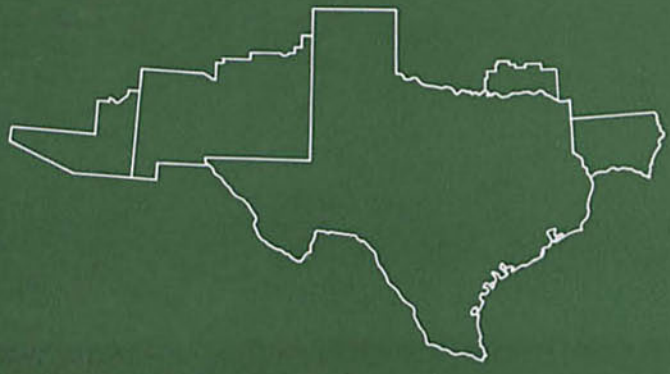
business review



may 1969

FEDERAL RESERVE
BANK OF DALLAS

contents

federally assisted family food programs

For many years, the U.S. Department of Agriculture has been cooperating with state and local authorities in providing low-income families with supplemental food. Such assistance currently is being furnished through two basic types of programs — the Commodity Distribution Program and the Food Stamp Program. The Commodity Distribution Program is the older of the two types of programs and, until recently, has been the more important. Commodity distribution programs originated in the early 1930's, when surplus foods were given directly to the poor and unemployed.

A food stamp program was in operation between 1939 and 1943 but was discontinued when wartime demands increased incomes and reduced unemployment. This stamp program was directly related to surplus commodities. In 1961, a new food stamp plan was initiated on a pilot basis, and the plan was given more permanent status by the passage of the Food Stamp Act of 1964. The program was established to remedy some of the weaknesses of the Commodity Distribution Program.

Both the Commodity Distribution and the Food Stamp Programs are in operation in parts of the Southwest. The purpose of this article is to highlight the background and growth of these two programs in the United States and in the five states of the Eleventh Federal Reserve District. One section of the article will discuss how successful each program seems to be in achieving the goals outlined by the framers of the enabling legislation.

commodity distribution program

As mentioned earlier, the Commodity Distribution Program is the oldest governmental family food-assistance program operating at this time. Under this program, food commodities declared to be in surplus supply, as well as other purchased foods, are shipped by the U.S. Department of Agriculture to various distribution centers throughout the Nation for redistribution to low-income families and to institutions. Presently, the USDA carries out its surplus food donation program to the needy under two authorities: section 32 of Public Law 320, approved in 1935, and section 416 of Public Law 439, approved in 1949. The USDA also distributes food to participants in the school lunch programs under section 6 of the National School Lunch Act, passed in 1946. Sections 32 and 416 are intended to provide food assistance to families and institutions, and section 6 is a part of child nutrition programs. The following article will focus on the family food-assistance programs.

Under section 32, an annual appropriation is provided to the USDA for the general purpose of expanding the demand for agricultural commodities. Specifically, the legislation was to give assistance to agricultural products in excess supply and to producers suffering from low prices. Section 32 legislation permits the USDA to make surplus-removal purchases of commodities, usually those that are in excess supply at the time of peak marketing. The commodities acquired under section 32 generally do not move into Government inventory but are shipped to centers throughout the country for redistribution to eligible recipients.

Section 416 of Public Law 439 provides authorization for the distribution of agricultural commodities that have been acquired by the Commodity Credit Corporation under price-

support programs. Under section 416, commodities held by the CCC that cannot be sold or bartered are made available to school lunch programs and to needy families and institutions in the United States. Any quantities in excess of domestic requirements are eligible for use by needy persons abroad.

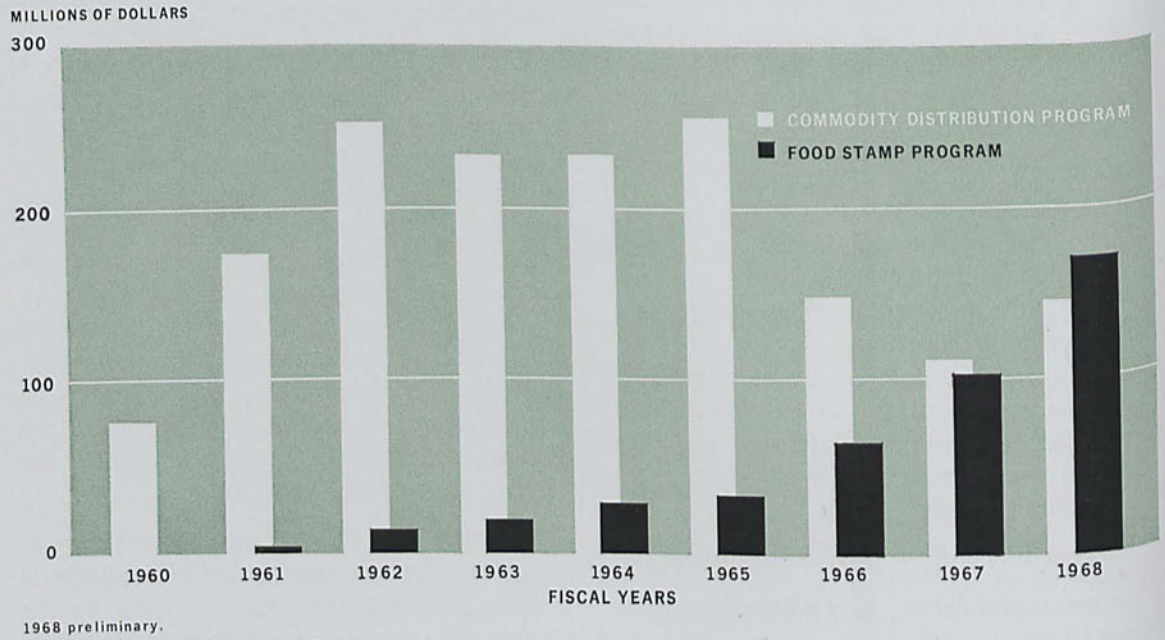
The cost of Federal assistance to needy persons and institutions under the Commodity Distribution Program has varied significantly. Federal assistance was at the extremely low level of less than $2 million in fiscal 1945 but subsequently rose to a record of about $257 million in fiscal 1965. With the introduction of the Food Stamp Program, the cost of Federal assistance to the commodity program declined sharply in 1966 and 1967, but such cost increased again in fiscal 1968. The slight increase in cost in 1968 reflected the greater variety of foods made available in the program, since the number of participants continued to move downward.

food stamp program

The Food Stamp Program authorized by Congress in 1964 has dual objectives: (1) to improve diets by increasing the ability of needy persons or families to purchase more and better foods and (2) to expand the domestic markets for agricultural products.

Through the stamp plan, participants are able to increase their food-purchasing power by exchanging the amount of money they would normally spend for food for an allotment of coupons of a higher monetary value. These coupons are used by needy persons and families to purchase domestically produced foods from retail food outlets at prevailing prices. Authorized merchants redeem the food coupons for cash at commercial banks, which present the coupons to a Federal Reserve bank for payment through appropriate collection channels. Food stamps are liabilities of the U.S. Treasury Department, and Federal Reserve banks serve as fiscal agents of the Treasury.

COST OF FEDERAL ASSISTANCE TO FAMILY FOOD PROGRAMS IN THE UNITED STATES



1968 preliminary.
SOURCE: U.S. Department of Agriculture.

After Congress authorized the permanent Food Stamp Program in 1964, the number of counties and cities participating grew to 324 by 1966, to 838 in 1967, and to approximately 1,550 local governmental units by the first of the current year. The average monthly participation in the program in fiscal 1968 was slightly more than 2.2 million people, up sharply from 1.4 million in fiscal 1967 and from 0.9 million in fiscal 1966. The total value of food coupons issued in fiscal 1968 amounted to $455 million; $282 million of this was paid for by participants, and $173 million was the cost to the Federal Government.

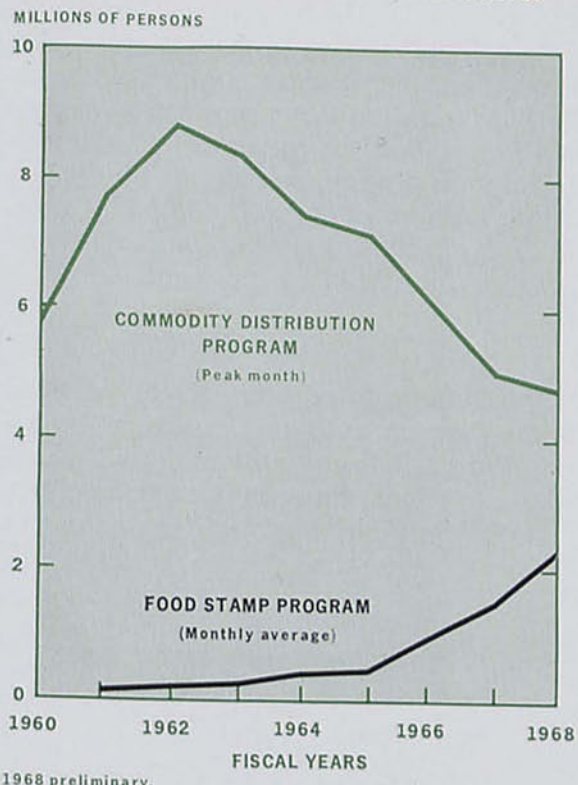
With the authorization of the stamp plan in 1964, the USDA proposed to make the Food Stamp Program the first-line food delivery system in the war on poverty. Consequently, the cost of Federal assistance under sections 32 and 416 declined; and in fiscal 1968, the Federal subsidy under the Food Stamp Program surpassed Federal assistance to institutions and needy persons under the Commodity Distribution Program.

geographical participation

By January 1, 1969, one or the other of the two family food-assistance programs was in operation or planned in approximately 2,640 counties throughout the Nation. About 83 percent of the population of the United States resides in these counties. The number of participants in both programs had reached nearly 6.5 million persons, and the USDA estimates that this number will likely increase to 7.0 million participants by the end of fiscal 1969. Most of the increase probably will occur in the Food Stamp Program if present trends continue. At the beginning of this year, there were only about 480 counties and cities which did not operate under the programs.

The map on the following page shows the participation in both the Commodity Distribution Program and the Food Stamp Program. At the beginning of 1969, only six states had a

PERSONS PARTICIPATING IN FAMILY FOOD PROGRAMS IN THE UNITED STATES



1968 preliminary.
SOURCE: U.S. Department of Agriculture.

family food-assistance program in all of their counties and cities. (Under present regulations, the programs cannot operate simultaneously in the same area.) Program participation is heaviest in the Mississippi River Basin and in Mountain and Far Western States.

In the southwestern states of Arizona, Louisiana, New Mexico, Oklahoma, and Texas, some counties in each state participate in the Commodity Distribution Program. In fact, all counties in Arizona and all but three counties in Oklahoma participate in the commodity program. Counties in Arizona and Oklahoma have not participated in the Food Stamp Program, although a majority of the counties in Louisiana and New Mexico and a few counties in Texas are participants. The greatest concentrations of participants in the stamp program in

the Southwest are in Louisiana and New Mexico.

Less than 5 percent of the total population in the five southwestern states participated in the family food-assistance programs at the first of this year, with the proportions for the individual states ranging from slightly over 9 percent in Oklahoma to below 3 percent in Texas. In the Nation, less than 4 percent of the population participated in the programs.

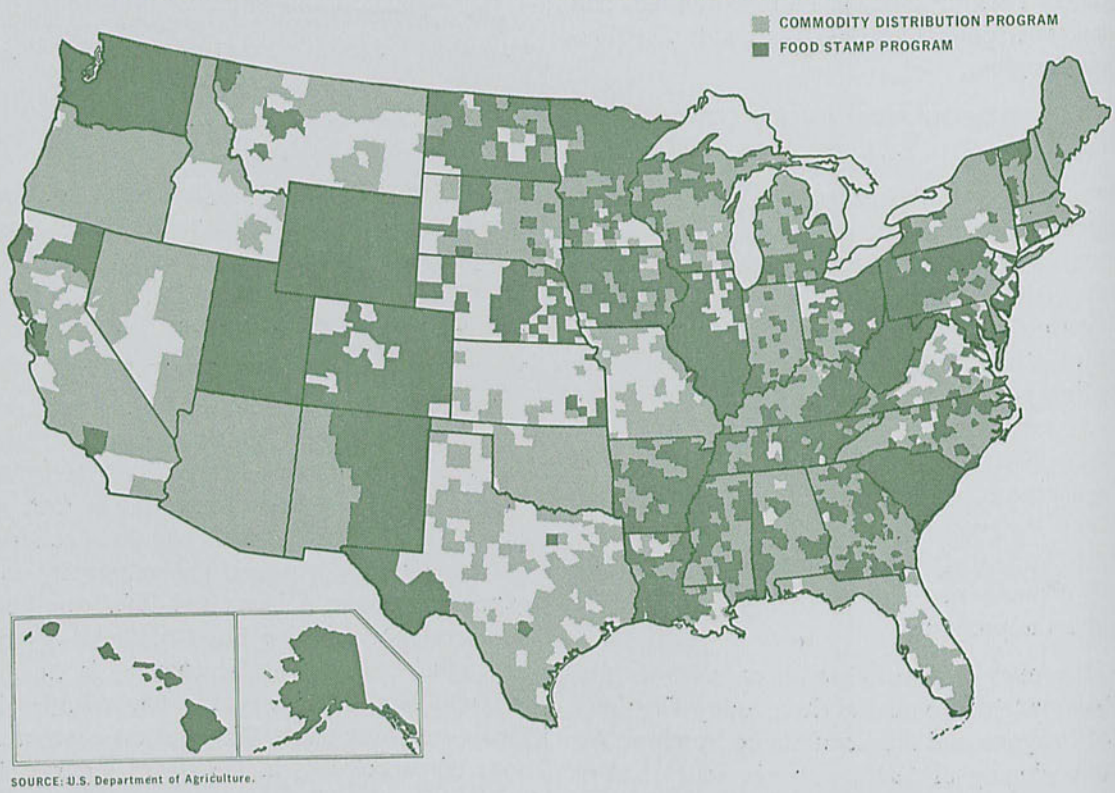
program procedures

Under current legislation, both the Food Stamp Program and the Commodity Distribution Program are operated as joint Federal-state-local efforts. Generally, counties, parishes, or townships desiring to participate in one of the two programs work through the state's welfare office. Once a program is approved, the eligibility of participants is determined according to standards used by the state in its own welfare programs.

Under the Commodity Distribution Program, participants are usually given punch cards to show proof of their eligibility to receive food monthly at distribution centers. Under the Food Stamp Program, coupons are usually issued by local welfare departments or commercial banks. Recently, some states were given authority to deliver stamps to individual recipients by mail without being held liable for loss (Texas has been authorized to use mail delivery).

The dollar amount of food coupons received monthly by eligible individuals or families is based upon the amount of purchasing power necessary to provide an adequate diet as defined

GEOGRAPHICAL PARTICIPATION IN FAMILY FOOD PROGRAMS, JANUARY 1969



SOURCE: U.S. Department of Agriculture.

by local authorities, assisted by the USDA. Cost of the coupons to the participant is based upon the family's income and the number of dependents. The difference between the value of coupons received by a participant and the cost paid by the receiver is referred to as bonus power; mathematically, the cost of the stamps and their bonus value are inversely correlated. Food coupons are issued in books of 50-cent and $2 denominations, and families use the coupons to buy domestically produced food at retail stores authorized to accept them by the USDA's Consumer and Marketing Service. Authorized retailers agree to abide by the rules governing the use of such food coupons.

program goals

The relative effectiveness of the two family food-assistance programs probably could be evaluated in the light of three variables. First, and possibly most important, is the influence the programs have on increasing the dietary standards of low-income families. Second, the programs should be evaluated as to their influence on increasing the aggregate demand for farm products, thereby raising farm income. Finally, the relative cost of the two food distribution methods should be evaluated.

improving dietary standards

The potential for substantially improving the diets of low-income families under the Commodity Distribution Program was quite low up to 1961 because the foods distributed were basically limited to five commodities. Since 1961, a greater variety of commodities has been available; and by the beginning of 1969, a maximum of about 22 commodities, valued at $12.75 per person monthly, could be distributed under the program. However, not all participating areas were distributing the maximum number of commodities.

Despite the fact that the number of commodities available under the Commodity Distribution Program has increased, the Food Stamp Program has the potential of providing a superior nutritional diet. Food stamp coupons can be used to purchase any basic foods at retail food stores at existing prices (no imported foods may be purchased). Since the choice of foods under the Commodity Distribution Program is dependent, in most cases, upon which commodities are in excess supply or have been acquired by the Commodity Credit Corporation, the Food Stamp Program — with no such restrictions — would seem to offer the housewife a better opportunity to prepare a wider range of nutritious meals.

The success of either type of program in increasing the dietary standards of participants is, however, limited by substitution. If any food acquired under either of the two programs is substituted for purchases that would have been made otherwise, the net increase in total food consumption would be smaller than anticipated. Both programs are intended to supplement food consumption; they are not intended to replace usual or previous levels of consumption.

The Food Stamp Program may be more effective than the Commodity Distribution Pro-

gram in limiting the ability of participants to substitute the new purchasing power for previous purchasing ability. Participants are required to pay for food coupons, and the amount necessary to purchase stamps is based, in part, on the income of the recipient. Under the Commodity Distribution Program, recipients pick up their free commodities at central distributing points and may do as they wish with the income that would have been spent for food if the free commodities were not available.

increasing farm income

The influence of family food-assistance programs upon farm income naturally depends upon the extent to which the programs add to aggregate demand. Whether or not aggregate demand for farm products has been increased is difficult to determine because some assumption must be made as to what aggregate demand would have been without the family food programs. For simplicity, it is assumed that all food consumed by recipients under the two programs is an addition to aggregate demand; this assumption, in essence, implies that the substitution effects of the programs are zero.

The food distributed under the Commodity Distribution Program to institutions and needy persons in fiscal 1968 amounted to approximately 860 million pounds. At average market values, this quantity of food probably represented no more than one-half of 1 percent of total U.S. gross farm income. Federal subsidy to the Food Stamp Program in fiscal 1968 amounted to around $173 million, which represented about one-third of 1 percent of farm income. The effect of both programs on gross farm income was, therefore, less than 1 percent. In addition, since the Food Stamp Program is not directly tied in with surplus commodities, as is the case for the Commodity Distribution Program, it is likely that the increased consumption induced by the food coupons had little effect on the demand for most surplus commodities, such as the basic food grains.

cost of programs

The direct costs of purchases and the amount of subsidies paid by the Federal Government for both programs reached a total of about $321 million in fiscal 1968. However, the data available on this assistance are not adequate to permit a definitive analysis of all of the costs of each program on a common basis since the figures do not include state and local cost. Some analysts have taken the position that the Food Stamp Program may be the more efficient of the two programs. The reason given is that the Food Stamp Program utilizes the usual channels of distribution in the marketplace, while the Commodity Distribution Program requires a special distribution network. The USDA admits that the Commodity Distribution Program is a difficult program to administer.

Furthermore, the two programs may have different impacts on the local economy and may, therefore, involve some social cost. If the substitution rate under the Commodity Distribution Program is greater than zero, the program would have an adverse effect on retail food sales in the local community. By operating within the free market system, the Food Stamp Program stimulates retail food sales, and the amount of additional spending for food would equal the value of the bonus coupons minus any substitution.

Surveys by the USDA on the impact of the pilot food stamp plan on retail food store sales showed that the dollar volume of food sales in the pilot areas rose around 8 percent over the year immediately preceding the initiation of the Food Stamp Program. The largest percentage sales gain recorded by the survey stores was for fresh produce, a food category for which an increase in consumption is generally indicative of higher nutrition levels. Because of their perishability, fresh fruits and vegetables are usually not available to participants in the Commodity Distribution Program. The value of food stamps redeemed by all

stores in the survey also averaged 8 percent of total sales volume.

The concept of providing food assistance for low-income families has moved into a new dimension with the introduction of the Food Stamp Program. Emphasis has changed from a means of distributing surplus food to a method of increasing the food-purchasing power of low-income families so that these families can obtain a nutritious diet through the efficient food distribution system available to other U.S. families. There is also a growing interest in furnishing information and education on the proper selection and care of food in order to create a change in attitudes toward the kinds of foods to purchase for family health.

CHARLES M. WILSON

resurgence in business fixed investment

Plant and equipment expenditures are one of the major factors affecting the business cycle. Periods of high business activity in the past have been associated with high levels of business spending for investment; conversely, a slackening in economic activity has been associated with a low rate of business investment. Included as a measure of plant and equipment expenditures are all outlays of private businesses for new plants, machinery, and equipment for which depreciation accounts are maintained. Excluded are investments in agriculture and spending by real estate firms, the professions, and nonprofit organizations.

Total expenditures for new plants and equipment in 1969 are expected to rise 14 percent above those for last year and reach $73 billion, with outlays advancing substantially for most major manufacturing industries and for all major nonmanufacturing sectors. The rise in business fixed investment for 1969, as indicated in the joint survey released in March by the U.S. Department of Commerce and the Securities and Exchange Commission, is well above the 4-percent increase in 1968. A further rise in plant and equipment expenditures in the current year would extend to 8 the number of years in which business fixed investment has shown consecutive increases, but the vigor of the expansion from year to year has varied markedly.

One of the major forces behind the pronounced percentage gain in anticipated business fixed investment during 1969 has been the effect of a rapidly rising price level upon decisions made by the business community. This influence is especially evident in the Commerce-SEC survey published in March this year, as the one taken in the fall of 1968 had projected the annual rate of expenditures during the first half of 1969 at 9 percent higher than in the full year 1968. Of course, if the projected rise of 14 percent in dollar outlays in 1969 does occur, "real" expenditures will not experience as large an increase because construction and machinery costs continue to expand.

Motivation toward increased spending also comes from businessmen's beliefs in rapidly expanding markets in the early 1970's, resulting from the growth in population and an even

greater advance in personal income. A recent McGraw-Hill survey found that businessmen indicated preliminary plans to spend larger amounts on plants and equipment each successive year through 1972. Since added capacity in both manufacturing and nonmanufacturing industries is considered necessary to accommodate future demand, business leaders apparently believe that now is the time to expand facilities because delayed projects may carry a higher price tag. The sharp increase in business investment for 1969 which was indicated in the March survey has added further to the concern regarding the inflationary expectations that permeate the economy.

major influences

Numerous factors affect spending by business for fixed investment, and one of the most important is sales, both current and expected. In 1965 and 1966, when plant and equipment expenditures were expanding rapidly, retail sales advanced about 8 percent per year. During this time, Defense Department outlays for the Viet-Nam war were also rising. On the other hand, there was only a small gain in retail sales during 1967, and only a small increase occurred in business fixed investment. In the past year, sales again began to rise rapidly, and investment began to accelerate, especially toward the latter part of the year.

Another factor that has a major effect on plant and equipment expenditures is the expected rate of return on new investment in relation to the cost of capital funds. Profits are one method, albeit a crude one, of appraising the rate of return on business fixed investment. During the midsixties, corporate profits after taxes rose substantially — particularly in 1965, when they advanced 21 percent from the level of the preceding year. After-tax profits rose further in 1966 and, since that time, have held at levels well above those in the early 1960's.

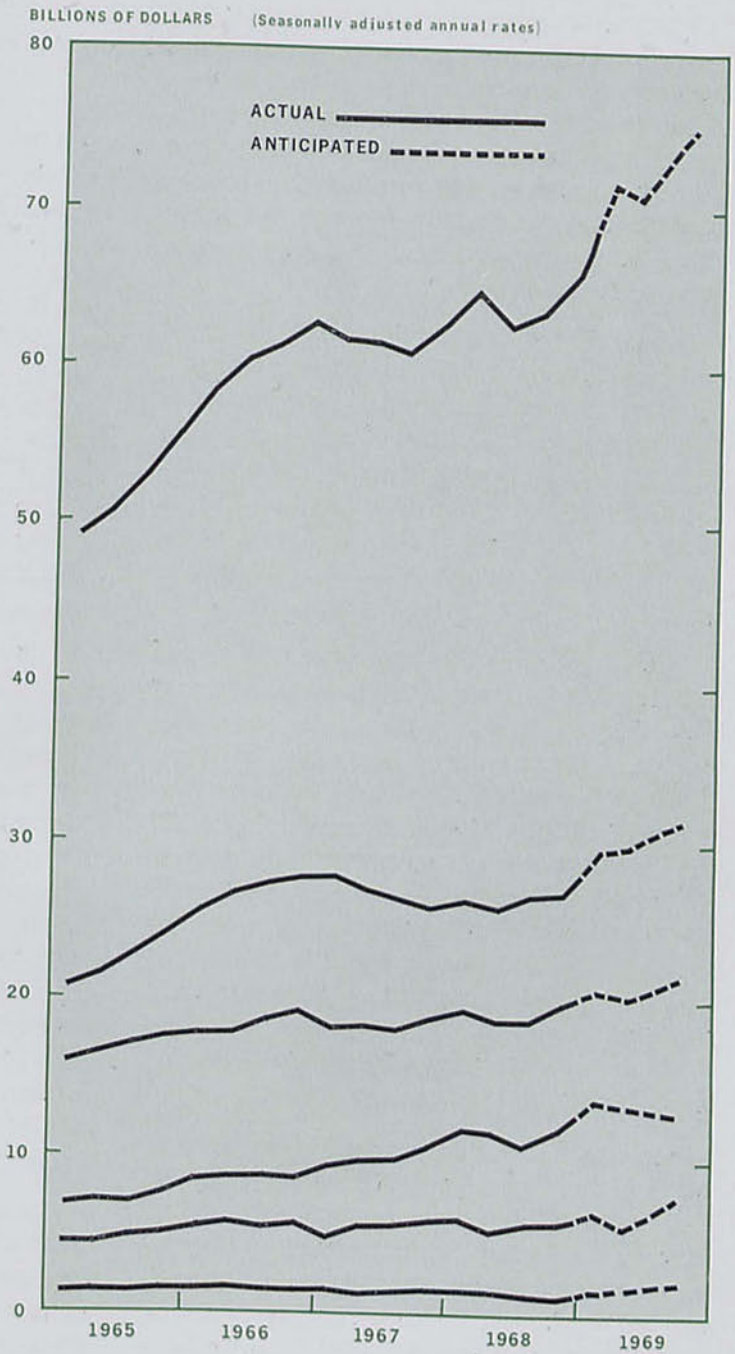
The cost of capital funds also has risen substantially since the midsixties, when the rate for Moody's Aaa bonds was 4.5 percent. The increased costs probably have had only a slightly moderating effect on planned outlays in relation to expected returns on investment. The cost of loanable funds reached historic highs for the 20th century during the first quarter of this year. Around mid-March, the rate for Moody's Aaa bonds was 6.8 percent. An increasingly restrictive monetary policy beginning last fall was made even more restrictive with the advances in the Federal Reserve discount rate and in member bank reserve requirements in early April. It is expected that the curtailment of credit availability and the increased cost of funds will dampen capital spending programs, but the extent cannot be predicted.

The investment tax credit, which permits most companies to subtract from their final tax bill 7 percent of the cost of equipment and machinery, also has influenced plant and equipment expenditures. This investment tax credit was introduced in 1962 in order to encourage private investment but was suspended in the fall of 1966, when it was felt that the economy needed to be restrained. The credit was reinstated in the spring of 1967. Recently, the Administration recommended repeal of this tax credit. Accelerated depreciation, another stimulative measure, was in effect from 1954 until it was suspended in 1966 but, like the investment credit, was reinstated later.

Another major factor influencing plant and equipment expenditures is the rate of capacity utilization in manufacturing. In 1964, industrial enterprises used 86 percent of their available capacity; and by 1966, a year of excessive demand for goods, the rate had advanced to 91 percent. Subsequently, the rate decreased and, in the first quarter of 1969, was about 84 percent.

Plant and equipment spending by manufacturers eased slightly in both 1967 and 1968, with outlays of durable goods producers showing the greatest weakness. New equipment is

PLANT AND EQUIPMENT EXPENDITURES BY U.S. BUSINESS



ALL INDUSTRIES

MANUFACTURING

COMMUNICATION, COMMERCIAL AND OTHER

PUBLIC UTILITIES

TRANSPORTATION, INCLUDING RAIL

MINING

SOURCES: Securities and Exchange Commission, U.S. Department of Commerce.

installed to increase industrial capacity; however, it is also necessary for an industry to replace obsolescent equipment in order to keep costs down and remain competitive. The extent to which excess capacity in manufacturing has a significant influence on total plant and equipment expenditures has been questioned, because of the presence of aging equipment and variations in the evaluation of excess capacity from industry to industry. The need for new capacity must be weighed carefully, for new equipment that is idled through a lack of demand would prove to be expensive.

Increasingly since the midsixties, investment decisions have been made to obtain more technologically advanced equipment in order to reduce total labor costs. The shortage of skilled labor has become progressively more acute. Unit labor costs, which had eased slightly in 1962 from the levels of the previous 2 years, were relatively stable until 1966 but subsequently have moved upward continuously.

The strong growth in the rate of plant and equipment spending now forecast for this year is partially explained by the results of the survey on "Manufacturers' Evaluation of Their Capacity," conducted by the Commerce Department and the SEC in December 1968. Of the manufacturers participating in the survey, 47 percent believed that their capacity was inadequate in relation to sales expectations for the next 12-month period, which is an increase of 2 percentage points from a survey taken a few months earlier. On a quarterly basis, the evaluation of capacity needed has risen steadily since the March 1968 survey.

Somewhat less than one-half of the respondents in the December 1968 survey said that their capacity was about adequate, but only 5 percent stated that existing plants and equipment exceeded needs. The chemical industry is one of the largest investors in new facilities, and 58 percent — an unusually low figure — of the chemical manufacturers felt that more capacity was needed. The replies from the petroleum companies indicated that 40 percent required new capacity. High proportions of the food and beverage industry, along with metal fabricators, also responded that more plants and equipment were needed.

anticipated investment

As mentioned earlier, the anticipated amount of total expenditures for plants and equipment during 1969 is almost 14 percent above the level for last year, when a much smaller increase of 4 percent was recorded. In contrast with the small declines that occurred in 1967 and 1968, investment by manufacturers in the current year is projected to rise 16 percent; durable goods industries anticipate a gain of 15 percent, and nondurable goods industries, an increase of 17 percent. Sales in manufacturing are expected to advance 8 percent this year, with durables and nondurables producers each anticipating that their sales will show about the same percentage gain.

With the exception of the steel industry, which had substantial outlays in the preceding 2 years, virtually all major durable goods industries are planning higher investment outlays this year. The largest percentage increases are expected in motor vehicles and parts, along with the stone, clay, and glass industries, with the latter planning a 42-percent rise in expenditures. Despite the large outlays by the producers of stone, clay, and glass, sales in that industry are expected to advance modestly during 1969. Investment by manufacturers of motor vehicles and parts is projected to rise 27 percent, according to the survey. Assemblies of passenger cars have been projected at about 9.0 million units, which would be higher than last year.

A strong demand for electronic systems because of the Viet-Nam conflict and rising orders for more high-voltage capacity in electrical utilities have intensified the need for new capital goods in electrical machinery. Transportation equipment (other than motor vehicles) antici-

pates higher outlays than last year, with capital investment expected to peak in the aerospace industry. Major firms that will manufacture airbuses and "jumbo" jets expect to spend substantial amounts during the year. Also, construction is going ahead on a new $130 million shipyard at Pascagoula, Mississippi. The current concept for the building of ships is production, rather than construction. Assembly-line techniques will be utilized; and separate modules, or sections, of ships are to be built on land and later fitted together for launching.

Among the nondurable goods, both the textile industry and the paper industry project expenditures at about 35 percent higher for this year — in contrast to 1968, when each eased expenditures. The chemical industry, in which new air and water pollution control devices are forming a larger portion of expenditures, will increase investment outlays.

Petroleum and rubber companies will undoubtedly experience very noticeable increases in capital goods spending. Last year, the rubber industry showed an advance of 27 percent. Within the petroleum industry, outlays will be for refining, petrochemical, and transportation facilities, with air and water pollution control accounting for a larger portion of expenditures than in the past. Expenditures for crude oil production and for drilling will see little change. Spending by the petroleum industry is significant in the sense that the industry is the largest investor in plants and equipment of any major manufacturing group.

Other industries besides manufacturing expect rather large gains in plant and equipment expenditures. The railroads, with an advance of 29 percent over last year's low level, have indicated by far the largest rise in spending among nonmanufacturing concerns. The rise is expected to occur in equipment, as a small reduction is projected in spending for rails and roadbeds. Deliveries of new freight cars will be up considerably from 1968 but far below the record established in 1966. The full realization of expenditures in 1969 may be contingent upon approval of a railroad freight rate increase by the Interstate Commerce Commission.

Besides the railroads, other forms of transportation are scheduling increases in their investment expenditures, and the transportation group as a whole forecasts that outlays will be 12 percent above last year. The airlines continue to spend large sums on the procurement of new aircraft and parts, and trucking and water transportation companies plan more spending for equipment and facilities.

Public utilities expect to spend 14 percent more on new facilities in 1969, following rises of about 17 percent in both of the previous 2 years. Electric utility firms plan to spend a larger proportion of outlays for nuclear plants.

PLANT AND EQUIPMENT OUTLAYS BY U.S. BUSINESS

Industry	In billions of dollars 1969[1]	1968[2]	Percent change
All industries	73.0	64.1	14
Manufacturing	30.7	26.4	16
Durable goods	15.5	13.5	15
Primary metals	3.2	3.3	—3
Machinery	4.6	4.0	14
Motor vehicles and parts	1.9	1.5	27
Transportation equipment[3]	1.1	1.0	13
Stone, clay, and glass	1.0	.7	42
Other durable goods	3.7	3.0	23
Nondurable goods	15.2	12.9	17
Food and beverage	1.6	1.4	16
Textile	1.0	.8	36
Paper	2.0	1.5	35
Chemical	3.2	2.7	17
Petroleum	5.5	4.9	13
Rubber	.7	.6	15
Other nondurable goods	1.2	1.1	5
Mining	1.6	1.4	13
Railroad	1.7	1.3	29
Transportation other than rail	4.8	4.3	12
Public utilities	13.2	11.5	14
Communication	7.4	6.4	17
Commercial and other	13.6	12.7	7

[1] Anticipated.
[2] Actual.
[3] Excluding motor vehicles.
NOTE. — Details may not add to totals due to rounding.
SOURCES: Securities and Exchange Commission.
U.S. Department of Commerce.

The mining industry, expenditures in which have been relatively stable during the past several years, anticipates an increase this year. Nonferrous metal mining was characterized by labor disputes during the past 2 years, particularly a long copper strike. The "commercial and other" group embraces such diverse activities as trade, service, finance, and construction and normally spends about one-half the amount on new investment that manufacturing industries spend, or around 20 percent of all new plant and equipment expenditures. The group ordinarily experiences fairly steady growth in plant and equipment outlays, but expenditures are projected to show a strong rise during 1969.

Economic growth is tied closely to the expansion of productive facilities by business enterprises. As such, this expansion is one of the factors to be considered in the evaluation of the future course of economic changes. Years of national crises — World War II, the Korean war, and the Viet-Nam war — have seen rapid strides in the installation of new productive facilities to meet the needs of military efforts and, especially in the case of the Viet-Nam war, to allow for higher production of civilian goods. However, the level of business fixed investment, as projected in the current survey, has concerned many analysts because of the inflationary forces presently at work in the economy. With the advent of peace in Viet-Nam, it is hoped that business investment will be high in order to meet the ever-widening needs of the civilian economy.

RAYNAL HAMMELTON

district highlights

The seasonally adjusted Texas industrial production index in March, at 169.9 percent of its 1957-59 base, was fractionally above the level in the preceding month. Total manufacturing and mining accounted for the advance, as utilities were unchanged. In manufacturing, a moderate increase in durable goods more than offset a fractional decline in nondurable goods. Two durable goods sectors — electrical machinery and transportation equipment — exhibited notable strength with identical gains of 2.9 percent. Other durable goods sectors showed only slight changes. Among the nondurable goods, a strong gain in petroleum refining and a moderate rise in leather and leather products were more than offset by decreases in the other sectors. The expansion in mining activity was caused by an increase in crude petroleum production.

On the basis of the year-to-year comparison, industrial production in the State in March was 4.1 percent higher. Total manufacturing and utilities showed gains that exceeded the overall increase in industrial production, but mining output declined nearly 5 percent from a year earlier. In manufacturing, the stone, clay, and glass products sector and the "other nondurable goods" category exhibited the largest gains. A decrease in crude petroleum production accounted for all of the decline in mining output.

Nonagricultural wage and salary employment in the five southwestern states rose seasonally to total 6,061,400 persons during March. Manufacturing employment showed a stronger gain than would be attributable to seasonal influences. The less-than-normal increase in non-

manufacturing employment was due largely to the contraseasonal decline of employment in the construction industry. In other nonmanufacturing sectors, changes were moderate and were about in line with seasonal trends. On a year-to-year basis, total nonagricultural employment in the five states increased 5.1 percent in March. Both manufacturing and nonmanufacturing employment posted the same percentage advance. The percentage gains in mining and construction were well above the rise in total employment.

Combined registrations of new passenger automobiles in the major metropolitan reporting areas of Dallas, Fort Worth, Houston, and San Antonio during the first 3 months of 1969 were down 6 percent from the same period in 1968. Dallas was the only center showing an increase. March registrations for the four areas were 9 percent under those a year ago.

Department store sales in the Eleventh District during the 4 weeks ended April 26 were 8 percent higher than those during the corresponding period in 1968. Cumulative sales thus far in 1969 were 10 percent above the comparable period last year. During the similar span in 1968, cumulative sales were also 10 percent above the 1967 period.

Primarily reflecting seasonal factors, all the major balance sheet items except total time and savings deposits increased at the District's weekly reporting commercial banks in the 5 weeks ended April 16. Large negotiable certificates of deposit continued to decline, but at a reduced pace.

Spurred by a $70 million rise in business loans, loans adjusted advanced $108 million. In the corresponding period last year, business loans increased $94 million, accounting for the major portion of the $162 million expansion in loans adjusted. Real estate loans and consumer instalment loans were up $8 million and $13 million, respectively, compared with gains of $26 million and $14 million a year ago.

As a result of the $34 million rise in holdings of municipal securities, total investments increased more than $7 million during the 5-week period. This is in contrast to a $20 million decline in total investments a year earlier. U.S. Government security holdings fell $35 million, 50 percent of which was due to a decrease in Treasury bills. However, Treasury notes and bonds maturing in 1 to 5 years were up $3 million.

On the liability side of the balance sheet, total demand deposits advanced $304 million as gains of $147 million, $89 million, and $61 million were recorded in the deposits of individuals, partnerships, and corporations, deposits of the U.S. Government, and deposits due to other banks, respectively. In the comparable 5 weeks last year, total demand deposits were up $245 million.

As the only major balance sheet item showing a decline in the 5 weeks ended April 16, total time and savings deposits were held down primarily by the $48 million runoff in large IPC certificates of deposit. "Other" large CD's, however, rose $3 million. IPC savings deposits dropped $16 million, and deposits of states and political subdivisions decreased $14 million. In the year-earlier period, total time and savings deposits increased almost $4 million.

Wet fields have delayed planting of crops in many areas of the Southwest, and heavy rainfall and flooding in some sections will necessitate replanting of crops. In other areas, corn and sorghum planting is making good progress.

Winter wheat production in the five southwestern states, as of April 1, is placed at about 205 million bushels, or 6 percent smaller than the output in 1968. A substantial year-to-year gain is expected for Arizona, and Oklahoma's crop prospects are virtually unchanged; but

indications are that production will be smaller in Louisiana, New Mexico, and Texas.

Prices received by Texas farmers and ranchers for all farm products in the January-March period averaged 4 percent above the corresponding quarter of 1968. Prices for livestock and livestock products showed a 13-percent increase, but crop prices were 6 percent lower.

Daily average crude oil production in Louisiana, New Mexico, Oklahoma, and Texas rose 2.7 percent in March, but output in these southwestern states was 3.2 percent below a year earlier. Output in Louisiana showed the most notable month-to-month gain; in contrast, New Mexico showed a slight decrease. For the fifth consecutive month, the oil allowable in Texas will be higher in May and has been set at 53.8 percent of the Maximum Efficient Rate of production, which is the highest rate since the Middle East crisis during the summer of 1967. The major reason for the latest increase is that crude oil inventories have been below desired levels. The Louisiana oil allowable for May also has been raised, following two previous monthly advances. Allowables in New Mexico and Oklahoma are unchanged for the month.

Toward the end of March, Oklahoma's deepest well was completed and has the distinction of being the second deepest producing well in the world. The 24,453-foot depth was reached after 15 months of drilling. The well is located in the deepest part of the Anadarko basin, an area with both oil and gas reserves.

new par banks

The Baytown State Bank, Baytown, Texas, a nonmember bank located in the territory served by the Houston Branch of the Federal Reserve Bank of Dallas, was added to the Par List on its opening date, March 14, 1969. The officers are: C. J. Bailey, Jr., Co-Chairman of the Board; Dr. George L. Walmfley, Co-Chairman of the Board; B. E. Greer, President; L. R. Whitman, Cashier; and Kenneth Tilton, Vice President (Inactive).

The Missouri City State Bank, Missouri City, Texas, an insured nonmember bank located in the territory served by the Houston Branch of the Federal Reserve Bank of Dallas, was added to the Par List on its opening date, April 10, 1969. The officers are: J. G. Waller, Chairman of the Board; Morris I. Waller, President; and David T. Joyner, Executive Vice President and Cashier.

The Tensas State Bank, Newellton, Louisiana, an insured nonmember bank located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, was added to the Par List on April 17, 1969. The officers are: F. R. Burnside, Chairman of the Board; W. E. Hawkins, President; C. D. Doyle, Cashier; W. B. Hudnall, Assistant Cashier; and Mrs. Hilda Bradley, Assistant Cashier.

The Pelican State Bank, Pelican, Louisiana, an insured nonmember bank located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, was added to the Par List on April 22, 1969. The officers are: L. E. Fincher, President; L. M. Webster, Vice President; and F. N. Gallaspy, Cashier.

The North Central State Bank, Dallas, Texas, an insured nonmember bank located in the territory served by the Head Office of the Federal Reserve Bank of Dallas, was added to the Par List on its opening date, April 22, 1969. The officers are: J. Alex Blakeley, Chairman of the Board; Thomas G. White, President; Roscoe L. Eoff, Vice President and Cashier; and O. C. Bevill, Assistant Cashier.

STATISTICAL SUPPLEMENT

to the

BUSINESS REVIEW

May 1969

FEDERAL RESERVE BANK
OF DALLAS

CONDITION STATISTICS OF WEEKLY REPORTING COMMERCIAL BANKS

Eleventh Federal Reserve District

(In thousands of dollars)

Item	Apr. 30, 1969	Mar. 26, 1969	May 1, 1968
ASSETS			
Net loans and discounts	6,269,161	6,307,405	5,496,772
Valuation reserves	*119,415*	*119,311*	*107,659*
Gross loans and discounts	6,388,576	6,426,716	5,604,431
Commercial and industrial loans	3,117,771	3,070,509	2,684,231
Agricultural loans, excluding CCC certificates of interest	110,766	105,871	100,662
Loans to brokers and dealers for purchasing or carrying:			
U.S. Government securities	28,176	1,001	25,086
Other securities	60,401	74,966	20,512
Other loans for purchasing or carrying:			
U.S. Government securities	339	400	335
Other securities	392,832	412,113	338,184
Loans to nonbank financial institutions:			
Sales finance, personal finance, factors, and other business credit companies	148,320	130,589	135,253
Other	391,417	413,447	286,854
Real estate loans	623,396	616,372	544,906
Loans to domestic commercial banks	129,732	256,761	269,470
Loans to foreign banks	6,621	7,637	5,195
Consumer instalment loans	661,359	647,046	569,975
Loans to foreign governments, official institutions, central banks, international institutions	0	0	0
Other loans	717,446	690,004	623,768
Total investments	2,754,561	2,716,523	2,484,603
Total U.S. Government securities	1,057,422	1,079,412	1,148,705
Treasury bills	71,582	86,641	46,767
Treasury certificates of indebtedness	0	0	0
Treasury notes and U.S. Government bonds maturing:			
Within 1 year	118,950	123,576	233,366
1 year to 5 years	669,636	667,969	619,774
After 5 years	197,254	201,226	248,798
Obligations of states and political subdivisions:			
Tax warrants and short-term notes and bills	64,099	33,701	15,947
All other	1,385,434	1,352,509	1,134,785
Other bonds, corporate stocks, and securities:			
Participation certificates in Federal agency loans	144,183	154,482	107,273
All other (including corporate stocks)	103,423	96,419	77,893
Cash items in process of collection	1,252,329	986,554	980,210
Reserves with Federal Reserve Bank	768,242	793,240	679,243
Currency and coin	81,034	84,560	78,323
Balances with banks in the United States	485,789	472,982	416,763
Balances with banks in foreign countries	5,233	6,250	4,978
Other assets	396,044	377,784	370,116
TOTAL ASSETS	12,012,393	11,745,298	10,511,008
LIABILITIES			
Total deposits	9,742,404	9,578,402	8,913,439
Total demand deposits	5,957,042	5,729,107	5,355,810
Individuals, partnerships, and corporations	3,985,348	3,974,620	3,599,744
States and political subdivisions	364,737	304,388	369,679
U.S. Government	298,162	163,210	179,805
Banks in the United States	1,180,165	1,180,314	1,083,583
Foreign:			
Governments, official institutions, central banks, international institutions	4,204	3,672	3,055
Commercial banks	25,318	24,029	24,002
Certified and officers' checks, etc.	99,108	78,874	95,942
Total time and savings deposits	3,785,362	3,849,295	3,557,629
Individuals, partnerships, and corporations:			
Savings deposits	993,021	1,015,121	1,077,874
Other time deposits	2,006,770	2,038,785	1,842,881
States and political subdivisions	737,729	749,286	599,322
U.S. Government (including postal savings)	11,446	10,983	7,655
Banks in the United States	28,906	27,530	24,397
Foreign:			
Governments, official institutions, central banks, international institutions	7,000	7,100	5,300
Commercial banks	490	490	200
Bills payable, rediscounts, and other liabilities for borrowed money	1,047,908	957,705	460,253
Other liabilities	268,280	264,170	230,971
CAPITAL ACCOUNTS	953,801	945,021	906,345
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	12,012,393	11,745,298	10,511,008

RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	4 weeks ended Apr. 2, 1969	4 weeks ended Mar. 5, 1969	4 weeks ended Apr. 3, 1968
RESERVE CITY BANKS			
Total reserves held	738,083	741,387	699,388
With Federal Reserve Bank	687,347	689,590	651,800
Currency and coin	50,736	51,797	47,588
Required reserves	743,829	740,265	692,992
Excess reserves	—5,746	1,122	6,396
Borrowings	43,800	45,414	3,743
Free reserves	—49,546	—44,292	2,653
COUNTRY BANKS			
Total reserves held	758,203	766,901	700,282
With Federal Reserve Bank	583,037	591,715	536,850
Currency and coin	175,166	175,186	163,432
Required reserves	731,720	736,284	665,286
Excess reserves	26,483	30,617	34,996
Borrowings	13,078	10,534	5,061
Free reserves	13,405	20,083	29,935
ALL MEMBER BANKS			
Total reserves held	1,496,286	1,508,288	1,399,670
With Federal Reserve Bank	1,270,384	1,281,305	1,188,650
Currency and coin	225,902	226,983	211,020
Required reserves	1,475,549	1,476,549	1,358,278
Excess reserves	20,737	31,739	41,392
Borrowings	56,878	55,948	8,804
Free reserves	—36,141	—24,209	32,588

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	April 30, 1969	March 26, 1969	May 1, 1968
Total gold certificate reserves	279,326	379,795	216,807
Discounts for member banks	122,172	95,096	48,179
Other discounts and advances	0	0	855
U.S. Government securities	2,214,592	2,111,555	2,132,504
Total earning assets	2,336,764	2,206,651	2,181,538
Member bank reserve deposits	1,271,674	1,274,108	1,125,876
Federal Reserve notes in actual circulation	1,536,775	1,517,219	1,418,606

CONDITION STATISTICS OF ALL MEMBER BANKS

Eleventh Federal Reserve District

(In millions of dollars)

Item	Mar. 26, 1969	Feb. 26, 1969	Mar. 27, 1968
ASSETS			
Loans and discounts	11,054	11,027	9,502
U.S. Government obligations	2,403	2,466	2,562
Other securities	3,237	3,141	2,704
Reserves with Federal Reserve Bank	1,274	1,236	1,216
Cash in vault	255	258	240
Balances with banks in the United States	1,184	1,155	1,125
Balances with banks in foreign countries[e]	9	7	7
Cash items in process of collection	1,115	1,129	1,001
Other assets[e]	698	616	462
TOTAL ASSETS[e]	21,229	21,035	18,819
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits of banks	1,484	1,408	1,369
Other demand deposits	8,770	8,778	8,148
Time deposits	7,732	7,730	6,966
Total deposits	17,986	17,916	16,483
Borrowings	980	885	433
Other liabilities[e]	591	568	339
Total capital accounts[e]	1,672	1,666	1,564
TOTAL LIABILITIES AND CAPITAL ACCOUNTS[e]	21,229	21,035	18,819

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		
	March 1969 (Annual-rate basis)	March 1969 from February 1969	March 1969 from March 1968	3 months, 1969 from 1968	March 31, 1969	March 1969	February 1969	March 1968
ARIZONA: Tucson	$ 4,974,444	1	20	14	$ 215,960	23.3	23.4	23.9
LOUISIANA: Monroe	2,583,396	7	24	14	79,813	31.6	27.9	27.2
Shreveport	7,456,128	9	19	10	228,611	32.7	29.5	28.0
NEW MEXICO: Roswell[2]	787,296	2	27	17	35,884	22.9	23.6	19.5
TEXAS: Abilene	1,976,748	0	12	12	99,608	20.1	20.0	19.0
Amarillo	4,978,428	—4	7	4	148,133	33.6	35.2	35.1
Austin	8,696,052	2	76	56	281,689	31.7	30.5	21.3
Beaumont-Port Arthur-Orange	5,691,384	1	3	4	233,864	24.6	24.5	24.7
Brownsville-Harlingen-San Benito	1,580,712	2	12	7	72,096	21.9	21.9	18.7
Corpus Christi	4,307,244	—9	1	4	205,780	21.1	23.7	22.0
Corsicana[2]	410,136	7	—8	—2	31,985	12.8	12.4	15.9
Dallas	108,502,224	10	39	35	2,184,756	50.6	47.2	42.0
El Paso	6,211,704	3	15	16	216,383	29.0	28.1	26.8
Fort Worth	19,241,448	2	9	10	636,804	30.8	31.3	32.1
Galveston-Texas City	2,484,780	—3	—5	2	99,178	24.3	23.9	27.0
Houston	88,206,300	6	17	17	2,369,572	36.6	35.2	35.2
Laredo	833,748	4	23	20	38,189	21.6	20.6	20.0
Lubbock	4,051,224	12	16	12	146,617	27.2	24.5	24.4
McAllen-Pharr-Edinburg	1,540,824	2	15	15	89,032	17.2	17.0	16.4
Midland	2,017,920	5	25	18	130,645	15.5	14.8	13.0
Odessa	1,483,728	7	24	19	77,843	19.2	18.4	18.4
San Angelo	1,214,808	11	24	14	64,933	18.6	17.0	16.0
San Antonio	15,543,396	6	15	8	595,788	25.5	24.1	24.3
Sherman-Denison	997,056	8	13	11	59,952	16.8	15.0	16.5
Texarkana (Texas-Arkansas)	1,579,200	5	20	15	70,965	22.1	21.8	20.7
Tyler	1,957,380	5	13	14	94,958	21.0	20.5	20.4
Waco	2,541,024	—3	11	12	118,129	22.4	23.6	20.3
Wichita Falls	2,156,916	—4	11	13	114,980	18.4	19.2	17.0
Total—28 centers	$304,005,648	0	23	21	$8,742,147	34.8	33.3	31.5

[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
1967: March	8,951	4,106	4,845	6,183	2,738	3,445
1968: March	9,510	4,388	5,122	6,935	2,863	4,072
October	10,201	4,751	5,450	7,394	3,116	4,278
November	10,365	4,776	5,589	7,498	3,145	4,353
December	10,682	5,007	5,675	7,598	3,185	4,413
1969: January	10,752	4,935	5,817	7,627	3,135	4,492
February	10,328	4,734	5,594	7,707	3,091	4,616
March	10,268	4,781	5,487	7,722	3,042	4,680

WINTER WHEAT PRODUCTION

(In thousands of bushels)

Area	1969, indicated April 1	1968	1967
Arizona	3,420	2,704	2,450
Louisiana	1,665	2,112	2,600
New Mexico	4,032	7,625	3,948
Oklahoma	121,877	122,383	88,689
Texas	74,232	84,150	53,216
Total	205,226	218,974	150,903

SOURCE: U.S. Department of Agriculture.

BUILDING PERMITS

Area	NUMBER		VALUATION (Dollar amounts in thousands)				
					Percent change		
					March 1969 from		3 months, 1969 from 1968
	March 1969	3 mos. 1969	March 1969	3 mos. 1969	Feb. 1969	Mar. 1968	
ARIZONA							
Tucson	615	1,617	$ 3,038	$ 7,913	—12	68	43
LOUISIANA							
Monroe-West Monroe	67	192	702	3,463	—60	—58	—19
Shreveport	428	1,198	4,902	11,480	18	99	88
TEXAS							
Abilene	34	107	2,972	4,381	162	248	192
Amarillo	113	434	921	4,964	—41	—58	—20
Austin	426	1,261	17,276	42,525	14	107	48
Beaumont	126	311	972	3,084	—8	—21	—24
Brownsville	47	158	627	3,902	108	87	225
Corpus Christi	264	885	3,501	6,320	161	74	—44
Dallas	2,061	5,535	24,400	74,367	11	18	36
Denison	31	95	413	1,513	—36	8	145
El Paso	465	1,276	5,891	25,112	—56	7	18
Fort Worth	524	1,450	6,892	26,293	3	19	44
Galveston	84	262	5,002	5,921	840	305	150
Houston	3,289	7,856	41,591	122,681	5	13	7
Laredo	33	107	149	1,193	—81	6	170
Lubbock	111	352	5,490	10,383	69	265	102
Midland	42	187	381	1,331	—23	—71	—53
Odessa	62	160	2,604	4,272	100	281	170
Port Arthur	90	204	2,422	3,012	1,037	692	274
San Angelo	45	159	227	1,281	—64	—62	—34
San Antonio	1,115	2,979	7,924	24,539	24	—10	—40
Sherman	84	189	764	1,753	14	128	98
Texarkana	30	81	1,556	2,040	323	855	68
Waco	247	643	1,963	5,132	—1	19	3
Wichita Falls	74	217	534	4,834	—76	—23	158
Total—26 cities	10,507	27,915	$143,114	$403,689	9	33	18

VALUE OF CONSTRUCTION CONTRACTS

(In millions of dollars)

Area and type	March 1969	February 1969	January 1969	January—March 1969	January—March 1968r
FIVE SOUTHWESTERN STATES[1]	517	568	588	1,667	1,406
Residential building	233	220	237	687	640
Nonresidential building	148	214	164	525	418
Nonbuilding construction	136	135	187	456	348
UNITED STATES	5,003	4,802	4,766	14,510	12,784
Residential building	1,957	1,820	1,746	5,505	5,161
Nonresidential building	1,772	1,885	2,145	5,767	4,417
Nonbuilding construction	1,274	1,097	875	3,238	3,205

[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	March 1969	February 1969	March 1968	Percent change from February 1969	Percent change from March 1968
FOUR SOUTHWESTERN STATES	6,312.7	6,147.0	6,519.4	2.7	—3.2
Louisiana	2,279.1	2,183.0	2,274.9	4.4	.2
New Mexico	353.1	356.0	353.1	—.8	.0
Oklahoma	625.6	614.0	625.0	1.9	.1
Texas	3,054.9	2,994.0	3,266.4	2.0	—6.5
Gulf Coast	592.2	584.8	656.4	1.3	—9.8
West Texas	1,426.1	1,413.7	1,517.2	.9	—6.0
East Texas (proper)	126.0	134.8	159.1	—6.5	—20.8
Panhandle	95.2	90.0	94.2	5.8	1.1
Rest of State	815.4	770.7	839.5	5.8	—2.9
UNITED STATES	9,430.2	8,960.0	9,316.8	5.2	1.2

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: March 1969p	February 1969	March 1968r	Percent change Mar. 1969 from: Feb. 1969	Mar. 1968
Total nonagricultural wage and salary workers	6,061,400	6,032,400	5,766,700	0.5	5.1
Manufacturing	1,131,400	1,121,300	1,076,500	.9	5.1
Nonmanufacturing	4,930,000	4,911,100	4,690,200	.4	5.1
Mining	230,600	231,300	215,300	—.3	7.1
Construction	388,300	389,200	360,200	—.2	7.8
Transportation and public utilities	441,300	442,100	432,100	—.2	2.1
Trade	1,366,700	1,356,400	1,303,600	.8	4.8
Finance	297,600	296,200	282,900	.5	5.2
Service	933,600	927,900	883,600	.6	5.7
Government	1,271,900	1,268,000	1,212,500	.3	4.9

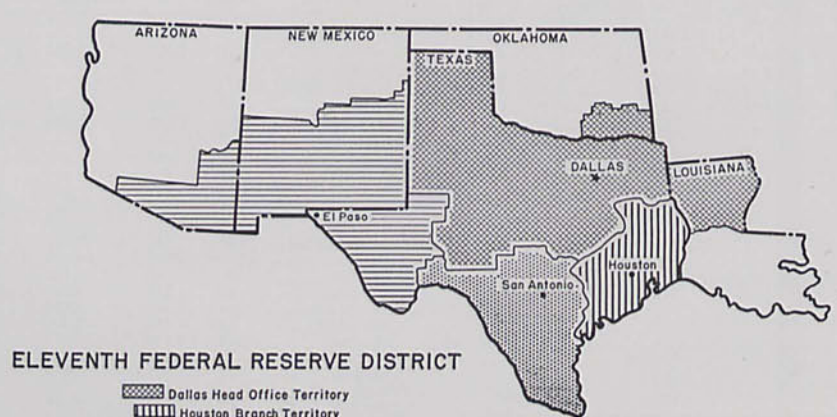
[1] Arizona, Louisiana, New Mexico, Oklahoma, and Texas.
p — Preliminary.
r — Revised.
SOURCE: State employment agencies.

INDUSTRIAL PRODUCTION

(Seasonally adjusted indexes, 1957-59 = 100)

Area and type of index	March 1969p	February 1969	January 1969r	March 1968r
TEXAS				
Total industrial production	169.9	168.7	167.2	163.3
Manufacturing	195.4	194.6	190.7	181.9
Durable	215.7	213.0	212.6	197.1
Nondurable	181.9	182.3	176.2	171.8
Mining	120.9	118.9	120.5	126.5
Utilities	234.1	234.1	234.5	215.6
UNITED STATES				
Total industrial production	170.5	169.5	169.2	163.0
Manufacturing	171.6	170.7	170.4	164.6
Durable	174.4	173.2	172.7	168.2
Nondurable	168.0	167.5	167.5	160.0
Mining	128.1	125.2	126.5	126.2
Utilities	219.0	218.0	215.2	198.0

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



ELEVENTH FEDERAL RESERVE DISTRICT

Dallas Head Office Territory
Houston Branch Territory
San Antonio Branch Territory
El Paso Branch Territory