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DISTRICT SUMMARY

Department store sales in this district, which had declined in April, increased by a smaller amount than is usual in May, but total sales for the month were 23 per cent larger than in the same month of 1943. The daily average production of crude petroleum in this district reached a new peak in May at a level about 30 per cent higher than a year ago, and on the basis of allowables further increases in production are in prospect for June and July. Drilling activity showed a further increase during May and was higher than a year ago. Cotton consumption at Texas mills increased substantially from April to May but was considerably smaller than in May last year. Construction activity decreased further during May. Field operations and crop growth were retarded by excessive rains in the eastern half of the district during May and early June but the improved moisture conditions in most of the western half of Texas were beneficial to crops and ranges. Heavy yields of small grains are in prospect. The deposits of weekly reporting banks in this district increased approximately \$60,000,000 between May 10 and June 14. These banks utilized a portion of the funds to expand their investments but also added substantially to their balances with the Federal Reserve Bank and with correspondent banks.

BUSINESS

A heavy demand for department store merchandise was maintained during May when dollar volume sales were 23 per cent above those for the same month a year ago. This increase compares with an average gain of 16 per cent during the first five months of the current year. The seasonally adjusted index reached 228 per cent of the 1935-1939 average compared with 232 per cent for April and 191 per cent for May, 1943. Dollar sales of weekly reporting firms during the first two weeks of June were 17 per cent above those for the same period last year, reflecting a continuation of large scale buying of merchandise even though an increased proportion of current income of individuals is being diverted to the purchase of Government securities during the Fifth War Loan Drive.

Cash sales at reporting firms accounted for 54 per cent of total sales for the second consecutive month, and increased at a faster rate over a year ago than did credit sales. Whereas cash sales represented approximately one-third of total sales during 1941, they accounted for slightly more than one-half of total sales since April, 1943. Inventories at the end of May averaged 8 per cent above those on the corresponding date last year, but remained practically the same as those a month earlier.

During May, sales of piece goods, women's apparel and accessories, men's and boys' wear and home furnishings reflected substantial increases over those in both the preceding month and the corresponding month last year. Sales of toilet articles and drugs and silverware and jewelry, which had declined sharply in April, increased during May and were well above those in the corresponding month last year. The May volume, however, was considerably lower than that in March this year, when buying in these departments was exceptionally heavy prior to the inauguration of the new and higher excise taxes applicable to many of these items.

The ratio of collections during May to receivables outstanding at the first of the month was 66 per cent as compared with 64 per cent in April and 63 per cent in May last year. The average ratio during the first five months of 1944 was 65 per cent as compared with 62 per cent in the corresponding period of 1943.

According to Standard and Poor's, furniture shipments throughout the country for the first quarter of 1944 declined 5 per cent from those in the corresponding period of 1943, and new orders decreased by 13 per cent. In this district, the demand for furniture is good while inventories remain comparatively low. Dollar sales at reporting furniture stores in May increased 7 per cent over the preceding month and were 3 per cent above those for May, 1943. Most of this increase is probably attributed to the purchase of higher priced items rather than to a greater volume. Stocks at the end of May remained at about the same level maintained during the past three months but were 11 per cent lower than those of a year ago.

According to the Department of Commerce, retail sales of independent stores in 34 states during the first four months of 1944 were 6 per cent above those for the same period in 1943, while in Texas the increase for the same period amounted to 9 per cent.

AGRICULTURE

Weather conditions continued to have varied effects upon crops during May and the first half of June. Frequent and heavy rains in the eastern half of Texas and in north Louisiana, which flooded low lands, caused considerable damage to row crops, retarded crop growth and cultivation, and necessitated extensive replanting of crops. In these areas most row crops are later than usual and many fields are badly in need of cultivation. On the other hand, the rains supplied much needed moisture in most of the western half of Texas, greatly improving range and livestock conditions and insuring satisfactory conditions for planting operations and crop growth. In the Low Rolling Plains and Pecos-El Paso areas of Texas and in southern New Mexico and southern Arizona drought conditions still prevail and rain is urgently needed. Small grains made excellent progress and heavy yields are in prospect.

The Department of Agriculture reported that unusually favorable May weather increased the indicated production of all wheat in the United States this year to a record total of 1,034,785,000 bushels, which is slightly larger than the previous record crop produced in 1915, and sharply higher than the 10-year average production of 760,199,000 bushels. In Texas the indicated wheat production of 61,095,000 bushels is only moderately lower than the record crop of 67,983,000 bushels harvested in 1931 and compares with 36,366,000 bushels produced last year and the 10-year average production of 28,195,000 bushels. The June 1 estimate indicates a per acre yield of 15.0 bushels, as compared with 11.0 bushels in 1943, 16.5 bushels in 1942 and the 1933-1942 average of 9.7 bushels. Timely rains during May in most of the important wheat growing counties caused continued improvement in the crop and good yields are

in prospect in all areas except parts of the Low Rolling Plains. Harvesting in north Texas is well advanced, despite some delays by rains and wet fields, and is expected to be well under way in northwest Texas by the latter part of June.

Much better than average crops of oats and barley were in prospect in Texas on June 1. The forecast of 45,400,000 bushels of oats, although considerably below the record crop of 65,205,000 bushels in 1919, is considerably above the relatively small crops of recent years, which amounted to 21,780,000 bushels last year and 11,210,000 bushels in 1942. This year's barley production is indicated at 7,293,000 bushels as compared with 3,341,000 bushels in 1943, and the 1933-1942 average harvest of 3,131,000 bushels. Open weather is needed in many areas to avoid losses. Prospects for peanuts are good in south Texas following the recent beneficial rains, but planting in the important peanut producing counties in north Texas was delayed by wet fields.

The condition of the corn crop varied extremely over the State. In a large part of north central, eastern and upper coastal areas of Texas and in north Louisiana excessive rains and flooding of bottom lands have severely damaged the corn. Crop growth has been retarded and many fields are badly in need of cultivation. In the south central part of the State the corn crop made good progress. The crop was greatly improved by rains through the Low Rolling Plains, and in many central, western and plateau counties growth has been very satisfactory. Grain sorghum crops in the principal producing areas made good progress.

Conditions in early June were still unfavorable for cotton in much of central, eastern and southeastern Texas and in north Louisiana. In these areas excessive rains which flooded low lands retarded planting and replanting operations and crop cultivation. Many fields are grassy and will be difficult to work out. Prospects were more favorable in northwestern areas because of timely rains and planting and cultivation progressed at a rapid rate. In south Texas cotton is making good growth and was fruiting well. Insect infestation has developed, however, in extreme southern counties.

A production of 1,554,000 bushels of peaches was forecast as compared with 900,000 bushels produced last year and a 10-year average production of 1,543,000 bushels. Production of peaches this year is confined largely to eastern and north central counties as late freezes severely damaged the crop in other areas. The pear crop forecast at 469,000 bushels is well above the 1943 production of 211,000 bushels.

Harvesting of the commercial vegetable crops in all areas was delayed because of rains and wet fields which caused some damage to matured stock. East Texas tomatoes are of good quality but prospective yields are below earlier estimates. In some south Texas areas onions were abandoned in the fields because of lowered quality and poor market demand. North Texas onions were subjected to damage in quality because of adverse weather conditions which delayed the harvest. The potato harvest was practically state-wide except in some areas where summer crops are produced. Many fields were harvested in advance of maturity to avoid loss by rotting with the attendant lowering of quality and yield. Cantaloupe harvest was extended from the Laredo area to the Coastal Bend non-irrigated district with the quality reported as generally good.

Following the deterioration during April, range feed and pasturage showed a marked improvement during May throughout most of the district, the principal exceptions being portions of west Texas, southern New Mexico and southern Arizona, where moisture conditions continue unsatisfactory. Livestock made satisfactory gains during May except in the dry areas and are

CASH FARM INCOME

	(Thousands of dollars)					
	March 1944		March 1943		Total receipts January 1 to March 31 1944	
	Crops	Livestock*	1944	1943	1944	1943
Arizona.....	11,053	4,990	16,043	16,339	37,223	37,309
Louisiana.....	6,214	4,647	10,861	8,884	40,959	32,482
New Mexico.....	932	3,248	4,180	5,990	13,411	17,196
Oklahoma.....	4,023	23,487	27,510	27,123	76,049	72,109
Texas.....	26,248	41,861	68,109	80,331	227,271	223,409
Total.....	48,470	78,233	126,703	138,667	394,913	382,505

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

SOURCE: United States Department of Agriculture.

LIVESTOCK RECEIPTS—(Number)

	Fort Worth				San Antonio	
	May 1944	May 1943	April 1944	May 1944	May 1943	April 1944
	Cattle.....	102,098	56,402	86,813	31,939	16,432	24,956
Calves.....	25,499	18,971	16,187	25,342	19,941	21,354
Hogs.....	117,941	88,255	112,565	16,468	11,539	13,071
Sheep.....	605,432	198,344	108,332	52,343	27,710	19,073

COMPARATIVE TOP LIVESTOCK PRICES

	Fort Worth				San Antonio	
	May 1944	May 1943	April 1944	May 1944	May 1943	April 1944
	Beef steers.....	\$16.25	\$16.60	\$15.50	\$13.50	\$13.60	$14.50
Stocker steers.....	13.00	16.00	14.00	.....	.....	14.50
Heifers and yearlings.....	16.00	16.50	15.50	14.00	14.75	12.00
Butcher cows.....	12.50	13.25	12.50	11.40	12.50	12.00
Calves.....	14.50	15.00	14.50	14.00	15.00	13.50
Hogs.....	13.65	14.50	13.65	13.55	14.50	13.55
Lambs.....	14.50	15.00	15.00	13.25	.....	13.65

COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to May 31	August 1 to May 31	August 1 to May 31	August 1 to May 31
	This season	Last season	This season	Last season
Cottonseed received at mills (tons).....	909,886	1,011,476	3,915,188	4,448,454
Cottonseed crushed (tons).....	927,410	1,016,616	3,825,215	4,344,561
Cottonseed on hand May 31 (tons).....	27,145	27,815	178,749	175,924
Production of products:				
Crude oil (thousand lbs.)....	279,642	292,854	1,195,426	1,350,389
Cake and meal (tons).....	440,741	455,074	1,774,964	1,924,476
Hulls (tons).....	219,190	252,855	894,977	1,048,266
Linters (running bales).....	277,256	300,677	1,142,381	1,305,813
Stocks on hand May 31:				
Crude oil (thousand lbs.)....	7,200	2,167	16,212	16,762
Cake and meal (tons).....	13,010	5,915	49,345	36,321
Hulls (tons).....	3,093	3,876	26,343	22,134
Linters (running bales).....	51,425	69,053	170,623	252,269

SOURCE: United States Bureau of Census.

DOMESTIC CONSUMPTION AND STOCKS OF COTTON—(Bales)

	May 1944	May 1943	April 1944	August 1 to May 31	
	This season	This season	This season	This season	Last season
Consumption at:					
Texas mills.....	17,270	23,515	15,533	172,189	219,829
United States mills.....	831,889	902,301	776,007	8,412,168	9,341,781
U. S. stocks—end of month:					
In consuming establishments.....	2,110,581	2,320,197	.....	.....	.....
Public stg. & compresses.....	9,582,675	9,666,982	.....	.....	.....

now in generally good condition. Shipments of cattle from the Southwest increased during May but for the spring season were considerably below those in the same period of 1943. Texas moved a record number of sheep during May, consisting largely of yearlings, with some aged sheep and wethers and early lambs.

Prices received by Texas farmers for most of their products during April and May continued near the high levels attained in 1943. The average farm prices for wheat, corn and oats which reached a peak during March and April, 1944, were maintained during May.

FINANCE

The reserve balances of member banks in this district, after having remained relatively steady during the first four months of the current year, increased moderately in May and rose sharply during the first half of June, reaching an all-time peak of \$561,000,000 toward the middle of the month. The average during the first half of June amounted to \$544,000,000 as compared with \$523,000,000 in May and \$473,000,000 in June last year. The excess reserves of member banks during May averaged approximately \$89,000,000, which is the lowest level reached in about two years.

Federal Reserve notes of this bank in actual circulation continued to expand at a substantial rate during the past month. The total circulation on June 15 amounted to \$461,644,000 which was \$14,200,000 higher than a month earlier, and \$151,600,000 above the total on the corresponding date last year. Despite the rapid increase in Federal Reserve note circulation during the past sixty days, the net expansion of \$45,300,000 during the first five and one-half months of the current year was substantially smaller than the \$58,200,000 increase that occurred during the corresponding period of 1943. Total circulation is now nearly six times that in June, 1940, at the time the national defense program was inaugurated.

The gross deposits of weekly reporting banks in leading cities of this district, which had declined about \$69,000,000 between February 16 and May 10, rose by nearly \$60,000,000 during the five weeks ended June 14. This increase reflected a further expansion of \$51,100,000 in adjusted demand deposits and \$5,600,000 in time deposits, and an increase of \$41,300,000 in interbank deposits which more than offset the net withdrawal of \$38,500,000 from Government deposit accounts at these banks. Government deposits, consisting chiefly of war loan deposits, are at the lowest level since last September, but are expected to rise sharply during the course of the Fifth War Loan Drive as investors make payments for security purchases. Interbank deposits, which had shown an irregular downward trend during the preceding six months, have increased sharply in recent weeks and on June 14 were only slightly under the peak reached last November. The reporting banks utilized the funds acquired through the increase in deposits to expand their loans and investments by \$13,900,000 and to add \$29,700,000 to their reserve balances with the Federal Reserve Bank and \$15,800,000 to their balances with correspondents.

The commercial, industrial and agricultural loans of these banks, which had shown a contra-seasonal increase during the first four and one-half months of 1944, decreased \$3,500,000 between May 10 and June 14, but on the latter date the total was about \$9,000,000 higher than at the end of 1943. The investments of reporting banks, which had been reduced approximately \$28,000,000 between March 15 and May 10 were increased \$17,200,000 during the five weeks ended June 14. Although these banks decreased their holdings of Government guaranteed obligations and non-Government securities by \$11,700,000, they added \$28,900,000 to their holdings of Government direct obligations, with the principal increase being in holdings of certificates of indebtedness.

INDUSTRY

The value of construction contracts awarded in the Eleventh Federal Reserve District aggregated \$11,366,000 in May this year as compared with \$12,865,000 in the preceding month, and with \$25,548,000 in May, 1943. The continued decline in the value of awards covered all types of construction. The total value of construction awards in May this year was 56 per cent smaller than in the same month last year. The completion of major projects in this district during recent months has been reflected by a pronounced decline in awards for all types of construction. This slackening of activity has brought about surpluses of skilled building craftsmen in some communities but as shortages of lumber and some other critical building supplies continue to exist, the restrictions on all types of non-essential new construction have remained in force.

In May, the daily average production of crude oil in the Eleventh District reached a new all-time high of 2,181,710 barrels, surpassing by about 3 per cent the previous peak of 2,115,000 barrels attained in November, 1943. The production rate during May was about 4 per cent higher than in April and was approximately 30 per cent above that in May, 1943. All

CONDITION OF THE FEDERAL RESERVE BANK
(Thousands of dollars)

	June 15, 1944	June 15, 1944	May 15, 1944
Total cash reserves	\$512,387	\$606,732	\$572,949
Discounts for member banks	None	1,450	250
Industrial advances	None	18	2
United States Government securities	542,922	227,062	483,645
Total earning assets	542,922	228,530	483,897
Member bank reserve deposits	555,779	488,524	535,101
Federal Reserve Notes in actual circulation	461,644	310,007	447,485

CONDITION STATISTICS OF 33 MEMBER BANKS IN LEADING CITIES
(Thousands of dollars)

	June 14, 1944	June 16, 1944	May 10, 1944
Total loans and investments	\$1,382,170	\$1,192,808	\$1,368,296
Total loans	327,938	278,810	331,244
Commercial, industrial, and agricultural loans	232,659	202,071	236,106
Loans to brokers and dealers in securities	2,387	1,507	2,952
Other loans for purchasing or carrying securities	28,191	14,593	27,324
Real estate loans	19,533	18,902	19,713
Loans to banks	177	126	92
All other loans	44,991	41,611	45,057
Total investments	1,054,232	913,998	1,037,052
U. S. Treasury bills	89,035	124,966	88,339
U. S. Treasury certificates of indebtedness	275,922	209,257	254,213
U. S. Treasury notes	203,371	105,904	199,163
U. S. Government bonds	412,361	360,265	410,064
Obligations guaranteed by United States Gov't.	29,719	58,574	39,931
Other securities	43,824	55,032	45,342
Reserves with Federal Reserve Bank	320,954	292,983	291,300
Balances with domestic banks	215,445	263,164	199,693
Demand deposits—adjusted*	1,124,693	973,412	1,078,578
Time deposits	184,366	143,336	178,747
United States Government deposits	97,707	140,314	136,256
Interbank deposits	451,384	404,100	410,094
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
(Thousands of dollars)

	May 1944	May 1943	Pctg. change over year	April 1944	Pctg. change over month
Abilene	\$ 16,252	\$ 15,499	+ 5	\$ 16,738	- 3
Amarillo	41,751	42,975	- 3	39,623	+ 5
Austin	76,106	92,471	-18	86,977	-12
Beaumont	51,155	52,442	- 2	54,501	- 6
Corpus Christi	45,938	41,031	+12	46,961	- 2
Corsicana	5,263	9,479	-44	5,830	-10
Dallas	511,070	427,725	+19	509,363	+ 7
El Paso	56,883	51,301	+11	61,220	- 7
Fort Worth	204,004	176,026	+16	185,423	+10
Galveston	40,140	36,735	+ 9	41,432	- 3
Houston	525,668	425,219	+24	500,232	+12
Laredo	12,834	11,134	+15	11,468	+ 5
Lubbock	24,374	20,735	+18	25,874	- 6
Monroe, La.	16,718	15,876	+ 9	16,322	+ 2
Port Arthur	21,802	18,845	+16	22,237	- 2
Roswell, N. M.	8,232	7,078	+16	7,685	+ 7
San Angelo	14,286	14,286	No chg.	12,709	+12
San Antonio	148,585	131,384	+13	142,357	+ 4
Shreveport, La.	78,704	72,214	+ 9	73,200	+ 8
Texarkana*	17,452	14,006	+25	17,457	- 1
Tucson, Ariz.	29,072	25,132	+16	27,735	+ 5
Tyler	20,849	16,418	+27	20,241	+ 3
Waco	22,131	25,863	-14	24,844	-11
Wichita Falls	28,030	20,509	+37	23,855	+17
Total—24 cities	\$2,017,299	\$1,763,883	+14	\$1,974,304	+ 2

*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
(Average of daily figures—Thousands of dollars)

		Combined total		Reserve city banks		Country banks	
		Gross demand	Time	Gross demand	Time	Gross demand	Time
May 1942	\$1,820,563	\$227,607	\$1,039,857	\$127,432	\$ 780,676	\$100,175	
May 1943	2,846,872	235,518	1,580,600	139,352	1,266,266	96,166	
January 1944	3,242,366	270,576	1,699,310	165,073	1,543,566	104,903	
February 1944	3,277,127	274,586	1,698,429	169,105	1,578,698	105,481	
March 1944	3,520,227	277,705	1,725,356	171,392	1,594,870	106,313	
April 1944	3,292,252	284,538	1,709,275	175,021	1,582,977	108,918	
May 1944	3,275,407	291,239	1,694,017	180,404	1,581,450	110,775	

SAVINGS DEPOSITS

	Number of reporting banks	May 31, 1944		Percentage change in savings deposits from	
		Number of savings depositors	Amount of savings deposits	May 31, 1943	April 30, 1944
Beaumont	3	11,305	\$ 5,462,968	+22.1	+ 3.7
Dallas	8	99,960	40,592,072	+35.6	+ 3.5
El Paso	2	23,685	12,514,741	+41.6	+ 3.7
Fort Worth	3	34,794	19,069,126	+32.5	+ 3.2
Galveston	4	21,631	14,294,866	+22.7	+ 2.3
Houston	10	83,371	43,535,192	+22.2	+ 2.7
Lubbock	2	848	478,185	+ 3.8	+ 7
Port Arthur	2	5,302	3,772,310	+21.2	+ 3.0
San Antonio	5	31,341	25,876,633	+26.3	+ 2.9
Shreveport, La.	3	28,545	15,863,922	+29.0	+ 3.4
Waco	3	8,115	5,427,538	+13.6	+ 3.2
Wichita Falls	3	6,627	3,652,400	+ 7.6	+ 9
All other	58	52,365	32,541,500	+16.8	+ 2.5
Total	106	407,889	\$23,081,453	+25.8	+ 3.0

producing areas in this district showed an increase over the same month last year with the exception of northern Louisiana which reflected a decrease in daily average of 12,874 barrels. The largest increase occurred in the west Texas field where the daily average production was 203,736 barrels above that in May, 1943. Daily average production outside this district increased only slightly over that in the previous month, less than 1 per cent, and remained at about the same level as in May, 1943. The allowables set by the Texas Railroad Commission for June and July indicate a continued expansion in daily crude production. An increase of 25,000 barrels daily requested for July over the June production will come largely from the west Texas sour crude fields. Despite the substantial increase in production in the United States during the current year, the demand for crude oil has exceeded output, necessitating substantial withdrawals from above-ground stocks. Net withdrawals of crude oil from storage throughout the country have totaled approximately 7,000,000 barrels since the first of this year. Although stocks of crude oil in this district at the end of May, which amounted to 124,395,000 barrels, was considerably below the peak of 127,000,000 barrels reached in February this year, they were approximately 3 per cent higher than on the same date last year. Stocks of crude oil outside this district, which have remained generally steady during the past three months, amounted to approximately 110,000,000 barrels at the end of May and were 12 per cent smaller than a year earlier.

Drilling activity in the Eleventh District, as measured by well completions, has shown a steady increase during the current year and in May was at the highest level since the early part of 1942, but is still considerably below the level in 1941 and prior years. Approximately 2,456 wells were completed in the district during the first five months of 1944 as compared with 1,707 wells completed during the same period in 1943. Dry wells comprised approximately 37 per cent of total completions in both periods. The greatest drilling activity in the district was concentrated in the west and upper Gulf Coastal Texas fields.

Cotton consumed at United States textile mills during May totaled 832,000 bales, representing an increase of 7 per cent over the 776,000 bales consumed in April, but a decrease of approximately 8 per cent from the 902,000 utilized in the same month of 1943. Throughout the current season the monthly consumption has been running consistently lower than in the corresponding months of the preceding season. The total consumption for the ten-month period ended May 31, 1944, amounted to 8,412,000 bales as compared with 9,342,000 during the same period last year, or a decrease of 10 per cent. During recent months the cotton textile industry has been unable to meet the heavy demand for cotton goods for military and civilian use due in part to the decline in employment at textile mills. In an effort to improve the situation, the industry was placed on a minimum work week of 48 hours, effective May 14. Stocks of cotton on hand in consuming establishments at the end of May totaled 2,110,000 bales, as compared with 2,320,000 bales in May last year, indicating a decrease of 9 per cent. Stocks held in public storage and compresses on May 31 were 9,583,000 bales, which was slightly below the amount on hand at the end of May, 1943.

Cotton consumed in Texas mills during May amounted to 17,270 bales as compared with 23,515 bales during the same period last year, a decrease of approximately 27 per cent. The consumption for the ten-month period ended May 31, 1944, amounted to 172,000 bales as compared with 220,000 bales during the corresponding period of the preceding season, or a decrease of 22 per cent. While the May consumption was 7 per cent above that for April, it was the smallest for any corresponding month since 1940.

WHOLESALE AND RETAIL TRADE STATISTICS

	Number of reporting firms	Percentage change in				
		Net sales		Stocks †		
		May 1944 from May 1943	April 1944	Jan. 1 to May 31, 1944 from 1943	May 1944 from May 1943	April 1944
Retail trade:						
Department stores:						
Total 11th Dist.	48	+23	+11	+16	+15	-1
Dallas	7	+36	+12	+24	+20	-3
Fort Worth	4	+17	+8	+14	+23	+1
Houston	7	+18	+11	+15	+24	+1
San Antonio	5	+19	+11	+8	+11	+2
Shreveport	3	+26	+18	+22	....	....
Other cities	22	+19	+9	+12	+2	-1
Retail furniture:						
Total 11th Dist.	66	+3	+7	....	-17	-1
Dallas	7	+3	+1	....	-29	-4
El Paso	3	+17	+15	....	-39	+4
Fort Worth	3	-9	-6	....	....	....
Houston	8	+1	+21	....	-28	-3
San Antonio	3	+7	+16	....	....	....
Independent stores:*						
Oklahoma	390	+24	+10	+12	....	....
Texas	988	+18	+8	+11	....	....
Wholesale trade:*						
Machinery, eqpt & supplies						
Automotive supplies	7	+15	+21	....	+34	-1
Drugs	7	+15	+3	+15	+16	-1
Electrical supplies ..	3	+9	+9	....	....	....
Groceries	25	+11	+1	+9	+5	-4
Hardware	10	+1	+1	+4	-5	+3
Surgical equipment ..	4	+41	+19	+27	....	....
Tobacco & products ..	4	+17	+18	+15	....	....

*Compiled by United States Bureau of Census (wholesale trade figures preliminary).
†Stocks end of month. †Change less than one-half of one per cent.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

	May 1944	April 1944	March 1944	May 1943
Sales (1935-1939=100)				
Without seasonal adjustment	228	228	227	101
With seasonal adjustment	228	232	247	101
Stocks (1923-1925=100)				
Without seasonal adjustment	98	99	101	86
With seasonal adjustment	97	96	98	85

BUILDING PERMITS

	May 1944		Percentage change valuation from		Jan. 1 to May 31, 1944		Percentage change valuation from 1943
	No.	Valuation	May 1943	Apr. 1944	No.	Valuation	
Abilene	21	\$ 13,460	-76	+9	131	\$ 174,935	+109
Amarillo	95	124,035	-20	+31	339	487,952	+37
Austin	96	45,448	+65	+5	463	195,687	+36
Beaumont	138	41,450	-59	-60	630	379,123	-81
Corpus Christi	119	115,553	-22	-17	599	600,295	-43
Dallas	579	1,490,192	+589	+110	3,037	4,312,442	+436
El Paso	114	226,599	+378	+17	399	525,661	+130
Fort Worth	300	320,427	-77	-30	1,270	1,606,940	+44
Galveston	87	128,019	+500	+460	444	418,395	+39
Houston	305	798,439	+49	+116	1,184	2,649,968	+240
Lubbock	166	81,648	+471	+26	555	236,525	+7
Port Arthur	77	25,433	-77	-31	250	141,065	+16
San Antonio	1,198	312,553	+64	-19	4,352	1,732,447	+154
Shreveport, La.	165	65,546	+160	+22	666	324,094	+107
Waco	101	258,972	+224	+8	422	778,759	+107
Wichita Falls	18	9,590	-30	-58	154	102,235	+27
Total	3,579	\$4,057,364	+30	+38	14,895	\$14,666,523	+8

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(Thousands of dollars)

	May 1944	May 1943	April 1944	January 1 to May 31 1944	May 1943
Eleventh District—total ..	\$ 11,366	\$ 25,548	\$ 12,865	\$ 72,050	\$231,347
Residential	2,078	7,340	2,815	16,455	50,702
All other	9,288	18,208	10,050	55,595	174,645
United States*—total	144,202	234,426	179,256	796,355	1,621,673
Residential	34,476	63,291	37,772	173,270	418,618
All other	109,726	171,135	141,514	623,085	1,203,055

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

CRUDE OIL PRODUCTION—(Barrels)

	May 1944		Increase or decrease in daily average production from	
	Total production	Daily avg. production	May 1943	April 1944
North Texas	7,390,000	238,387	+15,411	+3,312
West Texas	13,335,850	430,189	+203,736	+55,454
East Texas	15,544,950	501,450	+39,508	+11,778
South Texas	9,528,550	307,373	+94,457	+13,908
Texas Coastal	16,130,150	520,327	+146,006	+1,659
Total Texas	61,929,500	1,997,726	+499,118	+86,111
New Mexico	3,404,550	109,324	+12,843	+2,664
North Louisiana	2,298,950	74,160	-12,874	-1,735
Total District	67,633,000	2,181,710	+499,087	+81,712

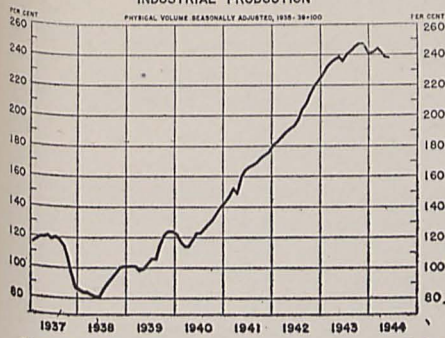
SOURCE: Estimated from American Petroleum Institute weekly reports.

JULY 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 May, 1944.

Industrial activity and employment declined slightly further in May. Value of retail trade was maintained in May and the first three weeks of June and commodity prices showed little change.

INDUSTRIAL PRODUCTION

Industrial production continued to decline in May and the Board's seasonally adjusted index was 237 per cent of the 1935-39 average as compared with 239 in April. Small declines in output of metal products and nondurable goods accounted for most of the decrease in the total index.

Steel production was maintained at a high rate. Supplies of aluminum and magnesium continued to exceed military requirements after further curtailment of output in May, and relaxation of restrictions on the use of these metals in civilian products was announced on June 18. Activity in munitions industries declined slightly in May. Aircraft production was at approximately the same daily average rate as in the preceding month. Deliveries of merchant ships declined somewhat from the April rate, reflecting curtailment of Liberty Ship construction; the number of Victory ships delivered rose further in May.

Output of lumber and of stone, clay, and glass products declined further in May. Additional Federal control was established over lumber consumption, effective in the third quarter, in order to assure sufficient supplies for essential requirements.

Production of most nondurable goods was likewise somewhat lower in May than in April. Cotton consumption declined 6 per cent from the rate prevailing earlier this year to a level 16 per cent below May 1943. Output of manufactured dairy products showed a large seasonal rise in May while manufacture of most other food products declined somewhat, after allowance for seasonal changes.

Output of crude petroleum and coal continued to rise and iron ore production reached an exceptionally high level for this season of the year.

DISTRIBUTION

Department store sales in May were maintained at the April level, and the Board's seasonally adjusted index, as recently revised, was 173 per cent of the 1935-39 average. During the first half of June sales continued at about the April-May rate and were 4 per cent larger than in the corresponding period last year.

Railroad freight traffic was maintained at a high level during May and the early part of June.

COMMODITY PRICES

Wholesale commodity prices continued to show little change in May and the early part of June. Retail prices showed a further slight increase in May. The wholesale price index and the cost of living index of the Bureau of Labor Statistics were both at the same level as they were in May 1943.

AGRICULTURE

Crop prospects on June 1 were better than on the same date in the last 10 years except 1942. The total wheat crop appeared likely to exceed a billion bushels as compared with a harvest of 836 million bushels in 1943 and 974 million in 1942. Prospects for other grains, however, were not as favorable and, with grain stocks reduced, it is expected that total supplies available to meet food, feed, and industrial needs will continue short. In recent months the feed situation has been eased by generally good condition of the hay crops and pastures.

BANK CREDIT

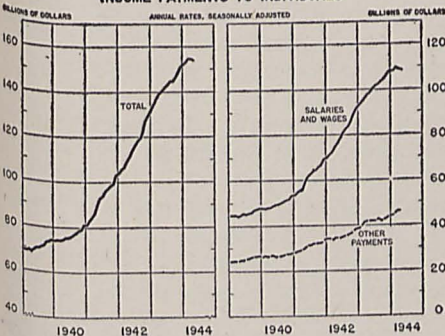
In the five months from the beginning of the Fourth War Loan Drive to the beginning of the Fifth Drive, Federal Reserve Bank holdings of U. S. Government securities increased by more than 3 billion dollars. Member bank borrowings at Federal Reserve Banks also increased somewhat during the period, and at times exceeded 200 million dollars for the first time in more than a decade. These additions to Reserve Bank credit supplied the market with funds to meet a growth of nearly 2 billion dollars in money in circulation, an increase of 700 million in member bank required reserves, and a loss of gold of 700 million. Excess reserves, which declined to as low as 600 million dollars during the period, amounted to 1.1 billion on June 14.

During the Drive, purchases of Government securities by businesses and individuals will shift deposits to reserve-exempt Government war-loan accounts and reduce the amount of reserves that member banks are required to hold. This will result in some further increase in excess reserves and some repurchases of Government securities by member banks from the Reserve Banks.

Adjusted demand deposits at member banks in leading cities have risen by about 5 3/4 billion dollars since the end of the Fourth Drive and are more than 2 1/4 billion dollars above the level prevailing prior to that Drive. Time deposits also increased steadily.

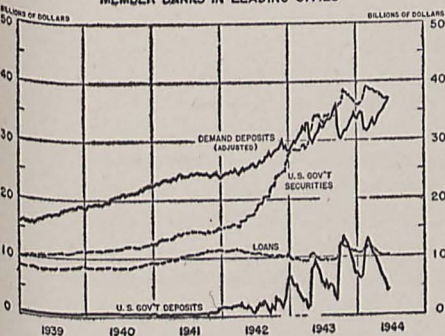
Government security holdings at reporting banks declined by close to 2 billion dollars between mid-February and mid-June, following an increase of around 3 billion during the Fourth Drive. Bill holdings declined substantially, paralleling increases in such holdings at the Reserve Banks. Loans to brokers and dealers in securities, which by the end of May had declined well below their early January levels, increased somewhat in the first two weeks of June preparatory to the Drive. Other loans for handling Government securities are close to their pre-Fourth Drive level. Again in the Fifth Drive, as in the previous one, borrowings for speculative purchases will be discouraged.

INCOME PAYMENTS TO INDIVIDUALS



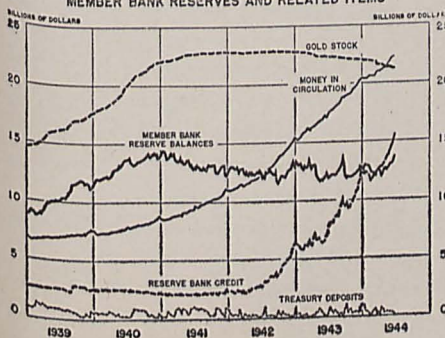
Based on Department of Commerce estimates. Wages and salaries include military pay. Monthly figures raised to annual rates, latest shown are for April, 1944.

MEMBER BANKS IN LEADING CITIES



Demand deposits (adjusted) exclude U. S. Government and inter-bank deposits and collection items. Government securities include direct and guaranteed issues. Wednesday figures, latest shown are for June 14, 1944.

MEMBER BANK RESERVES AND RELATED ITEMS



Wednesday figures, latest shown are for June 14, 1944.