<table>
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<td>cattle numbers —</td>
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<td>still going up?</td>
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<td>construction —</td>
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<td>drive carefully!</td>
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"The only way to make money on cattle is to have some" is an expression sometimes repeated by cattlemen. Recent trends indicate that this adage still has great appeal. On the other hand, too many cattle can result in unprofitably low prices. Cattle numbers in the five southwestern states and the Nation have been increasing for the past 5 years from the cyclical low point reached in 1957 and, at the beginning of this year, reached a new high in both areas. This development and the decline in prices, particularly of fed cattle, during the past few months have resulted in some reappraisals of the near-term prospects for beef cattle. Since cattle marketings and cattle prices tend to have an inverse relationship, the size of cattle and calf inventories and the rates at which numbers are being increased or decreased are quite important.

Cattle and calf numbers in the United States (exclusive of Alaska and Hawaii) have risen 14 percent to 103.5 million head since 1958, when the present upswing in inventories began. In the Southwest, the number of cattle and calves has increased 26 percent to a level of 18.1 million. The pace at which U. S. cattle numbers have been advancing since 1958 has been more moderate than the rate during the initial 5 years of the 1949-58 cycle. On the other hand, the increase in the cattle population in the Southwest has been relatively more rapid, primarily reflecting the somewhat more severe reduction in herd numbers in the region as a result of the drought-related liquidation of cattle during the 1953-57 period.

In the Nation, inventories of all cattle and calves rose around 18.8 million head from the beginning of 1949 through 1953, compared with about 12.4 million head since January 1, 1958. In the five southwestern states, the cattle population showed a net gain of 2.3 million head during the 5-year period beginning in 1949, which is significantly less than the 3.7 million increase during the past 5 years. About 30 percent of the total expansion in U. S. cattle and calf numbers since 1958 has occurred in the Southwest, compared with only about 12 percent during the first 5 years in the previous cycle. Currently, cattle numbers in the five states account for slightly more than 17 percent of the U. S. total, a proportion little different from that just prior to the liquidation of southwestern herds as a result of drought.

Potential beef supplies also have been expanded by a change in the proportion of cattle which are raised primarily for beef and those which are kept for milk production. Milk cattle numbers in the United States have been gradually trending downward from their high point in 1944. By the beginning of 1963, the milk cattle inventory was 28.8 million head, or 30 percent below two decades earlier. Milk cattle as a percentage of total cattle numbers had begun to decline in 1939. At the beginning of that year, livestock kept for milk comprised 54 percent of the total, but by 1963 this proportion had declined to 28 percent.

The downtrend in milk cattle numbers in the Southwest has followed national developments, and, at the beginning of this year, only about 10 percent of the cattle population in the five states was for milk production. Reductions in the inventory of dairy animals in both the United States and the Southwest have arisen
as a result of changing patterns of consumption and the trend toward greater specialization and increased usage of capital in farm production. A gradual shift has occurred in the utilization of milk, with a greater proportion of the milk being used for drinking purposes and for manufactured products containing less butterfat and a lower percentage being consumed as cream and butter.

The bulk of the small-sized family dairies which often marketed dairy products in the form of butter or farm-separated cream have disappeared. Those remaining in dairying have boosted herd sizes and, more importantly, have increased output per cow. Average production per cow in Texas, for example, increased 55 percent during the past decade, compared with 33 percent in the Nation. However, total output of milk has eased slightly in the Southwest, but that in the Nation has continued to rise. In 1962, U.S. milk production was at a record level, despite a decline in milk cow numbers and the drought conditions in several important dairying areas. On a per capita basis, milk production and consumption in the Nation generally have been decreasing since World War II.

The potential for increased output of beef is especially evident in the trend in numbers of beef cows 2 years of age and over. Since 1958, U.S. numbers of this class of livestock have increased 5.7 million, with about 29 percent of this rise occurring in 1962. Further, inventories of heifers 1 to 2 years old rose nearly 8 percent last year. Thus, the size of the basic breeding herd indicates that the calf crop will be moderately larger in 1963 than it was in 1962.

Although there is little indication that the current expansion phase in cattle numbers is coming to an end, increased marketings arising from the larger-sized basic breeding herds eventually may be reflected in a softening in cattle prices unless offset by population growth and rising per capita disposable income. In a typical cycle, prices begin to decline before the peak in inventories is reached. In addition to the effect of increased cattle marketings upon prices, the supply of competing meats, such as pork and poultry, can also have an important impact.

Consumer preference for beef has been one of the more favorable aspects in the long-run outlook for the beef cattle industry, and recent
trends do not suggest that this preference has waned. Beef consumption per person has risen quite sharply, from about 62 pounds in 1952 to around 90 pounds currently. Steadily rising per capita disposable income also has permitted the increasing population to exercise its preference for beef. Thus, general business conditions may affect beef cattle markets significantly. An unduly large expansion or a sharp temporary surge in beef supplies could be excessive in terms of population growth, established eating habits, and family food expenditure patterns. Such an occurrence could result in lower meat prices in order to induce consumers to increase their purchases of beef.

Throughout the expansion phase of the current cattle cycle, cattle prices have been fairly favorable and relatively free of sharp fluctuations until a few months ago. Prices received by U.S. farmers for all beef cattle moved upward from an average of $14.90 per hundredweight in 1956, when drought-related liquidation of herds was quite severe, to $22.60 per hundredweight in 1959. During the next 2 years, prices eased but averaged well above $20 per hundredweight. Selling prices strengthened again in 1962 but, in the latter part of the year, declined quite noticeably. These overall price trends for beef cattle, however, mask some of the more extreme variations that have occurred in prices for certain types of cattle in recent months.

The largest changes in cattle prices during the past several months have occurred in the fat slaughter cattle market; the prices of stocker and feeder steers and slaughter cows have shown less pronounced swings, although the prices for each class have moved somewhat together. Prices for high-grade slaughter steers moved up about one-fifth between June and November 1962. Prices then began to decline and, by March, had dipped below the June 1962 level.

Recent developments, however, do not suggest that the entire cattle price structure is about to experience a severe and prolonged decline or that the expansion in cattle numbers is being halted. Apart from the changes in cattle marketings and prices over the span of the cattle cycle itself, substantial short-run changes within a cycle can occur in the volume of beef being produced as a result of the numbers on feed, average marketing weights of animals, and the pattern of marketings. Thus, unusual factors associated with the fat cattle market may be primarily responsible for the recent price adjustments, and the cattle feeder (rather than the cattle breeder) has borne the brunt of the recent price weakness.

The U.S. Department of Agriculture has attributed the decline in fat cattle prices to several factors, including a large increase in steer beef production in the last quarter of 1962 and first quarter of 1963, large supplies of pork in the first quarter of this year, a larger output of broilers, prospective further increases in red meat production, and the usual lag of retail prices behind wholesale prices. A considerable volume of fat cattle remains to be marketed, and the supplies may hold down prices for this kind of cattle for several months.
As of April 1 this year, the number of cattle and calves on feed in 28 key states totaled 8.1 million head, or 11 percent above a year earlier. If cattle feeders carry out their intentions to market almost half of these cattle during the second quarter of this year, marketings would be 7 percent greater than those in the comparable period in 1962. In the four major feeding states in the Southwest, cattle on feed on April 1 were 30 percent higher than on this same date last year.

Despite recent developments in the cattle market, the present buildup in cattle inventories has been fairly orderly; and if range and pasture conditions remain favorable, it is likely that some further increase in herd numbers is in prospect. Grazing conditions throughout much of the western ranching country in 1962 were relatively good, and the strong prices for stockers and feeders encouraged the retention of heifers to add to the basic breeding herd. Cattle came through the winter in fairly good shape, and spring forage conditions in most western range states are about as favorable as a year earlier.

The range areas in the southwestern states are among those sections of the country where pastures have deteriorated to a somewhat greater degree and grazing is slightly less favorable than a year ago. The level of prices which cattle feeders receive for their livestock during the coming months could have an important influence upon the sales and prices of stocker and feeder replacements this year. Low or unprofitable feeding margins can reduce the willingness of cattle feeders to bid aggressively for feeder replacements.

A sharp and widespread drought also could alter cattle raisers' plans to increase herds further, although a drought today probably would have less impact upon the cattle industry than a drought of similar intensity would have had a decade or more ago. The wider dispersion of breeding herds throughout the country, as well as the improved range and animal husbandry practices which have been adopted, has made the cattle industry somewhat less susceptible to drought-related liquidation.

A greater proportion of the breeding herds are located in the southeastern and midwestern sections of the country than was the case several decades ago. In the Eleventh Federal Reserve District, cattle numbers in counties and parishes east of a north-south line running approximately through Dallas, San Antonio, and Brownsville more than doubled between 1925 and 1959, while inventories in the more westerly sections showed only a 2-percent rise. These more humid areas to the east accounted for about 54 percent of the total cattle population in the District in 1959, compared with about 37 percent in 1925.

The likelihood of larger calf crops from existing herds may induce cattlemen to be cautious about retaining excessive numbers of heifers to achieve net increases in cow numbers. Many stockmen may prefer to cull overage and less thrifty cows and generally upgrade the quality and productivity of their herds, rather than concentrate primarily upon increasing numbers.
Detour signs and large earth-moving equipment are a common sight throughout the Southwest as cooperating Federal and state authorities push ahead on a multibillion-dollar highway program. This construction activity is expanding and improving the road network in order to catch up and then keep pace with the ever-increasing need for adequate, safe, and economical motor transportation.

Highway congestion is a national problem, reflecting the inability of the road network to keep pace with the increase in the number of automobiles and trucks on the road, as well as the rise in miles driven per vehicle. In the Nation, motor vehicle registrations during the past decade have increased 50 percent to 79 million, and the average number of miles each vehicle is driven has risen 5 percent.

The problem of highway congestion has been further intensified by the substantial concentration of population in major metropolitan areas. Not only has this urbanization resulted in greater demands for speeding traffic flow on intracity streets and roadways, but, because of the interdependence of cities and outlying areas, the necessity for improved connecting links with all sections of the country has become more pressing.

The southwesterner, in particular, relies heavily upon motor transportation. Major metropolitan centers expanded rapidly after World War II, but mass transit facilities have not developed as fully in the Southwest as in many other sections of the country. Furthermore, the distances between most major trading centers, the relatively large geographical size of the states in the Southwest, and the lack of nearby railroad facilities in many areas prompted an early interest in highway construction and maintenance.

A southwestern family without an automobile is a rarity. There is approximately one motor vehicle for every two persons in the southwestern states (Arizona, Louisiana, New Mexico, Oklahoma, and Texas) and the 60-percent increase in automobile registrations in the Southwest since 1952 has outstripped the gain for the Nation. It is estimated that 72 percent of the southwesterners use private automobiles in going to and from work — a proportion which is virtually the same as on the West Coast but compares with 64 percent in the Nation.

The Federal-Aid Highway Act of 1944 laid the basis for much of the present national system of highways, although a considerable amount of spadework toward designing such a network had been done prior to the outbreak of World War II.

Highway systems are classified as "primary," which refers to roads such as those currently in the National System of Interstate and Defense Highways and other U. S. highways, and "secondary," comprised of roads that generally feed into the primary system, such as state highways and farm-to-market roads. In addition to the road systems established cooperatively by the Federal Government and the states, county or parish and city roads form an important link in the total transportation net.

An important feature of the 1944 legislation was the provision for the Interstate Highway System, which was to be a selective part of the

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primary system. The roads in the interstate system were to be limited-access highways which would span the Nation and would connect most of the major metropolitan areas. Because of the size of the southwestern states and their position along the southern boundary of the Nation, a considerable portion of the total mileage on the interstate system was allocated to the Southwest. The feature of the 1944 act providing for sharing in construction costs of major interstate roads was designed to accelerate the building of major arteries.

Progress in constructing the Nation’s highway system remained unsatisfactory, however, as usage increased at an even more rapid rate than had been envisaged in 1944, and Congress felt that additional stimulus to highway construction was needed. Furthermore, it became apparent that a major problem was that of speeding ground transport through and around major cities, which were growing with startling rapidity. The Federal Highway Act of 1956 increased further the national share of highway expenditures and levied additional Federal taxes on highway users in order to raise necessary revenues. The need of an adequate road system for defense purposes was particularly stressed. Under the 1956 law, the Federal Government will pay 90 percent of the cost of interstate and defense highways and continue to match the states’ expenditures for securing rights-of-way and construction costs for other roads which are eligible for Federal aid.

Perhaps the most glamorous highways, likely the most important thoroughfares, and certainly the most costly roads to construct are those included in the Interstate and Defense Highway System. The 41,000 miles of highways included in the system are expected to cost $41 billion, and the network is scheduled for completion by 1973. Considerable mileage of the new system embraces existing interstate highways; however, substantial improvements and some realignment of the routes of these highways are required to meet the standards outlined for interstate and defense highways.

Although they will encompass only 1 percent of the total number of miles of the Nation’s roads, the interstate and defense highways will handle more than one-fifth of the traffic. It has been estimated that one-half of the U.S. population will use these roads daily and two-thirds of the population will use them weekly. The roadways will generally have four traffic lanes but will have as many as eight lanes in metropolitan areas. Almost one-half of the cost of the Interstate and Defense Highway System is expected to be spent in urban areas, although only about 15 percent of the mileage will be located in such areas. The large proportion likely to be spent in urban areas as compared with other sections reflects the relatively higher costs of rights-of-way, increased number of lanes, and the greater preponderance of cloverleaf intersections and similar arrangements designed to alleviate traffic tie-ups as much as possible.

The renewed emphasis upon construction of major highways has had a vital impact upon the rate of road building in the Southwest. The five states have been allocated 6,706 miles of the Interstate and Defense Highway System, or about 16 percent of the national total. Of the mileage in interstate and defense highways in the Southwest, Texas accounts for 45 percent; Arizona, 18 percent; New Mexico, 15 percent; Oklahoma, 12 percent; and Louisiana, 10 percent. Approximately 14 percent of the mileage allocated to the southwestern states is in urban areas — only slightly less than in the Nation.

Traffic along the Interstate and Defense Highway System in the Southwest has more than doubled since 1956. During the past 6 years, the number of surfaced miles increased 6 percent, and the traffic carrying capacity of the roads rose measurably. Southwestern highways with four or more lanes accounted for only 18 percent of the system in 1956 but
today, account for approximately one-half of the total mileage. Especially notable progress has been made in constructing costly urban projects. At the beginning of 1957, only 269 urban miles of southwestern highways in the interstate system had more than two lanes. At the present time, there are more than 700 miles of these highways, most of which are divided thoroughfares. The proportion of multiple-lane urban highways is currently higher in the Southwest than in the Nation.

In addition to the Interstate and Defense Highway System, important strides are being made in the Southwest in constructing and improving the other road systems. The southwestern states have constructed an average of 10 miles of other state highways for every mile completed on the interstate system. The mileage of state roads other than interstate highways built since 1958 amounts to approximately 20 percent of the total built in the Nation. Thus, the five states have constructed twice as much mileage in recent years as the total mileage allocated to them for the interstate system.

Road building is an expensive undertaking, and expenditures for constructing and maintaining highways in the Southwest are second only to funds disbursed at the state level on education. Total highway disbursements by state authorities during 1962 in the southwestern states exceeded $800 million, with three-fourths of this total being spent for construction and other capital outlays. About $500 million of these expenditures was for building new roads.

Costs of building roads are much lower in the Southwest than in many other parts of the Nation, and these lower costs and the factors related to them probably account for much of the rapidity with which highways are being completed in the region. In 1962, for instance, approximate construction costs incurred in Texas were $2 million per mile for
a six-lane divided urban highway, $500,000 for a mile of four-lane divided highway in the open country, and $30,000 per mile for a typical farm-to-market road. The average costs per mile for similar types of highway in the Nation were about twice as high. A large part of the lower costs of highway construction in the Southwest may be the result of the relatively flat terrain, somewhat lower overall right-of-way costs, more moderate weather, and similar factors.

Highway-related taxes amounted to almost 30 percent of state receipts in the Southwest during 1962. The five states received about $600 million from state taxes on motor vehicle fuels and motor vehicle and carrier taxes. In addition, approximately $300 million was distributed to these states from the Federal Government as its share of the cost of building new highways. The total revenues from these sources were slightly higher than the states' expenditures on highways during 1962. To a large extent, the southwestern states are making good progress in building and improving their roads on a pay-as-you-go basis. At the end of 1961, the long-term debt outstanding arising from highway construction purposes in the five states totaled less than $400 million, with Louisiana and Oklahoma accounting for 83 percent of the total. Even the debt outstanding in each of these states, however, was significantly below the national average.

The economic impact of the surge in road building, which has represented approximately 10 percent of all construction outlays in the Southwest in recent years, is difficult to assess precisely. Expenditures in the magnitude of around one-half of a billion dollars annually for the construction and improvement of highways provide a direct and immediate boost to employment and income. Road-building activity affects a diverse group of businesses, such as those producing and supplying cement, gravel, asphalt, and similar materials, aluminum and steel, heavy equipment, and even paint. The additional investments in service stations, roadside eating places, and similar facilities catering to the motoring public traveling the new roads will also be quite important.

In addition to the stimulus provided by road construction, the demands in maintaining the roads also contribute importantly to employment and income. Total employment of the highway departments in the southwestern states exceeded 32,000 persons in 1962, and most of these workers were engaged in the multitude of jobs involved in keeping roads and rights-of-way safe and in good repair. Despite the high construction standards which new roads must meet, the need to bolster maintenance activities...
will expand as mileages and traffic increase and the roadways become older.

The economic impact of more efficient roadways could be considerably more important than that generated by the construction of the roads themselves. It is estimated that the savings accruing to the American people as a result of using the improved interstate system alone will equal the cost of its construction by 1973—the time when the system is supposed to be in its first full year of operation. The greater accessibility and speed that better roads provide will have the effect of opening up and broadening markets and industrial opportunities for businesses and increase the ease and efficiency of motor freight. Shortening the time required to reach distant points has the effect of lengthening weekend, holiday, or vacation periods, thereby encouraging travel that otherwise might not be undertaken. Apart from the savings in time and transportation costs, the increased safety of moving the ever-swelling volume of automotive traffic would be an additional benefit.

JOHN D. STULIGROSS
Industrial Economist

district highlights

In comparison with prior years, the formation of new commercial banks during 1962 proceeded at an advanced pace. At the close of the year, there were 1,179 banks in the 311 counties of Arizona, Louisiana, New Mexico, Oklahoma, and Texas which comprise the Eleventh Federal Reserve District, reflecting an increase of 30 banks during the year. With the population in the District counties exceeding 12 million, there are approximately 10,178 persons per bank. Eighteen branches and offices were added to the District banking facilities, 16 of which are attached to nonmember banks. During 1960 and 1961, the number of banks operating in the District increased by 23 and 9, respectively.

Among the five states comprising the Eleventh District, Texas led in the establishment of new banking facilities in 1962. The number of banks in the State reached a total of 1,045 by advancing 28, compared with increases of 21 and 8 during 1960 and 1961, respectively. The number of offices (primarily facilities at military reservations) expanded by 12 during the year; nonmember banks added 15 such facilities, while member banks disposed of 3 offices.

Economic activity in the District states continued at a high level in March and April. In Texas the output of manufacturing firms in March was maintained at the February rate, but mining output showed a slight decline. The seasonally adjusted Texas industrial production index in March was 113 percent of the 1957-59 base, compared with 114 percent for February and 109 percent for March 1962.

Easter trade at Eleventh District department stores this year, measured by sales in the 3 weeks before Easter, rose 10 percent above the corresponding weeks in 1962. Stimulated by unseasonably warm spring weather, District families began their Easter shopping early, and department store sales in each of the 3 weeks rose successively to new records for an Easter season. Sales in the week before Easter were particularly large, rising to 121 percent.
of the 1957-59 average, compared with 112 percent in the corresponding week last year.

Nonagricultural employment in the District states during March advanced to a record for the month and reached a level second only to the all-time high attained in December 1962. The unemployment rate in Texas during March showed moderate improvement, decreasing to 5.2 percent of the civilian labor force from a rate of 5.8 percent in February. Continued improvement has also occurred in the insured unemployment situation in Texas. Both the total number of individuals filing claims and the number of persons filing initial claims for benefits were below the comparable year-earlier levels during almost every week of March and April.

Prospective 1963 winter wheat production in the District states has deteriorated sharply from the output indicated last December. As of April 1, the crop is placed at 118.7 million bushels, or only about 2 percent below the 1962 outturn but almost 29 percent smaller than was indicated 4 months ago. Rains in the latter part of 1962 provided a good start for winter wheat in most areas of the District except north of the Canadian River. However, the severe January weather thinned wheat stands in much of the High Plains, and inadequate moisture and high winds during the first quarter of this year further reduced prospects. Some wheat-growing sections of the District received rains during the early part of April, but much of the important High Plains area still has insufficient soil moisture.

The Lake Air National Bank of Waco, Waco, Texas, a newly organized institution located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, opened for business April 6, 1963, as a member of the Federal Reserve System. The new member bank has capital of $200,000, surplus of $150,000, and undivided profits of $100,000. The officers are: George Nokes, Chairman of the Board; W. A. Lanning, President; W. F. Landers, Vice President and Cashier; and Curtis Glockzin, Assistant Cashier.

The Bowie National Bank, Bowie, Texas, a newly organized institution located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, opened for business April 15, 1963, as a member of the Federal Reserve System. The new member bank has capital of $200,000, surplus of $200,000, and undivided profits of $100,000. The officers are: G. L. Griffin, Chairman of the Board; Speegle Berry, President; and Wm. A. Sell, Vice President and Cashier.

The Republic National Bank of Houston, Houston, Texas, a newly organized institution located in the territory served by the Houston Branch of the Federal Reserve Bank of Dallas, opened for business April 15, 1963, as a member of the Federal Reserve System. The new member bank has capital of $250,000, surplus of $250,000, and undivided profits of $100,000. The officers are: Hyman E. Finger, Chairman of the Board; Jerry E. Finger, President; Orlie J. Baker, Executive Vice President; and Don E. Johnson, Cashier.

The First National Bank of Denton, Denton, Texas, a newly organized institution located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, opened for business April 26, 1963, as a member of the Federal Reserve System. The new member bank has capital of $200,000, surplus of $100,000, and undivided profits of $100,000. The officers are: Dorcell Young, President; Joe E. Kimbrough, Senior Vice President and Cashier; and Robert A. Nichols, Vice President.
### CONDITION STATISTICS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

**Eleventh Federal Reserve District**

**(In thousands of dollars)**

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<tr>
<td><strong>ASSETS</strong></td>
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<tr>
<td>Commercial and industrial loans</td>
<td>1,783,882</td>
<td>1,812,423</td>
<td>1,727,553</td>
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<td>Agricultural loans</td>
<td>35,930</td>
<td>30,090</td>
<td>49,429</td>
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<td>Loans to brokers and dealers for purchasing or carrying U.S. Government securities</td>
<td>32,194</td>
<td>20,274</td>
<td>30,074</td>
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<td>Other loans for purchasing or carrying U.S. Government securities</td>
<td>68,704</td>
<td>49,726</td>
<td>68,554</td>
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<td>Other loans</td>
<td>2,180</td>
<td>2,081</td>
<td>2,354</td>
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<td>Loans to domestic commercial banks</td>
<td>231,457</td>
<td>210,552</td>
<td>177,064</td>
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<td>Loans to foreign banks</td>
<td>62,788</td>
<td>68,955</td>
<td>70,372</td>
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<td>Loans to other financial institutions</td>
<td>7,234</td>
<td>2,433</td>
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<td>Sales, finance, personal, charitable, foundations, etc.</td>
<td>96,085</td>
<td>99,724</td>
<td>92,979</td>
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<td>Savings banks, mortgage co.s., insurance co.s., etc.</td>
<td>261,115</td>
<td>209,794</td>
<td>148,594</td>
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<td>Real estate loans</td>
<td>238,822</td>
<td>289,104</td>
<td>252,706</td>
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<td>All other loans</td>
<td>865,999</td>
<td>859,753</td>
<td>799,988</td>
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<td>Gross loans</td>
<td>2,876,497</td>
<td>3,078,965</td>
<td>3,433,928</td>
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<td>Less reserves and unallocated charge-offs</td>
<td>69,080</td>
<td>69,035</td>
<td>62,188</td>
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<td>Net loans</td>
<td>2,840,417</td>
<td>3,008,930</td>
<td>3,371,740</td>
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<td>Treasury bills</td>
<td>149,672</td>
<td>174,697</td>
<td>111,043</td>
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<td>Treasury receipts of indebtedness</td>
<td>110,898</td>
<td>98,170</td>
<td>73,517</td>
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<td>Treasury notes and U.S. Government bonds, including guaranteed obligations, maturing:</td>
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<td>Within 1 year</td>
<td>126,639</td>
<td>103,159</td>
<td>272,139</td>
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<td>After 1 but within 5 years</td>
<td>704,994</td>
<td>606,449</td>
<td>625,552</td>
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<td>After 5 years</td>
<td>510,299</td>
<td>530,422</td>
<td>431,797</td>
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<td>Other securities</td>
<td>570,668</td>
<td>548,674</td>
<td>480,118</td>
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<td>Total investments</td>
<td>2,172,010</td>
<td>2,145,371</td>
<td>2,051,272</td>
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<td>Cash items in process of collection</td>
<td>620,479</td>
<td>650,800</td>
<td>587,914</td>
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<td>Balances with banks in the United States</td>
<td>471,234</td>
<td>485,039</td>
<td>405,734</td>
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<td>Balances with banks in foreign countries</td>
<td>51,118</td>
<td>4,623</td>
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<td>Currency held in coin</td>
<td>66,160</td>
<td>49,128</td>
<td>60,094</td>
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<td>Reserves with Federal Reserve Bank</td>
<td>559,950</td>
<td>568,193</td>
<td>550,192</td>
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<td>Other assets</td>
<td>575,429</td>
<td>512,346</td>
<td>205,659</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td>7,721,288</td>
<td>7,792,387</td>
<td>7,717,780</td>
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### LIABILITIES AND CAPITAL ACCOUNTS

**Demand deposits**

- Individuals, partnerships, and corporations: 3,115,464
- Foreign governments and official institutions, central banks, and international institutions: 3,008
- U.S. Government: 81,233
- State and political subdivisions: 245,494
- Banks in the United States, including mutual savings banks: 1,009,946
- Banks in foreign countries: 14,833
- Certified and officers’ checks, etc.: 60,075

**Time and savings deposits**

- Individuals, partnerships, and corporations: 1,018,995
- Foreign governments and official institutions, central banks, and international institutions: 653,688
- U.S. Government: 81,233
- State and political subdivisions: 232,251
- Banks in the United States, including mutual savings banks: 8,911
- Banks in foreign countries: 3,250

**Total time and savings deposits**: 4,608,276

**Other deposits**

- Bills payable, rediscounts, etc.: 124,415
- Capital accounts: 663,474

**Total other deposits**: 2,423,660

**Total deposits**: 6,891,984

**GROSS D Demand and Time Deposits of Member Banks**

- **Gross demand deposits**: 3,397,106
- **Time deposits**: 3,494,878

### CONDITION STATISTICS OF ALL MEMBER BANKS

**Eleventh Federal Reserve District**

**(In millions of dollars)**

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and discounts</td>
<td>2,604</td>
<td>2,617</td>
<td>2,614</td>
</tr>
<tr>
<td>U.S. Government obligations</td>
<td>2,889</td>
<td>2,659</td>
<td>2,656</td>
</tr>
<tr>
<td>Other securities</td>
<td>1,194</td>
<td>1,187</td>
<td>1,199</td>
</tr>
<tr>
<td>Reserves with Federal Reserve Bank</td>
<td>143,204</td>
<td>152,565</td>
<td>151,831</td>
</tr>
<tr>
<td>Cash in vaults</td>
<td>152,565</td>
<td>151,831</td>
<td>143,984</td>
</tr>
<tr>
<td>Balances with banks in the United States</td>
<td>3,455</td>
<td>3,425</td>
<td>3,455</td>
</tr>
<tr>
<td>Balances with banks in foreign countries</td>
<td>3,447</td>
<td>3,447</td>
<td>3,444</td>
</tr>
<tr>
<td>Cash items in process of collection</td>
<td>1,831</td>
<td>1,771</td>
<td>1,781</td>
</tr>
<tr>
<td>Other assets*</td>
<td>375</td>
<td>367</td>
<td>369</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>13,506</td>
<td>13,500</td>
<td>12,691</td>
</tr>
</tbody>
</table>

### LIABILITIES AND CAPITAL ACCOUNTS

**Demand deposits of banks**: 2,125
**Other demand deposits**: 2,125
**Time deposits**: 3,815
**Total deposits**: 13,131

**Boilings**: 40
**Other liabilities**: 152
**Total capital accounts**: 1,141

**TOTAL LIABILITIES AND CAPITAL ACCOUNTS**: 13,506

---

*Estimated.*

---

### CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

**(In thousands of dollars)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total gold certificate reserves</strong></td>
<td>544,547</td>
<td>576,541</td>
<td>594,509</td>
</tr>
<tr>
<td><strong>Discounts for member banks</strong></td>
<td>33,100</td>
<td>20,250</td>
<td>7,226</td>
</tr>
<tr>
<td><strong>Other discounts and advances</strong></td>
<td>111,952</td>
<td>125,549</td>
<td>98,449</td>
</tr>
<tr>
<td><strong>U.S. Government securities</strong></td>
<td>1,288,525</td>
<td>1,188,500</td>
<td>1,171,816</td>
</tr>
<tr>
<td><strong>Total earning assets</strong></td>
<td>1,233,062</td>
<td>1,259,823</td>
<td>1,183,393</td>
</tr>
<tr>
<td><strong>Member discount reserve deposit accounts</strong></td>
<td>70,402</td>
<td>82,562</td>
<td>93,087</td>
</tr>
<tr>
<td><strong>Federal Reserve notes in circulation</strong></td>
<td>886,390</td>
<td>901,501</td>
<td>822,340</td>
</tr>
</tbody>
</table>

---

**CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS**

**GROSS D Demand and Time Deposits of Member Banks**

- **Gross demand deposits**: 3,397,106
- **Time deposits**: 3,494,878

**CONDITION STATISTICS OF ALL MEMBER BANKS**

- **Total reserves held**: 593,855
- **With Federal Reserve Bank**: 454,596
- **Currency and coin**: 364,164
- **Reserves required**: 575,761
- **Excess reserves**: 4,121
- **Borrowings**: 330
- **Free reserves**: 3,831
- **CASH RESERVE REQUIREMENTS**: 549,487

**RESERVE POSITIONS OF MEMBER BANKS**

- **Reserve positions held**: 593,855
- **With Federal Reserve Bank**: 454,596
- **Currency and coin**: 364,164
- **Reserves required**: 575,761
- **Excess reserves**: 4,121
- **Borrowings**: 330
- **Free reserves**: 3,831

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*Estimated.*
TABLE I

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VALUE OF CONSTRUCTION CONTRACTS
(In millions of dollars)

<table>
<thead>
<tr>
<th>Area and type</th>
<th>March 1962</th>
<th>March 1963</th>
<th>March 1962</th>
<th>March 1963</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIVE SOUTHWESTERN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STATES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential building</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresidential building</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works and utilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNITED STATES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential building</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresidential building</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works and utilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresidential building</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE: Preliminary.

SOURCE: F. W. Dodge Corporation.

WINTER WHEAT PRODUCTION
(In thousands of bushels)

<table>
<thead>
<tr>
<th>Area</th>
<th>1963, indicated April 1</th>
<th>1962</th>
<th>Average 1957-61</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>1,044</td>
<td>1,028</td>
<td>2,406</td>
</tr>
<tr>
<td>Louisiana</td>
<td>928</td>
<td>720</td>
<td>866</td>
</tr>
<tr>
<td>New Mexico</td>
<td>4,425</td>
<td>4,500</td>
<td>4,462</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>68,914</td>
<td>71,953</td>
<td>96,223</td>
</tr>
<tr>
<td>Texas</td>
<td>44,078</td>
<td>45,696</td>
<td>64,329</td>
</tr>
<tr>
<td>Total</td>
<td>118,707</td>
<td>121,577</td>
<td>168,269</td>
</tr>
</tbody>
</table>

SOURCE: U. S. Department of Agriculture.

MARKETED PRODUCTION OF NATURAL GAS
(In millions of cubic feet)

<table>
<thead>
<tr>
<th>Area</th>
<th>Fourth quarter 1962</th>
<th>Third quarter 1962</th>
<th>Fourth quarter 1961</th>
<th>Seasonally adjusted index 1957-59 = 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisiana</td>
<td>954,500</td>
<td>803,700</td>
<td>889,800</td>
<td>104</td>
</tr>
<tr>
<td>New Mexico</td>
<td>232,100</td>
<td>183,700</td>
<td>241,600</td>
<td>99</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>243,800</td>
<td>216,800</td>
<td>239,700</td>
<td>102</td>
</tr>
<tr>
<td>Texas</td>
<td>1,527,100</td>
<td>1,422,600</td>
<td>1,524,000</td>
<td>110</td>
</tr>
<tr>
<td>Total</td>
<td>2,950,500</td>
<td>2,535,200</td>
<td>2,895,600</td>
<td>125</td>
</tr>
</tbody>
</table>


DAILY AVERAGE PRODUCTION OF CRUDE OIL
(In thousands of barrels)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>ELEVENTH DISTRICT</td>
<td>3,001.2</td>
<td>3,013.5</td>
<td>2,980.2</td>
<td>-0.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Texas</td>
<td>2,381.2</td>
<td>2,392.7</td>
<td>2,572.7</td>
<td>-0.5</td>
<td>3.0</td>
</tr>
<tr>
<td>Gulf Coast</td>
<td>484.9</td>
<td>457.8</td>
<td>465.2</td>
<td>-6</td>
<td>-8</td>
</tr>
<tr>
<td>West Texas</td>
<td>1,153.1</td>
<td>1,163.3</td>
<td>1,151.1</td>
<td>-9</td>
<td>-2</td>
</tr>
<tr>
<td>East Texas (proper)</td>
<td>112.0</td>
<td>112.7</td>
<td>112.8</td>
<td>-5</td>
<td>-2</td>
</tr>
<tr>
<td>Panhandle</td>
<td>105.0</td>
<td>110.4</td>
<td>110.9</td>
<td>-5</td>
<td>2.3</td>
</tr>
<tr>
<td>Rest of State</td>
<td>726.2</td>
<td>729.7</td>
<td>719.0</td>
<td>-5</td>
<td>1.0</td>
</tr>
<tr>
<td>Southern New Mexico</td>
<td>278.2</td>
<td>275.3</td>
<td>275.0</td>
<td>1.1</td>
<td>1.7</td>
</tr>
<tr>
<td>Northern Louisiana</td>
<td>141.8</td>
<td>140.4</td>
<td>131.5</td>
<td>1.0</td>
<td>7.8</td>
</tr>
<tr>
<td>OUTSIDE ELEVENTH DISTRICT</td>
<td>4,456.4</td>
<td>4,346.7</td>
<td>4,396.2</td>
<td>2.5</td>
<td>1.4</td>
</tr>
<tr>
<td>UNITED STATES</td>
<td>7,457.8</td>
<td>7,264.5</td>
<td>7,376.4</td>
<td>2.7</td>
<td>1.1</td>
</tr>
</tbody>
</table>


CRUDE OIL RUNS TO REFINERY
(SKILLs (Daily average)

<table>
<thead>
<tr>
<th>Area</th>
<th>March 1963p</th>
<th>February 1963p</th>
<th>March 1962</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisiana</td>
<td>104</td>
<td>111</td>
<td>105</td>
</tr>
<tr>
<td>New Mexico</td>
<td>109</td>
<td>112</td>
<td>109</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>97</td>
<td>107</td>
<td>99</td>
</tr>
<tr>
<td>Texas</td>
<td>116</td>
<td>111</td>
<td>109</td>
</tr>
<tr>
<td>Total</td>
<td>2,950,500</td>
<td>2,535,200</td>
<td>2,895,600</td>
</tr>
</tbody>
</table>


NATIONAL PETROLEUM ACTIVITY INDICATORS
(Seasonally adjusted indexes, 1957-59 = 100)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>March 1957-59</th>
<th>March 1963</th>
<th>March 1962</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRUDE OIL RUNS TO REFINERY</td>
<td>105</td>
<td>111</td>
<td>105</td>
</tr>
<tr>
<td>DEMAND (Daily average)</td>
<td>109</td>
<td>112</td>
<td>109</td>
</tr>
<tr>
<td>Distillate fuel oil</td>
<td>114</td>
<td>126</td>
<td>112</td>
</tr>
<tr>
<td>Residual fuel oil</td>
<td>92</td>
<td>107</td>
<td>99</td>
</tr>
<tr>
<td>Four refined products</td>
<td>108</td>
<td>116</td>
<td>109</td>
</tr>
<tr>
<td>STOCKS (End of month)</td>
<td>103</td>
<td>104</td>
<td>103</td>
</tr>
<tr>
<td>Gasoline</td>
<td>133</td>
<td>112</td>
<td>126</td>
</tr>
<tr>
<td>Distillate fuel oil</td>
<td>99</td>
<td>99</td>
<td>108</td>
</tr>
<tr>
<td>Residual fuel oil</td>
<td>87</td>
<td>87</td>
<td>76</td>
</tr>
<tr>
<td>Four refined products</td>
<td>102</td>
<td>100</td>
<td>102</td>
</tr>
</tbody>
</table>


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