



BUSINESS REVIEW

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THE 1962 AGRICULTURAL PICTURE IN THE SOUTHWEST

Southwestern farmers and ranchers have experienced a good, but not an exceptional, year in 1962. Total agricultural output in the District states is expected to be below the record production achieved last year, as only slightly larger marketings of livestock and livestock products are being more than offset by reduced crop sales. Acreage diversion under governmental programs, together with somewhat less favorable yields, is contributing to the smaller outturn of crops.

Despite the decrease in over-all production, total southwestern farm income this year may compare favorably with the \$4.4 billion in 1961. Cash receipts from marketings are likely to be only slightly below last year's record, reflecting the supporting effects of somewhat higher average prices, as well as the sale early this year of various crops produced in 1961. Government payments may be slightly larger than the \$206 million received last year.

Weather and Government programs have been the dominant factors affecting total agricultural output in 1962. District-wide growing conditions have not been as favorable this year as they were in 1961, and, in some areas of the Southwest, crop and pasture production has been sharply curtailed. A severe freeze in January and below-normal temperatures as late as March substantially reduced the outturn of citrus fruit, peaches, plums, and winter and early-spring vegetables. Moisture supplies during the first part of the year were inadequate for wheat and other small grains, and, in much of south Texas and along the Gulf Coast, drought conditions persisted through midyear.

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS

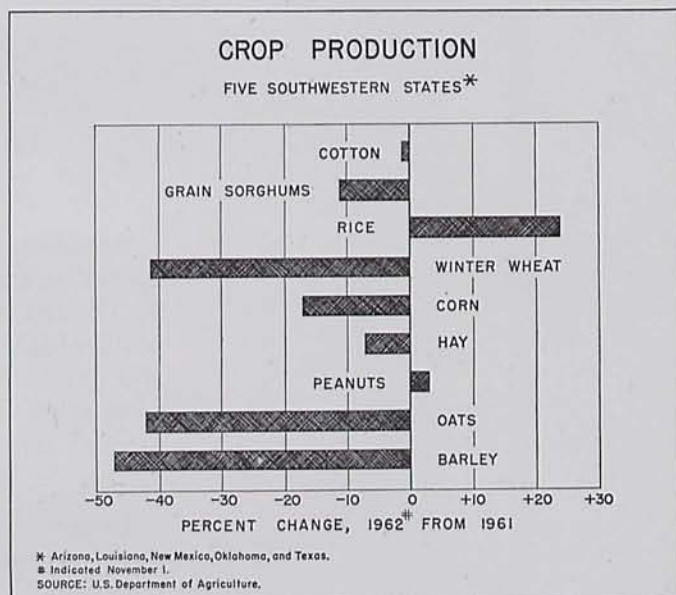
The less favorable growing conditions this year as compared with last year are evident in per acre yields. Yields per acre have been smaller than in 1961 for all but 3 of 11 major crops — rice, peanuts, and cotton. Rice and peanut yields in 1962 are at all-time highs, but rice yields are not strictly comparable with those in the previous year since Hurricane Carla reduced the prospective record 1961 rice crop. Cotton yields for the Southwest are about 6 percent larger; however, all of the gain in 1962 has resulted from sharply higher per acre outturns in Louisiana, as lower yields are expected in each of the other southwestern states. Yields of small winter grains — wheat, oats, and barley — have shown the largest decreases and have ranged from one-fifth to one-fourth below those for the same crops last year.

The amount of cropland idle under the Government's acreage diversion programs has been greater this year because of the broadening of the programs to cover additional crops and the increased participation in programs previously in effect. Almost 3.1 million acres of wheat and over 400,000 acres of barley were diverted under programs initiated for the first time for 1962 crops. About 500,000 more acres of corn and grain sorghums were left idle in 1962 than were diverted under these programs last season.

The reduced yields and smaller plantings of most of the major crops produced in the Southwest have resulted in lowering total crop output around one-tenth from the 1961 record. Rice, peanuts, and sweet potatoes are the only major crops showing output increases over last year. Total food and feed grain production in 1962 is placed at approximately one-fifth smaller, with the important grain sorghum crop down 11 percent. Citrus fruit production is expected to be around 60 per-

cent smaller, while the peach and pear crops were only about one-third as large as in 1961.

Cotton makes a larger contribution to total southwestern farm and ranch income than any other single commodity and, consequently, has an exceptional impact upon both the level of farm income and the volume of production. The 1962 cotton crop is indicated at 6.7 million bales, or 1 percent below last year. This relative stability has arisen from the fact that the acreage of cotton for harvest in 1962 is under that harvested in 1961 but per acre yields are moderately higher. At the present time, Louisiana is the only southwestern state in which cotton output this year is expected to advance over 1961.



The Texas cotton crop is estimated at 4.7 million bales, or 86,000 bales below last year's production. Ginnings in northwestern areas are expected to be lower than in 1961, but the crop in most southern and coastal sections of the State is larger. In 1961, this regional pattern of cotton production generally was reversed, as northwestern areas had a somewhat better cotton crop than in the previous season while southern and coastal areas did not fare as well. Part of the 1962 output gain in southern sections mirrors the somewhat larger plantings; a slightly smaller acreage was seeded in northwestern areas this year.

The total production of livestock and livestock products in 1962 may remain about unchanged or be only slightly above the all-time high of last year. Output of mohair, cattle and calves, and broilers — the only

CROP ACREAGE AND YIELD
Five Southwestern States¹

Crop	ACREAGE			YIELD		
	For harvest 1962 (In thousands of acres)	Harvested 1961 (In thousands of acres)	Percent change	1962, estimated Nov. 1 (In bushels)	1961 (In bushels)	Percent change
Cotton.....	8,400	8,988	-7	2382	2361	6
Corn.....	1,303	1,519	-14	31	32	-3
Winter wheat...	6,783	8,645	-22	18	24	-25
Oats.....	1,210	1,603	-25	22	28	-21
Barley.....	990	1,401	-29	23	30	-23
Rice.....	953	867	10	23,242	22,879	13
Sorghum grain...	5,914	5,966	-1	39	44	-11
Flaxseed.....	20	140	-86	10	12	-17
Peanuts.....	406	418	-3	2977	2923	6
Sweet potatoes..	76	67	13	264	266	-3
Beans, dry edible.	11	13	-15	2600	2700	-14

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

² In pounds.

³ In hundredweight.

SOURCE: United States Department of Agriculture.

major categories of livestock and livestock products which are expected to top last year's volume — has been responsible for strengthening over-all production in the livestock sector. The outturns of other major categories may vary from about the same as last year to as much as 15 percent smaller.

Conditions were fairly favorable during most of 1962 for the production of forage-consuming livestock. In general, southwestern range conditions were not as good as in the exceptional 1961 grazing season but were better than the average of the previous 10 years. However, forage conditions have been particularly poor in some areas; for example, pastures in southern and coastal areas of Texas have been short, and grazing conditions in Arizona have deteriorated during the latter part of the growing season.

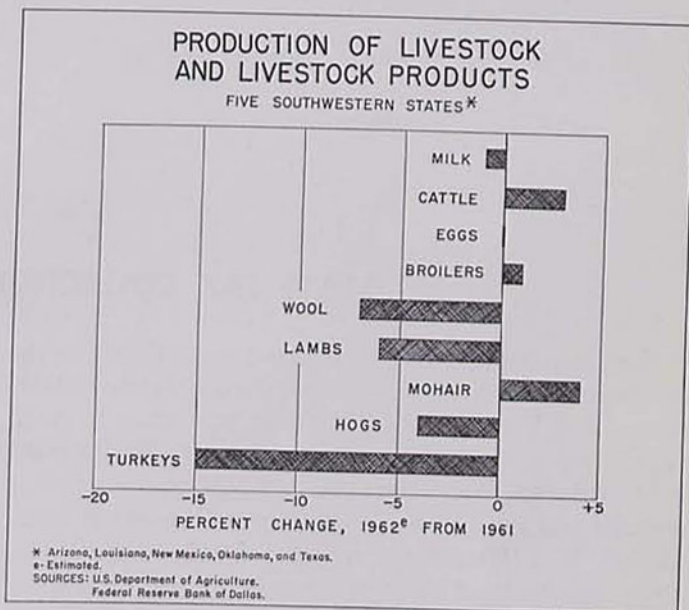
Inventories of livestock on hand at the beginning of this year also have been important factors influencing livestock production trends. The number of all cattle and calves on farms and ranches in the Southwest as of January 1, 1962, was at a record high of 17.4 million head, or 3 percent above a year earlier. Continuing the trends that have been under way for the past several years, milk cow numbers declined further this year, while beef cattle inventories increased. In contrast to inventories of all cattle and calves, numbers of both hogs and sheep were 4 percent smaller at the start of 1962 than a year ago.

The increase in the size of cattle breeding herds boosted the 1962 southwestern calf crop 3 percent above 1961, although the ratio of calves born to the number of animals of breeding age was slightly lower. There were gains in calf production in each of the District states except Arizona and Louisiana, where the slight increases in the number of cows of bearing age did not fully compensate for the lower calving rates. Cattle feeding operations also have expanded in 1962, with the numbers on feed at four different survey dates during the year ranging from 16 percent to 32 percent larger than in the comparable survey periods in 1961.

After increasing during the previous 4 years, the number of sheep shorn has declined this year and is 5 percent below 1961. Wool production has decreased even more than the number of sheep shorn, as average fleece weights have been lighter. The southwestern lamb crop also declined moderately from last year, reflecting the smaller breeding flocks and the decrease in the lambing percentage. Incomplete data on marketings suggest that the reduction in inventories of sheep and

lambs in the Southwest which began in 1961 has continued this year.

Southwestern goat numbers have been increasing gradually since 1954; moreover, the average weight of the mohair clip has generally been heavier. As a consequence, mohair output has risen during 1962 and may total 4 percent more than in the preceding year. Decisions of ranchers with respect to the future size of goat herds are likely to be influenced by the sharply lower prices of mohair this year as compared with the past few years, and further expansion may be more moderate.



Among the other categories of livestock and livestock products, the number of turkeys produced in the Southwest in 1962 is expected to be 15 percent smaller than the near-record volume in 1961. Hog and milk production probably will be below last year, as the numbers of both sows and milk cows on farms are lower. Output of eggs may be about unchanged, but broiler production is likely to be higher.

For the first 9 months of this year, cash receipts from farm marketings in the Southwest were 7 percent above the comparable period in 1961. Receipts from the sale of livestock and livestock products were 1 percent higher, and those from crops were 15 percent greater. Since sales in the last quarter of the year usually account for about 40 percent of cash receipts in the Southwest, total cash receipts in 1962 probably will decline from 1961, in view of the trends evident in crop and livestock production.

Southwestern cash receipts from livestock and livestock products are likely to be little different from or only slightly higher than last year's \$1.9 billion, as the output and average prices of livestock products are expected to be about the same as they were in 1961. Prices for crops during the first 10 months of this year, however, averaged about 4 percent above the comparable period in the preceding year. These stronger prices will offset some of the decline that has occurred in crop production, but sales are not likely to match the \$2.3

billion reached last year. Unlike 1961, when price-support levels were raised from the previous year on a large number of important southwestern commodities, 11 of the individual commodity price-support levels in 1962 are unchanged from last year. This year's dollar-and-cents support prices are higher for wheat, flaxseed, peanuts, and mohair and are lower for cottonseed and soybeans. Thus, higher price supports have not been a major factor boosting cash receipts in the latter part of this year, as was the case in 1961.

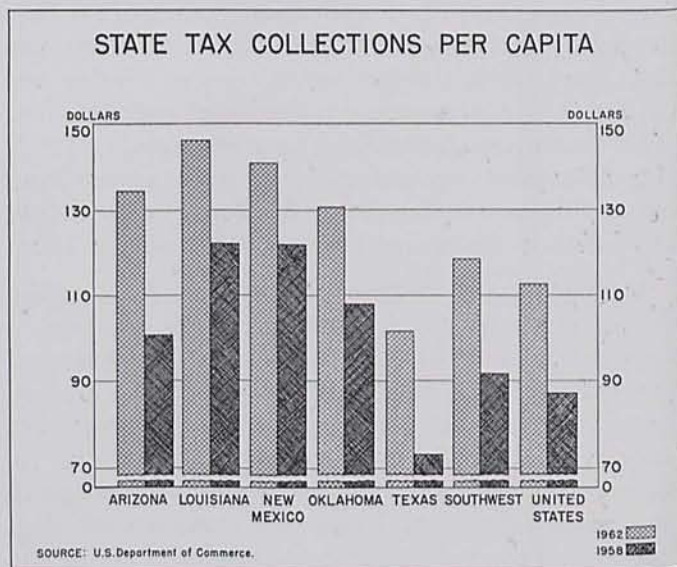
STATE TAX COLLECTIONS IN THE SOUTHWEST

State tax receipts have advanced appreciably in the Southwest (Arizona, Louisiana, New Mexico, Oklahoma, and Texas) during the past few years to meet expanding state financial requirements. Preliminary data indicate that state tax collections—including permits and licenses—in the five southwestern states totaled \$2,110 million in fiscal 1962, representing about one-tenth of all state taxes levied in the Nation. Southwestern state tax collections rose at a more rapid rate during the past fiscal year than did the average of the entire 50 states. Most of the 1962 advance was centered in a substantial increase in taxes paid by Texans. Collections received by Arizona and Louisiana rose at less rapid rates than the 8 percent recorded for the United States, while New Mexico and Oklahoma receipts expanded at greater rates. During the 1958-62 period, state collections in the Southwest and in the Nation both advanced almost 40 percent. The largest gains within the five-state area during the 5 years were in tax payments to the state governments of Arizona and Texas.

Texans paid nearly one-half of all state taxes collected in the five states during fiscal 1962. On a per capita basis, however, taxes for Texas, at \$101.35 in 1962, were lower than in the other states in the region and were below the \$118.25 average for the Southwest. Taxes per capita in each of the south-

western states except Texas substantially exceeded both the southwestern average and the national average.

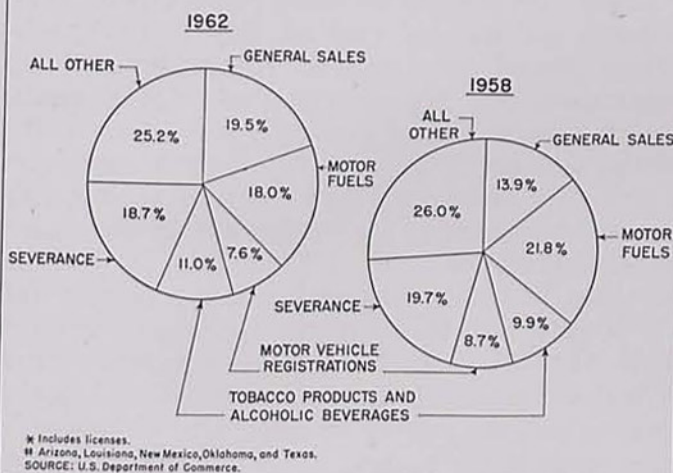
State taxation takes many forms. Levies are made on both the business and the consumer sectors of the economy; however, consumer-oriented taxes constitute the major portion of the total tax bill for most states. In the Southwest, the most prominent consumer-type taxes are a general tax on most retail sales, an automobile registration fee, a motor fuel consumption tax,



a special levy on the purchase of tobacco products and alcoholic beverages, and (in certain states) an income and property tax.

The average person in the Southwest and in the Nation paid about 4 cents out of every dollar of income received as consumer-type state taxes during fiscal 1962. In Texas the portion of total income used to pay consumer-oriented state taxes was significantly below the southwestern and national averages, but, in the other four southwestern states, this portion was greater than the national average.

STATE TAX COLLECTIONS* BY MAJOR SOURCE FIVE SOUTHWESTERN STATES[†]



The types of taxes imposed in the Southwest were little changed during the 1958-62 period, but the importance of the various taxes changed somewhat. Most noteworthy, perhaps, was an expansion in the general sales tax. In 1962, one-fifth of all state tax collections in the five-state area were derived from a general sales tax, compared with 14 percent in 1958. The portion of state tax collections contributed by taxes on motor fuel and motor vehicle registrations declined slightly during the 5-year period, but levies on tobacco products and alcoholic beverages expanded somewhat as a source of state revenue.

While the tax structures in most of the southwestern states are similar, there have been variations among the states in the relative importance of certain state taxes. In addition, some minor variations exist because of differences in fiscal-year dates; Texas ends its fiscal

year on August 31, while all the other southwestern states terminate theirs on June 30.

In fiscal 1962 the four major revenue-providing elements for the State of Texas were the severance tax, special taxes on consumer purchases (principally motor fuel and tobacco), motor vehicle registrations, and the general sales tax. This State levies neither a personal nor a corporate income tax.

Taxes received by the State of Texas have been boosted by a 2-percent general sales tax which became effective September 10, 1961. This general sales tax provided around 15 percent of total tax collections during fiscal year 1962. Special taxes on consumer items—such as motor fuel, tobacco, and the like—accounted for an additional 43 percent. The motor fuel tax alone brought in one-fifth of total Texas collections, and taxes on tobacco products yielded another 10 percent. Texans paid a 5-cent state tax on each gallon of gasoline purchased, and cigarettes were taxed at 8 cents per package, one of the highest rates in the Nation.

Severance taxes, which are taxes imposed on the removal of natural products—e.g., oil, gas, and other raw materials—from land or water, historically have been a mainstay of Texas revenue. Taxes on such natural reserves are measured by either the value or the quantity of products removed or sold. In 1962 the \$187 million collected in severance taxes by the State of Texas accounted for almost one-fifth of total receipts and was 6 percent above the 1958 level.

The poll tax, which is levied in only 10 states, provided the State of Texas with about \$2.5 million in

STATE TAX COLLECTIONS, FISCAL 1962 Five Southwestern States

Item	Arizona	Louisiana	New Mexico	Oklahoma	Texas	TOTAL
In thousands of dollars						
Total consumer-type collections	178,784	285,385	112,336	251,306	736,241	1,564,043
Total business collections.....	8,144	199,887	25,763	56,575	255,260	545,638
Licenses						
Corporate.....	638	15,343	1,185	3,727	55,375	76,268
Public utilities.....	—	114	39	1	—	154
Alcoholic beverages.....	375	1,193	142	752	1,934	4,396
Amusements.....	—	24	11	343	10	388
Other.....	1,557	9,106	2,536	2,714	10,696	26,609
Taxes						
Corporation net income..	5,574	23,316	—	14,575	—	43,465
Severance.....	—	150,791	21,850	34,463	187,245	394,358
TOTAL COLLECTIONS.....	186,928	485,272	138,099	307,881	991,501	2,109,681
Consumer-type collections						
Per capita ^a	\$128.53	\$85.93	\$114.28	\$106.49	\$75.22	\$87.66
Per dollar of individual income ^a	6.0%	5.1%	6.2%	5.5%	3.7%	4.5%

^a — Estimated.
SOURCES: United States Department of Commerce,
Federal Reserve Bank of Dallas.

1962. Poll taxes are employed in only four southern states: Texas, Alabama, Virginia, and West Virginia; however, this tax is also prominent in the New England area, being collected in Maine, New Hampshire, and Vermont. The other states having a poll tax are Alaska, Indiana, and Nebraska.

Citizens of the State of Louisiana benefited from the development of natural resources to a relatively larger degree than Texans in 1962. The severance tax provided one-third of all state receipts during the year, and about one-fifth of all Louisiana collections resulted from a 2-percent general sales tax. Among the items taxed separately, cigarettes furnished payments of 8 cents per package, and gasoline, 7 cents per gallon. Corporate and individual income taxes contributed an additional 9 percent. The personal income tax ranges between 2 percent and 6 percent — 2 percent applying to incomes below \$10,000 and 6 percent to earnings above \$50,000.

Tax collections by the State of Oklahoma were centered principally in a general sales tax and a tax on motor fuels, with each comprising about one-fifth of total Oklahoma receipts during 1962. This State imposes a 2-percent general sales tax and a tax of 6.58 cents per gallon on gasoline. The special cigarette tax in Oklahoma, at 7 cents per package, yielded around 7 percent of total state receipts. The Oklahoma individual income tax — ranging between 1 percent and 6 percent, the lower rate on incomes of less than \$1,500 and the higher rate on incomes above \$7,500 — produced \$29 million of the \$307 million collected during 1962; and corporate income taxes provided another \$15 million. The State of Oklahoma does not

impose a property tax and, in this respect, is similar only to Alaska, Hawaii, Rhode Island, and Tennessee.

Over one-fourth of all New Mexico receipts in 1962 were derived from a 2-percent general sales tax, and an additional 16 percent came from severance taxes. The State of New Mexico collects 8 cents per package on cigarettes and 6 cents per gallon on gasoline. The cigarette tax provides 7 cents to the State and 1 cent to county and municipal government recreation funds. Individual incomes in New Mexico are taxed at a rate ranging from 1½ percent on annual incomes of less than \$10,000 to 6 percent on incomes in excess of \$100,000. The corporate rate is 3 percent of net profits. According to the present law, all the State's income tax rates are to be reduced by one-third, effective January 1, 1964.

Arizona tax receipts are based principally on sales, property, and income. Prior to July 1, 1959, a 2-percent general sales tax was collected on all retail transactions; but, beginning in mid-1959, a special education excise tax of 1 percent was added to the existing sales tax. Thus, since July 1, 1959, consumers in Arizona have been paying a 3-percent general sales tax, which accounted for 40 percent of the State's tax collections during fiscal 1962. Personal incomes are taxed at a rate ranging between 1 percent and 4½ percent, with the lower rate applying on incomes below \$1,000 and the higher rate on incomes above \$7,000. No severance taxes are collected, and special taxes on certain items are low compared with those in other states in the Nation. As an example, cigarettes are taxed at a rate of only 2 cents per package, the lowest rate in the United States.

SANFORD R. SINGER
General Economist

NEW MEMBER BANK

The First National Bank of Flour Bluff, Flour Bluff, Texas, a newly organized institution located in the territory served by the San Antonio Branch of the Federal Reserve Bank of Dallas, opened for business November 1, 1962, as a member of the Federal Reserve System. The new member bank has capital of \$125,000, surplus of \$125,000, and undivided profits of \$100,000. The officers are: L. M. Fischer, Chairman of the Board; V. E. Lanfear, Sr., President; Calvin Ramfield, Vice President; Joseph L. Berry, Cashier; and Mrs. Val Eden, Assistant Cashier.

BUSINESS REVIEW

BUSINESS, AGRICULTURAL, AND FINANCIAL CONDITIONS



Seasonally adjusted department store sales in October declined markedly from September and were slightly below a year ago in the Eleventh Federal Reserve District. Cumulative sales for January-October 1962 were 7 percent above the corresponding period in 1961.

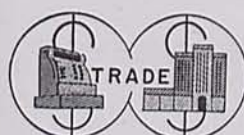
New car registrations in four major Texas markets in October rose 80 percent over September and were 43 percent more than in October 1961. For the first 10 months of 1962, registrations were 34 percent higher than the comparable figure last year.

The Texas industrial production index declined 3 points during October to 112 percent of the 1957-59 base but remained slightly above the year-earlier level. Nonagricultural employment increased fractionally in the District states. The value of construction contracts in the five southwestern states in September declined significantly from August but was a record for the month.

Favorable growing conditions for small grains and winter pastures prevailed throughout most of the District during November. Harvesting of cotton has been quite slow, and production in the District states is estimated to be slightly below last year. Planting of 1963-crop wheat and oats is virtually complete. Southwestern range and pasture feed conditions generally are about normal for this time of the year.

Daily average crude oil production in the Eleventh District was reduced somewhat in October but inched up slightly in early November. Crude runs to District refinery stills increased throughout the period, but indicators of drilling activity showed mixed trends in the 4 weeks ended November 3.

During the 4 weeks ended November 14, loans and time and savings deposits increased at the weekly reporting member banks in the District, but investments and demand deposits declined. Commercial and industrial loans and loans for purchasing or carrying securities moved moderately higher.



In the Eleventh Federal Reserve District in October, seasonally adjusted department store sales declined substantially from the high September level and were

slightly less than in October last year. The seasonally adjusted index of sales, which makes allowances for differences in trading days and other seasonal influ-

DEPARTMENT STORE SALES

(Percentage change in retail value)

Area	October 1962 from		10 months, 1962 from 1961
	September 1962	October 1961	
Total Eleventh District.....	6	3	7
Corpus Christi.....	3	-18	-5
Dallas.....	7	5	7
El Paso.....	16	12	8
Houston.....	6	-1	9
San Antonio.....	5	3	9
Shreveport, La.....	6	-3	11
Waco.....	9	9	9
Other cities.....	3	7	8

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

Eleventh Federal Reserve District

(1957-59 = 100)

Date	SALES (Daily average)		STOCKS (End of month)	
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted
1961: October.....	103	101	117	103
1962: August.....	108	107	115	112
September.....	109	113	117	110
October.....	102	100	126p	112p

p — Preliminary.

ences, was 100 percent of the 1957-59 average in October, compared with 113 for September and 101 for October 1961.

Unadjusted dollar sales at District department stores in October were 6 percent more than in September and 3 percent above a year ago. The dollar-volume increases were due mainly to the fact that October this

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year had 27 trading days, compared with 24 in September and 26 in October last year. Cumulative sales in the first 10 months of 1962 were 7 percent above the corresponding period in 1961. Sales in early November were up less than seasonally from the like period in October and for the first 17 days were about 1 percent higher than a year ago.

New car registrations in October in four major Texas markets increased 80 percent over September and 43 percent over October 1961. Cumulative registrations in these markets during the first 10 months of 1962 were 34 percent above the same months last year, reflecting gains of 32 percent for Houston, 33 percent for Dallas, and 41 percent each for Fort Worth and San Antonio.



Cool temperatures and open weather provided good fall growing conditions for small grains and winter pastures throughout most of the District during November. By the last part of the month, frost had occurred in all areas except the Lower Rio Grande Valley, southern counties, and the Coastal Bend of Texas.

Cotton harvesting activities in the Southwest have been slower than usual as a result of October rains and, more importantly, the fact that farmers in the Plains areas of Texas have been waiting for frost to defoliate plants. Gathering of the crop on the Northern High Plains is progressing slowly, and harvest on the Southern High Plains is 3 weeks behind a year ago. Cotton output in the District states is estimated to be 1 percent below the 1961 production. The Texas crop is placed at 4.7 million bales, which is 75,000

bales below the previous month's forecast and 86,000 bales less than last year's outturn.

Sorghum combining in the District is nearing completion and is slightly ahead of last year. Harvesting on the important Southern High Plains has been delayed because of immature sucker stalks, and combining will not increase materially until the plants wilt from mid-November's killing frost. Winter vegetables have made satisfactory development in the Lower Rio Grande Valley, and seeding of onions and lettuce has been active. In the San Antonio area, harvest of squash, green beans, and cabbage has been under way. Sweet potato digging in east Texas is practically finished.

Planting of the District's 1963 wheat crop is virtually over. Wheat pastures on the Northern High Plains of Texas are short, but recent moisture will boost prospects for winter grazing; on the Southern High Plains and the Low Rolling Plains, wheat is in excellent condition as a result of ideal growing weather. Seeding of oats is well advanced in the District, and the crop in central Texas is making good growth. In southern counties, however, armyworms have seriously damaged oats.

Range and pasture feed conditions in the District are about normal for this time of the year except in parts of Arizona and in south Texas, the Edwards Plateau, and many Trans-Pecos counties. South Texas pastures have greened up from showers received the first part of November; however, stock water in this area is extremely low.

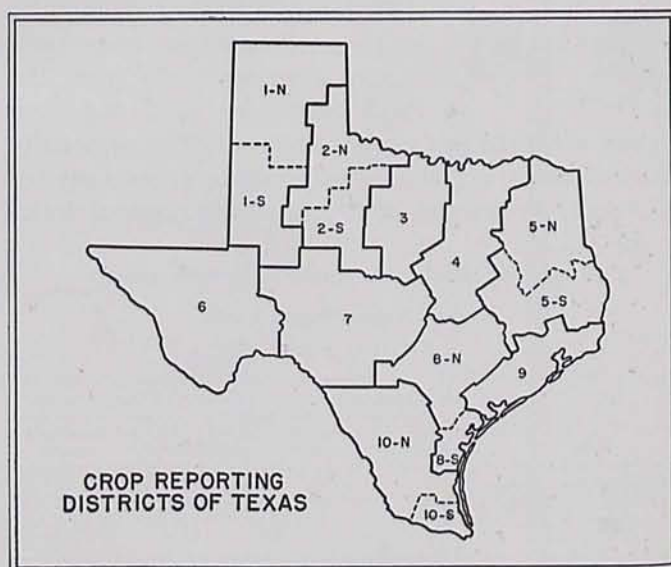
COTTON PRODUCTION

Texas Crop Reporting Districts

(In thousands of bales — 500 pounds gross weight)

Area	1962, indicated November 1	1961	1960	1962 as percent of 1961
1-N — Northern High Plains.....	525	522	488	101
1-S — Southern High Plains.....	1,650	1,839	1,460	90
2-N — Red Bed Plains.....	315	379	342	83
2-S — Red Bed Plains.....	360	429	385	84
3 — Western Cross Timbers.....	20	23	23	87
4 — Black and Grand Prairies.....	440	410	448	107
5-N — East Texas Timbered Plains....	25	31	46	81
5-S — East Texas Timbered Plains....	73	66	71	111
6 — Trans-Pecos.....	290	287	255	101
7 — Edwards Plateau.....	35	71	64	49
8-N — Southern Texas Prairies.....	126	82	110	154
8-S — Southern Texas Prairies.....	158	161	156	98
9 — Coastal Prairies.....	210	102	108	206
10-N — South Texas Plains.....	58	54	49	107
10-S — Lower Rio Grande Valley.....	415	330	341	126
State.....	4,700	4,786	4,346	98

SOURCE: United States Department of Agriculture.





Loans and deposits at the Nation's weekly reporting member banks rose during the 4 weeks ended November 7. The increase in loans was due principally to advances in commercial and industrial loans and real-estate loans. Both demand deposits and time and savings deposits moved higher, primarily because of increases in deposits of individuals, partnerships, and corporations. Investments declined during the period, as holdings of Government securities maturing within 1 year moved to lower levels.

In the money market, rates were little changed during the 4 weeks, but a slightly easier tone prevailed as reserves favored the money market banks. The effective rate on Federal funds fluctuated between 2¾ percent and 3 percent during the period. Auction rates on 91-day bills rose from 2.749 percent on October 18 to 2.801 percent on November 15, as recent Treasury offerings added to the supply of outstanding bills. Prices of intermediate- and long-term Government securities increased somewhat during the period, while a strong demand continued for municipal and corporate bonds. Common stock prices rose moderately, and trading activity intensified.

Loans and time and savings deposits increased at the District's weekly reporting member banks in the 4 weeks ended November 14, but investments and demand deposits declined. Cash accounts and total assets moved moderately lower.

Gross loans (excluding interbank loans) rose \$76.6 million at the weekly reporting member banks in the District, with \$35.7 million and \$18.9 million of the increase taking place in commercial and industrial loans and loans for purchasing or carrying securities, respectively. Loans to firms engaged in trade and services accounted for most of the advance in the commercial and industrial loan category during the period. Since the beginning of 1962, loans to firms engaged in services have been primarily responsible for the expansion in commercial and industrial loans.

Total investments at the District's weekly reporting member banks decreased \$65.4 million in the 4 weeks ended November 14, as Government security holdings declined \$85.2 million. The reduction in Government holdings centered in the Treasury bill area; notes and bonds maturing after 5 years advanced moderately. Despite declining yields, demand for municipal obligations strengthened during the 4-week period, reflect-

CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	Nov. 14, 1962	Oct. 17, 1962	Nov. 15, 1961
ASSETS			
Commercial and industrial loans.....	1,816,711	1,781,016	1,734,862
Agricultural loans.....	50,876	46,414	40,941
Loans to brokers and dealers for purchasing or carrying:			
U. S. Government securities.....	13,274	7,013	5,274
Other securities.....	46,076	43,909	59,690
Other loans for purchasing or carrying:			
U. S. Government securities.....	2,231	2,019	3,246
Other securities.....	188,432	178,207	161,405
Loans to domestic commercial banks.....	60,132	79,880	76,882
Loans to foreign banks.....	25	123	65
Loans to other financial institutions:			
Sales finance, personal finance, etc.....	94,900	88,281	83,840
Savings banks, mtge. cos., ins. cos., etc.....	203,759	201,162	172,408
Real-estate loans.....	282,289	275,923	237,656
All other loans.....	837,114	834,998	733,108
Gross loans.....	3,595,819	3,538,945	3,309,377
Less reserves and unallocated charge-offs..	61,158	61,668	54,097
Net loans.....	3,534,661	3,477,277	3,255,280
Treasury bills.....	157,082	242,136	122,642
Treasury certificates of indebtedness.....	91,849	92,137	56,060
Treasury notes and U. S. Government bonds, including guaranteed obligations, maturing:			
Within 1 year.....	232,006	230,890	175,927
After 1 but within 5 years.....	572,817	583,478	761,949
After 5 years.....	520,021	510,378	425,233
Other securities.....	529,877	510,039	421,542
Total investments.....	2,103,652	2,169,058	1,963,353
Cash items in process of collection.....	627,155	625,248	610,641
Balances with banks in the United States.....	445,348	473,967	491,166
Balances with banks in foreign countries.....	2,507	2,256	1,659
Currency and coin.....	61,673	59,440	57,921
Reserves with Federal Reserve Bank.....	554,746	598,647	626,864
Other assets.....	206,076	202,278	204,244
TOTAL ASSETS.....	7,535,818	7,608,171	7,211,128
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits			
Individuals, partnerships, and corporations....	3,074,578	3,107,585	3,078,150
Foreign governments and official institutions, central banks, and international institutions..	3,717	2,726	4,307
United States Government.....	105,470	249,531	152,732
States and political subdivisions.....	284,611	222,227	200,460
Banks in the United States, including mutual savings banks.....	1,162,362	1,146,141	1,212,696
Banks in foreign countries.....	14,081	13,563	13,697
Certified and officers' checks, etc.....	50,198	42,429	71,327
Total demand deposits.....	4,695,017	4,784,202	4,733,369
Time and savings deposits			
Individuals, partnerships, and corporations			
Savings deposits.....	978,674	970,471	795,025
Other time deposits.....	733,183	724,337	555,346
Foreign governments and official institutions, central banks, and international institutions..	2,508	2,508	1,005
U. S. Government, including postal savings..	6,637	6,652	7,077
States and political subdivisions.....	265,603	264,041	299,596
Banks in the United States, including mutual savings banks.....	5,215	5,083	5,795
Banks in foreign countries.....	2,350	2,350	1,200
Total time and savings deposits.....	1,994,170	1,975,442	1,665,044
Total deposits.....	6,689,187	6,759,644	6,398,413
Bills payable, rediscounts, etc.....	85,325	96,740	94,480
All other liabilities.....	111,986	107,197	111,702
Capital accounts.....	649,320	644,590	606,533
TOTAL LIABILITIES AND CAPITAL ACCOUNTS.....	7,535,818	7,608,171	7,211,128

ing investment of commercial bank funds that were freed by lower reserve requirements on time and savings deposits. Holdings of Government securities falling due in more than 5 years and municipal obligations have risen approximately \$270 million thus

NEW PAR BANKS

The Mesquite State Bank, Mesquite, Texas, an insured nonmember 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, November 1, 1962. The officers are: Harold W. Ensey, President; Merrill Matthews, Vice President and Cashier; and Thomas D. Pate, Vice President (Inactive).

The Bank of Commerce, Corpus Christi, Texas, an insured nonmember bank located in the territory served by the San Antonio Branch of the Federal Reserve Bank of Dallas, was added to the Par List on its opening date, November 5, 1962. The officers are: V. F. Neuhaus, Chairman of the Board and President; Bradford S. Byrnes, Executive Vice President; Dwain Smith, Cashier; and Bill H. Smith, Assistant Cashier.

The Tallulah State Bank & Trust Company, Tallulah, Louisiana, an insured nonmember bank located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, was added to the Par List on November 15, 1962. The officers are: W. P. Sevier, Jr., President; E. C. Woodyear, Vice President; L. E. Levee, Assistant Cashier; S. C. Bray, Assistant Cashier; and Mrs. Helen M. White, Assistant Cashier.

far this year, as reserve city banks in the District have lengthened maturities in their investment portfolios for purposes of increasing income.

Demand deposits moved \$89.2 million lower at the District's weekly reporting member banks between October 17 and November 14, mainly because of a reduction in demand deposits of the United States Gov-

RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	5 weeks ended Nov. 7, 1962	4 weeks ended Oct. 3, 1962	4 weeks ended Nov. 1, 1961
RESERVE CITY BANKS			
Total reserves held.....	616,540	605,081	601,250
With Federal Reserve Bank....	574,856	561,281	560,415
Currency and coin.....	41,684	43,800	40,835
Required reserves.....	612,717	599,856	594,757
Excess reserves.....	3,823	5,225	6,493
Borrowings.....	1,214	1,215	214
Free reserves.....	2,609	4,010	6,279
COUNTRY BANKS			
Total reserves held.....	540,888	537,576	525,243
With Federal Reserve Bank....	432,143	426,414	419,276
Currency and coin.....	108,745	111,162	105,967
Required reserves.....	483,373	478,385	460,949
Excess reserves.....	57,515	59,191	64,294
Borrowings.....	7,652	6,624	1,291
Free reserves.....	49,863	52,567	63,003
ALL MEMBER BANKS			
Total reserves held.....	1,157,428	1,142,657	1,126,493
With Federal Reserve Bank....	1,006,999	987,695	979,691
Currency and coin.....	150,429	154,962	146,802
Required reserves.....	1,096,090	1,078,241	1,055,706
Excess reserves.....	61,338	64,416	70,787
Borrowings.....	8,866	7,839	1,505
Free reserves.....	52,472	56,577	69,282

ernment. On the other hand, time and savings deposits rose \$18.7 million, with deposits of individuals, partnerships, and corporations accounting for the predominant portion of the advance. Following a sharp increase in the first half of the year and a reduction during July and August, time and savings deposits have moved steadily upward.

Total reserves moved moderately higher at both country and reserve city member banks in the District during the 5 weeks ended November 7. However, excess reserves and free reserves declined at both types of banks, while required reserves advanced. Borrowings were little changed at reserve city banks but rose moderately at country banks.



The Texas crude oil allowable production schedule in December has been set at 8 producing days for the 11th consecutive month; thus, the number of producing days for the entire year 1962 is at a new low of 97 — 4 days fewer than last year and 26 days below the 1959 total. Similarly, permissible production in Louisiana is unchanged for December; however, daily average crude oil production may decline slightly in the Eleventh District because of the greater number of calendar days in the month.

District crude oil output decreased somewhat in October to 2,922,400 barrels daily, but production inched up slightly in early November. Processing of crude oil in the District expanded; however, indicators of drilling activity in the area showed mixed trends. Both the total number of wells completed and the total footage drilled during the 4 weeks ended November 3 were almost 3 percent higher than in the

NATIONAL PETROLEUM ACTIVITY INDICATORS

(Seasonally adjusted indexes, 1957-59 = 100)

Indicator	October 1962p	September 1962p	October 1961
CRUDE OIL RUNS TO REFINERY STILL			
(daily average).....	108	108	107
DEMAND (daily average)			
Gasoline.....	111	107	107
Kerosene.....	142	165	132
Distillate fuel oil.....	110	114	105
Residual fuel oil.....	93	96	101
Four refined products.....	108	108	107
STOCKS (end of month)			
Gasoline.....	106	107	105
Kerosene.....	113	113	113
Distillate fuel oil.....	104	104	102
Residual fuel oil.....	86	87	79
Four refined products.....	103	104	101

p — Preliminary.

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

prior 4-week period; the number of active District rotary rigs declined moderately in October.

New supplies of crude oil in the Nation were little changed during October but receded to somewhat lower levels in early November. Demand for crude oil, as reflected in runs to refinery stills, decreased slightly in October but rose seasonally in early November. Stocks of crude oil on November 10, at 248 million barrels, were virtually unchanged from the late-September inventory level.

On balance, refined product markets failed to show exceptional strength in October, and the increase in utilization of the four major products in early November was somewhat less than expected. The seasonally adjusted index of demand for the four products for October held at the September level of 108 percent of the 1957-59 average, as an expansion in gasoline demand was offset by decreases in the consumption of light and heavy fuel oils. Product stocks, on a seasonally adjusted basis, declined fractionally in October, solely because of minor decreases in inventories of gasoline and residual fuel oil. In early November, distillate fuel oil usage expanded more than was expected for that period; but demand for gasoline, kerosene, and residual fuel oil reflected weakness when related to seasonal anticipations. Stocks of the four products in early November were little changed.



The Texas industrial production index in October declined 3 points from September's record level. The October index, at 112 percent of the 1957-59 base,

was 3 points above a year ago — the narrowest spread in the year-to-year comparisons since March. The decline from September was broadly based, with all

INDUSTRIAL PRODUCTION

(Seasonally adjusted indexes, 1957-59 = 100)

Area and type of index	October 1962p	September 1962	August 1962	October 1961
TEXAS				
Total industrial production.....	112	115	112r	109
Manufacturing.....	122	127	122r	119
Durable.....	117	122	117	114
Nondurable.....	125	130	127	122
Mining.....	99	100	99r	97
UNITED STATES				
Total industrial production.....	120	120	120	114
Manufacturing.....	120	120	120	114
Durable.....	120	120	120	111
Nondurable.....	120	121	121	117
Mining.....	105	106	106	104
Utilities.....	134	133	132	127

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 Oct. 1962 from	
	October 1962e	September 1962	October 1961r	Sept. 1962	Oct. 1961
Total nonagricultural wage and salary workers..	4,571,500	4,568,700	4,505,000	0.1	1.5
Manufacturing.....	793,300	794,100	783,100	-.1	1.3
Nonmanufacturing.....	3,778,200	3,774,600	3,721,900	.1	1.5
Mining.....	234,100	238,300	240,200	-1.8	-2.5
Construction.....	293,300	296,700	300,400	-1.1	-2.4
Transportation and public utilities.....	388,000	389,500	388,100	-.4	.0
Trade.....	1,097,300	1,097,600	1,086,400	.0	1.0
Finance.....	229,600	230,600	223,400	-.4	2.8
Service.....	624,200	622,900	605,200	.2	3.1
Government.....	911,700	889,000	878,200	2.6	3.8

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

e — Estimated.

r — Revised.

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

except 3 of the 21 elements which comprise the index showing decreases. Production of durable goods and nondurable goods each decreased 4 percent, and mining output was reduced 1 percent from the previous month.

Nonagricultural employment increased fractionally in the five southwestern states during October to a record 4,571,500 persons, reflecting the fact that advances in government and service employment outweighed declines in other major categories. The number of workers engaged in mining activities decreased 2 percent and was at the lowest level for any month since October 1954. Employment increased slightly over October 1961, as moderate declines in construction and mining employment and a fractional decrease in trade employment were more than counterbalanced by gains in all other major categories. The number of unemployed in Texas rose slightly during October to total 156,300 persons, but the unemployment rate remained unchanged at 4.3 percent of the civilian labor force.

Totaling \$359 million, construction contracts in the five southwestern states in September declined 11 percent from August but reached a record for the month. A decrease is normal at this time of the year, although the reduction from August to September this year was slightly more than the average rate of decline between these months since the series for all five District states became available in 1956. A slight month-to-month gain in public works and utilities construction was outweighed by significant declines in residential and nonresidential building. For the first 9 months of 1962, contracts were at an all-time high for the period and were 8 percent above the like 1961 total.

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			
	October 1962	Percent change from		Oct. 31, 1962	Annual rate of turnover		
		Sept. 1962	Oct. 1961		Oct. 1962	Sept. 1962	Oct. 1961
ARIZONA							
Tucson.....	\$ 353,460	13	31	\$ 149,384	28.4	25.2	23.5
LOUISIANA							
Monroe.....	106,554	32	19	49,980	25.3	19.7	20.9
Shreveport.....	350,466	23	6	171,070	24.6	20.2	23.2
NEW MEXICO							
Roswell.....	58,922	18	9	39,528	18.4	15.7	17.8
TEXAS							
Abilene.....	116,726	22	7	74,062	18.8	15.7	18.7
Amarillo.....	252,688	21	2	126,366	24.8	21.4	24.7
Austin.....	265,290	3	4	158,311	20.6	20.8	20.0
Beaumont.....	183,300	11	4	103,311	21.4	19.7	21.0
Corpus Christi.....	197,129	1	0	111,945	21.4	21.5	20.9
Corsicana.....	18,907	-2	-7	21,084	11.2	11.8	12.2
Dallas.....	3,351,792	15	5	1,299,352	31.0	27.1	31.4
El Paso.....	359,162	15	1	182,653	23.6	21.1	24.5
Fort Worth.....	843,714	13	2	396,031	25.8	23.2	25.4
Galveston.....	97,121	10	8	62,004	18.8	17.0	17.5
Houston.....	3,330,287	17	17	1,422,124	27.8	24.1	25.2
Laredo.....	34,507	-4	26	25,095	16.4	16.4	15.0
Lubbock.....	210,351	19	-5	122,046	21.4	18.5	23.0
Port Arthur.....	63,233	4	-5	46,335	17.0	16.9	17.8
San Angelo.....	60,329	12	2	47,553	15.2	13.6	14.6
San Antonio.....	723,220	12	12	408,292	21.4	19.1	19.8
Texarkana.....	28,889	16	24	17,544	18.7	15.2	16.6
Tyler.....	100,395	17	9	64,706	18.8	16.6	17.8
Waco.....	122,656	3	11	72,831	20.5	20.2	19.3
Wichita Falls.....	122,379	18	5	93,527	15.6	13.2	13.7
Total—24 cities.....	\$11,351,477	15	9	\$5,264,874	25.9	22.8	24.8

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 \$65,805,000 for the month of October 1962.

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	Nov. 14, 1962	Oct. 17, 1962	Nov. 15, 1961
Total gold certificate reserves.....	577,224	622,297	742,688
Discounts for member banks.....	8,300	8,355	0
Other discounts and advances.....	652	596	116
U. S. Government securities.....	1,224,356	1,221,147	1,151,475
Total earning assets.....	1,233,308	1,230,098	1,151,591
Member bank reserve deposits.....	911,411	977,229	1,012,607
Federal Reserve notes in actual circulation.....	881,594	874,893	856,394

DAILY AVERAGE PRODUCTION OF CRUDE OIL

(In thousands of barrels)

Area	Percent change from				
	October 1962p	September 1962p	October 1961	September 1962	October 1961
ELEVENTH DISTRICT.....	2,922.4	2,950.6	2,895.3	-1.0	0.9
Texas.....	2,516.3	2,541.1	2,500.3	-1.0	.6
Gulf Coast.....	471.8	476.3	462.0	-.9	2.1
West Texas.....	1,118.2	1,130.0	1,128.4	-1.0	-.9
East Texas (proper).....	113.2	116.8	122.9	-3.1	-7.9
Panhandle.....	104.4	104.3	103.5	-.1	-.9
Rest of State.....	708.7	713.7	683.5	-.7	3.7
Southeastern New Mexico.....	266.7	269.1	266.9	-.9	-.1
Northern Louisiana.....	139.4	140.4	128.1	-.7	8.8
OUTSIDE ELEVENTH DISTRICT.....	4,412.8	4,390.2	4,231.9	.5	4.3
UNITED STATES.....	7,335.2	7,340.8	7,127.2	-.1	2.9

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	Oct. 31, 1962	Sept. 26, 1962	Oct. 25, 1961
ASSETS			
Loans and discounts.....	5,862	5,823	5,383
United States Government obligations.....	2,897	2,860	2,922
Other securities.....	1,136	1,088	1,019
Reserves with Federal Reserve Bank.....	909	906	932
Cash in vault.....	167	173	168
Balances with banks in the United States.....	1,123	1,146	1,197
Balances with banks in foreign countries.....	3	4	4
Cash items in process of collection.....	636	656	594
Other assets.....	323	318	338
TOTAL ASSETS.....	13,056	12,974	12,557
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits of banks.....	1,298	1,347	1,305
Other demand deposits.....	7,015	6,931	7,079
Time deposits.....	3,405	3,378	2,879
Total deposits.....	11,718	11,656	11,263
Borrowings.....	68	73	87
Other liabilities.....	146	144	142
Total capital accounts.....	1,124	1,101	1,065
TOTAL LIABILITIES AND CAPITAL ACCOUNTS.....	13,056	12,974	12,557

e — Estimated.

VALUE OF CONSTRUCTION CONTRACTS

(In millions of dollars)

Area and type	September 1962p	August 1962	September 1961	January—September 1962p	1961
FIVE SOUTHWESTERN STATES ¹	359	404	300	3,320	3,066
Residential building.....	140	170	133	1,428	1,261
Nonresidential building.....	107	128	72	1,009	942
Public works and utilities.....	113	105	95	883	862
UNITED STATES.....	3,273	3,631	3,004	31,614	28,218
Residential building.....	1,519	1,651	1,381	13,944	12,218
Nonresidential building.....	1,019	1,177	987	9,997	9,167
Public works and utilities.....	735	802	637	7,672	6,832

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

p — Preliminary.

NOTE: — Details may not add to totals because of rounding.

SOURCE: F. W. Dodge Corporation.

BUILDING PERMITS

VALUATION (Dollar amounts in thousands)

Area	NUMBER				Percent change			
	Oct. 1962		10 mos. 1962		Oct. 1962 from		10 months, 1962 from	
	Oct. 1962	10 mos. 1962	Oct. 1962	10 mos. 1962	Sept. 1962	Oct. 1961	Sept. 1962	Oct. 1961
ARIZONA								
Tucson.....	667	7,568	\$ 2,431	\$ 34,148	31	2	-11	
LOUISIANA								
Shreveport.....	308	2,993	810	17,143	-69	-35	-40	
TEXAS								
Abilene.....	145	1,374	1,826	18,032	37	-15	25	
Amarillo.....	276	2,831	2,381	30,002	4	39	-15	
Austin.....	355	3,510	3,160	51,426	-38	-22	7	
Beaumont.....	343	3,154	1,521	14,413	79	-74	-14	
Corpus Christi.....	283	2,974	4,181	21,172	43	132	-4	
Dallas.....	2,478	24,691	23,059	215,714	47	30	24	
El Paso.....	443	4,712	1,920	34,058	35	-42	-40	
Fort Worth.....	616	6,573	2,213	36,311	6	-8	-18	
Galveston.....	148	2,050	1,265	18,585	133	-14	210	
Houston.....	1,759	23,879	28,723	291,847	27	14	32	
Lubbock.....	174	2,327	1,917	33,611	-56	-47	-8	
Midland.....	86	1,093	571	13,606	-58	-53	10	
Odessa.....	72	841	2,014	9,654	450	89	-13	
Port Arthur.....	143	1,512	353	5,477	-25	-49	-20	
San Antonio.....	1,349	13,279	3,605	52,296	-35	-21	15	
Waco.....	205	2,282	594	12,167	-31	-26	-4	
Wichita Falls.....	139	1,328	886	9,789	38	-70	-51	
Total—19 cities.....	9,989	108,971	\$83,430	\$919,451	14	-1	8	

STATISTICAL SUPPLEMENT

to the

BUSINESS REVIEW

January 1963



FEDERAL RESERVE BANK
OF DALLAS

CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

Eleventh Federal Reserve District

(In thousands of dollars)

Item	Dec. 26, 1962	Nov. 28, 1962	Dec. 27, 1961
ASSETS			
Commercial and industrial loans.....	1,847,096	1,827,848	1,747,090
Agricultural loans.....	49,110	54,429	51,692
Loans to brokers and dealers for purchasing or carrying:			
U. S. Government securities.....	40,274	19,734	45,174
Other securities.....	52,864	48,819	60,589
Other loans for purchasing or carrying:			
U. S. Government securities.....	2,791	2,230	6,470
Other securities.....	206,667	192,700	164,495
Loans to domestic commercial banks.....	113,755	129,798	102,140
Loans to foreign banks.....	1,269	1,275	931
Loans to other financial institutions:			
Sales finance, personal finance, etc.....	106,808	97,551	92,460
Savings banks, mtge. cos., ins. cos., etc.....	213,130	195,448	184,619
Real estate loans.....	278,156	283,660	237,549
All other loans.....	839,101	832,846	765,624
Gross loans.....	3,751,021	3,686,338	3,458,833
Less reserves and unallocated charge-offs..	60,581	61,326	53,655
Net loans.....	3,690,440	3,625,012	3,405,178
Treasury bills.....	157,491	154,929	138,737
Treasury certificates of indebtedness.....	105,586	105,581	67,615
Treasury notes and U. S. Government bonds, including guaranteed obligations, maturing:			
Within 1 year.....	182,276	185,955	200,520
After 1 but within 5 years.....	662,781	660,709	778,183
After 5 years.....	466,649	477,995	357,898
Other securities.....	533,227	516,678	421,851
Total investments.....	2,108,010	2,101,847	1,964,804
Cash items in process of collection.....	668,653	557,653	702,280
Balances with banks in the United States.....	552,703	482,834	550,201
Balances with banks in foreign countries.....	3,252	2,280	2,013
Currency and coin.....	68,952	65,860	68,100
Reserves with Federal Reserve Bank.....	571,059	559,896	630,070
Other assets.....	222,029	200,605	217,929
TOTAL ASSETS.....	7,885,098	7,595,989	7,540,575
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits			
Individuals, partnerships, and corporations....	3,285,678	3,092,909	3,306,934
Foreign governments and official institutions, central banks, and international institutions..	5,706	3,328	4,707
U. S. Government.....	135,487	117,526	133,671
States and political subdivisions.....	261,024	315,460	220,525
Banks in the United States, including mutual savings banks.....	1,160,402	1,081,670	1,259,020
Banks in foreign countries.....	15,644	15,228	15,481
Certified and officers' checks, etc.....	54,607	47,555	69,082
Total demand deposits.....	4,918,548	4,673,676	5,009,420
Time and savings deposits			
Individuals, partnerships, and corporations			
Savings deposits.....	994,149	982,003	811,908
Other time deposits.....	745,322	733,251	551,741
Foreign governments and official institutions, central banks, and international institutions..	2,509	2,508	3,005
U. S. Government, including postal savings....	6,487	6,637	7,317
States and political subdivisions.....	287,493	278,279	308,326
Banks in the United States, including mutual savings banks.....	7,250	5,415	4,485
Banks in foreign countries.....	2,150	2,350	1,200
Total time and savings deposits.....	2,045,360	2,010,443	1,687,982
Total deposits.....	6,963,908	6,684,119	6,697,402
Bills payable, rediscounts, etc.....	140,775	140,900	105,914
All other liabilities.....	126,229	119,098	127,998
Capital accounts.....	654,186	651,872	609,261
TOTAL LIABILITIES AND CAPITAL ACCOUNTS.....	7,885,098	7,595,989	7,540,575

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	Dec. 26, 1962	Nov. 28, 1962	Dec. 27, 1961
Total gold certificate reserves.....	695,043	581,580	692,440
Discounts for member banks.....	9,090	8,000	10,100
Other discounts and advances.....	56	56	870
U. S. Government securities.....	1,196,214	1,221,743	1,169,504
Total earning assets.....	1,205,360	1,229,799	1,180,474
Member bank reserve deposits.....	919,947	923,151	1,010,341
Federal Reserve notes in actual circulation....	908,973	886,312	873,978

RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	4 weeks ended Dec. 5, 1962	5 weeks ended Nov. 7, 1962	5 weeks ended Dec. 6, 1961
RESERVE CITY BANKS			
Total reserves held.....	595,095	616,540	595,684
With Federal Reserve Bank.....	551,615	574,856	554,751
Currency and coin.....	43,480	41,684	40,933
Required reserves.....	590,901	612,717	588,477
Excess reserves.....	4,194	3,823	7,207
Borrowings.....	786	1,214	829
Free reserves.....	3,408	2,609	6,378
COUNTRY BANKS			
Total reserves held.....	530,858	540,888	538,793
With Federal Reserve Bank.....	418,581	432,143	432,860
Currency and coin.....	112,277	108,745	105,933
Required reserves.....	475,609	483,373	471,608
Excess reserves.....	55,249	57,515	67,185
Borrowings.....	6,800	7,652	891
Free reserves.....	48,449	49,863	66,294
ALL MEMBER BANKS			
Total reserves held.....	1,125,953	1,157,428	1,134,477
With Federal Reserve Bank.....	970,196	1,006,999	987,611
Currency and coin.....	155,757	150,429	146,866
Required reserves.....	1,066,510	1,096,090	1,060,085
Excess reserves.....	59,443	61,338	74,392
Borrowings.....	7,586	8,866	1,720
Free reserves.....	51,857	52,472	72,672

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: November..	7,879	3,933	3,946	2,426	1,229	1,197
1961: November..	8,322	4,058	4,264	2,806	1,409	1,397
1962: June.....	8,144	4,062	4,082	3,267	1,651	1,616
July.....	8,111	4,032	4,079	3,291	1,638	1,653
August....	8,021	3,967	4,054	3,538	1,646	1,892
September..	8,194	4,096	4,098	3,357	1,666	1,691
October....	8,337	4,170	4,167	3,398	1,688	1,710
November..	8,370	4,113	4,257	3,435	1,701	1,734

CONDITION STATISTICS OF ALL MEMBER BANKS

Eleventh Federal Reserve District

(In millions of dollars)

Item	Nov. 28, 1962	Oct. 31, 1962	Nov. 29, 1961
ASSETS			
Loans and discounts.....	5,994	5,862	5,442
U. S. Government obligations.....	2,911	2,897	2,812
Other securities.....	1,141	1,136	975
Reserves with Federal Reserve Bank.....	923	909	928
Cash in vault.....	181	167	171
Balances with banks in the United States....	1,140	1,123	1,193
Balances with banks in foreign countries.....	3	3	3
Cash items in process of collection.....	621	636	588
Other assets.....	273	323	255
TOTAL ASSETS.....	13,187	13,056	12,367
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits of banks.....	1,305	1,298	1,303
Other demand deposits.....	6,985	7,015	6,965
Time deposits.....	3,456	3,405	2,822
Total deposits.....	11,746	11,718	11,090
Borrowings.....	148	68	63
Other liabilities.....	161	146	159
Total capital accounts.....	1,132	1,124	1,055
TOTAL LIABILITIES AND CAPITAL ACCOUNTS.....	13,187	13,056	12,367

e — Estimated.

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		
	November 1962	Percent change from		Nov. 30, 1962	Annual rate of turnover	
		Oct. 1962	Nov. 1961		Nov. 1962	Oct. 1962
ARIZONA						
Tucson.....	\$ 337,453	-5	2	\$ 161,042	26.0	28.4
LOUISIANA						
Monroe.....	88,824	-17	-8	52,470	20.8	25.3
Shreveport.....	324,021	-8	0	176,332	22.4	24.6
NEW MEXICO						
Roswell.....	58,495	-1	11	38,906	17.9	18.4
TEXAS						
Abilene.....	106,043	-9	-4	71,393	17.5	18.8
Amarillo.....	242,359	-4	2	122,660	23.4	24.8
Austin.....	276,039	4	20	157,605	21.0	20.6
Beaumont.....	167,957	-8	-5	104,268	19.4	21.4
Corpus Christi.....	201,759	2	-4	109,455	21.8	21.4
Corsicana.....	18,539	-2	-1	20,885	10.6	11.2
Dallas.....	3,403,424	2	10	1,301,199	31.4	31.0
El Paso.....	359,792	0	-5	186,524	23.4	23.6
Fort Worth.....	806,542	-4	0	388,896	24.7	25.8
Galveston.....	91,661	-6	2	60,685	17.9	18.8
Houston.....	3,066,747	-8	7	1,447,778	25.7	27.8
Laredo.....	33,919	-2	27	26,142	15.8	16.4
Lubbock.....	252,257	20	-7	127,067	24.4	21.4
Port Arthur.....	62,881	-1	-1	45,537	16.4	17.0
San Angelo.....	53,222	-12	-2	47,636	13.4	15.2
San Antonio.....	671,420	-7	4	422,358	19.4	21.4
Texarkana ²	26,520	-8	10	17,535	18.1	18.7
Tyler.....	96,814	-4	4	63,557	18.1	18.8
Waco.....	112,003	-9	3	75,463	18.1	20.5
Wichita Falls.....	117,864	-4	-3	93,950	15.1	15.6
Total—24 cities.....	\$10,976,555	-3	5	\$5,319,343	24.8	25.9

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 \$58,851,000 for the month of November 1962.

DEPARTMENT STORE SALES

(Percentage change in retail value)

Area	November 1962 from		11 months, 1962 from 1961
	October 1962	November 1961	
Total Eleventh District.....	14	5	7
Corpus Christi.....	12	-2	-4
Dallas.....	14	1	6
El Paso.....	9	12	9
Houston.....	10	4	9
San Antonio.....	20	11	9
Shreveport, La.....	15	0	9
Waco.....	8	4	9
Other cities.....	15	7	8

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

Eleventh Federal Reserve District

(1957-59 = 100)

Date	SALES (Daily average)		STOCKS (End of month)	
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted
1961: November.....	120	104	119r	105r
1962: June.....	96	107	108	115
July.....	102	112	109	114
August.....	108	107	115	112
September.....	109	113	117	110
October.....	102	100	127	113
November.....	125	109	127p	111p

r — Revised.
p — Preliminary.

NATIONAL PETROLEUM ACTIVITY INDICATORS

(Seasonally adjusted indexes, 1957-59 = 100)

Indicator	November 1962p	October 1962p	November 1961
CRUDE OIL RUNS TO REFINERY			
STILLS (Daily average).....	108	108	107
DEMAND (Daily average)			
Gasoline.....	107	111	108
Kerosene.....	147	142	125
Distillate fuel oil.....	112	110	104
Residual fuel oil.....	90	93	97
Four refined products.....	106	108	105
STOCKS (End of month)			
Gasoline.....	108	106	105
Kerosene.....	112	113	114
Distillate fuel oil.....	101	104	104
Residual fuel oil.....	86	86	77
Four refined products.....	103	103	101

p — Preliminary.

SOURCES: American Petroleum Institute.
U. S. Bureau of Mines.
Federal Reserve Bank of Dallas.

DAILY AVERAGE PRODUCTION OF CRUDE OIL

(In thousands of barrels)

Area	November 1962p		October 1962p		Percent change from	
	November 1962p	October 1962p	November 1961	October 1962p	November 1961	October 1961
ELEVENTH DISTRICT.....	2,932.2	2,922.4	2,929.6	0.3	0.1	0.1
Texas.....	2,524.2	2,516.3	2,527.2	.3	-.1	-.1
Gulf Coast.....	478.8	471.8	458.7	1.5	4.4	4.4
West Texas.....	1,125.3	1,118.2	1,124.6	.6	.1	.1
East Texas (proper).....	113.0	113.2	128.1	-.2	-11.8	-11.8
Panhandle.....	102.8	104.4	107.2	-1.5	-4.1	-4.1
Rest of State.....	704.3	708.7	708.6	-.6	-.6	-.6
Southeastern New Mexico.....	267.1	266.7	274.9	.1	-2.8	-2.8
Northern Louisiana.....	140.9	139.4	127.5	1.1	10.5	10.5
OUTSIDE ELEVENTH DISTRICT.....	4,413.6	4,412.8	4,263.9	.0	3.5	3.5
UNITED STATES.....	7,345.8	7,335.2	7,193.5	.1	2.1	2.1

p — Preliminary.

SOURCES: American Petroleum Institute.
U. S. Bureau of Mines.
Federal Reserve Bank of Dallas.

BUILDING PERMITS

VALUATION (Dollar amounts in thousands)

Area	NUMBER		Nov. 1962 from		Percent change	
	Nov. 1962	11 mos. 1962	Nov. 1962	11 mos. 1962	Oct. 1962	Nov. 1961
ARIZONA						
Tucson.....	613	8,181	\$ 4,265	\$ 38,413	75	1
LOUISIANA						
Shreveport.....	242	3,235	1,503	18,646	86	42
TEXAS						
Abilene.....	140	1,514	964	18,996	-47	18
Amarillo.....	248	3,079	4,628	34,630	94	74
Austin.....	303	3,813	8,944	60,370	183	39
Beaumont.....	249	3,403	932	15,345	-39	-83
Corpus Christi.....	276	3,250	3,252	24,424	-22	124
Dallas.....	2,071	26,762	18,222	233,936	-21	49
El Paso.....	317	5,029	4,021	38,079	109	16
Fort Worth.....	490	7,063	1,945	38,256	-12	-4
Galveston.....	123	2,173	724	19,309	-43	94
Houston.....	1,401	25,280	24,578	316,425	-14	59
Lubbock.....	169	2,496	1,970	35,581	3	-23
Midland.....	115	1,208	3,088	16,694	441	110
Odessa.....	68	909	468	10,122	-77	-29
Port Arthur.....	102	1,614	1,128	6,605	220	164
San Antonio.....	1,143	14,422	4,488	56,784	24	-1
Waco.....	208	2,490	1,049	13,216	77	28
Wichita Falls.....	69	1,397	1,455	11,244	64	66
Total—19 cities.....	8,347	117,318	\$87,624	\$1,007,075	5	30

INDUSTRIAL PRODUCTION

(Seasonally adjusted indexes, 1957-59 = 100)

Area and type of index	November 1962p	October 1962	September 1962	November 1961
TEXAS				
Total industrial production.....	114	112	115	109
Manufacturing.....	124	122	127	120
Durable.....	117	117	122	114
Nondurable.....	130	126	130	124
Mining.....	100	99	100	96
UNITED STATES				
Total industrial production.....	120	120	120	115
Manufacturing.....	120	120	121r	115
Durable.....	119	119	120	113
Nondurable.....	121	121	121	118
Mining.....	106	107	106	105
Utilities.....	134	134	132r	127

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 Nov. 1962 from	
	November 1962p	October 1962	November 1961r	Oct. 1962	Nov. 1961
Total nonagricultural					
wage and salary workers..	4,587,000	4,581,700	4,504,100	0.1	1.8
Manufacturing.....	795,700	794,600	782,900	.1	1.6
Nonmanufacturing.....	3,791,300	3,787,100	3,721,200	.1	1.9
Mining.....	232,900	234,100	240,700	—5	—3.2
Construction.....	292,800	301,000	288,400	—2.7	1.5
Transportation and public utilities.....	388,400	387,300	387,900	.3	.1
Trade.....	1,106,400	1,096,200	1,092,400	.9	1.3
Finance.....	229,900	229,500	223,600	.2	2.8
Service.....	623,600	626,400	606,600	—4	2.8
Government.....	917,300	912,600	881,600	.5	4.0

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

p — Preliminary.

r — Revised.

SOURCE: State employment agencies.

VALUE OF CONSTRUCTION CONTRACTS

(In millions of dollars)

Area and type	November 1962p	October 1962	November 1961	January—November	
				1962p	1961
FIVE SOUTHWESTERN STATES¹					
Residential building.....	327	396	343	4,039	3,720
Nonresidential building.....	143	165	127	1,734	1,544
Public works and utilities...	87	104	124	1,198	1,151
	96	127	92	1,106	1,025
UNITED STATES	3,188	3,425	3,008	38,149	34,461
Residential building.....	1,361	1,610	1,306	16,895	15,006
Nonresidential building.....	1,066	1,075	1,095	12,108	11,246
Public works and utilities...	761	740	607	9,147	8,209

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

p — Preliminary.

NOTE: — Details may not add to totals because of rounding.

SOURCE: F. W. Dodge Corporation.

CITRUS FRUIT PRODUCTION

(In thousands of boxes)

State and crop	Indicated 1962	1961	Average 1951-60
ARIZONA			
Oranges.....	1,050	1,440	1,089
Grapefruit.....	1,900	2,270	2,496
LOUISIANA			
Oranges.....	15	255	164
TEXAS			
Oranges.....	80	2,300	1,740
Grapefruit.....	200	2,700	2,900

SOURCE: U. S. Department of Agriculture.

WINTER WHEAT

Area	ACREAGE SEEDED (In thousands of acres)			PRODUCTION (In thousands of bushels)		
	Crop of 1963	Crop of 1962	Crops of 1952-61	Crop of 1963 ¹	Crop of 1962	Crops of 1952-61
Arizona.....	29	29	52	1,044	1,008	1,632
Louisiana.....	88	80	769	880	720	762
New Mexico.....	295	268	390	4,425	4,200	2,639
Oklahoma.....	4,871	4,349	5,230	97,420	71,953	82,418
Texas.....	3,673	3,498	4,312	62,441	43,696	45,567
Total.....	8,956	8,224	10,053	166,210	121,577	133,018

¹ Indicated December 1, 1962.

² Short-time average.

SOURCE: U. S. Department of Agriculture.



BUSINESS REVIEW

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Annual Report

FEDERAL RESERVE BANK OF DALLAS

1962

To the Member Banks in the
Eleventh Federal Reserve District:

The Statement of Condition and the earnings and expenses of the Federal Reserve Bank of Dallas for the year 1962, with comparative figures for 1961, are shown herein. Lists of the directors and officers of the Bank and its branches as of January 1, 1963, are also included.

A review of economic and financial developments in the Nation and the District during 1962 is being presented in the January 1963 Annual Report Issue of the *Business Review* of this Bank.

Additional copies of these publications may be obtained upon request to the Research Department, Federal Reserve Bank of Dallas, 400 South Akard Street, Dallas 2, Texas.

Sincerely yours,



WATROUS H. IRONS
President

Statement of Condition

	Dec. 31, 1962	Dec. 31, 1961
ASSETS		
Gold certificate account	\$ 540,732,347	\$ 587,255,476
Redemption fund for Federal Reserve notes	39,527,686	35,465,071
Total gold certificate reserves	580,260,033	622,720,547
Federal Reserve notes of other Banks	19,473,000	29,552,100
Other cash	9,532,888	14,952,121
Discounts and advances	56,000	870,000
U. S. Government securities		
Bills	99,256,000	129,694,000
Certificates	535,780,000	69,028,000
Notes	435,604,000	811,684,000
Bonds	168,138,000	156,202,000
Total U. S. Government securities	1,238,778,000	1,166,608,000
Total loans and securities	1,238,834,000	1,167,478,000
Cash items in process of collection	309,128,280	296,084,087
Bank premises	12,579,815	13,272,512
Other assets	15,897,075	9,899,098
TOTAL ASSETS	2,185,705,091	2,153,958,465
LIABILITIES		
Federal Reserve notes in actual circulation	910,744,385	869,105,320
Deposits		
Member bank — reserve accounts	960,203,849	931,949,007
U. S. Treasurer — general account	34,752,085	23,508,674
Foreign	14,560,000	15,370,000
Other	4,009,754	3,382,891
Total deposits	1,013,525,688	974,210,572
Deferred availability cash items	178,701,992	233,680,479
Other liabilities	2,537,026	2,248,744
TOTAL LIABILITIES	2,105,509,091	2,079,245,115
CAPITAL ACCOUNTS		
Capital paid in	26,732,000	24,904,450
Surplus	53,464,000	49,808,900
TOTAL CAPITAL ACCOUNTS	80,196,000	74,713,350
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	\$2,185,705,091	\$2,153,958,465

Earnings and Expenses

	1962	1961
CURRENT EARNINGS		
Discounts and advances	\$ 269,378	\$ 62,758
U. S. Government securities	42,036,531	37,950,208
Foreign currencies	196,133	—
All other	18,072	19,096
TOTAL CURRENT EARNINGS	42,520,114	38,032,062
CURRENT EXPENSES		
Current operating expenses	8,933,333	8,530,969
Assessment for expenses of Board of Governors	374,700	359,200
Federal Reserve currency		
Original cost, including shipping charges	142,635	380,172
Cost of redemption, including shipping charges	33,146	32,595
Total	9,483,814	9,302,936
Less reimbursement for certain fiscal agency and other expenses	936,767	935,083
NET EXPENSES	8,547,047	8,367,853
PROFIT AND LOSS		
Current net earnings	33,973,067	29,664,209
Additions to current net earnings		
Profit on sales of U. S. Government securities (net)	80,701	140,482
All other	129,938	94
Total additions	210,639	140,576
Deductions from current net earnings	82,713	1,979
Net additions	127,926	138,597
Net earnings before payments to U. S. Treasury	34,100,993	29,802,806
Dividends paid	1,573,112	1,454,690
Paid U. S. Treasury (interest on F. R. notes)	28,872,781	25,547,016
Transferred to surplus	3,655,100	2,801,100
Surplus, January 1	49,808,900	47,007,800
Surplus, December 31	<u>53,464,000</u>	<u>49,808,900</u>

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FEDERAL RESERVE BANK OF DALLAS

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P. E. COLDWELL, *First Vice President*

ROY E. BOHNE, *Vice President*

JAMES L. CAUTHEN, *Vice President*

J. L. COOK, *Vice President*

RALPH T. GREEN, *Vice President*

T. A. HARDIN, *Vice President*

CARL H. MOORE, *Vice President*

G. R. MURFF, *Vice President and
Secretary of the Board*

JAMES A. PARKER, *Vice President*

T. W. PLANT, *Vice President and Cashier*

W. M. PRITCHETT, *Vice President*

THOMAS R. SULLIVAN, *Vice President*

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GEORGE F. RUDY, *General Counsel*

ROBERT H. BOYKIN, *Assistant Counsel and
Assistant Secretary of the Board*

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JAMES O. RUSSELL, *Chief Examiner*

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E. H. BERG, *Assistant Cashier*

FREDRIC W. REED, *Assistant Cashier*

E. A. THAXTON, JR., *Assistant Cashier*

E. W. VORLOP, JR., *Assistant Cashier*

EL PASO BRANCH

ROY E. BOHNE, *Vice President in Charge*

T. C. ARNOLD, *Cashier*

FORREST E. COLEMAN, *Assistant Cashier*

HOUSTON BRANCH

J. L. COOK, *Vice President in Charge*

B. J. TROY, *Cashier*

W. C. HARTUNG, *Assistant Cashier*

RASCO R. STORY, *Assistant Cashier*

SAN ANTONIO BRANCH

CARL H. MOORE, *Vice President in Charge*

A. E. MUNDT, *Cashier*

ALVIN E. RUSSELL, *Assistant Cashier*

FREDERICK J. SCHMID, *Assistant Cashier*

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FEDERAL RESERVE BANK OF DALLAS

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LAMAR FLEMING, JR., *Member, Board of Directors, Anderson, Clayton and Company, Inc., Houston, Texas*
D. A. HULCY, *Chairman of the Board, Lone Star Gas Company, Dallas, Texas*
J. EDD McLAUGHLIN, *President, Security State Bank & Trust Company, Ralls, Texas*
J. B. PERRY, JR., *President and General Manager, Perry Brothers, Inc., Lufkin, Texas*
RALPH A. PORTER, *Executive Vice President, The State National Bank of Denison, Denison, Texas*
ROY RIDDEL, *President, First National Bank at Lubbock, Lubbock, Texas*
H. B. ZACHRY, *President and Chairman of the Board, H. B. Zachry Company, San Antonio, Texas*

EL PASO BRANCH

- FLOYD CHILDRESS, *Vice Chairman of the Board, The First National Bank of Roswell, Roswell, New Mexico*
ROGER B. CORBETT, *President, New Mexico State University, University Park, New Mexico*
DYSART E. HOLCOMB, *Director of Research, El Paso Natural Gas Products Company, El Paso, Texas*
JOSEPH F. IRVIN, *President, Southwest National Bank of El Paso, El Paso, Texas*
WILLIAM R. MATHEWS, *Editor and Publisher, "The Arizona Daily Star," Tucson, Arizona*
CHARLES B. PERRY, *President, First State Bank, Odessa, Texas*
DICK ROGERS, *President, First National Bank in Alpine, Alpine, Texas*

HOUSTON BRANCH

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M. M. GALLOWAY, *President, First Capitol Bank, West Columbia, Texas*
JOHN E. GRAY, *President, First Security National Bank of Beaumont, Beaumont, Texas*
EDGAR H. HUDGINS, *Ranching — Partner in Hudgins Division of J. D. Hudgins, Hungerford, Texas*
MAX LEVINE, *President, Foley's, Houston, Texas*
J. W. MCLEAN, *President, Texas National Bank of Houston, Houston, Texas*

SAN ANTONIO BRANCH

- G. C. HAGELSTEIN, *President and General Manager, Union Stock Yards San Antonio, San Antonio, Texas*
HAROLD D. HERNDON, *Independent Oil Operator, San Antonio, Texas*
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MAX A. MANDEL, *President, The Laredo National Bank, Laredo, Texas*
FORREST M. SMITH, *President, National Bank of Commerce of San Antonio, San Antonio, Texas*
JOHN R. STOCKTON, *Professor of Business Statistics and Director of Bureau of Business Research, The University of Texas, Austin, Texas*
DWIGHT D. TAYLOR, *President, Pan American State Bank, Brownsville, Texas*

FEDERAL ADVISORY COUNCIL MEMBER

- JAMES W. ASTON, *President, Republic National Bank of Dallas, Dallas, Texas*

Office of the Director

1981

FEDERAL RESERVE BANK

ATLANTA, GA. 30303

MEMORANDUM FOR THE DIRECTOR

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