



BUSINESS REVIEW

MAY 1958
Vol. 43, No. 5

THE CONTINENTAL SHELF — A PETROLEUM FRONTIER

One of the principal unexplored frontiers in the Southwest — as colorful and dangerous, but potentially rewarding, as the frontiers of the past — is the Gulf of Mexico, especially the energy resources which lie beneath the floor of the gulf. Under water less than 120 feet deep is a vast area with virtually untapped reserves of oil and gas. Over this area, an armada of ships and men is steadily probing for the unseen treasure. The costs of this search are enormous, but the return is already more valuable than the pirates' gold carried over these waters for many years.

The submerged continental shelf of Louisiana and Texas is one of the largest known sources of petroleum remaining in the Nation. Encompassing an area larger than New Hampshire, Vermont, and Massachusetts within the 120-foot limit, the shelf extends 50 miles into the ocean at the Rio Grande and 140 miles off southwest Louisiana and then narrows to 12 miles at the southern point of the Mississippi River Delta. The principal producing strata in the offshore area are a continuation of the prolific onshore Miocene trend, which dips gently but thickens appreciably seaward. Offshore wells drilled to depths of over 15,000 feet have failed to penetrate the complete section, which is estimated to have a maximum thickness of 25,000 to 30,000 feet. Uplifts caused by salt domes in this Miocene section form the structural traps for the major oil and gas fields found in the area.

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS

Drilling and Exploration

Offshore drilling is a hazardous, expensive operation with problems evident in every aspect, including the isolated location of operations, adverse weather, and other natural difficulties, such as corrosion. The engineering solutions to these problems have been imaginative and highly successful. For example, the difficulty in moving drilling equipment over water has led to the development of the whipstock for directional drilling (drilling at a slant), since the derrick on a fixed offshore platform cannot be moved for offset wells, as is done on land. Transporting equipment and men to offshore platforms is expensive and often requires novel techniques. Drilling crews must be rotated regularly, often on a 10-day-on and 5-day-off basis. The use of helicopters for shore-to-platform transportation is increasing and has proved to be an effective safeguard in evacuating personnel when storms or hurricanes threaten in the gulf.

Three major types of structures are used in offshore drilling — namely, the mobile platform, the small fixed platform served by a floating tender, and the permanent drilling platform. A fourth type — the floating drilling barge — has just appeared on the scene and, following further development, should become more common. The mobile unit is the most popular structure for exploratory drilling, being used currently for approximately 85 percent of wildcat wells. The small fixed platforms with floating tenders are used for the remainder of exploratory drilling and for approximately one-half of development drilling, while the permanent platforms account for the other half.

Although mobile units are of diverse design, the basic characteristic of all of them is the ability to be moved easily over water to new drilling locations, where the supports are lowered to the floor. The base support may be a floating hull, which is sunk to the bottom, or legs that are driven into the floor of the gulf. In the tender-platform method, the floating tender houses personnel and supplies and, in most cases, contains the drilling mud system and power unit, while the derrick itself is set on a small fixed platform. In contrast, the self-contained permanent platform is large enough to house personnel, besides providing space for supplies, the drilling rig, and auxiliary machinery.

Each of the major types of structures has its advantages, disadvantages, and specialized functions. Since the mobile platform can be moved economically and

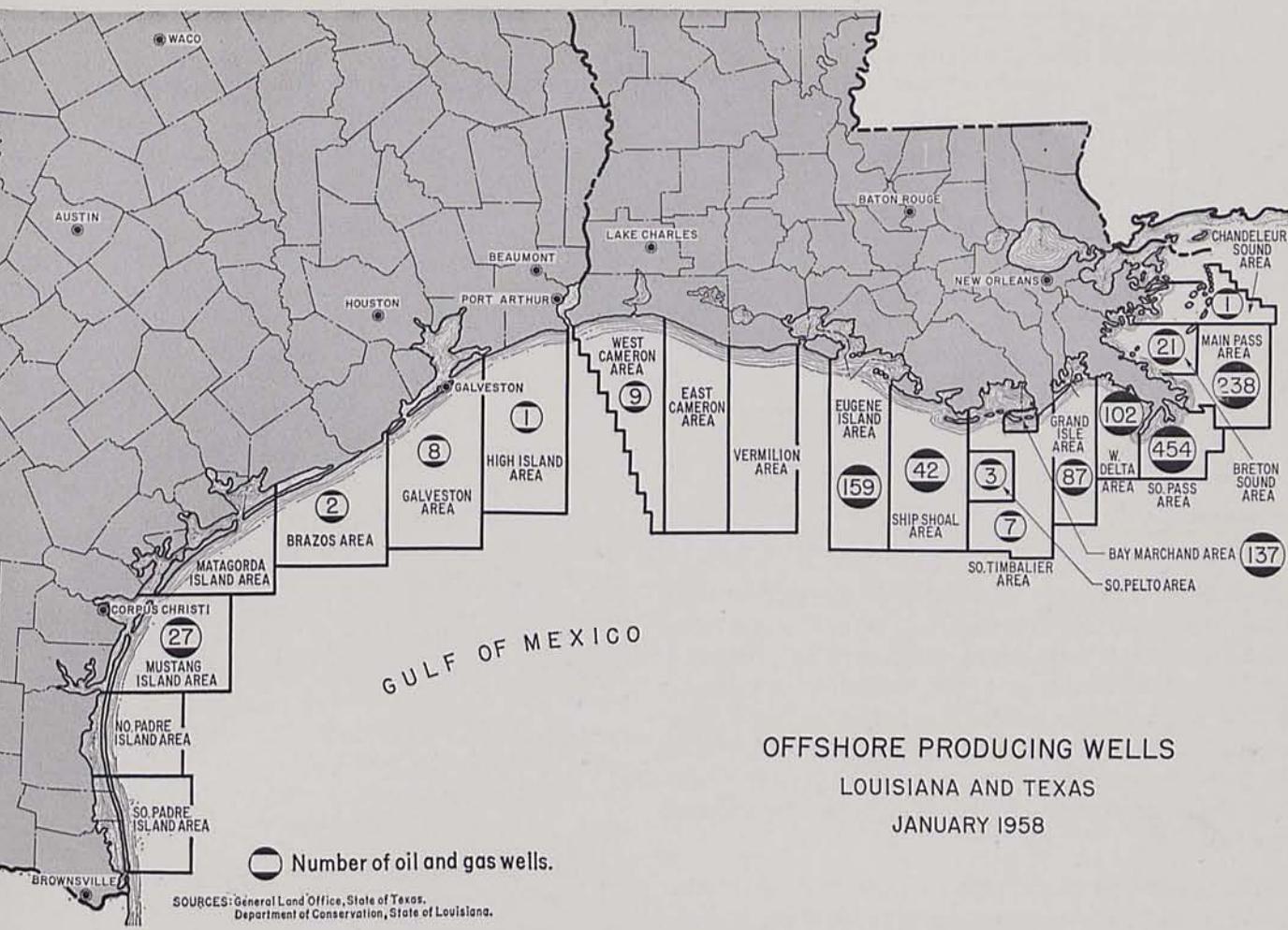
quickly over water, the greatest advantage of this structure is that a single unit can drill any number of wells. The cost of the vertical wells drilled by the mobile units is only half that of the directional wells brought in by the other types of structures. The major disadvantage of the mobile platform is the high capital outlay required, amounting to millions of dollars for each unit. The mobile platforms are also more vulnerable to adverse weather than the other structures and, compared with the self-contained platforms, appear to be potentially limited to shallower water.

The advantage of the small fixed platform is the low initial cost of the structure, which can easily be expanded into a self-contained unit. Up to six wells can be drilled directionally, and the rig can be skidded a few feet on the platform to permit the drilling of three to five additional wells. Although the difficulty involved in deep-water anchorage of tenders is approximately equal to the engineering problems in designing mobiles for greater depth, expansion plans of oil companies are reflecting a growing preference for the small platform method in exploratory drilling.

The self-contained platform — the third type of structure — has the lowest operational costs of any offshore structure and allows the economy of multiple drilling, with as many as 12 wells being drilled from one platform. Compared with other structures, the large fixed platform can be designed for the greatest depth — an advantage that will increase as drilling is extended farther into the gulf.

Even if other problems are met, drilling in the offshore areas is still subject to legal restrictions. In June 1950, the United States Supreme Court ruled that the state claims of ownership in the Tidelands area were invalid. Except for seismicographic work, operations in the gulf were subsequently paralyzed until Congress took action in 1953. In the Submerged Lands Act of May 1953, Congress grants to the states the submerged lands limited by the boundaries existing when each state became a member of the Union.

Passage of this act led to a sharp acceleration in activity, but in 1956, oil operations in the gulf were again greatly diminished by the conflict of border claims between the State of Louisiana and the United States. The United States Government claims that the state boundary extends only 3 miles into the gulf; moreover, there is a dispute as to the exact location of the shore line. After 4 months of inactivity in the extensive disputed area, an interim agreement was



signed by representatives of the State of Louisiana and the United States Government, and operations were quickly resumed.

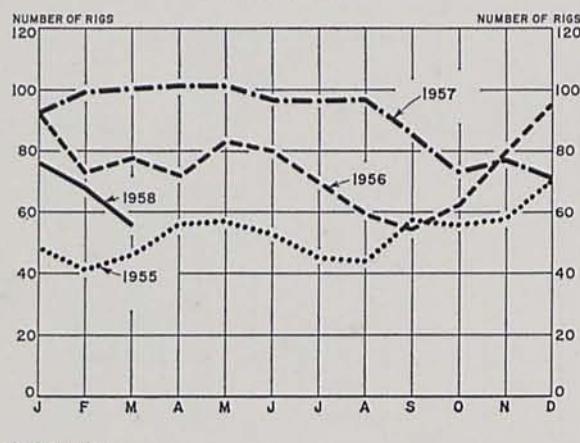
The first oil discovery in the Gulf of Mexico occurred in January 1938 with the completion of a well in the Creole field in 9 feet of water and 1 mile off the coast of Louisiana. Following this discovery, exploratory activity increased, but no further success was achieved until November 1947, when an oil well was brought in 11 miles off the coast of Terrebonne Parish, Louisiana. This well may be regarded as the first true offshore oil well, since it is located beyond the sight of land.

Because of the legal problems, offshore drilling was relatively slow until 1953; more than 80 percent of the total offshore investment has been made since then. There have been about 2,000 wells drilled in the offshore area thus far, 1,159 of which were drilled in 1956 and 1957. Offshore well completions in 1956

were approximately one-fifth more than in 1955 and totaled 479, of which 446 were drilled in the Louisiana area and 33 off Texas. Drilling during 1957 showed a 42-percent increase over 1956. Of the 680 wells completed, 648 were off the Louisiana coast and 32 were in the Texas zone. Although offshore drilling slackened in late 1957, the cumulative gain in completions was still impressive in view of the 7-percent national decline during the year. The slower pace continued during the first quarter of 1958, when the number of rigs operating in the gulf was only three-fifths as large as a year earlier.

The wildcat success ratio achieved thus far — over one-third — is sharply above the 11-percent rate on land. However, the degree of success varies widely between the offshore areas. In the Louisiana region, the ratio of successful wildcats in 1956 and 1957 was 52 percent and 45 percent, respectively. However, the cumulative results off the coast of Texas have been less

OFFSHORE DRILLING RIGS IN OPERATION LOUISIANA AND TEXAS



SOURCES: *World Oil*,
Hughes Tool Company.

satisfactory, since only 18 percent of the wildcat wells have produced. Nevertheless, 4 percent of the total offshore wildcats have struck fields capable of producing 25 million barrels or more; nationally, less than 1 in 400 wildcat wells results in a field that large. Consequently, the hydrocarbons found per well drilled in the gulf are estimated to be nine times greater; therefore, the costs in terms of proved reserves approximate those on land.

The magnitude of the potential and proved reserves found offshore is uncertain. In general, there has not been enough development drilling to evaluate the fields already discovered and thereby furnish reliable estimates of proved reserves. At the present time, the estimate of 13 billion barrels in potential crude oil reserves — 10 billion barrels off the Louisiana coast and 3 billion barrels in the Texas area — is widely accepted, and the consensus for ultimate gas reserves is 14 trillion cubic feet.

Production and Marketing

Offshore crude oil production in 1956, averaging about 113,000 barrels daily, almost doubled the 1955 flow. Reflecting more extensive pipeline connections and new wells, gas production increased sharply in 1956 to total 137 billion cubic feet, or virtually double the 1954 level. The Suez Canal closure caused a rise in offshore crude oil production to approximately 170,000 barrels per day in March 1957, representing a sharp gain from the 60,000 barrel-per-day average in mid-1955. Subsequently, the flow declined to average 144,000 barrels daily in 1957. Offshore output

accounted for about one-sixth of Louisiana's total production in that year, compared with 13 percent in 1956. Crude oil production in the Texas area during 1957 was much less impressive, with a daily average of somewhat below 1,000 barrels.

Natural gas production from the submerged areas averaged about 397 million cubic feet per day in 1957, with 2.5 million cubic feet coming from areas off the Texas coast and the remainder from the Louisiana area. This output is approximately 1 percent of the national total, whereas crude oil production from the offshore areas is about 2 percent of national production.

As in drilling, there are a number of major problems for offshore producers. Adverse weather directly affects costs of offshore production, causing delays, shutdowns, unusual equipment specifications, and expensive preparations for approaching storms. The offshore area experienced especially bad weather, including Hurricane Audrey, in 1957; and three fixed platforms, seven mobiles, and two tenders suffered losses and damages. Unsupervised automatic production of crude oil is being given increasing attention, and storm chokes, which shut in wells during adverse conditions, are standard equipment in the offshore area.

The use of barges is the most prevalent method of transporting crude oil. The advantage of barges as compared with pipelines is the lower capital expenditure required; however, as a result of high operational costs, the expense of barging oil is three to five times greater than for pipeline transportation.

The best method for transporting crude oil — and the only solution for marketing natural gas — from the offshore area is by pipeline. Pipeline transportation permits volume production, is not interrupted by adverse weather, and has the lowest operational costs. However, the great obstacle to the use of pipelines is the large capital outlay needed for construction. Besides the expense, building pipelines under water is an intricate technical operation easily affected by unfavorable weather and requiring specially designed equipment.

On the whole, pipeline facilities are inadequate and, for the most part, are only available for wells drilled close to shore. Consequently, almost one-fifth of the offshore oil wells and three-fourths of the gas wells are capped for lack of pipeline facilities. The pipeline

problem was eased somewhat in 1955 by the construction of a 50-mile underwater system leading to a number of deep-water wells and having a daily capacity of 30,000 barrels of crude oil. Increased connections for gas wells came with the completion of a new pipeline off Louisiana late last year. The first natural gas gathering system off the coast of Texas, in the Padre Island area, went into operation in November 1957.

Because of the isolated locations of well sites, effective communications are urgently required to coordinate production and to operate pipelines. In addition to serving ordinary supervisory and personnel needs, a communications network is an important factor in employee safety. The most prevalent method of communications is radio (the very high frequency or frequency modulation types), but as a result of increasing activity offshore, the radio channels have become very crowded. One major offshore operator has solved the problem by installing microwave radio, which insures complete privacy with a high order of dependability.

Costs of Offshore Operations

Although transportation and weather difficulties do exist, the major offshore problem currently is economic. The cost of drilling and equipping a well in the gulf is about eight times greater than the national average. Not only must the well be much deeper, but the cost per foot drilled is three times that on land. The offshore rig must be larger and more powerful and, consequently, requires five times as much steel. The rentals for drilling units vary from \$3,000 a day for a platform rig to \$8,000 per day for a mobile unit, while the capital expenditure required to purchase a mobile platform ranges from \$2 million to \$7 million. Moreover, the prices paid for leases have increased many-fold in the last decade. Louisiana sold its first leases in 1945 at \$5 an acre. The average bonus in the Louisiana area was about \$200 in 1957, although some leases have been priced in excess of \$2,000 an acre.

Offshore operations require a great financial outlay for little immediate receipts. The approximately 50 companies that operate offshore have invested over \$2 billion in the gulf and, thus far, have received only about \$400 million in gross income. At the present time, gross receipts equal only one-half of current expenses. Some operators estimate that income will be below operating expenses for the next 5 or 7 years,

and after that period, capital expenditures would have to be recouped.

Of all participants, the Federal and state governments have had the greatest financial success. Total receipts of the government jurisdictions in the gulf are \$577 million. Besides the bonus, or price of the lease, which is determined by bidding, operators must pay a rental on leases at the end of each year if no drilling or production is being carried on. For leases under Louisiana's control, the rental is one-half the bonus payment per acre. The rental in Texas has varied from 25 cents to \$5 per acre, while on Federal leases it is \$3 per acre. Moreover, there is a royalty equal to one-eighth of all production in the Louisiana area; the royalty is one-eighth to one-sixth in the Texas region and is one-sixth on Federal leases.

Although it has been leasing only since August 1953 (the effective date of the Outer Continental Shelf Lands Act), the United States Government has received \$309 million, which is over half the total receipts of the government jurisdictions. From bonuses, the Federal Government has received \$243 million, and rentals and royalties total \$27 million and \$33 million, respectively; shut-in gas payments are about \$1 million.

Louisiana has received \$142 million in bonuses since the State's first sale of leases in 1945. With rentals of \$23 million and royalties of \$35 million, Louisiana's cumulative receipts total \$205 million. Texas has the longest history in the sale of leases — its first lease was sold in 1922 — but has received the smallest revenue of all the government jurisdictions, reflecting the lagging activity in the Texas area. The initial discovery off the Texas coast, an oil well near Corpus Christi, was not made until 1954. Total receipts are \$63 million, of which bonuses total \$58 million. Rentals have yielded \$4 million, and the remainder of the Texas revenue has come from royalties and fees for exploration permits.

As a consequence of the mammoth capital expenditures required, most offshore activity has been conducted by the large oil companies. Another result has been the use of intercorporate organizations. A substantial share of the leasing has been made by groups of corporations.

Economic Impact of Offshore Operations

With investment expenditures in the billions of dollars and crude oil production equal to one-sixth of

Louisiana's total, offshore development has had a definite economic impact on the adjacent area. New office buildings of major oil companies in the locale, barracks, communications centers, shops, helicopter bases, storage tanks, and terminals have been built to handle the offshore business. The economic tempo of coastal villages has been quickened by the servicing of offshore rigs. As evidence of the effect on employment, during the boundary conflict in 1956, one-half of the offshore rigs and 30,000 men were idled.

The demand for the several types of marine craft needed to serve each rig has been a factor in stimulating manufacturing. A major steel company estimates miscellaneous vessel requirements — other than mobile drilling units and tenders — at 11,400 tons annually. The smaller gulf shipyards concentrate on building the special craft required for offshore crewmen, while the larger yards construct tenders and barges, mobile drilling rigs, and the great prefabricated platforms.

The typical offshore well requires more than five times the volume of tubular goods needed for the average onshore well. A major reason is the greater depth of the wells, and because of the telescoped casing, required tonnage increases at geometric rates. Also, it is common practice among operators to use large-diameter casing to avoid bottom-hole problems and to allow for multiple completions. Moreover, as a result of needed stand-by equipment, safety precautions, and marine equipment for tenders, one-third more nontubular steel is needed per well than onshore. Total offshore steel requirements are estimated at about 350,000 tons annually.

Outlook for Offshore Operations

The development of the submerged area will be inhibited by the same factors which have recently created problems for the domestic petroleum industry generally — namely, the oversupply situation and the competition of imports and foreign exploration. The expectation is that production allowables will continue at reduced levels, and there might be declines in the extra allowables permitted offshore wells.

In addition, certain other problems may become important to the offshore developments. For example, the high success ratio will probably diminish after the choicest locations have been explored and developed, although the ratio is likely to remain above that on land. The depth of wells, now averaging 9,500 feet

(or 2½ times deeper than onshore), is expected to become even deeper; and drilling will move into greater depths of water. Consequently, costs will increase, equipment will require further adaptation, and new methods — such as underwater completions — will have to be promoted.

The gain in production is expected to be greater than the substantial rise in drilling, since wells that have been shut in will be brought into use as transmission and gathering lines are extended. Besides, the reserves are so large relative to current output that substantial increases in production are not closely tied to further discoveries.

The brightest economic factor appears to be the prospect for accelerated sales of natural gas. Although gas has only been responsible for about 10 percent of offshore revenue, receipts from this urgently demanded product promise to increase sharply. In 1957, total offshore gas production showed a marked gain over the prior year, while output off Texas rose to almost seven times the 1956 rate. Since natural gas sales are negotiated by large-scale contracts, gas production will probably expand faster than crude oil output.

The submerged area has greatly improved Louisiana's status as a petroleum state. Offshore discoveries are largely responsible for the State's addition of 420 million barrels of proved oil reserves in 1956 and the gain of 182 million barrels in 1957. The Texas submerged area poses special problems, as its performance has been disappointing thus far. Not only is the success ratio below that in the Louisiana region, but the fields discovered and reserves proved have been much smaller. Therefore, drilling and production have been at low levels. Operators often attribute this unfortunate experience to the prevailing Miocene sands, which have not performed well onshore in Texas. Off Louisiana, thick rich sands alternate with shale; but in the Texas submerged area, the formations are massive sand sections with no shale layers or are sands only a few hundred feet thick alternating with broad shale layers that get even thicker seaward. Faults appear to be characteristic, in contrast to the prolific salt domes of the Louisiana region. Consequently, the structural pattern appears to be the major cause of the lag in Texas discoveries.

JAMES E. JENSEN
General Economist

BUSINESS REVIEW

BUSINESS, AGRICULTURAL, AND FINANCIAL CONDITIONS



During the 4 weeks ended April 16, commercial and industrial borrowing increased \$12.5 million at Eleventh District weekly reporting member banks, or appreciably more than a year earlier. The District's member banks reported substantial gains in their demand and time balances in March. Another cut in reserve requirements was announced by the Board of Governors of the Federal Reserve System.

Although rains hampered field work, considerable progress was made in planting spring crops during the past month. Small grain prospects remain very favorable; winter wheat production in the District states is placed at over three-fourths larger than the outturn in 1957. Ranges and pastures continue on the upgrade, and livestock are in good condition.

Southwestern nonagricultural employment decreased moderately during March to a level of 4,237,600. After allowing for normal seasonal changes, the March total reflected further weakness, but the seasonally adjusted rate of decline was less

than in February. Unemployment in Texas continued to rise, reaching a March level of 200,400, or 5.7 percent of the labor force.

Retail sales at District department stores in March showed much more than the usual seasonal gain over February but did not reflect the advantage of the earlier date of Easter. Inventories rose in anticipation of Easter trade but at the end of March were 4 percent below the same date last year.

New car registrations during March in the metropolitan areas of Dallas, Fort Worth, Houston, and San Antonio were 8 percent under February and 26 percent under March 1957.

Petroleum inventories showed an exceptionally large decline during March and early April. District crude oil production in the first part of April was slightly below the March average and was 28 percent, or 1,013,000 barrels per day, under the year-earlier level. For May production, the Texas Railroad Commission has retained the 8-day producing schedule, resulting in a cut of 42,537 barrels per day in total allowables.



Retail sales at Eleventh District department stores in March rose sharply over February, partly because of two additional business days, and were virtually unchanged from March 1957. March sales were supported by the earlier date of Easter, but pre-Easter buying was not sufficient to counteract the lower level of consumer spending — particularly for household durables.

Generally unfavorable weather conditions slowed Easter buying, and for the 2-week period prior to Easter, sales this year showed a small loss from a year ago. However, sales during Easter week were slightly above the comparable week of 1957.

For March the seasonally adjusted index of sales, which makes allowance for the difference in the num-

ber of trading days and includes the special Easter adjustment, was 153 percent of the 1947-49 average, compared with 143 percent for February and 159 percent for March 1957. Cumulative sales in the first quarter of this year, after adjustment for seasonal factors, were approximately 5 percent lower than in the same quarter in 1957.

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 |
| 1957: March..... | 137r | 159r | 177r | 168r |
| 1958: January..... | 123 | 156 | 149 | 170 |
| February..... | 112 | 143 | 158 | 163 |
| March..... | 137 | 153 | 170p | 162p |

r — Revised.

p — Preliminary.

DEPARTMENT STORE SALES AND STOCKS

(Percentage change in retail value)

| Area | NET SALES | | | STOCKS (End of month) | |
|------------------------------|----------------|--------------|--|--------------------------|--------------|
| | Mar. 1958 from | | 3 mos. 1958 comp. with 3 mos. 1957 | Mar. 1958 from | |
| | Feb. 1958 | Mar. 1957 | | Feb. 1958 | Mar. 1957 |
| Total Eleventh District..... | 33 | 0 | -3 | 8 | -4 |
| Corpus Christi..... | 32 | -3 | -6 | 7 | -4 |
| Dallas..... | 20 | 4 | 0 | 4 | 3 |
| El Paso..... | 29 | 0 | 0 | 14 | 3 |
| Fort Worth..... | 27 | -4 | -3 | 5 | -6 |
| Houston..... | 41 | -4 | -10 | 9 | -9 |
| San Antonio..... | 51 | 5 | 1 | 7 | -1 |
| Shreveport, La..... | 33 | -3 | -5 | 8 | -5 |
| Waco..... | 35 | -5 | -8 | 12 | -8 |
| Other cities..... | 30 | 1 | -1 | 11 | -6 |

SALES AT FURNITURE STORES AND HOUSEHOLD APPLIANCE STORES

(Percentage change in retail value)

| Line of trade by area | March 1958 from | | |
|-----------------------------------|------------------|---------------|--|
| | February 1958 | March 1957 | 3 mos. 1958 comp. with 3 mos. 1957 |
| FURNITURE STORES | | | |
| Total Eleventh District..... | 10 | -2 | 0 |
| Amarillo..... | 34 | -11 | -18 |
| Austin..... | 18 | 5 | -4 |
| Dallas..... | 15 | -11 | -7 |
| Houston..... | 15 | -4 | 5 |
| Lubbock..... | -13 | -16 | - |
| San Antonio..... | 4 | -6 | -3 |
| Shreveport, La..... | 11 | 11 | 9 |
| Wichita Falls..... | 29 | -22 | -21 |
| Other cities..... | -7 | 1 | -1 |
| HOUSEHOLD APPLIANCE STORES | | | |
| Total Eleventh District..... | -15 | -26 | - |
| Dallas..... | -22 | -31 | - |

End-of-March inventories and orders outstanding also reflected the influence of the earlier Easter date. Inventories were down 4 percent from a year earlier but were 8 percent higher than at the end of February. Merchandise on order at the end of March was 13 percent less than a year ago and 22 percent below the February level.

Credit customers of the District's department stores reduced their total outstanding balances during March by 3 percent. Regular charge accounts were reduced 3 percent, and instalment accounts were lowered 2 percent. Compared with the end of March last year, regular charge accounts were up 1 percent, while instalment balances declined 2 percent. As a percentage of outstanding balances, collections showed no significant change from either a month ago or a year ago.

New car registrations during March in the metropolitan areas of Dallas, Fort Worth, Houston, and San Antonio were 8 percent under February and 26 percent under March 1957. San Antonio, with a 3-percent increase, was the only one of the areas to register a gain over February. Year-to-year declines ranging from 24 percent to 29 percent occurred in the four areas.



Considerable progress in field preparation and planting was made during the past month over a large portion of the District. Field work was delayed from time to time by rains and local showers, but periods of open weather were long enough to permit planting of substantial acreages of corn, sorghums, and cotton.

In the Lower Valley and Coastal Bend of Texas, sorghums are making rapid growth, and much of the crop is up over the eastern half of the District. In some localities, poor seedbeds and cool temperatures prevented optimum germination of the seeds, and skippy stands have resulted. Cotton planting is well advanced in the central Blacklands and irrigated sections of the Trans-Pecos area of Texas and in southern counties of New Mexico and Arizona.

Small grain prospects continue exceptionally favorable, and the good surface and subsoil moisture supplies now available are likely to be adequate until near harvesting time. A few fields of wheat in the Low Rolling Plains are heading; and in the High Plains of Texas and New Mexico, the crop will begin heading soon. Winter wheat production in the Nation is indicated, as of April 1, at almost 964 million bushels, or a third larger than production in 1957. A crop this size would be the fourth largest winter wheat crop of record. In the District states, wheat output is placed at slightly over 142 million bushels, or almost three-fourths larger than the outturn last year and one-fifth greater than the 1947-56 average. The Texas winter wheat crop is indicated at two-thirds greater than production in 1957 and would be the largest crop since 1949.

Spring and early summer commercial vegetable prospects continue to improve in the Lower Valley of Texas, although many of the crops will be later than usual as a result of cool weather. Considerable

WINTER WHEAT PRODUCTION

Five Southwestern States

(In thousands of bushels)

| Area | 1958 Indicated April 1 | 1957 | Average 1947-56 |
|-----------------|------------------------------|--------|--------------------|
| Arizona..... | 4,316 | 2,142 | 735 |
| Louisiana..... | 1,182 | 1,344 | 1,537 |
| New Mexico..... | 4,056 | 1,732 | 2,353 |
| Oklahoma..... | 76,330 | 43,025 | 71,001 |
| Texas..... | 56,608 | 33,669 | 43,687 |
| Total..... | 142,492 | 81,912 | 118,313 |

¹ Short-time average.

SOURCE: United States Department of Agriculture.

acres of watermelons have been planted in the State and are up to good stands; planting of tomatoes in east Texas is virtually complete. Production of spring-crop vegetables is estimated, as of April 1, to be 2 percent larger than last year and 6 percent above the 1949-56 average.

Ranges and pastures throughout the District are furnishing lush grazing. Showers and warmer temperatures during the past month have resulted in excess forage in many areas. Range feed conditions in the District on April 1 were improved from a month earlier and were substantially better than both a year ago and the 1947-56 average.



In the 4 weeks ended April 16, weekly reporting banks in the Eleventh Federal Reserve District acquired \$214.5 million of deposits, expanded gross loans by \$30.8 million, and purchased \$149.4 million of investment securities. This sizable expansion in bank credit mirrored the greater availability of reserves to the banking system, resulting from the expansive moves adopted by the Federal Reserve System. In addition, the increase in bank credit stemmed, in part, from the Treasury's nonseasonal cash offering, which reflected the influence of the recession on the Treasury cash and budgetary position.

Loans for purchasing and carrying securities rose \$12.7 million, followed closely by a \$12.5 million expansion in commercial and industrial credits. In the comparable weeks a year earlier, business borrowing showed only a nominal increase. "All other loans" (mainly consumer credits) rose \$9 million during the 4 weeks.

Investment expansion was related largely to the Treasury cash offering during the period. The banks' holdings of Treasury notes—the only type of issue included in the new financing—increased \$92 million. Holdings of Government bonds and Treasury bills each rose about \$26 million, while certificate holdings showed a smaller gain.

Demand depositors placed an additional \$145.2 million into their accounts at the District's weekly reporting banks, with correspondent banks supplying more than half of the total gain. Treasury Tax and Loan Accounts, deposits of individuals and businesses, and state and local government accounts also moved upward. Demand deposits increased nearly \$144 mil-

CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

| Item | April 16, 1958 | March 19, 1958 | April 17, 1957 |
|--|-------------------|-------------------|-------------------|
| ASSETS | | | |
| Commercial and industrial loans..... | \$ 1,523,801 | \$ 1,511,330 | \$ 1,459,135 |
| Agricultural loans..... | 28,931 | 30,144 | 22,978 |
| Loans to brokers and dealers in securities..... | 31,996 | 29,445 | 22,099 |
| Other loans for purchasing or carrying securities..... | 177,669 | 167,509 | 149,597 |
| Real-estate loans..... | 202,212 | 199,386 | 193,561 |
| Loans to banks..... | 74,324 | 79,324 | 72,216 |
| All other loans..... | 636,710 | 627,742 | 596,379 |
| Gross loans..... | 2,675,643 | 2,644,880 | 2,450,965 |
| Less reserves and unallocated charge-offs..... | 44,857 | 44,937 | 42,459 |
| Net loans..... | 2,630,786 | 2,599,943 | 2,408,506 |
| U. S. Treasury bills..... | 116,446 | 90,419 | 79,630 |
| U. S. Treasury certificates of indebtedness..... | 71,272 | 64,696 | 110,009 |
| U. S. Treasury notes..... | 292,454 | 200,463 | 229,167 |
| U. S. Government bonds (inc. gtd. obligations)..... | 908,923 | 882,721 | 821,735 |
| Other securities..... | 279,987 | 281,409 | 255,774 |
| Total investments..... | 1,669,082 | 1,519,708 | 1,496,315 |
| Cash items in process of collection..... | 417,577 | 403,058 | 441,942 |
| Balances with banks in the United States..... | 490,312 | 502,208 | 467,051 |
| Balances with banks in foreign countries..... | 1,508 | 1,617 | 1,798 |
| Currency and coin..... | 46,410 | 46,781 | 45,438 |
| Reserves with Federal Reserve Bank..... | 599,254 | 565,363 | 569,570 |
| Other assets..... | 178,894 | 187,711 | 156,185 |
| TOTAL ASSETS | 6,033,823 | 5,826,389 | 5,586,805 |
| LIABILITIES AND CAPITAL | | | |
| Demand deposits | | | |
| Individuals, partnerships, and corporations..... | 2,800,920 | 2,776,306 | 2,831,535 |
| United States Government..... | 145,451 | 114,175 | 114,263 |
| States and political subdivisions..... | 206,829 | 196,131 | 197,174 |
| Banks in the United States..... | 1,030,604 | 955,186 | 898,988 |
| Banks in foreign countries..... | 16,686 | 14,813 | 15,895 |
| Certified and officers' checks, etc..... | 67,951 | 66,651 | 66,863 |
| Total demand deposits..... | 4,268,441 | 4,123,262 | 4,124,718 |
| Time deposits | | | |
| Individuals, partnerships, and corporations..... | 961,878 | 896,267 | 769,126 |
| United States Government..... | 12,125 | 12,125 | 12,420 |
| Postal savings..... | 421 | 421 | 421 |
| States and political subdivisions..... | 208,292 | 205,778 | 142,187 |
| Banks in the U. S. and foreign countries..... | 2,383 | 1,178 | 7,123 |
| Total time deposits..... | 1,185,099 | 1,115,769 | 931,277 |
| Total deposits..... | 5,453,540 | 5,239,031 | 5,055,995 |
| Bills payable, rediscounts, etc..... | 14,500 | 15,000 | 24,500 |
| All other liabilities..... | 85,325 | 94,527 | 64,821 |
| Total capital accounts..... | 480,458 | 477,831 | 441,489 |
| TOTAL LIABILITIES AND CAPITAL | 6,033,823 | 5,826,389 | 5,586,805 |

RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

| Item | March 1958 | February 1958 | March 1957 |
|---------------------------|---------------|------------------|---------------|
| RESERVE CITY BANKS | | | |
| Reserve balances..... | \$ 549,479 | \$ 553,762 | \$ 545,514 |
| Required reserves..... | 542,514 | 540,926 | 537,576 |
| Excess reserves..... | 6,965 | 12,836 | 7,938 |
| Borrowings..... | 780 | 1,464 | 11,422 |
| Free reserves..... | 6,185 | 11,372 | -3,484 |
| COUNTRY BANKS | | | |
| Reserve balances..... | 455,338 | 467,332 | 459,180 |
| Required reserves..... | 396,339 | 414,833 | 405,482 |
| Excess reserves..... | 58,999 | 52,499 | 53,698 |
| Borrowings..... | 1,141 | 2,206 | 2,163 |
| Free reserves..... | 57,858 | 50,293 | 51,535 |
| MEMBER BANKS | | | |
| Reserve balances..... | 1,004,817 | 1,021,094 | 1,004,694 |
| Required reserves..... | 938,853 | 955,759 | 943,058 |
| Excess reserves..... | 65,964 | 65,335 | 61,636 |
| Borrowings..... | 1,921 | 3,670 | 13,585 |
| Free reserves..... | 64,043 | 61,665 | 48,051 |

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

| Item | April 16, 1958 | March 19, 1958 | April 17, 1957 |
|--|-------------------|-------------------|-------------------|
| Total gold certificate reserves..... | \$786,168 | \$751,996 | \$741,704 |
| Discounts for member banks..... | 400 | 900 | 18,700 |
| Other discounts and advances..... | 0 | 0 | 1,300 |
| U. S. Government securities..... | 928,508 | 918,477 | 907,988 |
| Total earning assets..... | 928,908 | 919,377 | 927,988 |
| Member bank reserve deposits..... | 978,584 | 964,601 | 980,316 |
| Federal Reserve notes in actual circulation..... | 710,707 | 712,990 | 684,984 |

lion over the comparable date a year ago. Time deposits, however, expanded about \$254 million on a year-to-year basis and \$69.3 million in the 4 weeks ended April 16; the accounts of businesses and individuals provided most of the latter gain.

Daily average free reserves of Eleventh District member banks rose \$2.4 million during March, as the gain at country banks more than offset the \$5.2 million decrease at reserve city banks. While daily average reserve balances declined \$16.3 million, required reserves declined somewhat more, reflecting the reductions in legal reserve requirements in late February and March. Member bank borrowings averaged \$1.9 million, representing a small decline on a monthly basis but a sizable decrease from March 1957.

Demand and time deposits of the reserve city banks showed a substantial gain from February to March, with the result that the dollar amount of required reserves increased despite the reductions in legal reserve requirements. Free reserves of these banks declined \$5.2 million, as excess reserves were reduced although borrowings from the Federal Reserve Bank of Dallas also were lower. Country banks added \$7.6 million to their free reserves, principally reflecting the decrease in the dollar amount of required reserves and the decline in daily average borrowings.

On April 16 the Federal Reserve Bank of Dallas held \$786.2 million of gold certificate reserves, representing an increase of \$34.2 million over March 19 and an even larger gain over a year earlier. Total earning assets of the Bank rose \$9.5 million. While participation in the Federal Reserve System Open Market Account rose \$10 million, there was a \$500,000 decrease in member bank borrowings as total discounts declined to the low level of \$400,000.

The Board of Governors of the Federal Reserve System announced a decrease of 1 percent in the reserves required to be maintained by central reserve city banks against demand deposits; half of the reduction was effective April 17, and the other half, April

NEW MEMBER BANK

The Chimney Rock National Bank of Houston, Houston, Texas, a newly organized institution located in the territory served by the Houston Branch of the Federal Reserve Bank of Dallas, opened for business April 11, 1958, as a member of the Federal Reserve System. The new bank has capital of \$250,000, surplus of \$150,000, and undivided profits and reserves of \$100,000. The officers are: Peter G. Brooks, President; Carl S. Burrows, Vice President and Cashier; Joel H. Berry, Jr., Vice President; Thomas I. Fetzer, Assistant Cashier; and J. R. McClure, Assistant Cashier.

NEW PAR BANK

The Lockhart State Bank, Lockhart, 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, March 31, 1958. The officers are: William W. McClasskey, President; Sam H. Tabor, Vice President (inactive); Newton Wilson, Jr., Vice President (inactive); and Herman H. Braley, Cashier.

24. Also, the reserve requirement against demand deposits for reserve city banks was reduced one-half of 1 percent, effective April 24. This latest action was the third reduction in reserve requirements in the past 2 months.



The oversupply problem in the petroleum industry showed substantial correction in March and early April. As a result of cutbacks in output but strong domestic demand, total petroleum inventories declined by the largest amount recorded in any comparable period since 1950. Nevertheless, reductions in product prices continued to be reported in the Nation, while local downward adjustments in crude oil prices were being announced in the southwestern states. The active demand for light heating oils has begun to diminish rapidly as the end of the heating season approaches. Demand for the major products during the 5 weeks ended April 11 was 6 percent below the corresponding period in 1957, when exports were swollen by the Suez Canal emergency.

District crude oil production in early April, at 2,601,000 barrels daily, was 2 percent below the March average and 28 percent, or 1,013,000 barrels daily, under April 1957. The year-to-year decline in national production was 18 percent. Output in May probably will show little change, since the Texas Rail-

NATURAL GAS: MARKETED PRODUCTION

(In millions of cubic feet)

| Area | Fourth quarter 1957 | Third quarter 1957 | Fourth quarter 1956 |
|-----------------|------------------------|-----------------------|------------------------|
| Louisiana..... | 521,300 | 424,000 | 521,400 |
| New Mexico..... | 202,300 | 178,600 | 168,200 |
| Oklahoma..... | 149,600 | 143,500 | 178,800 |
| Texas..... | 1,340,200 | 1,268,300 | 1,306,700 |
| Total..... | 2,213,400 | 2,014,400 | 2,175,100 |

SOURCE: United States Bureau of Mines.

road Commission has retained the record-low 8-day producing schedule, resulting in a cut of 42,537 barrels per day in total allowables. Louisiana allowables are expected to be reduced somewhat, but New Mexico allowables have been raised slightly.

Total imports in the 5 weeks ended April 11, averaging 1,464,000 barrels daily, were 2 percent above a year earlier. Effective April 1, the President fixed further curbs on imports of crude oil, although the Executive order still provides for only a voluntary program. Under the plan, importers have an over-all allotment of 933,000 barrels daily, reflecting a reduction of 58,000 barrels per day from the old allocation. The total supply of crude oil was slightly below demand during March and early April, since crude stocks in the Nation declined 3 percent to a level of 279,342,000 barrels on April 12, or 9 percent more than a year ago.

Crude runs to refinery stills in the District increased slightly during early April but, at 2,097,000 barrels per day, were 9 percent below April 1957. National refinery operations were 4 percent less than a year earlier. In contrast to the exceptionally large decline in products stocks during March, these inventories remained virtually unchanged in early April and, totaling 361,881,000 barrels on April 11, were up 8 percent from a year ago. However, with the exception of gasoline, almost all of the year-to-year increment in products stocks was confined to the West Coast. Gasoline stocks, after reaching a record peak in late March, began their seasonal decline in early April to a level of 213,786,000 barrels on April 11, or 5 percent above April 12, 1957.

Southwestern nonagricultural employment in March, at 4,237,600 workers, showed a moderate loss of 3,500 from February, compared with a decline of 26,900 from January to February. Measured against the normal seasonal pattern for this period, March employment reflected further weakness, but the

adjusted rate of decrease was less than in February. Seasonal hiring in trades, services, and construction accounted for the major employment gains during the month. Factory employment declined further, as layoffs continued in the steel, transportation equipment, and machinery industries. However, an upturn in activity was indicated for a few large manufacturing firms.

Unemployment in Texas during March reached 200,400, or 5.7 percent of the labor force, compared with a 193,700 total and 5.6-percent rate in February. In the week ended April 10, the number of persons claiming unemployment benefit payments under state and Federal programs in Texas reached a record total of 91,214, or about 3,800 more than in the corresponding week of March.

The value of construction contracts awarded in the District states during February reflected a 5-percent gain over January and was only 4 percent below February 1957, compared with a year-to-year loss of 9 percent in the preceding month. Nonresidential construction rose to 7 percent above a year ago, while residential awards — at 15 percent under February last year — showed a worsening of the year-to-year comparison. New FHA home applications in Texas during March, however, rose to 3,089, or 135 percent more than a year earlier.

Major proposed construction projects announced recently include a 4-year, \$270 million expansion program by an electric utility company in the Houston area and an \$18 million merchandise mart to be started in Dallas in June. In addition, the Texas State Highway Department reported that it plans \$250 million in highway contracts this year.

NONAGRICULTURAL EMPLOYMENT

Five Southwestern States¹

| Type of employment | Number of persons | | | Percent change Mar. 1958 from | |
|--|----------------------------|------------------|----------------------------|----------------------------------|--------------|
| | March 1958 ^e | February 1958 | March 1957 ^r | Feb. 1958 | Mar. 1957 |
| Total nonagricultural wage and salary workers.. | 4,237,600 | 4,241,100 | 4,246,700 | -0.1 | -0.2 |
| Manufacturing..... | 741,000 | 750,200 | 778,200 | -1.2 | -4.8 |
| Nonmanufacturing..... | 3,496,600 | 3,490,900 | 3,468,500 | .2 | .8 |
| Mining..... | 246,000 | 249,400 | 260,800 | -1.4 | -5.7 |
| Construction..... | 285,000 | 280,200 | 299,600 | 1.7 | -4.9 |
| Transportation and public utilities..... | 395,300 | 399,200 | 405,800 | -1.0 | -2.6 |
| Trade..... | 1,116,400 | 1,114,200 | 1,091,800 | .2 | 2.3 |
| Finance..... | 187,300 | 186,400 | 179,700 | .5 | 4.2 |
| Service..... | 519,600 | 516,800 | 502,700 | .5 | 3.4 |
| Government..... | 747,000 | 744,700 | 728,100 | .3 | 2.6 |

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

^e — Estimated.

^r — Revised.

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



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

(Dollar amounts in thousands)

| Area | Debits to demand deposit accounts ¹ | | | Demand deposits ¹ | | |
|------------------------------|--|------------------------|-----------|------------------------------|-----------|-----------|
| | March 1958 | Percentage change from | | Annual rate of turnover | | |
| | | Feb. 1958 | Mar. 1957 | March 31, 1958 | Mar. 1958 | Feb. 1958 |
| ARIZONA | | | | | | |
| Tucson..... | \$ 178,506 | 11 | 9 | \$ 106,076 | 20.2 | 18.2 |
| LOUISIANA | | | | | | |
| Monroe..... | 62,711 | -6 | -13 | 51,575 | 14.4 | 15.1 |
| Shreveport..... | 288,877 | 10 | 0 | 185,628 | 18.4 | 16.6 |
| NEW MEXICO | | | | | | |
| Roswell..... | 32,714 | 11 | 15 | 27,985 | 14.2 | 12.6 |
| TEXAS | | | | | | |
| Abilene..... | 86,438 | 12 | 16 | 59,986 | 17.3 | 15.5 |
| Amarillo..... | 181,127 | 11 | 9 | 107,766 | 20.2 | 18.1 |
| Austin..... | 190,888 | 15 | 14 | 132,157 | 17.9 | 15.8 |
| Beaumont..... | 151,555 | 7 | 0 | 108,874 | 16.8 | 15.4 |
| Corpus Christi..... | 182,054 | 7 | -6 | 108,307 | 20.0 | 18.4 |
| Corsicana..... | 14,494 | 8 | -1 | 21,379 | 8.2 | 7.6 |
| Dallas..... | 2,195,806 | 8 | -1 | 1,002,492 | 26.4 | 24.6 |
| El Paso..... | 292,317 | 8 | 8 | 154,453 | 22.8 | 21.2 |
| Fort Worth..... | 668,505 | 8 | -2 | 368,593 | 22.3 | 21.2 |
| Galveston..... | 83,157 | -4 | -16 | 68,863 | 14.6 | 15.0 |
| Houston..... | 2,267,112 | 8 | -2 | 1,185,502 | 22.9 | 21.2 |
| Laredo..... | 25,142 | 6 | 2 | 21,058 | 14.2 | 13.3 |
| Lubbock..... | 149,289 | -2 | 2 | 104,804 | 17.2 | 16.8 |
| Port Arthur..... | 66,103 | 6 | -1 | 44,824 | 17.4 | 15.8 |
| San Angelo..... | 44,413 | 5 | -5 | 41,057 | 13.0 | 12.5 |
| San Antonio..... | 500,930 | 5 | 2 | 347,689 | 17.5 | 16.6 |
| Texarkana ² | 18,672 | 10 | -3 | 16,717 | 13.6 | 12.6 |
| Tyler..... | 77,324 | 6 | 1 | 60,841 | 15.4 | 14.5 |
| Waco..... | 92,748 | 10 | -4 | 65,187 | 17.3 | 15.6 |
| Wichita Falls..... | 94,126 | 7 | 0 | 102,746 | 11.0 | 10.2 |
| Total—24 cities..... | \$ 7,945,008 | 8 | 0 | \$ 4,494,559 | 21.2 | 19.8 |
| | | | | | 21.4 | |

¹ Deposits of individuals, partnerships, and corporations and of states and political subdivisions.

² 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 \$37,977,000 for the month of March 1958.

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 |
| 1956: March.... | \$ 7,282 | \$ 3,529 | \$ 3,753 | \$ 1,342 | \$ 762 | \$ 580 |
| 1957: March.... | 7,345 | 3,578 | 3,767 | 1,492 | 787 | 705 |
| November..... | 7,327 | 3,524 | 3,803 | 1,644 | 879 | 765 |
| December..... | 7,496 | 3,646 | 3,850 | 1,656 | 883 | 773 |
| 1958: January.... | 7,573 | 3,656 | 3,917 | 1,684 | 889 | 795 |
| February.... | 7,297 | 3,481 | 3,816 | 1,729 | 915 | 814 |
| March.... | 7,378 | 3,589 | 3,789 | 1,810 | 959 | 851 |

CRUDE OIL: DAILY AVERAGE PRODUCTION

(In thousands of barrels)

| Area | Change from | | | | |
|--------------------------------|-------------------------|----------------------------|-------------------------|---------------|------------|
| | March 1958 ¹ | February 1958 ¹ | March 1957 ² | February 1958 | March 1957 |
| ELEVENTH DISTRICT..... | 2,666.2 | 3,091.9 | 3,745.9 | -425.7 | -1,079.7 |
| Texas..... | 2,295.6 | 2,722.1 | 3,341.9 | -426.5 | -1,046.3 |
| Gulf Coast..... | 459.4 | 533.3 | 660.8 | -73.9 | -201.4 |
| West Texas..... | 933.4 | 1,148.3 | 1,447.5 | -214.9 | -514.1 |
| East Texas (proper)..... | 124.6 | 164.0 | 228.2 | -39.4 | -103.6 |
| Panhandle..... | 107.7 | 107.6 | 101.2 | .1 | 6.5 |
| Rest of State..... | 670.5 | 768.9 | 904.2 | -98.4 | -233.7 |
| Southeastern New Mexico..... | 256.7 | 257.9 | 267.3 | -1.2 | -10.6 |
| Northern Louisiana..... | 114.0 | 111.9 | 136.7 | 2.1 | -22.7 |
| OUTSIDE ELEVENTH DISTRICT..... | 3,609.0 | 3,747.9 | 3,970.6 | -138.9 | -361.6 |
| UNITED STATES..... | 6,275.2 | 6,839.8 | 7,716.5 | -564.6 | -1,441.3 |

SOURCES: ¹ Estimated from American Petroleum Institute weekly reports.

² United States Bureau of Mines.

CONDITION STATISTICS OF ALL MEMBER BANKS

Eleventh Federal Reserve District

(In millions of dollars)

| Item | Mar. 26, 1958 | Feb. 26, 1958 | Mar. 27, 1957 |
|---|---------------|---------------|---------------|
| ASSETS | | | |
| Loans and discounts..... | \$ 4,237 | \$ 4,167 | \$ 3,892 |
| United States Government obligations..... | 2,426 | 2,323 | 2,427 |
| Other securities..... | 696 | 677 | 627 |
| Reserves with Federal Reserve Bank..... | 941 | 973 | 917 |
| Cash in vault ^a | 136 | 131 | 129 |
| Balances with banks in the United States..... | 1,067 | 1,021 | 1,067 |
| Balances with banks in foreign countries ^b | 2 | 1 | 2 |
| Cash items in process of collection..... | 427 | 433 | 435 |
| Other assets ^c | 254 | 270 | 230 |
| TOTAL ASSETSE..... | 10,186 | 9,996 | 9,726 |
| LIABILITIES AND CAPITAL | | | |
| Demand deposits of banks..... | 1,081 | 1,014 | 1,097 |
| Other demand deposits..... | 6,326 | 6,276 | 6,269 |
| Time deposits..... | 1,844 | 1,753 | 1,503 |
| Total deposits..... | 9,251 | 9,043 | 8,869 |
| Borrowings ^e | 5 | 12 | 10 |
| Other liabilities ^f | 108 | 122 | 88 |
| Total capital accounts ^g | 822 | 819 | 759 |
| TOTAL LIABILITIES AND CAPITALE..... | 10,186 | 9,996 | 9,726 |

^a — Estimated.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

| Area and type | February 1958 | January 1958 | February 1957 | January—February 1958 | January—February 1957 |
|---|---------------|--------------|---------------|-----------------------|-----------------------|
| FIVE SOUTHWESTERN STATES ¹ | \$ 242,843 | \$ 231,785 | \$ 252,614 | \$ 474,628 | \$ 507,761 |
| Residential..... | 108,115 | 101,319 | 127,035 | 209,434 | 228,423 |
| All other..... | 134,728 | 130,466 | 125,579 | 265,194 | 279,338 |
| UNITED STATES..... | 1,953,422 | 2,066,059 | 2,161,009 | 4,019,481 | 4,460,563 |
| Residential..... | 727,282 | 777,423 | 875,486 | 1,504,705 | 1,692,052 |
| All other..... | 1,226,140 | 1,288,636 | 1,285,523 | 2,514,776 | 2,768,511 |

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

SOURCE: F. W. Dodge Corporation.

BUILDING PERMITS

| Area | VALUATION (Dollar amounts in thousands) | | | | | |
|---------------------|---|-------------|-----------|-------------|------------------------------------|-----|
| | Mar. 1958 | 3 mos. 1958 | Mar. 1958 | 3 mos. 1958 | 3 mos. 1958 comp. with 3 mos. 1957 | |
| ARIZONA | | | | | | |
| Tucson..... | 438 | 1,169 | \$ 965 | \$ 4,508 | -49 | -75 |
| LOUISIANA | | | | | | |
| Shreveport..... | 411 | 1,243 | 2,892 | 7,555 | 70 | 113 |
| TEXAS | | | | | | |
| Abilene..... | 110 | 372 | 1,154 | 3,475 | 13 | 21 |
| Amarillo..... | 208 | 585 | 2,879 | 6,176 | 104 | 0 |
| Austin..... | 239 | 663 | 3,200 | 9,198 | 29 | 36 |
| Beaumont..... | 335 | 863 | 1,527 | 3,454 | 50 | 16 |
| Corpus Christi..... | 359 | 936 | 1,800 | 6,360 | -46 | 86 |
| Dallas..... | 1,841 | 5,110 | 10,272 | 29,884 | 7 | -27 |
| El Paso..... | 761 | 1,695 | 5,517 | 13,436 | 33 | 129 |
| Fort Worth..... | 697 | 1,845 | 4,431 | 12,579 | 57 | 8 |
| Galveston..... | 125 | 303 | 247 | 626 | 12 | 1 |
| Houston..... | 1,295 | 3,323 | 20,319 | 52,170 | 20 | 23 |
| Lubbock..... | 249 | 622 | 2,606 | 8,318 | -30 | 4 |
| Port Arthur..... | 171 | 433 | 4,120 | 5,274 | * | 445 |
| San Antonio.... | 1,515 | 3,950 | 4,701 | 12,286 | 4 | -2 |
| Waco..... | 225 | 600 | 1,437 | 3,072 | 138 | 137 |
| Wichita Falls.. | 84 | 232 | 685 | 1,421 | 35 | -28 |
| Total—17 cities.. | 9,063 | 23,944 | \$ 68,752 | \$ 179,792 | 22 | 14 |

* Indicates change of over 1,000 percent.