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DISTRICT SUMMARY

Sales at department stores in the Eleventh District, which rose sharply in February, increased further in March, and were about one-third higher than in March last year. Despite the heavy sales during February and March, the value of merchandise stocks at reporting stores in this district has increased moderately and at the end of March was substantially higher than a year earlier. The fairly even trend of industrial activity in this district which has prevailed since November 1943, continued during March. Delays in spring planting which have occurred in most sections of this district may result in the seeding of a smaller acreage of many crops than was indicated earlier. The indicated total planted acreage is larger, however, than the ten-year (1933-1942) average. Ranges and pastures are in generally good condition and livestock are making favorable progress.

BUSINESS

Department store sales in this district which rose considerably from January to February continued to expand during March. The increase in March contrasts with the sharp decline in sales which occurred in March 1943, following the heavy volume of scare buying in February of that year. In consequence, sales of reporting firms were 34 per cent larger than in the corresponding period of 1943. The two principal factors accounting for the increase in sales during March were (1) the heavy buying of luxury goods on which new or higher excise taxes became effective on April 1, and (2) the large scale buying of apparel and other items which are usually purchased prior to Easter, which came two weeks earlier this year than in 1943. This bank's adjusted index of department store sales, which makes allowance for seasonal factors and the variable date of Easter, rose to 247 per cent of the 1935-1939 average in March as compared with 241 per cent in February, and 185 per cent in March last year. Sales during the first quarter of 1944 were 16 per cent above sales during the first quarter of 1943, reflecting a continuation of the sharply rising trend that has been in evidence in this district since the beginning of 1942. Sales at weekly reporting stores during the first two weeks of April were 18 per cent larger than sales during the corresponding period last year.

During March, sales of merchandise subject to the new or higher excise taxes increased tremendously. The greatest relative increase occurred in the sales of furs with March sales up 5 per cent over February and 217 per cent above those in the corresponding month last year, while sales of jewelry in March were 45 per cent greater than those in February and 155 per cent above sales in March last year. Sales of toilet articles and drugs increased 61 per cent from February to March and were 105 per cent above sales in the corresponding month last year.

Merchandise stocks at reporting stores increased less than usual at this season, but at the end of March were 17 per cent larger than on the corresponding date in 1943.

Dollar volume of sales in March at reporting furniture stores in this district were up 4 per cent over a year ago, whereas stocks at the end of the month were 19 per cent lower. Cash sales continued to rise in relative importance to total sales in

that they represented 20 per cent of total sales in March, 1944 and 17 per cent of total sales a year earlier. Throughout 1943 and the first part of 1944 the gap between an increasing trend in sales and a decreasing trend in inventories has become progressively larger, reflecting an increasing need of stocks to supply the demand. Although the dollar volume of sales has increased considerably, the increase in the physical volume of sales has been much smaller. Many consumers who have greatly increased their earnings are buying a more expensive type of furniture than was bought before the war. Some furniture dealers report that the stocks situation is critical even after some Government restrictions have been modified or lifted. The shortage of manpower and the lack of specific materials, such as furniture coverings, have restricted the volume of output by manufacturers. Some factories have concentrated on a few selected styles of furniture instead of the many styles manufactured formerly; in this way, the labor turnover has had much less effect on production.

AGRICULTURE

Heavy early spring rains have delayed soil preparation and planting operations and cool weather has retarded seed germination throughout most of the Eleventh District. The rapid drying out of topsoil caused by high winds in late March and early April has enabled farmers to proceed with field work in many sections of this district but has tended to harden the soil and to make field work difficult in some sections, particularly in the black land belt. The soggy condition of fields was still retarding farm work in eastern and southern counties of Texas in the middle of April. The delay in spring planting and shortage of farm labor may result in the seeding of a smaller acreage than was requested in the farm goals set for this year. Texas farmers indicated on March 1 that the total acreage to be planted in the State would be only fractionally larger than last year, although considerably larger than the 1933-1942 average. Indicated acreages for all major crops except sorghums and rice are below the acreage goals set in January. The indicated net increase from last year in feed crops to be planted is quite small in relation to the larger number of livestock on farms. The acreage in oats and sorghums is expected to be larger than in 1943, whereas plantings of corn, barley and tame hay will probably be smaller. The acreages in peanuts and potatoes are also expected to be smaller than in 1943.

The excellent subsoil moisture condition created by above normal spring rains in this district has stimulated growth of range feeds, pastures and small grains. Prospects for the Texas wheat crop, most of which was seeded late after an exceptionally dry fall, improved substantially during March. The April 1 estimate of the Texas wheat crop was increased to 39,338,000 bushels, which is 8 per cent larger than the 1943 crop. The anticipated per acre yield of 8.5 bushels is above the 1933-1942 average but 17 per cent below the average yield of last year. Frosts and cool weather during March retarded the progress of truck crops in most sections of Texas and rains delayed planting of onions and tomatoes in north Texas. Hardy vegetables, such as beets, carrots and cabbage, continued to make good progress. Damage to deciduous fruit from late March freezes was severe

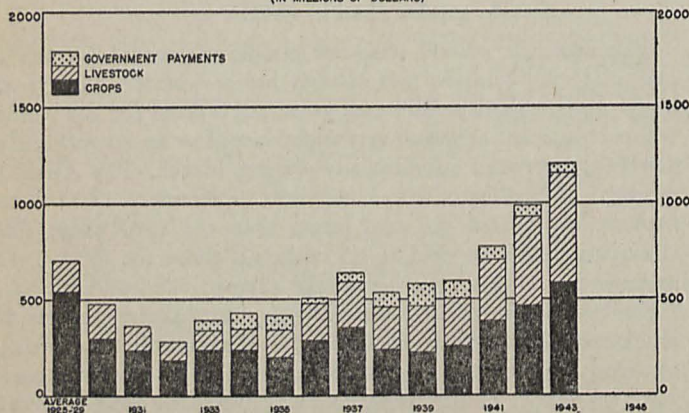
in west and north Texas, but the average condition of peaches in the State on April 1, although below normal, was much better than at the same time in 1943.

Ranges throughout this district improved during March and on April 1 were in generally good condition. The condition of ranges in Texas was more favorable than on the same date last year and 6 points higher than the 20-year average for April 1. New range and pasture growth is providing excellent feed in all parts of Texas except in some northwestern and western sections, but growth of range feeds has been retarded throughout most of Arizona and New Mexico by the depletion of surface moisture caused by high winds. The improvement in range feeds seems to be influencing farmers and ranchmen in this district to hold a larger percentage of their cattle than is customary at this season. Despite the presence of a near record number of cattle on farms on January 1, receipts of cattle at the principal Texas markets during the first quarter of 1944 were smaller than during the same period in the preceding two years, and movement of cattle to feeding areas was much smaller than during the same period in 1943. Early lambs in this district have made progress because of favorable weather and good range feed conditions. Shearing has been started, but has been delayed by the shortage of labor, and heavy marketings of shorn lambs in Texas will probably not occur until May and June. Preliminary estimates of the mohair clip in Texas, which is almost finished, indicate a slight decline in mohair production from last year.

FARM CASH INCOME

Increased output of farm products and higher agricultural prices have resulted in a marked rise in farm cash income in Texas and in the nation as a whole since the beginning of the war. The accompanying chart illustrates the rapid rise in farm cash income in Texas to an all-time peak of \$1,213,000,000 in 1943, which is more than twice as large as the 1940 farm cash income of the State and 70 per cent above the 1925-1929 average. Although farm production costs have also increased considerably, resulting from an estimated rise in average prices of commodities purchased by farmers of slightly more than 30 per cent and from a 125 per cent increase in farm wage rates between 1940 and 1943, net farm cash income in the State has apparently increased substantially. The improved cash position of farmers has contributed to a liquidation of farm debt, a rise in land values and an increase in farm sales, particularly for cash, a rise in bank deposits in agricultural areas, and a general increase in rural retail sales.

CASH FARM INCOME IN TEXAS
(IN MILLIONS OF DOLLARS)



No marked change in the relative importance of the sources of farm cash income in the State has occurred since 1940. Continuing the trend which began after the last war, the portion of Texas farm cash income derived from livestock increased from 41 per cent in 1940 to 47 per cent in 1943. Government payments declined in importance, representing only 5 per cent of the total in 1943 as compared with 14 per cent in 1940. The relative importance of the principal field crops as a source of cash income in the State has changed very little since 1940 but as is indicated in the accompanying table, the amount of cash income from truck crops, citrus fruit and peanuts increased markedly and accounted for a slightly greater percentage of total cash income in 1943 than in 1940.

The rising trend of farm cash income in Texas continued into 1944. Total farm cash income for January 1944 declined less than seasonally from December and was 14 per cent larger than in January 1943. Income from crops, which was 30 per cent higher than in January 1943, accounted for the increase. Farm cash income from livestock and livestock products was almost 10 per cent smaller than in January of last year, reflecting chiefly the lower average livestock prices received by farmers.

CASH FARM INCOME
(Millions of dollars)

	Texas				Five states*			
	1943	1942	1941	1940	1943	1942	1941	1940
Total farm income....	1,213.2	993.1	770.2	596.9	2,113.6	1,767.7	1,326.1	1,045.6
Crops.....	584.9	469.0	382.7	263.1	1,007.1	854.8	649.9	462.5
Livestock and livestock products...	574.0	463.9	323.9	247.3	1,015.1	810.8	567.7	440.4
Government payments.....	54.3	60.2	63.6	86.5	91.4	102.1	108.5	142.7
Principal crops:								
Cotton.....	275.8	228.8	220.4	139.0	427.4	356.4	319.5	214.0
Cottonseed.....	47.9	45.6	42.9	21.1	73.8	71.0	62.6	31.1
Food grains†.....	74.1	67.5	36.1	33.1	141.6	164.1	97.6	80.9
Wheat.....	40.4	45.4	22.5	20.0	75.7	102.9	62.6	52.1
Feed crops‡.....	40.5	27.0	22.2	15.8	69.8	53.3	39.6	30.2
Corn.....	12.5	10.1	7.5	5.5	19.0	17.2	13.4	10.0
Oil bearing crops*.....	24.0	21.9	6.1	5.4	34.4	31.7	8.7	7.6
Peanuts.....	23.2	21.2	6.0	5.1	30.0	28.5	7.7	6.6
All vegetables§.....	69.8	44.5	32.0	29.4	143.7	88.1	58.6	51.1
Irish potatoes.....	6.7	5.4	3.8	1.8	15.0	9.2	5.8	4.1
Truck crops.....	65.6	35.3	25.9	25.4	120.5	67.4	45.9	41.4
Fruits.....	31.4	24.1	13.6	8.9	47.5	41.1	22.9	17.6
Citrus fruits.....	28.6	21.1	10.8	6.5	34.6	27.1	13.6	9.1

*Arizona, Louisiana, New Mexico, Oklahoma and Texas. †Includes wheat, rye, rice and buckwheat. ‡Includes corn, oats, barley, grain sorghums and hay. §Includes flaxseed, peanuts and soybeans. ¶Includes truck crops, potatoes, sweet potatoes, dry edible beans and dry field peas.

SOURCE: United States Department of Agriculture.

FINANCE

The reserve balances of member banks in this district declined considerably during the last half of March when the Treasury made heavy withdrawals from war loan accounts at depository banks and when settlement was made for checks drawn on commercial banks for the payment of income taxes. In the first half of April, however, reserve balances rose substantially and averaged \$520,000,000, or approximately the same as that in the first half of each of the preceding two months. In the last half of March when reserve balances declined and required reserves increased, excess reserves of member banks declined to \$95,900,000, or to the lowest level reached for any reporting period during the current year, and were nearly \$30,000,000 lower than during the corresponding period last year. The

average balances carried by member banks with correspondents declined to \$558,000,000 during the last half of March, which was the lowest since September 1942.

The circulation of Federal Reserve notes of this bank, which declined considerably during the third week of March largely as a result of the return of currency used in paying income taxes, expanded sharply over the month-end and reached an all-time peak of \$434,000,000 on April 4. At the middle of April, Federal Reserve note circulation amounted to \$432,000,000, or \$5,500,000 higher than at the middle of March and \$15,000,000 above the amount at the beginning of the year. The net increase in circulation between March 15 and April 15 this year, however, was smaller than that which occurred in the corresponding period of last year.

The deposits of weekly reporting member banks in this district showed a further decline of \$22,600,000 between March 15 and April 12. The decline was due to the net withdrawal of approximately \$39,000,000 of Government and interbank deposits which was only partially counterbalanced by a rise of \$16,400,000 in adjusted demand and time deposits. The funds to meet the withdrawals were provided largely by a decline of \$4,600,000 in loans and a reduction of \$16,400,000 in investments. Commercial, industrial and agricultural loans, which ordinarily decline during the first half of the year, have shown an upward trend this year and at the middle of April were \$5,600,000 higher than four weeks earlier and approximately \$26,000,000 greater than those on the corresponding date last year. On the other hand, loans to brokers and dealers in securities and other loans for security trading, which had risen considerably during the Fourth War Loan Drive showed a further decline of \$8,900,000 during the four weeks ended April 12. "All other" loans, which includes personal and instalment loans, declined \$2,200,000 during the four weeks. The net decline in investments was due largely to the reduction in holdings of Treasury bills and certificates of indebtedness. During the four-week period, these banks made net withdrawals of \$5,200,000 from their balances with correspondents and added \$4,800,000 to their reserves with the Federal Reserve bank.

INDUSTRY

During the first quarter of 1944, construction activity in the Eleventh District continued approximately at the level to which it declined in the last six months of 1943. The value of awards during the first three months of this year, which totaled \$47,000,000, was 72 per cent smaller than during the same period in 1943 and only slightly larger than during comparable periods in 1939 and 1940. The acute shortage of lumber for civilian use resulting from the heavy consumption by the armed services and the shortage of labor at sawmills, apparently continues to deter construction in this area. Available data as to production of lumber in the Southwest indicate that the declining trend in production which began early in 1943 has continued into 1944. Although shipments of lumber from pine mills have likewise declined, they have been large relative to current production

CONDITION OF THE FEDERAL RESERVE BANK

	April 15, 1944	April 15, 1943	March 15, 1944
Total cash reserves.....	\$547,389	\$608,641	\$557,390
Discounts for member banks.....	None	125	2,422
Industrial advances.....	3	29	12
United States Government securities.....	460,997	205,220	430,324
All other investments.....	None	30	None
Total earning assets.....	461,000	205,404	432,758
Member bank reserve deposits.....	526,389	506,928	527,764
Federal Reserve Notes in actual circulation.....	431,884	280,797	426,240

CONDITION STATISTICS OF 33 MEMBER BANKS IN LEADING CITIES

	April 12, 1944	April 14, 1943	March 15, 1944
Total loans and investments.....	\$1,382,028	\$1,047,257	\$1,403,029
Total loans.....	333,295	284,554	337,898
Commercial, industrial, and agricultural loans.....	232,455	206,564	226,846
Loans to brokers and dealers in securities.....	2,477	1,648	5,276
Other loans for purchasing or carrying securities.....	32,404	14,744	38,488
Real estate loans.....	19,825	18,674	18,671
Loans to banks.....	101	154	109
All other loans.....	46,035	42,670	48,208
Total investments.....	1,048,733	762,903	1,065,131
U. S. Treasury bills.....	92,983	107,215	98,072
U. S. Treasury certificates of indebtedness.....	258,887	130,931	267,042
U. S. Treasury notes.....	195,865	106,296	190,404
U. S. Government bonds.....	419,918	311,328	421,183
Obligations guaranteed by United States Gov't.....	39,496	49,028	40,435
Other securities.....	47,584	55,105	47,995
Reserves with Federal Reserve Bank.....	302,857	299,713	298,078
Balances with domestic banks.....	202,035	286,054	207,225
Demand deposits—adjusted*.....	1,055,979	945,799	1,043,176
Time deposits.....	174,252	139,168	170,705
United States Government deposits.....	180,107	40,027	208,968
Interbank deposits.....	419,667	458,432	429,795
Borrowings from Federal Reserve Bank.....	None	None	None

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

DEBITS TO INDIVIDUAL ACCOUNTS

	March 1944	March 1943	Pctg. change over year	February 1944	Pctg. change over month
Ablene.....	\$ 17,016	\$ 17,266	-1	\$ 19,128	-11
Amarillo.....	42,241	40,019	-14	40,673	+4
Austin.....	103,455	128,459	-19	79,409	+30
Beaumont.....	53,565	51,494	+4	56,977	-6
Corpus Christi.....	44,948	40,772	+10	43,450	+3
Corsicana.....	6,687	6,323	+6	6,185	+8
Dallas.....	517,331	469,465	+10	546,209	-5
El Paso.....	64,607	57,438	+12	62,053	+4
Fort Worth.....	195,958	189,460	+3	190,510	+3
Galveston.....	43,789	39,107	+12	47,267	-7
Houston.....	554,375	452,161	+23	479,857	+16
Laredo.....	11,448	10,844	+6	11,901	-4
Lubbock.....	28,959	26,049	+11	30,522	-5
Monroe, La.....	18,683	17,104	+9	18,593	+1
Port Arthur.....	25,034	21,068	+19	24,060	+4
Roswell, N. M.....	8,584	8,345	+3	10,580	-19
San Angelo.....	14,003	14,589	-4	12,706	+10
San Antonio.....	143,081	136,286	+5	139,499	+3
Shreveport, La.....	81,602	70,704	+15	78,004	+5
Texarkana.....	18,496	19,039	-3	18,754	-1
Tucson, Ariz.....	29,284	27,493	+7	27,811	+5
Tyler.....	21,172	17,092	+24	20,729	+2
Waco.....	26,872	35,205	-24	25,010	+7
Wichita Falls.....	27,696	24,482	+13	25,385	+9
Total—24 cities.....	\$2,098,886	\$1,929,264	+9	\$2,015,272	+4

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

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

GROSS DEMAND AND TIME DEPOSITS OF MEMBER BANKS

	Combined total		Reserve city banks		Country banks	
	Gross demand	Time	Gross demand	Time	Gross demand	Time
March 1942.....	\$1,804,123	\$227,091	\$1,036,318	\$126,307	\$ 767,805	\$100,784
March 1943.....	2,693,849	232,878	1,464,442	136,259	1,229,407	96,620
November 1943.....	3,289,107	255,839	1,750,074	153,980	1,539,034	101,859
December 1943.....	3,285,642	263,522	1,731,939	160,223	1,553,704	103,299
January 1944.....	3,242,366	270,576	1,699,310	165,973	1,543,056	104,603
February 1944.....	3,277,127	274,586	1,698,429	169,105	1,578,698	105,481
March 1944.....	3,320,227	277,705	1,725,356	171,392	1,594,870	106,313

SAVINGS DEPOSITS

	March 31, 1944			Percentage change in savings deposits from	
	Number of reporting banks	Number of savings depositors	Amount of savings deposits	March 31, 1943	Feb. 29, 1944
Beaumont.....	3	10,850	\$ 5,135,003	+17.5	+2.0
Dallas.....	8	97,423	37,925,082	+30.1	+2.6
El Paso.....	2	23,067	11,578,346	+36.9	+3.0
Fort Worth.....	3	34,543	17,976,443	+29.4	+2.3
Galveston.....	4	20,439	13,704,074	+19.4	+2.3
Houston.....	10	82,396	41,374,687	+19.5	+1.9
Lubbock.....	2	864	475,197	+8.8	+1.1
Port Arthur.....	2	5,231	3,570,788	+18.5	+1.8
San Antonio.....	5	30,558	24,558,116	+22.3	+2.2
Shreveport, La.....	3	27,903	14,838,827	+20.7	+2.7
Waco.....	3	7,922	5,166,890	+9.2	+3.8
Wichita Falls.....	3	6,593	3,607,378	+4.6	+7.7
All other.....	58	51,756	31,153,602	+11.6	+1.8
Total.....	106	399,545	\$211,065,333	+21.4	+2.2

and stocks of lumber at the mills have been greatly reduced. In contrast, stocks of Portland cement now on hand in Texas are the largest of record. Although production at Texas cement mills has declined fairly steadily since May 1943 and during the first two months of 1944 was smaller than during the comparable months of any year since 1938, shipments have declined even more rapidly. At the end of February, stocks of cement at Texas mills equaled approximately two and one-half months' supply at current levels of shipment.

Daily average production of crude oil in the Eleventh District was 30 per cent greater during March of this year than in the same month of 1943 but 3 per cent smaller than the all-time peak reached in November 1943, and slightly below the level maintained since that month. Some of the facilities to handle the increased production of crude petroleum in this district were not completed on schedule and stocks accumulated rapidly, reaching an all-time peak in this district on February 19, 1944. Two pipe lines which were completed in March are now providing additional outlets for crude from west Texas. The daily production allowable for Texas in April is somewhat larger than that for March, with most of the increase being assigned to west Texas. Stocks of crude petroleum in the Eleventh District have declined slightly from the peak reached in February but on April 1 were still 7 per cent larger than a year earlier. Outside this district, stocks of crude oil declined fractionally during March and at the end of the month were 11 per cent smaller than a year earlier.

During the first quarter of 1944, the petroleum industry completed 1,330 wells in this district, as compared with 960 wells during the same period in 1943. Drilling in this district has been concentrated in west, north and south Texas during recent months. Acceleration of drilling activity is anticipated in these and in other areas during the remainder of the year, but shortages of labor and equipment will probably prevent the industry from returning to the level of activity maintained prior to 1942.

Consumption of cotton at textile mills in Texas and in the United States increased more than seasonally in March, but was

CRUDE OIL PRODUCTION—(Barrels)

	March 1944		Increase or decrease in daily average production from	
	Total production	Daily avg. production	March 1943	February 1944
North Texas.....	7,309,950	235,805	+ 10,745	— 5,757
West Texas.....	10,600,900	341,965	+123,907	—18,706
East Texas.....	14,976,700	483,119	+ 59,919	—18,481
South Texas.....	9,032,700	291,377	+118,479	+ 2,889
Texas Coastal.....	15,932,600	513,955	+160,458	— 2,479
Total Texas.....	57,852,850	1,866,221	+473,508	—42,534
New Mexico.....	3,499,200	112,877	+ 19,658	— 65
North Louisiana.....	2,369,700	76,442	— 12,753	— 687
Total District.....	63,721,750	2,055,540	+480,413	—43,286

SOURCE: Estimated from American Petroleum Institute weekly reports.

COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to March 31 This season	Last season	August 1 to March 31 This season	Last season
Cottonseed received at mills (tons).....	898,650	1,004,688	3,866,542	4,396,119
Cottonseed crushed (tons).....	852,572	960,253	3,505,664	3,987,008
Cottonseed on hand March 31: (tons).....	90,747	77,390	449,654	481,142
Production of products:				
Crude oil (thousand lbs.)....	255,543	276,322	1,090,724	1,235,804
Cake and meal (tons).....	404,328	429,820	1,625,283	1,763,723
Hulls (tons).....	200,568	237,686	818,516	962,345
Linters (running bales).....	255,271	285,067	1,047,230	1,199,207
Stocks on hand March 31:				
Crude oil (thousand lbs.)....	10,486	8,937	33,255	29,868
Cake and meal (tons).....	14,706	6,960	63,830	39,532
Hulls (tons).....	4,594	9,727	21,715	26,118
Linters (running bales).....	69,301	83,228	260,743	302,338

SOURCE: United States Bureau of Census.

DOMESTIC CONSUMPTION AND STOCKS OF COTTON—(Bales)

	March 1944	March 1943	February 1944	August 1 to March 31 This season	Last season
	1944	1943	1944	1944	1943
Consumption at:					
Texas mills.....	17,927	25,375	15,071	139,386	173,321
United States mills.....	902,102	997,422	811,274	6,804,272	7,500,302
U.S. stocks—end of month:					
In consuming establishments.....	2,290,201	2,489,176	.....	.....	.....
Public stg. & compresses.....	10,887,457	11,463,531	.....	.....	.....

LIVESTOCK RECEIPTS—(Number)

	Fort Worth			San Antonio		
	March 1944	March 1943	February 1944	March 1944	March 1943	February 1944
Cattle.....	41,284	63,745	36,824	14,037	16,442	13,837
Calves.....	13,394	18,832	15,334	15,806	20,914	16,300
Hogs.....	127,837	92,765	108,529	13,276	14,120	13,703
Sheep.....	55,321	76,348	35,121	9,371	21,438	11,594

COMPARATIVE TOP LIVESTOCK PRICES

(Dollars per hundred weight)

	Fort Worth			San Antonio		
	March 1944	March 1943	February 1944	March 1944	March 1943	February 1944
Beef steers.....	\$16.00	\$15.50	\$15.25	\$14.50	\$13.50	\$14.50
Stocker steers.....	14.00	15.50	14.00	.....	.....	.....
Heifers and yearlings.....	15.75	15.00	15.00	15.00	14.00	14.50
Butcher cows.....	12.25	13.50	12.00	12.00	12.50	12.00
Calves.....	14.25	15.00	14.25	14.25	14.50	14.25
Hogs.....	13.75	15.25	13.65	13.65	14.75	13.55
Lambs.....	16.00	16.00	15.50	14.50	13.50	14.50

CASH FARM INCOME

(Thousands of dollars)

	January 1944		Total receipts	
	Crops	Livestock*	January 1944	January 1943
Arizona.....	10,387	2,301	12,688	11,973
Louisiana.....	11,547	7,106	18,653	13,160
New Mexico.....	2,591	2,267	4,858	6,162
Oklahoma.....	8,505	15,325	26,830	23,289
Texas.....	61,699	29,509	91,208	80,136
Total.....	94,729	59,508	154,237	134,720

*Includes receipts from the sale of livestock and livestock products.

SOURCE: United States Department of Agriculture.

PLANTED ACRES—TEXAS—(Thousands of acres)

Crops	Average 1933-42	Planted 1942	Indicated 1943	Planted 1943	Actual Harvest 1943	Indicated March 1944
Corn.....	5,164	5,638	5,751	5,610	5,526	5,330
Oats.....	1,846	1,897	1,897	1,593	1,210	1,816
Barley.....	254	549	571	450	257	374
Flaxseed.....	30*	20	38	38	34	35
Rice.....	250	392	408	400	396	408
All sorghums.....	6,152	6,512	7,249	7,962	7,599	8,679
Potatoes.....	52	56	70	76	75	73
Sweet potatoes.....	59	46	72	75	72	70
Soybeans alone.....	27*	46	75	52	52	21
Cowpeas alone.....	515	610	580	336	336	269
Peanuts alone.....	400	1,134	1,304	1,194	1,194	955
Tame hay.....	1,034	1,558	1,715	1,742	1,742	1,533

*Short-time average.

SOURCE: United States Department of Agriculture.

BUILDING PERMITS

Percentage change

	March 1944		Percentage change valuation from		Jan. 1 to Mar. 31, 1944		Percentage change valuation from 1943	
	No.	Valuation	Mar. 1943	Feb. 1944	No.	Valuation	No.	Valuation
Ablene.....	9	\$ 11,290	+ 14	+ 48	86	\$ 149,095	+624	
Amarillo.....	98	188,395	+446	+	158	269,412	+ 78	
Austin.....	108	57,364	+ 21	+218	260	106,930	+ 35	
Beaumont.....	138	48,957	+ 10	— 71	365	234,800	— 88	
Corpus Christi.....	138	104,357	— 70	— 25	355	344,862	— 32	
Dallas.....	588	433,797	+219	+ 39	1,733	2,113,958	+373	
El Paso.....	79	40,285	— 34	+ 51	186	104,761	— 22	
Fort Worth.....	270	374,468	+319	+ 95	662	830,633	+ 32	
Galveston.....	93	45,686	— 79	— 55	303	267,513	+ 5	
Houston.....	232	555,832	— 84	+ 27	659	1,482,572	— 59	
Lubbock.....	112	39,628	+153	+ 23	283	89,940	+103	
Port Arthur.....	50	30,848	+139	+387	115	78,986	+188	
San Antonio.....	848	378,482	+ 68	— 1	2,054	1,032,080	+136	
Shreveport, La.....	167	103,044	+178	+ 95	365	204,983	+190	
Waco.....	89	114,585	+ 84	— 22	220	279,867	+131	
Wichita Falls.....	41	33,567	+452	+ 90	109	69,987	+225	
Total.....	3,060	\$2,561,585	— 47	+ 25	7,913	\$7,660,379	— 9	

†Indicates change over 1,000 per cent.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(Thousands of dollars)

	March 1944	March 1943	February 1944	January 1 to March 31 1944	January 1 to March 31 1943
Eleventh District—total...	\$ 21,340	\$ 15,997	\$ 8,791	\$ 46,953	\$ 168,416
Residential.....	5,623	— 493†	1,973	11,762	41,336
All other.....	15,717	16,490	6,818	35,191	127,080
United States*—total.....	176,883	339,698	137,246	472,867	1,083,876
Residential.....	35,164	71,786	24,861	101,022	275,893
All other.....	141,219	267,912	112,385	371,845	807,983

†Negative caused by revision of prior month's entry.

*37 states east of the Rocky Mountains.

SOURCE: F. W. Dodge Corporation.

considerably smaller than in the same month last year. Output of cotton textiles has been limited by shortage of labor at the mills, and cotton consumption for the first eight months of the current season has been somewhat below the high levels attained during the same periods in the preceding two seasons. The War Manpower Commission has placed the entire cotton textile industry on a mandatory 48-hour week, effective May 14, 1944, in an attempt to increase the production of cotton goods.

Receipts and crushings of cottonseed at United States and at Texas cottonseed mills declined seasonally in March. Production of cottonseed oil, cake and meal and hulls at Texas mills was considerably smaller during the first eight months of this season than during comparable periods in most preceding years. Shipments of all products, except linters, were also smaller, however, and stocks of cottonseed oil and cake and meal at Texas mills were higher on March 31, 1944, than on the same date last year, although much lower than on the same date in other recent years. Stocks of hulls at the end of March 1944, were at an all-time low for the date. Operations at United States cottonseed mills have followed approximately the same pattern: production of all cottonseed products has been lower this season than in earlier seasons and shipments of all products, except linters, have been below the 1933-1942 average. On March 31, 1944, stocks of crude oil and cake and meal at United States mills, although higher than for the same date in the last two years, were much below average, and stocks of hulls were the lowest of record for that date.

THE 1943 RETAIL CREDIT SURVEY—ELEVENTH FEDERAL RESERVE DISTRICT

The Research and Statistical Department of the Federal Reserve Bank of Dallas has completed the tabulation of data for this district in connection with the second Retail Credit Survey conducted by the Federal Reserve System. Although the principal items on which data were collected were sales, broken down among cash, open account, and instalment account, and accounts receivable outstanding, some very interesting facts were reflected in the data obtained on balance sheet items. The tabulation and analysis covered data from approximately 500 firms in 23 cities of this district.

With dollar volume of sales in 1943 up 43 per cent over sales in 1942, women's specialty stores showed the largest increase in sales among the fifteen types of businesses reporting cash and credit sales. Department store sales were up 42 per cent, followed by an increase of 38 per cent in jewelry store sales. Substantial increases in sales were recorded in some other lines of trade, but some types of businesses handling hard merchandise showed declines in sales. Household appliance stores reported a decrease of 36 per cent in sales as compared with those in 1942. Restrictions, rationing and lower inventories contributed to this decrease. The next largest decrease in sales, amounting to 18 per cent, was reported by heating and plumbing equipment dealers. Sales of lumber and building material were down 10 per cent, and hardware store sales showed a decrease of 4 per cent. Merchandise stocks held by reporting firms in most of the lines surveyed were lower at the end of 1943 than those at the end of 1942, although stocks of women's specialty stores at the end of 1943 were 8 per cent above those at the end of 1942, despite record sales during 1943.

Cash sales of all types of businesses reporting increased in relative importance to total net sales in 1943 as compared with

WHOLESALE AND RETAIL TRADE STATISTICS

Retail trade:	Number of reporting firms	Percentage change in—				
		Net sales			Stocks †	
		March 1943	February 1944	Jan. 1 to Mar. 31, 1944 from 1943	March 1943	February 1944
Department stores:						
Total 11th Dist.	47	+34	+23	+16	+17	+ 4
Dallas	7	+48	+22	+23	+27	— †
Fort Worth	4	+31	+20	+16	+12	+11
Houston	7	+32	+22	+15	+18	+ 4
San Antonio	5	+24	+26	+ 5	+19	+ 7
Shreveport, La.	3	+34	+27	+23	....	....
Other cities	21	+24	+24	+10	+ 1	+ 8
Retail furniture:						
Total 11th Dist.	62	+ 4	+20	....	—19	— †
Dallas	6	+ 3	+30	....	—45	—14
Houston	7	— 1	+14	....	....	....
San Antonio	3	— †	+24	....	....	....
Independent stores:*						
Oklahoma	392	+17	+14	+10	....	....
Texas	868	+22	+19	+11	....	....
Wholesale trade:*						
Machinery, eqpt & supplies	4	+57	+40	....	....	....
Automotive supplies	6	+17	— 4	....	— 4	+ 5
Drugs	6	+11	+14	+13	....	....
Groceries	21	+12	+ 7	+ 9	+16	— 3
Hardware	12	— 1	+ †	+ 5	— 7	+ 1
Surgical equipment	5	+32	+12	+25	....	....
Tobacco & products	4	+16	+10	+17	....	....

*Compiled by United States Bureau of Census.

†Stocks at end of month.

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

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

	March 1944	February 1944	January 1944	March 1943
Sales (1935-1939=100):				
Without seasonal adjustment	227	200	177	168
With seasonal adjustment	247	241	206	185
Stocks (1923-1925=100)				
Without seasonal adjustment	101	97	98	86
With seasonal adjustment	98	101	112	83

1942, reflecting in large part the ability of the consuming public to pay cash and in small part the effect on credit sales of Regulation W. Charge account receivables at the end of 1943 did not show consistent changes among the various lines from the amount outstanding at the end of 1942. However, a significant and consistent trend was the decrease in instalment accounts receivable during 1943. The declines ranged from 72 per cent for household appliance stores to 3 per cent for jewelry stores, and the average of the percentage decreases for all firms reporting instalment account receivables was 38 per cent.

The balance sheet items obtained for the first time this year in the Retail Credit Survey have provided some very interesting data. Although the reporting sample was inadequate for certain types of businesses, sufficient data were received to give a fairly accurate general description. Of the four items analyzed, namely, cash on hand, demand deposits at banks, marketable securities and notes payable to banks, only the first of these items showed an erratic trend by types of businesses; some reported increases, while others showed decreases in cash on hand on December 31, 1943 as compared with December 31, 1942. Percentage changes in demand deposits showed consistently large increases during 1943, ranging from 12 per cent for lumber and building material dealers to 240 per cent for milk dealers. Demand deposits of department stores, men's clothing stores, and household appliance stores showed increases of over 100 per cent. Almost fantastic percentage increases occurred in the volume of marketable securities held by reporting firms on December 31, 1943 as compared with those holdings on December 31, 1942. These percentage increases were as high as 4,952 per cent for jewelry stores, 967 per cent for men's clothing stores, and 408 per cent for department stores. The exceptionally large

increases in the holdings of marketable securities during 1943 reflected the fact that businesses generally held relatively small amounts of securities at the end of 1942, but made substantial investments during 1943 when accounts receivable and inventories were reduced sharply. The firms reporting balance sheet items had total holdings of securities on December 31, 1943 of \$5,445,000 as compared with \$1,693,000 a year earlier. Their demand deposits at banks increased from \$4,556,000 to \$8,197,000 during 1943.

Notes payable to banks on December 31, 1942 by the firms in our sample had been either reduced considerably or liquidated entirely by December 31, 1943. These changes reflect the exceptionally liquid position of most business concerns that has been achieved during the war period and the backlog of purchasing power that is being built up by business concerns for the postwar adjustment period.

There is given below a brief resume of developments in the major lines of business covered in the Survey.

Department Stores

Stores in this group reporting both cash and credit sales showed an increase of 42 per cent in total sales in 1943 over 1942; most of this increase was attributed to cash sales. Cash sales were 51 per cent of total sales in 1943, whereas in 1942 they represented only 43 per cent of total sales. The decrease in sales of restricted durable goods was more than counterbalanced by the large gain in sales of other lines of goods.

The selected balance sheet items reflected the sound financial condition of these firms. Demand deposits at banks at the end of 1943 were twice as large as these deposits reported at the end of 1942. Holdings of marketable securities increased over 400 per cent, and these firms had no notes payable to banks at the end of 1943.

Clothing Stores

The following types of businesses were analyzed under this heading: men's clothing stores, men's and women's apparel stores, women's specialty stores, and shoe stores. Men's and women's apparel stores reported an increase of 48 per cent in total sales in 1943 over 1942; most of this increase was derived from sales of women's apparel. Year-end stocks for this group in general were lower in 1943 than in 1942, the one exception being an increase of 8 per cent in stocks of women's specialty stores.

Year-end demand deposits at banks had approximately doubled during 1943, while investments in marketable securities showed increases ranging from 178 per cent by men's and women's apparel stores to 967 per cent for men's clothing stores. In every case these firms as a group either liquidated their indebtedness to banks or reduced these debts considerably during 1943.

Furniture Stores

Although prewar stocks were becoming depleted rapidly during 1943, sales of merchandise manufactured under wartime restrictions contributed to a gain of 21 per cent in total sales over 1942. Year-end dollar volume of stocks at reporting firms was 24 per cent less than a year earlier. Despite credit regulations and higher consumer incomes, the relative proportions of cash sales and credit sales to total sales did not change appreciably in 1943 compared with 1942. Instalment sales in 1943 were 15 per cent higher than in 1942 but represented a slightly lower proportion of total sales in 1943 than in 1942. Year-end instalment receivables were down 27 per cent from

a year ago. Charge account sales constituted approximately the same proportion of total sales in 1943 as in 1942.

Firms reporting balance sheet items showed no change in year-end cash on hand, but demand deposits at banks increased 93 per cent over a year ago. The financial position of these reporting firms was further strengthened by substantial increases in the volume of marketable securities held, and by a considerable reduction in the amount of notes payable to banks.

Hardware, Household Appliance and Heating and Plumbing Equipment Dealers

Priorities and production restrictions have been two principal factors influencing the trend of sales in this group. The largest decrease in the dollar volume of sales was reported by household appliance stores, total sales being 37 per cent smaller than those in 1942. Heating and plumbing equipment dealers reported a 22 per cent decrease in sales, while sales of hardware stores were down only 2 per cent. Year-end inventories of household appliance stores and hardware stores were down 26 per cent and 21 per cent, respectively, whereas heating and plumbing equipment dealers reported an increase of 14 per cent in inventories for similar dates. In each of these lines cash sales accounted for a greater proportion of total sales in 1943 than in 1942.

Sufficient data were not reported to analyze balance sheet items for this group. The small number of firms reporting these items showed either a small increase or a definite decrease in marketable securities held at the end of 1943 compared with a year earlier.

Jewelry Stores

The 1943 sales of the firms reporting sales and stocks were 34 per cent above the dollar volume of sales in 1942, while year-end stocks remained about the same. Cash sales increased 79 per cent and represented 57 per cent of total sales in 1943, whereas these sales constituted only 44 per cent of total sales in 1942.

While year-end demand deposits of these firms increased only 37 per cent, marketable securities investments increased considerably. The large percentage increase in the latter item is due to the fact that reporting firms held only a small volume of marketable securities at the end of 1942. Notes payable to banks at the end of 1942 were liquidated by the end of 1943.

Lumber and Building Material Dealers

The sample covering total sales and year-end stocks included 53 firms. The aggregate sales of these firms in 1943 were 16 per cent below those for 1942 and year-end stocks declined 11 per cent. Cash sales increased 44 per cent and represented 27 per cent of total sales in 1943, whereas in 1942 they constituted only 17 per cent of total sales. Charge account sales, which predominated in this type of business, decreased from 79 per cent of total sales in 1942 to 69 per cent of total sales in 1943.

No significant changes were revealed in the balance sheet items reported.

Automobile Dealers and Auto, Tire and Accessory Stores

Stores in this group reported a substantial increase in sales in 1943 over 1942 with auto, tire and accessory stores reporting an increase of 36 per cent and automobile dealers reporting a gain of 25 per cent. Gradual relaxing of priorities on automobile parts and the addition of supplementary lines of merchandise resulted in an increase of 16 per cent in year-end stocks at auto, tire

and accessory stores. Cash sales and credit sales represented approximately the same proportion of total sales in 1943 as in 1942.

Demand deposits at banks by these firms at the end of 1943 were up nominally; however, investments in marketable securities more than trebled for automobile dealers and approximately doubled for auto, tire and accessory stores. Notes payable to banks by this group at the end of 1943 were approximately one-half the amount reported at the end of 1942.

Grocery Stores

The sample, though inadequate for major analysis, consisted mostly of independent stores. Gasoline rationing has changed the buying habits of many consumers in that they are patronizing the neighborhood grocers instead of driving to a more distant chain store. Aggregate sales of these reporting firms were up 25 per cent, whereas year-end stocks declined 6 per cent. Most of the increase in total sales was attributed to cash sales, while credit sales showed a compensating decrease in relative importance to total sales.

These reporting firms had twice as much cash on hand at the end of 1943 as at the end of 1942; they had increased the aggregate of their demand deposits 85 per cent, and owned almost three times as much in marketable securities at the end of 1943 as a year earlier. The financial position of these firms was further strengthened in that on December 31, 1943 the dollar amount of notes payable to banks was 91 per cent lower than the amount one year earlier.

Milk Dealers

The combined sales of the thirteen firms reporting increased 30 per cent in 1943 over 1942. Year-end demand deposits and investments in marketable securities held by these firms increased considerably.

Coal, Fuel Oil, and Wood Dealers

The small number of reporting firms recorded an increase of 16 per cent in sales over 1942 and a 13 per cent decrease in year-end stocks. Negligible changes were reported in the balance sheet items.

SALES AND STOCKS BY KIND OF BUSINESS

Kind of business	Number of reporting firms	Number of firms showing total sales		Percentage change 1943 from 1942	
		Increase	Decrease	Total sales*	Stocks at end of year†
Department stores.....	37	37	None	+41	— 8
Men's clothing stores.....	27	26	1	+30	—14
Men's and women's apparel stores.....	13	13	None	+48	— 3
Women's specialty stores..	20	19	1	+43	+ 8
Shoe stores.....	7	4	3	+ 4	—11
Furniture stores.....	31	26	5	+21	—24
Household appliance stores.	42	6	36	—37	—26
Jewelry stores.....	20	20	None	+34	+ 1
Lumber and building material dealers.....	53	33	20	—16	—11
Heating and plumbing equipment dealers.....	3	None	3	—22	+14
Hardware stores.....	22	12	10	— 2	—21
Automobile dealers.....	60	42	18	+25	—28
Auto, tire and accessory stores.....	65	59	6	+36	+16
Grocery stores.....	24	24	None	+25	— 6
Milk dealers.....	12	12	None	+30	+20
Coal, fuel oil, and wood dealers.....	4	3	1	+16	—13

*Percentage changes in some cases differ from those in accompanying table because of different number of firms.

†Dollar value figured at cost.

SALES BY TYPE OF TRANSACTION AND BY KIND OF BUSINESS

Kind of business	No. of reporting firms	Percentage change, 1943 over 1942		Percentage of total sales		Percentage of total sales		Percentage of total sales	
		Total sales	Cash sales	Charge account sales	Instalment sales	1942	1943	Charge account sales	Instalment sales
Department stores.....	30	+42	+67	+25	— 3	43	51	52	46
Men's clothing stores.....	23	+29	+58	+ 5	— 5	46	56	53	43
Women's specialty stores.....	18	+43	+77	+22	+ 36	36	45	57	49
Shoe stores.....	5	+28	+48	+10	*	65	76	35	24
Furniture stores.....	30	+23	+56	+25	+ 15	15	18	19	20
Household appliance stores.....	41	—36	—14	—26	— 70	29	38	41	48
Jewelry stores.....	12	+38	+79	+ 8	+ 4	44	57	32	25
Lumber and building material dealers.....	46	—10	+44	—22	+ 1	17	27	79	69
Heating and plumbing equipment dealers.....	4	—18	—12	—25	*	54	58	46	42
Hardware stores.....	21	— 4	+30	—27	—11	38	51	52	40
Automobile dealers.....	49	+23	+44	+15	—†	40	47	36	34
Auto, tire and accessory stores.....	60	+34	+50	+43	—21	44	49	37	39
Grocery stores.....	17	+28	+61	+ 2	*	44	56	56	44
Milk dealers.....	13	+30	+27	+32	*	46	45	54	55
Coal, fuel oil, and wood dealers.....	3	+16	+38	+ 9	—100	24	29	76	71

*These firms reported no instalment sales.

ACCOUNTS RECEIVABLE AT END OF YEAR BY KIND OF BUSINESS

Kind of business	Number of reporting firms	Charge accounts receivable at end of year		Instalment accounts receivable at end of year	
		Percentage change 1943 from 1942	As per cent of annual charge-account sales 1942 1943	Percentage change 1943 from 1942	As per cent of annual instalment sales 1942 1943
Department stores.....	30	+13	20 18	—32	58 41
Men's clothing stores.....	22	— 7	20 17	—24	19 16
Women's specialty stores.....	17	+ 9	19 17	—30	9 5
Shoe stores.....	5	—31	13 10	*	*
Furniture stores.....	18	— 6	18 13	—27	52 32
Household appliance stores.....	9	+13	8 9	—72	42 35
Jewelry stores.....	9	+26	34 40	— 3	26 25
Lumber and building material dealers.....	22	— 7	11 13	—47	25 31
Heating and plumbing equipment dealers.....	3	—29	17 16	*	*
Hardware stores.....	18	—19	9 10	—60	24 11
Automobile dealers.....	39	+ 6	11 10	—31	21 16
Auto, tire and accessory stores.....	44	+39	13 12	—54	22 10
Grocery stores.....	13	—10	14 12	*	*
Milk dealers.....	13	+13	10 9	*	*
Coal, fuel oil, and wood dealers.....	3	+29	13 15	*	†

†Less than one-half of one per cent.

*These firms reported no instalment sales.

BALANCE SHEET ITEMS OF FIRMS INCLUDED IN RETAIL CREDIT SURVEY

Percentage change in amounts reported Dec. 31, 1943 over Dec. 31, 1942

Kind of business*	Number of reporting firms	Cash on hand	Bank deposits (demand)	Marketable securities	Notes payable to banks
Department stores.....	19	— 9	+110	+408	—†
Men's clothing stores.....	12	+ 15	+109	+967	— 98
Men's and women's apparel stores.....	3	+ 7	+ 68	+178	—†
Women's specialty stores..	12	+ 11	+ 84	+210	—100
Shoe stores.....	3	—33	+ 91	+233	—100
Furniture stores.....	14	+ 2	+ 93	+380	— 48
Household appliance stores.	6	+ 51	+203	+39	No chg.
Jewelry stores.....	10	+ 14	+ 37	+4952	—100
Lumber and building material dealers.....	43	+ 7	+ 12	+ 50	— 8
Hardware stores.....	11	—36	+ 47	— 7	— 94
Automobile dealers.....	36	+ 36	+ 50	+ 242	— 41
Auto, tire and accessory stores.....	24	—10	+ 21	+ 98	— 53
Grocery stores.....	9	+123	+ 85	+ 179	— 91
Milk dealers.....	7	— 8	+240	+ 367	— 21
Coal, fuel oil, and wood dealers.....	3	+133	+ 22	None	— 46

*Heating and plumbing dealers did not furnish sufficient data for this classification.

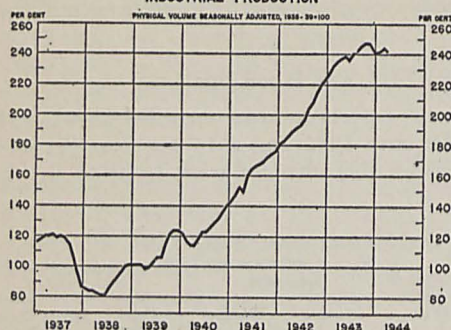
†These firms had no notes payable to banks.

MAY 1, 1944

NATIONAL SUMMARY OF BUSINESS CONDITIONS

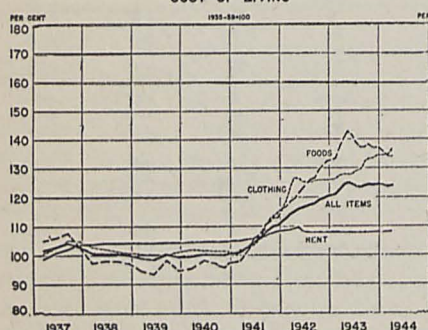
(Compiled by the Board of Governors of the Federal Reserve System)

INDUSTRIAL PRODUCTION



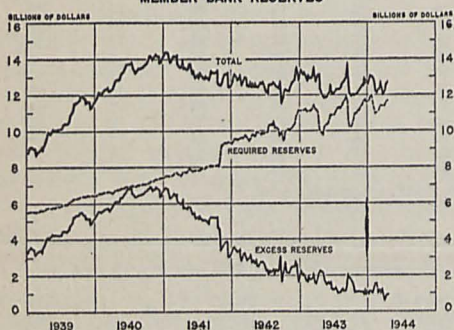
Federal Reserve index. Monthly figures, latest shown is for March.

COST OF LIVING



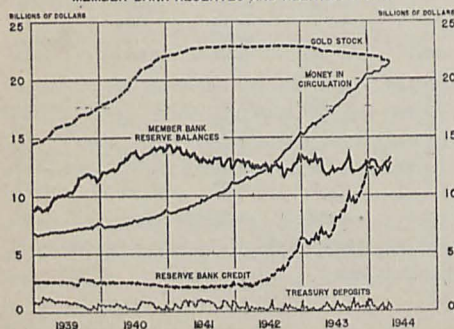
Bureau of Labor Statistics' indexes. Last month in each calendar quarter through September 1940, monthly thereafter. Mid-month figures, latest shown are for March.

MEMBER BANK RESERVES



Wednesday figures, latest shown are for April 19, 1944.

MEMBER BANK RESERVES AND RELATED ITEMS



Breakdown between required and excess reserves partly estimated. Wednesday figures, latest shown are for April 19, 1944.

Industrial activity declined slightly in March. Retail sales were maintained at an exceptionally high level and commodity prices were relatively stable.

INDUSTRIAL PRODUCTION

Output of manufactures and minerals was slightly smaller in March than in the previous two months and the Board's index of total industrial production declined 2 points to 242 per cent of the 1935-39 average.

Steel production advanced somewhat further in March and the first three weeks of April. Output of lumber was maintained at the level of the first two months of the year and production in the first quarter is indicated to be 3 per cent larger than in the first quarter of 1943.

The number of aircraft delivered increased about 4 per cent above the level of the preceding 4 months to a new high of 9,118 planes. Deliveries of merchant ships continued to rise from the low January rate and in March were at approximately the level of a year ago. Output of other products in the machinery and transportation equipment industries declined somewhat in March.

Output of nondurable manufactures, as measured by the Board's index, declined about 1 per cent in March. This decline was due largely to the continued drop in small arms ammunition production. Manufactured food production was 11 per cent greater than in March of last year.

Coal production declined 6 per cent in March from the exceptionally high rate in February due partly to the return to a six-day work week in anthracite mines and partly to a continuation of manpower shortages in both hard and soft coal mines. Output of crude petroleum and metals was maintained in large volume.

The value of construction contracts awarded in March, according to reports of the F. W. Dodge Corporation, was slightly greater than in January and February, but was still lower than in any corresponding month since 1935.

DISTRIBUTION

Department store sales increased more than seasonally in March and continued at a high level in the first half of April. Sales in March were about 18 per cent larger than in the corresponding month last year, reflecting in part the earlier date of Easter this year and the heavy buying of jewelry, cosmetics, furs, and other items before the higher tax rates became effective on April 1.

Freight carloadings declined slightly in March from the high level of earlier months, owing chiefly to a drop in the movement of coal and grain products. Total loadings were maintained in the first half of April.

COMMODITY PRICES

The general level of wholesale commodity prices advanced slightly from the middle of March to the middle of April. Federal maximum prices for cement, lumber, and various other industrial commodities were increased.

Retail food prices showed little change from February to March, while retail prices of most other commodities continued to advance slightly.

BANK CREDIT

Continued growth in currency and the transfers from Treasury war loan deposits to deposits subject to reserve requirements resulted in a decline in excess reserves of member banks and in substantial purchases of Government securities by the Reserve Banks during March and the first three weeks of April. Owing to special factors, excess reserves declined to a low point of 600 million dollars at the end of March but increased in April and on April 19 were about 900 million dollars, somewhat less than had generally been held in recent months.

Federal Reserve Bank holdings of U. S. Government securities were at a new high level of 12.7 billion dollars on April 19, after increasing by half a billion in the preceding four weeks. Most of the growth was in holdings of Treasury bills.

Reporting member banks in 101 leading cities reduced their holdings of Treasury bills by 325 million dollars in the four weeks ending April 12, while holdings of other Government securities showed little change. The greater part of the decline in bill holdings in the four-week period occurred at banks outside New York and Chicago, but there were wide fluctuations within the period reflecting transactions at Chicago banks associated with the April 1 personal property tax assessment date in Illinois. Loans for purchasing or carrying Government securities continued to decline, as repayments were made on funds advanced during the Fourth War Loan Drive; these loans to brokers and dealers have fallen by 450 million dollars since the end of the drive and are now less than at any time in recent months; loans to others, which rose by 600 million during the drive have subsequently declined by 400 million. Commercial loans declined by 210 million over the month.

Adjusted demand deposits, which declined somewhat in the latter half of March, increased during the first half of April, bringing the total outstanding to about a billion less than the level prior to the opening of the drive. Government deposits at these same banks fell by 1.5 billion dollars during the four weeks ended April 12.