

business review



june 1969

**FEDERAL RESERVE
BANK OF DALLAS**

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profits surge at district member banks in 1968

The year 1968 was one of superlatives in the profit position of member banks in the Eleventh Federal Reserve District. Net current operating earnings advanced to a level of \$269.6 million and rose 16.5 percent over the previous year, the largest year-to-year increase since 1960. Moreover, net income after taxes reached \$153.0 million, up 17.7 percent from 1967. The percentage gains in both net current operating earnings and net income were more than double their respective average annual gains for the preceding 8 years.

The large increase in earnings at the District's member banks in 1968 reflected very rapid advances in deposits and earning assets and record interest rate levels. Total deposits showed a sharp rise of 10.7 percent, or roughly double the average annual percentage increase of the 1960-67 period. Substantial gains occurred in both demand and time deposits, but the gain in time deposits, spurred by higher volumes of both business- and consumer-type certificates of deposit, was particularly noticeable. The large certificates of deposit (those issued in denominations of \$100,000 or more) reached a record level of over \$1.6 billion at the District's major banks in late 1968. In addition, the District's member banks, especially the larger ones, markedly increased their use of borrowed funds, principally purchases of Federal funds.

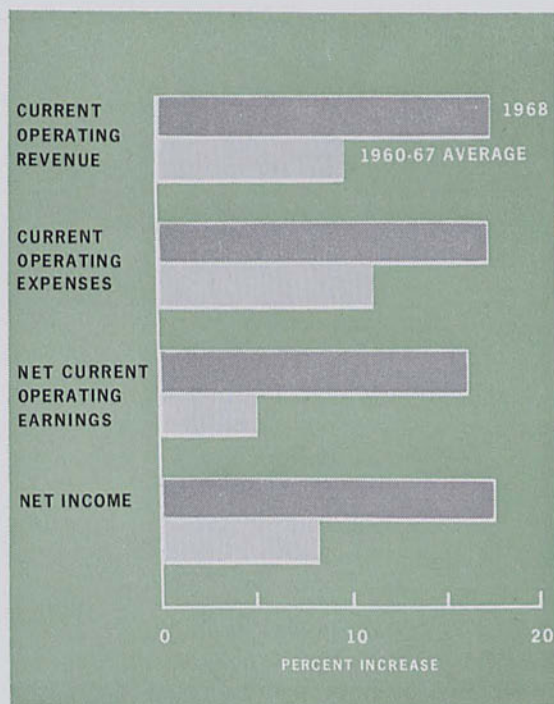
With the rapid advances in deposits, the District's member banks expanded their holdings of earning assets substantially. Total loans and investments rose over 12 percent, only slightly above the increase in the previous year but

more than half again as large as the annual increase for the years 1960-67. Loan growth, stimulated by a surging economy both locally and nationally, was especially striking. Total loans (net of valuation reserves) rose 14.3 percent, which is more than 50 percent above the increase in 1967.

The large rise in loans was spurred by heavy business loan demand during much of the year. Loans to financial institutions and real estate

CHANGES IN MAJOR MEMBER BANK INCOME AND EXPENSE CATEGORIES

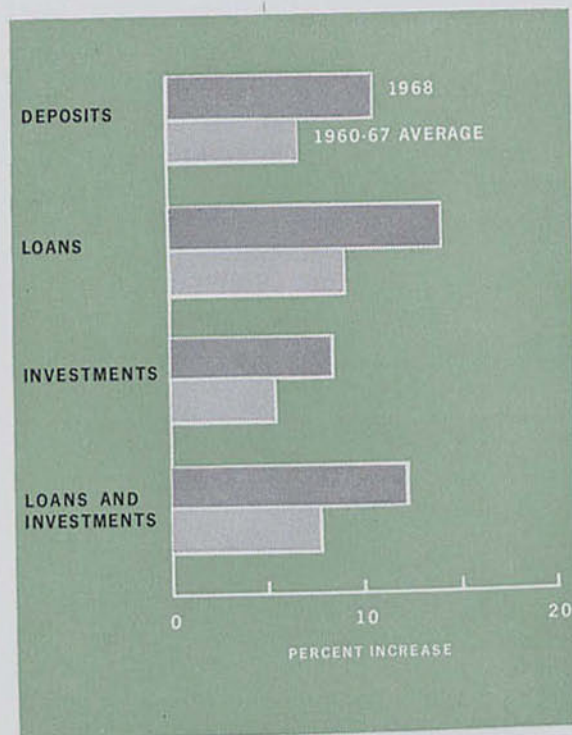
Eleventh Federal Reserve District



loans also showed large gains. Loans under credit-card and check-credit programs, only recently becoming important at the District's banks, almost doubled from the year-earlier level, with most of the expansion occurring in loans under credit-card plans. The growth in credit-card and check-credit programs last year was more pronounced at the smaller banks.

GROWTH IN SELECTED MEMBER BANK BALANCE SHEET ITEMS

Eleventh Federal Reserve District



The ability of the District's member banks to meet the heavy loan demand last year without reducing investment holdings is particularly significant and reflects the rapid inflow of deposits. In fact, the banks increased their investment portfolio by almost 9 percent. Holdings of U.S. Government obligations showed only a small gain, but municipal holdings rose almost one-fifth at the District member banks as a group and even more rapidly at the larger

banks. Municipal holdings have grown very sharply in recent years and are now roughly equal to the portfolio of U.S. Government securities.

Interest rate levels, which were already high when 1968 began, advanced to new records during the year, contributing to the gain in the revenue of District member banks. The average return on loans at these banks rose once again in 1968. A major factor in the increase in the average return on loans was the heavy loan demand last year, which, in turn, brought about a number of increases in the prime rate. Similarly, the average return on securities, both Government and non-Government, rose markedly. The high and rising interest rates also, of course, added substantially to the banks' interest payments on time deposits.

revenue

Total current operating revenue at Eleventh District member banks in 1968 surpassed \$1 billion for the first time and was about 17 percent above the previous year. The percentage gain in this revenue far exceeded the increase for 1967 and was almost double the average annual increase in the 1960-67 period. The advance in total current operating revenue was more pronounced at the larger banks in the District, as the rise in earning assets was greater at these banks than at the smaller banks. Loan revenue expanded sharply in 1968, increasing 16.9 percent for all member banks in the District, which is considerably above the increase of 9.8 percent a year earlier. Interest and discount on loans rose almost one-fifth at the larger banks, or more than double the percentage gain in 1967.

With the rapid increase in loan revenue, interest and discount on loans amounted to about two-thirds of total current operating revenue. At the larger banks, which generally have higher ratios of loans to earning assets, loan revenue accounted for almost three-fourths of total current operating revenue.

INCOME AND DIVIDENDS OF MEMBER BANKS, 1968

Eleventh Federal Reserve District

(Dollar amounts in millions)

Item	ALL MEMBER BANKS		Reserve city banks		Country banks	
	1968	Percent increase over 1967	1968	Percent change from 1967	1968	Percent increase over 1967
Current operating revenue:						
Interest and dividends on:						
U.S. Government obligations	\$ 121.2	14.8	\$ 40.9	8.8	\$ 80.3	18.3
Other securities	101.1	20.1	40.7	15.0	60.4	23.8
Interest and discount on loans	697.9	16.9	317.7	18.7	380.2	15.5
Service charges on loans	12.5	52.4	7.4	68.2	5.1	34.2
Service charges on deposit accounts	41.5	11.9	6.8	11.5	34.6	11.6
Other service charges	17.2	17.8	9.2	17.9	7.9	16.2
Trust department revenue	27.0	14.4	19.7	18.0	7.3	5.8
All other revenue	16.9	31.0	6.5	25.0	10.5	34.6
Total current operating revenue	1,035.2	17.2	448.8	17.8	586.4	16.8
Current operating expenses:						
Salaries — officers	83.1	8.8	23.9	9.1	59.2	8.6
Salaries and wages — employees	109.5	12.8	43.1	14.3	66.4	11.8
Officer and employee benefits	25.3	11.9	11.0	12.2	14.4	12.5
Directors' fees, etc.	5.5	5.8	.6	.0	5.0	8.7
Interest on time and savings deposits	328.9	20.4	143.4	15.6	185.5	24.4
Interest and discount on borrowed money	29.3	66.5	25.8	69.7	3.5	45.8
Net occupancy expense of bank premises	33.6	7.3	7.2	.0	26.4	9.5
Furniture and equipment	27.5	21.7	11.4	28.0	16.0	16.8
All other expenses	122.8	16.3	51.9	18.0	70.9	15.1
Total current operating expenses	765.6	17.5	318.3	18.2	447.3	17.0
Net current operating earnings	269.6	16.5	130.6	16.8	139.1	16.0
Nonoperating losses (net)	51.1	4.5	16.2	-21.7	34.8	23.8
Net income before related taxes	218.6	19.6	114.3	25.7	104.2	13.5
Taxes on net income	65.6	24.5	38.4	31.1	27.2	16.7
Net income	153.0	17.7	75.9	23.2	77.0	12.4
Dividends on capital	78.1	20.9	49.4	30.3	28.7	7.5

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

Interest and dividends on security holdings rose sharply once again at the District's member banks in 1968. On non-Government security holdings at all member banks, interest and dividends increased about one-fifth over the previous year. Interest on U.S. Government securities also advanced over 1967 but at the somewhat slower rate of 14.8 percent.

Other sources of revenue at the District's member banks showed varying patterns of growth. Service charges on loans, although providing only \$12.5 million in revenue, rose about one-half over 1967, as compared with only a small increase in the prior year. The rapid rise in service charges on loans was concentrated at the larger banks and probably reflects not only the increase in loan volume but also borrower payments for short-term loan commitment fees

and other charges, especially on interim construction financing.

expenses

Total current operating expenses at the District's member banks rose substantially — 17.5 percent — during 1968, reaching \$765.6 million. The rate of increase of these expenses was more rapid in 1968 than in any other year of this decade and, in fact, was about one-half greater than the average increase of the 1960-67 period.

Interest payments on time and savings deposits, which have grown sharply in recent years, advanced to a level of \$328.9 million, or more than two-fifths of total current operating expenses. Just 10 years earlier, interest payments on time and savings deposits accounted

for less than one-fifth of total current operating expenses. These interest payments increased 20.4 percent from the previous year, reflecting the larger amounts of time and savings deposits, a shift in the distribution of time deposits toward the higher-yielding types of deposits, and the higher rates paid on the deposits.

Wage and salary payments were \$192.6 million in 1968, reflecting an increase of more than one-tenth over 1967 and a somewhat more rapid advance than a year earlier. A larger work force and the continuation of tight labor market conditions contributed to the substantial increase in wage and salary payments. Payments to employees, particularly at the larger banks, rose considerably more rapidly than payments to officers. Nonsalary benefits, which have advanced quickly in recent years, continued to increase in 1968. Officer and employee benefits amounted to \$25.3 million, up 11.9 percent from the previous year.

Current operating expenses other than the compensation of employees and officers and the interest payments on time and savings deposits reached a level of \$218.7 million, or almost 20 percent more than in 1967. The most noticeable advance in these other expenses — which include directors' fees, interest and discount on borrowed money, the net occupancy expense of bank premises, furniture and equipment expenditures, and "all other expenses" — occurred in payments for borrowed money. These payments amounted to \$29.3 million, reflecting an increase of about two-thirds over the previous year; and virtually all of the increase was accounted for by the larger banks. However, expenditures on furniture and equipment also rose sharply, expanding 21.7 percent for all member banks in the District and 28.0 percent for the larger banks.

nonoperating transactions

Nonoperating transactions generally result in a significant reduction in the earnings of commercial banks. These nonoperating transactions

reflect (1) profits on securities sold or redeemed, recoveries, and transfers from valuation reserves and (2) losses, charge-offs, and transfers to valuation reserves. Nonoperating transactions lowered earnings by \$51.1 million in 1968 at Eleventh District member banks. With higher market interest rates, losses on securities sold or redeemed advanced, and profits on securities sold or redeemed declined. These changes were partially offset, however, by an increase in transfers from valuation reserves and a decrease in charge-offs on loans, both of which raise net income.

Nonoperating reductions in earnings were concentrated at the smaller banks, where such reductions amounted to \$34.8 million, up 23.8 percent from 1967. At the larger banks, nonoperating transactions lowered earnings by \$16.2 million, or 21.7 percent less than in 1967.

net income after taxes

Reflecting the higher earnings and also the impact of the income tax surcharge, Eleventh District member banks increased their provision for income taxes considerably last year. Provision for taxes on net income amounted to \$65.6 million in 1968, or 24.5 percent above the previous year. The increase in the allocation for income taxes was particularly substantial at the larger banks, where the tax allocations rose 31.1 percent to a level of \$38.4 million.

As a result of the changes in operating revenue, operating expenses, nonoperating losses, and income taxes, net income after taxes amounted to \$153.0 million in 1968 and was 17.7 percent more than in the preceding year — the largest year-to-year increase since 1960. The increase in net income after taxes was especially noticeable at the larger banks, where net income rose more than one-fifth. The rapid increase in member bank net income after taxes resulted in a substantial rise in the ratio of net income after taxes to total capital accounts, with this ratio advancing from 8.7 percent in

1967 to 9.6 percent in 1968. A smaller increase occurred in the ratio of net profits after taxes to total assets, since total assets showed a large rise over 1967.

Cash dividends declared by Eleventh District member banks rose 20.9 percent during 1968, representing 51 percent of total net income.

member bank trust operations

Income from trust operations at member banks in the Eleventh Federal Reserve District surged upward in 1968, as indicated in the recent survey of District trust departments. Net income before taxes from trust operations at the 59 member banks participating in the survey reached 4.7 percent of total trust revenue in 1968. When deposit credits amounting to 24.4 percent of gross income are included, however, trust department net earnings represented 29.1 percent of total revenue last year, substantially above the 22.5-percent figure recorded for 1967.

The Federal Reserve Bank of Dallas, in cooperation with the Trust Section of the Texas Bankers Association, has surveyed the trust operations of selected District member banks each year since 1957. The survey covering trust department operations for 1968 included detailed information from 59 member banks, which accounted for \$25 million of total trust revenue, or about 92 percent of the trust income of all member banks in the Eleventh District.

The gain in dividends declared was particularly sharp at the larger banks, where dividends rose 30.3 percent and amounted to almost two-thirds of net income. In contrast, at the District's smaller banks, cash dividends declared rose only 7.5 percent and accounted for less than two-fifths of net income.

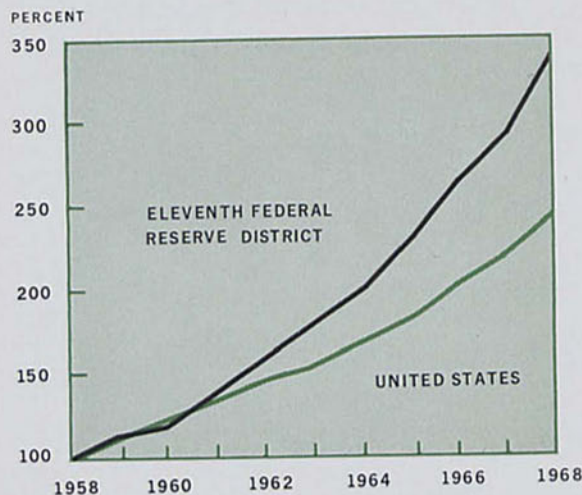
DONALD R. FRASER

Trust departments at commercial banks provide a wide variety of services for both individuals and corporations. Trust services for individuals include guardianships established for estates, testamentary trusts established by the wills of deceased individuals, trusts for non-profit institutions and employee pension and profit-sharing funds, and trusts created for special purposes, such as trusteeships in bankruptcy. Trust departments serve corporations by acting as trustees to service mortgages and other corporate debt and by performing numerous agency functions, including depositaryships, registrarships, stock transfers, dividend disbursement, and coupon and bond payment.

The high degree of skill and specialization required in performing these functions makes the profitability of fiduciary operations heavily dependent on a large dollar volume of trusts. Consequently, the larger banks in the District, particularly those located in financial centers, frequently record more profitable operations than do smaller banks, although important exceptions occur. Moreover, trust activity in the

TRUST DEPARTMENT REVENUE AT MEMBER BANKS

(1958=100)



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

Eleventh District, as well as in the Nation, tends to be concentrated at the larger trust departments. For example, almost 63 percent of trust revenue at the surveyed banks in 1968 was earned by 8 large banks, while the 16 banks with trust commissions and fees in excess of \$300,000 accounted for more than 80 percent of total trust department income.

revenue

As in previous years, earnings from personal accounts (which include living and testamentary trusts, estates, guardianships, and pension and profit-sharing trusts) supplied the bulk of trust department income at District banks in 1968. About 85 percent of total trust revenue at the 59 surveyed banks came from these accounts. Corporate accounts, including trusteeships, depositaryships, and other agency functions, supplied the remaining 15 percent of trust revenue.

The relative importance of corporate and personal accounts at member bank trust departments varies significantly with the size of

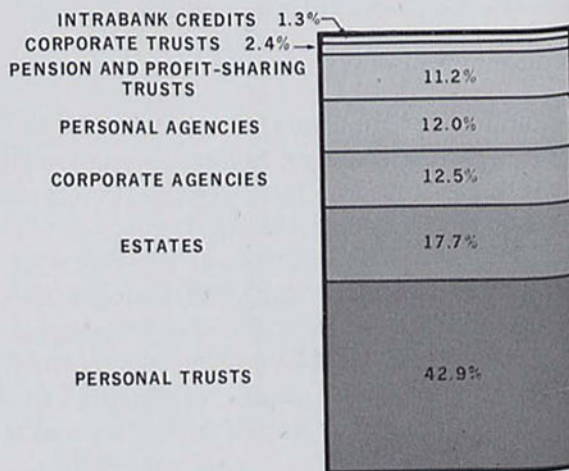
fiduciary operations. For example, the 16 departments having revenue of \$300,000 or more displayed the highest proportion of income from corporate accounts — 17.5 percent. In contrast, the 11 trust departments with revenue between \$100,000 and \$200,000 reported the largest proportion of income from personal accounts — 97.5 percent. The smallest trust departments, those with \$10,000 to \$50,000 in revenue, received 91.6 percent of their income from personal accounts.

Survey results from the 52 banks which reported in both the 1967 and the 1968 surveys show that these banks recorded a 16.2-percent gain in trust department income last year. All categories of trust accounts at the 52 banks displayed substantial increases in revenue, with the greatest percentage gains generally occurring at the largest banks. On the other hand, trust department income at banks with the smallest operations — those with trust commissions and fees between \$10,000 and \$50,000 — actually declined 2.6 percent.

The prime importance of personal accounts in the fiduciary operations of the 52 banks is reflected in the fact that these accounts contrib-

SOURCES OF TRUST DEPARTMENT REVENUE AT 59 MEMBER BANKS, 1968

Eleventh Federal Reserve District



**PERCENTAGE CHANGES IN TRUST DEPARTMENT REVENUE
AT 52 MEMBER BANKS,¹ 1968 FROM 1967**

Eleventh Federal Reserve District

Item	52 banks with 1968 trust revenue of:					Total
	\$10,000- \$50,000	\$50,000- \$100,000	\$100,000- \$200,000	\$200,000- \$300,000	Over \$300,000	
Number of banks	13	6	10	8	15	52
Commissions and fees from:						
Estates	-47.7	-6.8	5.7	42.1	22.6	19.3
Personal trusts	2.6	29.2	16.3	15.0	10.3	11.4
Pension and profit-sharing trusts	41.5	37.2	30.0	18.3	23.7	23.8
Personal agencies	92.3	-28.0	12.1	-11.5	17.8	14.1
Personal intrabank credits	19.1	19.7	10.5	52.3	-1.2	9.1
Total personal accounts	-3.5	10.2	13.5	15.6	15.5	14.8
Corporate trusts	65.1	-15.4	49.2	20.3	21.6	21.9
Corporate agencies	29.7	-5.0	-24.2	1.8	29.6	27.0
Corporate intrabank credits	-1.6	-60.5	6.4	-8.2	14.0	1.5
Total corporate accounts	23.9	-17.3	-12.7	6.0	27.7	25.3
All accounts	-2.6	8.1	12.6	14.9	17.3	16.2

¹ Banks which reported in both the 1967 and the 1968 surveys.

uted more than 86 percent of total trust revenue and were responsible for almost 80 percent of the increase in revenue during 1968. The largest banks, those with commissions and fees exceeding \$300,000, accounted for the bulk of the dollar gain in personal account revenue. In percentage terms, the banks with earned commissions and fees of \$200,000 to \$300,000 showed the most rapid growth in income from personal accounts, with a 15.6-percent increase. In contrast, the smallest trust departments experienced a 3.5-percent decline in revenue from personal accounts, due to a 47.7-percent decrease in commissions and fees from estates (a relatively volatile source of income).

For the 52 banks as a group, increased revenue from every type of personal trust service contributed to the growth of income from personal accounts in 1968. The largest dollar increase, however, was provided by personal trusts, which recorded a \$1.1 million, or 11.4-percent, advance in revenue. Moreover, personal trusts accounted for almost 43 percent of total trust income at all surveyed banks in 1968. As in past years, income from pension and profit-sharing trusts showed the most rapid percentage gain of all personal accounts, ex-

panding 23.8 percent. Revenue from estates rose a strong 19.3 percent in 1968, while commissions and fees from personal agency accounts advanced 14.1 percent.

Corporate agency accounts provided almost 80 percent of total corporate account revenue at the 52 banks. Agency income increased \$564,000, or 27 percent, in 1968. Revenue from corporate trust accounts also advanced rapidly, rising almost 22 percent. In general, corporate agency and trust accounts are concentrated at large banks in major financial centers. However, even the smallest trust departments (with commissions and fees of \$10,000 to \$50,000) have experienced a rapid increase in corporate account revenue in recent years. In 1968, income from corporate accounts rose almost 24 percent at these small trust departments.

expenses

One of the most difficult problems in a meaningful analysis of trust department operating data concerns the proper allocation of expenses. Trust departments are frequently staffed by personnel who also perform duties for other bank departments. If the actual costs of trust

operations are to be measured accurately, careful allocation of the salary expenses for such personnel must be made. Similarly, certain fiduciary services are often performed by other administrative and operating departments of the bank — e.g., the investment, mortgage, real estate, and accounting departments. A proper share of the total expenses of such departments, based on the amount of work performed, should be charged to the trust department. By the same token, the trust department should receive credit for the functions it performs for other departments in the bank.

The major expense item in providing trust services is employment costs (salaries, wages, and related expenses). For the 59 member banks participating in the 1968 survey, these costs amounted to almost 60 percent of total expenses. Nevertheless, the relative importance of employment costs varied with the size of fiduciary operations. In the smallest trust departments, for example, salaries, wages, and

DISTRIBUTION OF TRUST DEPARTMENT EXPENSES AT 59 MEMBER BANKS, 1968

Eleventh Federal Reserve District

OTHER EMPLOYMENT EXPENSES	7.4%
OVERHEAD	13.7%
EMPLOYEES' SALARIES AND WAGES	26.1%
OFFICERS' SALARIES	26.4%
ALL OTHER DIRECT EXPENSES	26.4%

other employment costs represented almost 70 percent of total expenses. On the other hand, employment costs in the largest trust departments — those receiving total commissions and

PERCENTAGE CHANGES IN TRUST DEPARTMENT EXPENSES AT 52 MEMBER BANKS,¹ 1968 FROM 1967

Eleventh Federal Reserve District

Item	52 banks with 1968 trust revenue of:					Total
	\$10,000- \$50,000	\$50,000- \$100,000	\$100,000- \$200,000	\$200,000- \$300,000	Over \$300,000	
Number of banks	13	6	10	8	15	52
Salaries and wages:						
Officers	18.8	13.9	2.9	10.3	11.3	10.8
Employees	26.9	42.5	27.9	12.4	17.5	18.1
Pensions and retirements	34.3	55.8	5.1	7.3	13.5	13.9
Personnel insurance	19.3	45.6	-6.6	20.1	5.1	6.5
Other expenses related to salaries	20.3	.6	7.8	16.6	18.6	17.4
Occupancy of quarters	-3.4	8.2	16.0	2.2	4.2	4.6
Furniture and equipment	88.1	51.0	44.5	-30.8	4.7	5.4
Stationery, supplies, and postage	60.1	45.4	-11.9	-6.9	39.9	34.0
Telephone and telegraph	12.3	12.3	-1.7	58.4	29.3	27.5
Advertising	2.9	114.8	23.6	-41.8	41.4	31.9
Directors' and trust committee fees	22.1	27.4	-4.0	1.6	33.7	15.9
Legal and professional fees	-17.8	10.0	33.0	82.2	11.9	15.5
Periodicals and investment services	.7	17.5	47.2	20.1	7.2	11.6
Examinations	-9.8	-13.5	-12.5	-2.0	-3.1	-4.9
Data processing	6.1	75.0	245.6	37.9	48.1	48.1
Other direct expenses	17.5	16.9	68.4	22.3	-5	3.7
Total direct expenses	19.6	24.8	12.7	9.6	17.0	16.3
Overhead	15.1	-5.8	9.7	5.4	25.3	22.9
Total expenses	19.1	21.8	12.6	9.1	18.2	17.2

¹ Banks which reported in both the 1967 and the 1968 surveys.

fees of over \$300,000 — averaged only 58 percent of total expenses.

Officers' salaries and the salaries and wages of nonadministrative personnel generally accounted for about the same proportion of member bank trust expenses. There are, however, significant differences between large and small banks. Officers' salaries often account for a greater share of total expenses in small trust operations than in the larger ones. Part of the explanation for this relationship stems from the greater importance of corporate trust accounts in the larger departments. These accounts require much less officer supervision since a large proportion of the tasks required to service corporate accounts are routine or clerical in nature. In contrast, personal accounts tend to require the attention of management personnel skilled in questions of law, taxation, and investments. As a result, officers' salaries represent a large share of operating costs at smaller trust departments, where personal accounts frequently contribute 90 to 95 percent of total trust revenue.

In 1968, officers' salaries averaged about 37 percent of total expenses for the smallest trust operations and only about 24 percent for the largest. Salaries and wages of nonadministrative personnel ranged from 21 percent of total expenses at the smallest trust departments to about 26 percent at trust departments receiving commissions and fees of over \$300,000.

Total expenses at the 52 trust departments reporting for both 1967 and 1968 increased about 17 percent last year to a level of \$22.8 million. All expense items except examination fees contributed to the total advance. Direct expenses increased about 16 percent, while overhead costs rose almost 23 percent.

The fastest growing expense items in 1968 were data processing, office supplies, and advertising, the costs of which increased 48 percent, 34 percent, and 32 percent, respectively, at the 52 banks. Sharp advances in data processing costs were evident for all sizes of trust

department categories except the smallest. For example, data processing costs rose 75 percent at trust departments receiving commissions and fees of \$50,000 to \$100,000 and rose almost 2½ times at departments with income between \$100,000 and \$200,000. The rapid growth of data processing costs reflects, in part, the increasing importance of corporate trust accounts, which are particularly amenable to handling through machine processing.

profits

Net earnings before taxes at the 59 surveyed banks were 4.7 percent of total revenue in 1968, compared with 4.9 percent in the previous year. However, when deposit credits (credits which are allowed because trust operations generate revenue for a bank through the attraction of deposits) amounting to 24.4 percent are included, the profit figure for District trust operations rises to 29.1 percent of revenue, or significantly higher than in both 1966 and 1967. Of the 59 banks, 35 allowed credits for deposits. The average deposit credit was 3.9 percent, somewhat larger than the 3.3-percent average for 1967.

Trust departments at 37 of the 59 surveyed banks — or 63 percent — showed profits in 1968. Although only one-third of the departments having income of less than \$100,000 were profitable, more than 80 percent of the departments having commissions and fees of over \$100,000 recorded profitable operations for 1968.

A significant factor accounting for the variance in net earnings among trust departments is the relative importance of corporate accounts in fiduciary operations. Since these accounts are heavily concentrated at the larger banks in the District, the larger trust operations tend to display greater profitability. This fact is supported by reports received from eight large commercial banks in Texas which were able to distribute their income and expenses among types of trust accounts. Corporate trusts were the most profit-

able type of account at the eight banks, with net income after allowance for deposit credits amounting to 92.7 percent of total income from these trusts. Personal agency accounts proved to be next in profitability, with net income equal to 48.9 percent of total income.

summary

Trust operations at member banks in the Southwest expanded at a rapid pace in 1968.

Earnings adjusted for deposit credits amounted to 29.1 percent of revenue, which is the highest figure recorded since the trust survey began in 1957. Moreover, the increasing importance of trust services for both individuals and corporations, coupled with the dynamic growth of the southwestern economy, suggests that trust activity will continue to expand rapidly in the Eleventh District.

PETER S. ROSE

A more detailed report of the results of the survey of 1968 income and expenses of member bank trust departments in the Eleventh Federal Reserve District may be obtained upon request to:

RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF DALLAS
STATION K, DALLAS, TEXAS 75222

district highlights

The seasonally adjusted Texas industrial production index rose fractionally during April to 174.1 percent of the 1957-59 base. An increase in mining accounted for all of the gain in the index, with mining activity being buoyed by an advance in the production of crude petroleum. Utilities and total manufacturing were about unchanged. A slight dip in the output of durable goods was nearly offset by a fractional rise in the production of nondurable goods. The only durable goods industry which showed any noticeable strength was primary metals. In the nondurable goods sector, textile mill products and paper and allied products exhibited the major strength.

Compared with April 1968, industrial production in the State was up 7 percent. Total manufacturing increased nearly 7 percent, and mining was little changed. In manufacturing, durable goods exhibited considerably more strength than did nondurable goods. The strongest manufacturing gains were recorded in the production of machinery, both electrical and nonelectrical. The textile mill industry experienced the only output decline in the manufacturing sector.

Nonagricultural wage and salary employment in the five southwestern states increased 0.8 percent during April to reach a level of 6,111,700 persons, which is 4.5 percent over the same month in 1968. The increase over March was slightly weaker than seasonally expected, with both manufacturing and total nonmanufacturing employment showing less-than-seasonal strength. In the nonmanufacturing sector, there were better-than-seasonal advances in mining, transportation and public utilities, and finance. However, the gain in the number of people employed in construction activities

was well below the usual April gain, probably due to bad weather conditions. The other nonmanufacturing industries experienced employment changes which were generally in line with seasonal expectations.

In comparison with a year ago, nonmanufacturing employment exhibited more strength than did manufacturing. Construction, transportation and public utilities, finance, and service each showed a larger gain than the 4.7-percent rise in total nonmanufacturing employment. Mining posted the weakest year-to-year gain in employment.

Daily average production of crude oil, at 6.5 million barrels, increased 2.5 percent in Louisiana, New Mexico, Oklahoma, and Texas during April and was also 2.5 percent higher than in April last year. Most of the month-to-month increase occurred in Louisiana and Texas, since output in New Mexico and Oklahoma showed little change. The higher allowables in both Louisiana and Texas were responsible for the production advance. Nationally, there was a decline in oil production for the month, but output was at a higher level than a year earlier.

The Texas allowable for May was set at 53.8 percent of the Maximum Efficient Rate of production; and the Louisiana allowable, at 45.0 percent. For June, the allowable in Texas has been raised to 63.5 percent—the highest rate since 1948, when stocks were being replenished after the dislocations of World War II. Allowables also have been raised in Louisiana and southeastern New Mexico. In May, crude oil stocks were below desired levels, a fact which partially prompted requests for higher allowables. However, the major reason for increased allowables has been the onset of a strong de-

mand for gasoline for the summer motoring season.

Primarily as a result of normal seasonal patterns and the reduced availability of funds, the major balance sheet items declined at the weekly reporting commercial banks in the Eleventh District in the 4 weeks ended May 14. Large certificates of deposit advanced after several months of attrition.

Loans adjusted were reduced \$88 million, pulled down by a decline of around \$35 million each in business loans and "other" loans for purchasing or carrying securities. A year ago, loans adjusted decreased only \$46 million; however, business loans dropped \$52 million at that time. Real estate loans declined \$5 million, in contrast to a \$7 million increase in the 1968 period, while consumer instalment loans gained \$9 million, or slightly less than the rise in the year-earlier period.

Total investments declined \$67 million, as U.S. Government security holdings fell \$77 million. In the corresponding period last year, holdings of Government securities decreased \$21 million, but total investments registered an increase of \$20 million. Municipal security holdings gained only about \$10 million in the 4 weeks ended May 14, compared with a \$44 million rise in the similar 4 weeks of 1968.

On the liability side of the balance sheet, a reduction of \$151 million in total demand deposits was brought about by a \$215 million decline in deposits of individuals, partnerships, and corporations. Interbank deposits were also down (\$116 million). In contrast, deposits of states and political subdivisions gained \$138 million. In the comparable period of 1968, total demand deposits decreased \$68 million.

Total time and savings deposits, buttressed by an increase in large CD's, declined only \$20 million, compared with a \$55 million reduction in the year-earlier period. A decrease of \$36

million in time deposits of states and local governments more than offset a \$15 million gain in IPC time deposits. Large CD's were up \$11 million in the 4 weeks ended May 14. In the corresponding 4-week period last year, large CD's decreased \$52 million.

Heavy rainfall during May delayed field activities in most areas of the Southwest; and in the Gulf Coast area, hail caused considerable damage to cotton, winter wheat, rice, and vegetables. In the High Plains, major crops are responding to the abundant moisture supply.

Winter wheat prospects have declined in the Southwest as winterkill appears to have been more severe than expected. Some fields in Texas and Oklahoma have been grazed, rather than harvested for grain. Winter wheat production in the five southwestern states, as of May 1, is placed at close to 193 million bushels, which is 5 percent below the April forecast and 12 percent below actual production last year.

Ranges and livestock are in excellent condition throughout the Eleventh District. There were around a million head of cattle and calves on feed in Texas on May 1, or 2 percent fewer than a month earlier but 38 percent more than a year ago. The number of cattle on feed in Arizona on May 1 totaled 425,000 and was 39 percent above a year earlier. The limited supply of feeders has restricted placements into feedlots in both states.

Prices received by Texas farmers and ranchers for all farm products during January-April averaged 5 percent higher than in the same period last year. A 14-percent gain in livestock prices more than offset a 5-percent decline in crop prices. Prices of beef cattle, despite a large increase in supply, in Texas rose nearly 20 percent over a year earlier.

Cash receipts from farm marketings in the District states during January-March totaled 6 percent more than in the first quarter of 1968.

Most of the gain in total cash receipts was due to a 9-percent increase in cash receipts from livestock and livestock products, as those from crops advanced only 2 percent.

Registrations of new passenger automobiles in the major metropolitan reporting areas of Dallas, Fort Worth, Houston, and San Antonio in April were 12 percent above March. This advance was due mainly to a 35-percent increase in Houston. On the other hand, total registrations for April were down 1 percent from the same month last year, and the cumu-

lative total for the first 4 months of 1969 was 5 percent lower than in the corresponding period in 1968.

The year-to-year margin of gain for department store sales in the Eleventh District through May 24 of this year was about the same as that for the like period in 1968. Cumulative sales thus far in 1969 were 10 percent above the comparable 1968 period, while sales during that period were 11 percent higher than in 1967. Sales during the 4 weeks ended May 24 were 8 percent greater than those at the corresponding time last year.

***new
par
banks***

The Alvarado State Bank, Alvarado, 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, May 5, 1969. The officers are: W. B. Finley, Chairman of the Board, and James A. Nees, President.

The First Bank, Houston, 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, May 9, 1969. The officers are: J. Doug Toole, Chairman of the Board; Robert Howard, President; Henry Efird, Senior Vice President; Doug Toole, Jr., Vice President; and J. E. Wallace, Cashier.



STATISTICAL SUPPLEMENT
to the
BUSINESS REVIEW

June 1969



FEDERAL RESERVE BANK
OF DALLAS

CONDITION STATISTICS OF WEEKLY REPORTING COMMERCIAL BANKS

Eleventh Federal Reserve District

(In thousands of dollars)

Item	May 21, 1969	April 30, 1969	May 22, 1968
ASSETS			
Net loans and discounts.....	6,356,268	6,269,161	5,471,502
Valuation reserves.....	118,391	119,415	107,603
Gross loans and discounts.....	6,474,659	6,388,576	5,579,105
Commercial and industrial loans.....	3,106,874	3,117,771	2,695,812
Agricultural loans, excluding CCC certificates of interest.....	115,339	110,766	101,022
Loans to brokers and dealers for purchasing or carrying:			
U.S. Government securities.....	501	28,176	5,747
Other securities.....	39,497	60,401	20,902
Other loans for purchasing or carrying:			
U.S. Government securities.....	622	339	316
Other securities.....	383,516	392,832	339,139
Loans to nonbank financial institutions:			
Sales finance, personal finance, factors, and other business credit companies.....	133,753	148,320	138,535
Other.....	391,397	391,417	295,100
Real estate loans.....	614,464	623,396	546,831
Loans to domestic commercial banks.....	302,401	129,732	234,775
Loans to foreign banks.....	6,563	6,621	5,124
Consumer installment loans.....	662,829	661,359	572,411
Loans to foreign governments, official institutions, central banks, international institutions.....	0	0	0
Other loans.....	716,903	717,446	623,391
Total investments.....	2,546,005	2,754,561	2,456,911
Total U.S. Government securities.....	974,382	1,057,422	1,151,720
Treasury bills.....	41,320	71,582	36,719
Treasury certificates of indebtedness.....	0	0	0
Treasury notes and U.S. Government bonds maturing:			
Within 1 year.....	112,650	118,950	235,413
1 year to 5 years.....	605,568	669,636	628,490
After 5 years.....	214,844	197,254	251,098
Obligations of states and political subdivisions:			
Tax warrants and short-term notes and bills.....	28,136	64,099	6,929
All other.....	1,310,402	1,385,434	1,121,316
Other bonds, corporate stocks, and securities:			
Participation certificates in Federal agency loans.....	148,158	144,183	108,875
All other (including corporate stocks).....	84,927	103,423	68,071
Cash items in process of collection.....	1,134,931	1,252,329	935,482
Reserves with Federal Reserve Bank.....	700,511	768,242	670,847
Currency and coin.....	82,992	81,034	81,059
Balances with banks in the United States.....	458,650	485,789	413,039
Balances with banks in foreign countries.....	5,729	5,233	4,306
Other assets.....	377,797	396,044	364,184
TOTAL ASSETS.....	11,662,883	12,012,393	10,397,330
LIABILITIES			
Total deposits.....	9,480,377	9,742,404	8,809,449
Total demand deposits.....	5,741,134	5,957,042	5,274,492
Individuals, partnerships, and corporations.....	3,865,804	3,985,348	3,643,736
States and political subdivisions.....	412,735	364,737	308,183
U.S. Government.....	228,068	298,162	137,777
Banks in the United States.....	1,124,122	1,180,165	1,070,282
Foreign:			
Governments, official institutions, central banks, international institutions.....	2,992	4,204	3,934
Commercial banks.....	25,247	25,318	23,926
Certified and officers' checks, etc.....	82,166	99,108	86,654
Total time and savings deposits.....	3,739,243	3,785,362	3,534,957
Individuals, partnerships, and corporations:			
Savings deposits.....	994,571	993,021	1,081,477
Other time deposits.....	2,029,984	2,006,770	1,827,512
States and political subdivisions.....	667,744	737,729	589,362
U.S. Government (including postal savings).....	11,446	11,446	7,969
Banks in the United States.....	28,008	28,906	23,137
Foreign:			
Governments, official institutions, central banks, international institutions.....	7,000	7,000	5,300
Commercial banks.....	490	490	200
Bills payable, rediscounts, and other liabilities for borrowed money.....	976,584	1,047,908	448,689
Other liabilities.....	248,628	268,280	230,024
CAPITAL ACCOUNTS.....	957,294	953,801	909,168
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	11,662,883	12,012,393	10,397,330

RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	5 weeks ended May 7, 1969	4 weeks ended April 2, 1969	4 weeks ended May 1, 1968
RESERVE CITY BANKS			
Total reserves held.....	759,848	738,083	698,424
With Federal Reserve Bank.....	708,529	687,347	648,098
Currency and coin.....	51,319	50,736	50,326
Required reserves.....	761,901	743,829	693,102
Excess reserves.....	2,053	5,746	5,322
Borrowings.....	36,051	43,800	28,968
Free reserves.....	38,104	49,546	23,646
COUNTRY BANKS			
Total reserves held.....	778,291	758,203	702,075
With Federal Reserve Bank.....	602,895	583,037	536,035
Currency and coin.....	175,396	175,166	166,040
Required reserves.....	763,963	731,720	670,130
Excess reserves.....	14,328	26,483	31,945
Borrowings.....	11,704	13,078	10,052
Free reserves.....	2,624	13,405	21,893
ALL MEMBER BANKS			
Total reserves held.....	1,538,139	1,496,286	1,400,499
With Federal Reserve Bank.....	1,311,424	1,270,384	1,184,133
Currency and coin.....	226,715	225,902	216,366
Required reserves.....	1,525,864	1,475,549	1,363,232
Excess reserves.....	12,275	20,737	37,267
Borrowings.....	47,755	56,878	39,020
Free reserves.....	35,480	36,141	1,753

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	May 21, 1969	April 30, 1969	May 22, 1968
Total gold certificate reserves.....	296,816	279,326	298,101
Discounts for member banks.....	40,902	122,172	63,613
Other discounts and advances.....	0	0	741
U.S. Government securities.....	2,234,932	2,214,592	2,139,330
Total earning assets.....	2,275,834	2,336,764	2,203,684
Member bank reserve deposits.....	1,217,995	1,271,674	1,148,618
Federal Reserve notes in actual circulation.....	1,550,140	1,536,775	1,426,829

CONDITION STATISTICS OF ALL MEMBER BANKS

Eleventh Federal Reserve District

(In millions of dollars)

Item	April 30, 1969	March 26, 1969	April 24, 1968
ASSETS			
Loans and discounts.....	11,091	11,054	9,656
U.S. Government obligations.....	2,354	2,403	2,495
Other securities.....	3,311	3,237	2,754
Reserves with Federal Reserve Bank.....	1,272	1,274	1,155
Cash in vault.....	251	255	249
Balances with banks in the United States.....	1,194	1,184	1,222
Balances with banks in foreign countries.....	8	9	6
Cash items in process of collection.....	1,410	1,115	1,343
Other assets.....	679	698	517
TOTAL ASSETS.....	21,570	21,229	19,397
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits of banks.....	1,485	1,484	1,443
Other demand deposits.....	9,053	8,770	8,341
Time deposits.....	7,681	7,732	6,941
Total deposits.....	18,219	17,986	16,725
Borrowings.....	1,096	980	745
Other liabilities.....	569	591	356
Total capital accounts.....	1,686	1,672	1,571
TOTAL LIABILITIES AND CAPITAL ACCOUNTS.....	21,570	21,229	19,397

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			
	April 1969 (Annual-rate basis)	Percent change			April 30, 1969	Annual rate of turnover		
		April 1969 from		4 months, 1969 from 1968		April 1969	March 1969	April 1968
		March 1969	April 1968					
ARIZONA: Tucson.....	\$ 5,233,176	5	18	15	\$ 212,455	24.4	23.3	25.0
LOUISIANA: Monroe.....	2,436,708	-6	17	15	86,472	29.3	31.6	26.3
Shreveport.....	7,611,204	2	22	13	233,142	33.0	32.7	27.3
NEW MEXICO: Roswell ²	840,432	7	22	18	35,156	23.7	22.9	21.8
TEXAS: Abilene.....	1,917,360	-3	3	9	102,603	19.0	20.1	20.0
Amarillo.....	5,188,380	4	8	5	150,233	34.8	33.6	35.9
Austin.....	9,112,296	5	57	56	297,844	31.4	31.7	23.5
Beaumont-Port Arthur-Orange.....	6,039,036	6	8	5	236,204	25.7	24.6	25.1
Brownsville-Harlingen-San Benito.....	1,694,772	7	8	7	72,288	23.5	21.9	20.9
Corpus Christi.....	4,587,960	7	5	4	203,415	22.4	21.1	22.8
Corsicana ²	472,080	15	16	3	30,216	15.2	12.8	14.4
Dallas.....	110,702,568	2	27	33	2,112,432	51.5	50.6	46.0
El Paso.....	6,448,164	4	14	16	220,915	29.5	29.0	28.2
Fort Worth.....	20,131,308	5	12	11	624,040	31.9	30.8	32.3
Galveston-Texas City.....	2,497,980	1	12	5	102,679	24.7	24.3	22.6
Houston.....	84,374,340	-4	8	14	2,361,492	35.7	36.6	35.9
Laredo.....	797,316	-4	14	18	38,032	20.9	21.6	20.7
Lubbock.....	4,848,576	20	27	16	155,314	32.1	27.2	26.8
McAllen-Pharr-Edinburg.....	1,694,244	10	25	17	91,300	18.8	17.2	16.5
Midland.....	1,842,900	-9	18	18	135,525	13.8	15.5	12.3
Odessa.....	1,527,432	3	19	19	73,319	20.2	19.2	19.7
San Angelo.....	1,135,164	-7	13	14	64,740	17.5	18.6	16.3
San Antonio.....	15,153,468	-3	13	9	617,307	25.0	25.5	23.8
Sherman-Denison.....	971,844	-3	6	9	61,278	16.0	16.8	17.1
Texarkana (Texas-Arkansas).....	1,638,096	4	10	14	71,155	23.1	22.1	24.1
Tyler.....	2,201,652	12	26	17	92,142	23.5	21.0	20.7
Waco.....	2,779,896	9	8	11	113,492	24.0	22.4	22.3
Wichita Falls.....	2,401,452	11	5	11	118,562	20.6	18.4	20.1
Total—28 centers.....	\$306,279,804	0	17	20	\$8,713,752	35.1	34.8	32.9

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)

BUILDING PERMITS

Area	VALUATION (Dollar amounts in thousands)							
	NUMBER		Percent change					
			April 1969 from		4 months, 1969 from 1968			
	April 1969	4 mos. 1969	April 1969	4 mos. 1969	Mar. 1969	Apr. 1968	Mar. 1969	Apr. 1968
ARIZONA								
Tucson.....	734	2,351	\$ 9,020	\$ 16,933	197	72	57	
LOUISIANA								
Monroe-West								
Monroe.....	84	276	1,328	4,791	89	-65	-41	
Shreveport.....	486	1,684	5,387	16,867	10	183	111	
TEXAS								
Abilene.....	48	155	310	4,691	-90	-56	113	
Amarillo.....	156	590	4,578	9,542	397	247	27	
Austin.....	434	1,695	20,883	63,408	21	86	59	
Beaumont.....	127	438	1,002	4,086	3	-50	-32	
Brownsville.....	75	233	638	4,540	2	-12	135	
Corpus Christi.....	362	1,247	1,973	8,293	-44	-51	-46	
Dallas.....	2,469	8,004	27,745	102,112	14	9	27	
Denison.....	34	129	303	1,816	-27	-46	55	
El Paso.....	556	1,832	8,740	33,852	48	55	26	
Fort Worth.....	548	1,998	9,547	35,840	39	4	31	
Galveston.....	111	373	2,254	8,175	-55	232	168	
Houston.....	3,086	10,942	37,160	159,841	-11	12	9	
Laredo.....	32	139	489	1,682	228	51	120	
Lubbock.....	113	465	1,517	11,900	-72	-38	57	
Midland.....	41	228	382	1,713	0	-22	-49	
Odessa.....	86	246	242	4,514	-91	-44	124	
Port Arthur.....	109	313	448	3,460	-82	1	177	
San Angelo.....	56	215	503	1,784	122	-82	-63	
San Antonio.....	1,098	4,077	7,033	31,572	-11	-31	-38	
Sherman.....	107	296	459	2,212	-40	-31	43	
Texarkana.....	35	116	926	2,966	-40	-29	18	
Waco.....	256	899	1,117	6,249	-43	-4	2	
Wichita Falls.....	83	300	1,530	6,364	187	3	89	
Total—26 cities.....	11,326	39,241	\$145,514	\$549,203	2	14	17	

GROSS DEMAND DEPOSITS

TIME DEPOSITS

Date	Total	Reserve city banks	Country banks	Total	Reserve city banks	Country banks
1967: April.....	9,140	4,245	4,895	6,231	2,723	3,508
1968: April.....	9,655	4,486	5,169	6,973	2,869	4,104
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
April.....	10,497	4,893	5,604	7,704	2,988	4,716

VALUE OF CONSTRUCTION CONTRACTS

(In millions of dollars)

Area and type	April 1969	March 1969	February 1969	January—April	
	1969	1969	1969	1969	1968
FIVE SOUTHWESTERN STATES ¹	498	517	568	2,163	1,902
Residential building.....	240	233	220	928	867
Nonresidential building....	148	148	214	672	543r
Nonbuilding construction....	109	136	135	564	493
UNITED STATES.....	5,895	5,003	4,802	20,327	17,626
Residential building.....	2,546	1,957	1,820	8,028	7,454
Nonresidential building....	2,136	1,772	1,885	7,873	5,925
Nonbuilding construction....	1,213	1,274	1,097	4,426	4,248

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.

WINTER WHEAT PRODUCTION

(In thousands of bushels)

Area	1969, indicated May 1	1968	1967
Arizona.....	4,617	2,704	2,450
Louisiana.....	1,300	2,112	2,600
New Mexico.....	5,307	7,625	3,948
Oklahoma.....	116,370	122,383	88,689
Texas.....	65,090	84,150	53,216
Total.....	192,684	218,974	150,903

SOURCE: U.S. Department of Agriculture.

DAILY AVERAGE PRODUCTION OF CRUDE OIL

(In thousands of barrels)

Area	April 1969	March 1969	April 1968	Percent change from	
				March 1969	April 1968
FOUR SOUTHWESTERN STATES.....	6,468.8	6,312.7	6,313.6	2.5	2.5
Louisiana.....	2,335.2	2,279.1	2,142.6	2.5	9.0
New Mexico.....	354.0	353.1	351.2	.3	.8
Oklahoma.....	623.0	625.6	628.6	-.4	-.9
Texas.....	3,156.6	3,054.9	3,191.2	3.3	-1.1
Gulf Coast.....	612.3	592.2	631.2	3.4	-3.0
West Texas.....	1,494.2	1,426.1	1,488.8	4.8	.4
East Texas (proper).....	141.8	126.0	151.2	12.5	-6.2
Panhandle.....	92.7	95.2	94.5	-2.6	-1.9
Rest of State.....	815.6	815.4	825.5	.0	-1.2
UNITED STATES.....	9,269.0	9,430.2	9,122.9	-1.7	1.6

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

INDUSTRIAL PRODUCTION

(Seasonally adjusted indexes, 1957-59 = 100)

Area and type of index	April 1969p	March 1969	February 1969r	April 1968r
TEXAS				
Total industrial production.....	174.1	172.7	167.4	162.5
Manufacturing.....	195.1	195.5	192.6	182.7
Durable.....	214.6	216.7	213.0	193.5
Nondurable.....	182.0	181.3	179.0	175.5
Mining.....	125.5	121.2	118.2	124.6
Utilities.....	276.7	276.7	234.3	207.1
UNITED STATES				
Total industrial production.....	171.5	171.0	170.0	162.5
Manufacturing.....	172.8	172.5	171.5	163.7
Durable.....	175.7	175.4	174.3	167.2
Nondurable.....	169.3	168.8	167.9	159.5
Mining.....	128.9	126.5	124.7	127.1
Utilities.....	216.0	215.1	214.9	196.5

p — Preliminary.

r — Revised.

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

CASH RECEIPTS FROM FARM MARKETINGS

(Dollar amounts in thousands)

Area	January—March		Percent increase
	1969	1968	
Arizona.....	\$ 118,556	\$ 112,420	5
Louisiana.....	112,071	103,063	9
New Mexico.....	46,474	43,158	8
Oklahoma.....	184,430	173,865	6
Texas.....	579,550	549,347	5
Total.....	\$1,041,081	\$ 981,853	6
United States.....	\$9,862,335	\$9,368,655	5

SOURCE: U.S. Department of Agriculture.

COTTON ACREAGE, PRODUCTION, AND VALUE OF PRODUCTION

(In thousands)

Area	Acreage harvested		Bales produced ¹		Value of lint and seed	
	1968	1967	1968	1967	1968	1967
Arizona.....	297	245	733	454	\$ 101,803	\$ 77,758
Louisiana.....	410	330	545	428	73,452	71,140
New Mexico.....	152	122	177	157	26,145	28,988
Oklahoma.....	380	370	264	194	30,198	24,404
Texas.....	4,125	3,525	3,525	2,767	415,883	339,948
Total.....	5,364	4,592	5,244	4,000	\$ 647,481	\$ 542,238
United States.....	10,160	7,997	10,948	7,458	\$1,440,902	\$1,131,226

¹ 500 pounds gross weight.

SOURCE: U.S. Department of Agriculture.

NONAGRICULTURAL EMPLOYMENT

Five Southwestern States¹

Type of employment	Number of persons			Percent change Apr. 1969 from	
	April 1969p	March 1969	April 1968r	Mar. 1969	Apr. 1968
Total nonagricultural wage and salary workers..	6,111,700	6,060,900	5,849,200	0.8	4.5
Manufacturing.....	1,134,400	1,129,700	1,097,000	.4	3.4
Nonmanufacturing.....	4,977,300	4,931,200	4,752,200	.9	4.7
Mining.....	232,000	230,300	225,700	.7	2.8
Construction.....	391,100	389,800	371,300	.3	5.3
Transportation and public utilities.....	453,200	441,600	431,300	2.6	5.1
Trade.....	1,385,400	1,366,700	1,331,100	1.4	4.1
Finance.....	300,900	297,500	285,200	1.1	5.5
Service.....	945,900	933,900	896,000	1.3	5.6
Government.....	1,268,800	1,271,400	1,211,600	-.2	4.7

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

p — Preliminary.

r — Revised.

SOURCE: State employment agencies.