MONTHLY BUSINESS REVIEW
FEDERAL RESERVE BANK OF DALLAS
Vol. 37, No. 7 DALLAS, TEXAS July 1, 1952

Make United States Savings Bonds a Part of Your Savings Program

* There is a place for United States savings bonds in the savings and investment program of every American.

* Individuals saved more during the past 12 months than in any other 12-month period since World War II, and the current rate of saving continues at a high level.

* Personal savings may be held or used in many different ways. But whatever the saver's choice may be, the fact remains that savings must be held or invested.

* Savings may be invested in capital assets either directly, such as in housing, or indirectly, such as through the purchase of corporate securities. Savings may be held in the form of currency or accumulated cash balances in demand deposit accounts.

* Savings may be channeled into savings institutions and take the form of increased claims, such as savings deposits or shares, or may be used to build equities in pension funds, annuities, and life insurance. Savings may be kept in savings bonds or other United States Government securities.

* The needs of each saver and each investor may vary from those of every other. Personal preference for one form of saving or investment over another is important.

* There are three considerations, however, which are common to the decisions of most individuals in choosing savings or investment media appropriate to their needs. These are —

  Safety — Liquidity — Yield

* A well-planned program includes a satisfactory balance among these three factors. Each is present to some degree with respect to most types of savings and investment.

* Safety and liquidity are of overriding importance in most individual cases and must be considered in any program. Yields consistent with the need for safety and liquidity vary according to the manner in which savings are held or invested.

* Irrespective of the size of your savings and investment program, United States savings bonds can help meet your requirements. Savings bonds are unexcelled with respect to safety of principal and certainty of return. Savings bonds are readily convertible into cash should the need arise, without risk of market loss, thus providing a high degree of liquidity. Yields on savings bonds are more attractive than ever before.

* There is a type of savings bond to meet the needs of every saver and investor. Purchases of the new Series E bonds through the payroll savings plan are well suited to the programs of regular saving of most individuals. New Series H bonds fulfill the requirements of savers for current income, while the new, improved Series J and K bonds are attractive media for other investors.

* Recent upward revisions in both yields to maturity and intermediate yields of savings bonds, together with increases in the amounts that may be purchased annually, are features to be considered in planning your savings program.

* Increased defense spending in the months immediately ahead and the necessity of raising funds to meet those expenditures constitute a problem of considerable magnitude for the Treasury. Moreover, that problem must be considered by each of us as Americans interested in the defense of our Nation and the preservation of the value of our savings.

* Help the Nation and help yourself through a carefully planned program of saving that includes the purchase of United States savings bonds.

* Plan your savings and investment program and plan to purchase the new, more attractive United States savings bonds.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
COMPTROLLER OF THE CURRENCY
FEDERAL DEPOSIT INSURANCE CORPORATION
NATIONAL ASSOCIATION OF SUPERVISORS OF STATE BANKS
AMERICAN BANKERS ASSOCIATION

Washington, D. C.
June 23, 1952.

To the Chief Executive Officer:

Your business, and ours, is to help people face financial problems squarely and solve them realistically. This has led to a pay-as-you-go and save-as-much-as-you-can policy during the defense emergency. This policy has paid dividends, --more than 15 months of relatively stable prices in the face of rising defense expenditures.

As essential spending for our defense continues to rise, maintaining a pay-as-you-go program becomes increasingly difficult. We must therefore continue to encourage the upward trend in savings. This is the people's method of minimizing the effects of inflation.

United States Savings Bonds play an important part in the public's savings program. Savings Bonds can be sold and are being sold. Bankers have played an indispensable role in this great thrift program. More than 57 billion dollars are now outstanding, --substantially more than at the end of 1945. About 2 million more payroll savers were signed up in 1951 by concerted efforts in business and industry. Sales of small denomination E bonds were up almost 25 per cent in the first four months of 1952.

In order to show needed improvement in sales of the larger denominations, we solicit the same effective support by bankers to inform their customers as to the features of the improved Savings Bonds Series E, H, J, and K. The public should be informed that these series now carry improved investment yields which make them more attractive to larger as well as smaller denomination buyers.

We endorse the Treasury's new Savings Bonds Program and we urge every banker to enlist personally in an intensified effort to promote the sale of these new and improved bonds.

Wm McC Martin Jr
Chairman, Board of Governors of the Federal Reserve System

Maple T. Harl
Chairman, Federal Deposit Insurance Corporation

Preston Delano
Comptroller of the Currency

Alex. Chmielewski
President, National Association of Supervisors of State Banks

C. Francis Cocke
President, American Bankers Association

FEDERAL RESERVE BANK
OF DALLAS

R. R. GILBERT
PRESIDENT

June 27, 1952

To the Principal Executive Officer
of the Bank Addressed:

The Federal and State supervisory authorities and the President of the American Bankers Association recently sent you a joint letter, endorsing the Treasury's savings bond program and urging your personal support in promoting the sale of the new Series E, H, J, and K savings bonds. I should like to take this opportunity to add my unqualified endorsement to their statement.

United States savings bonds always have been regarded as being of the highest investment quality, but the new revised series offer even better investment opportunities - both for the individual investor and the institutional investor. Higher yields to maturity, as well as for intermediate periods, and more favorable extension privileges make these bonds more attractive.

In the months ahead the Treasury will face financing problems of considerable magnitude. Spending for defense will increase, and the Government will run a budget deficit. If inflationary pressures are to be minimized, the deficit must be financed as largely as possible by the sale of securities to nonbank investors, rather than to banks. Promotion of the sale of savings bonds is an essential part of such a policy.

The bankers of the Eleventh District have played an important part in making the savings bond program of the past a really remarkable success. Your assistance in support of the new program is just as essential.

I urge your cooperation and ask that you request the officers of your bank to familiarize themselves with the program so that they can inform the people of your community regarding the advantages of savings bonds, first, as a safe, sound, profitable investment opportunity and, second, as an essential part of the Nation's program to finance its defense in a noninflationary manner. I know that you will accept this challenge and important responsibility.

Sincerely yours,

R. R. Gilbert

R. R. Gilbert
President

The New H Bond

SIMILARITIES...

to new E Bond

H BOND TERMS AND CONDITIONS

SIMILARITIES TO NEW E BOND

1. Interest	3.00% to maturity
2. Issue date	First day of month of purchase
3. Maturity	9 years and 8 months
4. Annual limit (maturity value)	$20,000
5. Eligible subscribers	Individuals only
6. Bearer or registered	Registered only
7. Negotiability	None
8. Eligibility as collateral	None

Office of the Secretary of the Treasury
Office of the Technical Staff

DIFFERENCES

H BOND TERMS AND CONDITIONS

DIFFERENCES FROM NEW E BOND

	New E	H
1. Type of bond	Accrual	Current income
2. Effective date	May 1, 1952	June 1, 1952
3. Maturity value & issue price	$4 for every $3 invested	Par
4. Redemp. values	Incr. each 6 mos.	Always at par
5. Denominations	$25, $50, $100, $200, $500, $1,000, & $10,000	$500, $1,000, $5,000, & $10,000
6. Redeemability	After 2 mos., on demand	After 6 mos., on 1 mo.'s notice
7. Extension	Up to 10 yrs. more	None
8. Availability of new stock	Old stock temporarily	Interim receipts

Office of the Secretary of the Treasury
Office of the Technical Staff

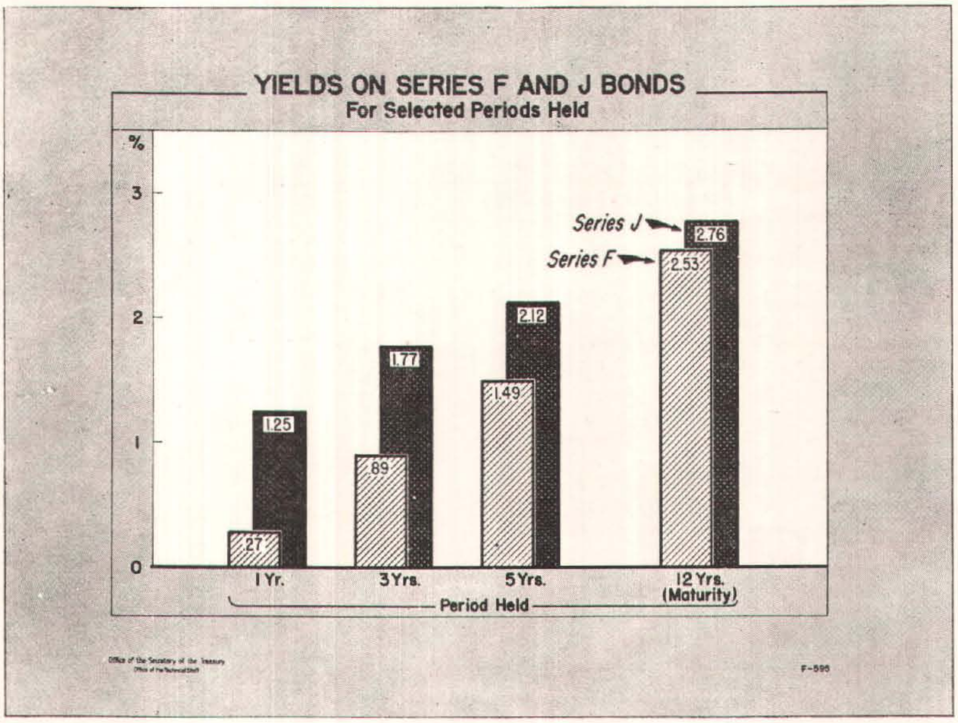
YIELD

YIELD COMPARISON OF NEW E AND H BONDS

Period Held	Investment yield	
	New Series E	Series H
1/2 year	1.07%	.80%
1 year	1.59	1.65
3 years	2.25	2.21
5 years	2.52	2.49
7 years	2.72	2.73
9 years and 8 months (maturity)	3.00	3.00

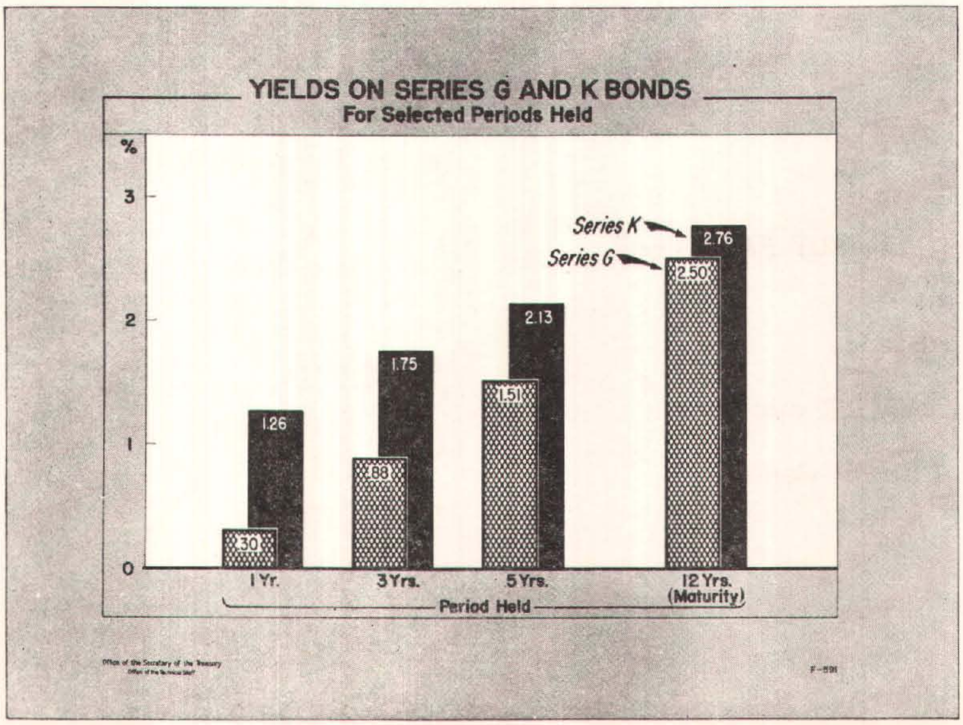
Office of the Secretary of the Treasury
Office of the Technical Staff

The New Series J and K Bonds

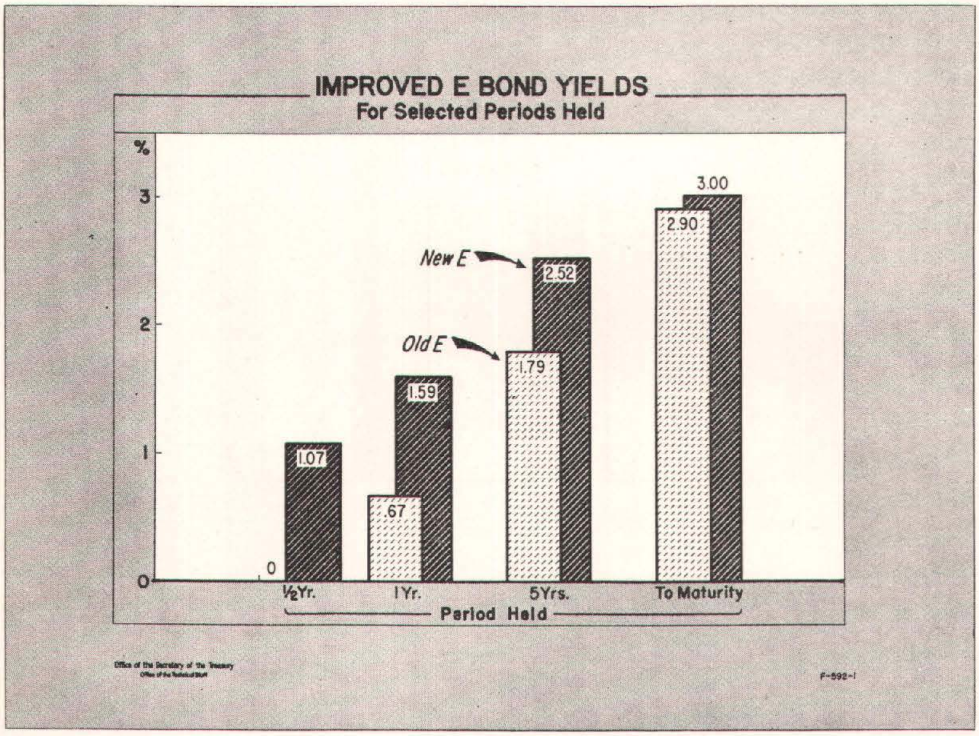


SERIES J BONDS REPLACE SERIES F BONDS, giving higher intermediate and over-all yields, and . . .

SERIES K BONDS REPLACE SERIES G BONDS, with similar increases in yields.



Facts About The Ne



INTERMEDIATE YIELDS HIGHER DURING FIRST 9 YEARS, 8 MONTHS AND..................

NOW YOU MAY BUY EACH YEAR

***MORE* E bonds**

With *SHORTER* maturities

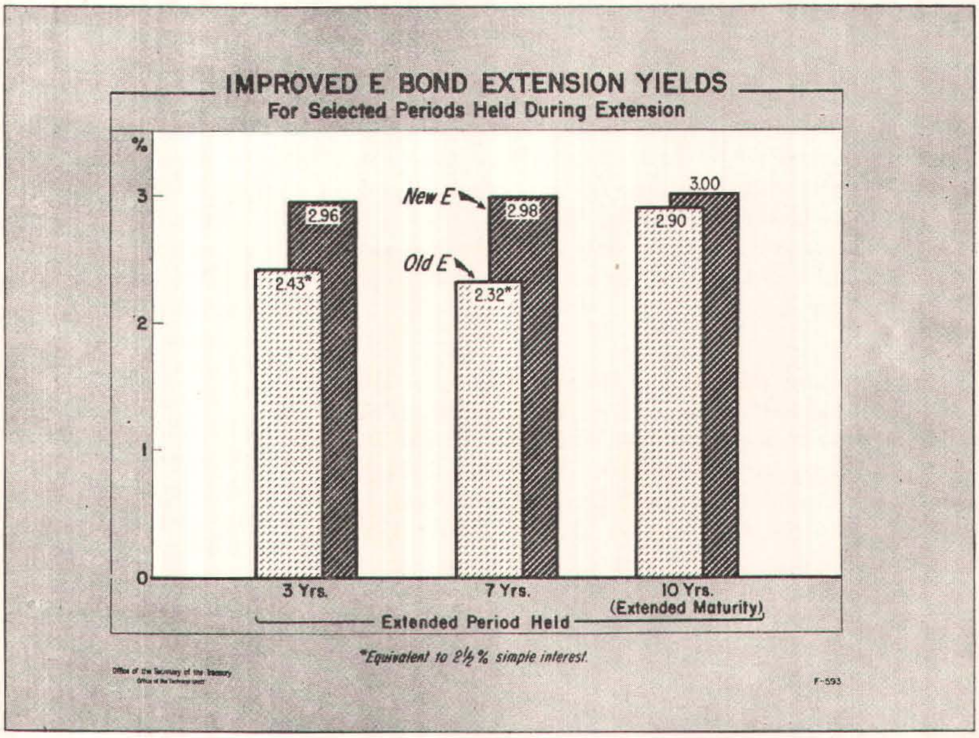
At *HIGHER* yields

CHANGES IN E BOND TERMS AND CONDITIONS

	Old E	New E Effective 5/1/52
1. Maturity	10 yrs.	9 yrs. & 8 mos.
2. Interest	2.90% to maturity	3.00% to maturity
3. Annual limit	\$10,000	\$20,000
4. Denominations (matur. value)	\$25, \$50, \$100, \$200, \$500, & \$1,000	Same plus \$10,000
5. Redeemability on demand	After 60 days	After 2 months
6. Availability of new stock		Old stock temporarily

Office of the Secretary of the Treasury
Office of the Technical Staff

eries E *Savings Bonds*



....DURING 10-YEAR EXTENDED MATURITY PERIOD

E BOND EXTENSION

CHANGES IN TERMS AND CONDITIONS

	Old extension	New extension
1. Interest	2.90% to extended maturity	3.00%
2. Extended maturity value per $100 bond	$133.33	$134.68
3. Application to old E's	Applies to outstanding E's issued 5/1/41 to 4/1/42	To outstanding E's beginning with 5/1/42 issues
4. Current income bond option	G bonds redeemable at par	K bonds redeemable at par

Office of the Secretary of the Treasury
Office of the Technical Staff

BUY AND HOLD E BONDS

To earn *MORE*

During *EXTENSION* period

With improved *OPTION*

REVIEW OF BUSINESS, INDUSTRIAL, AGRICULTURAL, AND FINANCIAL CONDITIONS

DISTRICT SUMMARY

Agricultural conditions in the District generally are very good, although some areas still need more moisture and moisture reserves in other areas are becoming depleted. Harvest of winter wheat and oats has made good progress; yields per acre are very good. Weather has favored the cotton crop, but insect infestations are heavy in some areas. The sorghum grain and peanut crops are in good condition. Fruit production in the District this year will be relatively small. Harvest of spring vegetables is proceeding satisfactorily; production estimates for most crops are down from last year. Marketings of cattle have been running 20 percent above last year; marketings of other livestock show little change. Farm commodity prices average about 10 percent below a year ago.

Department store sales in the Eleventh District in May were 14 percent above April and 14 percent above May 1951; average sales per business day were the highest for any May on record. Suspension of credit controls, along with other factors, boosted instalment sales 49 percent above April and 90 percent above the relatively low May 1951 level. Large percentage gains in sales were scored by television sets, air conditioning, laundry equipment, and mechanical refrigerators. End-of-May inventories at department stores were 12 percent below a year earlier; orders outstanding were 20 percent above the low level of a year ago, when merchants were attempting to reduce large inventories. Sales at district retail furniture stores in May registered gains of 38 percent over April and 31 percent over May of last year. Sales of automobiles in the District have not responded to the easing of credit terms as had been expected.

The recent oil strike caused a loss of an estimated 50,000,000 barrels production of refined petroleum products. At the end of May, national stocks of gasoline, kerosene, and distillate were down 12 to 15 percent as compared with a year earlier; residual fuel oil stocks were off 3 percent. Meanwhile, refineries are attempting to increase production in order to build up the reduced stocks. Crude oil stocks accumulated during the strike to reach the highest level in more than a decade. Weekly crude oil production in the Eleventh District, having declined since March, was down in the week ended June 14 to the lowest rate since March 1951, except for the strike period. Drilling activity continues at a record level.

In the 4 weeks ended June 18, loans at weekly reporting member banks rose fractionally; about two-thirds of the increase was in the category including consumer-type loans. Loans for financing security transactions rose almost 4 percent, while real estate loans and loans to banks declined. Investments rose 2 percent, reflecting principally an expansion in holdings of Treasury bills, although holdings of Treasury bonds also increased. Demand deposits rose 3 percent; time deposits increased 1 percent. Total resources and cash assets also scored gains.

BUSINESS

Department store sales in the Eleventh Federal Reserve District rose during May to the highest monthly level for the year to date, showing an increase of 14 percent above April and 14 percent above May 1951. The average dollar volume of sales per business day in May was the highest for any May on record.

When Regulation W was suspended on May 7, it was the general consensus in the trade that the suspension of credit controls would be only moderately stimulating to department store sales. The figures representing the full month's operations, however, indicate that the suspension, together with other factors, stimulated sales to a considerable degree. Department stores extending instalment credit reported that their instalment sales during May rose 49 percent above April and 90 percent above May of last year. Instalment sales during April represented 12 percent of total store sales, which is about the same percentage as during the first quarter. During May, however, that type of credit sales rose to 16 percent of total store sales and accounted for more than 75 percent of the total store increase over year-ago figures. Charge account sales during May were 4 percent above a year ago and represented approximately 49 percent of total sales, compared with 52 percent during April.

RETAIL TRADE STATISTICS

(Percentage change)

Line of trade by area	NET SALES: May 1952 from May 1951	NET SALES: May 1952 from April 1952	NET SALES: 5 mo. 1952 comp. with 5 mo. 1951	STOCKS[1]: May 1952 from May 1951	STOCKS[1]: May 1952 from April 1952
DEPARTMENT STORES					
Total Eleventh District	14	14	4	—12	—3
Corpus Christi	23	6	19	—11	—4
Dallas	9	14	—1	—14	—4
El Paso	10	—2	3	—16	—3
Fort Worth	10	9	1	—9	—4
Houston	19	16	8	—12	—2
San Antonio	20	21	5	—12	—2
Shreveport, La.	26	27	12	—1	9
Waco	39	20	21	1	—5
Other cities	8	11	—3	—9	—5
FURNITURE STORES					
Total Eleventh District	31	38	—	—17	—#
Austin	44	49	—	—6	—4
Dallas	85	59	—	—36	—10
Houston	60	61	—	—	—
Port Arthur	—13	16	—	—28	—7
San Antonio	41	31	—	—	—
Shreveport, La.	11	31	—	—20	—1
Wichita Falls	19	9	—	—11	1
HOUSEHOLD APPLIANCE STORES					
Total Eleventh District	19	43	—	—	—
Dallas	5	28	—	—	—

[1] Stocks at end of month.

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

Although substantial gains over a year ago were recorded in some of the soft goods lines, such as dresses, sportswear, and men's clothing, the greatest percentage increases were in homefurnishings. Furniture and bedding increased 11 percent. Sales of television sets rose 241 percent, while in the major household appliance group, sales of air conditioning units, laundry equipment, and mechanical refrigerators showed increases of 362 percent, 210 percent, and 126 percent, respectively. On the other hand, sales of radios and phonographs declined 19 percent.

District department store sales through June 14 continued substantially above a year ago. Cumulative weekly sales for the year to that date were 4 percent above the comparable period of last year. That compares with a 4-percent decrease for the department stores of the Nation as a whole.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

(1947-49 = 100)

	UNADJUSTED				ADJUSTED[1]			
Area	May 1952	April 1952	March 1952	May 1951	May 1952	April 1952	March 1952	May 1951
SALES—Daily average								
Eleventh District............	125	114	105	109	128	114	115	111
Dallas....................	116	106	102	106r	120	109	108	110
Houston..................	141	126	116	118	142	128	129	120
STOCKS—End of month								
Eleventh District............	125p	129	131	141	124p	122	124	140

Adjusted for seasonal variation.
r Revised.
p Preliminary.

The retail value of inventories at department stores at the end of May is estimated at a total slightly under April and approximately 12 percent below stocks on hand at the end of May 1951. The largest percentage reduction of inventories was in homefurnishings, which experienced the largest percentage increase in total sales. As compared with May of 1951, inventories of furniture and bedding declined 30 percent, and major household appliances fell 49 percent, while stocks of television sets, radios, and musical instruments were reduced by 31 percent.

WHOLESALE TRADE STATISTICS
Eleventh Federal Reserve District

(Percentage change)

	NET SALESp			STOCKS[1]p	
	May 1952 from		5 mo. 1952	May 1952 from	
Line of trade	May 1951	April 1952	comp. with 5 mo. 1951	May 1951	April 1952
Drugs and sundries..........	0	—3	—	20	#
Dry goods.................	—4	—7	—12	—37	—8
Grocery (full-line wholesalers not sponsoring groups).....	4	—8	7	—11	—13
Hardware..................	5	5	—13	—6	—4
Industrial supplies...........	8	—7	9	14	3
Metals.....................	—8	—8	—	15	3
Tobacco products...........	3	1	6	9	—11
Wines and liquors..........	20	—2	6	3	#
Wiring supplies, construction materials distributors......	5	1	—2	—12	—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.

The total value of merchandise on order at the end of May was 6 percent above 1 month earlier and 20 percent higher than the extremely low level at the end of May 1951. Prior to May of last year, receipts of merchandise had been exceptionally heavy; the district stock index stood then at 141, compared with 108 in May 1950. As a result, new orders were curtailed until inventories could be brought into better relationship with the level of demand. The current volume of stocks on order may be taken to represent a conservatively optimistic view regarding a continuing high demand.

District retail furniture stores during May registered a 38-percent gain over the April volume and a 31-percent rise above a year ago. The increase was sharp and was contributed to by the relaxation of down payment and credit terms.

Moisture conditions over the District at mid-June generally were the best in 2 years, although there were some dry areas, notably several South High Plains and Edwards Plateau counties of Texas. Steady winds and growing crops rapidly depleted moisture reserves in the last half of the month, however, and more rain is needed in many areas. Hot, open weather in June favored crop development and permitted farmers to make good progress in planting and replanting summer crops. Feed crops and pastures made good to excellent growth during the month.

WINTER WHEAT PRODUCTION

(In thousands of bushels)

Area	Average 1941—50	1951	Indicated 1952
Arizona...........................	571	572	575
New Mexico........................	3,800	786	628
Oklahoma..........................	71,737	38,902	90,132
Texas.............................	60,347	17,307	41,532
Total........................	136,455	57,567	132,867
United States.......................	799,977	645,469	1,060,298

SOURCE: United States Department of Agriculture.

Harvest of the District's winter wheat crop, which began in north Texas about June 1, is well along on the High Plains. Yields are better than were expected earlier in the season. The Texas crop is estimated at 41,532,000 bushels, which is far above last year's small harvest of only 17,000,000 bushels but still below average. The Oklahoma crop estimate is placed at 90,132,000 bushels—more than double last year's production and substantially above average. The New Mexico crop is down from last year, while the Arizona estimate reflects little change. United States production is the largest on record. Harvest of the oat crop in the District was carried forward in June with very good yields.

Cotton planting was active in the High and Low Rolling Plains in June. Warm days favored germination. The crop in the Blacklands, east Texas, and northern Louisiana has made good growth. Light to severe insect infestations are reported in central, eastern, and southern parts of Texas. Official estimates of the acreage of cotton in cultivation will be released July 8; meanwhile, private forecasts indicate a large crop, although the acreage in Texas may be smaller than in 1951.

The sorghum grain crop in the District is in good condition in most areas. In the commercial area around Corpus Christi, sorghums began maturing in early June, and harvest began about midmonth. Planting of the later crops on the High Plains is virtually complete. The peanut crop in southern counties of Texas is growing well. The crop in northern counties is getting off to a good start, as rains in late May and early June were greatly beneficial.

Ranges and pastures in the District have shown a remarkable improvement since the widespread rains of May and June. Moreover, feed grain and hay prospects are generally good. Cattle and calves are gaining on the new grass and are in good condition in most parts of the District. Sheep, on the other hand, still show the effects of the drought.

LIVESTOCK RECEIPTS

(Number)

	FORT WORTH MARKET			SAN ANTONIO MARKET		
Class	May 1952	May 1951	April 1952	May 1952	May 1951	April 1952
Cattle..........	44,812	34,350	33,719	26,027	18,754	18,155
Calves..........	14,701	10,732	10,609	13,264	14,019	9,013
Hogs..........	60,693	68,972	83,435	4,202	6,350	5,371
Sheep..........	87,334	130,752	66,120	[1]23,518	[1]15,921	[1]20,097

[1] Includes goats.

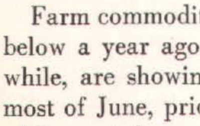
Receipts of cattle on the Fort Worth market in the 4 weeks ended June 14 showed an increase of 89 percent over the comparable period last year; receipts of calves were up 40 percent. Marketings of hogs were off 28 percent, while receipts of sheep and lambs were trailing last year's figures by 14 percent, due to later movement of spring lambs to market in large volume. For the year thus far, marketings of cattle and calves in Fort Worth were up 20 percent compared with a year ago; marketings of hogs and sheep show no significant net change.

FARM COMMODITY PRICES

Top Prices Paid in Local Southwest Markets

Commodity and market	Unit	Week ended June 23, 1952	Comparable week last month	Comparable week last year
COTTON, Middling 15/16-inch, Dallas.....	lb.	$ .4010	$ .3860	$ .4477
WHEAT, No. 1 hard, Fort Worth..........	bu.	2.48½	2.68¼	2.60½
OATS, No. 2 white, Fort Worth..........	bu.	1.06¼	1.06¾	1.04½
CORN, No. 2 yellow[1], Fort Worth........	bu.	2.16¾	2.19	1.98¾
SORGHUMS, No. 2 yellow milo, Fort Worth.	cwt.	3.25	3.32	2.60
HOGS, Choice, Fort Worth..............	cwt.	20.75	22.00	22.75
SLAUGHTER STEERS, Choice, Fort Worth...	cwt.	33.50	35.00	36.00
SLAUGHTER CALVES, Choice, Fort Worth...	cwt.	34.50	35.00	36.50
STOCKER STEERS, Choice, Fort Worth.....	cwt.	30.00	35.00	37.00
SLAUGHTER LAMBS, Choice, Fort Worth...	cwt.	25.50	29.50	33.50
HENS, 3-4 pounds, Fort Worth...........	lb.	.19	.19	—
FRYERS, Commercial, Fort Worth..........	lb.	.30	.29	—
BROILERS, South Texas..................	lb.	.29	.28	—
EGGS, Current Receipts, Fort Worth.......	case	12.50	10.50	—
TURKEYS, No. 1 hens, Fort Worth.........	lb.	.28	.28	—

Farm commodity prices in the District continue to average below a year ago. Prices of individual commodities, meanwhile, are showing divergent trends. During late May and most of June, prices of cotton, wool, and poultry advanced, while most classes of livestock and some grains suffered losses.



The Treasury borrowed approximately $4,249,000,000 of new money in June through the offering of a $2\frac{3}{8}$-percent intermediate-term bond dated July 1 and maturing June 15, 1958. The new marketable bond was offered to investors for cash on June 16; subscription books closed the same day. The completion of that financing program increased the amount of new money borrowed by the Treasury during April, May, and June to a total of approximately $6,167,000,000, exclusive of the sales of savings bonds and savings notes. At the time of the offering of the bond the Treasury had borrowed $1,600,000,000 through increasing the weekly offerings of 91-day bills (by $200,000,000 in excess of maturities) during 8 of the 9 weeks ended June 5. In addition, the Treasury had raised about $318,000,000 during May through the offering of $2\frac{3}{4}$-percent nonmarketable bonds.

The preliminary announcement of the offering of the new $2\frac{3}{8}$-percent bond was made on June 10, with the announcement giving the approximate term of the security, the amount of the offering, and the method of handling proceeds of sales (deposit of the proceeds in Tax and Loan Accounts was permitted). The Treasury, in its press release of June 12, announced that nonbank subscriptions for the new bond would be accepted without limit and would be allotted in full. It was announced also that subscriptions from commercial banks for their own account would be restricted in each case to an amount not exceeding combined capital, surplus, and undivided profits, or 5 percent of total deposits, whichever was greater; subscriptions for amounts up to and including $100,000 from commercial banks would be allotted in full; and subscriptions for amounts over $100,000 from commercial banks would be allotted on a percentage basis to be made public at the time of allotment. A final announcement of the terms of the new bond was made on June 16, giving the coupon rate and the date of maturity.

GROSS DEMAND AND TIME DEPOSITS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

	COMBINED TOTAL		RESERVE CITY BANKS		COUNTRY BANKS	
Date	Gross demand	Time	Gross demand	Time	Gross demand	Time
May 1950......	$5,481,505	$670,514	$2,627,316	$423,428	$2,854,189	$247,086
May 1951......	5,801,415	658,973	2,697,033	362,380	3,104,382	296,593
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
April 1952......	6,451,803	734,170	3,021,143	401,280	3,430,660	332,890
May 1952......	6,329,241	736,861	2,959,228	403,137	3,370,013	333,724

The step-by-step procedure of announcing the offering permitted the market to adjust to the anticipated new supply of marketable securities. Prices of the taxable bank-eligible bonds of intermediate maturity declined by 8/32 to 15/32 following the announcement of June 10. Further moderate adjustments in the prices of those issues occurred during the remainder of the week. Decreases in closing prices between June 10 and June 16 ranged from 8/32 to 17/32, with the $2\frac{3}{8}$'s of March 15, 1957-59, showing the greatest change. At the close of the market on June 19, the bid price of the new $2\frac{3}{8}$-percent bond (on a when-issued basis) was 100 14/32.

Total subscriptions for the $2\frac{3}{8}$-percent bonds were more than three times the amount of the offering, with nonbank subscriptions alone amounting to $3,642,000,000. In accordance with the Treasury's announcement of June 12, nonbank subscriptions were allotted in full. Subscriptions of commercial banks up to $100,000 were allotted in full; commercial banks subscribing to more than that amount were allotted $100,000 each. Total allotments amounted to approximately

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	May 1952	May 1951	April 1952	May 31, 1952	May 1952	May 1951	April 1952
ARIZONA							
Tucson	$ 98,877	22	4	$ 104,910	11.2	10.2	10.7
LOUISIANA							
Monroe	46,002	14	—1	48,014	11.5	10.8	11.5
Shreveport	196,141	18	4	201,935	11.6	10.8	11.3
NEW MEXICO							
Roswell	22,312	7	2	26,706	10.1	10.3	10.0
TEXAS							
Abilene	53,664	13	4	54,559	11.8	11.5	11.3
Amarillo	136,624	16	—1	114,232	14.3	14.5	14.3
Austin	138,287	6	—20	121,891	13.8	14.2	17.9
Beaumont	123,231	8	—4	96,892	15.1	15.6	15.4
Corpus Christi	137,264	19	2	106,242	15.6	14.8	15.2
Corsicana	11,962	6	—6	23,159	6.4	6.5	7.0
Dallas	1,438,900	5	1	1,000,144	17.3	18.1	17.2
El Paso	170,074	3	—5	145,795	14.2	15.1	14.9
Fort Worth	515,770	12	6	410,050	15.5	15.6	14.8
Galveston	83,554	—1	—1	101,688	9.8	10.1	9.8
Houston	1,598,549	12	#	1,144,427	16.7	15.8	16.4
Laredo	27,621	25	19	26,031	13.1	12.6	11.6
Lubbock	101,336	17	—6	99,465	12.4	11.3	12.8
Port Arthur	36,623	—9	—15	43,036	10.0	11.8	11.4
San Angelo	39,954	—8	2	50,238	9.6	10.3	9.4
San Antonio	378,918	4	2	384,632	11.9	11.9	11.6
Texarkana[3]	20,621	17	—2	25,516	9.7	8.8	10.1
Tyler	56,565	18	10	54,944	12.5	11.3	11.4
Waco	70,259	2	—2	85,243	9.8	10.6	9.8
Wichita Falls	82,887	11	—7	105,278	9.5	9.5	10.2
Total—24 cities	$5,585,995	9	#	$4,575,027	14.6	14.6	14.6

[1] Debits to deposit accounts except interbank accounts.

[2] Demand and time deposits, including certified and officers' 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 $39,580,000 for the month of May 1952.

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

$4,249,000,000, or about $749,000,000 in excess of the amount of the original offering. Subscription and allotment figures were announced by the Secretary of the Treasury June 19.

On June 10, at the time of the preliminary announcement of the offering of the intermediate bond, the Secretary of the Treasury also announced that holders of the 1⅞-percent certificates of indebtedness which mature July 1 in the amount of $5,216,000,000 would be offered (on June 16) a new 1⅞-percent certificate in exchange for their holdings. The refunding security is dated July 1 and matures June 1, 1953.

The Treasury announced on June 5 the subscription and allotment figures with respect to the offering of additional amounts of the 2¾-percent Treasury bonds, Investment Series B-1975-80, for cash and in exchange for the 2½-percent Treasury bonds of 1965-70, 1966-71, and the two restricted issues of 1967-72. Total subscriptions amounted to $1,757,760,000, with $450,400,000 of that amount representing cash subscriptions. Private investors accounted for 71 percent of the cash subscriptions, with Treasury investment accounts supplying the remainder.

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	June 15, 1952	June 15, 1951	May 15, 1952
Total gold certificate reserves	$ 727,499	$ 492,144	$ 678,790
Discounts for member banks	6,700	2,461	5,100
Industrial advances	4	40	5
Foreign loans on gold	304	0	38
U. S. Government securities	1,021,442	1,098,578	1,022,840
Total earning assets	1,028,450	1,101,079	1,027,983
Member bank reserve deposits	998,572	928,022	987,167
Federal Reserve notes in actual circulation	694,808	628,212	681,747

Between May 21 and June 18, most major categories of assets and liabilities of the weekly reporting member banks in the District rose. The more notable changes included increases in total resources, cash assets, and deposits. On June 18, total resources of these banks amounted to $4,314,584,000, reflecting an increase of about 3 percent during the 4-week period and 12 percent during the preceding 12 months.

CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	June 18, 1952	June 20, 1951	May 21, 1952
Total loans (gross) and investments	$2,909,040	$2,628,076	$2,877,078
Total loans—Net[1]	1,538,494	1,444,361	1,531,258
Total loans—Gross	1,554,987	1,461,072	1,547,696
Commercial, industrial, and agricultural loans	1,046,637	1,000,283	1,045,586
Loans to brokers and dealers in securities	9,899	8,412	8,381
Other loans for purchasing or carrying securities	61,454	57,228	60,488
Real estate loans	114,588	122,443	115,062
Loans to banks	10,768	1,245	11,325
All other loans	311,641	271,461	306,854
Total investments	1,354,053	1,167,004	1,329,382
U. S. Treasury bills	214,126	88,263	195,213
U. S. Treasury certificates of indebtedness	165,127	80,688	169,959
U. S. Treasury notes	177,028	259,251	177,363
U. S. Government bonds (including guaranteed obligations)	627,630	574,297	613,488
Other securities	170,142	164,505	173,359
Reserves with Federal Reserve Bank	557,968	550,590	570,871
Balances with domestic banks	447,848	351,975	389,006
Demand deposits—adjusted[2]	2,376,777	2,209,992	2,348,558
Time deposits except Government	467,453	441,451	463,861
United States Government deposits	88,216	86,631	91,862
Interbank demand deposits	753,354	601,751	705,023
Borrowings from Federal Reserve Bank	14,500	0	10,250

[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.

Loans rose $7,291,000, or less than one-half of 1 percent, during the 4 weeks. Approximately two-thirds of that increase occurred in the category "all other" loans, which includes consumer-type loans. Loans for financing security transactions rose almost 4 percent, while real estate loans and loans to banks declined. The declining trend of commercial, industrial, and agricultural loans which prevailed during most other weeks of this year was reversed temporarily, with loans of that type showing a fractional increase. Increases in loans to commercial and industrial borrowers, such as sales finance companies, construction firms, and manufacturers of petroleum and related products, were more than offset by decreases in loans to commodity dealers, wholesale and retail trade establishments, and grain and milling concerns.

Investments of the weekly reporting member banks rose $24,671,000, or 2 percent, during the 4 weeks ended June 18, with the expansion in holdings of Treasury bills accounting for most of the change. Investments in Treasury bonds increased, while holdings of certificates, notes, and non-Government securities declined.

Deposit trends included increases of $107,751,000 in demand deposits and $3,592,000 in time deposits, or 3 percent and 1 percent, respectively. Approximately equal increases in deposits of individuals, partnerships, and corporations and interbank deposits accounted for about 90 percent of the expansion in demand deposits. Time deposits of individuals and businesses rose somewhat more than total time deposits.

NEW PAR BANK

The Haltom City Bank, Haltom City, Texas, a newly organized, insured, nonmember bank, located in the territory served by the head office of the Federal Reserve Bank of Dallas, was added to the par list on its opening date, May 24, 1952. The officers are: E. P. Haltom, Chairman of the Board; J. Allen Rhodes, President; H. B. Seale, Executive Vice President; S. M. Payne, Assistant Vice President; and Grant Owens, Cashier.

INDUSTRY

The value of construction contracts awarded in the District during May totaled $178,000,000, which is 24 percent greater than in the previous month and 11 percent above a year ago; a rise in residential awards more than offset a decline in nonresidential awards. Residential awards of $93,000,000 were up 88 percent from April and were 58 percent over the year-ago figure. In May, residential awards in the District accounted for 12 percent of the United States total, compared with only 9 percent a year ago. On the other hand, nonresidential awards, totaling $84,000,000, showed a decrease of 10 percent from the previous month and were 17 percent below May 1951. In May they accounted for 11 percent of the United States total, as compared with 9 percent a year ago.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

Area and type	May 1952p	May 1951	April 1952p	January—May 1952p	January—May 1951
ELEVENTH DISTRICT..	$ 177,955	$ 160,385	$ 143,905	$ 628,824	$ 707,521
Residential.......	93,294	58,903	49,581	258,923	305,046
All other.........	84,661	101,482	94,324	369,901	402,475
UNITED STATES[1]....	1,593,660	2,572,961	1,597,517	6,299,728	7,404,677
Residential.......	783,755	661,094	681,614	2,792,245	2,778,575
All other.........	809,905	1,911,867	915,903	3,507,483	4,626,102

[1] 37 states east of the Rocky Mountains.

p—Preliminary.

SOURCE: F. W. Dodge Corporation.

BUILDING PERMITS

City	May 1952 Number	May 1952 Valuation	Percentage change in valuation from May 1951	Percentage change in valuation from April 1952	5 months 1952 Number	5 months 1952 Valuation	5 months 1952 Percentage change in valuation from 5 months 1951
LOUISIANA							
Shreveport....	425	$ 1,285,032	#	—38	1,825	$ 10,168,789	31
TEXAS							
Abilene.......	188	1,707,660	543	59	750	4,801,349	33
Amarillo......	381	1,830,261	59	—35	1,957	11,279,000	11
Austin........	234	1,684,015	6	—52	1,301	13,190,374	11
Beaumont.....	232	377,327	—14	—79	1,221	4,607,612	55
Corpus Christi..	399	1,307,476	31	5	1,907	7,036,734	—38
Dallas........	1,958	12,147,000	95	31	9,275	41,694,470	—14
El Paso.......	281	865,703	—11	—3	1,576	8,329,707	10
Fort Worth....	1,048	5,628,597	45	17	4,852	21,199,112	—20
Galveston.....	120	1,029,745	622	596	585	1,953,207	24
Houston.......	1,040	9,030,288	—8	—22	4,848	45,417,472	—34
Lubbock......	270	1,583,903	18	—17	1,413	7,539,938	—8
Port Arthur....	299	310,720	—44	—18	957	1,338,949	—28
San Antonio...	1,539	3,516,958	25	—11	6,922	18,285,747	—13
Waco........	360	967,750	—36	—42	1,775	7,148,681	#
Wichita Falls...	51	1,722,261	352	71	653	13,880,205	288
Total..........	8,825	$44,994,696	35	—7	41,817	$217,871,346	—10

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

The oil industry faces an unbalanced situation in refined and crude stocks, which developed during the recent strike. The strike caused an estimated national loss of production of 50,000,000 barrels of refined petroleum products. Primary stocks of the four major refined products declined over 33,000,000 barrels during the 5-week period ended May 31, a decrease of roughly 950,000 barrels a day. Normally, refined stocks would have risen appreciably during this period.

On May 31, national stocks of gasoline in primary storage were about 17,500,000 barrels, or 12½ percent, lower than a year earlier. Kerosene stocks were down over 15 percent, and distillate, more than 13 percent. Residual fuel oil stocks, however, showed a decline of only a little over 3 percent as compared with a year ago. These decreases in stocks were widely distributed over the Nation.

Refineries are attempting to increase production in order to build up the reduced stocks. Nevertheless, since a high level of refinery output is necessary to meet current demands, the rebuilding of refined stocks may be extended over a fairly long period. It is estimated that to regain the 50,000,000 barrels lost during the strike will require an increase in crude runs to refinery stills of about 165,000 barrels daily through the first quarter of next year. The immediate task of the industry is the maintenance of adequate supplies of gasoline during the heavy consuming season of the next few months, but refineries must also make up the loss of home heating fuels to insure sufficient supplies next winter.

While the oil strike was reducing refined stocks, crude oil stocks were accumulating to reach the highest level in more than a decade. Crude oil stocks in the Nation on May 31, near the end of the strike, amounted to 288,000,000 barrels. This represents an increase of 23,200,000 barrels over the prestrike date of April 26; the major portion of this gain was in the Eleventh Federal Reserve District, where stocks rose 17,100,000 barrels. As compared with a year earlier, national stocks at the end of May were up 39,900,000 barrels, with district stocks up 26,300,000 barrels.

The unduly high level of crude oil stocks was instrumental in the Texas Railroad Commission's action reducing July oil allowables. This cut represents the fourth consecutive monthly reduction in allowables and brings allowables down to the lowest level since January 1951. Crude oil production in the Eleventh District, largely reflecting the cut in Texas allowables, has declined noticeably from the March peak and in the week ended June 14 was at the lowest rate since March 1951, except for the period of the strike. The daily average production for that week was 2,987,000 barrels, or about 77,000 barrels below the daily average production of June a year ago.