.4
Austin.....	117,242	4	— 24	116,199	12.5	12.4
Beaumont.....	114,240	24	— #	93,932	15.0	12.2
Corpus Christi.....	108,749	34	— 4	93,857	13.8	12.1
Corsicana.....	18,795	23	17	21,307	9.7	7.8
Dallas.....	1,345,542	27	1	875,726	18.5	16.2
El Paso.....	186,956	31	32	129,103	17.5	14.5
Fort Worth.....	413,527	25	1	325,420	15.2	13.1
Galveston.....	75,408	— 1	— 3	95,064	9.4	9.6
Houston.....	1,347,703	31	3	1,037,523	15.6	13.3
Laredo.....	18,580	26	6	21,883	10.3	8.5
Lubbock.....	96,611	38	17	84,613	14.0	13.2
Port Arthur.....	38,179	11	6	40,410	11.6	10.8
San Angelo.....	44,405	33	2	49,325	10.9	10.2
San Antonio.....	331,149	29	— 1	363,343	11.0	9.8
Texarkana†.....	19,369	20	— #	23,057	10.2	8.6
Tyler.....	49,360	19	2	49,587	11.9	10.0
Waco.....	72,061	39	— 5	80,700	10.9	8.9
Wichita Falls.....	68,964	24	3	94,170	8.9	8.0
Total — 24 cities....	\$4,928,929	27	2	\$4,083,628	14.6	12.7

Indicates change of less than one-half of 1 percent.

* Debits to deposit accounts except interbank accounts.

† Demand and time deposits, including certified and officers' checks outstanding but excluding deposits to the credit of banks.

‡ These figures include 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 \$32,361,000 for the month of October 1950.

SAVINGS DEPOSITS

City	Number of reporting banks	October 31, 1950		Percentage change in savings deposits from	
		Number of savings depositors	Amount of savings deposits	Oct. 31, 1949	Sept. 30, 1950
Louisiana:					
Shreveport.....	3	44,952	\$ 23,914,719	— 4.7	— 0.5
Texas:					
Beaumont.....	3	12,122	5,513,279	— 9.7	— 0.6
Dallas.....	8	144,418	76,307,713	— 1.9	0.7
El Paso.....	2	33,185	21,879,100	— 1.8	0.2
Fort Worth.....	4	44,266	34,653,964	— 2.3	0.1
Galveston.....	4	22,549	20,652,188	— 2.1	— 1.1
Houston.....	8	94,238	73,932,377	— 0.7	— 0.04
Lubbock.....	2	2,066	3,880,664	19.1	1.4
Port Arthur.....	2	5,613	4,032,612	— 10.7	— 1.0
San Antonio.....	5	41,623	42,319,478	— 3.0	— 0.1
Waco.....	3	10,542	10,442,401	3.5	0.3
Wichita Falls.....	3	7,378	4,558,006	— 1.3	— 1.6
All other.....	55	67,604	56,053,814	2.4	— 0.1
Total.....	102	530,556	\$378,140,315	— 1.3	0.01

Total gold certificate reserves of the Federal Reserve Bank of Dallas declined \$22,089,000 between October 15 and November 15. Other changes in the condition statement include increases of \$36,961,000 in member bank reserve deposits and \$1,735,000 in discounts for member banks and a decrease of \$3,148,000 in total earning assets. Notes of this Bank in

actual circulation on November 15 amounted to \$633,341,000, as compared with \$620,540,000 on October 15 and \$637,414,000 on November 15, 1949.

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	Nov. 15, 1950	Nov. 15, 1949	October 15, 1950
Total gold certificate reserves.....	\$644,309	\$701,908	\$666,398
Discounts for member banks.....	2,000	20	265
Foreign loans on gold.....	0	2,926	0
U. S. Government securities.....	881,788	769,666	886,671
Total earning assets.....	883,788	772,612	886,936
Member bank reserve deposits.....	861,386	793,084	824,425
Federal Reserve notes in actual circulation.....	633,341	637,414	620,540

NEW PAR BANK

The Security State Bank, Houston, Texas, a newly organized, nonmember bank located in the territory served by the Houston Branch of the Federal Reserve Bank of Dallas, was added to the par list on its opening date, October 30, 1950. The new bank has capital of \$200,000, surplus of \$50,000, and undivided profits of \$50,000. The officers are: Guy H. Heath, President; Sam H. Alexander, Vice President; and C. S. Conrad, Jr., Cashier.

INDUSTRY

Industrial activity in the Eleventh Federal Reserve District continued at a very high level in October and November. Estimates of the Texas Employment Commission indicate that nonfarm employment in Texas rose to about 2,460,000 persons at mid-November, a level more than 4 percent higher than a year earlier. This marks the fifth consecutive all-time peak in such employment, with prospects that December nonfarm employment, paced by a strong seasonal rise in retail trade, will establish a still higher record. Employment gains during October and November were particularly important in retail trade and in government activities relating to defense. Considerable gains in manufacturing employment occurred in the aircraft and cotton oil industries, with some rise also in other chemical, apparel and fabric, and the furniture and fixture industries. Moderate increases were made in the printing and publishing field and in the fabricated metals industries. A moderate seasonal downturn occurred in employment in the construction, food products, and stone, clay, and glass industries groups.

Crude oil production during October averaged 2,863,000 barrels per day in the Eleventh District and 5,884,000 barrels per day in the Nation. The district production was down by 66,000 barrels daily from the all-time peak of the previous month but was 551,000 barrels above a year ago. In the Nation, production was down 17,000 barrels daily from the September 1950 peak but was 846,000 barrels above a year ago. These declines from the previous month reflect the reduction in Texas allowables for October. The further reduction of Texas allowables by 38,000 barrels daily for November was reflected in moderate declines in output in this District during the early part of that month. Due to increases in output outside of this District, it appears that production in the Nation may have been fairly well maintained during November. The still more drastic reduction of Texas allowables for December leaves these allowables 166,000 barrels daily lower than in November and 267,000 barrels daily below the September peak. Despite this drop, however, Texas allowables for Decem-

ber will be higher than during any of the first 7 months of this year.

CRUDE OIL PRODUCTION

(Barrels)

Area	October 1950		Increase or decrease in daily average production from	
	Total production	Daily avg. production	Oct. 1949	Sept. 1950
Texas				
District				
1 South Central.....	963,000	31,064	3,617	281
2 Middle Gulf.....	4,732,450	152,660	24,639	-292
3 Upper Gulf.....	14,576,200	470,200	69,185	-2,329
4 Lower Gulf.....	7,332,500	236,532	39,029	-1,111
5 East Central.....	1,337,500	43,145	7,511	-1,012
6 Northeast.....	12,447,150	401,521	58,199	-9,825
East Texas.....	9,167,450	295,724	43,229	-8,219
Other fields.....	3,279,700	105,797	14,970	-1,606
7b North Central.....	2,429,550	78,373	15,320	3,303
7c West Central.....	2,400,950	77,450	25,655	5,012
8 West.....	27,031,050	871,969	287,738	-52,300
9 North.....	4,779,850	154,189	14,691	-2,291
10 Panhandle.....	2,790,000	90,000	-2,121	-1,430
Total Texas.....	80,820,200	2,607,103	543,463	-61,994
New Mexico.....	4,028,500	129,952	4,750	-4,798
North Louisiana.....	3,913,000	126,226	3,566	863
Total Eleventh District.....	88,761,700	2,863,281	551,779	-65,929
Outside Eleventh District.....	93,645,350	3,020,817	293,911	48,964
United States.....	182,407,050	5,884,098	845,690	-16,965

SOURCE: Estimated from American Petroleum Institute weekly reports.

The downward tendency in crude oil production indicated for the fourth quarter of this year represents a reaction to an overly rapid expansion of output during the third quarter, when the rate of increase in demand apparently was somewhat overestimated. The substantial fourth-quarter reduction in allowables should bring about a balance between supply and demand, particularly since demand is rising somewhat more than seasonally. The apparent demand for the four major petroleum products—gasoline, kerosene, gas oil and distillate fuel oil, and residual fuel oil—rose about 4 percent from September to October, reaching a level about 14 percent above a year earlier. During the first 10 months of 1950 the apparent demand for these four products was about 11 percent higher than during the corresponding period of 1949.

Reflecting the seasonal rise in demand, refinery activity as indicated by crude oil runs to refinery stills rose moderately in October, amounting to 1,802,000 barrels daily in this District and to 6,089,000 barrels daily in the Nation. Despite these high levels of refinery activity, as well as cutbacks in crude production, stocks of crude oil in the Nation increased further by 3,174,000 barrels during October. However, in early November, crude oil stocks were about 7,000,000 barrels under the level of a year ago. At the end of October, stocks of each of the four major products were higher than a month earlier by moderate to substantial amounts, and stocks of gasoline and kerosene were slightly higher than a year earlier. On the other hand, stocks of distillate fuel oil were still 6,301,000 barrels below the year-earlier level, and those of residual fuel oil were down about 25,000,000 barrels.

The steel requirements of the oil and gas industry for 1951 are estimated at about 17 percent higher than during 1950. About 49 percent of this increase is for the natural gas industry, chiefly for transmission lines, and another 5 percent is for the foreign operations of American companies. Steel requirements for oil and gas production are estimated to increase by only about 6 percent, an amount in line with the increase in production that probably will be required to meet the gradually rising demand.

The value of construction contracts awarded in the Eleventh District during October totaled \$100,000,000, or 13 percent less than the high level of the previous month but 49 percent above a year ago. While the October figure represents a boom level of activity by the standards of most years, it is the

lowest total since June and is somewhat below the monthly average of the year to date. During the first 10 months of 1950, awards totaled \$983,000,000, or 58 percent more than during the same period last year.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

	October 1950 ^①	October 1949	September 1950	January 1 to October 31 1950 ^②	1949
Eleventh District—total...	\$ 100,629	\$ 67,422	\$ 115,034	\$ 983,478	\$ 622,989
Residential.....	52,245	36,010	51,364	464,554	240,514
All other.....	48,384	31,412	63,700	518,924	382,475
United States*—total.....	1,135,815	1,061,751	1,286,541	12,245,561	8,455,659
Residential.....	629,867	500,702	549,535	5,765,763	3,368,300
All other.....	605,948	561,049	736,956	6,479,798	5,087,359

① Preliminary.

* 37 states east of the Rocky Mountains.

SOURCE: F. W. Dodge Corporation.

Residential construction contract awards for October amounted to \$52,000,000 or 2 percent more than in September and 45 percent more than a year ago. The October figure is the third highest of record, the two higher figures being those for the August peak and for May of this year. The October level of residential awards is 12 percent higher than the very high monthly average for the year to date. During the first 10 months of 1950, residential awards totaled \$465,000,000 or 93 percent more than during the corresponding period of 1949.

BUILDING PERMITS

City	October 1950		Percentage change		Jan. 1 to Oct. 31, 1950		Percentage change valuation from 1949
	Number	Valuation	Oct. 1949	Sept. 1950	Number	Valuation	
Louisiana:							
Shreveport.....	327	\$ 1,377,835	— 14	— 67	4,051	\$ 27,196,633	38
Texas:							
Abilene.....	179	1,098,504	110	— 27	1,770	12,404,764	126
Amarillo.....	316	2,963,091	112	55	3,250	19,784,397	39
Austin.....	286	3,585,320	56	13	3,687	35,022,877	84
Beaumont.....	293	402,601	— 65	— 26	3,444	8,886,967	6
Corpus Christi.....	362	3,511,975	408	123	4,458	24,136,578	90
Dallas.....	1,853	9,400,047	90	— 34	20,504	106,538,613	72
El Paso.....	346	2,062,061	— 22	15	3,929	21,928,727	95
Fort Worth.....	683	2,361,163	22	— 36	8,749	39,929,600	71
Galveston.....	205	1,121,713	270	355	1,790	6,972,759	— 14
Houston.....	943	10,193,554	— 6	— 15	12,014	141,619,137	94
Lubbock.....	299	2,921,259	135	87	3,262	22,131,122	130
Port Arthur.....	200	350,220	52	— 9	2,069	5,135,674	47
San Antonio.....	1,148	3,720,739	— 1	— 25	16,451	45,635,108	58
Waco.....	216	2,382,450	119	202	2,580	18,009,769	94
Wichita Falls.....	114	327,865	6	16	1,214	4,437,549	— 3
Total.....	7,770	\$47,780,457	37	— 10	93,252	\$539,770,274	72

While the high level of residential awards during October might suggest that such building has been little affected by Regulation X and companion regulations, an analysis of awards for the second half of the month indicates that contracts fell off by about one-fourth but were at a rate about equal to that for the first 10 months of the year. The high level of awards during the first half of October reflects efforts of builders to anticipate the October 12 effective date of Regulation X and companion regulations.

DOMESTIC CONSUMPTION AND STOCKS OF COTTON

(Bales)

	October 1950*	October 1949	September 1950**	August 1 to October 31	
				This season#	Last season
Total consumption:					
Texas mills.....	12,682	13,5	14,024	39,830	38,723
United States mills.....	835,155	725,628	968,484	2,611,479	2,097,259
Daily average consumption:					
Texas mills.....	642	655	597	622	596
United States mills.....	42,286	34,970	39,530	40,645	32,142
U. S. stocks—end of month:					
Consuming establishments.....	1,489,660	1,130,340	1,237,815		
Public storage and compresses.....	6,375,051	8,468,997	4,890,637		

* Four weeks ended October 28.

** Five weeks ended September 30.

Through October 28.

SOURCE: United States Bureau of the Census