

business review



october 1967

**FEDERAL RESERVE
BANK OF DALLAS**

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summer 1967—oil and the middle east

June 5, 1967—mankind once again was faced with war in the Middle East, a war reminiscent of the Suez crisis 10 years ago. For the world's oil industry, the 1967 crisis presented an emergency that will affect oil markets for some time. Not only did hostilities create an oil emergency, but oil was partially responsible for precipitating the crisis. Egypt closed the Gulf of Aqaba to Israeli shipping in May. As a consequence, the Iranian crude oil that was transported through the gulf to Israel's major oil terminal at Eilat was prevented from reaching Israel, a heavy importer of crude oil.

The importance of the Middle East as a supplier of oil is commonly known; however, few realize that this area provides as much as 28 percent of all crude oil produced in the world and contains 62 percent of the world's proved reserves. Many of the Middle Eastern nations produce oil; the leaders in 1966 were Saudi Arabia and Kuwait, with each accounting for about 7 percent of the world's output. Iran produced 6 percent, and Libya, in north Africa, 5 percent. Another characteristic of oil production in the Middle East is that the exploration for oil, the drilling of wells, and the build-

ing of refineries have been mainly accomplished by Western oil interests. Moreover, the markets for Middle Eastern oil are primarily within Western nations.

As a consequence of the war, the Arab oil-producing countries embargoed the supply of oil to the West, and Egypt closed the Suez Canal to all shipping. For these Arab countries, the embargo on oil sales to the West meant an immediate loss of revenue. Since most of the populace in these countries are engaged in subsistence agriculture, the immediate loss of revenue was not critical; but the disruption in oil revenues for any extended period could be a serious matter for the small but growing middle class and for economic development programs.

effect on oil markets

Western Europe, which imports 60 percent of its oil from the Middle East and about 20 percent from north Africa, was the area most adversely affected by the curtailment of crude oil from Arab lands. The Soviet Union and Romania supply Eastern Europe with oil; however, other than the relatively recent North Sea discoveries, Western Europe produces very little crude oil. The closure of the Suez Canal stopped the importation of 3.3 million barrels of crude oil per day into Europe through the canal, and the Arab embargo on crude oil shipments meant that the total loss was about 7 million barrels per day. Fortunately, at the time of the outbreak of hostilities, crude oil inventories were at unusually high levels, both in the United States and in Europe. Oil companies met immediate refinery needs from inventories and then drew upon supplies from non-Arab countries.

**OWNERSHIP IN MIDDLE EAST CRUDE
OIL PRODUCTION, 1966**

Country	Percent of ownership attributed to foreign companies				
	U.S.	British	Dutch	French	Other
Abu Dhabi	17	43	10	26	4
Bahrain	100	0	0	0	0
Iran	40	43	8	6	3
Iraq	24	33	14	24	5
Kuwait	49	46	0	0	5
Qatar	16	35	30	16	3
Saudi Arabia . .	95	0	0	0	5

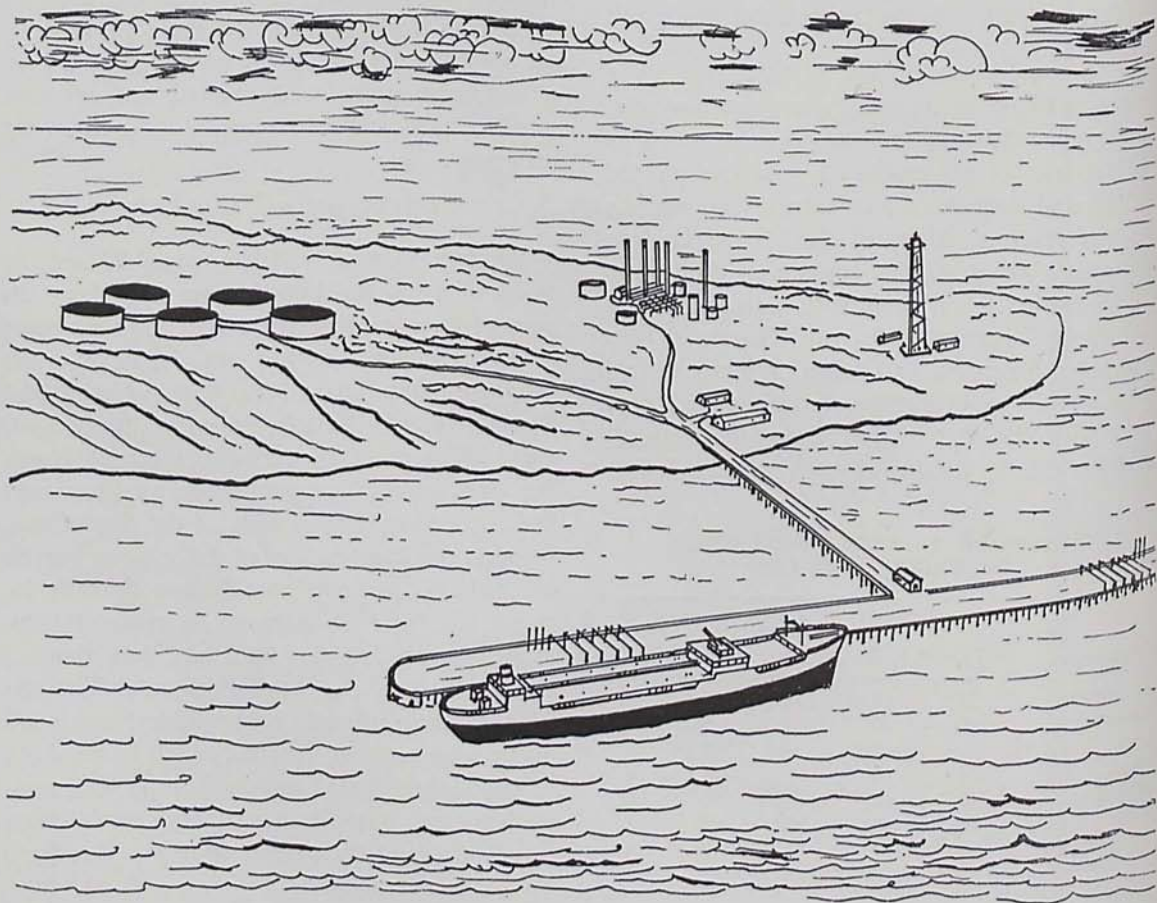
SOURCE: *World Oil*.

The embargo was short-lived; by June 13, oil tankers began loading at Ras at Tannura in Saudi Arabia. The following day, production commenced in Saudi Arabia, and tanker shipments and production were resumed in the sheikdoms of Qatar and Abu Dhabi. By the 1st of July, Libya also announced plans to resume production, a significant action since Libyan oil does not need to transit the Suez Canal. Saudi Arabia and Libya accounted for 60 percent of the oil production operations that had been shut down.

According to press reports, some Arab leaders insisted on nationalization of Western oil concessions and the continuance of the boycott on oil shipments to Western Europe. Thus

far, practical considerations probably have had a moderating influence on decisions of Middle Eastern oil-producing countries. Among these considerations are the predominance of Western nations in oil markets, oil technology, the production of oil tools, and shipping facilities, for which the Arab nations are relatively dependent upon Western firms.

Arab resentment was primarily directed toward the United States and Great Britain, although oil shipments initially were embargoed to all Western nations. Saudi Arabia, the first nation to resume output after the shutdown of facilities, insisted that the American-controlled company refrain from shipping oil to either the United States or England. Despite reported at-



tempts of some Arab nations to stop the flow of oil to Western nations, the Soviet Union announced in mid-June that it would send an additional 1 million barrels of crude oil to Spain; and the Russians showed a willingness to sell oil to other Western nations as well. Middle Eastern oil soon was flowing again to France, Italy, and Turkey; but West Germany was denied Libyan crude oil during the first part of July, as a tanker loaded with oil for West Germany was refused permission to sail.

The specter of an oil shortage in Western Europe faded when Saudi Arabia, the largest Middle Eastern producer, resumed shipments to Great Britain in mid-July. According to press reports, these shipments were made via third parties, thereby ending, for all practical purposes, the Arab oil boycott.

In regard to the oil exigency, Italy found itself in perhaps the most perplexing situation of any of the Western nations. Israel captured oil fields in the Sinai Peninsula that had been operated jointly by the Italian and Egyptian Government oil agencies. By late September, no definite plan for payment or collaboration on oil production had been announced by either Italy or Israel. Normally, Italy obtains about two-thirds of its oil from Arab States.

Crude oil deliveries to Western Europe were estimated to have been 30 percent below normal at the end of June. Prices for petroleum products rose in Switzerland, West Germany, and Great Britain (in that country, ration cards were printed for possible distribution in the fall). France, on the other hand, deferred increasing prices because the major proportion of its oil imports comes from north Africa and the Western Hemisphere. An increase in transportation rates for oil products occurred after the closing of the Suez Canal on June 6, with the rates for chartering an oil tanker advancing, on the average, about 70 percent. The charter rate between the Persian Gulf and Europe rose even more dramatically. According to a

trade source, the rate for the trip via the Cape of Good Hope advanced to as high as \$20 per ton transported, in contrast to \$3.50 per ton through the canal at the time of the depressed charter market last winter.

The voyage to Western Europe from the Persian Gulf through the Suez Canal is about 40 days long, whereas the trip via the Cape of Good Hope takes about 60 days. As a result, it is estimated that the additional time required for the voyage created a 30-percent deficit in available oil tanker tonnage. One large brokerage firm in New York reported 40 orders per day for charter vessels shortly after the start of hostilities, compared with only 1 per day before the crisis. Orders had dropped to 4 per day by July, mainly because the near-term charters had been snapped up. During June and July, most major oil producers purchased large numbers of charters for two consecutive voyages; this action has virtually dried up the supply of vessels available for charter until this coming winter.

Rates for shipping grain also have advanced, as steamship companies have shifted bulk carriers into petroleum shipment where feasible. Added transportation charges were partially responsible for the recent advance in European gasoline prices. As a result of the higher prices at which many long-term charters for vessels were signed immediately after the Arab-Israeli conflict, transportation costs for petroleum will probably remain high in the near future.

the american response

The United States, which produces about one-fourth of total world crude oil output, altered crude oil production and supply patterns as a result of the Arab embargo on oil and the closing of the Suez Canal. American imports from the Middle East, at under half a million barrels per day before the crisis, constituted less than 4 percent of U.S. con-

sumption. During the January-May period of 1967, demand for petroleum products in the United States rose about 4 percent over the same period last year, although supply showed a somewhat larger increase. Inventories of crude oil had advanced to a higher level than a year earlier and were beginning to cause mild concern. In June, with Middle Eastern oil imports halted, U.S. crude oil imports declined; as a result, inventories decreased, and increasing demands were made upon domestic oils to supply refinery needs.

As a major world producer, the United States made preparations to supply Europe with oil, if the need arose. The Foreign Petroleum Supply Committee, composed of representatives from 21 oil companies and Government officials concerned with oil matters, convened in Washington in June to formulate a plan of action. This Committee, which had been formed during the Suez crisis of 1957, met to consider the extent of supply disruption, the rerouting of tanker trading patterns, and a possible change in refinery activities. A declaration that the oil emergency affected national security was made by the U.S. Department of the Interior in order to exempt the participating companies from violations of antitrust laws and permit them to

act in concert. Before the Arab embargo, approximately 50 million barrels of oil per year flowed from the Middle East to the American Military Establishment in southeast Asia, including Viet-Nam. It was felt by the Committee that sources in the Western Hemisphere could easily fill the gap due to the disruption of Mid-east supplies; however, the major problem would be to find available oil tanker tonnage.

By July, the pattern of crude oil shipments in the United States was altered. With the cessation of Arab oil imports and the diversion of non-Arab imports to European refineries, the domestic supply of crude petroleum had to be expanded. Texas and Louisiana accounted for most of the increased production, although such producing states as California, Oklahoma, and New Mexico also increased output. Not only were there domestic crude oil needs to be filled, but exports to some European refineries also had to be made. U.S. production of crude oil soared to a record 9,408,000 barrels per day in August, advancing 10 percent over the May figure, in order to meet national and international demand. Exports, which were virtually nil in May, reached an estimated 630,000 barrels per day during August.

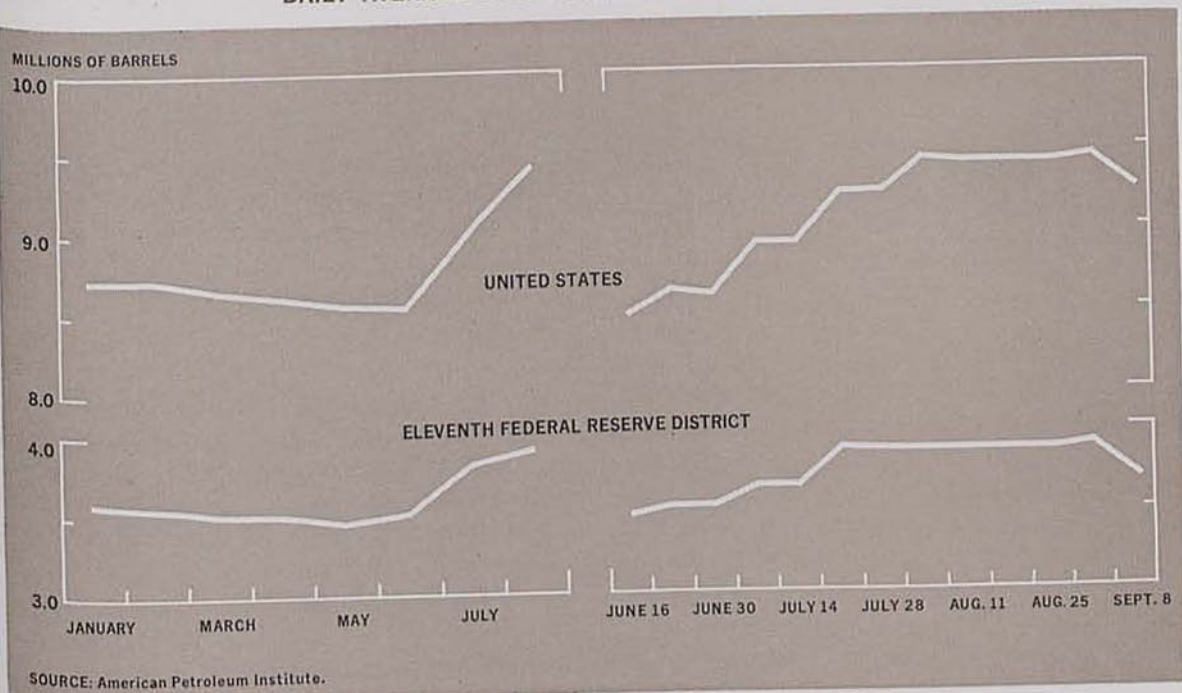
U.S. IMPORTS OF MIDDLE EAST
CRUDE OIL, BY COUNTRY OF ORIGIN,
JANUARY-MAY, 1967 AND 1966

Country	Thousands of barrels		Percentage distribution	
	1967	1966	1967	1966
Abu Dhabi	1,352	1,898	0.7	1.0
Algeria	1,447	329	.8	.2
Egypt	632	426	.3	.2
Iran	13,129	13,413	7.1	7.1
Iraq	1,207	4,770	.6	2.5
Kuwait	5,147	3,074	2.8	1.6
Libya	11,165	9,156	6.0	4.8
Neutral Zone	3,124	3,559	1.7	1.9
Qatar	0	176	—	.1
Saudi Arabia	21,665	17,901	11.6	9.5
Middle East	58,868	54,702	31.6	28.9
United States	186,011	189,217	100.0	100.0

SOURCE: U.S. Bureau of Mines.

News of the Middle Eastern war on June 5 triggered a selling wave on Wall Street that brought the Dow-Jones industrial average and the Pforzheimer average of 30 oil stocks to low levels. In the ensuing days, the Dow-Jones average recouped lost ground somewhat faster than the Pforzheimer average; but by the third week in June, the oil stocks average had recovered lost ground. As might be expected, the price changes for stocks of some oil companies differed significantly from those for other firms. The prices of stocks of oil companies with sizable interests in the Middle East rose for a few days following June 5 and then began to decline; and these stocks reached valuations that were below the June 5 levels on several occasions for weeks afterward.

DAILY AVERAGE PRODUCTION OF CRUDE OIL, 1967



Other concerns with minimal investments in the area showed a stronger recovery pattern, and the valuations of their stocks did not approach the lows of June 5 again. The emergency enhanced the prices of securities of domestic drilling concerns, notably offshore drillers and oil service firms. During mid-July, partially as a result of a threatened crude oil shortage, two major producers and two smaller ones raised crude oil prices slightly in the Middle Western States.

the southwestern response

The Southwest has an extremely important role in the production of crude petroleum in the Nation. During 1966, Texas, Louisiana, Oklahoma, and New Mexico accounted for 69 percent of all American-produced crude oil. With the commencement of hostilities in the Middle East, the Southwest was called on for greater production. The Texas allowable was successively raised from the original June figure of 33.8 percent of permissible production to

an August level of 54.0 percent and, thus, rose 20 percentage points between June and August. Louisiana, likewise, sharply increased its monthly allowable; and regulatory authorities in New Mexico increased that in the southeastern portion of the State.

Despite the large increases in allowables over the 3-month period, the expansion in output was not proportional since many older wells were not able to raise their output significantly. In July, daily average production of crude oil in the Eleventh Federal Reserve District rose 8 percent over June and was 10 percent above a year earlier; in August, there was a monthly rise of 3 percent in daily average output in the District.

The larger petroleum shipments from the Southwest, primarily from Texas and Louisiana, consisted almost wholly of crude oil, with an occasional tanker load of refined products. About one-half of the additional tonnage was sent to the east coast; one-fourth, to Europe;

and the remaining one-fourth, to Canada. Ordinarily, all crude oil exports from the Southwest are sent to east coast refineries.

The crisis in the Middle East had a direct effect on the mid-June sale of Federal oil leases in offshore areas of Louisiana, as record bids were received for many tracts. With the possibility of continued difficulties in the Middle East, the interest in offshore drilling, especially in the offshore areas of Texas and Louisiana, has been enhanced.

For the Southwest, the expansion in crude oil output has meant increased profitability for regional oil companies and individuals sharing in oil company profits. Moreover, oil servicing and oil tool concerns have been able to increase their business. Indirectly, the Southwest's population has benefited through greater revenues to state and local governments.

Early in September at a meeting of Arab leaders at Khartoum in the Sudan, it was decided to resume oil shipments to the United States, Great Britain, and West Germany, thereby ending the ostensible oil embargo. Yet, with the Suez Canal still closed, numerous supply problems remain; and it is probable that higher transport costs to Western Europe will continue for several months. The events in the Middle East during the summer of 1967 that disturbed the trading patterns of the oil industry have not been worked out, and perhaps it will be a long time before they are. For the United States and the Southwest, new challenges may have to be faced. Not the least of these is the need to reduce the production of crude oil; and oil allowances were lowered during September in Texas and Louisiana, as Middle Eastern oil again flowed into traditional markets.

RAYNAL HAMMELTON

southwestern defense contracts still rising

The requirements of fighting the type of war under way in Viet-Nam have affected both the volume and the composition of military prime contracts. Contracts awarded to firms in the five southwestern states have reflected the expanded military requirements for the Viet-Nam effort; and, as a consequence, the Southwest's share of the total dollar volume of prime contract awards let in the 50 states has risen significantly in recent years.

The value of military prime contract awards in the southwestern states during the fiscal year ended June 30, 1967, at \$4.7 billion, was 125 percent above fiscal year 1965 and 193 percent ahead of fiscal year 1962. In contrast, contracts awarded nationally in fiscal 1967 increased only about 61 percent over 1965. The relatively more rapid rise in contract awards in the Southwest than in the Nation has boosted the region's share of the value of prime con-

tracts awarded from a little over 6 percent of the total U.S. value in fiscal 1962 to over 11 percent in fiscal 1967, or nearly 83 percent in just 5 years.

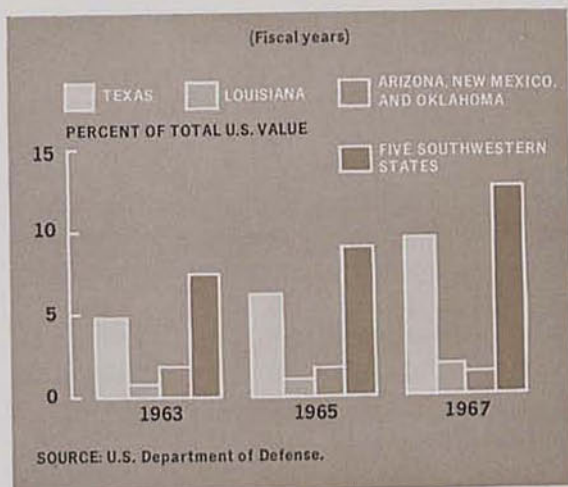
Partial data for the final quarter of fiscal 1967 indicate a further rise in the Southwest's share of prime contracts. During the last 3 months of fiscal 1967, the value of military contracts in the five-state area registered a 44-percent gain over the same period in the prior fiscal year. Furthermore, the region's share of contracts during these 3 months was close to 12 percent, compared with a little over 8 percent for the corresponding 1966 period.

Among the five southwestern states, Texas is by far the largest recipient of military contracts, receiving slightly better than seven-tenths of the total value of contract awards in recent years. In the fiscal year of 1967, Texas was second only to California in the value of contracts received. The share obtained by Texas of prime contracts awarded to all states has consistently risen since fiscal 1962.

The location in the five southwestern states of a significant portion of the Nation's electronics and airframe industries, as well as petroleum refining capacity, accounts for the region's importance as a military supplier. For example, a contract amounting to \$35 million for classified electronic equipment was recently awarded to a major Texas electronics firm. During the past several months, contract awards to Texas airframe industries have included one totaling about \$10.1 million for the fabrication of an initial order for the Air Force of the A-7D Corsair II light attack aircraft. Another award, by the Army, of \$10.5 million was for an order of 180 piston-powered helicopters of the H-13 type.

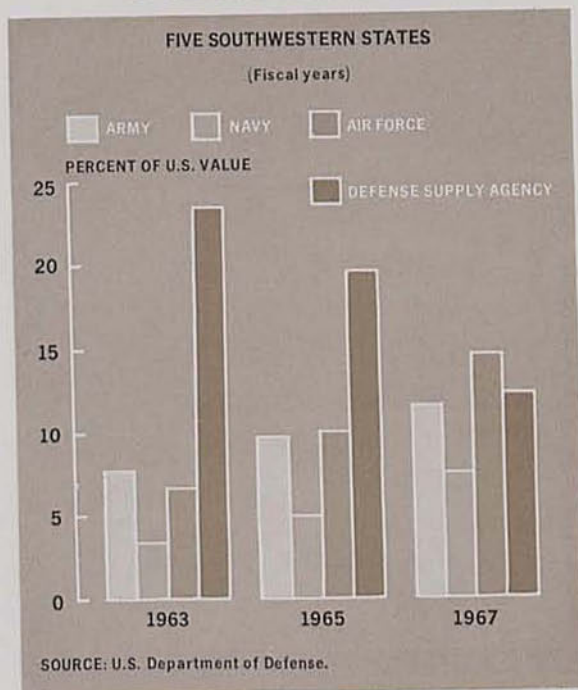
Texas firms have also participated in the construction of other military aircraft, such as the A-7A attack aircraft, which will be deployed to Viet-Nam by the Navy this fall on

MILITARY PRIME CONTRACT AWARDS



board the carrier *Ranger*; the F-8H Crusader, which has been highly successful in Viet-Nam; the HueyCobra helicopter, now being deployed to Viet-Nam; and the F-111A fighter, two of which flew nonstop without refueling from

PRIME CONTRACTS AWARDED BY MILITARY DEPARTMENTS



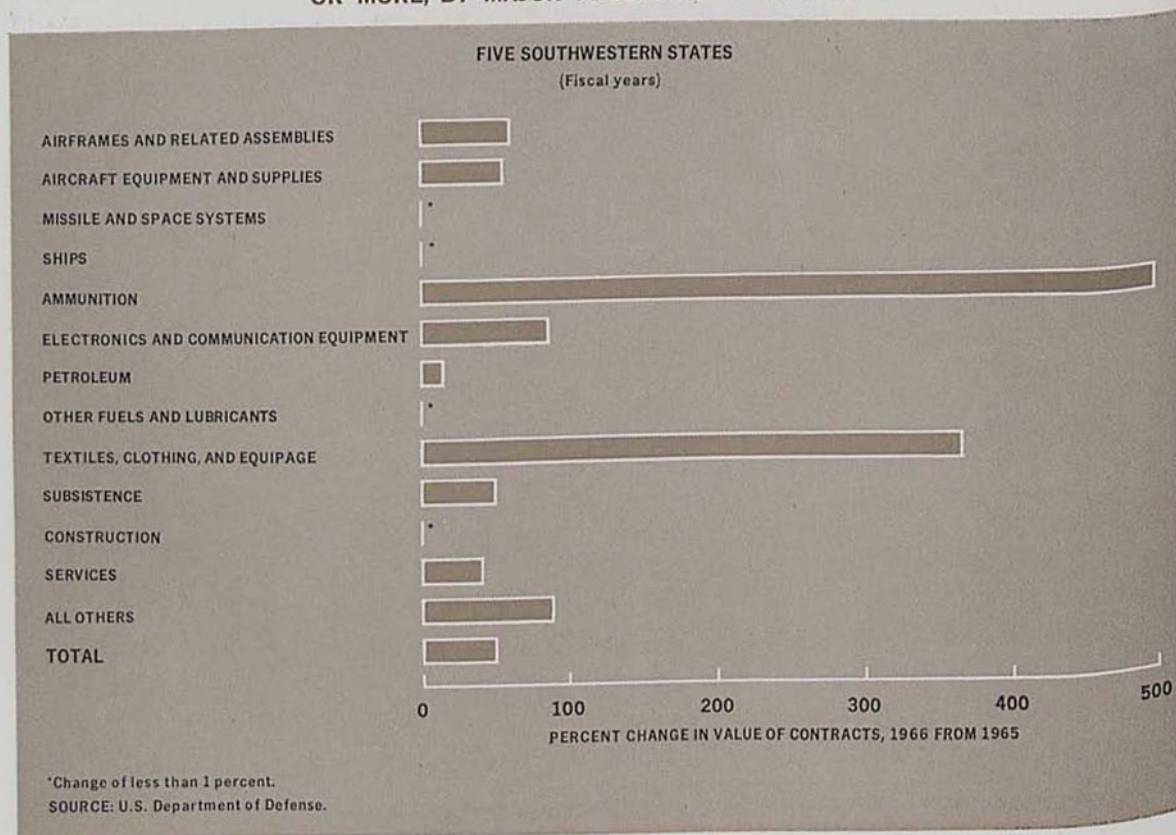
Loving Air Force Base in Maine to the Paris air show, demonstrating their long-range capability.

Also, a major Texas electronics firm has recently developed a terrain-following radar system which enables aircraft to fly at supersonic speed at altitudes below 1,000 feet. The Sea Lance missile, for use as a landing-force support weapon, is another product of Texas industry. Although the defense contracts awarded to southwestern firms for electronic equipment, aircraft, and aircraft parts often seem to attract the most notice, contracts encompassing a broad range of other materials are awarded to the area's firms. They have ranged from a recently awarded contract of \$150,000 for mattresses to a \$5 million con-

tract for the Army "Mule" — a small, lightweight four-wheel transport designed to move across any sort of terrain.

During the fiscal year 1967, the bulk of the contracts awarded under various procurement programs to firms in both Texas and the five southwestern states as a whole originated from the Army and the Air Force. For the five states, the value of contracts awarded by these two service branches comprised about 62 percent of the total; for Texas, the proportion was 71 percent. Of the Army and Air Force contracts awarded in the five-state area, Texas was granted the preponderate share. Together, Louisiana and Texas obtained nearly all of the Navy contracts, with a slightly greater share going to Louisiana. Also, Texas and Louisiana

CHANGES IN MILITARY PRIME CONTRACT AWARDS OF \$10,000 OR MORE, BY MAJOR PROCUREMENT PROGRAMS



**MILITARY PRIME CONTRACT AWARDS OF \$10,000 OR MORE,
BY MAJOR PROCUREMENT PROGRAMS**

Five Southwestern States

(Dollar amounts in thousands)

Procurement program	FISCAL YEAR 1966			FISCAL YEAR 1965		
	Value	As a percentage of:		Value	As a percentage of:	
		All prime contracts in five states	Value in United States		All prime contracts in five states	Value in United States
Airframes and related assemblies...	\$1,220,423	39.5	26.5	\$ 767,383	36.8	19.2
Aircraft equipment and supplies...	132,359	4.3	4.1	85,295	4.1	4.8
Missile and space systems...	102,188	3.3	2.3	101,611	4.9	2.3
Ships...	40,823	1.3	2.9	118,259	5.7	6.6
Ammunition...	260,594	8.4	9.1	43,807	2.1	5.7
Electronics and communication equipment...	279,749	9.1	7.4	150,455	7.2	5.0
Petroleum...	402,084	13.0	46.8	350,471	16.8	45.2
Other fuels and lubricants...	4,209	.1	15.4	6,752	.3	22.9
Textiles, clothing, and equipage...	79,252	2.6	6.3	16,989	.8	4.6
Subsistence...	85,671	2.8	8.2	57,849	2.8	8.9
Construction...	113,075	3.7	11.3	152,694	7.3	12.0
Services...	202,869	6.6	7.8	144,375	6.9	6.9
All others...	164,014	5.3	3.5	87,459	4.3	3.8
TOTAL	\$3,087,310	100.0	9.7	\$2,083,400	100.0	9.0

SOURCE: U.S. Department of Defense.

accounted for about 91 percent of the value of contracts issued in the Southwest by the Defense Supply Agency. The amount of such contracts slightly exceeded the value of Navy contracts, and Texas received the greater amount.

The entire amount of a prime contract may not be spent in the state in which it is awarded since the prime contractor may subcontract part of the work with firms in other states. Data indicate, however, that there is a high degree of correlation between the amount of prime contracts and the value of subcontracts issued in each state.

The changing amounts of the various procurement programs and the differences in their growth in percentage terms between fiscal years 1965 and 1966 (the last year for which data by industrial procurement programs are available) reflect, to a considerable extent, the increased commitment of the United States in the Viet-Nam conflict. The emphasis of the procurement programs has shifted toward more conventional requirements. The most promi-

nent change in procurement between these two fiscal years—in terms of the greater share received, as well as the substantially larger amounts of the contracts—was displayed in prime contracts for airframes. Other important gains were in contracts for ammunition, for electronics and communication equipment, and for textiles, clothing, and equipage.

In fiscal 1966, the four most important procurement programs in the five-state area in dollar value were (1) airframes, (2) petroleum, (3) electronics and communication equipment, and (4) ammunition. The rankings of the procurement programs were the same in fiscal 1965 except that construction, rather than ammunition, ranked fourth in importance. The percentage gains in certain procurement programs point out even more strikingly than the dollar magnitudes the changes in the orientation of defense contracts. While the percentage increases in the value of contracts for airframes, aircraft equipment, and electronic equipment were significant, the increases for ammunition and textiles were much larger.

Reflecting the increased emphasis upon certain procurement programs, appreciable changes have occurred in the value of contracts issued for programs that loom large in the various states in the area. Texas not only is the major recipient of contracts for airframes but also showed a rise of nearly 59 percent in the value of these contracts between fiscal 1965 and 1966. The value of contracts issued for aircraft equipment was important in both Texas and Arizona but was relatively modest in the case of the other southwestern states. The increase of 72 percent in the value of such contract awards in Texas was nearly twice that for Arizona.

Contract awards for missile and space systems in fiscal 1965 were most significant in Texas; Arizona ranked second in importance, although the State received slightly less than half the amount going to Texas. In fiscal 1966, however, with a marked increase in the awards to Arizona and a substantial drop in awards to Texas, Arizona was nearly as important a recipient of this type of contract as Texas. In the southwestern states, contracts for ship construction have mainly been centered in Louisiana; consequently, the total amount of awards going to firms in the State was affected by the sharp curtailment of these contracts between fiscal 1965 and 1966.

While Texas received the major amount of contracts for ammunition in each of these 2 years, Arizona and Louisiana, as well as Texas, experienced substantial increases in the value of contracts for this purpose. Texas pulled well ahead of Arizona in the dollar volume of contracts received for electronics and communication equipment, but Oklahoma had the largest percentage increase in these awards. Both Texas and Louisiana ranked high as suppliers of petroleum products. Contracts for textiles, clothing, and equipage showed a significant rise in the region between 1965 and 1966 as a result of the buildup in ground forces in Viet-Nam.

Prime contracts awarded to firms in the Southwest have had a significant impact upon economic activity in the region, and recent awards indicate an important influence in the months ahead because of the time that will be required to complete many of the contracts. According to a recently released study of 76 defense-oriented industries in 1965, about 20 percent of the value of shipments made by the southwestern establishments included in these industries went to Federal Government departments and agencies. Approximately 70 percent of the shipments went to the U.S. Department of Defense. The comparable percentages for the Nation are 27 percent and 68 percent.

These shipments on Government contracts involved about 38 percent of the labor force employed in the defense-oriented establishments in the five states, compared with about 34 percent in defense-oriented firms nationally. The amount of employment utilized by the region's defense-oriented firms in fulfilling such contracts varied from a high of 91 percent in New Mexico to a low of close to 28 percent in Oklahoma. In Texas the proportion was nearly 37 percent. For the five states as a whole, defense-oriented employment predominates in those industries making shipments to the Department of Defense. In Louisiana, however, this type of employment predominates in industries making shipments to the National Aeronautics and Space Administration.

In another recent study, the impact of defense programs on geographic areas and industries is evaluated. The impact is measured by the amount of civilian industrial employment generated by defense purchases and by the number of Government employees working for the Department of Defense. It is estimated that, in the southwestern states, defense-generated employment in private industry and employment at defense establishments, as of June 1966, absorbed from 4.2 percent of the work

force in New Mexico to only 1.1 percent in Louisiana. The similar proportion for the United States was 3 percent. In Texas, 3.5 percent of the work force was in defense-generated employment.

As long as the United States remains heavily involved in Viet-Nam and assuming no change in the type of warfare being carried on, it seems reasonable that the five-state area will continue to share in the expanding volume of contracts let by the Department of Defense. It

is likely, also, that the area will continue to gain in relative importance as a supplier of materials to the Armed Forces in view of the sizable concentration of electronic, aircraft, and petroleum products in the region. Consequently, the income and employment generated by this rise in defense-oriented business will become an increasingly important part of total income and employment arising from all types of business activity.

C. HOWARD DAVIS

district highlights

Following the Mideast crisis in June, output of crude oil in the Southwest reached a new record in July and again in August. Daily average production of crude oil rose 3 percent in the Eleventh District during August to attain a level of 3.9 million barrels per day and was almost 15 percent higher than a year earlier. Production in east Texas, after a phenomenal July increase, rose only 1 percent in August; but other areas of the State showed larger percentage increases. Output in northern Louisiana advanced 4 percent, contrasted to a nominal rise in southeastern New Mexico.

During early September, crude oil production in the District began to fall, reflecting reduced allowables in Texas and Louisiana. The Texas allowable for September was revised downward to 46.7 percent from the previously stated figure of 54.0 percent, which had been the rate for August. Allowables in Louisiana and southeastern New Mexico were lowered

for October, and Texas has set its October rate at 42.8 percent of permissible production.

Total nonagricultural employment in the five southwestern states in August decreased more than seasonally to a level of 5,687,100. Manufacturing employment posted a month-to-month gain of 4 percent. There were contraseasonal declines in mining and trade employment, and the increase in construction employment was less than expected. Employment in the remaining nonmanufacturing categories either was in line with or was above the usual seasonal changes. The decline in mining employment was due primarily to a labor-management dispute in the Arizona copper industry.

Nonagricultural employment in the five states in August was nearly 4 percent above the same month a year ago. The increase in nonmanufacturing employment slightly exceeded the year-

to-year increase in total wage and salary employment. Particularly strong gains occurred in employment in services and government. Employment in mining and construction was off substantially from a year ago, with the decline in mining reflecting the sharply curtailed activity in the Arizona copper mines. The gain in manufacturing employment was about two-thirds of the gain for total employment.

The seasonally adjusted Texas industrial production index rose in August to 160.0 percent of its 1957-59 base, gaining 1.4 percent over the previous month. The output of durable goods advanced moderately, aided by a substantial increase in transportation equipment and moderate to strong gains in most of the other categories. Electrical machinery showed a considerable month-to-month decrease. Nondurable goods production remained nearly constant. The largest decline, which was registered in food and kindred products, and the largest increase, which was posted in the printing and publishing industry, were moderate — less than 3 percent. Among the remaining nondurable goods sectors, the month-to-month changes were not appreciable.

Lifted by a strong gain in petroleum production and by a substantial gain in the output of metal, stone, and earth minerals, mining experienced a month-to-month increase of almost 3 percent. The utilities category advanced moderately.

Compared with August 1966, the industrial production index for the State was 11 percent higher in August 1967. Total manufacturing was 6 percent ahead of the same month last year. Except for transportation equipment, which had a gain of about 28 percent, all of the other durable goods categories trailed behind the year-to-year increase of nearly 10 percent in total durable manufacturing. Three of the eight durable goods sectors fell behind their year-earlier levels. The changes in nondurable

goods sectors tended to cluster around the increase of 3 percent for total nondurable manufacturing; the exceptions were paper and allied products and chemicals and allied products, both of which made relatively stronger showings, and apparel and allied products, which slipped slightly below a year ago.

Receiving practically all of its strength from the rise in crude petroleum production, mining output spurted 23 percent over a year earlier. Utilities, led by a strong increase in electricity production, advanced nearly 10 percent over the comparable month last year.

New passenger car registrations in four major Texas market areas in August were 3 percent lower than in July but nearly 1 percent higher than in the same month in 1966. The July-August decline was due to decreases in Dallas, Fort Worth, and San Antonio. Houston showed an increase of almost 1 percent. Cumulative registrations through August this year were approximately the same as the January-August 1966 total for the four markets.

Department store sales in the Eleventh District in the 4 weeks ended September 16 were 10 percent more than in the corresponding period in 1966; both periods included Labor Day. Cumulative sales thus far in 1967 exceeded those a year ago by 5 percent.

Since midyear, both total bank credit (that is, loans adjusted and investments) and total deposits have increased at the weekly reporting commercial banks in the Eleventh District. The expansion in bank credit has been accounted for entirely by increases in investments, while the rise in total deposits has resulted primarily from the growth in demand deposits.

In the period from June 28 to September 13, loans adjusted and investments rose \$115 million at these District banks, and total deposits expanded \$262 million. Reflecting Treas-

sure financing activities and the continued accumulation of non-U.S. Government securities, total investments grew \$156 million. Loans adjusted, however, declined \$41 million. On the liability side of the balance sheet, total demand deposits rose \$237 million, principally reflecting a \$244 million increase in the demand deposits of individuals, partnerships, and corporations. Total time and savings deposits expanded \$25 million, as advances in both business-type and consumer-type certificates of deposit more than offset declines in savings deposits and in time deposits of states and political subdivisions.

Hurricane Beulah struck the lower Texas coast on September 20. The high winds and torrential rains resulted in extensive wind and flood damage to property and growing crops in south Texas, particularly in the Lower Rio Grande Valley. By the end of September, quantitative assessments of the damage remained tenuous, due to the continuation of flooding. Major crop losses were limited to citrus fruits and vegetables. Tentative estimates are that about one-half of the grapefruit crop and one-third of the early orange crop were destroyed. A large portion of the 8,000 acres of fall vegetables may be lost.

Outside of the hurricane-stricken area, widespread rains during September gave a significant boost to pastures and hay crops in the Eleventh District. The moisture was particu-

larly beneficial to eastern sections of the District, where precipitation had been below normal during most of the summer. On the other hand, the moisture and accompanying cooler temperatures checked the pace of harvesting and delayed maturity of crops in late-producing areas.

Planting of the 1968 wheat crop is making relatively slow progress. Additional moisture is needed in the northwestern areas of the District to insure germination of wheat and to promote growth of earlier plantings.

Production of cotton in the five southwestern states, as of September 1, is placed at 10 percent below the outturn last year, but the sorghum grain crop is estimated to be one-fifth larger. The expected outturns of both cotton and sorghum grain currently are somewhat below earlier indications as a result of unfavorable growing conditions and insect damage. In contrast, prospects for rice have improved, and the crop is now placed at 12 percent above the 1966 level.

Range and pasture conditions have rebounded in areas receiving September rains; but many of these areas had received little precipitation during the summer months, and additional moisture is needed to promote the continuing development of forage. Stock water is generally adequate. Most livestock were in good condition as they entered the fall grazing season.

**new
par
bank**

The Citizens Bank and Trust Company, Vivian, Louisiana, an insured non-member bank located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, was added to the Par List on its opening date, September 14, 1967. The officers are: James H. Wilson, Chairman of the Board, and J. Roy Bennett, President and Cashier.

REVISED BOOKLET AVAILABLE

Regional Economic Facts, a revised and updated statistical reference booklet, is now available.

As in the case of its predecessor, *An Economic Fact Book*, the new booklet contains tabular data relating to the major economic and financial sectors in the Eleventh District states of Arizona, Louisiana, New Mexico, Oklahoma, and Texas. For the

most part, the tables show data for 10-year intervals through 1950 and annual figures since 1955. No interpretation of the information is provided.

Single copies may be obtained upon request to the Research Department, Federal Reserve Bank of Dallas, 400 South Akard Street (mailing address: Station K, Dallas, Texas 75222).

STATISTICAL SUPPLEMENT

to the

BUSINESS REVIEW

October 1967



FEDERAL RESERVE BANK
OF DALLAS

CONDITION STATISTICS OF WEEKLY REPORTING COMMERCIAL BANKS

Eleventh Federal Reserve District

(In thousands of dollars)

Item	Sept. 27, 1967	Aug. 30, 1967	Sept. 28, 1966
ASSETS			
Net loans and discounts.....	5,195,267	5,101,411	5,057,530
Valuation reserves.....	93,935	92,578	91,896
Gross loans and discounts.....	5,289,202	5,193,989	5,149,426
Commercial and industrial loans.....	2,523,743	2,442,310	2,531,320r
Agricultural loans, excluding CCC certificates of interest.....	100,334	103,819	86,318
Loans to brokers and dealers for purchasing or carrying:			
U.S. Government securities.....	15,012	11,752	2
Other securities.....	59,832	56,860	39,725
Other loans for purchasing or carrying:			
U.S. Government securities.....	604	872	1,015
Other securities.....	324,555	324,522	324,733
Loans to nonbank financial institutions:			
Sales finance, personal finance, factors, and other business credit companies.....	188,524	167,613	158,641
Other.....	266,952	268,362	276,270
Real estate loans.....	504,505	502,956	467,786
Loans to domestic commercial banks.....	186,346	172,619	147,239
Loans to foreign banks.....	5,686	5,596	6,214
Consumer installment loans.....	537,527	537,038	518,983r
Loans to foreign governments, official institutions, central banks, international institutions.....	0	0	0
Other loans.....	575,582	599,670	591,180r
Total investments.....	2,565,390	2,518,045	2,184,483
Total U.S. Government securities.....	1,249,736	1,203,241	1,062,889
Treasury bills.....	190,322	83,216	24,013
Treasury certificates of indebtedness.....	0	0	17,287
Treasury notes and U.S. Government bonds maturing:			
Within 1 year.....	162,675	220,830	147,686
1 year to 5 years.....	658,423	657,437	574,304
After 5 years.....	238,316	241,758	299,599
Obligations of states and political subdivisions:			
Tax warrants and short-term notes and bills.....	35,280	30,658	11,471
All other.....	1,057,728	1,050,506	955,883
Other bonds, corporate stocks, and securities:			
Participation certificates in Federal agency loans.....	151,479	148,467	85,640
All other (including corporate stocks).....	71,167	85,173	68,600
Cash items in process of collection.....	863,915	758,165	772,008
Reserves with Federal Reserve Bank.....	723,540	666,144	558,646
Currency and coin.....	78,923	76,777	76,953
Balances with banks in the United States.....	470,887	425,881	460,835
Balances with banks in foreign countries.....	6,318	5,416	3,782
Other assets.....	337,589	330,924	320,946
TOTAL ASSETS.....	10,241,829	9,882,763	9,435,183
LIABILITIES			
Total deposits.....	8,732,800	8,466,903	8,005,318
Total demand deposits.....	5,317,770	5,074,275	4,832,757
Individuals, partnerships, and corporations.....	3,657,638	3,520,418	3,310,998
States and political subdivisions.....	273,971	293,012	332,919
U.S. Government.....	173,616	80,615	123,230
Banks in the United States.....	1,124,938	1,096,283	983,881
Foreign:			
Governments, official institutions, central banks, international institutions.....	2,461	3,155	3,486
Commercial banks.....	22,342	20,593	18,279
Certified and officers' checks, etc.....	62,804	60,199	59,964
Total time and savings deposits.....	3,415,030	3,392,628	3,172,561
Individuals, partnerships, and corporations:			
Savings deposits.....	1,121,636	1,115,517	1,199,697
Other time deposits.....	1,749,345	1,703,346	1,366,841
States and political subdivisions.....	505,512	536,232	578,611
U.S. Government (including postal savings).....	12,340	12,915	8,855
Banks in the United States.....	24,197	23,118	16,217
Foreign:			
Governments, official institutions, central banks, international institutions.....	800	800	800
Commercial banks.....	1,200	700	1,540
Bills payable, rediscounts, and other liabilities for borrowed money.....	424,917	345,462	396,669
Other liabilities.....	195,050	181,712	188,184
CAPITAL ACCOUNTS.....	889,062	888,686	845,012
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	10,241,829	9,882,763	9,435,183

r— Revised.

RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	5 weeks ended Sept. 6, 1967	4 weeks ended Aug. 2, 1967	5 weeks ended Sept. 7, 1966
RESERVE CITY BANKS			
Total reserves held.....	661,632	649,520	610,781
With Federal Reserve Bank.....	616,140	601,975	566,493
Currency and coin.....	45,492	47,545	44,288
Required reserves.....	658,437	644,760	608,379
Excess reserves.....	3,195	4,760	2,402
Borrowings.....	0	0	40,194
Free reserves.....	3,195	4,760	—37,792
COUNTRY BANKS			
Total reserves held.....	646,906	643,091	620,098
With Federal Reserve Bank.....	488,321	481,825	471,099
Currency and coin.....	158,585	161,266	148,999
Required reserves.....	608,925	603,623	588,608
Excess reserves.....	37,981	39,468	31,490
Borrowings.....	2,785	3,775	19,228
Free reserves.....	35,196	35,693	12,262
ALL MEMBER BANKS			
Total reserves held.....	1,308,538	1,292,611	1,230,879
With Federal Reserve Bank.....	1,104,461	1,083,800	1,037,592
Currency and coin.....	204,077	208,811	193,287
Required reserves.....	1,267,362	1,248,383	1,196,987
Excess reserves.....	41,176	44,228	33,892
Borrowings.....	2,785	3,775	59,422
Free reserves.....	38,391	40,453	—25,530

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	Sept. 27, 1967	Aug. 30, 1967	Sept. 28, 1966
Total gold certificate reserves.....	432,771	451,654	425,604
Discounts for member banks.....	1,362	5,170	107,249
Other discounts and advances.....	0	0	696
U.S. Government securities.....	1,967,033	1,905,597	1,574,951
Total earning assets.....	1,968,395	1,910,767	1,682,896
Member bank reserve deposits.....	1,118,210	1,049,350	937,462
Federal Reserve notes in actual circulation.....	1,343,631	1,330,402	1,243,555

CONDITION STATISTICS OF ALL MEMBER BANKS

Eleventh Federal Reserve District

(In millions of dollars)

Item	Aug. 30, 1967	July 26, 1967	Aug. 31, 1966
ASSETS			
Loans and discounts.....	8,991	8,979	8,560
U.S. Government obligations.....	2,439	2,310	2,246
Other securities.....	2,551	2,509	2,171
Reserves with Federal Reserve Bank.....	1,049	1,078	918
Cash in vault.....	234	232	220
Balances with banks in the United States.....	1,100	1,120	999
Balances with banks in foreign countries.....	7	7	6
Cash items in process of collection.....	861	945	840
Other assets.....	383	462	446
TOTAL ASSETS.....	17,615	17,642	16,406
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits of banks.....	1,366	1,319	1,215
Other demand deposits.....	7,730	7,799	7,431
Time deposits.....	6,391	6,391	5,821
Total deposits.....	15,487	15,509	14,467
Borrowings.....	359	414	272
Other liabilities.....	248	211	238
Total capital accounts.....	1,521	1,508	1,429
TOTAL LIABILITIES AND CAPITAL ACCOUNTS.....	17,615	17,642	16,406

e— Estimated.

BANK DEBITS, END-OF-MONTH DEPOSITS, AND DEPOSIT TURNOVER

(Dollar amounts in thousands, seasonally adjusted)

Standard metropolitan statistical area	DEBITS TO DEMAND DEPOSIT ACCOUNTS ¹					DEMAND DEPOSITS ¹			
	August 1967 (Annual-rate basis)	Percent change			August 31, 1967	Annual rate of turnover			
		August 1967 from		8 months, 1967 from 1966		August 1967	July 1967	August 1966	
		July 1967	August 1966						
ARIZONA: Tucson.....	\$ 4,241,340	-8	13	11	\$ 163,504	25.8	28.1	23.1	
LOUISIANA: Monroe.....	2,159,112	-15	1	7	76,961	27.9	33.8	27.1	
Shreveport.....	5,776,344	1	5	11	222,953	26.2	26.4	25.3	
NEW MEXICO: Roswell ²	615,204	-14	-1	-1	33,560	18.1	19.8	18.7	
TEXAS: Abilene.....	1,711,320	-7	-11	-1	91,300	18.6	19.7	21.6	
Amarillo.....	4,426,116	-4	5	1	138,978	32.1	33.8	30.5	
Austin.....	4,720,608	-10	7	12	204,090	22.8	24.9	23.3	
Beaumont-Port Arthur-Orange.....	5,650,488	2	6	6	221,797	25.1	24.9	24.6	
Brownsville-Harlingen-San Benito.....	1,176,000	-17	28	6	61,348	18.6	22.3	17.6	
Corpus Christi.....	3,887,808	-8	4	6	186,384	20.6	21.7	21.2	
Corsicana ²	377,772	-4	3	8	29,795	12.9	13.5	13.3	
Dallas.....	76,931,772	2	25	13	1,763,247	43.2	42.5	37.4	
El Paso.....	5,546,232	7	8	9	198,675	27.9	26.6	24.9	
Fort Worth.....	16,382,808	5	15	8	520,122	31.2	30.0	28.9	
Galveston-Texas City.....	2,143,248	3	5	9	95,799	22.1	21.6	23.2	
Houston.....	69,165,144	-3	10	11	2,131,658	32.8	34.4	32.1	
Laredo.....	672,864	4	21	15	32,895	20.0	19.5	18.8	
Lubbock.....	4,450,644	19	12	0	148,240	30.5	25.9	26.1	
McAllen-Pharr-Edinburg.....	1,367,676	3	37	16	82,229	16.8	16.5	14.6	
Midland.....	1,637,592	-2	11	1	121,792	13.3	13.7	12.7	
Odessa.....	1,345,500	18	0	-4	63,414	20.7	17.6	20.8	
San Angelo.....	921,240	-7	5	3	57,069	16.4	17.8	15.9	
San Antonio.....	12,699,024	-2	8	4	534,702	23.2	23.8	23.8	
Texarkana (Texas-Arkansas).....	1,312,140	-3	19	21	60,188	21.6	21.5	20.0	
Tyler.....	1,673,412	-12	10	4	84,095	19.6	22.3	18.3	
Waco.....	2,353,380	6	20	8	110,923	21.1	20.0	19.2	
Wichita Falls.....	2,207,952	9	10	-5	112,611	20.0	19.0	17.9	
Total—27 centers.....	\$235,552,740	0	14	10	\$7,548,329	31.1	31.5	29.0	

¹ Deposits of individuals, partnerships, and corporations and of states and political subdivisions.² County basis.

NOTE: Figures for 1966 have been revised due to the use of new seasonal adjustment factors.

GROSS DEMAND AND TIME DEPOSITS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In millions of dollars)

BUILDING PERMITS

VALUATION (Dollar amounts in thousands)

Area	NUMBER		Aug. 1967 from		8 months, 1967 from 1966	
	Aug. 1967	8 mos. 1967	Aug. 1967	8 mos. 1967	July 1967	Aug. 1966
			Percent change			
ARIZONA						
Tucson.....	532	4,420	\$ 2,437	\$ 16,990	23	19
LOUISIANA						
Monroe-West						
Monroe.....	89	617	1,278	14,441	269	-62
Shreveport.....	388	2,870	2,768	22,101	-46	-4
TEXAS						
Abilene.....	43	402	296	7,884	2	-65
Amarillo.....	142	1,137	2,950	16,025	178	-41
Austin.....	401	3,048	6,614	84,100	-24	-7
Beaumont.....	165	1,192	2,259	12,839	-24	77
Brownsville.....	73	505	965	2,636	72	104
Corpus Christi.....	415	3,077	1,988	21,083	6	-36
Dallas.....	1,941	15,236	40,879	157,985	161	273
El Paso.....	477	3,753	4,527	39,226	34	-27
Fort Worth.....	541	4,927	11,497	65,129	-41	71
Galveston.....	91	791	3,965	9,245	554	-24
Houston.....	2,109	16,647	67,411	300,509	28	125
Laredo.....	20	243	975	3,292	347	44
Lubbock.....	171	1,108	5,097	22,758	277	80
Midland.....	82	665	793	10,539	-78	19
Odessa.....	95	780	408	4,530	-45	-65
Port Arthur.....	92	638	276	2,574	136	-40
San Angelo.....	84	574	636	8,142	-50	-40
San Antonio.....	1,313	9,867	14,037	75,810	131	145
Texarkana.....	39	338	285	2,847	-28	448
Waco.....	335	2,446	2,594	10,576	126	258
Wichita Falls.....	58	570	3,280	16,160	-7	801
Total—24 cities..	9,696	75,851	\$178,215	\$927,421	34	80

VALUE OF CONSTRUCTION CONTRACTS

(In millions of dollars)

Area and type	GROSS DEMAND DEPOSITS			TIME DEPOSITS		
	Total	Reserve city banks	Country banks	Total	Reserve city banks	Country banks
1965: August....	8,538	4,030	4,508	5,319	2,615	2,704
1966: August....	8,637	3,982	4,655	5,764	2,670	3,094
1967: March.....	8,951	4,106	4,845	6,183	2,738	3,445
April.....	9,140	4,245	4,895	6,231	2,723	3,508
May.....	8,833	4,089	4,744	6,261	2,716	3,545
June.....	8,968	4,197	4,771	6,282	2,707	3,575
July.....	9,195	4,302	4,893	6,285	2,670	3,615
August....	9,178	4,268	4,910	6,394	2,742	3,652
FIVE SOUTHWESTERN STATES ¹	506	441	583	3,764	3,476r	3,476r
Residential building.....	195	172	198	1,357	1,381r	1,381r
Nonresidential building.....	197	144	219	1,390	1,115	1,115
Nonbuilding construction....	114	124	166	1,017	980	980
UNITED STATES.....	5,104	4,879	5,414	35,181	35,648r	35,648r
Residential building.....	1,912	1,829	2,000	12,873	13,473r	13,473r
Nonresidential building....	1,847	1,749	2,070	13,472	13,327	13,327
Nonbuilding construction....	1,345	1,302	1,344	8,837	8,848	8,848

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

r—Revised.

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

SOURCE: F. W. Dodge Company.

DAILY AVERAGE PRODUCTION OF CRUDE OIL

(In thousands of barrels)

Area	August 1967p	July 1967p	August 1966	Percent increase over	
				July 1967	August 1966
ELEVENTH DISTRICT.....	3,893.3	3,781.4r	3,391.8	3.0	14.8
Texas.....	3,397.4	3,294.3	2,924.2	3.1	16.2
Gulf Coast.....	629.0	613.1	535.6	2.6	17.4
West Texas.....	1,610.6	1,555.5	1,327.9	3.5	21.3
East Texas (proper).....	157.3	155.4	123.1	1.2	27.8
Panhandle.....	99.7	99.3	98.8	.4	.9
Rest of State.....	900.8	871.0r	838.8	3.4	7.4
Southeastern New Mexico..	315.2	313.5	294.9	.5	6.9
Northern Louisiana.....	180.7	173.6	172.7	4.1	4.6
OUTSIDE ELEVENTH DISTRICT	5,514.7	5,321.3	4,859.7	3.6	13.5
UNITED STATES.....	9,408.0	9,102.7	8,251.5	3.4	14.0

p — Preliminary.
r — Revised.

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

INDUSTRIAL PRODUCTION

(Seasonally adjusted indexes, 1957-59 = 100)

Area and type of index	August 1967p	July 1967	June 1967	August 1966r
TEXAS				
Total industrial production.....	160.1	157.9	154.8	144.2
Manufacturing.....	174.8	173.8	172.3	164.9
Durable.....	197.5	194.7	191.8	180.0
Nondurable.....	159.7	159.8	159.3	154.9
Mining.....	131.2	127.7	119.2	106.6
Utilities.....	199.7	195.7	210.1	181.7
UNITED STATES				
Total industrial production.....	158.0	156.7	155.5r	158.0
Manufacturing.....	159.3	157.9	156.9r	160.1
Durable.....	164.3	162.7	161.7	167.1
Nondurable.....	153.1	151.7	150.9r	151.3
Mining.....	128.5	127.7	123.5r	122.1
Utilities.....	183.5	183.0	183.6r	179.0

p — Preliminary
r — Revised.

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

CROP PRODUCTION

(In thousands of bushels)

Crop	TEXAS			FIVE SOUTHWESTERN STATES ¹		
	1967, estimated Sept. 1	1966	Average 1961-65	1967, estimated Sept. 1	1966	Average 1961-65
Cotton ²	2,800	3,182	4,544	4,070	4,541	6,555
Corn.....	18,122	19,008	26,305	26,724	26,593	37,720
Winter wheat....	53,216	72,652	63,065	153,812	178,516	167,575
Oats.....	6,644	17,640	19,488	11,461	24,368	28,523
Barley.....	1,178	2,750	4,968	17,722	20,984	26,390
Rye.....	350	544	386	909	1,342	1,234
Rice ³	25,400	21,210	17,524	47,435	42,398	33,722
Sorghum grain....	366,714	311,696	236,601	435,193	362,428	274,468
Flaxseed.....	150	712	921	150	712	921
Hay ⁴	3,305	3,585	2,878	8,829	8,844	7,808
Peanuts ⁵	370,500	403,200	221,994	580,300	624,606	400,034
Irish potatoes ⁶ ..	4,329	4,451	2,755	7,779	7,977	5,704
Sweet potatoes ⁶ ..	756	780	840	5,110	4,871	4,760
Pecans ⁶	35,000	26,000	38,200	105,000	71,300	94,190

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

² In thousands of bales.

³ In thousands of bags containing 100 pounds each.

⁴ In thousands of tons.

⁵ In thousands of pounds.

⁶ In thousands of hundredweight.

SOURCE: U.S. Department of Agriculture.

COTTON PRODUCTION

Texas Crop Reporting Districts

(In thousands of bales — 500 pounds gross weight)

Area	1967, indicated Sept. 1	1966	1965	1967 as percent of 1966
1-N — Northern High Plains.....	240	260	558	92
1-S — Southern High Plains.....	985	1,085	1,693	91
2-N — Red Bed Plains.....	180	177	281	102
2-S — Red Bed Plains.....	250	338	402	74
3 — Western Cross Timbers.....	15	18	21	83
4 — Black and Grand Prairies.....	300	484	469	62
5-N — East Texas Timbered Plains...	25	29	34	86
5-S — East Texas Timbered Plains...	40	42	58	95
6 — Trans-Pecos.....	125	127	194	98
7 — Edwards Plateau.....	25	27	57	93
8-N — Southern Texas Prairies.....	60	95	108	63
8-S — Southern Texas Prairies.....	100	134	168	75
9 — Coastal Prairies.....	115	82	201	140
10-N — South Texas Plains.....	25	33	35	76
10-S — Lower Rio Grande Valley.....	315	251	389	125
State.....	2,800	3,182	4,668	88

SOURCE: U.S. Department of Agriculture.

NONAGRICULTURAL EMPLOYMENT

Five Southwestern States¹

Type of employment	Number of persons			Percent change Aug. 1967 from	
	August 1967p	July 1967	August 1966r	July 1967	Aug. 1966
Total nonagricultural					
wage and salary workers..	5,687,100	5,697,600	5,490,700	—0.2	3.6
Manufacturing.....	1,040,700	1,041,700	1,016,200	—0.1	2.4
Nonmanufacturing.....	4,646,400	4,655,900	4,474,500	—0.2	3.8
Mining.....	225,900	235,900	240,300	—4.2	—6.0
Construction.....	378,200	375,100	395,500	.8	—4.4
Transportation and public utilities.....	442,200	440,900	424,500	.3	4.2
Trade.....	1,328,100	1,329,400	1,281,000	—0.1	3.7
Finance.....	282,500	283,400	272,600	—0.3	3.6
Service.....	859,000	857,500	814,100	.2	5.5
Government.....	1,130,500	1,133,700	1,046,500	—0.3	8.0

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

p — Preliminary.

r — Revised.

SOURCE: State employment agencies.

