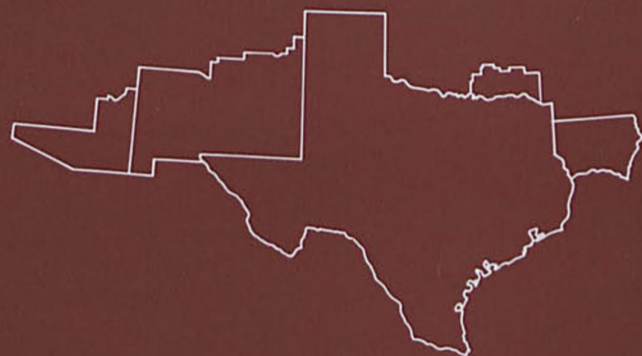
business review



august 1969

FEDERAL RESERVE
BANK OF DALLAS

contents

economic expansion and monetary restraint through mid-1969

The Nation's economy continued to advance in the first half of 1969, with the increase in total spending at a pace only moderately below that prevailing during the last 6 months of 1968. Sustained, in part, by pervasive and strongly entrenched expectations that inflation would persist, the economy showed unusually strong resistance to official measures aimed at stabilization. Although at midyear there were hopeful signs of slowing in the expansion of consumer spending, business investment and industrial output remained buoyant. Prices and costs, especially wages, continued to advance rapidly.

Fiscal and monetary measures pressed increasingly hard against the thrust of economic advance in the first half of 1969. Increased personal and corporate Federal income tax payments — stemming, in part, from the surtax enacted in 1968 — and higher social security taxes contributed heavily to expanded Federal revenues. Expenditure control measures, also approved last year, tended to slow Federal outlays. As a result, the Federal budget showed a small surplus for the fiscal year ended June 30. In the monetary area, the Federal Reserve System employed each of its general instruments of control in order to limit growth in total reserves available to the commercial banking system. These monetary measures and the continued strong demand for credit combined to push interest rates sharply higher to new record levels.

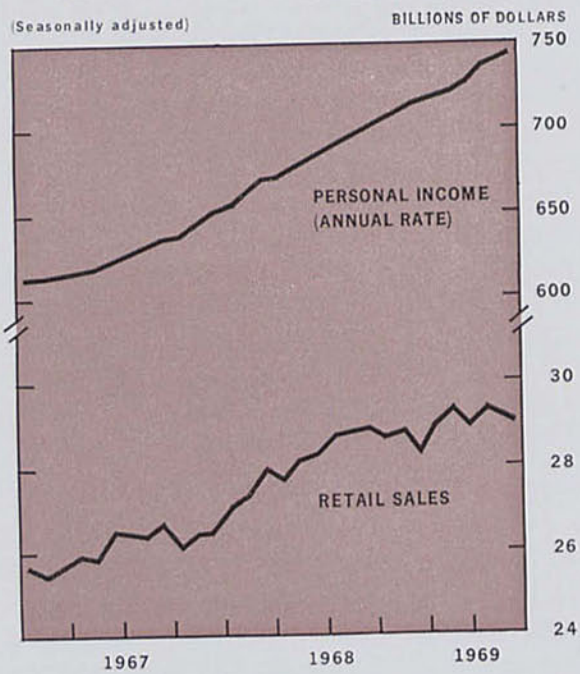
The continued ebullience of economic activity during the first half of 1969 was reflected in further gains in employment, production, and income. In fact, most major indicators rose to new record levels, with business outlays for fixed investment and industrial output providing especially notable sources of strength. The rate of spending during the second quarter of the year — particularly with respect to retail sales, residential construction, and total government outlays — tended to lag behind that of the first quarter; and at midyear, the performance of some indicators suggested further slowing. In fact, there was accumulating evidence at mid-1969 that the thrust of official stabilization measures was becoming increasingly inconsistent with a continuation of the recent rates of economic advance and that these opposing forces were clearly running on collision courses.

economic developments

Gross national product continued to expand rapidly during the first half of 1969 and reached a seasonally adjusted annual rate of $925.1 billion in the April-June period. The advance of $32.6 billion in total GNP from the final quarter of last year reflected an annual rate of growth of 7.3 percent, as compared with an annual rate of 7.9 percent during the last half of 1968. After adjustment for price increases, however, GNP rose only 2.4 percent during the first half of 1969; that is, 73 percent of the current-dollar gain in GNP stemmed from advancing prices.

All of the broad categories of spending — personal consumption, private investment, and government outlays — contributed to the advance in gross national product. The increase in final sales during the first half of this year was only marginally more than the expansion during the final 6 months of 1968 but exceeded the advance in total GNP by $1.0 billion. Despite official stabilization measures aimed at slowing private spending, outlays by the private sector of the economy accounted for a substantially larger proportion of the expansion in final sales in the January-June period of this year than was the case in the last half of 1968.

PERSONAL INCOME AND RETAIL SALES



June 1969 preliminary.
SOURCE: U.S. Department of Commerce.

Personal consumption expenditures, which had expanded at the seasonally adjusted annual rate of 7.7 percent during July-December of 1968, rose at a slightly slower pace in the first 6 months of 1969 and accounted for 61 percent of the total dollar gain in GNP. Consumer spending advanced quite rapidly in the first quarter but became substantially less buoyant in the second quarter. Disposable personal income increased at a faster rate in the first half of this year than in the second half of 1968, despite rising personal tax payments and the tapering in the rate of growth of personal income. The overall pace of consumer spending was maintained in the first 6 months of 1969, in part by a reduction in the personal savings rate, which moved from 6.3 percent in October-December of 1968 to 5.6 percent in January-June. Further wage and salary gains were the major factor in the rise in personal income.

Consumer expenditures for durable and nondurable goods and for services all expanded during the first 6 months of 1969, with services showing the largest gain in terms of dollar amount. Except for spending on nondurable goods, however, the rates of increase were smaller than those occurring in the final 6 months of last year. Retail sales in the January-June period averaged 4.7 percent above a year earlier but were only nominally higher than sales in the second half of 1968.

The recent sluggishness in retail sales included slower rates of purchase of both durable goods and nondurable goods; however, sales of the former tended to lag behind sales of the latter. Sales of domestically built automobiles were at an annual rate of 8.4 million units during the first half of the year, as compared with sales of 8.9 million units in the last half of 1968. Slower growth in personal income, increased tax payments, and possibly some consumer resistance to rapidly rising prices were among the factors tending to dampen the expansion of retail sales during the first half of 1969.

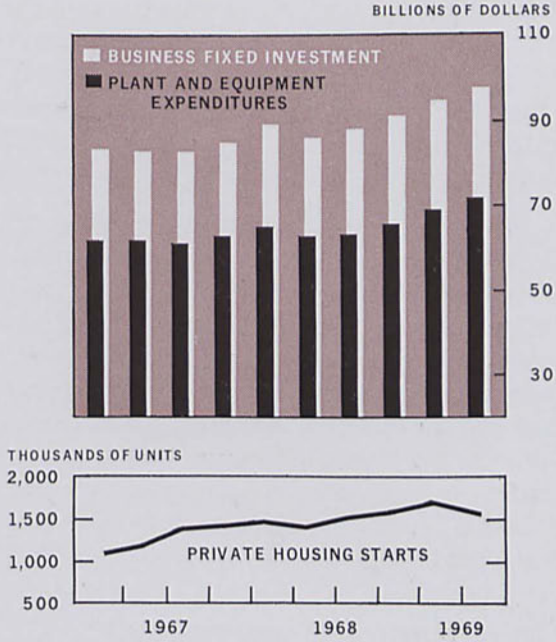
Paced by the rise in outlays for plants and equipment, total spending by businesses for fixed investment provided a notable source of strength to the economy during the first 6 months of this year. Business investment outlays advanced at the seasonally adjusted annual rate of 14.2 percent, or nearly twice as fast as the rate of expansion in total GNP. Spurred by mounting costs of construction and equipment, expectations of repeal of the investment tax credit, and a need to increase efficiency (especially through automation) by economizing on the use of less productive, relatively high-cost labor inputs, businesses sharply expanded their investment outlays. Rapidly rising borrowing costs in capital markets and developing demand pressures on an already limited total supply of funds appeared to exert little restraining effect on business capital spending during most of the period. By midyear, nevertheless, estimates indicated a downward revision in future spending plans.

Manufacturers of both durable and nondurable goods added heavily to their plant and equipment outlays during the first 6 months of 1969. Particularly notable increases in investment were made by firms producing textiles, paper, electrical and nonelectrical machinery, motor vehicles, chemicals, and stone, clay, and glass. Among nonmanufacturing industries, railroads, mining companies, and public utilities made substantial boosts in their outlays. In manufacturing, the rate of capacity utilization held about unchanged at 84.5 percent, the level which had prevailed in 1968.

Outlays for residential construction, which had advanced at an unusually rapid pace during October-December of 1968, continued to provide support to the economy during the first half of 1969. The gain in such spending slowed markedly over the period, however, under the restraining influence of mounting construction and land costs, rising interest rates, and the reduced availability of mortgage funds. Housing starts averaged 1.6 million units during the first 6 months of the year, or about 2 percent above the average for July-December of 1968. Housing starts turned downward in February from the advanced January rate of almost 1.9 million units and showed successive month-to-month declines through June. The weakness in housing starts affected both single-family and multifamily units but impacted hardest upon single-family units.

INVESTMENT ACTIVITY

(Seasonally adjusted annual rates)



Second quarter 1969 preliminary.
SOURCES: Securities and Exchange Commission.
U.S. Department of Commerce.

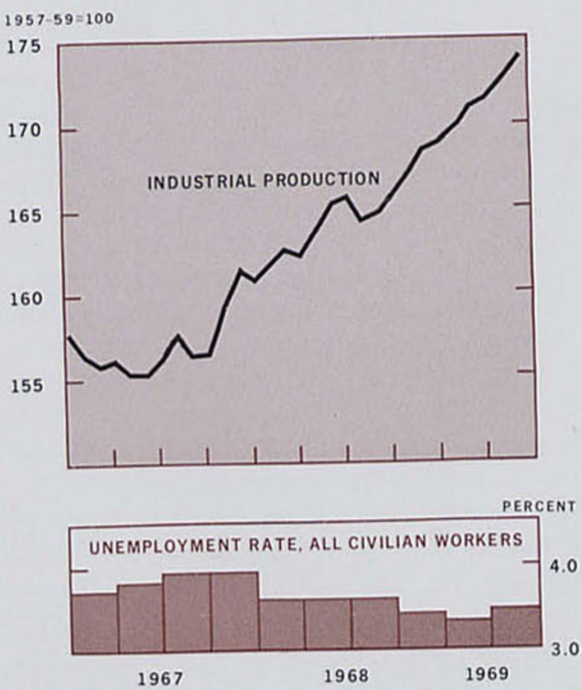
Purchases by all levels of government accounted for an unusually low proportion — slightly less than 18 percent — of the total gain in GNP during the first 6 months of 1969. Principally because of the reduction in Federal outlays, especially spending for defense purposes, the rise in total government expenditures slowed to an annual rate of about 5.6 percent. In addition to the reduction in defense outlays this year, Federal spending for nondefense purposes was dampened by the expenditure control measures enacted in 1968 and by increasing official concern for containing inflation. Purchases of goods and services by state and local governments, however, continued to expand rapidly.

Industrial production rose strongly during the first half of 1969 and reached a new record in each month during the period. In June, the index of industrial output was at 173.9 percent of its 1957-59 base, up at the annual rate of 6.2 percent from December 1968; in the final 6 months of last year, the rise was 3.5 percent. The substantial expansion in business outlays for plants and equipment and the continuing strength in final sales were major factors contributing to the vigorous advance of industrial output.

Production gains through mid-1969 occurred in all the major industrial categories — durable and nondurable manufacturing, mining, and utilities. Among nondurable manufactures, the largest output gains were in the chemicals, petroleum, and rubber category and the paper and printing industry. Among durable manufactures, the largest advance in output was in primary metals, but notable increases were also recorded in the machinery and fabricated metal products groups. The production of business equipment and industrial materials showed unusually large increases over the 6 months. Automobile assemblies, which were at the annual rate of 8.0 million units in July-December of last year, rose to an annual rate of 9.1 million units in the first part of this year.

OUTPUT AND UNEMPLOYMENT

(Seasonally adjusted)



June 1969 preliminary.
SOURCES: Board of Governors, Federal Reserve System.
U.S. Department of Labor.

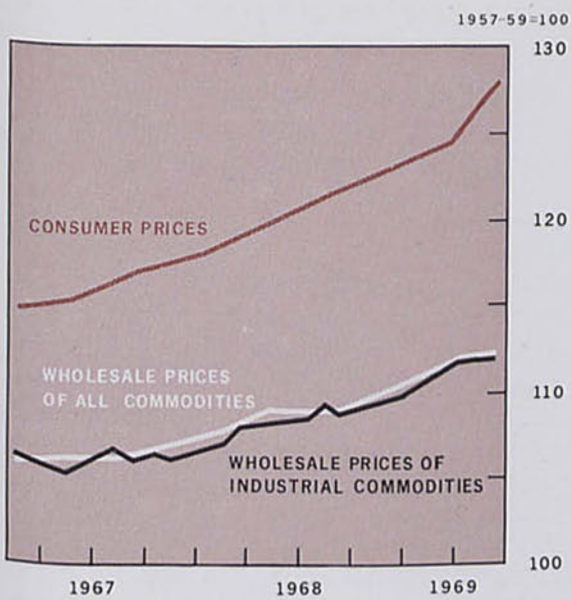
Generally firm conditions prevailed in labor markets during the first half of 1969, with the unemployment rate for all workers at a level slightly below the average for the final 6 months of last year. After declining to a record peacetime low of 3.3 percent of the civilian labor force in December 1968, the unemployment rate held at that level through February and then inched upward to 3.5 percent in April. In June, however, the rate fell back to 3.4 percent. Unemployment rates for married men and experienced workers remained well below the rate for all workers.

Total nonagricultural wage and salary employment increased 1,341,000 persons during the January-June period of 1969, or by a slightly larger margin than in the previous 6 months. Between December 1968 and June 1969, notable advances occurred in manufacturing, wholesale and retail trade, and Federal Government employment. Sharply lower gains were recorded in contract construction and service employment, but there were also slower rates of gain in a number of other categories. The persisting scarcity of skilled manpower continued to limit employment gains.

Inflation became an increasingly serious problem in the first half of 1969, with prices rising at an accelerated pace in comparison with the rapid rate of gain experienced in the last half of 1968. Despite the restraining influence of the fiscal and monetary measures taken during the preceding 6 months, prices and some costs continued to advance rapidly through midyear.

Prices at the consumer level expanded successively each month in early 1969 to reach

PRICE MOVEMENTS



June 1969 preliminary.
SOURCE: U.S. Department of Labor.

127.6 percent of the 1957-59 base in June, showing an annual rate of gain of 6.3 percent and the fastest rise since the Korean war period of 1951. In keeping with the sharp uptrend of recent years, consumer services — which include relatively large labor inputs — continued to pace the advance of consumer prices. Partly reflecting the rapid increase in prices of farm products and of processed foods at the wholesale level, food prices also gained substantially.

Wholesale prices rose 6.2 percent during the first half of 1969 on an annual-rate basis. Prices of farm products, which had increased only moderately during July-December of 1968, showed an unusually large advance and contributed to the rapid expansion in prices of processed foods. Among industrial commodities, crude materials made the largest gain.

financial developments

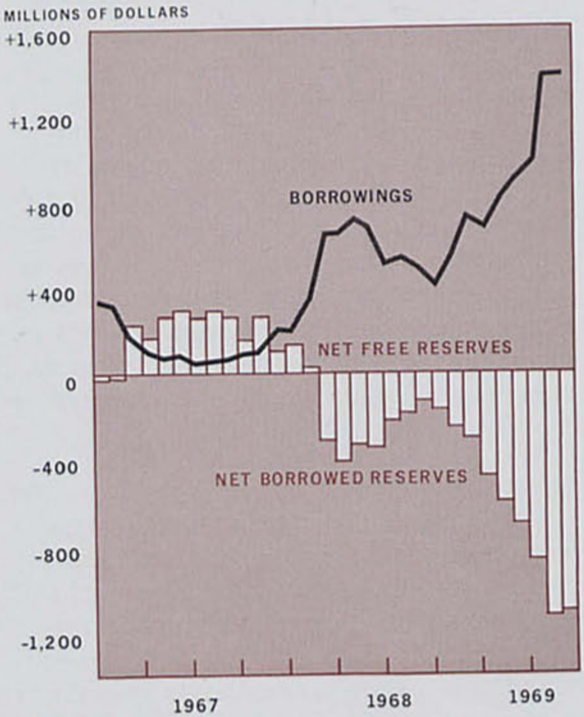
Mounting demands for credit, soaring interest rates, and sharply intensified monetary restraint set the pattern of domestic financial developments in the first half of this year. On the international scene, the U.S. balance-of-payments position deteriorated as a result of long-term capital outflows and a weak trade position, caused partly by a prolonged dock strike.

The Federal Reserve increased monetary restraint early in the year, bearing down still harder in the second quarter. In an effort to reduce inflationary pressures and to moderate credit demands, the System used its three major policy instruments — open market operations, reserve requirement changes, and discount rate adjustments — to bring pressure on bank reserve positions. As a result, total reserves available to the banking system declined at an estimated annual rate of 0.7 percent in the first half. Moreover, maximum rates banks are allowed to pay on time and savings deposits were left unchanged, despite increases in yields on competing forms of investment; consequently, there was a heavy runoff of certificates of deposit.

Through its open market operations, the Federal Reserve put intense pressure on nonborrowed reserves, forcing a moderate decline. This was in sharp contrast with the second half of 1968, when nonborrowed reserves increased substantially. To help offset the decline in nonborrowed reserves, member banks resorted to greater use of their borrowing privilege at Federal Reserve discount windows. By April 1969, borrowings from Reserve banks had reached an average of nearly $1 billion, compared with about $750 million in December. In addition, as loan demand continued to press on available funds, member banks reduced their excess reserves, on average, about $140 million in the first half. As a result, the net borrowed reserve position of member banks deepened sharply between the first and second quarters. From an average of $592 million in the first quarter, net borrowed reserves grew rapidly to an average of about $1.1 billion in May and June.

Federal Reserve holdings of U.S. Government securities rose $1.5 billion in the first half on a monthly average basis — significantly less than the $2.4 billion increase a year before. Reflected in this smaller gain were not only the shift toward greater restraint in monetary policy but also defensive operations to offset both seasonal and foreign inflows of reserves.

RESERVE POSITION OF MEMBER BANKS



June 1969 preliminary.
SOURCE: Board of Governors, Federal Reserve System.

In a further move against inflation, the Board of Governors raised reserve requirements on demand deposits. Effective April 17, reserve requirements on demand deposits of less than $5 million were increased from 16.5 percent to 17 percent for reserve city banks and from 12 percent to 12.5 percent for country banks. Reserve requirements on demand deposits of more than $5 million were increased from 17 percent to 17.5 percent for reserve city banks and from 12.5 percent to 13 percent for country banks. This action raised required reserves an estimated $650 million.

Also in April, the Federal Reserve banks raised the discount rate from 5.5 percent to 6 percent. This latest boost advanced the discount rate to the previous record set in 1929.

Interest rates rose to new highs in the first part of 1969, reflecting both heavy demand for loanable funds and the intense pressure on bank reserve positions. In the money market, most rates moved steadily upward, with particularly sharp advances occurring in the second quarter. In the capital market, increases in interest rates were pervasive; banks reduced their demand for municipal issues, and other investors, expecting higher yields in the future, were reluctant to expand long-term holdings.

Most money market rates advanced sharply from December through June, with average increases ranging from 1 point to almost 3 percentage points. The effective rate on Federal funds, for example, moved from a monthly average of 6.02 percent in December to 8.90 percent in June. This movement — an increase of 288 basis points — reflected the sensitivity of these funds to the availability of bank reserves. Also during that time, the rate on prime bankers' acceptances (90 days to maturity) increased 180 basis points. Moreover, corporate borrowing in the commercial paper market expanded, pushing yields on 4- to 6-month dealer-placed paper upward from 6.17 percent in December to 8.23 percent in June.

By contrast, yields on Treasury bills and short-term Federal agency issues declined in the first quarter after a rise in January and declined further in May. They then spurted upward in June and early July. The rates on 3-month Treasury bills, for instance, dropped about 20 basis points, falling to around 6 percent in late April-early May. In June and early July, however, the bill rate advanced more than 90 basis points. Banks liquidated large blocks of Treasury bills in the first half, but as the rates paid by banks on time deposits became relatively less attractive and uncertainties about the future of interest rates and stock prices developed, investor demand for bills increased noticeably.

Capital market rates were pushed upward by fairly weak demand and a heavy volume of new and prospective offerings of corporate and municipal securities. By the end of June, yields on municipal bonds, Aaa corporate issues, and long-term U.S. Government bonds had all risen 40 to 100 basis points above their December averages. During the first 2 weeks in July, yields on long-term Government bonds averaged 6.12 percent; high-grade state and local government issues, 5.67 percent; and Aaa corporate bonds, 7.06 percent.

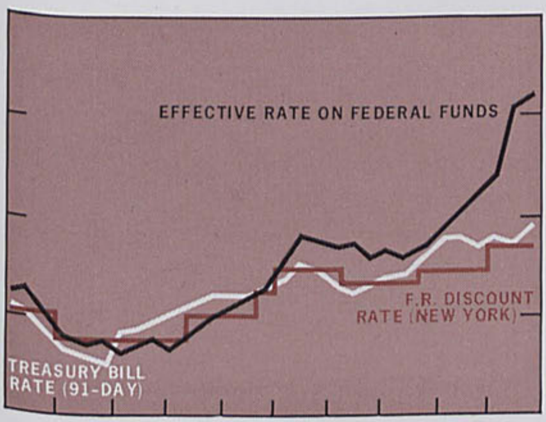
Major banks raised their prime lending rate three times in the first part of this year. These increases in the rate banks charge their most creditworthy customers for short-term unsecured loans came as a result of the sharp drop in the availability of funds and the rapid rise in the cost of funds. The latest increase, made June 9, pushed the prime rate to 8.5 percent — the highest level since the rate came into general use in the 1930's.

As a further reflection of the pressures on the availability of funds, bank credit increased only moderately in the first 6 months. Total bank credit (loans adjusted and total investments) increased at a seasonally adjusted annual rate of 3.0 percent, compared with 6.5 percent a year before. The increase in early 1969, which totaled $5.8 billion, can be attributed almost entirely to the continued strength of loan demand. Between December and June, total investments declined about $5.7 billion, as banks liquidated large parts of their holdings of U.S. Government securities and cut back on their acquisitions of other securities, principally municipals.

The loan-deposit ratio at the Nation's commercial banks increased sharply in the first half, rising from 64.7 percent in December to 70.0 percent in May and an estimated 70.6 percent in June. The increase for the first 6 months was more than twice the gain recorded for the same period a year before.

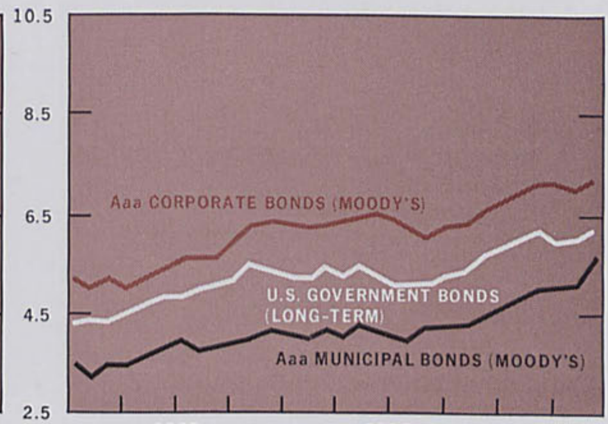
Total loans expanded more rapidly during January-June of this year than in the first half

SHORT-TERM INTEREST RATES



LONG-TERM INTEREST RATES

PERCENT PER ANNUM



SOURCE: Board of Governors, Federal Reserve System.

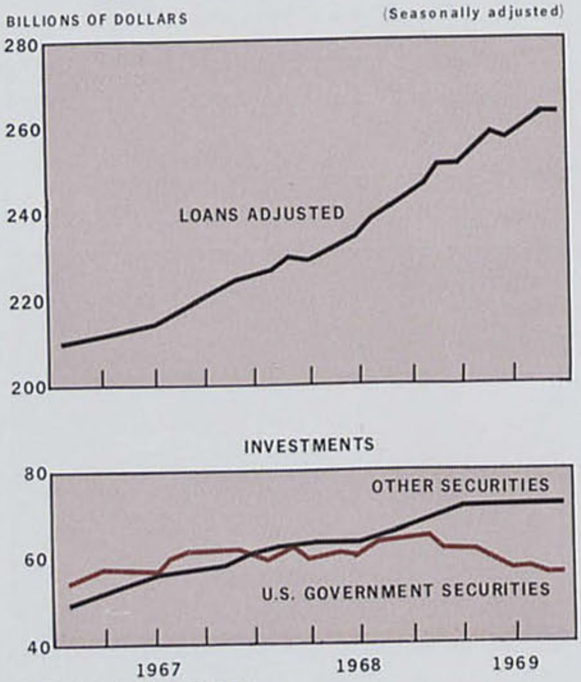
of 1968. Business loans grew even faster than the total, however, despite the higher cost of borrowing. Record highs in outlays for plants and equipment and continued growth in working capital helped support the strong demand for business loans. Commercial and industrial loans rose $6.7 billion (seasonally adjusted) in the January-June period, compared with a gain of only $3.3 billion a year earlier. Although loan demand was fairly widespread among industry groups, manufacturers of both durable and nondurable goods recorded especially large increases in outstanding borrowings.

Apart from business loans, most other major loan categories expanded at about the same pace as a year before. Consumer spending continued high, despite some moderation in the growth of personal income, and consumer loans increased rapidly. The increase in consumer loans, which amounted to about $1.7 billion in the first half, primarily reflected borrowings to finance larger tax payments and to purchase consumer durable items. Real estate loans grew at about the same pace as in the first half of 1968, reflecting the high level of construction activity. By contrast, securities loans fell still further, extending the decline recorded for the fourth quarter of 1968. The high cost to securities dealers of carrying inventories and expectations of further advances in interest rates contributed to the decline.

Slower growth in bank reserves and rising interest rates combined to cut growth in the money supply to only a third of the gain made a year ago. Currency in the hands of the public continued to increase about as fast as in 1968, rising at an annual rate of 6.9 percent. But, the increase in demand deposits, which was running

COMMERCIAL BANK LOANS AND INVESTMENTS

(As of last Wednesday of month)



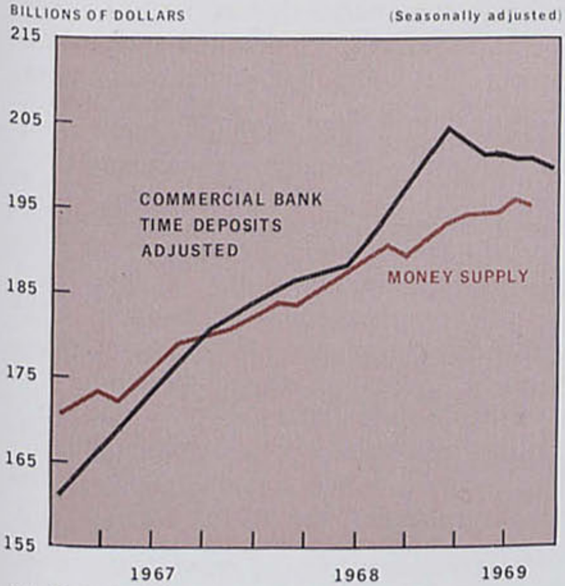
April-June 1969 preliminary.
SOURCE: Board of Governors, Federal Reserve System.

INCREASES IN SELECTED COMMERCIAL BANK LOANS

(Seasonally adjusted)

Second quarter 1969 preliminary.
SOURCE: Board of Governors, Federal Reserve System.

TIME DEPOSITS AND MONEY SUPPLY



June 1969 preliminary.
SOURCE: Board of Governors, Federal Reserve System.

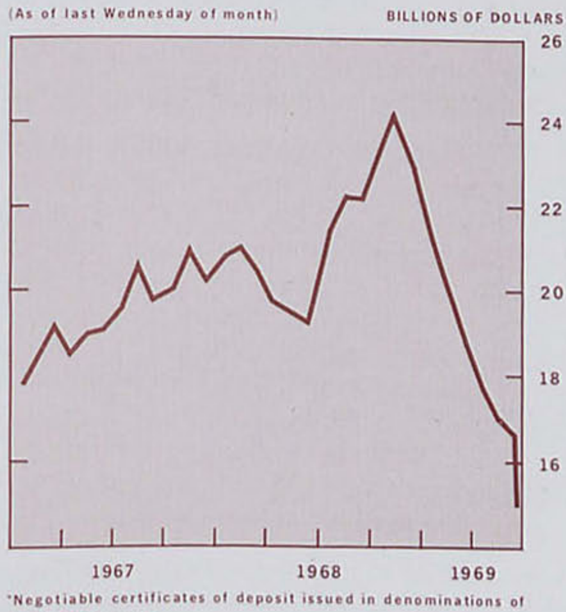
6.2 percent last year, slowed to an annual rate of only 1.1 percent in the first half of 1969. The net result was a slowing in the growth of the money supply — traditionally defined as the sum of these two components — to an annual rate of 2.3 percent.

Time and savings deposits declined at an annual rate of 5 percent during the January-June period. This is in sharp contrast with the advance of 5 percent posted for the first half of 1968. The reduction was led by heavy attrition in certificates of deposit at large banks. As money market rates rose above the rates banks are allowed to pay on time deposits, many large banks were unable to roll over significant portions of their maturing CD's, and funds drifted away to other, higher-yielding short-term investments. From December through June, outstanding CD's at large banks dropped $7.6 billion — sharply higher than the $1.1 billion decline during the first half of 1968.

Inflows of funds at savings and loan associations and mutual savings banks also slowed moderately. Savings and loan accounts held by the public increased an estimated $2.7 billion, compared with $2.9 billion in the first half of 1968. On the other hand, inflows to mutual savings banks slowed to an estimated $1.2 billion, compared with a gain of $2.3 billion a year before. Inflows of funds were lower in both years, however, than in 1967 — a fact which partly reflects the shift in monetary policy from relative ease in 1967 to increasing restraint in 1968-69.

Corporate businesses and state and local governments all made heavy demands on the capital market in the first half. The high level of corporate borrowings can be attributed to heavy capital expenditures, increased corporate taxes, and the expectation of both further advances in capital market rates and new fiscal measures to reduce inflationary pressures. Bond offerings by state and local governments were still heavy, but less so than a year before. The difference came largely from postponements of

LARGE CERTIFICATES OF DEPOSIT* AT WEEKLY REPORTING COMMERCIAL BANKS



*Negotiable certificates of deposit issued in denominations of $100,000 or more.
SOURCE: Board of Governors, Federal Reserve System.

new offerings and a reduction in the volume of industrial revenue bonds following legislation to limit their tax-exempt status.

Offerings of corporate securities totaled an estimated $13.5 billion in the first 6 months of 1969 — about 24 percent more than in the comparable months of 1968. As yields in the capital market climbed to record highs, emphasis on stock issues increased. New stock issues reached $4.1 billion, which is over twice the volume recorded for a year ago.

As in past years, however, most new corporate security offerings (about 70 percent) were bond issues. The volume of privately placed bonds declined relative to issues publicly offered. New public issues aggregated an estimated $6.0 billion — about $400 million more than a year before. Private placements were $3.3 billion, which is only slightly less than a year earlier.

State and local governments borrowed an estimated $6.3 billion in new funds in the capital market during the first half. This is about 17 percent less than the high volume of new offerings recorded in the January-June period of 1968. As in past periods, most of the borrowing was earmarked for expansion of educational facilities and for public improvements.

With increased tax revenues, the Federal Government had less need for new funds in the first half. As a result, the volume of Treasury cash borrowing was substantially less than the new money offerings a year before. The Treasury raised $4.6 billion in new money during the first 6 months of this year; $1.8 billion was in a January issue of Tax Anticipation bills, and $2.8 billion was in two March offerings of strip bills. In both April and May, however, the Treasury permitted $200 million of outstanding 1-year bills to run off without replacement.

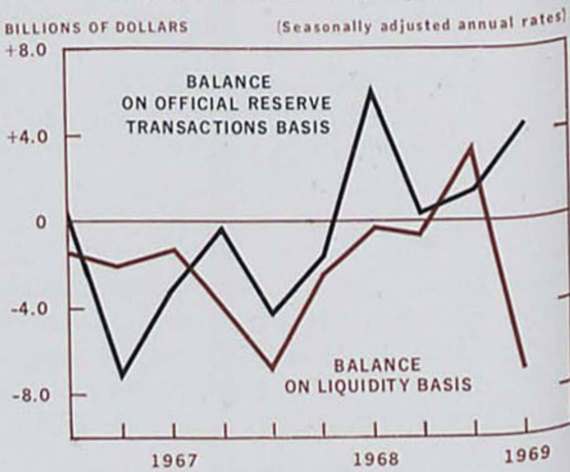
In addition to raising new money, the Treasury carried out two major refunding operations. In February, it offered 15-month (6⅜-percent) and 7-year (6¼-percent) notes in exchange for $14.5 billion of maturing notes and bonds. In May, it offered 15-month (6⅜-percent) and 7-year (6½-percent) notes in exchange for $6.8 billion of maturing issues.

international developments

The U.S. balance of payments showed marked improvement in the first quarter when measured on the official reserve transactions basis but showed sharp deterioration when measured on the liquidity basis. The difference was due largely to massive borrowings by American banks in the Euro-dollar market and the asymmetrical way these inflows of short-term funds are taken into account in computing the two balances.

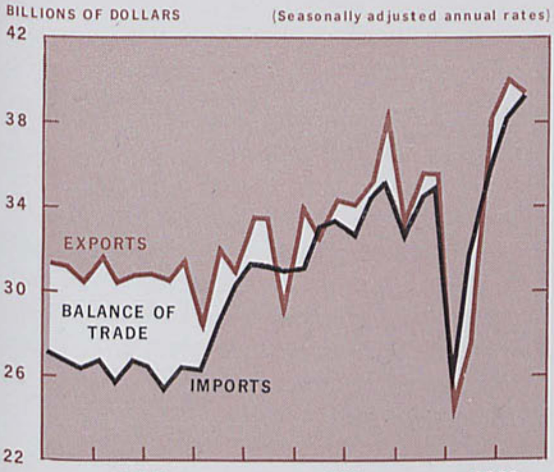
On the basis of official reserve transactions (measured by changes in official U.S. reserve assets and some nonliquid liabilities to foreign official agencies), the balance-of-payments surplus was running at the seasonally adjusted annual rate of $4.6 billion in the first quarter, compared with $1.5 billion in the fourth quarter of 1968. On the liquidity basis (measured by changes in official U.S. reserve assets and U.S. liquid liabilities to foreigners), the balance of

U.S. BALANCE OF PAYMENTS



1969 figures preliminary.
SOURCE: U.S. Department of Commerce.

U.S. MERCHANDISE TRADE BALANCE



SOURCE: U.S. Department of Commerce.

payments was in deficit at the seasonally adjusted annual rate of \$6.8 billion, which contrasts sharply with the annual-rate surplus of \$3.5 billion in the fourth quarter of last year.

Merchandise exports from the United States (excluding military items) declined from a seasonally adjusted annual rate of \$33.5 billion in the fourth quarter of 1968 to an annual rate of \$29.9 billion in the first quarter of 1969 — a decrease of 10.7 percent. During the same period, merchandise imports dropped from a seasonally adjusted annual rate of \$33.8 billion in the last quarter of 1968 to an annual rate of \$30.3 billion in the first quarter of 1969 — 10.4 percent. As a result, the trade deficit deepened slightly further. Port strikes, however, severely distorted merchandise trade flows in the first quarter of this year. Actually, the trade balance returned to a surplus position in April and May.

Flows of both long- and short-term capital were particularly important items in the U.S. balance-of-payments accounts in the first quarter. After corporate funds were repatriated in the fourth quarter of 1968, to comply with ceilings set by the balance-of-payments program, reflows for direct investment abroad occurred in the first 3 months of 1969.

Similarly, U.S. commercial banks made substantial transfers of assets to their foreign branches in late 1968, only to reverse them in early 1969. Moreover, as monetary stringency was intensified in the United States during the January-June period, banks further enlarged their borrowings in the Euro-dollar market to the record level of more than \$13 billion.

During the first quarter of 1969, U.S. official reserve assets increased \$48 million. Holdings of convertible currencies rose \$73 million, and the gold tranche position in the International Monetary Fund improved more than \$31 million. Together, these changes more than offset a \$56 million decline in the U.S. gold stock.

district highlights

The seasonally adjusted Texas industrial production index, after being unchanged in May, rose 1.4 percent in June to a level of 175.5 percent of its 1957-59 base. All the strength in June is attributed to mining. Utilities were unchanged, but, taken as a whole, the manufacturing sector declined slightly. An increase in the production of nondurable goods was more than offset by a decrease in the output of durable goods.

Production changes for durable goods industries varied widely during June. For example, two industry groups — primary metals and stone, clay, and glass products — posted large gains, but industries producing transportation equipment and furniture and fixtures showed considerable weakness. Output of nondurable goods was characterized by fairly small changes among the industries; the exceptions were textile mill products, which declined moderately, and leather and leather products, which rose substantially. All the gain in mining output was due to a significant increase in the production of crude petroleum. Both utilities — electricity and gas — were unchanged.

Industrial production for the State was 6.4 percent higher than in June 1968. The year-to-year gain was led by mining, which rose almost 9 percent, and utilities, which rose 7 percent. Total manufacturing increased only 5 percent, with the output of transportation equipment and textile mill products showing sharp declines. Other manufacturing industries registered gains, the largest being 23 percent for the "other nondurable goods" category.

Nonagricultural wage and salary employment in the five southwestern states increased nearly 1 percent in June, reaching a total of 6,186,200. The increase over May was about in line with seasonal expectations. Nonmanufacturing employment registered a stronger-than-seasonal gain, while the gain in manufacturing employment was smaller than usual for this time of year. Except for construction, all nonmanufacturing industries followed their seasonal patterns. Construction employment rose slightly over 1 percent, which is well below the normal increase for June.

Total nonagricultural employment in the five states in June was 3.6 percent higher than in June last year. Manufacturing employment showed a year-to-year increase of nearly 2 percent. Nonmanufacturing employment rose 4 percent, with gains in transportation and public utilities, finance, and services all exceeding the rise in total nonmanufacturing employment. The smallest year-to-year gains were in mining and construction.

Daily average production of crude oil rose 2.6 percent in Louisiana, New Mexico, Oklahoma, and Texas in June to a level 6.7 percent higher than a year earlier. Every major area showed increased output during the month, except fields in New Mexico. East Texas and the Gulf Coast of Texas had strong month-to-month gains. Production in Texas and Louisiana was much higher than in June 1968, but output in Oklahoma was lower. It appears that inventories of crude oil in the Southwest reached levels in the first half of July that were in line with market requirements.

The Texas oil allowable for June had been raised to the highest level in 20 years — 63.5 percent of the Maximum Efficient Rate of production, compared with 53.8 percent in May. Allowables in Louisiana and southeastern New

Mexico were also raised. The Texas allowable was lowered to 54.7 percent for July and is 53.1 percent for August. In southeastern New Mexico, where the allowable held steady for June and July, it was lowered for August. In Louisiana, the allowable was lowered to 44 percent for July and remains the same for August.

Agricultural conditions in the Eleventh District are best characterized as being short of soil moisture. Dry weather has damaged late vegetable crops, sorghum grain, and corn. Cotton growth continues to be satisfactory in most areas, with heavy irrigation required in the High Plains of Texas.

Winter wheat production in the five southwestern states is estimated, as of July 1, at 199.4 million bushels, or 9 percent less than in 1968. Average yields are expected to be much better in 1969, however, since the acreage sown to winter wheat is 30 percent less than last year. Nationally, the crop is estimated at 1.2 billion bushels — 6 percent less than in 1968.

Cotton plantings in District states are placed at nearly 6.7 million acres, which is almost a fourth larger than last year. Greater plantings have been encouraged by changes under the 1969 cotton program.

Except for rice and hay, production of other crops in the five states is expected to be higher than last year. Rice production probably will be about 9 percent lower. According to July 1 estimates, corn production will be up 16 percent, while the output of oats will be 27 percent higher. Lack of moisture has damaged the hay crop in the District. Despite a slight increase in acreage, output is expected to be 8 percent less than in 1968.

The number of cattle and calves on feed in Texas totaled nearly 1.2 million head on July 1 — 6 percent more than a month before and 60 percent more than a year ago. Total placements into Texas feedlots were 830,000 head in April-June — 68 percent more than a year earlier. Cattle marketed out of these feedlots totaled 651,000 head in the second quarter — 28 percent more than a year earlier.

Prices of most livestock products in Texas rose sharply in the first half of 1969, pushing the price index for agricultural products to an all-time high. Prices received by Texas farmers and ranchers for all farm products in the first 6 months of this year averaged 7 percent more than a year ago. Higher prices for meat animals accounted for most of the increase. Prices for crops were little changed. The livestock and livestock products index showed some weakness in June, rising only fractionally over the previous month. This small rise is in sharp contrast to price movements in the first 5 months of 1969, which reflected unprecedented increases in livestock prices.

Cash receipts from farm marketings in District states were nearly 10 percent more in the first 5 months of this year than in the same months last year. Income from livestock was up 12 percent, and crop receipts were up 5 percent. Higher prices accounted for most of the increase in livestock receipts; a larger volume accounted for all the increase in crop receipts.

Total deposits at weekly reporting commercial banks in the Eleventh District declined in the 4 weeks ended July 9. The reduction stemmed principally from the continuing runoff of large certificates of deposit in response to the availability of higher rates on other short-term market instruments. Total loans and investments at these banks rose, however, as funds were obtained from nondeposit sources, mostly through borrowings.

Loans adjusted increased $8.8 million during the 4 weeks, compared with an increase of $104 million in the same period a year ago.

Decreases in business loans ($11 million) and "other loans" ($19 million) were the major factors contributing to the slower growth in loans. Consumer loans advanced $22 million.

Total investments expanded $6 million, in contrast to a decrease of $13 million during the comparable period last year. The primary factor accounting for the gain was a $121 million buildup in state and local government securities held by reporting banks, mostly long-term securities. Bank holdings of certificates representing participations in Federal agency loans dipped $110 million. Holdings of U.S. Government securities declined, principally because of sales or redemptions of Treasury bills.

Total demand deposits advanced $122 million during the 4 weeks, compared with a $45 million gain a year ago. Increases of $39 million in deposits of individuals, partnerships, and corporations and $76 million in interbank deposits were the principal factors contributing to the expansion. Total time and savings deposits declined $143 million, primarily because of a $92 million runoff of large certificates of deposit. During the corresponding weeks last year, time and savings deposits rose $72 million.

Registrations of new passenger automobiles in Dallas, Fort Worth, Houston, and San Antonio were 7 percent higher in June than in May. Changes ranged from an increase of 17 percent in Houston to a decrease of 8 percent in Fort Worth. Through June, cumulative registrations in these four centers were down slightly from the total for the first half of 1968.

Department store sales in the Eleventh District were 9 percent more in the 4 weeks ended July 26 than in the comparable period last year. Cumulative sales were also 9 percent ahead of a year earlier.

new par banks

The Cullen Center Bank and Trust, Houston, 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, July 1, 1969. The officers are: Robert G. Greer, President; Byron E. Mills, Jr., Senior Vice President; J. Donald Squibb, Senior Vice President and Trust Officer; W. Allen Gage, Vice President and Cashier; B. F. Hunter, Controller; Bill M. Whitworth, Assistant Cashier; and Mrs. Vern Corley, Assistant Cashier.

The First State Bank, Willis, 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 July 8, 1969. The officers are: W. R. Hemphill, President; Alton Ellisor, Vice President; and Mrs. Dorothy Oglesby, Cashier.

STATISTICAL SUPPLEMENT

to the

BUSINESS REVIEW

August 1969

FEDERAL RESERVE BANK
OF DALLAS

CONDITION STATISTICS OF WEEKLY REPORTING COMMERCIAL BANKS

Eleventh Federal Reserve District

(In thousands of dollars)

Item	July 30, 1969[1]	June 25, 1969	July 31, 1968
ASSETS			
Federal funds sold and securities purchased under agreements to resell	243,650		
Other loans and discounts, gross	6,151,647	6,545,119	5,839,977
Commercial and industrial loans	3,024,521	3,137,014	2,758,540
Agricultural loans, excluding CCC certificates of interest	116,524	115,294	96,275
Loans to brokers and dealers for purchasing or carrying:			
U.S. Government securities	501	501	11,676
Other securities	42,946	44,753	19,692
Other loans for purchasing or carrying:			
U.S. Government securities	190	548	364
Other securities	379,506	377,390	329,542
Loans to nonbank financial institutions:			
Sales finance, personal finance, factors, and other business credit companies	151,484	163,949	154,224
Other	420,211	419,682	348,425
Real estate loans	625,449	620,751	565,070
Loans to domestic commercial banks	8,201	245,423	348,272
Loans to foreign banks	8,345	8,053	4,890
Consumer instalment loans	694,860	685,456	594,812
Loans to foreign governments, official institutions, central banks, international institutions	0	0	0
Other loans	678,909	726,305	608,195
Total investments	2,509,845	2,500,914	2,489,653
Total U.S. Government securities	958,478	946,219	1,099,830
Treasury bills	40,210	36,778	38,936
Treasury certificates of indebtedness	0	0	0
Treasury notes and U.S. Government bonds maturing:			
Within 1 year	117,100	105,978	239,129
1 year to 5 years	612,253	608,548	566,450
After 5 years	188,915	194,915	255,315
Obligations of states and political subdivisions:			
Tax warrants and short-term notes and bills	25,862	16,481	33,895
All other	1,420,776	1,315,657	1,147,015
Other bonds, corporate stocks, and securities:			
Certificates representing participations in Federal agency loans	24,758	134,445	139,653
All other (including corporate stocks)	79,971	88,112	69,260
Cash items in process of collection	1,014,681	1,022,306	945,635
Reserves with Federal Reserve Bank	623,262	714,698	668,676
Currency and coin	84,015	85,405	79,136
Balances with banks in the United States	455,606	474,431	441,399
Balances with banks in foreign countries	6,505	5,817	4,663
Other assets (including investments in subsidiaries not consolidated)	412,964	394,576	363,503
TOTAL ASSETS	11,502,175	11,743,266	10,832,642
LIABILITIES			
Total deposits	9,107,562	9,394,022	9,174,043
Total demand deposits	5,605,704	5,716,118	5,451,384
Individuals, partnerships, and corporations	3,928,323	3,960,810	3,753,472
States and political subdivisions	323,161	302,392	318,824
U.S. Government	108,241	217,159	136,853
Banks in the United States	1,130,864	1,116,301	1,127,427
Foreign:			
Governments, official institutions, central banks, international institutions	2,644	2,811	6,034
Commercial banks	23,109	29,393	23,710
Certified and officers' checks, etc.	89,362	87,252	85,064
Total time and savings deposits	3,501,858	3,677,904	3,722,659
Individuals, partnerships, and corporations:			
Savings deposits	962,970	997,872	1,042,341
Other time deposits	1,900,295	1,989,030	2,008,698
States and political subdivisions	598,125	644,838	634,024
U.S. Government (including postal savings)	8,732	11,657	10,186
Banks in the United States	24,846	27,017	21,910
Foreign:			
Governments, official institutions, central banks, international institutions	6,500	7,000	5,300
Commercial banks	390	490	200
Federal funds purchased and securities sold under agreements to repurchase	751,553		
Other liabilities for borrowed money	319,935	1,031,965	430,040
Other liabilities	236,244	236,485	202,694
Reserves on loans	118,374	117,786	107,273
Reserves on securities	11,631	n.a.	n.a.
Total capital accounts	956,876	963,008	918,592
TOTAL LIABILITIES, RESERVES, AND CAPITAL ACCOUNTS	11,502,175	11,743,266	10,832,642

1 Because of format revisions as of July 2, 1969, earlier data are not fully comparable.
n.a. — Not available.

RESERVE POSITIONS OF MEMBER BANKS

Eleventh Federal Reserve District

(Averages of daily figures. In thousands of dollars)

Item	4 weeks ended July 2, 1969	4 weeks ended June 4, 1969	4 weeks ended July 3, 1968
RESERVE CITY BANKS			
Total reserves held	747,843	754,589	698,803
With Federal Reserve Bank	698,104	704,086	649,150
Currency and coin	49,739	50,503	49,653
Required reserves	745,759	753,028	695,565
Excess reserves	2,084	1,561	3,238
Borrowings	77,265	36,379	5,911
Free reserves	—75,181	—34,818	—2,673
COUNTRY BANKS			
Total reserves held	772,605	781,606	696,321
With Federal Reserve Bank	593,886	605,153	527,950
Currency and coin	178,719	176,453	168,371
Required reserves	748,162	748,976	664,174
Excess reserves	24,443	32,630	32,147
Borrowings	22,706	18,707	14,429
Free reserves	1,737	13,923	17,718
ALL MEMBER BANKS			
Total reserves held	1,520,448	1,536,195	1,395,124
With Federal Reserve Bank	1,291,990	1,309,239	1,177,100
Currency and coin	228,458	226,956	218,024
Required reserves	1,493,921	1,502,004	1,359,739
Excess reserves	26,527	34,191	35,385
Borrowings	99,971	55,086	20,340
Free reserves	—73,444	—20,895	15,045

CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(In thousands of dollars)

Item	July 30, 1969	June 25, 1969	July 31, 1968
Total gold certificate reserves	373,368	330,703	312,982
Discounts for member banks	48,539	140,733	5,541
Other discounts and advances	0	0	684
U.S. Government securities	2,241,833	2,292,655	2,169,943
Total earning assets	2,290,372	2,433,388	2,176,168
Member bank reserve deposits	1,123,461	1,220,887	1,104,100
Federal Reserve notes in actual circulation	1,625,197	1,589,762	1,472,046

CONDITION STATISTICS OF ALL MEMBER BANKS

Eleventh Federal Reserve District

(In millions of dollars)

Item	June 25, 1969	May 28, 1969	June 26, 1968
ASSETS			
Loans and discounts	11,317	11,231	9,873
U.S. Government obligations	2,154	2,201	2,382
Other securities	3,147	3,152	2,786
Reserves with Federal Reserve Bank	1,221	1,136	1,137
Cash in vault	258	251	245
Balances with banks in the United States	1,159	1,136	1,102
Balances with banks in foreign countries[e]	7	9	7
Cash items in process of collection	1,175	1,184	1,048
Other assets[e]	821	726	462
TOTAL ASSETS[e]	21,259	21,026	19,042
LIABILITIES AND CAPITAL ACCOUNTS			
Demand deposits of banks	1,426	1,408	1,357
Other demand deposits	8,775	8,700	8,154
Time deposits	7,598	7,674	6,972
Total deposits	17,799	17,782	16,483
Borrowings	1,089	882	647
Other liabilities[e]	671	667	325
Total capital accounts[e]	1,700	1,695	1,587
TOTAL LIABILITIES AND CAPITAL ACCOUNTS[e]	21,259	21,026	19,042

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]			
	June 1969 (Annual-rate basis)	Percent change			June 30, 1969	Annual rate of turnover		
		June 1969 from		6 months, 1969 from 1968				
		May 1969	June 1968			June 1969	May 1969	June 1968
ARIZONA: Tucson	$ 5,670,828	12	26	17	$ 221,524	25.9	23.6	24.7
LOUISIANA: Monroe	2,753,172	15	17	15	83,381	32.7	28.0	29.1
Shreveport	9,271,440	21	49	21	270,378	37.4	33.4	26.5
NEW MEXICO: Roswell[2]	886,992	10	29	21	37,880	23.7	22.4	20.2
TEXAS: Abilene	2,143,728	8	16	11	98,281	21.7	19.6	19.8
Amarillo	5,283,804	0	6	6	152,852	35.0	35.2	35.9
Austin	9,236,916	0	38	53	264,283	33.4	31.6	28.2
Beaumont-Port Arthur-Orange	6,629,364	8	18	8	247,437	27.6	26.1	25.0
Brownsville-Harlingen-San Benito	1,639,224	0	9	7	71,516	22.9	22.7	21.2
Corpus Christi	4,721,244	—3	7	5	207,604	22.8	23.8	22.7
Corsicana[2]	426,756	1	9	4	30,186	14.2	14.1	14.4
Dallas	114,176,352	13	29	30	2,223,610	52.4	47.5	45.7
El Paso	6,902,208	17	26	17	230,013	31.2	27.2	27.6
Fort Worth	21,306,156	7	25	13	637,832	34.7	32.8	30.5
Galveston-Texas City	2,674,752	10	12	5	110,638	24.8	23.4	23.7
Houston	95,462,412	11	23	16	2,516,772	39.1	36.5	33.9
Laredo	810,204	3	19	17	38,690	21.5	21.1	19.4
Lubbock	4,703,940	11	30	18	157,013	30.1	27.4	23.6
McAllen-Pharr-Edinburg	1,553,100	—1	8	14	88,135	17.9	17.8	16.9
Midland	1,889,364	—2	0	15	133,078	14.4	14.6	14.2
Odessa	1,607,640	14	21	18	75,979	21.5	19.2	20.0
San Angelo	1,226,052	14	13	13	71,672	17.9	16.5	16.6
San Antonio	16,755,768	12	14	10	619,118	27.5	24.7	25.0
Sherman-Denison	1,023,624	6	17	10	57,036	17.3	15.7	15.9
Texarkana (Texas-Arkansas)	1,572,516	5	13	13	74,504	21.2	20.8	21.7
Tyler	2,327,928	5	32	20	100,000	24.5	24.3	20.5
Waco	2,904,480	8	15	11	117,929	25.4	23.9	21.7
Wichita Falls	2,138,328	2	3	9	114,974	18.5	17.9	19.0
Total—28 centers	$327,698,292	0	24	20	$9,052,315	37.0	34.1	32.3

[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: June	8,968	4,197	4,771	6,282	2,707	3,575
1968: June	9,548	4,453	5,095	6,964	2,847	4,117
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
May	10,231	4,777	5,454	7,676	2,962	4,714
June	10,209	4,758	5,451	7,634	2,925	4,709

BUILDING PERMITS

Area	NUMBER		VALUATION (Dollar amounts in thousands)				
					Percent change		
					June 1969 from		6 months, 1969 from 1968
	June 1969	6 mos. 1969	June 1969	6 mos. 1969	May 1969	June 1968	
ARIZONA							
Tucson	731	3,722	$ 8,278	$ 32,077	21	130	83
LOUISIANA							
Monroe-West Monroe	76	407	1,103	7,406	—27	42	—35
Shreveport	440	2,545	1,706	20,348	—4	—40	67
TEXAS							
Abilene	37	240	1,286	7,261	0	86	46
Amarillo	401	1,110	878	15,441	—83	—19	46
Austin	408	2,568	9,560	87,252	—33	—30	36
Beaumont	186	751	829	5,778	—4	—48	—38
Brownsville	57	371	195	5,379	—70	—14	125
Corpus Christi	368	1,974	2,440	14,400	—33	—4	—31
Dallas	1,951	12,314	29,823	181,797	—40	38	42
Denison	33	186	189	2,092	117	—67	8
El Paso	372	2,653	11,161	54,640	16	121	52
Fort Worth	509	3,048	6,434	46,950	38	—27	9
Galveston	93	563	1,375	13,048	—61	—55	67
Houston	3,616	17,423	23,362	208,459	—8	—12	4
Laredo	38	210	132	2,022	—37	—49	45
Lubbock	103	686	2,578	17,080	—1	0	39
Midland	46	322	861	3,123	57	—33	—45
Odessa	66	383	866	5,577	340	363	100
Port Arthur	95	505	2,357	6,806	138	828	294
San Angelo	77	341	654	3,269	—21	—11	—46
San Antonio	1,135	6,284	6,453	42,583	42	—14	—43
Sherman	141	503	7,570	10,009	3,235	957	294
Texarkana	33	187	262	3,795	—54	21	0
Waco	269	1,416	1,871	9,843	9	—16	3
Wichita Falls	52	409	550	8,744	—70	—29	33
Total—26 cities	11,333	61,121	$122,773	$815,179	—14	12	17

VALUE OF CONSTRUCTION CONTRACTS

(In millions of dollars)

Area and type	June 1969	May 1969	April 1969	January—June	
				1969	1968
FIVE SOUTHWESTERN STATES[1]	678	704	498	3,544	3,006
Residential building	254	258	240	1,439	1,357
Nonresidential building	236	239	148	1,146	924
Nonbuilding construction	189	207	109	959	725
UNITED STATES	6,255	7,081	5,895	33,548	29,194
Residential building	2,462	2,620	2,546	13,069	12,121
Nonresidential building	2,322	2,680	2,136	12,824	10,129
Nonbuilding construction	1,471	1,780	1,213	7,654	6,944

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

CROP PRODUCTION

(In thousands of bushels)

Crop	TEXAS			FIVE SOUTHWESTERN STATES[1]		
	1969, estimated July 1	1968	1967	1969, estimated July 1	1968	1967
Winter wheat....	69,768	84,150	53,216	199,371	218,974	150,903
Corn...........	31,800	26,052	18,658	42,905	36,871	27,595
Oats...........	24,768	19,822	6,615	32,248	25,450	11,533
Barley.........	2,772	3,348	1,350	30,648	26,856	18,007
Rice[2]...........	25,803	27,462	25,400	49,021	53,943	47,435
Hay[3]...........	3,621	4,587	3,774	9,627	10,418	9,565
Flaxseed.......	1,296	742	150	1,296	742	150
Irish potatoes[4]...	4,532	4,382	4,329	8,581	7,654	7,892
Sweet potatoes[4]..	875	960	810	5,215	5,206	5,008

[1] Arizona, Louisiana, New Mexico, Oklahoma, and Texas.
[2] In thousands of bags containing 100 pounds each.
[3] In thousands of tons.
[4] In thousands of hundredweight.
SOURCE: U.S. Department of Agriculture.

CROP ACREAGE

(In thousands of acres)

Crop	TEXAS			FIVE SOUTHWESTERN STATES[1]		
	For harvest 1969	Harvested		For harvest 1969	Harvested	
		1968	1967		1968	1967
Cotton.........	5,250	4,125	3,525	6,660	5,364	4,592
Winter wheat....	2,907	3,825	3,326	7,449	10,599	8,834
Corn...........	636	501	491	881	731	712
Oats...........	688	583	315	872	745	465
Barley.........	99	124	75	702	585	418
Rye............	36	33	25	88	73	68
Rice...........	549	597	508	1,160	1,276	1,073
Sorghums.......	7,362	7,362	7,590	9,003	8,949	9,333
Hay............	2,362	2,376	2,297	4,818	4,804	4,782
Peanuts.........	304	298	295	435	429	428
Flaxseed.......	96	55	25	96	55	25
Irish potatoes....	27	27	30	47	44	47
Sweet potatoes..	13	12	11	75	65	61

[1] Arizona, Louisiana, New Mexico, Oklahoma, and Texas.
SOURCE: U.S. Department of Agriculture.

DAILY AVERAGE PRODUCTION OF CRUDE OIL

(In thousands of barrels)

Area	June 1969	May 1969	June 1968	Percent change from May 1969	Percent change from June 1968
FOUR SOUTHWESTERN STATES................	6,739.1	6,570.7	6,315.8	2.6	6.7
Louisiana..............	2,423.9	2,392.6	2,250.8	1.3	7.7
New Mexico............	348.8	354.0	344.9	—1.5	1.1
Oklahoma.............	614.5	612.8	618.7	.3	—.7
Texas.................	3,351.9	3,211.3	3,101.4	4.4	8.1
Gulf Coast............	661.9	622.4	614.0	6.3	7.8
West Texas...........	1,593.0	1,533.3	1,452.2	3.9	9.7
East Texas (proper).....	159.2	146.9	146.8	8.4	8.4
Panhandle............	90.9	90.4	90.6	.6	.3
Rest of State..........	846.9	818.3	797.8	3.5	6.2
UNITED STATES...........	9,508.1	9,341.3	9,146.1	1.8	4.0

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

TOTAL OIL WELLS DRILLED

Area	First quarter 1969	Fourth quarter 1968	Percent change, first quarter 1969 from Fourth quarter 1968	Percent change, first quarter 1969 from First quarter 1968
FOUR SOUTHWESTERN STATES....	1,736	1,812	—4.2	—29.8
Louisiana.....................	280	343	—18.4	51.4
Offshore...................	93	130	—28.5	50.0
Onshore...................	187	213	—12.2	4.5
New Mexico...................	49	119	—58.8	—66.2
Oklahoma....................	435	310	40.3	31.8
Texas........................	972	1,040	—6.5	19.4
Offshore...................	4	2	.0	.0
Onshore...................	968	1,038	—6.8	19.5
UNITED STATES.................	3,281	4,207	—22.0	17.2

SOURCE: American Petroleum Institute.

NONAGRICULTURAL EMPLOYMENT

Five Southwestern States[1]

Type of employment	Number of persons June 1969p	Number of persons May 1969	Number of persons June 1968r	Percent change June 1969 from May 1969	Percent change June 1969 from June 1968
Total nonagricultural wage and salary workers..	6,186,200	6,138,900	5,970,300	0.8	3.6
Manufacturing...........	1,148,600	1,139,200	1,126,700	.8	1.9
Nonmanufacturing........	5,037,600	4,999,700	4,843,600	.8	4.0
Mining...............	236,100	231,300	232,500	2.1	1.5
Construction..........	409,500	394,400	404,100	3.8	1.3
Transportation and public utilities.......	463,800	458,400	444,800	1.2	4.3
Trade................	1,405,600	1,391,200	1,351,300	1.0	4.0
Finance..............	308,100	302,700	291,700	1.8	5.6
Service..............	968,100	947,800	915,600	2.1	5.7
Government..........	1,246,400	1,273,900	1,203,600	—2.2	3.6

[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	June 1969p	May 1969	April 1969r	June 1968r
TEXAS				
Total industrial production......	175.5	173.0	170.5	165.0
Manufacturing................	197.0	197.7	195.3	187.3
Durable.....................	212.6	217.7	216.7	202.9
Nondurable..................	186.6	184.4	181.1	176.8
Mining.......................	133.2	125.6	123.7	122.4
Utilities.....................	234.3	234.3	226.5	218.7
UNITED STATES				
Total industrial production......	173.9	172.7	171.7	165.8
Manufacturing................	175.0	173.9	173.1	167.3
Durable.....................	178.1	176.9	175.7	171.0
Nondurable..................	171.1	170.2	169.8	162.7
Mining.......................	133.6	130.6	128.7	129.2
Utilities.....................	219.0	217.9	216.3	197.9

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