



# BUSINESS REVIEW

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## THE ECONOMIC IMPACT OF REDUCED OIL PRODUCTION

Although the southwestern economy is notable for a number of major products and the list has grown steadily larger as industrialization has developed, oil and oil products are virtually synonymous with the southwest area. Since 1950, the primary oil-producing states of the Southwest — Louisiana, New Mexico, Oklahoma, and Texas — have steadily provided 58 to 60 percent of domestic well completions, 63 to 66 percent of total United States crude oil production, and 70 to 71 percent of total domestic crude oil reserves. The principal upward or downward movements in the industry are accomplished mainly by fluctuations in the Southwest, since its oil production is almost a balance wheel for the entire United States industry.

The expansion and contraction of crude oil output have been, at times, the major factor occasioning a similar movement in the whole southwest economy. Indeed, despite the more rapid growth of other industries, oil production and refining still account for more than 54 percent of the total value added by manufacturing and mining in the Southwest and, with natural gas, provide nearly 31 percent of manufacturing and mining employment. Consequently, a major change in the oil industry is of considerable significance to the economy of the southwest area. The magnitude of the recent changes in crude oil production and the present low level of oil allowables require a close inspection of the current situation to determine, as nearly as possible, the impact of these changes upon both the oil industry and the entire economy of the Southwest.

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

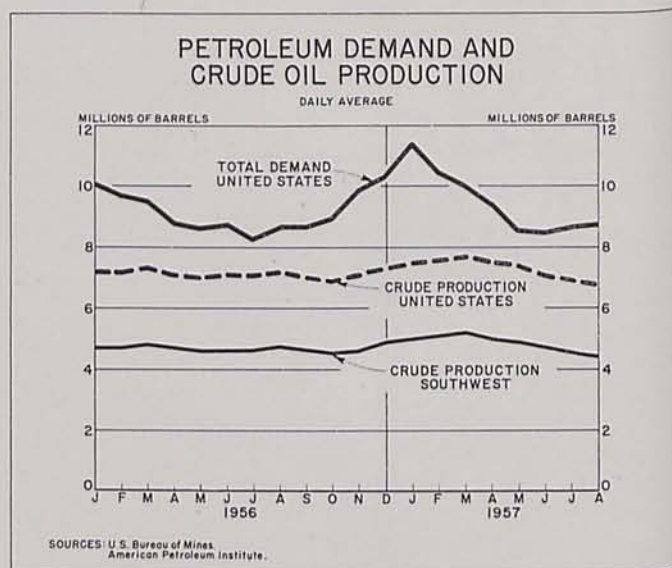


Several times in recent years, the oil industry of the Nation and the Southwest has faced a problem of excess supply. In fact, since the Middle East fields were opened and the United States became a net importer of crude oil, imports have risen at a faster rate than has domestic production. Because the four southwestern oil-producing states account for nearly two-thirds of domestic output and are among the few primary producing states with conservation laws enforced by state commissions, the effects of steady inroads by foreign oil have been most evident in this area, especially during periods of oversupply—when allowables were reduced but imports, under no restriction, were actually increased.

During the past 12 months, wide fluctuations in oil production were particularly noticeable. As in some former years, the unpredictable weather played a major role, but, unlike other years, movements were accentuated by the rise and fall of foreign demand for United States oil. The principal difference of this past year was the influence of the Suez Canal dispute. When the canal was closed and pipelines of the Iraq Petroleum Company were dynamited, European oil supplies from the Middle East were reduced substantially. A daily deficiency of nearly 1 million barrels was anticipated in meeting even the restricted European demand.

Demand for crude oil and refined products expanded almost 32 percent between September 1956 and January 1957, and crude oil prices increased about 9 percent in the latter month. The usual seasonal demand, coupled with the extraordinary European demand, pushed total requirements to 11,404,000 barrels per day in January 1957. At the first sign of a deficiency in European requirements, United States producers immediately stepped in to fill this need, and crude oil output in the primary producing areas began to expand. The four states of the Southwest raised allowables by more than 800,000 barrels per day, and daily average production in this area spurted from 4,505,200 barrels in October 1956 to 5,269,700 barrels in March 1957.

These states had unused productive capacity of nearly 1.7 million barrels per day in October 1956, although a substantial portion of this unused productive capacity was not readily obtainable. Some wells were not connected to gathering lines, and trunk pipelines to the Gulf Coast were being utilized to a high percentage of their total carrying capacity. Nevertheless, the October-March increase of 764,000 barrels



per day in southwest production more than accounted for the 5-month rise in total domestic production.

In the same period, crude stocks were reduced 31,649,000 barrels, and imports were cut back 77,000 barrels a day. Despite problems in pipeline transport from interior fields to the Gulf Coast and a threatened shortage of tanker space, domestic producers did an admirable job in meeting the deficiency in Europe's daily requirements.

Yet, as may always be the case, changes in demand—particularly downward movements—are followed only with reluctance by the producing areas. Partly because of mild weather, which reduced the demand for heating oils in the United States and abroad, and partly because Europe's restrictions on the use of petroleum products lowered her basic deficiency, total demand moved down sharply after January. By March, demand was down 12 percent from its peak in January and was only 5 percent above the total in March 1956. Total supply, though, reached its peak in March at a level 5 percent above a year earlier and 3 percent higher than in January.

Despite the January-March decline in demand and the imbalanced situation which was developing, the worst was yet to come. The Suez Canal reopened in early April, and European demand was satisfied through the previous marketing channels. Exports of crude oil and refined products declined from a peak of 1,040,000 barrels per day in March to a level of approximately 400,000 barrels daily in August. Domestic demand continued downward too, so that by August, total in-



ternal requirements were 26 percent below the January record and only 1 percent above a year earlier. A rash of inclement weather during the spring held down gasoline demand, while demand for other products declined more than seasonally.

Recognizing this change in the demand for crude oil and refined products, the four southwestern states slowly reduced allowables, curtailing production in this area by nearly 17 percent between March and August, or 95 percent of the total reduction in domestic output. However, since imports actually expanded from a daily average of 1,464,000 barrels in March to 1,603,000 barrels in August, the decline in total supply was much smaller.

Although the margin between demand and supply narrowed, crude stocks advanced from a low of 254,911,000 barrels on March 31 to 284,223,000 barrels on August 31, or approximately 4 million barrels above the level of August 31, 1956. In addition, stocks of residual and distillate fuel oils and kerosene at the end of August were well above year-earlier totals. Only gasoline stocks were below the comparable level a year ago.

Southwest crude oil production in August was at the low level of 4,394,000 barrels per day—or 6.6 percent below August 1956—and United States production was down 5.5 percent, while imports were up 14 percent. The Southwest supplied 65 percent of United States production in August this year, but there were some minor shifts within the area. The Texas portion of the southwest total declined from 65.9 percent in August 1956 to 63.5 percent in August 1957. Louisiana, Oklahoma, and New Mexico increased their proportion of the southwest total, with Louisiana's share moving from 16.7 percent to 18.2 percent.

Measured in a somewhat different fashion, there have been some substantial internal shifts in oil production in the Southwest. Over the period October 1956-August 1957, encompassing the rise and fall of production due to the seasonal and European demand, output in the separate states reflected meaningful changes. Texas production in August was about 133,000 barrels per day, or 4.5 percent lower than in October 1956. Oklahoma output was down 590 barrels daily in this period, or 1.1 percent. However, Louisiana production increased 15,329 barrels per day, or 2 percent; and New Mexico ended the period with a daily gain of 6,697 barrels, or 2.8 percent above the level of October 1956. In other words, the decline

in crude oil output in the Southwest over this 10-month period was accomplished almost entirely at the expense of Texas production. Moreover, Texas allowables for October have been reduced 228,075 barrels a day by cutting the producing schedule to 12 days. The Texas allowable of 2,964,062 barrels daily is the lowest in 2 years.

Thus, at the close of summer, the southwest oil industry still faces a serious oversupply situation. Both allowables and production have been cut back, but in view of the gain in stocks, the output reductions have been insufficient and characteristically too slow. The results of this situation have been quite evident in the market prices of most petroleum products. While the crude oil price increase in January has not been modified substantially, there have been a number of reductions in residual and distillate prices, and gasoline price wars have been common. Cost pricing has given way to supply pricing in this period, despite the steady rise in drilling and production expenses. Enlarged storage space for petroleum products has become necessary, adding to the total costs of marketing.

#### Effects of Reduced Production

The principal problems created by oversupply have centered upon the effects of reduced crude oil production. One of the foremost of these problems has been an equitable distribution of the remaining output. Between states, the distribution has been decided by commission allowables. The rising importance of Louisiana in total wells and reserves has been recognized in its increased share of the southwest output. However, within the various states, differentials exist which are difficult to reconcile. In areas dependent upon one producer, the relative position of that firm appears to govern output. In other areas, the specific type of crude oil seems to be the governing factor.

A few major companies, unable to store or market their share of southwest production, have instituted pipeline prorationing. Purchases have been limited to a percentage of the well allowables, which, when aggregated, will be in approximate balance with the nominations of the company.

Also complicating the equitable distribution of output has been the problem of exempt wells. Nearly one-third of the total output of Texas comes from exempt wells. While justifications for exemption may have been valid when all wells were operating at least 50



percent of the time, such reasons may be less compelling with a 12-day allowable. In fact, the stimulation to drilling shallow wells for exempt production may not be justified when expenses on deeper wells are not being met. New discovery allowables will probably need a close review to place them in proper relationship to allowables on existing wells. A reappraisal of exemptions granted secondary recovery projects may also be necessary.

As intimated above, another serious result of the lowered output has been its effect on drilling. With 12-day allowables in Texas, financing must be scheduled for a longer pay-out period. Thus, profit margins have been reduced, perhaps contributing to the 9-percent decline in drilling. The stretch-out in financing also applies to existing contracts and may affect repayment schedules, since such schedules were based mainly upon 15-day allowables.

Another financial problem stemming from the decline in production has been the lower rate of utilization of existing capacity. Fixed costs incurred when drilling, laying pipelines, or building pumping stations must be paid whether the facilities are used or unused. With the rather large number of shut-in wells and the reduced utilization of the remaining ones, it has become more difficult not only to maintain profit margins but, in some instances, to cover fixed costs. Similarly, some refining capacity has been idled, although not to the extent of the decline in crude production.

Beyond these primary effects have been some significant secondary problems generated by the decline in oil production. Suppliers of oil field equipment and materials report a substantial decline in business. Similarly, plant and equipment expenditures for the oil industry have slowed markedly. Drilling has been reduced by 9 percent from year-earlier levels, despite the higher price for crude oil. Of course, a part of this decline may be a result of difficulties in obtaining the needed capital, but, as mentioned above, some of the financing problem stems from the longer pay-out period.

Many of the southwestern states derive a large portion of their revenue from taxes on oil production. The decline in production, therefore, has occasioned a similar decline in tax receipts. In Texas, Louisiana, Oklahoma, and New Mexico, state-owned lands provide large amounts of royalties from gas and oil production. In fact, these southwest states accounted for

almost 47 percent of total earnings on property and investments in all 48 states in 1956. The earnings on property and investments in the Southwest in 1956 provided more than 10 percent of total revenue for the four states. Clearly, any major decline in oil production adversely affects both tax receipts and earnings.

By the same token, individuals and corporations drawing income from leases, rents, or royalties probably have experienced some decline in their returns. Certainly, the profits of businesses tied to oil production either directly or indirectly have been reduced, and with large overhead costs, some concerns may be encountering difficulties.

In various ways, other effects of the reduction in oil output undoubtedly extend into virtually all major segments of the southwest economy. The construction, fabricated metals, and machinery industries are affected by declines in plant and equipment expenditures, and suppliers of all types of regularly consumed materials are feeling the effects of reduced buying. Tanker rates have fallen markedly from their peak during the period of heavy exports. To some extent, retail merchants may have been affected by the reduced overtime payments to workers and by the decline in royalties.

### **Aggregate Economic Changes**

In reviewing the economic impact of declining crude oil production in the Southwest, it is easy to overstate these effects to a point greatly out of proportion with their relative importance in the entire southwest economy. The significance of the decline should be neither minimized nor magnified; consequently, it is important to appraise the changes and trends in the major economic measurements of this area.

Although definitive data are unavailable on industrial production in the Southwest, a study of man-hour trends over the 1956-57 period indicates a continued growth in output to a new peak in August 1957. Industrial plants in this area—particularly in the primary metals, chemicals, and transportation equipment industries—generally operate at higher rates of capacity than the average for the Nation because many of the plants are relatively new and, thus, have the latest equipment and the lowest costs per unit. The construction of new plants and expansion of existing ones, coupled with the tendency toward high operating rates,



have more than offset any declines or cutbacks in production, including the reduction in crude oil output.

Construction activity in the four-state area during the first 7 months of 1957, as measured by the value of construction contract awards, was 1 percent above the comparable period in 1956. Most of the strength came from awards for residential building. All other awards, down 2 percent on a cumulative basis, include nonresidential building, which was 18 percent less than in the January-July period last year.

As previously indicated, petroleum mining and refining and natural gas concerns account for nearly 31 percent of total manufacturing and mining employment in the four states. In July 1957 the petroleum and natural gas industry employed 307,347 workers, or 7.6 percent of total nonagricultural employment. Crude oil and natural gas mining employment totaled 232,900 in July, reflecting a gain of 1.3 percent over a year earlier. Total manufacturing employment showed a year-to-year gain of 2.0 percent, and non-agricultural employment rose 2.4 percent.

Average weekly hours of all Texas manufacturing workers showed a minor decline from 41.5 in July 1956 to 41.4 in July 1957. Workers in crude petroleum mining firms averaged 43.5 hours this July, against 44.0 hours a year earlier. Average weekly earnings for Texas crude petroleum workers advanced from \$105.80 in July 1956 to \$109.62 a year later. This gain was moderately below the \$5.18 increase in average weekly earnings for all manufacturing workers but exceeded the increases for employees in retail and wholesale trade.

Retail sales in the Southwest, though measured imperfectly by existing indexes, apparently are being maintained at a level slightly above a year ago. Paralleling retail sales trends in the Nation, the Southwest consumer has bought fewer appliances, but in four leading cities in Texas, automobile sales are 9 percent above a year earlier. Department store sales for the first 8 months of 1957 in the Eleventh Federal Reserve District were 4 percent higher than in the comparable period of 1956.

### Summary and Outlook

Surveying these over-all measurements of economic conditions, it is difficult to discern any decline in total activity. In fact, the southwest economy seems to be advancing, despite the weakness in one of its major

industries. Perhaps a reduction in plant and equipment expenditures would be noticeable if such data were available, and indications from nonresidential building awards seem to point in that direction. Whatever declines are occurring because of the cutback in crude oil production are apparently being offset by increases in other lines of activity. With industrial production, construction, employment, income, and retail trade all advancing, a realistic appraisal merely indicates that the gains would have been larger if the petroleum industry had not reduced production.

Nevertheless, in local areas where oil production is the dominant source of income, economic activity is declining. To the individual leaseholder or royalty owner in these areas, it is small comfort to know that the Southwest as a whole is prospering. With shut-in wells, pipeline prorationing, and steadily lower allowances, the oil-dominated areas are indeed hard-hit.

Most of the heavily populated areas and some of the smaller areas in the Southwest have achieved a measurable degree of economic diversification, with agriculture, oil, manufacturing, and Government installations providing basic sources of income. In the broad scope of the entire Southwest, the basic sources of income are much better balanced than they were a decade ago, and the inherent growth in the region enables it to withstand declines in individual segments, as was evident with agriculture in 1956 and now with petroleum in 1957. The gains in other segments in 1957, particularly agriculture, have submerged the economic adjustments in the oil industry.

While there are possibilities of near-term improvement in the oversupply and declining production problems, these are dependent upon two major indeterminate factors—weather and imports. A cold winter would cause an extraseasonal increase in the demand for heating oils and eventually encourage a rise in production. Similarly, if the new import restrictions become effective, domestic production could move up to replace the amount of the cutback. However, should both of these possibilities fail to materialize, crude oil production may remain near the reduced level scheduled for October. Some minor increase could develop to take care of that portion of seasonal demands which is not met by the higher level of imports.

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# BUSINESS REVIEW

BUSINESS, AGRICULTURAL, AND FINANCIAL CONDITIONS



Employment levels in August reflected largely seasonal trends, and the nearly 4,310,000 non-farm employment total in the five Eleventh District states was second only to the record of last December.

The total value of construction contracts awarded in the southwestern states during July was below both the June and year-earlier levels, with the cement strike a factor in the decline. Residential awards, however, were up sharply from both the previous month and July 1956.

A series of cool fronts during the past month resulted in beneficial precipitation over a large part of the District. Production prospects for most crops continue to be more favorable than those of last year. Output of peanuts is more than double last year's outturn, the grain sorghum crop is two-thirds larger, and cotton production is estimated at 6 percent above the 1956 output.



Retail sales of department stores in the Eleventh District rose substantially in August, being 6 percent above those in August 1956.

The 8-percent gain over July was less than the usual seasonal amount because of the counterseasonal gain in the earlier month. Reflecting these developments, the adjusted index of department store sales—which represents the average business day, adjusted for seasonal variations, related to the 1947-49 average—dropped from 171 percent in July to 163 percent in August and compares with 155 percent in August 1956.

The breakdown of department store sales by departments, furnished by a special panel of cooperating stores in leading cities of the District, shows that August demand related to a year ago was about the same as in July in the major nondurables departments. The principal changes within those departments reflected

District crude oil production declined slightly in August and the first half of September, while the demand for petroleum products failed to show any gain over a year ago. Imports, however, reached a record volume in early September. A major cutback in District production is expected during October, since Texas allowables have been cut 228,075 barrels per day.

Commercial and industrial loans rose \$27.2 million at District weekly reporting member banks during the 4-week period ended September 18. In August, daily average free reserves of District member banks declined \$1 million, with the reserve city banks accounting for most of the decrease.

The dollar volume of retail sales of department stores in the District in August was 6 percent above the same month last year and 8 percent above July. On a seasonally adjusted basis, however, August sales declined 5 percent from July, mainly reflecting the cutback in demand for durable goods.

the shifts in demand to the typically back-to-school items. On the other hand, the demand for durable goods declined moderately from a year ago.

August sales of small wares—including notions, toilet articles, and jewelry—were 9 percent above August last year. Sales of women's and misses' ready-to-wear accessories and apparel rose 4 percent and 7 percent, respectively. Demand for men's clothing,

## INDEXES OF DEPARTMENT STORE SALES AND STOCKS

Eleventh Federal Reserve District

(1947-49 = 100)

Date	SALES (Daily average)		STOCKS (End of month)	
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted
1956: August.....	144r	155r	161r	162r
1957: June.....	146	161	157	169
July.....	145	171	162	171
August.....	152	163	170p	172p

r—Revised.  
p—Preliminary.



**SALES AT FURNITURE STORES AND  
HOUSEHOLD APPLIANCE STORES**  
(Percentage change in retail value)

Line of trade by area	August 1957 from		8 mos. 1957 comp. with 8 mos. 1956
	July 1957	August 1956	
FURNITURE STORES			
Total Eleventh District.....	—1	0	3
Amarillo.....	—40	—9	—
Austin.....	—4	5	9
Dallas.....	—18	—10	—5
Houston.....	—1	—5	5
Lubbock.....	—5	—1	—
San Antonio.....	—6	—9	0
Shreveport, La.....	21	13	8
Wichita Falls.....	—4	3	—10
Other cities.....	6	11	3
HOUSEHOLD APPLIANCE STORES			
Total Eleventh District.....	—7	—12	—
Dallas.....	—2	—11	—

which showed a sales gain of 11 percent, remained strong compared with a year earlier.

Sales of major household appliances declined 27 percent from August 1956, in reaction to the large gains in July. The greatest losses were registered in sales of air-conditioning units, down 46 percent; laundry equipment, off 27 percent; and mechanical refrigerators, down 17 percent.

Charge accounts outstanding at the end of August were 2 percent higher than a year earlier, while installment and deferred-payment plans declined 2 percent. The average collection time for regular charge accounts in August was 67 days, representing no important change from a year ago. The average repayment period for installment accounts, which include revolving credit plans, was 12 months, compared with 13 months last year.

Department store inventories rose slightly more than seasonally during August and at the end of the month were 7 percent above a year earlier and 5 percent above the end of July. The seasonally adjusted index of stocks at the close of August was 172 percent of the 1947-49 average, compared with 171 percent for July and 162 percent for August 1956. Net receipts of merchandise during August were 5 percent more than in the same month in 1956. Orders outstanding at the end of the month were down 2 percent from a year ago.

New car sales in Texas' four largest markets presented a mixed pattern in August; in the aggregate, 2 percent fewer cars were sold than in July. Compared with August last year, however, sales were up 4 percent. In the first 8 months of 1957, the Dallas metropolitan area led the way in percentage gains over 1956 with an increase of 19 percent in new car sales. Fort Worth gained 7 percent, while San Antonio and Houston

**DEPARTMENT STORE SALES AND STOCKS**

(Percentage change in retail value)

Area	NET SALES			STOCKS (End of month)	
	August 1957 from		8 mos. 1957 comp. with 8 mos. 1956	August 1957 from	
	July 1957	Aug. 1956		July 1957	Aug. 1956
Total Eleventh District.....	8	6	4	5	7
Corpus Christi.....	19	7	2	7	10
Dallas.....	11	5	1	5	6
El Paso.....	25	5	4	20	4
Fort Worth.....	7	6	5	4	0
Houston.....	0	12	11	2	21
San Antonio.....	8	4	1	6	1
Shreveport, La.....	19	1	-6	9	-2
Waco.....	8	0	-2	3	-6
Other cities.....	12	4	2	5	1

showed increases of 5 percent and 4 percent, respectively. For the four markets combined, the 8-month gain over a year ago amounted to 9 percent.



A series of cool fronts during the past month triggered showers over a wide area of the District. The precipitation was generally beneficial to growing crops and for improving soil tilth. The lower temperatures accompanying the fronts slowed development of late-planted crops. The rainfall, which fell in cloudburst proportions in some areas, was quite effective since relatively little runoff occurred in most sections. However, little or no moisture fell in critically dry parts of southern, western Plateau, and Trans-Pecos areas of Texas and in southeastern New Mexico.

Over the eastern half of the District, preparation of land for fall seeding of small grains is well advanced, and in the High Plains area of Texas and New Mexico, drilling is active. In part of the latter area, additional moisture is needed to sprout grains planted in dry soils. Sorghum combining is virtually complete in northern Texas, and harvest is increasing as far westward as the Low Rolling Plains. In much of the northern half of Texas, harvesting of sorghums for forage and silage is under way. Early sorghums are ripening in the High Plains area.

A bumper crop of sorghums is in prospect in the District states if the present favorable prospects continue. Sorghum grain production is indicated, as of September 1, at 226,479,000 bushels, or about two-thirds above the output in 1956. Recent rains promoted the continued favorable development of peanuts in the Cross Timbers and northern Texas areas. The peanut crop in the District states is estimated to be more than



double last year's outturn. Rice harvest is active in Louisiana and Texas, with high yields in prospect. Production is placed at 20,942,000 bags, or 8 percent below the past year's excellent crop.

The cooler temperatures during the early part of September slowed development of the cotton crop. Rains and lower temperatures checked premature opening of bolls and excessive shedding of fruit in central and northern Blacklands sections, but in irrigated western regions, the cooler weather retarded development of the crop. Cotton prospects remain quite favorable, and the 1957 crop in the District states is estimated at 5,920,000 bales, which is 6 percent above last year's output. Increases in indicated production for Oklahoma and Texas of 21 percent and 12 percent, respectively, more than offset declines of 24 percent in Louisiana and 5 percent in New Mexico.

Fall and early winter vegetables in irrigated south Texas areas are making good progress, and planting of additional acreages of winter vegetables is under way in the Lower Valley. In nonirrigated sections of south Texas, planting has been curtailed because of dry soils. Vegetable harvesting is limited primarily to carrots in the High Plains and sweet potatoes in east Texas.

The generally favorable small grain and fall pasture prospects were boosted further as a result of the early September rains. In part of the northern Plateau and Cross Timbers areas of Texas, some volunteer small grains are up to a stand, and some acreages planted to oats and barley are making good development. Forage prospects are poor in western, southwestern, and extreme southern counties of Texas and in southeastern New Mexico. In these areas, grass supplies are short, and some shrinkage of livestock has occurred. With the exception of these dry areas, range and livestock conditions as of September 1 were improved from the year-earlier levels.

CASH RECEIPTS FROM FARM MARKETINGS  
Five Southwestern States and United States  
(Dollar amounts in thousands)

Area	January-June		Percentage change
	1957	1956	
Arizona.....	\$ 162,991	\$ 162,501	0
Louisiana.....	104,990	111,597	-6
New Mexico.....	63,528	68,110	-7
Oklahoma.....	209,023	210,300	-1
Texas.....	637,589	636,987	0
Total.....	\$ 1,178,121	\$ 1,189,495	-1
United States.....	\$12,504,496	\$12,406,831	1

SOURCE: United States Department of Agriculture.

CROP PRODUCTION  
Texas and Five Southwestern States  
(In thousands of bushels)

Crop	TEXAS			FIVE SOUTHWESTERN STATES <sup>1</sup>		
	Estimated Sept. 1, 1957	1956	Average 1946-55	Estimated Sept. 1, 1957	1956	Average 1946-55
Cotton <sup>2</sup> .....	4,050	3,615	3,742	5,920	5,587	5,595
Corn.....	39,169	27,465	43,882	61,653	51,995	76,193
Winter wheat....	35,014	26,388	47,339	81,141	96,908	123,756
Oats.....	37,148	19,170	25,473	58,418	36,527	42,442
Barley.....	5,090	2,320	1,906	23,558	17,146	11,311
Rye.....	304	136	237	1,294	802	794
Rice <sup>3</sup> .....	10,614	11,000	12,491	20,942	22,700	24,566
Sorghum grain....	199,491	124,202	91,020	226,479	138,289	108,062
Flaxseed.....	119	126	870	157	148	1,221
Hay <sup>4</sup> .....	2,063	1,291	1,728	5,575	4,284	5,089
Peanuts.....	212,625	87,500	244,274	307,225	145,450	362,045
Irish potatoes <sup>5</sup> ..	1,695	1,378	11,515	4,235	3,311	13,439
Sweet potatoes <sup>6</sup> ..	1,020	627	11,471	5,613	5,841	16,592
Pecans <sup>7</sup> .....	37,500	27,500	31,140	78,250	52,100	68,549

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

<sup>2</sup> In thousands of bales.

<sup>3</sup> In thousands of bags containing 100 pounds each.

<sup>4</sup> In thousands of tons.

<sup>5</sup> In thousands of pounds.

<sup>6</sup> In thousands of hundredweight.

<sup>7</sup> Average, 1949-55.

SOURCE: United States Department of Agriculture.

Cash receipts from farm marketings in the District states during the first 6 months of 1957 totaled \$1,178,121,000, reflecting a 1-percent decline from the corresponding period last year. A 7-percent decrease in crop receipts more than offset a 3-percent increase in receipts from livestock and livestock products.



In the 4 weeks ended September 18, weekly reporting member banks in the Eleventh District gained \$12.3 million in deposits, stepped up their total borrowings, liquidated \$134.7 million of investments, and added \$16 million to gross loans. In the comparable period a year earlier, a much larger increase in deposits was more than offset by additions to cash holdings, as loans and investments were reduced.

Commercial and industrial borrowers contracted for \$27.2 million of new credits, while consumers and others included in the residual loan category "all other loans" borrowed \$11.2 million of new funds. Loans to banks had declined more than 50 percent since August 21, with broker and dealer loans reduced by a somewhat lesser amount; the volume of these credits can vary widely from week to week, in accord with temporary shifts in cash positions.

The sizable reduction in investments reflected principally sales of the new bill issue of August 21, payment for which was made by credit to Tax and Loan Account. The banks reduced their bill position by \$109.4 mil-



CONDITION STATISTICS OF WEEKLY REPORTING  
MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	Sept. 18, 1957	Aug. 21, 1957	Sept. 19, 1956
<b>ASSETS</b>			
Commercial and industrial loans.....	\$1,488,207	\$1,460,968	\$1,501,306
Agricultural loans.....	23,282	22,538	31,899
Loans to brokers and dealers in securities.....	17,903	28,065	24,359
Other loans for purchasing or carrying securities.....	151,713	147,913	145,380
Real-estate loans.....	191,344	193,080	214,259
Loans to banks.....	14,884	30,015	8,540
All other loans.....	626,135	614,938	578,435
Gross loans.....	2,513,468	2,497,517	2,504,178
Less reserves and unallocated charge-offs..	42,652	42,774	32,803
Net loans.....	2,470,816	2,454,743	2,471,375
U. S. Treasury bills.....	115,591	224,965	37,992
U. S. Treasury certificates of indebtedness.....	112,068	107,011	76,943
U. S. Treasury notes.....	158,099	158,182	213,024
U. S. Government bonds (inc. gtd. obligations).....	816,760	844,525	801,932
Other securities.....	278,001	280,512	237,606
Total investments.....	1,480,519	1,615,195	1,367,497
Cash items in process of collection.....	490,551	400,389	436,429
Balances with banks in the United States.....	454,297	438,524	518,053
Balances with banks in foreign countries.....	1,906	1,798	1,347
Currency and coin.....	48,776	47,055	47,859
Reserves with Federal Reserve Bank.....	613,383	573,319	567,979
Other assets.....	174,041	170,470	157,924
<b>TOTAL ASSETS.....</b>	<b>5,734,289</b>	<b>5,701,493</b>	<b>5,568,463</b>
<b>LIABILITIES AND CAPITAL</b>			
Demand deposits			
Individuals, partnerships, and corporations....	2,831,982	2,776,936	2,838,267
United States Government.....	66,497	192,065	91,911
States and political subdivisions.....	162,394	174,887	168,172
Banks in the United States.....	945,355	879,207	953,837
Banks in foreign countries.....	19,084	20,811	19,285
Certified and officers' checks, etc.....	85,228	54,581	66,893
Total demand deposits.....	4,110,540	4,098,487	4,138,365
Time deposits			
Individuals, partnerships, and corporations....	799,975	804,963	720,854
United States Government.....	12,420	12,420	12,229
Postal savings.....	421	421	452
States and political subdivisions.....	206,983	201,925	133,550
Banks in the U. S. and foreign countries.....	6,750	6,550	7,185
Total time deposits.....	1,026,549	1,026,279	874,270
Total deposits.....	5,137,089	5,124,766	5,012,635
Bills payable, rediscounts, etc.....	54,250	41,050	44,400
All other liabilities.....	89,784	84,157	85,172
Total capital accounts.....	453,166	451,520	426,256
<b>TOTAL LIABILITIES AND CAPITAL.....</b>	<b>5,734,289</b>	<b>5,701,493</b>	<b>5,568,463</b>

and local governments withdrew \$12.5 million from their demand balances. The gain of \$270,000 in time accounts reflected the nearly offsetting decrease in personal and business accounts and the increase in state and local government balances. Bills payable on September 18 were almost \$10 million above the year-earlier level.

In August, average holdings of free reserves by the District's member banks declined about \$1 million to \$32.8 million, with country banks continuing to hold a comfortable fund of free reserves while reserve city banks maintained their net borrowed reserve position. For all the banks, daily average reserve balances declined somewhat less than reserve requirements. While excess reserves increased \$3.6 million, member bank borrowings rose by a slightly larger amount, causing free reserves to move lower.

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 Sept. 18, 1957	Dec. 26, 1956— Sept. 18, 1957
Federal Reserve credit—local.....	+\$20,632	+\$ 15,574
Interdistrict commercial and financial transactions.....	+ 29,704	+ 651,380
Treasury operations.....	— 1,042	+ 634,178
Currency transactions.....	+ 1,322	+ 48,555
Other deposits at Federal Reserve Bank.....	+ 671	+ 1,658
Other Federal Reserve accounts.....	+ 1,090	+ 18,481
Net change.....	+\$49,733	+\$ 67,066
	Sept. 18, 1957	Aug. 21, 1957
RESERVE BALANCES.....	\$1,019,972	\$970,239

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

Member bank reserve accounts rose \$49.7 million in the 4 weeks ended September 18. A favorable balance on interdistrict commercial and financial transactions supplied \$29.7 million of reserves, and local Federal Reserve credit added \$20.6 million, with the increase in member bank discounts and float each providing about half of the total. Treasury operations and currency transactions absorbed \$600,000 more of reserves than were supplied by other Federal Reserve deposits and accounts.

The Federal Reserve Bank of Dallas owned \$812.1 million of gold certificates on September 18, which represents an increase of \$18.3 million over August 21 and a \$79.0 million gain over the comparable 1956 date. Earning assets of this Bank rose \$18.6 million to a level of \$950.3 million, with holdings of United

lion as the Treasury claimed its balances. The weekly reporting institutions sold \$27.8 million of United States Government bonds and acquired \$5.1 million of certificates. Total cash assets increased \$147.8 million, 60 percent of which came from the midmonth expansion in cash items in process of collection, with the build-up in reserves accounting for \$40.1 million of the increase in cash.

Demand deposits were up \$12.1 million, despite the withdrawal by the United States Government of \$125.6 million. Individual and business accounts rose more than \$55 million, and correspondent banks replenished their balances by an even larger amount. Certified and officers' checks increased \$30.6 million, while state



States Governments accounting for \$8.4 million of the increase and member bank borrowing the remainder. While Federal Reserve notes in actual circulation increased \$7.1 million during the 4 weeks, the year-to-year growth was less than \$2.6 million.

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS  
(In thousands of dollars)

Item	Sept. 18, 1957	Aug. 21, 1957	Sept. 19, 1956
Total gold certificate reserves.....	\$ 812,108	\$793,838	\$733,171
Discounts for member banks.....	38,969	28,827	15,951
Other discounts and advances.....	312	260	0
U. S. Government securities.....	911,059	902,673	937,401
Total earning assets.....	950,340	931,760	953,352
Member bank reserve deposits.....	1,019,972	970,239	982,823
Federal Reserve notes in actual circulation.....	712,636	705,494	710,049

The United States Treasury made a three-way cash offering of securities to cover seasonal needs. The 4-percent certificate of August 1, 1958, was reopened; and two new securities were issued — a 4-percent note maturing August 15, 1962, but redeemable, at the option of the holder, on February 15, 1960, and a 4-percent, 12-year bond maturing October 1, 1969. The bond issue represents the first offering of marketable bonds by the Treasury since July 1955. All of the issues were heavily oversubscribed, with a 10-percent allotment on subscriptions above \$50,000 for the bond. The Treasury made allotments of 28 percent for the note and 22 percent for the certificate, but, in both cases, purchasers received full awards for subscriptions of \$100,000 or less.



Although successive monthly cutbacks in District crude oil production have reduced the margin of supply over demand, an oversupply situation still exists in the petroleum industry. The seriousness of the problem has been deepened by lagging demand and the continuance of large imports. Domestic demand so far in 1957 has failed to show the normal margin of gain over the prior year; during August and the first half of September, demand for the major products held virtually unchanged from the year-earlier level.

The voluntary program requested by the President to cut crude oil imports thus far has not checked the high level of imports, which is aggravating the excess supply condition. Although total imports reached a record level in the first week of September, the total for the 5 weeks ended September 13 averaged 1,561,000 barrels per day, or 4 percent below the aver-

age for the previous 5-week period but 12 percent above a year earlier.

District crude oil production, at 3,144,000 barrels per day in the first half of September, declined slightly from the August level and was 7 percent below a year ago, while production nationally showed a 3-percent reduction from a year earlier. After holding relatively steady in the third quarter at the lower level effective in July, District production is expected to undergo a major cutback in October. In view of the current pipeline prorating by some major purchasers and the possibility of further purchaser prorating, the Texas Railroad Commission has adopted an abnormally low 12-day producing schedule for October, which is expected to reduce allowables 228,075 barrels per day. New Mexico allowables — already at a low level — remain steady for October production.

Although crude stocks in the Nation were reduced slightly in early September by rising refinery operations, they totaled 282,096,000 barrels on September 14, or 3 percent above a year earlier. Crude stocks of District origin were 5 percent greater than at the same time in the previous year.

District crude runs to refinery stills, at 2,273,000 barrels per day in the first half of September, were slightly below the August level, but national refinery operations rose moderately in August and early September. Consequently, product stocks — already high — increased 4 percent in the first half of September to total 427,842,000 barrels on September 13, or 6 percent above a year earlier. Primarily as a result of the large stocks, wholesale fuel oil prices softened. Gasoline stocks showed a slight contraseasonal gain in early September but, at 173,805,000 barrels on September 13, were 1 percent below a year ago. The gasoline market has shown increased firmness in northern consuming areas, with some upward adjustments in wholesale prices despite retail price wars in scattered parts of the Nation.



Nonfarm employment in the five southwestern states increased 10,400 workers from July to reach an August total of 4,309,700, which is 2.6 percent higher than a year ago and is second only to the record level of last December. Most types of employment, including manufacturing and construction, shared in the July-August gain. Texas unemployment reflected this



# NONAGRICULTURAL EMPLOYMENT

Five Southwestern States<sup>1</sup>

Type of employment	Number of persons			Percent change Aug. 1957 from	
	August 1957e	July 1957	August 1956r	July 1957	Aug. 1956
Total nonagricultural					
wage and salary workers..	4,309,700	4,299,300	4,200,600	0.2	2.6
Manufacturing.....	785,900	783,900	772,500	.3	1.7
Nonmanufacturing.....	3,523,800	3,515,400	3,428,100	.2	2.8
Mining.....	271,700	271,700	267,500	.0	1.6
Construction.....	325,700	321,500	304,400	1.3	7.0
Transportation and public utilities.....	407,000	404,800	410,500	.5	—9
Trade.....	1,111,300	1,109,200	1,086,100	.2	2.3
Finance.....	185,200	184,700	178,300	.3	3.9
Service.....	515,900	515,400	499,000	.1	3.4
Government.....	707,000	708,100	682,300	—2	3.6

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

e—Estimated.

r—Revised.

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

# VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

Area and type	July 1957	June 1957	July 1956	January—July	
				1957	1956
FIVE SOUTHWESTERN STATES <sup>1</sup> .....	\$ 265,359	\$ 408,120	\$ 298,649	\$ 2,153,787	\$ 1,980,669
Residential.....	129,808	107,397	101,203	784,946	730,976
All other.....	135,551	300,723	197,446	1,368,841	1,249,693
UNITED STATES.....	2,900,681	3,243,486	3,013,034	19,858,686	19,206,262
Residential.....	1,286,937	1,155,049	1,143,410	7,770,251	7,941,505
All other.....	1,613,744	2,088,437	1,869,624	12,088,435	11,264,757

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

SOURCE: F. W. Dodge Corporation.

# PERCENTAGE CHANGES IN VALUE OF CONSTRUCTION CONTRACTS AWARDED

January-July 1957 from January-July 1956

Area	TOTAL	Residential	Nonresidential building	Public works and utilities
Arizona.....	79	16	3	226
Louisiana.....	—5	30	—10	—24
New Mexico.....	0	0	—13	11
Oklahoma.....	1	3	—18	27
Texas.....	4	1	—21	55
Southwest.....	9	7	—16	42
United States.....	3	—2	3	14

SOURCE: F. W. Dodge Corporation.

seasonal strength, as the August total of 130,600 indicated an 8,800 decline from July.

The value of construction contracts awarded in the Southwest during July, in a reversal of recent trends, declined 35 percent from June and 11 percent from July 1956. The changes were an exaggeration of the national pattern. Nonresidential construction showed sharp declines, while residential awards rose 21 percent from June and were 28 percent above a year ago. The strike which halted cement production at three major Texas plants from early July to mid-August was a factor in the slowdown of nonresidential construction awards. Total construction awards during the January-July period were 9 percent above the first 7 months of last year, with both residential and "all other" construction sharing the gain.

A detailed review of construction awards in the southwestern states for the first 7 months of 1957 reveals that most of the strength has been in public works and utilities construction, which more than accounted for the total increase in construction awards by showing a year-to-year gain of \$232 million. A \$108 million contract for a dam in Arizona and four contracts for utilities construction totaling another \$155 million were the major projects. However, all of the southwestern states, except Louisiana, showed increases in public works and utilities construction contracts. Residential construction has been another source of strength, with New Mexico the only state in the region failing to show year-to-year expansion. Nonresidential building construction has been the major weakness. These awards in the region were down 16 percent from a year ago, compared with a 3-percent gain in the Nation.

## NEW MEMBER BANK

The Deer Park National Bank, Deer Park, Texas, a newly organized institution located in the territory served by the Houston Branch of the Federal Reserve Bank of Dallas, opened for business August 30, 1957, as a member of the Federal Reserve System. The new bank has capital of \$200,000, surplus of \$100,000, and undivided profits of \$50,000. The officers are: Howard T. Tellepsen, Chairman of the Board; H. C. Donahoe, President; W. C. Frels, Executive Vice President; N. A. Smith, Vice President; and L. A. Hill, Jr., Cashier.

## NEW PAR BANKS

The First State Bank, Hearne, Texas, an insured, non-member bank located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, was added to the Par List on its opening date, September 6, 1957. The officers are: Brazos Varisco, President; Wilbur Strong, Executive Vice President; Morris Cohen, Vice President (inactive); W. S. Hoyt, Jr., Vice President (inactive); and Thomas E. Brashear, Cashier.

The Parkdale State Bank, Corpus Christi, Texas, an insured, nonmember 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, September 7, 1957. The officers are: R. A. Blucher, President; Tom Mathis, Executive Vice President; Walter M. Stoops, Cashier; and W. L. Ellis, Assistant Cashier.



# 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>			
	August 1957	Percentage change from		August 31, 1957	Annual rate of turnover		
		July 1957	Aug. 1956		Aug. 1957	July 1957	Aug. 1956
ARIZONA							
Tucson.....	\$ 154,307	-9	2	\$ 95,191	19.2	20.3	18.2
LOUISIANA							
Monroe.....	68,238	13	9	51,695	15.8	17.9	15.6
Shreveport.....	275,707	-1	12	190,308	17.3	17.5	15.8
NEW MEXICO							
Roswell.....	29,803	-1	12	27,034	13.0	13.2	11.9
TEXAS							
Abilene.....	85,530	-6	15	59,973	16.8	17.0	15.5
Amarillo.....	180,438	-11	10	104,215	20.5	23.2	18.8
Austin.....	170,035	1	15	118,697	16.7	16.2	15.6
Beaumont.....	153,427	-7	11	105,084	17.3	18.5	15.8
Corpus Christi.....	207,515	5	13	112,861	22.0	21.6	20.2
Corsicana.....	16,704	4	12	21,622	9.2	8.9	8.5
Dallas.....	2,306,304	1	12	978,057	27.8	27.4	25.6
El Paso.....	272,786	-2	10	141,246	23.5	24.8	23.2
Fort Worth.....	684,287	-8	1	352,664	22.7	24.1	22.0
Galveston.....	105,678	-1	4	67,409	18.6	18.4	18.6
Houston.....	2,273,279	-4	0	1,198,247	22.7	23.2	22.3
Laredo.....	24,018	3	13	19,854	14.4	13.8	13.6
Lubbock.....	132,538	0	13	94,164	16.8	16.6	16.3
Port Arthur.....	68,954	9	17	45,321	18.6	17.9	16.0
San Angelo.....	47,452	-3	5	42,129	13.4	13.7	11.9
San Antonio.....	532,004	-1	7	341,355	18.6	19.0	17.0
Texarkana <sup>2</sup> .....	19,561	-14	3	16,588	14.3	16.8	13.6
Tyler.....	81,748	-6	9	59,442	16.1	16.6	15.5
Waco.....	93,384	-2	5	62,921	17.9	18.1	16.6
Wichita Falls.....	99,269	-7	-1	104,101	11.4	12.4	11.6
Total—24 cities.....	\$8,082,966	-3	7	\$4,410,178	21.8	22.2	20.6

<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 one bank located in the Eighth District, amounted to \$39,858,000 for the month of August 1957.

## RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	August 1957	July 1957	August 1956
RESERVE CITY BANKS			
Reserve balances.....	\$ 561,449	\$ 578,383	\$ 560,510
Required reserves.....	553,268	569,056	548,995
Excess reserves.....	8,181	9,327	11,515
Borrowings.....	18,984	19,228	20,492
Free reserves.....	-10,803	-9,901	-8,977
COUNTRY BANKS			
Reserve balances.....	454,515	450,175	451,550
Required reserves.....	400,662	401,053	391,247
Excess reserves.....	53,853	49,122	60,303
Borrowings.....	10,229	5,374	6,202
Free reserves.....	43,624	43,748	54,101
MEMBER BANKS			
Reserve balances.....	1,015,964	1,028,558	1,012,060
Required reserves.....	953,930	970,109	940,242
Excess reserves.....	62,034	58,449	71,818
Borrowings.....	29,213	24,602	26,694
Free reserves.....	32,821	33,847	45,124

## 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: August.....	\$7,145	\$3,480	\$3,665	\$1,277	\$755	\$522
1956: August.....	7,210	3,529	3,681	1,381	764	617
1957: April.....	7,412	3,623	3,789	1,533	808	725
May.....	7,199	3,502	3,697	1,565	831	734
June.....	7,265	3,587	3,678	1,591	849	742
July.....	7,415	3,680	3,735	1,619	871	748
August.....	7,258	3,539	3,719	1,639	884	755

## CONDITION STATISTICS OF ALL MEMBER BANKS

Eleventh Federal Reserve District

(In millions of dollars)

Item	August 28, 1957	July 31, 1957	August 29, 1956
ASSETS			
Loans and discounts.....	\$3,984	\$3,943	\$3,881
United States Government obligations.....	2,492	2,463	2,297
Other securities.....	659	652	596
Reserves with Federal Reserve Bank.....	1,004	1,016	985
Cash in vault.....	132	166	123
Balances with banks in the United States.....	938	964	966
Balances with banks in foreign countries <sup>e</sup> .....	2	2	2
Cash items in process of collection.....	404	425	358
Other assets <sup>e</sup> .....	241	215	220
TOTAL ASSETS <sup>e</sup> .....	9,856	9,846	9,428
LIABILITIES AND CAPITAL			
Demand deposits of banks.....	1,011	1,011	1,003
Other demand deposits.....	6,266	6,335	6,195
Time deposits.....	1,651	1,631	1,387
Total deposits.....	8,928	8,977	8,585
Borrowings <sup>e</sup> .....	41	20	17
Other liabilities <sup>e</sup> .....	103	70	96
Total capital accounts <sup>e</sup> .....	784	779	730
TOTAL LIABILITIES AND CAPITAL <sup>e</sup> .....	9,856	9,846	9,428

<sup>e</sup>—Estimated.

## BUILDING PERMITS

VALUATION (Dollar amounts in thousands)

Area	NUMBER				Percentage change		
	Aug. 1957		Aug. 1957		Aug. 1957 from		8 mos. 1957 comp. with 8 mos. 1956
	Aug. 1957	8 mos. 1957	Aug. 1957	8 mos. 1957	July 1957	Aug. 1956	8 mos. 1957
ARIZONA							
Tucson.....	380	3,392	\$ 1,016	\$ 13,658	-28	-64	-17
LOUISIANA							
Shreveport.....	488	3,524	1,509	16,692	-55	-27	-15
TEXAS							
Abilene.....	164	1,008	1,333	10,055	6	-10	-41
Amarillo.....	263	1,872	1,916	18,623	-6	29	32
Austin.....	250	1,841	5,735	31,414	23	84	1
Beaumont.....	447	2,827	1,639	12,978	25	7	35
Corpus Christi.....	316	2,673	1,499	11,049	19	50	-23
Dallas.....	2,109	15,846	9,687	91,513	-49	25	-14
El Paso.....	262	3,287	2,464	22,926	-32	20	19
Fort Worth.....	764	4,992	3,510	36,788	-37	-42	19
Galveston.....	155	1,143	180	2,651	-17	8	-19
Houston.....	1,366	11,184	21,369	159,035	12	52	46
Lubbock.....	186	1,644	1,532	18,702	-29	-10	20
Port Arthur.....	326	1,946	337	4,009	-45	-25	18
San Antonio.....	1,557	12,219	4,834	36,249	15	-10	-19
Waco.....	393	3,274	1,140	10,269	-45	27	-5
Wichita Falls.....	147	1,141	514	8,684	-42	-17	29
Total—17 cities.....	9,573	73,813	\$60,214	\$505,295	-17	14	7

## CRUDE OIL: DAILY AVERAGE PRODUCTION

(In thousands of barrels)

Area	Change from				
	August 1957 <sup>1</sup>	July 1957 <sup>1</sup>	August 1956 <sup>2</sup>	July 1957	August 1956
ELEVENTH DISTRICT.....	3,161.5	3,185.5	3,460.1	-24.0	-298.6
Texas.....	2,791.0	2,806.2	3,098.6	-15.2	-307.6
Gulf Coast.....	559.3	561.3	632.1	-2.0	-72.8
West Texas.....	1,172.0	1,177.6	1,284.4	-5.6	-112.4
East Texas (proper).....	171.8	174.2	213.3	-2.4	-41.5
Panhandle.....	106.6	105.4	107.0	1.2	-4.4
Rest of State.....	781.3	787.7	861.8	-6.4	-80.5
Southeastern New Mexico.....	244.8	249.7	234.8	-4.9	10.0
Northern Louisiana.....	125.7	129.6	126.7	-3.9	-1.0
OUTSIDE ELEVENTH DISTRICT.....	3,639.0	3,725.3	3,734.9	-86.3	-95.9
UNITED STATES.....	6,800.6	6,910.8	7,195.0	-110.2	-394.4

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