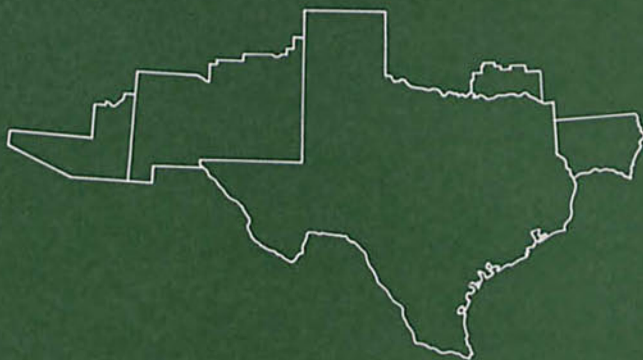
# business review



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FEDERAL RESERVE
BANK OF DALLAS

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# THE EVER-CHANGING WORLD OF FINANCE


An Address by

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President
Federal Reserve Bank of Dallas


at the

Fifth District Meeting
Texas Bankers Association
Sheraton-Dallas Hotel
Dallas, Texas

Saturday, March 30, 1968

In view of the very rapid financial changes under way, it seems appropriate at this meeting of the Fifth District of the Texas Bankers Association to review some of the broader trends of banking, finance, and central bank relationships which appear important both to the District and to the Nation as a whole. The scope of the address will be quite broad, ranging from international and national problems in the world of finance down through developing changes in banking structure and practices and, finally, to the operational relationships of the Federal Reserve Bank of Dallas and the commercial banks in the Eleventh Federal Reserve District.

Starting, then, at the broadest level of contact, let us review a few of the developing trends in the international financial scene. As has been amply demonstrated in the past month, there is an inevitable link between the international and domestic financial postures of a nation and even a causal relationship in the problems of both areas. In the post-World War II period, there has developed an important growth in international trade, financed to a considerable extent by the deliberately induced deficits in the U.S. balance-of-payments position in the early postwar years. It takes but little memory to recall the Marshall plan, the establishment of NATO, the Alliance for Progress program, and the resultant growth of U.S. worldwide commitments.

Of special importance has been the extensive expansion in exports and imports. U.S. merchandise exports have tripled since 1950 and reached about $31 billion in 1967, while U.S. imports have multiplied nearly threefold to a 1967 level of $27 billion. The volume of world trade expanded from $117 billion in 1950 to $374 billion in 1966. To a considerable extent, the U.S. worldwide commitments and the growth of international trade are interlocked; the Nation's efforts to rebuild Western Europe bore fruit in a strong expansion of demand for U.S. commodities, and the stimulation to the country's domestic economy occasioned by both growing exports and internally developing expansion created new markets for European imports. Similar effects have grown out of our commitments in Japan, Latin America, and other important sectors of the world.

Export markets now account for more than 25 percent of U.S. production of such diverse commodities as rice, wheat, commercial jet aircraft, and a wide range of highly technical machinery. Conversely, more than 25 percent of the U.S. requirements for many agricultural specialty items, certain metals, and even residual fuel oil are met by imports. In addition, there has been a marked expansion in imports of

steel, automobiles, and many other consumer goods.

The United States has encouraged capital investment abroad, and the potential profits from this investment have spurred many companies to establish branches and to merge with or purchase foreign companies, especially in the more industrialized European areas. The success of the investment program is evident in the amount of capital investment abroad, now totaling nearly $55 billion, and in the steady return of earnings amounting to more than $5 billion per year.

A concomitant development with this capital investment program has been the steadily closer ties between U.S. capital markets and capital flows and those of other nations throughout the free world. Undoubtedly, one of the principal causes of these closer ties was the developing use of the U.S. dollar as both a reserve and a vehicle currency. In fact, throughout the past 15 years, the U.S. dollar has been the principal medium of exchange and method of settlement for most international trade, and free world nations abroad now hold U.S. dollars as more than one-fourth of their total foreign official reserves.

These changes — coupled with a mechanism to effect rapid transfers of funds, a network of almost instantaneous communications, and a broader understanding of world investment possibilities — created the climate for large short-term investment flows between nations. In addition, in Europe now, there exist both Euro-dollar and Euro-bond markets, which are virtually free from any domestic government control.

To the United States, these various developments have brought an acute awareness that foreign relationships affect the financial and economic trends of the Nation and, since approximately 1960, a distinct recognition of the impact which the relationships could have upon the international financial position of the United States and the domestic monetary and fiscal policies of this country. The institutional controls and policies of the Nation have not kept pace with the new environment within which they must operate. At the same time, the current trend toward specific controls — such as the interest equalization tax, the mandatory restraint on investment, and the Voluntary Foreign Credit Restraint Program — has not represented either the U.S. policy toward free trade and free movements of currency and credit or a long-range solution for this country's balance-of-payments problems.

The change in the Federal Government's budget position has been one of the important developments in the national financial situation which has impacted upon both domestic policy and the international area. In all but six of the postwar years, the Federal budget has been in deficit. Cumulatively, the deficits now total about $100 billion, and they find a concurrent relationship in the deficits abroad, which have reached more than $38 billion since 1947.

It is well known that the costs of these deficits internationally have been an outflow of gold and a growth of foreign-held short-term claims against the dollar. Within the United States, the continued budget deficits over the postwar period, occasioned in part by the Federal Government's participation in broader areas of responsibilities, have brought steady pressure upon the value of the American dollar in terms of its domestic purchasing power and have denied the Nation one of its principal means of stabilization control.

In this catalog of changing financial conditions, perhaps it would be well to give immediate recognition to both the private and the official tolerance of the erosion in the value of the dollar. With increasing frequency one hears the statement, "A 2- or 3-percent rate of inflation is necessary to the growth of the United States and to the feeling of well-being of her

citizens." Yet, it takes only an elementary education in mathematics to calculate the impact of such a rate of inflation upon the value of the currency, even over the short work span of a normal life. For those who entered the labor force in the immediate postwar period, there has developed a loss of purchasing power by each of the dollars earned in 1947, so that the dollar saved from the salary earned in that year will today buy only two-thirds of what it did 21 years ago.

Clearly then, one of the principal and important financial trends of the postwar period has been the existence and public acceptance of inflation, along with official unwillingness to come to grips with this tax upon purchasing power.

Too frequently in the postwar years, the burden of stabilization control has fallen directly upon the actions of the monetary authorities of the United States, rather than upon a properly balanced mix of monetary and fiscal policies supplemented by a rational and reasonable incomes policy. The monetary authorities have had to absorb most of the brunt of control, although they recognized that monetary policy could not do the job by itself and that such exclusive reliance on monetary restraint might cause great inequities between companies and between various sectors of the market.

It probably should be noted here that the stabilization efforts of the United States, working largely through aggregate controls, have been unable to restrain effectively the pressures developing from an economy dedicated to full employment and from the very sizable flows of funds which occur in an uncontrolled and unpredictable fashion in a world of uncertainty. Some of the difficulty is probably attributable to the lack of recognition of the critical fiscal policy role and to the unwillingness to use tax and debt-management policy in the stabilization efforts. Perhaps the United States has overreacted to the urgent requirements of its worldwide commitments or to the demonstrated need of its citizens for a better way of life and a more equitable share in the fruits of progress. Whatever the reason for the difficulty, the fact remains that the interaction of international conflicts and unrest with domestic pressures has created a volatile force which threatens to get out of control.

The United States is undoubtedly the world's richest nation. Its gross national product exceeds the combined output of the six Common Market countries, and its income per capita is more than 10 times the world average. Despite this strength, the capacity of the Nation is not infinite at any one point in time. Stabilization control has been hampered by an unwillingness to establish priorities of spending.

This Nation can no longer expect to maintain all of its national and international commitments within the framework of a stable economy. Priorities are urgently needed but, obviously, require careful development.

Another facet of our less-than-satisfactory stabilization efforts in this country can probably be attributed to the changing mix of financial institutions and procedures. The composition of the private financial structure and its internal relationships have changed markedly. To a considerable extent, the personalized approach which was apparent in the prewar period has diminished in importance. Customers have been well educated to the value of their money in achieving a return for the use of the money, and they have sought the highest rates of return available at not only domestic but also international institutions.

The number of financial institutions has grown, their powers have been enlarged, and the base of financial relationships has been broadened among a wide and diverse community of financial institutions, both private and public. Despite this change in structure, the monetary authority must work through only a

limited and steadily declining proportion of the total financial institutional group in this country — namely, the member commercial banks. If more equitable and more efficient monetary control is to be achieved in the future, the Federal Reserve fulcrum of operations may need to be broadened and enlarged. One can develop a logical position for central bank control over all financial institutions, whether they are depositaries or merely intermediaries.

Even if we, as a Nation, develop an awareness of the need to use fiscal policy as a stabilization device and encourage a responsible attitude toward the determination of spending priorities, it would still be the monetary authority's job to make day-to-day and month-to-month shifts in the credit base in order to insure that the total supply of credit is adequate to meet all legitimate demands which can be handled in a framework of sustainable economic growth.

Full responsibility for economic and financial stabilization is not, of course, strictly a governmental function. It is everybody's business. Stable and healthy economic growth requires the efforts of all officials, businessmen, bankers, and individuals. Our ability and willingness to accept this responsibility have been influenced, to some extent, by the expectational framework within which day-to-day decisions are made and by the institutional structure through which we work.

Most knowledgeable market observers consider the expectations of businessmen and investors to be prime influences accentuating a developing inflationary situation. If the corporate executive becomes convinced that price levels are moving up, that costs will rise materially, and that labor expenses and other production costs will make serious inroads upon his profit picture, he then, in self-defense, contributes the second part of what we have come to call "the cost-price spiral." If, on the other hand, his expectations are for a stable cost structure or one which advances only within the bounds of productivity, his pricing decisions can be settled on the basis of the demand, supply, and competition for his product.

Today we are faced with the first of these conditions. To assess the blame between labor and management is hardly a useful exercise. Labor can say that it needs to be protected from the inflationary consequences of rising prices, while businessmen can say that, with rising costs, they must increase prices to protect their profit position and to meet their responsibilities to stockholders. In consequence, many persons believe that it is hopeless for them, as individuals, to make any contribution toward breaking this spiral. Yet, collectively and individually, the businessman and laborer have a responsibility to contribute to the stability of the national economy, especially in periods of intense inflationary pressures. Industrial and business statesmanship may require some temporary foregoing of profits or a temporary lag in the rate of wage increases; but, in the end, either would be a small sacrifice compared to the ravages of inflation upon the purchasing power of profits and wages alike.

A second factor in the willingness and ability of the individual to handle his responsibilities is, of course, the institutional framework and operational procedures through which he must work. In the postwar period, especially in the past 10 years, there have been important changes in both of these elements in the banking industry. It is no news to any of you that bank management today probably pays as much attention to the liability as to the asset side of the balance sheet. Purchased deposits and borrowed money constitute significant proportions of total available funds, and deposits upon which interest is paid by the banks are now comprising nearly half of the entire deposits in the banking system. Competition for such funds has become nationwide, reflecting both an improved communications system and the more

widespread awareness on the part of the depositor of the returns available for the use of his money.

An outgrowth of this trend has been the rapid development of a new type of certificate of deposit. Certificates of deposit were originally a convenience device, local in nature and tailored to rather specific situations. Over the past decade, they have come to be viewed as a nationwide instrument with a secondary market and a broad appeal to those who can schedule their needs for funds.

The growth of certificates of deposit in their new status has conflicting elements of strength and weakness for the banking system. For the large banks which maintain a careful watch over their money position and have broad access to national money market supplies, the large CD instrument may be appropriate. Most smaller banks without access to national sources of funds use CD's primarily in a defensive manner to protect against the loss of local deposits; however, when such banks engage in the competition for large CD's, some serious questions may be raised about the use of the device. At member banks in the Eleventh Federal Reserve District, large-denomination certificates now total more than $1.2 billion, while those issued in smaller denominations exceed $1.5 billion.

Along with the change in the certificate market has come the widespread growth of the Federal funds market. Here again, there are favorable and unfavorable connotations. From the central bank's viewpoint, the Federal funds market means a more intensive utilization of credit already in the market as a short-term adjustment device. The Federal funds market as an adjustment device in the short run seems quite appropriate; but for longer-range usage and, especially, for banks which do not maintain close supervision over their reserve position, Federal funds reliance may be unwise. More than a few banks have had problems created by utilizing short-term borrowed money as the foundation for longer-term loan operations. Purchases of Federal funds to meet a consistent deficit in position expose a bank not only to higher costs of meeting shortfalls in reserve positions but also, perhaps more importantly, to the possibility that such funds might not be available.

Nearly 5 percent of the District member banks routinely purchase Federal funds in amounts equal to more than half of their reserve requirements, and a few purchase their entire requirements. This is certainly stretching the use of an adjustment device. In this day and time of truly difficult financial problems for our Nation, it would seem more appropriate for banks to remain "close to shore," building or at least maintaining adequate liquidity positions.

One of the important impacts of the increased interest cost of both borrowed funds and interest-bearing deposits has been the pressure on bank profits and the resultant efforts to enlarge sizably the portion of bank assets placed in loan accounts. Thus, loan-deposit ratios, advancing sharply over the postwar period, now average in excess of 55 percent for the District as a whole and in excess of 65 percent for some of the larger banks. The result of these changes in policy has been increased pressures on liquidity, a reduced margin of safety and flexibility, and a steadily growing reliance upon external sources of funds to meet unusual changes in deposit or loan accounts. Much of this reliance has been placed upon the correspondents, but the larger correspondent banks themselves — perhaps to an even greater extent — have become reliant upon those farther up the ladder. Many of these pressures eventually center upon the large New York banks, and the safety valve has been their ability to draw funds from the Euro-dollar market.

Another of the important postwar changes in banking has been the growth of financial institutions. In a broad sense, many financial institutions appear to be moving toward a common

format, with banks, savings and loan associations, and credit unions taking on the loan and deposit aspects of their competitors at a steadily advancing pace. This trend has, of course, enlarged competition for the banks and has intensified efforts to achieve larger and, to some extent, more efficient units.

Part of this pressure toward larger size originates in the developing trend toward automation. As competitors have become more effective and efficient in their handling of banking routines, the advantages of size have become even more apparent. Some banks have met the problem of the high cost of original equipment by spreading the cost through nonbank services to customers and others. Still other banks are seeking a solution by centralizing their accounting, transit, and proof operations in a common clearinghouse or processing center. To the majority, however, the profits and efficiencies of automation are achieved only when the growth in the size of the institution will justify the costs. Not only is this growth important in relation to automation; but, as businesses become larger, the size of the banking unit becomes critical in meeting the higher loan limits sought by these businesses.

Some of this expansion in bank size has occurred through branching, mergers, consolidations, and acquisitions by holding companies. In those states, such as Texas, which permit no branch banking, the expansion routes are practically limited to internal growth or holding company acquisitions. Branching has been intensified, and in a few states there have been changes to relax limits upon branch expansion. In some 16 states in the Nation, however, branching is still prohibited. Whether it will be possible for these states to maintain this position will depend, in part, upon the ingenuity of the banker in meeting the challenges of automation and the ability of the industry as a whole to provide the managerial talent needed to run the many individual unit banks. These matters should command your attention, for in the more complex, highly competitive credit world of today, there is an urgent need for more efficient operations and well-trained, quality management at all levels.

To those of us involved in the day-to-day banking business of the Eleventh Federal Reserve District, the problems and challenges recited above are matters of daily concern. To a large extent, your Federal Reserve System can operate only because you are concerned and are willing to give your complete cooperation. Before going further, let me express our great appreciation for your help in moving toward our common goals of better service to the public, more efficient credit mechanisms, and improved stabilization control.

In a sense, the work of the Federal Reserve Bank of Dallas is divided into three principal sectors. A part of its job is obviously regulatory — encouraging commercial bank management to pursue sound banking practices and insuring, to the extent possible, an equitable competitive situation. In this role, the Reserve banks are expected to enforce regulations such as those pertaining to stock margin requirements, loans to executive officers, and regulation Q.

At the same time, the Reserve bank is involved in administering certain requirements which are fundamental to the execution of monetary policy. One phase of this work is overseeing the maintenance of reserve requirements. It is statutory that the member banks must maintain reserves at specified levels; and while many have objected to this neutralization of a sizable portion of their lendable funds, these reserves are the fulcrum on which open market operations and monetary policy must develop. It is hoped that the requirements can be made as convenient as possible, and, to this end, new procedures for maintaining required reserves have been suggested. But, despite all efforts toward convenience, there must be a standard of reserve requirements against which monetary

policy can operate; and in order to assure equitable treatment, all member banks will be required to meet this standard. Someday, perhaps all financial institutions will be treated alike in this and other respects, but such a possibility is a longer-range problem.

Reliance upon narrowly timed transfers of funds and the maintenance of reserve accounts with only a thin or even nonexistent margin will almost always create reserve requirement problems between the commercial bank and the Reserve bank. The majority of the member banks in the District ordinarily have no reserve deficiencies and are to be congratulated. To those of you who are consistently on the border line and maintain such a thin margin that any unforeseen shift will cause a deficiency, we hope that you will pay closer attention to the maintenance of your required reserves. The Federal Reserve does not ask that a surplus be maintained in the account; but, if you are unable to police your account thoroughly, then a small margin of surplus is perhaps your only answer.

Another facet of Reserve bank operations which is tied to monetary policy considerations is discounts and advances to member banks. A sophisticated audience such as this one probably is thoroughly conversant with the underlying policies of the Federal Reserve System regarding the handling of loans to member banks, but, judging from the number of inquiries and questions, it might be well to review them quickly.

Federal Reserve credit is available for short-run adjustments, longer-term seasonal requirements, and, of course, emergency demands. It is not expected to be a permanent addition to the lendable funds of an individual bank and should be used only intermittently. We discourage you from borrowing only when we feel that you have overstayed your position and your borrowings have become continuous or you are using our credit for a patently inappropriate purpose.

Attempts have been made to make Reserve bank loans more readily available and convenient. Telephone requests for loans and discounts are accepted; and if paper is preplaced to be held in abeyance, even loans secured by commercial paper can be handled by telephone, with mail confirmation of the note. For the banks which have "free" Government securities in our safekeeping, a loan is readily available by telephone. There are, unfortunately, specific requirements of the law which limit the type of paper that is eligible. The Federal Reserve System has had a bill before Congress for several years to eliminate this eligibility requirement; but, until the bill is enacted, the banks using commercial paper as collateral for their borrowings will need to submit it for advance review.

Finally, the Federal Reserve banks, despite our role as regulators and examiners of banks and formulators of monetary policy, are essentially service institutions. We hope that we perform our services in an efficient and pleasant manner. If we don't, we would like to hear about it. To many of you, our principal contact is through the check-clearing, fiscal agency, and currency and coin services we render.

With regard to the first of these, the foremost consideration is service to the general public, though the Federal Reserve also clears checks as a service to the commercial banks of the District. You and we are charged with providing as efficient and effective a credit-transfer mechanism as possible. Over the long range, of course, we have hopes of developing a system which will largely eliminate checks; but, in my opinion, this happy Utopia may be several years away. In the meantime, we have taken or are contemplating a number of different steps to refine our present arrangements. All of you are familiar with the changes made on September 1, 1967, in an attempt to eliminate nonencoded checks. From our standpoint, this program, carried out with your cooperation, has been quite successful, though we still must clean up the

remnants of the unencoded items and improve the quality of the encoding.

More recently, we have been devoting attention to developing improved procedures for the transmittal of checks, to investigating later cutoff hours, and to a joint study of new methods to help one another in the handling of this massive flow of paper. We also have under consideration some changes in remittance procedures, for we believe that the automation which has provided such marked improvement in transit, accounting, and bookkeeping operations should be fully utilized and its other advantages fully explored. We can see possibilities of a vast improvement through the use of computer-created cash letters with automatic charges to reserve accounts without any change in the normal deferment procedure. Our most recent efforts have been designed to insure that remittances are timely, to discourage the kiting of checks, and to reduce the rather sizable amount of float—the subject of considerable congressional criticism. We think that a fully automatic charge plan for all banks would make real progress toward most of these objectives.

Although it is a minor problem in the State of Texas, there are still elements of nonpar banking in this District. I would hope that the banking leaders and associations will strive toward the elimination of the nonpar elements, so that each check a person writes can be collected at face value and the rather large balances maintained for the absorption of exchange can be reduced. Of course, this latter procedure is an evasion prohibited by regulation, but we believe that the best approach is to eliminate the nonpar checks.

The Federal Reserve has been devoting considerable attention to the broader picture of automation and what it can do for the banking industry and services to the public. We see a great potential in computer-to-computer wire transfers of Federal funds, research data, and, eventually, checks. In the coming months, we hope to institute a series of meetings to discuss with District bankers the potentialities of computer-to-computer ties for obtaining more rapid, efficient transfers of money and making the collection of data less troublesome.

Most of you already know that we have converted a sizable portion of our safekeeping operations to book entry. This is another facet in our continuing effort to capitalize upon the availability of automation. We hope to have your support and cooperation in this program, for we can see in it the potentialities of sharply reduced costs of doing business and, perhaps more important, a more efficient and effective means of accomplishing our responsibilities.

Let me close by saying that we in the Federal Reserve are reviewing our services to the banks and general public and are already considering a number of new programs which we hope will meet with your approval and participation. Among these is a possible new informational program for officers of member banks. We hope to be more active in our public relations responsibilities, to be more helpful in explaining new regulations and changes in procedures, and to improve personal communications with bankers about their problems, outlook and expectations, and reactions and impressions regarding the impact of stabilization policy. Our interest is, of course, directed toward being as helpful as possible in stimulating a more efficient, progressive, and dynamic banking system.

We are interested in you as banks and as the individuals making up a part of the banking industry in this District. We value your opinions and suggestions and hope that you will let us know the ways in which we can help you, new services which you believe are appropriate to a central bank, and, of course, the ways in which we can improve our present services.

# *district highlights*

During February, the seasonally adjusted Texas industrial production index, rising to a level of 168.4 percent of its 1957-59 base, posted a strong gain of nearly 3 percent. Moderate to strong gains predominated among the various industrial categories. Compared with the preceding month, only one industry—stone, clay, and glass products—showed a noticeable decline, probably due to labor-management difficulties in the glass products industry. In durable goods manufacturing, four of the nine industries displayed moderate advances; there was a sharp rise of 9 percent in the category "other" durables, mainly ordnance. In the nondurable goods sector, every industry shared in the expansion. Apparel and allied products, which had been relatively weak, registered a strong output gain of nearly 7 percent. In the mining sector, adjusted crude petroleum output was nearly 5 percent over the prior month.

The industrial production index for the State in February was about 10 percent over the same month in 1967. In manufacturing, 13 out of the 18 industries posted increases, ranging from slightly more than 1 percent to 28 percent in the case of transportation equipment. The output of stone, clay, and glass products was 10 percent under a year ago, while output in the primary metal products and apparel industries each was off slightly under 2 percent. Activity in the mining industry was up nearly 14 percent, boosted by a 17-percent increase in the production of crude petroleum. Utilities recorded an 8-percent gain, buoyed by a strong year-to-year rise in electricity generation.

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Nonagricultural wage and salary employment in the five southwestern states in February, at a level of 5,790,000 persons, was fractionally ahead of the preceding month and was 4 percent over the same month in 1967. The month-to-month increase in total employment was more buoyant than usual for this time of the year. A stronger-than-seasonal pattern extended throughout all employment sectors except transportation and public utilities. Employment in construction was more vigorous than usual, while the trade, finance, and service sectors each performed moderately better than would be accounted for by seasonal changes only.

As compared with a year ago, the percentage gain in manufacturing, construction, service, and government employment each exceeded the rise in total employment. In the case of the last two sectors, the amount of the lead was especially significant. Mining employment continued substantially below a year earlier.

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The output of crude oil in the Eleventh District in February was second only to the record established during August of last year at the time of the Middle East oil crisis. Daily average production of crude oil in February, at 3.8 million barrels, was 2 percent higher than in the previous month and 10 percent above a year earlier. Nationally, the output of crude oil surpassed the level established last August to attain a new record of about 9.5 million barrels per day. Reasons for the surge in crude oil output are (1) a continuing lag in imports as an aftereffect of the Middle East crisis, (2) a colder winter than usual in the United States and Europe, and (3) anticipatory purchases of distillate oils used in space heating.

Because of the strong demand for oil, regulatory authorities in the producing southwestern states raised oil allowables sharply in January and increased them further in February; however, allowables have been decreased for April.

The Texas allowable will be 46.7 percent of the Maximum Efficient Rate of production, down from the level of 49.6 percent for both February and March. The allowable for southeastern New Mexico in April will be drastically reduced, although Louisiana's schedule will not be curtailed as sharply. The lower allowables stem from an expected easing in heating oil demand and a possible increase in oil imports.

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Total registrations of new passenger automobiles in February in the major metropolitan areas of Dallas, Fort Worth, Houston, and San Antonio were 5 percent above those for January. A significant increase of 32 percent occurred in Fort Worth, while Dallas and Houston reported small gains. Registrations in San Antonio declined 14 percent. Cumulative data for the first 2 months of 1968 show that registrations in the four markets combined were 26 percent more than in the same period last year.

Department store sales in the Eleventh District for the 4 weeks ended March 16 were 5 percent ahead of the corresponding period last year. Thus far in 1968, sales have exceeded those during the comparable period in 1967 by 9 percent. Sales had shown sharp gains during the first 8 weeks of 1968. In early March, however, sales reflected more moderate increases over a year ago, when sales were strongly influenced by the earlier date of Easter.

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The official arrival of spring found Eleventh District farmers well behind their usual schedule in the preparation of soils and planting of this year's spring crops. Late-March snows in many of the northwestern sections and widespread rains in eastern areas, with accompanying lower temperatures, delayed wide-scale farming activities further.

According to the U.S. Department of Agriculture, farmers in the five southwestern states indicated at the beginning of March that they intended to plant about 26.4 million acres to major spring crops this year. If such intentions are carried out, this acreage would be only fractionally larger than the plantings of these crops in 1967. Sharply increased acreages of cotton, rice, barley, and flax are in prospect, but grain sorghum plantings may be below last year's large total.

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Reflecting normal seasonal factors and the greater competition for time deposit funds, each of the major balance sheet items except total time and savings deposits advanced at the weekly reporting commercial banks in the Eleventh District in the 4 weeks ended March 20. However, the advances were less than in the comparable period last year for loans adjusted, total investments, and total demand deposits, while the decline in total time and savings deposits contrasted with a slight increase in the 1967 period.

The $21 million advance in loans adjusted primarily reflected a $24 million increase in commercial and industrial loans. Other loan changes were relatively small and mostly offsetting. The nominal advance in total investments was the result of a $16.5 million accumulation of non-U.S. Government securities, which offset a decline of $16.3 million in holdings of U.S. Government issues.

On the liability side of the balance sheet, the $41 million rise in total demand deposits reflected gains of $94 million in the demand deposits of individuals, partnerships, and corporations and $29 million in interbank demand deposits, which more than offset a $73 million fall in U.S. Government demand deposits. The reduction of $15 million in total time and savings deposits was primarily the result of an $18 million decrease in "other" time deposits of individuals, partnerships, and corporations, most of which occurred in the holdings of large CD's. Negotiable time certificates of deposit issued in denominations of $100,000 or more fell $35 million to a level of $1,289 million.

# STATISTICAL SUPPLEMENT

## to the

## *BUSINESS REVIEW*

April 1968

FEDERAL RESERVE BANK
OF DALLAS

## CONDITION STATISTICS OF WEEKLY REPORTING COMMERCIAL BANKS

Eleventh Federal Reserve District

(In thousands of dollars)

| Item | Mar. 27, 1968 | Feb. 28, 1968 | Mar. 29, 1967 |
|---|---|---|---|
| **ASSETS** | | | |
| Net loans and discounts | 5,390,513 | 5,443,674 | 5,212,355 |
| *Valuation reserves* | *107,266* | *107,730* | *97,103* |
| Gross loans and discounts | 5,497,779 | 5,551,404 | 5,309,458 |
| Commercial and industrial loans | 2,700,011 | 2,652,228 | 2,493,903 |
| Agricultural loans, excluding CCC certificates of interest | 98,436 | 98,422 | 91,097 |
| Loans to brokers and dealers for purchasing or carrying: | | | |
| U.S. Government securities | 16,774 | 8,406 | 56,502 |
| Other securities | 25,890 | 27,086 | 32,173 |
| Other loans for purchasing or carrying: | | | |
| U.S. Government securities | 431 | 454 | 1,091 |
| Other securities | 337,203 | 337,350 | 302,265 |
| Loans to nonbank financial institutions: | | | |
| Sales finance, personal finance, factors, and other business credit companies | 167,593 | 162,304 | 171,389 |
| Other | 267,287 | 265,073 | 266,405 |
| Real estate loans | 536,801 | 512,036 | 463,848 |
| Loans to domestic commercial banks | 175,052 | 302,978 | 362,842 |
| Loans to foreign banks | 5,372 | 5,702 | 3,610 |
| Consumer instalment loans | 553,358 | 551,099 | 515,029 |
| Loans to foreign governments, official institutions, central banks, international institutions | 0 | 0 | 0 |
| Other loans | 613,571 | 628,266 | 549,304 |
| Total investments | 2,484,919 | 2,515,883 | 2,283,620 |
| Total U.S. Government securities | 1,194,441 | 1,232,540 | 1,123,923 |
| Treasury bills | 100,664 | 123,256 | 72,904 |
| Treasury certificates of indebtedness | 0 | 0 | 15,115 |
| Treasury notes and U.S. Government bonds maturing: | | | |
| Within 1 year | 213,494 | 223,879 | 150,548 |
| 1 year to 5 years | 616,381 | 635,283 | 622,403 |
| After 5 years | 263,902 | 250,122 | 262,953 |
| Obligations of states and political subdivisions: | | | |
| Tax warrants and short-term notes and bills | 7,012 | 3,544 | 6,667 |
| All other | 1,094,741 | 1,072,725 | 967,756 |
| Other bonds, corporate stocks, and securities: | | | |
| Participation certificates in Federal agency loans | 112,034 | 126,028 | 118,649 |
| All other (including corporate stocks) | 76,691 | 81,046 | 66,625 |
| Cash items in process of collection | 884,739 | 897,159 | 732,238 |
| Reserves with Federal Reserve Bank | 776,791 | 696,234 | 634,752 |
| Currency and coin | 81,336 | 78,566 | 76,355 |
| Balances with banks in the United States | 446,677 | 420,260 | 443,199 |
| Balances with banks in foreign countries | 4,354 | 3,746 | 4,845 |
| Other assets | 360,210 | 364,480 | 329,984 |
| TOTAL ASSETS | 10,429,539 | 10,420,002 | 9,717,348 |
| **LIABILITIES** | | | |
| Total deposits | 8,893,608 | 8,897,852 | 8,413,916 |
| Total demand deposits | 5,312,533 | 5,334,325 | 5,019,631 |
| Individuals, partnerships, and corporations | 3,696,866 | 3,622,357 | 3,375,898 |
| States and political subdivisions | 304,544 | 306,133 | 312,885 |
| U.S. Government | 120,188 | 210,131 | 131,836 |
| Banks in the United States | 1,094,387 | 1,089,613 | 1,100,492 |
| Foreign: | | | |
| Governments, official institutions, central banks, international institutions | 4,092 | 3,564 | 3,256 |
| Commercial banks | 24,303 | 22,221 | 21,537 |
| Certified and officers' checks, etc. | 68,153 | 80,306 | 73,727 |
| Total time and savings deposits | 3,581,075 | 3,563,527 | 3,394,285 |
| Individuals, partnerships, and corporations: | | | |
| Savings deposits | 1,092,905 | 1,086,010 | 1,115,808 |
| Other time deposits | 1,796,344 | 1,785,674 | 1,593,689 |
| States and political subdivisions | 660,602 | 658,417 | 652,474 |
| U.S. Government (including postal savings) | 8,688 | 11,701 | 10,808 |
| Banks in the United States | 19,036 | 18,725 | 19,976 |
| Foreign: | | | |
| Governments, official institutions, central banks, international institutions | 3,300 | 2,800 | 800 |
| Commercial banks | 200 | 200 | 730 |
| Bills payable, rediscounts, and other liabilities for borrowed money | 406,333 | 397,317 | 271,314 |
| Other liabilities | 228,011 | 225,898 | 173,859 |
| CAPITAL ACCOUNTS | 901,587 | 898,935 | 858,259 |
| TOTAL LIABILITIES AND CAPITAL ACCOUNTS | 10,429,539 | 10,420,002 | 9,717,348 |

## RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

| Item | 4 weeks ended Mar. 6, 1968 | 5 weeks ended Feb. 7, 1968 | 4 weeks ended Mar. 1, 1967 |
|---|---|---|---|
| RESERVE CITY BANKS | | | |
| Total reserves held | 698,261 | 704,367 | 616,085 |
| With Federal Reserve Bank | 651,662 | 653,520 | 571,200 |
| Currency and coin | 46,599 | 50,847 | 44,885 |
| Required reserves | 692,990 | 700,998 | 626,594 |
| Excess reserves | 5,271 | 3,369 | —10,509 |
| Borrowings | 3,003 | 3,138 | 1,696 |
| Free reserves | 2,268 | 231 | —12,205 |
| COUNTRY BANKS | | | |
| Total reserves held | 700,371 | 706,351 | 661,073 |
| With Federal Reserve Bank | 537,146 | 536,640 | 507,600 |
| Currency and coin | 163,225 | 169,711 | 153,473 |
| Required reserves | 665,965 | 666,676 | 626,052 |
| Excess reserves | 34,406 | 39,675 | 35,021 |
| Borrowings | 1,181 | 4,165 | 2,987 |
| Free reserves | 33,225 | 35,510 | 32,034 |
| ALL MEMBER BANKS | | | |
| Total reserves held | 1,398,632 | 1,410,718 | 1,277,158 |
| With Federal Reserve Bank | 1,188,808 | 1,190,160 | 1,078,800 |
| Currency and coin | 209,824 | 220,558 | 198,358 |
| Required reserves | 1,358,955 | 1,367,674 | 1,252,646 |
| Excess reserves | 39,677 | 43,044 | 24,512 |
| Borrowings | 4,184 | 7,303 | 4,683 |
| Free reserves | 35,493 | 35,741 | 19,829 |

## CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

| Item | Mar. 27, 1968 | Feb. 28, 1968 | Mar. 29, 1967 |
|---|---|---|---|
| Total gold certificate reserves | 365,747 | 381,505 | 457,070 |
| Discounts for member banks | 34,499 | 7,316 | 2,805 |
| Other discounts and advances | 855 | 0 | 580 |
| U.S. Government securities | 2,113,582 | 2,021,417 | 1,770,171 |
| Total earning assets | 2,148,936 | 2,028,733 | 1,773,556 |
| Member bank reserve deposits | 1,215,948 | 1,132,565 | 1,033,685 |
| Federal Reserve notes in actual circulation | 1,391,160 | 1,380,260 | 1,245,813 |

## CONDITION STATISTICS OF ALL MEMBER BANKS

Eleventh Federal Reserve District

(In millions of dollars)

| Item | Feb. 28, 1968 | Jan. 31, 1968 | Feb. 22, 1967 |
|---|---|---|---|
| ASSETS | | | |
| Loans and discounts | 9,523 | 9,428 | 8,692 |
| U.S. Government obligations | 2,606 | 2,552 | 2,300 |
| Other securities | 2,680 | 2,698 | 2,293 |
| Reserves with Federal Reserve Bank | 1,133 | 1,149 | 1,110 |
| Cash in vault | 239 | 238 | 217 |
| Balances with banks in the United States | 1,090 | 1,148 | 1,127 |
| Balances with banks in foreign countries[e] | 6 | 7 | 6 |
| Cash items in process of collection | 1,008 | 997 | 923 |
| Other assets[e] | 456 | 460 | 503 |
| TOTAL ASSETS[e] | 18,741 | 18,677 | 17,171 |
| LIABILITIES AND CAPITAL ACCOUNTS | | | |
| Demand deposits of banks | 1,368 | 1,389 | 1,334 |
| Other demand deposits | 8,206 | 8,312 | 7,552 |
| Time deposits | 6,904 | 6,742 | 6,183 |
| Total deposits | 16,478 | 16,443 | 15,069 |
| Borrowings | 412 | 422 | 389 |
| Other liabilities[e] | 309 | 280 | 242 |
| Total capital accounts[e] | 1,542 | 1,532 | 1,471 |
| TOTAL LIABILITIES AND CAPITAL ACCOUNTS[e] | 18,741 | 18,677 | 17,171 |

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] | | | |
|---|---|---|---|---|---|---|---|---|
| | | Percent change | | | | Annual rate of turnover | | |
| | February 1968 (Annual-rate basis) | February 1968 from January 1968 | February 1968 from February 1967 | 2 months, 1968 from 1967 | February 29, 1968 | February 1968 | January 1968 | February 1967 |
| ARIZONA: Tucson | $ 4,495,008 | 3 | 5 | 5 | $ 167,514 | 26.9 | 26.0 | 26.7 |
| LOUISIANA: Monroe | 2,144,868 | 1 | 2 | 8 | 75,439 | 26.8 | 26.2 | 27.8 |
| Shreveport | 6,436,032 | 3 | 7 | 9 | 219,042 | 28.9 | 26.6 | 27.4 |
| NEW MEXICO: Roswell[2] | 666,072 | −6 | 6 | 7 | 32,191 | 20.2 | 20.2 | 19.0 |
| TEXAS: Abilene | 1,812,828 | 7 | −6 | −8 | 93,153 | 19.1 | 17.4 | 20.5 |
| Amarillo | 5,080,236 | 6 | 8 | 11 | 132,698 | 37.5 | 34.4 | 34.5 |
| Austin | 5,490,204 | −4 | 25 | 25 | 226,973 | 24.0 | 25.9 | 23.6 |
| Beaumont-Port Arthur-Orange | 5,576,004 | 2 | 0 | 1 | 221,090 | 25.0 | 24.4 | 25.1 |
| Brownsville-Harlingen-San Benito | 1,503,000 | −3 | 16 | 14 | 74,267 | 20.1 | 20.7 | 21.2 |
| Corpus Christi | 4,538,304 | 3 | 16 | 12 | 194,688 | 23.5 | 22.5 | 21.8 |
| Corsicana[2] | 353,880 | −18 | 1 | 12 | 28,482 | 12.5 | 15.3 | 12.3 |
| Dallas | 74,226,804 | −8 | 11 | 14 | 1,836,278 | 40.7 | 43.3 | 39.7 |
| El Paso | 5,067,924 | −11 | 0 | 5 | 202,412 | 25.5 | 27.6 | 24.1 |
| Fort Worth | 17,453,616 | 8 | 20 | 16 | 544,713 | 31.9 | 29.0 | 28.9 |
| Galveston-Texas City | 2,462,496 | 2 | 9 | 13 | 97,607 | 24.9 | 23.4 | 23.4 |
| Houston | 75,426,852 | 5 | 20 | 15 | 2,087,977 | 35.9 | 33.7 | 32.6 |
| Laredo | 668,316 | −2 | 14 | 13 | 33,707 | 20.2 | 20.5 | 17.8 |
| Lubbock | 3,440,796 | 6 | 6 | 4 | 145,158 | 24.4 | 22.9 | 23.5 |
| McAllen-Pharr-Edinburg | 1,334,676 | −3 | 5 | 6 | 84,214 | 15.9 | 15.2 | 17.4 |
| Midland | 1,665,876 | −1 | 13 | 8 | 122,577 | 13.6 | 13.5 | 12.6 |
| Odessa | 1,232,544 | 0 | 5 | 3 | 66,154 | 18.9 | 19.7 | 17.7 |
| San Angelo | 1,004,892 | 2 | 3 | 6 | 61,453 | 16.5 | 16.0 | 16.9 |
| San Antonio | 14,975,304 | 11 | 28 | 19 | 553,406 | 27.4 | 24.8 | 23.3 |
| Sherman-Denison | 836,208 | −8 | 4 | 9 | 53,728 | 15.4 | 17.0 | 15.8 |
| Texarkana (Texas-Arkansas) | 1,378,824 | 2 | 7 | 9 | 64,232 | 22.2 | 22.0 | 22.2 |
| Tyler | 1,703,136 | −2 | 9 | 7 | 85,181 | 20.2 | 19.9 | 19.2 |
| Waco | 2,321,868 | 2 | 12 | 8 | 112,028 | 20.3 | 19.9 | 19.3 |
| Wichita Falls | 2,020,836 | −3 | −2 | −1 | 114,218 | 18.0 | 18.7 | 18.3 |
| Total—28 centers | $245,317,404 | 0 | 14 | 13 | $7,730,580 | 31.7 | 31.2 | 29.8 |

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

## GROSS DEMAND AND TIME DEPOSITS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In millions of dollars)

| Date | GROSS DEMAND DEPOSITS | | | TIME DEPOSITS | | |
|---|---|---|---|---|---|---|
| | Total | Reserve city banks | Country banks | Total | Reserve city banks | Country banks |
| 1966: February | 8,827 | 4,027 | 4,800 | 5,612 | 2,675 | 2,937 |
| 1967: February | 8,902 | 4,020 | 4,882 | 6,091 | 2,721 | 3,370 |
| September | 9,426 | 4,408 | 5,018 | 6,398 | 2,743 | 3,655 |
| October | 9,511 | 4,448 | 5,063 | 6,457 | 2,753 | 3,704 |
| November | 9,582 | 4,417 | 5,165 | 6,509 | 2,744 | 3,765 |
| December | 9,841 | 4,589 | 5,252 | 6,571 | 2,762 | 3,809 |
| 1968: January | 9,923 | 4,560 | 5,363 | 6,698 | 2,815 | 3,883 |
| February | 9,561 | 4,391 | 5,170 | 6,863 | 2,851 | 4,012 |

## CITRUS FRUIT PRODUCTION

(In thousands of boxes)

| State and crop | Indicated 1967 | 1966 | Average 1961–65 |
|---|---|---|---|
| ARIZONA | | | |
| Oranges | 3,700 | 3,910 | 2,008 |
| Grapefruit | 3,000 | 1,680 | 2,720 |
| TEXAS | | | |
| Oranges | 1,900 | 2,800 | 952 |
| Grapefruit | 2,800 | 5,600 | 1,814 |

SOURCE: U.S. Department of Agriculture.

## BUILDING PERMITS

| Area | NUMBER | | VALUATION (Dollar amounts in thousands) | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | Percent change | | |
| | | | | | Feb. 1968 from | | |
| | Feb. 1968 | 2 mos. 1968 | Feb. 1968 | 2 mos. 1968 | Jan. 1968 | Feb. 1967 | 2 months, 1968 from 1967 |
| ARIZONA | | | | | | | |
| Tucson | 382 | 876 | $ 2,025 | $ 3,719 | 20 | 80 | 38 |
| LOUISIANA | | | | | | | |
| Monroe-West Monroe | 70 | 123 | 811 | 2,614 | −55 | −73 | −43 |
| Shreveport | 319 | 579 | 1,928 | 3,628 | 13 | 54 | 63 |
| TEXAS | | | | | | | |
| Abilene | 29 | 53 | 166 | 646 | −65 | −93 | −84 |
| Amarillo | 120 | 226 | 2,131 | 4,030 | 12 | 106 | 64 |
| Austin | 380 | 704 | 12,894 | 20,356 | 73 | 5 | 17 |
| Beaumont | 141 | 252 | 1,416 | 2,799 | 2 | −24 | 14 |
| Brownsville | 110 | 246 | 601 | 866 | 127 | 317 | 118 |
| Corpus Christi | 430 | 786 | 2,162 | 9,227 | −69 | −25 | 75 |
| Dallas | 1,548 | 2,768 | 18,349 | 34,094 | 17 | 30 | 19 |
| El Paso | 422 | 847 | 5,855 | 15,739 | −41 | 72 | 56 |
| Fort Worth | 541 | 902 | 8,873 | 12,427 | 150 | 2 | −11 |
| Galveston | 69 | 126 | 693 | 1,135 | 57 | 40 | 4 |
| Houston | 2,686 | 4,422 | 41,037 | 77,544 | 12 | 45 | 71 |
| Laredo | 24 | 57 | 198 | 301 | 92 | −48 | −69 |
| Lubbock | 107 | 223 | 1,197 | 3,646 | −51 | −16 | 38 |
| Midland | 57 | 105 | 849 | 1,532 | 24 | −15 | −5 |
| Odessa | 48 | 100 | 349 | 900 | −37 | −35 | −13 |
| Port Arthur | 62 | 109 | 294 | 500 | 43 | −6 | −47 |
| San Angelo | 63 | 122 | 877 | 1,329 | 94 | 82 | 32 |
| San Antonio | 1,137 | 2,040 | 14,478 | 32,009 | −17 | −2 | 53 |
| Texarkana | 43 | 74 | 696 | 1,051 | 96 | 138 | 129 |
| Waco | 237 | 422 | 1,184 | 3,318 | −45 | 128 | 216 |
| Wichita Falls | 55 | 115 | 631 | 1,179 | 15 | −1 | 12 |
| Total—24 cities | 9,080 | 16,277 | $119,694 | $234,589 | 4 | 18 | 36 |

## VALUE OF CONSTRUCTION CONTRACTS

(In millions of dollars)

| Area and type | February 1968 | January 1968 | December 1967 | January—February 1968 | January—February 1967r |
|---|---|---|---|---|---|
| FIVE SOUTHWESTERN STATES[1] | 390 | 453 | 398 | 841 | 773 |
| Residential building | 190 | 199 | 154 | 388 | 273 |
| Nonresidential building | 92 | 177 | 156 | 268 | 272 |
| Nonbuilding construction | 108 | 77 | 88 | 185 | 228 |
| UNITED STATES | 3,704 | 3,714 | 4,108r | 7,395 | 6,283 |
| Residential building | 1,495 | 1,462 | 1,516r | 2,949 | 2,148 |
| Nonresidential building | 1,251 | 1,347 | 1,550 | 2,593 | 2,603 |
| Nonbuilding construction | 958 | 905 | 1,042 | 1,853 | 1,532 |

[1] Arizona, Louisiana, New Mexico, Oklahoma, and Texas.
r — Revised.
NOTE. — Details may not add to totals because of rounding.
SOURCE: F. W. Dodge, McGraw-Hill, Inc.

## DAILY AVERAGE PRODUCTION OF CRUDE OIL

(In thousands of barrels)

| Area | February 1968p | January 1968p | February 1967 | Percent change from January 1968 | Percent change from February 1967 |
|---|---|---|---|---|---|
| ELEVENTH DISTRICT | 3,813.1 | 3,743.3 | 3,454.9 | 1.9 | 10.4 |
| Texas | 3,321.1 | 3,252.2 | 2,976.8 | 2.1 | 11.6 |
| Gulf Coast | 668.9 | 648.9 | 553.9 | 3.1 | 20.8 |
| West Texas | 1,550.3 | 1,528.3 | 1,390.0 | 1.4 | 11.5 |
| East Texas (proper) | 154.1 | 150.2 | 139.2 | 2.6 | 10.7 |
| Panhandle | 95.0 | 95.8 | 95.3 | —.8 | —.3 |
| Rest of State | 852.8 | 829.0 | 798.4 | 2.9 | 6.8 |
| Southeastern New Mexico | 320.0 | 321.7 | 323.1 | —.5 | —1.0 |
| Northern Louisiana | 172.0 | 169.5 | 155.0 | 1.5 | 11.0 |
| OUTSIDE ELEVENTH DISTRICT | 5,638.0 | 5,488.1 | 5,169.1 | 2.7 | 9.1 |
| UNITED STATES | 9,451.1 | 9,236.3 | 8,624.5 | 2.3 | 9.6 |

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

## NONAGRICULTURAL EMPLOYMENT

Five Southwestern States[1]

| Type of employment | Number of persons February 1968p | Number of persons January 1968 | Number of persons February 1967r | Percent change Feb. 1968 from Jan. 1968 | Percent change Feb. 1968 from Feb. 1967 |
|---|---|---|---|---|---|
| Total nonagricultural wage and salary workers | 5,790,000 | 5,770,200 | 5,556,400 | 0.3 | 4.2 |
| Manufacturing | 1,068,000 | 1,066,800 | 1,021,900 | .1 | 4.5 |
| Nonmanufacturing | 4,722,000 | 4,703,400 | 4,534,500 | .4 | 4.1 |
| Mining | 220,100 | 220,500 | 229,200 | —.2 | —4.0 |
| Construction | 370,900 | 364,000 | 354,400 | 1.9 | 4.7 |
| Transportation and public utilities | 433,200 | 429,600 | 423,200 | .8 | 2.4 |
| Trade | 1,307,800 | 1,314,200 | 1,262,000 | —.5 | 3.6 |
| Finance | 280,700 | 279,800 | 270,900 | .3 | 3.6 |
| Service | 883,900 | 879,900 | 828,500 | .5 | 6.7 |
| Government | 1,225,400 | 1,215,400 | 1,166,300 | .8 | 5.1 |

[1] Arizona, Louisiana, New Mexico, Oklahoma, and Texas.
p — Preliminary.
r — Revised.
SOURCE: State employment agencies.

## INDUSTRIAL PRODUCTION

(Seasonally adjusted indexes, 1957-59 = 100)

| Area and type of index | February 1968p | January 1968 | December 1967 | February 1967 |
|---|---|---|---|---|
| TEXAS | | | | |
| Total industrial production | 168.4 | 164.1 | 163.0r | 153.0r |
| Manufacturing | 188.8 | 184.0 | 185.4 | 173.6r |
| *Durable* | 213.9 | 210.4 | 212.0 | 192.2r |
| *Nondurable* | 172.0 | 166.4 | 167.7 | 161.1r |
| Mining | 130.5 | 126.2 | 121.1r | 114.9r |
| Utilities | 212.2 | 212.2 | 211.3r | 196.8r |
| UNITED STATES | | | | |
| Total industrial production | 161.0 | 161.0 | 162.0 | 157.0r |
| Manufacturing | 163.0 | 163.0 | 164.0 | 159.0r |
| *Durable* | 167.0 | 167.0 | 168.0 | 163.0 |
| *Nondurable* | 158.0 | 158.0 | 159.0r | 153.0r |
| Mining | 125.0 | 123.0 | 123.0 | 122.0r |
| Utilities | 194.0 | 192.0 | 192.0 | 181.0r |

p — Preliminary.
r — Revised.
SOURCES: Board of Governors of the Federal Reserve System.
Federal Reserve Bank of Dallas.