

TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas

BUREAU OF BUSINESS RESEARCH : THE UNIVERSITY OF TEXAS

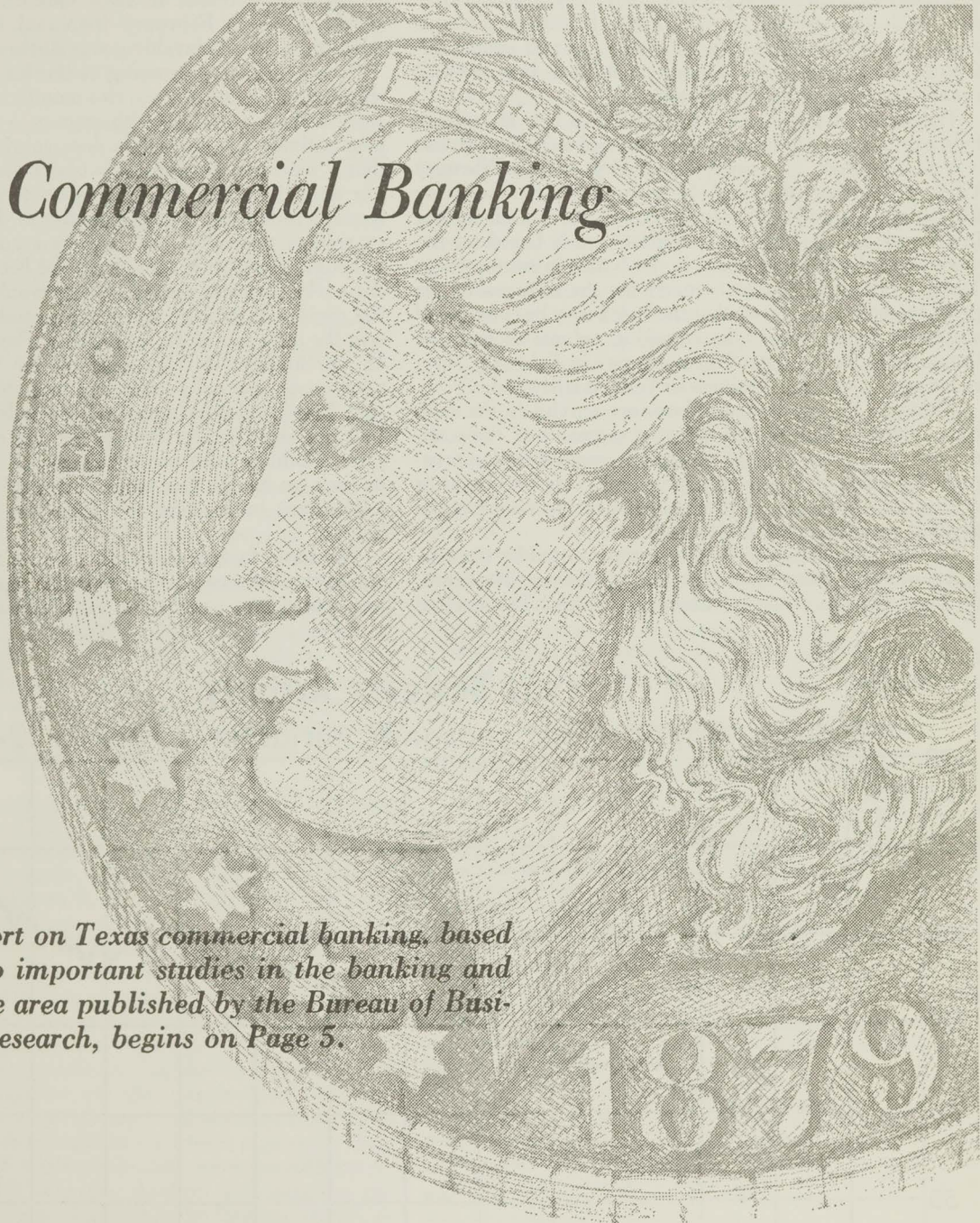
VOL. XXXIV, NO. 4

TWENTY CENTS A COPY—TWO DOLLARS A YEAR

APRIL 1960

Texas Commercial Banking

A report on Texas commercial banking, based on two important studies in the banking and finance area published by the Bureau of Business Research, begins on Page 5.



The Business Situation in Texas

By JOHN R. STOCKTON

The downturn in Texas business barometers that occurred in January was reversed with a vigorous rise in most of the series in February. This strength in the major indexes of business furnishes strong support for the thesis that the decline in January was a temporary, erratic variation, with the outlook for 1960 still favorable. Further evidence indicates that this conclusion is still sound, although the extent of the rise may not be as large as was considered likely a few months ago.

The index of business activity in Texas rose sharply in February; after adjustment for seasonal variation it was 9% higher than in January and 11% above February 1959. At 238% of the 1947-49 base period, the index for February set an all-time record. The previous high for the index was 226 in July 1959. This index is based on the charges to checking accounts in the banks in twenty large Texas cities. Adjustment is made for the changes in the price level, with the result that the index may be considered a reliable barometer of the changing volume of business transactions in the state. Its strong rise in February is an encouraging sign that business in Texas is still good.

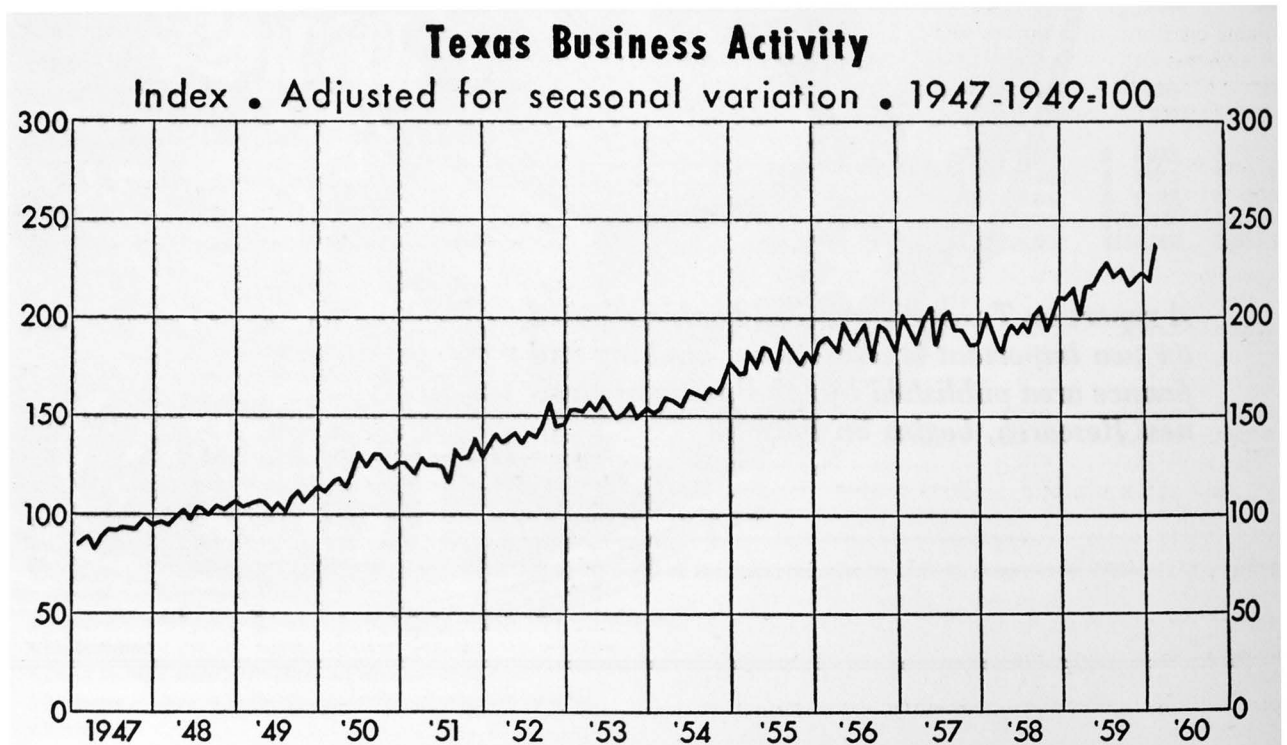
Although the level of total business activity in the state rose during February, the different segments of the economy show varying rates of change. In evaluating the prospects for business in the coming months it is important to determine which phases of the economy are showing the greatest promise for improvement.

Consumer spending in Texas, as represented by the estimates of retail sales by the Bureau of Business Research, declined for the second consecutive month. The decline

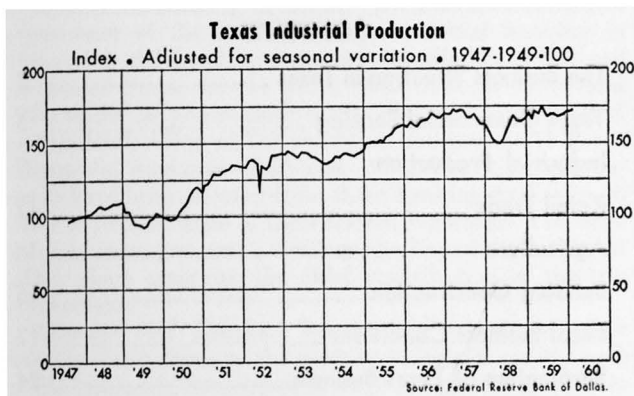
from January to February was 4% after adjustment for seasonal variation, compared with a decline of 2% between December and January. The declines in both months were in nondurable goods stores, with durable goods stores registering increases in both months. Sales by durable goods stores in February increased 6% over January, while sales by nondurable goods stores declined 7%.

Since consumer spending is the largest portion of the state's total business, these two months of decline appear to raise serious questions with respect to the course of business activity. If the decline does continue it will indicate that a recession in business is under way, but there is reason to believe that this downward trend will not persist through the spring. The rise in sales by durable goods stores represents primarily the improved automobile business, although automobile sales have not been quite as good as the early forecasts indicated they would be. The substantial decline in sales by nondurable goods stores may represent the influence of the late spring. The sale of many kinds of merchandise is influenced by the weather, and February was unusually cold and wet. It is not impossible that March sales of nondurable goods stores will fail to improve significantly due to the late date of Easter this year. Clothing sales are influenced by the date of Easter, to such an extent that some statistical agencies make an adjustment in the reported figures to reflect the date of Easter.

The basic factors that influence consumer spending do not warrant the conclusion that this phase of the economy has turned into a recession. Total nonagricultural employ-



ment in Texas increased from 2,474,800 in January to 2,476,800 in February. The February total for this year was well above the 2,420,300 employed a year earlier. There are no monthly data available for personal income in Texas, but for the country as a whole February showed a small increase from January. A small rise in labor income was partially offset by a decline in farm income, with other major sources of income remaining virtually unchanged. There is no reason to believe that personal income in Texas deviated significantly from the national pattern, so it does not appear that the decline in retail sales resulted from a curtailment in consumer buying power. This supports the hypothesis that the decline in retail sales during the first two months of 1960 will not continue.



Another important factor in the business situation is the prospect that business spending for capital goods during 1960 will increase substantially. The survey of business expenditure plans made by the Department of Commerce and the Securities and Exchange Commission in January and February anticipates rising outlays in the United States during 1960, exceeding 1959 by 14%. Total expected investment of slightly over \$37 billion exceeds in dollar volume the previous high reached in 1957. These estimates are expressed in current dollars each year; if adjustments were made for the change in the price level, the anticipated expenditures for 1960 would be slightly below the 1957 level.

Data for Texas comparable to the anticipated expenditures for the United States are not available, but the expansion in Texas has been at a somewhat greater rate than for the country as a whole. This would indicate that capital expenditures of business in Texas during 1960 will offer substantial support to business activity. If these plans for expansion are carried out, it will result in increased expenditures for materials and equipment. The increased employment would add to purchasing power and furnish support to all types of economic activity, as well as provide an expanded base for the state's growth.

The anticipated expenditures in the United States for new plant and equipment are 25% greater than for 1959, substantially more than for any nonmanufacturing category. Durable goods manufacturers expect to increase their capital outlays 33% while nondurable goods manufacturers expect only a 10% increase. Airlines will continue expanding their jet fleets, resulting in an increase of 6% in the spending of transportation companies other than railroads. Commercial firms and others expect to increase spending 7%, indicating a continued expansion of shopping centers.

The rate of increase in capital spending is expected to rise throughout 1960. The first quarter is expected to be at the annual rate of \$35.32 billion, up 5% from the last quarter of 1959. The second quarter annual rate is estimated as \$36.91 billion, but the second half of 1960 is expected to rise enough to bring the total for the year to \$37.02 billion. It is important to understand that these anticipated expenditure rates may not actually be realized. However, in periods of rising investment the trend has been to understate rather than to overstate the rate of expenditure. All of these factors lead to the conclusion that Texas business in 1960 should be good, even in spite of some of the less encouraging trends that are present in some sectors.

A third important segment of the economy of Texas is the building industry. Spending for new construction is similar in its effect to business investment in plant and equipment, and business buildings are actually a part of the capital spending of business concerns.

The level of new construction during February in Texas remained practically unchanged from January, but the first two months of 1960 were 15% below the level of the same period in 1959. Residential building, however, registered a different trend, with a decline from January to February of 3%. The first two months of 1960 were 24% below the same months last year. The year 1959 was a very good one for building, both in Texas and in the remainder of the country, so even with some decline in volume the industry could be considered to be performing well during the first two months of 1960. Some evidence exists that mortgage loans may be a little easier to secure, although it probably is not likely that any substantial reduction in interest rates will occur soon. Residential building probably will not contribute much to an expansion of business activity, although there appears to be no immediate danger that it will make any major contribution to a decline. Non-residential building appears to be capable of offering some support to an increase in business.

Manufacturing activity in Texas and in the nation showed a slight decline during February. The index of in-

SELECTED BAROMETER OF TEXAS BUSINESS
(1947-40 = 100)

Index	Feb. 1960	Jan. 1960	Feb. 1959	Percent change	
				Feb. 1960 from Jan. 1959	Feb. 1960 from Feb. 1959
Texas Business Activity	238	219	215	+ 9	+ 11
Miscellaneous freight					
carloadings in S.W. district..	80	82	74	- 2	+ 8
Crude petroleum production ..	124*	117r	122	+ 6	+ 2
Crude oil runs to stills	148	148	152	**	- 8
Total electric power					
consumption	394*	375r	347r	+ 5	+ 14
Industrial electric power					
consumption	416*	385r	361r	+ 8	+ 15
Bank debits	284	261	257	+ 9	+ 11
Ordinary life insurance sales ..	423	387	401	+ 9	+ 5
Total retail sales	215*	224r	213r	- 4	+ 1
Durable-goods sales	161*	152r	155r	+ 6	+ 4
Nondurable-goods sales	243*	262r	243r	- 7	**
Urban building permits issued	210	200r	235	+ 5	- 11
Residential	220	226r	279	- 3	- 21
Nonresidential	204	167r	179	+ 22	+ 14
Total industrial production....	173*	172	167	+ 1	+ 4

Adjusted for seasonal variation, except annual averages and farm cash income.

* Preliminary.

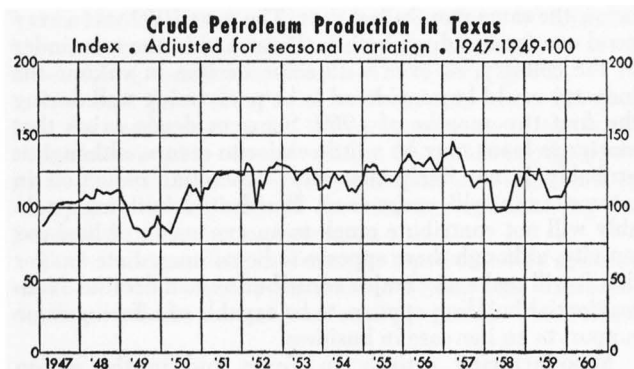
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** Change is less than one-half of one percent.

dustrial production compiled by the Federal Reserve Bank of Dallas showed total manufactures declining from 213% of the 1947-49 base to 210. Mining, however, showed enough of an increase to push the total index of industrial production up one point to 173. The index of industrial production for the United States, compiled by the Board of Governors of the Federal Reserve System, declined from 168 to 167. The manufacturing component also declined from 168 to 167, while the mining component declined two points and utilities rose three points. This index has recently been revised to include the output of utilities, as well the older manufacturing and mining components.

Some industrial production since the end of the steel strike has gone into building up depleted inventories. During both December and January inventories increased by one billion dollars, bringing the January 31, 1960 level slightly above that of July 31, 1959. Assuming that businessmen will not want to continue this accumulation of inventories, it seems likely that production may not show any substantial increase until consumption increases.

There is little indication that the Texas oil industry will lend any increased support to business, with the April allowable set at nine days. The index of petroleum pro-



duction in February, adjusted for seasonal variation, increased 6%, and was 2% above last February. Crude runs to stills remained unchanged in February but were 3% below the level of a year ago.

The prospects for agriculture in 1960 remain somewhat uncertain. Prices received by Texas farmers declined 2% in February, a continuation of the trend of many months. Rain and cold weather have put field work behind schedule, but with moisture conditions good there is a chance that crops will be satisfactory if wet weather does not delay planting too long. However, there appears to be no immediate prospect of a reversal in the downward price trend.

The index of consumers' prices rose in February to the all-time peak of 125.6 reached last November, and Department of Labor officials offered little hope that this trend would be reversed in the immediate future. The rise, however, has been concentrated in services rather than in the price of commodities. The index of wholesale commodity prices rose slightly in February, but has shown very little change for the past two years. The decline in farm products has approximately offset the rise in industrial commodities. There is some possibility that the inflationary trend has slowed down, and it has even been suggested that the recent weakness in the stock market may result from a lessening of interest in hedging against inflation by the buying of common stocks.

TEXAS BUSINESS REVIEW



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Commercial Banking in Texas

By WILLIAM HUBERT BAUGHN* and DAVID TOWNSEND**

Two recent Bureau of Business Research publications in the Banking and Finance Series are *Changes in the Structure of Texas Commercial Banking 1946-1956*, and *Condition and Income of Texas Commercial Banks: The Effects of Size and Location, 1956 and 1958*. These two volumes provide: (1) a brief history of the development of commercial banking in Texas; (2) a detailed statistical comparison of the structure of commercial banking in Texas with the banking structure in adjacent states and the United States for the years 1946 through 1956; and (3) a statistical presentation of the effects of bank size and geographic location on the condition and income of Texas commercial banks in 1956 and 1958. The following excerpts have been selected from these banking studies in an effort to present some of their textual highlights. The limitation of space prevents a similar sampling of the statistical tables which comprise the chief contribution of the two publications.

Commercial Banks. Despite the growth of other financial institutions in the modern industrial society such as life insurance companies, savings banks, and specialists in installment loans, the relatively ancient commercial bank remains the paramount financial firm. When the "bigness" yardstick is applied, commercial bank assets still have the greatest money value, although the relative size of the commercial banking industry itself is declining. Apart from their sheer size, the unique position of commercial banks as part of the nation's monetary system provides a sufficient explanation of the continuing significance of their current financial condition.

A commercial bank may be defined as a privately owned business controlled jointly by private management and government agencies. Most of the funds for commercial banks are secured from creditors, with usually only 5% to 10% of the funds secured from owners. Most of the creditors' claims include the obligation to pay legal tender money at the request of the creditors or to the party designated by the creditors. These creditor claims are known as demand deposits. The funds are invested in legal tender money, in debt instruments which may be quickly converted into legal tender with almost no risk of loss, and in higher earning debt instruments which are not so easily converted to legal tender. In modern societies, demand deposits are customarily used to perform the functions of money. Therefore, when commercial banks increase or decrease their outstanding debt, they change the monetary stock of the national economy in which they are located. This money-issuing function of modern commercial banks explains the inclusion of these banks in the national monetary system and the control over them exercised by government agencies.

Commercial bank demand deposits are the most commonly used means of payment, and the active participants in the economy—whether they be individuals or firms—

have no practical alternative but to invest part of their assets in commercial banks. The counterpart of their depository function is the leading role of commercial banks in providing loans to firms, households, and governments. Commercial banks are the largest source of short-term loans to business firms and households; they are also the most important institutional source of loan funds, regardless of maturity, to governments at all levels—federal, state, and local.

Texas Commercial Banking Prior to 1946. There was little commercial banking in Texas prior to the National Bank Act of 1863. The State Constitution of 1845 had specifically prohibited the chartering of banks and the issuance of paper currency. Except for one bank (which closed in 1859) chartered by Mexico and recognized by the Republic of Texas, the first real banks in Texas were national banks. In 1870 there were only four national banks in Texas, but this number gradually increased to a total of 223 by 1892. From 1906 to 1924 the number of national banks fluctuated between 500 and 535. Substantial chartering activity in the period 1924-1926 increased the number of national banks to 613, an all-time high for the state of Texas. Gradual declines in the number of national banks in the 1920's, followed by sharp decreases in the early 1930's, reduced the number of national banks in Texas to 445 by 1939.

A constitutional amendment of 1904 and state legislation in 1905 restored the state banking system, after which the number of state banks in operation increased rapidly from 29 in 1905 to a total of 1,022 in 1921. By 1939, however, only 395 banks with state charters remained in operation. The period of World War II—1939 to 1946—recorded a further decrease of 3.2% in the number of active banks in the nation. However, both Texas and states adjacent (Arkansas, Louisiana, New Mexico, and Oklahoma) recorded a slight increase in the number of banks for the same period.

The total resources of national banks in Texas increased slowly prior to 1880 and in that year amounted to about \$5 million. Sharp increases in national bank resources between 1880 and 1892 raised the total to approximately \$79 million. By 1905, when the state banking system was re-established, the total resources of national banks in the state amounted to approximately \$190 million. The nearest that state banks have come to catching up with the national banks in total resources was in 1920, when resources of state banks amounted to \$412 million and the resources of national banks totaled \$432 million. In the second half of the 1930-1940 decade national banks had total resources approximately five times those of state banks. Since 1933 bank assets in Texas have expanded much more rapidly than have total bank assets for the United States. From 1933 to 1939 Texas bank resources increased 73.2% as compared with 43.5% for the United States; the wartime period, 1939-1946, recorded an increase of 255.4% in Texas bank resources as compared with only 130.3% for the nation.

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Comparison of Commercial Banking in Texas with Adjacent States and United States, 1946-1956.

In the period from 1946 to 1956 the structure of the commercial banking industry in Texas changed in many ways. In general this was a period in which commercial banks in the state made considerable progress in consolidating the gains originated by the expansion period of World War II. These 11 years represented the longest single period of uninterrupted prosperity that Texas banks had enjoyed.

The number of chartered banks in Texas expanded 10% during the period, as contrasted with an increase of 7% in adjacent states and an actual decline of 3% in the nation as a whole.

During the period Texas bank resources almost doubled. The expansion of 90% in bank resources in the state was twice the national rate of increase, 45%. On a per capita basis, bank resources in Texas increased from \$820 to \$1,265, a gain of 54%. Average bank resources per capita in the nation increased only 25% during the period but remained above the Texas figure throughout the period. In 1946 the average total bank resources per capita in the state had amounted to 68% of the national average; in 1956 that proportion had increased to 84%, representing a significant gain within a relatively short period of time. Bank resources per person in Texas were well above the average for neighboring states.

The structure of Texas bank assets tended to become more like the national pattern during the decade; however, there remained some major differences in the use of bank assets. Throughout the period Texas banks tended to hold a higher proportion of total assets in cash and due from banks than the national average. Banks in adjacent states and in the nation have tended to hold a larger proportion of assets in government bonds than have Texas banks. In addition, municipal bonds did not make up as large a proportion of Texas bank portfolios as they did in adjacent states and in the nation.

The total volume of loans and discounts by Texas banks increased an average of over 20% in each year during the

period. The over-all increase of 208% in the volume of loans and discounts was above the national rate but below the rate for adjacent states. During the period Texas banks did not expand loans and discounts as a percentage of total assets as much as did banks in the nation.

Between 1946 and 1956 deposits held by Texas banks expanded 87%, a rate more than twice the national average of 43% and considerably above that in adjacent states, 68%. In 1946 Texas banks held 4.0% of the nation's bank deposits; in 1956 that proportion had grown to 5.2%.

The balance between time and demand deposits is very different in Texas from the national picture. Demand deposits in Texas banks made up 91% of all deposits in 1946 and 86% in 1956. In the nation these proportions were 75% and 73%, respectively.

Interbank deposits of Texas banks expanded 100% during the period; in adjacent states the increase was only 55% and in the nation only 40%. Interbank deposits increased in relative importance in the structure of Texas bank deposits from 13.2% of the total to 14.8%. In adjacent states these deposits in 1956 made up only 9.9% of total deposits; in the nation the proportion was even lower, only 8.8%. In 1946 Texas banks had held 5.9% of the nation's total interbank deposits; by 1956 that proportion had increased to 8.8%.

The total capital fund of Texas banks increased each year during the period, resulting in an over-all increase of 157% between 1946 and 1956. That rate of growth compared favorably with the national increase of 72% and the increase in neighboring states of 132%. However, the ratios of capital funds to total assets and total deposits in Texas were below the national average throughout the entire period. In 1946 capital funds were 5.5% of total deposits among Texas banks; for the nation the proportion was 6.8%. In 1956 Texas banks had expanded capital funds to a level of 7.6% of total deposits; the expansion in the nation was to a level of 8.2%.

Current operating earnings, the gross income of banks from operation, increased more among Texas banks than in adjacent states or in the nation. An over-all increase of

BUREAU OF BUSINESS RESEARCH PUBLICATIONS

***Changes in the Structure of
Texas Commercial Banking, 1946-1956***

Studies in Banking and Finance No. 2

By WILLIAM HUBERT BAUGHN, Professor of Finance

three dollars

* * * * *

Condition and Income of Texas Commercial Banks:

The Effects of Size and Location, 1956 and 1958

Studies in Banking and Finance No. 3

By WILLIAM HUBERT BAUGHN, Professor of Finance
and DAVID TOWNSEND, Associate Professor of Finance

two dollars

206% in these earnings by Texas banks compared with an increase of 171% in the nation and 153% in neighboring states.

Current operating expenses among Texas banks during the period went up faster than did current operating earnings. This situation was not true for banks in the nation as a whole. An increase of 222% in operating expenses among Texas banks can be compared with an increase of 153% for banks in the nation and 186% for banks in adjacent states.

Interest on time deposits as an expense of commercial banks expanded rapidly during the period. In 1946 Texas banks had paid only \$3.4 million in interest on time deposits. By 1960 that amount had expanded 559% to a level of \$22.4 million. Interest payments had accounted for only 5% of bank expenses in 1946; by 1956 that proportion was 11%. Interest payments on time deposits in adjacent states continued to account for a larger proportion of total expenses than in Texas banks. In the nation, payments on time deposits increased 200% or from 14% to 18% of total bank expenses.

There was an uninterrupted increase in the net current earnings of Texas banks, resulting in an over-all gain during the period of 182% in these earnings. That rate can be compared with the expansion in the nation of 152% and in adjacent states of 154%. Net current earnings, as a ratio of gross income, among Texas banks dropped from 41% in 1946 to 38% in 1956. In the nation the operating ratio (ratio of expenses to gross income) continued to be about 62% throughout the period and did not show the increase recorded by Texas banks.

Effect of Bank Size on the Condition and Income of Texas Commercial Banks in 1956-1958. The method of dividing banks by size, and the relative importance of each size classification, is revealed in Table 1.

The relative importance of owners and creditors as sources of bank funds is a significant relationship which varies considerably from one size of bank to another. The 1958 all-bank ratio of 8% (\$1 of capital for every \$12.50 of deposits) obscures a range which extends from 7.1% for bank size V (deposits from \$50,001,000 to \$100,000,000) to 11.9% for size I (deposits of \$2,000,000 and under). An interesting inverse relationship between the size of the capital-deposit ratio and the bank size has been found to exist. Only bank size VI (deposits of \$100,001,000 and over) fails to fall into the pattern since the reliance on capital by the largest banks is similar to the banks in the class with deposits of \$2,001,000 to \$10,000,000. (sizes II and III).

In both years, demand deposits of individuals, partnerships, and corporations (referred to as demand deposits) were the most important classification of deposits for each bank size; however, the variation within the entire group was extreme. The bank size pattern for demand deposits descends without interruption from a high of over 70% of assets for bank size I to less than 50% of assets for size VI.

In both years loans and discounts were the most important use of funds for all bank sizes, and all size groupings enjoyed substantial increases in the dollar volume of this chief earning asset between the two year-end dates. The largest banks (size VI) experienced a loan increase of 6.5%, while the loan increase for bank size V was 11.3%. The gain in loans by the remaining sizes fell between these two extremes.

TABLE 1
BANKS BY SIZE GROUPS

Bank size (deposits in thousands of dollars)	Number of banks		Percent of total assets	
	1956	1958	1956	1958
I 2,000 and under	327	287	3.6	2.9
II 2,001 to 5,000	297	314	9.3	9.1
III 5,001 to 10,000	171	193	11.3	11.6
IV 10,001 to 50,000	109	128	19.4	21.0
V 50,001 to 100,000	19	19	11.9	11.2
VI 100,001 and over	13	14	44.4	44.2
All banks	936	955	100.0	100.0

Loans were least important for banks in size II. The 314 banks in this category had less than 32% of their assets invested in loans on the 1956 date; the proportion had increased to 34% two years later. At the other extreme were the 14 banks (deposits of \$100,001,000 and over) which, as of December 31, 1958, supplied almost 43% of their assets to customers via loans and discounts.

Security investments are the most important for small banks, and successively less important for each larger bank size after size II. This inverse relationship between bank size and the importance of securities is matched by the direct relationship between bank size and the importance of loans. Specifically, security investments declined from a high of 40% of assets in the case of bank size II to less than 25% of assets for bank size VI.

The operating ratio is the most widely used indicator of operational efficiency. This key efficiency ratio is determined by expressing current operating expenses as a percentage of current operating earnings. A low percentage or ratio indicates either large earnings per dollar of expenditures or low expenses per dollar of earnings. Among similarly situated firms, a relatively low operating ratio is one indication or measure of superior managerial efficiency.

The average operating ratios of bank sizes I through V were remarkably similar in both years, as they clustered around 66% in 1956 and 70% in 1958. The increases in the operating ratios of banks in sizes I through V were caused by increases in current operating expenses which, in percentage terms, were larger than the increases in current operating earnings. Interest on time deposits was the expense item which contributed the most to the increase in total current operating expenses, reflecting the nationwide increase in time deposits and the higher rates of interest paid by banks on these deposits.

The average operating ratio of the 14 banks in size VI places these banks in a unique position from the standpoint of operating efficiency. Their typical operating ratio of 56.4% in 1958 contrasts sharply with the ratios for the other five groups, which range from 12% to 16% higher. Economies which accompany large-scale operations seem to explain for these very large banks their low ratio of expenses to earnings.

Current operating earnings minus current operating expenses equal net current earnings. Although current operating earnings were higher in 1958 than in 1956 for all size groups, the absolute increases in current operating expenses were even greater for the four smallest bank sizes (I, II, III, and IV). The greater increases in expenses than in earnings resulted in decreases in net current earnings

with the decline ranging from 1.3% for bank size III to 6.8% in the case of bank size II.

The income item entitled "Profits on Securities" measures realized gains from the sale of securities at prices above the purchase prices. Among the different sizes of banks the variation in the relative importance of this source of profit is large.

The relative insignificance of profits on securities in 1956 is explained by downward pressure on the market prices of debt securities resulting from tightening money market conditions. On the other hand, the decline in interest rates accompanied by increases in the prices of intermediate and long-term debt securities in the first half of 1958 provided an opportunity for portfolio managers to realize handsome capital gains. The data indicate that up to, but not including, size VI the larger the bank the greater the likelihood that bank managers took advantage of this cyclical opportunity for profit. A somewhat lower importance of profits on securities to banks in size VI is not surprising since this small handful of banking giants allocates a considerably lower fraction of their assets to securities than that allotted by the five smaller groups.

Perhaps the most significant of the profitability ratios is the ratio of net current earnings to total capital. As

measured by this profitability ratio the two smallest sizes were the least profitable, while the most profitable group was size VI. The profit ratio ranged in 1958 from 11% for bank size I to 17.7% for bank size VI.

The examination of condition statements revealed that bank sizes I and VI secure a larger proportion of their total funds from owners than is obtained by the other four size groups. For bank size I the relatively large investment by owners tends to explain the low ratio of net current earnings to total capital. On the other hand, a high profitability ratio plus a relatively large equity position combine to justify an earlier impression concerning the banks in size VI—that their current operations were markedly superior to the other five groups. This idea was indicated by the very low operating ratio which the average size VI bank enjoyed. Clearly, if volume is small, a high level of operating efficiency does not insure large net current earnings; however, a low operating ratio plus a high rate of profit, despite a relatively large equity investment, will add up to efficiency and volume—an unbeatable combination.

Effect of Geographic Location on the Condition and Income of Texas Commercial Banks in 1956 and 1958. A comparison of the financial position of an individual bank with a hypothetical average Texas bank, or with a typical Texas bank of a particular size, fails to consider the great diversity in economic activity which characterizes different sections of the state. That bank managers would welcome the opportunity to appraise their own position in relation to other banks of similar size and in a similar economic environment is the assumption which justifies the regional analysis of bank statements.

Table 2 and the accompanying map below provide a description of the eight regions, including the number of

CHANGES IN CONDITION OF WEEKLY REPORTING MEMBER BANKS IN THE DALLAS FEDERAL RESERVE DISTRICT

Source: Board of Governors of the Federal Reserve System

Account	Percent change*		
	Feb 1960 from Jan 1960	Feb 1960 from Feb 1959	Feb 1959 from Jan 1959
TOTAL ASSETS	**	— 1	**
Loans and investments, less loans to banks and valuation reserves	— 1	— 1	**
Loans, less loans to banks and valuation reserves	— 1	+ 4	**
Commercial, industrial, and agricultural loans†	— 2	+ 2	**
Loans for purchasing or carrying securities	**	+ 8	— 3
Real estate loans	**	— 5	— 1
Other loans	+ 1	+ 11	+ 2
Total U.S. Government securities	**	— 12	— 2
Treasury bills	+ 18	— 51	+ 25
Treasury certificates of indebtedness	— 52	— 85	— 3
Treasury notes and bonds	+ 1	— 1	— 4
Other securities	— 1	+ 5	+ 4
Loans to banks	+ 38	— 54	+151
Reserves with Federal Reserve banks	— 2	— 1	— 7
Cash in vaults	— 4	— 8	**
Balances with domestic banks ..	+ 11	+ 1	+ 5
Other net assets	— 4	+ 18	— 7
TOTAL LIABILITIES	**	— 2	**
Total adjusted deposits	— 1	— 7	+ 2
Demand deposits	— 1	— 9	+ 3
Time deposits	— 1	— 1	+ 1
U.S. Government deposits	— 4	— 29	+ 4
Total interbank deposits	— 1	+ 5	— 6
Domestic banks	— 2	+ 5	— 6
Foreign banks	+ 36	+ 19	**
Borrowings	+ 44	+488	— 54
Other liabilities	+ 1	+ 42	— 2
CAPITAL ACCOUNTS	+ 1	+ 5	**

*Percentage changes are based on the week nearest the end of the month.

**Change is less than one-half of one percent.

†Includes loans to nonbank financial institutions.

REVENUE RECEIPTS OF THE STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Account	September 1–February 29		
	1959–60	1958–59	Percent change
TOTAL	\$559,188,884	\$493,209,764	+ 13
Ad valorem, inheritance and poll taxes	37,641,686	31,274,051	+ 20
Natural and casinghead gas production taxes	25,018,973	22,639,884	+ 11
Gas severance beneficiary tax	118,755	0	.....
Crude oil production taxes	62,624,867	68,159,421	— 8
Other gross receipts and production taxes	12,429,239	10,913,008	+ 14
Insurance companies and other occupation taxes	787,991	893,348	— 12
Motor fuel taxes (net)	90,694,139	87,401,529	+ 4
Cigarette tax and licenses	39,920,926	24,803,606	+ 61
Alcoholic beverage taxes and licenses	18,450,615	16,265,708	+ 13
Automobile and other sales taxes ..	16,910,297	10,346,504	+ 63
All other licenses and fees	21,456,468	19,854,339	+ 8
Franchise taxes	13,741,402	2,187,747	+528
Mineral leases, land sales, rentals, and bonuses	12,687,817	12,736,359	**
Oil and gas royalties	14,765,369	15,498,654	— 5
Interest earned	14,879,183	13,264,742	+ 12
Unclassified receipts	5,969,763	5,581,068	+ 7
Other miscellaneous revenue	5,769,474	6,010,345	— 4
Federal aid for highways	83,250,841	64,496,620	+ 29
Federal aid for public welfare	60,978,183	70,451,497	— 13
Other federal aid	20,949,660	10,164,470	+106
Donations and grants	143,236	266,864	— 46

**Change is less than one-half of one percent.

TABLE 2

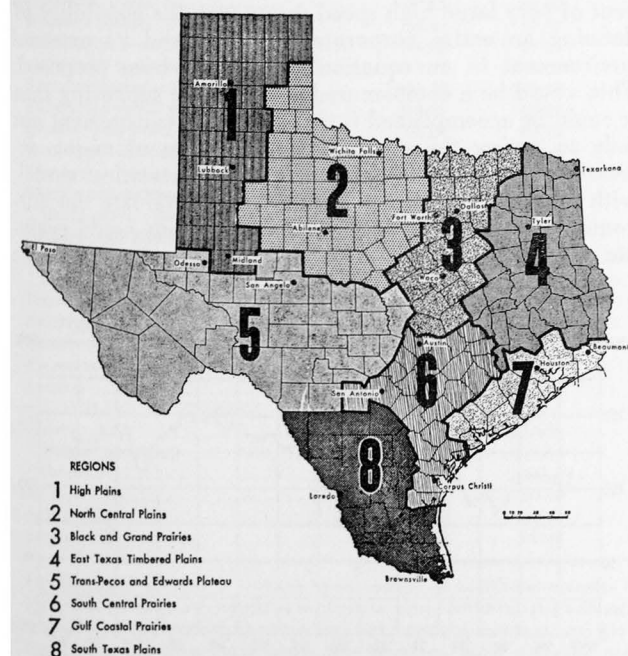
STATISTICAL DESCRIPTION OF THE EIGHT REGIONS

Number	Region	Number of banks		Percent of total assets	
		1956	1958	1956	1958
1	High Plains	91	92	8.1	8.2
2	North Central Plains	127	128	6.0	6.0
3	Black and Green Prairies	213	213	35.4	35.0
4	East Texas Timbered Plains	154	157	5.7	5.6
5	Trans Pecos & Edwards Plateau	72	74	5.1	5.3
6	South Central Prairies	124	126	11.3	11.7
7	Gulf Coastal Prairies	106	114	26.2	25.8
8	South Texas Plains	49	51	2.2	2.4
Total		936	955	100.0	100.0

banks in each region and the percent of the state's banking assets accounted for by the banks in each region. Since the limitation of space prohibits an explanation of the differences in the financial positions of each size group in the eight regional divisions, a microscopic sampling of these differences must suffice.

One example of the almost endless regional differences which are of interest to particular commercial bankers is the difference in the relative importance of service changes as a source of current operating earnings to banks in size I. In 1958, earnings from this source varied from 4.1% of current operating earnings for size I banks in region 1 to 10.6% of current operating earnings of the size I group in region 8. Another striking difference was the variation in the relative importance of deposits of governments. At the end of 1958 the average size IV bank in the state received 9.4% of its funds from government deposits; yet the typical size IV bank in region 5 received 13.3% from this source, and the comparable proportion for region 8 was 14.9%. At the other extreme, only 5.4% of the funds available to size IV banks in region 2 were deposited by governments.

REGIONAL DIVISION OF TEXAS



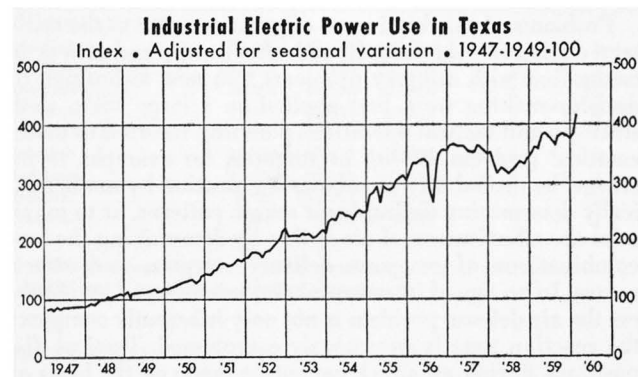
Industrial Production:

A NEW INDUSTRIAL REVOLUTION

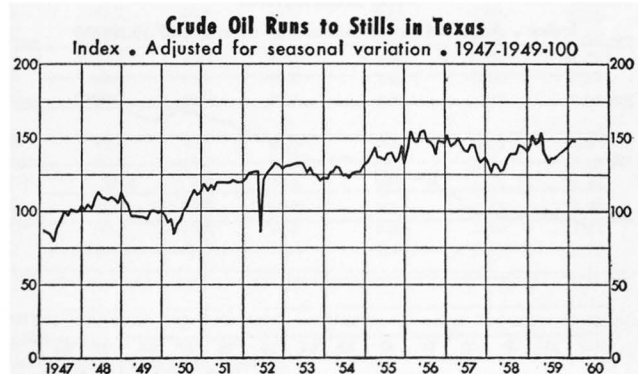
By ALFRED G. DALE

Within the state of Texas a handful of firms are quietly initiating an industrial revolution, the consequences of which may eventually be as far-reaching as the first industrial revolution that, two hundred years ago, transformed existing processes of industrial production and organization. This new revolution involves the application of complex mathematical analysis to a wide variety of problems confronting management, and the use of large, high-speed computers as an aid in finding solutions to the complex mathematics involved.

Until quite recently the process of decision-making in large organizations relied entirely upon the evaluation of relevant information within the framework of managerial



intuition and experience. As companies have grown larger and more complex, the difficulties of making good top-level decisions have enormously increased, and the penalties for making bad decisions have increased also. In many organizations it is quite impossible for any single individual to simultaneously take into account all the factors that should be considered in making a major policy change, or all the consequences that might flow from a given policy action. Very often the analysis of facts on which a decision is to be based, and the evaluation of its consequences, must be highly simplified and restricted to what are thought to be the most important elements of the problem. Large areas of relevance often must be ignored in arriving at decisions, so that commitments are frequently made with varying, but often large, degrees of uncertainty regarding the effects they will have beyond the areas explicitly considered when



PRODUCTION OF HYDROCARBON LIQUIDS FROM GASOLINE AND RECYCLING PLANTS
(Figures in barrels)

Source: Oil and Gas Division, Railroad Commission of Texas

Product	July 1959	Aug 1959	Sept 1959	Oct 1959	Nov 1959	Dec 1959	January-December 1959	1958	Percent change 1959 from 1958
TOTAL PRODUCTION	15,245,661	15,225,762	14,917,167	15,508,196	15,329,501	16,148,821	185,416,008	172,157,105	+ 8
Condensate-crude	1,321,122	1,409,047	1,397,922	1,458,050	1,678,018	1,687,758	17,060,513	13,370,247	+ 28
Gasoline	7,951,553	7,913,378	7,659,719	7,837,764	7,534,377	7,959,893	94,256,013	90,461,754	+ 4
Butane-propane	5,726,854	5,713,163	5,631,684	5,959,769	5,860,414	6,232,419	71,295,367	65,715,811	+ 8
Other products	246,132	190,174	227,842	252,613	256,692	278,751	2,804,115	2,609,293	+ 7
TOTAL GAS PROCESSED*	472,494	473,910	462,112	487,302	512,829	535,714	5,802,705	5,248,825	+ 11
Yield per Mcf in gallons	1.36	1.35	1.36	1.34	1.26	1.27	1.34	1.38	- 3

* Millions of cubic feet.

the decision was taken. Under these conditions it is clear that it may become very difficult to decide which of a number of alternative courses of action may, in the long run, turn out to be the best, as well as very difficult to determine what the total effects of a particular course of action may be.

Problems of this kind were of great concern to the military during World War II and afterwards, and it was in connection with military problems that new techniques of decision-making were first applied on a large scale. Both strategic and tactical operations planning resorted to mathematical problem solving in attempts, for example, to increase the probability of submarine location by mathematically determining desirable air search patterns, or to maximize the effectiveness of air strikes by determining the best combinations of weapons delivery, targets, and attack routes. In an age of intercontinental missiles and jet bombers the air defense problem is not only inherently complex: the reaction time is enormously compressed. Tactical dispositions during an attack cannot be made on the basis of intuition and limited information. Consequently, the air defense decision process largely involves a prior mathematical (or logical) simulation of attack potentials and defense capabilities, so that in practice, computer-originated information will indicate the best dispositions to meet any combination of circumstances that may occur, and in fact, may itself issue orders (i.e., make decisions) without human intervention.

Taking a lead from the military, private industry has become increasingly interested in the application of new approaches to corporate decision making during the past ten years. Their efforts may be classified as follows:

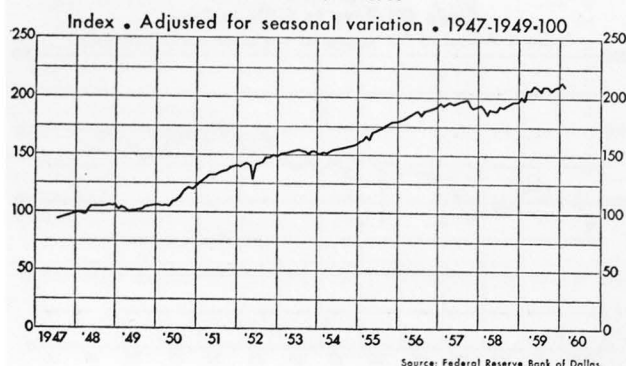
Suboptimizing procedures: In the jargon of the new discipline, suboptimizing refers to the process of finding the best way of operating a particular segment of a corpo-

rate system—e.g., a production line, or one refinery, or one warehousing operation. The type of problem may be how to schedule machines so as to get maximum use from them, or how to control purchasing and production so as to minimize inventory costs, or how to vary product mixes so as to maximize profits. Perhaps the most widely used analytical technique for solving problems of this kind is **linear programming**. This involves specifying how a system works, or how factors are related in a system, in terms of rather simple mathematical equations. The problem then becomes one of solving the equations, and of finding the particular solution that best fits the requirements that are to be met.

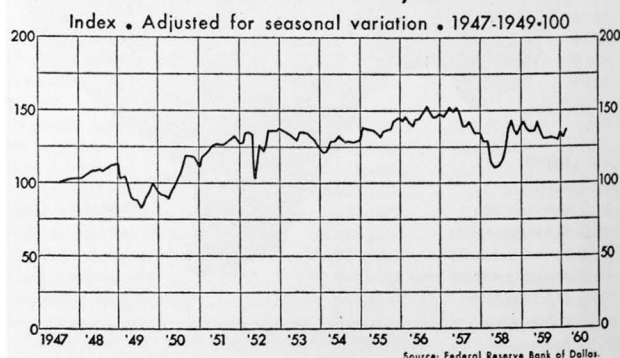
Solutions to these partial problems represent the biggest area in which the new techniques are being applied. In Texas they are being used by many of the oil companies in connection with optimizing individual refinery operations, by at least one major electric utility company in scheduling power generation from its turbo-generator units to meet changes in system load most economically, and by a few of the larger metal fabrication, electronics, and aircraft manufacturers, in connection with diverse production and transportation problems. Natural gas transmission companies are also making use of linear programming and related techniques.

Corporate simulation: Very recently, with the advent of very large high speed computers, the possibility of defining an entire corporate operation and its external environment in an equation system has been proposed. This would be a complex undertaking, but supposing that it could be accomplished it would permit management not only to review the complete consequences of major decisions, but to experiment, within the mathematical model, with different courses of action, and to evaluate the outcome of different proposals. Thus, a company could evaluate the outcome of a marketing decision (e.g., a price

Texas Industrial Production
Total Manufactures



Texas Industrial Production, Minerals



change) not only with respect to changes on the demand side, but in relation to what this would imply on the supply side also. Several Texas companies are actively considering setting up complete or partial corporate models of this type. They include companies engaged in electronics production, metal fabrication, and natural gas transmission.

Operational gaming. Rather than creating a completely realistic mathematical simulation of a company or an industry, it is possible to define a much simpler model that contains elements of reality and with which it is possible to evaluate the outcome of decisions in a realistic manner. Just as the military have played war games with deadly seriousness for training purposes, it is now possible for businessmen to play operational business games in order to gain insights into how real decisions should be made. There are currently a number of games generally available and in fairly wide use in executive training programs and in colleges of business. A number of these games utilize computers and are played on a competitive basis between groups of participants acting as management teams of different companies. Use of the computer makes it possible to simulate quite complex patterns of competitive interaction, and most participants in games of this kind comment on the realistic nature of the problems they must solve and of the gaming situations that arise during the course of play. The Bureau of Business Research is currently developing a fairly complex computerized game to simulate small business operational and competitive problems for the Small Business Administration. It is believed that a game of this type may be very useful in small business management training and counseling programs.

The full impact of new managerial techniques of the type described in this brief review will not be felt for many years. However, it is clear that they will introduce a new dimension in the way in which businesses are operated. Wider use of computers in decision making processes will eventually force significant changes not only in the way decisions are made, but in the way corporations organize themselves to do business. The possibilities are so great that almost any company that expects to continue successful operations beyond the next ten years or so can hardly avoid asking itself now how these new techniques may be most advantageously applied to its own problems.

REFINERY STOCKS*

(in thousands of barrels)

Source: *The Oil and Gas Journal*

Area and product	Feb 1960	Jan 1960	Feb 1959	Percent change	
				Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
UNITED STATES					
Gasoline	176,147	175,857	168,476	**	+ 5
Distillate	181,546	174,169	166,414	+ 4	+ 9
Residual	58,050	59,524	67,580	+ 2	— 14
Kerosene	33,035	32,231	32,374	+ 2	+ 2
TEXAS					
Gasoline	27,882	27,290	28,976	+ 2	— 4
Distillate	22,665	21,940	21,118	+ 3	+ 7
Residual	8,711	8,774	10,213	— 1	— 15
Kerosene	3,850	3,790	3,871	+ 2	— 1

* Figures shown for week ending nearest last day of the month.

** Change is less than one-half of one percent.

HOURS AND EARNINGS IN TEXAS†

Source: Texas Employment Commission in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor.

Industry	Average weekly earnings			Average weekly hours			Average hourly earnings		
	Feb* 1960	Jan 1960	Feb 1959	Feb* 1960	Jan 1960	Feb 1959	Feb* 1960	Jan 1960	Feb 1959
MANUFACTURING TOTAL	\$ 91.57	\$ 89.67	\$ 87.14	42.2	42.1	41.3	\$2.17	\$2.13	\$2.11
Durable goods	90.95	90.80	87.57	42.7	43.0	41.7	2.13	2.10	2.10
Nondurable goods	92.16	88.80	86.50	41.7	41.3	40.8	2.21	2.15	2.12
Primary metals	96.64	97.53	104.64	40.1	41.5	40.4	2.41	2.35	2.59
Machinery (except electrical)	96.32	97.90	87.95	43.3	43.9	41.1	2.24	2.23	2.14
Oil field machinery	102.97	108.42	95.06	42.2	44.8	40.8	2.44	2.42	2.33
Transportation equipment	112.34	109.48	104.01	41.3	40.7	39.7	2.72	2.69	2.62
Fabricated metal products	93.73	90.27	87.36	43.8	43.4	42.0	2.14	2.08	2.08
Lumber and wood products	61.96	60.78	58.18	47.3	46.4	45.1	1.31	1.31	1.29
Furniture and fixtures	71.18	70.04	72.11	43.4	43.5	43.7	1.64	1.61	1.65
Stone, clay and glass	74.93	78.06	70.39	41.4	44.1	41.9	1.81	1.77	1.68
Textile mill products	58.38	58.48	56.23	42.0	43.0	42.6	1.39	1.36	1.32
Broad woven goods	57.55	59.60	55.94	41.4	43.5	42.7	1.39	1.37	1.31
Apparel and fabric products	47.50	50.15	47.00	37.7	39.8	37.9	1.26	1.26	1.24
Food	81.62	77.71	76.36	44.6	42.7	42.9	1.83	1.82	1.78
Meat packing	102.78	91.20	88.43	44.3	40.0	39.3	2.32	2.28	2.25
Paper and allied products	105.08	99.39	100.32	45.1	43.4	44.0	2.33	2.29	2.28
Printing	95.62	93.41	94.62	38.4	38.6	38.0	2.49	2.42	2.49
Chemical and allied products	127.74	119.81	114.54	42.3	41.6	41.2	3.02	2.88	2.78
Petroleum and coal products	123.73	120.77	114.45	40.7	40.8	40.3	3.04	2.96	2.84
Leather	52.03	54.67	48.23	37.7	40.2	37.1	1.38	1.36	1.30
NONMANUFACTURING									
Mining	108.97	110.56	106.68	42.9	43.7	42.5	2.54	2.53	2.51
Crude petroleum	110.42	111.54	108.38	42.8	43.4	42.5	2.58	2.57	2.55
Sulphur	111.11	118.28	105.74	39.4	4.5	39.9	2.82	2.85	2.65
Public utilities	87.67	88.70	83.18	40.4	40.5	39.8	2.17	2.19	2.09
Retail trade	62.16	63.03	61.30	42.0	42.3	41.7	1.48	1.49	1.47
Wholesale trade	93.73	95.48	92.02	42.8	43.4	42.6	2.19	2.20	2.16

* Preliminary subject to revision upon receipt of additional reports.

† Figures cover only production workers in manufacturing and mining industries, and only nonsupervisory employees in other industry divisions. Earnings averages include premium pay for overtime, holidays, and for late-shift work.

Figures do not cover proprietors, firm members, other principal executives, or unpaid household workers.

Texas Industrial Expansion

April 1960

by

Stanley A. Arbingast, Assistant Director
Robert H. Drenner, Research Associate

A monthly supplement to the Directory of Texas Manufacturers. Industrial construction projects announced during April 1960 are listed with data on cost, products, and number of employees. Twenty-five cents each.

POSTAL RECEIPTS

City	Feb 6, '60 Mar 4, '60	Jan 9, '60 Feb 5, '60	Feb 7, '59 Mar 6, '59	Percent change	
				Feb 6, 1960— Mar 4, 1960	Feb 6, 1960— Mar 4, 1960
				from Jan 9, 1960— Feb 5, 1960	from Feb 7, 1959— Mar 6, 1959
Alice	\$15,162	\$14,712	\$14,866	+ 3	+ 2
Borger	18,897	13,585	17,259	+ 2	— 19
Brownfield	7,439	7,528	7,852	— 1	— 5
Cameron	5,876	4,863	7,473	+ 21	— 21
Childress	5,217	4,618	4,651	+ 13	+ 12
Coleman	5,582	5,111	5,085	+ 3	+ 10
Crystal City	3,067	4,056	2,921	— 24	+ 5
Cuero	5,250	5,396	5,593	— 3	— 6
Eagle Pass	6,340	6,089	5,814	+ 4	+ 9
Edna	4,962	4,597	5,469	+ 8	— 9
El Campo	9,299	9,558	9,099	— 3	+ 2
Gainesville	13,362	12,325	12,947	+ 8	+ 3
Gatesville	3,639	5,965	3,554	— 39	+ 2
Graham	7,560	7,296	9,984	+ 4	— 24
Granbury	2,112	4,375	3,299	— 59	— 36
Hale Center	1,490	1,441	1,256	+ 3	+ 19
Hillsboro	5,877	5,888	6,092	— 3	— 4
Huntsville	10,389	9,350	7,583	+ 11	+ 37
Jasper	6,852	5,988	5,742	+ 14	+ 19
Kenedy	3,178	3,439	3,016	— 8	+ 5
Kermit	6,744	6,780	7,177	— 1	— 6
Kerrville	10,660	9,857	10,403	+ 8	+ 2
Kingsville	14,337	12,323	13,628	+ 16	+ 5
Kirbyville	2,866	2,197	2,055	+ 30	+ 39
La Grange	5,436	3,820	5,723	+ 42	— 5
Levelland	7,926	6,999	7,147	+ 13	+ 11
Littlefield	5,854	6,191	5,458	— 5	+ 7
McCombs	2,376	2,822	2,825	— 16	— 16
Marlin	6,539	6,196	6,137	+ 6	+ 7
Mesquite	7,873	7,897	5,026	**	+ 57
Mission	7,672	8,657	8,034	— 11	— 5
Navasota	3,972	4,623	5,091	— 12	— 22
Pecos	9,042	10,911	9,808	— 17	— 8
Raymondville	6,018	5,248	4,812	+ 15	+ 25
Sinton	5,069	9,215	5,083	— 45	*
Taft	2,345	3,159	2,786	— 26	— 16
Terrell	7,317	7,324	7,616	**	— 4
Waxahachie	15,871	11,825	11,332	+ 34	+ 40
Weatherford	9,572	10,266	9,357	— 7	+ 2
Yoakum	8,775	7,987	9,530	+ 10	— 8

** Change is less than one-half of one percent.

Retail Trade:

FEBRUARY RETAIL VOLUME HIGH DESPITE WEATHER

By ROBERT H. DRENNER

Unsettled weather in Texas through most of February was instrumental in pushing February retail sales below what the evidence suggests might otherwise have been an extremely good February for Texas merchants. Total retail volume for the month fell 4% below the January level. The over-all decline, however, was the result of an 8% drop from the preceding month in sales of nondurable goods. Durable goods volume rose an encouraging 9%.

ESTIMATES OF TOTAL RETAIL SALES

(Unadjusted for seasonal variation)

Type of store	Percent change				
	Feb 1960	Jan-Feb 1960	Feb 1960 from Jan 1960	Feb 1960 from Feb 1959	Jan-Feb 1960 from Jan-Feb 1959
	Millions of dollars				
Total	1019.7	2082.2	— 4	+ 1	— 3
Durable goods*	274.0	525.9	+ 9	+ 4	— 6
Nondurable goods	745.7	1556.3	— 8	**	— 2

* Contains automotive stores, furniture stores, and lumber, building material, and hardware stores.

** Change is less than one-half of one per cent.

Dollar retail sales in February are ordinarily substantially below January purchases, in part because of the stimulus to January volume given by post-Christmas sales and in part because January, compared with February, includes an additional shopping weekend. These two factors have much more influence on the level of nondurable goods sales than on durables volume. Sales of nondurables, for example, normally fall about 6% from January. February sales of durables, on the other hand, usually hold up well; automobile volume tends to move slightly upward, as do sales of farm implements and building materials. Even with the shorter month, February sales of durables consequently normally show virtually no change from January.

The slightly greater decline in sales of nondurables from January than was seasonally indicated was characteristic of most nondurables categories. Sales by apparel stores, which normally fall about 18% from the preceding month, were down 19%. Food store volume, which usually shows a 5% seasonal decline, this February was down 6% from January. Department store sales were off 13%, compared with a customary seasonal fall of about 10%. Sales by restaurants and other eating and drinking establishments, down 6%, compared with an expected 5% seasonal decline from the one month to the other. Prolonged bad weather tended to discourage automobile travel in February, and sales by gasoline and service stations fell 10% from the preceding month (compared with a normal 4% drop). Mild exceptions to the dominant nondurables sales trend in February, on the other hand, were recorded by drug stores (with volume down 2% from January in contrast to a normal 4% decline) and by miscellaneous retail establishments (including, for the most part, florists, liquor stores,

and jewelry stores). The latter inclusive category registered a 2% sales gain from January in the face of an expected 5% seasonal decline.

The strength shown by the general durables category in February was shared by every major durables classification. Statistically most important was an 11% rise from January in purchases of automobiles (which normally make up the major portion of dollar sales of durables, and thus heavily influence the showing of the general durables category). February volume of furniture and household appliance stores ordinarily falls about 9% from the preceding month; the actual fall this February was only 2%. Lumber, building material, and hardware store sales (including sales by farm implement dealers) customarily decline 1% from January, but February sales this year rose a strong 9%, chiefly because of a 20% improvement by farm implement dealers and a 9% gain by lumber and building material dealers. Sales by hardware stores rose 4%.

Total retail sales in Texas for the January-February period were 3% under sales in the same two-month term a year ago, the result of a 2% decline in cumulative sales of nondurables and a 6% fall in durables volume. The unfavorable cumulative comparison follows from weakness shown by January retail trade—when dollar sales of both durables and nondurables were off from the same month a year earlier—and especially by sharply lower sales of automobiles and building materials. February, however, recorded a more favorable showing from February 1959; volume of nondurable goods was about the same, and sales of durables were 4% higher. It is expected that succeeding months will gradually strengthen cumulative retail trade in 1960 in comparison with 1959.

Texas department and apparel stores reported total February sales 16% lower than in January and 1% below

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

Classification	Number of reporting stores	Credit ratios*		Collection ratios**	
		Feb 1960	Feb 1959	Feb 1960	Feb 1959
ALL STORES	58	69.9	69.6	35.8	35.7
BY CITIES					
Austin	4	63.8	63.5	46.7	46.2
Cleburne	3	43.0	42.8	42.3	40.0
Dallas	4	82.9	83.0	40.3	40.9
El Paso	3	57.5	57.6	27.9	28.3
Fort Worth	3	68.1	67.6	31.3	30.1
Galveston	4	65.3	66.5	40.0	40.1
Houston	4	75.5	76.6	44.8	43.5
San Antonio	5	66.6	64.6	28.3	29.7
Waco	4	59.2	59.0	39.5	40.6
BY TYPE OF STORE					
Department stores (over \$1 million)	20	70.3	70.1	35.3	35.0
Department stores (under \$1 million)	16	48.3	51.0	37.2	38.2
Dry goods and apparel stores	4	72.4	73.8	55.9	54.4
Women's specialty shops	11	71.9	70.2	36.3	37.2
Men's clothing stores	7	69.3	68.2	40.8	41.0
BY VOLUME OF NET SALES					
Over \$1,500,000	23	71.0	70.6	35.7	35.6
\$500,000 to \$1,500,000	13	58.8	58.9	38.5	39.3
\$250,000 to \$500,000	10	50.7	51.6	39.1	40.6
Less than \$250,000	12	49.9	51.9	34.9	35.0

*Credit sales divided by net sales.

**Collections during the month divided by accounts unpaid at the first of the month.

February 1959. For the January-February period sales were 2% below the same period a year earlier.

Of the 37 Texas cities which reported department and apparel store sales from enough establishments to permit individual city listings, 11 cities reported sales gains from February 1959; nine recorded gains from January-February 1959. Gains from February a year ago ranged from 1% reported by Austin and Gainesville to 14% by Edinburg, McAllen, and Texas City. The latter three cities also reported the largest sales improvement from January-February 1959 (+13%, +12%, and +14%, respectively).

A sufficiently large number of retail establishment reports were received from 29 Texas cities in February to permit individual city comparisons for total retail sales. Eighteen cities reported February total retail volume above the same 1959 month; the gains reported ranged from 1% to 14% (with the exception of McAllen, which reported an unusually strong 39% gain). Only five cities, however, registered total sales gains from January-February 1959.

RETAIL SALES TRENDS BY KINDS OF BUSINESS

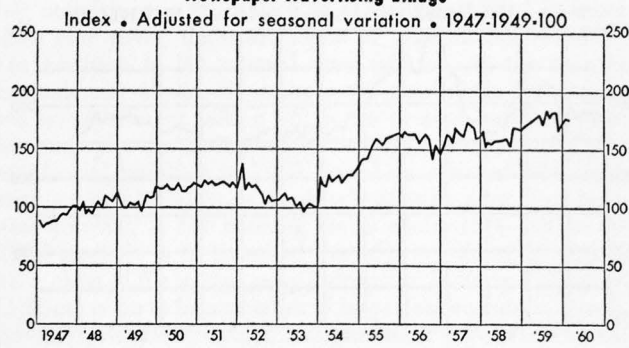
Source: Bureau of Business Research in cooperation with the Bureau of the Census, U. S. Department of Commerce

Kind of business	Number of reporting establishments	Percent change			
		Normal seasonal*	Actual		
			Feb from Jan	Feb 1960 from Jan 1960	Jan-Feb 1960 from Jan-Feb 1959
DURABLE GOODS					
Automotive stores	259	**	+ 11	+ 5	— 6
Furniture & household appliance stores	165	— 9	— 2	+ 2	— 2
Lumber, building material, and hardware stores**	206	— 1	+ 9	— 8	— 14
NONDURABLE GOODS					
Apparel stores	213	— 18	— 19	+ 1	— 2
Drug stores	253	— 4	— 2	+ 11	+ 7
Eating and drinking places	67	— 5	— 6	— 4	— 5
Food stores	343	— 5	— 6	**	— 3
Gasoline and service stations	360	— 4	— 10	— 2	+ 3
General merchandise stores	184	— 10	— 12	— 3	— 3
Other retail stores	615	— 5	+ 2	+ 4	+ 1

* Average seasonal change from preceding month to current month.

** Totals include kinds of business other than classifications listed.

Newspaper Advertising Linage



Agriculture:

OATS: FOURTH LARGEST GRAIN CROP IN TEXAS

By JOE CARROLL RUST

From the Panhandle to the Magic Valley, from the Big Bend to Texarkana, Texas oats, ranked fourth in the nation in harvested acreage, constitute one of the state's most widely grown crops. They are an important cash crop especially in Central and North Central Texas. The only other grain crops grown on a larger acreage in Texas each year are corn, wheat, and grain sorghum. Also, oats contribute to farm income throughout the state in constituting a good winter pasture crop and providing hay and silage. Most of the increase in Texas oat production over the past decade has been due primarily to increased use for winter grazing. Also, oats are a high-yielding green manure crop and used as cover to cut down wind and water erosion.

Texas production of oats for 1959 is estimated by the Crop Reporting Board of the U. S. Department of Agriculture at some 26.5 million bushels, approximately one-half the 1958 harvest (fourth largest crop of oats in Texas history, and the largest since the 61.4-million-bushel crop of 1931). This will probably drop Texas to thirteenth in national oat production, while the 53.1-million-bushel harvest of 1958 placed the state ninth. An unfavorable planting season for both fall and spring-sown oats, due to an unusually cold winter in 1958-59 and drouth in the spring of 1959, resulted in skimpy stands and reduced yields. A large portion of the harvest, therefore, was baled for hay rather than used as grain (the majority of grain hay is oats and is used primarily by dairy farmers). Sowing of spring oats was under way in the Blacklands Prairie and West Cross Timbers in February, but USDA estimates on 1960 production will not be available until early summer.

Oats in Texas are grown under a wide range of soil and climatic conditions. They grow best in deep, fertile, well-drained loam and clay soil. Growing of oats for grain is centralized primarily from the Waco area northward through the Dallas-Fort Worth region to the Oklahoma border. Oats for forage are grown throughout East Texas, extending as far south as Brooks County in the Rio Grande Valley and as far west as Pecos County. Winter or fall oats (the majority of the oats grown in the state are fall oats) have true winter resistance in uniform cold. Thus, even though the principal growing area is chiefly a cold weather region, it is unsuited to oat growing in some respects be-

CARLOAD SHIPMENTS OF FRUIT AND VEGETABLES

Source: Compiled from reports received from Agricultural Marketing Service, U. S. Department of Agriculture

Commodity	January 1-February 29		Percent change
	1960	1959	
TOTAL SHIPMENTS	8,660	3,888	+126
VEGETABLES	8,031	3,495	+130
Beets	2	2	**
Broccoli	35	22	+ 59
Cabbage	1,518	459	+231
Carrots	1,690	610	+177
Cauliflower	322	117	+175
Endives and Escarole	6	7	- 14
Greens	70	66	+ 6
Lettuce	1,085	96	+1,030
Spinach	707	770	- 8
Turnips and Rutabagas	4	9	- 56
Mixed Vegetables	2,588	1,337	+ 94
Onions	4	0	.....
FRUIT	629	343	+ 83
Grapefruit	348	174	+100
Oranges	27	43	- 37
Mixed Citrus	252	126	+100
Tangerines	2	0	.....

**Change is less than one-half of one percent.

cause of the fluctuation of temperatures. Winter-killing occurs approximately one in four years in this growing area, ranging from minor leaf injury to complete destruction of the crop. Although some oats are grown on the High Plains, wheat is more profitable in that region. In the Lower Plains oats are grown primarily for grain, but most fields are grazed until the stems start jointing. The Edwards Plateau is sown for both grain and grazing and large acreages are raised in this region if rainfall is ample. Oats in the Mountain and Basin Region are grown primarily for winter pasture and most fields are grazed until the plants are three to four inches high.

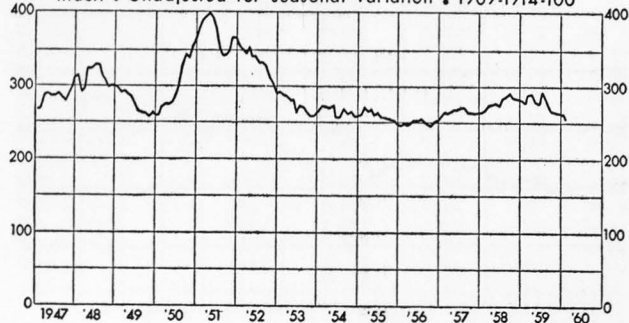
Some four-fifths of the nation's oat crop is produced in a 12-state area in the north central United States, primarily the Ohio-Iowa-Wisconsin area. The estimated 1959 crop of 1,074 million bushels was the smallest since 1939, with the national harvested acreage falling to 28.5 million acres, the smallest since 1892. U. S. production in 1958 was some 1,416 million bushels. The drop in production was due chiefly to unfavorable conditions at seeding time in many areas, while the removal of corn acreage allotments caused many farmers to replace oats with corn.

Texas oats are sown primarily for feed and seed, with some three-fifths of the harvest used as feed and seed on the farms where grown. More than 30.8 million bushels of the 1958 harvest stayed on the farms where raised, while some 22.3 million bushels were sold. Almost all oat grain sold in Texas eventually winds up in livestock feed (about 95% to feed, 5% to industrial use). Perhaps 10% of the grain produced goes into planting seed. Oats are one of the best balanced and most desirable feeds for young livestock and breeding herds. Oat pasture produces a succulent high protein feed during the winter when permanent pastures are dormant. Some goes into mixed feed for poultry.

Seeding time for Texas oats (fall) ranges from mid-September in North Texas to early November along the Gulf Coast and from January 1 in Central Texas to March 1 in North Texas (spring). Spring oats are not recommended on the Gulf Coast because of the relatively high

Prices Received by Farmers in Texas

Index • Unadjusted for seasonal variation • 1909-1914=100



temperatures there. Normal growing time is from five to six months. Oats usually follow cotton or corn in rotation and often are sown with sweet clover. Oats usually are not sown following oats or other small grains, as volunteer seed mix with new seed and increase disease and insect damage. Oat grain is harvested with a combine that moves through the fields clipping off the heads and then separating the grain.

Types and varieties of oats grown in Texas are determined by winter temperature, disease resistance, and use. Numerous varieties have been developed to meet the special needs of various sections—cold resistant varieties for North and Central Texas and disease-resistant strains for South Texas. Winter varieties such as the Red Rustproof strains usually produce high yields when sown in the fall. The Red Rustproof strains of New Nortex (20% of crop) and the winter-hardy variety, Mustang, account for most of the oat acreage sown in Texas. Red Rustproof strains, however, are late maturing and are susceptible to crown rust, the most destructive disease of oats in Texas, and stem rust fungus. Mustang is early maturing but also susceptible to stem rust. Research to develop new rust resistant varieties resulted in Alamo, a new spring variety which is adaptable to fall sowing in South Texas, and which has proven effective against the types of rusts now prevalent in Texas. However, Alamo is susceptible to Helminthosporium blight, a seedborne or soilborne fungus which rots roots and blackens stems. Other varieties are affected by loose smut, which destroys the grain cluster, or covered smut, a parasitic fungus ruining the oat kernels.

Oat growers in Texas also are troubled by a variety of insects, chiefly aphids, grubworms, cutworms, and armyworms. Another nuisance is wild oats or escaped cultivated types which steal into the fields from the roadside and invite disease.

As with a number of other crops in Texas, experiments, carried on chiefly by the Texas A & M College Extension Service, have proven that higher yields of oats can be obtained by controlled irrigation, proper plant spacings, and use of fertilizer, primarily nitrogen, phosphorous, and potash. Also, as with other experiments of this type, the cost is high and some growers question their use as opposed to less expensive, but lower yielding, practices they use today.

FEDERAL INTERNAL REVENUE COLLECTIONS

Source: Internal Revenue Service, U. S. Treasury Department

July 1–February 29

District	1959–1960	1958–1959	Percent change
TEXAS	\$1,748,331,999	\$1,609,225,928	+ 9
Income	649,573,681	598,910,664	+ 8
Employment	18,975,884	20,079,862	— 5
Withholding	919,122,495	834,854,926	+ 10
Other	160,659,939	155,380,476	+ 3
SOUTHERN DISTRICT	896,521,579	818,599,141	+ 10
Income	317,498,214	294,131,784	+ 8
Employment	5,931,892	5,814,214	+ 2
Withholding	474,847,415	425,517,609	+ 12
Other	98,244,058	93,135,534	+ 5
NORTHERN DISTRICT	851,810,420	790,626,787	+ 8
Income	332,075,467	304,778,880	+ 9
Employment	13,043,992	14,265,648	— 9
Withholding	444,275,080	409,337,317	+ 9
Other	62,415,881	62,244,942	**

**Change is less than one-half of one percent.

Building Construction:

NONRESIDENTIAL GAINS BALANCE SMALL RESIDENTIAL DECLINE IN FEBRUARY

By ROBERT H. DRENNER

Urban building construction authorized in Texas in February was valued at an estimated \$87,039,000, an amount 1% below the preceding month and 11% below February a year ago. The small decrease from January, however, was less than the usual seasonal decline, and the seasonally adjusted building index rose moderately to 210 from 200 in January. The fall from February 1959 combined with an even sharper drop in January from the same month a year earlier to make authorizations for the January-February period 13% below in the same two-month term last year.



RESIDENTIAL

February residential authorizations were again the drag on total building authorized. Permits were issued for an estimated \$48,279,000 in new residential construction. This amount was 3% below the January figure and 21% under February 1959. There is normally little change in Texas from January to February in new residential authorizations, and the seasonally adjusted monthly index of such permits dropped to 220 from January's 226. The February index was near the lowest level since 1957. January authorizations also were disappointingly low.

New residential authorizations in March usually show a seasonal climb of approximately 20%. The gain should be somewhat larger this year because of the exceptionally unfavorable building weather that generally characterized both January and February. In spite of the fact that building activity over the nation is at its lowest level in more than two years, there are signs of gradual improvement (in addition to the normal seasonal rise) in the months immediately ahead. Even the more pessimistic forecasters see no significant falling off in the present building rate: for example, the most pessimistic public forecast of Texas residential building in 1960, based on selected interviews with leading builders in the state's cities by a national business journal, is for housing starts about 15% below the 1959 level. It is to be noted that this predicted decline is very close to the actual permit drop for January-February.

There seem to be a number of important economic trends, however, which promise a significant improvement for

homebuilding as the year progresses. Most important, interest rates have been slowly weakening as business and industrial demands on the money market ease; most economic indicators point to a continuance of the trend. Already there is evidence that the major institutions, which for a time were investing a major portion of their funds elsewhere at a higher return than home mortgages afforded, are returning to residential mortgage investment. Though Texas has not had the shortage of available mortgage money that other states have had and still have—lending institutions in some states, for example, invested very heavily last year in exceptionally attractive Treasury offerings—interest rates have generally followed the national pattern and a downward trend in the latter is being reflected, at least in the larger Texas cities, in less builder difficulty in securing loan commitments.

Housing demand is strong in Texas. Builders, however, seem to be concentrating even more than hitherto on homes in the middle price ranges. In addition to the fact that property values have risen so much in recent years that the \$10,000–\$12,000 house has become difficult to build at a profit, homes in the higher price ranges have the additional advantage of appealing to families many of whom already have equity in an older, smaller home and thus have in effect a considerable downpayment on a new, more expensive dwelling. Such families also tend to accept higher interest rates more readily, although high interest rates appear to be a less important consideration now to most homebuyers than was the case a year ago: the general feeling, evidently, is that relatively high interest rates are here to stay and that it is probably unrealistic to postpone a home purchase until money rates drop substantially. Even so, there is still considerable reluctance to accept mortgage rates above the 5¾% permitted on FHA-insured loans, and these are still being widely discounted by 2% to 3% (and even higher in some sections of the country).

Authorizations for multiple-family dwellings (duplexes, apartments) in Texas in February were 14% above the January rate, but for the first two months were 19% below the figure for the comparable period a year ago. In spite of the unfavorable comparison with 1959 (the record year in Texas for such construction, incidentally), apartment and duplex building in the state this year is expected to increase to very nearly the 1959 rate.

NONRESIDENTIAL

New nonresidential building with an estimated value of \$30,566,000 was authorized in Texas in February, an amount 7% above the January figure and 14% greater than in February 1959. The January-to-February dollar gain was counterseasonal; nonresidential permits ordinarily fall between the two months. The seasonally adjusted monthly index of such permits consequently rose from January's 167 to 204. Growing strength in the category has been expected, but, as has been previously pointed out, monthly nonresidential permits in Texas are from a statistical point of view so small that they are subject to sharp nonsignificant month-to-month variations. The category in February accounted for only 35% of total building authorized, a proportion which indicates how overshadowed total nonresidential building construction is by the residential category in the over-all Texas building picture.

Within the inclusive nonresidential category, January-to-February showings varied widely, as did the compari-

sons with January-February 1959. Improvements from January included permits for bowling alleys, theaters, and other amusement buildings (+159%), office-bank buildings (+135%), works and utilities (+20%), churches (+9%), and private garages (+8%); commercial garage authorizations, because of large new projects in San Antonio and Longview, rose a remarkable 18,950%. Declines from January were recorded in permits for tourist courts (–68%), factories (–3%), service stations (–18%), hospitals and institutional buildings (–73%), and schools (–4%). Comparison of each category with January-February 1959 is, of course, much more significant. Overall nonresidential authorizations show a 7% rise from the 1959 two-month period. Gains were also recorded by churches (+32%), service stations (+35%), office-bank buildings (+25%), works and utilities (+533%), and schools (+36%). For the period there were comparative declines in authorizations for hotels (–99%), tourist courts (–9%), factories (–34%), private garages (–4%), hospitals (–59%), and stores and other mercantile buildings (–3%).

ESTIMATED VALUE OF BUILDING AUTHORIZED

Source: Bureau of Business Research in cooperation with the Bureau of the Census, U. S. Department of Commerce

Classification	Feb 1960	Jan 1960	Feb 1959	Percent change
				Jan-Feb 1960 from Jan-Feb 1959
Thousands of dollars				
CONSTRUCTION CLASS				
ALL PERMITS	87,039	174,986	202,102	— 13
New construction	78,846	157,306	184,820	— 15
Residential (housekeeping)	48,279	98,049	129,235	— 24
One-family dwellings	32,944	89,924	119,214	— 25
Multiple-family dwellings	4,335	8,125	10,021	— 19
Nonresidential buildings	30,566	59,256	55,585	+ 7
Nonhousekeeping build- ings (residential)	606	1,915	3,107	— 38
Amusement buildings ...	450	624	1,875	— 67
Churches	3,300	6,332	4,810	+ 32
Factories and workshops	2,463	4,990	7,617	— 34
Garages (commercial and private)	1,059	1,337	651	+105
Service stations	700	1,565	1,162	+ 35
Institutional buildings ...	291	1,387	3,855	— 59
Office-bank buildings*	5,536	7,892	6,301	+ 25
Works and utilities	2,120	3,892	615	+533
Educational buildings ...	7,493	15,264	11,200	+ 36
Stores and mercantile buildings ...	5,515	12,229	12,656	— 3
Other buildings and structures†	1,033	1,829	2,236	— 18
Additions, alterations, and repairs‡	8,194	17,681	17,282	+ 2
METROPOLITAN vs. NON-METROPOLITAN†				
Total metropolitan	66,066	133,162	145,798	— 9
Central cities	54,679	107,906	124,726	— 13
Outside central cities	11,387	25,256	21,072	+ 20
Total nonmetropolitan	20,973	41,824	56,305	— 26
10,000 to 50,000 population	14,406	26,809	42,202	— 36
Less than 10,000 population	6,567	15,015	14,103	+ 6

* Includes public (nonfederal) administrative buildings beginning July 1957.

† Includes government (nonfederal) service buildings beginning July 1957.

§ Includes additions and alterations to public buildings beginning July 1957.

† As defined in 1950 census.

Local Business Conditions

City and item	Feb 1960	Percent Change	
		Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
ABILENE (pop. 62,500^r)			
Retail sales	— 4†	**	+ 12
Apparel stores	— 18†	— 18	— 15
Drug stores	— 4†	— 4	+ 19
General merchandise stores	— 10†	— 27	— 1
Postal receipts*	\$ 98,564	+ 5	— 3
Building permits, less federal contracts \$	1,910,489	+ 59	— 25
Bank debits (thousands)	\$ 93,314	— 6	**
End-of-month deposits (thousands) ‡	\$ 62,586	— 3	— 2
Annual rate of deposit turnover	17.6	— 5	+ 1
Employment (area)	32,300	— 1	+ 1
Manufacturing employment (area)	3,210	**	— 5
Percent unemployed (area)	6.2	+ 5	+ 13

ALPINE (pop. 5,261)			
Postal receipts*	\$ 3,834	— 15	— 4
Building permits, less federal contracts \$	9,075	+ 71	+ 7
Bank debits (thousands)	\$ 2,570	— 1	+ 8
End-of-month deposits (thousands) ‡	\$ 3,582	— 5	— 9
Annual rate of deposit turnover	8.4	+ 2	+ 18

AMARILLO (pop. 147,949^r)			
Retail sales	— 4†	— 13	— 18
Apparel stores	— 18†	— 24	— 15
Automotive stores	**†	— 11	— 25
Drug stores	— 4†	— 1	— 3
Eating and drinking places	— 5†	— 8	+ 7
Food stores	— 5†	— 8	— 2
Furniture and household appliance stores	— 9†	— 27	— 37
Gasoline and service stations	— 4†	— 7	+ 18
Liquor stores	—	— 6	— 20
Lumber, building material, and hardware stores	— 1†	+ 17	— 33
Postal receipts*	\$ 176,523	— 2	+ 7
Building permits, less federal contracts \$	2,751,034	— 3	+ 24
Bank debits (thousands)	\$ 214,542	— 1	+ 10
End-of-month deposits (thousands) ‡	\$ 118,768	— 3	— 1
Annual rate of deposit turnover	22.2	+ 2	+ 12
Employment (area)	51,800	**	+ 3
Manufacturing employment (area)	5,930	+ 1	+ 4
Percent unemployed (area)	5.6	+ 10	+ 22

ARLINGTON (pop. 45,340^r)			
Postal receipts*	\$ 37,447	+ 1	+ 18
Building permits, less federal contracts \$	1,257,099	+ 83	+ 45
Employment (area)	206,800	**	+ 3
Manufacturing employment (area)	53,375	**	— 5
Percent unemployed (area)	5.5	+ 4	— 14

AUSTIN (pop. 197,000^r)			
Retail sales	— 4†	— 2	— 1
Apparel stores	— 18†	— 14	+ 5
Automotive stores	**†	— 6	— 10
Drug stores	— 4†	— 3	+ 15
Furniture and household appliance stores	— 9†	— 6	+ 15
General merchandise stores	— 10†	— 9	— 1
Lumber, building material, and hardware stores	— 1†	+ 27	— 5
Postal receipts*	\$ 352,240	— 2	+ 6
Building permits, less federal contracts \$	3,225,843	+ 16	— 37
Bank debits (thousands)	\$ 214,392	— 6	+ 14
End-of-month deposits (thousands) ‡	\$ 143,745	+ 3	— 6
Annual rate of deposit turnover	18.2	+ 2	+ 21
Employment (area)	74,000	+ 1	+ 4
Manufacturing employment (area)	6,090	+ 1	+ 11
Percent unemployment (area)	4.0	— 2	— 2

City and item	Feb 1960	Percent Change	
		Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
BAY CITY (pop. 14,042^r)			
Retail sales			
Drug stores	— 4†	— 3	+ 4
Lumber, building material, and hardware stores	— 1	+ 7	— 1
Postal receipts*\$	10,783	+ 3	+ 12
Bank debits (thousands)\$	11,714	— 25	+ 14
End-of-month deposits (thousands)†.....\$	20,055	— 3	**
Annual rate of deposit turnover	6.9	— 22	+ 15

BAYTOWN (pop. 28,945^r)			
Postal receipts*	\$ 21,845	— 1	+ 1
Building permits, less federal contracts \$	731,886	+ 134	+ 292
Bank debits (thousands)	\$ 22,438	+ 4	+ 5
End-of-month deposits (thousands) ‡	\$ 23,624	— 1	— 8
Annual rate of deposit turnover	11.3	+ 4	— 2
Employment (area)	489,700	**	+ 5
Manufacturing employment (area)	94,475	— 2	+ 2
Percent unemployed (area)	4.7	**	— 20

BEAUMONT (pop. 122,485^r)			
Retail sales	— 4†	— 2	+ 10
Apparel stores	— 18†	— 12	+ 4
Automotive stores	**†	— 2	+ 12
Eating and drinking places	— 5†	— 20	— 1
Food stores	— 5†	+ 3	+ 2
Furniture and household appliance stores	— 9†	— 11	— 25
General merchandise stores	— 10†	— 7	+ 4
Lumber, building material, and hardware stores	— 1†	+ 22	+ 34
Postal receipts*	\$ 109,271	— 1	+ 5
Building permits, less federal contracts \$	699,211	+ 45	— 49
Bank debits (thousands)	\$ 161,156	+ 1	+ 13
End-of-month deposits (thousands) ‡	\$ 98,143	— 4	— 9
Annual rate of deposit turnover	19.3	+ 7	+ 21
Employment (area)	103,100	**	**
Manufacturing employment (area)	32,530	+ 1	+ 16
Percent unemployed (area)	9.7	+ 2	— 18

BEEVILLE (pop. 15,105^r)			
Retail sales			
Lumber, building material, and hardware stores	— 1†	+ 1	+ 10
Postal receipts*	\$ 10,987	+ 10	+ 16
Building permits, less federal contracts \$	210,453	+ 342	+ 325
Bank debits (thousands)	\$ 8,853	— 9	— 2
End-of-month deposits (thousands) ‡	\$ 13,591	+ 1	+ 1
Annual rate of deposit turnover	7.9	— 8	+ 1

BIG SPRING (pop. 30,433^r)			
Retail sales	— 4†	— 16	+ 2
Apparel stores	— 18†	— 20	+ 7
Drug stores	— 4†	— 8	**
Lumber, building material, and hardware stores	— 1†	— 18	— 10
Postal receipts*	\$ 28,519	— 11	+ 19
Building permits, less federal contracts \$	121,075	— 19	+ 18
Bank debits (thousands)	\$ 37,745	— 7	+ 5
End-of-month deposits (thousands) ‡	\$ 28,629	— 4	— 7
Annual rate of deposit turnover	15.5	— 7	— 3

BRADY (pop. 5,944)			
Postal receipts*	\$ 5,633	+ 52	+ 47
Building permits, less federal contracts \$	22,600	.....	+ 143
Bank debits (thousands)	\$ 4,047	— 9	+ 3
End-of-month deposits (thousands) ‡	\$ 6,728	— 3	— 3
Annual rate of deposit turnover	7.1	— 7	— 7

For explanation of symbols, see page 23.

City and item	Feb 1960	Percent Change	
		Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
BRENHAM (pop. 6,941)			
Postal receipts*	\$ 7,202	+ 12	+ 5
Building permits, less federal contracts \$	14,085	— 62	— 54
Bank debits (thousands)	\$ 8,044	— 11	+ 15
End-of-month deposits (thousands)‡ ..\$	12,245	— 4	— 5
Annual rate of deposit turnover	7.7	— 7	+ 20

BROWNSVILLE (pop. 36,066)

Retail sales	— 4†	+ 5	+ 5
Automotive stores	**†	— 9	— 6
Lumber, building material, and hardware stores	— 1†	+ 29	+ 3
Postal receipts*	\$ 26,521	— 5	— 12
Building permits, less federal contracts	\$ 593,295	+156	+323

BROWNWOOD (pop. 20,181)

Retail sales	— 4†	+ 5	+ 4
Apparel stores	— 18†	— 10	**
Furniture and household appliance stores	— 9†	— 5	— 4
Postal receipts*	\$ 24,070	+ 19	+ 7
Building permits, less federal contracts	\$ 406,970	+557	+4,605
Bank debits (thousands)	\$ 12,897	— 2	+ 5
End-of-month deposits (thousands)†	\$ 12,722	— 3	— 2
Annual rate of deposit turnover	12.0	+ 1	+ 7

BRYAN (pop. 23,883^r)

Retail sales	— 4†	+ 1	+ 12
Food stores	— 5†	— 10	+ 3
Furniture and household appliance stores	— 9†	+ 14	— 13
Lumber, building material, and hardware stores	— 1†	+ 16	+ 7
Postal receipts*	\$ 23,321	+ 17	+ 23
Building permits, less federal contracts	\$ 97,300	— 18	— 49

CALDWELL (pop. 2,098^r)

Bank debits (thousands)	\$ 1,858	— 31	— 4
End-of-month deposits (thousands)†	\$ 3,779	— 4	— 11
Annual rate of deposit turnover	5.8	— 25	+ 7

CISCO (pop. 5,230)

Postal receipts*	\$ 4,210	+ 24	+ 1
Building permits, less federal contracts	\$ 3,202	+ 3	+ 22
Bank debits (thousands)	\$ 4,142	+ 2	+ 8
Annual rate of deposit turnover	9.4	+ 1	+ 13

CLEBURNE (pop. 12,905)

Retail sales	— 18†	— 38	— 4
Apparel stores	— 18†	— 38	— 4
Postal receipts*	\$ 13,265	+ 19	+ 28
Building permits, less federal contracts	\$ 342,428	+463	+497

CORPUS CHRISTI (pop. 180,000^r)

Retail sales	— 4†	+ 14	+ 14
Apparel stores	— 18†	— 9	+ 19
Automotive stores	**†	+ 34	+ 19
General merchandise stores	— 10†	+ 2	— 8
Lumber, building material, and hardware stores	— 1†	+ 24	+ 32
Postal receipts*	\$ 158,897	**	+ 6
Building permits, less federal contracts	\$ 993,008	— 23	— 41
Bank debits (thousands)	\$ 179,176	— 12	+ 3
End-of-month deposits (thousands)†	\$ 110,262	— 1	— 3
Annual rate of deposit turnover	19.4	— 9	+ 7
Employments (area)	64,600	**	— 2
Manufacturing employment (area)	8,440	**	+ 4
Percent unemployed (area)	7.9	+ 8	— 5

City and item	Feb 1960	Percent Change	
		Feb 1960 Jan 1960	Feb 1960 from Feb 1959
CORSICANA (pop. 25,262^r)			
Postal receipts*	\$ 12,804	— 28	— 26
Building permits, less federal contracts \$	400,752	+ 378	+ 542
Bank debits (thousands)	\$ 15,901	— 17	+ 6
End-of-month deposits (thousands) †.....	\$ 19,384	— 3	— 10
Annual rate of deposit turnover	9.7	— 14	+ 13

DALLAS (pop. 641,000^r)

Retail sales	— 4†	+ 6	**
Apparel stores	— 20†	— 25	— 4
Automotive stores	+ 4†	+ 22	+ 13
Eating and drinking places	— 6†	— 5	— 6
Florists	**†	+ 4	+ 6
Food stores	— 8†	— 4	**
Furniture and household appliance stores	— 9†	+ 4	— 9
Jewelry stores	—	— 3	— 17
Liquor stores	—	— 7	— 8
Lumber, building material, and hardware stores	+ 4†	+ 12	— 24
Office, store, and school supply dealers	— 4†	+ 1	+ 1
Postal receipts*	\$ 2,153,196	+ 5	+ 5
Building permits, less federal contracts	\$ 10,922,193	— 5	— 22
Bank debits (thousands)	\$ 2,653,559	— 14	+ 15
End-of-month deposits (thousands)†	\$ 1,133,179	**	— 1
Annual rate of deposit turnover	28.1	— 9	+ 17
Employment (area)	431,000	**	+ 9
Manufacturing employment (area)	93,475	**	+ 12
Percent unemployed (area)	4.1	— 2	— 5

DEL RIO (pop. 14,292^r)

Postal receipts*	\$ 11,604	**	— 11
Building permits, less federal contracts	\$ 9,296	— 5	.....
Bank debits (thousands)	\$ 12,349	— 2	.....
Annual rate of deposit turnover	8.9	— 3	.....

DENISON (pop. 17,504)

Retail sales	— 4†	— 9	— 11
Apparel stores	— 18†	— 36	— 9
Automotive stores	**†	— 2	— 16
Drug stores	— 4†	— 1	+ 12
Postal receipts*	\$ 17,552	— 20	+ 7
Building permits, less federal contracts	\$ 442,415	+277	+258

DENTON (pop. 29,479^r)

Retail sales	— 4†	+ 4	+ 12
Drug stores	— 4†	+ 4	+ 12
Postal receipts*	\$ 27,519	— 8	+ 2
Building permits, less federal contracts	\$ 175,800	— 24	+ 17
Bank debits (thousands)	\$ 16,432	.....	+ 1
End-of-month deposits (thousands)†	\$ 18,832	.....	— 2

EL PASO (pop. 244,000^r)

Retail sales	— 4†	+ 5	+ 1
Apparel stores	— 18†	— 25	— 5
Automotive stores	**†	+ 36	+ 2
Food stores	— 5†	— 2	+ 1
General merchandise stores	— 10†	— 2	— 3
Lumber, building material, and hardware stores	— 1†	+ 12	+ 11
Postal receipts*	\$ 260,101	— 2	+ 12
Building permits, less federal contracts	\$ 3,447,048	+ 70	— 28
Bank debits (thousands)	\$ 338,304	— 3	+ 3
End-of-month deposits (thousands)†	\$ 178,113	+ 4	+ 3
Annual rate of deposit turnover	23.3	— 5	+ 5
Employment (area)	89,800	**	+ 9
Percent unemployed (area)	5.9	+ 11	+ 26

For explanation of symbols, see page 23.

City and item	Percent Change		
	Feb 1960	Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
EDINBURG (pop. 15,993^r)			
Postal receipts*	\$ 11,032	+ 12	+ 6
Building permits, less federal contracts \$	121,855	- 27	+ 90
Bank debits (thousands)	\$ 12,649	- 21	+ 17
End-of-month deposits (thousands) ‡	\$ 9,775	+ 5	+ 18
Annual rate of deposit turnover	15.9	- 25	+ 8

FORT WORTH (pop. 373,000^r)

Retail sales	- 5†	- 4	- 9
Apparel stores	- 22†	- 26	- 10
Automotive stores	+ 7†	+ 13	- 8
Drug stores	- 6†	- 1	+ 4
Eating and drinking places	- 6†	- 11	- 25
Food stores	- 6†	- 5	- 9
Furniture and household appliance stores	- 7†	- 4	+ 11
Gasoline and service stations	- 4†	- 23	- 16
General merchandise stores	- 9†	- 16	- 7
Lumber, building material, and hardware stores	- 4†	+ 8	+ 28
Postal receipts*	\$ 668,494	- 5	+ 1
Building permits, less federal contracts \$	3,474,843	+ 6	- 20
Bank debits (thousands)	\$ 737,008	- 7	+ 3
End-of-months deposits (thousands) ‡	\$ 364,317	+ 1	- 2
Annual rate of deposit turnover	24.4	- 5	+ 7
Employment (area)	206,800	**	+ 3
Manufacturing employment (area) ..	53,375	**	- 5
Percent unemployed (area)	5.5	+ 4	- 14

FREDERICKSBURG (pop. 4,341^r)

Postal receipts*	\$ 4,345	- 1	- 8
Building permits, less federal contracts \$	47,790	- 19	+ 128
Bank debits (thousands)	\$ 5,552	- 23	+ 3
End-of-month deposits (thousands) ‡	\$ 8,170	- 4	+ 61
Annual rate of deposit turnover	8.0	- 29	- 31

GALVESTON (pop. 71,590^r)

Retail sales	- 4†	- 9	+ 6
Apparel stores	- 18†	- 21	- 3
Automotive stores	**†	+ 3	+ 16
Food stores	- 5†	+ 1	+ 6
Lumber, building material, and hardware stores	- 1†	+ 21	- 12
Postal receipts*	\$ 86,255	+ 6	+ 4
Building permits, less federal contracts \$	175,550	+ 97	- 25
Bank debits (thousands)	\$ 91,589	+ 1	+ 14
End-of-month deposits (thousands) ‡	\$ 65,419	- 1	+ 5
Annual rate of deposit turnover	16.7	- 1	+ 11
Employment (area)	51,100	**	+ 4
Manufacturing employment (area) ..	10,960	**	**
Percent employed (area)	6.1	- 2	- 19

GARLAND (pop. 28,151^r)

Postal receipts*	\$ 24,501	- 6	- 2
Building permits, less federal contracts \$	450,673	- 76	- 57
Employment (area)	431,000	**	+ 12
Manufacturing employment (area) ..	93,475	**	+ 9
Percent unemployed (area)	4.1	- 2	- 5

GIDDINGS (pop. 2,532)

Postal receipts*	\$ 3,653	+ 10	+ 37
Building permits, less federal contracts \$	14,272	- 91	+ 649
Bank debits (thousands)	\$ 2,156	- 11	+ 11
End-of-month deposits (thousands) ‡	\$ 3,733	- 2	**
Annual rate of deposit turnover	6.8	- 8	+ 10

GILMER (pop. 4,096)

Retail sales			
General merchandise stores	- 10†	- 14	- 6
Lumber, building material, and hardware stores	- 1†	- 14	- 34
Postal receipts*	\$ 4,659	+ 15	+ 20
Building permits, less federal contracts \$	17,000	+ 89	- 48

City and item	Percent Change		
	Feb 1960	Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
GLADEWATER (pop. 6,281^r)			
Postal receipts*	\$ 5,647	+ 17	+ 12
Building permits, less federal contracts \$	400	- 82	- 98
Bank debits (thousands)	\$ 2,967	- 13	- 8
End-of-month deposits (thousands) ‡	\$ 3,916	- 2	- 12
Annual rate of deposit turnover	9.0	- 9	+ 3
Employment (area)	28,100	**	+ 3
Manufacturing employment (area) ..	5,030	- 1	+ 8
Percent unemployed (area)	4.1	**	- 15

GOLDTHWAITE (pop. 1,566)

Postal receipts*	\$ 1,458	- 16	- 24
Bank debits (thousands)	\$ 2,336	- 15	- 25
End-of-month deposits (thousands) ‡	\$ 3,485	- 4	+ 3
Annual rate of deposit turnover	7.9	.....	- 28

GRAND PRAIRIE (pop. 35,000^r)

Postal receipts*	\$ 21,588	+ 12	- 2
Building permits, less federal contracts \$	354,320	+ 51	- 5
Employment (area)	431,000	**	+ 12
Manufacturing employment (area) ..	93,475	**	+ 9
Percent unemployed (area)	4.1	- 2	- 5

GREENVILLE (pop. 20,034^r)

Retail sales	- 4†	+ 13	+ 9
Apparel stores	- 18†	- 26	- 5
Drug stores	- 4†	- 1	+ 5
Food stores	- 5†	- 9	- 18
Postal receipts*	\$ 19,562	+ 9	- 4
Building permits, less federal contracts \$	121,182	- 50	- 32
Bank debits (thousands)	\$ 14,708	- 14	+ 5
End-of-month deposits (thousands) ‡	\$ 16,039	- 1	+ 8
Annual rate of deposit turnover	11.0	- 12	- 3

HARLINGEN (pop. 31,799^r)

Postal receipts*	\$ 35,360	+ 4	+ 9
Building permits, less federal contracts \$	480,395	+ 28	+ 60
Bank debits (thousands)	\$ 36,223	- 8	+ 16
End-of-month deposits (thousands) ‡	\$ 26,013	- 1	**
Annual rate of deposit turnover	16.6	- 5	+ 15

HENDERSON (pop. 11,606)

Retail sales	- 4†	- 6	+ 10
Apparel stores	- 18†	- 19	- 4
Food stores	- 5†	- 16	+ 4
General merchandise stores	- 10†	- 8	+ 5
Postal receipts*	\$ 8,890	- 3	- 1
Building permits, less federal contracts \$	193,400	+ 388	+ 588
Bank debits (thousands)	\$ 6,976	- 6	- 2
End-of-month deposits (thousands) ‡	\$ 15,237	- 2	- 4
Annual rate of deposit turnover	5.4	- 4	+ 2

HEREFORD (pop. 7,500^r)

Postal receipts*	\$ 7,269	- 3	- 22
Building permits, less federal contracts \$	99,750	+ 47	- 25
Bank debits (thousands)	\$ 9,137	- 28	- 4
End-of-month deposits (thousands) ‡	\$ 11,245	- 3	**
Annual rate of deposit turnover	9.6	- 26	- 3

IRVING (pop. 40,065^r)

Postal receipts*	\$ 20,488	- 3	+ 9
Building permits, less federal contracts \$	1,175,405	+ 37	- 27
Employment (area)	431,000	**	+ 12
Manufacturing employment (area) ..	93,475	**	+ 9
Percent unemployed (area)	4.1	- 2	- 5

For explanation of symbols, see page 23.

City and item	Percent Change		
	Feb 1960	Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
HOUSTON (pop. 700,508^u)			
Retail sales [¶]	— 4†	— 3	+ 1
Apparel stores [¶]	— 18†	— 13	+ 2
Automotive stores [¶]	+ 2†	— 9	+ 8
Drug stores [¶]	— 6†	+ 1	+ 21
Eating and drinking places [¶]	— 3†	— 8	— 5
Food stores [¶]	— 2†	— 6	— 7
Furniture and household appliance stores [¶]	— 1†	+ 47	+ 5
Gasoline and service stations [¶]	— 3†	— 10	— 2
General merchandise stores [¶]	— 7†	— 9	+ 1
Liquor stores [¶]	+ 5†	— 1	+ 1
Lumber, building material, and hardware stores [¶]	— 4†	+ 6	— 12
Other retail stores	— 3†	+ 10	+ 13
Postal receipts*	\$ 1,510,612	+ 1	+ 4
Building permits, less federal contracts \$	\$16,410,992	— 4	+ 10
Bank debits (thousands)	\$ 2,530,976	**	+ 9
End-of-month deposits (thousands)†	\$ 1,265,097	— 2	— 1
Annual rate of deposit turnover	28.8	+ 2	+ 8
Employment (area)	489,700	**	+ 5
Manufacturing employment (area) ..	94,475	— 2	+ 2
Percent unemployed (area)	4.7	**	— 20

JACKSONVILLE (pop. 8,607)

Postal receipts*	\$ 16,768	+ 38	+ 9
Building permits, less federal contracts \$	\$ 81,000	+179	+ 63
Bank debits (thousands)	\$ 9,713	— 10	—
End-of-month deposits (thousands)†	\$ 8,559	— 2	—
Annual rate of deposit turnover	13.5	— 7	—

KILGORE (pop. 12,373^r)

Postal receipts*	\$ 11,912	+ 8	— 10
Building permits, less federal contracts \$	\$ 34,000	—	— 47
Bank debits (thousands)	\$ 11,783	— 19	— 19
End-of-month deposits (thousands)†	\$ 14,981	— 2	+ 1
Annual rate of deposit turnover	9.4	— 18	— 20
Employment (area)	28,100	**	+ 3
Manufacturing employment (area) ..	5,030	— 1	+ 8
Percent unemployed (area)	4.1	**	— 15

KILLEEN (pop. 26,646^r)

Retail sales			
Apparel stores	— 18†	— 3	+ 11
Postal receipts*	\$ 25,458	— 4	— 16
Building permits, less federal contracts \$	\$ 179,928	— 23	— 28
Bank debits (thousands)	\$ 9,375	— 5	+ 17
End-of-month deposits (thousands)†	\$ 7,337	+ 6	+ 3
Annual rate of deposit turnover	15.8	— 3	+ 16

LAMESA (pop. 13,813^r)

Retail sales			
Automotive stores	**†	— 2	— 13
Postal receipts*	\$ 10,975	— 8	+ 6
Building permits, less federal contracts \$	\$ 84,900	— 71	— 76
Bank debits (thousands)	\$ 14,088	— 45	— 1
End-of-month deposits (thousands)†	\$ 18,260	— 10	— 6
Annual rate of deposit turnover	8.8	— 44	+ 4

LAMPASAS (pop. 4,869)

Postal receipts*	\$ 4,169	+ 1	+ 2
Building permits, less federal contracts \$	\$ 143,500	+242	+4,529
Bank debits (thousands)	\$ 5,166	— 20	— 8
End-of-month deposits (thousands)†	\$ 6,200	— 4	— 7
Annual rate of deposit turnover	9.8	— 17	— 2

LAREDO (pop. 59,350^r)

Postal receipts*	\$ 23,172	— 6	— 7
Building permits, less federal contracts \$	\$ 162,140	+124	— 44
Bank debits (thousands)	\$ 27,319	— 11	+ 11
End-of-month deposits (thousands)†	\$ 23,318	+ 3	+ 9
Annual rate of deposit turnover	14.3	— 12	+ 4

City and item	Percent Change		
	Feb 1960	Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
LLANO (pop. 2,957^r)			
Postal receipts*	\$ 2,036	— 16	— 3
Building permits, less federal contracts \$	\$ 2,408	**	+ 10
Bank debits (thousands)	\$ 3,600	— 6	+ 4
Annual rate of deposit turnover	7.8	+ 5	+ 5

LOCKHART (pop. 7,067^r)

Retail sales			
Apparel stores	— 18†	— 31	— 11
Automotive stores	**†	— 6	+ 20
Food stores	— 5†	— 2	+ 11
Postal receipts*	\$ 3,468	— 10	**
Building permits, less federal contracts \$	\$ 159,200	—	+1,163
Bank debits (thousands)	\$ 3,902	— 15	— 2
End-of-months deposits (thousands)†	\$ 5,277	— 3	+ 4
Annual rate of deposit turnover	8.7	— 10	— 5

LONGVIEW (pop. 46,688^r)

Retail sales	— 4†	— 10	— 11
Food stores	— 5†	— 6	— 4
Furniture and household appliance stores	— 9	— 19	+ 16
Lumber, building material, and hardware stores	— 1†	— 13	— 43
Postal receipts*	\$ 39,757	+ 1	+ 60
Building permits, less federal contracts \$	\$ 1,024,130	+115	+ 44
Bank debits (thousands)	\$ 39,396	— 12	+ 4
End-of-months deposits (thousands)†	\$ 36,002	+ 3	— 2
Annual rate of deposit turnover	13.3	— 8	—
Employment (area)	23,100	**	+ 3
Manufacturing employment (area) ..	5,030	— 1	+ 8
Percent unemployed (area)	4.1	**	— 15

LUBBOCK (pop. 152,776^r)

Retail sales	— 4†	— 18	— 14
Automotive stores	**†	— 20	— 22
Furniture and household appliance stores	— 9†	— 10	+ 11
Postal receipts*	\$ 134,547	— 11	+ 1
Building permits, less federal contracts \$	\$ 3,343,592	— 18	— 49
Bank debits (thousands)	\$ 215,204	— 28	+ 23
End-of-months deposits (thousands)†	\$ 120,731	— 7	— 1
Annual rate of deposit turnover	20.5	— 24	+ 23
Employment (area)	53,700	**	+ 8
Manufacturing employment (area) ..	5,550	**	+ 7
Percent unemployed (area)	3.5	+ 13	— 22

LUFKIN (pop. 20,846^r)

Postal receipts*	\$ 21,715	+ 24	+ 14
Bank debits (thousands)	\$ 22,717	— 6	+ 17
End-of-months deposits (thousands)†	\$ 23,170	— 4	— 11
Annual rate of deposit turnover	11.5	— 1	+ 24

McALLEN (pop. 25,326^r)

Retail sales	— 4†	+ 13	+ 39
Automotive stores	**†	+ 20	+ 50
Postal receipts*	\$ 26,690	+ 2	+ 8
Building permits, less federal contracts \$	\$ 338,020	— 24	— 22
Bank debits (thousands)	\$ 27,099	— 9	+ 21
End-of-month deposits (thousands)†	\$ 21,950	+ 13	+ 8
Annual rate of deposit turnover	15.7	— 9	+ 18

McKINNEY (pop. 16,653^r)

Building permits, less federal contracts \$	\$ 69,970	— 54	— 4
Bank debits (thousands)	\$ 9,146	— 12	+ 16
End-of-month deposits (thousands)†	\$ 12,699	— 1	+ 3
Annual rate of deposit turnover	8.6	— 11	+ 13

For explanation of symbols, see page 23.

City and item	Percent Change		
	Feb 1960	Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
MARSHALL (pop. 28,444^r)			
Retail sales			
Apparel stores	— 18†	— 26	— 10
General merchandise stores	— 10†	— 20	— 8
Postal receipts*	\$ 21,507	— 9	+ 4
Building permits, less federal contracts \$	138,774	**	+288
Bank debits (thousands)	\$ 16,405	— 13	+ 4
End-of-month deposits (thousands) ‡	\$ 21,512	+ 11	+ 2
Annual rate of deposit turnover	9.6	— 15	+ 3

MERCEDES (pop. 10,081)			
Postal receipts*	\$ 4,761	+ 3	+ 9
Building permits, less federal contracts \$	23,642	+ 17	+ 72
Bank debits (thousands)	\$ 7,825	+ 1	+ 32
End-of-month deposits (thousands) ‡	\$ 4,150	— 14	— 28
Annual rate of deposit turnover	19.6	+ 8	+ 51

MIDLAND (pop. 54,288^r)			
Postal receipts*	\$ 79,859	+ 10	+ 5
Building permits, less federal contracts \$	1,926,200	+ 15	— 54
Bank debits (thousands)	\$ 100,971	— 10	+ 22
End-of-month deposits (thousands) *	\$ 89,513	— 2	**
Annual rate of deposit turnover	13.4	— 6	+ 20

MONAHANS (pop. 10,183^r)			
Postal receipts*	\$ 7,567	+ 1	+ 11
Building permits, less federal contracts \$	172,200	— 30	— 10
Bank debits (thousands)	\$ 9,592	— 2	— 1
End-of-month deposits (thousands) ‡	\$ 7,991	— 2	— 4
Annual rate of deposit turnover	14.2	— 1	+ 4

NACOGDOCHES (pop. 14,770^r)			
Postal receipts*	\$ 13,464	+ 4	+ 4
Building permits, less federal contracts \$	22,180	— 70	— 70
Bank debits (thousands)	\$ 14,074	+ 5	+ 13
End-of-month deposits (thousands) ‡	\$ 14,847	— 9	— 1
Annual rate of deposit turnover	11.2	+ 7	+ 12

NEW BRAUNFELS (pop. 12,210)			
Retail sales			
Automotive stores	**†	**	— 5
Postal receipts*	\$ 16,696	+ 16	+ 2
Building permits, less federal contracts \$	138,985	— 62	+ 18
Bank debits (thousands)	\$ 10,114	— 15	+ 5
End-of-month deposits (thousands) ‡	\$ 10,917	— 1	— 7
Annual rate of deposit turnover	11.1	— 9	+ 9

ODESSA (pop. 87,521^r)			
Retail sales			
Furniture and household appliance stores	— 9†	— 25	— 24
Postal receipts*	\$ 65,106	— 4	— 4
Building permits, less federal contracts \$	1,442,631	+ 1	— 17
Bank debits (thousands)	\$ 64,196	— 18	— 4
End-of-month deposits (thousands) ‡	\$ 58,325	— 23	— 6
Annual rate of deposit turnover	11.5	— 12	— 9

ORANGE (pop. 31,556^r)			
Postal receipts*	\$ 20,548	— 5	— 29
Building permits, less federal contracts \$	247,774	— 8	+ 27
Bank debits (thousands)	\$ 22,060	— 4	+ 12
End-of-month deposits (thousands) ‡	\$ 20,899	— 8	— 4
Annual rate of deposit turnover	12.8	— 1	+ 14
Employment (area)	103,100	**	**
Manufacturing employment (area)	32,580	+ 1	+ 16
Percent unemployed (area)	9.7	+ 2	— 18

City and item	Percent Change		
	Feb 1960	Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
PALESTINE (pop. 15,063^r)			
Postal receipts*	\$ 10,002	— 15	+ 7
Building permits, less federal contracts \$	62,355	—	— 23
Bank debits (thousands)	\$ 8,959	— 7	+ 2
End-of-month deposits (thousands) ‡	\$ 14,664	**	+ 7
Annual rate of deposit turnover	7.3	— 6	— 9

PAMPA (pop. 26,720^r)			
Retail sales			
Automotive stores	**†	— 20	— 15
Postal receipts*	\$ 23,913	+ 9	+ 11
Building permits, less federal contracts \$	318,372	+ 79	— 78
Bank debits (thousands)	\$ 21,566	— 10	—
End-of-month deposits (thousands) ‡	\$ 24,276	+ 2	—
Annual rate of deposit turnover	10.7	— 8	—

PARIS (pop. 24,551^r)			
Retail sales			
Apparel stores	— 4†	+ 13	+ 10
Automotive stores	— 18†	— 20	**
Lumber, building material, and hardware stores	**†	+ 28	+ 21
Postal receipts*	\$ 19,506	+ 1	— 28
Bank debits (thousands)	\$ 15,284	+ 1	+ 11
End-of-month deposits (thousands) ‡	\$ 15,284	— 9	+ 9
Annual rate of deposit turnover	13.1	— 2	+ 4

PASADENA (pop. 58,928^r)			
Postal receipts*	\$ 32,815	+ 5	+ 1
Building permits, less federal contracts \$	721,525	— 6	— 31
Employment (area)	489,700	**	+ 5
Manufacturing employment (area)	94,475	— 2	+ 2
Percent unemployed (area)	4.7	**	— 20

PHARR (pop. 8,690)			
Postal receipts*	\$ 5,504	— 3	— 6
Bank debits (thousands)	\$ 4,664	**	+ 14
End-of-month deposits (thousands) ‡	\$ 4,548	— 6	+ 13
Annual rate of deposit turnover	11.9	— 3	+ 10

PLAINVIEW (pop. 21,106^r)			
Retail sales			
Apparel stores	— 4†	— 4	— 17
Automotive stores	— 18†	— 41	— 6
General merchandise stores	**†	+ 10	— 17
Postal receipts*	\$ 17,533	— 10	+ 11
Building permits, less federal contracts \$	356,900	+ 60	+226

PORT ARTHUR (pop. 82,150^u)			
Retail sales			
Automotive stores	— 4†	— 5	— 4
Food stores	**†	+ 9	— 18
Furniture and household appliance stores	— 5†	— 11	— 2
Lumber, building material, and hardware stores	— 9†	— 7	+ 6
Postal receipts*	\$ 50,936	+ 7	+ 9
Building permits, less federal contracts \$	1,648,115	+ 89	+185
Bank debits (thousands)	\$ 59,414	— 11	+ 10
End-of-month deposits (thousands) ‡	\$ 43,648	— 2	— 2
Annual rate of deposit turnover	16.1	— 9	+ 13
Employment (area)	103,100	**	**
Manufacturing employment (area)	32,530	+ 1	+ 16
Percent unemployed (area)	9.7	+ 2	— 18

ROCKDALE (pop. 6,400^r)			
Postal receipts*	\$ 3,421	— 5	+ 14
Building permits, less federal contracts \$	45,000	— 63	+915
Bank debits (thousands)	\$ 3,846	+ 5	+ 19
End-of-month deposits (thousands) ‡	\$ 5,458	— 2	+ 3
Annual rate of deposit turnover	8.4	+ 6	+ 17

For explanation of symbols, see page 23.

City and item	Feb 1960	Percent Change	
		Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
SAN ANGELO (pop. 62,359^r)			
Retail sales	— 4†	**	+ 2
Jewelry stores .....	.....	+ 21	+ 33
Postal receipts*	\$ 64,274	+ 7	+ 8
Building permits, less federal contracts \$	577,921	+ 8	+ 89
Bank debits (thousands)	\$ 50,586	— 4	+ 6
End-of-month deposits (thousands) ‡	\$ 46,333	**	+ 2
Annual rate of deposit turnover	13.1	— 4	+ 4
Employment (area)	22,950	**	— 1
Manufacturing employment (area) ..	3,220	+ 1	+ 5
Percent unemployed (area)	5.8	+ 4	— 13

SAN ANTONIO (pop. 555,000^r)			
Retail sales	— 5†	— 3	**
Apparel stores	— 11†	— 15	+ 4
Automotive stores	+ 1†	+ 4	+ 5
Drug stores	— 1†	— 3	+ 4
Eating and drinking places	— 6†	+ 4	— 2
Florists		+ 23	+ 21
Food stores	— 3†	— 1	— 9
Furniture and household appliance stores	— 6†	+ 11	+ 9
Gasoline and service stations	— 6†	— 1	+ 4
General merchandise stores	— 10†	— 16	**
Lumber, building material, and hardware stores	— 7†	+ 15	+ 6
Postal receipts*	\$ 625,545	+ 1	+ 8
Building permits, less federal contracts \$	5,165,666	+ 69	+ 11
Bank debits (thousands)	\$ 578,727	— 4	+ 11
End-of-month deposits (thousands) ‡	\$ 366,016	**	— 6
Annual rate of deposit turnover	19.0	— 3	+ 17
Employment (area)	205,000	+ 1	+ 3
Manufacturing employment (area) ..	25,025	+ 1	+ 5
Percent unemployed (area)	3.2	— 6	— 18

SAN MARCOS (pop. 14,300^r)			
Postal receipts*	\$ 9,271	+ 7	— 3
Building permits, less federal contracts \$	36,900	+ 414	— 64
Bank debits (thousands)	\$ 6,722	+ 5	— 11
End-of-month deposits (thousands) ‡	\$ 8,284	— 3	— 8
Annual rate of deposit turnover	9.6	+ 7	— 5

SAN SABA (pop. 3,400)			
Bank debits (thousands)	\$ 3,875	— 21	+ 13
End-of-month deposits (thousands) ‡	\$ 4,251	— 4	— 3
Annual rate of deposit turnover	9.4	— 15	+ 18

SEGUIN (pop. 14,000^r)			
Postal receipts*	\$ 9,945	— 11	— 4
Building permits, less federal contracts \$	50,623	+ 10	+ 139
Bank debits (thousands)	\$ 8,211	— 15	— 2
End-of-month deposits (thousands) ‡	\$ 14,022	— 1	— 10
Annual rate of deposit turnover	7.0	— 14	+ 9

SHERMAN (pop. 31,269^r)			
Retail sales	— 4†	— 3	+ 5
Apparel stores	— 18†	— 38	— 15
Automotive stores	**†	+ 13	+ 5
Furniture and household appliance stores	— 9†	— 7	+ 13
Lumber, building material, and hardware stores	— 1†	— 13	**
Postal receipts*	\$ 29,257	+ 17	+ 9
Building permits, less federal contracts \$	453,926	+ 312	+ 100
Bank debits (thousands)	\$ 23,161	— 18	.....
End-of-month deposits (thousands) ‡	\$ 19,644	+ 2	.....
Annual rate of deposit turnover	14.3	— 15	.....

SMITHVILLE (pop. 3,373^r)			
Postal receipts*	\$ 1,958	+ 14	.....
Building permits, less federal contracts \$	8,000	— 61	+ 54
Bank debits (thousands)	\$ 1,084	— 15	+ 27
End-of-month deposits (thousands) ‡	\$ 2,306	— 1	— 6
Annual rate of deposit turnover	5.6	— 14	+ 33

City and item	Feb 1960	Percent Change	
		Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
SLATON (pop. 6,351^r)			
Postal receipts*	\$ 3,186	+ 1	+ 8
Building permits, less federal contracts \$	30,775	— 65	— 16
Bank debits (thousands)	\$ 3,297	— 35	— 3
End-of-month deposits (thousands) ‡ \$	4,888	— 10	— 4
Annual rate of deposit turnover	7.7	— 34	+ 4
Employment (area)	53,700	**	+ 8
Manufacturing employment (area) ..	5,550	**	+ 7
Percent unemployed (area)	3.5	+ 13	— 22

SNYDER (pop. 16,324^r)			
Postal receipts*	\$ 11,593	— 7	— 10
Building permits, less federal contracts \$	188,950	— 79	— 33
Bank debits (thousands)	\$ 14,212	— 18	+ 1
End-of-month deposits (thousands) ‡	\$ 18,381	— 7	— 9
Annual rate of deposit turnover	9.0	— 25	+ 8

SULPHUR SPRINGS (pop. 9,890^r)			
Postal receipts*	\$ 7,989	+ 11	+ 8
Building permits, less federal contracts \$	131,250	+ 179	+ 254
Bank debits (thousands)	\$ 8,382	— 11	— 5
End-of-month deposits (thousands) ‡	\$ 12,576	— 1	+ 4
Annual rate of deposit turnover	8.0	— 9	— 7

SWEETWATER (pop. 16,283^r)			
Retail sales			
Automotive stores	**†	+ 11	+ 40
Furniture and household appliance stores	— 9†	— 22	— 27
Postal receipts*	\$ 11,008	— 20	— 16
Building permits, less federal contracts \$	99,800	— 8	— 52
Bank debits (thousands)	\$ 11,070	— 22	+ 2
End-of-month deposits (thousands) ‡	\$ 11,175	+ 1	— 3
Annual rate of deposit turnover	12.0	— 19	+ 9

TAYLOR (pop. 9,071)			
Retail sales			
Automotive stores	**†	+ 45	+ 49
Postal receipts*	\$ 7,551	— 4	— 9
Building permits, less federal contracts \$	27,880	+ 33	+ 9
Bank debits (thousands)	\$ 7,101	— 17	+ 10
End-of-month deposits (thousands) ‡	\$ 12,881	— 5	— 1
Annual rate of deposit turnover	6.4	— 12	+ 8

TEMPLE (pop. 33,912^r)			
Retail sales			
Apparel stores	— 18†	— 5	— 9
Drug stores	— 4†	— 5	+ 17
Furniture and household appliance stores	— 9†	+ 15	+ 9
Lumber, building material, and hardware stores	— 1†	+ 5	+ 32
Postal receipts*	\$ 34,879	+ 14	+ 18
Building permits, less federal contracts \$	126,135	— 36	— 65
Bank debits (thousands)	\$ 20,964	— 11	+ 14

TEXARKANA (pop. 50,784^r)			
Retail sales			
Apparel stores	— 18†	+ 1	— 10
Furniture and household appliance stores	— 9†	— 14	— 14
Postal receipts*	\$ 45,007	— 19	— 2
Building permits, less federal contracts \$	175,795	+ 132	+ 30
Bank debits (thousands)	\$ 42,806	— 12	+ 3
End-of-month deposits (thousands) ‡	\$ 16,333	— 2	— 5
Annual rate of deposit turnover	15.0	— 10	+ 7
Employment (area)	29,250	**	+ 1
Manufacturing employment (area) ..	3,640	+ 1	+ 2
Percent unemployed (area)	8.8	+ 2	— 6

For explanation of symbols, see page 23.

City and item	Percent Change		
	Feb 1960	Feb 1960 from Jan 1960	Feb 1960 from Feb 1959
TEXAS CITY (pop. 30,000^r)			
Retail sales			
Apparel stores	— 18†	— 22	+ 14
Lumber, building material, and hardware stores	— 1†	— 8	— 24
Postal receipts*	\$ 21,046	+ 1	+ 5
Building permits, less federal contracts \$	755,897	+236	+241
Bank debits (thousands)	\$ 19,760	— 5	— 1
End-of-month deposits (thousands)†	\$ 12,403	+ 2	+ 2
Annual rate of deposit turnover	19.3	— 10	— 2
Employment (area)	51,100	**	+ 4
Manufacturing (area)	10,960	**	**
Percent unemployed (area)	6.1	— 2	— 19
TYLER (pop. 56,725^r)			
Postal receipts*	\$ 87,009	+ 10	**
Building permits, less federal contracts \$	507,252	+ 40	— 38
Bank debits (thousands)	\$ 82,029	— 5	+ 1
End-of-month deposits (thousand)†	\$ 58,927	— 3	— 2
Annual rate of deposit turnover	16.4	— 2	+ 4
VERNON (pop. 12,684^r)			
Postal receipts*	\$ 10,092	— 5	+ 9
Building permits, less federal contracts \$	67,500	— 54	— 53
Bank debits (thousands)	\$ 11,833	— 16	— 3
End-of-month deposits (thousands)†	\$ 18,777	— 1	— 9
Annual rate of deposit turnover	7.5	— 13	+ 7
VICTORIA (pop. 44,188^r)			
Retail sales	— 4†	+ 6	+ 8
Automotive stores	**†	+ 23	+ 9
Eating and drinking places	— 5†	+ 7	— 7
Food stores	— 5†	— 3	+ 5
Furniture and household appliance stores	— 9†	+ 8	+ 43
Lumber, building material, and hardware stores	— 1†	— 12	— 8
Postal receipts*	\$ 27,866	— 7	— 3
Building permits, less federal contracts \$	91,500	— 69	— 36
WACO (pop. 101,824^r)			
Retail sales	— 4†	— 18	— 8
Apparel stores	— 18†	— 40	— 12
Florists	—	+ 23	+ 17
Furniture and household appliance stores	— 9†	— 15	+ 25
General merchandise stores	— 10†	— 15	— 4
Lumber, building material, and hardware stores	— 1†	— 1	— 5
Postal receipts*	\$ 147,457	+ 11	—
Building permits, less federal contracts \$	797,582	— 50	— 18
Bank debits (thousands)	\$ 100,746	— 9	+ 7
End-of-month deposits (thousands)†	\$ 67,211	— 1	— 5
Annual rate of deposit turnover	17.9	— 6	+ 13
Employment (area)	47,850	**	+ 2
Manufacturing employment (area) ..	10,120	+ 3	+ 3
Percent unemployed (area)	6.0	**	+ 2
WESLACO (pop. 16,300^r)			
Postal receipts*	\$ 9,647	+ 16	+ 18
Building permits, less federal contracts \$	47,143	— 73	— 74
Bank debits (thousands)	\$ 6,820	— 29	+ 30
End-of-month deposits (thousands)†	\$ 5,070	+ 1	+ 13
Annual rate of deposit turnover	16.2	— 28	+ 17
WICHITA FALLS (pop. 103,152^r)			
Retail sales			
Automotive stores	**†	+ 4	+ 22
Furniture and household appliance stores	— 9†	— 24	— 8
Postal receipts*	\$ 108,084	+ 3	+ 2
Building permits, less federal contracts \$	884,177	— 47	+ 2
Bank debits (thousands)	\$ 111,406	— 12	+ 7
End-of-month deposits (thousands)†	\$ 101,028	— 4	— 5
Annual rate of deposit turnover	13.0	— 3	+ 13
Employment (area)	40,550	+ 1	+ 2
Manufacturing employment (area) ..	3,690	— 1	+ 3
Present unemployment (area)	6.4	— 6	+ 10

Employment estimates have been adjusted to first quarter 1959 benchmarks.

† Normal seasonal change from December to January.

* For the period February 6-March 4.

† Reported by the Bureau of Business and Economic Research, University of Houston, for Harris County.

‡ Money on deposit at the end of the month, but excludes deposits to the credit of banks.

† Revised for use by the Texas Highway Department.

■ 1960 Urbanized Census.

** Change is less than one-half of one percent.

‡ Figures are for Texarkana, Texas (pop. 31,051) only.

BAROMETERS OF TEXAS BUSINESS

	Feb 1960	Jan 1960	Feb 1959	Year-to-date 1960	average 1959
GENERAL BUSINESS ACTIVITY					
†Texas business activity, index	238	219	215	229	213
Miscellaneous freight carloadings in SW District, index	80	82	74	81	77
Ordinary life insurance sales, index	423	387	401	405	403
Wholesale prices in U.S., unadjusted index	119.4	119.3	119.5	119.4	119.5
‡Consumers' prices in Houston, unadjusted index	125.6	.....	124.1	125.6	124.1
Consumers' prices in U.S., unadjusted index	125.6	125.4	123.7	125.5	123.8
Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate)	\$ 393.0*	\$ 392.8r	\$ 371.0	\$ 392.9	\$ 370.0
Business failures (number)	41	39	37	40	36
Newspaper advertising, index	176.6	177.1	173.0	176.9	172.3
TRADE					
Total retail sales, index	215*	224r	213r	.....	.....
Durable-goods stores	161*	152r	155r	.....	.....
Nondurable-goods stores	243*	262r	243r	.....	.....
Ratio of credit sales to net sales in department and apparel stores	69.9*	66.2*	69.6r	68.1*	66.9r
Ratio of collections to outstandings in department and apparel stores	35.8*	37.0*	35.7r	36.4*	37.3r
PRODUCTION					
Total electric power consumption, index	394*	375r	347r	385*	348
Industrial electric power consumption, index	416*	385r	361r	401*	359
Crude oil production, index	124*	117r	122	121	124
Crude oil runs to stills, index	148	148	152	148	150
Gasoline consumption, index .....	.....	176	183	.....	187
Total industrial production, index	173	172	167	173	169
Total manufactures, index	210	213	198	212	200
Durable manufactures, index	247	249	237	248	236
Nondurable manufactures, index	194	196	180	195	183
Mineral production, index	137	133	137	135	140
Industrial production in U.S., index	167*	168	155r	168*	154r
Southern pine production, index .....	.....	76	74	.....	76
Cottonseed crushed, index .....	.....	153	154	.....	150
Construction authorized, index	210	200r	235	205	237
Residential building	220	226r	279	223	294
Nonresidential building	204	167r	179	186	173
Cement shipments, index	151	141	181	146	195
Cement production, index	121	158	187	140	176
Cement consumption, index	147	135	180	141	192
Average daily production per oil well (bbls.)	14.4	13.8	15.1	14.1	15.2
AGRICULTURE					
Prices received by farmers, unadjusted index, 1909-14=100	255	261	279	258	280
Prices paid by farmers in U.S., unadjusted index, 1904-14 = 100	299	299	297	299	298
Ratio of Texas farm prices received to U.S. prices paid by farmers	85	87	94	86	94
FINANCE					
Bank debits, index	284	261	257	273	254
Bank debits, U.S., index	251	228	221	239	221
Reporting member banks, Dallas Reserve District:					
\$Loans (millions)	\$ 2,833	\$ 2,859	\$ 2,728	\$ 2,846	\$ 2,730
\$Loans and investments (millions)	\$ 4,429	\$ 4,463	\$ 4,479	\$ 4,446	\$ 4,489
Adjusted demand deposits (millions)	\$ 2,631	\$ 2,647	\$ 2,879	\$ 2,639	\$ 2,838
Revenue receipts of the State Comptroller (thousands)	\$ 91,265	\$ 93,719	\$ 72,764	\$ 92,492	\$ 81,481
Federal Internal Revenue collections (thousands)	\$350,929	\$219,972	\$327,479	\$285,451	\$282,610
LABOR					
Total nonagricultural employment (thousands)	2,476.8*	2,474.8r	2,420.3r	2,475.8*	2,423.0r
Total manufacturing employment (thousands)	488.4*	488.4r	477.2r	488.4*	478.1r
Durable-goods employment (thousands)	232.3*	232.5r	230.6r	232.4*	229.3r
Nondurable-goods employment (thousands)	256.1*	255.9r	246.6r	256.0*	248.8r
Total civilian labor force in 17 labor market areas (thousands)	2,197.8	2,192.4	2,072.5	2,195.1	2,071.7
Employment in 17 labor market areas (thousands)	2,021.6	2,017.5	1,893.5	2,019.6	1,895.9
Manufacturing employment in 17 labor market areas (thousands)	379.0	379.7	356.4	379.4	357.9
Total unemployment in 17 labor market areas (thousands)	112.5	110.8	117.6	111.7	117.0
Percent of labor force unemployed in 17 labor market areas	5.1	5.1	5.7	5.1	5.7

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1947-49, except where indicated; all are adjusted for seasonal variation, except annual indexes. Employment estimates have been adjusted to first quarter 1956 benchmarks.

* Preliminary.

† Based on bank debits in 20 cities, adjusted for price level.

‡ Index computed for February, May, August, and November only.

\$ Exclusive of loans to banks after deduction of valuation reserves.

r Revised.