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THE TRANSITION TO FREE MARKETS

*On April 13, 1953, Wm. McC. Martin, Jr., Chairman, Board of Governors of the Federal Reserve System, addressed The Economic Club of Detroit on the subject "The Transition to Free Markets." In the belief that readers in banking, business, and other fields of economic activity in the Eleventh Federal Reserve District will find Chairman Martin's remarks of interest, his address is reprinted in full in the following pages of this issue of the **Monthly Business Review**.*

On behalf of the Federal Reserve System, I wish to express appreciation of the honor you do me in inviting me to be your guest at this luncheon of The Economic Club of Detroit which you are giving in connection with the dedication of the new Detroit Branch Building.

It seemed to me that this might be an appropriate time and occasion to comment on the part that the Federal Reserve System was designed to play in the economic life of our country. In particular, I would like to say something about the progress that has been made in the past two years in what, for want of better words, I have referred to as the transition to free markets.

It is not strictly true, of course, that in our complex world we can have absolute freedom in human affairs. The goal of the greatest good for the greatest number requires as a minimum a Government of laws, and, human nature being what it is, that means some regulation of our daily lives. There is this minimum in monetary management. Nevertheless, the aspiration remains to have as much freedom of choice and action as is compatible with the common good. This is true in economic as in other affairs.

Under the hard choices left us in wartime, we had to dictate even some of the smallest details of our economic life, but that strait jacketing of the economy is wholly inconsistent with democratic institutions and a private enterprise system. It produced the paradox that we seemed to be practicing the very thing we were fighting against. The

Federal Reserve System was caught in this paradox under the wartime decisions. It undertook to stabilize the price of Government securities in relation to a fixed pattern of yields, and in so doing found itself feeding the forces that make for inflation. It continued to stabilize these prices, with minor modifications, after the war, in fact up to March 1951. These are facts. I am not passing judgment on what was done.

Last month marked the second anniversary of the so-called Treasury-Federal Reserve accord. It may be worth while to recall the wording of the joint statement:

"The Treasury and the Federal Reserve System", said the announcement, "have reached full accord with respect to debt management and monetary policies to be pursued in furthering their common purpose to assure the successful financing of the Government's requirements and, at the same time, to minimize monetization of the public debt."

In monetary history the accord was a landmark. In withdrawing from supporting fixed prices in the Government bond market, the Federal Reserve System regained its influence over the volume of money. It ceased to be the residual buyer who, by its purchases of Government securities, however reluctantly made, furnished bank reserves indiscriminately and thus abetted inflationary overexpansion of the money supply.

During its 40 years of existence, the Federal Reserve System has frequently tried to formulate or define its purposes in the light of the responsibility for monetary management which Congress placed upon it. The System is, and always must be, subject to the will of the Congress. Through their elected representatives it is thus ultimately answerable to the American people.

The Federal Reserve Act contains guidance for policy and action rather than directives or a mandate. While the Reserve System does not have an explicit mandate in the law, it is governed in its decisions by a definite purpose which can be simply stated. Its purpose is to see that, so far as its policies are a controlling factor, the supply of money is neither so large as to induce destructive inflationary forces nor so small as to stifle our great and growing economy.

It is fair to say, I think, that the System has performed that task fairly satisfactorily during the past two years. During that period the economy has functioned at record levels and despite the diversion of economic resources to the defense program, it has functioned without further inflation. However precarious the balance, it has been a period of steady economic progress. It would be a mistake to claim too much for monetary policy in this achievement. But it would be equally misleading to conclude that this steady progress would have been achieved without the aid of the monetary policies and actions that were initiated two years ago.

What has occurred in the past two years in the area of money management has been a return from wartime necessities to the principles of the free market. The significance of this transition is not to be found in interest rates, but in its far greater implications, wholly apart from its economic effects. In a free market, rates can go down as well as up and thus perform their proper function in the price mechanism. Dictated money rates breed dictated prices all across the board. This is characteristic of dictatorships. It is regimentation. It is not compatible with our institutions.

Not only in this country but in the entire Western World, we are seeing a return to the principles upon which our strength rests. Under our Governmental institutions and our economic system, the maximum benefits for all of us flow from utilizing private property, free, competitive enterprise, and the profit motive in accordance with the dictates of the market place—something that was almost forgotten for a period of years.

The market place—the price mechanism—are basic essentials of the American economy and of the economy of the Western World. We have seen the countries of Europe that struggled along with Marshall Plan aid return to the

earning process, one by one. We have seen monetary policy put to work in Belgium and Italy. We have seen it spread from Italy up to the Netherlands, on to Denmark, and on to Britain. For the last year Britain has been taking measures running somewhat parallel to ours.

The process of returning to acceptance and use of the market place is slow, painful, and hard. It is not achieved because people necessarily like it; it is achieved because alternative ways don't work—and that has been found out in most of Western Europe since the war.

When we started this program of freeing the market some people were talking as if that would lead to panic and disaster. Some said that once Government bonds went below par the credit of the United States would be destroyed. Some people saw panic and collapse on the horizon merely because there had been a movement of a few thirty-seconds in the Government securities market. The word "stability" had come to mean "stagnation" and "frozen prices".

During the past year, under the authority of the Federal Open Market Committee, an ad hoc subcommittee has been reviewing our operations in the Government securities market with a view to determining what might be done to develop and improve those operations under the changed conditions.

After ten years of a pegged market, we found that once the market was freed a little bit, many of the devices and techniques we had been using tended to work in reverse. We found that the dealers, the brokers, the individuals—that composite that makes up the market—instead of making market judgments for themselves were chiefly interested in trying to find out what the Federal Reserve planned to do and how it was going to operate.

Federal Reserve support of the Government securities market over many years, because it affected the operation of the entire financial market, had developed patterns of behavior and thinking that were not easily or quickly changed. Only gradually were old practices discarded and the characteristics of a free market developed.

That is not to say that the performance of the Government securities market after the unpegging was not highly gratifying in several important respects. Considering the pressure on the economy and on the supply of savings, the range of price fluctuation on Government issues was moderate. The facilities of the market proved to be generally good.

But the market did not have the depth, breadth, and resiliency needed for the execution of effective and responsive market operations and for flexible debt management pur-

poses. This means a securities market in which market forces of supply and demand and of savings and investment are permitted to express themselves in market prices and yields. The unsatisfactory aspects of the market seemed to be related in large part to the psychology that pervaded the market. Professional operators in the market appeared confused with respect to the elements they should consider in evaluating future market trends.

For one thing, they seemed apprehensive as to the Federal Reserve attitude on prices in the market. The market appeared constantly to expect action by the System which, by standards of a free market, would be unpredictable and might seem capricious. Investors and dealers seemed to lack adequate background for weighing and evaluating System actions in forming their individual market judgments and investment decisions. After the unpegging there quite naturally remained much skepticism as to the System's intentions or ability to permit a free private market to develop.

In important respects there was tangible justification for these doubts. For one thing, the System continued to support the market for short-term securities during periods of Treasury refunding. For another thing, it was also understood that the System had a policy of maintaining an orderly market in all sectors of the Government securities market, a phrase that was variously interpreted in the market and which the market therefore found hard to understand.

Against that background, it was our purpose to develop methods of operation which, as they became known through practice, would give those who participate in the market, and those who have contacts in the market, a familiarity with how the Federal Reserve may intervene, when it may intervene, for what purpose it may intervene.

Since the unpegging, we have endeavored to confine open market transactions to the effectuation of credit policy, that is, to maintain a volume of member bank reserves consistent with the needs of a growing and stable economy. We have tried to confine our operations to short-term securities, in practice largely Treasury bills. Prices of these issues, which are the closest substitutes for cash, are least affected by Reserve System sales or purchases. Gradually investors in Government securities have, I believe, come to expect and understand this phase of System activity in the market.

We have had a particularly acute problem during periods of Treasury refundings. It had become the practice under pegged and supported markets for the System to intervene to support Treasury refundings. This seemed a reasonable use of Federal Reserve resources, provided it was limited and excessive purchases were later disposed of in the market.

This practice was followed for eighteen months after the accord.

We found, however, that when the Federal Reserve, with its huge portfolio and its virtually unlimited resources, intervened in the market during Treasury refundings, many other investors tended to step to the sidelines and to let the market form around the System's bids. This was a natural and highly rational investor reaction. But the result was that with the System supporting a refunding, offerings failed to get fair market valuation until some time after the refunding period. Under the circumstances, it was very difficult for the market to make a satisfactory judgment of the worth of a new offering or of the relationship it should bear to other Government obligations already outstanding. This was particularly true since it was usually obvious to investors that the System might act to absorb reserves by sales during or after the refunding operation in order to offset its support purchases.

During the past two transition years, the Treasury and the Federal Reserve have been experimenting with various ways of minimizing or eliminating this intervention. In connection with a small refunding, the Federal Reserve decided last December to refrain entirely from purchasing maturing securities, or "rights" as they are called. Again in February, when the Treasury refinanced a large maturity with an attractive offer no support was given by the System. Both refundings were highly successful and demonstrated the value of reliance on freely functioning markets rather than on official intervention.

The transition has major advantages to the System, to the Treasury, and to investors in general. The System no longer needs to inject periodically into credit markets large amounts of reserve funds which are difficult to withdraw before they have resulted in undesirable credit developments. On the other hand, private investors, whose funds the Government seeks to attract, may now fairly appraise a new Government security offering through market processes. They may invest in the new issue with confidence that its market price reflects not just an arbitrary decision by the Treasury and the Federal Open Market Committee but instead the composite evaluation of its worth by thousands of investors in the light of their judgments as to the current and prospective demand and supply of credit.

We also had to deal with the concept of "maintaining an orderly market". I tried before committees of the Congress to define "orderly market". I was not very successful, but I do think that gradually our emphasis has been shifting toward a realization that we should not be the judges of what an orderly market is; that our efforts should be directed

more toward correcting disorderly conditions—you can see the difference in emphasis—and that even there, we ought to be extremely careful about intervening unduly.

In a properly functioning market, and particularly in a well organized money and credit market, fluctuations resulting from temporary or technical developments are self-correcting without any official intervention. Of the movements that are not self-correcting, most reflect basic changes in the credit outlook which should be permitted to occur. Only very rarely is there likely to be a disorderly situation that would require Federal Reserve intervention for reasons other than credit policy.

As investors continue to operate in a free market for Government securities I am confident that they will develop a fuller understanding of the minimum role to be played by the System in such a market. They will then feel freer to express their own judgments about market values and will thus develop a market with greater depth, breadth, and resiliency. Certainly much progress has already been made.

With the changes in its own policies and practices and with the development over the past two years of this self-reliant market for Government securities, the Federal Reserve has been able to bring into full use its instruments for influencing the general credit situation in order to promote economic and financial stability. Open market operations and the discount rate are again being used for this purpose as twin reserve banking measures, each complementing the other in affecting the availability, volume, and cost of credit.

Primary reliance is once more placed upon the discount mechanism as a means for supplying the variable short-term needs of individual banks for reserves. Experience has demonstrated that when member banks are heavily in debt to the Federal Reserve Banks, the tone of the money market is tight. Marginal loans are more likely to be deferred and some credit risks may have to shop around for accommodation. Conversely, when member bank borrowing is low, the tone of the money market tends to be easy and credit

accommodation is less discriminating. The Federal Reserve borrowing privilege and the discount rate, after years of disuse, have come to play once more their intended role as flexible, impersonal instruments of monetary management.

Open market operations can be employed when needed to condition the current tone in credit markets and the general availability of credit. By these operations the Federal Reserve can tighten or ease the pressure on member bank reserve positions and thus cause banks to borrow or enable them to reduce borrowings at the Reserve Banks. Subsequently, this tightness or ease is transmitted and magnified in money and credit markets.

I have sought to outline for you the progress that the Federal Reserve System, within the framework of its purposes and functions, has made in these past two years of transition. With credit and monetary measures in effective operation, and with a Federal fiscal situation that does not depend excessively on credit to finance expenditures, reasonable stability in the value of the dollar is again a valid assumption in making economic decisions.

This is in sharp contrast to the era of pegged markets from which we have emerged. There are still some who would have us return to a pegged market. If we did, we would have no reliable safeguard against the erosion of our savings, our pensions, our life insurance policies—the capital upon which the institutions of private enterprise rest. There are no reliable substitutes for free markets which have been reinstated during the past two years. A redundant money supply can be dammed up by direct controls for a time, but as we saw in the early postwar years, once the controls are lifted, as the public insists that they be in peacetime, the economy is engulfed with the flood of money that has already been created and only temporarily held back.

If we handle our fiscal, monetary, and debt management problems wisely we will not have to worry very much about the value of the dollar.



REVIEW OF BUSINESS, AGRICULTURAL, AND FINANCIAL CONDITIONS



Department store sales in the Eleventh Federal Reserve District in March set a record for the month, being 26 percent above those in February and 12 percent above March 1952. The earlier Easter this year contributed to the high sales volume for the month. Sales in April through the 18th were 6 percent above a year earlier.

Sales of durables at reporting department stores in March, accounting for 17 percent of total sales, rose 14 percent above March 1952; sales of nondurables gained 11 percent. The proportion of total sales represented by cash transactions declined, with the loss being offset by a relative increase in instalment sales. As compared with a year earlier, accounts receivable at the close of March were up 26 percent; inventories, up 8 percent; and stocks on order, up 4 percent. Furniture store sales in March gained 12 percent over February and 5 percent over a year ago.

Agricultural conditions have improved in the past several months because of widespread rains, but more moisture is needed in western parts of the area. The winter wheat crop in district states is off one-third from last year. Cotton planting is active in northern counties of the District, and land preparation is moving along in west Texas. Livestock marketings continue heavy. Farm commodity prices are holding relatively steady, although prices of cattle, cotton, and grains weakened in recent weeks.

Daily average crude oil production in the District declined during April to the lowest level since last July. Crude oil stocks declined during early April but were higher than a year ago. Refinery activity registered little change during March and the first part of April; there was a year-to-year gain of 3 percent in the first 3 weeks of April. Well completions for the year through April 11 were 9 percent below a year earlier.

Employment in the District declined slightly in February but made seasonal gains during March and April. Reports for February show nonagricultural employment 4 percent over a year ago, with manufacturing employment up 5 percent. Hourly earnings of manufacturing employees averaged \$1.60, up 10 cents from a year earlier.

The value of construction contracts awarded in the District in March dropped below that of several preceding months, due to a reduction in nonresidential awards; residential awards continued at a very high level. Construction contracts awarded in the first quarter were valued 3 percent below those of a year earlier, compared with a gain of 10 percent for the United States.

Demand deposits of the weekly reporting member banks declined 2.0 percent between March 18 and April 22; time deposits rose 3.5 percent. Deposit withdrawals were met, in part, through a reduction of 4.5 percent in total investments.

Loans increased less than 1 percent during the 5-week period to a total 14.2 percent above a year earlier. Gross demand deposits of all member banks in the District in March averaged slightly below the previous month but 5 percent over a year earlier; time deposits rose 2.6 percent during the month.



Retail sales at reporting department stores in the Eleventh Federal Reserve District set a new dollar volume record for the month of March, rising 26 percent above February and 12 percent above March 1952. Although sales were up substantially during the second half of the month because of the earlier date of Easter, it was apparent in early March that sales for the month would be sustained well above the 1952 level.

RETAIL TRADE STATISTICS

(Percentage change)

Line of trade by area	NET SALES			STOCKS ¹	
	March 1953 from		3 mo. 1953 comp. with 3 mo. 1952	March 1953 from	
	March 1952	Feb. 1953		March 1952	Feb. 1953
DEPARTMENT STORES					
Total Eleventh District.....	12	26	8	8	8
Corpus Christi.....	25	39	18	28	14
Dallas.....	9	19	5	5	3
El Paso.....	15	17	13	9	7
Fort Worth.....	6	24	3	5	9
Houston.....	16	31	12	11	10
San Antonio.....	10	27	5	8	8
Shreveport, La.....	13	32	11	12	9
Waco.....	11	29	6	9	10
Other cities.....	8	28	5	10	12
FURNITURE STORES					
Total Eleventh District.....	5	12	—	-5	5
Austin.....	13	-6	—	5	9
Dallas.....	21	21	—	-1	6
Houston.....	11	21	—	—	—
Port Arthur.....	2	9	—	-27	3
San Antonio.....	-14	10	—	—	—
Shreveport, La.....	2	-1	—	-1	3
HOUSEHOLD APPLIANCE STORES					
Total Eleventh District.....	2	3	—	—	—
Dallas.....	-3	-8	—	—	—

¹ Stocks at end of month.

Using the 2 weeks prior to Easter as the basis for comparison, Easter sales this year were 10 percent greater than in 1952. Sales declined sharply during the week following Easter but then recovered to raise April sales through the 18th to a level approximately 6 percent above the comparable period last year. Cumulative department store sales in this District for the year through April 18 were 8 percent above 1952, compared with 5 percent for the Nation.

Sales of durable goods (homefurnishings) during March, which accounted for approximately 17 percent of total department store sales, rose 14 percent above March 1952. The principal items accounting for the increase were furniture and bedding, up 19 percent; laundry equipment, up 61 percent; and air conditioning units, up 216 percent.

Sales of nondurables during March were 11 percent greater than a year earlier. The principal increases in non-

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

(1947-49 = 100)

Area	UNADJUSTED				ADJUSTED ¹			
	Mar. 1953	Feb. 1953	Jan. 1953	Mar. 1952	Mar. 1953	Feb. 1953	Jan. 1953	Mar. 1952
SALES—Daily average								
Eleventh District.....	117	101	101	105	125	125	129	115
Dallas.....	112	101	98	102	115	119	127	108
Houston.....	135	112	115	116	144	143	148	129
STOCKS—End of month								
Eleventh District.....	142p	132	122	131	134p	133	135	124

¹ Adjusted for seasonal variation.

p—Preliminary.

durables were women's and misses' accessories, which showed a gain of 15 percent; dresses, 17 percent; blouses, skirts, and sportswear, 20 percent; and girls' wear, 37 percent. Sales of men's furnishings and boys' wear registered gains of 11 percent and 38 percent, respectively.

The proportion of total sales represented by merchandise sold for cash during March was 32 percent, a decline of 2 percentage points from March 1952. The proportion of installment sales rose 2 percentage points to 13 percent, while regular charge account sales remained unchanged at 55 percent of total sales.

WHOLESALE TRADE STATISTICS

Eleventh Federal Reserve District

(Percentage change)

Line of trade	NET SALES ^p			STOCKS ^{1p}	
	March 1953 from		3 mo. 1953 comp. with 3 mo. 1952	March 1953 from	
	March 1952	February 1953		March 1952	February 1953
Automotive supplies.....	6	-38	—	—	—
Drugs and sundries.....	-5	3	—	-#	-#
Dry goods.....	10	12	5	17	-2
Grocery (voluntary group and full-line wholesalers not sponsoring groups).....	4	3	—	-2	-1
Hardware.....	5	13	-3	1	3
Industrial supplies.....	-9	10	-6	-1	29
Machinery equipment except electrical.....	17	3	—	13	-1
Metals.....	-3	45	14	14	25
Tobacco products.....	3	3	-4	—	3
Wines and liquors.....	-9	-10	1	-22	-2
Wiring supplies, construction materials distributors.....	27	23	-16	22	8

¹ Stocks at end of month.

p—Preliminary.

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

SOURCE: United States Bureau of the Census.

Total accounts receivable at the close of March were virtually unchanged from February but were 26 percent above March of last year. Regular charge accounts, which represented 54 percent of total receivables on March 31, showed a decline of 2 percent during the month but remained 9 percent above a year earlier. Instalment accounts, which represented the remaining 46 percent of total receivables, increased 1 percent during the month and were 55 percent higher than on the same date last year.

Collections on charge accounts during March equaled 49 percent of the amount outstanding at the beginning of the month. There was a contraction of the average collection period on charge accounts from 66 days in February to 61 days during March.

Department store inventories at the end of March were 8 percent larger than a year ago, reflecting the heavy purchases made earlier in anticipation of Easter buying and the current high level of consumer demand. Stocks on hand during the first quarter of this year have been the largest on record for that period. Stocks on order at the end of March were 4 percent larger than on the same date last year.

Furniture stores in the District reported retail sales during March at 12 percent above February and 5 percent above March 1952. Accounts receivable held by furniture stores at the end of the month were unchanged from February, due to a 4-percent increase in the volume of collections, but were up 27 percent from a year ago. Inventories at furniture stores at the close of March were 5 percent higher than on February 28 but were 5 percent below a year earlier.



The 1953 winter wheat crop in the states lying wholly or partly in this District is forecast at 96,240,000 bushels, 23 percent above the pre-season forecast made last December but one-third lower than actual production in 1952. Estimates of production in each of these states are shown in an accompanying table. In the Nation, winter wheat production is forecast at 714,000,000 bushels, compared with 1,053,000,000 bushels harvested last year and a 10-year (1942-51) average of 797,000,000 bushels.

WINTER WHEAT PRODUCTION

(In thousands of bushels)

State	Average 1942-51	1952	1953 Indicated April 1
Arizona.....	589	598	552
New Mexico.....	3,542	627	2,444
Oklahoma.....	70,810	107,115	63,118
Texas.....	59,088	34,626	30,126

SOURCE: United States Department of Agriculture.

The increase in the forecast of the District's winter wheat crop reflects an improvement in moisture conditions and the seeding of additional acreage following fairly substantial rains in December and early January. During February and March, light snow and rain kept most of the wheat alive, although some acreage was lost in New Mexico, northwest Texas, and western Oklahoma because of high winds. Subsoil moisture is deficient throughout most of these areas, and final outcome of the winter wheat crop is highly dependent upon additional rains. In most of the Low Rolling Plains and north central counties of Texas, the wheat crop is in good to excellent condition.

Moisture conditions in central and eastern parts of the District are generally favorable and, in many counties, much improved over a year ago. However, irrigation water continues short in the Lower Rio Grande Valley of Texas and in parts of Arizona and New Mexico.

Cotton planting is active in northern counties and in the irrigated sections of New Mexico and Arizona. Preparations

for planting are making good progress in west Texas. The crop is making fair to rapid growth in southern counties, and insect infestation has been light thus far.

The District's corn crop is making fairly good growth, and grain sorghums in the Coastal Bend commercial area of Texas are reported to be developing satisfactorily. Rice planting was active during April in the Texas-Louisiana rice belt, and total acreage is expected to equal or exceed last year's plantings. The south Texas flax crop is maturing, and harvest was begun in the Coastal Bend section around mid-April.

Conditions were generally favorable during April in most commercial vegetable areas, and farmers harvested the few remaining winter crops. Carlot shipments of tomatoes and a light movement of sweet corn were under way in the Lower Rio Grande Valley during the middle and latter parts of the month. Setting of the east Texas tomato crop and planting of sweet corn, cantaloupes, and watermelons in late areas of south Texas and of onions in the Panhandle were completed under generally favorable conditions. In contrast to the very small Texas peach crops of the past 2 years, prospects are very good this year. Low temperatures during the week of April 15 caused some loss in the High Plains, but other sections escaped damage.

Range and pasture conditions are much improved over a month ago and, in most sections, are better than at this season last year. The United States Department of Agriculture reported pasture conditions in Texas on April 1 as being about 30 percent better than on the same date in 1952. However, pastures in the western half of Texas and southeastern New Mexico still need more moisture; supplemental feeding continues in those areas on a limited scale. In the eastern half of the District, grasses and clovers have made abundant growth and are furnishing ample pasturage.

Livestock generally are holding their own in western sections of the District and are making rapid gains in eastern and central counties. Marketing of cattle and calves continues to exceed the volume of a year ago by a substantial margin. Receipts at the Fort Worth and San Antonio markets during March were 50 percent higher than a year earlier and 32 percent above February this year.

LIVESTOCK RECEIPTS
(Number)

Class	FORT WORTH MARKET			SAN ANTONIO MARKET		
	March 1953	March 1952	February 1953	March 1953	March 1952	February 1953
Cattle.....	57,682	27,484	42,874	25,296	20,882	18,836
Calves.....	12,344	9,358	11,112	12,102	13,746	8,814
Hogs.....	59,803	93,792	50,109	3,929	5,250	1,773
Sheep.....	73,209	43,459	43,008	115,838	110,431	111,257

¹ Includes goats.

The number of cattle on feed in the 11 Corn Belt states on April 1 was reported by the Bureau of Agricultural Economics to be 19 percent higher than on the same date last year. This is a smaller increase over a year ago than the 23-percent gain reported on January 1, 1953, and the reduction is attributed to lower cattle prices.

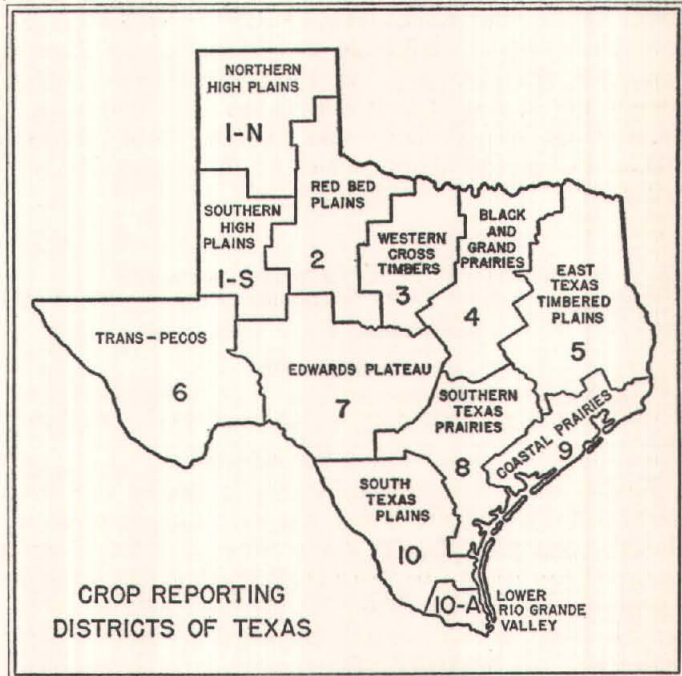
FARM COMMODITY PRICES

Top Prices Paid in Local Southwest Markets

Commodity and market	Unit	Week ended		Comparable week last month	Comparable week last year
		April 23, 1953	last month		
COTTON, Middling 15/16-inch, Dallas.....	lb.	\$.3265	\$.3295	\$.4075	
WHEAT, No. 1 hard, Fort Worth.....	bu.	2.60½	2.68	2.74¾	
OATS, No. 2 white, Fort Worth.....	bu.	1.02	1.05½	1.13½	
CORN, No. 2 yellow, Fort Worth.....	bu.	1.87	1.88	2.12¼	
SORGHUMS, No. 2 yellow milo, Fort Worth.....	cwt.	2.93	3.13	3.20	
HOGS, Choice, Fort Worth.....	cwt.	24.00	22.25	18.00	
SLAUGHTER STEERS, Choice, Fort Worth.....	cwt.	21.50	23.00	36.00	
SLAUGHTER CALVES, Choice, Fort Worth.....	cwt.	22.00	23.00	34.50	
STOCKER STEERS, Choice, Fort Worth.....	cwt.	19.00	22.00	35.00	
SHORN SLAUGHTER LAMBS, Choice, Fort Worth.....	cwt.	21.00	21.00	27.00	
HENS, 3-4 pounds, Fort Worth.....	lb.	.25	.25	.23	
FRYERS, Commercial, Fort Worth.....	lb.	.29	.29	.27	
BROILERS, south Texas.....	lb.	.29	.30	.25	
WOOL, 12-months, west Texas.....	lb.	.67	1.70	1.55	
MOHAIR, kid, west Texas.....	lb.	1.26½	1.16½	1.06½	

¹ Clean basis, delivered Boston.

Prices received for agricultural commodities in this District remained generally steady during the past 2 months, although prices of cotton and grains have weakened slightly and cattle prices fluctuated within relatively narrow limits. The index of agricultural prices in Texas, prepared by the Bureau of Agricultural Economics, declined one point between February 15 and mid-March, or to 286 percent of the 1910-14 average. Spot commodity market quotations to April 15 suggest that the index for that date, when released, will show a further slight decline, which would place farm commodity prices in the State some 20 percent below a year ago.



Demand deposits of the weekly reporting member banks in the District declined rather sharply between March 18 and April 22, although the decline was somewhat less than during the comparable 5-week period last year. Decreases in most major categories of demand deposits were

reflected in an over-all reduction of \$75,695,000, or 2.0 percent. The heavier withdrawals occurred principally in deposits of banks, states and political subdivisions, and individuals and businesses. United States Government deposits also declined. These losses reflect, in part, a substantial outflow of funds in connection with interdistrict commercial and financial transactions. In contrast with the recent trend of demand deposits, time deposits rose \$18,638,000, or 3.5 percent, in the 5 weeks ended April 22, reflecting an expansion in the accounts of individuals, partnerships, and corporations and in deposits of states and political subdivisions.

Deposit withdrawals during the 5-week period were met principally through a reduction of \$61,974,000, or 4.5 percent, of total investments. Holdings of all types of United States Government securities declined, with the more notable changes occurring in Treasury bills and notes. Investments in municipal and other non-Government securities rose. On April 22, total investments of these banks amounted to \$1,313,684,000, a reduction of 2.7 percent from the total reported on the comparable date in 1952.

Loans of the weekly reporting member banks increased \$10,006,000, or somewhat less than 1 percent, during the 5 weeks ended April 22. "All other" loans, a category which includes consumer-type loans, and loans to banks more than accounted for the total expansion. Commercial, industrial, and agricultural loans declined fractionally. Commodity dealers, manufacturers of food and liquor, and grain and milling concerns reduced outstanding bank indebtedness during most weeks. On the other hand, manufacturers of petroleum products, wholesale and retail trade establishments, sales finance companies, and a group of other miscellaneous borrowers increased the amount of their outstanding bank borrowings. On April 22, loans of these banks amounted to \$1,807,815,000, or 14.2 percent above the total for the comparable date last year.

CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	April 22, 1953	April 23, 1952	March 18, 1953
Total loans (gross) and investments.....	\$3,121,499	\$2,932,777	\$3,173,467
Total loans—Net ¹	1,789,212	1,566,459	1,779,152
Total loans—Gross.....	1,807,815	1,582,878	1,797,809
Commercial, industrial, and agricultural loans.....	1,183,395	1,084,136	1,186,815
Loans to brokers and dealers in securities..	10,937	7,760	10,627
Other loans for purchasing or carrying securities.....	69,649	60,484	71,699
Real estate loans.....	134,205	118,758	135,341
Loans to banks.....	19,334	8,525	9,950
All other loans.....	390,295	303,215	383,375
Total investments.....	1,313,684	1,349,899	1,375,658
U. S. Treasury bills.....	93,302	224,830	129,158
U. S. Treasury certificates of indebtedness..	138,201	162,464	149,640
U. S. Treasury notes.....	193,390	177,924	193,383
U. S. Government bonds (inc. gtd. obligations).....	701,509	614,790	707,196
Other securities.....	187,282	169,891	179,281
Reserves with Federal Reserve Bank.....	583,354	529,597	595,079
Balances with domestic banks.....	427,178	377,909	456,111
Demand deposits—adjusted ²	2,450,446	2,295,578	2,540,786
Time deposits except Government.....	534,923	468,296	516,285
United States Government deposits.....	69,960	101,634	79,644
Interbank demand deposits.....	814,740	737,837	843,136
Borrowings from Federal Reserve Bank.....	30,750	20,250	16,500

¹ After deductions for reserves and unallocated charge-offs.

² Includes all demand deposits other than interbank and United States Government, less cash items reported as on hand or in process of collection.

Gross demand deposits of all member banks in the District averaged \$6,822,777,000 during March, reflecting a slight decrease from February but an increase of almost 5 percent over March 1952. Demand deposits of country member banks declined 1.5 percent during the month, a reduction which more than offset the expansion of somewhat less than 1 percent at reserve city member banks. Reflecting a further extension of the sustained upward trend which had prevailed since early in 1951, time deposits rose 2.6 percent during March to a total of \$829,712,000 on a daily average basis.

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
March 1951.....	\$5,991,439	\$644,378	\$2,777,533	\$353,077	\$3,213,906	\$291,301
March 1952.....	6,513,810	719,844	3,046,289	392,193	3,467,521	327,651
November 1952..	7,025,207	780,156	3,338,376	421,427	3,686,831	358,729
December 1952..	7,090,304	784,739	3,380,098	422,356	3,710,206	362,383
January 1953....	7,109,145	798,393	3,387,726	428,928	3,721,419	369,465
February 1953... 6,850,152	808,429	3,223,325	433,931	3,626,827	374,498	
March 1953.....	6,822,777	829,712	3,251,351	444,623	3,571,426	385,089

Changes in the condition of the Federal Reserve Bank of Dallas between March 15 and April 15 include decreases in most principal accounts. Member bank reserve deposits declined \$82,674,000, while gold certificate reserves decreased \$76,999,000. The reduction in total earning assets amounted to \$13,787,000, reflecting principally a decline in discounts for member banks but including also a decrease in holdings of Government securities. On April 15, Federal Reserve notes of this bank in actual circulation amounted to \$721,910,000, a reduction of \$4,590,000 from March 15.

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	April 15, 1953	April 15, 1952	March 15, 1953
Total gold certificate reserves.....	\$ 605,813	\$ 624,383	\$ 682,812
Discounts for member banks.....	9,600	0	21,000
Industrial advances.....	0	15	0
Foreign loans on gold.....	833	532	990
U. S. Government securities.....	1,149,383	1,061,827	1,151,613
Total earning assets.....	1,159,816	1,062,374	1,173,603
Member bank reserve deposits.....	1,004,361	975,654	1,087,035
Federal Reserve notes in actual circulation....	721,910	679,449	726,500

Debits to deposit accounts reported by banks in 24 cities of the District for March were 12 percent above the total for February and 9 percent above that for March 1952. The increase in spending during March which these charges to deposit accounts reflect was general over the District, with the expansion indicating in part a rise in general business activity. The annual rate of turnover of deposits was 17.5 in March, as compared with 16.1 in February and 18.0 in March 1952.

The Secretary of the Treasury announced on April 8 preliminary plans for an offering of 3¼-percent marketable Treasury bonds for cash subscription in an amount of approximately \$1,000,000,000 and in exchange for Series F and G savings bonds maturing from May to December 1953,

ANNOUNCEMENT

BANK DEBITS TO DEMAND DEPOSIT ACCOUNTS

As previously announced, the bank debits series has been revised to include debits only to demand deposit accounts of individuals, partnerships, and corporations and of states and political subdivisions; debits to United States Government accounts and to time deposit accounts have been eliminated. Year-ago figures have been estimated and are used in the accompanying table in comparison with current figures reported on the new basis.

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

(Amounts in thousands of dollars)

City	DEBITS ¹			DEPOSITS ²			
	March 1953	Percentage change from		March 31, 1953	Annual rate of turnover		
		March 1952	Feb. 1953		March 1953	March 1952	Feb. 1953
ARIZONA							
Tucson.....	\$ 121,062	25	15	\$ 89,397	15.8	14.5	13.4
LOUISIANA							
Monroe.....	49,664	—#	11	40,628	14.4	14.8	12.8
Shreveport.....	209,288	15	14	160,603	15.2	13.6	13.1
NEW MEXICO							
Roswell.....	24,894	9	—2	27,451	11.0	11.0	10.4
TEXAS							
Abilene.....	54,440	2	17	51,352	12.6	12.7	10.7
Amarillo.....	140,173	—4	12	105,249	16.0	17.4	14.2
Austin.....	108,850	9	7	102,766	13.2	14.0	12.7
Beaumont.....	132,952	1	7	96,569	16.4	16.9	15.2
Corpus Christi.....	148,796	7	9	111,953	16.3	17.4	15.6
Corsicana.....	12,977	5	7	20,215	7.7	7.1	7.0
Dallas.....	1,610,733	13	11	869,782	22.1	21.6	19.8
El Paso.....	232,133	22	18	124,795	21.6	20.8	17.8
Fort Worth.....	517,745	4	9	332,222	18.6	19.0	16.8
Galveston.....	78,228	3	14	76,794	12.7	13.7	11.6
Houston.....	1,708,497	6	13	1,242,425	18.0	20.0	17.4
Laredo.....	21,973	3	5	19,567	13.0	14.3	12.0
Lubbock.....	112,924	7	—3	90,109	14.5	14.8	14.2
Port Arthur.....	47,178	13	10	39,071	14.8	13.2	13.3
San Angelo.....	37,369	—6	13	46,380	9.6	10.2	8.4
San Antonio.....	409,491	10	18	326,249	15.2	15.2	13.1
Texarkana ³	19,023	—11	5	20,341	11.0	13.7	10.4
Tyler.....	60,220	11	15	56,135	13.6	13.4	12.2
Waco.....	76,905	17	10	58,485	15.6	12.6	13.8
Wichita Falls.....	83,689	2	5	96,394	10.3	10.8	9.8
Total—24 cities.....	\$6,019,204	9	12	\$4,204,932	17.5	18.0	16.1

¹ Debits to demand deposit accounts of individuals, partnerships, and corporations and of states and political subdivisions.

² Demand deposit accounts of individuals, partnerships, and corporations and of states and political subdivisions.

³ 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 \$40,928,000 for the month of March 1953.

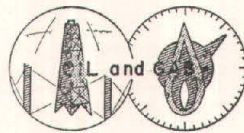
Indicates change of less than one-half of 1 percent.

inclusive. It was announced that the new bond would be dated May 1, 1953, and mature June 15, 1983, with a provision for call on or after June 15, 1978. With reference to the cash offering, the new bond was designed to attract savings as they accumulate, especially in such institutions as life insurance companies, savings banks, and pension funds. Provision was made, therefore, permitting payment over a period of 3 months from date of issue.

Subscription books for the cash offering were open April 13 and 14. Secretary Humphrey announced on April 17 that

the cash offering was heavily oversubscribed, requiring allotments among subscribers. On April 22 it was announced that subscriptions in amounts up to and including \$5,000 were allotted in full. All other subscriptions were allotted 20 percent, but not less than \$5,000 on any one subscription. Subscription books were open between April 13 and April 30 for the exchange of Series F and G savings bonds which mature in an amount of approximately \$1,100,000,000 in the period May through December.

At the time of announcement of the offering of the new bond, the Secretary of the Treasury also announced that increases in weekly offerings of Treasury bills would be made for the purpose of raising additional cash in an amount of approximately \$1,000,000,000. The first step in this program was begun April 16 with the announcement of an offering of approximately \$1,500,000,000 of 91-day bills for purposes of raising \$100,000,000 of new money and of redeeming about \$1,400,000,000 of bills maturing April 23. It is anticipated that these two financing programs will meet the cash borrowing requirements of the Treasury during the remainder of the fiscal year ending June 30.



The District's crude oil production continues under the depressing influence of relatively heavy stocks of crude and, to some extent, refined products, as well as a seasonal decline in demand. This seasonal influence is reflected in the demand for major refined products at refineries and bulk terminals in the Nation, where deliveries during the 5 weeks ended April 18 fell 8 percent below those during the preceding 5 weeks. A further seasonal decline is in prospect, because domestic demand for all oils during the past 5 years has averaged 9 percent less during the second quarter than in the first quarter of the year.

An increase in district crude stocks during the week ended April 18 approximately offset declines of the preceding 2 weeks. Consequently, stocks were only 60,000 barrels less than at the end of March and were 10,600,000 barrels larger than a year earlier. National crude stocks were 13,900,000 barrels above a year ago, following a further rise in March and the first 3 weeks of April.

District stocks of distillate fuel oil on April 18 were 24 percent higher than a year ago, while national distillate stocks were up 25 percent. Meanwhile, gasoline stocks in the District were 11 percent lower than a year ago; in the Nation they were virtually unchanged. Residual fuel oil stocks in the Nation were substantially higher than a year ago, due entirely to a rise in California stocks. As compared with last year, residual fuel oil stocks in the District at mid-April were only slightly higher, while total stocks east of California were lower.

With stocks reduced to more workable levels, prices of residual fuel oil on the Gulf Coast were raised 10 cents a barrel in early April, accompanied by a corresponding increase on the East Coast. Despite these increases, prices still are below a year ago.

Refinery activity in the District showed little change during March but declined in April, although crude runs to refinery stills in the first 3 weeks of April were about 3 percent above year-earlier levels. Meanwhile, refinery activity in the Nation registered successive declines during the 4 weeks ended April 18 but continued somewhat higher than a year ago.

Daily average crude oil production in the District during April dropped to the lowest level since last July, when production had been curtailed markedly in an effort to reduce heavy stocks accumulated during the strike of refinery workers in May 1952. Production in the first part of April averaged 2,971,000 barrels per day, which is down 156,000 barrels from the March rate and 327,000 barrels from the peak reached in December. A small increase in the District is likely in May, since the Texas Railroad Commission has increased the daily allowables for the State a little over 7,000 barrels above those in effect April 11. Crude oil production in the Nation in March and early April followed a pattern similar to that in the District.

CRUDE OIL PRODUCTION

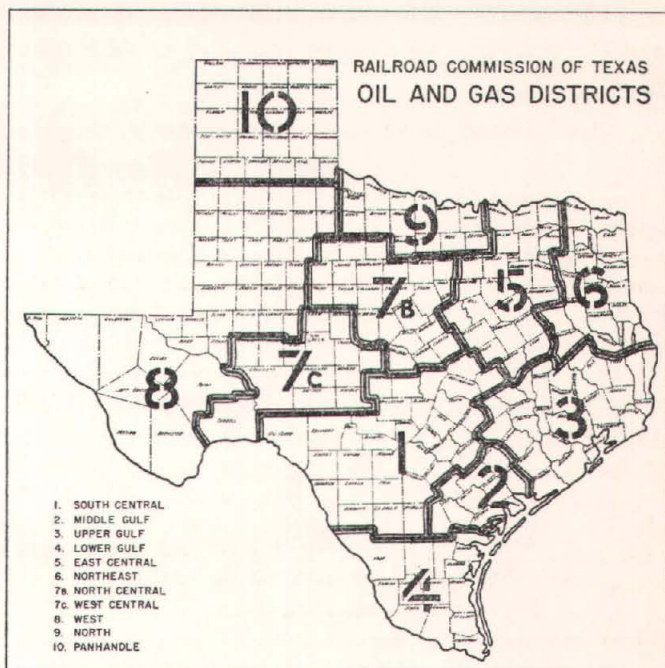
(Barrels)

Area	March 1953		Increase or decrease in daily average production from	
	Total production	Daily avg. production	March 1952	February 1953
ELEVENTH DISTRICT				
Texas R.R. Com. Districts				
1 South Central.....	1,143,000	36,871	3,177	121
2 Middle Gulf.....	4,885,350	157,592	-12,474	-9,821
3 Upper Gulf.....	14,972,150	482,973	-16,351	-14,314
4 Lower Gulf.....	8,051,550	259,727	-12,723	-7,135
5 East Central.....	1,515,200	48,877	-13,817	-3,411
6 Northeast.....	11,647,550	375,727	-20,752	-15,836
East Texas.....	7,669,000	247,387	-18,171	-12,513
Other fields.....	3,978,550	128,340	-2,581	-3,323
7b North Central.....	3,251,550	104,889	16,241	-6,561
7c West Central.....	5,542,750	178,798	32,990	210
8 West.....	28,755,350	927,592	-110,882	-44,520
9 North.....	5,807,750	187,347	25,747	-1,090
10 Panhandle.....	2,254,200	72,716	-9,505	-3,334
Total Texas.....	87,826,400	2,833,109	-118,349	-105,691
New Mexico.....	5,500,700	177,442	17,673	2,630
North Louisiana.....	3,602,600	116,213	-11,516	1,175
Total Eleventh District.....	96,929,700	3,126,764	-112,192	-101,886
OUTSIDE ELEVENTH DISTRICT..	103,118,950	3,326,418	156,834	22,468
UNITED STATES.....	200,048,650	6,453,182	44,642	-79,418

SOURCE: Estimated from American Petroleum Institute weekly reports.

Imports of crude oil and its products continued heavy during March, averaging 1,054,000 barrels daily during the 4 weeks ended March 28, as compared with 902,000 barrels in the corresponding period last year. Imports for April are expected to show a drop of about 100,000 barrels a day from the March level, based upon reports of major importers to the Texas Railroad Commission.

Drilling activity in the Nation increased moderately during March and early April; the number of active rotary rigs in the week ended April 20 was 2,545, which is 5 percent higher than at the beginning of March but 8 percent less than in the corresponding week of 1952. Well completions in the current year through April 11 were 2 percent less than in the same period last year, according to data of *The Oil and Gas Journal*. This decrease was more than accounted for by this District, which experienced a decline of 9 percent. A major portion of the decline in the District occurred in the Spraberry trend.



Employment in the five states of the District changed very little from January to February. Total non-agricultural wage and salary workers declined slightly, bringing the number to 3,805,200; the decrease occurred in trade, mining, and government employment. On the other hand, the number of manufacturing wage and salary workers rose 1,100 to a total of 717,400, reflecting increases in metals, metal products, and machinery manufacturing employment. Total nonagricultural employment in these states remained about 4 percent above a year ago; manufacturing employment was up 5 percent.

Unofficial estimates show significant gains in employment in district states during March and April. It is estimated that total nonagricultural wage and salary workers in the latter month reached 3,830,000, while manufacturing employment rose to 727,000.

It is expected that fewer defense plants will start operations in the months ahead; as these new plants have accounted largely for increases in employment, the rate of expansion in employment may decline. Despite this development, better than normal gains in employment may be expected in the next several months in the states of the District.

According to a recent Department of Labor report, hourly earnings of manufacturing workers in February averaged \$1.60 in the Southwest and \$1.74 in the Nation, reflecting increases of 10 cents per hour over a year earlier. Manufacturing workers in the five states of the District averaged 41 hours per week, or slightly less than a year earlier.

A Department of Labor report covering unemployment among state-insured workers in the week of February 14 showed Texas with the lowest percentage among the 48

states. The percentages of insured unemployment for the five states of the District were: Oklahoma, 4.3 percent; Louisiana, 3.3 percent; Arizona, 2.7 percent; New Mexico, 2.5 percent; and Texas, 1.2 percent. The national average was 3.1 percent.

A new addition to the growing chemical industry in Texas has been announced. This plant, which is to be constructed near Orange, will produce polyethylene, a plastic used to make transparent packaging and nonbreakable bottles. The plant is expected to be in operation in 1955 and to employ 250 workers.

The continued importance of the defense program in this area is shown in reports on military prime contract awards. The five-state area received 3.7 percent of the national total of awards made from July 1950 through June 1952. However, from June through December of last year the proportion received in this area was 10.4 percent. The awards do not necessarily indicate the state in which manufacturing will occur, and awards of less than \$10,000 are excluded from the reports. Moreover, the reports refer only to prime contracts and, thus, do not record subcontracting. Nevertheless, the figures show that the states in the District have increased their share of defense contracts.

NONAGRICULTURAL EMPLOYMENT
Five Southwestern States¹

Type of employment	Number of persons			Percentage change from	
	February 1953p	February 1952	January 1953	Feb. 1952	Jan. 1953
	Total nonagricultural wage and salary workers...	3,805,200	3,669,200	3,814,000	3.7
Manufacturing	717,400	681,200	716,300	5.3	.2
Nonmanufacturing	3,087,800	2,988,000	3,097,700	3.3	-.3
Mining	229,900	223,300	231,300	3.0	-.6
Construction	282,500	270,800	282,200	4.3	.1
Transportation and public utilities.....	408,100	407,100	407,800	.2	.1
Trade	959,400	922,800	966,600	4.0	-.7
Finance	145,000	135,000	143,400	7.4	1.1
Service	440,000	425,500	439,800	3.4	—
Government.....	622,900	603,500	626,600	3.2	-.6

¹ Arizona, Louisiana, New Mexico, Oklahoma, and Texas.
p—Preliminary.
SOURCE: State Employment Agencies.

The value of construction contracts awarded in the District in March dropped sharply below the high levels of the previous several months and at \$93,425,000 was the lowest monthly total reported in more than a year. The decline reflects a reduction in the March total of contracts awarded for nonresidential construction to \$40,662,000. This is the lowest figure since October and November 1951 and, with the exception of these 2 months, the lowest in 3 years. As compared with February, most of this reduction occurred in awards for construction of nonresidential buildings and utilities projects. Contracts awarded for residential construction in the District in March totaled \$52,763,000, up 7 percent from February and the highest monthly total since May 1952.

The total value of construction contracts awarded in the District in the first quarter of 1953 fell 3 percent below the year-earlier period. A gain of 30 percent in contracts for

residential construction was more than offset by a loss of 22 percent in contracts awarded for all other construction. The value of construction contracts awarded in the United States for the first quarter of this year rose 11 percent above a year ago; residential and nonresidential construction showed gains of 12 percent and 10 percent, respectively.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

Area and type	March 1953	March 1952	February 1953	January — March	
				1953	1952
ELEVENTH DISTRICT....	\$ 93,425	\$ 140,830	\$ 105,871	\$ 298,621	\$ 306,964
Residential.....	52,763	47,536	49,279	150,446	116,048
All other.....	40,662	93,294	56,592	148,175	190,916
UNITED STATES ¹	1,347,518	1,321,254	1,021,310	3,444,696	3,108,551
Residential.....	605,200	592,717	418,568	1,483,804	1,326,876
All other.....	742,318	728,537	602,742	1,960,892	1,781,675

¹ 37 states east of the Rocky Mountains.
SOURCE: F. W. Dodge Corporation.

BUILDING PERMITS

City	3 months 1953						Percentage change in valuation from 3 months 1952
	March 1953		Percentage change in valuation from		Number	Valuation	
	Number	Valuation	March 1952	Feb. 1953			
LOUISIANA							
Shreveport....	352	\$ 2,303,175	-47	52	1,003	\$ 6,352,760	-7
TEXAS							
Abilene.....	211	1,145,870	9	40	441	2,519,574	25
Amarillo.....	541	2,791,047	29	34	1,194	6,770,883	2
Austin.....	256	2,472,609	-21	4	722	7,648,047	-5
Beaumont.....	214	651,651	64	30	611	2,516,830	4
Corpus Christi..	578	3,183,798	56	-9	1,369	9,431,692	110
Dallas.....	1,852	8,390,759	40	2	5,071	27,515,938	36
El Paso.....	305	4,923,474	156	257	875	8,386,802	28
Fort Worth....	892	3,734,235	-24	-16	2,541	11,817,884	10
Galveston.....	90	124,174	-53	-91	247	2,494,513	222
Houston.....	1,211	10,722,484	45	37	3,154	28,089,653	13
Lubbock.....	337	2,333,576	81	61	896	5,890,430	45
Port Arthur....	188	307,805	43	-26	421	949,870	46
San Antonio... 2,225	5,487,746	39	39	5,968	12,877,813	19	
Waco.....	266	824,416	-21	-2	697	2,258,970	-50
Wichita Falls... 29	509,996	70	-54	154	2,174,108	-81	
Total.....	9,547	\$49,906,815	19	19	25,364	\$137,695,767	10

The number of dwelling units provided in new residential buildings in Texas for which construction contracts were awarded in March totaled 4,207, which is about 1,000 less than in the same month last year. The total for the first 3 months in 1953 was 13,105 units, compared with 11,581 a year earlier and a first-quarter record of 16,002 in 1951.

DOMESTIC CONSUMPTION AND STOCKS OF COTTON

(Bales)

Area	February 1953 ¹	February 1952	January 1953 ²	August — February	
				This season	Last season
CONSUMPTION					
Total					
Texas mills.....	11,616	12,344	13,268	85,191	89,802
U. S. mills.....	765,778	769,641	893,806	5,513,529	5,477,419
Daily average					
Texas mills.....	591	628	542	580	611
U. S. mills.....	38,931	39,128	36,482	37,528	37,283
STOCKS, U. S. — End of period					
Consuming establishments...	1,861,629	1,682,891	1,733,358	—	—
Public storage and compresses.....	6,940,360	4,444,558	7,477,283	—	—

¹ Four weeks ended February 28.
² Five weeks ended January 31.
SOURCE: United States Bureau of the Census.