

MONTHLY BUSINESS REVIEW

of the FEDERAL RESERVE BANK of Dallas

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DISTRICT SUMMARY

Consumer buying at department stores increased by a smaller amount than is usual between August and September and the increase of 14 per cent over September last year was slightly below the average gain for the first eight months of the year. The value of construction contracts awarded in this district increased further in September and was 65 per cent larger than in September last year, but total awards for the first nine months of 1944 were 57 per cent lower than in the corresponding period of 1944. Awards for residential building reached a new low level in September. Crude oil production during September reached a new peak for the fifth consecutive month, but allowable production for October has been reduced moderately to bring output in line with available transportation and refining facilities. Rains during September and early October improved crops and ranges. Harvesting operations are being retarded by acute labor shortages in many areas.

BUSINESS

The dollar volume of sales at department stores in this district during September was 14 per cent higher than a year ago, but the increase of 17 per cent from the preceding month was less than the usual seasonal amount. Sales at weekly reporting firms for the three week period ended October 21 were 13 per cent above those for a similar period last year. During the first nine months of this year sales at all reporting department stores were 16 per cent higher than those for the comparable period a year ago. Increases in sales during this same period ranged from 12 per cent at San Antonio to 22 per cent at Dallas. The dollar volume of stocks at the end of September decreased slightly from that a month earlier and was about 3 per cent higher than a year ago.

The dollar sales of women's and misses' suits have shown greater consistent gains in the past several years than the sales of any other item reported. Annual sales of women's and misses' suits were practically the same in 1939 and 1940, but after 1940 dollar sales of these items increased to a volume in 1943 equal to approximately 3.7 times that of 1939. This is more significant when it is noted that total dollar sales at department stores in the district in 1943 were approximately 1.9 times those in 1939. Furthermore, sales of women's and misses' suits during the first nine months of this year were 23 per cent above those of a year ago.

Sales at furniture stores in September increased 7 per cent from the preceding month and were 11 per cent above sales in the same month last year. Stocks at the end of the month were about the same as those a month earlier, but were 3 per cent below those a year ago. Although the supply of steel for furniture manufacturing has improved, wood is becoming increasingly scarce.

According to Dun and Bradstreet, Incorporated, one business failure occurred in this district in September with total liabilities of \$2,032,000. Although only two business failures have been reported in this district this year as compared with 11 such failures during the first nine months of last year, the liabilities of the defaulting firms in 1943 were only 13 per cent of those reported this year.

AGRICULTURE

The Department of Agriculture reported on October 1 that if the weather and labor shortages did not unduly interfere with the tremendous harvesting job, this year's crops may rank with those of 1942 as the greatest ever produced in the United States. Widespread rains during September and the first week of October relieved drouth conditions in most sections of the Eleventh District except in scattered areas in New Mexico and in Arizona, where ranges are dry and feed reported short. Growing crops responded to the more favorable moisture conditions with the result that prospective production of some Texas crops was slightly higher on October 1 than a month ago. The forecast indicated increases in production for cotton, sweet potatoes, rice and pecans, with no changes indicated in estimates for other crops, except a decrease in production of tame hay. Range feeds and pastures were greatly improved and the seeding of winter wheat and other small grains proceeded under generally favorable conditions, with many fields reported up to a stand and making good progress.

On October 1, the 1944 Texas cotton crop was estimated by the Department of Agriculture at 2,500,000 bales, which was 50,000 bales above the September 1 estimate but about 300,000 bales below the 1943 harvest and nearly 800,000 bales below the 1933-1942 average harvest of 3,273,000 bales. The estimate for the Eleventh District was placed at 3,215,000 bales, as compared with actual production of 3,578,000 bales in 1943. The indicated cotton production in Arizona, New Mexico and Oklahoma is expected to be substantially larger than in 1943, while the expected crop in Texas and Louisiana is considerably smaller. A United States cotton crop of 11,953,000 bales was forecast for 1944, as compared with 11,427,000 bales produced in 1943 and the 1933-1942 average of 12,455,000 bales. The indicated yield of cotton per acre in 1944 is smaller in Texas and Louisiana but substantially greater in Arizona, New Mexico and Oklahoma, with the 1944 expected yield per acre in all five states exceeding the 10-year average. The per acre yield of approximately 285 pounds in the United States is the highest of record. General rains or intermittent showers retarded cotton harvest in most areas in Texas and caused some damage to grades in sections where cotton had opened rapidly. While the improved moisture supply had increased prospects in some northwestern counties, dry weather is needed in most other areas to enable farmers to save the matured crop. A critical shortage of cotton pickers is reported in most of north, central, western and northwestern counties, and the movement of cotton is being generally slowed down due to acute labor shortages at gins and compresses. As reported by the Bureau of the Census, total ginnings in Texas through September 30 were 720,780 bales, as compared with 1,470,900 bales through the same date a year ago, reflecting the general lateness of the crop and the unfavorable harvesting conditions.

Yields of all tame hay were somewhat lower than earlier expectations and the October estimate of 1,331,000 tons is 74,000 tons lower than the previous forecast. The outlook for sweet potatoes in Texas improved with the September rains and a prospective crop of 4,875,000 bushels is now indicated, as compared with 4,420,000 bushels forecast a month ago, but is

still considerably below last year's harvest of 5,616,000 bushels. Rice prospects, which had declined due to earlier lack of moisture, are much better than previously reported, with production now indicated at 19,208,000 bushels, as compared with the September 1 forecast of 17,640,000 bushels. The prospective pecan crop was indicated on October 1 at 45,000,000 pounds, and, if realized, will exceed the 1935 record crop by 1,000,000 pounds.

Fall and winter commercial vegetable cultivation in the Rio Grande Valley and Coastal Bend districts was active under mostly favorable weather conditions with fall carrots and tomatoes making good progress and prospects favorable for seeding additional fields and transplanting of other crops. The intended acreage of south Texas onions for harvest in 1945 is estimated to be 79,600 acres, or 13 per cent above the 70,600 acres harvested in 1944 and 75 per cent higher than the 10-year average. The 1945 acreage, if realized, will be about the same as the record high established in 1936.

Citrus groves responded rapidly to the September and early October rains and the initial forecast for the 1944-1945 season placed grapefruit production at 20,150,000 boxes and orange production at 3,750,000 boxes, as compared with a production of 17,710,000 boxes and 2,550,000 boxes, respectively, from the 1943-1944 crop.

Rains in practically all parts of Texas have greatly improved range feeds and pasture grasses and range conditions on October 1 were reported at 86 per cent, an improvement of 9 points during the month. Prospects for fall and winter grazing are favorable in all major areas with some seeded and volunteer wheat acreage already up to a stand. Stock water supplies have been replenished in all except a few local areas where rains fell too slowly to cause sufficient run-off. Moreover, moisture supplies are adequate over most of the district to sustain the growth of grass and other feeds. Cattle continued to show gains, reflecting the revival of range and pasture grasses and the reported condition of 84 per cent on October 1 is the same as the 20-year average. Sheep and lambs also improved during September and the condition of 85 per cent is five points above that a month earlier and one point above the 20-year average. Local demand for cattle and sheep for restocking and other purposes has been light, but due to the excellent prospects for wheat pastures and the abundant crop of grain sorghums and other feeds in the Plains sections, a material increase in feeding is expected. Generally fair progress with fall shearing of sheep is reported, although handicapped by labor difficulties.

The movement of livestock to market has been irregular, due to weather conditions, but the total movement is still relatively large. During September, receipts of cattle, hogs and sheep at the Fort Worth and San Antonio markets declined, while those of calves rose to the highest level of the year. Marketings of sheep since April have been exceptionally heavy and while September receipts were sharply lower than in September last year the total receipts for the first nine months of 1944 were much larger than the heavy movement in that period last year. Likewise, the total receipts of cattle, calves and hogs for the first nine months of 1944 were larger than during the same period in 1943.

Cash farm income from crops and livestock in Texas during July totaled approximately \$77,790,000, which represents a decline of over 18 per cent from the preceding month but is 12 per cent higher than for July, 1943. Moreover, the aggregate cash farm income of \$563,422,000 in Texas for the first seven months of 1944 was slightly over 6 per cent more than the \$530,956,000 received during the same period in 1943.

Prices received by Texas farmers during September, as reported by the Department of Agriculture, reflected significant increases in prices for most livestock, alfalfa hay and eggs and slight gains were indicated for cotton, oats, wheat, butter and chickens. On the other hand, continued moderate declines were shown for most Texas grain crops, wheat and oats excepted, and sweet potatoes declined sharply as new crop supplies became more plentiful. Prices received for such items as peanuts, Irish potatoes, cottonseed, hay and dairy products remained unchanged from the previous month. As a whole, crop

CASH FARM INCOME—(Thousands of dollars)

	July 1944		Total receipts		July 1943	January 1 to July 31 1943
	Crops	Livestock*	Receipts from	1944		
Arizona.....	6,815	2,210	9,025	6,680	83,401	80,364
Louisiana.....	1,518	4,535	6,053	6,954	83,425	73,413
New Mexico.....	3,484	2,567	6,051	5,976	35,022	40,257
Oklahoma.....	28,363	23,483	51,846	41,627	221,344	184,579
Texas.....	33,535	44,257	77,792	69,323	563,422	530,956
Total.....	73,715	77,052	150,767	130,560	986,614	809,569

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

SOURCE: United States Department of Agriculture.

LIVESTOCK RECEIPTS—(Number)

	Fort Worth			San Antonio		
	Sept. 1944	Sept. 1943	August 1944	Sept. 1944	Sept. 1943	August 1944
Cattle.....	104,567	107,969	116,553	22,622	18,813	28,181
Calves.....	56,687	42,915	52,997	30,561	27,438	29,575
Hogs.....	67,512	71,657	68,127	11,986	11,831	14,932
Sheep.....	177,204	249,355	209,754	51,653	45,887	57,676

COMPARATIVE TOP LIVESTOCK PRICES (Dollars per hundred weight)

	Fort Worth			San Antonio		
	Sept. 1944	Sept. 1943	August 1944	Sept. 1944	Sept. 1943	August 1944
Beef steers.....	\$14.25	\$14.00	\$14.65	\$12.25	\$12.75	\$14.00
Stocker steers.....	12.00	12.50	11.50	.....	.....	.....
Heifers and yearlings.....	14.00	14.25	14.50	12.25	13.00	13.50
Butcher cows.....	12.25	11.25	12.00	10.50	11.00	11.00
Calves.....	13.25	13.00	13.50	13.25	13.00	12.65
Hogs.....	14.55	14.80	14.55	14.25	14.25	14.25
Lambs.....	14.00	13.50	14.00	12.50	.....	12.00

COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to September 30 This season	Last season	August 1 to September 30 This season	Last season
Cottonseed received at mills (tons).....	219,034	400,595	1,070,876	1,555,391
Cottonseed crushed (tons).....	93,700	171,954	453,958	637,572
Cottonseed on hand Sept. 30: (tons).....	156,980	273,310	735,174	1,008,155
Production of products:				
Crude oil (thousand lbs.)....	26,853	48,735	135,164	192,670
Cake and meal (tons).....	44,335	79,378	202,348	287,449
Hulls (tons).....	21,579	40,598	109,156	151,631
Linters (running bales).....	28,868	52,227	129,654	190,046
Stocks on hand Sept. 30:				
Crude oil (thousand lbs.)....	7,951	14,609	37,790	53,133
Cake and meal (tons).....	16,913	17,428	60,523	48,871
Hulls (tons).....	9,368	12,964	34,474	30,899
Linters (running bales).....	19,812	55,550	75,937	178,463

SOURCE: United States Bureau of Census.

DOMESTIC CONSUMPTION AND STOCKS OF COTTON—(Bales)

	September 1944	September 1943	August 1944	August 1 to September 30 This season	Last season
Consumption at:					
Texas mills.....	15,415	18,294	17,078	33,393	37,985
United States mills.....	793,086	872,155	841,490	1,634,576	1,726,532
U.S. stocks—end of month:					
In consuming establs'ts....	1,713,963	1,931,489	.....	.....	.....
Public stg. & compresses..	9,776,490	10,433,070	.....	.....	.....

CROP PRODUCTION—(Thousands of units)

Crop	Unit	Texas		Eleventh District	
		Estimated Oct. 1, 1944	1943	Estimated Oct. 1, 1944	1943
Winter wheat.....	Bushels	77,071	36,366	78,111	37,142
Cotton.....	Bales	2,500	2,823	3,215	3,578
Corn.....	Bushels	64,649	88,416	76,559	102,083
Oats.....	Bushels	42,471	21,780	47,995	26,111
Barley.....	Bushels	8,428	3,341	17,881*	9,370
Tame hay.....	Tons	1,331	1,469	1,910	2,018
Potatoes, Irish.....	Bushels	5,016	6,450	6,006	7,504
Potatoes, sweet.....	Bushels	4,875	5,616	14,540†	15,072†
Rice.....	Bushels	19,208	20,196	40,620†	44,104†

*Arizona, New Mexico, Oklahoma and Texas.

†Louisiana, Oklahoma and Texas.

SOURCE: United States Department of Agriculture.

prices were slightly above levels for the same month last year, while prices received for livestock and livestock products were generally below those a year ago.

On September 23, the War Food Administrator announced that, effective as soon as necessary arrangements can be made and until June 30, 1945, the War Food Administration will offer to purchase through the Commodity Credit Corporation from farmer producers at parity prices, all cotton of the 1944 crop for which a loan schedule has been announced and which may be placed in acceptable storage and tendered to it. Furthermore, the cotton sales policy which was announced on August 26, 1944, will be modified so as to permit the Commodity Credit Corporation to sell cotton at not less than parity.

The Surplus Property Act of 1944, which was approved on October 3, gave the War Food Administration broad powers with respect to the disposal of surplus agricultural commodities and gave the Commodity Credit Corporation authority to disposal of surplus agricultural commodities for export only at competitive world prices. Later the Commodity Credit Corporation announced that Industry Advisory Committees had agreed on general principles to govern cotton and wheat subsidy programs designed to regain for the United States its share of the world market and to bring about the sale of surplus and competitive world prices.

FINANCE

The Secretary of the Treasury has announced that the Sixth War Loan Drive will begin November 20 and that the goal will be \$14 billion of which \$5 billion is expected to be obtained from individuals. The "basket" of securities to be offered during the drive is identical with that offered during the Fifth War Loan Drive.

In accordance with the announcement made on August 29, the United States Treasury inaugurated on October 2, a simplified plan for redemption of savings bonds, Series A to E, inclusive, through incorporated banks and trust companies which qualify to render that service. In instituting the plan, the Treasury desired to make it easier for holders of savings bonds who are in need of funds to avoid inconvenience or delay in cashing the securities. Since many holders cash their bonds in anticipation of an actual financial need that may not occur, the new policy should have the effect of deterring redemptions somewhat. Moreover, the new procedure should encourage sales of Series E bonds to individuals who have excess cash on hand, since the investor is provided the facility for cashing the bonds immediately in the event of an emergency.

The gross deposits of weekly reporting banks in leading cities of this district declined \$35,000,000 between September 13 and October 11, after having increased by about \$288,000,000 during the preceding four months. During the last four-week period there were withdrawals of \$41,200,000 from Government accounts and of \$16,400,000 from adjusted demand deposits, which were only partially offset by increases of \$17,600,000 in interbank deposits and \$4,800,000 in time deposits. The reduction in adjusted demand deposits reflected in part the payment of quarterly income taxes. The funds to meet the deposit withdrawals were obtained principally through a decline of \$4,100,000 in loans and investments and through a reduction of \$27,900,000 in balances with correspondents.

During the four weeks ending October 11, the weekly reporting member banks expanded their total loans by \$6,200,000. The largest increase occurred in commercial, industrial and agricultural loans, which showed the first indication of the expansion that usually takes place during the fall months. The

other major increase occurred in "all other" loans that include instalment loans to consumers. The increases in these loans were partially offset by the decline in loans secured by Government securities to others for security trading. In contrast with the rise in loans, the total investments of these banks declined to \$1,211,000,000 on October 11, a point \$25,100,000 below the peak reached in mid-August. Between September 13 and October 11, holdings of Treasury bonds were reduced by \$7,800,000 and those of Treasury bills by \$5,900,000. On the other hand, these banks increased their holdings of certificates of indebtedness by \$3,600,000.

Reserve balances of member banks in this district reached a new peak on October 14 of \$591,100,000, and the average for the first half of the month amounted to \$582,000,000 which is \$11,000,000 above the average for September and \$101,000,000 above that for October, 1943. Since August the usual contraction of excess reserves which follows War Loan drives has been apparent even though reserve balances have remained at a high level. Owing to the shift of deposits from reserve-exempt War Loan accounts to private deposits requiring reserves, an increase of \$44,000,000 occurred in required reserves from the low point reached the first of July. This increase is expected to continue until the sale of marketable securities begins for the Sixth War Loan Drive.

Federal reserve notes of this bank in actual circulation reached a new peak on October 13 of \$509,000,000. This amount is nearly six and one-half times our circulation in June, 1940, when the National Defense Program was inaugurated. Following the exceptionally rapid rate of expansion during 1942 and most of 1943, there has been a decline in the rate of increase. In fact, the net increase in circulation during the first nine and one-half months of this year amounted to \$93,000,000 as compared to \$122,000,000 during the comparable period of 1943.

INDUSTRY

The value of construction contracts awarded in the Eleventh District, which had evidenced a downward trend during 1943 and the first seven months of 1944, turned upward in August and showed a further slight increase during September. Total awards during September amounted to \$17,265,000, as compared with \$10,346,000 for September last year, but the aggregate of \$123,884,000 for the first nine months of this year is about 57 per cent below that for the same period in 1943. The recent increases in awards have occurred in contracts for nonresidential, public works and public utility construction, while residential construction has continued to decline sharply, and in September were at the lowest level for any month in the 20 years for which data are available. Awards for additional war industrial facilities have been a factor in the larger volume of non-residential building but work in connection with the repair and modernization of commercial buildings is increasing in importance. From available information it appears that public utility construction, road building and street improvement programs are expanding and may increase further as materials and labor become more plentiful. Production of 554,000 barrels of Portland cement at Texas mills during August was slightly above the output for July, but during recent months, the excess shipments over production reduced mill stocks to 837,000 barrels on August 31.

Daily average crude oil production in this district during September reached a new high for the fifth consecutive month, with an average output of 2,332,900 barrels daily, exceeding that in August by about 2 per cent and that of September last year by 16 per cent. Production of crude oil outside this district increased only slightly, less than 1 per cent, over the previous

month and was about 3 per cent above the production for September, 1943. The west Texas and southwest Texas fields continued to show the largest increase in production with daily averages of 17,800 barrels and 18,700 barrels, respectively, above the production in the preceding month.

On September 22 the Petroleum Administration for War announced that a production rate of 5,010,800 barrels daily of all petroleum liquids had been certified to the various oil producing states for October, representing a net decrease of 40,500 barrels daily from the rate certified for September. The certification for Texas called for a net reduction during October of about 25,000 barrels daily, which is in line with actual requirements based on available transportation and refining facilities. According to a recent announcement by the Petroleum Administrator, the production of 100-octane aviation gasoline in the United States has reached a daily average of 525,000 barrels and the October output will exceed allied combat and training requirements for the first time.

Crude oil stocks in the Eleventh District decreased fractionally in September, but the total of 118,218,000 barrels at the end of the month was about 2 per cent larger than a year earlier. On the other hand, a decline of approximately 13 per cent in crude oil stocks outside this district during the past year, reduced total United States stocks at the end of September this year to 222,390,000 barrels, or about 5 per cent below those a year ago.

Drilling activity in the Eleventh District was maintained at about the same rate in September as in the previous month, with an average of approximately 19 well completions daily. The Petroleum Administrator has recommended that a minimum of 27,000 oil and gas wells be drilled in the United States during 1945, of which 5,000 should be exploratory wells, in order to ease the strain upon the productive capacities of the nation's oil fields. This recommendation calls for 3,000 more wells than were scheduled for 1944 and even more would have been requested except for the shortage of materials and manpower.

Despite price increases at mill level aggregating about 10 per cent above ceiling prices for all fine cotton goods and efforts by several Government agencies to increase cotton textile output, production continues to be far below total requirements. Cotton consumed at United States textile mills in September, which totaled 793,086 bales, showed a decline of 6 per cent from August consumption, and was 9 per cent smaller than that consumed in September a year ago. The War Production Board reported that textile production for 1944 was estimated at 9,000,000,000 yards, as against requirements of 12,000,000,000 yards, with the greatest shortages being in the field of cotton duck. With virtually all mill production now being taken up in Government and high priority orders, acute shortages of all cotton textile items for the civilian consumer is likely to continue until the labor situation at the mills greatly improves. Stocks of cotton on hand in consuming establishments at the end of September totaled 1,714,000 bales, as compared with 1,931,000 bales in September last year, indicating a decrease of 11 per cent. Stocks held in public storage and compresses on September 30 were 9,776,000 bales, which was about 6 per cent below the amount on hand at the end of August and 6 per cent under the 10,433,000 bales held on September 30, 1943.

Cottonseed receipts at Texas cottonseed oil mills during September totaled 139,000 tons, representing an increase of 73 per cent above receipts in August, but were about 42 per cent below the receipts for the same month a year earlier, reflecting the slow progress in the picking and ginning of cotton. Although total crushings in September showed a seasonal increase over August, the total was 49 per cent less than in September a year earlier. During September the production of cottonseed oil, cake and meal, hulls and linters, while showing sharp increases over August, averaged about 48 per cent below the production in September, 1943. Stocks of crude oil, cake and meal, hulls and linters on hand at Texas mills increased during September, but at the end of the month stocks of all products, with the exception of cake and meal, were sharply lower than those on September 30, 1943.

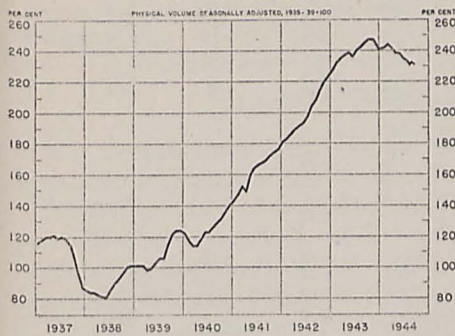
MONTHLY BUSINESS REVIEW

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NATIONAL SUMMARY OF BUSINESS CONDITIONS

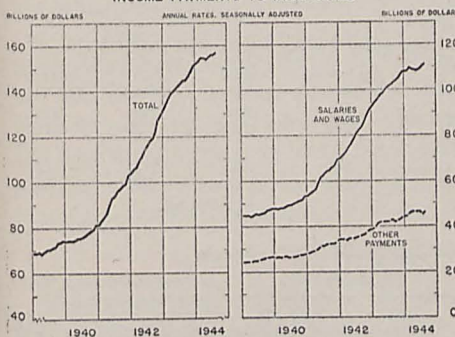
(Compiled by the Board of Governors of the Federal Reserve System)

INDUSTRIAL PRODUCTION



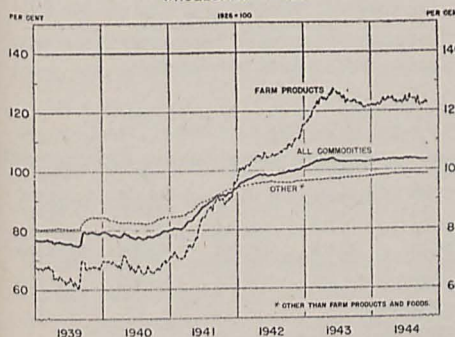
Federal Reserve index. Monthly figures, latest shown is for September.

INCOME PAYMENTS TO INDIVIDUALS



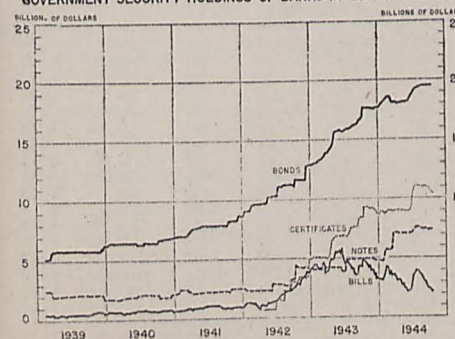
Based on Department of Commerce estimates. Wages and salaries include military pay. Monthly figures raised to annual rates, latest shown are for September.

WHOLESALE PRICES



Bureau of Labor Statistics' indexes. Weekly figures, latest shown are for week ending October 21, 1944.

GOVERNMENT SECURITY HOLDINGS OF BANKS IN LEADING CITIES



Excludes guaranteed securities. Data not available prior to February 8, 1939; certificates first reported on April 15, 1942. Wednesday figures, latest shown are for October 18, 1944.

Output at factories and mines in September and the early part of October was maintained close to the August level. Value of department store sales continued to show increases above last year. There were mixed movements in commodity prices with a sharp decline in the price of steel scrap.

INDUSTRIAL PRODUCTION

Industrial production in September was 231 per cent of the 1935-39 average, according to the Board's seasonally adjusted index, as compared with 232 in August and 230 in July.

Activity in most industries manufacturing durable goods showed slight decreases in September and there were further large declines in production of aluminum and magnesium. Steel output averaged 93.4 per cent of capacity, somewhat below the August rate, but showed an increase during the first 3 weeks of October. Easing of military demand for steel led to some increase in allocations for civilian production during the fourth quarter. Aircraft production and output in the automobile industry were maintained during September at the level of the preceding month.

Output of textile and leather products continued to increase in September from the reduced July level. Shoe production advanced to the highest rate reached since the spring of 1942. Output of manufactured food products, as a group, was maintained at the level of the preceding month after allowance for seasonal change. Butter production continued about 15 per cent below last year. Hog slaughter declined further in September, while cattle slaughter continued to increase more than is usual at this season and reached a record rate for the wartime period—about 50 per cent above the 1935-39 average. Beverage distilleries resumed production of alcohol for industrial purposes in September after turning out an exceptionally large amount of whiskey and other distilled spirits during August.

Crude petroleum production continued to rise in September, while output of coal and other minerals showed little change.

DISTRIBUTION

Department store sales in September showed about the usual large seasonal increase and were 14 per cent larger than a year ago. In the first half of October sales rose sharply and were 16 per cent above the high level that prevailed in the corresponding period last year, reflecting in part the greater volume of Christmas shopping prior to the overseas mailing deadline.

Carloadings of railway freight during September and the first half of October were slightly lower than a year ago owing to decreases in shipments of raw materials, offset in part by increased loadings of war products and other finished goods.

COMMODITY PRICES

Prices of grains and some other farm products were higher in the third week of October than in the early part of September and there were scattered increases during this period in wholesale prices of industrial products. Prices of steel scrap and nonferrous metal scrap, however, declined; steel scrap was reduced from ceiling levels by 3.40 dollars per ton, or 18 per cent, to the lowest prices offered since August, 1939.

AGRICULTURE

Crop production in 1944 will rank with 1942 when the largest production in history was harvested. Corn production is estimated at 3.2 billion bushels; this, together with other feed grains, wheat, and good pastures, will go far to prevent too rapid marketings of livestock. Commercial truck crops for the fresh market will not only exceed 1943 production but appear likely to exceed the 1942 record by about 11 per cent; deciduous fruit production is about 20 per cent above 1943, and citrus fruit production may equal or possibly exceed that of last year in spite of recent storm damage.

BANK CREDIT

Expenditures by the Treasury of funds received during the Fifth War Loan Drive continued in large volume during the latter half of September and the first half of October, and United States Government deposits at banks declined. Time deposits at weekly reporting banks in 101 leading cities rose by about 300 million dollars in the five weeks ended October 18, and demand deposits of business and individuals, which decreased somewhat in the latter part of September partly as a result of tax payments, increased again in October. Currency in circulation increased by 660 million dollars in the five weeks ended October 18. This unusually large outflow of currency may have been associated with purchases of overseas Christmas gifts during the period.

Reporting banks in 101 cities reduced their Government security holdings during the five weeks ended October 18 by about 900 million dollars. Treasury bill holdings declined by 370 million dollars and certificate holdings by 530 million. These sales were largely made to meet the currency drain and increased reserve requirements. During the same period the Reserve Banks purchased 680 million dollars in Government securities. Excess reserves continued to fluctuate during this period at a level of close to a billion dollars.

Commercial loans at weekly reporting banks increased steadily during September and early October. Loans to brokers and dealers in securities increased somewhat, reflecting in part large flotations of new corporate issues during the period. Loans to others for purchasing and carrying Government securities, although declining steadily, were in mid-October still about 280 million dollars above their pre-drive level in June.

CONDITION OF THE FEDERAL RESERVE BANK

(Thousands of dollars)

	October 15, 1944	October 15, 1943	Sept. 15, 1944
Total cash reserves.....	\$542,813	\$596,062	\$609,076
Discounts for member banks.....	150	52	175
Other bills discounted.....	None	16	None
United States Government securities.....	621,970	315,142	534,567
Total earning assets.....	622,120	315,210	534,742
Member bank reserve deposits.....	591,043	491,804	587,776
Federal Reserve Notes in actual circulation.....	508,688	373,282	492,862

CONDITION STATISTICS OF 33 MEMBER BANKS IN LEADING CITIES

(Thousands of dollars)

	October 11, 1944	October 13, 1943	Sept. 13, 1944
Total loans and investments.....	\$1,552,088	\$1,315,988	\$1,556,168
Total loans.....	341,033	329,931	334,884
Commercial, industrial, and agricultural loans.....	235,044	217,592	227,896
Loans to brokers and dealers in securities.....	2,176	6,175	2,245
Other loans for purchasing or carrying securities.....	38,814	24,774	41,535
Real estate loans.....	20,872	19,793	20,713
Loans to banks.....	190	127	214
All other loans.....	43,937	61,470	42,281
Total investments.....	1,211,055	986,057	1,221,284
U. S. Treasury bills.....	115,574	112,087	121,483
U. S. Treasury certificates of indebtedness.....	352,510	240,768	348,923
U. S. Treasury notes.....	217,793	144,977	218,419
U. S. Government bonds.....	459,644	379,173	467,423
Obligations guaranteed by United States Gov't.....	20,629	56,714	20,629
Other securities.....	44,905	52,338	44,407
Reserves with Federal Reserve Bank.....	330,940	279,688	329,628
Balances with domestic banks.....	232,907	247,843	260,769
Demand deposits—adjusted*.....	1,154,972	940,626	1,171,356
Time deposits.....	201,365	150,241	199,574
United States Government deposits.....	186,381	255,688	227,597
Interbank deposits.....	508,259	444,609	490,704
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)

	September 1944	September 1943	Pctg. change over year	August 1944	Pctg. change over month
Abilene.....	\$ 18,082	\$ 20,022	-10	\$ 17,608	+ 3
Amarillo.....	42,318	44,123	- 4	45,170	- 6
Austin.....	78,654	112,871	-30	74,603	+ 5
Beaumont.....	56,653	58,165	- 3	51,538	+10
Corpus Christi.....	50,569	50,247	+ 1	48,756	+ 4
Corsicana.....	6,372	7,612	-16	5,616	+13
Dallas.....	549,630	550,366	- 1	503,415	+ 9
El Paso.....	50,029	54,704	- 9	45,547	+10
Fort Worth.....	246,740	218,767	+13	205,233	+20
Galveston.....	43,960	52,879	-17	42,916	+ 2
Houston.....	522,846	519,684	+ 1	540,403	- 3
Laredo.....	10,920	11,200	- 3	11,148	- 2
Lubbock.....	26,007	26,154	- 1	23,690	+10
Monroe, La.....	19,221	21,027	- 9	16,815	+14
Port Arthur.....	22,103	24,664	-10	22,450	- 2
Roswell, N. M.....	7,496	8,107	- 8	7,548	- 1
San Angelo.....	15,389	16,883	- 9	13,843	+11
San Antonio.....	136,139	145,874	- 7	137,156	- 1
Shreveport, La.....	82,141	84,857	- 3	76,956	+ 7
Texarkana.....	20,145	19,416	+ 4	19,202	+ 5
Tucson, Ariz.....	25,689	29,422	-13	26,592	- 3
Tyler.....	21,960	21,293	+ 3	22,743	- 3
Waco.....	27,367	33,670	-19	26,183	+ 5
Wichita Falls.....	25,059	28,471	-12	25,144	- 1
Total—24 cities.....	\$2,105,489	\$2,160,478	- 3	\$2,010,275	+ 5

*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	Gross demand	Gross demand
	Time	Time	Time
September 1942.....	\$2,055,183	\$1,166,232	\$127,368
September 1943.....	3,041,896	1,629,896	147,579
May 1944.....	3,275,467	1,694,017	180,464
June 1944.....	3,361,412	1,749,241	184,628
July 1944.....	3,601,462	1,900,222	187,985
August 1944.....	3,655,893	1,925,789	192,204
September 1944.....	3,666,145	1,915,077	198,204
			1,750,468
			117,407

SAVINGS DEPOSITS

September 30, 1944

	Number of reporting banks	Number of savings depositors	Amount of savings deposits	Percentage change in savings deposits from
				Sept. 30, 1943
				August 31, 1944
Beaumont.....	3	11,571	\$ 5,827,443	+20.0
Dallas.....	8	102,693	45,963,662	+41.4
El Paso.....	2	24,353	14,091,427	+43.6
Fort Worth.....	3	35,627	21,423,668	+36.0
Galveston.....	4	20,937	15,234,140	+22.7
Houston.....	10	85,371	47,573,738	+28.0
Lubbock.....	2	822	530,064	+16.0
Port Arthur.....	2	5,419	4,022,457	+25.0
San Antonio.....	5	33,786	28,707,603	+32.1
Shreveport, La.....	3	29,632	17,394,393	+33.9
Waco.....	3	8,276	5,901,751	+28.0
Wichita Falls.....	3	6,844	3,890,073	+10.9
All other.....	58	53,994	35,361,920	+23.5
Total.....	106	419,325	245,930,339	+31.1
				+ 2.8

WHOLESALE AND RETAIL TRADE STATISTICS

	Number of reporting firms	Sept. 1944 from Sept. 1943	Percentage change in: Net sales	Jan. 1 to Sept. 30, 1944 from 1943	Stocks †
			Sept. 1944 from Sept. 1943	Aug. 1944	Sept. 1944 from Sept. 1943
Retail trade:					
Department stores:					
Total 11th Dist.....	49	+14	+17	+16	+ 3
Dallas.....	7	+18	+26	+22	+ 8
Fort Worth.....	4	+17	+17	+14	+14
Houston.....	7	+ 7	+14	+13	+ 7
San Antonio.....	5	+15	+ 9	+12	- 5
Shreveport.....	3	+10	+18	+18	....
Other cities.....	23	+15	+14	+13	- 8
Retail furniture:					
Total 11th Dist.....	63	+11	+ 7	....	- 3
Dallas.....	6	+28	+ 9	....	-20
Houston.....	7	+ 3	+22	....	+ 6
Port Arthur.....	4	-12	- 2	....	....
San Antonio.....	4	+10	+ 3	....	+11
Wichita Falls.....	3	+16	+20	....	+ 3
Independent stores:*					
Oklahoma.....	397	+16	+ 9	+12	....
Texas.....	990	+11	+12	+11	....
Wholesale trade:*					
Automotive supplies.....	5	+ 9	- 6	....	+24
Drugs.....	5	+ 4	- 7	+10	- 1
Groceries.....	25	- 1	+ 9	+ 5	+ 4
Hardware.....	14	+22	- 1	+ 7	+22
Surgical equipment.....	4	+16	- 6	+26	+ 4

*Compiled by United States Bureau of Census (wholesale trade figures preliminary).

†Stocks at end of month. †Change less than one-half of one per cent.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

	September 1944	August 1944	July 1944	September 1943
Sales (1935-1939=100)*				
Without seasonal adjustment.....	265	220	194r	232
With seasonal adjustment.....	241	250	266r	211
Stocks (1923-1925=100)				
Without seasonal adjustment.....	122	123	115	119
With seasonal adjustment.....	111	121	126	108

*Sales index revised.

r-Revised.

CRUDE OIL PRODUCTION—(Barrels)

	September 1944	August 1944	July 1944	September 1943
	Total production	Daily avg. production	Sept. 1943	August 1944
North Texas.....	7,395,500	246,517	+ 2,277	- 933
West Texas.....	15,083,300	502,776	+173,869	+17,826
East Texas.....	15,619,700	520,657	+10,467	+1,307
South Texas.....	10,212,300	340,410	+78,663	+18,760
Coastal Texas.....	16,275,800	542,527	+58,611	+7,327
Total Texas.....	64,586,600	2,152,887	+323,887	+44,287
New Mexico.....	3,182,900	106,097	- 1,676	- 901
North Louisiana.....	2,218,900	73,963	- 7,969	+ 239
Total District.....	69,988,400	2,332,947	+314,242	+43,625

SOURCE: Estimated from American Petroleum Institute weekly reports.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(Thousands of dollars)

	September 1944	September 1943	August 1944	January 1 to September 30, 1944	September 1943
Eleventh District—total..	\$ 17,265	\$ 10,346	\$ 16,456	\$ 123,884	\$ 287,608
Residential.....	404	3,364	515	20,028	71,663
All other.....	16,861	6,982	15,941	103,856	215,945
United States*—total.....	175,739	175,115	169,341	1,495,840	3,229,120
Residential.....	24,470	54,080	23,273	277,448	780,661
All other.....	151,269	121,035	146,068	1,218,392	2,448,459

*37 states east of the Rocky Mountain.

SOURCE: F. W. Dodge Corporation.

BUILDING PERMITS

	September 1944	Percentage change valuation from	Jan. 1 to Sept. 30, 1944	Percentage change valuation from 1943
	No.	Valuation	Sept. 1943	Aug. 1944
Abilene.....	12	\$ 12,325	+244	- 79
Amarillo.....	71	96,504	+115	-19
Austin.....	98	97,308	+ 51	+139
Beaumont.....	127	43,281	+ 73	- 71
Corpus Christi.....	114	137,109	- 7	- 32
Dallas.....	529	251,909	- 30	- 22
El Paso.....	43	69,518	+150	- 61
Fort Worth.....	239	293,616	- 61	- 1
Galveston.....	71	56,702	- 20	+413
Houston.....	219	676,739	+ 1	- 2
Lubbock.....	110	117,132	+329	+ 46
Port Arthur.....	60	16,762	+ 2	- 27
San Antonio.....	740	363,182	+ 22	- 25
Shreveport, La.....	176	277,783	+732	+174
Waco.....	58	43,333	+ 16	+ 77
Wichita Falls.....	28	20,007	+19	- 60
Total.....	2,693	\$2,576,190	- 1	- 9
			27,013	\$28,434,336
				+ 10

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