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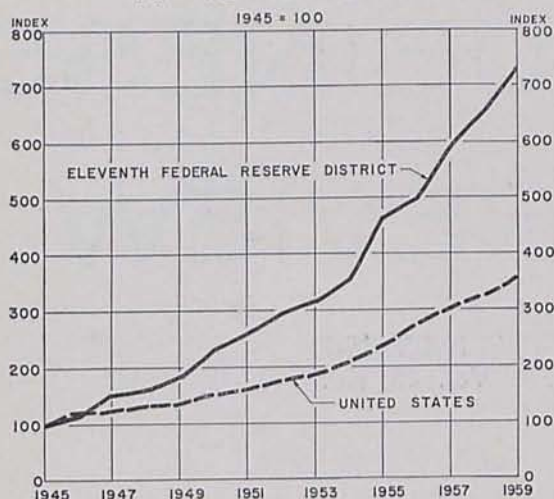
SOUTHWESTERN TRUST DEVELOPMENTS IN 1959

The postwar era of southwestern banking has been marked by dramatic growth in virtually all phases of commercial banking activity, but perhaps nowhere has the rate of advance been more outstanding than in the field of trust operations. In 1945, trust department earnings at all member banks in the Eleventh Federal Reserve District totaled \$1.2 million. In 1959, each of a number of individual trust departments in the District received commissions and fees which were within close striking distance of that figure.

As trust operations have expanded during the postwar period, important changes also have occurred in the character of trust activity. The older types of trust accounts, mainly estates and personal trusts, continue to account for the bulk of trust department activity, but the variety of skills and services which trust departments must bring to the administration of these accounts has multiplied several times. In part, this development has reflected a necessary adjustment to the growing complexity of business operations generally. The development also has reflected a greater diversity of properties offered for management under trust agreement. To an increasing extent, trust departments are involved in the management of assets other than investments in financial form; any listing of the functions of the modern trust department would include the management of such diverse properties as retail establishments of all types, farms and ranches, manufacturing establishments, minerals-producing properties, and both commercial and

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS

ANNUAL TRUST EARNINGS AT MEMBER BANKS



SOURCE: Federal Reserve Bulletin.

residential real estate. It perhaps is unnecessary to point out that postwar growth in the volume of such properties managed under trust arrangements has occasioned not only a rapid expansion in the number of trust department personnel but also the need for obtaining trust personnel having superior professional skills in specialized areas of training.

Aside from changes in the character of trust activity involving personal trusts and estates, new fields of trust activity have emerged to alter the trust scene. The introduction and growth of both pension-plan accounts and common trust funds offer excellent examples of developments which have opened new avenues of trust operations and underscored the need for greater specialization in trust activities. In addition, corporate trust business has grown from infancy to represent a major source of income at many of the larger trust departments in the District, and this development also has represented a major element of change in the character of trust business transacted at many southwestern banks. It may be noted, also, that the postwar growth of the corporate trust function in the Southwest has tended to strengthen competition between banks operating in the trust field. Corporate trust services are largely impersonal, and corporations' requirements for efficient and economical trust service are subject to rather precise measurement. Competition for personal trust business also is present; but since personal trust service is not as

well defined or standardized as most services rendered for corporate accounts, the competition is different in character and less direct in its impact.

The sharp postwar growth in trust income, the expansion in trust facilities and personnel to accommodate the needs of individuals and businesses for specialized trust services, and the strengthening of competitive forces in southwestern trust operations have all contributed to the stimulation of greater interest on the part of bank management in trust operations. At the same time, these forces have produced a greater need for information which will allow trust departments to compare their operations with those at other departments of similar size. It is in response to this need that the Federal Reserve Bank of Dallas conducts, with the cooperation of trust departments at member banks in the Eleventh District, its annual survey of trust department earnings and expenses. In the recently completed survey of income and expenses in 1959, 46 trust departments, accounting for 91 percent of trust earnings at all member banks in the District, participated.

Income Developments in 1959

In 1959, as in previous years, trust earnings at all member banks in the District showed a sharp rate of gain. At \$9,020,000, trust earnings for the year were almost 12 percent above the 1958 level. This favorable rate of growth represents an extension of the strong upward trend which has been sustained throughout the postwar period, during which the growth rate of trust income at southwestern banks has exceeded that recorded for any other section of the country.

Notwithstanding the favorable performance of trust income as a whole during 1959, changes in the individ-

PERCENTAGE CHANGES IN INCOME OF COMMERCIAL BANK TRUST DEPARTMENTS, 1959 FROM 1958¹

Eleventh Federal Reserve District

Item	38 banks with 1959 commissions and fees of:				Total
	\$10,000- \$50,000	\$50,000- \$100,000	\$100,000- \$300,000	Over \$300,000	
Number of banks	14	8	5	11	38
Commissions and fees from:					
Estates	-15.5	47.8	38.3	22.7	24.1
Personal trusts	9.1	17.0	7.2	11.8	11.6
Pension and profit-sharing trusts	44.4	22.1	23.9	15.8	16.7
Personal agencies	44.3	-42.9	10.3	6.9	3.8
Total personal accounts	4.7	16.9	15.2	14.1	14.0
Corporate trusts	-15.5	-39.0	-39.0	-5.3	-10.3
Corporate agencies	20.2	117.4	28.4	-8.0	-2.4
Total corporate accounts	5.7	49.9	9.1	-7.4	-4.1
Total income	4.8	20.7	14.6	9.7	10.7

¹ Data represent income changes at 38 trust departments which reported in both the 1958 and the 1959 surveys.

ual types of trust accounts showed a mixed pattern. Strong income gains were recorded for personal accounts as income from estates rose 24 percent, income from personal trusts expanded almost 12 percent, and revenues from pension and profit-sharing accounts advanced nearly 17 percent. Income from personal agencies also advanced, but the gain of approximately 4 percent was considerably below the rate of gain posted for other types of personal accounts.

In contrast with continued growth in income from personal accounts, earnings from corporate trust functions declined 4 percent below the 1958 level, reflecting decreases of 10 percent in income from corporate trusts — defined to represent largely bond trusteeships — and slightly more than 2 percent in income from corporate agency accounts. (Because of differences in the size of the 1958 base from which the percentage changes are derived, it may be noted that, in terms of dollar figures, the decline in income from corporate trusts was appreciably smaller than the dollar decline in income from corporate agencies.)

A number of developments were of importance in accounting for the 1959 decrease in income from corporate trust activity. Among the most important was a continuation of the trend for trading in the securities of southwestern corporations to shift from over-the-counter markets to organized exchanges in New York City. Trust department income from stock-transfer activity depends very largely — either directly or indirectly — upon the volume of operations handled. Although southwestern trust departments do not necessarily lose the accounts of firms whose stock becomes listed on organized exchanges in the East, the proportion of stock-transfer work performed in this area does decline substantially as a result. Consequently, shifts in stock trading from regional to national markets have deprived southwestern trust departments of income formerly received from the stock-transfer function; and, to a considerable extent, the decline in 1959 income from corporate agencies reflects this development.

A second force which tended to reduce the level of trust earnings from corporate agencies in 1959 was the loss of corporate accounts as a result of mergers. To the extent that corporate mergers involve only southwestern corporations whose stocks are traded primarily on a regional basis, the net effect of corporate mergers in the Southwest is primarily to redistribute stock-transfer fees among the larger trust departments in the District. When an individual trust department loses an account

because of a corporate merger, a competing department is likely to benefit from an expanded volume of business as a result of the same merger. In fact, the activity of effecting exchanges of stock growing out of corporate mergers may prove temporarily stimulating to trust income in the District as a whole. The strength of trust income from corporate accounts in 1958, for example, was partially the result of such activity.

The type of corporate merger which produced adverse effects upon District trust department income in 1959, however, was the merger of southwestern corporations with larger corporations whose stock-transfer work is handled primarily by banks in eastern financial centers. Such mergers customarily involve either the loss of a corporate account or a substantial reduction in its activity.

It should be noted that the volume of corporate trust work performed at trust departments in the Southwest is still relatively small. Consequently, swings in activity in a few large corporate accounts may cause fairly substantial percentage changes in annual income from the corporate trust function. For example, a bunching of stock splits and stock dividends in 1958 produced an unusually sharp increase in trust income during that year, and the absence of such marked stimulants to trust earnings in 1959 allowed trust earnings from corporate accounts to fall more nearly in line with the longer-term growth trend. At least to some extent, consequently, the 1959 decline may be viewed as an inevitable follow-up to the unusually heavy volume of corporate trust activity concentrated in the preceding year. Nevertheless, the forces which have been identified above as exerting a contractive influence on trust income from corporate

PERCENTAGE DISTRIBUTION OF INCOME OF COMMERCIAL BANK TRUST DEPARTMENTS, 1959¹
Eleventh Federal Reserve District

Item	46 banks with total commissions and fees of:				Total
	\$10,000- \$50,000	\$50,000- \$100,000	\$100,000- \$300,000	Over \$300,000	
Number of banks	20	10	5	11	46
Estates.....	24.9	29.1	22.7	20.9	22.0
Personal trusts.....	62.3	46.6	53.1	39.0	41.9
Pension and profit-sharing trusts.....	2.3	4.7	7.1	10.8	9.6
Personal agencies.....	8.0	6.1	7.8	11.9	10.9
Total personal accounts....	97.5	86.5	90.7	82.6	84.4
Corporate trusts.....	.8	2.0	1.5	3.6	3.1
Corporate agencies.....	1.7	11.5	7.8	13.8	12.5
Total corporate accounts....	2.5	13.5	9.3	17.4	15.6
Total income.....	100.0	100.0	100.0	100.0	100.0
Amount of total commissions and fees (in thousands)....	\$397	\$781	\$633	\$6,402	\$8,213

¹ Based on data submitted by 46 trust departments, which accounted for 91 percent of 1959 trust income at all member banks in the District.

accounts will warrant careful scrutiny in the future, as their continued operation would have significant implications for the growth trend of corporate trust activity in the Southwest.

Since the 1959 decline in income from corporate agencies was associated, in part, with mergers and the loss of trust business resulting from the listing of southwestern corporations' stock on organized security exchanges, it is not surprising that the decrease in income was confined to the largest trust departments. At trust departments in each of the smaller income-size groups, income from corporate agencies showed improvement. Trust departments in all size groups experienced a decline in income from bond trusteeships, however.

Continuation of the sharp rate of gain in income from personal accounts, coupled with the decline in earnings from corporate trust activity, produced a noticeable shift in the percentage distribution of income in 1959. Corporate accounts, which provided 18.4 percent of total trust earnings in 1958, contributed only 15.6 percent of earnings in 1959. Over the same period, the percentage of income derived from personal accounts rose from 81.6 percent to 84.4 percent. A more detailed distribution of income at the 46 banks represented in the 1959 survey of earnings and expenses is provided in the preceding table.

Trust Department Expenses in 1959

Results of the 1959 survey of earnings and expenses indicate that trust expenses in the District rose 10.7 percent in 1959 — the rate of increase matching the rate of advance in income at those trust departments represented in the survey tabulations. Expenses rose most rapidly at the smallest trust departments, but gains also were recorded for trust departments in each of the remaining size groups. In terms of percentage advances, the largest increases were registered for legal and professional fees, periodicals and investment services, and examination expenses. In terms of dollar increases, expenses for salaries and wages accounted for the largest share of the total growth in expenses. Expenditures for advertising expenses and for miscellaneous expenses related to salaries showed the only declines from the 1958 levels. In the case of advertising expenses, declines were posted for each group of trust departments except the smallest income-size group. In contrast, the decrease in miscellaneous expenses related to salaries was confined to the largest trust departments. Percentage changes in trust expenses from 1958 to 1959 at 38

banks which responded in both the 1958 and the 1959 trust surveys are shown in the following table.

The distribution of expenses among the various expense items reported by survey banks was not notably different in 1959 from percentage distributions of ex-

PERCENTAGE CHANGES IN EXPENSES FOR COMMERCIAL BANK TRUST DEPARTMENTS, 1959 FROM 1958¹

Eleventh Federal Reserve District

Item	38 banks with 1959 commissions and fees of:				Total
	\$10,000- \$50,000	\$50,000- \$100,000	\$100,000- \$300,000	Over \$300,000	
Number of banks	14	8	5	11	38
Salaries and wages					
Officers.....	6.0	16.6	1.8	12.6	11.7
Employees.....	20.1	2.6	5.6	9.6	9.1
Pensions and retirements.....	47.8	-5.5	23.1	15.4	14.6
Personnel insurance.....	-3.3	-8.5	41.0	9.8	8.7
Other expenses related to					
salaries.....	31.7	59.4	69.4	-27.7	-18.6
Occupancy of quarters.....	22.6	-1.4	145.0	15.6	20.8
Furniture and equipment.....	43.6	11.2	4.5	-2.5	1.0
Stationery, supplies, and					
postage.....	40.9	7.4	-5.2	-2.4	.0
Telephone and telegraph.....	41.0	-4.3	3.1	34.9	27.4
Advertising.....	28.5	-3.3	-7.0	-11.3	-8.1
Directors' and trust committee					
fees.....	-3.9	-9.7	7.6	12.1	7.8
Legal and professional fees..	38.4	21.9	22.5	47.7	39.5
Periodicals and investment					
services.....	-17.6	50.1	-10.5	52.8	38.8
Examinations.....	80.7	41.1	169.5	48.5	60.1
Other direct expenses.....	51.0	-14.7	90.5	12.0	11.6
Total direct expenses.....	16.0	7.6	13.4	10.0	10.3
Overhead.....	5.6	7.9	9.4	16.8	14.5
Total expenses.....	14.6	7.6	13.0	10.7	10.7

¹ Data are derived from the reports of 38 trust departments which participated in both the 1958 and the 1959 surveys.

PERCENTAGE DISTRIBUTION OF EXPENSES AND RELATED ITEMS FOR COMMERCIAL BANK TRUST DEPARTMENTS, 1959¹

Eleventh Federal Reserve District

Item	46 banks with total commissions and fees of:				Total
	\$10,000- \$50,000	\$50,000- \$100,000	\$100,000- \$300,000	Over \$300,000	
Salaries and wages					
Officers.....	40.8	28.3	28.0	26.6	27.7
Employees.....	22.7	26.8	36.0	34.2	32.8
Pensions and retirements.....	2.8	3.6	4.4	4.2	4.0
Personnel insurance.....	.8	.9	1.0	.7	.8
Other expenses related to					
salaries.....	1.2	1.4	1.7	1.3	1.4
Occupancy of quarters.....	5.3	4.9	8.6	6.3	6.3
Furniture and equipment.....	2.4	2.1	1.6	2.3	2.2
Stationery, supplies, and					
postage.....	3.4	2.6	2.2	3.1	3.0
Telephone and telegraph.....	1.1	1.1	.5	.9	.9
Advertising.....	2.4	2.0	1.1	1.5	1.6
Directors' and trust committee					
fees.....	.7	.7	2.0	.5	.6
Legal and professional fees..	.9	.8	1.2	.6	.7
Periodicals and investment					
services.....	1.0	1.4	.5	.6	.7
Examinations.....	1.1	.5	1.2	.5	.6
Other direct expenses.....	1.2	1.9	.9	5.6	4.6
Total direct expenses.....	87.8	79.0	90.9	88.9	87.9
Overhead.....	12.2	21.0	9.1	11.1	12.1
Total expenses.....	100.0	100.0	100.0	100.0	100.0
Related items					
Average number of officers.	1.3	2.6	3.1	12.3	5.3
Average number of employees.....	1.7	6.3	11.2	47.1	19.1

¹ Based on data submitted by 46 trust departments, which accounted for 91 percent of 1959 trust income at all member banks in the District.

penses reported in previous surveys. At 60.5 percent of total expenses, the ratio of payments for officers' and employees' salaries and wages to total expenses was virtually unchanged from the 1958 ratio, notwithstanding an enlargement in the number of trust personnel at banks in each of the size groups.

Trust Department Net Earnings in 1959

At the 46 trust departments which participated in the 1959 survey of earnings and expenses, total expenses incurred in discharging trust functions amounted to 97.6 percent of income received from commissions and fees. Thus, 2.4 percent of trust income represented the trust departments' net contribution to bank profits. Such ratios derived from aggregate data, however, tend to conceal wide variations in net earnings positions at individual trust departments in the District. For example, 30 of the trust departments represented in the 1959 survey experienced net losses (before adjustment for deposit credits), whereas only 16 of the departments reported net profits.

As in previous years, larger trust departments in the District tended to show profits on their operations, and smaller departments generally experienced net losses. The 20 trust departments that received commissions and fees of \$10,000 to \$50,000 in 1959 included 15 departments which reported net losses and only 5 which recorded net profits. Similarly, 8 of the 10 trust departments in the \$50,000-\$100,000 income-size group also reported net losses. At trust departments of larger size, however, a slight majority showed profitable operations. Therefore, the fact that aggregate data indicate a net profit on trust operations stems largely from the dominant weight of the relatively small number of large trust departments.

The accompanying table indicates the 1959 net earnings position of trust departments in the various size groups, the dollar amount of total commissions and fees received, and data pertaining to credits allowed trust departments for trust funds maintained on deposit with the parent bank. At any particular time, these deposits may represent funds held temporarily idle pending investment or disbursement under the terms of a living or testamentary trust, funds held idle pending the final settlement of an estate, funds with which to make dividend or coupon payments on corporate stocks or bonds, or funds acquired as a result of corporate payments into sinking funds. Although the funds identified with individual trust accounts may be held idle for only a short period of time, the daily average volume of trust funds

maintained on balance with the parent bank may be substantial at banks having a large number of trust accounts.

Twenty-two of the trust departments which participated in the 1959 survey received deposit credits, the rate for such credits averaging 2.1 percent. As in previous surveys, adjusting trust department earnings in order to reflect the allowance for deposit credits results in a major change in the earnings picture. Thus, the adjustment for deposit credits at 22 of the survey banks raised aggregate net earnings for all 46 banks from 2.4 percent of total commissions and fees to 16.9 percent of commissions and fees. While deposit credits do not represent true trust department earnings, they do indicate the extent to which the trust department contributes to bank earning power by the direct attraction of deposits. In this respect, the deposit credit is a useful tool for appraising more accurately the trust department's over-all contribution to bank profits.

In contrast with the results in earlier surveys, the 1959 survey data indicate that personal accounts showed larger profits than did corporate trust activity. In fact, at the 24 survey banks which were able to segregate income and expense data between the personal and the corporate trust function, respectively, income from personal accounts exceeded expenses by 5.6 percent, but expenses in handling corporate trust activity exceeded income from these accounts by 1.4 percent. This reversal of patterns established in previous years reflects the fact that income from personal accounts grew at a

NET EARNINGS AND RELATED ITEMS FOR COMMERCIAL BANK TRUST DEPARTMENTS, 1959

Eleventh Federal Reserve District

(Percentage of total commissions and fees)

Item	46 banks with total commissions and fees of:				Total
	\$10,000-\$50,000	\$50,000-\$100,000	\$100,000-\$300,000	Over \$300,000	
Number of banks	20	10	5	11	46
Total expenses.....	125.5	111.9	84.7	95.3	97.6
Trust department net earnings (+) or losses (-) before income taxes.....	-25.5	-11.9	15.3	4.7	2.4
Allowed credit for deposits.	12.8	15.5	18.7	14.0	14.5
Trust department net earnings (+) or losses (-), adjusted for deposit credits.....	-12.7	3.6	34.0	18.7	16.9
Memorandum figures					
Average rate allowed as deposit credit (percent) ¹ .	1.7	2.1	2.1	2.7	2.1
Number of banks allowing deposit credits.....	6	6	4	6	22
Amount of total commissions and fees (in thousands)...	\$397	\$781	\$633	\$6,402	\$8,213

¹ Based on reported rates only; excludes banks which do not allow a credit for deposits.

pace appreciably in excess of expenses, while expenses in the corporate sector of trust activity continued to mount in the face of declining income. In both the personal and the corporate phases of trust activity, short-term changes in expenses are not closely correlated with temporary fluctuations in income; so, it is not surprising that the diverse movements in income from these two types of accounts produced rather marked shifts in their profitability.

In connection with differences between the profitability of personal and corporate accounts, it must be noted that corporate trust business customarily attracts substantially more deposit money to a bank than do personal trust accounts. Thus, when the net earnings experience on corporate and personal accounts is adjusted to reflect the allowance of credits for trust funds deposited with the parent bank, the resultant net earnings position is substantially higher on corporate accounts.

At seven of the larger trust departments in the District (each having income of more than \$350,000 from commissions and fees), detailed reporting of earnings and expenses by type of account threw additional light on the relative costs of handling the various types of trust business. At these trust departments, corporate trusts (bond trusteeships) were by far the most profitable accounts, requiring expenditures amounting to only 75 percent of the income received. Moreover, these accounts also were reported to be superior with respect to the attraction of deposits to the parent bank. In con-

trast, data for the seven banks represented in these special tabulations indicate that expenses involved in handling corporate agencies exceeded income by 3 percent, although the adjustment for deposit credits allowed at four of the seven trust departments was sufficiently large to result in a comfortable adjusted earnings position for corporate agencies also.

The high net earnings rate on bond trusteeships, contrasted with the small net loss rate on corporate agencies, is not inconsistent with the fact that survey banks reported net losses on aggregate corporate trust activity in 1959. The great bulk of corporate trust activity in southwestern trust departments represents corporate agency functions. Because of the differences in volume, dollar profits from bond trusteeships were small even though the net earnings rate was high, and dollar losses on corporate agencies were fairly large even though the net loss rate was small.

The seven large commercial bank trust departments in the District which were able to provide the detailed classification of income and expense data by type of account reported favorable performances by most types of personal accounts during 1959. Stated as a percentage of income from commissions and fees received, net profits on estates amounted to 9.7 percent, pension and profit-sharing trusts yielded net profits of 10.1 percent, and personal trusts produced profits of 3.4 percent. In each case, adjustments for deposit credits allowed at four of the seven banks effected a substantial improvement in the earnings picture.

A detailed report of the results of the survey of 1959 earnings and expenses of commercial bank trust departments in the Eleventh Federal Reserve District may be obtained by addressing a request to:

**Research Department
Federal Reserve Bank of Dallas
400 South Akard Street, Dallas 2, Texas**

BUSINESS REVIEW

BUSINESS, AGRICULTURAL, AND FINANCIAL CONDITIONS



Construction contracts awarded in the Eleventh District states during April showed significant improvement over the March level and were considerably

above a year earlier. A sharp increase in nonresidential awards accounted for all of the month-to-month gain, easily offsetting a slight contraseasonal decline in residential contracts.

Nonagricultural employment in the District states rose slightly during April to reach a new all-time peak. Reduced activity in mining and manufacturing during May caused the Texas industrial production index to decrease 2 points from the level in the preceding month.

June rains boosted agricultural prospects in a large part of the District, especially in the drought-stricken dry-land areas of south Texas. Plantings of cotton and sorghums are in the final stages. The production of wheat, spring and early-summer vegetables, and fruit is expected to be larger than that in 1959. Livestock conditions remain favorable, except in sections of south and southwestern Texas.



When Easter comes early in the year, department store sales rise substantially, but not as much as when a late-spring Easter comes after a spell of warm weather. An

early Easter is often followed by another surge in department store sales in May, near Mother's Day. This year, Easter was relatively late, and the weather was cold and rainy in the preceding months. Thus, much buying which might have been done earlier was put off until April. The weather cleared and turned warm in the weeks immediately before Easter, resulting in record Easter-season sales which pushed the adjusted department store sales index in the Eleventh District to an all-time high. Since Easter was in March in 1959, April 1960 sales recorded large percentage gains, but May sales this year fell substantially below the comparable 1959 levels.

A substantial gain in deposits at weekly reporting member banks in the District between May 18 and June 15 was accompanied by a moderate rise in loans and investments and a large increase in cash balances. Reserve positions of District member banks were under greater pressure in May than a month earlier, with most of the change centered at country banks.

The District petroleum industry showed a mixed pattern during June, with a slight increase in crude oil output but a similarly small decline in crude runs to refinery stills. The 8-day allowable for Texas during June has been continued for July, and little change is expected in allowable production schedules for most of the other District states.

District department store sales in May declined more than seasonally from the record level reached in April and were substantially lower than in May 1959. Wearing apparel sales suffered the largest losses, after rising sharply during April. New car registrations in the District's four most populous areas were higher than in May last year but were slightly less than in the previous month.

The result was a more than seasonal decline in District department store sales during May to a level that was 7 percent below May 1959. The seasonally adjusted index was down to 159 percent of the 1947-49 average in May from a record 181 in April and 172 a year ago. Cumulative sales for the year to date at the end of May

DEPARTMENT STORE SALES

(Percentage change in retail value)

Area	May 1960 from		5 months, 1960 from 1959
	April 1960	May 1959	
Total Eleventh District.....	-7	-7	0
Corpus Christi.....	-10	-10	-4
Dallas.....	-7	-3	3
El Paso.....	-11	-18	-12
Fort Worth.....	-6	-9	-4
Houston.....	-7	-8	3
San Antonio.....	-1	-10	-4
Shreveport, La.....	-14	-11	-3
Waco.....	-3	-15	-6
Other cities.....	-10	-4	2

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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: May.....	172r	172	174	175r
1960: March.....	143	164	191	182
April.....	172	181	189	181
May.....	159	159	181p	182p

r — Revised.
p — Preliminary.

were fractionally lower than those at the same time last year.

As might be expected, sales of soft goods in the District, particularly wearing apparel, were largely responsible for the May decline from a year earlier. Having purchased these goods heavily in April, consumers spent less for soft goods than in May 1959. Sales of women's and misses' dresses and accessories were down 7 percent and 4 percent, respectively, and men's clothing sales were 13 percent lower. On the other hand, durable goods sales during May, with the exception of major household appliances, improved somewhat from a year ago. Sales of radios, television sets, and musical equipment rose 5 percent, and furniture and bedding sales were up 6 percent. Sales of major household appliances, however, were 13 percent below May 1959.



Agricultural conditions in the District during June showed considerable variation, which is typical of the diverse and widespread types of agriculture carried on in

the area. Heavy, soaking rains during mid-June were especially beneficial in the High Plains area of New Mexico and Texas eastward into the Blacklands, eastern Texas, and Louisiana. Conditions in southern sections of Texas deteriorated during much of June, but soaking rains in the latter part of the month sharply boosted prospects. Excessive rains caused flooding in some coastal areas.

Cotton planting in the District is nearing completion. Rains temporarily slowed planting in the late areas in the High Plains of Texas, and some replanting of washed fields was necessary. In the Blacklands and in eastern Texas and Louisiana, cotton has made rapid growth; but in south Texas, the crop is in need of moisture. Root rot is beginning to show up in the Lower Valley. In south Texas and the Coastal Bend, corn and sorghums have suffered as a result of dry soil, and live-

COTTON ACREAGE, PRODUCTION, AND VALUE OF PRODUCTION

(In thousands)

Area	Acreage harvested		Bales produced ¹		Value of lint and seed	
	1959	1958	1959	1958	1959	1958
Arizona.....	383	377	715	734	\$ 131,493	\$ 140,334
Louisiana.....	490	364	492	297	88,925	52,740
New Mexico.....	198	176	323	301	61,915	58,252
Oklahoma.....	625	410	381	313	58,874	54,415
Texas.....	6,350	5,395	4,416	4,308	699,287	748,941
Total.....	8,046	6,722	6,327	5,953	\$1,040,494	\$1,054,682
United States....	15,090	11,849	14,551	11,512	\$2,513,339	\$2,122,573

¹ 500 pounds gross weight.

SOURCE: United States Department of Agriculture.

stock have been turned in to graze some of the more badly damaged fields. Drilling of additional sorghum acreage got under way in Texas and New Mexico following the mid-June rains. Well over three-fourths of the grain sorghum acreage has now been seeded.

Combining of wheat was slowed temporarily by rains. Combining is virtually complete in the Blacklands, Cross Timbers, and Low Rolling Plains of Texas and is well advanced in the Texas High Plains and New Mexico. The 1960 winter wheat crop in the District states, as of June 1, is estimated at 186.5 million bushels, or 3.7 million bushels above the month-earlier forecast and 18 percent larger than the 1959 output. In Texas the outturn is placed at 76.6 million bushels — unchanged from a month ago but 28 percent larger than in 1959. The national 1960 winter wheat crop is indicated at slightly over 1 billion bushels, which is 27.7 million bushels more than the May 1 figure and is one-tenth greater than last year's output.

Most of the peanuts have been planted, and the crop is making good growth in the important Cross Timbers area; but in south Texas, early peanuts are making slow development because of inadequate moisture. In the upper coastal area of Texas, early rice is booting. Farmers are watering and fertilizing the crop, and prospects

WINTER WHEAT

Area	ACREAGE (In thousands of acres)			PRODUCTION (In thousands of bushels)		
	For harvest	Harvested				
	Crop of 1960	Crop of 1959	Crops of 1949-58	Crop of 1960 ¹	Crop of 1959	Crops of 1949-58
Arizona.....	36	102	41	1,008	3,672	1,229
Louisiana.....	54	50	44	1,134	1,200	772
New Mexico.....	239	223	173	3,107	3,791	1,678
Oklahoma.....	4,756	4,573	4,699	104,632	89,174	66,759
Texas.....	3,830	3,420	2,905	76,600	59,850	36,751
Total.....	8,915	8,368	7,862	186,481	157,687	107,189

¹ Indicated June 1.

² Short-time average.

SOURCE: United States Department of Agriculture.

CASH RECEIPTS FROM FARM MARKETINGS

(Dollar amounts in thousands)

Area	January—March		Percent change
	1960	1959	
Arizona	\$ 113,948	\$ 97,731	17
Louisiana	60,378	61,451	-2
New Mexico	42,169	42,823	-2
Oklahoma	99,847	94,400	6
Texas	384,239	423,809	-9
Total	\$ 700,581	\$ 720,214	-3
United States	\$6,939,818	\$7,240,016	-4

SOURCE: United States Department of Agriculture.

remain favorable. Developments in commercial vegetable areas are relatively favorable.

Summer grazing prospects in western sections of the District were improved as a result of midmonth rains. In the Trans-Pecos, rainfall was light, and additional moisture is needed. Recent rains in the southern half of Texas checked declining pasture conditions, and increased forage supplies will reduce the necessity for supplemental feeding.

Deposits at weekly reporting member banks in the District advanced approximately \$183 million in the 4 weeks ended June 15, accompanied by a moderate

rise in loans and investments and a substantial gain in cash balances. Demand deposits expanded \$194.5 million as appreciable increases in the balances of individuals, businesses, and banks were only partially offset by declines in government balances. Time deposits decreased \$11.4 million, with most of the contraction occurring in state and local government accounts. Total deposits on June 15 were 2.3 percent below the year-earlier level.

Gross loans (excluding interbank loans) rose \$22.6 million in the 4-week period, compared with an increase of \$65.9 million in the corresponding 1959 interval. Consumer-type loans accounted for most of the gain, since a modest rise in loans to nonbank financial institutions was almost offset by a decline in loans for purchasing or carrying securities. There were minor and generally counterbalancing changes in other loan categories. Investment portfolios expanded \$4.5 million, as the banks increased their holdings of Treasury obligations by \$9.1 million but liquidated \$4.6 million of non-Government securities. The rise in Government security holdings was centered in Treasury bills; a net increase in Treasury certificate purchases was somewhat more than offset by liquidation of notes and bonds.

CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	June 15, 1960	May 18, 1960	June 17, 1959
ASSETS			
Commercial and industrial loans	1,469,349	1,468,643	—
Agricultural loans	31,199	32,031	32,172
Loans to brokers and dealers for purchasing or carrying:			
U. S. Government securities	1,736	286	17,435
Other securities	16,224	18,691	—
Other loans for purchasing or carrying:			
U. S. Government securities	10,241	9,405	180,671
Other securities	177,771	180,694	—
Loans to nonbank financial institutions:			
Sales finance, personal finance, etc.	129,535	127,503	—
Savings banks, mtg. cos., ins. cos., etc.	125,143	122,855	—
Loans to foreign banks	403	453	25,606
Loans to domestic commercial banks	57,759	11,674	—
Real-estate loans	208,641	208,616	227,791
All other loans	776,154	754,657	—
Gross loans	3,004,155	2,935,508	2,945,078
Less reserves and unallocated charge-offs	54,446	54,427	49,579
Net loans	2,949,709	2,881,081	2,895,499
Treasury bills	46,181	36,043	39,548
Treasury certificates of indebtedness	23,418	21,590	85,266
Treasury notes and U. S. Government bonds, including guaranteed obligations, maturing:			
Within 1 year	68,198	70,251	—
After 1 but within 5 years	820,377	819,433	1,184,842
After 5 years	293,738	295,503	—
Other securities	341,433	346,017	341,100
Total investments	1,593,345	1,588,837	1,650,756
Cash items in process of collection	536,591	467,826	513,984
Balances with banks in the United States	520,283	481,896	495,965
Balances with banks in foreign countries	1,977	2,016	2,628
Currency and coin	50,451	49,952	49,013
Reserves with Federal Reserve Bank	557,463	536,726	598,759
Other assets	181,858	184,728	165,636
TOTAL ASSETS	6,391,677	6,193,062	6,372,240
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits			
Individuals, partnerships, and corporations	2,902,354	2,799,817	2,979,455
United States Government	140,577	160,058	86,258
States and political subdivisions	208,354	252,101	215,626
Banks in the United States	980,036	824,507	1,015,946
Banks in foreign countries	14,962	19,224	15,552
Certified and officers' checks, etc.	48,639	44,762	82,206
Total demand deposits	4,294,922	4,100,469	4,395,043
Time deposits			
Individuals, partnerships, and corporations	1,037,170	1,025,558	1,101,912
United States Government	8,655	12,255	7,055
Postal savings	394	394	421
States and political subdivisions	222,916	242,340	193,919
Banks in the U. S. and foreign countries	3,943	3,893	2,903
Total time deposits	1,273,078	1,284,440	1,306,210
Total deposits	5,568,000	5,384,909	5,701,253
Bills payable, rediscounts, etc.	170,864	147,197	79,350
All other liabilities	100,185	109,293	63,119
Capital accounts	552,628	551,663	528,518
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	6,391,677	6,193,062	6,372,240

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.

Reserve positions of member banks in the District were under greater pressure in May than in April. Average reserve balances decreased \$3.5 million, required reserves rose \$11.3 million, and average borrowings from the Reserve Bank advanced \$15.2 million. The net reserve position shifted from average net free reserves of \$23.9 million in the 4 weeks ended May 4 to

RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	4 weeks ended June 1, 1960	4 weeks ended May 4, 1960	Month of May 1959
RESERVE CITY BANKS			
Total reserves held.....	527,819	524,678	549,077
With Federal Reserve Bank....	525,448	522,423	—
Cash allowed as reserves.....	2,371	2,255	—
Required reserves.....	521,225	519,809	540,789
Excess reserves.....	6,594	4,869	8,288
Borrowings.....	16,656	14,389	36,586
Free reserves.....	-10,062	-9,520	-28,298
COUNTRY BANKS			
Total reserves held.....	442,106	448,779	452,299
With Federal Reserve Bank....	435,115	441,759	—
Cash allowed as reserves.....	6,991	7,020	—
Required reserves.....	416,790	406,938	409,322
Excess reserves.....	25,316	41,841	42,977
Borrowings.....	21,362	8,469	5,294
Free reserves.....	3,954	33,372	37,683
ALL MEMBER BANKS			
Total reserves held.....	969,925	973,457	1,001,376
With Federal Reserve Bank....	960,563	964,182	—
Cash allowed as reserves.....	9,362	9,275	—
Required reserves.....	938,015	926,747	950,111
Excess reserves.....	31,910	46,710	51,265
Borrowings.....	38,018	22,858	41,880
Free reserves.....	-6,108	23,852	9,385

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.

net borrowed reserves of \$6.1 million in the 4 weeks ended June 1. Most of the additional pressure occurred at country banks.

Earning assets of the Federal Reserve Bank of Dallas increased \$10.7 million in the 4 weeks ended June 15, as a gain of \$20.2 million in Government security holdings was partially offset by a decline of \$9.5 million in discounts for member banks. The increase in the Government security account reflected participation in the Reserve System's steps to supply banks with additional reserves. Total gold certificate reserves decreased \$15.4 million, while the Bank's Federal Reserve notes in circulation rose moderately and were 1 percent above a year earlier.

Discount rates at all Federal Reserve banks were lowered from 4 percent to 3½ percent between June 3

NEW MEMBER BANK

The Westview National Bank, Waco, Texas, a newly organized institution located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, opened for business June 1, 1960, as a member of the Federal Reserve System. The new member bank has capital of \$200,000, surplus of \$150,000, and undivided profits of \$50,000. The officers are: W. B. Dosselt, President; J. Olin Hudson, Executive Vice President; and Guy D. Davidson, Vice President and Cashier.

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	June 15, 1960	May 18, 1960	June 17, 1959
Total gold certificate reserves.....	663,843	679,235	711,068
Discounts for member banks.....	21,039	30,533	61,605
Other discounts and advances.....	0	0	884
U. S. Government securities.....	1,054,056	1,033,886	1,035,547
Total earning assets.....	1,075,095	1,064,419	1,098,036
Member bank reserve deposits.....	929,101	922,798	997,947
Federal Reserve notes in actual circulation....	784,206	775,262	776,091

and June 14. At the Federal Reserve Bank of Dallas the lower rate became effective on June 10.

Following a \$6.4 billion refunding operation early in May, the Treasury raised \$300 million of new money by increasing its offerings of 182-day bills in three successive weekly auctions. Then, between June 8 and June 13, the Treasury carried out its plan to refund, in advance, part of the \$11.2 billion of outstanding 2½-percent bonds due November 1961. Holders of these bonds had the option of exchanging them for like face amounts of either the 3¾-percent notes maturing May 15, 1964, or the 3⅞-percent bonds maturing May 15, 1968. Preliminary reports indicate that holders of approximately \$4.9 billion of the bonds maturing in 1961 submitted exchange subscriptions, including \$4.6 billion for the new 3¾-percent notes and \$321 million for the new 3⅞-percent bonds. The Treasury will allot in full all subscriptions for the bonds and approximately \$3.9 billion of the note subscriptions.



The District petroleum industry during early June reflected an improving balance of supply and demand forces with the statistical inventory position and, consequently, a cessation of the downward pressure on crude oil production. Total supplies of crude oil in the United States contracted slightly during the month, although District crude oil production showed a small gain over the May level. Crude oil output in the District in early June averaged 2,823,000 barrels per day, or 8 percent below June 1959. In contrast, total imports declined 8 percent but remained more than one-fifth above a year earlier. The sharpest changes in the past month were in imports of refined products, as crude oil imports decreased only 2 percent from the May figure. As a result of these varying factors, crude oil stocks in the Nation were virtually unchanged at a total of 258,903,000 barrels on June 10 and were 2 percent under a year earlier.

The demand pattern during early June showed some moderate declines, with total demand for the four major

MARKETED PRODUCTION OF NATURAL GAS

(In millions of cubic feet)

Area	Fourth quarter 1959	Third quarter 1959	Fourth quarter 1958
Louisiana.....	667,000	580,800	591,200
New Mexico.....	195,400	173,900	193,400
Oklahoma.....	152,500	148,600	186,000
Texas.....	1,473,700	1,376,900	1,410,400
Total.....	2,488,600	2,280,200	2,381,000

SOURCE: United States Bureau of Mines.

refined products down 3 percent from the May level although up 2 percent over a year ago. The strong elements in the demand picture were still gasoline and kerosene, with the former reflecting a 3-percent advance over May to a level 4 percent above a year earlier. The sharp declines in distillate and residual fuel oil demands may partly reflect the lessening strength of industrial output.

The decline in total demand brought a rise in aggregate product stocks, but, at 375,240,000 barrels on June 10, they were still nearly 4 percent below a year ago. Among the four major refined products, gasoline stocks remained in heaviest supply at more than 3 percent above a year earlier, whereas kerosene, distillate, and residual stocks were under the comparable 1959 levels. Crude runs to refinery stills in the District showed a negligible decline during early June but were over 5 percent above the total in June 1959. Although also showing a small loss from the May level, crude runs in the United States were more than 1 percent below the comparable year-earlier level.

The 8-day allowable production schedule in Texas has been continued for July, and little change is expected in the present levels of allowables in most of the other District states. Changes which are currently being discussed in regard to regulations governing exempt production in Texas, with particular reference to secondary recovery projects, could have a substantial impact upon the State's future allowables and upon the contemplated secondary recovery projects in west Texas.

The total value of construction contracts awarded in the District states during April rose 30 percent over the preceding month and was 12 percent above a year

ago. The very sharp month-to-month increase of 65 percent in nonresidential awards easily offset the 8-percent decline in residential awards. The cumulative value of contract awards in the District states in the first 4



months of this year was 6 percent lower than in the same period in 1959; all of the decrease centered in residential awards, which were down almost one-fifth.

The seasonally adjusted index of Texas industrial production for May decreased to 172, which is 2 points below the April figure and compares with 175 for May 1959. Declining strength in nondurables manufacturing and the reduced level of mining activity caused the decrease from the preceding month.

Total nonfarm employment in the five southwestern states continued to increase seasonally during May to reach a new peak of 4,417,800, which is slightly above the April level and is 3.2 percent above the May 1959 figure. Construction and service employment showed the greatest month-to-month percentage gains, but government employment declined as a result of the completion of most of the decennial census field work. Unemployment in Texas decreased further in May to 163,900, or 4.5 percent of the nonfarm labor force.

INDUSTRIAL PRODUCTION

(Seasonally adjusted indexes, 1947-49 = 100)

Area and type of index	May 1960p	April 1960	March 1960	May 1959
TEXAS				
Total industrial production....	172	174	173	175
Total manufactures.....	218	220	216r	210
Durable manufactures.....	252	252	249	245
Nondurable manufactures....	202	206	200	194
Mining.....	128	129	132	142
UNITED STATES				
Total industrial production....	167	165	166r	166r
Total manufactures.....	166	164	165r	165r
Durable manufactures.....	175	172	175	177r
Nondurable manufactures....	161	159	158r	156r
Mining.....	125	127	125	131r
Utilities.....	286	285	288r	266

p — Preliminary.

r — Revised.

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

NONAGRICULTURAL EMPLOYMENT

Five Southwestern States¹

Type of employment	Number of persons			Percent change May 1960 from	
	May 1960e	April 1960	May 1959r	April 1960	May 1959
Total nonagricultural					
wage and salary workers..	4,417,800	4,416,700	4,282,700	0.0	3.2
Manufacturing.....	785,600	785,500	773,600	.0	1.6
Nonmanufacturing.....	3,632,200	3,631,200	3,509,100	.0	3.5
Mining.....	247,800	248,900	253,800	.0	-2.5
Construction.....	305,000	300,500	322,100	1.5	-9
Transportation and public utilities.....	404,300	405,000	392,100	.0	-5.5
Trade.....	1,091,800	1,090,700	1,036,800	.0	5.3
Finance.....	198,400	197,700	189,400	.3	4.8
Service.....	541,700	538,300	502,400	1.0	7.8
Government.....	843,200	850,100	812,500	-1.0	3.8

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			
	May 1960	Percent change from		May 31, 1960	Annual rate of turnover		
		April 1960	May 1959		May 1960	April 1960	May 1959
ARIZONA							
Tucson.....	\$ 232,617	1	8	\$ 143,426	20.0	20.5	19.7
LOUISIANA							
Monroe.....	84,407	3	11	50,503	19.9	18.8	18.2
Shreveport.....	319,151	-9	10	180,579	21.0	22.3	17.9
NEW MEXICO							
Roswell.....	39,772	-3	15	30,224	16.1	16.6	13.4
TEXAS							
Abilene.....	100,738	10	6	62,470	19.9	18.5	17.9
Amarillo.....	211,558	-2	1	110,210	22.8	22.9	22.0
Austin.....	231,279	0	11	135,183	19.7	19.2	15.7
Beaumont.....	166,697	5	8	94,335	20.6	19.4	18.0
Corpus Christi.....	178,850	-8	-5	105,315	20.2	21.6	20.2
Corsicana.....	15,227	-12	1	19,191	9.5	10.7	8.9
Dallas.....	2,970,565	11	20	1,091,110	32.3	28.9	26.4
El Paso.....	335,157	1	0	163,675	24.2	24.1	24.5
Fort Worth.....	773,130	5	1	360,547	25.7	24.5	24.5
Galveston.....	93,216	5	18	60,925	17.9	16.6	14.9
Houston.....	2,584,109	4	5	1,235,498	24.8	24.1	23.8
Laredo.....	30,660	2	3	22,123	16.6	16.2	16.2
Lubbock.....	193,003	-2	9	110,185	20.6	20.4	18.8
Port Arthur.....	62,284	-5	-4	42,822	17.8	18.8	17.4
San Angelo.....	54,064	3	10	44,886	14.9	14.5	13.0
San Antonio.....	613,560	0	3	364,899	20.0	20.0	18.1
Texarkana ²	23,085	-5	5	16,381	16.7	17.4	16.2
Tyler.....	88,484	5	2	58,226	18.2	17.3	16.9
Waco.....	103,369	-2	-5	66,079	18.6	18.8	19.0
Wichita Falls.....	117,741	3	-1	99,492	14.3	13.9	13.9
Total—24 cities.....	\$9,622,723	4	9	\$4,668,284	24.5	23.5	22.1

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

² 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 \$49,286,000 for the month of May 1960.

DAILY AVERAGE PRODUCTION OF CRUDE OIL

(In thousands of barrels)

Area	May 1960 ¹	April 1960 ¹	May 1959 ²	Change from	
				April 1960	May 1959
ELEVENTH DISTRICT					
Texas.....	2,795.1	2,934.4	3,233.7	-4.8	-13.6
Gulf Coast.....	2,416.5	2,549.7	2,867.8	-5.2	-15.7
West Texas.....	450.4	467.5	540.4	-3.7	-16.7
East Texas (proper).....	1,067.8	1,145.0	1,297.9	-6.8	-17.7
Panhandle.....	120.2	131.8	158.2	-8.8	-24.0
Rest of State.....	107.9	108.2	106.3	-3	1.5
Southeastern New Mexico.....	670.2	697.2	765.0	-3.8	-12.4
Northern Louisiana.....	265.5	270.3	247.7	-1.8	7.2
OUTSIDE ELEVENTH DISTRICT					
UNITED STATES.....	4,013.2	4,076.3	3,985.8	-1.6	.7
UNITED STATES.....	6,808.3	7,010.7	7,219.5	-2.8	-5.7

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

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

Area and type	April 1960	March 1960	April 1959	January—April	
				1960	1959
FIVE SOUTHWESTERN STATES¹					
Residential.....	429,445	330,026	384,724	1,291,006	1,378,906
All other.....	145,231	157,316	178,354	539,899	666,655
UNITED STATES.....	284,214	172,710	206,370	751,107	712,251
Residential.....	3,359,782	3,034,925	3,778,419	10,806,053	11,702,374
All other.....	1,479,529	1,290,953	1,820,787	4,676,544	5,453,863
UNITED STATES.....	1,880,253	1,743,972	1,947,632	6,129,509	6,248,511

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

CONDITION STATISTICS OF ALL MEMBER BANKS

Eleventh Federal Reserve District

(In millions of dollars)

Item	May 25, 1960	April 27, 1960	May 27, 1959
ASSETS			
Loans and discounts.....	4,805	4,816	4,596
United States Government obligations.....	2,408	2,472	2,645
Other securities.....	823	850	822
Reserves with Federal Reserve Bank.....	960	925	961
Cash in vault.....	142	149	142
Balances with banks in the United States.....	891	893	992
Balances with banks in foreign countries.....	2	2	2
Cash items in process of collection.....	490	566	512
Other assets.....	277	273	249
TOTAL ASSETS^a	10,744	10,946	10,921
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits of banks.....	910	971	1,054
Other demand deposits.....	6,200	6,321	6,627
Time deposits.....	2,175	2,180	2,159
Total deposits.....	9,510	9,662	9,840
Borrowings.....	142	177	84
Other liabilities.....	152	182	94
Total capital accounts.....	940	925	903
TOTAL LIABILITIES AND CAPITAL ACCOUNTS^a	10,744	10,946	10,921

^a — 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: May.....	7,402	3,654	3,748	1,992	1,088	904
1959: May.....	7,674	3,751	3,923	2,156	1,125	1,031
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
March.....	7,539	3,661	3,878	2,171	1,097	1,074
April.....	7,503	3,640	3,863	2,190	1,105	1,085
May.....	7,364	3,623	3,741	2,178	1,094	1,084

BUILDING PERMITS

VALUATION (Dollar amounts in thousands)

Area	NUMBER		VALUATION		Percent change		
	May 1960	5 mos. 1960	May 1960	5 mos. 1960	Apr. 1960	May 1959	5 months, 1960 from 1959
ARIZONA							
Tucson.....	1,022	4,359	\$ 3,034	\$ 15,777	21	-24	46
LOUISIANA							
Shreveport.....	545	2,488	2,866	11,280	43	17	-6
TEXAS							
Abilene.....	145	771	1,559	8,244	-24	-22	-30
Amarillo.....	339	1,599	2,552	15,383	-12	-29	-8
Austin.....	383	1,483	5,175	20,432	12	14	-14
Beaumont.....	321	1,290	1,135	5,539	-18	-10	-21
Corpus Christi.....	60	310	1,025	5,344	0	10	-35
Dallas.....	2,610	10,457	9,931	57,532	-23	-31	-28
El Paso.....	737	3,068	4,098	19,556	-3	12	-22
Fort Worth.....	708	3,366	5,494	22,769	2	31	12
Galveston.....	157	562	3,013	3,819	965	585	160
Houston.....	1,411	6,163	14,140	85,104	1	-21	-6
Lubbock.....	203	1,283	3,619	20,031	-18	-52	-25
Port Arthur.....	214	872	904	5,026	67	26	51
San Antonio.....	1,219	5,581	4,957	24,114	-8	6	-10
Waco.....	230	1,196	1,336	8,562	63	-61	2
Wichita Falls.....	331	1,439	2,968	10,788	-5	133	81
Total—17 cities.....	10,635	46,287	\$67,806	\$339,300	0	-12	-10