

# BUSINESS REVIEW

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## RECENT DEVELOPMENTS IN THE DISTRICT PETROLEUM INDUSTRY

After two rather disappointing years which were marked by generally lower levels of crude oil production and declining prices for petroleum products, the petroleum industry looked to 1960 as a year for at least some improvement. In the Southwest — most notably in Texas — petroleum companies, leaseholders, royalty owners, and others have felt the effects of the prolonged period of low production allowables; and because of the industry's substantial contribution to the employment and income of the area, the prosperity of many communities has been affected.

The petroleum industry entered the winter months (traditionally the period of highest product demand, refinery operations, and crude oil production) with stocks of crude oil and refined products in statistically good balance with industry requirements. Following five consecutive months when Texas crude oil production was limited to 9 days, output was scheduled for 10 days in December, and crude oil prices firmed. Furthermore, the mandatory import quotas on foreign crude oil and refined products seemed to assure domestic producers and refiners the benefits of the improvement in demand anticipated for 1960.

Before the beginning of the new year, however, forecasts and hopes for a more prosperous petroleum situation in 1960 had already been modified by the unseasonably warm winter weather, revealing the extent to which the domestic petroleum industry can become unbalanced by small shifts in demand. Total demand for the four major refined products during December and January averaged only 8,718,000 barrels daily, or 4 percent less than a

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



year earlier, and demand for distillate fuel oils was 12 percent lower. Despite the weakness in demand in these 2 months, Eleventh District crude oil production advanced, and refinery output increased more than seasonally to a daily average of 2,332,000 barrels, or 1 percent higher than a year ago. The combination of the enlarged output of refined products and relatively low demand re-established an oversupply situation, with total stocks of the major refined products on February 5 at about 9 percent above a year earlier and supplies of light heating oils up 32 percent. As a result, Gulf Coast prices of heating oils were reduced to the lowest seasonal levels in 8 years.

Substantially colder weather prevailed over the major heating oil areas during much of February and March; and with rising industrial activity, the total demand for refined petroleum products resisted the usual seasonal decline. Nevertheless, demand continued below the year-earlier total, and stocks of most refined products were at record levels for this time of the year. On March 4, an approximately 39-day supply of distillate fuel oils was in inventory, compared with the previous postwar March record of a 36-day supply reached in 1950. Stocks of gasoline, at 219,428,000 barrels, were substantially above normal requirements. As an outgrowth of these excessive stocks, wholesale prices of most refined products have weakened considerably; however, if inventories continue to decline at the rapid pace achieved during the second week in March, prices may firm.

Rather than bolstering hopes for a prospective period of improvement in the petroleum industry, the 1959-60

winter only re-created the inventory problem which now threatens to necessitate another period of painful adjustment. During the months of peak demand for petroleum products, December through February, District crude oil output averaged only 3,072,000 barrels daily, with Texas producers limited to 10 days of allowable output. However, all areas of the country have not shared equally in the crude oil production curtailments. While Texas petroleum output from December 1, 1959, to March 1, 1960, averaged 12 percent less than in the comparable period during 1956-57, winter production in all states was only 3 percent lower. Surpluses of the refined products appear to dim prospects for an early rise in Texas daily allowables; in fact, the April schedule has been reduced to 9 days, or an expected cut of 123,029 barrels per day.

Perhaps more than ever before, southwestern producers are now earnestly engaged in efforts to protect their market shares by investing in new and more efficient materials to drill and produce crude oil and by supporting cooperative unitization of oil and gas reservoirs and other production practices to lower costs and raise output. Recently, more producers have been asking for wider field spacing as a means of lowering development costs. In addition, producers and regulatory agencies are reconsidering the proportionate shares of the limited total output which should go to new wells, strippers, and wells operating under secondary recovery methods. For the first time, New Mexico recently began restricting the output of secondary recovery wells, and the Texas Railroad Commission has been under increasing pressure to reduce the number of wells exempted from allowables. In Oklahoma, support has been given to a proposal to raise the minimum allowable per well to 50 barrels daily, which, if granted, would require a basic redistribution of petroleum production in that State.

Possibly because of the imposition of strict mandatory controls on imports of foreign crude oil and refined products, the District refining industry has been successful in retaining most of its market share. From last December to March, District refiners processed about 29.0 percent of domestically produced and imported crude oil, compared with 29.6 percent during the 1956-57 winter. Crude oil imports, averaging 989,000 barrels daily last winter, were near record levels.

In addition to, and partly caused by, the persistent surpluses of crude oil and refined products in the early months of 1960, unexpectedly low levels of drilling ac-

#### CRUDE OIL PRODUCTION AND REFINING

Eleventh Federal Reserve District

(In thousands of barrels daily)

Date	Crude oil production	Crude runs to refinery stills
1958: January.....	3,098	2,182
February.....	3,115	2,036
March.....	2,690	2,082
1959: January.....	3,286	2,359
February.....	3,251	2,180
March.....	3,261	2,288
April.....	3,212	2,277
May.....	3,234	2,360
June.....	3,072	2,226
July.....	2,865	2,174
August.....	2,849	2,246
September.....	2,891	2,199
October.....	2,907	2,073
November.....	2,941	2,197
December.....	3,072	2,314
1960: January.....	3,042	2,350
February.....	3,164	2,353
March.....	3,085 <sup>e</sup>	2,260 <sup>e</sup>

<sup>e</sup> — Estimated.

SOURCES: American Petroleum Institute, United States Bureau of Mines.



tivity have discouraged the petroleum industry. In the January-February period, there were only 1,761 oil well completions in the District, contrasted with 2,134 completions a year earlier. On a year-to-year basis, total oil and gas well completions decreased 13 percent, and the footage drilled declined 10 percent. The somewhat smaller decline in drilling footage partially reflects a reduction in development wells and an increase in wildcat wells, which commonly are deeper than development holes. It is estimated that 15 percent fewer development wells were drilled within the District during the first 10 weeks of this year than in early 1959, with the sharpest decline noted in Texas. On March 7, the number of rotary rigs in operation in Texas was about one-seventh below a year earlier.

Within the District states, drilling trends during the first quarter of this year have been mixed. In central, south, and southwest Texas, well completions have been nearly equal to the year-earlier levels; however, in west Texas, Oklahoma, and inland Louisiana, from 19 percent to 36 percent fewer holes were drilled during the first 10 weeks of 1960. In east Texas, New Mexico, and offshore Louisiana, well completions have been running moderately higher than a year ago.

Part of the decrease in District drilling activity thus far this year may have been due to inclement weather, but the prospect of continued low crude oil production allowables also appears to have dampened drilling interest. Excess crude oil production capacity may be expected to affect current field development more than exploratory drilling; however, a sharp and persistent decline in geophysical activity within the District indicates that wildcat drilling may be directly affected as

well. Outside the District, geophysical exploration has increased in recent months to near-record levels, with interest centered upon the Rocky Mountain area and the State of Mississippi.

In 1959, total well completions in the District states advanced nearly 4 percent, or at about the same rate as nationally; but proved reserves of crude oil increased nearly 6 percent, contrasted with a modest decline in domestic reserves outside the District states. With Texas registering its first advance in crude oil reserves since 1953, District proved reserves rose to 22,410 million barrels on December 31, 1959, or nearly 71 percent of the Nation's domestic supply. Extensions and revisions of old fields accounted for nearly 90 percent of the additions to District reserves, but the District's share of new discoveries in the Nation was greater than its share of total reserves. However, in both the District and the Nation, withdrawals from producing fields, as in past years, greatly exceeded proved discoveries in new oil pools. Louisiana led the Nation in new discoveries, followed closely by Texas, but the relative positions of these two leading states were reversed with respect to changes in reserves due to extensions and revisions.

Louisiana and Texas accounted for almost 90 percent of the net addition to proved reserves of crude oil in the District states last year. Proved reserves rose about 15 percent in both Louisiana and New Mexico in 1959, but Texas reserves increased only 3 percent and Oklahoma recorded a decline. Both New Mexico and Louisiana increased their shares of the Nation's store of crude oil reserves, but the Texas share declined from 68 percent to 66 percent.

Reserves of natural gas liquids and natural gas in the District states each rose about 4 percent last year and accounted for around 86 percent and 82 percent, respectively, of the national totals at the end of December. For most areas in the District, increased production and sales of natural gas and liquid petroleum gases have made up for part of the weakness in crude oil production. Marketed output of natural gas in Texas totaled an estimated 5,230 trillion cubic feet in 1959, reflecting a gain of 6 percent over the 1958 level, and production of liquid petroleum gases rose 16 percent. In contrast to the weakness in prices of crude oil and refined products, natural gas prices have risen steadily in recent months, particularly prices on sales contracts for intrastate delivery.

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DRILLING ACTIVITY  
Eleventh Federal Reserve District

Date	Rotary rigs (Weekly average)	Development wells	Wildcat wells	Oil and gas well completions <sup>1</sup>
1958: January.....	932	1,779	478	1,466
February.....	886	1,268	313	1,039
March.....	856	1,192	282	1,036
1959: January.....	857	1,732	415	1,354
February.....	823	1,229	266	984
March.....	856	1,407	321	1,119
April.....	906	1,635	326	1,286
May.....	934	1,478	297	1,168
June.....	943	1,443	299	1,159
July.....	923	1,752	409	1,372
August.....	929	1,491	342	1,169
September.....	897	1,645	362	1,295
October.....	951	1,461	310	1,126
November.....	992	1,314	305	1,091
December.....	905	1,441	377	1,113
1960: January.....	710	1,526	403	1,195
February.....	722	991	229	767

<sup>1</sup> Includes dry holes and service wells.  
SOURCE: *The Oil and Gas Journal*.



## THE EMERGING EMPLOYMENT PATTERN

Economic developments in the Southwest during 1959 displayed an interesting pattern of strong recovery and prosperity in the first half of the year but mixed trends and more moderate growth during the final 6 months. The employment situation in the area reflected these trends, with gains in employment at somewhat lower rates than in other postwar years. The changing structure and long-run forces affecting the major economic sectors of the Southwest, as well as some rather special short-run developments, retarded growth in both employment and general business.

During the first 5 months of 1959, continuing the economic recovery of the previous year, the Southwest and the Nation rode the rapidly rising trend of increased production, construction, employment, and personal income — a trend stimulated, in part, by a potential steel strike and additional gains in consumer buying and business spending. However, by early summer, a number of factors came to the forefront to reduce the rate of growth in the Southwest. Of particular importance were the strikes in steel and copper industries; the contract cancellations at major defense plants; the oversupply of petroleum and petroleum products, which led to cutbacks in crude oil allowables; and the declining prices of agricultural products. Industrial production in Texas rose to a May record and then turned downward moderately until November. While the confidence of businessmen and consumers remained high despite the strikes, a measure of caution developed with the recognition that the southwestern pattern of economic developments was showing less strength than the Nation's and that perhaps the problems of this area were more fundamental than those depressing national industrial production levels.

The employment data on the Southwest followed these trends but also reacted to the reluctance of businessmen to expand personnel. This reluctance was caused mainly by the steadily rising labor costs; increased efficiency in utilization of existing personnel, in part due to further mechanization; and the general ease in the employment situation, which made workers readily available except in some of the more specialized skills. Average earnings and personal income of southwestern workers were favorably affected by continued increases in basic wage rates and by the slight improvement in total employment, but the rates of gain slowed markedly from previous years. Moreover, despite gen-

erally high-level activity in most segments of the southwestern economy, the rate of unemployment remained well above the postwar standards of this area.

Some of the long-range problems of the area which were apparent in 1959 are recurring in 1960. The oversupply of petroleum products has been re-established, bringing prospects for renewed cutbacks in state allowables, some curtailment of refinery runs, and a continued low level of drilling activity. This petroleum situation, in turn, is having a significant impact upon oil field equipment, service, and supply businesses. The rate of cancellation of defense contracts appears to have slowed somewhat, but southwestern plants do not seem to be obtaining their former share of the contracts. In addition to such specialized problems, the Southwest shares with the Nation the current decline in residential construction and the hesitations, at least of the moment, in steel and automobile production.

This economic situation is mirrored in the total and internal composition of employment in the Southwest. The January 1960 nonagricultural employment total of the five southwestern states—Arizona, Louisiana, New Mexico, Oklahoma, and Texas—showed a gain of slightly more than 2 percent over a year earlier. The current year's total of 4,348,800 workers is a near-record level for January, but the individual states reported marked differences in their rates of change over the past 12 months. The largest percentage improvement occurred in Arizona, followed by Texas, Oklahoma, New Mexico, and Louisiana. Individual state differences are largely indicative of their internal economic developments and, in this particular situation, may reflect the significance of the economic segments in the Southwest which have been showing little growth or actual declines.

NONAGRICULTURAL EMPLOYMENT IN THE SOUTHWEST  
JANUARY 1960 AND JANUARY 1959

Area	TOTAL NONAGRICULTURAL EMPLOYMENT			MANUFACTURING EMPLOYMENT		
	January 1960p	January 1959	Percent increase	January 1960p	January 1959	Percent change
Arizona . . .	313,600	298,200	5.2	47,100	43,900	7.3
Louisiana . . .	769,900	761,600	1.1	137,800	139,000	-.9
New Mexico . . .	226,900	223,000	1.7	16,500	16,300	1.2
Oklahoma . . .	561,100	549,700	2.1	87,200	83,500	4.4
Texas . . . . .	2,477,300	2,422,900	2.2	488,800	476,100	2.7
Total . . . . .	4,348,800	4,255,400	2.2	777,400	758,800	2.5

p — Preliminary.  
SOURCE: State employment agencies.



EMPLOYMENT CHANGES IN SELECTED SOUTHWESTERN  
NONAGRICULTURAL INDUSTRIES  
JANUARY 1960 FROM JANUARY 1959

Area	Total nonagricultural employment	Manufacturing	Trade	Services	Government
Arizona.....	15,400	3,200	5,600	3,600	3,900
Louisiana.....	8,300	-1,200	7,300	2,800	2,400
New Mexico.....	3,900	200	2,200	2,500	800
Oklahoma.....	11,400	3,700	5,600	600	2,700
Texas.....	54,400	12,700	26,300	8,000	8,100
Total.....	93,400	18,600	47,000	17,500	17,900

NOTE. — All figures are derived from preliminary data for January 1960.  
SOURCE: State employment agencies.

For the five states as a whole, the major categories of nonagricultural employment with the greatest percentage gains over January 1959 were trade, finance, and services. Relatively small percentage advances in employment occurred in government, transportation and utilities, and manufacturing, while declines were evident in construction and mining. Measured by the actual number of workers added during the 12 months, the largest improvements were in trade, manufacturing, government, and services, which showed a combined gain of 101,000 workers.

Among the nonmanufacturing segments, the loss in mining employment was most noticeable in Arizona, where an extended copper strike was the principal factor. Although the strike has now been settled, the January employment data do not reflect the return-to-work movement. More fundamental declines occurred in Louisiana, Oklahoma, and Texas, where the decreases in mining employment were more directly associated with the problems of the petroleum industry. The overall decline in construction activities has centered most heavily in New Mexico and Louisiana, although Oklahoma and Texas have shown some reductions also. The year-to-year construction employment decline may have been caused, in part, by the unusually inclement weather in most of the Southwest and, in part, by the downward movement in both residential and highway construction activity. However, Arizona construction employment was moderately higher than a year earlier. Higher rates of gain in Arizona stem partially from the fact that, with a smaller employment total, even a minor gain in number can be a large percentage improvement.

On a year-to-year basis, manufacturing employment in the five southwestern states rose 2.5 percent in January 1960 to a total of 777,400 workers. The changes occurring in this sector reflected strong gains in Arizona and Oklahoma and more moderate improvements

in Texas and New Mexico but an actual decline in Louisiana.

In Texas the distribution of manufacturing employment shows that manufacturers of durables and non-durables made equal rates of gain in employment over the past year. However, there were some marked differences among the major manufacturing industries of the State, varying from a gain of 40 percent in electrical machinery employment to a decline of 12 percent in transportation equipment employment. The extremely high rate of advance in electrical machinery reflects the growing electronics industry, particularly in the Dallas-Fort Worth area. In contrast, the sharp cutback in transportation equipment employment was occasioned principally by reductions in force at the major aircraft producers in the same area. Among other durable goods manufacturers, a strong employment increase was shown in machinery (except electrical), and there were moderate gains in lumber and wood products and primary metals. The gain in primary metals employment is traceable largely to the increased activity at steel and aluminum producers.

In the Texas nondurable goods manufacturing sectors, the main employment gains were shown in leather and leather products and apparel and finished fabrics. On the other hand, actual declines were evident in petroleum refining and textile mill employment. The basic reasons for the improvement in apparel and finished fabrics can be attributed to a general increase in the demand for apparel, particularly sportswear, of which the Southwest is a major producer. The decline in petroleum refining is, of course, another part of the generally contractive pattern of the petroleum industry. Other declines were relatively modest and could have occurred merely because of fluctuations in work schedules.

NONAGRICULTURAL EMPLOYMENT IN SELECTED MAJOR  
SOUTHWESTERN CITIES  
JANUARY 1960 AND JANUARY 1959

Area	January 1960 <sup>p</sup>	January 1959	Actual increase	Percent increase	Actual increase as percent of total southwestern increase
ARIZONA					
Tucson.....	67,300	63,200	4,100	6.5	4.4
TEXAS					
Dallas.....	430,630	413,380	17,250	4.2	18.5
El Paso.....	89,500	82,250	7,250	8.8	7.7
Fort Worth....	206,800	204,200	2,600	1.3	2.8
Houston.....	488,020	471,450	16,570	3.5	17.7
San Antonio...	203,935	198,430	5,505	2.8	5.9
Total—6 cities...	1,486,185	1,432,910	53,275	3.7	57.0

<sup>p</sup> — Preliminary.  
SOURCE: State employment agencies.



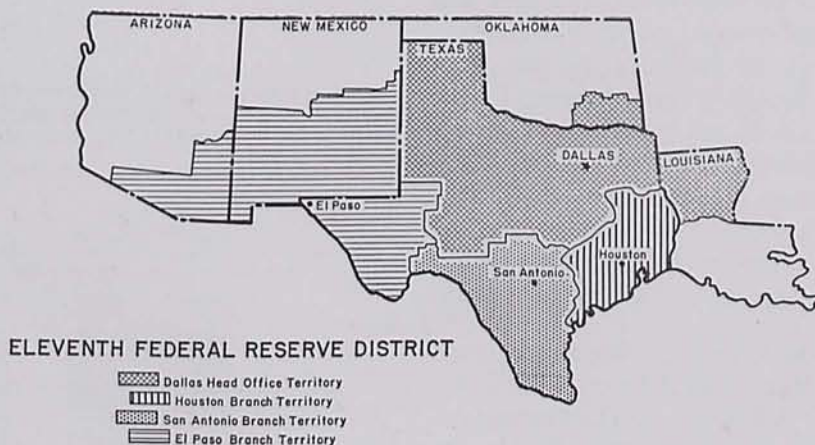
Among the major cities of the Southwest, there were substantial variations in the year-to-year comparisons of nonagricultural employment. The largest gains appear to have occurred in El Paso and Tucson, with more moderate but better than average increases in Dallas and Houston. The rates of gain in San Antonio and Fort Worth seemed to be somewhat closer to the average rate of advance for the entire Southwest. The relatively strong employment gains in the major cities are a part of the pattern of a concentrating population which has been noticeable in the region for many years. The differences between the cities are occasioned mainly because of the relative importance of the various sectors of nonagricultural employment. For example, the Dallas metropolitan area is heavily committed in the finance, trade, and service fields, which are among the major sectors of nonagricultural employment showing the greatest improvement in the Southwest as a whole. On the other hand, special circumstances have combined to slow the rate of growth in Fort Worth and also in San Antonio, where the rate of increase has largely tracked the advance in government employment, which is very important in that city.

Unemployment in Texas, showing modest improvement from a year earlier, was 5.4 percent of the labor force in January 1960. Among the major reporting cities (which account for approximately 95 percent of the State's unemployment total), the largest ratios of unemployment to labor force were for the Beaumont-Orange-Port Arthur area, the Texarkana area, and the Corpus Christi area. The special problems in the Beaumont-Orange-Port Arthur area reflect the impact of re-

ductions at some of its major refineries. The Texarkana situation, one of long standing, is at least partially a result of the cutbacks at the Lone Star ordnance plant. Finally, the Corpus Christi situation is probably reflective of curtailments at certain defense installations, as well as the cutbacks in the petroleum industry. The largest cities in Texas reflected unemployment ratios ranging from 3.4 percent to 5.3 percent of their respective labor forces.

With the southwestern economy continuing its recent moderate rate of growth, increases in employment are likely to be relatively modest. Nevertheless, special factors developing in the Southwest might provide a stimulus to the employment situation, particularly the manufacturing sector. These factors include a strong and continued rise in the electronics field, additional gains in end-product manufacturing, and potential developments in primary metals. The expected continued growth in chemical plants in the Southwest may also be an important stimulus, especially for construction employment and the demand for highly skilled or professional workers.

Other expected trends in employment include a further gain in service employment as recreation areas expand, continued concentration of labor in major cities of the Southwest, and a steady upgrading of employee training requirements. Increased demand for professional and highly skilled workers will be a major feature of the Southwest's labor market as technological improvements continue in southwestern industries. Thus, wage differentials against unskilled workers may widen.





# BUSINESS REVIEW

BUSINESS, AGRICULTURAL, AND FINANCIAL CONDITIONS



Unseasonably cold weather held Eleventh District department store sales in February at the comparable 1959 level. At the end of February, department store inventories were up less than seasonally from a month earlier but were higher than at the same time last year. New car registrations in the four most populous counties in the District, showing little effect from the unfavorable weather, rose above both a month ago and a year ago.

Some progress has been made in preparing land and planting spring crops. Vegetable and citrus production remains favorable, and livestock conditions have improved as temperatures have moderated.

Deposits at weekly reporting banks in the District rose substantially in the 4 weeks ended March 16, partly reflecting the usual receipt of funds to meet oil run payments. The deposit gain enabled banks to reduce borrowings, increase cash balances, and show a net increase in earning assets.



Ice and snow over a large part of the District in late February appeared to be the principal reason why Eleventh District department store sales declined more than seasonally from January and just equaled February 1959 sales, despite the additional trading day in the month this year. The seasonally adjusted sales index for February was 157 percent of the 1947-49 average, down from 171 in January and 163 a year earlier. Sales remained below a year ago in early March as the cold, wet weather continued, and cumulative sales through mid-March 1960 were 2 percent lower than in the comparable period of 1959.

Data from department stores that report on sales by type of goods indicate that consumer durable goods

Crude oil production in the District was contraseasonally lower in February and was 6 percent below a year earlier. Crude runs to stills declined more than seasonally as refiners attempted to reduce supplies of finished products, and strong late-season demand for heating oils contributed to an unusually rapid reduction in stocks of major products. Continuing excessive stocks of gasoline and distillate fuel oils are believed to be responsible for a scheduled 4-percent reduction in Texas crude oil output during April.

Total nonfarm employment in the District states increased contraseasonally during February, with gains occurring in construction, government, finance, services, and mining. Unemployment in Texas rose less than seasonally. Industrial production in the State advanced slightly during the month; however, total manufacturing showed a small decrease.

Construction contracts awarded in the District states increased less than seasonally during January, as further declines in residential awards more than offset the strength in other construction.

## 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
1959: February.....	127r	163r	164r	169r
December.....	291	168	170	183
1960: January.....	135	171	161	183
February.....	122	157	170p	176p

r — Revised.  
p — Preliminary.

sales in the District in February were better relative to a year ago than were sales of soft goods. Outstanding examples were sales of radios, television sets, and musical equipment, which rose 31 percent, and sales of domestic floor coverings, which gained 24 percent. A year-to-year decline of 1 percent was recorded in sales of wom-



## DEPARTMENT STORE SALES

(Percentage change in retail value)

Area	February 1960 from		2 months, 1960 from 1959
	January 1960	February 1959	
Total Eleventh District.....	-10	0	-1
Corpus Christi.....	0	-3	-7
Dallas.....	-11	4	4
El Paso.....	-2	-13	-14
Fort Worth.....	-12	-7	-5
Houston.....	-11	10	7
San Antonio.....	-13	-2	-5
Shreveport, La.....	-11	-3	-5
Waco.....	-7	-6	-7
Other cities.....	-6	-1	0

en's and misses' dresses, although men's clothing sales and sales of women's and misses' coats and suits each rose 6 percent over February 1959.

Inventories on hand at the District department stores at the end of February were up less than seasonally from a month earlier but were 4 percent higher than the February 1959 level. Orders outstanding were also up 4 percent from a year ago, but new orders placed during the month were 7 percent lower than in February last year.

Despite the unfavorable weather, new automobile registrations during February in the four most populous counties in the District rose 14 percent over January and 16 percent above a year ago. The greatest improvement in both comparisons was in the Houston area, although increases were also recorded in Dallas and San Antonio. In Fort Worth, February registrations were below both the month-earlier and the year-earlier reports. Cumulative registrations through February in the four areas were 1 percent ahead of those in the same period last year.



Brief periods of warm, open weather in the latter part of March permitted some progress in land preparation and planting in the District, although wet, cold

weather maintained a tight grip on most sections during much of the past month. Coastal Bend area cotton, corn, and sorghums, which are usually well advanced by March, are quite late this year; and in much of Louisiana and in the Texas Blacklands, very little headway has been made in preparing fields for planting. Additional rain would be welcome in south Texas and the Trans-Pecos area.

In the Lower Valley, corn and sorghums are mostly planted, and cotton seeding is well advanced. In com-

## CASH RECEIPTS FROM FARM MARKETINGS

(Dollar amounts in thousands)

Area	1959	1958	Percent change
Arizona.....	\$ 404,278	\$ 435,582	-7
Louisiana.....	391,259	361,555	8
New Mexico.....	230,056	225,285	2
Oklahoma.....	601,545	633,777	-5
Texas.....	2,195,561	2,372,620	-7
Total.....	\$ 3,822,699	\$ 4,028,819	-5
United States.....	\$32,777,499	\$33,559,732	-2

SOURCE: United States Department of Agriculture.

mercial vegetable areas, most of the early watermelon and cantaloupe fields which were frozen by the late February freeze have now been replanted. Additional acreages of spring vegetables are being seeded in south Texas. Throughout vegetable areas, the low temperatures are checking development of crops, and warm, open weather is needed. Texas winter vegetable production for fresh market is forecast, as of March 1, at 60 percent larger than a year ago. Higher prospects for cabbage, carrots, and lettuce have resulted in larger anticipated output than was forecast earlier. Production of all types of winter vegetables is expected to be larger than in 1959.

Freezing temperatures in the Lower Valley in late February "burned" tender growth on citrus trees, but most of the damage was confined to young trees and is not expected to affect next year's crop materially. Texas citrus production for the 1959-60 season is estimated at 8.8 million boxes, as of March 1. The latest estimate indicates an output of 3 million boxes of oranges — down 200,000 boxes from the month-earlier forecast. Grapefruit production is placed at 5.8 million boxes, which is unchanged from the previous estimate.

Livestock continue to show shrinkage from cold weather and lack of green forage. The failure of small grains, clovers, and winter grasses to provide grazing has kept supplemental feeding at high levels. In some areas, roughage supplies are being exhausted, and many stockmen are purchasing hay. Warmer temperatures during the latter part of March boosted grazing prospects.



An increase in deposits during the 4 weeks ended March 16 enabled the District's weekly reporting member banks to make an appreciable reduction in borrowings, boost cash balances, and show a net increase in earning assets.



CONDITION STATISTICS OF WEEKLY REPORTING  
MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	Mar. 16, 1960	Feb. 17, 1960	Mar. 18, 1959
<b>ASSETS</b>			
Commercial and industrial loans.....	1,459,988	1,476,337	—
Agricultural loans.....	31,129	32,221	35,724
Loans to brokers and dealers for purchasing or carrying:			
U. S. Government securities.....	291	383	21,783
Other securities.....	21,035	19,513	—
Other loans for purchasing or carrying:			
U. S. Government securities.....	7,330	8,524	183,944
Other securities.....	194,332	193,582	—
Loans to nonbank financial institutions:			
Sales finance, personal finance, etc.....	142,643	134,181	—
Savings banks, mtge. cos., ins. cos., etc.....	99,115	109,318	—
Savings banks, mtge. cos., ins. cos., etc.....	754	655	—
Loans to foreign banks.....	53,275	34,277	22,458
Loans to domestic commercial banks.....	206,694	205,116	219,434
Real-estate loans.....	738,149	725,946	—
All other loans.....	—	—	—
Gross loans.....	2,954,735	2,940,053	2,835,931
Less reserves and unallocated charge-offs..	54,190	53,722	48,785
Net loans.....	2,900,545	2,886,331	2,787,146
Treasury bills.....	44,224	36,422	48,599
Treasury certificates of indebtedness.....	18,525	22,524	127,908
Treasury notes and U. S. Government bonds, including guaranteed obligations, maturing:			
Within 1 year.....	75,246	71,552	—
After 1 but within 5 years.....	769,285	760,379	1,187,321
After 5 years.....	320,950	316,211	—
Other securities.....	371,030	370,230	346,870
Total investments.....	1,599,260	1,577,318	1,710,698
Cash items in process of collection.....	551,027	496,655	499,380
Balances with banks in the United States.....	523,996	456,056	466,904
Balances with banks in foreign countries.....	2,341	2,270	1,695
Currency and coin.....	47,027	48,707	48,553
Reserves with Federal Reserve Bank.....	485,596	555,985	613,185
Other assets.....	206,753	217,931	173,983
<b>TOTAL ASSETS.....</b>	<b>6,316,545</b>	<b>6,241,253</b>	<b>6,301,544</b>
<b>LIABILITIES AND CAPITAL ACCOUNTS</b>			
<b>Demand deposits</b>			
Individuals, partnerships, and corporations....	2,891,151	2,838,777	2,945,597
United States Government.....	96,093	93,863	88,030
States and political subdivisions.....	234,655	216,936	260,259
Banks in the United States.....	990,753	892,228	974,300
Banks in foreign countries.....	16,100	14,029	15,463
Certified and officers' checks, etc.....	56,100	50,131	92,108
Total demand deposits.....	4,284,852	4,105,964	4,375,757
<b>Time deposits</b>			
Individuals, partnerships, and corporations....	1,034,327	1,014,873	1,087,512
United States Government.....	11,255	11,255	7,130
Postal savings.....	394	394	421
States and political subdivisions.....	236,076	239,110	178,847
Banks in the U. S. and foreign countries.....	3,548	6,663	1,847
Total time deposits.....	1,285,600	1,272,295	1,275,757
Total deposits.....	5,570,452	5,378,259	5,651,514
Bills payable, rediscounts, etc.....	74,265	184,800	57,806
All other liabilities.....	127,180	132,552	70,797
Capital accounts.....	544,648	545,642	521,427
<b>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</b>	<b>6,316,545</b>	<b>6,241,253</b>	<b>6,301,544</b>

NOTE.—Effective July 1, 1959, this series was revised. The revised form includes several new items, the most important of which is loans to financial institutions, previously reported against other loan categories. Comparable year-earlier figures for the new items will be shown when they become available.

Total deposits at the weekly reporting banks rose \$192.2 million, over nine-tenths of which (\$178.9 million) represented an advance in demand deposits. It should be noted, however, that much of the deposit gain reflected unexpended balances from the regularly recurring monthly receipt of funds for making oil

run payments. All classifications of demand balances reached higher levels, but increases in the accounts of banks, individuals, and businesses were particularly pronounced. In the time deposit category, the balances of individuals and businesses accounted for the entire gain of \$13.3 million. On March 16, total deposits were 1.4 percent below the year-earlier level.

A moderate loan decline occurred at the reporting banks between February 17 and March 16. Commercial and industrial loans were reduced \$16.3 million, mainly because of a much lower level of borrowings by commodity dealers and petroleum companies. However, this contraction was almost offset by the \$12.2 million expansion in consumer-type loans and a gain of \$1.6 million in real-estate loans. Although sales finance companies increased their borrowings by \$8.5 million, there was a net decline of \$1.7 million in loans to nonbank financial institutions. Agricultural loans decreased moderately, and loans to finance securities transactions registered a slight gain. Gross loans (excluding interbank loans) showed a net decline of \$4.4 million, which contrasts with an advance of \$23.5 million in the similar 1959 interval.

The banks added almost \$22 million to their investment portfolios during the period as they purchased sizable amounts of Treasury bills, notes, and bonds. Holdings of non-Government securities increased slightly, but investments in Treasury certificates declined.

RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	4 weeks ended Mar. 2, 1960	4 weeks ended Feb. 3, 1960	Month of February 1959
<b>RESERVE CITY BANKS</b>			
Total reserves held.....	522,846	548,015	561,900
With Federal Reserve Bank.....	520,853	544,963	—
Cash allowed as reserves.....	1,993	3,052	—
Required reserves.....	520,515	542,260	552,473
Excess reserves.....	2,331	5,755	9,427
Borrowings.....	63,745	73,519	17,175
Free reserves.....	-61,414	-67,764	-7,748
<b>COUNTRY BANKS</b>			
Total reserves held.....	463,380	475,349	464,323
With Federal Reserve Bank.....	456,910	468,572	—
Cash allowed as reserves.....	6,470	6,777	—
Required reserves.....	415,371	422,289	416,155
Excess reserves.....	48,009	53,060	48,168
Borrowings.....	16,819	9,579	3,983
Free reserves.....	31,190	43,481	44,185
<b>ALL MEMBER BANKS</b>			
Total reserves held.....	986,226	1,023,364	1,026,223
With Federal Reserve Bank.....	977,763	1,013,535	—
Cash allowed as reserves.....	8,463	9,829	—
Required reserves.....	935,886	964,549	968,628
Excess reserves.....	50,340	58,815	57,595
Borrowings.....	80,564	83,098	21,158
Free reserves.....	-30,224	-24,283	36,437

NOTE.—Regulations permitting member banks to count part of their vault cash in meeting reserve requirements became effective in December 1959, and on January 1, 1960, the reserve computation period for country member banks was changed to a biweekly basis. Therefore, monthly data comparable to year-earlier material are not available.



CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	March 16, 1960	Feb. 17, 1960	March 18, 1959
Total gold certificate reserves.....	619,777	683,576	783,026
Discounts for member banks.....	24,355	85,526	11,041
Other discounts and advances.....	0	0	952
U. S. Government securities.....	1,012,238	1,009,809	997,686
Total earning assets.....	1,036,593	1,095,335	1,009,679
Member bank reserve deposits.....	888,944	962,914	1,004,943
Federal Reserve notes in actual circulation....	784,543	789,425	777,270

Although average reserve balances of member banks in the District decreased \$37.1 million in the 4 weeks ended March 2, required reserves were reduced by \$28.7 million, resulting in an \$8.4 million decline in average excess reserves. Average daily borrowings from the Federal Reserve Bank, at \$80.6 million, were \$2.5 million less than the previous 4-week average. There were, however, divergent movements in borrowings of the country banks and the reserve city banks. Country banks borrowed more from the Federal Reserve Bank, whereas the borrowings of reserve city banks registered a decline.

Earning assets of the Federal Reserve Bank of Dallas decreased \$58.7 million in the 4 weeks ended March 16. The reduction was due to a decline in discounts for

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>	
	1959	1958	Percent change	Annual rate of turnover	
				1959	1958
ARIZONA					
Tucson.....	\$ 2,675,236	\$ 2,230,431	20	20.2	20.5
LOUISIANA					
Monroe.....	937,567	848,607	10	17.7	16.7
Shreveport.....	3,739,648	3,374,125	11	19.4	18.5
NEW MEXICO					
Roswell.....	459,112	396,684	16	14.8	13.9
TEXAS					
Abilene.....	1,180,070	1,039,535	14	18.4	17.2
Amarillo.....	2,690,721	2,264,738	19	22.8	19.8
Austin.....	2,473,585	2,157,188	15	16.0	16.7
Beaumont.....	1,892,543	1,790,824	6	18.2	16.6
Corpus Christi.....	2,283,148	2,203,981	4	19.9	19.5
Corsicana.....	202,986	200,679	1	9.9	9.1
Dallas.....	31,519,353	27,973,942	13	27.5	26.2
El Paso.....	4,213,093	3,660,789	15	25.1	23.4
Fort Worth.....	9,431,146	8,586,616	10	25.0	23.3
Galveston.....	1,067,860	1,066,373	0	16.8	16.0
Houston.....	30,206,880	27,750,385	9	24.1	22.9
Laredo.....	323,815	311,519	4	14.6	14.4
Lubbock.....	2,450,732	2,030,762	21	21.0	18.9
Port Arthur.....	761,796	778,609	-2	17.2	16.9
San Angelo.....	649,943	591,721	10	14.2	14.2
San Antonio.....	7,223,239	6,498,530	11	18.6	17.4
Texarkana <sup>2</sup> .....	263,591	234,719	12	16.3	14.3
Tyler.....	1,043,640	980,982	6	17.1	16.0
Waco.....	1,308,217	1,153,363	13	18.9	17.1
Wichita Falls.....	1,443,580	1,238,028	17	13.6	11.6
Total—24 cities....	\$110,441,501	\$99,363,130	11	22.7	21.5

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

<sup>2</sup> These figures include only two banks in Texarkana, Texas. Total debits for all banks in Texarkana, Texas-Arkansas, including one bank located in the Eighth District, amounted to \$576,950,000 during 1959.

member banks, offset to a minor extent by an increase in holdings of Government securities. Gold certificate reserves of the Bank decreased \$63.8 million during the period, and Federal Reserve notes in actual circulation were reduced further.

NEW MEMBER BANK

The South Park 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 March 10, 1960, as a member of the Federal Reserve System. The new member bank has capital of \$250,000, surplus of \$150,000, and undivided profits of \$100,000. The officers are: W. Raymond Garrison, President; John H. Wilson, Vice President and Cashier; and James S. Garbs, Assistant Cashier.

NEW PAR BANK

The Texas State Bank, San Antonio, Texas, a non-member bank located in the territory served by the San Antonio Branch of the Federal Reserve Bank of Dallas, was added to the Par List on its opening date, March 15, 1960. The officers are: E. A. Williams, President; B. Frank Spindle, Vice President; and Carl R. Dungan, Cashier.



Crude oil production in the District, which averaged 3,076,000 barrels daily during the first part of March, was contraseasonally lower than in February and 6 percent below a year earlier. In the Nation, output also declined during early March but was only 1 percent less than a year ago. Imports of crude oil during the 5 weeks ended March 11 advanced to the year-earlier rate, but purchases of foreign refined products decreased seasonally and remained considerably lower than a year ago. Total imports of crude oil and refined products during February and the first part of March averaged about 1,855,000 barrels daily, or 12 percent under the comparable period of 1959.

Crude runs to stills in the District and the Nation declined more than seasonally during the first part of March as refiners attempted to reduce supplies of finished products. District crude runs averaged 2,240,000 barrels daily during early March, compared with 2,295,000 barrels daily a year earlier, and refinery operations outside the District were 7 percent lower than a year ago. Reductions in refinery operations do not appear to have resulted from shortages of crude oil.



Total demand for the major refined products declined considerably less than seasonally during the 5 weeks ended March 11 but was 4 percent under a year ago. Unseasonably cold weather during most of February and March caused strong late-season demand for heating oils, although sales continued below the record level of a year ago.

The less than seasonal decline in demand, combined with unusually large reductions in refinery output, resulted in a considerably greater than expected decrease in stocks of refined products during the past several weeks. Nevertheless, on March 11, inventories of the four major refined products totaled 376,066,000 barrels daily, or 4 percent above a year earlier. Stocks of distillate fuel oils were 16 percent greater than a year ago, and gasoline stocks were over 5 percent higher. Despite recent large imports of residual fuel oils, inventories are considerably lower than at this time in 1959. Heavy stocks of gasoline, kerosene, and distillate fuel oil have depressed prices of these products; shipments of light heating oil reportedly were available on the Gulf Coast during mid-March at as low as 7.5 cents per gallon, contrasted with 10 cents per gallon a year ago.

Continued excessive stocks of refined products are believed to be responsible for a 1-day reduction in Texas crude oil production allowables to 9 days in April. It is estimated that output in Texas will decline about 4 percent, and a scheduled reduction in southeastern New Mexico allowables should reduce production by 3 percent in that area. Crude oil output in Louisiana during April is scheduled for a slight increase.



Total nonfarm employment in the five District states increased contraseasonally during February to 4,354,600, which is 7,200 above the January level and is 107,700 above a year ago. Construction, mining, government, and services accounted for the largest month-to-month gains in February. However, employment in construction and mining was still slightly below a year earlier. The recent increase of 3,200 workers in mining reflected the settlement of a labor-management dispute in the Arizona copper industry. Other nonmanufacturing activities — trade, finance, services, government, and transportation — showed considerable improvement over the February 1959 levels in spite of the fact that trade reflected some seasonal decline in employment.

## NONAGRICULTURAL EMPLOYMENT

Five Southwestern States<sup>1</sup>

Type of employment	Number of persons			Percent change Feb. 1960 from	
	February 1960 <sup>e</sup>	January 1960	February 1959 <sup>r</sup>	Jan. 1960	Feb. 1959
Total nonagricultural					
wage and salary workers..	4,354,600	4,347,400	4,246,900	0.2	2.5
Manufacturing.....	776,500	777,100	758,800	—1	2.3
Nonmanufacturing.....	3,578,100	3,570,300	3,488,100	.2	2.6
Mining.....	250,800	248,700	253,500	.8	—1.1
Construction.....	290,000	284,100	298,900	2.1	—3.0
Transportation and public utilities.....	405,300	405,600	395,600	—1	2.5
Trade.....	1,070,900	1,078,600	1,028,400	—7	4.1
Finance.....	195,300	194,500	188,200	.4	3.8
Service.....	532,700	530,300	513,800	.5	3.7
Government.....	833,100	828,500	809,700	.6	2.9

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

<sup>e</sup> — Estimated.

<sup>r</sup> — Revised.

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

## INDUSTRIAL PRODUCTION

(Seasonally adjusted indexes, 1947-49 = 100)

Area and type of index	February 1960 <sup>p</sup>	January 1960	December 1959	February 1959
TEXAS				
Total industrial production....	173	172	171 <sup>r</sup>	167
Total manufactures.....	210	213	209 <sup>r</sup>	198
Durable manufactures.....	247	249	241 <sup>r</sup>	237
Nondurable manufactures....	194	196	195	180
Mining.....	137	133	135 <sup>r</sup>	137
UNITED STATES				
Total industrial production....	167	168	165	155 <sup>r</sup>
Total manufactures.....	167	168	164	153 <sup>r</sup>
Durable manufactures.....	179	181	174 <sup>r</sup>	160 <sup>r</sup>
Nondurable manufactures....	158	159	158	150 <sup>r</sup>
Mining.....	126	128	129	126 <sup>r</sup>
Utilities.....	283	280	277	259

<sup>p</sup> — Preliminary.

<sup>r</sup> — Revised.

SOURCES: Board of Governors of the Federal Reserve System.  
Federal Reserve Bank of Dallas.

Unemployment in Texas increased less than seasonally during February to about 5.3 percent of the labor force. The number of initial and continuing claims for unemployment insurance benefits in the State rose slightly from mid-January to mid-February.

The total value of construction contracts awarded in the five southwestern states during January increased 3 percent over December 1959 but was still 13 percent lower than a year ago. Residential awards fell to 30 percent below the January 1959 level, while "all other" contract awards showed continued strength, rising 7 percent above a month earlier and 6 percent above a year earlier.

The seasonally adjusted index of Texas industrial production in February increased 1 point from the revised January figure of 172 to a level of 173, compared with 167 for the same month in 1959. The advance in mining activity was the major factor accounting for the rise.



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

(Dollar amounts in thousands)

Area	Debits to demand deposit accounts <sup>1</sup>			Demand deposits <sup>1</sup>			
	February 1960	Percent change from		Feb. 29, 1960	Annual rate of turnover		
		Jan. 1960	Feb. 1959		Feb. 1960	Jan. 1960	Feb. 1959
<b>ARIZONA</b>							
Tucson.....	\$ 233,061	-4	11	\$ 144,027	19.2	19.1	20.3
<b>LOUISIANA</b>							
Monroe.....	78,614	-8	16	53,678	17.5	18.4	15.7
Shreveport.....	318,414	-7	13	195,704	19.4	20.4	18.6
<b>NEW MEXICO</b>							
Roswell.....	37,107	-9	15	31,882	14.0	15.2	12.2
<b>TEXAS</b>							
Abilene.....	93,314	-6	0	62,586	17.6	18.5	17.4
Amarillo.....	214,542	-1	10	113,768	22.2	21.8	19.8
Austin.....	214,392	-6	14	143,745	18.2	17.8	15.1
Beaumont.....	161,156	1	13	98,143	19.3	18.1	16.0
Corpus Christi.....	179,176	-12	3	110,262	19.4	21.4	18.1
Corpus Christi.....	15,901	-17	6	19,384	9.7	11.3	8.6
Dallas.....	2,653,559	-14	15	1,133,179	28.1	31.0	24.1
El Paso.....	338,304	-3	3	178,113	23.3	24.5	22.2
Fort Worth.....	737,008	-7	3	364,317	24.4	25.7	22.9
Galveston.....	91,589	1	14	65,419	16.7	16.8	15.1
Houston.....	2,530,976	0	9	1,265,097	23.8	23.3	22.1
Laredo.....	27,319	-11	11	23,318	14.3	16.2	13.7
Lubbock.....	215,204	-28	23	120,731	20.5	27.0	16.7
Port Arthur.....	59,414	-11	10	43,648	16.1	17.6	14.3
San Angelo.....	50,586	-4	6	46,333	13.1	13.6	12.6
San Antonio.....	578,727	-4	11	366,016	19.0	19.6	16.2
Texarkana <sup>2</sup> .....	20,524	-11	2	16,333	15.0	16.7	14.0
Tyler.....	82,029	-5	1	58,927	16.4	16.7	15.8
Waco.....	100,746	-9	7	67,211	17.9	19.0	15.8
Wichita Falls.....	111,406	-12	7	101,028	13.0	13.0	11.5
<b>Total—24 cities.....</b>	<b>\$9,143,068</b>	<b>-7</b>	<b>10</b>	<b>\$4,822,849</b>	<b>22.7</b>	<b>23.8</b>	<b>20.4</b>

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

<sup>2</sup> These figures include only two banks in Texarkana, Texas. Total debits for all banks in Texarkana, Texas-Arkansas, including one bank located in the Eighth District, amounted to \$42,806,000 for the month of February 1960.

**VALUE OF CONSTRUCTION CONTRACTS AWARDED**

(In thousands of dollars)

Area and type	January 1960	December 1959	January 1959
<b>FIVE SOUTHWESTERN STATES<sup>1</sup></b>	<b>259,687</b>	<b>252,145</b>	<b>299,277</b>
Residential.....	111,905	113,537	159,961
All other.....	147,782	138,608	139,316
<b>UNITED STATES.....</b>	<b>2,192,949</b>	<b>2,224,060</b>	<b>2,319,167</b>
Residential.....	926,966	993,185	1,021,516
All other.....	1,265,983	1,230,875	1,297,651

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

**DAILY AVERAGE PRODUCTION OF CRUDE OIL**

(In thousands of barrels)

Area	February 1960 <sup>1</sup>	January 1960 <sup>1</sup>	February 1959 <sup>2</sup>	Change from	
				January 1960	February 1959
<b>ELEVENTH DISTRICT.....</b>	<b>3,161.4</b>	<b>3,042.3</b>	<b>3,250.7</b>	<b>3.9</b>	<b>-2.8</b>
Texas.....	2,783.3	2,670.2	2,882.0	4.2	-3.4
Gulf Coast.....	519.6	498.9	550.7	4.1	-5.7
West Texas.....	1,272.9	1,208.7	1,291.3	5.3	-1.4
East Texas (proper).....	146.7	142.2	161.9	3.2	-9.4
Panhandle.....	109.4	109.3	108.0	.1	1.3
Rest of State.....	734.7	711.1	770.1	3.3	-4.6
Southeastern New Mexico.....	263.4	258.9	253.2	1.7	4.0
Northern Louisiana.....	114.7	113.2	115.5	1.3	-7.7
<b>OUTSIDE ELEVENTH DISTRICT.....</b>	<b>4,133.3</b>	<b>4,110.8</b>	<b>3,943.1</b>	<b>.5</b>	<b>4.8</b>
<b>UNITED STATES.....</b>	<b>7,294.7</b>	<b>7,153.1</b>	<b>7,193.8</b>	<b>1.9</b>	<b>1.4</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	Feb. 24, 1960	Jan. 27, 1960	Feb. 25, 1959
<b>ASSETS</b>			
Loans and discounts.....	4,758	4,738	4,575
United States Government obligations.....	2,502	2,548	2,720
Other securities.....	862	862	842
Reserves with Federal Reserve Bank.....	842	920	930
Cash in vault.....	144	150	142
Balances with banks in the United States.....	935	1,005	1,012
Balances with banks in foreign countries.....	2	2	2
Cash items in process of collection.....	527	507	479
Other assets.....	322	340	267
<b>TOTAL ASSETS.....</b>	<b>10,894</b>	<b>11,072</b>	<b>10,969</b>
<b>LIABILITIES AND CAPITAL ACCOUNTS</b>			
Demand deposits of banks.....	998	1,094	1,046
Other demand deposits.....	6,569	6,642	6,777
Time deposits.....	2,139	2,145	2,128
<b>Total deposits.....</b>	<b>9,706</b>	<b>9,881</b>	<b>9,951</b>
Borrowings.....	99	101	27
Other liabilities.....	170	175	113
Total capital accounts.....	919	915	878
<b>TOTAL LIABILITIES AND CAPITAL ACCOUNTS.....</b>	<b>10,894</b>	<b>11,072</b>	<b>10,969</b>

e — Estimated.

**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
1958: February..	7,297	3,481	3,816	1,729	915	814
1959: February..	7,858	3,808	4,050	2,117	1,119	998
October...	7,782	3,820	3,962	2,099	1,078	1,021
November...	7,919	3,823	4,096	2,100	1,077	1,023
December...	8,052	3,904	4,148	2,099	1,077	1,022
1960: January...	8,084	3,912	4,172	2,111	1,081	1,030
February..	7,620	3,640	3,980	2,145	1,089	1,056

**BUILDING PERMITS**

VALUATION (Dollar amounts in thousands)

Area	NUMBER				Percent change		
	Feb. 1960	2 mos. 1960	Feb. 1960	2 mos. 1960	Feb. 1960 from		2 months, 1960 from 1959
					Jan. 1960	Feb. 1959	
<b>ARIZONA</b>							
Tucson.....	732	1,324	\$ 4,170	\$ 7,392	29	216	205
<b>LOUISIANA</b>							
Shreveport....	439	967	1,651	3,792	-23	-48	-27
<b>TEXAS</b>							
Abilene.....	168	319	1,910	3,111	59	-25	-37
Amarillo.....	256	423	2,751	5,592	-3	24	-28
Austin.....	243	470	3,226	5,997	16	-37	-36
Beaumont.....	214	410	759	1,328	33	-45	-50
Corpus Christi.....	64	122	863	1,918	-18	-43	-43
Dallas.....	1,603	2,905	11,316	23,115	-4	-21	-13
El Paso.....	532	904	3,447	5,616	59	-28	-39
Fort Worth.....	613	1,151	3,475	6,748	6	-20	-9
Galveston.....	85	149	187	279	103	-23	-42
Houston.....	943	2,005	16,411	33,460	-4	10	-1
Lubbock.....	233	488	3,344	7,402	-18	-49	-26
Port Arthur....	118	246	1,763	2,854	62	159	147
San Antonio....	1,126	2,005	5,166	8,229	69	11	-13
Waco.....	248	431	797	2,663	-57	-20	5
Wichita Falls..	185	394	884	2,556	-47	1	22
<b>Total—17 cities..</b>	<b>7,802</b>	<b>14,714</b>	<b>\$62,120</b>	<b>\$122,052</b>	<b>4</b>	<b>-11</b>	<b>-12</b>