



# BUSINESS REVIEW

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## THREE ANNUAL PRESIDENTIAL MESSAGES TO THE CONGRESS

The growing importance in the economy of the policies and actions of the Federal Government makes it especially desirable that every citizen be well informed on proposed changes in these policies. Each year during January, the President of the United States sends to the Congress three major messages outlining the current state of the Nation, a proposed budget, and the country's economic position. Embodied in the messages are a philosophy of government and an appraisal of current conditions which are basic to the policies and actions of the Federal Government in both domestic and foreign affairs. A review of the high lights of each of these messages is given below.

### State of the Union Message

On January 9 the President presented to the Second Session of the Eighty-fifth Congress his annual report on the State of the Union. In the President's words, "There are two tasks confronting us that so far outweigh all others that I shall devote this year's message entirely to them. The first is to ensure our safety through strength . . . our second task is to do the constructive work of building a genuine peace."

In outlining the current position of the United States relative to that of the Soviet Union, the President states, "The threat to our safety, and to the hope of a peaceful world, can be simply stated. It is communist imperialism." In balancing this threat, the President notes, "Among our assets, let us first briefly glance at our military power. . . . The most powerful deterrent to war in the world today lies in the retaliatory power of our Strategic Air

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Command and the aircraft of our Navy. They present to any potential attacker who would unleash war upon the world the prospect of virtual annihilation of his own country. . . .

"At this moment, the consensus of opinion is that we are probably somewhat behind the Soviets in some areas of long-range ballistic missile development. But it is my conviction, based on close study of all relevant intelligence, that if we make the necessary effort, we will have the missiles, in the needed quantity and in time, to sustain and strengthen the deterrent power of our increasingly efficient bombers."

Another major element of strength, according to the President, is our alliance with the other North Atlantic Treaty Organization countries. This alliance is interpreted as providing substantial backing to the United States position.

The President outlines a plan of action, consisting of eight major points, designed to direct our economic resources upon the major problems of security and peace.

#### Defense Reorganization

"Some of the important new weapons which technology has produced do not fit into any existing service pattern. They cut across all services, involve all services, and transcend all services, at every stage from development to operation. In some instances they defy classification according to branch of service."

#### Accelerated Defense Effort

"The second major action item is the acceleration of the defense effort in particular areas affected by the fast pace of scientific and technological advance." An improved warning system, dispersal of striking forces, maintenance of retaliatory power and freedom of the seas, and increases in pay and incentives are listed as major items in this renewed defense effort.

#### Mutual Aid

"... We must continue to strengthen our mutual security efforts. . . . The real fact is that no investment we make in our own security and peace can pay us greater dividends than necessary amounts of economic aid to friendly nations."

#### Mutual Trade

"... Both in our national interest, and in the interest of world peace, we must have a five-year extension of the Trade Agreements Act with broadened authority to negotiate.

"World trade supports a significant segment of American industry and agriculture. It provides employment for four and one-half million American workers. It helps supply our ever increasing demand for raw materials. It provides the opportunity for American free enterprise to develop on a worldwide scale. It strengthens our friends and increases their desire to be friends. World trade helps to lay the groundwork for peace by making all free nations of the world stronger and more self-reliant."

#### Scientific Cooperation with Our Allies

"... It is of the highest importance that the Congress enact the necessary legislation to enable us to exchange appropriate scientific and technical information with friendly countries as part of our effort to achieve effective scientific cooperation."

#### Education and Research

"... In the area of education and research, I recommend a balanced program to improve our resources, involving an investment of about a billion dollars over a four year period. This involves new activities by the Department of Health, Education and Welfare designed principally to encourage improved teaching quality and student opportunities in the interests of national security."

#### Spending and Saving

"This extra effort involves, most immediately, the need for a supplemental defense appropriation of \$1.3 billion for fiscal year 1958.

"In the 1959 budget, increased expenditures for missiles, nuclear ships, atomic energy, research and development, science and education, a special contingency fund to deal with possible new technological discoveries, and increases in pay and incentives to obtain and retain competent manpower add up to a total increase over the comparable figures in the 1957 budget of about \$4 billion." However, the President believes that we should strive to finance these enlarged expenses out of expected revenues.

#### Works of Peace

This eighth major plan of action is an appeal directed primarily to the people of the Soviet Union but also to all the other people of the world. This plan consists of three major units — namely, freedom of communication, human welfare, and disarmament — which the President believes will help the world "... turn the corner that will start our steps firmly on the path toward lasting peace."

In concluding his State of the Union Message, the President calls for sacrifice and understanding on the part of the American people.

### Budget Message

On January 13 the President delivered the second major message to the Congress, this one outlining his budget for the fiscal year 1959. The twin problems of security and peace, discussed in the State of the Union Message, also are in evidence in the fabric of the proposed budget; but, in addition, there is reflected a determination to adhere to such principles of governmental and fiscal soundness as "economy in expenditures, efficiency in operations, promotion of growth and stability in a free-enterprise economy, . . ."

In brief, the budget lists expenditures of \$73.9 billion in the fiscal year 1959, or \$1.1 billion above the estimate for 1958 and \$4.5 billion above actual expenses in 1957. Requests for new obligational authority are estimated at \$72.5 billion for the fiscal year 1959, compared with \$74.4 billion in 1958, which includes \$6.6 billion of anticipated supplemental requests.

Budget receipts are expected to rise to \$74.4 billion, or \$0.5 billion more than expenses, for the fiscal year 1959. However, "reflecting readjustments currently taking place in our economy," budget receipts for the fiscal year 1958 are estimated at \$72.4 billion, or \$0.4 billion below expenses for the current fiscal year. As a result of this deficit and to provide a greater flexibility in debt management, the President requests that the debt ceiling be raised temporarily through the fiscal year 1959.

A more detailed study of the budget estimates is presented under three major headings — protection, civil benefits, and interest and general government.

#### Protection

Expenditures under this section of the budget relate to major national security programs and international

affairs and finance. As a total, these functions will require \$47.1 billion, or 64 percent of estimated expenses in the fiscal year 1959.

The Department of Defense expenditures for 1959 are expected to total \$39.8 billion, compared with a \$38.9 billion revised 1958 estimate. The President notes, "Fully half of the proposed 1959 program of military construction is for facilities for the Strategic Air Command and for weapons systems and equipment which will have been brought into operational use since 1955."

The mutual security program is estimated to cost \$3.9 billion in 1959, or about \$119 million more than in the current fiscal year. On international affairs and finance, a part of mutual security, the President notes, "The major objective of our international economic policies and programs is to help build the free world's economic strength in the interest of mutual well-being and the maintenance of peace. Expanded production, improved efficiency, and greater economic progress for ourselves and other peoples of the free world will depend to a considerable extent on an increase in the flow of international trade and investment."

The President continues, "International affairs and finance are estimated to require \$1.3 billion of expenditures in the fiscal year 1959, \$156 million less than in 1958." Among the items covered by this proposed expenditure are a new appropriation for the Export-Import Bank, an enlarged technical assistance program, a broader use of the development loan fund, wider participation by the United States in informational and cultural programs, and an expanded diplomatic service.

#### Civil Benefits

Expenditures for civil benefits are expected to decline from \$17.0 billion in 1958 to \$16.4 billion in 1959 and represent 22 percent of the new budget. The President reports, "Under present conditions, I am not recommending enactment at this time of certain legislation now pending in the Congress for new programs which I have previously advocated. . . . I am also deferring proposals for some other grant programs and for certain new public works projects."

Before discussing each of the major subsections of the civil benefits category, the President outlines three recommended changes in legislation. The first is a proposal to limit grants-in-aid programs and transfer some of these activities to the states. The second legislative change would request Federal credit programs to

### BUDGET EXPENDITURES AND AUTHORIZATIONS BY PURPOSE

(Fiscal years, in billions)

Purpose	Budget expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Protection.....	\$45.2	\$46.3	\$47.1	\$45.9
Civil benefits.....	15.1	17.0	16.4	16.0
Interest.....	7.3	7.9	7.9	7.9
General government.....	1.8	1.4	1.4	1.4
Allowance for proposed legislation and contingencies.....	—	0.2	1.1	1.3
Total.....	69.4	72.8	73.9	72.5

<sup>1</sup> Compares with new obligational authority of \$70.2 billion for 1957 and \$74.4 billion for 1958.

## BUDGET EXPENDITURES AND AUTHORIZATIONS FOR CIVIL BENEFITS

(Fiscal years, in billions)

Function	Expenditures			Recommended new obligational authority for 1959
	1957 actual	1958 estimate	1959 estimate	
Labor and welfare.....	\$ 3.0	\$ 3.4	\$ 3.6	\$ 3.6
Commerce and housing.....	1.5	2.1	1.6	2.1
Veterans services and benefits.....	4.8	5.0	5.0	5.0
Agriculture and agricultural resources...	4.6	4.9	4.6	3.8
Natural resources.....	1.3	1.5	1.5	1.4
Total.....	15.1	17.0	16.4	16.0

<sup>1</sup> Compares with new obligational authority of \$18.6 billion for 1957 and \$20.4 billion for 1958.

“... (1) charge adequate interest rates on all new loans; (2) substitute private financing for Government loans and mortgage purchases wherever possible; and (3) be subject to effective budgetary control.” The third change in legislation proposes to make more realistic charges for special quasi-commercial services to those receiving the most benefit.

Within the civil benefits category, there are substantial variations in expenditures among the major subsections. Expenses of the labor and welfare subsection are scheduled to rise slightly, with increases in science, research, and education; health and hospital programs; and other welfare services. Commerce and housing expenditures are expected to decline, mainly because of the anticipated termination of the Veterans Administration housing activities and a recommended increase in postal rates which would provide additional revenue.

The cost of services and benefits to veterans will decline somewhat from the level in 1958. A reduction in readjustment benefits costs would be nearly offset by an increase in compensation and pensions. The budget indicates a decrease in expenses associated with agriculture and agricultural resources. The cost of stabilization of farm prices and farm income is listed at \$3.3 billion in 1959, compared with \$3.6 billion in 1958. On the other hand, financing rural electrification and rural telephones and research and other agricultural services are budgeted for increases in 1959.

In the last major subsection of civil benefits—natural resources, expenditures in 1959 are estimated to be slightly higher than for 1958, with principal increases in costs occurring for the Corps of Engineers, Bureau of Reclamation, and the Tennessee Valley Authority. Curtailments are evident in estimated expenditures for the Saint Lawrence Seaway Development Corporation; forest, fish and wildlife, recreational, and mineral resources; and power marketing agencies.

## Interest and General Government

Interest expenditures are expected to remain at about \$7.9 billion, or 11 percent of the total budget. For general government expenses, the budget reflects an increase from \$1,377 million in 1958 to \$1,403 million in 1959, or 3 percent of the new budget. Under this section, although its costs are reflected throughout the budget, the President proposes, “If we are to retain in Government service the highly skilled and able civilian employees who contribute so much to the Nation’s strength, it is clear that certain revisions are needed in the statutory pay structures for these employees, as well as for military personnel.”

In closing his Budget Message, the President refers to the American tradition of uniting in action and then states, “I feel confident that this budget expresses the way in which the American people will want to respond to the promises and dangers of the dawning age of space conquest.”

## Economic Report

The President transmitted his third message to the Congress—the Economic Report—on January 20, 1958. Although he gives only a brief discussion of the general tone and policies embodied in the Report, the summary below presents several of the specific coverages. The Report is guardedly optimistic, particularly with reference to the possibility of a near-term upswing in the economy.

### Economic Goals and Policies in a Free Society

The basic philosophy of the Report, as contained in the outline of economic goals and policies, reflects an abiding faith in the American economy with its unique mixture of freedom and control. The first objective stated is “economic growth and improvement within a framework of free institutions.” Secondly, the Report indicates that economic stability is an aim of national policy and that this “. . . clearly means more than fostering the maintenance of production, employment, and income at constant levels.” The third aim of national economic policy is as follows: “A clear responsibility rests on Government to pursue policies that will help prevent inflation.” Finally, the Report indicates that, in striving to obtain the foregoing objectives, “. . . we place reliance on measures that involve a minimum of direct intervention in the affairs of individuals and private groups.”

Following the statements on these objectives, the Report enumerates the specific policies which were in

effect during 1957. Pointing out the shifting economic picture during the year and the resultant need for changes in public policies, the Report states, "The paramount task during much of the year was to restrain inflationary tendencies." However, several actions are noted which "... were taken to moderate the impact on specific sectors of the economy of the general measures to restrain inflationary tendencies." During the final quarter of the year, policy changes included increasing the availability and lowering the cost of credit. In addition, "... steps were taken to expedite activity in certain Federal construction programs. . . ."

#### The American Economy in 1957

According to the Report, "The year 1957 was a prosperous one, despite the decline in the final quarter." Changes in employment, income, and production are presented in the following table.

CHANGES IN EMPLOYMENT, INCOME, AND PRODUCTION, 1955-57

Item	1955	1956	1957 <sup>1</sup>	Percentage change	
				1955 to 1956	1956 to 1957 <sup>1</sup>
<b>EMPLOYMENT<sup>2</sup></b>					
	Millions of persons				
Civilian labor force <sup>3</sup> .....	65.8	67.5	67.9	2.6	0.6
Employment.....	62.9	64.7	65.0	2.8	.5
Nonagricultural.....	56.2	58.1	58.8	3.4	1.1
Agricultural.....	6.7	6.6	6.2	-2.2	-5.3
Unemployment.....	2.9	2.8	2.9	-2.8	4.0
Employees in nonagricultural establishments <sup>4</sup> ..	50.1	51.9	52.6	3.6	1.3
Manufacturing.....	16.6	16.9	16.8	2.1	-.6
Nonmanufacturing.....	33.5	35.0	35.8	4.4	2.2
<b>INCOME</b>					
	Billions of dollars				
Personal income disbursements <sup>5</sup> .....	311.1	332.6	349.7	6.9	5.1
Disposable personal income <sup>6</sup> .....	270.2	287.2	300.0	6.3	4.5
Corporate profits and depreciation.....	57.9	60.0	60.7	3.6	1.2
Corporate profits:					
Before taxes.....	42.5	43.0	42.0	1.2	-2.3
After taxes.....	21.0	21.0	20.6	.0	-1.9
<b>PRODUCTION</b>					
Gross national product (1957 prices).....	417.4	430.3	433.9	3.1	.8
	1947-49=100				
Industrial production.....	139	143	143	2.9	.0

<sup>1</sup> Preliminary.

<sup>2</sup> Percentage changes based on unrounded data.

<sup>3</sup> Bureau of the Census data (new definitions).

<sup>4</sup> Bureau of Labor Statistics data.

<sup>5</sup> Total personal income plus personal contributions for social insurance.

<sup>6</sup> Total personal income less personal taxes.

SOURCES: Department of Commerce, Department of Labor, Board of Governors of the Federal Reserve System, and Council of Economic Advisers.

Shifts in the major components of demand are reviewed, beginning with business outlays on plant and equipment. It is noted that "Expenditures on capital goods by most industries continued to rise through the first three quarters of 1957, but they declined moderately toward the year's end."

As a "second major force in the expansion of the American economy to mid-1957," the Report cites

United States exports of goods and services, particularly petroleum. Exports slowed in the fall, remaining above imports but by a narrower margin.

Government expenditures "... rose \$7½ billion between mid-1956 and mid-1957, with 60 percent of the increase representing higher Federal spending for national security purposes." However, after midyear, "... military procurement outlays and awards of new contracts were reduced, and total Federal purchases declined moderately." State and local government spending continued upward, increasing \$3 billion during 1957.

Construction expenditures are reported to have continued upward in 1957, with residential building reversing an early downward movement. The Report states that there was "... a sharp increase in private institutional building, for which outlays rose 14 percent." Nevertheless, it is noted that "... the rising trend of dollar outlays can be misleading. Actually, construction costs rose during the year somewhat more than expenditures, so that the physical volume of construction was a little less than in 1956."

Business inventories are reported to have shown no accumulation in 1957, "... and inventory holdings were sharply reduced in the final quarter of the year." However, the Report continues, "Manufacturers' inventories, large parts of which are closely related to current and prospective levels of output, continued to rise in the first nine months of 1957, though at a much slower rate."

Consumer expenditures are estimated to have increased 5 percent during 1957. The Report says, "Increased incomes from production, augmented by substantial increases in pension, social security, and similar payments, provided a basis for higher levels of consumer expenditures during most of 1957."

Following the analyses of changes in expenditures, the Report reviews the effect upon employment and incomes, pointing out that "... nonagricultural employment reached a peak in the summer of 1957. . . ." but that, for the year, there was a decline in employment. "Because the slower growth of employment was generally accompanied by smaller additions to the labor force, rates of unemployment remained roughly unchanged until October, at the low level prevailing since 1955."

Wage increases were mainly responsible for the rise in personal incomes to a new record of \$343 billion in

1957. However, a 1-percent decline occurred from the August peak to December. According to the Report, "The decline in total personal income after August was moderated by an increase in transfer payments, about half in unemployment insurance benefits."

The Report continues with a résumé of trends in prices, costs, profits, and productivity. Wholesale prices are reported to have increased much less than in 1956. "From December 1956 to December 1957, prices of crude industrial materials, which previously had risen sharply, fell 10 percent." Although prices of producer finished goods continued upward, the average of all industrial prices rose only 1 percent. The Report states, "Wholesale prices of farm products and of foods also advanced, but, like prices of industrial goods, by a smaller amount than during 1956."

Consumer prices rose almost without interruption during 1957. "By November, the index was 6 percent above the level of early 1956. About 70 percent of the rise was due to food and service prices, about 13 percent to durable goods, and 17 percent to nondurable commodities . . ." Corporate profits are reported as having declined during 1957. "The indicated gain in productivity accordingly was still small, though much larger than the gain from 1955 to 1956."

Financial developments during 1957 were highlighted by the heavy demand for capital funds. Corporate security flotations rose \$2.1 billion to \$13.0 billion in 1957, and state and local governments raised \$6.9 billion, or \$1.4 billion more than in 1956. On the other hand, mortgage debt rose only \$11 billion, compared with an increase of \$15 billion in 1956. Similarly, consumer credit increased only \$2.7 billion in 1957, versus \$3.4 billion in the previous year.

The supply of funds was hampered by the reduced lending capacity of commercial banks, the decline in new funds from insurance companies, the smaller volume of total personal saving, and the smaller debt reduction of the Federal Government. The impact of the heavy demand for credit upon restricted supplies brought a rising structure of interest rates until the November-December easing of credit restraints.

Agriculture may have improved, despite the lack of significant change in net income from farming. Agricultural exports rose sharply, the livestock market strengthened, and the long drought in the Southwest ended. In addition, land values were at new records. "The revolution in farm technology is a continuing source of agricultural strength, though it complicates

current problems of agricultural adjustment and public policy."

#### Foreign Developments and the American Economy

In this section, the Report reviews, among other things, changes in industrial production abroad (excluding the Soviet bloc), which ". . . averaged about 4 percent higher in 1957 than in 1956, and close to double the prewar output . . ." Total world exports (excluding those of the Soviet bloc) were reported as reaching an annual rate of nearly \$100 billion during the first half of 1957. However, "In physical terms, exports were 8 percent above those in the first half of 1956 . . . In recent months there has been little further expansion."

American goods and services purchased by foreign countries rose quickly in the first quarter, stabilized during the second quarter and most of the third quarter, and then declined. "Exports of three commodities — petroleum (and products), raw cotton, and wheat — together increased by \$850 million and accounted for nearly one-half of the increase in total United States merchandise exports between the first half of 1956 and the first half of 1957."

#### Economic Opportunities and Challenges Ahead

In presenting the Economic Report, the President states, "As we look ahead in 1958, there are grounds for expecting that the decline in business activity need not be prolonged and that economic growth can be resumed without extended interruption." His confidence in the near-term future is based on several changes occurring in the economy. In the President's words, "The demand for goods and services for final use has been well maintained. A considerable adjustment in inventories has already taken place, and present holdings are generally not heavy. Personal income has fallen very little, . . . The confidence of business concerns in the economic future is evidenced by their long-range plans for the expansion and improvement of production facilities. . . . Credit is more readily available and its cost is lower." The President also points to the recent policy changes designed to promote home building and to the effects of the acceleration of placement of defense contract awards.

For the long-run future, the Report is definitely optimistic. The President says, "Our domestic market for goods and services has about doubled every quarter of a century, and we should do at least as well in the next 25 years. The needs and wants of our growing population will continue to enlarge markets for output."

# BUSINESS REVIEW

BUSINESS, AGRICULTURAL, AND FINANCIAL CONDITIONS



Retail sales at Eleventh District department stores in December were approximately 3 percent below the record December volume in 1956. The seasonally adjusted index of sales (1947-49 = 100) for December 1957 was 156, compared with 161 for December 1956 and 153 for December 1955.

New car registrations in the Dallas, Fort Worth, Houston, and San Antonio metropolitan areas in December were 10 percent more than in December 1956. The total gain in new car registrations from 1956 to 1957 was 10 percent also.

Nonagricultural employment in the District states rose 52,000 from November to reach a new December record of 4,375,900, but the month-to-month gain was less than a year ago. Manufacturing employment declined, while unemployment increased.

The value of construction contracts awarded in the District states during November gained 4 percent over a year earlier but was down 10 percent from October.



Consumer purchases at department stores in the Eleventh Federal Reserve District pushed December sales to within 3 percent of the December record established in 1956. From the standpoint of total dollar volume, the department stores had the second best month in their experience. The December index of sales (1947-49=100), after adjustment for seasonal variation, was 156, compared with 161 for December 1956 and 153 for December 1955.

Reduced demand for most hard goods—principally major household appliances and furniture — more than accounted for the sales difference between December 1957 and December 1956. Wearing apparel and shoes registered moderate to substantial gains, as did sales of

The excess supply situation in the petroleum industry became more pronounced, with imports rising sharply to a near-record level in early January. Product prices softened, while crude oil prices were cut in southwest Texas and the Illinois Basin. District crude oil production remained unchanged at a level 12 percent below last year. The Texas Railroad Commission has adopted a record-low producing schedule of only 11 days for February, although total allowables have been increased 32,510 barrels daily.

Agricultural activity in the District was seasonally slow in January, as widespread snows and rains occurred. Winter grain prospects are excellent, and production of winter wheat is estimated at 43 percent greater than output last year. Livestock remain in generally good condition, and forage supplies are abundant.

Business loans of the District's weekly reporting member banks rose \$23.6 million in the 4 weeks ended January 15. Average free reserves of District member banks increased in December, and the velocity of demand deposit accounts was above both the preceding month and a year earlier.

radios and phonographs, which are popular gift items at Christmastime.

On a seasonally adjusted basis, monthly sales at District department stores in 1957 were below 1956 only three times — 4 index points in April, 2 points in November, and 5 points in December. Seasonally adjusted

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: December.....	279	161	159r	171r
1957: October.....	158	152	193	176
November.....	183	161	197	179
December.....	270	156	159p	171p

r—Revised.  
p—Preliminary.

sales were particularly strong in the 4 months from June through September. For the full calendar year, 1957 was the best year, dollarwise, in the history of department store trade, registering a 2-percent gain over 1956. Part of the growth in total department store trade, as reflected by percentage changes and index numbers, in both 1956 and 1957 was accounted for by expansion of existing store operations, the opening of new stores, and the rising price level.

Sales during the 3-week period ended January 18, 1958, showed virtually no change in dollar volume from the corresponding 3 weeks a year earlier. This is a season of special sales promotions to adjust inventories for the end of the fiscal year, which is January 31 for most department stores. The currently intensified sales efforts could well make January of this year compare very favorably with the high level of January 1957.

Inventories at the end of December were less than one-half of 1 percent above a year earlier. The slight change in the volume of year-end stocks, despite the decline in December sales, reflected the careful inventory policies adopted earlier in the year.

#### DEPARTMENT STORE SALES AND STOCKS

(Percentage change in retail value)

Area	NET SALES			STOCKS (End of month)	
	Dec. 1957 from		12 mos. 1957 comp. with 12 mos. 1956	Dec. 1957 from	
	Nov. 1957	Dec. 1956		Nov. 1957	Dec. 1956
Total Eleventh District	47	-3	2	-19	0
Corpus Christi	53	-9	-1	-23	5
Dallas	52	2	2	-19	7
El Paso	33	-4	3	-25	-2
Fort Worth	53	-3	2	-23	5
Houston	56	-4	5	-18	-4
San Antonio	45	-1	1	-12	0
Shreveport, La.	31	-9	-6	-24	-4
Waco	45	-15	-4	-23	-13
Other cities	34	-4	1	-20	-3

#### SALES AT FURNITURE STORES AND HOUSEHOLD APPLIANCE STORES

(Percentage change in retail value)

Line of trade by area	December 1957 from		12 mos. 1957 comp. with 12 mos. 1956
	November 1957	December 1956	
<b>FURNITURE STORES</b>			
Total Eleventh District	35	0	2
Amarillo	30	-1	-
Austin	34	5	7
Dallas	21	-8	-8
Houston	66	4	3
Lubbock	53	-12	-
San Antonio	42	9	2
Shreveport, La.	42	5	7
Wichita Falls	-1	-14	-8
Other cities	25	-8	2
<b>HOUSEHOLD APPLIANCE STORES</b>			
Total Eleventh District	14	-16	-
Dallas	16	-13	-

New car registrations in the Dallas, Fort Worth, Houston, and San Antonio metropolitan areas in December rose 10 percent above December 1956. The only month-to-month decrease occurred in Dallas, where registrations declined 2 percent from November. San Antonio showed a 3-percent gain, while Fort Worth and Houston registered increases of 13 percent and 22 percent, respectively. For the four areas, the total gain in new car registrations from 1956 to 1957 was 10 percent, or the same as for December. Dallas led the year-to-year advances with an increase of 16 percent, followed by Houston with a rise of 9 percent. Registrations in Fort Worth and San Antonio gained 6 percent and 5 percent, respectively.



Agricultural activity during the past month in most of the District was seasonally slow. During January, snow or rain fell in many parts of the District, delaying preparation of soils and interrupting harvesting operations in winter vegetable areas. Heavy snows occurred in the High Plains areas of New Mexico and Texas. Little drifting of the snow occurred, and it melted where it fell, adding further to the excellent soil moisture conditions in winter wheat areas.

Small grains generally remain in good condition, although cold weather has checked development somewhat. In eastern sections of the District, small grain fields in many areas are saturated; and clear, sunny weather is needed. Acreage seeded to winter wheat for harvest this year in the District states is placed, as of December 1, at 8 percent above seedings for the 1957 crop; and production is estimated at 117,109,000 bushels, or 43 percent greater than output last year.

The precipitation benefited citrus trees, and harvesting of the crop continues active. Shipments of citrus fruits have been particularly heavy as a result of the mid-December freeze in Florida, and the shortage of fruit has brought advances in prices. Fortunately, damage to fruit in Texas and Arizona was relatively light.

Forage conditions in the major range states of the District remain sharply improved from those at the same time last year. Livestock are wintering in satisfactory condition as a result of generally abundant grazing from native pastures and from stubble and wheat fields. Supplemental feeding has increased slightly because of cold weather and wet and snow-covered fields, which prevent cattle from utilizing forage. The demand for cattle and sheep continues strong. Reflecting the im-

**WINTER WHEAT**  
Five Southwestern States

Area	ACREAGE SEEDED (In thousands of acres)			PRODUCTION (In thousands of bushels)		
	Crop of 1958	Crop of 1957	Crops of 1946-55	Crop of 1958 <sup>1</sup>	Crop of 1957	Crops of 1946-55
Arizona.....	104	69	27	3,328	2,142	617
Louisiana.....	139	132	335	1,807	1,344	374
New Mexico.....	312	297	594	3,120	1,732	2,526
Oklahoma.....	4,490	4,276	6,432	62,860	43,025	72,900
Texas.....	3,538	3,159	5,988	45,994	33,669	47,339
Total.....	8,583	7,933	13,076	117,109	81,912	123,756

<sup>1</sup> Indicated December 1, 1957.

<sup>2</sup> Short-time average.

SOURCE: United States Department of Agriculture.

**LIVESTOCK RECEIPTS**  
Major Southwestern Livestock Markets  
(Number)

Class	January—December		Percentage decrease
	1957	1956	
Cattle.....	859,997	1,243,446	-31
Calves.....	346,036	467,479	-26
Hogs.....	598,617	726,723	-18
Sheep <sup>1</sup> .....	1,059,050	1,459,826	-27

<sup>1</sup> Includes goats.

SOURCES: Fort Worth Stockyards, Fort Worth, Texas.  
Union Stock Yards, San Antonio, Texas.

proved feed conditions in the Southwest during 1957, livestock receipts at major southwestern markets were sharply below those in 1956. Receipts of cattle and calves decreased 30 percent, and those for sheep were 27 percent below the 1956 total.



In the 4 weeks ended January 15, weekly reporting member banks in the Eleventh Federal Reserve District acquired \$14.4 million of deposits. The banks showed a

\$38.4 million decline in total investments and a net repayment of \$1.5 million in gross loans but added \$46 million to their cash holdings. During the comparable weeks a year ago, total deposits decreased, and loans showed a steeper decline than in the recent 4-week period.

The largest change in the loan category occurred in commercial and industrial loans, which rose \$23.6 million. Borrowings of sales finance companies accounted for \$13.8 million of this increase; except for several small seasonal decreases, the remaining categories showed moderate gains. In the corresponding period a year earlier, commercial and industrial borrowings rose only \$3.2 million.

The banks were net sellers of all classes of investment securities. Liquidating \$12.8 million of non-Govern-

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

Eleventh Federal Reserve District  
(In thousands of dollars)

Item	Jan. 15, 1958	Dec. 18, 1957	Jan. 16, 1957
<b>ASSETS</b>			
Commercial and industrial loans.....	\$1,504,343	\$1,480,771	\$1,505,804
Agricultural loans.....	25,690	23,844	25,547
Loans to brokers and dealers in securities.....	17,217	18,591	28,862
Other loans for purchasing or carrying securities.....	167,345	167,618	143,229
Real-estate loans.....	196,343	196,248	199,322
Loans to banks.....	29,720	48,756	14,746
All other loans.....	630,201	636,498	579,819
Gross loans.....	2,570,859	2,572,326	2,497,329
Less reserves and unallocated charge-offs..	44,734	42,482	41,428
Net loans.....	2,526,125	2,529,844	2,455,901
U. S. Treasury bills.....	75,954	87,579	85,645
U. S. Treasury certificates of indebtedness.....	101,456	103,006	62,026
U. S. Treasury notes.....	189,766	194,282	201,175
U. S. Government bonds (inc. gtd. obligations)...	797,599	805,499	804,905
Other securities.....	267,237	280,052	241,078
Total investments.....	1,432,012	1,470,418	1,394,829
Cash items in process of collection.....	476,883	480,165	457,865
Balances with banks in the United States.....	497,114	495,312	494,185
Balances with banks in foreign countries.....	1,183	1,991	1,817
Currency and coin.....	49,672	53,957	46,912
Reserves with Federal Reserve Bank.....	613,542	560,979	570,167
Other assets.....	187,708	185,478	195,679
<b>TOTAL ASSETS.....</b>	<b>5,784,239</b>	<b>5,778,144</b>	<b>5,617,355</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Demand deposits</b>			
Individuals, partnerships, and corporations....	2,834,983	2,806,174	2,917,033
United States Government.....	26,443	78,047	22,979
States and political subdivisions.....	192,554	183,503	206,607
Banks in the United States.....	1,013,018	1,023,245	961,045
Banks in foreign countries.....	16,969	17,013	16,369
Certified and officers' checks, etc.....	81,928	64,710	61,005
Total demand deposits.....	4,165,895	4,172,692	4,185,038
<b>Time deposits</b>			
Individuals, partnerships, and corporations....	808,817	793,782	733,922
United States Government.....	12,125	12,125	12,335
Postal savings.....	421	421	452
States and political subdivisions.....	198,200	192,190	130,500
Banks in the U. S. and foreign countries.....	6,938	6,743	6,955
Total time deposits.....	1,026,501	1,005,261	884,164
Total deposits.....	5,192,396	5,177,953	5,069,202
Bills payable, rediscounts, etc.....	23,350	22,515	8,500
All other liabilities.....	95,894	105,992	106,860
Total capital accounts.....	472,599	471,684	432,793
<b>TOTAL LIABILITIES AND CAPITAL.....</b>	<b>5,784,239</b>	<b>5,778,144</b>	<b>5,617,355</b>

**RESERVE POSITIONS OF MEMBER BANKS**

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	December 1957	November 1957	December 1956
<b>RESERVE CITY BANKS</b>			
Reserve balances.....	\$ 563,792	\$ 553,394	\$ 570,760
Required reserves.....	553,765	546,737	557,801
Excess reserves.....	10,027	6,657	12,959
Borrowings.....	16,727	21,243	28,647
Free reserves.....	-6,700	-14,586	-15,688
<b>COUNTRY BANKS</b>			
Reserve balances.....	459,207	455,570	464,040
Required reserves.....	412,810	408,538	413,644
Excess reserves.....	46,397	47,032	50,396
Borrowings.....	8,968	11,533	2,752
Free reserves.....	37,429	35,499	47,644
<b>MEMBER BANKS</b>			
Reserve balances.....	1,022,999	1,008,964	1,034,800
Required reserves.....	966,575	955,275	971,445
Excess reserves.....	56,424	53,689	63,355
Borrowings.....	25,695	32,776	31,399
Free reserves.....	30,729	20,913	31,956

**ANNUAL BANK DEBITS AND ANNUAL RATE OF TURNOVER OF DEMAND DEPOSITS**

(Dollar amounts in thousands)

Area	Debits to demand deposit accounts <sup>1</sup>			Demand deposits <sup>1</sup>	
	1957	1956	Percentage increase	Annual rate of turnover	
				1957	1956
<b>ARIZONA</b>					
Tucson.....	\$ 1,999,489	\$ 1,915,248	4	19.8	18.7
<b>LOUISIANA</b>					
Monroe.....	843,694	771,198	9	15.7	15.2
Shreveport.....	3,257,289	3,091,577	5	17.1	16.5
<b>NEW MEXICO</b>					
Roswell.....	363,543	338,490	7	13.1	12.2
<b>TEXAS</b>					
Abilene.....	999,209	894,372	12	16.5	15.4
Amarillo.....	2,113,119	1,930,866	9	20.1	17.8
Austin.....	1,945,982	1,781,538	9	15.9	15.4
Beaumont.....	1,865,993	1,650,313	13	17.1	15.3
Corpus Christi.....	2,264,274	2,079,124	9	20.1	19.1
Corsicana.....	191,665	184,683	4	8.6	8.5
Dallas.....	27,016,545	25,580,204	6	27.2	25.9
El Paso.....	3,364,965	3,009,077	12	23.7	22.4
Fort Worth.....	8,361,574	8,030,910	4	22.9	21.8
Galveston.....	1,167,929	1,089,261	7	16.6	15.3
Houston.....	28,058,919	26,883,213	4	23.0	22.0
Laredo.....	292,092	270,002	8	14.6	13.9
Lubbock.....	1,793,517	1,663,662	8	17.8	17.4
Port Arthur.....	785,070	674,516	16	17.6	15.2
San Angelo.....	573,016	535,699	7	13.2	11.7
San Antonio.....	6,145,961	5,808,583	6	18.0	16.7
Texarkana <sup>2</sup> .....	234,371	232,310	1	14.5	13.6
Tyler.....	979,840	905,819	8	16.0	15.2
Waco.....	1,109,361	1,051,692	5	17.2	15.8
Wichita Falls....	1,196,132	1,181,554	1	11.5	11.3
<b>Total—24 cities....</b>	<b>\$96,923,549</b>	<b>\$91,553,911</b>	<b>6</b>	<b>21.6</b>	<b>20.5</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 one bank located in the Eighth District, amounted to \$480,266,000 during 1957.

ment securities, the weekly reporting banks also disposed of \$7.9 million of Government bonds and \$4.5 million of Treasury notes. In addition, short-term Government securities, particularly Treasury bills, were sold or redeemed.

Demand deposit holdings decreased \$6.8 million in the 4 weeks. The United States Government claimed \$51.6 million from its balances, and domestic correspondents withdrew \$10.2 million. Personal and business accounts rose \$28.8 million, however, and smaller increases were posted in state and local government balances and sight drafts outstanding. Time balances rose \$21.2 million, with individual and business accounts contributing 70 percent of the increase.

**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: December.	\$7,541	\$3,657	\$3,884	\$1,309	\$764	\$545
1956: December.	7,682	3,731	3,951	1,396	760	636
1957: August....	7,258	3,539	3,719	1,639	884	755
September.	7,312	3,585	3,727	1,649	891	758
October....	7,506	3,593	3,913	1,651	888	763
November.	7,327	3,524	3,803	1,644	879	765
December.	7,496	3,646	3,850	1,656	883	773

In December, Eleventh District member banks held daily average free reserves of \$30.7 million, which represents a \$9.8 million increase over November but is \$1.2 million below December 1956. Despite a \$7.1 million reduction in borrowings from the Federal Reserve Bank, the member banks showed an increase of \$14 million in reserve balances, more than offsetting the seasonal expansion in required reserves.

Gold certificate reserves of the Federal Reserve Bank of Dallas increased \$77 million in the 4 weeks ended January 15 and showed an even larger year-to-year expansion. Total earning assets registered a \$14.1 million decrease, reflecting mainly the \$12.4 million decline in member bank discounts.



Although crude oil production in early January remained steady at a level sharply below a year earlier, an excess supply situation still prevails in the petroleum industry. The problem was intensified by the recent substantial increase in imports, combined with markedly less than normal withdrawals from inventories. As a general result of the oversupply condition, there were scattered reductions in product prices; crude oil prices were cut in southwest Texas and the Illinois Basin.

Demand for the major products showed a 5-percent gain in the 5 weeks ended January 17, reflecting sharply increased sales of light heating oils. Although colder than last year, the heating season thus far has been moderately warmer than normal; and movement of residual fuel oil has lagged because of slower industrial activity. Total demand was 5 percent below the comparable period a year ago, when sales were swollen by abnormal exports.

Total imports, rising to a near-record level in early January, averaged 1,545,000 barrels daily in the 5 weeks ended January 17. This is 8 percent above the prior 5-week period and 12 percent greater than a year earlier. The President has requested that the voluntary program for controlling imports be extended to the West Coast.

District crude oil production in early January averaged 3,104,000 barrels daily, which is unchanged from the December level but is 12 percent under January 1957. National production showed a year-to-year decline of 8 percent. For February production, the Texas Railroad Commission has adopted a record-low producing schedule of 11 days, although total allowables

have been increased 32,510 barrels per day. Louisiana and New Mexico allowables remain steady at the January level. Crude stocks in the Nation were unchanged in early January but, at 276,737,000 barrels on January 11, were 7 percent greater than a year ago.

Crude runs to refinery stills in the District, averaging 2,205,000 barrels daily in early January, were 1 percent above December but 9 percent below a year earlier. National refinery operations decreased slightly in the first part of January and were 6 percent less than a year ago.

Total products stocks declined 3 percent in early January to total 419,337,000 barrels on January 17, or 12 percent above the comparable date in 1957. Gasoline stocks were 5 percent greater than a year ago, but the largest year-to-year gains were recorded in distillate and residual fuel oil stocks, which were, respectively, 18 percent and 41 percent higher.

#### NATURAL GAS: MARKETED PRODUCTION

(In millions of cubic feet)

Area	Third quarter 1957	Second quarter 1957	Third quarter 1956
Louisiana.....	424,000	480,000	439,200
New Mexico.....	178,600	157,900	145,600
Oklahoma.....	143,500	166,600	157,300
Texas.....	1,268,300	1,277,600	1,222,400
Total.....	2,014,400	2,082,100	1,964,500

SOURCE: United States Bureau of Mines.



Employment in nonagricultural pursuits in the five District states rose 52,000 from November to reach 4,375,900 in December. This level is 1.1 percent above

December 1956, but the month-to-month increase is less than the 60,600 gain in the corresponding period of 1956. Trade and government employment, expanded by Christmas-season shopping and Post Office activity, accounted for the largest increases over November. Construction employment rose contraseasonally, after being slowed by bad weather in November. Manufacturing employment showed a decline, but the average workweek in Texas manufacturing rose sharply from 40.5 hours to 41.3 hours.

Total unemployment in Texas reflected a measure of weakness in December by increasing 1,500, or contraseasonally, to reach 150,900 — which is 4.7 percent of the labor force, compared with a rate of 4.0 percent in December 1956.

Construction contracts awarded in the southwestern states during November totaled \$219 million. While 4 percent above a year earlier, this value is 10 percent below the October level and reflects a narrowing of the year-to-year margin of gain. During the first 11 months of 1957, total awards were up 9 percent from the corresponding period of 1956, with residential contracts showing a gain of 12 percent and "all other" construction awards up 7 percent. Partially complete reports indicate a rise in construction awards and activity during December.

Government orders to District manufacturers showed an upturn during the past few weeks. Firm new orders announced recently include \$333 million to a Dallas company for aircraft and missiles, \$19 million to a Tucson plant for missiles, and \$5 million to a Dallas electronics firm for radar systems.

Growth in the number of new businesses in the District apparently continued during 1957. In Texas, 1,286 new businesses with four or more employees were established, with 24,914 employees. This growth was substantially higher than in 1956, when 981 new firms, with 19,639 employees, opened for business. However, dollar expenditures for new plants and additions to plants appear to have declined. In a south-central region including Oklahoma and Texas, the value of construction contracts awarded for private non-residential buildings during the first 11 months of 1957 decreased 13 percent from a year ago. For this same period, total awards for nonresidential buildings reflected decreases of 19 percent in Texas and 13 percent in the five District states, whereas there was practically no change in the Nation.

#### NONAGRICULTURAL EMPLOYMENT

Five Southwestern States<sup>1</sup>

Type of employment	Number of persons			Percent change Dec. 1957 from	
	December 1957P	November 1957	December 1956r	Nov. 1957	Dec. 1956
Total nonagricultural wage and salary workers..	4,375,900	4,323,900	4,326,700	1.2	1.1
Manufacturing.....	767,700	779,900	779,900	-1.6	-1.6
Nonmanufacturing.....	3,608,200	3,544,000	3,546,800	1.8	1.7
Mining.....	258,100	258,200	259,600	.0	-.6
Construction.....	302,900	300,100	302,700	.9	.1
Transportation and public utilities.....	403,000	403,300	410,900	-.1	-1.9
Trade.....	1,190,800	1,140,800	1,158,900	4.4	2.8
Finance.....	183,400	183,000	178,300	.2	2.9
Service.....	519,200	518,700	499,700	.1	3.9
Government.....	750,800	739,900	736,700	1.5	1.9

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

p — Preliminary.

r — Revised.

SOURCE: State employment agencies.

**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>			
	December 1957	Percentage change from		Dec. 31, 1957	Annual rate of turnover		
		Nov. 1957	Dec. 1956		Dec. 1957	Nov. 1957	Dec. 1956
<b>ARIZONA</b>							
Tucson.....	\$ 182,198	9	8	\$ 107,224	21.0	20.0	19.2
<b>LOUISIANA</b>							
Monroe.....	72,014	7	2	53,720	16.0	15.4	14.6
Shreveport.....	271,995	6	-1	193,520	17.2	16.7	16.7
<b>NEW MEXICO</b>							
Roswell.....	34,092	19	12	28,473	14.4	12.2	11.9
<b>TEXAS</b>							
Abilene.....	93,243	19	19	61,052	18.8	16.2	14.8
Amarillo.....	198,355	17	10	111,798	21.8	19.3	19.6
Austin.....	160,984	13	10	131,741	15.4	14.4	15.2
Beaumont.....	170,013	13	23	115,233	17.9	16.0	14.4
Corpus Christi.....	179,243	0	-1	119,113	18.5	19.0	18.7
Corsicana.....	17,508	18	3	23,290	9.4	8.3	9.1
Dallas.....	2,609,625	24	6	1,076,712	30.2	25.4	28.3
El Paso.....	332,623	16	11	153,951	26.9	24.2	24.7
Fort Worth.....	762,838	21	1	359,820	25.4	21.0	23.4
Galveston.....	98,164	-1	-3	72,497	16.6	17.4	16.2
Houston.....	2,562,168	17	2	1,243,295	24.7	21.8	23.9
Laredo.....	26,499	2	5	21,233	15.2	15.5	15.2
Lubbock.....	189,056	6	10	119,074	20.8	21.7	18.0
Port Arthur.....	70,915	3	13	46,160	18.2	17.9	16.7
San Angelo.....	54,033	21	18	42,606	15.5	13.0	11.8
San Antonio.....	552,560	12	7	352,838	19.0	17.2	17.3
Texarkana <sup>2</sup> .....	18,902	0	-6	16,954	13.8	14.0	14.0
Tyler.....	84,719	12	2	65,831	16.2	15.0	15.7
Waco.....	96,168	5	6	67,419	17.5	17.0	15.7
Wichita Falls.....	106,727	13	3	112,685	11.9	11.0	11.8
<b>Total—24 cities.....</b>	<b>\$8,944,642</b>	<b>17</b>	<b>5</b>	<b>\$4,696,239</b>	<b>22.3</b>	<b>20.5</b>	<b>21.8</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 one bank located in the Eighth District, amounted to \$41,342,000 for the month of December 1957.

**CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS**

(In thousands of dollars)

Item	Jan. 15, 1958	Dec. 18, 1957	Jan. 16, 1957
Total gold certificate reserves.....	\$ 840,161	\$763,181	\$ 719,995
Discounts for member banks.....	14,000	26,436	1,700
Other discounts and advances.....	260	286	1,300
U. S. Government securities.....	923,169	924,846	959,488
Total earning assets.....	937,429	951,568	962,488
Member bank reserve deposits.....	1,024,987	975,910	1,004,654
Federal Reserve notes in actual circulation.....	735,042	745,483	708,918

**CRUDE OIL: DAILY AVERAGE PRODUCTION**

(In thousands of barrels)

Area	Change from				
	December 1957 <sup>1</sup>	November 1957 <sup>1</sup>	December 1956 <sup>2</sup>	November 1957	December 1956
<b>ELEVENTH DISTRICT.....</b>	<b>3,088.3</b>	<b>3,081.6</b>	<b>3,466.2</b>	<b>6.7</b>	<b>-377.9</b>
Texas.....	2,717.3	2,718.9	3,089.1	-1.6	-371.8
Gulf Coast.....	538.0	536.2	611.0	1.8	-73.0
West Texas.....	1,164.5	1,164.2	1,310.5	.3	-146.0
East Texas (proper).....	160.1	161.7	209.1	-1.6	-49.0
Panhandle.....	103.7	103.5	102.3	.2	1.4
Rest of State.....	751.1	753.2	856.2	-2.1	-105.1
Southeastern New Mexico.....	257.4	249.5	245.2	7.9	12.2
Northern Louisiana.....	113.6	113.1	131.9	.5	-18.3
<b>OUTSIDE ELEVENTH DISTRICT.....</b>	<b>3,806.0</b>	<b>3,737.9</b>	<b>3,910.7</b>	<b>68.1</b>	<b>-104.7</b>
<b>UNITED STATES.....</b>	<b>6,894.3</b>	<b>6,819.5</b>	<b>7,376.9</b>	<b>74.8</b>	<b>-482.6</b>

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

**CONDITION STATISTICS OF ALL MEMBER BANKS**

Eleventh Federal Reserve District

(In millions of dollars)

Item	Dec. 25, 1957	Nov. 27, 1957	Dec. 26, 1956
<b>ASSETS</b>			
Loans and discounts.....	\$4,107	\$4,052	\$3,985
United States Government obligations.....	2,440	2,375	2,444
Other securities.....	687	692	610
Reserves with Federal Reserve Bank.....	1,007	995	943
Cash in vault <sup>e</sup> .....	130	135	159
Balances with banks in the United States.....	1,110	1,005	1,193
Balances with banks in foreign countries <sup>e</sup> .....	2	2	2
Cash items in process of collection.....	551	464	481
Other assets <sup>e</sup> .....	258	251	258
<b>TOTAL ASSETS<sup>e</sup>.....</b>	<b>10,292</b>	<b>9,971</b>	<b>10,075</b>
<b>LIABILITIES AND CAPITAL</b>			
Demand deposits of banks.....	1,208	1,033	1,172
Other demand deposits.....	6,446	6,322	6,590
Time deposits.....	1,672	1,648	1,399
<b>Total deposits.....</b>	<b>9,326</b>	<b>9,003</b>	<b>9,161</b>
Borrowings <sup>e</sup> .....	23	48	24
Other liabilities <sup>e</sup> .....	124	117	132
Total capital accounts <sup>e</sup> .....	819	803	758
<b>TOTAL LIABILITIES AND CAPITAL<sup>e</sup>.....</b>	<b>10,292</b>	<b>9,971</b>	<b>10,075</b>

<sup>e</sup>—Estimated.

**BUILDING PERMITS**

VALUATION (Dollar amounts in thousands)

Area	Percentage change						
	NUMBER		Dec. 1957 from				
	Dec. 1957	12 mos. 1957	Dec. 1957	12 mos. 1957	Nov. 1957	Dec. 1956	12 mos. 1957 comp. with 12 mos. 1956
<b>ARIZONA</b>							
Tucson.....	283	4,797	\$ 484	\$ 18,943	-17	-54	-21
<b>LOUISIANA</b>							
Shreveport.....	334	5,102	1,307	23,327	-1	-51	-16
<b>TEXAS</b>							
Abilene.....	97	1,479	1,261	14,940	2	168	-32
Amarillo.....	186	2,740	1,792	26,088	-12	-31	27
Austin.....	162	2,630	1,498	43,319	-52	-41	-5
Beaumont.....	229	4,048	631	17,405	-48	17	11
Corpus Christi.....	240	3,760	2,999	17,873	264	172	-10
Dallas.....	1,269	22,368	7,335	140,052	-42	-8	-1
El Paso.....	447	5,054	3,352	35,910	3	85	28
Fort Worth.....	380	7,112	3,522	57,968	-40	-20	13
Galveston.....	72	1,585	92	4,094	-73	-89	-20
Houston.....	1,087	15,208	13,719	215,870	37	61	43
Lubbock.....	105	2,335	717	28,972	-51	-63	20
Port Arthur.....	126	2,919	334	5,745	-31	21	13
San Antonio.....	1,082	17,360	3,608	51,376	-4	-24	-15
Waco.....	161	4,250	498	14,145	-33	-40	-16
Wichita Falls.....	84	1,643	670	12,837	-38	43	37
<b>Total—17 cities.....</b>	<b>6,344</b>	<b>104,390</b>	<b>\$43,819</b>	<b>\$728,864</b>	<b>-12</b>	<b>2</b>	<b>9</b>

**VALUE OF CONSTRUCTION CONTRACTS AWARDED**

(In thousands of dollars)

Area and type	January—November				
	November 1957	October 1957	November 1956	1957	1956
<b>FIVE SOUTHWESTERN STATES<sup>1</sup>.....</b>	<b>\$ 219,036</b>	<b>\$ 244,369</b>	<b>\$ 209,916</b>	<b>\$ 3,146,480</b>	<b>\$ 2,891,588</b>
Residential.....	89,333	112,950	72,931	1,218,649	1,084,992
All other.....	129,703	131,419	136,985	1,927,831	1,806,596
<b>UNITED STATES.....</b>	<b>2,370,699</b>	<b>2,613,791</b>	<b>2,377,306</b>	<b>30,211,070</b>	<b>29,554,959</b>
Residential.....	929,987	1,165,380	900,001	12,300,425	12,162,837
All other.....	1,440,712	1,448,411	1,477,305	17,910,645	17,392,122

<sup>1</sup> Arizona, Louisiana, New Mexico, Oklahoma, and Texas. SOURCE: F. W. Dodge Corporation.