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RETAIL CREDIT SURVEY FOR 1951

Eleventh Federal Reserve District

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The Retail Credit Survey for 1951 represents the ninth annual survey of retail credit stores in this District conducted by the Federal Reserve Bank of Dallas. This survey is part of a national project in which all Federal Reserve banks participate. Stores included in the surveys for the various Federal Reserve districts are limited generally to independent stores and rather localized chains. National chains are included in the national summary, which is prepared by the Board of Governors of the Federal Reserve System and will appear in the Federal Reserve Bulletin *for June.*

The retail credit survey includes nine kinds of retail business in which credit sales comprise a substantial proportion of the total sales volume. The kinds of retail business covered are: automobile dealers and automobile tire and accessory, department, furniture, hardware, household appliance, jewelry, men's clothing, and women's apparel stores. It is estimated that these types of outlets do approximately half of the total credit business of all retail stores in the District.

More firms in the Eleventh Federal Reserve District participated in the Retail Credit Survey for 1951 than for any previous year. Reports were received from 766 firms operating 918 stores, with total sales of almost $650,000,000. The reporting stores were located in 132 cities distributed over all areas of the District.

The sales experience of retail credit stores in the Eleventh Federal Reserve District in 1951 reveals a thoroughly mixed pattern, although, on balance, sales moved up somewhat from the unusually high levels of the previous year. Of the nine lines covered in the Retail Credit Survey for 1951, six showed a higher average sales volume in that year than in 1950. The increases, however, were generally small, with the largest being the 7 percent reported by women's apparel stores. In two of the kinds of business in which sales averaged higher—furniture and hardware—a preponderance of the stores, nevertheless, had a smaller sales volume in 1951 than in 1950. Sales of automobile dealers and household appliance stores were noticeably lower than in the previous year. In general, stores dealing chiefly in soft goods made a better showing than those handling primarily durable goods. In view of the substantially higher level of prices prevailing in 1951, the physical volume of goods sold in practically all lines was actually somewhat lower than in 1950.

While the survey indicates a net increase in sales at retail credit stores, it fails to reveal the changes in merchandising practices which merchants were forced to adopt during 1951. An upward trend in sales, coupled with two episodes of war-scare buying, enabled merchants to relax somewhat their selling effort in 1950. As the scare-buying spree which developed at the end of 1950 became dissipated in the first quarter of 1951, merchants had to seek sales more aggressively in order to maintain volume. Advertising was stepped up noticeably, markdowns became frequent, and special promotions, widespread. Although sales were maintained successfully following the initial drop from the scare-inflated levels, the modest increases in volume in 1951 over 1950 were insufficient to offset the higher operating costs and narrower margins which prevailed. Consequently, 1951 was a less profitable year for merchants than the previous year.

The rather modest sales increases in some lines and the

SALES: PERCENTAGE CHANGE AND DISTRIBUTION

(By type of transaction and kind of business)

Kind of business	PERCENTAGE CHANGE, 1950–51				PERCENTAGE OF TOTAL SALES					
	Total sales	Cash sales	Charge account sales	Instalment sales	Cash		Charge account		Instalment	
					1951	1950	1951	1950	1951	1950
Department stores	4	5	8	—18	35	35	56	53	9	12
Men's clothing stores	3	—#	5	22	35	36	64	63	1	1
Women's apparel stores	7	3	9	16	35	36	62	61	3	3
Furniture stores	#	1	8	—2	17	17	23	21	60	62
Household appliance stores	—9	—11	2	—13	24	25	27	24	49	51
Hardware stores	3	1	2	12	47	48	42	42	11	10
Automobile dealers	—5	—13	8	—3	41	44	20	17	39	39
Automobile tire and accessory stores	—#	5	11	—7	41	39	14	13	45	48
Jewelry stores	4	—1	—8	13	32	33	18	21	50	46

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

decreases in others are somewhat surprising in view of the substantial increase in consumer disposable income under the impact of rising defense expenditures in this District. The increase in sales at women's apparel stores—the kind of business showing the largest increase in the survey—was only 7 percent, as compared with an estimated increase in disposable income for the District of around 10 percent. In fact, the proportion of income spent on goods and services in 1951 was smaller than in any other postwar year.

The war-scare buying in 1950 and the early part of 1951 undoubtedly was an important factor in the decrease in the proportion of consumer income spent last year. Many consumers satisfied not only their immediate needs but also their anticipated needs for months ahead. The scare-buying sprees probably contributed to the complete elimination of the deferred demand which had arisen in some lines during World War II. Moreover, substantial debts had been acquired which needed to be paid off, and consumers desired to build up savings accounts which had been drawn down. In addition, instalment credit controls which were imposed in the fall of 1950 tended to curtail buying—at least of the larger durable goods items. Some consumer resistance to the higher prices prevailing was evident, and drought conditions in some areas of this District had a depressing effect on sales.

Cash sales tended to form a smaller proportion of total sales at retail credit stores in 1951 than in 1950, continuing a trend which has been evident in the postwar years. The ratio of cash to total sales increased in only one of the nine lines surveyed—automobile tire and accessory stores—while decreases occurred in six of the lines. No change was evident in the proportion of cash sales at department and furniture stores. Although cash sales tended to be relatively less important in 1951, nevertheless, a little over half of the lines reported some absolute increase in their cash sales, with department and automobile tire and accessory stores experiencing the largest gain, both 5 percent. On the other hand, cash sales of household appliance stores and automobile dealers declined appreciably.

Charge account sales showed greater strength in 1951 than either cash or instalment sales. Increases in charge account sales were registered in eight of the nine kinds of business surveyed, and the ratio of charge account sales to total sales increased in seven and was unchanged in one. Moreover, the line experiencing a decrease in charge account sales—jewelry —is one in which this type of sale is of considerably less importance than cash or instalment sales.

SALES AND INVENTORIES: PERCENTAGE CHANGE

(By kind and location of business)

Kind of business by location	Number of stores	Percentage change, 1951	
		Total sales	Inventories
DEPARTMENT STORES			
Dallas	5	#	—1
Fort Worth	3	1	—6
Houston	3	15	1
San Antonio	3	—1	—8
Waco	3	#	—12
MEN'S CLOTHING STORES			
Houston	4	2	6
WOMEN'S APPAREL STORES			
Dallas	6	—1	27
Houston	5	7	—7
San Antonio	3	20	19
FURNITURE STORES			
Amarillo	6	11	—8
Austin	7	—15	—7
Beaumont	3	—8	—1
Corpus Christi	4	1	15
Dallas	6	—8	—4
El Paso	6	—4	—8
Fort Worth	5	—12	#
Houston	8	—#	2
Lubbock	4	—29	—15
Midland	4	4	55
San Angelo	3	8	—6
Shreveport	5	12	—12
Waco	6	—7	—8
Wichita Falls	6	6	—10
HOUSEHOLD APPLIANCE STORES			
San Antonio	3	7	—3
HARDWARE STORES			
Amarillo	3	20	25
Shreveport	3	#	#
AUTOMOBILE DEALERS			
Amarillo	3	10	17
Beaumont	3	5	—10
Corpus Christi	5	—7	—2
Dallas	12	—4	1
El Paso	3	2	17
Fort Worth	6	—35	1
Houston	7	—2	—7
Lubbock	7	8	7
Midland	4	—3	11
San Antonio	12	—3	9
Shreveport	7	—5	17
Texarkana	3	14	65
Waco	3	—1	4
Wichita Falls	4	—5	—2
JEWELRY STORES			
Amarillo	6	—8	8
Houston	5	—4	—2

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

The upward trend in instalment sales in the postwar period came to a halt in 1951, with most kinds of business in which instalment selling is relatively important showing declines. Altogether, five of the nine lines surveyed reported decreases in instalment sales, and jewelry stores were the only kind of business among the four experiencing increases in which instalment sales comprised a substantial share of the total volume. Accordingly, the proportion of instalment to total sales declined in most lines. The decline in instalment sales reflects, in part, the restrictive influence of instalment credit controls. Nevertheless, probably fully as important a factor in the decline was the reduced demand for many of the important items which are normally sold on an instalment basis, such as automobiles and major appliances.

Accounts Receivable

The increase in charge account sales in most kinds of retail business surveyed was accompanied by an expansion in charge account receivables. Furniture and department stores showed the largest increases in charge account receivables during the year, with gains of 13 percent and 10 percent, respectively, but four other lines surveyed also showed some increase in their charge accounts outstanding. The only line reporting an appreciable decrease in charge accounts outstanding was automobile tire and accessory stores. The increase in charge account receivables in such lines as men's clothing and department and furniture stores was due, in part, to a slowing in collections, as well as to an increase in charge account sales.

Instalment receivables outstanding among the lines surveyed showed a more noticeable decline in 1951 than the decrease in instalment sales. The drop in instalment credit, however, occurred entirely in four lines—department stores, automobile dealers, automobile tire and accessory stores, and household appliance stores. Instalment receivables of furniture stores at the end of 1951 were unchanged from a year earlier, while the remaining four lines surveyed reported increases in instalment receivables. The lines showing decreases, however, accounted for a substantially larger proportion of instalment credit than those showing increases. Although changes in instalment sales were of primary importance in the changes in instalment receivables occurring among the various kinds of retail business, larger down payments and shorter payout periods required under instalment credit controls undoubtedly contributed to the decline in instalment receivables of such businesses as department stores, automobile dealers, and household appliance stores.

ACCOUNTS RECEIVABLE: PERCENTAGE CHANGE AND INSTALMENT PAPER SALES

(By kind of business)

Kind of business	Percentage change in accounts receivable, 1951		Instalment paper sold as percentage of instalment sales	
	Charge account	Instalment	1951	1950
Department stores	10	—25	—	—
Men's clothing stores	7	6	—	—
Women's apparel stores	7	29	—	—
Furniture stores	13	#	26	23
Household appliance stores	—#	—6	62	65
Hardware stores	—1	12	49	56
Automobile dealers	5	—14	52	54
Automobile tire and accessory stores	—25	—21	43	26
Jewelry stores	5	15	—	—

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

Retailers appear to have financed a smaller proportion of their instalment sales through banks, finance companies, and others in 1951 than in the previous year. Automobile dealers, which account for the overwhelming proportion of instalment paper sales of the lines surveyed, sold instalment paper equivalent to about 52 percent of their instalment sales volume last year, as compared with 54 percent in 1950. Household appliance and hardware stores also sold a smaller amount of instalment paper in relation to their instalment sales, but furniture and automobile tire and accessory stores disposed of a larger amount. Other lines included in the survey retained the bulk of their paper in both 1951 and 1950.

Inventories

Inventories at the end of 1951 were not substantially different from a year earlier for two-thirds of the kinds of busi-

INVENTORIES: PERCENTAGE CHANGE AND TURNOVER

(By kind of business and size of store)

Kind of business	Percentage change in inventories, 1951	INVENTORY TURNOVER[1] All stores		Small stores		Medium stores		Large stores		Unclassified	
		1951	1950	1951	1950	1951	1950	1951	1950	1951	1950
Department stores	—3	4.4	4.1	—	—	4.6	4.4	4.3	4.0	—	—
Men's clothing stores	1	3.2	3.1	2.5	2.4	2.5	2.7	4.0	4.1	—	—
Women's apparel stores	4	4.1	4.0	3.4	3.4	3.8	3.3	6.3	5.4	—	—
Furniture stores	—3	2.7	2.6	2.6	2.7	2.8	2.8	2.4	2.3	3.3	2.9
Household appliance stores	—1	3.3	4.0	3.4	4.0	3.5	4.4	4.0	4.3	2.4	3.5
Hardware stores	10	2.4	2.5	2.2	2.3	2.3	2.5	2.8	2.8	—	—
Automobile dealers	11	9.5	11.2	6.5	7.8	7.2	8.9	10.4	12.2	7.1	8.5
Automobile tire and accessory stores	—15	5.9	5.0	2.2	2.4	3.3	3.7	6.8	5.7	6.1	4.8
Jewelry stores	#	1.3	1.3	1.0	1.0	1.5	1.4	2.1	1.8	—	—

[1] Turnover is the ratio of sales for the year to year-end inventory.

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

ness surveyed. Automobile dealers and hardware stores were the only lines reporting noticeable increases, and automobile tire and accessory stores, the only line reporting a noticeable decrease.

Since the survey data cover only year-end figures, however, they fail to reveal the broad movement in inventories which occurred during 1951. During the early weeks of the year retailers bought heavily in anticipation of a rising trend in sales, goods shortages in certain items involving critical materials, and further increases in prices. When consumer demand not only failed to rise but actually dropped to a lower level following the cessation of war-scare buying in the early weeks of the year, merchants found their inventories climbing. They took steps to reduce inventories shortly after the lull in consumer buying developed, but it was not until midyear that inventories began to move downward. Throughout the latter half of the year, retail inventories declined steadily as merchants sharply reduced inventory buying and aggressively sought to reduce inventories by clearance sales and special promotions.

By the end of the year, retailers in the majority of the lines surveyed had their inventories in a little better position in relation to sales than a year earlier. The larger stores appear to have been more successful in improving their inventory position than the smaller stores.

Automobile Dealers

The decline in sales of automobile dealers in 1951 marked the end of the sharply upward sales trend which had prevailed in this business throughout the postwar period. Sales of automobile dealers in this District were 5 percent lower in 1951 than in the previous year, although higher than in any other year on record. While the majority of dealers in all size groups experienced a lower volume of sales last year, the small dealers appear to have fared better than the medium- and large-size groups, with almost as many small dealers reporting increases as decreases.

The greatest weakness in dealers' sales was in cash sales, which dropped 13 percent. Instalment sales were down only 3 percent, and charge account sales actually increased 8 percent. Cash sales of dealers do not necessarily reflect the volume of cars being purchased on a cash basis, since frequently buyers paying cash obtain loans for car purchases from banks or other sources. Nevertheless, the considerably larger relative decline in cash sales than in instalment sales supports the thesis that the decline in the sales of automobile dealers in 1951 was not caused solely by the restrictive effects of instalment credit controls. Undoubtedly, Regulation W contributed to the decline in instalment sales, as well as to the decline in total sales of automobile dealers. On the other hand, the virtual elimination of the war-deferred demand for new automobiles by the end of 1950 was probably of equal importance in causing the 1951 sales volume to decline.

Accounts receivable outstanding of automobile dealers declined about 4 percent during 1951. This decline was entirely in instalment receivables, which were down 14 percent, since charge account receivables outstanding increased 5 percent. The changes in receivables outstanding reflect partly the changes in the charge account and instalment sales. Accentuating the decline in instalment receivables, however, were the larger down payments and shorter payout periods prevailing in 1951 under Regulation W. On the other hand, the decline in instalment receivables was moderated by the action of dealers in selling a smaller proportion of their instalment paper than in 1950.

AUTOMOBILE DEALERS

Number of Firms Reporting Increases and Decreases in Sales, Accounts Receivable, and Inventories, 1951

Size of firm[1]	Total sales		Accounts receivable		Inventories	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Small—Under $250,000	22	25	13	22	18	22
Medium—$250,000 to $500,000	17	41	23	31	35	21
Large—$500,000 and over	46	70	54	40	84	28
Unclassified[2]	3	6	2	5	8	1
Total	88	142	92	98	145	72

[1] According to 1951 sales volume.

[2] Includes firms operating multiple units, for which consolidated statements were given.

Inventories of automobile dealers at the end of 1951 were about 11 percent higher than a year earlier. It should be borne in mind in this comparison, however, that dealers' stocks at the end of 1950 were depleted by a surge of scare buying, whereas sales at the end of 1951 had slumped to the lowest level in several years. Nevertheless, stocks at the end of last year were still not high by prewar standards. Although the inventory turnover of most dealers was lower last year than in the previous year, the larger dealers continued to have a faster turnover, on the average, than the smaller dealers.

Automobile Tire and Accessory Stores

Automobile tire and accessory store sales showed little change from 1950 to 1951. A decline in instalment sales was offset by increases in cash and charge account sales. Medium-size firms appear to have had a more favorable sales experience than either small- or large-size firms.

Accounts receivable of automobile tire and accessory stores declined markedly last year, with charge account receivables off 25 percent and instalment receivables off 21 percent. While shorter collection periods were important in the declines in

AUTOMOBILE TIRE AND ACCESSORY STORES

Number of Firms Reporting Increases and Decreases in Sales, Accounts Receivable, and Inventories, 1951

Size of firm[1]	Total sales		Accounts receivable		Inventories	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Small—Under $50,000	5	5	3	2	7	3
Medium—$50,000 to $100,000	13	8	10	2	14	6
Large—$100,000 and over	19	17	7	27	14	21
Unclassified[2]	4	4	0	5	1	7
Total	41	34	20	36	36	37

[1] According to 1951 sales volume.
[2] Includes firms operating multiple units, for which consolidated statements were given.

charge account and instalment receivables, the latter was also affected by a decrease in sales. In addition, a substantial increase in the proportion of instalment paper sold by automobile tire and accessory stores contributed to the decline in instalment receivables.

Inventories of automobile tire and accessory stores at the end of 1951 were noticeably lower than a year earlier. Correspondingly, the average inventory turnover by this type of store was somewhat higher last year than in the previous year. This improved inventory picture, however, is influenced heavily by developments among the large firms. A preponderant number of the small- and medium-size firms reported higher inventories and a lower turnover.

Department Stores

Strong first and fourth quarters enabled department store sales in 1951 to reach a new high, exceeding the record of the previous year by 4 percent. Increases in soft goods sales were primarily responsible for the over-all sales gain of the stores. Sales of durable goods were generally lower, with major appliance sales dropping to the lowest level since 1946. Charge account sales, which consist largely of soft goods sales, reflect the sales gain made in this type of goods; charge account sales were 8 percent higher than in 1950. On the other hand, instalment sales, which tend to reflect the sales of "big ticket" durable goods items, were down 18 percent. Cash sales showed a moderate increase of 5 percent.

DEPARTMENT STORES

Number of Firms Reporting Increases and Decreases in Sales, Accounts Receivable, and Inventories, 1951

Size of firm[1]	Total sales		Accounts receivable		Inventories	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Small—Under $1,000,000	1	0	1	0	0	1
Medium—$1,000,000 to $10,000,000	10	5	7	8	5	10
Large—$10,000,000 and over	7	5	7	5	3	9
Unclassified[2]	1	0	1	0	1	0
Total	19	10	16	13	9	20

[1] According to 1951 sales volume.
[2] Includes firms operating multiple units, for which consolidated statements were given.

Charge account sales last year comprised a larger proportion of total sales than in any previous year since 1941. The ratio of charge account to total sales was 56 percent, as compared with 53 percent in 1950. Meanwhile, instalment sales formed a smaller share of the total sales, declining from 12 percent in 1950 to 9 percent in 1951. The ratio of cash to total sales was unchanged, at 35 percent.

Total accounts receivable of district department stores showed a small decline last year, as a 25-percent drop in instalment receivables more than offset a gain of 10 percent in charge accounts outstanding. Charge account collections were slower, continuing a tendency which has been evident throughout the postwar period. The average collection period rose from 60 days in 1950 to 62 days in 1951, but at this level it was still substantially higher than in the immediate prewar years. The average payout period on instalment receivables, however, declined noticeably, reflecting the influence of Regulation W. The average collection period on instalment receivables in 1951 was 10 months, as compared with 13 months in the previous year.

Department store inventories rose appreciably during the first half of last year but then registered a corresponding decline in the latter half, with the result that year-end inventories were a little lower than 12 months earlier. At midyear, department stores were overinventoried in most lines, but by the end of the year the inventory readjustment had been largely completed and stocks bore a desired relationship to sales except in a few categories, such as major appliances, in which inventories were still considered too high.

Furniture Stores

Total sales for 1951 at furniture stores surveyed were practically unchanged from 1950. Monthly data collected by this bank indicate that, with the exception of the scare-buying month of January, furniture store sales tended to lag behind year-earlier levels during the first 9 months of 1951. A marked upturn in the last 3 months of the year, however, enabled the furniture store trade to equal the high level of 1950. It will be noted that the large stores had more success in maintaining their volume than the medium and small stores. More than three-fifths of the small stores failed to equal their previous year's sales. Instalment sales, which comprised about 60 percent of total sales, showed a small decline last year, while cash sales were up a little. A noticeable increase occurred in charge account sales.

Accounts receivable of furniture stores at the end of last year were about 2 percent higher than a year earlier. The increase was entirely in charge account receivables, since instalment receivables showed no change. Furniture stores held a smaller proportion of their instalment paper than in the previous year.

FURNITURE STORES

Number of Firms Reporting Increases and Decreases in Sales, Accounts Receivable, and Inventories, 1951

Size of firm[1]	Total sales		Accounts receivable		Inventories	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Small—Under $200,000	37	56	29	33	50	32
Medium—$200,000 to $500,000	16	20	10	11	12	17
Large—$500,000 and over	10	11	4	9	12	8
Unclassified[2]	8	5	3	7	4	9
Total	71	92	46	60	78	66

[1] According to 1951 sales volume.
[2] Includes firms operating multiple units, for which consolidated statements were given.

Furniture store inventories, after rising for the first 4 months of the year, showed an uninterrupted decline in the succeeding 8 months and at the end of the year were down 3 percent from a year earlier. While the large stores were able to increase their inventory turnover slightly, medium and small stores showed no change in inventory turnover.

Hardware Stores

Sales at hardware stores were up about 3 percent, with cash and charge account sales showing small increases and instalment sales up noticeably. Instalment sales, nevertheless, comprised only a small part of total sales, amounting to only 11 percent in 1951, as compared with 47 percent for cash sales and 42 percent for charge account sales. Accounts receivable outstanding rose moderately as a result of a 12-percent increase in instalment receivables; charge accounts outstanding at the end of the year were 1 percent lower than a year earlier. Hardware stores showed one of the largest increases in inventories of any of the lines surveyed, with year-end stocks 10 percent higher than a year previous. The general nature of this rise in inventories is indicated by the fact that almost three-fourths of the stores included in the survey reported increases in their inventories.

HARDWARE STORES

Number of Firms Reporting Increases and Decreases in Sales, Accounts Receivable, and Inventories, 1951

Size of firm[1]	Total sales		Accounts receivable		Inventories	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Small—Under $100,000	10	17	11	12	17	8
Medium—$100,000 to $500,000	13	12	9	11	18	6
Large—$500,000 and over	3	1	2	2	3	1
Unclassified[2]	1	1	2	0	2	0
Total	27	31	24	25	40	15

[1] According to 1951 sales volume.
[2] Includes firms operating multiple units, for which consolidated statements were given.

Household Appliance Stores

Household appliance stores made the least favorable showing last year of any major kind of retail business, after having had one of the most outstanding sales records of any segment of retail trade in previous postwar years. Total sales of reporting stores were down 9 percent, with more than two-thirds of the firms experiencing a smaller volume in 1951 than in the previous year. The decline in total sales was concentrated in the cash and instalment categories, for charge account sales actually showed a small increase.

HOUSEHOLD APPLIANCE STORES

Number of Firms Reporting Increases and Decreases in Sales, Accounts Receivable, and Inventories, 1951

Size of firm[1]	Total sales		Accounts receivable		Inventories	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Small—Under $100,000	8	20	9	11	12	13
Medium—$100,000 to $250,000	6	15	6	8	14	7
Large—$250,000 and over	6	6	4	4	5	5
Unclassified[2]	2	4	1	1	4	2
Total	22	45	20	24	35	27

[1] According to 1951 sales volume.
[2] Includes firms operating multiple units, for which consolidated statements were given.

Among the factors which were responsible for the decline in sales were: the virtual elimination of the war-deferred demand; the war-scare buying of the previous year, which borrowed sales from last year; a noticeable reduction in family formation; an approaching saturation of the market for some household appliance items; and more stringent credit terms under instalment credit controls. Of course, the reduced production of many items required by the diversion of materials to armament uses would have tended to reduce household appliance store sales, but the supply was more than adequate to meet the existing demands.

Charge account receivables at the end of the year were practically unchanged from a year earlier, but instalment receivables were 6 percent lower. The decline in instalment receivables would have been greater except for the fact that the stores retained a larger proportion of their instalment paper than in the previous year. Although a majority of the firms indicated increases in inventories for the year, year-end aggregate inventories of the reporting firms were slightly lower than a year previous. Most stores revealed a reduction in their rate of inventory turnover.

Jewelry Stores

A marked increase in instalment sales enabled jewelry stores to post a 4-percent gain in total sales over the previous year. Cash sales at jewelry stores were down slightly, while charge account sales declined noticeably. Instalment sales enhanced their position as the dominant type of sales at jewelry stores, rising from 46 percent of the total in 1950 to 50 percent last year. The proportion of charge account sales declined 3 percentage points, to 18 percent; and the proportion of cash sales was down one percentage point, to 32 percent. In regard to the rise in instalment sales, it should be noted that jewelry is not subject to instalment credit controls.

JEWELRY STORES

Number of Firms Reporting Increases and Decreases in Sales, Accounts Receivable, and Inventories, 1951

Size of firm[1]	Total sales		Accounts receivable		Inventories	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Small—Under $100,000	15	15	17	4	18	11
Medium—$100,000 to $500,000	8	4	7	1	7	5
Large—$500,000 and over	2	1	3	0	0	3
Unclassified[2]	0	1	1	0	1	0
Total	25	21	28	5	26	19

[1] According to 1951 sales volume.
[2] Includes firms operating multiple units, for which consolidated statements were given.

Increases in accounts receivable outstanding were more prevalent among jewelry stores than in any other kind of retail business surveyed; 28 jewelry firms reported increases in their accounts receivable outstanding during 1951, while only five indicated decreases. Total accounts receivable outstanding at the end of the year were 13 percent higher than a year earlier, with instalment receivables up 15 percent and charge accounts outstanding up 5 percent. While total inventories of all reporting stores were practically unchanged for the year, the smaller stores tended to have a higher year-end inventory, and the larger stores, a lower inventory.

Men's Clothing Stores

With credit sales up moderately, men's clothing stores in the District rose 3 percent in 1951, to reach a new high. Charge account sales—the predominant type of sale in men's clothing stores—were 5 percent higher than in 1950 and increased their share of total sales one percentage point, to 64 percent last year. Although instalment sales showed a sharp gain, they continued negligible in the men's clothing business. Cash sales were practically unchanged. Accounts receivable at the end of the year were about 7 percent higher than a year earlier, while year-end inventories were about 1 percent higher. The average inventory turnover for small stores increased a little in 1951, but medium and large stores experienced small decreases in their inventory turnover.

MEN'S CLOTHING STORES

Number of Firms Reporting Increases and Decreases in Sales, Accounts Receivable, and Inventories, 1951

Size of firm[1]	Total sales		Accounts receivable		Inventories	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Small—Under $250,000	20	12	20	7	16	15
Medium—$250,000 to $1,000,000	6	0	6	0	4	0
Large—$1,000,000 and over	2	2	2	2	2	2
Unclassified[2]	1	1	1	1	0	2
Total	29	15	29	10	22	19

[1] According to 1951 sales volume.
[2] Includes firms operating multiple units, for which consolidated statements were given.

Women's Apparel Stores

Women's apparel stores posted the best sales record of any of the nine lines surveyed, with 1951 sales 7 percent higher than in the previous year. This favorable sales picture represents an improvement over the previous year, when the consumer was placing greater emphasis on durable goods. Both cash and credit sales rose at women's apparel stores during 1951, but the 9-percent gain in charge account sales was the principal factor in the increase in the over-all sales volume. The ratio of charge account sales to total sales increased from 61 percent in 1950 to 62 percent last year. While cash sales increased 3 percent, they comprised a slightly smaller proportion of total sales than in the previous year, amounting to about 35 percent.

WOMEN'S APPAREL STORES

Number of Firms Reporting Increases and Decreases in Sales, Accounts Receivable, and Inventories, 1951

Size of firm[1]	Total sales		Accounts receivable		Inventories	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Small—Under $250,000	19	17	14	11	15	16
Medium—$250,000 to $1,000,000	10	3	8	5	6	7
Large—$1,000,000 and over	2	1	3	0	2	1
Unclassified[2]	1	1	2	0	1	1
Total	32	22	27	16	24	25

[1] According to 1951 sales volume.
[2] Includes firms operating multiple units, for which consolidated statements were given.

Accounts receivable of women's apparel stores moved moderately higher. Charge accounts outstanding at the end of the year were 7 percent higher than on the same date of the previous year. The smaller increase in charge account receivables as compared with charge account sales indicates some reduction in the average collection period.

Although year-end inventories of women's apparel stores, in the aggregate, were about 4 percent higher than at the end of 1950, the reporting firms were divided about equally between those showing year-to-year increases in inventories and those having decreases. The medium-size and large stores succeeded in increasing their inventory turnover in 1951, but small stores showed no change.

REVIEW OF BUSINESS, INDUSTRIAL, AGRICULTURAL, AND FINANCIAL CONDITIONS

DISTRICT SUMMARY

A gradual increase in nonfarm employment in the Eleventh Federal Reserve District continues, supported principally by seasonal factors and growing defense activity. Crude oil production declined slightly in April from the record levels of February and March because of a cutback in Texas allowables. Meanwhile, stocks of crude oil and major refined products in the District were substantially higher at the end of March than a year earlier. Refinery activity reached a record high level. The value of construction contract awards in the District in March was 13 percent over a year earlier, although first-quarter awards were off 21 percent from a year ago.

Crop prospects for the District in 1952 are generally good, due to the widespread rains received in April, although scattered areas, including the Lower Valley and some South Plains counties, continue dry.

Farmers have succeeded in preparing most of the land to be used for crops this year, and planting operations are proceeding generally satisfactorily except for delays caused by unfavorable moisture conditions. Winter wheat production in the District this year is expected to be far below average but still larger than the short crop of last year. Grazing lands in the eastern half of the District are providing good grazing; livestock marketings continue heavy, with meat production up substantially. Also, production of milk, eggs, and poultry is running above a year ago. Farm commodity prices have experienced further losses.

Pre-Easter sales at department stores in the District this year set an all-time record; in the 2 weeks ended April 12, retail sales rose 6 percent over the previous record established in the two pre-Easter weeks last year. First-quarter sales, however, were down 4 percent from a year ago. Weekly sales in most weeks of the first quarter were below comparable weeks of 1951. The distribution of sales between cash, charge account, and instalment account was not significantly different in March from a year ago; payout periods have been shortened. Department store stocks at the end of March were slightly below year-earlier figures, while the ratio of total-store stocks to sales showed little change. Furniture store sales in March were up 2 percent from the same month in 1951, while stocks were down 17 percent and accounts receivable were virtually unchanged.

In the 5 weeks ended April 23, total loans and investments of weekly reporting member banks in the larger cities of the District increased, while deposits declined. A decrease of 1 percent in commercial, industrial, and agricultural loans was more than offset by increases in other categories, including consumer-type loans and loans to banks. Investments rose 3 percent, reflecting principally an expansion of holdings of Treasury bills. Deposits fell 2.6 percent, although they were still 10 percent above a year earlier; meanwhile, time deposits rose 2 percent during the 5-week period. To meet the deposit losses, the weekly reporting banks drew down their reserves with the Federal Reserve Bank and reduced balances with other domestic banks.

BUSINESS

Pre-Easter sales at department stores in the Eleventh Federal Reserve District set an all-time record. In the 2 weeks ended April 12, retail sales exceeded those for the 2 weeks preceding Easter last year by 6 percent and were 8 percent above pre-Easter sales in 1950.

In the first quarter of 1952, sales each week showed a lower dollar volume than in comparable weeks of 1951, with the exception of 2 weeks in February, when very unfavorable weather last year discouraged shoppers, and the last week in March. Cumulative sales for January and February were 2 percent below last year, despite the fact that February 1952 had one extra business day. The deficit in cumulative sales widened during March and stood at minus 4 percent at the end of the first quarter. It should be noted, however, that in the first 3 months of 1951 the continuation of scare buying, the earlier date of Easter, and other factors contributed to the highest sales volume for any first quarter ever recorded in this District.

RETAIL TRADE STATISTICS

(Percentage change)

Line of trade by area	NET SALES: March 1952 from March 1951	NET SALES: March 1952 from Feb. 1952	NET SALES: 3 mo. 1952 comp. with 3 mo. 1951	STOCKS[1]: March 1952 from March 1951	STOCKS[1]: March 1952 from Feb. 1952
DEPARTMENT STORES					
Total Eleventh District	—6	18	—4	—10	7
Corpus Christi	6	18	11	#	9
Dallas	—11	13	—8	—12	3
El Paso	—5	11	—4	—9	3
Fort Worth	—9	17	—7	—8	10
Houston	—3	22	1	—11	11
San Antonio	—3	22	#	—12	5
Shreveport, La.	—1	25	3	1	6
Waco	7	14	9	—3	3
Other cities	—9	20	—10	—7	6
FURNITURE STORES					
Total Eleventh District	2	7	—	—17	4
Austin	8	27	—	—12	14
Dallas	17	4	—	—13	—3
Houston	30	6	—	—	—
Port Arthur	7	19	—	—27	—1
San Antonio	17	3	—	—	—
Shreveport, La.	—4	9	—	—22	3
Wichita Falls	—13	#	—	—16	6
HOUSEHOLD APPLIANCE STORES					
Total Eleventh District	—18	17	—	—	—
Dallas	—24	15	—	—	—

[1] Stocks at end of month.
# Indicates change of less than one-half of 1 percent.

Beginning with the last week in March, the weekly sales volume rose above the corresponding 1951 level and showed gains through the week ended April 19, the latest week for which data are available. On that date, cumulative department store sales in this District were more favorable in comparison with the same period last year than they were in any other Federal Reserve district; sales were off only 1 percent, compared with a decline of 7 percent for the United States.

An analysis of department store operations for the month of March indicates that 34 percent of the sales were for cash, while 55 percent represented regular charge account sales, and 11 percent went to instalment accounts. This distribution of sales is not significantly different from a year ago. Collection ratios during March indicate an average payout period of slightly more than 10 months on instalment accounts and approximately 61 days on charge accounts. Compared with last year, these payout periods reflect a decrease of approximately 2 months for instalment accounts and virtually no change for charge accounts. At the end of March, instalment accounts receivable and charge accounts receivable were off 20 percent and 1 percent, respectively, from the end of March last year.

WHOLESALE TRADE STATISTICS

Eleventh Federal Reserve District

(Percentage change)

Line of trade	NET SALESp			STOCKS[1]p	
	March 1952 from		3 mo. 1952 comp. with 3 mo. 1951	March 1952 from	
	March 1951	February 1952		March 1951	February 1952
Automotive supplies	−36	10	−29	—	—
Drugs and sundries	−2	−3	—	5	6
Dry goods	−14	−3	−21	−32	−3
Grocery (full-line wholesalers not sponsoring groups)	2	−5	5	−4	4
Hardware	−17	−#	−20	4	2
ndustrial supplies	25	13	4	25	15
Metals	45	30	—	13	18
Tobacco products	−1	−5	5	−4	9
Wines and liquors	4	16	−1	−34	−1
Wiring supplies, construction materials distributors	−8	−12	−3	8	6

[1] Stocks at end of month.
p—Preliminary.
# Indicates change of less than one-half of 1 percent.
SOURCE: United States Bureau of the Census.

Consistent with a conservative policy, inventories at the end of each month this year, including March, were slightly below year-ago figures; and the total-store ratios of stocks to sales were about the same or at a slightly lower level. Stocks at the beginning of March were 3.22 times sales during the month, compared with 3.24 a year ago.

Furniture store sales in this District during March rose approximately 7 percent above February and showed a 2-percent gain over March 1951. Sales for the first quarter of 1952 were 3 percent above last year, despite the sag that occurred in January following the heavy buying during the fourth quarter of 1951. Although credit sales were at a higher level than last year, accounts receivable at the end of March

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

(1947–49=100)

Area	UNADJUSTED				ADJUSTED[1]			
	Mar. 1952	Feb. 1952	Jan. 1952	Mar. 1951	Mar. 1952	Feb. 1952	Jan. 1952	Mar. 1951
SALES—Daily average								
Eleventh District	105	93	95	108	115	115	122	112
Dallas	102	94	94	111	108	111	122	113
Houston	116	100	104	116	129	128	134	122
STOCKS—End of month								
Eleventh District	128p	120	112	142r	121p	122	124	134r

[1] Adjusted for seasonal variation.
p Preliminary.
r Revised.

were virtually unchanged from a year ago. Inventories at the end of March were up 4 percent from the previous month, in line with the current sales pattern, but were 17 percent lower than at the end of March last year.

The atmosphere for retail trade appears good. Personal income in February was at an annual rate of \$257,000,000,-000, or about 5.5 percent above the annual rate of a year earlier. More than 90 percent of the increase was in salaries and wages. The rise in income and the fractional decline from January in the consumers' price index, together with the continued high level of employment, are factors conducive to a strong potential consumer demand.

Prospects for the 1952 crop season were improved further by general rains over most of the District during April, although showers received in the Lower Valley and some South Plains counties were insufficient to break the drought. Farmers have succeeded in preparing most of the land intended for crop production this year. Planting of such summer crops as corn, cotton, rice, grain sorghums, peanuts, and vegetables is making good progress, although delays have been caused in some sections by a lack of moisture and in other areas by wet fields.

WINTER WHEAT PRODUCTION

(In thousands of bushels)

State	Average 1941—50	1951	1952 Indicated April 1
Arizona	571	572	550
New Mexico	3,800	786	945
Oklahoma	71,737	38,902	79,820
Texas	60,347	17,307	34,600
Total	136,455	57,567	115,915

SOURCE: United States Department of Agriculture.

The Texas winter wheat crop is forecast by the Bureau of Agricultural Economics at 34,600,000 bushels—far below the 1941-50 average of more than 60,000,000 bushels and the record 1947 crop of 124,000,000 bushels; however, this year's crop is approximately double the extremely short crops of the past 2 years. The Oklahoma winter wheat crop is forecast at 79,820,000 bushels, which is about double the crop last year and better than the 10-year average for the State. Wheat in Texas and Oklahoma has suffered losses due to wind, dust storms, drought, red spider, and wheat mites, as well as low temperatures. In the important High Plains area, wheat generally came through the winter with better root development than in either of the past 2 years, but subsoil and surface moisture has been deficient and growth has been slow.

The over-all outlook for cotton production in the District this year is still not particularly favorable, although private surveys have indicated that a large acreage will be planted. Crop conditions in the Lower Rio Grande Valley range from poor to good; farmers did not plant all the intended acreage because of inadequate moisture. With more than half a million acres of cotton up by mid-April, boll weevils were already attacking the crop. The cotton crop in some Coastal Bend counties generally is getting off to a fair start, although the crop in some fields has been lost to the drought. Farmers in the Lubbock area operated their irrigation wells during much of April in an effort to get their cotton land in condition to plant.

Production of early spring onions in south Texas is estimated at 3,686,000 sacks, compared with the short crop of 2,024,000 sacks in 1951. Preliminary reports on late spring onions indicate that Texas farmers will have only about 8,900 acres in 1952, compared with 16,000 acres last year, since favorable moisture conditions did not develop soon enough to stimulate growers' interest in onion production. The early spring Irish potato crop in Texas promises to be the shortest on record; acreage is smaller than in any year since 1919, and below-average yields are expected. North Texas onions and east Texas tomatoes are making fair to good progress, with soil moisture adequate to excessive.

Citrus fruit trees in the Lower Rio Grande Valley have developed new wood growth since the February 1951 freeze, but irrigation water has been critically short. Damage from the late February 1952 frost was limited to the loss of a few early blossoms; buds were uninjured, and trees put out blooms in March.

The condition of ranges and pastures in the District reflects principally the moisture supply situation of the past several months. Clover and rescue grass are furnishing abundant green feed over the eastern part of the District and are developing in counties in the central part of the area. Late April rains are expected to stimulate growth of green feed over most of the remainder of the District. However, supplementary feeding is still required in many western areas. The drain imposed on feed reserves is reflected in recent reports on stocks of grains on farms, which show that combined farm holdings of corn, wheat, barley, and oats on farms in the District on April 1, 1952, were 34 percent below a year earlier and 68 percent below average for this date.

LIVESTOCK RECEIPTS

(Number)

Class	FORT WORTH MARKET March 1952	FORT WORTH MARKET March 1951	FORT WORTH MARKET February 1952	SAN ANTONIO MARKET March 1952	SAN ANTONIO MARKET March 1951	SAN ANTONIO MARKET February 1952
Cattle	27,484	26,432	25,195	20,882	14,907	19,385
Calves	9,358	6,881	12,229	13,746	18,179	13,053
Hogs	93,792	75,617	88,776	5,250	8,592	6,311
Sheep	43,459	37,719	34,615	[1]10,431	[1]10,092	[1]7,448

[1] Includes goats.

Livestock marketings in the District continue rather heavy, although the movement to market has been irregular. During the 4 weeks ended April 12, receipts of cattle on the Fort Worth market were up 13 percent as compared with a year earlier, while calf receipts were up 6 percent, hogs 9 percent, and sheep and lambs 56 percent. Commercial meat production in Texas during the first quarter was sharply above that of the corresponding period in 1951.

Milk production in Texas in the first quarter of 1952 totaled an estimated 859,000,000 pounds, or fractionally more than in the same period last year. Egg production in the State for the first quarter reached 856,000,000, or about 100,000,000 above a year earlier; egg production is up in Oklahoma and Louisiana, also. The broiler producing industry in Texas continues to expand rapidly, with placement of broiler chicks on farms from January 1 to April 15 totaling more than 23,000,000 chicks, compared with about 17,000,000 in the corresponding period in 1951.

FARM COMMODITY PRICES

Top Prices Paid in Local Southwest Markets

Commodity and market	Unit	Week ended April 24, 1952	Comparable week last month	Comparable week last year
COTTON, Middling 15/16-inch, Dallas	lb.	$ .4095	$ .4145	$ .4477
WHEAT, No 1 hard, Fort Worth	bu.	2.74¾	2.77	2.70½
OATS, No 2 white, Fort Worth	bu.	1.13½	1.15¾	1.16¼
CORN, No. 2 yellow, Fort Worth	bu,	2.12¼	2.16¼	2.00¼
SORGHUMS, No. 2 yellow milo, Fort Worth.	cwt.	3.20	3.18	2.65
HOGS, Choice, Fort Worth	cwt.	18.00	17.75	22.00
SLAUGHTER STEERS, Choice, Fort Worth	cwt.	36.00	34.00	37.00
SLAUGHTER CALVES, Choice, Fort Worth	cwt.	34.50	34.00	37.00
STOCKER STEERS, Choice, Fort Worth	cwt.	35.00	32.50	41.00
SLAUGHTER LAMBS, Choice, Fort Worth	cwt.	29.00	27.00	36.00
HENS, 4 pounds and over, Fort Worth	lb.	.23	.23	—
FRYERS, Commercial, Fort Worth	lb.	.27	.28	—
BROILERS, South Texas	lb.	.25	.27	—
EGGS, Current Receipts, Fort Worth	case	9.50	9.30	—

Farm commodity prices continue to drift downward, extending the decline that has been under way since last November. The March index of farm commodity prices in Texas was 345 (1910-14=100), compared with 396 a year earlier. During April there were further declines in prices of wheat, most feed grains, poultry, dairy products, wool, and some classes of livestock. On the other hand, the cotton and rice markets strengthened somewhat under the influence of a good export demand. Farm commodity prices in the District in late April averaged about 15 percent below the record high of April 1951.

Between March 19 and April 23, changes in the principal categories of assets and liabilities of the weekly reporting member banks in the larger cities of the District included an increase in total investments and decreases in commercial, industrial, and agricultural loans, cash and balances, and deposits. Reflecting principally the effects of the rather large reduction in deposits during the 5 weeks, total assets declined $92,922,000, or 2 percent, to a total of $4,238,297,000 on April 23.

Commercial, industrial, and agricultural loans declined $13,383,000, or slightly more than 1 percent, during the 5 weeks as a result of the seasonal reduction of cotton and other commodity loans and a somewhat smaller amount of liquidation of outstanding bank borrowings by public utilities and manufacturing firms in most lines, particularly food and liquor establishments. Construction firms, sales finance companies, and wholesale and retail trade establishments were net borrowers on balance. The decrease in commercial, industrial, and agricultural loans—a notably larger reduction than in the comparable weeks of last year—was slightly more than offset, however, by the expansion in other categories, with the result that total loans rose fractionally. Loans to banks and "all other" loans, which include consumer-type loans, showed the larger increases.

CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	April 23, 1952	April 25, 1951	March 19, 1952
Total loans (gross) and investments	$2,902,921	$2,632,084	$2,862,715
Total loans—Net[1]	1,543,299	1,462,043	1,542,286
Total loans—Gross	1,559,620	1,478,308	1,558,559
Commercial, industrial, and agricultural loans	1,071,565	1,013,307	1,084,948
Loans to brokers and dealers in securities	7,760	9,409	7,915
Other loans for purchasing or carrying securities	58,966	58,518	57,541
Real estate loans	116,301	123,716	114,635
Loans to banks	8,525	1,738	549
All other loans	296,503	271,620	292,971
Total investments	1,343,301	1,153,776	1,304,156
U. S. Treasury bills	224,034	55,256	184,754
U. S. Treasury certificates of indebtedness	161,693	0	167,112
U. S. Treasury notes	175,452	346,594	177,912
U. S. Government bonds (inc. gtd. obligations)	614,453	584,574	609,464
Other securities	167,669	167,352	164,914
Reserves with Federal Reserve Bank	524,130	501,884	591,779
Balances with domestic banks	373,836	337,645	489,700
Demand deposits—adjusted[2]	2,275,613	2,159,738	2,412,725
Time deposits except Government	460,795	422,167	451,817
United States Government deposits	100,937	107,921	76,284
Interbank demand deposits	728,056	596,783	789,298
Borrowings from Federal Reserve Bank	20,250	1,310	0

[1] After deductions for reserves and unallocated charge-offs.
[2] Includes all demand deposits other than interbank and United States Government, less cash items reported as on hand or in process of collection.

Investments at weekly reporting member banks rose $39,145,000, or 3 percent, and on April 23 amounted to $1,343,301,000, which represents 46 percent of the total loans and investments of these banks. The expansion of holdings of Treasury bills accounted for slightly more than the increase in the investment portfolios, since the reductions of investments in Treasury certificates of indebtedness and notes were approximately offset by increases in Government bonds and the securities of states, municipalities, and other local governments.

Deposits declined rather sharply during the 5 weeks, with the over-all reduction amounting to $105,225,000, or 2.6 percent. At this lower level on April 23, total deposits were about 10 percent above the comparable year-earlier total.

The reduction in demand deposits of individuals, partnerships, and corporations accounted for almost two-thirds of the decrease in total deposits. A rather sharp contraction of $61,242,000 occurred in interbank demand deposits, with $54,700,000 of the decline occurring after April 2. On the other hand, United States Government deposits showed an increase of $24,653,000, which represents a gain of more than one-third during the 5 weeks. Rather heavy losses of funds due to Treasury operations, particularly during the last 3 weeks of the period, were offset only in part by an inflow of funds to the District due to interdistrict commercial and financial transactions and constituted the principal factor affecting the contraction of deposits. In contrast with the decrease in demand deposits, time deposits rose about 2 percent.

In order to meet the deposit losses, the weekly reporting member banks drew down their reserves with the Federal Reserve Bank in the amount of $67,649,000 and reduced balances with other domestic banks by $115,864,000. Consequently, cash assets constituted 30.1 percent of total assets on April 23, as compared with 32.3 percent on March 19.

Gross demand deposits of all member banks in the District averaged $6,513,810,000 in March, which is $54,036,000, or about 1 percent, less than in February but 9 percent above the comparable year-earlier level. A decrease of almost 2 percent in demand deposits at country banks more than accounted for the change in the total from the February level, since the reserve city banks showed an increase in their deposit liabilities. The patterns of Treasury tax collections and expenditures in March account, in part, for the divergent trends at the two categories of banks. Collections in March absorbed funds generally and reduced deposits, while the return of a part of these funds through Treasury expenditures was concentrated principally in the larger business centers of the District. Time deposits declined slightly during the month, reflecting a reduction at reserve city banks which more than offset a moderate increase at country banks.

GROSS DEMAND AND TIME DEPOSITS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Date	COMBINED TOTAL		RESERVE CITY BANKS		COUNTRY BANKS	
	Gross demand	Time	Gross demand	Time	Gross demand	Time
March 1950	$5,566,562	$646,645	$2,643,667	$405,065	$2,922,895	$241,580
March 1951	5,991,439	644,378	2,777,533	353,077	3,213,906	291,301
November 1951	6,592,874	686,144	3,101,804	376,802	3,491,070	309,342
December 1951	6,753,139	706,327	3,170,047	390,143	3,583,092	316,184
January 1952	6,779,455	714,332	3,162,301	391,577	3,617,154	322,755
February 1952	6,567,846	721,578	3,030,813	395,992	3,537,033	325,586
March 1952	6,513,810	719,844	3,046,289	392,193	3,467,521	327,651

On March 31 the National Vountary Credit Restraint Committee announced that it had instituted steps to comply with the President's request that the screening of state, municipal, and other public body financing by the regional Voluntary Credit Restraint committees be suspended. The Committee pointed out that failure by public bodies to exercise the desired restraint urged by the President, now that their issues are freed from the screening program, would seriously affect the morale essential to the success of the program in private financing channels. Financing institutions were urged by the National Committee to continue their record of excellent cooperation and compliance with the program, and the regional committees were urged to continue to operate as before in the field of private finance.

Debits to deposit accounts reported by banks in 24 cities of the District rose 8 percent in March to a level 3 percent above the comparable total for 1951. The increased activity which these figures reflect was distributed rather generally over the District, as most cities reported an expansion of debits, as shown in the accompanying table. An increased rate of use of deposit accounts accompanied the increase in debits during March, as the turnover of deposits rose from

14.0 to 15.1 times per year; however, the turnover in March of this year compares with 15.8 for March 1951.

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

(Amounts in thousands of dollars)

	DEBITS[1]			DEPOSITS[2]			
		Percentage change from			Annual rate of turnover		
City	March 1952	March 1951	Feb. 1952	March 31, 1952	March 1952	March 1951	Feb. 1952
ARIZONA							
Tucson	$ 98,305	11	9	$ 106,921	11.0	11.3	10.1
LOUISIANA							
Monroe	50,620	6	19	49,012	12.4	12.0	10.4
Shreveport	191,566	8	1	200,541	11.5	11.5	11.4
NEW MEXICO							
Roswell	22,927	1	5	26,968	10.0	10.9	9.1
TEXAS							
Abilene	54,423	—4	13	54,985	12.0	13.4	10.7
Amarillo	148,096	8	5	116,253	15.7	16.7	15.1
Austin	143,290	—14	—14	113,186	15.7	17.4	17.2
Beaumont	132,320	9	8	101,326	15.7	15.8	14.8
Corpus Christi	141,164	9	8	105,536	16.2	16.4	15.2
Corsicana	12,551	2	—#	22,518	6.7	6.8	6.7
Dallas	1,472,509	—2	11	997,578	17.4	19.8	15.7
El Paso	206,231	6	18	146,642	16.7	17.4	14.2
Fort Worth	506,956	5	7	394,120	15.6	17.0	15.1
Galveston	80,518	—4	8	103,288	9.5	10.1	8.8
Houston	1,656,461	10	11	1,168,983	17.3	16.7	15.8
Laredo	21,745	—2	2	23,090	11.4	12.4	11.3
Lubbock	109,296	8	—3	102,897	12.8	12.4	13.0
Port Arthur	43,300	#	—1	44,411	11.6	12.8	11.8
San Angelo	40,255	—10	—1	50,833	9.5	10.8	9.2
San Antonio	379,924	—3	2	386,178	11.9	13.0	11.5
Texarkana[3]	21,741	11	5	24,645	10.7	9.5	10.1
Tyler	55,245	7	8	54,242	12.2	12.2	11,4
Waco	67,825	—12	2	88,312	9.2	11.5	9.0
Wichita Falls	83,479	4	3	104,730	9.6	10.2	9.2
Total—24 cities	$5,740,747	3	8	$4,587,195	15.1	15.8	14.0

[1] Debits to deposit accounts except interbank accounts.
[2] Demand and time deposits, including certified and officer's checks outstanding but excluding deposits to the credit of banks.
[3] These figures include only one bank in Texarkana, Texas. Total debits for all banks in Texarkana, Texas-Arkansas, including two banks located in the Eighth District, amounted to $38,686,000 for the month of March 1952.
# Indicates change of less than one-half of 1 percent.

Between March 15 and April 15 the principal changes in the condition of the Federal Reserve Bank of Dallas included decreases in member bank reserves, earning assets, and gold certificate reserves and an increase in Federal Reserve notes in actual circulation. The decrease in earning assets reflects approximately equal reductions in holdings of Government securities and in all other earning assets. On April 15, notes of this bank in actual circulation amounted to $679,449,000, reflecting increases of $3,337,000 and $66,205,000, respectively, from March 15 of this year and April 15, 1951.

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	April 15, 1952	April 15, 1951	March 15, 1952
Total gold certificate reserves	$ 624,383	$ 518,585	$ 714,742
Discounts for member banks	0	760	3,000
Industrial advances	15	18	20
Foreign loans on gold	532	0	0
U. S. Government securities	1,061,827	1,104,758	1,064,166
Total earnings assets	1,062,374	1,105,536	1,067,186
Member bank reserve deposits	975,654	950,667	1,080,563
Federal Reserve notes in actual circulation	679,449	613,244	676,112

On April 3 the Secretary of the Treasury announced the resumption of cash borrowing operations through the Treasury bill market. During July and August of last year and again in September the Treasury borrowed approximately $2,000,000,000 by increasing weekly offerings of Treasury bills by $200,000,000 in excess of maturities. Recent borrowing operations included similar increases in the offerings of bills dated April 10, 17, and 24. The average rate of discount of the new issue of Treasury bills dated April 10, the first week in which additional offerings were made, was 1.629 percent, as compared with 1.616 percent for the issue dated April 24. There are indications that nonbank investors were substantial buyers of the additional offerings, reflecting at least a temporary surplus of funds in that sector of the market.

Prices of Government securities, which had remained firm over the March 15 tax date and edged upward during the latter half of the month, continued to show strength during April. Prices rose generally during the first 3 weeks, particularly during the week ended April 18. Gains ranged up to 1 3/32 for the two longest restricted issues and 23/32 for the longest bank-eligible issue; price improvement in the shorter restricteds and bank eligibles, although not as impressive, is notable. The upward trend of prices was effected in a generally thin market.

NEW MEMBER BANK

The First National Bank of Pasadena, Pasadena, Texas, a newly organized institution located in the territory served by the Houston Branch of the Federal Reserve Bank of Dallas, opened for business April 14, 1952, as a member of the Federal Reserve System. The new bank has capital of $200,000, surplus of $100,000, and undivided profits of $50,000. The officers are: H. T. Tellepsen, President; Charles E. McLean, Executive Vice President; and C. Ray Brock, Vice President and Cashier.

NEW PAR BANK

The Seagoville State Bank, Seagoville, Texas, a newly organized institution located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, opened for business April 7, 1952. The new bank has capital of $75,000, surplus of $25,000, and undivided profits of $12,500. The officers are: W. A. Waldrop, President, and F. B. Fowler, Vice President and Cashier.

Seasonal gains in trade and construction employment, together with a gradual increase in defense activity, produced a moderate expansion in nonfarm employment in the District in April. The trend of manufacturing employment continued upward, with further increases in such lines as ordnance, primary metals, and chemicals.

Crude oil production in the Eleventh Federal Reserve District, after reaching successive highs in February and March, declined moderately in April. A further reduction is anticipated in May, in view of the cutback in allowables announced by the Texas Railroad Commission. March production amounted to 3,238,000 barrels per day, which is about 7 percent above February and 11 percent more than in the same month last year.

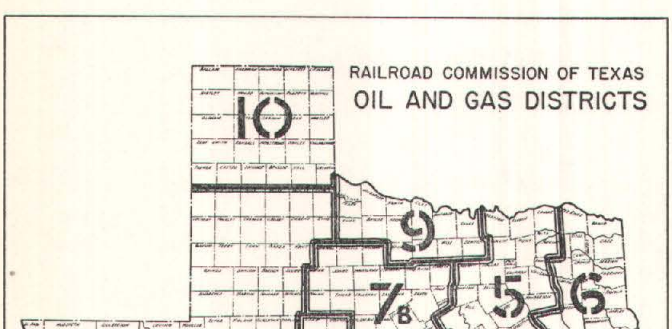
CRUDE OIL PRODUCTION

(Barrels)

Area	March 1952 Total production	March 1952 Daily avg. production	Increase or decrease in daily average production from March 1951	Increase or decrease in daily average production from Feb. 1952
ELEVENTH DISTRICT				
Texas R. R. Com. Districts				
1 South Central........	1,044,500	33,694	662	632
2 Middle Gulf.........	5,272,050	170,066	9,968	296
3 Upper Gulf..........	15,479,050	499,324	14,405	688
4 Lower Gulf..........	8,445,950	272,450	25,158	6,114
5 East Central.........	1,943,500	62,694	13,855	171
6 Northeast...........	12,290,850	396,479	15,527	−2,719
East Texas........	8,232,300	265,558	−5,500	−5,590
Other fields.......	4,058,550	130,921	21,027	2,871
7b North Central........	2,748,100	88,648	9,400	282
7c West Central........	4,520,050	145,808	53,931	3,920
8 West...............	32,192,700	1,038,474	146,914	33,210
9 North...............	5,009,600	161,600	14,119	−760
10 Panhandle...........	2,548,850	82,221	−6,832	−950
Total Texas........	91,495,200	2,951,458	297,107	40,884
New Mexico................	4,952,850	159,769	20,875	3,836
North Louisiana.............	3,959,600	127,729	−1,455	−141
Total Eleventh District......	100,407,650	3,238,956	316,527	44,579
OUTSIDE ELEVENTH DISTRICT...	98,257,100	3,169,584	52,315	10,614
UNITED STATES..............	198,664,750	6,408,540	368,842	55,193

SOURCE: Estimated from American Petroleum Institute weekly reports.

The cutbacks in Texas allowables in April and May reflect the development of a somewhat heavy stock position in this District. District stocks of crude oil at the end of March were 2 percent higher than in February and were 12 percent higher than a year earlier. Meanwhile, stocks of the four major refined products were even larger in relation to a year ago.



Crude oil stocks in the Nation at the end of March were 9 percent higher than a year earlier. Furthermore, national stocks of crude oil and major refined products were only 6 percent higher, as compared with 14 percent in this District. The increase in stocks in the Nation does not appear to be out of line with the increase which is evident in the national demand for oils. An unbalance exists, however, with stocks on the West and East Coasts lower than last year, while the midcontinent area has a noticeably heavier stock position. Prices of refined products in the midcontinent area have tended to soften in recent months.

Other factors, in addition to the immediate stock position, undoubtedly have had some influence on the recent decline in crude oil production in this District. While the total demand for petroleum products is likely to continue to increase this year, it is anticipated that the rate of increase will be somewhat less than during the past 2 years. Moreover, the oil industry cannot look forward this year to the marked increase in exports which developed in the summer and fall of last year following the cessation of production in Iran; exports now are considerably below the level of last summer.

Refinery activity in the District recovered from the small decline in February to reach a new high in March. Crude oil runs to refinery stills averaged 2,013,000 barrels daily, which is 3 percent higher than in the preceding month, 2 percent higher than the previous record of January, and 8 percent higher than in March a year ago. Refinery trends in the Nation were similar to those in the District, although crude oil runs to refinery stills showed relatively smaller gains and failed to equal the high reached in November.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

Area and type	March 1952p	March 1951	February 1952	January—March 1952p	January—March 1951
ELEVENTH DISTRICT...	$ 146,024	$ 128,798	$ 89,944	$ 312,158	$ 392,903
Residential.......	53,299	56,532	33,782	121,811	174,746
All other.........	92,725	72,266	56,162	190,347	218,157
UNITED STATES[1]....	1,321,254	1,267,450	885,206	3,108,551	3,451,225
Residential.......	592,717	574,569	396,438	1,326,876	1,526,633
All other.........	728,537	692,881	488,768	1,736,675	1,924,592

[1] 37 states east of the Rocky Mountains.

p—Preliminary

SOURCE: F. W. Dodge Corporation.

The value of construction contracts awarded in the District during March was $146,000,000—up sharply from the previous month and 13 percent more than a year ago. Residential awards of $53,000,000 were 6 percent under a year earlier, while nonresidential awards of $93,000,000 were up 28 percent. The value of construction contracts awarded in the United States in March showed a 4-percent increase over last year. Moreover, the construction contracts in the District included a number of large industrial projects, such as a $7,000,000 electric generating plant in west Texas and a $35,000,000 pipeline across the State.

First-quarter construction contract awards in the District showed a decline of 21 percent, as compared with the same period last year; declines of 30 percent and 13 percent were noted for residential and nonresidential awards, respectively. During this period, nonresidential awards represented an increasing proportion of the total, while in the United States the opposite trend was evident. Construction contract awards in the District in the first quarter of 1952 accounted for only 10 percent of the United States total, compared with 11.4 percent a year earlier.

BUILDING PERMITS

City	March 1952 Number	March 1952 Valuation	Percentage change in valuation from March 1951	Percentage change in valuation from Feb. 1952	3 months 1952 Number	3 months 1952 Valuation	3 months 1952 Percentage change in valuation from 3 months 1951
LOUISIANA							
Shreveport....	353	$ 4,338,873	348	222	937	$ 6,801,994	42
TEXAS							
Abilene.......	205	1,054,398	—2	208	404	2,017,753	—30
Amarillo......	406	2,157,348	30	—18	1,203	6,633,034	5
Austin........	300	3,144,431	35	—8	820	8,025,901	—6
Beaumont.....	267	397,384	—26	—52	757	2,410,608	15
Corpus Christi..	394	2,045,097	61	67	1,098	4,483,931	—51
Dallas........	1,692	5,997,925	—30	—26	5,167	20,282,438	—36
El Paso.......	341	1,920,687	17	—50	1,005	6,574,898	22
Fort Worth....	1,186	4,896,230	—12	71	2,720	10,749,186	—43
Galveston.....	98	261,829	—70	—14	338	775,544	—39
Houston.......	947	7,413,563	—57	—9	2,816	24,764,462	—50
Lubbock.......	270	1,287,961	—49	—21	885	4,050,146	—31
Port Arthur....	190	215,818	—23	23	466	648,715	—34
San Antonio...	1,295	3,949,264	—21	6	4,027	10,804,757	—21
Waco........	275	1,037,650	—26	—53	1,081	4,526,000	#
Wichita Falls...	301	1,681,353	364	—48	489	11,150,587	869
Total..........	8,520	$41,799,811	—18	—5	24,213	$124,699,954	—25

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

The marked progress in the Southwest in the development of new plant facilities for defense production is indicated by data recently released by the Defense Production Administration. By the end of last year, approximately 32 percent of the defense facilities covered by the accelerated tax write-off program had been put in place in the five states lying wholly or partly within this Federal Reserve District—Arizona, Louisiana, New Mexico, Oklahoma, and Texas. Altogether, 334 plants in this area, with an estimated cost of $1,761,000,000, came under the program at that time. During the past few months additional projects have been granted accelerated amortization.

PROGRESS OF DEFENSE PROJECTS COVERED BY ACCELERATED TAX WRITE-OFF PROGRAM, DECEMBER 31, 1951

State	Number of projects	Total estimated cost (In thousands of dollars)	Value in place (In thousands of dollars)	Percent in place	Date of final completion
Arizona...............	30	$ 31,346	$ 17,809	57.0	1Q—'55
Louisiana..............	49	447,928	85,634	19.1	1Q—'53
New Mexico...........	9	11,116	3,740	34.0	2Q—'53
Oklahoma.............	28	51,404	25,890	50.4	2Q—'53
Texas.................	218	1,219,222	436,237	36.0	4Q—'54
Total...............	334	$1,761,016	$569,310	32.3	—

SOURCE: Defense Production Administration.

Of those plants covered by the program up to the end of last year, it is estimated that all in the states of Louisiana, New Mexico, and Oklahoma will be completed by the second quarter of 1953. While all plant facilities in Texas coming under the program before January 1 will not be completed until the end of 1954, the major portion undoubtedly will be finished by the end of 1953. The date for the final completion of plants in Arizona is expected to be the first quarter of 1955.

COTTONSEED AND COTTONSEED PRODUCTS

Item	TEXAS August 1 to February 29 This season	TEXAS August 1 to February 29 Last season	UNITED STATES August 1 to February 29 This season	UNITED STATES August 1 to February 29 Last season
COTTONSEED (tons)				
Received at mills...........	1,343,325	958,640	5,283,602	3,308,076
Crushed...................	1,143,632	956,089	4,227,702	3,017,247
Stocks, end of period........	267,484	210,342	1,140,094	575,329
COTTONSEED PRODUCTS				
Production				
Crude oil (thousand pounds).	359,875	299,266	1,324,650	958,735
Cake and meal (tons)......	551,448	446,552	1,963,498	1,350,800
Hulls (tons)..............	260,183	225,923	949,900	691,994
Linters (running bales).....	354,055	287,943	1,349,022	997,370
Stocks, end of period				
Crude oil (thousand pounds).	27,750	12,192	96,648	33,777
Cake and meal (tons)......	17,997	37,013	55,286	165,276
Hulls (tons)..............	12,867	18,867	43,004	67,211
Linters (running bales).....	49,678	14,025	235,057	82,573

SOURCE: United States Bureau of the Census.

DOMESTIC CONSUMPTION AND STOCKS OF COTTON

(Bales)

Area	February 1952[1]	February 1951[2]	January 1952[3]	August—February This season	August—February Last season
CONSUMPTION					
Total					
Texas mills............	12,344	14,421	15,525	89,802	99,139
U. S. mills.............	768,889	898,991	922,559	5,476,165	6,348,361
Daily Average					
Texas mills............	628	733	634	611	652
U. S. mills.............	39,089	45,704	37,655	37,274	41,788
STOCKS, U. S.—End of Period					
Consuming establishments...	1,681,311	2,335,678	1,674,440	—	—
Public storage and compresses..............	4,453,419	4,627,419	4,964,904	—	—

[1] Four weeks ended March 1.
[2] Four weeks ended March 3.
[3] Five weeks ended February 2.
SOURCE: United States Bureau of the Census.