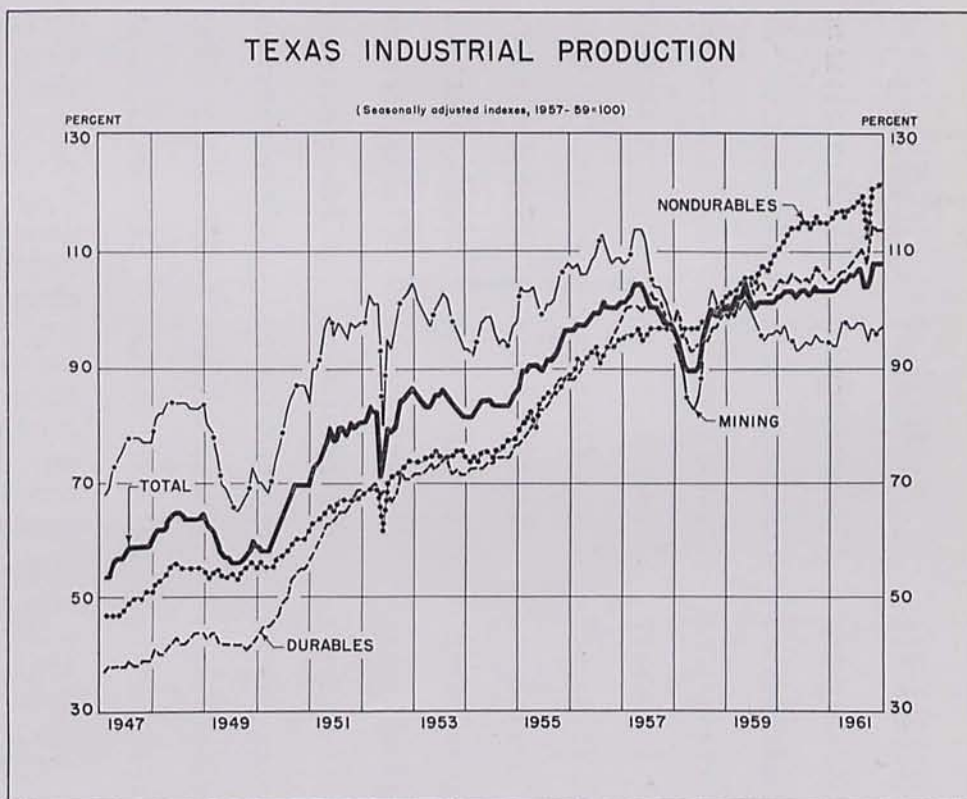




BUSINESS REVIEW

MAY 1962
Vol. 47, No. 5

REVISED INDUSTRIAL PRODUCTION INDEX FOR TEXAS



FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS

INDUSTRIAL PRODUCTION IN TEXAS, 1947-61

(Seasonally adjusted indexes, 1957-59 = 100)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL INDUSTRIAL PRODUCTION												
1947	54	54	56	57	57	58	59	59	59	59	59	60
1948	62	62	62	64	65	65	65	64	64	64	64	65
1949	63	62	61	58	57	57	56	56	57	58	60	59
1950	59	58	58	61	63	65	67	69	70	70	70	70
1951	73	74	76	78	80	78	80	80	79	81	80	81
1952	81	84	83	83	71	80	79	81	85	85	86	87
1953	86	85	84	84	86	86	87	86	85	84	83	82
1954	82	82	83	85	85	85	84	84	84	84	86	87
1955	90	90	91	91	91	90	92	92	93	95	97	97
1956	97	98	98	98	99	100	100	102	101	101	101	102
1957	102	103	105	105	105	104	102	101	101	99	98	98
1958	97	95	91	90	90	91	95	99	101	100	100	101
1959	101	101	103	103	106	104	101	102	102	102	102	103
1960	103	104	103	104	103	104	104	103	105	104	104	104
1961	104	104	106	106	107	107	108	108	104	109	109	109
TOTAL MANUFACTURING												
1947	43	43	43	43	43	44	45	45	45	46	46	46
1948	48	47	47	49	50	50	50	50	50	50	50	50
1949	49	50	50	49	49	49	49	49	50	50	50	50
1950	51	50	51	51	53	53	55	57	57	58	58	59
1951	61	61	63	64	65	65	66	66	66	67	68	68
1952	68	69	69	69	64	69	69	70	72	72	73	73
1953	73	73	74	75	75	75	75	74	75	74	74	74
1954	74	74	74	75	75	75	76	76	76	77	77	78
1955	79	80	82	81	83	84	85	86	87	87	89	89
1956	89	91	91	92	92	93	91	93	94	95	96	97
1957	98	98	98	99	97	98	99	99	99	98	97	97
1958	98	96	96	95	95	95	96	97	98	99	100	101
1959	101	102	104	104	106	106	104	106	107	105	107	108
1960	109	109	110	111	110	111	111	110	113	112	111	111
1961	111	112	112	113	114	114	115	116	110	118	118	118
DURABLE MANUFACTURES												
1947	37	38	38	38	38	38	39	38	38	39	39	39
1948	41	39	40	41	42	43	42	42	43	44	44	44
1949	43	44	44	42	42	42	42	42	42	41	42	43
1950	44	45	45	46	47	49	50	53	54	55	55	56
1951	58	59	61	63	63	64	65	65	66	67	69	69
1952	69	69	70	68	69	68	67	68	72	71	71	72
1953	72	72	73	74	73	74	75	74	72	73	72	72
1954	73	73	73	73	74	74	75	75	75	75	77	77
1955	78	79	80	81	83	83	84	85	87	88	88	88
1956	88	89	90	92	92	93	92	93	94	96	97	97
1957	101	101	101	101	100	102	103	102	102	98	98	97
1958	100	97	96	93	93	94	94	95	97	97	99	100
1959	99	102	103	103	105	106	103	105	105	103	103	105
1960	106	105	105	107	106	105	106	105	108	107	106	105
1961	105	106	107	107	108	109	110	111	108	115	114	114
NONDURABLE MANUFACTURES												
1947	47	47	47	47	47	48	49	50	50	50	51	51
1948	53	53	53	55	56	56	55	55	55	55	55	55
1949	53	54	55	54	53	54	54	53	55	55	56	55
1950	56	55	55	55	57	57	58	59	60	60	60	61
1951	63	63	64	65	66	65	67	67	67	67	67	68
1952	68	69	69	69	61	70	71	71	72	73	74	74
1953	74	74	75	75	76	75	75	75	75	76	76	75
1954	74	75	74	76	76	75	76	76	77	78	78	79
1955	81	81	83	80	84	85	86	86	86	87	89	89
1956	90	92	91	92	93	94	91	93	94	94	95	95
1957	96	96	96	97	95	96	97	97	97	97	97	98
1958	96	95	97	97	97	97	98	98	99	100	101	102
1959	103	102	104	105	106	106	105	107	108	107	109	110
1960	111	112	113	114	114	115	115	114	116	115	115	115
1961	116	117	117	116	118	118	119	120	112	121	121	122
MINING												
1947	68	69	72	74	75	77	78	78	78	77	77	77
1948	81	82	82	84	84	84	84	83	83	83	83	84
1949	80	79	75	70	69	67	65	65	67	68	73	70
1950	70	69	68	73	76	79	83	85	87	87	87	84
1951	90	90	93	97	99	96	98	97	95	98	97	98
1952	98	103	101	101	80	95	93	96	101	102	103	105
1953	102	100	98	97	100	101	103	102	99	97	95	93
1954	93	92	95	98	99	99	96	94	95	94	97	98
1955	104	103	103	104	101	99	101	101	102	106	107	108
1956	107	108	106	106	108	109	112	113	110	108	109	109
1957	108	109	114	114	114	112	105	104	104	102	100	98
1958	95	93	85	84	83	86	94	102	104	101	100	101
1959	101	99	101	102	106	101	98	96	95	96	96	97
1960	96	98	95	95	93	94	95	94	96	95	95	95
1961	94	94	98	98	97	97	98	98	95	97	96	97

Each month since December 1958, the *Business Review* has presented information on this Bank's industrial production index for Texas, together with the national index prepared by the Board of Governors of the Federal Reserve System. This broad indicator of the output of Texas factories and mines was developed to furnish those interested in Texas industrialization with a means of analyzing its progress.

In order to provide as accurate and current an economic measure as possible, the index has been revised to take into account data available from the comprehensive 1958 Censuses of Manufactures and Mineral Industries. Changes in productivity, man-hour adjustments, and the relative index weightings of the industries which comprise the Texas industrial structure were also considered in the revision. In addition, the base period of the index has been advanced from 1947-49 to 1957-59, in line with comparable changes in various basic economic measurements for the Nation. Certain changes in methodology and the means of computation are also being made at this time.

By the end of 1961, the revised index of Texas industrial production had risen 9 percent from the 1957-59 average. Non-durable manufactures rose 22 percent, mainly as a result of further gains in chemicals, paper and paper products, food, and apparel. Durable manufactures increased 14 percent, with the strongest advances in furniture, primary metals, machinery, fabricated metals, and stone, clay, and glass. Reduced crude oil production lowered the mining index by 3 percent.

To the interested reader, there are available a series of tables showing the completely revised index for 1947 through 1961, including the separate industry indexes, and a new statement of methodology and procedure. This material may be obtained upon direct request to:

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

NATURAL GAS LIQUIDS

Adequate fuel supplies are required to support growing economies. One comparatively new and dynamic source of energy that will enhance future energy supplies is natural gas liquids. Natural gas liquids are recovered in conjunction with natural gas; in essence, they are joint products. The fuel marketed as natural gas is largely methane, but, prior to processing, natural gas is a mixture of many hydrocarbons. Other members of the paraffin series, such as ethane, propane, butane, isobutane, and pentane, may also be recovered. After these separate components are recovered from natural gas, they are readily convertible from the gaseous to the liquid state by simple changes in pressure and temperature. Hydrocarbons of this nature are often referred to, therefore, as natural gas liquids.

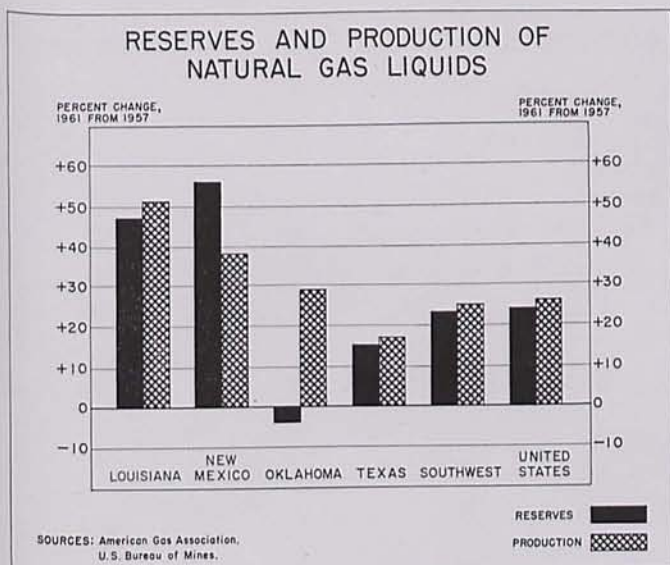
Natural gas liquids may be divided into three broad categories: (1) natural gasoline; (2) liquefied petroleum gases (LPG), so named because they are extracted and handled in a liquid state but are consumed in the gaseous state; and (3) finished products, such as kerosene and distillate fuel oil. Most natural gas liquids are produced at special plants, but a small amount may be obtained from refineries. Natural gas liquids resulting from the refining of crude hydrocarbons are called liquefied refinery gases.

The growing importance of natural gas liquids has been closely associated with the development of the natural gas industry. In the early stage, the motivation for natural gas liquids processing was limited to cleaning up the gas streams so that the natural gas could be

marketed. Unfortunately, appropriate transportation facilities for natural gas were unavailable, and natural gas markets were thus highly restricted. After World War II, state conservation groups issued orders preventing the flaring of natural gas. Stripping operations were established at that time to obtain marketable gas which could be transported through large-diameter pipelines to markets throughout the Nation. As natural gas developed into a valuable energy source, natural gas liquids also assumed some importance.

Economic growth hastens consumption of exhaustible resources, such as natural gas and natural gas liquids; therefore, a primary long-run consideration is the sufficiency of future supplies. The current and future availability of natural gas and natural gas liquids may be partially defined in terms of estimated proved recoverable reserves. At the beginning of 1962, natural gas reserves in the Nation were estimated at 268 trillion cubic feet, and natural gas liquids at 7 billion barrels. Natural gas reserves grew 1.5 percent during 1961, while reserves of natural gas liquids rose 3.4 percent. The four southwestern states of Louisiana, New Mexico, Oklahoma, and Texas contribute about 85 percent of the current and future supplies of both natural gas and natural gas liquids. At the beginning of 1962, Texas provided more than one-half of the regional totals of 218 trillion cubic feet of natural gas and 6 billion barrels of natural gas liquids; and Louisiana, an additional 25 percent.

Total production of natural gas has advanced rapidly, both in the Nation and in the Southwest, but output of natural gas liquids has increased at a more rapid rate. Southwestern production of natural gas liquids (including natural gasoline, LPG produced at natural gas liquids plants, LPG produced at refineries, and finished products) totaled 14 billion gallons in 1961, compared with only 11 billion gallons in 1957. One-fourth of the Southwest's total output was natural gasoline, while 65 percent was liquefied petroleum gases produced at both plants and refineries. Similar relationships existed in the Nation, except that LPG comprised a slightly larger percentage of the total. The largest production increase from 1957 to 1961 in both the Nation and the Southwest was recorded in liquefied petroleum gases; the output of natural gasoline rose at a much slower rate. During 1961, southwestern production of natural gasoline rose 3 percent, finished products advanced about 10 percent, and liquefied



PRODUCTION OF NATURAL GAS LIQUIDS, 1961

Four Southwestern States and United States

(In thousands of gallons)

Product	Louisiana	New Mexico	Oklahoma	Texas	SOUTH-WEST	United States
Natural gasoline and isopentane.....	335,320	280,642	464,767	2,330,326	3,411,055	4,586,124
Liquefied petroleum gases						
At plants.....	785,818	650,085	802,709	4,770,580	7,009,192	9,005,965
At refineries.....	613,788	6,174	189,924	1,021,944	1,831,830	3,315,774
Finished gasoline and other.....	609,324	12,908	58,569	752,937	1,433,738	1,489,243
TOTAL.....	2,344,250	949,809	1,515,969	8,875,787	13,685,815	18,397,106

SOURCE: United States Bureau of Mines.

petroleum gases increased 8 percent. Within the area, the greatest expansion in natural gas liquids output during 1961 was recorded in Louisiana, where production advanced 8 percent. Output in Texas and the Southwest each rose about 6 percent.

If natural gas and natural gas liquids were produced separately, additional costs — such as finding, developing, and recovery costs — would be incurred by the producer. Since they are produced jointly, cost savings are probably substantial. Natural gas liquids output has supplemented energy supplies and petroleum industry earnings as well. The value of natural gas liquids produced in 1960 amounted to \$994 million, with the Southwest contributing almost three-fourths of this total. Texas is the leading producing state in the Nation, with its value of natural gas liquids produced totaling around \$463 million in 1960. A comparison of the monetary values and the volume of all natural gas liquids produced indicates that, both in the Southwest and in the Nation during the 1957-60 period, natural gasoline and finished products provided more dollars per gallons produced than did liquefied petroleum gases.

Under joint supply conditions, an advance in natural gas demand encourages an expansion in supply, and the quantity of natural gas liquids produced also increases. If the demand for natural gas liquids is insufficient, excessive availability may result in the short run. The demand for natural gas liquids has advanced significantly, however, rising about 10 percent annually between 1957 and 1961.

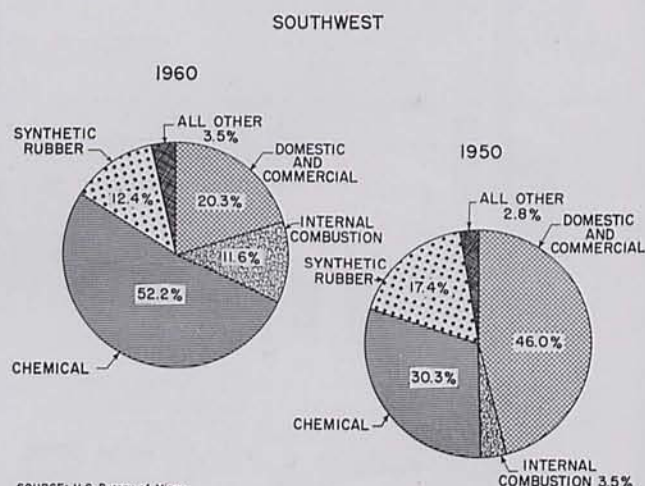
Natural gasoline demand correlates roughly with the need for motor fuel, but consumption of liquefied petroleum gases is more diversified. Commercial institutions and households use LPG for heating, especially in areas not serviced by natural gas pipelines, and households employ the fuel for appliances as well. Almost 50 percent of all natural gas liquids consumed

in the Southwest during 1950 was used by domestic and commercial institutions, but, by 1960, the proportion shared by these users declined to only 20 percent. In the Nation, a significant reduction also occurred, although the drop was somewhat less pronounced.

The prominence of the use of LPG for heating has brought seasonal consumption problems. Other uses for natural gas liquids were required to provide an optimum yearly consumption pattern and to reduce the need for additional storage facilities. Natural gas liquids have been introduced to agricultural groups for use in various types of machinery, including tractors and trucks. The increase in the number and size of LPG-consuming tractors, as well as irrigation engines using LPG, has enhanced the utilization of LPG by agriculture. Flame cultivation of crops and crop drying are other agricultural uses for LPG which are growing in importance. Today, internal-combustion engines of all types consume around 11 percent of the LPG used in the Southwest. Efforts have been made to stimulate this area of utilization for other than agricultural equipment, especially in the Southwest, but the extensive use of liquefied petroleum gas for general-purpose motor fuel would mean an engine conversion from gasoline to LPG and the construction of a network of LPG service stations.

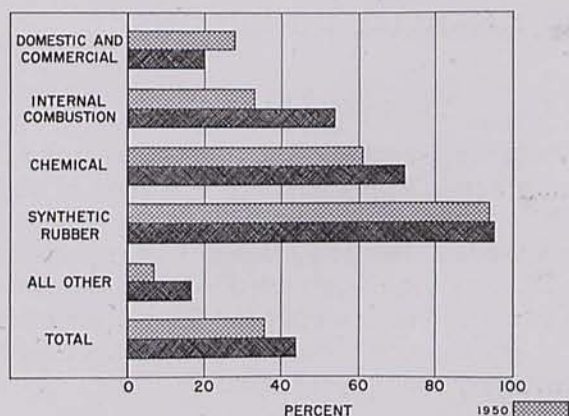
Petrochemical manufacturers used as a product feedstock about one-half of all LPG consumed in the Southwest during 1960, compared with 30 percent in 1950. The absolute growth of this use has helped the Southwest gain prominence not only as a producer of LPG but also as a consumer, and the relative gain corre-

CONSUMPTION OF LIQUEFIED PETROLEUM GAS



CONSUMPTION OF LIQUEFIED PETROLEUM GAS

SOUTHWEST AS PERCENTAGE OF UNITED STATES



SOURCE: U.S. Bureau of Mines.

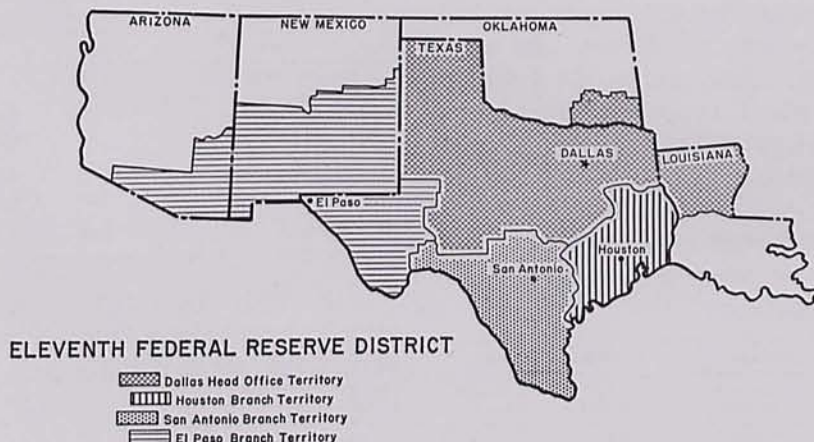
sponds closely to the increasing importance of the chemical industry in Texas.

Despite the significant rate of advance in the consumption of natural gas liquids, stocks of these products have increased. Natural gas liquids consumption in the Nation during 1961 totaled 18.0 billion gallons, production amounted to 18.4 billion gallons, and inventory accumulation was 0.4 billion gallons. National stocks advanced from a total of 0.9 billion gallons in 1957 to 1.7 billion gallons in 1961. To accommodate this increase in stocks, storage capacity, both aboveground

and underground, has risen significantly. Storage capacity reached almost 3 billion gallons in 1961, and about 70 percent of total storage capacity and stocks existing in the Nation were located in the Southwest. In 1961 the total storage capacity in the Southwest was 2.0 billion gallons, with about 1.8 billion gallons of this capacity available underground. These figures compare with 1.6 billion gallons of total storage capacity and 1.4 billion gallons located underground in 1960. About one-half of the total capacity was being utilized at the end of 1961, both in the Southwest and in the Nation.

The outlook for natural gas liquids in the foreseeable future is favorable. A recently initiated Government conservation program to insure sufficient supplies of helium will result in greater availability of LPG also. While there may be a surplus of certain natural gas liquids for several years, increases in demand should accompany (1) the greater diversity in uses of LPG, (2) an advance in motor fuel consumption, and (3) the even greater development of the petrochemical industry. Increasing energy needs associated with an advancing economy should enhance the consumption and further production of natural gas liquids; and with the development of a more efficient network for the transportation of these products, consumption expansion should occur throughout a greater part of the Nation.

SANFORD R. SINGER
General Economist



BUSINESS REVIEW

BUSINESS, AGRICULTURAL, AND FINANCIAL CONDITIONS



Seasonally adjusted department store sales in the Eleventh Federal Reserve District in March declined moderately from February but rose substantially over March 1961. The adjusted index of sales for March was 181 percent of the 1947-49 average, compared with 184 for February and 168 for March 1961.

New car sales registered in four major Texas markets in March rose 16 percent over February and 39 percent over March 1961. For the first quarter of 1962, registrations in the four markets combined exceeded even the high 1955 level.

The Texas industrial production index declined during March to 108 percent of the revised base (1957-59 = 100) but remained above a year earlier. Construction contracts in the District states advanced to a new high for February, and nonagricultural employment was at a record level for March.

Farm work continued to accelerate in the District during April. Approximately one-third of the total intended acreage of the five major spring crops has been seeded. The 1962 winter wheat production in the District states is estimated to be 28 percent below the previous year's output but 25 percent above the 1951-60 average. The condition of livestock is less satisfactory than a year ago.

Daily average crude oil production in the Eleventh District declined moderately in March but expanded in early April. District refinery activity decreased in March and early April, but indicators of drilling operations advanced.

In the 5 weeks ended April 18, investments and time and savings deposits advanced at the weekly reporting member banks in the Eleventh District, while loans and demand deposits declined. Commercial and industrial loans receded, primarily because of decreases in the manufacturing, mining, and trade categories.



Department store sales in the Eleventh Federal Reserve District in March — adjusted for trading day differences, the shifting date of Easter, and other seasonal factors — were slightly below the February level but were markedly above a year ago. The adjusted index for March was 181 percent of the 1947-49 average, compared with 184 for February and 168 for

DEPARTMENT STORE SALES

(Percentage change in retail value)

Area	March 1962 from		3 months, 1962 from 1961
	February 1962	March 1961	
Total Eleventh District.....	28	2	6
Corpus Christi.....	16	-14	-2
Dallas.....	26	4	5
El Paso.....	44	3	1
Fort Worth.....	26	1	7
Houston.....	31	8	11
San Antonio.....	29	-2	3
Shreveport, La.....	38	6	11
Waco.....	27	1	6
Other cities.....	27	-1	5

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
1961: March.....	155	168	183	174
1962: January.....	136	172	173	197
February.....	138	184r	190	196
March.....	158	181	206p	196p

r — Revised.
p — Preliminary.

March 1961. On a dollar-volume basis, March sales were 2 percent above those in the same month last year, despite the fact that Easter was 3 weeks later in 1962 than in 1961.

District department store sales in the first 2 weeks of April rose 13 percent above the corresponding period last year. This sales increase is to be expected because the comparison is with the 2 weeks following

Easter in 1961. The 2 weeks ended April 14 represented the second and third weeks before Easter this year. Sales during this period exceeded those in the comparable weeks before Easter last year by 7 percent.

New car sales registered in four major Texas markets in March rose 16 percent over February and 39 percent over March 1961. The year-to-year advance in each of the markets was substantial. San Antonio led with a gain of 58 percent, followed by Dallas with a gain of 50 percent. Fort Worth and Houston showed increases of 41 percent and 23 percent, respectively. Cumulative sales for the four markets combined in the first quarter of this year surpassed even the high 1955 level for the period.



Outside farm work in the District continued to accelerate during April, although the usual variation of inadequate moisture in some sections and excessive precipitation in others was in evidence. Generally, wet soils and cool nights are retarding planting and crop development in the northeastern portions of the District, while moisture is short in the Coastal Bend and southern and western areas of Texas. Despite the somewhat spotty growing conditions, about one-third of the total intended acreage of the District's more important spring crops — cotton, grain sorghums, corn, rice, and peanuts — has been planted.

Although showers during mid-April improved the condition of the winter wheat crop, more rain is needed since the crop is reaching the critical developmental stage. Insect infestations have been building up in many areas, but damage thus far is reported to be light. Wheat in the Blacklands is in the boot stage, and early fields in western areas are beginning to head. Winter wheat production in the District states is placed, as of April 1, at 148 million bushels, or 28 percent below 1961's excellent crop but 25 percent above the 10-year (1951-

WINTER WHEAT PRODUCTION
(In thousands of bushels)

Area	1962, indicated April 1	1961	Average 1951-60
Arizona.....	1,044	1,118	1,567
Louisiana.....	624	840	1,750
New Mexico.....	5,092	8,004	1,917
Oklahoma.....	83,562	110,832	75,225
Texas.....	57,920	84,870	38,874
Total.....	148,242	205,664	118,333

¹ Short-time average.
SOURCE: United States Department of Agriculture.

60) average. All of the District states registered declines from the year-earlier levels, partly reflecting the diversion of acreage under the 1962 wheat program.

About one-fifth of this year's cotton crop has been planted, or almost the same proportion planted by this time in 1961. In the Lower Valley of Texas, cultivation and fertilization of cotton have been active, and some early cotton is up to stands in the El Paso area and in the southern valleys of New Mexico. In the Blacklands of Texas and northeastward into Louisiana, planting is active.

The bulk of the corn crop has been seeded and is making fair progress, although unfavorable weather has retarded optimum development, especially in northeastern and southern Texas. Drilling of grain sorghums also is well advanced, with approximately one-third of the seedings completed. In the rice areas of the District, about one-half of the crop has now been planted, or a somewhat larger proportion than at the same time last year.

Harvesting is active in commercial vegetable areas, and crops for the late-spring and early-summer market are making good growth except in Coastal Bend sections, where moisture has been a limiting factor. The condition of the Texas peach crop as of April 1 was considerably poorer than last year and was also below the average of the past 10 years. Much of the peach crop was damaged by the late-February and mid-March freezes, which extended deep into south Texas.

Timely April showers gave a boost to pasture and range conditions, but moisture remains inadequate in most southern and southeastern areas in the District. The condition of ranges in the four principal range states of the District is generally below a year ago, except in Arizona. Despite the late development of green forage, cattle and sheep remain in fair condition, but the condition of livestock is less favorable than at this time a year ago.



During the 5 weeks ended April 11, loans, deposits, and non-Government investments advanced at the Nation's weekly reporting member banks, while Government investments declined. The money market was firm during most of the period, with strength mainly in the prices of longer-term securities. Significant demand for Treasury notes and bonds developed from both bank and nonbank sources, thus forcing yields on long-term Government securities below 4 per-

cent. The market for municipal and corporate bonds also exhibited noticeable strength during the period.

The auction rate on 91-day Treasury bills remained virtually unchanged, moving from 2.721 percent on March 8 to 2.723 percent on April 19. The yields on the various maturities of Treasury bills moved closer together, reflecting strong investor demand for long-term bills and the \$100 million additions to the weekly 91-day bill offerings. The effective rate on Federal funds generally held between 2¾ percent and 3 percent throughout the period.

Investments and time and savings deposits advanced at the weekly reporting member banks in the Eleventh Federal Reserve District during the 5 weeks ended April 18, while loans and demand deposits declined. Both cash accounts and total assets receded during this period.

Gross loans (excluding interbank loans) decreased slightly at the weekly reporting member banks in the District; a \$40.2 million reduction in commercial and industrial loans was almost offset by increases of \$12.0 million in loans for purchasing or carrying securities, \$10.4 million in loans to nonbank financial institutions, and \$11.3 million in "all other loans." Within the commercial and industrial loan category, there were noticeable reductions in loans to firms engaged in manufacturing, mining, trade, and transportation, communication, and other public utilities. Such reductions may partly reflect repayment of loans obtained for tax and dividend payments or other seasonal reasons. Partially offsetting these declines were a significant advance in service-type business loans and an increase in loans for construction purposes. In the corresponding period a year earlier, gross loans were reduced \$19.2 million, with decreases in commercial and industrial loans and loans for purchasing or carrying securities more than counterbalancing increases in loans to nonbank financial institutions and "all other loans."

NEW PAR BANK

The Bank of Dallas, Dallas, Texas, an insured non-member bank located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, was added to the Par List on its opening date, April 12, 1962. The officers are: Estill S. Heyser, Jr., Chairman of the Board; Lynn R. Helm, President; James A. Donnell, Cashier; and J. V. (Jack) Lynch, Assistant Vice President.

CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	Apr. 18, 1962	Mar. 14, 1962	Apr. 19, 1961
ASSETS			
Commercial and industrial loans.....	11,733,686	1,773,882	1,539,829
Agricultural loans.....	50,681	48,377	36,379
Loans to brokers and dealers for purchasing or carrying:			
U. S. Government securities.....	20,274	15,274	22,274
Other securities.....	63,325	59,424	32,305
Other loans for purchasing or carrying:			
U. S. Government securities.....	2,457	2,667	7,190
Other securities.....	1175,640	172,328	203,870
Loans to domestic commercial banks.....	54,404	96,738	36,182
Loans to foreign banks.....	178	201	25
Loans to other financial institutions:			
Sales finance, personal finance, etc.....	189,152	83,758	84,927
Savings banks, mtge. cos., ins. cos., etc.....	1166,371	161,280	139,632
Real-estate loans.....	252,501	249,268	217,712
All other loans.....	1798,275	786,967	811,456
Gross loans.....	3,406,944	3,450,164	3,131,781
Less reserves and unallocated charge-offs..	63,359	63,228	57,724
Net loans.....	3,343,585	3,386,936	3,074,057
Treasury bills.....	99,190	123,989	136,125
Treasury certificates of indebtedness.....	73,964	86,415	29,666
Treasury notes and U. S. Government bonds, including guaranteed obligations, maturing:			
Within 1 year.....	276,582	256,235	200,108
After 1 but within 5 years.....	710,682	719,336	615,446
After 5 years.....	410,253	385,931	498,154
Other securities.....	495,248	451,509	414,646
Total investments.....	2,065,919	2,023,415	1,894,145
Cash items in process of collection.....	590,236	598,162	549,062
Balances with banks in the United States.....	474,478	525,148	541,742
Balances with banks in foreign countries.....	2,235	2,154	2,197
Currency and coin.....	57,748	58,797	53,324
Reserves with Federal Reserve Bank.....	597,661	553,979	572,162
Other assets.....	203,139	199,036	186,496
TOTAL ASSETS.....	7,335,001	7,347,627	6,873,185
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits			
Individuals, partnerships, and corporations....	3,081,284	3,093,821	2,995,924
Foreign governments and official institutions, central banks, and international institutions..	3,379	2,512	
United States Government.....	70,127	59,722	52,468
States and political subdivisions.....	233,073	251,425	259,343
Banks in the United States, including mutual savings banks.....	1,089,682	1,154,873	1,109,503
Banks in foreign countries.....	13,257	14,689	15,632
Certified and officers' checks, etc.....	65,392	57,621	61,233
Total demand deposits.....	4,556,194	4,634,663	4,494,103
Time and savings deposits			
Individuals, partnerships, and corporations			
Savings deposits.....	888,932	876,598	1,279,537 r
Other time deposits.....	666,355	653,896	
Foreign governments and official institutions, central banks, and international institutions..	3,007	3,006	14,907
U. S. Government, including postal savings..	6,617	6,617	
States and political subdivisions.....	348,751	332,263	321,143 r
Banks in the United States, including mutual savings banks.....	6,262	5,722	9,560
Banks in foreign countries.....	2,150	2,200	
Total time and savings deposits.....	1,922,074	1,880,302	1,625,147
Total deposits.....	6,478,268	6,514,965	6,119,250
Bills payable, rediscounts, etc.....	130,400	112,100	79,350
All other liabilities.....	98,929	93,645	96,416
Capital accounts.....	627,404	626,917	578,169
TOTAL LIABILITIES AND CAPITAL ACCOUNTS.....	7,335,001	7,347,627	6,873,185

¹ Because of reclassifications, these data are not strictly comparable with year-earlier data.

NOTE: — As a result of changes in call report instructions, additional information is available, effective April 26, 1961, on the deposit structure of member banks. Comparable year-earlier figures will be shown when they become available.

Total investments at the District's weekly reporting banks rose \$42.5 million during the 5-week period, as

RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	4 weeks ended Apr. 4, 1962	4 weeks ended Mar. 7, 1962	5 weeks ended Apr. 5, 1961
RESERVE CITY BANKS			
Total reserves held.....	593,855	588,957	568,412
With Federal Reserve Bank....	554,164	549,738	529,945
Currency and coin.....	39,691	39,219	38,467
Required reserves.....	588,124	583,133	560,667
Excess reserves.....	5,731	5,824	7,745
Borrowings.....	4,804	854	543
Free reserves.....	927	4,970	7,202
COUNTRY BANKS			
Total reserves held.....	549,487	551,933	516,437
With Federal Reserve Bank....	445,974	449,155	420,388
Currency and coin.....	103,513	102,778	96,049
Required reserves.....	483,496	486,642	447,576
Excess reserves.....	65,991	65,291	68,861
Borrowings.....	1,054	528	173
Free reserves.....	64,937	64,763	68,688
ALL MEMBER BANKS			
Total reserves held.....	1,143,342	1,140,890	1,084,849
With Federal Reserve Bank....	1,000,138	998,893	950,333
Currency and coin.....	143,204	141,997	134,516
Required reserves.....	1,071,620	1,069,775	1,008,243
Excess reserves.....	71,722	71,115	76,606
Borrowings.....	5,858	1,382	716
Free reserves.....	65,864	69,733	75,890

a large increase in holdings of non-Government securities more than offset a small reduction in holdings of Government securities. In the comparable period of the preceding year, investments advanced \$45.4 million, with both Government and non-Government security holdings climbing to higher levels.

In the 5 weeks ended April 18, demand deposits at the District's weekly reporting member banks fell \$78.5 million, largely as a result of reductions in deposits of individuals, partnerships, and corporations and deposits of states and political subdivisions. However, time and savings deposits, gaining \$41.8 million, continued the strong advance evident since the first of the year. In the corresponding period last year, demand deposits declined \$36.0 million, and time and savings deposits rose \$19.7 million.

Total reserves moved slightly higher at the District member banks during the 4 weeks ended April 4, as an increase at reserve city banks more than offset a decline at country banks. Excess and free reserves, however, advanced at the country banks and receded at the reserve city banks. Borrowings moved upward, especially at the reserve city banks.

District crude oil production declined moderately in March to average 2,917,400 barrels daily, but output in early April advanced 2 percent. Texas has



retained its April allowable schedule of 8 producing days; however, reductions in the Louisiana and south-

REVISED PETROLEUM INDEXES

The seasonally adjusted indexes of national petroleum activity have been revised because of a recent change by the United States Bureau of Mines in its method of reporting data on gasoline stocks. Copies of the revised indexes for January 1950 through December 1961 may be obtained by addressing a request to:

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

eastern New Mexico allowables and the greater number of days in the month should result in a decrease in daily average District output in May. Crude oil runs to District refinery stills declined moderately in March and early April, but drilling activity strengthened. The number of active rotary rigs in the District rose slightly during March, and both total well completions and total footage drilled advanced 12 percent during the 5 weeks ended April 7.

New supplies of crude oil in the Nation declined during March, as both domestic production and crude oil imports were reduced. However, national crude oil stocks rose 3 percent since crude oil demand also decreased. Stocks of crude oil in mid-April were moderately above the month-earlier level, reflecting an advance in new supplies of crude oil and the continued decrease in crude runs.

In March the seasonally adjusted index of demand for the four major petroleum products was little changed, as an increase in kerosene demand offset a decline in distillate fuel oil consumption. Seasonally adjusted stocks of the four refined products advanced

NATIONAL PETROLEUM ACTIVITY INDICATORS

(Seasonally adjusted indexes, 1957-59 = 100)

Indicator	March 1962p	February 1962p	January 1962	March 1961
CRUDE OIL RUNS TO REFINERY STILLs				
(daily average).....	105	107	106	104
DEMAND (daily average)				
Gasoline.....	108	108	110	106
Kerosene.....	145	127	133	106
Distillate fuel oil.....	109	113	112	97
Residual fuel oil.....	89	89	104	90
Four refined products.....	106	106	110	101
STOCKS (end of month)				
Gasoline.....	103	103	104	104
Kerosene.....	127	123	114	139
Distillate fuel oil.....	109	108	109	110
Residual fuel oil.....	81	78	78	84
Four refined products.....	103	102	103	106

p — Preliminary.

SOURCES: American Petroleum Institute,
United States Bureau of Mines,
Federal Reserve Bank of Dallas.

slightly, with gains registered in both light and heavy fuel oil inventories. Refined product consumption in early April declined more than seasonally anticipated. The gasoline demand advance was less than is usual for this time of year, and the decrease in light and heavy fuel oil consumption was more than expected. However, refined product supplies decreased more than seasonally, and inventories of the major products also declined. Gasoline prices at the refinery level in the Southwest and Midwest were firm despite the return of price cutting at the retail level in certain parts of the country; and on the East Coast, gasoline prices at the wholesale level weakened.



The Texas industrial production index declined 3 points during March to 108 percent of the revised base (1957-59 = 100), compared with 106 percent a year earlier. Reduced mining activity reflected special weakness in crude petroleum production during the month; in addition, there were modest decreases in many manufacturing industries. Compared with a year ago, the mining index for March was 8 percent lower, but the manufacturing index was 8 percent higher.

Nonagricultural employment in the five southwestern states rose 9,800 during March to 4,479,500 workers — a record for the month and 2 percent above a year ago. A moderate decline in transportation and public utilities employment and slight decreases in the number of mining and government workers were more than offset by advances in the other sectors, especially in construction and trade employment. The number of

INDUSTRIAL PRODUCTION (Seasonally adjusted indexes)

Area and type of index	March 1962p	February 1962	January 1962	March 1961
TEXAS (1957-59=100)				
Total industrial production.....	108	111	108	106
Manufacturing.....	121	123	117	112
Durable.....	117	118	108	107
Nondurable.....	124	126	124	117
Mining.....	90	96	96	98
UNITED STATES (1957=100)				
Total industrial production.....	116	115	114	103
Manufacturing.....	116	115	114	102
Durable.....	112	111	109	95
Nondurable.....	122	121	121	112
Mining.....	99	99	99	96
Utilities.....	140	138	137	125

p — Preliminary.

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 Mar. 1962 from	
	March 1962e	February 1962	March 1961r	Feb. 1962	Mar. 1961
Total nonagricultural					
wage and salary workers..	4,479,500	4,469,700	4,410,800	0.2	1.6
Manufacturing.....	780,200	776,700	762,700	.5	2.3
Nonmanufacturing.....	3,699,300	3,693,000	3,648,100	.2	1.4
Mining.....	241,400	242,100	241,000	—3	.2
Construction.....	285,600	283,300	283,100	.8	.9
Transportation and public utilities.....	383,600	389,300	391,400	—1.5	—2.0
Trade.....	1,071,100	1,061,700	1,064,000	.9	.7
Finance.....	224,400	223,600	218,600	.4	2.7
Service.....	604,500	603,800	588,800	.1	2.7
Government.....	888,700	889,200	861,200	—1	3.2

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

e — Estimated.

r — Revised.

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

unemployed in Texas in March totaled 176,700 persons and represented 4.9 percent of the civilian labor force, compared with 5.4 percent a month earlier and 5.9 percent in March 1961. The rate of unemployment was the lowest for the month in recent years.

The value of construction contracts in the five southwestern states continued to increase during February and reached a \$328 million record for the month; gains were registered in all the major categories. Compared with February 1961, significant increases in public works and utilities and residential construction offset a slight decline in nonresidential building. The total value of contracts for the first 2 months of 1962 amounted to \$601 million, or 6 percent less than in the comparable 1961 period, as an advance in residential contracts was offset by declines in nonresidential building and public works and utilities construction.

VALUE OF CONSTRUCTION CONTRACTS (In millions of dollars)

Area and type	February 1962p	January 1962	February 1961	January—February	
				1962p	1961
FIVE SOUTHWESTERN STATES ¹					
Residential building.....	328	274	292	601	641
Nonresidential building....	142	129	119	271	244
Public works and utilities...	107	75	115	181	206
	79	70	58	149	191
UNITED STATES.....					
Residential building.....	2,749	2,658	2,235	5,396	4,715
Nonresidential building....	1,192	1,190	870	2,378	1,842
Public works and utilities...	893	853	804	1,744	1,616
	664	615	561	1,274	1,257

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

p — Preliminary.

SOURCE: F. W. Dodge Corporation.

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

(Dollar amounts in thousands)

Area	Debits to demand deposit accounts ¹			Demand deposits ¹			
	March 1962	Percent change from		March 31, 1962	Annual rate of turnover		
		Feb. 1962	Mar. 1961		Mar. 1962	Feb. 1962	Mar. 1961
ARIZONA							
Tucson.....	\$ 376,533	20	45	\$ 153,620	29.2	24.4	22.9
LOUISIANA							
Monroe.....	91,860	14	9	49,623	21.5	18.2	19.1
Shreveport.....	378,958	32	8	180,784	23.9	18.0	22.7
NEW MEXICO							
Roswell.....	55,554	16	14	38,339	17.5	15.1	16.1
TEXAS							
Abilene.....	112,841	4	8	72,381	18.2	17.3	18.7
Amarillo.....	233,516	3	3	118,254	23.8	22.6	23.4
Austin.....	251,616	—3	7	160,749	19.1	19.4	18.4
Beaumont.....	197,417	17	13	103,908	22.1	18.6	20.6
Corpus Christi.....	213,277	8	10	110,556	22.4	20.2	22.0
Corsicana.....	16,912	8	7	20,269	10.1	9.4	9.7
Dallas.....	3,432,718	0	6	1,271,504	32.3	31.8	34.2
El Paso.....	403,134	19	3	182,523	25.3	21.2	25.2
Fort Worth.....	851,823	13	5	390,521	26.3	23.3	26.4
Galveston.....	92,173	7	—5	65,751	16.7	15.8	18.6
Houston.....	3,145,486	17	11	1,409,055	26.8	22.9	26.0
Laredo.....	34,233	22	13	23,748	16.9	13.7	16.6
Lubbock.....	232,618	6	12	129,523	21.1	19.2	21.6
Port Arthur.....	70,191	15	1	45,962	18.4	16.1	19.6
San Angelo.....	54,483	9	6	48,740	13.3	12.0	13.3
San Antonio.....	693,274	12	5	402,322	20.8	18.6	21.0
Texarkana.....	24,092	12	10	17,398	16.7	14.9	15.0
Tyler.....	94,588	8	7	63,994	18.0	16.8	17.5
Waco.....	133,037	23	16	70,782	22.1	17.6	20.0
Wichita Falls.....	126,964	18	5	96,731	15.7	13.2	15.0
Total—24 cities.....	\$11,317,298	10	9	\$5,227,037	25.8	23.4	25.6

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

²These 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 \$53,532,000 for the month of March 1962.

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	Apr. 18, 1962	Mar. 14, 1962	Apr. 19, 1961
Total gold certificate reserves.....	629,691	603,142	676,697
Discounts for member banks.....	18,558	895	2,125
Other discounts and advances.....	3,651	3,651	406
U. S. Government securities.....	1,173,166	1,155,533	1,073,764
Total earning assets.....	1,195,375	1,160,079	1,076,295
Member bank reserve deposits.....	985,828	927,980	937,042
Federal Reserve notes in actual circulation.....	823,878	830,002	812,569

DAILY AVERAGE PRODUCTION OF CRUDE OIL

(In thousands of barrels)

Area	Percent change from				
	March 1962p	February 1962p	March 1961	February 1962	March 1961
ELEVENTH DISTRICT.....	2,917.4	3,052.5	3,199.0	—4.4	—8.8
Texas.....	2,511.1	2,641.7	2,806.8	—5.0	—10.5
Gulf Coast.....	460.4	487.6	504.5	—5.6	—8.8
West Texas.....	1,118.0	1,199.2	1,287.5	—6.8	—13.2
East Texas (proper).....	125.6	134.6	157.1	—6.7	—20.1
Panhandle.....	104.1	104.6	108.8	—5	—4.3
Rest of State.....	703.0	715.7	748.9	—1.8	—6.1
Southeastern New Mexico.....	274.2	275.0	262.3	—3	4.5
Northern Louisiana.....	132.1	135.8	129.9	—2.7	1.7
OUTSIDE ELEVENTH DISTRICT	4,417.3	4,398.4	4,271.8	.4	3.4
UNITED STATES.....	7,334.7	7,450.9	7,470.8	—1.6	—1.8

p—Preliminary.

SOURCES: American Petroleum Institute.
United States Bureau of Mines.
Federal Reserve Bank of Dallas.

CONDITION STATISTICS OF ALL MEMBER BANKS

Eleventh Federal Reserve District

(In millions of dollars)

Item	Mar. 28, 1962	Feb. 28, 1962	Mar. 29, 1961
ASSETS			
Loans and discounts.....	5,614	5,588	5,098
United States Government obligations.....	2,880	2,890	2,629
Other securities.....	1,030	984	917
Reserves with Federal Reserve Bank.....	976	961	916
Cash in vault.....	161	159	156
Balances with banks in the United States.....	1,146	1,083	1,094
Balances with banks in foreign countries.....	3	3	2
Cash items in process of collection.....	572	657	524
Other assets.....	309	309	270
TOTAL ASSETS.....	12,691	12,634	11,606
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits of banks.....	1,291	1,214	1,222
Other demand deposits.....	6,936	7,015	6,530
Time deposits.....	3,198	3,135	2,723
Total deposits.....	11,425	11,364	10,475
Borrowings.....	75	72	48
Other liabilities.....	121	126	107
Total capital accounts.....	1,070	1,072	976
TOTAL LIABILITIES AND CAPITAL ACCOUNTS.....	12,691	12,634	11,606

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
1960: March.....	7,539	3,661	3,878	2,171	1,097	1,074
1961: March.....	7,846	3,877	3,969	2,700	1,376	1,324
November.....	8,322	4,058	4,264	2,806	1,409	1,397
December.....	8,505	4,179	4,326	2,839	1,421	1,418
1962: January.....	8,584	4,179	4,405	2,990	1,508	1,482
February.....	8,234	3,965	4,269	3,107	1,577	1,530
March.....	8,099	4,034	4,065	3,125	1,596	1,529

BUILDING PERMITS

VALUATION (Dollar amounts in thousands)

Area	NUMBER		Percent change		3 months, 1962 from	
	Mar. 1962	3 mos. 1962	Mar. 1962	3 mos. 1962	Mar. 1961	1961
	Mar. 1962	3 mos. 1962	Mar. 1962	3 mos. 1962	Mar. 1961	1961
ARIZONA						
Tucson.....	806	2,353	\$ 2,466	\$ 8,546	—26	—29
LOUISIANA						
Shreveport.....	337	873	1,253	3,677	0	—67
TEXAS						
Abilene.....	170	438	1,822	6,840	—12	50
Amarillo.....	364	836	5,260	10,213	107	81
Austin.....	368	1,028	8,862	19,052	52	86
Beaumont.....	328	830	1,760	4,492	—11	7
Corpus Christi.....	360	938	1,668	5,516	—28	—36
Dallas.....	2,258	5,790	21,592	48,084	60	—7
El Paso.....	521	1,382	4,626	12,192	1	—8
Fort Worth.....	653	1,600	5,465	11,052	85	13
Galveston.....	256	690	4,647	9,388	675	97
Houston.....	1,777	4,558	24,724	89,313	4	69
Lubbock.....	479	930	4,342	10,551	59	—38
Midland.....	126	372	2,849	4,894	343	175
Odessa.....	77	253	550	2,417	—20	—47
Port Arthur.....	205	461	716	1,493	70	2
San Antonio.....	1,412	3,638	5,912	15,907	15	22
Waco.....	226	622	3,190	4,672	357	—9
Wichita Falls.....	124	357	1,007	3,544	—2	—49
Total—19 cities.....	10,847	27,949	\$102,711	\$271,843	37	4

SPECIAL PAMPHLETS

In 1943 the Board of Governors of the Federal Reserve System published *Banking and Monetary Statistics* to make available in one place and on a uniform basis major series relating to banking, monetary, and other financial developments. The statistics usually covered the period from 1914, when the Federal Reserve System was established, through December 1941. Recently, the Board has begun to issue a series of pamphlets to bring the most important series in that volume up to date and to present new series.

Two pamphlets are now available for distribution. The first pamphlet, "Supplement to Banking and Monetary Statistics — Section 10, Member Bank Reserves and Related Items," can be obtained for 50 cents per copy; while the second, "International Finance" (Section 15 of the Supplement), costs 65 cents. Copies of the pamphlets may be purchased from:

**Division of Administrative Services
Board of Governors of the Federal Reserve System
Washington 25, D. C.**

or

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