



# BUSINESS REVIEW

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## **SOUTHWEST BANKING DEVELOPMENTS IN 1956**

The energy and expansive force of the American economy were vividly demonstrated during 1956 when income, production, and employment broke the records established in the preceding year. These high levels were attained despite the cautiousness that prevailed early in the year and the rather substantial readjustments which occurred in some of the important sectors of the economy. In fact, the flow of goods and services through the broad stream of the economy surged ahead under the stimulus of the dynamic sectors. Plant and equipment expenditures, rising more than 20 percent from the preceding year, provided much of the generative force producing the record-breaking activity. In addition, consumer and governmental spending showed year-to-year gains, thus adding to the total demand for goods and services.

To sustain this high-level pace of the economy, especially in terms of capital investment, businesses required substantial amounts of funds from external sources. With these pressures weighing heavily against the slowly rising supply of savings and bank credit, the capital markets and the banking system were faced with the problem of allocating funds to the alternative claimants. Consequently, interest rates and bond yields increased.

In an environment of record economic activity, inflationary price increases, and an active demand for capital, Federal Reserve policy continued to operate on the side of restraint. Largely confirming the rise in market rates of interest, the discount rate of the Reserve banks was raised (in two steps at most Reserve banks) from 2½ percent to 3 percent in 1956. Open market

**FEDERAL RESERVE BANK OF DALLAS**  
**DALLAS, TEXAS**



operations were used to supply or withdraw funds in response to seasonal variations or temporary swings in reserve needs, and, on balance, holdings of Government securities in the System Open Market Account increased slightly during the year. Thus, reserves were provided to support an increase of slightly less than 1 percent in the money supply, which, when coupled with the more rapid turnover of deposits, supported the high level of economic activity.

During 1956, income, production, and employment in the Eleventh District also rose, although most areas which derive their support predominantly from agricultural production did not participate in the rising activity. While residential building lagged during the year, total construction contract awards increased, reflecting the surge of capital expansion programs, rising construction costs, and increased public, commercial, and industrial construction. With the prosperous conditions highlighting the southwestern economic landscape, the demand for bank credit remained active throughout the year, although aggregate bank loans and investments increased less than in 1955.

Because of strong loan demands at District commercial banks and their efforts to meet these demands under the policy of continued monetary restraint, free reserves declined in 1956 compared with a year earlier. Reserve city banks again showed net borrowed reserves, with average net indebtedness climbing from almost \$6 million to about \$16.5 million. Reserve positions were under greatest strain in the first half of the year, as loan extensions were unseasonably strong.

After midyear, when loan demands moderated somewhat and the seasonal inflow of cash was felt, excess reserves increased and bank borrowings from the Federal Reserve Bank were reduced.

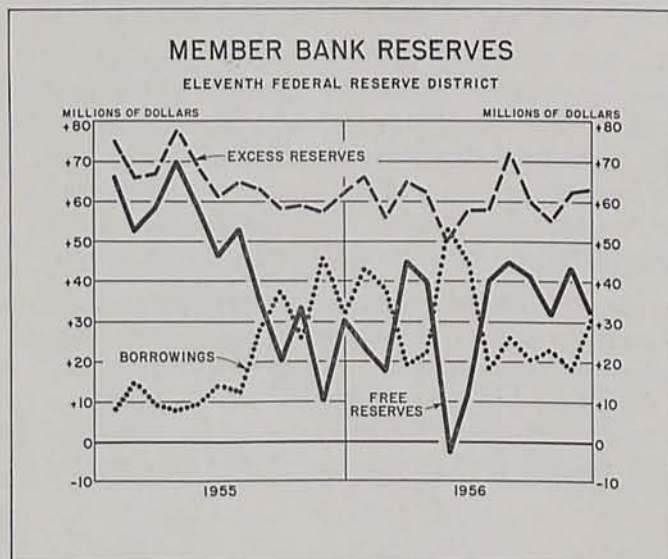
Country banks in the District continued to hold substantial average free reserves, amounting to more than \$47 million for the year as a whole—or about \$3 million less than in 1955. This decrease resulted from the lower average excess reserves, as borrowings from the Federal Reserve Bank decreased slightly. While total reserve balances rose somewhat, required reserves increased by a greater amount.

District member banks showed about the same growth in total resources in 1956—\$417 million—as they did a year earlier, but the gain was less than in 1954, when bank reserves were easier. In 1956, Eleventh District member banks made larger net purchases of investments than the net increase in loans; in 1955, loan accounts were expanded rapidly, while investments showed a partially offsetting liquidation. By mid-1956 the secondary reserve accounts of District member banks had been reduced to minimal levels, but in the last half of the year, the banks made substantial net purchases of investments, primarily short-term Treasury securities.

During 1956, District member banks revealed a year-to-year gain in deposits at the end of each quarter. Over the course of the entire year, deposits rose \$315 million, or 3.3 percent, while in 1955 the banks received \$348 million in new deposits. This difference may reflect, in part, the increasing severity of the drought and its effects on agriculture's balance of payments; another factor probably was the changing character of economic expansion during the 2 years. As a group, country banks in towns of less than 15,000 population showed a year-to-year deposit gain, although some of these banks suffered substantial deposit losses. Nonetheless, deposits in 1956 had a faster growth in the District than in the Nation.

Of the \$315 million gain in deposits, about one-third reflected the growth in individual demand accounts. The increase in total demand deposits during the fourth quarter was especially large and more than offset the substantial decline earlier in the year. Time deposits of individuals rose \$87 million, but this increase in savings was concentrated in the first half of 1956.

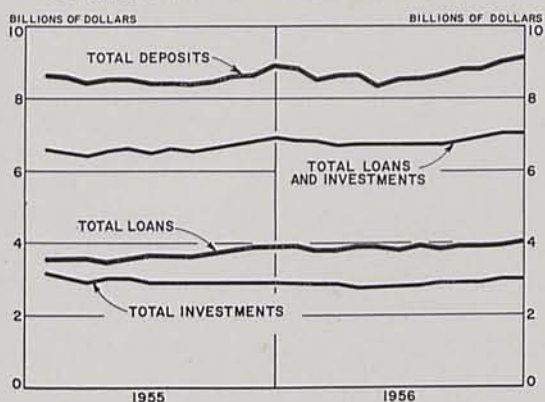
The changing character of regional credit demands and economic developments during 1956 was reflected





## TOTAL LOANS, INVESTMENTS, AND DEPOSITS

ALL MEMBER BANKS - ELEVENTH FEDERAL RESERVE DISTRICT



most clearly in the loan categories. In 1956, total loans in the District reached over \$4 billion, reflecting a rise of \$69 million—or about one-seventh of the gain recorded a year earlier. This slowing down in the rate of loan expansion in the face of continued strong demands for credit reflected, in part, the shifts in credit extensions among various types of borrowers occasioned by changing economic conditions. Substantial net increases in loans to certain industries were largely counterbalanced by loan liquidations in other sectors.

Clear evidence of the difference between economic conditions in 1955 and in 1956 was shown in real-estate credit, which reflected changes in the mortgage market during the year. In 1955, real-estate loans increased \$72 million, with the largest increment coming from residential mortgages—particularly mortgages guaranteed or insured by the Government. In 1956, real-estate loans contracted by \$2 million, with each type of residential mortgage declining, especially VA liens. Government-backed mortgages became rela-

### MEMBER BANK LOANS AND DISCOUNTS

Eleventh Federal Reserve District

(In thousands of dollars)

Item	December 31, 1956	December 31, 1955	Change
Real-estate loans.....	\$ 392,310	\$ 394,479	—\$ 2,169
Loans to banks.....	1,462	1,114	348
Loans for purchasing or carrying securities.....	223,562	165,279	58,283
Loans to farmers.....	326,962	433,738	—106,776
Commercial and industrial loans.....	2,099,992	2,053,003	46,989
Loans to individuals.....	884,335	817,601	66,734
All other loans.....	156,244	133,808	22,436
Loans and discounts (gross).....	\$4,084,867	\$3,999,022	\$ 85,845

tively unattractive in 1956, primarily because the fixed rates of interest on such mortgages compared unfavorably with the higher rates on conventional mortgages and the rising rates for marketable corporate and municipal securities. Loan contracts secured by nonfarm and nonresidential properties advanced \$18 million, or slightly less than in 1955, although the amount of new construction of this type showed a year-to-year gain.

Primarily because of the disposal of CCC paper occasioned by the low rate of interest and reduced cotton production, loans to agriculture declined \$107 million at District banks. Direct loans to farmers also declined as drought conditions became an increasingly important factor.

Loans to individuals—i.e., consumer loans—showed a larger growth in 1956 than during the preceding year. Increasing \$67 million during 1956—contrasted with a gain of only \$58 million in 1955, this type of credit showed a larger gain than any of the other major loan classes. Automobile instalment loans, expanding every quarter, accounted for almost half the total consumer loan increase, despite the decline in automobile sales in 1956. Rising costs of new automobiles and the willingness of dealers and banks to finance purchasers in the buyer's market which was in evidence much of the year were mainly responsible for this rise in outstanding automobile credit. Each of the remaining types of consumer loans rose during the year, in contrast to the scattered gains and losses recorded in 1955. Single-payment loans, which accounted for much of the year-to-year change in consumer loans, grew by \$16 million in 1956. This gain contrasts with a reduction of \$15 million in 1955.

The public took a greater interest in bonds and other fixed-income securities during 1956, and securities loans granted by District member banks rose \$58 million. Half of this gain occurred in the final 3 months of the year, when bond yields reached their peak. These funds were channeled largely to other than brokers and dealers, and, considering the timing, the last-quarter surge of such loans signifies the greater attraction securities purchases held for noninstitutional investors.

As the information for all District member banks does not include data for the different types of commercial and industrial borrowers, it is necessary to examine the information from the weekly reporting member banks in the District, the larger institutions at nine principal southwestern cities. At these banks,



construction loans accounted for the largest decrease in business borrowing as the building trade repaid \$70 million of indebtedness, after increasing borrowings \$49 million in 1955. This loan liquidation was evenly distributed throughout the year and was obviously connected with the reduced number of housing starts and the declining inventory of unsold new residences. Partly offsetting these downward influences were the rising cost of construction and the tendency to build larger houses. Construction loans generally cover interim financing for houses under construction and, therefore, usually follow the volume and value of construction activity and the number of unsold units.

While alternately rising and falling during the year, borrowings by sales finance companies showed a year-to-year contraction of \$29 million. These loans are made largely to regional and national concerns whose operations and frequently shifting cash positions make them large short-term borrowers through the issuance of open market paper. In the final 6 months of 1956, proceeds from the sale of securities were used to retire bank loans by the sales finance companies.

Wholesale and retail trade loans reached \$232 million by the last Wednesday in December, reflecting a 12-percent gain for the year. Nationally, this type of credit also rose, although at a somewhat slower pace. Inventory increases (partly unintended), as well as some expansion of accounts receivable, contributed to much of the build-up in trade loans.

Manufacturing concerns, other than those in petroleum and related industries, stepped up their borrowings by \$43 million in 1956, compared with a \$10 million increase a year earlier. Sizable gains occurred in the borrowings of transportation companies, metals and metal products firms, and "all other" manufacturers. Throughout the country, borrowings by metals and transportation companies expanded during 1956, particularly during the first 6 months—when inventories were being accumulated rapidly as a hedge against work stoppages and increased prices. In the District, borrowings by local metals concerns paralleled those in the Nation, with their bank loans reaching a peak at midyear.

Petroleum and related credit, accounting for about two-thirds of all manufacturing loans at the weekly reporting banks, rose by only about \$4 million. These loans showed downward drifts during the first half of the year, increased substantially in the fall, and then declined toward the year end.

Loans to manufacturing enterprises provided, in many instances, a temporary alternative to the floating of capital issues when the market was unfavorable and, in much larger measure, also bore witness to the increased need for working capital to finance the higher level and rising cost of operations, the increase in inventories, and other short-term uses. Moreover, surplus business liquidity tended to be sponged away, particularly in firms which shared fully in the economic expansion. In addition, where major capital spending programs were instituted, bank loans frequently were used before, and occasionally as a supplement to, orthodox long-term financing. In either event, the investment boom added to the demand for bank funds.

With rising interest rates and a strong demand for bank credit, net operating earnings of District member banks rose 7 percent to total \$123 million. Gross operating income, stimulated mainly by higher earnings from loans, advanced about \$8 million more than operating expenses. While recoveries were only slightly above a year earlier, losses, charge-offs, and transfers to reserves increased almost \$9 million. As a consequence of this extra deduction from earnings, bank profits before income taxes were below those in the previous year. However, net profits after income taxes increased \$1,249,000 as a result of lower tax payments.

Considering the full year's operations, the loan-deposit ratio at District member banks declined from 41.6 percent to 41.0 percent, reflecting the larger relative gain in deposits than in loans. The cash-deposit ratio also improved, rising to 33.8 percent, as about one-half of the 1956 deposit gain was devoted to building up cash accounts. The ratio of capital accounts to risk assets—another frequently used measure of bank conditions—rose from 14.4 percent to 15.0 percent; this change reflects the relatively large gain in capital accounts and nonrisk assets (cash accounts and Government securities) that occurred during 1956.

In summary, Eleventh District member banks enjoyed, on the whole, another year of growth and prosperity, with total resources continuing to expand. The banks concluded the year with a significant increase in their investment accounts and a somewhat more modest addition to loans, reflecting the moderate loan extensions during the second half of 1956. Their actions paralleling the major trends in the economy and being responsive to monetary policy, District banks continued to meet sound credit requests while making substantial progress in improving their liquidity position.

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Financial Economist



## PRELIMINARY FINDINGS OF THE 1957 SURVEY OF CONSUMER FINANCES

Preliminary findings of the twelfth annual Survey of Consumer Finances indicate that consumers, with financial positions improved during 1956, continue optimistic about the future and plan to make major expenditures to about the same extent as last year. The Survey, conducted in January and February 1957 by the Board of Governors of the Federal Reserve System in cooperation with the Survey Research Center of the University of Michigan, included interviews with approximately 3,000 spending units in 66 sampling areas throughout the United States.<sup>1</sup>

### INCOME GROUPING OF SPENDING UNITS

(Percentage distribution)

Money income before taxes	1956 <sup>1</sup>	1955	1954	1953	1952
Under \$1,000.....	9	11	10	10	11
\$1,000-\$1,999.....	12	12	13	13	14
\$2,000-\$2,999.....	12	13	14	14	16
\$3,000-\$3,999.....	12	14	17	16	18
\$4,000-\$4,999.....	14	14	14	16	15
\$5,000-\$7,499.....	24	22	21	21	17
\$7,500-\$9,999.....	9	8	6	5	5
\$10,000 and over.....	8	6	5	5	4
All cases.....	100	100	100	100	100

<sup>1</sup> Preliminary data for 1956 income are based on the first 2,700 spending units interviewed in early 1957 and have not been adjusted for nonresponse. Adjustments in data for nonresponse will be made in subsequent tabulations based on the complete sample. Data for 1955 and previous years are based on complete surveys.

The increase in the value of total output last year was reflected in an increase in consumer incomes as reported to the Survey of Consumer Finances. About 41 percent of all spending units reported total incomes of \$5,000 or more in 1956, compared with 36 percent in 1955 and 26 percent in 1952. In 1956, 17 percent of all spending units reported incomes of \$7,500 or more; this proportion was twice as large as in 1952 and somewhat larger than a year ago. Incomes cov-

<sup>1</sup> Preliminary data for 1957 are based on the first 2,700 spending units reporting and have not been adjusted for differential response rates. Final data covering all 3,000 spending units and adjusted for differential response rates will be available at a later date. In past years differences between preliminary and final data have been small.

A spending unit, as defined in the Survey, consists of all related persons living together who pool their incomes. Husband and wife and children under 18 living at home are always considered to be members of the same spending unit. Other related persons in the household are separate spending units if they earn more than \$15 per week and do not pool their incomes.

The Survey of Consumer Finances, like other sample surveys of this type, is subject to sampling as well as response errors. As a result of such factors, undue importance should not be attached to small changes in the data from year to year. For a discussion of sampling and other errors in Survey data and a table of sampling errors, see the *Federal Reserve Bulletin* for July 1956, pp. 696-701.

ered by the Survey include total money incomes before taxes of all members of the spending unit.

The number of respondents reporting one or more types of liquid assets increased during the year. About 75 percent of all spending units reported holding checking accounts, savings accounts, savings and loan or credit union shares, or United States Government securities early in 1957, compared with 72 percent a year earlier. The increase in the number of holders was largely accounted for by spending units with total liquid assets of less than \$500.

### SIZE OF LIQUID ASSET HOLDINGS<sup>1</sup>

(Percentage distribution of spending units)

Size of holding <sup>2</sup>	1957 <sup>3</sup>	1956	1955	1954	1953	1952
Zero.....	25	28	29	26	29	31
\$1-\$199.....	17	15	17	15	16	17
\$200-\$499.....	13	12	12	13	12	13
\$500-\$999.....	12	12	10	13	11	9
\$1,000-\$1,999.....	10	11	10	11	12	10
\$2,000-\$4,999.....	13	12	12	13	11	12
\$5,000-\$9,999.....	5	6	6	5	5	5
\$10,000 and over.....	5	4	4	4	4	3
All cases.....	100	100	100	100	100	100

<sup>1</sup> Liquid asset groupings refer to holdings on January 1, 1952, and at time of interviews in January, February, and early March of other years indicated.

<sup>2</sup> Liquid assets include all types of U. S. Government bonds, checking accounts, savings accounts in banks, postal savings, and shares in savings and loan associations and credit unions; currency is excluded.

<sup>3</sup> Preliminary data for early 1957 are based on the first 2,700 spending units interviewed and have not been adjusted for nonresponse. Adjustments in data for nonresponse will be made in subsequent tabulations based on the complete sample. Data for 1956 and previous years are based on complete surveys.

In early 1957, 45 percent of all nonfarm spending units, reported that they were making more than a year ago, the largest proportion since 1953. Increases were widely distributed among the various occupational groups. About 40 percent of all spending units—the same proportion as in 1956—reported that they were better off than a year earlier. Increases in wages and salaries were reported more frequently this year than in either 1956 or 1955, but there was also more frequent reference to higher prices as a factor tending to worsen financial positions.

About 40 percent of all spending units expect further increases in their incomes during 1957; this proportion is slightly larger than in 1956 or 1955 and considerably larger than in 1954. Most respondents anticipating income increases in 1957 expect higher wage and salary rates. About 60 percent of all spending units expect general business conditions to be good



CONSUMERS' PERSONAL ATTITUDES AND EXPECTATIONS

Attitude or expectation	Early 1957 <sup>1</sup>	Early 1956	Early 1955	Early 1954	Early 1953	Early 1952
<b>Past change in income:<sup>2</sup></b>						
Making more than a year ago.....	45	41	38	41	48	46
No change.....	36	38	37	34	32	33
Making less than a year ago.....	17	18	23	23	16	17
Don't know, not ascertained.....	2	3	2	2	4	4
All cases.....	100	100	100	100	100	100
<b>Evaluation of own financial situation:</b>						
Better off than a year ago.....	40	40	38	36	38	33
No change.....	35	35	33	31	33	29
Worse off than a year ago.....	23	23	27	31	26	35
Don't know, not ascertained.....	2	2	2	2	3	3
All cases.....	100	100	100	100	100	100
<b>Expected change in income:<sup>2</sup></b>						
Making more a year from now.....	40	37	39	29	34	36
No change.....	35	36	36	35	33	30
Making less a year from now.....	7	8	6	15	10	8
Don't know, not ascertained.....	18	19	19	21	23	26
All cases.....	100	100	100	100	100	100

<sup>1</sup> Preliminary data for early 1957 are based on the first 2,700 spending units interviewed and have not been adjusted for nonresponse. Data for 1956 and previous years are based on complete surveys.

<sup>2</sup> Includes only nonfarm spending units.

during the next 12 months, while only 13 percent anticipate unfavorable conditions. Expectations concerning general business conditions are similar to those reported early in 1955, although slightly less optimistic than in 1956. Early in 1954, expectations of unfavorable conditions were reported by 25 percent of all spending units.

EXPECTED GENERAL BUSINESS CONDITIONS<sup>1</sup>

(Percentage distribution of spending units)

	Early 1957 <sup>2</sup>	Early 1956	Early 1955	Early 1954	Early 1953	Early 1952
Good times.....	60	64	59	43	( <sup>3</sup> )	( <sup>3</sup> )
Middle position.....	7	5	5	8	( <sup>3</sup> )	( <sup>3</sup> )
Bad times.....	13	9	12	25	( <sup>3</sup> )	( <sup>3</sup> )
Uncertain, not ascertained.....	20	22	24	24	( <sup>3</sup> )	( <sup>3</sup> )
All cases.....	100	100	100	100	( <sup>3</sup> )	( <sup>3</sup> )

<sup>1</sup> The question was, "Now considering the country as a whole, do you think that during the next twelve months we will have good times or bad times or what?"

<sup>2</sup> Preliminary data for early 1957 are based on the first 2,700 spending units interviewed and have not been adjusted for nonresponse. Adjustments in data for nonresponse will be made in subsequent tabulations based on the complete sample. Data for 1956 and previous years are based on complete surveys.

<sup>3</sup> Not available.

Plans of consumers to purchase major items showed little change from early 1956. The proportion of spending units reporting that they would or might buy new or used automobiles during the year was unchanged at 16 percent, about equally divided between new and used cars. Prospective purchasers of both new and used cars, however, reported intentions to spend somewhat more on the average than a year ago. The proportion expressing plans to purchase automobiles within three years was somewhat larger early in 1957 than in other recent years.

There was a slight decline from last year in the proportion of consumers reporting plans to purchase new or existing houses during the year. A somewhat larger proportion of spending units than a year ago reported intentions to make expenditures of \$50 or more on home improvement and maintenance, and the average amount that they planned to spend was substantially larger. There was little change in plans to purchase furniture and household appliances.

CONSUMERS' PLANS TO PURCHASE HOUSES AND DURABLE GOODS<sup>1</sup>

(Percentage of spending units planning purchase)

Type of purchase	Early 1957 <sup>2</sup>	Early 1956	Early 1955	Early 1954	Early 1953	Early 1952
Houses <sup>3</sup> .....	8.4	9.4	9.4	6.6	8.8	6.4
Home improvements and maintenance <sup>4</sup> .....	24.0	22.2	22.0	19.6	16.9	( <sup>5</sup> )
New automobiles.....	8.4	8.4	8.2	7.9	9.0	6.8
Used automobiles.....	8.0	7.2	7.5	6.4	6.2	6.0
Furniture and major house appliances... <sup>5</sup>	28.8	28.0	28.5	26.9	31.9	23.2

<sup>1</sup> Includes spending units who definitely or probably will purchase or might purchase specified items.

<sup>2</sup> Preliminary data for early 1957 are based on the first 2,700 spending units interviewed and have not been adjusted for nonresponse. Adjustments in data for nonresponse will be made in subsequent tabulations based on the complete sample. Data for 1956 and previous years are based on complete surveys.

<sup>3</sup> Includes only nonfarm spending units.

<sup>4</sup> Includes only those planning an expenditure of \$50 or more.

<sup>5</sup> Data not available.

The data shown on buying plans include spending units that report that they would or might buy such items during the year, as well as those who made purchases in 1957 before the date of interview. These data serve as an index of the attitudes of consumers toward such purchases early in the year, but are not a forecast of the number of purchases that will actually be made during the year. Many consumers do not plan purchases, especially small purchases, as much as a year in advance, and others may not carry out purchase plans for various reasons.

MEDIAN PLANNED EXPENDITURES<sup>1</sup>

Item	1957	1956	1955	1954	1953	1952
New automobile.....	\$2,900	\$2,810	\$2,800	\$2,570	\$2,500	\$2,340
Used automobile.....	920	800	810	750	950	760
Furniture and major household appliances.....	300	290	290	330	330	300
Home improvement and maintenance (nonfarm) <sup>2</sup> .....	460	370	330	300	( <sup>3</sup> )	( <sup>3</sup> )

<sup>1</sup> Data for automobiles are based on planned expenditures of spending units reporting that they definitely or probably will buy; data for other items include, in addition, planned expenditures of spending units reporting that they might buy. Medians are interpolated from bracket amounts. Data for 1957 are preliminary, and data for some earlier years have been revised slightly.

<sup>2</sup> Includes only planned expenditures of \$50 or more.

<sup>3</sup> Not available.





# BUSINESS REVIEW

BUSINESS, AGRICULTURAL, AND FINANCIAL CONDITIONS



Moderate to heavy precipitation fell throughout much of the District during March, but subsoil moisture reserves remain inadequate. Livestock forage is

plentiful in the eastern half of the District, although grass supplies are short in western areas. Cash receipts from farming (including Government payments) in the District states in 1956 were about the same as a year earlier.

Crude oil production in the District and the Nation continued upward to record levels during February and the first part of March. However, Texas allowances for April production have been cut 224,710 barrels per day. Refinery operations, which had been reduced sharply during February, increased substantially in early March.

Total nonagricultural employment of 4,223,000 workers in the District states reflected a 4-percent margin over the year-earlier level and a seasonal

increase over January. The value of construction contracts awarded in the five District states during January showed a 7-percent gain from a year ago, and residential awards were up 5 percent.

Department store sales in the Eleventh District declined about the usual seasonal amount during February. End-of-month inventories were unchanged from the year-earlier level; however, they were up 10 percent from the previous month. Orders outstanding were 1 percent more than in February last year.

Deposit gains at weekly reporting member banks in the District were matched by expansion in loan, investment, and cash accounts during the 4 weeks ended March 20. Member banks gained \$37,098,000 of reserves during the period. The Treasury obtained \$3.4 billion of new money in March by the sale of Treasury bills, notes, and certificates of indebtedness.



The total dollar volume of Eleventh District department store sales during February declined 6 percent from January and 3 percent from the same month in

1956, primarily because of a smaller number of trading days. However, after adjustment for normal seasonal differences and the number of trading days, sales in February were at approximately the same level as in the previous month and in February last year.

In most departments, sales during February declined from a year ago, led by a 7-percent reduction in sales of men's and boys' wear. Sales of women's and misses' accessories and women's and misses' apparel were down 5 percent and 3 percent, respectively, and base-ment store sales also were down 3 percent. Compared with a year earlier, durable goods sales at District department stores showed moderate gains during the first part of the month but decreased in the latter half of February, resulting in a slight decline for the month.

Department store sales of all types were lower in February than in the preceding month. Instalment sales declined 21 percent; cash sales, 7 percent; and charge account sales, 4 percent. Compared with a year ago, instalment sales were unchanged, while cash sales and charge account sales were down 1 percent and 4 percent, respectively.

## DEPARTMENT STORE SALES AND STOCKS

(Percentage change in retail value)

Area	NET SALES			STOCKS (End of month)	
	Feb. 1957 from		2 mos. 1957 comp. with 2 mos. 1956	Feb. 1957 from	
	Jan. 1957	Feb. 1956		Jan. 1957	Feb. 1956
Total Eleventh District	-6	-3	0	10	0
Corpus Christi	-1	-2	0	11	-2
Dallas	-3	-4	1	10	-4
El Paso	0	8	5	10	4
Fort Worth	-6	0	3	8	5
Houston	-8	-3	-2	11	4
San Antonio	-15	-5	-3	12	-4
Shreveport, La.	-11	-10	-7	0	-10
Waco	5	-3	-5	17	-3
Other cities	-4	-1	2	9	2



INDEXES OF DEPARTMENT STORE SALES AND STOCKS

(1947-49 = 100)

Area	SALES (Daily average)							
	Unadjusted				Seasonally adjusted			
	Feb. 1957	Jan. 1957	Dec. 1956	Feb. 1956	Feb. 1957	Jan. 1957	Dec. 1956	Feb. 1956
Eleventh District.....	113	111	252	111	141	140	150	139
Dallas.....	113	107	233	113r	133	134	138	133r
Houston.....	122	122	273	120	158	155	162	156
	STOCKS (End of month)							
Eleventh District.....	153p	139	144	153	157p	156	160	158

r—Revised.  
p—Preliminary.

SALES AT FURNITURE STORES AND HOUSEHOLD APPLIANCE STORES

(Percentage change in retail value)

Line of trade by area	February 1957 from		
	January 1957	February 1956	2 mos. 1957 comp. with 2 mos. 1956
<b>FURNITURE STORES</b>			
Total Eleventh District.....	-8	-4	4
Amarillo.....	-22	15	—
Austin.....	-20	-14	8
Dallas.....	3	-13	-13
Houston.....	-11	0	19
Lubbock.....	-37	27	—
San Antonio.....	-14	-5	-3
Shreveport, La.....	-17	8	9
Wichita Falls.....	-46	-21	-2
Other cities.....	27	-6	-14
<b>HOUSEHOLD APPLIANCE STORES</b>			
Total Eleventh District.....	-11	16	—
Dallas.....	-18	4	—

Instalment accounts outstanding at District department stores showed a seasonal decline of 4 percent during February but at the end of the month were 1 percent above a year earlier. Charge accounts decreased further from the seasonal peak in December as outstanding balances on February 28 were 13 percent below January but 2 percent above February 1956.

The retail value of department store inventories in the District increased 10 percent during February and at the end of the month was approximately the same as a year earlier. Stocks on hand amounted to about a 4 months' supply at the February rate of sales. Orders outstanding at the end of the month decreased 2 percent from the end of January but were 7 percent above February 1956. New orders for merchandise during February were 12 percent higher than those in the same month a year earlier.

Total new car registrations in February in four major metropolitan areas of the District—Dallas, Fort Worth, Houston, and San Antonio—declined about 10 percent from January but were 1 percent more than in February a year ago.



Substantial precipitation fell over much of the District in March, with the heaviest amounts—ranging up to 10 inches—occurring in the southern coastal counties of Texas. In other areas of the District, rain and snow measuring from 1 to 3 inches were quite common. Locally heavy thundershowers at widely scattered points in New Mexico also brought substantial precipitation. Thus, surface moisture supplies appear to be sufficient for planting and early crop development, although subsurface moisture reserves remain inadequate.

Cotton planting is well advanced in the Lower Valley and Coastal Bend of Texas, and preparation of fields is under way in other areas. Corn and grain sorghums are making good development in south Texas, and seeding of these crops will begin in later sections as soil temperatures warm. Small grains are growing rapidly throughout most of the District; prospects for dry-land wheat in the High Plains of Texas and New Mexico are improved as a result of March rain and snow.

Harvest of commercial winter vegetables is active in south Texas. The condition of most early planted spring vegetables in irrigated sections is good, and plantings are being made in later areas of the State. The Texas commercial vegetable acreage for spring and early summer harvest is placed, as of March 1, at 4 percent below both 1956 and the 1949-55 average. Increased acreages of onions in north Texas and Panhandle areas and of early summer watermelons failed to offset declines in acreages of onions and early spring tomatoes in south Texas and Lower Valley areas.

Small grains, grasses, and legumes are making rapid growth in the eastern half of the District. In some areas, livestock numbers are insufficient to keep the forage grazed down, and stocker cattle are in demand. Native pastures are greening in western sections, but warmer weather is needed to promote forage growth. As of March 1, range feed conditions in all of the range states of the District were below those on the corresponding date last year and the 1946-55 average.

Cash receipts from farm marketings in the District states during 1956 amounted to \$3,183,161,000, or 2 percent below the year-earlier level. Receipts from crops were 4 percent lower, while those from livestock and livestock products were 1 percent higher. A 6-percent decline in cash receipts in Texas more than



### CASH RECEIPTS FROM FARM MARKETINGS

Five Southwestern States

(Dollar amounts in thousands)

Area	1956	1955	Percentage change
Arizona.....	\$ 358,717	\$ 344,172	4
Louisiana.....	371,854	359,504	3
New Mexico.....	182,296	165,363	10
Oklahoma.....	496,391	477,146	4
Texas.....	1,773,903	1,895,668	-6
Total.....	\$3,183,161	\$3,241,853	-2

SOURCE: United States Department of Agriculture.

offset increases in each of the other District states, which ranged from 3 percent in Louisiana to 10 percent in New Mexico. On the other hand, Government payments in the District states during 1956, totaling \$89,130,000, were double those a year earlier, with the result that the level of cash receipts from farming was only about \$10 million below the 1955 total.



Deposit gains amounting to \$210,454,000 enabled weekly reporting member banks in the District to make additions to loan, investment, and cash ac-

counts during the 4 weeks ended March 20. All groups of depositors increased their demand balances, but the largest gains occurred in the accounts of banks and of individuals and businesses. A \$25,283,000 increase in time balances reflected principally an expansion in the time deposits of state and local governments.

A large portion of the deposit gain was applied to a build-up of cash accounts, which rose \$142,659,000. Nearly half of this increase took the form of larger balances with correspondent banks, but reserves with the Federal Reserve Bank also showed a substantial gain.

Consumer credit demands provided the principal stimulus to gross loans, which rose \$12,268,000. This gain was more than accounted for by a \$17,010,000 increase in the residual category "all other loans." Except for loans to individuals for purchasing or carrying securities, each of the remaining loan categories showed a decline. The \$2,119,000 reduction in commercial and industrial loans contrasts with an increase of \$602,000 in the comparable weeks of 1956.

Increased holdings of Treasury bills, which rose \$38,182,000 during the 4 weeks, were a prominent feature of investment expansion. Each of the other investment categories also showed an increase, and total investments rose \$58,201,000.

### CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	March 20, 1957	Feb. 20, 1957	March 21, 1956
<b>ASSETS</b>			
Commercial and industrial loans.....	\$1,458,603	\$1,460,722	\$1,483,912
Agricultural loans.....	23,581	24,281	35,255
Loans to brokers and dealers in securities.....	26,889	29,566	22,784
Other loans for purchasing or carrying securities.....	146,673	143,873	127,469
Real-estate loans.....	192,321	193,367	208,587
Loans to banks.....	9,960	10,960	13,975
All other loans.....	593,661	576,651	556,729
Gross loans.....	2,451,688	2,439,420	2,448,711
Less reserves and unallocated charge-offs..	41,851		31,793
Net loans.....	2,409,837	2,397,781	2,416,918
U. S. Treasury bills.....	101,234	63,052	64,822
U. S. Treasury certificates of indebtedness.....	57,525	48,125	44,482
U. S. Treasury notes.....	190,828	190,371	240,249
U. S. Government bonds, (inc. gtd. obligations)..	809,998	803,687	811,644
Other securities.....	250,593	246,742	237,106
Total investments.....	1,410,178	1,351,977	1,398,303
Cash items in process of collection.....	458,235	424,199	406,464
Balances with banks in the United States.....	512,448	443,534	499,105
Balances with banks in foreign countries.....	2,048	1,641	1,572
Currency and coin.....	45,455	45,831	45,890
Reserves with Federal Reserve Bank.....	593,152	553,474	539,031
Other assets.....	165,978	177,804	145,521
<b>TOTAL ASSETS.....</b>	<b>5,597,331</b>	<b>5,396,241</b>	<b>5,452,804</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Demand deposits</b>			
Individuals, partnerships, and corporations....	2,820,516	2,768,099	2,852,010
United States Government.....	82,819	49,264	101,843
States and political subdivisions.....	197,645	186,266	184,432
Banks in the United States.....	941,637	848,085	866,355
Banks in foreign countries.....	18,437	17,712	25,061
Certified and officers' checks, etc.....	58,171	64,628	72,011
Total demand deposits.....	4,119,225	3,934,054	4,101,712
<b>Time deposits</b>			
Individuals, partnerships, and corporations....	743,903	736,494	709,430
United States Government.....	12,345	12,345	12,229
Postal savings.....	421	421	452
States and political subdivisions.....	151,527	133,953	144,726
Banks in the U. S. and foreign countries.....	7,255	6,955	955
Total time deposits.....	915,451	890,168	867,792
Total deposits.....	5,034,676	4,824,222	4,969,504
Bills payable, rediscounts, etc.....	48,800	41,491	9,500
All other liabilities.....	74,367	90,808	62,129
Total capital accounts.....	439,488	439,720	411,671
<b>TOTAL LIABILITIES AND CAPITAL.....</b>	<b>5,597,331</b>	<b>5,396,241</b>	<b>5,452,804</b>

Although supported by an increase of \$17,443,000 in average borrowings in February, member bank reserve balances were \$30,795,000 smaller than in January. The decline in reserve balances was approximately matched by a decrease in required reserves, however, and excess reserves showed only a slight change. Reflecting the higher borrowings, average free reserves (excess reserves minus borrowings from the Federal Reserve Bank) declined from \$50,446,000 in January to \$33,879,000 in February.

In contrast to the February decline, member bank reserve balances rose \$37,098,000 in the 4 weeks ended March 20. This increase was largely accounted for by reserve contributions from Treasury operations, which were only partially offset by the drains resulting from



## MEMBER BANK RESERVE BALANCES AND CHANGES IN RELATED FACTORS

Eleventh Federal Reserve District

(In thousands of dollars)

Factor	CHANGE <sup>1</sup>	
	4 weeks ended Mar. 20, 1957	Dec. 26, 1956— Mar. 20, 1957
Federal Reserve credit—local.....	—\$ 37,392	—\$ 47,807
Interdistrict commercial and financial transactions.....	— 128,851	— 318,564
Treasury operations.....	+ 197,288	+ 332,353
Currency transactions.....	+ 5,546	+ 77,691
Other deposits at Federal Reserve Bank.....	— 43	+ 1,034
Other Federal Reserve accounts.....	+ 550	+ 5,310
Net change.....	+\$ 37,098	+\$ 50,017
	Mar. 20, 1957	Feb. 20, 1957
RESERVE BALANCES.....	\$1,002,923	\$965,825

<sup>1</sup> Sign of change indicates effect on reserve balances.

## CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	March 20, 1957	Feb. 20, 1957	March 21, 1956
Total gold certificate reserves.....	\$ 755,021	\$696,214	\$736,897
Discounts for member banks.....	21,500	18,991	4,850
Other discounts and advances.....	1,300	1,300	0
U. S. Government securities.....	918,735	909,507	938,508
Total earning assets.....	941,535	929,798	943,358
Member bank reserve deposits.....	1,002,923	965,825	948,224
Federal Reserve notes in actual circulation.....	677,677	683,905	680,384

an excess of payments over receipts in connection with interdistrict commercial and financial transactions. Currency transactions also added to reserve balances during the 4-week period, but local Federal Reserve credit declined, supplementing interdistrict commercial and financial transactions as a contractive influence.

Earning assets of the Federal Reserve Bank of Dallas rose \$11,737,000 during the 4 weeks. System net purchases of Government securities resulted in a \$9,228,000 addition to the Bank's securities holdings, and discounts for member banks rose \$2,509,000. Treasury transfers of funds to the Eleventh District contributed to a \$58,807,000 increase in gold certificate reserves. On March 20 the Bank's Federal Reserve notes in actual circulation totaled \$677,677,000, or \$6,228,000 below the amount in circulation on February 20 and \$2,707,000 under the amount on March 21, 1956.

The Treasury raised \$3 billion in new money in March by the sale of \$750 million of 3½-percent notes due May 15, 1960, and \$2,250,000,000 of 3⅜-percent certificates of indebtedness to mature February 14, 1958. These issues were originally offered in February of this year. The reoffering of the issues, for which payment by credit to Tax and Loan Account was allowed, was oversubscribed by a substantial amount,

and partial allotments were made on subscriptions for each issue in excess of \$100,000. In addition to this financing, the Treasury also raised \$400 million of new money with increased bill offerings during March.

## NEW PAR BANK

The Bank of Austin, Austin, Texas, an insured, non-member bank located in the territory served by the San Antonio Branch of the Federal Reserve Bank of Dallas, was added to the Par List on its opening date, March 18, 1957. The officers are: R. M. McKee, President; Gus J. Moos, Vice President; and J. O. Nance, Cashier.



The problem of meeting European demand continued to dominate oil industry activities during February and early March. However, several factors which are likely to affect the entire industry within the next few months have already started to color the current situation. These factors include a sharp decline in domestic and foreign demand for heating oils, the resumption of oil shipments through the Iraq Petroleum Company pipelines, and the probable reopening of the Suez Canal in early April. The return to a more normal supply pattern in meeting European demand and the existence of large domestic stocks of gasoline have occasioned a reduction in Texas allowables for April and suggest other industry adjustments in the coming weeks. Such adjustments may be a decline in refinery activity and a substantial reduction in imports.

District crude oil production in the first part of March reached 3,705,000 barrels per day, or 5 percent above the February level and 7 percent above the year-earlier average; national production showed similar gains. April production is expected to be sharply lower, since Texas allowables have been cut 224,710 barrels per day, as a result of the adoption of a 16-day operating schedule, and New Mexico allowables have been reduced slightly.

The total supply of crude oil and refined products was further augmented by an increase in total imports. During the 5 weeks ended March 15, imports totaled 1,443,000 barrels per day, or 6 percent greater than a year earlier. Imports reached a new record of 1,697,000 barrels per day in the week ended March 15. However, import schedules of the major oil companies, as reflected in their testimony before the Texas



Railroad Commission, indicate a steady decline in the coming months to a level of less than 1 million barrels per day. The enlarged supply of crude oil was met by an increase in demand, as District crude runs to refinery stills during early March rose to an average of 2,374,000 barrels per day, or 3 percent above the February level. National refinery operations followed a similar pattern. Thus, with offsetting changes in production and demand, crude oil stocks in the Nation declined slightly in early March to a level of 251,933,000 barrels on March 9.

On the other hand, the demand for petroleum products declined sharply in February and early March, primarily as a result of the warmer weather in both this country and Europe. The demand for the major refined products during the 5 weeks ended March 8 decreased 10 percent from the preceding 5-week period but was 3 percent above the year-earlier average. Stocks of the major refined products also declined, reflecting the reduced level of refinery activity in February. Gasoline and distillate stocks were both substantially higher than needed under the current pattern of demand, while residual and kerosene stocks were in approximate balance with the demand at this time of year.



The District states' nonfarm employment of 4,223,000 workers in February maintained a 4-percent margin over the year-earlier level and reflected a seasonal

increase of 6,600 over the January total. The largest month-to-month increases occurred in government, manufacturing, and finance, while construction em-

ployment turned upward with a gain of 1 percent from the January level. The only sizable employment decline stemmed from a seasonal reduction in trade activity.

Most of the District's labor markets shared in the relatively full employment of the Southwest at the beginning of 1957. Sizable year-to-year increases in unemployment occurred only in Texarkana and Fort Worth. Corpus Christi, Galveston-Texas City, and Waco showed significant declines in unemployment, while Dallas continued to report the lowest unemployment rate.

The value of all construction contract awards in the five District states during January was \$255,147,000, or 7 percent above a year earlier. Residential awards, at \$101,388,000, showed a year-to-year gain of 5 percent as a result of increases in Arizona, New Mexico, and Oklahoma. Compared with a year ago, Texas construction contract awards in January were up 12 percent, but residential awards were down 4 percent.

During February the total value of building permits in major District cities showed a month-to-month decline, but available information indicates a small rise in the total value of District states' construction awards during the month. Residential building activity continued below the level of a year ago. At 2,129, the number of new residential electric service connections in Houston during the first 2 months of 1957 was 13 percent below a year earlier. Although new dwelling units completed in Dallas during the same period, totaling 1,373, were 13 percent more than a year ago, units under construction during February were less than one-half the number in February 1956.

Employment in newly opened business establishments in Texas during February totaled 1,089 workers, compared with 1,033 in January and 856 in February last year. A manufacturer of athletic apparel at Waco and a steel casting and pipe factory at Rosenberg were the largest of the 12 manufacturing establishments opened during the month.

New industrial projects announced for the District during recent weeks included an aircraft parts plant in the Dallas-Fort Worth area, to employ about 100 workers; an apparel-manufacturing plant scheduled for operation before June 1 at Marfa, Texas, to employ about 200 workers; and a \$1 million manufacturing and supply plant of a bridge and iron company at Houston. In addition, construction programs totaling over \$15 million were reported to be under way at the Government's Holloman Air Development Center.

NONAGRICULTURAL EMPLOYMENT  
Five Southwestern States<sup>1</sup>

Type of employment	Number of persons			Percent change Feb. 1957 from	
	February 1957 <sup>e</sup>	January 1957	February 1956 <sup>r</sup>	Jan. 1957	Feb. 1956
Total nonagricultural					
wage and salary workers..	4,223,000	4,216,400	4,053,600	0.2	4.2
Manufacturing .....	777,800	774,800	751,900	.4	3.4
Nonmanufacturing .....	3,445,200	3,441,600	3,301,700	-.1	4.3
Mining .....	259,300	260,100	252,600	-.3	2.7
Construction .....	299,500	297,400	266,300	.7	12.5
Transportation and public utilities .....	403,600	404,300	399,500	-.2	1.0
Trade .....	1,081,100	1,085,100	1,044,400	-.4	3.5
Finance .....	180,400	178,400	170,700	1.1	5.7
Service .....	495,600	494,200	478,800	.3	3.5
Government .....	725,700	722,100	689,400	.5	5.3

<sup>1</sup> Arizona, Louisiana, New Mexico, Oklahoma, and Texas.

<sup>e</sup>—Estimated.

<sup>r</sup>—Revised.

SOURCES: State employment agencies.  
Federal Reserve Bank of Dallas.



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

(Dollar amounts in thousands)

Area	Debits to demand deposit accounts <sup>1</sup>			Demand deposits <sup>1</sup>			
	February 1957	Percentage change from		February 28, 1957	Annual rate of turnover		
		Jan. 1957	Feb. 1956		Feb. 1957	Jan. 1957	Feb. 1956
<b>ARIZONA</b>							
Tucson.....	\$ 157,848	-15	7	\$ 101,731	18.5	21.0	17.3
<b>LOUISIANA</b>							
Monroe.....	59,941	-25	5	59,335	12.6	16.4	13.3
Shreveport.....	242,954	-13	4	200,501	14.9	17.2	14.6
<b>NEW MEXICO</b>							
Roswell.....	27,368	-20	14	28,155	11.3	13.4	10.4
<b>TEXAS</b>							
Abilene.....	74,874	-6	8	60,816	14.5	14.9	14.5
Amarillo.....	161,241	-11	17	102,942	18.5	19.8	15.2
Austin.....	152,219	-12	12	117,652	16.0	17.8	14.2
Beaumont.....	145,556	-5	13	109,374	15.8	16.0	14.0
Corpus Christi.....	171,104	-14	7	111,608	18.4	21.0	18.0
Corsicana.....	16,030	-6	19	23,373	8.3	9.0	7.2
Dallas.....	1,980,949	-23	0	967,923	24.4	29.5	24.1
El Paso.....	251,043	-10	8	143,805	21.1	23.2	21.0
Fort Worth.....	633,112	-19	12	367,974	20.6	25.0	19.0
Galveston.....	86,088	-12	18	73,194	14.2	15.6	12.7
Houston.....	2,142,992	-16	7	1,233,317	20.8	23.9	19.9
Laredo.....	21,808	-12	7	19,598	13.3	15.1	12.5
Lubbock.....	139,304	-25	13	101,600	15.7	19.0	14.9
Port Arthur.....	59,666	-5	14	44,323	16.1	16.9	13.9
San Angelo.....	42,728	-9	5	47,270	11.0	12.2	10.4
San Antonio.....	472,610	-12	5	340,367	16.7	18.5	15.4
Texarkana <sup>2</sup> .....	17,271	-21	-2	16,262	12.7	15.6	11.8
Tyler.....	74,209	-15	11	58,746	15.0	16.7	13.8
Waco.....	85,771	-15	5	65,429	15.5	17.5	14.2
Wichita Falls.....	88,251	-17	-3	99,701	10.4	12.0	10.3
<b>Total—24 cities.....</b>	<b>\$7,305,737</b>	<b>-17</b>	<b>6</b>	<b>\$4,494,996</b>	<b>19.4</b>	<b>22.7</b>	<b>18.6</b>

<sup>1</sup> Deposits of individuals, partnerships, and corporations and of states and political subdivisions.

<sup>2</sup> 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 \$34,861,000 for the month of February 1957.

**RESERVE POSITIONS OF MEMBER BANKS**

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	February 1957	January 1957	February 1956
<b>RESERVE CITY BANKS</b>			
Reserve balances.....	\$535,103	\$ 560,213	\$ 545,212
Required reserves.....	528,674	554,805	539,201
Excess reserves.....	6,429	5,408	6,011
Borrowings.....	25,197	8,642	36,288
Free reserves.....	-18,768	-3,234	-30,277
<b>COUNTRY BANKS</b>			
Reserve balances.....	464,611	470,296	455,661
Required reserves.....	410,247	415,787	405,731
Excess reserves.....	54,364	54,509	49,930
Borrowings.....	1,717	829	1,970
Free reserves.....	52,647	53,680	47,960
<b>MEMBER BANKS</b>			
Reserve balances.....	999,714	1,030,509	1,000,873
Required reserves.....	938,921	970,592	944,932
Excess reserves.....	60,793	59,917	55,941
Borrowings.....	26,914	9,471	38,258
Free reserves.....	33,879	50,446	17,683

**GROSS DEMAND AND TIME DEPOSITS OF MEMBER BANKS**

Eleventh Federal Reserve District

(Averages of daily figures. In millions of dollars)

Date	GROSS DEMAND DEPOSITS			TIME DEPOSITS		
	Total	Reserve city banks	Country banks	Total	Reserve city banks	Country banks
1955: Feb.....	\$7,329	\$3,504	\$3,825	\$1,170	\$653	\$517
1956: Feb.....	7,258	3,465	3,793	1,333	767	566
Oct.....	7,405	3,613	3,792	1,386	763	623
Nov.....	7,587	3,668	3,919	1,392	762	630
Dec.....	7,682	3,731	3,951	1,396	760	636
1957: Jan.....	7,673	3,715	3,958	1,421	763	658
Feb.....	7,271	3,461	3,810	1,450	770	680

**CONDITION STATISTICS OF ALL MEMBER BANKS**

Eleventh Federal Reserve District

(In millions of dollars)

Item	Feb. 27, 1957	Jan. 30, 1957	Feb. 29, 1956
<b>ASSETS</b>			
Loans and discounts.....	\$3,912	\$3,907	\$3,885
United States Government obligations.....	2,363	2,404	2,327
Other securities.....	625	614	569
Reserves with Federal Reserve Bank.....	942	968	940
Cash in vault <sup>e</sup> .....	100	130	129
Balances with banks in the United States.....	972	931	910
Balances with banks in foreign countries <sup>e</sup> .....	2	2	2
Cash items in process of collection.....	474	401	412
Other assets <sup>e</sup> .....	238	254	201
<b>TOTAL ASSETS<sup>e</sup>.....</b>	<b>9,628</b>	<b>9,611</b>	<b>9,375</b>
<b>LIABILITIES AND CAPITAL</b>			
Demand deposits of banks.....	1,003	973	940
Other demand deposits.....	6,267	6,304	6,284
Time deposits.....	1,451	1,439	1,337
<b>Total deposits.....</b>	<b>8,721</b>	<b>8,716</b>	<b>8,561</b>
Borrowings <sup>e</sup> .....	51	41	35
Other liabilities <sup>e</sup> .....	101	110	84
Total capital accounts <sup>e</sup> .....	755	744	695
<b>TOTAL LIABILITIES AND CAPITAL<sup>e</sup>.....</b>	<b>9,628</b>	<b>9,611</b>	<b>9,375</b>

<sup>e</sup>—Estimated.

**CRUDE OIL: DAILY AVERAGE PRODUCTION**

(In thousands of barrels)

Area	February 1957 <sup>1</sup>	January 1957 <sup>1</sup>	Change from		
			February 1956 <sup>2</sup>	January 1957	February 1956
<b>ELEVENTH DISTRICT.....</b>	<b>3,513.7</b>	<b>3,455.5</b>	<b>3,442.0</b>	<b>58.2</b>	<b>71.7</b>
Texas.....	3,129.1	3,077.8	3,081.7	51.3	47.4
Gulf Coast.....	620.4	613.8	640.8	6.6	-20.4
West Texas.....	1,331.4	1,315.3	1,237.0	16.1	94.4
East Texas (proper).....	213.6	207.0	225.2	6.6	-11.6
Panhandle.....	98.4	101.7	96.1	-3.3	2.3
Rest of State.....	865.2	840.0	882.6	25.2	-17.4
Southeastern New Mexico.....	254.6	246.4	232.5	8.2	22.1
Northern Louisiana.....	130.0	131.3	127.8	-1.3	2.2
<b>OUTSIDE ELEVENTH DISTRICT.....</b>	<b>3,998.4</b>	<b>3,956.0</b>	<b>3,765.8</b>	<b>42.4</b>	<b>232.6</b>
<b>UNITED STATES.....</b>	<b>7,512.1</b>	<b>7,411.5</b>	<b>7,207.8</b>	<b>100.6</b>	<b>304.3</b>

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

**BUILDING PERMITS**

VALUATION (Dollar amounts in thousands)

Percentage change

Area	NUMBER				Percentage change		
	Feb. 1957	Feb. 1957		Feb. 1957 from		2 mos. 1957 comp. with 2 mos. 1956	
		2 mos. 1957	Feb. 1957	Jan. 1957	Feb. 1956		
<b>ARIZONA</b>							
Tucson.....	346	644	\$ 1,199	\$ 2,237	16	-56	-38
<b>LOUISIANA</b>							
Shreveport.....	367	763	2,012	3,279	59	-35	-43
<b>TEXAS</b>							
Abilene.....	110	216	1,082	1,969	22	-50	-50
Amarillo.....	185	353	2,526	6,256	-32	53	82
Austin.....	222	435	2,628	8,214	-53	17	41
Beaumont.....	316	655	1,163	2,510	-14	163	-31
Corpus Christi.....	341	671	1,083	2,797	-37	-40	-23
Dallas.....	1,644	3,169	8,785	17,573	0	-28	-52
El Paso.....	365	682	4,749	6,517	169	87	22
Houston.....	514	988	3,896	10,679	-43	14	85
Lubbock.....	139	249	309	442	132	-35	-48
Port Arthur.....	1,417	3,034	21,456	49,782	-24	32	88
San Antonio.....	171	432	1,507	6,257	-68	-23	75
Waco.....	191	334	180	657	-62	-28	9
Wichita Falls.....	1,445	2,830	3,276	8,112	-32	-68	-50
<b>Total—17 cities.....</b>	<b>8,178</b>	<b>16,144</b>	<b>\$58,783</b>	<b>\$131,948</b>	<b>-20</b>	<b>-7</b>	<b>2</b>