

MONTHLY BUSINESS REVIEW



FEDERAL RESERVE BANK OF DALLAS

Vol. 37, No. 3

DALLAS, TEXAS

March 1, 1952

SHREVEPORT

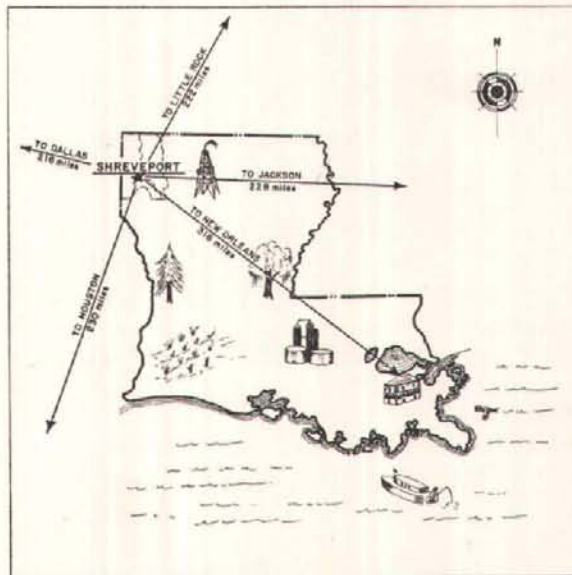
*This is the fourth of a series of articles on leading cities of the Eleventh Federal Reserve District. Articles on other cities will appear in the **Monthly Business Review** from time to time. Additional copies of this article may be obtained by addressing a request to:*

*Research Department
Federal Reserve Bank of Dallas
Dallas, Texas*

Shreveport is a richly endowed and fortunately located city. Situated on the western banks of the Red River in the north-western corner of Louisiana, the city lies within one of the richest oil and gas producing areas in the Nation; the alluvial bottom lands of the Red River which stretch from within sight of the downtown area for miles form the nucleus of extensive and profitable cotton, grain, and cattle industries; the millions of acres of forest lands in Caddo, Bossier, and nearby parishes support a major lumber, pulp, and paper industry; and the numerous lakes and streams in the immediate vicinity represent a valuable natural resource that scarcely has been tapped.

The second largest city in Louisiana, with a 1950 population of 127,206, Shreveport is the trade center for a large area comprising parts of eastern Texas, southwestern Arkansas, and northwestern Louisiana. The city is located centrally with respect to the growing markets of the Central South and the Southwest, with most of the principal cities of Arkansas, Louisiana, Mississippi, Oklahoma, and Texas lying within a radius of 300 miles. It is not surprising, therefore, that Shreveport claims the titles, "Capitol of Ark-La-Tex" and "Pivot City of the Central South." In many respects, the city is a logical contender for the title, "Natural Gas Center of the Nation."

Directly across the river from Shreveport is Bossier City, which had a 1950 population of 15,470. Although the two cities maintain separate corporate identities, they are closely integrated in most respects and form the hub of the Caddo-Bossier parish area. In 1950 the combined population of these two parishes was 216,686.



Shreveport has earned the reputation of being one of the wealthiest cities of its size in the United States. Its people are friendly, practical, and progressive and radiate much of the drive that converted "tepees to skyscrapers in the span of the century." Shreveport is a clean city, with wide streets, comparatively new commercial buildings, and beautiful homes. In contrast with New Orleans, the French influence is virtually absent. Although retaining much of the charm of the Old South, it bears little resemblance to other Louisiana communities or to any typically southern city. It has been characterized as re-

sembling Dallas more than New Orleans; Denver more than Baton Rouge.

The early influence of Texas upon the city is clearly evident. Parallel to Texas Street and immediately south of this main thoroughfare are Milam and Crockett streets; immediately to the north are Travis and Fannin streets. The names honor

Texas and four of its earliest battle heroes and reflect the early commercial ties with that state.

Churches, hospitals, and schools play a major role in the life of the community and add to its many other attractions as a place to live and work. There are more than 100 churches in the city, and the many denominational groups include a large part of the total population. Five specialized and four general hospitals in the city have a combined capacity of more than 1,200 patients. The new Veterans Hospital and the Confederate Memorial Hospital, which is under construction, will add greatly to Shreveport's position as a hospital center. The city offers many educational advantages, which include thirty-six public schools within the city limits, six parochial schools, and a number of private and commercial schools. Shreveport also boasts the oldest college west of the Mississippi River—Centenary College of Louisiana, founded in 1835.

The beauty and romance of springtime in the Ark-La-Tex are accentuated by "Holiday in Dixie," Shreveport's annual festival, which will be held this year from April 30 to May 4. Colorful parades, flower shows, plantation tours, water sports, singing, and dancing highlight this festival and fill the city with visitors.

Economically, a distinguishing feature of the city is the importance of the oil and gas industry. The visitor who might pause on downtown Texas Street or on the lawn of the tree-lined courthouse square likely would overhear conversation concerning oil and gas activities. A visit to the Slattery Building and other nearby office buildings or a glance at the classified section of the telephone directory would show that a large part of the more desirable office space is devoted to activity directly or closely related to the oil and gas industry. Well derricks and producing wells may be observed within a few blocks of the downtown area.

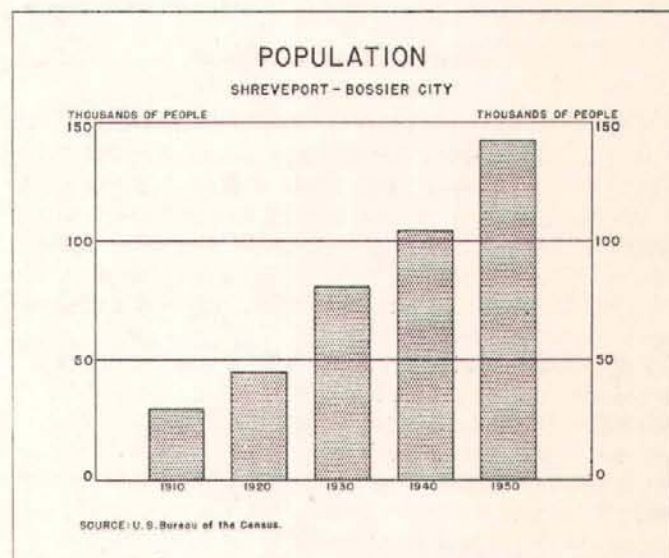
Early Economic Development

The area now defined as Caddo Parish was inhabited by tribes of the Caddo Indians as late as 1835. In that year the Caddos signed a treaty transferring their territory in northwestern Louisiana to the United States for the sum of \$80,000. Almost immediately thereafter, the Shreve Town Company was formed, and this organization acquired the land centering about what was then Bennett and Cane's Bluff, the present site of Shreveport. Streets were laid out by this newly formed town company, and lots were bought up rapidly, due in part to the increasing stream of emigrants who had begun to pass this way after Texas won its independence. In 1839 the town was incorporated as Shreveport.

The city is the namesake of Captain Henry Miller Shreve, river captain and trader, who was given the task of opening the Red River for navigation. The river was jammed with an almost hopelessly interlocked raft of logs and driftwood for

a distance of almost 200 miles above the present site of Campti, Louisiana. This centuries-old barrier to navigation and development of the river was known to early explorers and settlers as the "Great Raft." With his commission as Superintendent of Western River Improvement, four steamboats, and 159 men under his command, the captain began his difficult task in April 1833. He moved up the river 5 miles the first day; 40 miles in 3 weeks; and 80 miles, as far as Bennett and Cane's Bluff, within a year. It was 40 years before the "Great Raft" was removed entirely, but a flourishing trade began to develop along this river artery almost as soon as the first break in the raft was made.

Opening the river to navigation had an immediate impact upon the economic development of Shreveport. Lands formerly inundated by the backwater of the river were drained and opened to settlement and cultivation. The East-West overland routes to Texas, over which supplies were hauled and an increasing number of settlers moved, were connected with the flatboat, barge, and steamboat traffic of the river. Markets and vast new production areas were brought closer together.

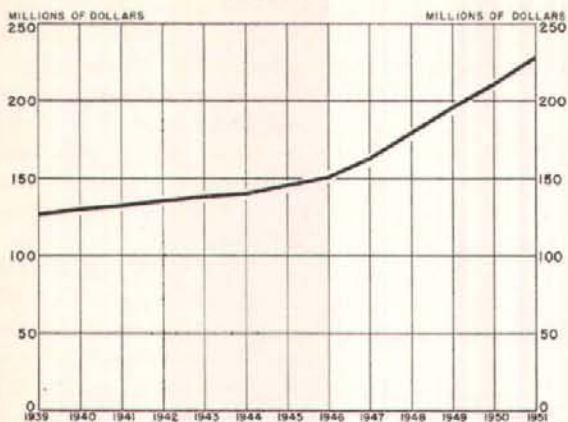


The metamorphosis of Shreveport from a frontier town to a prosperous and growing trade center occurred almost overnight. The town and all of the northwestern part of Louisiana were flush with the prosperity that came with the era of the steamboat and "King Cotton." The Civil War merely interrupted this development, since Shreveport emerged almost unscathed. The river trade was resumed after the war, but before the end of the century it had declined greatly and eventually was supplanted, partly reflecting the competition of the newly constructed railroads. In 1873 Shreveport was connected by rail with Dallas, and by 1900 the population had grown to 16,913, as compared with 1,728 in 1850.

The discovery of oil near Caddo Lake in 1906 marked the beginning of a new era in Shreveport's economic development and set off a period of expansion that has continued to the present. Opening of the rich East Texas field in 1930 and the

ASSESSED VALUATIONS

CADDO PARISH



SOURCE: Tax Assessor, Caddo Parish.

Rodessa field in 1935 further stimulated the already booming oil industry. In 1920 the city's population was 43,874, but by 1940 it had grown to 98,167.

Structure of the Economy

The income of its people is the key to the economy of any area, for income represents both the result of industry and a stimulant to economic activity. The sources of income, the size of the income stream, and trends of income payments are primary considerations in answering the questions: What is the structure of the Shreveport economy? How do the people make their living?

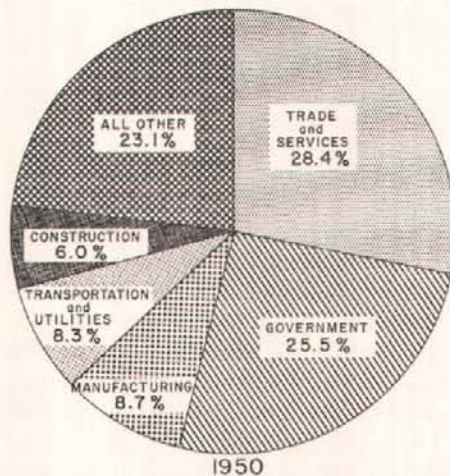
The largest source of income in the Shreveport area (Caddo and Bossier parishes) is provided by the trade and service industries. This is not surprising in view of the fact that the city is the retail trade center for a large surrounding area, and its wholesale distributors supply a much wider market. Salaries and wages and the proprietary income of persons working in the trade and service industries amounted to more

than \$81,000,000 in 1950, or about 28 percent of the total personal income in the 2-parish area. The importance of government payments to individuals is emphasized by the fact that this is the second largest source of income. In 1950 government payments amounted to almost \$73,000,000, or approximately 26 percent of all personal income. This sum is weighted heavily by the military and civilian payrolls of Barksdale Air Force Base, but other federal payrolls, veteran and Social Security benefits, and the payrolls of the city, parish, and public schools also are important.

Wages and salaries of manufacturing employees and the proprietary income of unincorporated manufacturing establishments amounted to almost \$25,000,000 in 1950 and accounted for slightly less than 9 percent of total personal income. Payrolls of mining firms (principally oil and gas) and transportation and utility establishments (including oil and gas transmission) accounted for about 12 percent of total income in 1950. Moreover, the proprietary income of

PERSONAL INCOME, BY MAJOR SOURCE

CADDO AND BOSSIER PARISHES



PERSONAL INCOME

CADDO AND BOSSIER PARISHES



independent oil operators and the rental and royalty income from oil and gas properties of others living in Shreveport and the immediate vicinity increased substantially the income derived directly from the oil and gas industry. Agriculture and construction accounted for roughly equal shares of the income in 1950—together amounting to 11 percent—while income from property was about 10 percent of all personal income.

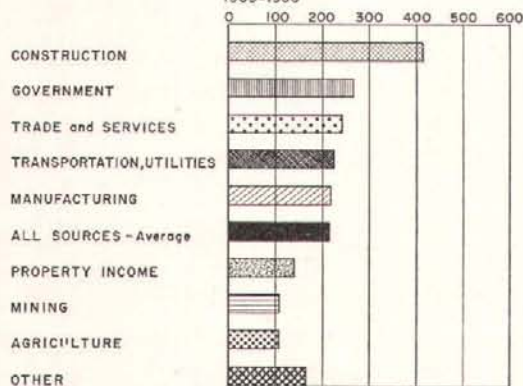
Increases in employment, production, prices, and the volume of government spending between 1939 and 1950 greatly expanded the income from each principal source. Increases were not uniform among the various categories, however, as the growth in some greatly exceeded that in others. The larger gains were shown by construction, government, trade and services, transportation and utilities, and manufacturing. Income from construction rose 412 percent; government, 268 percent; trade and services, 244 percent; transportation and utilities, 226 percent; and manufacturing, 218 percent.

As reflected by the sources of the population's income, metropolitan Shreveport's economy is based largely on trade, government activities, manufacturing, the oil and gas industry, construction, and agriculture. These producers of income supply the livelihood of the metropolitan area and provide employment for the greater part of the people who live in the area.

PERCENT INCREASE IN PERSONAL INCOME, BY MAJOR SOURCE

CADDO AND BOSSIER PARISHES

1939-1950



The Oil and Gas Industry

The oil and gas industry is an integral part of the city's economic life and has been largely responsible for transforming the prosperous inland town of the early 1900's, which was dependent principally upon agriculture and general commerce, into the modern and economically diversified city of today. The importance of the petroleum industry cannot be measured solely in terms of its direct contribution to the wealth and income of the community, because its development stimulated the growth of other industries which, in turn, became important contributors to the city's growth. The "boom" aspects that accompanied the initial discovery and production of oil and gas in the Shreveport area no longer are apparent, except for new discoveries and extensions of existing fields, since this phase was replaced by a period of production and development which still is in progress.

Practically every county and parish within a 75-mile radius of Shreveport produces either oil or gas, or both. The large East Texas, Caddo, Rodessa, and Magnolia oil fields and the vast Carthage gas field lie within this area. In 1950 about 7 percent of the Nation's production of crude oil and approximately 11 percent of the country's production of natural gas came from fields in the area. Proved oil reserves of these fields amounted to about 10 percent of the total reserves of the Nation, while natural gas reserves were about 6 to 7 percent of the Nation's reserves.

Shreveport is an important control center of the natural gas industry from the standpoint of both production and distribution. In fact, the city is better known perhaps for its asso-

ciation with the gas industry than with the production and refining of oil. Three major companies maintain their home offices in the city, from which point they direct a vast pipeline network and the production and sale of natural gas. United Gas Corporation, which is engaged principally in the production, transmission, and distribution of natural gas in the Gulf South, is by far the largest handler of natural gas in the country. In 1951 the purchases and production of gas by this company amounted to more than 734 billion cubic feet, or about 10 percent of the total United States production. The Arkansas-Louisiana Gas Company, which also maintains its home offices in Shreveport, distributes gas for home and industrial use over a wide area of the South and Southwest and engages in extensive production and transmission operations. Youngest of the major companies and located in Shreveport since 1947, the Texas Eastern Transmission Corporation purchases gas in Texas and Louisiana for transmission to the East. This company owns and operates the "Big Inch" and "Little Inch" pipelines and currently is engaged in an expansion program which will increase greatly its total pipeline mileage.

Five oil companies maintain division offices in Shreveport, and many other concerns have district offices in the city. Many independent oil operators direct their operations from the city. One company in Shreveport upgrades motor fuels on a contract basis and takes part of the output of natural gasoline plants located in the nearby Carthage field.

Manufacturing

The industrial development of Shreveport during the last 25 years was rather widely diversified. Consequently, manufacturing activity is not concentrated in any particular line. In fact, the largest single employer group—firms in the lumber and lumber products industry—accounts for only slightly more than one-fifth of all manufacturing employees. Although the number of establishments in this industrial group is rather large, most firms employ fewer than 50 persons. Processors of food and kindred products, the next group in importance, employ about 19 percent of the metropolitan area's manufacturing employees. Accounting for about 8 to 13 percent each and, collectively, for about 43 percent of total manufacturing employment, firms in the metal and metal products, machinery, petroleum products (including chemicals), and the stone, clay, and glass products groups are among Shreveport's most important industrial establishments.

The value added by the manufacturing process by Shreveport's 140 establishments amounted to more than \$11,500,000 in 1939. By 1947 the number of firms had increased to 171, and the value added had risen to approximately \$31,100,000. In view of higher prices of industrial output, increased employment, and the addition of new firms, value added during 1951 is estimated to be about 28 percent higher than the 1947 total.

The manufacture of lumber and lumber products has been a major industry in Shreveport for many years, and its development was largely dependent upon the timber resources

of the area. In 1950 there were 20 lumber mills in Caddo and Bossier parishes, having a combined daily capacity of 226,000 board feet. In the same year there were 54 mills in neighboring or nearby De Soto, Natchitoches, Red River, and Webster parishes, with a combined daily capacity of 576,000 board feet. As a result of the greatly accelerated postwar demand for lumber and lumber products, the lumber industry in Shreveport has taken on an added significance. Rough and dressed lumber, flooring, furniture stock, ties, creosoted poles and posts, and roofing felt are among the many end products of the local lumber and allied industries. Local production is distributed in the state, regional, and national markets.

The fabrication of metal and metal products and the manufacture of machinery weigh somewhat more heavily in Shreveport than employment figures indicate. The output of the metals and machinery industries consists predominantly of heavy equipment of high value which is used in the production, refining, storing, and transporting of petroleum and gas. One of Shreveport's principal industrial firms which makes pressure vessels and refinery towers for the petroleum industry fabricates a very large part of all the steel plate used by Louisiana plants. Another local concern, a steel foundry, specializes in oil field work, and the rigs and other heavy equipment made by this company are sold internationally. Pumping units, casing heads, pipe straighteners, and miscellaneous steel castings are among the individual items of output of other principal metals and machinery firms. A number of smaller firms also cater to the petroleum industry. Other metals fabricators turn out machinery and miscellaneous equipment for the lumber industry, attic and window fans, playground equipment, restaurant and bakery equipment, and similar products.

The largest plant in the country devoted exclusively to the manufacture of window glass is located in Shreveport and is the city's principal industrial employer. Established in 1922, this plant is a large user of natural gas (for power and melt-

ing glass) and lumber (for boxes). It utilizes also a limited quantity of other local raw materials. Output is distributed over the western half of the United States.

Many factors account for the growth of a diversified manufacturing industry in Shreveport. The city has a number of industrial advantages that have attracted new firms and new industries within recent years, and these advantages will weigh heavily in determining the future course of manufacturing activity. Large supplies of several raw materials, which include oil, gas, timber, cotton, clay, sand and gravel, limestone, and other raw products, are available locally. Deposits of bauxite are found in nearby Arkansas; salt and sulphur, in southern Louisiana; and iron ore and lignite, in nearby east Texas. Natural gas for local industrial consumption is almost limitless and provides a clean fuel at low cost. In recent years the pool of skilled labor in Shreveport has grown, and the supply of semiskilled and unskilled labor for training is large. Water resources are plentiful, and the potential exists to meet the needs of the largest industrial user. Although Shreveport does not have the advantage of water transportation, the city's rail and truck lines radiate to all parts of the country and provide rapid transit for both "exports" and "imports." Climate is among the city's principal natural advantages, permitting year-round plant operations, outside work, low heating costs, and low plant construction costs.

Barksdale Air Force Base

Barksdale Air Force Base, situated across the Red River from Shreveport in Bossier Parish, is one of the three largest Air Force facilities in the country. Exclusively a military installation, this huge air base covers an area of 21,706 acres. Construction was begun in the spring of 1931 and the formal dedication was held February 2, 1933. The original appropriation for this establishment amounted to \$2,650,000, but the physical facilities were increased in later years by additions which raised this initial outlay to approximately \$18,000,000. Currently, a \$35,000,000 expansion program which includes the construction of ramps, streets, and additional housing is under way.

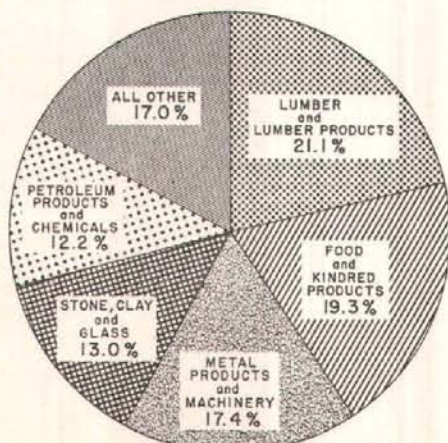
The payroll of Barksdale, plus local purchases, amounts to approximately \$3,500,000 per month. This sum is paid to military personnel, civilian employees, and others, and represents one of the more important single sources of income in the Shreveport area. Although Barksdale has been a valuable asset to the community since its construction, its economic importance likely will increase under the present program of expanding and modernizing the Nation's Air Force.

Agriculture

Cotton is the principal source of agricultural income in Caddo and Bossier parishes. From the time when the rich bottom land along the Red River was opened to settlement until the discovery of oil and gas, this crop was the dominant factor in the economic life of Shreveport and the surrounding area. The rainfall, soil, and climatic conditions were well suited to cotton production, and the steamboat traffic brought

MANUFACTURING EMPLOYMENT, BY INDUSTRY

CADDO PARISH



Monthly Average for 1951

SOURCE: Shreveport Office, State Dept. of Labor, Division of Employment Security.

the New Orleans, eastern seaboard, and world markets within easy reach. Although of relatively less importance now, cotton still reigns as the major crop. Caddo Parish is one of the leading cotton-producing areas of Louisiana, with production in 1951 amounting to around 50,000 bales. Between one-fifth and one-fourth of the State's annual cotton production is grown in Caddo and the six surrounding parishes.

Livestock and livestock products contribute significantly to the agricultural income of both Caddo and Bossier parishes. The development and expansion of beef cattle and dairy production in recent years have progressed rapidly in some areas, particularly in the upland areas where soil conditions are less favorable to cotton, and the further growth of these enterprises appears to be assured. Climatic and soil conditions are favorable also for the production of vegetables, fruits, and a number of grain crops.

Cash farm income in Caddo and Bossier parishes amounted to an estimated \$14,500,000 in 1951. Cash farm income in the five surrounding parishes is estimated at more than \$15,500,000.

Forestry

More than one-half of the total land area of Caddo and Bossier parishes is classified by the Louisiana Forestry Commission as forest land. In 1950 the forests in these two parishes and the neighboring or nearby parishes of De Soto, Natchitoches, Red River, and Webster covered about 1,942,000 acres. Pine, oak, gum, hickory, ash, and tupelo are among the species of standing timber that are found in the area. Pine, hardwood, and pulp cuttings from these and other forests in northwestern Louisiana contribute significantly to the area's income.

Timber production in Caddo and Bossier parishes in 1950, including pine, hardwood, and pulp, amounted to approximately 33,560,000 board feet. In recent years production has been somewhat below the output during World War II and the early postwar period, except that the production of pulpwood has been maintained only slightly below the former level.

State Fair of Louisiana

The State Fair of Louisiana is an annual event that attracts thousands of visitors from over the State and many other parts of the country to Shreveport during the latter part of October. Approximately 420,000 persons attended the fair last year. The programs and exhibits of this exposition are built around a central theme that emphasizes agriculture and livestock, although other exhibitors from the Ark-La-Tex area and other parts of the country participate. Junior exhibitors play an especially important part in the fair, since special premiums are provided in all departments for these participants. Liberal premiums for 4-H and F.F.A. exhibitors

in the beef, dairy, sheep, and swine divisions and auction sales of the better animals stimulate interest in the junior show. The fair grounds cover an area of 156 acres, on which are situated 30 steel and concrete or brick buildings, including four exhibit buildings. This year's fair will be the 47th annual showing.

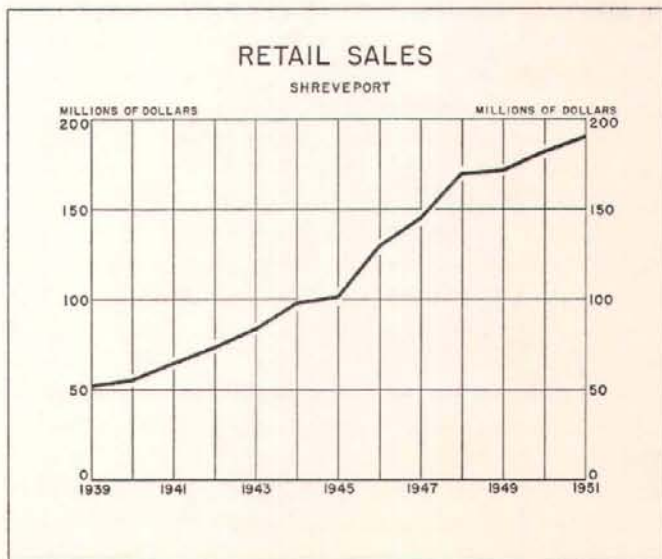
The State Fair Stadium, located on the fair grounds and having a seating capacity of 32,000 persons, is the scene of several professional, college, and high school athletic contests during the fall. Situated on the fair grounds but not a part of the State Fair, the Louisiana State Exhibit Museum attracts thousands of visitors.

Trade

Retail trade establishments account for 21 percent of the total nonagricultural employment in the Shreveport metropolitan area (Caddo Parish), and this fact emphasizes the importance of the city as the trade center of the area known as Ark-La-Tex. Shreveport's retail stores draw trade not only from a large section of northwest Louisiana but also from eastern Texas and southwestern Arkansas. The population of the market area within a 75-mile radius of the city is in excess of 900,000 persons.

In 1951, retail sales of the city's stores were more than three and one-half times the 1939 volume. This substantial gain, which brought the 1951 sales to a total of \$190,000,000, reflects increases in the population and income of the city and its trade territory. Allowing for the rather sharp rise in retail prices, the volume of sales in 1951 was about double the 1939 total.

In addition to its position as a retail trade center, Shreveport is important also as a wholesale distribution point. In



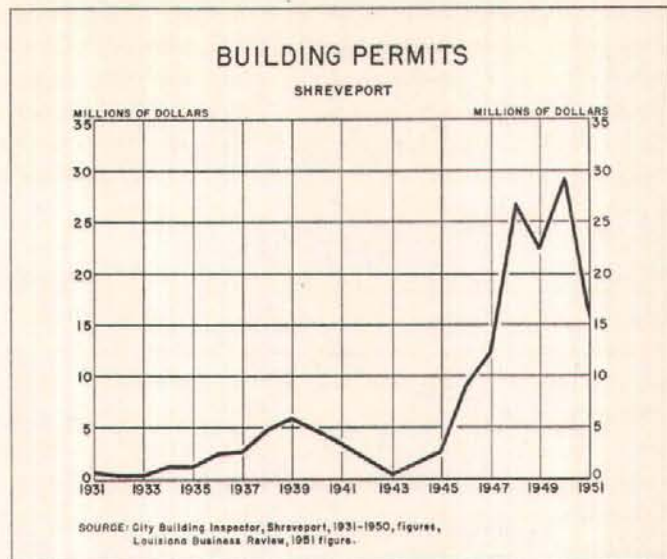
1948, wholesale establishments in the metropolitan area accounted for almost 11 percent of the sales of all wholesale establishments in the State, with the 1951 sales representing about the same proportion. Food and related products, machinery and other equipment, electrical goods, and lumber and construction materials are among the more important lines handled.

Construction

Construction activity in Shreveport recovered rapidly from the depression years of the 1930's, partly as a result of the increased oil play which accompanied the development of the nearby East Texas and Rodessa fields. As in the case of most other cities, the over-all volume of construction was cut back sharply during the war years due to materials restrictions, shortages, and allocations. In the postwar period, however, the city has experienced an unprecedented building boom that has spread to practically all areas of the construction industry. In 1950 the value of building permits was more than \$29,000,000, or almost five times the 1939 total. Construction activity was down sharply in 1951, however, partly reflecting materials and credit restrictions. The physical volume of construction that has been put in place since 1945 compares favorably with that of most other cities of the same size. The relative importance of construction in sustaining income and employment is indicated by the fact that in recent years approximately one out of every twelve nonagricultural workers was engaged in construction work.

In addition to the large volume of residential construction and the expansion and modernization of commercial and industrial facilities, several other building programs worthy of special note were completed in recent years. Other major projects currently are under way or in the planning stage. The largest structure in the city, the new \$10,000,000, 450-bed Veterans Administration Hospital, was dedicated in November 1950. Currently under construction and expected to be completed this year, the \$6,000,000 Confederate Memorial Hospital will add to Shreveport's growing importance as a medical center. A \$1,500,000 nurses' home is proposed as a part of this newest hospital expansion program. In the downtown district and soon to be completed, the 14-story, \$2,673,000 Texas Eastern Building will provide 200,000 square feet of office and commercial space. This building, planned originally to provide apartment space and named the Caddo Arms, will be Shreveport's first major office building constructed since World War II. Home offices of the Texas Eastern Corporation will occupy approximately 100,000 square feet of new space. Also in the downtown area, the new 14-story, \$2,500,000 Town House is nearing completion and will provide 299 efficiency apartment units and ground-floor commercial accommodations.

Southwest of the city in the Hollywood section, construction of Shreveport's new \$5,000,000 municipal airport is



progressing rapidly. The two 6,400-foot and 5,000-foot runways, the terminal buildings, and other facilities will provide Shreveport with a modern airport capable of handling the largest commercial planes now in use.

The city's school, street improvement, and church building programs are especially notable. Three \$1,000,000 junior high schools and the modern \$1,500,000 Booker T. Washington High School for Negroes were completed in recent years as a part of a \$6,250,000 school improvement program. In October 1951, voters approved an additional \$20,000,000 to finance further school construction and improvement. Work on sewerage system extensions, drainage and street improvements, traffic control, and fire department expansion and the enlargement of parks and recreational facilities—financed by a \$9,600,000 bond issue—are largely completed. Shreveport recently concluded the greatest church building program in its history. New construction, improvements, and expansion affected 30 churches and cost approximately \$4,000,000.

Banking

The five commercial banks in Shreveport and Bossier City and their ten branches fulfill a particularly important function that is common to every growing community—that is, meeting the commercial credit requirements of business, industry, agriculture, and consumers. Paralleling the city's growth and reflecting its development, such major categories of bank assets and liabilities as total resources, loans, investments, and deposits have shown marked expansion throughout the years. The development of the oil and gas industry, the establishment of new industries, and the "export" of the area's agricultural and forest products are among the more important factors that have attracted funds and increased deposits. On the other hand, this continuing inflow of deposits provides a growing pool of funds to meet the increasing short-term credit requirements of the community.

BANK DEPOSITS

SHREVEPORT-BOSSIER CITY



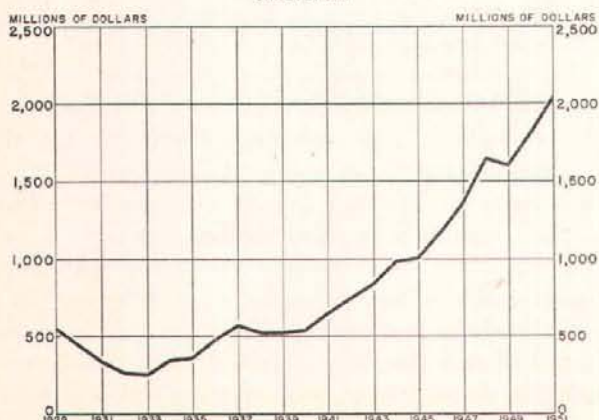
SOURCE: 1932-1950, *Rand McNally Bankers Directory*, 1951, *Federal Reserve Bank of Dallas* and others.

On December 31, 1951, total resources of the Shreveport-Bossier City banks amounted to \$274,094,000, reflecting an increase of about 266 percent over the 1939 total. During the same period, loans rose 226 percent to a total of \$69,661,000, while investments showed a more than fivefold increase. Similarly, deposit expansion of 275 percent increased total deposits to \$260,343,000 by the end of 1951.

Banking facilities are readily accessible to most depositors and other customers. Although the downtown banks in Shreveport—the First National Bank, Louisiana's oldest; the Commercial National Bank in Shreveport; the Continental-American Bank & Trust Company; and the Pioneer Bank & Trust Company—are situated in a relatively small area, suburban branches serve the expanding residential and other outlying sections. In Bossier City, the Bossier Bank & Trust Company maintains two branches, one of which is located at Barksdale Air Force Base.

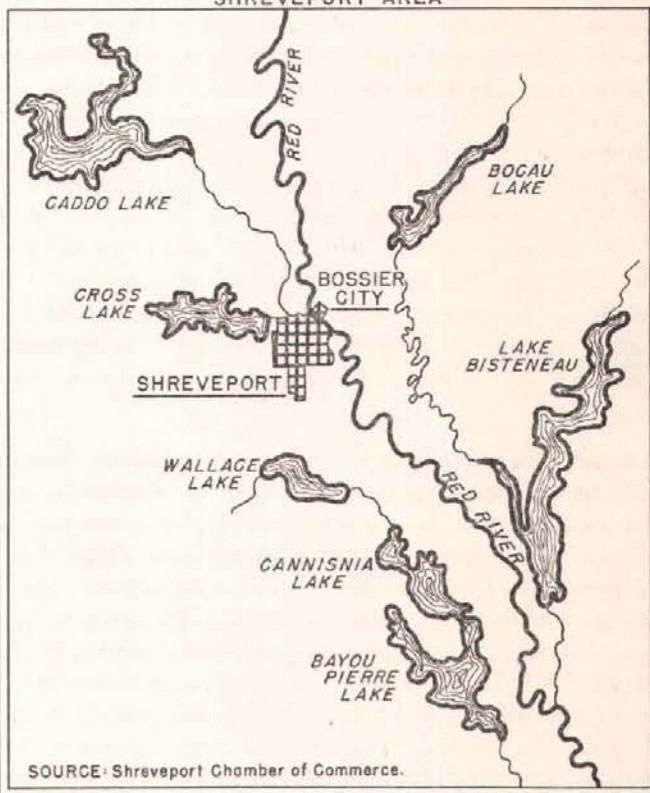
BANK DEBITS

SHREVEPORT



Surface Water Resources

The surface water resources in the vicinity of Shreveport are a valuable asset to the area. In addition to the Red River and other smaller streams, there are seven lakes within a 30-mile radius of the city. The largest of these lakes, Caddo, lies approximately 15 miles northwest of Shreveport and covers an area of about 40,000 acres. This lake is capable of supplying in excess of 50,000,000 gallons per day. Cross Lake, which bounds the city on the northwest and covers an area of approximately 11,000 acres, is the second largest source. Water from this lake supplies the city of Shreveport, and sufficient capacity exists to supply a large industrial user in excess of 10,000,000 gallons per day. Lake Bistineau lies about 20 miles southeast of the city and covers approximately

SURFACE WATER RESOURCES
SHREVEPORT AREA

SOURCE: Shreveport Chamber of Commerce.

12,800 acres. Although this lake was developed principally for flood control purposes and does not constitute a large source of supply at present, it would be possible, if the need should arise, to develop a supply of several million gallons per day. Wallace Lake and Bodcau Lake, both partially developed, and Cannisnia and Bayou Pierre lakes, neither of which is developed, constitute a potential supply of many millions of gallons per day.

Besides serving as a source of water supply, the streams and lakes about the city have a recreational value and serve as an attraction to tourists. Both of these potentials have been developed only in part.

Problems and the Outlook

The provision of adequate physical facilities commensurate with its growth has been one of Shreveport's most pressing problems in recent years. The situation has been particularly acute with regard to the city's rapidly growing school system and the lag in the construction of major downtown office space. Fortunately, both of these problems have been eased somewhat by construction that has been completed recently or currently is anticipated or in progress. The school construction program that was initiated in 1947 has relieved to a marked degree the overcrowding due to limited facilities. Proposed construction probably will go far toward eliminating the problem. The lack of adequate downtown office space probably has been a deterrent to Shreveport's growth in the postwar years. Although completion of the new Texas Eastern Building will alleviate somewhat the current need, the requirements to encourage further growth of the city probably are much greater. Similarly, the need for additional hotel facilities presents a fairly serious problem.

The above-mentioned problems are common to most growing cities and lend themselves to solution within the relatively short run. Other problems—of a much broader nature and not capable of being met in the short run—are of equal or perhaps of much greater significance to the city's prospective long-term growth. In view of current conservation practices, large reserves, and new recovery methods and discoveries, the oil and gas industry likely will be an important factor in the city's economic life for years. Nevertheless, in comparison with most other oil and gas producing areas in the Southwest, the development around Shreveport is "relatively old." Although many new and younger producing areas are located within a 300-mile radius of the city, the possibility of eventual declining production and of even earlier shifts in the centers of relative importance within the oil and gas industry should be taken into consideration. These possible eventualities are admittedly long range in nature, but the city's continued growth may well depend upon how the problem is met.

Shreveport has a direct interest in the conservation and further development of the forest resources of the area, for this valuable resource sustains the city's important lumber and lumber products industry. Declining timber output in recent years reflects, in part, forest practices that are detrimental to the long-range growth in forest production. Potential timber production through reforestation, careful cutting, and the control of fire damage is great, and the promotion of these conservation and development measures is the mutual responsibility of the city, the timber industries, and, in fact, all citizens of the State.

The Shreveport area is particularly fortunate in having an abundance of surface water resources, an advantage that is in striking contrast with the water problem of many other cities of comparable size. The future growth and development of the city will depend, in part, upon the extent to which this potential, now largely undeveloped, is utilized. The latent possibilities for developing a large industrial water supply, additional industrial power, and recreational facilities are important favorable factors that will bear on the course of future industrial growth and the attraction of new industries.

Although substantial progress in the diversification of agricultural production has been made in recent years, cotton is still the major crop in the Shreveport area. The growth of beef cattle production and dairying and the production of various grain crops, truck crops, and fruits have progressed fairly satisfactorily, and this development promises a greater degree of agricultural stability which will accrue as an advantage not only to the rural population but also to the economic well-being of Shreveport.

Although all the major categories of personal income in the Shreveport area showed marked increases between 1939 and 1950, the growth in most instances was below the comparable increases for the State. This is a reflection principally of the more rapid development of other major urban areas of the State based on the tremendous growth of the petrochemical and other industries in southern Louisiana. This relatively less favorable trend does not necessarily portend serious consequences for the future growth of Shreveport, but it does emphasize the importance of a careful program of utilizing and fully developing the area's resources.

The factors that are most likely to influence the future trend of Shreveport's economic development are weighted on the favorable side. The extent of the city's growth will be affected, of course, by changes in national and regional economic conditions. Within this larger economic framework, however, the resources of the city and the surrounding area, the city's location and other natural advantages, and the energy and vision of the population are among the more important factors that will affect the course of future growth. The leaders of the community recognize the city's problems and the necessity of bringing about their solution. Moreover, they recognize the importance of developing and utilizing in an efficient manner the resources of the city and the immediate area.

The rather high degree of diversification of the Shreveport economy provides a desirable measure of insulation against business fluctuations that is lacking in many other cities of comparable size. Because of the industrial, commercial, and other advantages of the city, future growth probably will be in the direction of further diversification.

REVIEW OF BUSINESS, INDUSTRIAL, AGRICULTURAL, AND FINANCIAL CONDITIONS

DISTRICT
SUMMARY

Consumer buying at district department stores in the first half of February was at a level moderately above a year earlier. January sales, meanwhile, were

below the war-scared inflated volume of the same month last year. Consumer soft goods generally are showing a better sales record than the durable goods. Merchants continue to pursue a conservative inventory policy, and orders outstanding in the past several months have been below corresponding months of the past 2 years. Collections of charge accounts outstanding continued slow through January, and the installment collection ratio declined slightly; receivables were down seasonally.

Rains during the past 2 months in northern Louisiana and the eastern half of Texas have improved 1952 crop prospects in those areas, but the drought continues over most other parts of the District. The winter wheat crop in northwest Texas is holding up fairly well, although there have been losses due to drought, dust storms, and insects. Winter flax in southcentral Texas is making slow progress. Spring vegetable crops in south Texas are making good growth in irrigated areas where water is adequate, but plantings in other areas have been delayed. Pasture and range feed supplies continue to dwindle, while livestock are maintained largely by supplemental feeds. Farm commodity prices continue to ease downward, with many of the important crops and livestock products leading the way.

Nonfarm employment in the District in February was up slightly from January and averaged appreciably above February 1951. Crude oil production in February rose, following 4 months of decline, and reached approximately the record level of last October. Current oil production is running substantially above a year ago. Stocks of crude and burning oils declined during the past 4 months. Refinery activity has been at a near-record level, and stocks of gasoline have risen sharply. The value of construction contracts awarded in the District in January was down from the previous month and lower than a year earlier. Activity at textile mills continues below a year ago; textile prices are weak, while mill demand for wool and cotton is quiet. Processing of cottonseed this season has been substantially above last season; demand for cottonseed oil has weakened slightly in recent weeks. The heavy demand for livestock feeds has absorbed mill output of cottonseed cake, meal, and hulls at relatively high prices.

Loans at weekly reporting member banks rose during the 4 weeks ended February 20; other major categories of assets and liabilities declined. Borrowing by manufacturing firms, public utilities, and others increased, more than offsetting a decline in commodity loans. During these same weeks, total investments of these banks declined, due principally to a reduction in holdings of Treasury bills. Deposits declined but were substantially above a year earlier.



Consumer buying in the Eleventh Federal Reserve District maintained a steady pace during January and the first half of February, in contrast with the marked

fluctuations which occurred during the same period last year. District department store sales in the first half of February were up about 4 percent from a year earlier, when severe cold and ice conditions depressed sales. On the other hand, January

RETAIL TRADE STATISTICS

(Percentage change)

Line of trade by area	NET SALES		STOCKS ¹	
	January 1952 from		January 1952 from	
	January 1951	December 1951	January 1951	December 1951
DEPARTMENT STORES				
Total Eleventh District.....	-5	-51	-13	-11
Corpus Christi.....	12	-55	-12	-11
Dallas.....	-10	-50	-10	-7
El Paso.....	-9	-52	-13	-10
Fort Worth.....	-12	-55	-9	1
Houston.....	4	-52	-15	-16
San Antonio.....	2	-43	-13	-11
Shreveport, La.....	2	-56	-14	-22
Waco.....	-2	-58	-10	-17
Other cities.....	-16	-57	-18	-21
FURNITURE STORES				
Total Eleventh District.....	-3	-40	-13	-2
Austin.....	1	-44	-24	-5
Dallas.....	3	-36	-20	-7
Houston.....	6	-53	—	—
Port Arthur.....	-10	-30	-13	‡
San Antonio.....	-8	-51	—	—
Shreveport, La.....	7	-38	-18	-4
Wichita Falls.....	21	-22	-19	-9
HOUSEHOLD APPLIANCE STORES				
Total Eleventh District.....	-13	-25	—	—
Dallas.....	-14	-24	—	—

¹ Stocks at end of month.

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

sales were 5 percent below the war-scared inflated volume of the same month a year before, although 17 percent higher than in January 1950. If allowance is made for normal seasonal

WHOLESALE TRADE STATISTICS

Eleventh Federal Reserve District

(Percentage change)

Line of trade	NET SALES ^p		STOCKS ^{1,p}	
	January 1952 from		January 1952 from	
	January 1951	December 1951	January 1951	December 1951
Automotive supplies.....	-18	-30	46	-10
Dry goods.....	-33	5	-29	-3
Grocery (full-line wholesalers not sponsoring groups).....	4	34	-8	3
Hardware.....	-28	27	7	13
Industrial supplies.....	-3	-22	38	25
Machinery equipment and supplies except electrical.....	4	31	29	-1
Tobacco products.....	5	-5	49	48
Wines and liquors.....	-2	-50	3	10
Wiring supplies, construction materials distributors.....	-9	-7	40	5

¹ Stocks at end of month.

p—Preliminary.

SOURCE: United States Bureau of Census.

variations, department store sales appear to have followed a sidewise movement during the past few months at a level somewhat higher than that prevailing in the summer and

early fall of 1951. The sales picture in this District has been generally in line with that of the Nation, although district department stores have posted a better record than the national average.

Sales of women's apparel and other consumer soft goods have continued to make a better showing than the durable goods. Moreover, basement store sales have done better than the main store. In connection with the lag in durable goods sales, new car registrations in the Dallas, Houston, and San Antonio metropolitan areas in January, although slightly above those of December, were lower than in any other month during the past 2 years and fell about 20 percent below the January 1951 level.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

(1947-49 = 100)

Area	UNADJUSTED			ADJUSTED ¹				
	Jan. 1952	Dec. 1951	Nov. 1951	Jan. 1951	Jan. 1952	Dec. 1951	Nov. 1951	Jan. 1951
SALES—Daily average								
Eleventh District.....	95	203	144	100	122	122	129	129
Dallas.....	94	194	141	105	122	119	122	137
Houston.....	104	226	157	100	134	135	140	129
STOCKS—End of month								
Eleventh District.....	101p	115	135	116	112p	125	120	129

¹ Adjusted for seasonal variation.

p—Preliminary.

Department store stocks, according to preliminary reports, were down contraseasonally in January and at the end of the month were 13 percent below the year-earlier level. The seasonal increase in orders outstanding was considerably less than the very large gain in January a year ago. At the end of the month orders outstanding were at about the same level as on the corresponding dates in 1949 and 1950 but were down 33 percent from the January 31, 1951, total. Merchants still are pursuing cautious inventory policies, and the downward readjustment which was evident throughout the last half of 1951 apparently has not been completed.

Collections of charge accounts outstanding continued slow in January, with the collection ratio at 47 percent, 2 percentage points below January a year ago. Meanwhile, the instalment collection ratio halted the upward trend which had prevailed during the past year, showing a decline from 18 percent in December to 17 percent in January. Both charge account and instalment account receivables declined seasonally, but charge accounts outstanding at the end of the month were 6 percent higher than a year ago, while instalment receivables were 23 percent lower.

Furniture store sales in the District in January were 3 percent below the unusually heavy volume of a year earlier but exceeded any other January on record. Accounts receivable outstanding declined 5 percent during the month, following three successive monthly increases, and at the end of the month were 9 percent less than on the corresponding date of the previous year. The reduction in furniture store inventories continued, with stocks showing a small decrease for the ninth consecutive month. Stocks on January 31 were 13 percent less than a year earlier.



Heavy rains during January and February in northern Louisiana and the eastern half of Texas greatly improved prospects for agricultural production in those areas in 1952, while snow and light-to-moderate rains over much of the remainder of the District were temporarily beneficial to cover crops, small grains, clovers, and winter grasses. However, a shortage of moisture persists throughout much of the District, and more rain is urgently needed to stimulate further growth of winter crops and range and pasture feed and to permit planting of intended acreages of spring and summer crops.

In northwest Texas and nearby parts of New Mexico and Oklahoma, the winter wheat crop generally is in fair condition, despite the serious need for more moisture. Dry soils and the short top growth of wheat plants have made fields vulnerable to soil blowing; some wind erosion occurred during February. Cutworm damage to wheat is increasing in the Low Rolling Plains, while army worms have appeared in oat fields in south Texas.

Growth of the winter flax crop in Karnes and adjoining south Texas counties remained virtually at a standstill through February because of inadequate moisture supplies. The crop started under favorable conditions, and growing temperatures have been desirable all winter, but very little additional rainfall was received from the time the crop was planted until late February. Growers in the spring-crop flaxseed area have been waiting for more moisture before completing land preparation.

WINTER VEGETABLE PRODUCTION

Vegetable	Average 1941-50	1951	Indicated 1952
(1,000 Bushels)			
CARROTS, Arizona.....	840	1,786	1,178
Texas.....	3,164	2,700	2,775
Louisiana.....	160	72	81
BEETS, Texas.....	1,084	420	450
IRISH POTATOES, Texas ¹	70	16	30
(1,000 Crates)			
CAULIFLOWER, Arizona.....	513	375	338
Texas.....	136	187	228
LETTUCE, Arizona.....	2,734	3,792	2,970
Texas.....	1,497	850	600
(Tons)			
CABBAGE, Arizona.....	13,500	18,800	8,400
Texas.....	158,800	56,000	86,400

¹ Early commercial.² 1946-50 average.

SOURCE: United States Department of Agriculture.

Conditions during February were favorable for active harvest of all types of winter-growing vegetables in south Texas areas. Cabbage, carrots, beets, broccoli, cauliflower, lettuce, and spinach moved in good volume. Production estimates for some of these crops are shown in an accompanying table. Spring crop plantings in irrigated sections have been making good progress except in areas where irrigation water is short. Temperatures generally have been favorable for rapid growth of these crops, although light frosts were reported in the western end of the Lower Valley in February. In the nonirrigated sections planting of spring crops has been delayed by lack of moisture. Transplanting of the north Texas onion acreage has made slow progress. Most east Texas tomato land was prepared by mid-February, at which time setting of plants to cold frames was already under way.

LIVESTOCK RECEIPTS

(Number)

Class	FORT WORTH MARKET			SAN ANTONIO MARKET		
	January 1952	January 1951	December 1951	January 1952	January 1951	December 1951
Cattle.....	28,730	41,294	32,441	23,651	30,685	17,926
Calves.....	14,375	20,530	20,553	18,899	30,166	15,552
Hogs.....	105,708	94,714	93,073	8,856	8,473	6,632
Sheep.....	40,214	31,587	29,631	15,485	10,040	19,556

1 Includes goats.

Range and pasture feed supplies dwindled further during February as critical droughty conditions continued over much of Texas and southern New Mexico and Arizona. Over eastern Texas and northern Louisiana, however, grazing conditions are improving as a result of recent rains and mild weather, while light rains and snow in other areas are expected to be helpful to grazing lands. In virtually all areas ranges are partially bare, and heavy supplemental feeding has been necessary. Range feed in the District in February was in the poorest condition on record, except possibly during the 1934-35 drought.

Cattle are in fair-to-good condition, primarily because of heavy supplemental feeding and the unusually warm weather which has held losses at a minimum. Ewes are coming through the winter in generally poor-to-fair condition. Most farmers and ranchmen reduced herds during the fall and winter; some sold large numbers of livestock for slaughter, while others moved their animals to more favorable grazing areas. Reports from the Fort Worth livestock market show that during the 4 weeks ended February 9, marketings of cattle and calves were down slightly from a year earlier, while receipts of sheep and hogs were up sharply.

Meat production in commercial plants in Texas during 1951 totaled 826,808,000 pounds, or 2½ percent more than during 1950, according to data just released by the Bureau of Agricultural Economics. This includes beef, veal, pork, lamb, and mutton slaughtered in federally inspected and other wholesale and retail plants but does not include farm slaughter. Commercial livestock slaughter in Texas last year shows a 4-percent increase in numbers of cattle over 1950, with slaughter of calves up 11 percent, hogs up 15 percent, and sheep and lambs up 6 percent. For the United States, production of meat in commercial plants in 1951 was 1 percent less than in 1950. However, an increase is expected in 1952.

FARM COMMODITY PRICES

Top Prices Paid in Local Southwest Markets

Commodity and market	Unit	Comparable week		
		Week ended February 20	last month	last year
COTTON, Middling 15/16-inch, Dallas.....	lb.	\$.3995	\$.4165	\$ 1
WHEAT, No. 1 hard, Fort Worth.....	bu.	2.76	2.76¾	2.76¼
OATS, No. 2 white, Fort Worth.....	bu.	1.14	1.22¾	1.22¾
CORN, No. 2 yellow, Fort Worth.....	bu.	2.12¾	2.18	2.03¾
SORGHUMS, No. 2 yellow milo, Fort Worth.....	cwt.	3.14	3.16	2.70
HOGS, Good & Choice, Fort Worth.....	cwt.	18.75	18.75	23.75
SLAUGHTER STEERS, Choice, Fort Worth.....	cwt.	33.50	34.00	37.00
SLAUGHTER CALVES, Choice, Fort Worth.....	cwt.	34.00	33.00	36.00
STOCKER STEERS, Choice, Fort Worth.....	cwt.	34.00	31.25	36.00
SLAUGHTER LAMBS, Good & Choice, Fort Worth.....	cwt.	26.50	28.00	38.00
HENS, Heavy, Fort Worth.....	lb.	.24	.24	—
FRYERS, Top Grade, Fort Worth.....	lb.	.30	.32	—
TURKEYS, No. 1 hens, Fort Worth.....	lb.	.35	.35	—
BROILERS, east Texas.....	lb.	.30	.31	—
BROILERS, south Texas.....	lb.	.30	.31	—

1 Marketing suspended.

Farm commodity prices in the Eleventh District have been drifting downward since November and in late February averaged around 10 percent below a year ago. During the month ended February 18, prices of wool, flaxseed, cotton, cottonseed, grains, poultry, and eggs declined, while prices of livestock held within narrow margins.

CASH RECEIPTS FROM FARM MARKETINGS

(In thousands of dollars)

State	November		December	
	1951	1950	1951	1950
Arizona.....	\$ 55,403	\$ 48,471	\$ 84,056	\$ 49,677
Louisiana.....	58,633	51,208	53,392	51,581
New Mexico.....	41,014	39,937	21,390	24,346
Oklahoma.....	72,765	67,023	61,804	51,509
Texas.....	255,481	311,441	304,594	206,082
Total.....	\$483,296	\$518,080	\$525,236	\$383,195

SOURCE: United States Department of Agriculture.

CASH RECEIPTS FROM FARM MARKETINGS

(In thousands of dollars)

State	Livestock products		Crops		Total	
	1951	1950	1951	1950	1951	1950
Arizona.....	\$ 107,239	\$ 89,858	\$ 245,473	\$ 186,037	\$ 352,712	\$ 275,895
Louisiana.....	114,720	100,186	266,316	219,807	381,036	319,993
New Mexico.....	155,754	127,951	75,385	78,943	231,139	206,894
Oklahoma.....	405,938	341,618	212,824	222,979	618,762	564,597
Texas.....	1,056,034	879,681	1,094,896	1,267,381	2,150,930	2,147,062
Total.....	\$1,839,685	\$1,539,294	\$1,894,894	\$1,975,147	\$3,734,579	\$3,514,441

SOURCE: United States Department of Agriculture.

Livestock Numbers in the Southwest Declined in 1951

The drought in the Eleventh Federal Reserve District in 1951, with the accompanying shortage of range and pasture grasses and the curtailment in feed grain production, caused considerable liquidation of livestock inventories in the more seriously affected areas, such as the Edwards Plateau and the Trans-Pecos region. There was, however, a further expansion in livestock production in many eastern sections of the District, which partly offset declines in the west and resulted in a decline in total livestock numbers of only 1 percent.

The only major type of livestock showing an increase in numbers in the five states of the District during 1951 was beef cattle, as shown in an accompanying table. On January 1, 1952, beef cattle inventories totaled 12,456,000 head, up 6 percent. On the same date, Texas farmers and ranchers held 7,350,000 beef cattle, or 3 percent more than a year earlier, compared with an increase of 12 percent for the United States. Milk cattle inventories, on the other hand, declined 4 percent and 2 percent in Texas and the District, respectively. Total cattle numbers in the 5-state area, which rose in 1951 for the third consecutive year, were 10 percent above the postwar low of 1949 but still 3 percent below the 1945 record. Cattle on farms in the United States were at an all-time high of over 88,000,000 head, or 7 percent more than a year ago.

LIVESTOCK ON FARMS, JANUARY 1

Texas, Five Southwestern States, and United States

(In thousands)

Class	Texas		Five southwestern states ¹		United States	
	1951	1952p	1951	1952p	1951	1952p
All cattle.....	8,765	8,940	15,053	15,643	82,025	88,062
Milk cattle.....	1,662	1,590	3,268	3,187	35,606	35,870
Beef cattle.....	7,103	7,350	11,785	12,456	46,419	52,192
All sheep.....	6,851	6,176	8,913	8,290	30,635	31,725
Stock sheep.....	6,746	6,071	8,682	8,072	27,253	27,841
Feeders.....	105	105	231	218	3,382	3,884
Hogs.....	1,732	1,645	3,233	3,055	62,852	63,903
Goats ²	2,233	2,099	2,233	2,099	2,233	2,099
Horses.....	349	321	800	731	4,993	4,370
Mules.....	116	96	262	230	2,074	1,923
Total above species.....	20,046	19,277	30,494	30,048	184,812	192,082
Chickens ³	22,795	22,992	38,492	38,267	442,657	453,498
Turkeys.....	508	549	637	688	5,091	5,835

¹ Arizona, Louisiana, New Mexico, Oklahoma, and Texas.² Goat numbers shown for Texas only; estimates for other states not available.³ Does not include commercial broilers.

p—Preliminary.

SOURCE: United States Department of Agriculture.

Sheep and lamb inventories in the District were affected most seriously by the drought last year as wool production is heavily concentrated in the drought-stricken areas. On January 1, 1952, there were 8,072,000 stock sheep on farms and ranches in the five states of the District, or 7 percent less than a year earlier. There were also 218,000 sheep and lambs on feed, or 6 percent fewer than in January 1951. Most of the decline in stock sheep numbers in the District occurred in Texas, although there was a slight reduction in Arizona. Texas reported 6,071,000 stock sheep on January 1, or 10 percent below a year earlier. The total number of sheep in the district states was 42 percent below the record of 1943 and at the lowest level since 1926. Stock sheep numbers in the United States rose 2 percent last year, despite the large reduction in Texas.

Hog inventories in the five district states, combined, were reduced further last year, falling to 3,055,000—47 percent below the record of 1944 and lower than at any time in the past 25 years. There was considerable liquidation of hogs in Louisiana, Oklahoma, and Texas in 1951, which was offset only partly by slight increases in Arizona and New Mexico. Texas farmers reported 1,645,000 hogs, or 5 percent below a year ago. However, pigs under 6 months of age were down only 2 percent. Hogs on farms in the United States increased 2 percent in 1951.

Texas goats, which are mostly Angoras, decreased 6 percent during 1951. On January 1, 1952, there were 2,099,000 head on farms and ranches, compared with 2,233,000 a year earlier and a record of 3,465,000 in 1942.

Farm inventories of chickens, excluding commercial broilers, in the district states on January 1 were fractionally above a year earlier; virtually all of the expansion in chicken production in this area in the past few years has been in the output of commercial broilers. Turkey production last year was at a record level; there were 688,000 turkeys on farms in the 5-state area on January 1, or 8 percent above the number reported a year ago. Farm holdings of turkeys in the United States in January were up 15 percent from a year earlier.



Between January 23 and February 20, loans of the weekly reporting member banks in the Eleventh District rose, but most other major categories of assets and liabilities declined. Total resources of these banks amounted to \$4,296,000,000 on February 20, which reflects an increase of \$393,000,000, or about 10 percent, over the comparable total of last year.

Loans rose \$8,942,000 during the 4 weeks, due principally to the expansion in loans to banks. Most other major loan categories showed decreases. Commercial, industrial, and agricultural loans rose during the first 2 weeks of the period, but reductions in the final 2 weeks were more than offsetting, with the result that these loans showed a net decrease of \$4,001,000. In contrast with the trend that prevailed during the later months of 1951 and accounted for most of the loan expansion during the year, cotton dealers liquidated a substantial amount of bank indebtedness in recent weeks; however, this seasonal reduction in cotton loans was offset, to some extent, by new borrowings by manufacturing firms, public utilities, and a miscellaneous group of other establishments. The principal changes among other categories of loans include a decrease of \$1,846,000 in real estate loans and an increase of \$3,250,000 in "all other" loans. On February 20, total loans of these banks amounted to \$1,564,000,000, or only slightly less than the record amount reported on February 6.

CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	February 20, 1952	February 21, 1951	January 23, 1952
Total loans (gross) and investments.....	\$2,904,371	\$2,685,523	\$2,927,075
Total loans—Net ¹	1,548,067	1,477,853	1,539,131
Total loans—Gross.....	1,564,351	1,492,522	1,555,409
Commercial, industrial, and agricultural loans.....	1,085,496	1,038,353	1,089,497
Loans to brokers and dealers in securities..	7,660	8,125	8,914
Other loans for purchasing or carrying securities.....	55,639	54,661	53,598
Real estate loans.....	113,081	119,446	114,927
Loans to banks.....	10,884	1,694	132
All other loans.....	291,591	270,243	288,341
Total investments.....	1,340,020	1,193,001	1,371,666
U. S. Treasury bills.....	225,762	76,455	241,232
U. S. Treasury certificates of indebtedness.....	162,571	0	162,833
U. S. Treasury notes.....	180,584	364,642	181,272
U. S. Government bonds (inc. gtd. obligations).....	605,995	589,272	617,786
Other securities.....	165,108	162,632	168,543
Reserves with Federal Reserve Bank.....	564,512	534,683	574,110
Balances with domestic banks.....	411,031	319,508	488,638
Demand deposits—adjusted ²	2,337,890	2,204,402	2,395,837
Time deposits except Government.....	452,425	418,999	457,196
United States Government deposits.....	77,076	76,797	51,388
Interbank demand deposits.....	794,894	661,468	879,501
Borrowings from Federal Reserve Bank.....	3,200	0	3,000

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.

Holdings of all types of Government securities and investments in municipal and other non-Government obligations were reduced during the 4 weeks ended February 20, with the result that total investments declined \$31,646,000, or about 2 percent. Sales and redemptions of Treasury bills were particularly heavy, while investments in Treasury bonds declined about 2 percent; holdings of certificates and notes declined fractionally. Reflecting a mild and perhaps tem-

porary reversal of the upward trend that prevailed during most of the past several months, the municipal portfolios of these banks were reduced. Funds provided by the sale and redemption of securities were used principally to meet the withdrawals of deposits by country correspondents and others.

Deposits declined \$121,301,000, or about 3 percent, during the 4 weeks, and on February 20 total deposits amounted to \$3,959,500,000. Most major categories of demand and time deposits declined during the 4 weeks, but the principal factors contributing to the deposit contraction were the decreases of \$84,607,000 in interbank deposits and \$43,985,000 in demand deposits of individuals, partnerships, and corporations. Time deposits of individuals and businesses rose \$1,871,000, continuing the upward trend that prevailed in other recent months. Despite the contraction in deposits between January 23 and February 20, total deposits of these banks on the latter date were substantially above the comparable year-earlier total.

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
January 1950...	\$5,733,218	\$659,140	\$2,752,603	\$423,289	\$2,980,615	\$235,851
January 1951...	6,349,754	657,601	3,098,119	400,388	3,251,635	257,213
September 1951.	6,169,109	675,186	2,917,338	371,361	3,251,771	303,825
October 1951...	6,361,591	681,258	3,017,115	373,996	3,344,476	307,262
November 1951..	6,592,874	686,144	3,101,804	376,802	3,491,070	309,342
December 1951..	6,753,139	706,327	3,170,047	390,143	3,583,092	316,184
January 1952...	6,779,455	714,332	3,162,301	391,577	3,617,154	322,755

During January, demand deposits at all the District's member banks averaged \$26,316,000 higher than in December 1951. The increase was not uniform among all classes of banks, however, as country banks more than accounted for the gain. Similarly, more than 80 percent of the \$8,005,000 increase in time deposits occurred at these country banks. In January, demand deposits of the member banks averaged \$6,779,000,000; time deposits, \$714,000,000.

Member banks reported net profits after taxes of \$39,428,000 during 1951, which represents a decrease of about 6 percent from the net profits of 1950. Although net earnings from current operations showed an increase of more than 10 percent—principally as a result of the increase in interest earnings from loans—larger net losses, charge-offs, and transfers to valuation reserves and a marked increase in income taxes were more than offsetting.

Debits to deposit accounts reported by banks in 24 cities of the District were 4 percent lower seasonally in January than in December but 6 percent above the comparable year-earlier total. The decline in January was not general throughout the District, as half of the reporting cities showed increases. Accompanying the moderate decline in the over-all volume of business activity as reflected by the trend of debits, the annual rate of turnover of deposits declined from 16.0 in December to 15.5 in January. The rate was 15.7 in January 1951.

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

(Amounts in thousands of dollars)

City	DEBITS ¹			DEPOSITS ¹			
	January 1952	Percentage change from		January 31, 1952	Annual rate of turnover		
		Jan. 1951	Dec. 1951		Jan. 1952	Jan. 1951	Dec. 1951
ARIZONA							
Tucson.....	\$ 94,561	19	5	\$ 106,521	10.8	10.4	10.6
LOUISIANA							
Monroe.....	52,983	7	4	49,080	12.0	11.6	11.5
Shreveport.....	208,009	16	—	197,860	12.1	11.5	12.4
NEW MEXICO							
Roswell.....	28,770	15	22	28,992	11.8	10.8	9.6
TEXAS							
Abilene.....	56,489	—4	2	55,227	12.0	13.3	11.9
Amarillo.....	141,510	3	—2	114,419	14.8	16.4	15.2
Austin.....	197,788	1	55	124,092	19.8	20.4	13.3
Beaumont.....	129,002	11	—3	99,310	15.4	14.6	16.3
Corpus Christi.....	145,551	23	7	102,913	16.7	14.8	15.7
Corralcoba.....	15,663	—8	—8	22,320	8.3	9.2	9.0
Dallas.....	1,563,255	—	—10	1,003,104	18.4	20.4	20.0
El Paso.....	192,849	—3	—6	146,403	15.6	17.5	16.9
Fort Worth.....	519,347	7	—3	369,764	16.7	17.4	17.0
Galveston.....	81,535	9	—4	101,957	9.7	9.1	10.2
Houston.....	1,630,345	12	—4	1,129,619	17.0	15.8	17.8
Laredo.....	22,215	—4	1	22,654	11.6	12.6	11.4
Lubbock.....	135,895	2	—13	106,052	14.9	15.2	17.3
Port Arthur.....	49,810	19	6	44,614	13.4	12.4	12.7
San Angelo.....	42,250	—7	1	53,909	9.2	10.4	9.1
San Antonio.....	375,918	—1	—4	387,908	11.6	12.6	12.1
Texarkana ²	21,194	15	6	24,736	10.1	8.9	9.7
Tyler.....	56,738	3	7	53,455	12.4	12.6	11.6
Waco.....	72,462	3	—5	89,385	9.6	10.3	9.8
Wichita Falls.....	90,043	16	3	106,101	10.1	9.5	9.8
Total—24 cities.....	\$5,924,182	6	—4	\$4,542,395	15.5	15.7	16.0

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 \$37,724,000 for the month of January 1952.

⁴ Indicates change of less than one-half of 1 percent.

Principal changes in the condition of the Federal Reserve Bank of Dallas between January 15 and February 15 include increases of \$22,077,000 in gold certificate reserves and \$5,500,000 in discounts for member banks. Total earning assets declined \$31,311,000, which is more than accounted for by the reduction in holdings of Government securities. Member bank reserve deposits were drawn down \$37,120,000 during the month, while notes of this bank in actual circulation declined \$6,960,000 to a total of \$673,080,000 on February 15.

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	February 15, 1952	February 15, 1951	January 15, 1952
Total gold certificate reserves.....	\$ 653,176	\$ 602,099	\$ 631,099
Discounts for member banks.....	8,500	200	3,000
Industrial advances.....	16	0	16
Foreign loans on gold.....	0	0	0
U. S. Government securities.....	1,060,941	1,043,376	1,097,752
Total earning assets.....	1,069,457	1,043,576	1,100,768
Member bank reserve deposits.....	1,023,353	993,839	1,060,473
Federal reserve notes in actual circulation.....	673,080	617,320	680,040

On February 18, the Secretary of the Treasury offered a new 7-year 2 $\frac{3}{8}$ -percent Treasury bond, callable in 5 years, in exchange for the outstanding issue of 2 $\frac{1}{2}$ -percent bonds which was called earlier for redemption on March 15. The called bonds were outstanding in the amount of \$1,024,000,000. Holders of the 1 $\frac{7}{8}$ -percent certificates of indebtedness which mature April 1 were offered, at the same time, a new 11 $\frac{1}{2}$ -month 1 $\frac{7}{8}$ -percent certificate in exchange for their

holdings. The certificates were outstanding in the amount of \$9,524,000,000. Both of the new issues are dated March 1. The three issues of Treasury bonds which were eligible to be called for redemption on June 15 were not called.



Nonfarm employment in the District at mid-February was up slightly from the January level, due to gains in several lines of manufacturing, and was 5 percent above a year ago; factory employment was about 9 percent above a year earlier. Although strikes in a number of plants and a moderately slower tempo in defense production reduced employment later in the month, total nonfarm employment in the District in February averaged appreciably above the same month in 1951. Present indications point to a continuing high level of employment in coming months, since in many lines there are still large production backlogs for defense purposes, while new plants soon to be completed will add to current labor requirements.

CRUDE OIL PRODUCTION
(Barrels)

Area	January 1952		Increase or decrease in daily average production from	
	Total production	Daily avg. production	Jan. 1951	Dec. 1951
ELEVENTH DISTRICT				
Texas R. R. Com. Districts				
1 South Central.....	1,004,600	32,406	-25	-475
2 Middle Gulf.....	4,954,200	159,813	4,860	-6,466
3 Upper Gulf.....	14,743,350	475,592	5,049	-10,321
4 Lower Gulf.....	7,785,550	251,147	11,608	-5,111
5 East Central.....	1,620,200	52,265	6,155	-579
6 Northeast.....	12,172,950	392,675	15,354	-2,423
East Texas.....	8,319,200	268,361	-3,639	-416
Other fields.....	3,853,750	124,314	18,993	-2,007
7b North Central.....	2,607,100	84,100	6,598	-218
7c West Central.....	4,029,500	129,984	44,310	6,892
8 West.....	29,115,500	939,210	93,446	-17,574
9 North.....	4,886,100	157,616	345	-460
10 Panhandle.....	2,589,550	83,534	-6,466	-5
Total Texas.....	85,508,600	2,758,342	181,234	-36,740
New Mexico.....	4,703,500	151,726	19,210	4,620
North Louisiana.....	3,966,250	127,943	359	1,975
Total Eleventh District.....	94,178,350	3,038,011	200,803	-30,145
OUTSIDE ELEVENTH DISTRICT.....	97,866,050	3,156,969	70,604	11,740
UNITED STATES.....	192,044,400	6,194,980	271,407	18,405

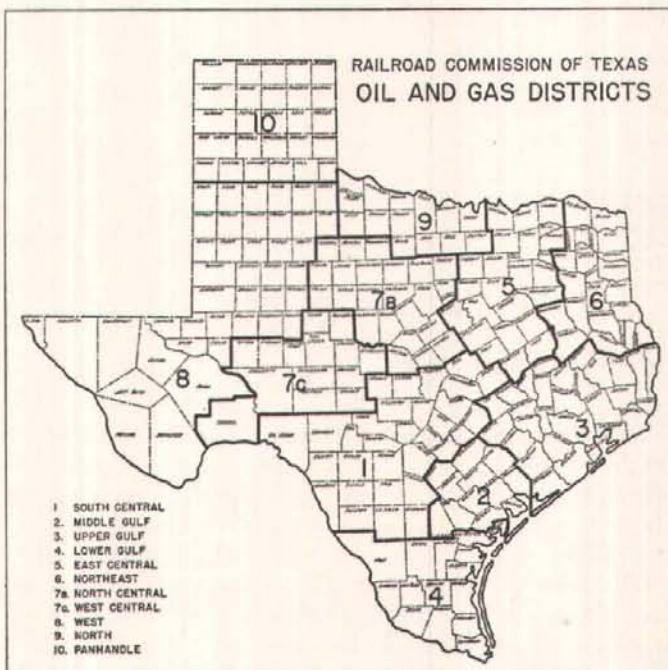
SOURCE: Estimated from American Petroleum Institute weekly reports.

After declining for three consecutive months, crude oil production in the District rose in early February to a new record level of 3,200,000 barrels per day, or 1 percent above the previous record established last October; an increase in Texas allowables by 81,000 barrels per day accounted for the rise. This daily rate of production is about 5 percent above that of January and 11 percent above February 1951.

On February 20, the Texas Railroad Commission set the March 1 allowable at 3,131,665 barrels daily, which is 16,153 barrels above the record allowable of last October. The new order is based on 24-day production for Texas oil fields generally and 19 for the East Texas field.

The increase in allowables and production during February retarded the decline in stocks of crude and burning oils which had been under way for about 4 months. Combined stocks of crude oils in New Mexico, Texas, and northern Louisiana in early February were maintained at slightly above 131,000,000 barrels, compared with a peak of almost 139,000,000 barrels in November and 121,000,000 barrels in mid-February 1951.

Current stocks in the United States, although above a year ago, are not considered unduly large, in view of the fact that demand for refined products continues seasonally higher than can be met from domestic production plus imports.



Responding to the high level of demand, crude oil runs to refinery stills have been at near-record levels, averaging 6,635,000 barrels per day in the United States and 1,972,000 barrels daily in the Eleventh District during January. These rates of activity are, respectively, 3 percent and 4 percent higher than a year earlier. Because of the high level of refinery runs, inventories of gasoline in the United States have been rising and by February 9 had reached 139,000,000 barrels, compared with 133,000,000 barrels a year earlier. Available information suggests further increases in gasoline stocks before the seasonal rise in consumption develops in the spring.

OIL AND GAS WELLS COMPLETED

Area	1951	1950	Percent change
ELEVENTH DISTRICT			
Texas R. R. Com. Districts			
1 South Central.....	609	505	21
2 Middle Gulf.....	798	689	16
3 Upper Gulf.....	1,541	1,586	-3
4 Lower Gulf.....	1,692	1,659	2
5 East Central.....	349	200	74
6 Northeast.....	686	714	-4
7b North Central.....	2,802	2,076	35
7c West Central.....	1,532	926	65
8 West.....	3,846	4,125	-7
9 North.....	2,936	3,150	-7
10 Panhandle.....	881	1,058	-17
Total Texas.....	17,795	16,686	7
New Mexico.....	717	593	21
North Louisiana.....	1,256	1,306	-4
Total Eleventh District.....	19,768	18,585	6
OUTSIDE ELEVENTH DISTRICT.....	23,849	23,337	2
UNITED STATES.....	43,617	41,922	4

SOURCE: World Oil.

Final reports on oil and gas wells completed during 1951 now show that completions in this District reached a record 19,768, or 6 percent above the previous year, compared with a gain of 4 percent for the Nation. The District accounted for 45 percent of the wells drilled in the United States. Of the total wells drilled in the District last year, 64 percent were producing wells, while 36 percent were dry. These same ratios prevailed in 1950.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

Area and type	January	January	December
	1952 ^p	1951	1951
ELEVENTH DISTRICT	\$ 91,431	\$ 103,154	\$ 89,074
Residential.....	34,307	57,406	23,420
All other.....	57,124	45,748	65,654
UNITED STATES¹	902,091	1,043,248	1,234,339
Residential.....	337,721	420,918	346,104
All other.....	564,370	622,330	888,235

¹ 37 states east of the Rocky Mountains.

^p Preliminary.

SOURCE: F. W. Dodge Corporation.

The value of construction contracts awarded in the District fell during the first half of January to the lowest rate in several years but subsequently increased as the result of various large projects, including defense housing, defense plants, utilities, and public works. The January total reached approximately \$91,000,000, or slightly more than in December though less than a year ago. Residential awards at \$34,000,000 amounted to 46 percent more than in December but were 40 percent lower than the year-earlier level. Nonresidential awards declined to about \$57,000,000, which is somewhat less than in December but one-fourth more than a year ago.

BUILDING PERMITS

City	January 1952		Percentage change in valuation from	
	Number	Valuation	Jan.	Dec.
			1951	1951
LOUISIANA				
Shreveport.....	284	\$ 1,117,417	-59	127
TEXAS				
Abilene.....	93	620,500	-27	184
Amarillo.....	369	1,858,131	-29	21
Austin.....	243	1,480,135	-58	4
Beaumont.....	279	1,180,923	26	584
Corpus Christi.....	341	1,213,529	-76	63
Dallas.....	1,588	6,143,923	-62	42
El Paso.....	245	841,880	-54	96
Fort Worth.....	673	2,992,288	-27	87
Galveston.....	141	210,407	-21	-14
Houston.....	956	9,231,032	-48	7
Lubbock.....	270	1,125,153	-46	42
Port Arthur.....	143	257,712	-40	-48
San Antonio.....	1,343	3,116,396	-53	55
Waco.....	347	1,277,825	-13	31
Wichita Falls.....	121	6,246,160	¹	¹
Total	7,436	\$38,913,411	-42	60

¹ Over 1,000 percent.

Cement production in Texas in 1951 totaled 18,133,000 barrels, or 6 percent above the previous year. Output in each month exceeded that of the corresponding month of 1950. However, shipments of cement declined in the closing months of 1951 to below the year-earlier rates, reflecting the curtailment in construction activity. Cement stocks, consequently, increased late in the year, attaining a better inventory working level.

Cotton and woolen textile mill activity in the Nation continued lower in January than a year earlier, according to reports on cotton and wool consumption. Past mid-February there was little indication of recovery in the textile market, and additional mills closed or curtailed output. Prices were weak, and below-cost government contracts were reported keeping some mills operating. Mill demand for cotton and wool was especially quiet.

Cottonseed receipts at oil mills so far this season are well ahead of last season in both Texas and the Nation. Production of cottonseed products also has been appreciably larger. Stocks of cottonseed oil and linters are considerably higher than last year, due to the greater production of these products. Recent declines in prices of cottonseed oil on the Fort Worth market reflect the relative abundance of cottonseed oil in relation to current demand. Because of the unusually large demand for livestock feeds occasioned by the drought in the Southwest, supplies of cottonseed cake, meal, and hulls have moved rapidly, and stocks are much lower than a year ago.

COTTONSEED AND COTTONSEED PRODUCTS

	TEXAS		UNITED STATES	
	August 1 to December 31		August 1 to December 31	
	This season	Last season	This season	Last season
COTTONSEED (tons)				
Received at mills.....	1,250,020	912,648	4,800,138	3,104,083
Crushed.....	810,879	713,701	3,003,719	2,250,240
Stocks, end of period.....	506,932	406,738	1,880,613	1,138,343
COTTONSEED PRODUCTS				
Production				
Crude oil (thousand pounds)	252,058	220,889	933,625	710,616
Cake and meal (tons).....	392,792	333,187	1,394,240	1,007,676
Hulls (tons).....	183,793	167,214	668,664	516,522
Linters (running bales).....	256,924	216,008	956,896	741,374
Stocks, end of period				
Crude oil (thousand pounds)	34,342	14,028	97,586	40,928
Cake and meal (tons).....	13,804	51,584	55,430	190,875
Hulls (tons).....	9,107	29,926	36,285	83,192
Linters (running bales).....	43,201	63,568	198,918	102,703

SOURCE: United States Bureau of Census.