

MONTHLY BUSINESS REVIEW







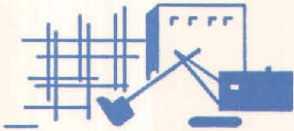



FEDERAL RESERVE BANK OF DALLAS

Vol. 40, No. 8

DALLAS, TEXAS

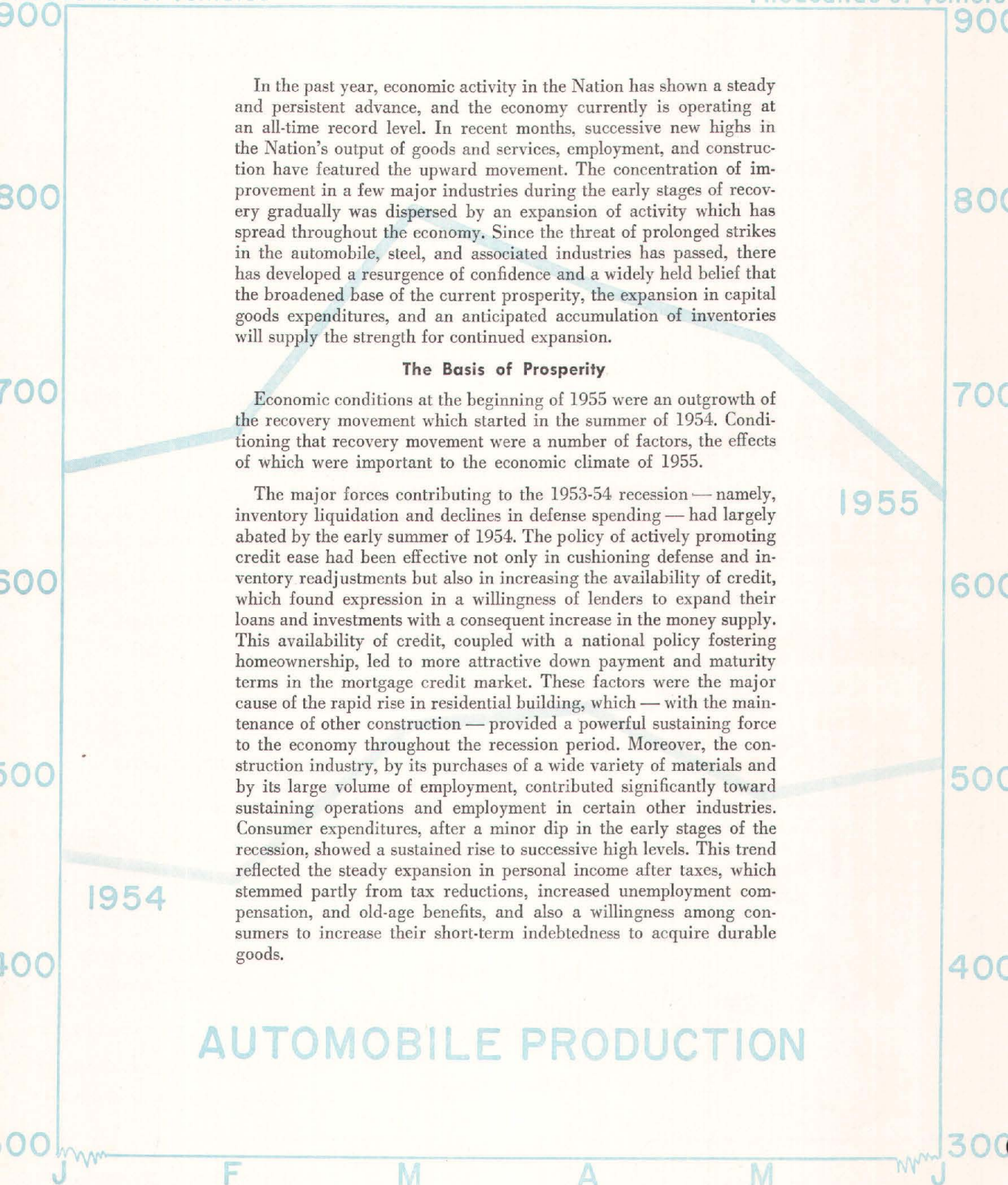
August 1, 1955

ECONOMIC ACTIVITY AT MIDYEAR

	GROSS NATIONAL PRODUCT	\$380,000,000,000 - second quarter
	INDUSTRIAL PRODUCTION	138, seasonally adjusted average index - second quarter
	AUTOMOBILE PRODUCTION	4,256,000 units - first 6 months
	STEEL PRODUCTION	29,878,411 tons - second quarter
	NEW CONSTRUCTION	\$3,600,000,000 average - second quarter
	EMPLOYMENT	64,016,000 workers employed - June
	RETAIL SALES	\$15,300,000,000, seasonally adjusted average - second quarter
	CONSUMER CREDIT	\$31,500,000,000, average outstanding - second quarter

Thousands of Vehicles

Thousands of Vehicle



In the past year, economic activity in the Nation has shown a steady and persistent advance, and the economy currently is operating at an all-time record level. In recent months, successive new highs in the Nation's output of goods and services, employment, and construction have featured the upward movement. The concentration of improvement in a few major industries during the early stages of recovery gradually was dispersed by an expansion of activity which has spread throughout the economy. Since the threat of prolonged strikes in the automobile, steel, and associated industries has passed, there has developed a resurgence of confidence and a widely held belief that the broadened base of the current prosperity, the expansion in capital goods expenditures, and an anticipated accumulation of inventories will supply the strength for continued expansion.

The Basis of Prosperity

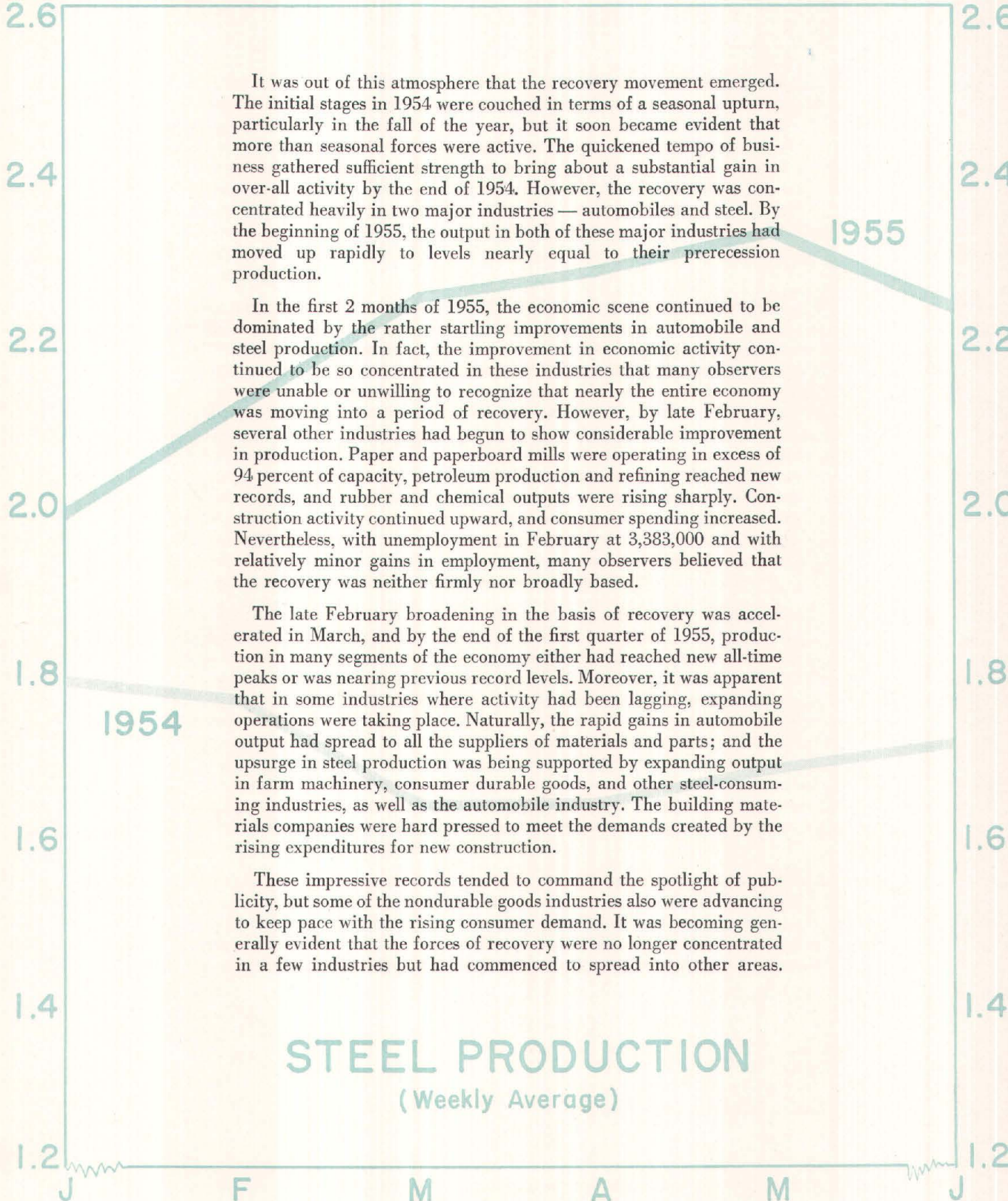
Economic conditions at the beginning of 1955 were an outgrowth of the recovery movement which started in the summer of 1954. Conditioning that recovery movement were a number of factors, the effects of which were important to the economic climate of 1955.

The major forces contributing to the 1953-54 recession — namely, inventory liquidation and declines in defense spending — had largely abated by the early summer of 1954. The policy of actively promoting credit ease had been effective not only in cushioning defense and inventory readjustments but also in increasing the availability of credit, which found expression in a willingness of lenders to expand their loans and investments with a consequent increase in the money supply. This availability of credit, coupled with a national policy fostering homeownership, led to more attractive down payment and maturity terms in the mortgage credit market. These factors were the major cause of the rapid rise in residential building, which — with the maintenance of other construction — provided a powerful sustaining force to the economy throughout the recession period. Moreover, the construction industry, by its purchases of a wide variety of materials and by its large volume of employment, contributed significantly toward sustaining operations and employment in certain other industries. Consumer expenditures, after a minor dip in the early stages of the recession, showed a sustained rise to successive high levels. This trend reflected the steady expansion in personal income after taxes, which stemmed partly from tax reductions, increased unemployment compensation, and old-age benefits, and also a willingness among consumers to increase their short-term indebtedness to acquire durable goods.

AUTOMOBILE PRODUCTION

Millions of Tons

Millions of Tons



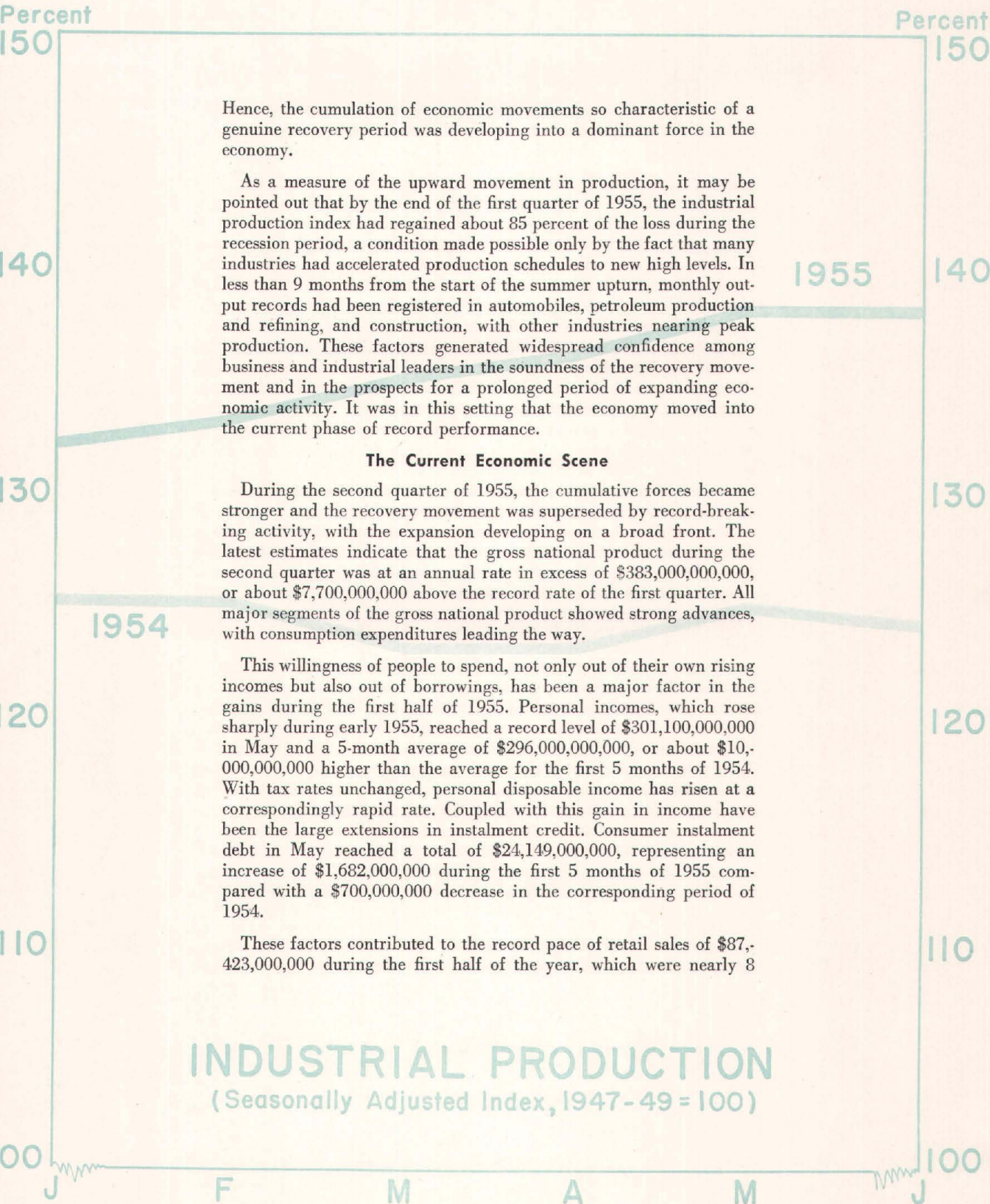
It was out of this atmosphere that the recovery movement emerged. The initial stages in 1954 were couched in terms of a seasonal upturn, particularly in the fall of the year, but it soon became evident that more than seasonal forces were active. The quickened tempo of business gathered sufficient strength to bring about a substantial gain in over-all activity by the end of 1954. However, the recovery was concentrated heavily in two major industries — automobiles and steel. By the beginning of 1955, the output in both of these major industries had moved up rapidly to levels nearly equal to their prerecession production.

In the first 2 months of 1955, the economic scene continued to be dominated by the rather startling improvements in automobile and steel production. In fact, the improvement in economic activity continued to be so concentrated in these industries that many observers were unable or unwilling to recognize that nearly the entire economy was moving into a period of recovery. However, by late February, several other industries had begun to show considerable improvement in production. Paper and paperboard mills were operating in excess of 94 percent of capacity, petroleum production and refining reached new records, and rubber and chemical outputs were rising sharply. Construction activity continued upward, and consumer spending increased. Nevertheless, with unemployment in February at 3,383,000 and with relatively minor gains in employment, many observers believed that the recovery was neither firmly nor broadly based.

The late February broadening in the basis of recovery was accelerated in March, and by the end of the first quarter of 1955, production in many segments of the economy either had reached new all-time peaks or was nearing previous record levels. Moreover, it was apparent that in some industries where activity had been lagging, expanding operations were taking place. Naturally, the rapid gains in automobile output had spread to all the suppliers of materials and parts; and the upsurge in steel production was being supported by expanding output in farm machinery, consumer durable goods, and other steel-consuming industries, as well as the automobile industry. The building materials companies were hard pressed to meet the demands created by the rising expenditures for new construction.

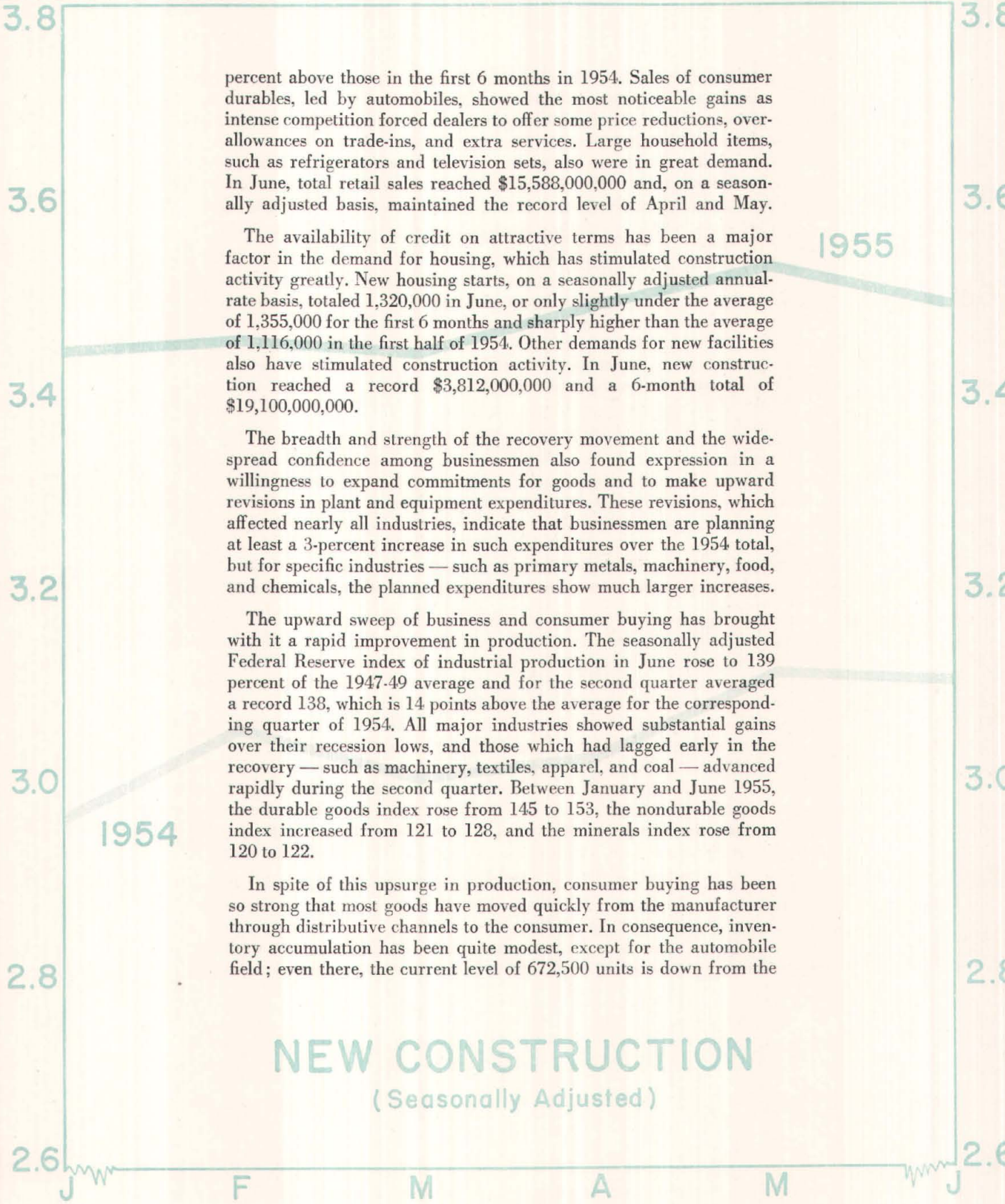
These impressive records tended to command the spotlight of publicity, but some of the nondurable goods industries also were advancing to keep pace with the rising consumer demand. It was becoming generally evident that the forces of recovery were no longer concentrated in a few industries but had commenced to spread into other areas.

STEEL PRODUCTION (Weekly Average)



Billions of Dollars

Billions of Dollars



percent above those in the first 6 months in 1954. Sales of consumer durables, led by automobiles, showed the most noticeable gains as intense competition forced dealers to offer some price reductions, over-allowances on trade-ins, and extra services. Large household items, such as refrigerators and television sets, also were in great demand. In June, total retail sales reached \$15,588,000,000 and, on a seasonally adjusted basis, maintained the record level of April and May.

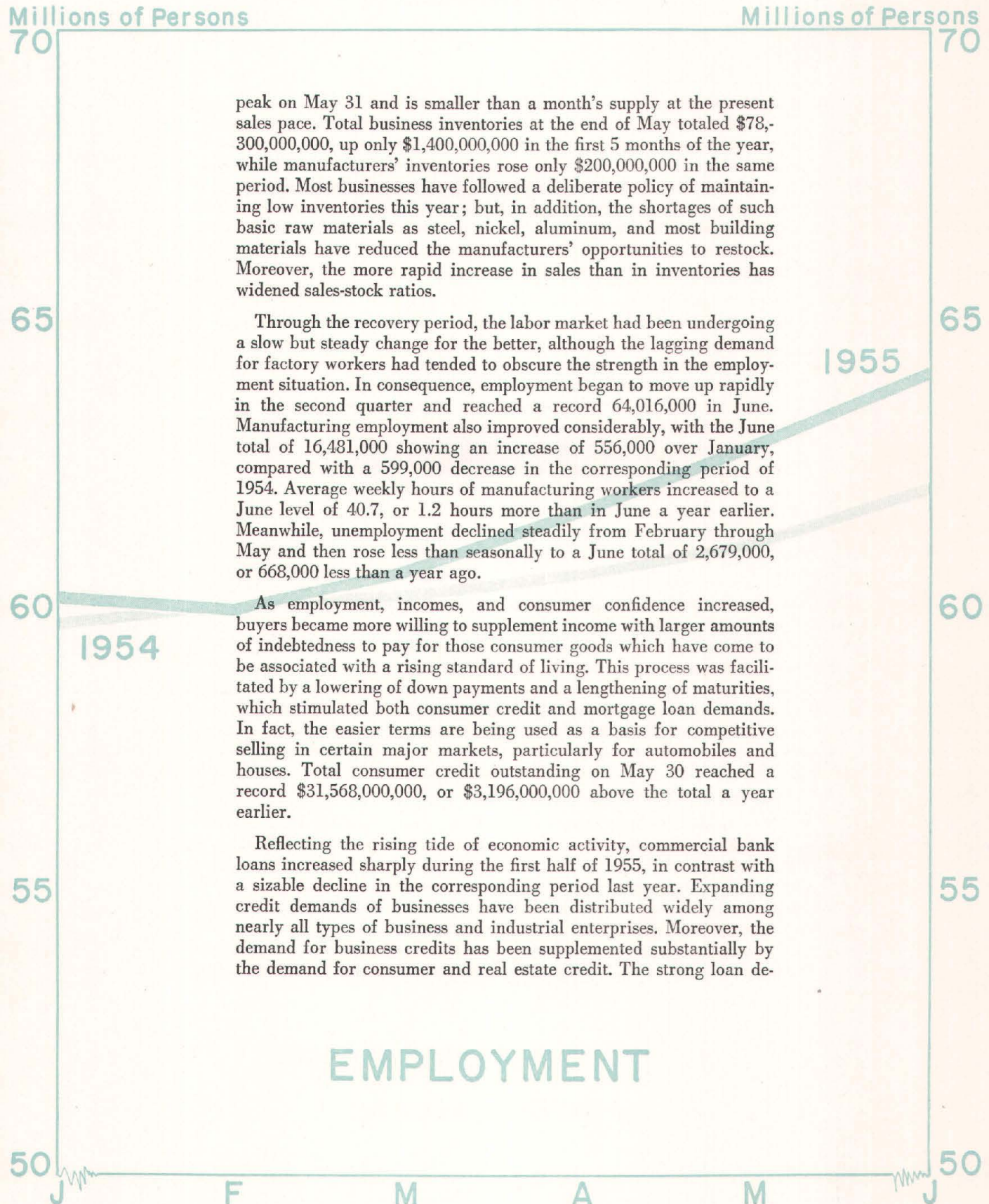
The availability of credit on attractive terms has been a major factor in the demand for housing, which has stimulated construction activity greatly. New housing starts, on a seasonally adjusted annual-rate basis, totaled 1,320,000 in June, or only slightly under the average of 1,355,000 for the first 6 months and sharply higher than the average of 1,116,000 in the first half of 1954. Other demands for new facilities also have stimulated construction activity. In June, new construction reached a record \$3,812,000,000 and a 6-month total of \$19,100,000,000.

The breadth and strength of the recovery movement and the widespread confidence among businessmen also found expression in a willingness to expand commitments for goods and to make upward revisions in plant and equipment expenditures. These revisions, which affected nearly all industries, indicate that businessmen are planning at least a 3-percent increase in such expenditures over the 1954 total, but for specific industries — such as primary metals, machinery, food, and chemicals, the planned expenditures show much larger increases.

The upward sweep of business and consumer buying has brought with it a rapid improvement in production. The seasonally adjusted Federal Reserve index of industrial production in June rose to 139 percent of the 1947-49 average and for the second quarter averaged a record 138, which is 14 points above the average for the corresponding quarter of 1954. All major industries showed substantial gains over their recession lows, and those which had lagged early in the recovery — such as machinery, textiles, apparel, and coal — advanced rapidly during the second quarter. Between January and June 1955, the durable goods index rose from 145 to 153, the nondurable goods index increased from 121 to 128, and the minerals index rose from 120 to 122.

In spite of this upsurge in production, consumer buying has been so strong that most goods have moved quickly from the manufacturer through distributive channels to the consumer. In consequence, inventory accumulation has been quite modest, except for the automobile field; even there, the current level of 672,500 units is down from the

NEW CONSTRUCTION
(Seasonally Adjusted)



peak on May 31 and is smaller than a month's supply at the present sales pace. Total business inventories at the end of May totaled \$78,300,000,000, up only \$1,400,000,000 in the first 5 months of the year, while manufacturers' inventories rose only \$200,000,000 in the same period. Most businesses have followed a deliberate policy of maintaining low inventories this year; but, in addition, the shortages of such basic raw materials as steel, nickel, aluminum, and most building materials have reduced the manufacturers' opportunities to restock. Moreover, the more rapid increase in sales than in inventories has widened sales-stock ratios.

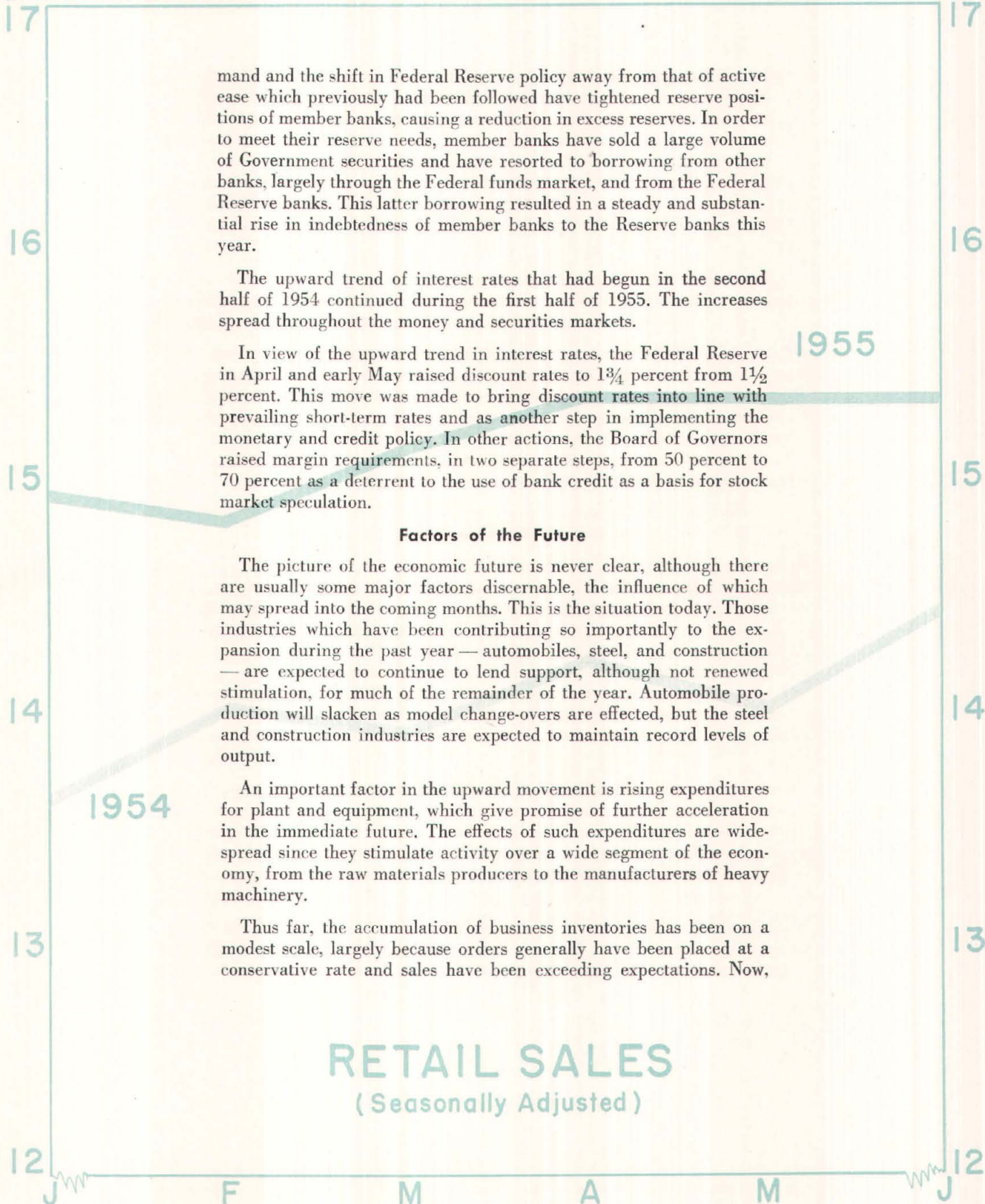
Through the recovery period, the labor market had been undergoing a slow but steady change for the better, although the lagging demand for factory workers had tended to obscure the strength in the employment situation. In consequence, employment began to move up rapidly in the second quarter and reached a record 64,016,000 in June. Manufacturing employment also improved considerably, with the June total of 16,481,000 showing an increase of 556,000 over January, compared with a 599,000 decrease in the corresponding period of 1954. Average weekly hours of manufacturing workers increased to a June level of 40.7, or 1.2 hours more than in June a year earlier. Meanwhile, unemployment declined steadily from February through May and then rose less than seasonally to a June total of 2,679,000, or 668,000 less than a year ago.

As employment, incomes, and consumer confidence increased, buyers became more willing to supplement income with larger amounts of indebtedness to pay for those consumer goods which have come to be associated with a rising standard of living. This process was facilitated by a lowering of down payments and a lengthening of maturities, which stimulated both consumer credit and mortgage loan demands. In fact, the easier terms are being used as a basis for competitive selling in certain major markets, particularly for automobiles and houses. Total consumer credit outstanding on May 30 reached a record \$31,568,000,000, or \$3,196,000,000 above the total a year earlier.

Reflecting the rising tide of economic activity, commercial bank loans increased sharply during the first half of 1955, in contrast with a sizable decline in the corresponding period last year. Expanding credit demands of businesses have been distributed widely among nearly all types of business and industrial enterprises. Moreover, the demand for business credits has been supplemented substantially by the demand for consumer and real estate credit. The strong loan de-

Billions of Dollars

Billions of Dollars



mand and the shift in Federal Reserve policy away from that of active ease which previously had been followed have tightened reserve positions of member banks, causing a reduction in excess reserves. In order to meet their reserve needs, member banks have sold a large volume of Government securities and have resorted to borrowing from other banks, largely through the Federal funds market, and from the Federal Reserve banks. This latter borrowing resulted in a steady and substantial rise in indebtedness of member banks to the Reserve banks this year.

The upward trend of interest rates that had begun in the second half of 1954 continued during the first half of 1955. The increases spread throughout the money and securities markets.

In view of the upward trend in interest rates, the Federal Reserve in April and early May raised discount rates to 13¼ percent from 1½ percent. This move was made to bring discount rates into line with prevailing short-term rates and as another step in implementing the monetary and credit policy. In other actions, the Board of Governors raised margin requirements, in two separate steps, from 50 percent to 70 percent as a deterrent to the use of bank credit as a basis for stock market speculation.

Factors of the Future

The picture of the economic future is never clear, although there are usually some major factors discernable, the influence of which may spread into the coming months. This is the situation today. Those industries which have been contributing so importantly to the expansion during the past year — automobiles, steel, and construction — are expected to continue to lend support, although not renewed stimulation, for much of the remainder of the year. Automobile production will slacken as model change-overs are effected, but the steel and construction industries are expected to maintain record levels of output.

An important factor in the upward movement is rising expenditures for plant and equipment, which give promise of further acceleration in the immediate future. The effects of such expenditures are widespread since they stimulate activity over a wide segment of the economy, from the raw materials producers to the manufacturers of heavy machinery.

Thus far, the accumulation of business inventories has been on a modest scale, largely because orders generally have been placed at a conservative rate and sales have been exceeding expectations. Now,

RETAIL SALES
(Seasonally Adjusted)

with rising prices for some products and with the current need for larger inventories to service the demand adequately, it appears that inventory accumulation may become a stronger factor in productive activity.

As is usually the case, however, during periods of strong economic activity and rising prosperity, there is the problem of maintaining growth in the economy at sustainable rates and avoiding unbalancing or unstabilizing forces. The very rapidity with which the economy has moved along the business cycle from the phase of recession to full prosperity in itself may have tended to create situations which, if not controlled, ultimately might become difficult problems.

In the exuberance of full prosperity, there are always the possibilities of speculative and unproductive ventures of one sort or another in increasing numbers. Also, judgments perhaps are more apt to be tinged with overoptimism or overconfidence rather than hard, careful, sound reason. Finally, as the economy expands and approaches fuller utilization of its productive, material, and labor resources, there is less slack in the economy and an increased tendency toward pressures arising first in one sector and then in another.

While productive and consumptive factors now appear to be reasonably well in balance, further increases in demand may tend to exert pressures on productive capacity in many lines. This will be especially so if the increases in demand represent attempts to accumulate inventories in substantial amounts or if such demands are supported by a use of credit which outruns what might be regarded as normal growth and seasonal requirements. Heretofore, when the use of our productive facilities was well below capacity levels, adjustments to increased demand could be made quickly through increased output, with little or no effect upon price levels. Such adjustments may be more difficult in the months ahead.

Thus, while the current picture of economic activity appears to be one of great strength, there are factors—such as an approach to full utilization of productive and manpower resources, the possibility of attempts to accumulate inventories, the tendency toward more numerous speculative and unproductive activities, and the swing toward greater optimism and confidence in the future, with a consequent lessening of prudent caution—which will require careful consideration if the growth of the economy is to continue to take place on a sound, sustainable basis.

REVIEW OF BUSINESS, AGRICULTURAL, AND FINANCIAL CONDITIONS



Eleventh District department store sales during June were the highest for any June of record, increasing 5 percent over those in the same month a year earlier. Although the dollar value of department store inventories was down 5 percent from May, it was 8 percent more than a year ago. Furniture store sales during June were up 12 percent from June 1954.

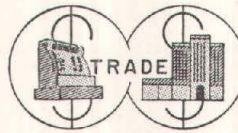
Rains over the major part of the District during July maintained the favorable development of most crops, although the open cotton crop in the Lower Valley was damaged. The total acreage of principal crops for harvest in District states is estimated, as of July 1, at 4 percent below last year. Cotton acreage in cultivation is indicated at 13 percent below acreage a year ago.

Crude oil production in the District declined moderately in July for the fourth consecutive month but continued above the year-earlier level. On the other hand, crude runs at the District's refineries showed further gains during June and the first half of July and continued substantially higher than a year ago.

Nonagricultural employment in the District states increased sharply during June, reaching a new record for this time of year. Seasonal gains in manufacturing and mining accounted for a large part of the increase, although most other industries also reported gains. Unemployment in Texas rose seasonally as the close of school brought new entrants into the labor force.

The value of construction contracts awarded in June decreased sharply from the near-record level of May, with both residential and nonresidential awards registering declines of at least 15 percent. Construction employment, however, continued to edge upward as builders responded to the impetus of earlier contract awards.

During the 4 weeks ended July 13, loans of the District's weekly reporting member banks rose moderately, with most major categories showing increases. Other changes included a reduction in investment holdings and gains in deposits and cash and balances. Debits to deposit accounts expanded 2 percent during June to a level 14 percent higher than the comparable year-earlier total.



Department store sales in the Eleventh District in June were the highest for any June of record, increasing 5 percent over those in the same month a year earlier. Compared with May, June sales were down 9 percent, reflecting the normal seasonal decline in consumer buying at this season of the year. Nevertheless, sales during the first half of 1955 were at a record high that was 10 percent above the first 6 months of 1954 and 4 percent above the previous high for the January-June period, which was in 1953.

The adjusted index of department store sales during June, which amounted to 137 percent of the 1947-49 average, was at approximately the same level as the May index and compares with 130 percent in June 1954.

Sales during June in most major departmental groups registered moderate to substantial increases over a year ago. Special sales resulted in a year-to-year increase of 43 percent in sales of women's and misses' coats and suits. Sales of summer goods in the accessories and apparel groups showed increases of 6 percent for women's and misses' dresses; 4 percent for women's and children's shoes; and 3 percent for blouses, skirts, and sportswear. Sales of small wares and household textiles were up 7 percent and 16 percent, respectively. The principal declines in the soft goods departments occurred in piece goods, down 5 percent, and men's clothing, down 5 percent.

The heavy buying of consumer durables which was prevalent during the first 5 months of this year leveled off in June. Sales of consumer durables during the month were 7 percent above a year ago. Furniture and bedding and radios and television sets continued in strong demand during June, with in-

RETAIL TRADE STATISTICS

(Percentage change)

Line of trade by area	NET SALES			STOCKS ¹	
	June 1955 from		6 mo. 1955 comp. with 6 mo. 1954	June 1955 from	
	June 1954	May 1955		June 1954	May 1955
DEPARTMENT STORES					
Total Eleventh District.....	5	-9	10	8	-5
Corpus Christi.....	-4	-3	13	12	-7
Dallas.....	6	-13	11	10	-6
El Paso.....	9	-1	10	7	-7
Fort Worth.....	-1	-17	9	6	-4
Houston.....	5	-9	8	5	-4
San Antonio.....	8	-8	9	9	-3
Shreveport, La.....	0	-2	6	3	-5
Waco.....	7	-13	11	1	-9
Other cities.....	8	-5	13	11	-8
FURNITURE STORES					
Total Eleventh District.....	12	5	18	6	-3
Austin.....	-1	-10	15	6	-2
Dallas.....	11	8	19	11	1
Houston.....	5	-1	30	1	-2
Port Arthur.....	5	4	10	1	-1
San Antonio.....	9	11	12	2	-4
Shreveport, La.....	27	9	13	10	-4
Other cities.....	14	10	10	4	-4
HOUSEHOLD APPLIANCE STORES					
Total Eleventh District.....	-5	7	—	—	—
Dallas.....	-11	-1	—	—	—

¹ Stocks at end of month.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

(1947-49 = 100)

Area	UNADJUSTED				ADJUSTED ¹			
	June	May	April	June	June	May	April	June
	1955	1955	1955	1954	1955	1955	1955	1954
SALES—Daily average								
Eleventh District.....	120	133	136	114r	137	137	140	130r
Dallas.....	109	125	129	103	133	127	138	126
Houston.....	135	149	148	128	149	150	152	141
STOCKS—End of month								
Eleventh District.....	131p	139	144	122r	143p	137	136	132r

¹ Adjusted for seasonal variation.

r—Revised.

p—Preliminary.

creases of 13 percent and 23 percent, respectively, over the year-earlier figures. On the other hand, sales of major household appliances, which rose 33 percent during the January-May period this year, registered a decline of 6 percent in June compared with the same month in 1954. Sales of hard goods in the first half of 1955 showed an increase of 18 percent over the corresponding period last year.

Department store credit outstanding at the close of June was about equally divided between regular charge accounts and instalment accounts. Charge accounts receivable declined 8 percent during June but remained 6 percent above a year earlier. Instalment accounts receivable were unchanged from May and on June 30 were 13 percent higher than on the same date last year. From January 1 to June 30 this year, charge accounts receivable decreased 40 percent, or the same decline which occurred during the first half of 1954. Over the same period, instalment receivables remained constant, in contrast with a 10-percent decline during the first 6 months of 1954. Collections during June were down slightly from a month earlier, reflecting an average collection period of 65 days for charge accounts and of 14 months for instalment accounts.

The dollar value of inventories at District department stores, turning downward in May from the high levels in March and April, decreased further by 5 percent in June. However, stocks at the end of the month were 8 percent larger than a year earlier. The trend of outstanding orders has continued to follow the pattern of recent years. After falling off from January through April, orders outstanding began rising in May and increased 71 percent during June; at the end of the month, they were 16 percent larger than on the comparable date last year.

Furniture store sales in the District during June increased 5 percent over May and 12 percent above June 1954. Cumulative sales for the first half of 1955 were 18 percent above the corresponding period of 1954. The retail value of end-of-month inventories was 6 percent above that on the same date last year but was down seasonally 3 percent from May.



Growing crops and pastures throughout the major part of the District received needed moisture during July. Light to heavy rains occurred in practically all areas from

El Paso and south-central and eastern New Mexico eastward

LIVESTOCK RECEIPTS

(Number)

Class	FORT WORTH MARKET			SAN ANTONIO MARKET		
	June	June	May	June	June	May
	1955	1954	1955	1955	1954	1955
Cattle.....	90,354	98,808	101,246	27,592	35,389	34,833
Calves.....	20,636	24,548	21,506	15,534	17,257	17,902
Hogs.....	33,775	33,550	48,377	3,535	2,947	3,588
Sheep.....	155,146	155,932	229,849	133,104	127,942	140,240

¹ Includes goats.

into northern Louisiana. Only scattered thundershowers fell in Arizona. The heaviest precipitation occurred in the Lower Rio Grande Valley, east Texas, and the drought-stricken Edwards Plateau. The early July rains in the Lower Valley and Coastal Bend areas benefited dry pastures but resulted in damage to open cotton. The additional rains in northern and eastern Texas provided moisture for late-planted corn and sorghums and revived maturing pastures.

In parts of the southern High Plains of Texas and eastern New Mexico, some farmers were unable to plant intended sorghum acreage early in July because of dry soils, but early planted sorghums in these areas are responding to the mid-month rains. Harvesting of grain sorghums is completed in south Texas and is beginning in the northern Blacklands. The corn crop is well advanced in all areas of the District, with a good yield in prospect.

The cotton crop throughout most of the Blacklands, Upper Coastal, northeastern, and Trans-Pecos areas of Texas and in Louisiana, Arizona, and New Mexico is making excellent progress, although hot, dry weather early in July caused some shedding before rains were received. Cotton in the irrigated High Plains area is making good growth, and the rains provided moisture in the nonirrigated sections of the southern High Plains and in much of the Low Rolling Plains. In general, the cotton crop in northwestern Texas is late, and an early frost could reduce yields seriously.

The movement of commercial vegetables is seasonally light, except for an excellent crop of watermelons. In some areas of south and east Texas, watermelons are not being harvested be-

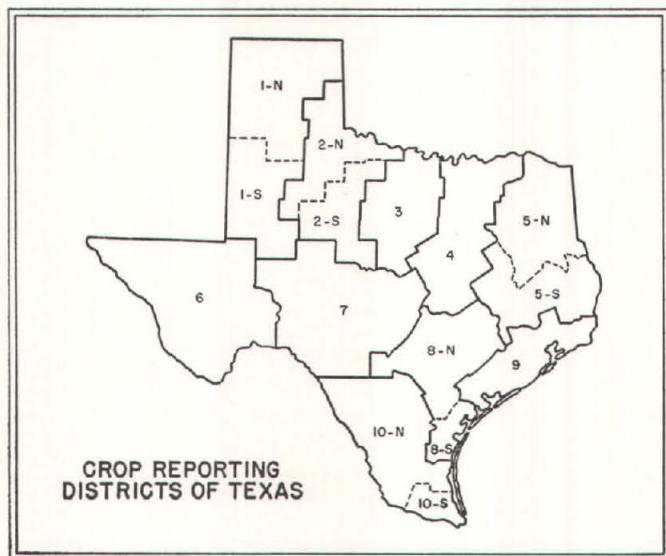
CROP ACREAGE

Texas and Five Southwestern States

(In thousands of acres)

Crop	TEXAS			FIVE SOUTHWESTERN STATES ¹		
	For harvest 1955	Harvested		For harvest 1955	Harvested	
		1954	Average 1944-53		1954	Average 1944-53
Cotton.....	7,000	7,730	8,754	9,005	9,972	11,405
Winter wheat....	1,496	3,252	4,524	5,189	8,071	10,605
Corn.....	2,136	2,074	2,759	3,219	3,133	4,848
Oats.....	1,978	1,798	1,253	3,102	2,717	2,178
Barley.....	184	190	144	690	713	373
Rye.....	25	42	26	117	162	95
Rice.....	484	620	492	1,006	1,272	1,084
Sorghums.....	8,901	7,817	6,368	11,911	10,104	8,468
Hay.....	1,500	1,376	1,563	3,795	3,583	3,765
Peanuts (alone)...	427	395	654	581	538	881
Flaxseed.....	30	105	128	34	109	145
Irish potatoes....	18	19	35	37	39	78
Sweet potatoes...	26	30	46	128	128	150

¹ Arizona, Louisiana, New Mexico, Oklahoma, and Texas. SOURCE: United States Department of Agriculture.



FARM COMMODITY PRICES
Top Prices Paid in Local Southwest Markets

Commodity and market	Unit	Week ended July 20, 1955	Comparable week last month	Comparable week last year
COTTON, Middling 15/16-inch, Dallas....	lb.	\$.3275	\$.3345	\$.3400
WHEAT, No. 1 hard, Fort Worth.....	bu.	2.50¾	2.64½	2.60
OATS, No. 2 white, Fort Worth.....	bu.	.82½	1.00	.96¾
CORN, No. 2 yellow, Fort Worth.....	bu.	1.78¼	1.84½	1.91
SORGHUMS, No. 2 yellow, Fort Worth....	cwt.	2.18	2.55	2.75
HOGS, Choice, Fort Worth.....	cwt.	18.00	21.50	24.50
SLAUGHTER STEERS, Choice, Fort Worth...	cwt.	24.00	23.50	24.00
SLAUGHTER CALVES, Choice, Fort Worth...	cwt.	18.50	21.50	19.00
STOCKER STEERS, Choice, Fort Worth.....	cwt.	22.00	23.00	20.00
SLAUGHTER SPRING LAMBS, Choice, Fort Worth.....	cwt.	20.00	22.50	19.50
BROILERS, south Texas.....	lb.	.29	.28	.28

ages for harvest of only five crops — corn, oats, sorghums, hay, and peanuts — exceed harvested acreages last year. In Texas the acreage of principal crops for harvest is estimated at 24,205,000 acres, or 5 percent below the 25,448,000 acres harvested in 1954.

cause of low prices, and some melons are being fed to hogs. The Texas tomato harvest is virtually complete, but in the Panhandle, potato growers have been delaying harvest in the hope of receiving better prices. Planting of pepper, eggplant, and tomato seedbeds is well advanced in the fall-crop irrigated sections of the Lower Valley, Laredo, and Winter Garden areas of Texas, while planting of broccoli, cauliflower, and cabbage is under way.

Ranges and pastures are responding to the increased moisture supplies over practically all of the District, and a good crop of hay is in prospect. In most southern and western Texas counties and in New Mexico and Arizona, more precipitation is needed before ranges can recover from the effects of prolonged drought.

The total acreage of principal crops for harvest in the District this year is estimated, as of July 1, at approximately 38,814,000 acres, or 4 percent below the 40,541,000 acres harvested in 1954, according to the United States Department of Agriculture. Adverse growing conditions could reduce further the acreage finally harvested in 1955. Prospective acre-

Cotton acreage in cultivation on July 1 in the District states is indicated at 9,005,000 acres, or 13 percent below acreage in cultivation at the same time last year and 22 percent below the 1944-53 average. Percentage declines from a year ago for individual states are: Arizona, 17 percent; Oklahoma and Texas, 13 percent each; New Mexico, 12 percent; and Louisiana, 11 percent. In the Nation, cotton acreage in cultivation on July 1 is indicated at 17,096,000 acres — down 14 percent from a year earlier and the smallest July 1 acreage of record.

All crop reporting districts in Texas had smaller acreages of cotton in cultivation on July 1 than last year, except District 6 (Trans-Pecos area) and District 10-S (Lower Rio Grande Valley). In District 6 an increase in American-Egyptian (long-staple) cotton acreage more than offsets the reduction in acreage of short-staple varieties; in District 10-S the increase is the result of smaller losses of planted acreage this year. The largest reductions in acreages are in the nonirrigated areas of south Texas, including the Corpus Christi territory, where droughty conditions prevented planting of intended acreages and an unusual loss of planted acreage has occurred.

The indicated production of corn, hay, sweet potatoes, and Irish potatoes in the District states as of July 1, 1955, is above

PLANTED COTTON ACREAGE, JULY 1

Texas Crop Reporting Districts

(In thousands of acres)

Crop reporting district	1952	1953	1954 ^r	1955	1955 as percent of 1954
1-N.....	773	799	506	425	84
1-S.....	2,894	1,695	1,880	1,600	85
2-N.....	1,073	630	706	600	85
2-S.....	1,325	1,130 ^r	895	790	88
3.....	176	119	128	115	90
4.....	2,288	2,169 ^r	1,665	1,470	88
5-N.....	316	282	275	255	93
5-S.....	227	222	163	140	86
6.....	230	223	149	155	104
7.....	242	176	166	115	69
8-N.....	559	493	398	345	87
8-S.....	364	305	249	185	74
9.....	394	410	264	245	93
10-N.....	194	175 ^r	147	80	54
10-S.....	701	740	474	480	101
State.....	11,756	9,568	8,065	7,000	87

^r—Revised.
SOURCE: United States Department of Agriculture.

CROP PRODUCTION

Texas and Five Southwestern States

(In thousands of bushels)

Crop	TEXAS			FIVE SOUTHWESTERN STATES ¹		
	Estimated July 1, 1955	1954	Average 1944-53	Estimated July 1, 1955	1954	Average 1944-53
Winter wheat....	14,212	30,894	55,404	44,444	102,652	138,179
Corn.....	46,992	33,184	47,111	72,632	52,047	84,584
Oats.....	34,615	41,354	28,167	57,237	65,737	47,500
Barley.....	2,208	3,135	2,481	17,334	21,966	9,964
Rice ²	12,584	16,120	10,918	24,329	31,116	21,886
Hay ³	1,627	1,389	1,570	5,089	4,476	4,807
Flaxseed.....	78	578	879	186	676	1,300
Irish potatoes....	2,772	2,033	3,479	5,565	4,815	7,580
Sweet potatoes...	2,080	1,350	3,664	11,670	10,374	13,379

¹ Arizona, Louisiana, New Mexico, Oklahoma, and Texas.

² In thousands of bags containing 100 pounds each.

³ In thousands of tons.

SOURCE: United States Department of Agriculture.

last year's production, according to the Department of Agriculture. Decreases are indicated for winter wheat, oats, barley, rice, and flaxseed as a result of reduced acreage allotments and unfavorable growing conditions.



During the 4 weeks ended July 13, commercial, industrial, and agricultural loans of the District's weekly reporting member banks rose \$9,229,000, as contrasted with a decline of \$4,791,000 in the comparable weeks last year. Increased borrowings by construction firms, wholesale and retail trade establishments, grain and milling concerns, and a group of miscellaneous businesses weighed heavily in the gain. Substantial but less than offsetting repayments were made by commodity dealers and food processors. On July 13, commercial, industrial, and agricultural loans of these banks were \$1,456,535,000, reflecting an increase of \$156,465,000 over the comparable year-earlier total.

Other loan trends between June 15 and July 13 included increases of \$22,825,000 in loans to banks, \$4,581,000 in

CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	July 13, 1955	July 14, 1954	June 15, 1955
ASSETS			
Commercial, industrial, and agricultural loans....	\$1,456,535	\$1,300,070	\$1,447,306
Loans to brokers and dealers in securities.....	22,121	8,483	17,928
Other loans for purchasing or carrying securities.	114,783	83,900	116,937
Real estate loans.....	195,896	145,174	191,315
Loans to banks.....	33,105	11,734	10,280
All other loans.....	489,212	399,548	493,256
Gross loans.....	2,311,652	1,948,909	2,277,022
Less reserves and unallocated charge-offs..	23,344	17,173	23,240
Net loans.....	2,288,308	1,931,736	2,253,782
U. S. Treasury bills.....	59,815	161,365	57,557
U. S. Treasury certificates of indebtedness.....	27,879	132,692	39,204
U. S. Treasury notes.....	280,639	200,583	283,957
U. S. Government bonds (inc. gtd. obligations)...	858,180	782,426	851,577
Other securities.....	200,194	212,894	251,862
Total investments.....	1,476,707	1,489,960	1,484,157
Cash items in process of collection.....	379,193	313,027	392,627
Balances with banks in the United States.....	444,459	470,254	435,034
Balances with banks in foreign countries.....	1,479	1,250	1,419
Currency and coin.....	49,467	47,093	47,206
Reserves with Federal Reserve Bank.....	576,526	582,485	570,559
Other assets.....	120,572	96,332	119,672
TOTAL ASSETS.....	5,336,711	4,932,137	5,304,456
LIABILITIES AND CAPITAL			
Demand deposits			
Individuals, partnerships, and corporations....	2,770,349	2,618,400	2,835,506
United States Government.....	82,540	89,807	82,480
States and political subdivisions.....	204,591	173,297	185,253
Banks in the United States.....	896,839	906,612	865,974
Banks in foreign countries.....	16,511	9,827	16,952
Certified and officers' checks, etc.....	90,871	59,869	66,543
Total demand deposits.....	4,061,701	3,857,812	4,052,708
Time deposits			
Individuals, partnerships, and corporations....	681,252	574,415	657,165
United States Government.....	12,159	9,805	12,462
Postal savings.....	452	450	452
States and political subdivisions.....	143,649	112,488	124,132
Banks in the U. S. and foreign countries.....	1,785	1,883	1,785
Total time deposits.....	839,297	699,041	795,996
Total deposits.....	4,900,998	4,556,853	4,848,704
Bills payable, rediscounts, etc.....	14,500	0	34,650
All other liabilities.....	41,084	37,493	43,177
Total capital accounts.....	380,129	337,791	377,925
TOTAL LIABILITIES AND CAPITAL.....	5,336,711	4,932,137	5,304,456

CONDITION STATISTICS OF ALL MEMBER BANKS

Eleventh Federal Reserve District

(In millions of dollars)

Item	June 29, 1955	June 30, 1954	May 25, 1955
ASSETS			
Loans and discounts.....	\$3,581	\$3,191	\$3,558
United States Government obligations.....	2,360	2,334	2,502
Other securities.....	548	468	548
Reserves with Federal Reserve Bank.....	964	971	968
Cash in vault.....	121e	119	127e
Balances with banks in the United States.....	1,036	1,199	960
Balances with banks in foreign countries.....	2e	1	2e
Cash items in process of collection.....	352	433	376
Other assets.....	171e	148	169e
TOTAL ASSETS.....	9,135e	8,864	9,210e
LIABILITIES AND CAPITAL			
Demand deposits of banks.....	1,055	1,193	980
Other demand deposits.....	6,130	5,951	6,275
Time deposits.....	1,225	1,084	1,223
Total deposits.....	8,410	8,228	8,478
Borrowings.....	20e	0	24e
Other liabilities.....	51e	48	57e
Total capital accounts.....	654e	588	651e
TOTAL LIABILITIES AND CAPITAL.....	9,135e	8,864	9,210e

e—Estimated.

loans secured by real estate, and \$2,039,000 in loans for financing security transactions. "All other" loans, the category which includes consumer-type credits, declined \$4,044,000.

Investments of the weekly reporting member banks were reduced \$7,450,000 during the 4 weeks to a level of \$1,476,707,000. Moderate additions to Treasury bond and bill portfolios were more than offset by substantial sales or redemptions of Treasury certificates and notes. Holdings of non-Government securities also were reduced.

On July 13, total deposits amounted to \$4,900,998,000, reflecting a gain of \$52,294,000 over the 4-week period. Marked increases in time deposits of individuals and businesses and of states and political subdivisions contributed to a rise of \$43,301,000 in total time deposits. Demand deposits rose \$8,993,000, due principally to the expansion in inter-bank deposits and the accounts of states and political subdivisions. Demand deposits of individuals, partnerships, and corporations declined rather sharply, by \$65,157,000.

Gross demand deposits of all member banks in the District averaged \$7,190,550,000 during June, down \$50,718,000 from May but up \$385,974,000 as compared with June 1954. Reserve city member banks accounted for 46 percent of the month-to-month decline and 53 percent of the year-to-year

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
June 1953....	\$6,523,407	\$891,731	\$3,106,229	\$492,983	\$3,417,178	\$398,748
June 1954....	6,804,576	1,083,140	3,313,244	605,899	3,491,332	477,241
Feb. 1955....	7,329,237	1,170,172	3,504,599	652,808	3,824,638	517,364
March 1955....	7,237,908	1,202,162	3,485,392	682,916	3,752,516	519,246
April 1955....	7,388,996	1,219,764	3,626,058	697,441	3,762,938	522,323
May 1955....	7,241,268	1,226,177	3,541,867	704,826	3,699,401	521,351
June 1955....	7,190,550	1,223,862	3,518,648	704,471	3,671,902	519,391

expansion. Time deposits declined \$2,315,000 during June to \$1,223,862,000; however, at that level, time deposits exceeded the June 1954 average by \$140,722,000.

Debits to deposit accounts reported by banks in 24 cities of the District increased 2 percent during June to a level 14 percent higher than the year-earlier total. Banks in most of the cities indicated increases during the month, with the more notable gains occurring in Shreveport, Louisiana, and Corpus Christi and Wichita Falls, Texas. The annual rate of turnover of deposits was 19.4 in June, as compared with 19.1 for May and 18.0 for June 1954.

Between June 15 and July 13, the principal changes in the condition of the Federal Reserve Bank of Dallas included reductions of \$14,663,000 in gold certificate reserves and \$7,322,000 in member bank reserve deposits and an increase of \$14,121,000 in total earning assets. Increased holdings of United States Government securities represented the major factor in the rise in earning assets. On July 13, Federal Reserve notes in actual circulation amounted to \$713,453,000, as compared with \$709,264,000 on June 15 and \$724,498,000 on July 14, 1954.

The reduction in member bank reserve deposits at the Federal Reserve Bank of Dallas during the 4 weeks ended July 13 arose principally from drains of funds stemming from an increase in currency circulation and an excess of payments over receipts in interdistrict commercial and financial transactions. A further substantial decrease reflected the reduction

BANK DEBITS, END-OF-MONTH DEPOSITS
AND ANNUAL RATE OF TURNOVER OF DEPOSITS
(Amounts in thousands of dollars)

Area	DEBITS ¹			DEPOSITS ²			
	June 1955	Percentage change from		June 30, 1955	Annual rate of turnover		
		June 1954	May 1955		June 1955	June 1954	May 1955
ARIZONA							
Tucson.....	\$ 132,073	27	0	\$ 87,918	17.5	14.8	16.8
LOUISIANA							
Monroe.....	56,746	25	-1	42,461	16.2	12.6	16.0
Shreveport.....	254,947	27	8	191,275	16.6	14.6	15.8
NEW MEXICO							
Roswell.....	27,748	7	2	27,562	11.9	10.7	11.5
TEXAS							
Abilene.....	66,726	24	-4	58,495	13.7	12.2	14.2
Amarillo.....	154,669	22	4	109,042	17.0	15.5	16.6
Austin.....	139,142	16	-2	116,361	14.4	13.1	14.6
Beaumont.....	127,178	7	-2	100,702	15.5	15.2	15.5
Corpus Christi.....	168,710	7	5	104,488	19.4	16.1	18.2
Corsicana.....	13,429	1	1	21,544	7.4	7.7	7.3
Dallas.....	1,990,300	15	1	1,014,503	24.0	22.3	24.0
El Paso.....	222,141	23	3	129,578	20.8	17.9	20.0
Fort Worth.....	618,636	9	4	375,647	20.2	20.3	20.0
Galveston.....	78,972	12	2	70,954	13.4	12.5	13.3
Houston.....	2,013,362	11	3	1,137,581	21.1	19.6	20.3
Laredo.....	21,314	10	-9	19,993	13.2	12.4	14.9
Lubbock.....	123,420	35	3	95,694	15.4	13.6	14.6
Port Arthur.....	54,661	15	-5	42,946	15.2	15.1	16.2
San Angelo.....	45,082	15	2	46,913	11.6	10.9	11.4
San Antonio.....	473,408	15	0	330,869	17.0	16.0	17.0
Texarkana ³	17,699	6	2	17,564	12.2	11.4	12.0
Tyler.....	70,622	10	3	58,391	14.6	13.3	14.0
Waco.....	83,905	11	1	66,150	15.1	14.6	14.5
Wichita Falls.....	98,277	9	5	105,459	11.3	10.8	10.7
Total—24 cities.....	\$7,053,167	14	2	\$4,372,090	19.4	18.0	19.1

¹ Debits to demand deposit accounts of individuals, partnerships, and corporations and of states and political subdivisions.

² Demand deposit accounts of individuals, partnerships, and corporations and of states and political subdivisions.

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 \$38,473,000 for the month of June 1955.

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	July 13, 1955	July 14, 1954	June 15, 1955
Total gold certificate reserves.....	\$727,313	\$781,752	\$741,976
Discounts for member banks.....	11,669	3,001	12,550
Other discounts and advances.....	2,507	705	3,133
U. S. Government securities.....	960,089	978,516	944,461
Total earning assets.....	974,265	982,222	960,144
Member bank reserve deposits.....	963,301	968,755	970,623
Federal Reserve notes in actual circulation.....	713,453	724,498	709,264

in local Federal Reserve credit. On balance, Treasury operations supplied funds to member banks.

As a part of its program for raising new cash to meet seasonal needs in the current fiscal year, the Treasury announced on June 27 that the weekly issue of Treasury bills to be dated July 7 would be increased in the amount of \$100,000,000. Similar increases were made in the issues dated July 14, July 21, and July 28.

On July 5 the Secretary of the Treasury announced the offering for cash of an additional \$750,000,000 of the 3-percent bonds of 1995 which were issued last February and of \$2,000,000,000 of new 17/8-percent Tax Anticipation certificates of indebtedness to be dated July 18 and maturing March 22, 1956. Subscription books were open 1 day for each offering, July 8 for the certificates and July 11 for the bonds.

The offering of the additional amount of the 3-percent bonds was designed to meet the recurring investment needs of savings-type investors — such as pension and retirement funds, insurance companies, savings banks, and other savings institutions. In order to encourage subscriptions from such sources, the Treasury announced that instalment payments would be permitted until October 3.

On July 12 the Treasury announced that subscriptions for the 17/8-percent Tax Anticipation certificates totaled \$10,616,000,000 and that a 19-percent allotment would be made on individual subscriptions in excess of \$100,000, with subscriptions for that amount or less to be allotted in full. On July 14 it was announced that subscriptions to the 3-percent bonds amounted to about \$1,720,000,000 and that a 65-percent allotment to savings-type investors and a 30-percent allotment to all other subscribers would be made on each subscription in

CHANGES IN FACTORS AFFECTING MEMBER BANK RESERVE BALANCES

Eleventh Federal Reserve District

(In thousands of dollars)

FACTORS	CHANGE ¹	
	4 weeks ended July 13, 1955	Dec. 29, 1954—July 13, 1955
Federal Reserve credit—local.....	—\$3,059	—\$ 7,412
Interdistrict commercial and financial transactions....	— 6,297	— 176,761
Treasury operations.....	+ 8,856	+ 108,106
Currency transactions.....	— 7,670	+ 26,756
Other deposits at Federal Reserve Bank.....	+ 115	+ 700
Other Federal Reserve accounts.....	+ 733	+ 6,801
RESERVE BALANCES	—\$7,322	—\$ 43,210
June 15, 1955.....	\$970,623	
July 13, 1955.....	\$963,301	

¹ Sign of change indicates effect on reserve balances.

excess of \$25,000. Subscriptions for \$25,000 or less were allotted in full. In the case of both the 1 $\frac{7}{8}$ -percent certificates and the 3-percent bonds, payment by credit to Treasury Tax and Loan Account was permitted for securities allotted to commercial banks for their own account and for the account of customers.

On July 18 the Secretary of the Treasury announced that holders of the \$8,477,000,000 of 1 $\frac{1}{8}$ -percent certificates of indebtedness maturing August 15 would be given the opportunity of exchanging their holdings for a new 2-percent Tax Anticipation certificate maturing June 22, 1956, or for an additional amount of the outstanding 2-percent Treasury notes which will mature August 15, 1956. The new Tax Anticipation certificates are dated August 1 and will be receivable at par and accrued interest to maturity in payment of income and profits taxes due on June 15, 1956. Subscription books were open 3 days for the exchange offering, July 20-22.

On June 30 the President signed a bill continuing for 1 year, until June 30, 1956, the temporary increase of \$6,000,000,000 in the ceiling on the public debt which was established by Congress last year. Extension of the temporary authority was required to facilitate Treasury cash financing during the current fiscal year. Without appropriate legislation, the debt ceiling would have dropped from \$281,000,000,000 to \$275,000,000,000, effective July 1.



The aggregate supply position in the Nation's petroleum industry is now in better balance with demand than it has been at any time in the past several months. The improvement has stemmed from cutbacks in crude production in the Southwest in recent months and from a continued high level of consumption.

Total stocks of crude oil and major refined products in the Nation during July dropped below the year-earlier level for the first time since late February. Crude stocks declined 13,100,000 barrels during June and early July and on July 16 amounted to 268,800,000 barrels, a level which is within the range generally considered desirable by the industry. Gasoline stocks registered an appreciable seasonal decrease during June, but the decline slowed considerably during the

first part of July under the weight of a record volume of production. On July 15, gasoline stocks were 2 percent below the high level of a year earlier. Residual fuel oil stocks increased a little during this period, while distillate fuel oil stocks continued their marked seasonal build-up; at mid-July the former were 15 percent below the year-earlier level, while the latter were 15 percent higher.

Crude oil production in the District in July declined moderately for the fourth consecutive month. Production during the first half of the month averaged 3,064,000 barrels per day, which is 51,000 barrels less than in the preceding month but 112,000 barrels higher than in July a year ago. In the Nation, production averaged 6,612,000 barrels per day, or 4,000 barrels less than in June but 352,000 barrels more than in the same month a year earlier.

District crude oil production may be expected to show a small increase in August because of the bringing in of new wells; allowables on existing wells remain unchanged from July to August in both Texas and Louisiana. The number of state-wide producing days in Texas in August continues at 15, the same as in July.

The demand for major refined products at the primary level during the 5 weeks ended July 15 was 8 percent higher than in the corresponding period last year. This increase reflected in large part the heavy demand for gasoline, which averaged 3,905,000 barrels per day. Distillate and residual fuel oil demand also showed substantial year-to-year gains, and kerosene demand was up slightly from a year earlier.

Refinery crude runs in both the District and the Nation, continuing the upward trend which began in May, showed further gains in June and the first half of July. In the District, daily average crude runs to refinery stills in June amounted to 2,183,000 barrels, which is 13,000 barrels higher than in the previous month and 202,000 barrels more than a year earlier. The Nation's refineries posted substantially larger gains, with daily average runs totaling 7,508,000 barrels—or only 41,000 barrels less than the record February level, 232,000 barrels higher than in May, and 561,000 barrels above June 1954.

Drilling activity in the Eleventh District during the first 6 months of 1955 reached a new high. Total well completions amounted to 11,752 and were 12 percent higher than in the same period of 1954, according to *Oil and Gas Journal* data. An increased emphasis on development drilling was apparent, as has been the case in recent years; wildcat completions during the first half of this year were only slightly higher than in the comparable period last year. The proportion of total wildcat wells successfully completed as oil or gas producers was somewhat higher than in the first half of 1954.

CRUDE OIL: DAILY AVERAGE PRODUCTION

(In thousands of barrels)

Area	June 1955 ¹	June 1954 ²	May 1955 ¹	Change from	
				June 1954	May 1955
ELEVENTH DISTRICT.....	3,114.9	3,108.0	3,150.6	6.9	-35.7
Texas.....	2,776.7	2,787.9	2,808.5	-11.2	-31.8
Gulf Coast.....	586.5	604.1	596.8	-17.6	-10.3
West Texas.....	1,092.6	1,073.0	1,104.2	19.6	-11.6
East Texas (proper).....	207.6	236.8	212.7	-29.2	-5.1
Panhandle.....	88.5	85.7	87.7	2.8	-.8
Rest of State.....	801.4	788.3	807.2	13.1	-5.8
Southeastern New Mexico.....	221.9	206.2	227.3	15.7	-5.4
Northern Louisiana.....	116.4	113.9	114.8	2.5	1.6
OUTSIDE ELEVENTH DISTRICT.....	3,501.0	3,392.0	3,513.4	109.0	-12.4
UNITED STATES.....	6,615.9	6,500.0	6,664.0	115.9	-48.1

SOURCES: ¹ Estimated from American Petroleum Institute weekly reports.
² United States Bureau of Mines.



Total nonagricultural employment in the five states lying wholly or partly within the District continued to reflect the rising trend in business and industrial activity. Such employ-

NONAGRICULTURAL EMPLOYMENT

Five Southwestern States¹

Type of employment	Number of persons			Percent change June 1955 from	
	June 1955p	June 1954r	May 1955	June 1954	May 1955
	Total nonagricultural				
wage and salary workers..	3,895,700	3,797,100	3,856,100	2.6	1.0
Manufacturing.....	726,300	699,800	715,300	3.8	1.5
Nonmanufacturing.....	3,169,400	3,097,300	3,140,800	2.3	.9
Mining.....	245,500	240,300	237,300	2.2	3.5
Construction.....	280,800	270,000	272,800	4.0	2.9
Transportation and public utilities.....	391,700	393,800	381,300	-.5	2.7
Trade.....	990,800	970,200	986,600	2.1	.4
Finance.....	162,600	156,500	160,600	3.9	1.2
Service.....	451,000	448,100	449,600	.6	.3
Government.....	647,000	618,400	652,600	4.6	-.9

¹ Arizona, Louisiana, New Mexico, Oklahoma, and Texas.
p—Preliminary.
r—Revised.
SOURCE: State employment agencies.

ment is estimated at 3,895,700 in June — 39,600 over May and 98,600 above a year earlier. Gains occurred in all industrial classifications except government, which declined moderately with the close of school. The most noticeable gains in nonmanufacturing activity were of a seasonal nature and occurred in transportation; services, largely connected with the tourist season; and construction. Employment in utilities increased with the termination of a work stoppage in Louisiana. Copper mining employment reached near-record levels in Arizona and New Mexico.

Manufacturing employment during June rose for the fourth consecutive month, gaining 11,000 above the May level to reach 726,300. In the food-processing industry, factory jobs increased as hot weather stimulated the ice and beverage business and processing of vegetables and fruit reached a summer peak. Sea food processing in Louisiana continued to rise after the reopening of the shrimp season. Other seasonal gains occurred as the oncoming cotton crop spurred the manufacturing of gin machinery and farm equipment and activity increased in cotton oil mills. Nonseasonal gains were experienced in the shipbuilding industry as new contracts were received for oil and drilling barges.

Unemployment increased seasonally during June as schools laid off cafeteria and maintenance workers and students and graduates entered the labor market. Unemployment created by this latter group will decrease as graduates find jobs and

DOMESTIC CONSUMPTION AND STOCKS OF COTTON

(Bales)

Area	May 1955 ¹	May 1954	April 1955 ²	August—May	
				This season	Last season
CONSUMPTION					
Total					
Texas mills.....	10,828	11,250	10,447	112,752	121,196
U. S. mills.....	703,240	645,472	696,354	7,419,393	7,256,483
Daily average					
Texas mills.....	541	563	531	541	563
U. S. mills.....	35,162	32,274	35,402	34,820	34,294
STOCKS, U. S.—End of period					
Consuming establishments..	1,713,624	1,586,698	1,812,825	—	—
Public storage and compresses.....	10,432,247	8,997,176	11,189,378	—	—

¹ Four weeks ended May 28.
² Four weeks ended April 30.
SOURCE: United States Bureau of the Census.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

Area and type	June 1955p	June 1954	May 1955	January—June	
				1955p	1954
ELEVENTH DISTRICT....	\$ 135,869	\$ 110,772	\$ 168,169	\$ 868,551	\$ 659,519
Residential.....	65,190	48,795	83,665	416,117	310,203
All other.....	70,679	61,977	84,504	452,434	349,316
UNITED STATES ¹	2,255,209	1,733,264	2,185,065	11,982,771	9,251,209
Residential.....	951,104	720,266	1,011,310	5,456,730	3,980,691
All other.....	1,304,105	1,012,998	1,173,755	6,526,041	5,270,518

¹ 37 states east of the Rocky Mountains.
p—Preliminary.
SOURCE: F. W. Dodge Corporation.

students seeking only temporary employment withdraw from the labor force. In Texas, unemployment during the month totaled 126,800, or 4.6 percent of the nonagricultural labor force.

The value of construction contracts awarded in the District during June totaled \$135,869,000, representing a decline of 19 percent from May but an increase of 23 percent over a year earlier. The sharpest decrease occurred in residential awards, which fell 22 percent below the near-record May level. All other awards were down 16 percent from the preceding month. During the first 6 months of 1955, construction contracts awarded in the District were valued at \$868,551,000 — up 32 percent from the same period of 1954. Residential awards totaled \$416,117,000 for a year-to-year gain of 34 percent, while all other awards, at \$452,434,000, were up 30 percent. Contracts awarded in the United States during the first half of the year were valued at a record \$11,982,771,000, or 30 percent more than a year ago.

Sulfur production at nine District domes located in the Texas counties of Brazoria, Fort Bend, Wharton, Liberty, and Jefferson during the first 6 months of 1955 amounted to 1,916,606 long tons, representing a 5-percent gain over the preceding 6 months and an 18-percent increase over the corresponding period a year earlier. The gains were largely in response to increases in the industrial uses of sulfuric acid, which consume approximately 80 percent of the District's sulfur output, and to the increased use of sulfur in fertilizers.

BUILDING PERMITS

Area	June 1955		Percentage change in valuation from		6 months 1955		Percentage change in valuation from 6 months 1954
	Number	Valuation	June 1954	May 1955	Number	Valuation	
Shreveport....	550	\$ 3,393,207	81	69	2,989	\$ 19,846,463	91
TEXAS							
Abilene.....	166	1,636,169	118	20	927	9,711,123	83
Amarillo.....	240	1,378,714	-42	-43	1,609	13,055,977	33
Austin.....	378	4,212,916	22	-1	1,966	22,603,732	11
Beaumont.....	324	646,125	105	-22	1,892	4,837,881	12
Corpus Christi..	543	3,921,755	-28	104	2,998	18,022,224	1
Dallas.....	2,441	14,560,501	18	9	14,449	92,035,734	35
El Paso.....	420	2,447,938	5	-8	2,927	18,458,179	68
Fort Worth.....	788	4,365,345	-17	4	4,913	29,571,273	34
Galveston.....	117	374,833	231	16	643	1,638,555	-49
Houston.....	1,212	12,340,774	8	-31	6,968	82,870,428	14
Lubbock.....	312	2,561,902	-36	-16	1,793	15,295,318	5
Port Arthur.....	168	411,537	21	13	944	2,635,466	45
San Antonio.....	1,784	5,741,376	26	47	11,021	31,239,142	35
Waco.....	299	976,285	-27	13	1,645	7,367,155	12
Wichita Falls... ¹	156	871,401	256	-28	930	6,483,208	72
Total—16 cities..	9,898	\$59,840,778	7	-1	58,614	\$375,671,858	27