

TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas

BUREAU OF BUSINESS RESEARCH : THE UNIVERSITY OF TEXAS

VOL. XXXIII, NO. 10

TWENTY CENTS A COPY—TWO DOLLARS A YEAR

OCTOBER 1959

The South's Call to Greatness: Challenge to All Southerners

By WALTER PRESCOTT WEBB

*An address by the distinguished Professor of History of The University of Texas
to the Texas Council of Social Studies, June 29, 1959*

The story I am going to tell differs from much that is said and written about the South because this is a story of cheerfulness, of optimism and of hope, a story calculated to lift the spirit, turn the eyes of the Southerner from the grim past where they have too long lingered to a future so bright as to be to some all but unbelievable. History in dealing with the past has to tell about the South a story of misfortune, of calamity, of disaster, of catastrophe. Those who teach history and those who study it are likely to be so mentally conditioned that they take a somber view of not only the past but also of the future. This is especially true of those who erroneously believe that history repeats itself. History furnishes analogies from the past that help us in thinking about the present and the future, but it never repeats itself, and for that all Southerners must be thankful. If I thought that the history of the South from 1960 to 2030 would repeat the history of the South from 1864 to 1930 I would advise every young person in the land, and all the older ones who could, to get away and as soon as possible. As things stand now, as I see the South for the next seventy years I would not advise any young person to leave it because it is not only possible but it is also probable that this next century will belong to the South. The reasons for this belief will constitute the main body of this address.

If you are to catch a vision of what I think the South is destined to be, I doubt that you should read too much of the sort of history that is being written about it. The story is so unpleasant that you are likely to be convinced that nothing good can come out of such a land. As an example of this somber view, I quote the first paragraph

of Kenneth Stapp's recent book (1956), *The Peculiar Institution*.

To understand the South [he says] is to feel the pathos in its history. This aura of pathos is more than a delusion of historians, more than a vague sensation one gets when looking down an avenue of somber, moss-draped live oaks leading to stately ruins or to nothing at all. For Southerners live in the shadow of a real tragedy; they know, better than most other Americans, that little ironies fill the history of mankind and that large disasters from time to time unexpectedly help to shape its course.

Almost half of the words and phrases in this introductory paragraph sound like the tolling of a funeral bell: "pathos in its history," "aura of pathos is more than a delusion of historians," "somber moss-draped live oaks leading to stately ruins or to nothing at all," "For Southerners live in the shadow of real tragedy," "large disasters."

More realistic than this historian is W. J. Cash's *Mind of the South*. This classic, written by a South Carolinian, is completely lacking in this sense of tragedy which permeates so much that is being written. Cash explains the South, analyzes it, but does not deal with the future. At the end he sums up the vices and virtues of the Southerner, saying that he still has both in considerable degree.

In the coming days [he says] . . . it [the South] is likely to have to prove its capacity for adjustment far beyond what has been true in the past. And in that time I shall hope, as its loyal son, that its virtues will tower over and conquer its faults. . . . But of the future I shall make no definite prophesies. It would be a brave man who would venture them in any case. It would be a madman who would venture them in face of the forces sweeping over the world in the fateful year of 1940.

The Business Situation in Texas

By FRANCIS B. MAY

After rising to a new record high in July the seasonally adjusted Index of Texas Business Activity declined to a rate of 222% of the 1947-49 average rate of activity in August. At this level the index was 2% below July. It was 15% above the August 1958 level.

While a slight slowing in the rate of business activity nationally has resulted from the steel strike, it is unlikely that this was the cause of the decline in Texas. Employment in the primary metals industries in the state in August was down to 21.1 thousand from 24.0 thousand in July. Wages lost during the month due to the decline amounted to \$1.98 million, a severe loss to the workers involved but only a small fraction of a percent of the state's total wage bill. Total nonagricultural employment in the state in August was 2,455,300 compared with 2,455,200 in July, a gain of 100 workers. This was a net result of declines in some industries and gains in others. The 2% drop in the rate of over-all activity was due to declines in other areas of the state's economy. It is the kind of small fluctuation that can occur at any time, even during a cyclical upswing. Business does not move uniformly upward, but proceeds in a series of month-to-month advances and retreats. In prosperity, the net effect is a generally upward movement. In recessions, it is the reverse. Examination of the chart of the index reveals that the net effect has been a strong upward movement, reaching a new high in July. The August drop is the kind of month-to-month erratic variation common to time series, emanating from no single assignable cause.

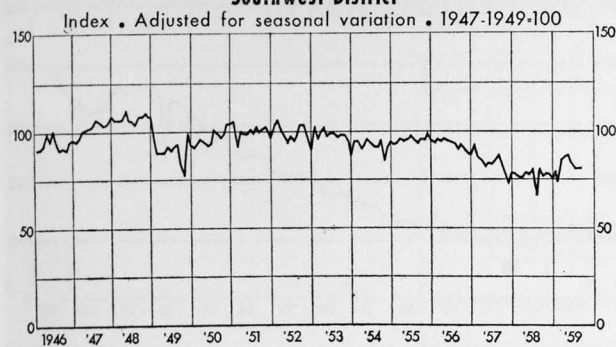
The seasonally adjusted index of freight carloadings for August held steady at the July level of 81% of the 1947-49 average value. As we move into the fall shipping season for farm products, the index will improve in value.

It has been six years since this index stood as high as 100% of the 1947-49 average volume of carloadings. Other transportation media have progressed at the expense of the "steam cars." As a result of this decline, the rails are nearing a period of contest between management and worker's representatives over work rules, the question of what is a fair day's work. A prolonged strike would revive the question of nationalizing the iron horse. It would probably be a long strike. On the one hand will be the issue of the total number of jobholders necessary to conduct the business of the railroads; on the other will be the fact that inroads of foreign-made goods have made American businessmen more cost-conscious than at any time since the depression of the 1930's.

The seasonally adjusted index of crude petroleum production for August was unchanged from the July level of 109% of the 1947-49 average. Since nine day's production was the allowable set for both months by the Texas Railroad Commission and both are 31-day months, the plateau in the index was to be expected. September and October allowables have also been set at nine days. The need for a low allowable this time is not pressure of high crude inventories but pressure of abnormally high inventories of refined products. Although some companies have reduced their refinery runs in order to alleviate the situation, others



Miscellaneous Freight Carloadings, Southwest District

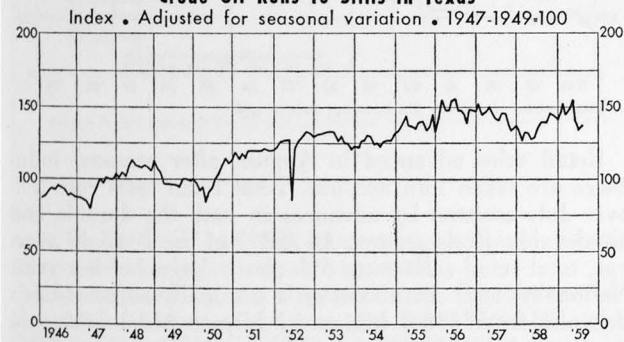


have not. The Railroad Commission controls production rates of crude only. By reducing the supply it hopes to reduce the excessive level of inventories of refined products which threatens the industry with waste caused by excessive storage periods.

Independent producers are concerned because low gasoline and fuel oil prices resulting from price slashing designed to move distress inventories may be used as an excuse for lowering the price paid for crude oil. Recently, prices were cut in the East Texas field. The reason given was that refinery margins were too thin. Low prices for refined products will mean more thin margins for refiners.

The index of crude oil runs to stills in August was 137% of the 1947-49 average rate. This was a rate of operation 2% higher than July, taking seasonal factors into account. The conduct of refiners in continuing high runs may seem irrational, but it must be remembered that current refinery unit costs are based on total volume of throughput. Because of the large investment in plant required, unit costs diminish as output increases. This acts as

Crude Oil Runs to Stills in Texas



a constant pressure on the refiner to operate at a high level, even though total capacity exceeds demand. There is also in the back of each refiner's mind the thought that his future import allocation will bear a relationship to his rate of operations. These factors operate to keep refinery runs at a higher rate than they should be on the basis of demand. Solution of the problem requires a high degree of industrial statesmanship among refiners. Being a statesman in a highly competitive environment is difficult, but some companies have achieved it by reducing refinery runs.

In our concern over broad policies, we sometimes lose sight of how underlying factors affecting an industry are changing. One of these factors is the geographical distribu-

SELECTED BAROMETERS OF TEXAS BUSINESS (1947-49 = 100)

| Index | Aug 1959 | July 1959 | Aug 1958 | Percent change | |
|---|----------|-----------|----------|-------------------------|------------------------|
| | | | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| Texas Business Activity | 222 | 226 | 193 | — 2 | + 15 |
| Miscellaneous freight carloading in S.W. district.. | 81 | 81 | 80 | ** | + 1 |
| Crude petroleum production | 109* | 109* | 117r | ** | — 7 |
| Crude oil runs to stills | 137 | 134 | 140 | + 2 | — 2 |
| Total electric power consumption | 402* | 401* | 374r | ** | + 7 |
| Industrial electric power consumption | 367* | 376* | 326r | — 2 | + 13 |
| Bank debits | 264 | 270 | 230 | — 2 | + 15 |
| Ordinary life insurance sales.... | 365 | 435 | 359 | — 16 | + 2 |
| Total retail sales | 228* | 223r | 215r | + 2 | + 6 |
| Durable-goods sales | 184* | 179r | 150r | + 3 | + 23 |
| Nondurable-goods sales | 251* | 246r | 251r | + 2 | ** |
| Urban building permits issued.. | 231 | 308 | 273 | — 25 | — 15 |
| Residential | 257 | 298 | 300 | — 14 | — 14 |
| Nonresidential | 203 | 327 | 275 | — 38 | — 26 |

Adjusted for seasonal variation.

* Preliminary.

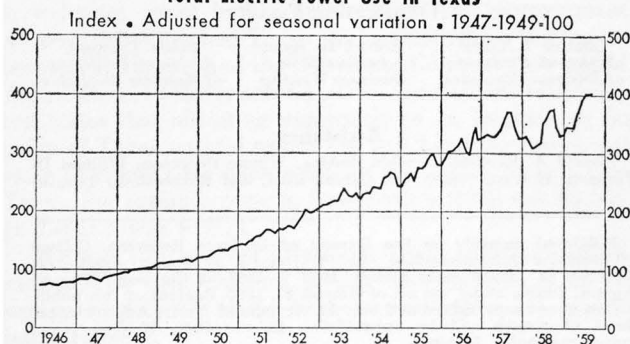
r Revised.

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

tion of the oil producing industry within the state. As indicated by the chart of oil production by districts reproduced on page 5, West Texas has become the dominant oil producing region in the state. The first big strike in the state was in South Texas at Beaumont in 1901. Then the big East Texas field, discovered in 1930, focussed attention on that area. Important but less spectacular discoveries in West Texas since World War II have pushed West Texas into the lead among the state's districts, producing 353.3 million of the 910.0 million barrels for Texas in 1958. There is every indication that production in this region will continue to grow and lead the state. It was oil production that supported the economy of this region during the cattle- and crop-destroying drouth. Oil will continue to be a major factor in its economy, preventing its towns from becoming near-ghost towns when the next cycle of dry years arrives. Every threat to the state's oil industry is a particular danger to this region.

Total electric power consumption in Texas in August held at the July level of 402% of the 1957-49 average rate despite a 2% drop in industrial power consumption. Increases in residential and commercial consumption offset the decline. August total consumption was 7% above August 1958. August industrial consumption was 13% above August of 1958, indicating a continuing high level of industrial activity as well as the fact that electric power

Total Electric Power Use in Texas



TEXAS BUSINESS REVIEW



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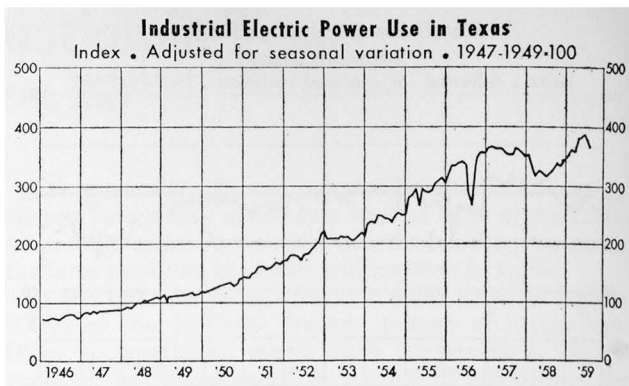
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Published monthly by the Bureau of Business Research, College of Business Administration, The University of Texas, Austin 12. Entered as second class matter May 7, 1928 at the post office at Austin, Texas, under the act of August 24, 1912. Content of this publication is not copyrighted and may be reproduced freely. Acknowledgment of source will be appreciated. Subscription, \$2.00 a year; individual copies, 20 cents.



consumption is growing faster than the general rate of increase in industry production.

Ordinary life insurance sales declined 16% in August after allowing for seasonal variation. At 365% of the 1947-49 average they were 2% above the year-ago level. Insurance sales during the first eight months of this year have been substantially above the same period of 1958 despite the high level of interest in the stock market during most of the year. The "Khrushchev contraction" in stock prices has abated some of this interest in speculation. Few people possess the kind of talent needed in order to become a successful short-seller.



Retail sales advanced in August, after seasonal influences are taken into account. Total retail sales rose 2% over July assisted by advances in both the durable and nondurable goods sectors. At 228% of the 1947-49 average, total retail sales were 6% above August of last year. Nationally, total retail sales on a seasonally adjusted basis declined from \$18.3 billion in July to \$18.1 billion in August, a 1.1% drop.

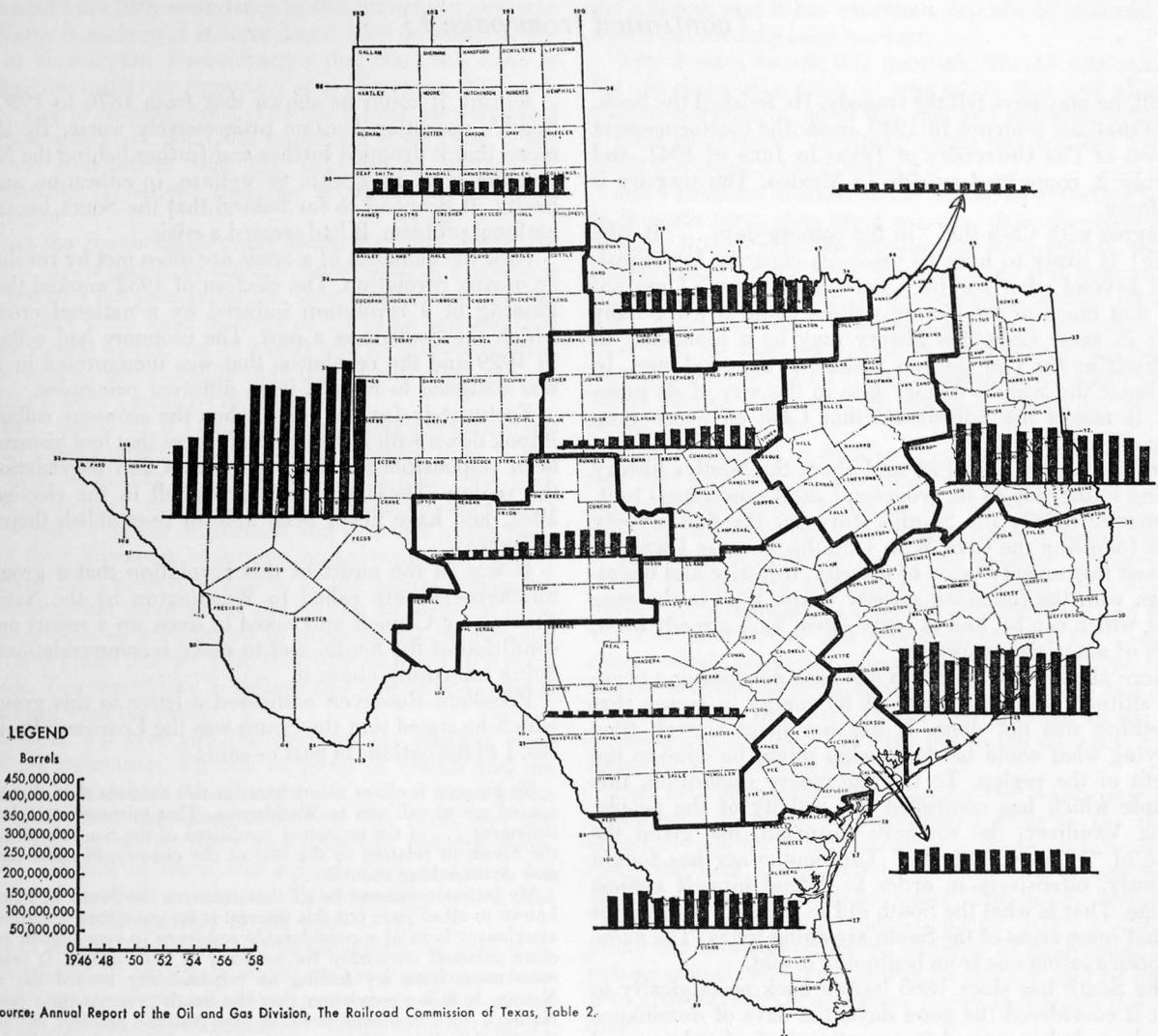
Sales of durable goods in Texas rose 3% in August, as a result of increases in sales of automobiles, furniture and household appliances, and farm implements. The August index was 23% above August 1958.

Sales of nondurable goods in August rose 2% above July, aided by sales of clothing and general merchandise. The August index was at the same level as August 1958.

Urban building permits issued in August declined 25% from the July level. July, in turn, was 24% above June. Both residential and nonresidential permits dropped. Residential permits fell 14%. Nonresidential dropped 38%. All indexes were below the August 1958 levels.

Housing legislation passed by the last session of Congress in its closing days will assist home builders in this

PRODUCTION OF CRUDE OIL BY DISTRICTS



area. Tight money and high interest rates will undoubtedly cause some slowing of the rate of growth.

Data released by the Department of Commerce show that personal income in Texas rose from \$16.4 billion in 1957 to \$17.0 billion in 1958, a 3.5% gain. Per capita income rose a smaller percentage (1.1%) because of the 2.4% gain in population. Most of the \$571 million increase in personal income was due to the increase in farm proprietors income (\$329 million) and farm wage and salary disbursements (\$27 million), which together totaled \$356 million or 62.3% of the increase. Wage and salary disbursements in petroleum production decreased by more than \$35 million. Manufacturing wage and salary payments decreased \$52 million. Transfer payments (unemployment and old-age benefits) increased 13% to \$995 million, a \$117 million increase. Other decreases were in contract construction (\$29 million) and transportation (\$20 million). Wholesale and retail trade and finance, insurance, and real estate showed gains.

Thus it was the break in the drouth that raised farm incomes and offset to a large degree the decline in oil production and manufacturing. Unemployment compensation also played a part in offsetting the effects of the recession on personal income in the state.

While the 1.1% increase in per capita personal income is welcome, there is still ample room for improvement. Among the 48 states, Texas ranks thirtieth in per capita income. If Hawaii and the District of Columbia are added, Texas drops to thirty-second place. Most of the northeastern states that object so vigorously to an increase in the price of Texas natural gas at the well head because it will raise their gas bills have a higher per capita income than Texas. Per capita income in New York in 1958 was \$2,585. In Texas it was \$1,814.

The way to improved income in Texas is by industrialization. Too little income in this state originates in industry. Nearly all of the high income states are heavily industrialized.

The South's Call to Greatness

(continued from page 1)

Still, he may have felt the tragedy. He finished the book, wrote that last sentence in 1940, made the commencement address at The University of Texas in June of 1941, and on July 2, committed suicide in Mexico. The tragedy is still there.

I agree with Cash that "In the coming days . . . it (the South) is likely to have to prove its capacity for adjustment beyond what has been true in the past." I am not sure that much of the history written about it will be any help; in some cases this history may be a hindrance in emphasizing the bad features instead of the good ones. In this sense the South's history gets in the way of its progress. It makes the adjustment that Cash envisions even more difficult.

Despite what I have just said about the South's history getting in the way of its progress, I must now appeal to it, summarize briefly the South's story for the first seventy years following the Civil War. I do this because I want to contrast this seventy years of disaster, injustice and degradation with the following seventy years, 1930 to the year 2000, which can be, and to some extent have already been, years of amazing prosperity.

Since about 1840 the South has been nourishing a negative attitude, spending much of its energy in seeing that something was not done. It has not spent enough time studying what could be done, what might be done to the benefit of the region. To this aggressive opposition, this attitude which has controlled the activity of the people, Frank Vandiver, the southern historian, has given the name of "offensive defense." The Southerner has fought viciously, offensively in order to defend himself against change. That is what the South did in the Civil War and it is what some areas of the South are doing today. The game has been a losing one from beginning to end.

The South has since 1865 looked back nostalgically to what it considered the good days, the days of dominance and glory. It has nursed its resentment of what happened following the Civil War when the South was exploited with a cruelty and relentlessness unparalleled in modern times. That cruelty and exploitation left a bitterness which has not even yet passed away. Unfortunately, the memory of it, the history if you please, keeps the Southerner's eyes too much on the past.

As a result of the Civil War and what followed, the South did not, it could not keep pace with the economic development of the nation. Poverty became almost the common lot, and that poverty showed its ugly head in all the affairs of men, in bad health, inadequate education, in soil depletion and human deterioration. No wonder the South looked back on a better time, took a negative attitude towards what was happening, when everything happening was detrimental to it. No wonder it romanticized the past and built an unreal halo around the idealized life of an older age. The South was the sick man of the nation, the sick region, and its dreams were largely induced by the fever of poverty. Its sensitivity was that of the proud and poor. This is a dark picture, but no darker than the reality which it represents.

I think it could be shown that from 1870 to 1930 the South's condition became progressively worse. By this I mean that it dropped further and further behind the North and the West in wealth, in welfare, in education and in health. It dropped so far behind that the South became a national problem. It had created a crisis.

Now the demands of a crisis are often met by revolution or during revolution. The election of 1932 marked the beginning of a revolution induced by a national crisis of which the South was a part. The economy had collapsed in 1929 and the revolution that was inaugurated in 1932 was designed to rebuild it on different principles.

Fortunately for the South when the economy collapsed, it took down with it the political forces that had historically been responsible for the exploitation and degradation of the region. Those political forces fell in the election of 1932, and have never been able to re-establish their evil influence.

It was in the midst of this revolution that a group of Southerners were called to Washington by the National Emergency Council and asked to draw up a report on the condition of the South, and to make recommendations for doing something about it.

President Roosevelt addressed a letter to this group in which he stated that the South was the Economic Problem No. 1 of the nation. In part he said:

No purpose is closer to my heart at this moment than that which caused me to call you to Washington. That purpose is to obtain a statement . . . of the economic conditions of the South, a picture of the South in relation to the rest of the country, in order that we may do something about it . . .

My intimate interest in all that concerns the South is, I believe, known to all of you; but this interest is far more than a sentimental attachment born of a considerable residence in your section and of close personal friendship for so many of your people. It proceeds even more from my feeling of responsibility toward the whole Nation. It is my conviction that the South presents right now the Nation's No. 1 economic problem—the Nation's problem, not merely the South's. For we have an economic unbalance in the Nation as a whole, due to this very condition of the South.

It is an unbalance that must be righted, for the sake of the South and of the Nation.

In due time the committee issued "The Report on Economic Conditions of the South," including Mr. Roosevelt's bold and undiplomatic statement.

I am convinced that this report marked the turning point in the history of the South. Until that time it had been going down hill all the way; since that time it has been going up, improving its position in reference to the North and the West, and in reference to the nation. In some cases its progress has been spectacular. Let me illustrate.

Of each \$100 in demand deposits in 1930, the North had \$78, the South \$11 and the West \$11. Twenty years later the North's part had dropped from \$78 to \$60; the South's share had almost doubled, from \$11 to \$20; and the West's share had increased from \$11 to \$20. In that twenty years, 1930-1950, the individual income in each section had increased. The northern individual income increased 119%; the westerner's increased 148%; but the southerner's in-

creased 225%. In 1930 the South paid in individual income tax less than \$6 out of each hundred, but in 1950 the South paid nearly three times as much, or \$16.

I would have little confidence in this marvelous progress the South is making if it were based only on political action in Washington. I would argue that what was done in Washington marks an important step in putting the South on its way to helping itself. Though I have not compiled the figures to show what has happened since 1950, I see evidence everywhere that the progress is continuing. Furthermore, I believe that the improvement has only just begun.

What the South needs today more than any other one thing is for its people to catch a vision—not of a glorious past, but of a far greater future. They need to see that the South today is the most thriving of the three regions. It is not the richest by far, but its wealth and its general welfare are increasing more rapidly than that of any other region, and that is what I mean by most thriving.

What I would do, if I could, is this. I would convince the southern people that their future is brighter than it has ever been in history; I would so inspire them that they would get so busy realizing on the opportunities ahead that they would forget the misfortune and injustice of the past, drown their bitterness in success, and revenge the past by becoming the prosperous region of the nation tomorrow.

I suspect that these words are falling on sceptical ears. We have been so accustomed to thinking the South must play third fiddle that we have difficulty seeing it in a leading role. You would like to believe that what I have said is so, but you want the proof.

All right. I'll give you the evidence on which I have based my statements. I'll talk in terms of wealth and the resources from which it is derived. I'll talk of three forms of wealth; first, that produced from the farm and the ranch, what grows on them and what lies beneath them. Second, I'll talk of trade and manufacturing. Third, I'll tell you of a silent revolution in technology which has placed the South squarely in the path of destiny.

Let us look at the South, not as the enormous area it is, but as a piece of real estate which we are figuring on buying. This makes it manageable in our minds. What are its potentials, its natural advantages? What are the assets? They are indeed many.

1. The South is the only region in the United States that fronts the sea on two sides. From Virginia to Key West it looks east to Europe across the Atlantic; from Key West to Brownsville, it looks south to Latin America. The South's shoreline along the Atlantic is 1,099 miles; along the Gulf it is 1,659 miles. It has a total shoreline of 2,758 miles. It has nearly four times the shoreline of the North, more than twice that of the Pacific coast, and nearly 600 miles more sea coast than the North and the West combined. If there is a potential fortune in the sea, then the South has the easiest access to more than half of it.

2. It has one-third of the good farm land in the nation, and this land is now being made better by the year.

3. It has two-thirds of all the land with 40 inches of rainfall or more, an asset too great to be measured.

4. It has a long growing season which gives it an advantage in the production of food and fiber, of livestock and feed. Because of these things, the South is the richest region in renewable resources. It was once a great natural forest. It is again becoming a great forest.

5. It has in the interior the greatest supply of fresh water, if we exclude the Great Lakes.

6. In minerals it produces 45% of the nation's oil, all of the sulphur, and it has enormous deposits of coal and iron which have hardly been touched.

Now I want to ask this question. Would you consider the purchase of a piece of real estate that had all these natural advantages, all of this real and potential wealth as a good investment? In short, would you buy the South? Well, why don't we start doing it?

But I have not touched on the industrial potential, which is in some ways even more exciting than the natural resources. It is common knowledge that the industrial revolution is at last entering the South. We say it is industrializing. We have evidence of this industrialization all over East Texas; we have it in the paper mill at Lufkin; we have it in the steel production at Daingerfield. We have it all along the Gulf Coast from Beaumont to Corpus Christi. There on the salt water, the South is having its greatest boom.

What I do want to do is to point out a silent revolution that has occurred in technology which almost inevitably makes the industrial future of the South not bright, but brilliant. Manufacturing, especially from minerals, never is developed through the use of one mineral. Industry develops by bringing together a combination of resources. Such a combination was found in Pennsylvania and West Virginia, and out of this combination grew the steel industry which has meant so much to the country. The three resources found in juxtaposition there were coke and coal, limestone, and iron ore. This trilogy ushered in the age of steel, and did much to give the North its early dominance in the American economy.

Due to a technological revolution the South now possesses such a trilogy of resources. I refer to the petrochemical industry which has already made great headway along the East Texas Gulf Coast. This new trilogy is oil and gas, sulphur, and fresh water. The South, including Texas, produces 45% of the nation's oil, 100% of the sulphur, and it has an unlimited quantity of fresh water. The petrochemical industry is still in its infancy, and its future is so great that the imagination cannot encompass it at this time.

For example, a recent study of industry in the Sabine-Neches area of Texas says this:

The Chemical Manufacturing Association recently announced that the chemical industry is putting its largest investment in construction projects in Texas. During 1956 the industry completed chemical projects totaling \$154.6 million in Texas, and plans to add another \$485.3 million within the next two years. . . . It is believed that a 1975 projection of final demands of area chemical and synthetic rubber to 3.25 times that of 1955 is reasonable in view of the existing evidence.¹

What this projection means for this small area, the Sabine-Neches area, is an increase of 325% in less than 20 years.

Another feature I want to mention is that at last the South is developing capital centers with enough money to exploit its own resources. It no longer has to go North to obtain capital in moderate amounts. A recent bank statement showed that two cities, Houston and Dallas, have bank assets of over a billion dollars each. Texas money fi-

¹C. D. Kirksey, *An Interindustry Study of the Sabine-Neches Area of Texas*, pp. 128, 130. See table 14 for company projects. Bureau of Business Research, University of Texas, 1959.

nanced the paper mill at Lufkin, the steel mill at Daingerfield, *The Saturday Review* in New York, the oil fields of the northwest and Canada, resort hotels in Colorado, and numerous other enterprises. The South is slowly becoming an exporter of capital.

Historians and others have given us many reasons why the South in the past did not progress in step with the nation. I want to cite some of those reasons and show how time, fate, science and technology have removed them. Note that most of these changes have come in this century.

1. It used to be said, for example, that the South could not industrialize because it lacked fuel. Then came oil of which the South has about 50% in the nation.

2. It used to be said that the South was handicapped by its hot and humid climate. Then came air conditioning which is now almost universal.

3. It used to be said that the South could not grow beef cattle because there was not enough grass and too many ticks and flies. Then came the bulldozers to clear the land for grass, and improved insecticides to kill the flies and ticks. The South is today rivaling the West in the production of fine cattle.

4. It used to be said that the South's soil was depleted. Then came scientific agriculture, soil-building practices and the chemical production of fertilizers to repair the destruction.

5. It used to be said that the South could not compete with the Middle West in the production of pork and bacon and hams because it lacked corn. Then came milo maize which is now grown by thousands of tons, and it is just as good pig feed as corn. The Southwest, where the maize is grown, can divide the hog market with Iowa.

6. Prior to the Civil War the South's network of rivers was a great economic asset because the rivers were used as transport routes for commerce. Then the railroads came and took away the importance of the rivers. But now modern industry requires enormous quantities of fresh water, and of this the South has the greatest unused supply. Big industry is covering that waterfront and moving inland along the river channels. The West cannot rival the South in heavy industry because of the lack of water. The North has water, but it is already saturated with industry. Industry is coming South because there is really no other place to go.

If we view the South in the last half of the nineteenth century, we see it as a tragic figure with many afflictions. But if we view it today, we see it stripped of all these handicaps, standing sound and well on the threshold of a new era. Chance and circumstance have conspired to offer the South a great opportunity.

When a university professor makes a speech, some people are likely to say that he is repeating the echoes heard in his ivory tower. He has read a lot of books, studied some statistics compiled in other ivory towers and come up with an idle dream. Business men have more prestige than professors, are not so theoretical, and can be depended on in practical matters. For those of you who hold this view, I want to give you the opinion of a business man about the future of the South. This man is Arthur W. Wiebel, President of the Tennessee Coal and Iron Division of the United States Steel Corporation. His home and his company are at Birmingham, Alabama, where he gave this address to the National Society of Professional Engineers on February 20, 1959. The title of his address is "Face to Face with Tomorrow."

Mr. Wiebel starts out by quoting the poet who said that the evil men do lives longer than the good, and attracts more attention. People, he says, pay more attention to stories of tragedy, catastrophe and misfortune than to stories of a more cheerful nature. I quote now from Mr. Wiebel:

Critical reports about the South have obscured . . . a much bigger story; and certainly a brighter one. . . . The plain truth of the matter is that the South is going to live down its present rash of bad publicity; and ultimately the more important—the story of tremendous advancement—will be the big news. . . . There is a revolution going on in the South, but it has nothing to do with courts or Congress, laws or legislatures. The revolution of which I speak is economic in its nature. . . . This region today is fast moving out of the agrarian blind alley in which it has been trapped for so long . . . toward that position of economic leadership to which its geography, its climate and its natural resources entitle it. . . .

Where the South really shines is in its geology . . . we produce one-half of America's minerals. The South has 48 per cent of the nation's clay, 53 per cent of the coal, 65 per cent of the petroleum, 76 per cent of the natural gas . . . and 100 per cent of the bauxite and naturally occurring sulphur. [You will note that his figures are higher than mine.]

With the greatest average rainfall, we are better fixed for water than any other region, for industrial usage . . . for electric power plants . . . for transportation. . . . The South has 40 per cent of the nation's forest area. . . . Trees are grown as crops in the South today, just as cotton has been grown for so many years.

I wish every Southerner could read Mr. Wiebel's address, see the South as he sees it and also as I see it. I wish every teacher would be on guard against emphasizing the somber and sordid story of the South's past, and concentrate more attention on its future. I wish the South would leave to one side, as I have done and as Mr. Wiebel did, the annoying and distracting problems that have so disturbed it and get on with the main business. The present gains of the South can very well stir up envy and calculated opposition from those regions which are now losing to the poor southern relation.

Harry Mell Ayers, publisher of *The Anniston Star*, Anniston, Alabama, in a baccalaureate address entitled "North vs. South and West," touched on this in 1956. He said:

One of the most engaging figures on the platform of the recent Democratic National Convention in Chicago was John Fitzgerald Kennedy. . . . But it was also he who led a concerted movement in the New England states to stop industry from coming South.

Accordingly, in the voting for the nomination of a Vice-President, it was noticed that every one of the New England states rallied to Kennedy's standard because they can see that both the political and the economic power of the Northern states is slipping.

A region that is slipping might be very glad to see the South turned aside from its economic destiny, do something foolish that would wreck the best opportunity it has had in many decades.

In conclusion, I am going to quote what Mr. Wiebel said in his conclusion to the Society of Engineers:

And that, my friends, is the story that has not made the headlines. If events of a more emotional flavor push it from the front pages today, you may be sure that historians of a later time will give it the recognition it deserves. Whatever dissensions and disharmonies may beset us from time to time, the course toward the future is set; and nothing can check our progress toward a better day. The busy humming of our factories and the ringing of our cash registers are going to overwhelm the clamor of hysterical debate.

Take that story back with you. Tell your associates that under all the mountains of bombast and oratory there are cold, hard facts and figures that reveal a South with which the world has not become familiar. And tell them for me that the conscientious, level-headed citizens of the South may one day hold the destiny of America in their hands.

MONEY, INTEREST, AND THE FEDERAL DEBT

By DAVID TOWNSEND*

The financial arena now has two star performers. The stock market continues to be a top attraction; however, a strong rival for national attention emerged in the summer and fall of 1959. The new center of interest is the seemingly complex interrelationships among (1) the Federal Reserve's control of the money supply, (2) the movement of market prices known as interest rates, and (3) the United States Treasury's management of the federal debt.

The event which has been the chief spark in igniting a general preoccupation with monetary theory occurred when President Eisenhower asked Congress to eliminate the statutory interest rate ceiling on government bonds. The interest ceiling has been 4 $\frac{1}{4}$ % for over forty years, and it appears that this hoary bench mark will remain in force until at least 1960. After a great deal of often emotional debate Congress adjourned on September 15 without acting upon the President's request.

The objective of the comments which follow is to reveal as simply as possible the nature of the interrelationships among Federal Reserve monetary controls, the money supply, interest rates, and federal debt management.

The Federal Reserve and the Money Supply

Congress has granted to the Board of Governors of the Federal Reserve System the power to increase or decrease the legal reserves of commercial banks. These legal reserves are simply bookkeeping claims (demand deposits) against the Federal Reserve banks. The Federal Reserve does not use mirrors to change commercial bank reserves, even though it may seem that way to many. When the "Fed" buys anything such as U. S. Government bonds, the seller deposits the proceeds in a commercial bank and the commercial bank's claims against the Fed are increased. Conversely, when the Fed sells U. S. Government obligations, the buyer pays the Fed with a claim against a commercial bank, which permits the Fed to reduce the commercial bank's legal reserves.

If the Federal Reserve increases the legal reserves of commercial banks, or permits them to maintain a lower minimum amount of legal reserves, the banks may increase their loans to customers and/or increase their investments in debt securities. An increase in bank loans and investments results in an increase in bank deposits owned by the public. These deposits, which are simply bookkeeping claims against the commercial banks, comprise the most important component of the nation's money supply. As of July 29, 1959, commercial bank demand deposits owned by the public totaled \$123 billion and time deposits were \$65 billion, while legal tender coin and currency in circulation amounted to only \$32 billion.

The Federal Reserve and Interest Rates

There are many powerful inflationary forces at work over which the Federal Reserve authorities have no control. A representative sample of these forces or pressures might include: monopoly pricing by labor and industry (cost-push inflation); international responsibilities of the

federal government (the cold war); cost-plus government contracts; Congressional willingness to err on the side of inflation to avoid unemployment when shaping federal tax and expenditure policies; a rapidly rising national living standard.

The course of inflation is influenced by one factor, however, where Federal Reserve control is great, although not exclusive. This area is the purely financial, which includes the supply of money and the prices paid for borrowed money (interest rates). Although seemingly puny when pitted against the formidable inflationary pressures already listed, this purely financial sphere is currently the major battleground where government is seeking to check inflation.

The rapid, almost unprecedented business recovery from the recession of 1957-58 has produced a general upsurge in the demand for funds in the nation's money and capital markets. In seeking to curb excessive or inflationary spending, the Federal Reserve has refused to provide a comparable increase in the supply of loan funds; that is, it has refused to increase commercial bank legal reserves. "As every school boy knows" this demand-supply condition inevitably produces high prices—in this case the prices are known as interest rates. In markets where the borrower-lender relationship is personal and where interest rates vary relatively little despite changes in the demand-supply condition, small increases in rates are accompanied by credit rationing in the form of higher down payment requirements and higher credit standards. Furthermore, the market prices of outstanding debt securities are depressed so that the yields to purchasers of these old securities are equal to the higher interest rates earned by the purchasers of new debt issues.

All individuals, business firms, nonprofit institutions, and governments (local, state, and federal) which borrow funds for various purposes are affected by the tight money squeeze. The common allegorical description is the tight shoe which pinches one's toes. The unpopular pinch is the condition which removes some of the exuberance from the upsurge in total spending, and to that extent at least slows the course of inflation.

Management of the Federal Debt

The federal government must borrow money for two reasons. First, when annual federal expenditures exceed

FEDERAL INTERNAL REVENUE COLLECTIONS

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

| District | July 1-August 31 | | Percent change |
|-------------------------|------------------|---------------|----------------|
| | 1959 | 1958 | |
| TEXAS | \$431,319,718 | \$392,794,794 | + 10 |
| Income | 69,711,197 | 64,077,946 | + 9 |
| Employment | 2,939,110 | 2,234,098 | + 32 |
| Withholding | 308,561,238 | 273,531,240 | + 13 |
| Other | 50,108,173 | 52,951,510 | - 5 |
| SOUTHERN DISTRICT | 211,515,308 | 202,424,014 | + 4 |
| Income | 27,225,522 | 31,104,811 | - 12 |
| Employment | 12,783 | 34,962 | - 63 |
| Withholding | 155,434,626 | 139,977,322 | + 11 |
| Other | 28,842,377 | 31,306,919 | - 8 |
| NORTHERN DISTRICT | 219,804,410 | 190,370,780 | + 15 |
| Income | 42,485,675 | 32,973,135 | + 29 |
| Employment | 2,926,327 | 2,199,136 | + 33 |
| Withholding | 153,126,612 | 133,553,918 | + 15 |
| Other | 21,265,796 | 21,644,591 | - 2 |

* Associate Professor of Finance, The University of Texas.

revenues, the difference or deficit must be covered through borrowing. In different words, the federal government must sell debt securities such as bonds. The federal deficit in fiscal 1959 was approximately \$12 billion. The second reason for federal borrowing, however, has been far more important in recent years than covering unbalanced annual budgets. When outstanding issues of the federal debt mature, the owners of these government obligations must be paid. In those infrequent times when the Treasury is blessed with an excess of tax receipts over expenditures the excess will retire only a very small portion of the maturing obligations; therefore, new debt securities are sold to replace them. It is not unusual for these annual refinancing or refunding operations to involve \$70 to \$80 billion of the federal debt.

In recent years the Treasury has covered budget deficits and replaced maturing debt for the most part by issuing (selling) short-term obligations, that is, securities with maturities of less than five years. The Treasury has avoided competing with borrowers of long-term funds, such as home buyers, in periods of recession; and long-term funds have seemed too scarce and high-priced in the longer periods of prosperity. Since the current yield on all but the longest-term securities is over $4\frac{1}{4}\%$, the forty-year-old statutory interest rate ceiling on securities with maturities of five years and over partially explains why the Treasury does not sell long-term bonds at the present time. The reliance on short-term financing has resulted in a steadily growing proportion of the total federal debt maturing each year, which in turn has caused a growing volume of activity for the federal debt managers.

Debt Management, the Money Supply, and the Federal Reserve

Data which describe the ownership of the federal debt reveal a tendency for the banks (commercial banks and the Federal Reserve banks) to be the chief market for short-term government obligations, and for the nonbank public to be the chief purchasers of long-term securities. There are, of course, other sources of short-term funds, such as foreign governments, banks, and firms, and domestic business corporations seeking to invest temporarily idle cash balances. But, the amount of funds which these other sources can provide is limited; these sources, in addition, can be extremely fickle. Foreign funds may go elsewhere to take advantage of higher interest rates or they may flee in fear of dollar devaluation; corporate funds may move out of government securities and into inventories in a business boom.

Unable to sell $4\frac{1}{4}\%$ bonds in today's tight money markets, the Treasury's debt managers are forced to look to the banks as the only source of funds large enough and stable enough to absorb the rising tide of short-term public debt. What is wrong with the Treasury relying on commercial banks and the Federal Reserve banks to purchase the growing proportion of the federal debt which is made up of short-term obligations? A fair question, and one which evidently puzzled many Congressmen. The earlier comments in this article should suggest the answer. If the commercial banks increase their holdings of government obligations, the nation's money supply is increased; yet both the Treasury and the Fed are seeking to avoid increases in the money supply while the business boom threatens to cause another round of peacetime inflation. If

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* | | |
|---------------------------------|-------------------------------|------------------------------|-------------------------------|
| | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 | Aug 1958 from July 1958 |
| TOTAL ASSETS | + 1 | + 1 | + 2 |
| Loans and investments, less | | | |
| loans to banks and | | | |
| valuation reserves | ** | + 2 | + 2 |
| Loans, less loans to banks and | | | |
| valuation reserves | — 1 | + 9 | + 1 |
| Commercial, industrial, and | | | |
| agricultural loans† | ** | + 12 | + 1 |
| Loans for purchasing or | | | |
| carrying securities | — 12 | — 2 | — 5 |
| Real estate loans | — 4 | — 5 | + 3 |
| Other loans | ** | + 11 | ** |
| Total U. S. Government | | | |
| securities | + 3 | — 11 | + 6 |
| Treasury bills | +122 | + 55 | — 13 |
| Treasury certificates of | | | |
| indebtedness | — 25 | — 78 | +172 |
| Treasury notes and bonds | ** | — 2 | — 4 |
| Other securities | — 2 | + 4 | + 1 |
| Loans to banks | +109 | + 37 | +189 |
| Reserves with Federal | | | |
| Reserve banks | — 2 | + 1 | — 8 |
| Cash in vaults | — 6 | ** | — 4 |
| Balances with domestic banks | + 8 | — 10 | + 1 |
| Other net assets | — 2 | — 5 | + 8 |
| TOTAL LIABILITIES | + 1 | ** | + 2 |
| Total adjusted deposits | — 1 | + 1 | + 1 |
| Demand deposits | — 5 | + 1 | — 2 |
| Time deposits | — 1 | — 4 | + 1 |
| U. S. Government deposits | + 62 | + 40 | + 57 |
| Total interbank deposits | + 14 | — 9 | + 5 |
| Domestic banks | + 15 | — 9 | + 5 |
| Foreign banks | — 6 | — 16 | + 12 |
| Borrowings | — 23 | +4650 | — 80 |
| Other liabilities | + 18 | — 18 | + 32 |
| CAPITAL ACCOUNTS | ** | + 9 | ** |

*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.

the Federal Reserve banks buy government securities, the public's supply of money is increased and commercial banks have more legal reserves. Additional bank reserves mean easier money market conditions, lower interest rates, lower down payment requirements, and more lending by the banks; more bank lending means another injection into the money-spending flow. It should now be clear that as the banks solve the Treasury's debt management problems, the monetary authorities immediately become involved in a program of accentuating inflationary pressures rather than curbing them.

The line of reasoning has now come full circle to the President's proposal to abolish the maximum interest on government bonds of $4\frac{1}{4}\%$ so that long-term bonds can be sold to the public. When the nonbank public buys government obligations, no new money is created and debt management is consistent with the Fed's monetary policy of tight money to curb inflation. But—the $4\frac{1}{4}\%$ ceiling was not removed by Congress, and the business community watches with growing and uneasy interest the complex mixture of Federal Reserve monetary controls, rising interest rates, the money supply, and the management of the federal debt.

AUGUST SALES IMPROVE SLIGHTLY

By TINA PIEDRAHITA

Dollar sales. Total retail sales in Texas for August 1959 were estimated at \$1,189.6 million, 3% above July 1959 and 6% above August 1958. January-August 1959 sales were estimated at \$8,849.3 million, or 7% above sales of the same period a year earlier. In comparison, national retail sales this August, estimated by the U. S. Department of Commerce at \$18.1 billion, slipped 1% from July 1959, a drop attributed mainly to hot weather and the steel strike. Sales, however, were 7% ahead of August 1958.

August durable goods sales in Texas (\$341.8 million) were 5% above July 1959 and, with automotive stores continuing their upward sales trend, durable goods sales registered a 23% gain over August 1958, bringing total January-August 1959 sales of durables 19% ahead of January-August 1958. Nondurable goods sales (\$847.8 million) were 2% ahead of July 1959, remained unchanged from August 1958, and for January-August 1959 were 3% above the same period a year ago.

Based on January-August 1959 seasonally adjusted sales, total retail sales in Texas in 1959 are expected to reach \$13.622 billion, up \$1.489 billion (+12%) from total 1958 sales.

ESTIMATES OF TOTAL RETAIL SALES
(Unadjusted for seasonal variation)

| Type of store | Percent change | | | | |
|-----------------------|----------------|--------------|-----------------------|----------------------|------------------------------|
| | Aug 1959 | Jan-Aug 1959 | Aug '59 from July '59 | Aug '59 from Aug '58 | Jan-Aug '59 from Jan-Aug '58 |
| Millions of dollars | | | | | |
| Total | 1,189.6 | 8,849.3 | + 3 | + 6 | + 7 |
| Durable goods* | 341.8 | 2,567.7 | + 5 | + 23 | + 19 |
| Nondurable goods | 847.8 | 6,281.6 | + 2 | ** | + 3 |

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

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

August indexes. The preliminary August index of total retail sales (1947-49=100 and adjusted for seasonal variation) was 228, five points above the July 1959 revised index and 36 points above the average month for 1958. The preliminary durable goods index (184) was five points above the July 1959 revised index and topped the average month for 1958 by 24 points. The nondurable goods index was also five points above the index for July 1959 but topped the average month for 1958 by 43 points.

Sales by store types. Among durable goods stores, sales decreases from July 1959 were reported by lumber and building material dealers (-5%), sales by hardware stores remained unchanged, while the remaining categories posted percentage increases over the preceding month.

In comparison with the normal seasonal percent change, only lumber, building material, and hardware stores registered a sales decline (-3% against the +1% normal seasonal change). Sales by furniture and household appliance stores were expected to show a 1% seasonal decline but instead reported an 11% sales gain.

Sales increases over both August 1958 and January-August 1958 were reported by all durable goods stores.

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 | | |
| | | Aug '59 from July '59 | Aug '59 from July '59 | Aug '59 from Aug '58 | Jan-Aug '59 from Jan-Aug '58 |
| DURABLE GOODS | | | | | |
| Automotive stores | 301 | + 1 | + 4 | + 27 | + 21 |
| Furniture & household appliance stores | 141 | — 1 | + 11 | + 15 | + 11 |
| Lumber, building material, and hardware stores | 276 | + 1 | — 3 | + 9 | + 12 |
| NONDURABLE GOODS | | | | | |
| Apparel stores | 203 | + 14 | + 19 | + 7 | + 7 |
| Drug stores | 127 | + 1 | + 2 | + 5 | + 5 |
| Eating and drinking places.. | 79 | + 3 | + 3 | — 2 | + 2 |
| Food stores | 299 | + 1 | — 4 | — 7 | — 2 |
| Gasoline and service stations | 728 | — 2 | — 1 | + 4 | + 3 |
| General merchandise stores.. | 207 | + 10 | + 16 | + 6 | + 5 |
| Other retail stores | 244 | + 7 | — 9 | + 8 | + 10 |

* Average seasonal change from preceding month to current month.

Percentage increases over August 1958 ranged from +5% reported by lumber and building material dealers to +44% reported by farm implement dealers. Gains over January-August 1958 ranged from +10% reported by hardware stores to +22% reported by motor vehicle dealers.

Among nondurable goods stores, dollar sales declines from the preceding month were posted by men's and boys' clothing stores; gasoline and service stations (each -1%); office, store, and school supply dealers (-2%); groceries with meats (-6%). Back-to-school sales helped boost sales by unclassified apparel stores (+47%), family clothing stores (+24%), shoe stores (+23%), women's ready-to-wear stores (+20%), and department stores (+16%). For most categories, increases over July 1959 sales were substantially higher than the normal seasonal rise. Total apparel sales were 19% above sales of July 1959; the normal seasonal percent change stood at +14%. Sales by general merchandise stores were 16% above the preceding month, compared with a +10% normal seasonal gain.

Except for food stores (-7%), eating and drinking places (-2%), and country general stores (-1%), nondurable goods stores posted gains over August 1958. Highest increases were made by jewelry stores (+22%), unclassified apparel stores (+11%), shoe stores (+9%), and florists (+7%). For January-August 1959, best showings were made by unclassified apparel stores (+13%); office, store, and school supply dealers (+12%); jewelry stores (+10%); family clothing stores and liquor stores (each +8%); shoe stores, women's ready-to-wear stores, and florists (each +7%); and department stores (+6%). Country general stores (-3%), and groceries with meats (-2%) were the only two types of business in the nondurable category reporting sales declines.

Volume of department and apparel stores. Sales by Texas department and apparel stores bettered July 1959 by 17% and were 6% above both August 1958 and January-August 1958.

Sales by department and apparel stores in 24 of the 31 reporting cities bettered July 1959; such sales in one city (Plainview) remained unchanged. Best increases over the

preceding month were reported by McAllen (+48%), Killeen (+28%), San Antonio (+25%), Beaumont (+24%), Dallas (+22%), Houston and Texarkana (each +20%), and Corpus Christi (+19%).

Of the 24 cities reporting increases over August 1958 in department and apparel store sales, best showings were made by Lubbock (+25%), Marshall and Victoria (each +19%), Vernon (+14%), and Port Arthur (+12%). Sales trailed August 1958 in Bryan (-17%), Lockhart (-16%), Galveston (-6%), and in Big Spring and El Paso (each -1%).

For January-August 1959, department and apparel store sales in 24 Texas cities were ahead of the same period a year earlier, while sales in five cities (Beaumont, Bryan, Corpus Christi, Lockhart, and Paris) remained unchanged. Galveston (-1%) was the only city reporting a sales decline. Sales increases ranged from +1% reported by Waco to +23% reported by Lubbock.

Retail sales by Texas cities. Of the 26 Texas cities reporting enough retailers to permit city listings, total August retail sales in 19 cities were ahead of the preceding July, 22 topped August 1958, and 25 bettered January-August 1958.

Cities showing a substantial increase over July 1959 and topping the +3% normal seasonal gain were Paris (+12%); Abilene, Brownwood, Galveston, and Texarkana (each +10%); Victoria and Waco (each +9%); El Paso, Greenville, Plainview, and Sherman (each +8%); Dallas (+7%); Austin and Beaumont (each +6%); and Houston, Lubbock, and Port Arthur (each +5%).

Best percentage gains over August 1958 were posted by Texarkana (+23%); Paris (+21%); Lubbock (+20%); Plainview (+19%); Brownwood (+18%); Amarillo (+17%); Abilene and Galveston (each +16%); Dallas (+14%); Beaumont (+13%); Sherman (+12%); Greenville (+11%); and Austin, El Paso, and Waco (each +10%).

Increases over January-August 1958 ranged from +2% reported by Sherman to +38% reported by Plainview. Port Arthur (-2%) was the only city reporting a sales decline.

Durable goods stores played a major role in boosting cumulative sales of cities reporting high percentage increases. Plainview reported a +38% cumulative sales gain and showed automotive stores sales up 73%. Lubbock reported a 28% increase in total sales; sales by furniture and household appliance stores in Lubbock were 16% ahead of January-August 1958, and lumber, building material, and hardware stores were up 17%. Brownsville and Texarkana (each +25%) reported a 37% increase in sales by automotive stores. Abilene (+22%) showed a 27% increase in sales by lumber, building material, and hardware stores. Amarillo (+21%) posted sales increases for automotive stores (+27%), furniture and household appliance stores (+20%), and lumber, building material, and hardware stores (+25%).

Credit and collection ratios. The August ratio of credit sales to total net sales in 58 Texas department stores (70.4%) was 4.4 points above July 1959 and 0.9 points above August 1958. Dallas (83.1%), San Antonio (75.6%), and Houston (74.0%) reported highest credit sales. By type of store, dry goods and apparel stores (74.4%) and department stores with sales over \$1 million (72.6%) posted the highest credit sales.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

| Classification | Number of reporting stores | Credit ratios* | | Collection ratios** | |
|---|----------------------------|----------------|----------|---------------------|----------|
| | | Aug 1959 | Aug 1958 | Aug 1959 | Aug 1958 |
| ALL STORES | 58 | 70.4 | 69.5 | 37.4 | 38.1 |
| BY CITIES | | | | | |
| Austin | 5 | 65.0 | 64.6 | 48.6 | 51.0 |
| Dallas | 5 | 83.1 | 83.3 | 40.5 | 41.2 |
| El Paso | 3 | 57.1 | 58.3 | 26.3 | 26.7 |
| Galveston | 4 | 62.2 | 63.9 | 45.8 | 44.1 |
| Houston | 4 | 74.0 | 71.4 | 40.7 | 40.8 |
| San Antonio | 4 | 75.6 | 66.0 | 38.7 | 42.4 |
| Waco | 5 | 59.1 | 60.5 | 46.7 | 42.2 |
| BY TYPE OF STORE | | | | | |
| Department stores (over \$1 million) | 17 | 72.6 | 72.5 | 36.5 | 36.9 |
| Department stores (under \$1 million) | 18 | 40.9 | 40.6 | 43.8 | 42.6 |
| Dry goods and apparel stores | 5 | 74.4 | 75.0 | 54.4 | 54.4 |
| Women's specialty shops | 12 | 69.4 | 63.6 | 37.3 | 39.6 |
| Men's clothing stores | 6 | 69.6 | 70.6 | 44.5 | 45.1 |
| BY VOLUME OF NET SALES | | | | | |
| Over \$1,500,000 | 21 | 72.6 | 71.5 | 36.9 | 37.8 |
| \$500,000 to \$1,500,000 | 13 | 53.8 | 54.4 | 43.2 | 42.8 |
| \$250,000 to \$500,000 | 12 | 43.4 | 42.1 | 45.7 | 45.0 |
| Less than \$250,000 | 12 | 48.3 | 49.3 | 42.1 | 38.4 |

* Credit sales divided by net sales.

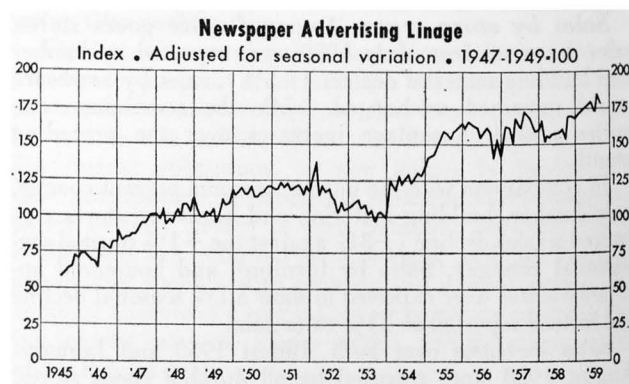
** Collections during the month divided by accounts unpaid on the first of the month.

The ratio of collections during the month of August to accounts unpaid at the first of the month (37.4%) slipped 0.4 points from July 1959 and was 0.7 points below August 1958. Austin (48.6%) and Waco (46.7%) reported highest collection ratios. By type of store, dry goods and apparel stores (54.4%) and men's clothing stores (44.5%) were the leaders.

The ratio of charge account sales to total net sales (51.0%) fell 0.5 points below July 1959 and was 0.2 points below August 1958. The ratio of instalment sales to total net sales (14.8%) bettered August 1958 by 0.3 points while collections on instalment sales (17.7%) slipped 1.1 points from collections in August 1958.

Secondary trade indicators. Advertising linage in 27 Texas newspapers bettered July 1959 by 2% and topped August 1958 by 9%.

Of 123 Texas cities reporting postal receipts for the July 24-August 21, 1959 period, 65 cities bettered the June 26-July 23, 1959 period but only 16 cities were ahead of July 25-August 22, 1958.



POSTAL RECEIPTS

| City | July 25- Aug 21 1959 | June 27- July 24 1959 | July 26- Aug 22 1958 | Percent change | |
|-----------------------|----------------------------|-----------------------------|----------------------------|---|--|
| | | | | July 25- Aug 21 1959 from July 24 1958 | July 25- Aug 21 1959 from July 26- Aug 22 1958 |
| Alice | \$14,449 | \$16,122 | \$17,040 | - 10 | - 15 |
| Brownfield | 9,036 | 8,420 | 9,324 | + 7 | - 3 |
| Cameron | 3,901 | 5,613 | 5,384 | - 31 | - 28 |
| Childress | 3,843 | 4,787 | 8,772 | - 20 | - 56 |
| Cleburne | 13,529 | 12,588 | 13,365 | + 7 | + 1 |
| Coleman | 4,894 | 5,794 | 5,541 | - 16 | - 12 |
| Denison | 19,646 | 16,152 | 28,710 | + 22 | - 32 |
| Eagle Pass | 5,778 | 6,077 | 5,439 | - 5 | + 6 |
| El Campo | 9,653 | 8,629 | 11,793 | + 12 | - 18 |
| Gainesville | 13,126 | 12,469 | 14,686 | + 5 | - 11 |
| Gatesville | 4,832 | 4,976 | 4,727 | - 3 | + 2 |
| Graham | 8,051 | 7,708 | 9,531 | + 4 | - 16 |
| Granbury | 3,214 | 3,397 | 5,827 | - 5 | - 45 |
| Hale Center | 1,477 | 2,109 | 1,455 | - 30 | + 2 |
| Hillsboro | 5,706 | 5,450 | 6,329 | + 5 | - 10 |
| Huntsville | 9,188 | 8,591 | 9,337 | + 7 | - 2 |
| Kenedy | 3,279 | 3,650 | 3,449 | - 10 | - 5 |
| Kermit | 6,774 | 6,343 | 8,398 | + 7 | - 19 |
| Kerrville | 10,822 | 11,373 | 11,002 | - 5 | - 2 |
| Kirbyville | 2,716 | 2,829 | 2,909 | - 4 | - 7 |
| La Grange | 4,065 | 3,678 | 7,723 | + 11 | - 47 |
| Levelland | 7,040 | 7,690 | 7,392 | - 8 | - 5 |
| McCombs | 6,221 | 3,633 | 2,417 | + 71 | +157 |
| Marlin | 6,543 | 6,411 | 7,450 | + 2 | - 12 |
| Mission | 8,141 | 8,751 | 10,295 | - 7 | - 21 |
| Navasota | 4,791 | 4,381 | 5,256 | + 9 | - 9 |
| Pecos | 12,822 | 12,536 | 11,146 | + 2 | + 15 |
| Pittsburg | 2,508 | 3,010 | 5,559 | - 17 | - 55 |
| Sulphur Springs | 8,724 | 8,207 | 9,497 | + 6 | - 8 |
| Taft | 2,695 | 3,588 | 3,174 | - 25 | - 15 |
| Terrell | 7,449 | 5,622 | 7,488 | + 32 | - 1 |
| Weatherford | 9,662 | 9,522 | 10,822 | + 1 | - 11 |
| Yoakum | 9,535 | 9,487 | 10,789 | + 1 | - 12 |

Agriculture:

ORANGES AND GRAPEFRUIT: VALLEY GOLD

By JOE CARROLL RUST

Harvesting of what citrusmen foresee as Texas' largest grapefruit-orange crop since the almost disastrous freeze of 1951 now is underway in the Lower Rio Grande Valley. Early crop condition reports by the U. S. Department of Agriculture indicate the 1959-60 crop may hit the 10,000,000-box mark, some 3,000,000 boxes above the 1958-59 harvest. The Department also reported that trees are generally in excellent condition. Trees six years old and older show a particularly good set of fruit. Rust mites were effectively controlled this year, and a crop of good quality fruit is in prospect.

As a result of the 1951 freeze, when the mercury held below 32 degrees for 92 consecutive hours, more than 7,000,000 of the Valley's 9,000,000 producing orange and grapefruit trees were killed. Included in this group were some 2,000,000 trees planted since the freeze of 1949, when some 3,000,000 orange and grapefruit trees dropped to the weather. But citrusmen paid no heed to California growers who advised them to fold up shop. They developed new rootstocks and began replanting.

The average citrus tree grows to producing maturity five to six years after it is taken from the nursery to the orchard at two years old. Thus, those trees planted following the 1951 freeze are those trees which are now beginning to produce.

Today, the Valley has some 5,000,000 bearing orange (2.1 million) and grapefruit (2.9 million) trees. Some 70,000 of the Valley's 780,000 irrigated acres are in oranges and grapefruit. The 1958-59 crop was 4.2 million boxes of grapefruit, 2.1 million boxes of oranges. Estimated value was approximately \$10,000,000.

Although far from the 28.4 million boxes produced in 1945-46, Valley citrus growers anticipate matching that crop year production by 1965. Valley citrus growers have come a long way since the 200,000-box production in 1951-52.

Texas' orange-grapefruit crop is produced largely in the state's four southernmost counties, Cameron, Hidalgo, Willacy, and Starr, although smaller crops are grown in the Winter Garden and along the Gulf Coast. Hidalgo produces 79% of the state's grapefruit, 82% of the oranges. Cameron follows with 17.4% of the grapefruit, 9.3% of the oranges, with all other counties, including Willacy and Starr, accounting for 3.6% of the state's grapefruit production and 8.5% of its oranges.

Chief citrus city in the Magic Valley is Mission, with a population of nearly 17,000. Located in southwest Hidalgo county, it is near Laguna Seca, a Spanish estate where the first citrus (a grove of oranges) in the Valley was planted by the Oblate Fathers in 1824.

Following the freeze in 1951, many felt the Magic Valley had lost out as one of the nation's potentially great citrus producing areas. But the freeze actually may have been a blessing in disguise. The cold killed wornout trees which were replaced with young, vigorous ones. The Valley diversified its agriculture—the Valley cotton crop more than doubled that year. New industries sprang up.

REVENUE RECEIPTS OF THE STATE COMPTROLLER

Source: State Comptroller of Public Accounts

| Account | September 1-August 31 | | Percent change |
|---|-----------------------|-----------------|----------------|
| | 1958-59 | 1957-58 | |
| TOTAL | \$1,134,574,137 | \$1,017,490,439 | + 12 |
| Ad valorem, inheritance, and poll taxes | 46,421,827 | 47,189,652 | - 2 |
| Natural and casinghead gas production taxes | 47,592,474 | 42,671,984 | + 12 |
| Crude oil production taxes | 136,397,628 | 129,914,477 | + 5 |
| Other gross receipts and production taxes | 22,329,043 | 21,864,565 | + 2 |
| Insurance companies and other occupational taxes | 29,363,695 | 27,421,190 | + 7 |
| Motor fuel taxes (net) | 178,636,109 | 169,912,128 | + 5 |
| Cigarette tax and licenses | 51,779,255 | 48,017,739 | + 8 |
| Alcoholic beverage taxes and licenses | 33,839,670 | 31,927,291 | + 6 |
| Automobile and other sales taxes.. | 22,873,495 | 21,801,312 | + 5 |
| Licenses and fees | 33,510,079 | 32,695,606 | + 2 |
| Franchise taxes | 39,812,683 | 38,346,963 | + 4 |
| Mineral leases, land sales, rentals, and bonuses | 19,802,099 | 14,579,971 | + 36 |
| Oil and gas royalties | 31,902,231 | 28,114,861 | + 13 |
| Interest earned | 26,671,286 | 27,992,736 | - 5 |
| Unclassified receipts | 75,266,769 | 69,474,609 | + 8 |
| Other miscellaneous revenue | 11,521,184 | 10,028,076 | + 15 |
| Federal aid for highways | 165,233,664 | 112,629,727 | + 47 |
| Federal aid for public welfare | 139,009,890 | 124,426,518 | + 12 |
| Other federal aid | 22,098,118 | 16,563,478 | + 33 |
| Donations and grants | 512,938 | 1,916,556 | - 73 |

Seafoods, especially shrimp, took on a more important light along the Lower Texas Coast. The Valley also turned to the tourist for an economy boost.

Grapefruit and orange varieties also began to change in the Valley. Growers in fact singled out one variety with which they hoped to regain that part of the citrus market they had lost to California and Florida. This variety was the Ruby Red, or Redblush, a red-fleshed grapefruit. This variety is the real gold of the Texas Valley, with relatively few white grapefruit varieties being produced.

Ruby Red accounts for some 78% of the grapefruit sold in Texas grocery stores. It is relatively seedless, bland and sweet, a strain first produced in Florida in 1929. Valley citrusmen call it the "most outstanding citrus development since the establishment of the grapefruit industry in

From the freeze until the summer of 1958, some 2,485,000 grapefruit and orange trees (about 70% grapefruit trees and 30% oranges) were moved from nurseries to Valley orchards. Of the grapefruit trees, more than 96% were pink and red varieties; of the oranges, 53% early and mid-season, the remainder Valencia.

The Texas Valley is an alluvial delta with a favorable climate for orange-grapefruit production. Up to four crops per year are produced on a single truck farm. But the Valley carries a five-way whallop which often makes citrus growing a gamble. Drouth, a dry Rio Grande, freezes, insects, plant diseases, and hurricanes keep Valley citrusmen on their toes. The completion of the \$50-million Falcon Dam on the Rio in Starr County is expected to alleviate the water situation.

Valley citrus growers usually water trees in late January, late March, July, August, and November. Rains ordinarily provide enough water in May, June, September, and October. Citrus trees normally need approximately 12 inches of water, usually supplied from three-inch-deep irrigation ditches. Citrusmen use two types of flood irrigation, one level-pan, the other basin, and a sprinkler type watering system. Cost of citrus watering in the Valley is approximately \$10 per acre foot.

Weather having destroyed the Valley citrus crop twice in the past decade, growers are learning better ways to protect their crops from the sun and the cold. Parching of soils is now cut by the use of a cover crop such as sudan or mustard oats. Close planting of trees reduces freezing possibility, with most Valley orange-grapefruit growers now planting in 25 x 15 foot spacing, then thinning to 25 x 30.

Soil banking and erecting windbreaks also cut down on freezing, as does wrapping the lower trunk with an insulated material. Wind machines, large fans which produce air movement to keep cold air from settling in layers near the ground, are in use in the Valley, but not to such extent as in California and Florida. Smudge pots are in wide use. Citrus orchards are planted on gentle slopes (2%-3% grade) so that trees will not grow in land depressions where frost pockets will develop. Also, this usually provides proper drainage, although citrusmen must watch for tight

ORANGE AND GRAPEFRUIT PRODUCTION, LEADING STATES

Source: Agricultural Marketing Service, U.S. Department of Agriculture

| Crop and State | Average 1947-56 | 1957 | Indicated 1958 |
|--------------------------------|--------------------|--------|-------------------|
| Oranges (1000 boxes) | | | |
| Texas | 1,996 | 2,000 | 2,100 |
| California | 40,044 | 23,100 | 39,000 |
| Florida | 75,700 | 82,500 | 86,500 |
| Arizona | 1,024 | 1,250 | 700 |
| Louisiana | 196 | 205 | 220 |
| Grapefruit (1000 boxes) | | | |
| Texas | 5,770 | 3,500 | 4,200 |
| Florida | 34,160 | 31,100 | 35,200 |
| Arizona | 2,626 | 2,780 | 1,800 |
| California | | | |
| Desert Valley* | 905 | 1,100 | 650 |
| Others | 1,552 | 1,300 | 1,500 |

* As only Desert Valley grapefruit crops are harvested in California in the normal season (Oct.-May), the bulk of the California crop does not compete with other grapefruit crops.

the United States." Since 1954, 75% of new citrus trees planted in the state have been of this grapefruit variety, with the average grove producing 400 eighty-pound boxes per acre. It has given the Valley its new title—"land of the red grapefruit."

Although Texas placed third (behind California and Florida) in orange-grapefruit production last year, some 76% of the grapefruit sold to some 10,000,000 people in the Texas market area (which includes parts of the four states touching on Texas) were produced in the Lower Rio Grande Valley. California accounted for 7% of the grapefruit sales in this market area; Florida, 17%. Texas oranges carried 37% of the market; California, 36%; Florida, 27%.

Main citrus markets in Texas are Houston, Dallas, Lubbock, El Paso, Fort Worth, and San Antonio. The latter is the terminal citrus market serving Midwest truckers.

Citrus harvest time in the Valley is October through May. This places Texas citrus in competition with all other citrus in the United States except the bulk of the California grapefruit crop, which is harvested in the summer. (Texas has always been known as a producer of fall and winter citrus.) In contrast to California, most trees are planted between October and December, and the average cost of a citrus crop runs approximately \$150 per acre, considerably less than in California.

More than 70% of the oranges produced in the Valley are of early and mid-season varieties, usually Hamlin, Joppa, Jaffa, and Pineapple. The most-produced late variety is Valencia.

INDEXES OF PRICES RECEIVED BY FARMERS (1909-14=100)

Source: Agricultural Marketing Service, U.S. Department of Agriculture

| Index | Aug 1959 | July 1959 | Aug 1958 | Percent change | |
|---|-------------|--------------|-------------|-------------------------------|------------------------------|
| | | | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| ALL FARM PRODUCTS | 285 | 293 | 286 | — 3 | ** |
| ALL CROPS | 246 | 257 | 249 | — 4 | — 1 |
| Food grains | 200 | 210 | 194 | — 5 | + 3 |
| Feed grain and hay | 142 | 152 | 144 | — 7 | — 1 |
| Potatoes and sweet potatoes | 213 | 210 | 224 | + 1 | — 5 |
| Fruit | 127 | 127 | 127 | ** | ** |
| Truck crops | 293 | 301 | 289 | — 3 | + 1 |
| Cotton | 273 | 285 | 273 | — 4 | ** |
| Oil-bearing crops | 198 | 207 | 230 | — 4 | — 14 |
| LIVESTOCK AND PRODUCTS | 338 | 340 | 336 | — 1 | + 1 |
| Meat animals | 436 | 448 | 429 | — 3 | + 2 |
| Dairy products | 239 | 235 | 241 | + 2 | — 1 |
| Poultry and eggs | 176 | 166 | 206 | + 6 | — 15 |
| Wool | 286 | 273 | 248 | + 5 | + 15 |

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

CARLOAD SHIPMENTS OF LIVESTOCK*

Source: Bureau of Business Research in cooperation with Agricultural Marketing Service, U. S. Department of Agriculture

| Classification | Aug 1959 | July 1959 | Aug 1958 | Percent change | |
|-------------------------|----------|-----------|----------|-----------------------|----------------------|
| | | | | Aug '59 from July '59 | Aug '59 from Aug '58 |
| TOTAL | 2,257 | 1,775 | 2,516 | + 27 | - 10 |
| Cattle | 1,560 | 1,386 | 1,374 | + 13 | + 14 |
| Calves | 497 | 252 | 814 | + 97 | - 39 |
| Sheep | 200 | 137 | 328 | + 46 | - 39 |
| INTERSTATE | 1,996 | 1,531 | 2,136 | + 30 | - 7 |
| Cattle | 1,374 | 1,210 | 1,081 | + 14 | + 27 |
| Calves | 433 | 190 | 729 | +128 | - 41 |
| Sheep | 189 | 131 | 326 | + 44 | - 42 |
| INTRASTATE | 261 | 244 | 380 | + 7 | - 31 |
| Cattle | 186 | 176 | 293 | + 6 | - 37 |
| Calves | 64 | 62 | 85 | + 3 | - 25 |
| Sheep | 11 | 6 | 2 | + 83 | +450 |

* Rail-car basis: Cattle, 30 head per car; calves, 60; hogs, 80, and sheep, 250.

layers of clay in the subsoil in which water may be trapped, causing accumulations of soluble salts.

Insects breed the year around in the Valley, and it seems to be a natural home for almost every type of insect pest and plant disease. Valley citrusmen continually are fighting scale insects, fire ants, and the Mexican fruit fly, as well as staving off rust mite, chlorosis, tristeza, gummosis, melanose, and psorosis.

Although the major portion of the Texas orange-grapefruit crop is still sold as fresh fruit, canned and chilled juice is a major and growing enterprise in the Valley. Last year some 1,230,000 cases of canned juice (from approximately 1.5 million boxes of citrus) were shipped from the area. Texas Frozen Foods Corp., Harlingen, is the top Valley juice producer. Also, Cal-Tex Company of the Valley is the nation's third largest processor of chilled juice to dairies, producing 99% of the juice sold in a seven-state area.

A recent trend in the Valley citrus situation is the growing popularity of top-level organization among growers and shippers. Shippers have organized TexaSweat Citrus, Inc., while growers have joined the Texas Citrus Mutual to foster better relations with handlers. The latter is modeled after a similar group which has been tremendously successful in promoting citrus growing in Florida.

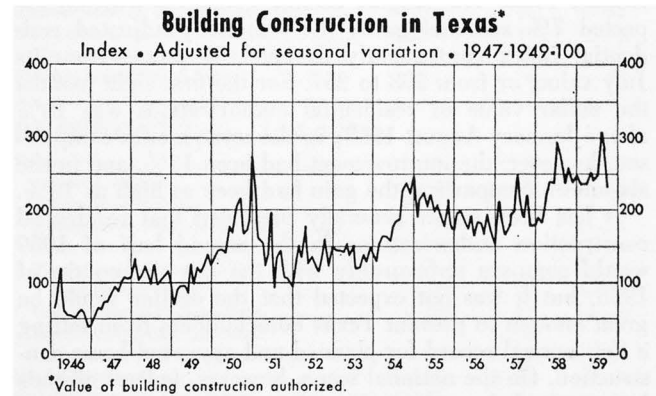
Texas citrusmen have lost twice previously in their bid to corner what they regard as their proper share of the market. This time, if the weatherman permits, they should succeed.

Building Construction:

PERMITS DROP SHARPLY IN AUGUST

By ROBERT H. DRENNER

An estimated \$97,001,000 in urban building construction was authorized in Texas in August, a total 26% below the dollar value of building represented by permits issued in the preceding July. A decline of approximately 4% between the two months would have been seasonally normal. In contrast, July authorizations had shown a much greater than normal gain from June. It was felt at the time that a sizable portion of the July increase was nonsignificant, and a large correction in August or September was expected. The actual August decline, however, was exceptionally severe. The seasonally adjusted monthly build-



ing index fell 77 points, to 231 from July's 308 (1947-49=100). The July increase was 59 points.

Building permits issued in July and August thus show with particular clarity the sharp variations to which monthly permit totals in Texas are subject. Authorizations, though ordinarily for building with a total dollar value in the neighborhood of \$100 million, are not large enough to minimize satisfactorily either the effect of large individual authorizations or random variations in permit activity. It is therefore extremely difficult, and for practical purposes often impossible, to isolate the factors responsible for a given month's authorization total, or to determine with confidence the significance of a sharp change in permit activity between any two months. The difficulty is greatly

PRODUCTION OF HYDROCARBON LIQUIDS FROM GASOLINE AND RECYCLING PLANTS

(thousands of barrels)

Source: Oil and Gas Division, Railroad Commission of Texas

| Product | January 1959 | February 1959 | March 1959 | April 1959 | May 1959 | June 1959 | January-June | | Percent change 1959 from 1958 |
|--------------------------------|--------------|---------------|------------|------------|----------|-----------|--------------|-----------|-------------------------------|
| | | | | | | | 1959 | 1958 | |
| TOTAL PRODUCTION | 15,787 | 14,330 | 16,122 | 15,466 | 16,098 | 15,238 | 93,041 | 82,791 | + 12 |
| Condensate-crude | 1,455 | 1,290 | 1,381 | 1,313 | 1,345 | 1,326 | 8,109 | 6,660 | + 22 |
| Gasoline | 7,967 | 7,147 | 8,194 | 7,844 | 8,288 | 7,968 | 47,409 | 43,256 | + 10 |
| Butane-propane | 6,140 | 5,695 | 6,320 | 6,093 | 6,216 | 5,707 | 36,171 | 31,513 | + 15 |
| Other products | 225 | 197 | 227 | 216 | 249 | 237 | 1,352 | 1,361 | - 1 |
| TOTAL PROCESSED* | 504,829 | 450,731 | 496,521 | 471,013 | 477,290 | 457,960 | 2,858,344 | 2,570,241 | + 11 |
| Yield per Mcf in gallons | 1.31 | 1.34 | 1.36 | 1.38 | 1.42 | 1.40 | 1.37 | 1.35 | + 1 |

* Millions of cubic feet.

complicated when the permit total is broken down into its two major components: residential and non-residential building. Nevertheless, in each instance the broad pattern of activity established over a period of three or four months can be pointed out, as can the major factors that will operate to determine in large part the rate of building in the months immediately ahead.

All three major building classifications declined in August. Authorizations for additions, alterations, and repairs to all types of buildings—the smallest of the three major categories—amounted to \$10,754,000, down 35% from July; the dollar figure accounted for 11% of all building authorized in August.

RESIDENTIAL

An estimated \$59,712,000 in new residential building was authorized in Texas in August, an amount 7% below the July figure and 14% below such permits issued in August 1958. The August decline compares with an expected 7% seasonal gain; the seasonally adjusted residential index consequently dropped 41 points from its July value, or from 298 to 257. For the first eight months the dollar value of residential authorizations was 10% above January-August 1958; in the seven-month comparison, however, the improvement had been 13%, and in the six-month comparison the gain had been as high as 18%.

It has been rather generally predicted that residential construction authorizations in the second half of 1959 would compare unfavorably with the last six months of 1958, but it was not expected that the decline would be great enough to prevent Texas homebuilders from setting a new annual record for planned and approved home construction. On the national scene, however, federal officials have revised the estimated number of U. S. housing starts this year downward for two successive months; actual starts, that is, have recently been declining more than was allowed for in earlier estimates. The factors responsible for these declines are also in large measure present as pressures tending to depress homebuilding in Texas. Chief among them is the rapidly rising cost of mortgage money, already higher than the face amount of interest paid on FHA- and VA-guaranteed home loans. The various ways in which such mortgages can still be made attractive to the investor are becoming less effective as money rates continue to rise. The explanation of the pessimistic forecasts for home construction through the remainder of 1959 and well into 1960 (strikingly different forecasts from those favored early this year) which have been appearing frequently of late is the anticipated worsening of the money pinch in the months ahead. If the pinch does become more acute, there is little prospect of immediate steps by government to effectively stimulate homebuilding activity.

NONRESIDENTIAL

New urban nonresidential building authorized in Texas in August amounted to an estimated \$26,535,000, less than 30% of all new building authorized during the month (compared with 44% in July). The August amount represented a severe 48% decline from nonresidential authorizations in July—which itself, however, had been up 29% from the June figure. At the same time, though, it is fairly unusual for most of the individual classifications in the general nonresidential category to behave similarly in a given month; it is much more usual for them to vary greatly from each other. In August only one of the larger

ESTIMATED VALUE OF BUILDING AUTHORIZED

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

| Classification | Thousands of dollars | | | Percent change |
|---|----------------------|----------------|---------|--------------------------------|
| | Aug 1959 | January-August | | Jan-Aug 1959 from Jan-Aug 1958 |
| | 1959 | 1959 | 1958 | |
| CONSTRUCTION CLASS | | | | |
| ALL PERMITS | 97,001 | 877,338 | 813,494 | + 8 |
| New construction | 86,247 | 787,935 | 731,611 | + 8 |
| Residential (housekeeping) .. | 59,712 | 517,274 | 469,744 | + 10 |
| One-family dwellings | 56,595 | 484,702 | 429,834 | + 13 |
| Nonresidential buildings | 26,535 | 270,665 | 261,867 | + 3 |
| Nonhousekeeping buildings (residential) | 1,552 | 14,532 | 8,818 | + 65 |
| Amusement buildings | 1,152 | 9,009 | 6,649 | + 35 |
| Churches | 2,499 | 31,919 | 24,352 | + 31 |
| Factories and workshops... | 2,262 | 24,520 | 16,426 | + 49 |
| Garages (commercial and private) | 442 | 3,314 | 3,296 | + 1 |
| Service stations | 747 | 6,069 | 6,638 | - 9 |
| Institutional buildings | 841 | 15,026 | 12,358 | + 22 |
| Office-bank buildings* | 4,170 | 42,513 | 49,170 | - 14 |
| Works and utilities | 656 | 9,672 | 11,922 | - 19 |
| Educational buildings | 4,673 | 47,547 | 61,392 | - 23 |
| Stores and mercantile buildings | 6,720 | 64,060 | 51,224 | + 25 |
| Other buildings and structures† | 821 | 11,493 | 9,622 | + 19 |
| Additions, alterations, and repairs§ | 10,754 | 89,400 | 81,883 | + 9 |
| METROPOLITAN vs. NON-METROPOLITAN† | | | | |
| Total metropolitan | 73,184 | 653,220 | 613,383 | + 6 |
| Central cities | 62,042 | 557,514 | 520,790 | + 7 |
| Outside central cities | 11,142 | 95,706 | 92,593 | + 3 |
| Total nonmetropolitan | 23,816 | 224,117 | 200,111 | + 12 |
| 10,000 to 50,000 population... | 16,424 | 158,752 | 149,174 | + 6 |
| Less than 10,000 population.. | 7,392 | 65,366 | 50,937 | + 28 |

*Includes public (nonfederal) administration 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.

nonresidential classifications showed an improvement from July; permits for amusement buildings were up 74% and for the January-August period showed a 35% gain—testimony for the most part to a high rate of bowling alley construction. A small August decline was shown by churches (—1%, but +31% for the year); larger decreases were posted in permits for hotels (—100%, but +27% for the eight months), factories (—35%, but +49%), hospitals and other institutional buildings (—86%, and +22% for January-August), office-bank buildings (—70% and —23%), and stores (—38%, but +25%).

Total nonresidential authorizations through August were up 3% from January-August 1958. For the first seven months the improvement over 1958 had been 8%, showing the severity of the August decline. Though a 10% fall in nonresidential building permits is seasonally normal in August, the seasonally adjusted monthly nonresidential index also fell sharply—from 327 in July to 203, which also compares with 275 for August 1958. For the most part the nonresidential category has been moderately ahead of the same months last year, however, and September should show an encouraging gain from August for the category.

Local Business Conditions

| City and item | Percent Change | | |
|--|----------------|-------------------------|------------------------|
| | August 1959 | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| ABILENE (pop. 62,500^r) | | | |
| Retail sales | + 3† | + 10 | + 16 |
| Apparel stores | + 14† | + 59 | — 7 |
| General merchandise stores | + 10† | + 5 | + 11 |
| Lumber, building material, and hardware stores | + 1† | — 13 | + 28 |
| Postal receipts* | \$ 93,993 | — 1 | — 4 |
| Building permits, less federal contracts \$ | 2,311,690 | — 38 | + 33 |
| Bank debits (thousands) | \$ 91,700 | — 10 | + 12 |
| End-of-month deposits (thousands) † | \$ 64,265 | + 1 | + 7 |
| Annual rate of deposit turnover | 17.2 | — 10 | + 5 |
| Employment (area) | 33,400 | ** | + 8 |
| Manufacturing employment (area) | 3,470 | — 2 | + 6 |
| Percent unemployed (area) | 4.4 | ** | — 31 |

ALPINE (pop. 5,261)

| | | | |
|---|----------|------|------|
| Postal receipts* | \$ 3,339 | — 26 | — 17 |
| Bank debits (thousands) | \$ 2,355 | — 19 | + 3 |
| End-of-month deposits (thousands) † | \$ 3,743 | + 2 | + 11 |
| Annual rate of deposit turnover | 7.6 | — 20 | + 3 |

AMARILLO (pop. 147,949^r)

| | | | |
|--|------------|------|------|
| Retail sales | + 3† | ** | + 17 |
| Apparel stores | + 14† | + 11 | + 8 |
| Automotive stores | + 1† | — 5 | + 24 |
| Drug stores | + 1† | + 3 | — 7 |
| Eating and drinking places | + 3† | + 9 | + 13 |
| Food stores | + 1† | + 6 | + 8 |
| Furniture and household appliance stores | — 1† | + 1 | + 12 |
| Gasoline and service stations | — 2† | — 3 | + 3 |
| Liquor stores ..... | ..... | ** | + 8 |
| Lumber, building material, and hardware stores | + 1† | — 14 | ** |
| Postal receipts* | \$ 166,377 | + 2 | ** |
| Building permits, less federal contracts \$ | 4,372,945 | + 62 | + 92 |
| Bank debits (thousands) | \$ 232,899 | — 3 | + 29 |
| End-of-month deposits (thousands) † | \$ 118,563 | ** | + 1 |
| Annual rate of deposit turnover | 23.6 | — 1 | + 28 |
| Employment (area) | 52,000 | — 1 | + 5 |
| Manufacturing employment (area) | 6,000 | — 1 | + 9 |
| Percent unemployed (area) | 2.9 | — 6 | — 29 |

BAY CITY (pop. 14,042^r)

| | | | |
|---|-----------|------|-------|
| Postal receipts* | \$ 9,526 | — 16 | — 17 |
| Bank debits (thousands) | \$ 11,664 | + 3 | ..... |
| End-of-month deposits (thousands) † | \$ 19,413 | — 2 | ..... |

AUSTIN (pop. 197,000^r)

| | | | |
|--|------------|------|------|
| Retail sales | + 3† | + 6 | + 10 |
| Apparel stores | + 14† | ** | + 13 |
| Automotive stores | + 1† | + 12 | + 37 |
| Drug stores | + 1† | — 1 | + 1 |
| Eating and drinking places | + 3† | + 2 | — 13 |
| Food stores | + 1† | + 1 | — 8 |
| Furniture and household appliance stores | + 1† | + 23 | + 6 |
| General merchandise stores | + 10† | + 24 | + 3 |
| Lumber, building material, and hardware stores | + 1† | — 5 | + 10 |
| Postal receipts* | \$ 333,576 | + 21 | — 2 |
| Building permits, less federal contracts \$ | 5,050,466 | + 30 | + 66 |
| Bank debits (thousands) | \$ 220,212 | + 4 | + 31 |
| End-of-month deposits (thousands) † | \$ 149,775 | — 7 | + 18 |
| Annual rate of deposit turnover | 17.0 | + 6 | + 8 |
| Employment (area) | 72,500 | ** | + 4 |
| Manufacturing employment (area) | 5,830 | ** | + 6 |
| Percent unemployed (area) | 3.4 | — 13 | — 21 |

| City and item | Percent Change | | |
|---|----------------|-------------------------|------------------------|
| | August 1959 | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| ARLINGTON (pop. 45,340^r) | | | |
| Postal receipts* | \$ 29,959 | — 8 | — 7 |
| Building permits, less federal contracts \$ | 1,267,656 | + 5 | + 14 |
| Employment (area) | 205,600 | ** | + 3 |
| Manufacturing employment (area) | 55,725 | ** | + 2 |
| Percent unemployed (area) | 4.4 | — 2 | — 32 |

BAYTOWN (pop. 28,945^r)

| | | | |
|---|-----------|------|------|
| Postal receipts* | \$ 23,133 | + 10 | — 5 |
| Building permits, less federal contracts \$ | 269,757 | + 50 | — 57 |
| Bank debits (thousands) | \$ 19,778 | — 12 | + 5 |
| End-of-month deposits (thousands) † | \$ 22,706 | — 2 | + 7 |
| Annual rate of deposit turnover | 10.3 | — 10 | — 4 |
| Employment (area) | 483,200 | ** | + 5 |
| Manufacturing employment (area) | 92,700 | — 3 | + 1 |
| Percent unemployed (area) | 4.1 | — 5 | — 38 |

BEAUMONT (pop. 122,485^r)

| | | | |
|--|------------|------|------|
| Retail sales | + 3† | + 6 | + 13 |
| Apparel stores | + 14† | — 15 | — 13 |
| Automotive stores | + 1† | — 3 | + 24 |
| Eating and drinking places | + 3† | + 1 | — 3 |
| Food stores | + 1† | — 6 | + 3 |
| Furniture and household appliance stores | — 1† | — 5 | — 13 |
| General merchandise stores | + 10† | + 26 | + 6 |
| Lumber, building material, and hardware stores | + 1† | + 32 | + 7 |
| Postal receipts* | \$ 114,006 | + 12 | — 8 |
| Building permits, less federal contracts \$ | 1,314,915 | — 61 | — 71 |
| Bank debits (thousands) | \$ 149,726 | — 8 | + 12 |
| End-of-month deposits (thousands) † | \$ 98,994 | ** | — 5 |
| Annual rate of deposit turnover | 18.1 | — 7 | + 16 |
| Employment (area) | 104,400 | ** | + 3 |
| Manufacturing employment (area) | 33,250 | ** | — 1 |
| Percent unemployed (area) | 10.0 | — 1 | — 10 |

BEEVILLE (pop. 15,105^r)

| | | | |
|--|-----------|-------|------|
| Lumber, building material, and hardware stores | + 1† | — 6 | + 12 |
| Postal receipts* | \$ 10,891 | + 20 | — 2 |
| Building permits, less federal contracts \$ | 154,748 | + 453 | — 15 |
| Bank debits (thousands) | \$ 10,680 | — 5 | + 11 |
| End-of-month deposits (thousands) † | \$ 14,270 | + 3 | + 10 |
| Annual rate of deposit turnover | 9.1 | — 7 | + 1 |

BIG SPRING (pop. 30,433^r)

| | | | |
|---|-----------|-------|------|
| Retail sales | + 3† | — 11 | + 1 |
| Apparel stores | + 14† | — 10 | — 3 |
| Drug stores | + 1† | + 11 | + 15 |
| Lumber, building material and hardware stores | + 1† | — 10 | — 1 |
| Postal receipts* | \$ 26,397 | — 6 | — 7 |
| Building permits, less federal contracts \$ | 264,224 | + 225 | — 70 |
| Bank debits (thousands) | \$ 37,331 | — 10 | + 3 |
| End-of-month deposits (thousands) † | \$ 26,767 | — 3 | — 9 |
| Annual rate of deposit turnover | 16.5 | — 8 | + 9 |

BRADY (pop. 5,944)

| | | | |
|---|----------|------|------|
| Postal receipts* | \$ 4,585 | + 11 | — 19 |
| Building permits, less federal contracts \$ | 300 | — 99 | — 99 |
| Bank debits (thousands) | \$ 4,290 | — 14 | + 4 |
| End-of-month deposits (thousands) † | \$ 7,078 | + 4 | — 1 |
| Annual rate of deposit turnover | 7.4 | — 15 | + 6 |

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

| City and item | August 1959 | Percent Change | |
|---|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| BRENHAM (pop. 6,941) | | | |
| Postal receipts* | \$ 5,821 | — 23 | — 24 |
| Building permits, less federal contracts \$ | 93,684 | +109 | + 45 |
| Bank debits (thousands) | 8,150 | + 3 | + 3 |
| End-of-month deposits (thousands) †... | 12,189 | + 1 | + 1 |
| Annual rate of deposit turnover..... | 8.1 | + 3 | + 3 |

| | | | |
|--|-----------|------|------|
| BROWNSVILLE (pop. 36,066) | | | |
| Retail sales | + 3† | — 1 | — 2 |
| Apparel stores | + 1† | — 9 | — 16 |
| Lumber, building material, and hardware stores | + 1† | ** | + 4 |
| Postal receipts* | \$ 28,983 | + 10 | — 10 |
| Building permits, less federal contracts \$ | 94,513 | — 54 | — 38 |

| | | | |
|--|-----------|-------|-------|
| BROWNWOOD (pop. 20,181) | | | |
| Retail sales | + 3† | + 10 | + 18 |
| Apparel stores | + 14† | — 7 | + 7 |
| Automotive stores | + 1† | + 11 | + 23 |
| Furniture and household appliance stores | — 1† | + 28 | + 32 |
| Postal receipts* | \$ 22,088 | + 3 | — 4 |
| Building permits, less federal contracts \$ | 369,475 | +2729 | +2494 |
| Bank debits (thousands) | 13,388 | — 9 | + 9 |
| End-of-month deposits (thousands) †... | 12,982 | + 2 | — 2 |
| Annual rate of deposit turnover..... | 12.5 | — 8 | + 12 |

| | | | |
|--|-----------|------|------|
| BRYAN (pop. 23,883^r) | | | |
| Retail sales | + 3† | — 7 | ** |
| Apparel stores | + 14† | — 36 | — 17 |
| Furniture and household appliance stores | — 1† | + 14 | — 3 |
| Postal receipts* | \$ 20,767 | + 7 | — 9 |
| Building permits, less federal contracts \$ | 653,954 | +232 | +474 |

| | | | |
|--|----------|-----|------|
| CALDWELL (pop. 2,100^r) | | | |
| Bank debits (thousands) | \$ 2,182 | — 2 | + 10 |
| End-of-month deposits (thousands) †... | 4,418 | ** | + 7 |
| Annual rate of deposit turnover..... | 5.9 | — 3 | + 2 |

| | | | |
|--|----------|------|------|
| CISCO (pop. 5,230) | | | |
| Postal receipts* | \$ 3,797 | — 17 | — 13 |
| Bank debits (thousands) | 3,384 | + 1 | + 47 |
| End-of-month deposits (thousands) †... | 3,924 | — 4 | — 1 |
| Annual rate of deposit turnover..... | 10.1 | + 1 | + 42 |

| | | | |
|--|------------|------|------|
| CORPUS CHRISTI (pop. 180,000^r) | | | |
| Retail sales | + 3† | — 2 | — 3 |
| Apparel stores | + 14† | — 11 | — 4 |
| Automotive stores | + 1† | — 12 | — 3 |
| Lumber, building material, and hardware stores | + 1† | — 14 | — 25 |
| Postal receipts* | \$ 144,780 | — 9 | — 13 |
| Building permits, less federal contracts \$ | 1,212,590 | — 75 | — 41 |
| Bank debits (thousands) | 196,310 | — 3 | + 5 |
| End-of-month deposits (thousands) †... | 113,980 | + 1 | ** |
| Annual rate of deposit turnover..... | 20.8 | — 4 | + 3 |
| Employment (area) | 63,900 | + 1 | — 3 |
| Manufacturing employment (area).... | 8,290 | + 1 | ** |
| Percent unemployed (area) | 4.1 | — 27 | — 29 |

| | | | |
|---|-----------|------|------|
| CORSICANA (pop. 25,262^r) | | | |
| Postal receipts* | \$ 26,024 | + 68 | + 10 |
| Building permits, less federal contracts \$ | 89,265 | — 54 | + 10 |
| Bank debits (thousands) | 16,981 | + 7 | + 8 |
| End-of-month deposits (thousands) †... | 20,087 | — 2 | — 9 |
| Annual rate of deposit turnover..... | 10.1 | + 7 | + 19 |

| City and item | August 1959 | Percent Change | |
|---|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| DALLAS (pop. 641,000^r) | | | |
| Retail sales | + 3† | + 7 | + 14 |
| Apparel stores | + 26† | + 22 | + 7 |
| Automotive stores | + 2† | + 6 | + 36 |
| Eating and drinking places | + 4† | + 3 | + 8 |
| Food stores | + 2† | + 4 | — 2 |
| Gasoline and service stations | **† | ** | + 5 |
| Jewelry stores ..... | ..... | + 39 | + 40 |
| Liquor stores ..... | ..... | — 1 | + 18 |
| Lumber, building material, and hardware stores | + 2† | — 3 | ** |
| Office, store and school supply dealers | + 3† | — 2 | + 2 |
| Postal receipts* | \$ 1,953,356 | + 4 | ** |
| Building permits, less federal contracts \$ | 13,608,755 | — 22 | + 2 |
| Bank debits (thousands) | \$ 2,564,792 | — 3 | + 19 |
| End-of-month deposits (thousands) †... | \$ 1,120,992 | — 1 | + 5 |
| Annual rate of deposit turnover..... | 27.4 | — 2 | + 12 |
| Employment (area) | 396,200 | ** | + 2 |
| Manufacturing employment (area).... | 85,700 | + 1 | — 4 |
| Percent unemployed (area) | 3.0 | — 3 | — 30 |

| | | | |
|---|-----------|-------|-------|
| DEL RIO (pop. 14,292) | | | |
| Postal receipts* | \$ 10,602 | ..... | ..... |
| Building permits, less federal contracts \$ | 96,580 | — 54 | — 1 |
| Bank debits (thousands) | 9,407 | — 14 | + 8 |
| End-of-month deposits (thousands) †... | 12,290 | + 2 | + 12 |
| Annual rate of deposit turnover..... | 9.3 | — 17 | ..... |

| | | | |
|---|-----------|-------|-------|
| DENISON (pop. 17,504) | | | |
| Retail sales ..... | ..... | ..... | ..... |
| Automotive stores | + 1† | — 27 | — 10 |
| Postal receipts* | \$ 19,646 | + 22 | — 32 |
| Building permits, less federal contracts \$ | 93,342 | — 66 | — 12 |

| | | | |
|---|-----------|-------|-------|
| DENTON (pop. 29,479^r) | | | |
| Retail sales ..... | ..... | ..... | ..... |
| Drug stores | + 1† | + 1 | + 8 |
| Postal receipts* | \$ 23,001 | — 11 | — 13 |
| Building permits, less federal contracts \$ | 187,400 | — 88 | — 75 |
| Bank debits (thousands) | 16,893 | + 1 | ..... |
| End-of-month deposits (thousands) †... | 18,413 | — 2 | ..... |
| Annual rate of deposit turnover..... | 10.9 | + 4 | ..... |

| | | | |
|---|----------|------|------|
| EDINBURG (pop. 15,993^r) | | | |
| Postal permits* | \$ 9,047 | ** | — 22 |
| Building permits, less federal contracts \$ | 167,076 | + 25 | + 56 |

| | | | |
|--|------------|------|------|
| EL PASO (pop. 244,000^r) | | | |
| Retail sales | + 3† | + 8 | + 10 |
| Apparel stores | + 14† | + 4 | — 9 |
| Automotive stores | + 1† | + 5 | + 26 |
| Furniture and household appliance stores | — 1† | + 4 | + 20 |
| General merchandise stores | + 10† | + 17 | + 4 |
| Postal receipts* | \$ 240,708 | + 1 | — 11 |
| Building permits, less federal contracts \$ | 7,188,809 | + 22 | — 8 |
| Bank debits (thousands) | \$ 318,799 | — 3 | + 13 |
| End-of-month deposits (thousands) †... | 171,153 | + 4 | + 11 |
| Annual rate of deposit turnover..... | 22.8 | — 7 | + 2 |
| Employment (area) | 83,700 | ** | + 3 |
| Manufacturing employment (area).... | 13,800 | + 2 | + 3 |
| Percent unemployed (area) | 3.7 | — 10 | — 14 |

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

| City and item | August 1959 | Percent Change | |
|---|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| FORT WORTH (pop. 373,000^r) | | | |
| Retail sales | + 4† | + 2 | + 4 |
| Apparel stores | + 6† | + 23 | + 3 |
| Automotive stores | + 1† | — 5 | + 20 |
| Drug stores | + 1† | + 5 | + 2 |
| Eating and drinking places | + 2† | + 9 | — 5 |
| Furniture and household appliance stores | + 12† | + 41 | + 15 |
| Gasoline and service stations | — 2† | — 2 | — 2 |
| General merchandise stores | + 21† | + 13 | + 1 |
| Liquor stores ..... | ..... | + 2 | — 7 |
| Lumber, building material, and hardware stores | + 4† | + 1 | + 6 |
| Postal receipts* | \$ 657,033 | + 7 | + 4 |
| Building permits, less federal contracts \$ | 4,446,406 | — 63 | — 19 |
| Bank debits (thousands) | \$ 752,732 | — 10 | + 12 |
| End-of-month deposits (thousands) † | \$ 379,040 | + 3 | + 5 |
| Annual rate of deposit turnover | 24.1 | — 11 | + 10 |
| Employment (area) | 205,600 | ** | + 3 |
| Manufacturing employment (area) | 55,725 | ** | + 2 |
| Percent unemployed (area) | 4.4 | — 2 | — 32 |

GALVESTON (pop. 71,590^r)

| | | | |
|---|-----------|------|------|
| Retail sales | + 3† | + 10 | + 16 |
| Apparel stores | + 14† | + 9 | — 4 |
| Automotive stores | + 1† | + 32 | + 30 |
| Food stores | + 1† | — 9 | — 13 |
| Postal receipts* | \$ 77,642 | + 4 | — 9 |
| Building permits, less federal contracts \$ | 1,109,926 | +448 | +480 |
| Bank debits (thousands) | \$ 81,391 | — 12 | — 6 |
| End-of-month deposits (thousands) † | \$ 65,684 | + 5 | — 3 |
| Annual rate of deposit turnover | 15.2 | — 12 | ** |
| Employment (area) | 48,750 | — 1 | + 1 |
| Manufacturing employment (area) | 9,910 | — 1 | — 11 |
| Percent unemployed (area) | 7.6 | + 3 | — 3 |

GARLAND (pop. 28,151^r)

| | | | |
|---|-----------|------|------|
| Postal receipts* | \$ 22,160 | — 4 | + 1 |
| Building permits, less federal contracts \$ | 1,641,387 | + 50 | — 17 |
| Bank debits (thousands) | \$ 19,938 | — 8 | + 14 |
| End-of-month deposits (thousands) † | \$ 13,244 | — 20 | + 11 |
| Annual rate of deposit turnover | 16.0 | — 11 | — 12 |
| Employment (area) | 396,200 | ** | + 2 |
| Manufacturing employment (area) | 85,700 | + 1 | — 4 |
| Percent unemployed (area) | 3.0 | — 3 | — 30 |

GIDDINGS (pop. 2,532)

| | | | |
|---|----------|------|------|
| Postal receipts* | \$ 2,444 | — 40 | — 14 |
| Bank debits (thousands) | \$ 2,395 | — 1 | + 10 |
| End-of-month deposits (thousands) † | \$ 3,706 | + 3 | + 1 |
| Annual rate of deposit turnover | 7.9 | — 2 | + 10 |

GILMER (pop. 4,096)

| | | | |
|--|----------|------|-------|
| Retail sales | | | |
| General merchandise stores | + 10† | — 13 | + 7 |
| Lumber, building material, and hardware stores | + 1† | + 6 | + 6 |
| Postal receipts* | \$ 2,444 | — 40 | — 14 |
| Building permits, less federal contracts \$ | 10,000 | — 86 | ..... |

GLADEWATER (pop. 6,281^r)

| | | | |
|---|----------|------|------|
| Postal receipts* | \$ 5,705 | — 7 | — 6 |
| Building permits, less federal contracts \$ | 57,650 | — 11 | — 2 |
| Bank debits (thousands) | \$ 3,347 | — 19 | — 14 |
| End-of-month deposits (thousands) † | \$ 4,457 | + 1 | — 1 |
| Annual rate of deposit turnover | 9.1 | — 19 | — 12 |
| Employment (area) | 27,900 | ** | + 4 |
| Manufacturing employment (area) | 4,980 | ** | + 13 |
| Percent unemployed (area) | 3.7 | — 8 | — 34 |

| City and item | August 1959 | Percent Change | |
|-------------------------------------|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| GOLDTHWAITE (pop. 1,566) | | | |
| Postal receipts* | \$ 1,372 | — 39 | — 52 |
| Bank debits (thousands) | \$ 2,946 | — 7 | + 1 |
| End-of-month deposits (thousands) † | \$ 3,580 | ** | + 3 |
| Annual rate of deposit turnover | 9.9 | — 7 | — 3 |

GRAND PRAIRIE (pop. 14,594)

| | | | |
|---|-----------|------|------|
| Postal receipts* | \$ 19,459 | + 7 | — 3 |
| Building permits, less federal contracts \$ | 292,931 | — 11 | — 72 |
| Employment (area) | 396,200 | ** | + 2 |
| Manufacturing employment (area) | 85,700 | + 1 | — 4 |
| Percent unemployed (area) | 3.0 | — 3 | — 30 |

GREENVILLE (pop. 20,034^r)

| | | | |
|--|-----------|------|------|
| Retail sales | + 3† | + 8 | + 11 |
| Apparel stores | + 14† | — 11 | + 5 |
| Drug stores | + 1† | + 10 | + 12 |
| Food stores | + 1† | + 10 | ** |
| Lumber, building material, and hardware stores | + 1† | + 16 | + 14 |
| Postal receipts* | \$ 17,725 | + 5 | — 12 |
| Building permits, less federal contracts \$ | 129,195 | + 34 | — 67 |
| Bank debits (thousands) | \$ 16,097 | — 5 | + 14 |
| End-of-month deposits (thousands) † | \$ 17,652 | + 7 | + 16 |
| Annual rate of deposit turnover | 11.3 | — 8 | + 1 |

HARLINGEN (pop. 31,799^r)

| | | | |
|---|-----------|------|------|
| Retail sales | | | |
| Automotive stores | + 1† | + 32 | + 52 |
| Postal receipts* | \$ 33,214 | + 8 | — 8 |
| Building permits, less federal contracts \$ | 396,159 | — 49 | + 70 |

HENDERSON (pop. 11,606)

| | | | |
|--|-----------|------|------|
| Retail sales | + 3† | — 8 | + 7 |
| Apparel stores | + 14† | + 15 | + 1 |
| Furniture and household appliance stores | — 1† | — 3 | — 8 |
| General merchandise stores | + 10† | + 48 | + 27 |
| Lumber, building material, and hardware stores | + 1† | — 12 | — 14 |
| Postal receipts* | \$ 10,535 | + 20 | — 10 |
| Building permits, less federal contracts \$ | 123,300 | — 23 | + 60 |
| Bank debits (thousands) | \$ 7,342 | + 10 | + 20 |
| End-of-month deposits (thousands) † | \$ 15,616 | + 1 | — 2 |
| Annual rate of deposit turnover | 5.7 | + 12 | + 21 |

HOUSTON (pop. 700,508^u)

| | | | |
|---|--------------|------|------|
| Retail sales¶ | + 3† | + 5 | + 6 |
| Apparel stores¶ | + 13† | + 30 | + 12 |
| Automotive stores¶ | **† | + 16 | + 32 |
| Drug stores¶ | + 1† | + 3 | + 2 |
| Eating and drinking places¶ | + 3† | + 2 | + 3 |
| Food stores¶ | **† | — 4 | — 11 |
| Furniture and household appliance stores¶ | + 1† | — 5 | — 5 |
| Gasoline and service stations¶ | **† | — 1 | + 4 |
| General merchandise stores¶ | + 6† | + 11 | + 3 |
| Lumber, building material, and hardware stores¶ | + 7† | — 2 | + 2 |
| Other retail stores¶ | + 6† | — 4 | + 15 |
| Postal receipts* | \$ 1,405,896 | + 2 | — 3 |
| Building permits, less federal contracts \$ | 14,308,137 | — 29 | — 36 |
| Bank debits (thousands) | \$ 2,418,234 | — 7 | + 11 |
| End-of-month deposits (thousands) † | \$ 1,218,574 | — 3 | + 2 |
| Annual rate of deposit turnover | 23.5 | — 5 | + 8 |
| Employment (area) | 483,200 | ** | + 5 |
| Manufacturing employment (area) | 92,700 | — 3 | + 1 |
| Percent unemployed (area) | 4.1 | — 5 | — 38 |

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

| City and item | August 1959 | Percent Change | |
|---|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| HEREFORD (pop. 7,500^r) | | | |
| Postal receipts* | \$ 8,843 | — 8 | — 13 |
| Building permits, less federal contracts \$ | 60,400 | — 81 | + 6 |
| Bank debits (thousands) | 13,953 | — 16 | + 27 |
| End-of-month deposits (thousands) †....\$ | 10,827 | + 2 | + 6 |
| Annual rate of deposit turnover..... | 15.6 | — 20 | + 26 |

| | | | |
|---|-----------|------|------|
| IRVING (pop. 40,065^r) | | | |
| Postal receipts* | \$ 18,893 | + 21 | — 6 |
| Building permits, less federal contracts \$ | 1,727,919 | + 20 | +100 |
| Employment (area) | 396,200 | ** | + 2 |
| Manufacturing employment (area) | 85,700 | + 1 | — 4 |
| Percent unemployed (area) | 3.0 | — 3 | — 30 |

| | | | |
|---|-----------|-------|------|
| JACKSONVILLE (pop. 8,607) | | | |
| Postal receipts* | \$ 11,368 | — 33 | — 11 |
| Building permits, less federal contracts \$ | 187,150 | +1494 | +100 |
| Bank debits (thousands) \$ | 10,639 | — 10 | — |
| End-of-month deposits (thousands) ‡ \$ | 8,802 | — 9 | — |
| Annual rate of deposit turnover | 13.8 | — 5 | — |

| | | | |
|--|----------|------|------|
| JASPER (pop. 4,403) | | | |
| Retail sales | | | |
| Automotive stores | + 1† | + 21 | + 40 |
| General merchandise stores | + 10† | + 21 | — 15 |
| Postal receipts* | \$ 7,446 | + 18 | + 3 |
| Bank debits (thousands) \$ | 6,538 | — 13 | + 9 |
| End-of-month deposits (thousands) ‡ \$ | 8,085 | — 3 | + 21 |
| Annual rate of deposit turnover | 9.6 | — 12 | — 9 |

| | | | |
|---|-----------|------|------|
| KILGORE (pop. 12,373^r) | | | |
| Postal receipts* | \$ 11,853 | — 22 | — 26 |
| Building permits, less federal contracts \$ | 87,274 | — | — 44 |
| Bank debits (thousands) \$ | 15,948 | — 4 | — |
| End-of-month deposits (thousands) ‡ \$ | 14,910 | — 4 | — |
| Annual rate of deposit turnover | 12.6 | — 1 | — |
| Employment (area) | 27,900 | ** | + 4 |
| Manufacturing employment (area) | 4,980 | ** | + 13 |
| Percent unemployed (area) | 3.7 | — 8 | — 34 |

| | | | |
|---|-----------|------|------|
| KILLEEN (pop. 26,646^r) | | | |
| Retail sales | | | |
| Apparel stores | + 14† | + 28 | + 3 |
| General merchandise stores | + 10† | + 20 | + 4 |
| Postal receipts* | \$ 20,549 | — 21 | — 34 |
| Building permits, less federal contracts \$ | 398,211 | + 86 | + 7 |
| Bank debits (thousands) \$ | 9,925 | + 1 | + 21 |
| End-of-month deposits (thousands) ‡ \$ | 7,145 | + 1 | + 9 |
| Annual rate of deposit turnover | 16.7 | — 1 | + 13 |

| | | | |
|---|-----------|------|------|
| LAMESA (pop. 13,813^r) | | | |
| Retail sales | | | |
| Automotive stores | + 1† | + 34 | + 43 |
| Postal receipts* | \$ 22,203 | +100 | + 72 |
| Bank debits (thousands) \$ | 11,467 | — 8 | + 10 |
| End-of-month deposits (thousands) ‡ \$ | 12,518 | — 6 | + 3 |
| Annual rate of deposit turnover | 10.6 | — 3 | + 5 |

| | | | |
|---|----------|------|------|
| LAMPASAS (pop. 4,869) | | | |
| Postal receipts* | \$ 4,361 | + 18 | — 10 |
| Building permits, less federal contracts \$ | 61,500 | — 44 | + 66 |
| Bank debits (thousands) \$ | 6,502 | — 10 | + 18 |
| End-of-month deposits (thousands) ‡ \$ | 7,217 | + 1 | + 10 |
| Annual rate of deposit turnover | 10.8 | — 11 | + 5 |

| City and item | August 1959 | Percent Change | |
|---|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| LAREDO (pop. 59,350^r) | | | |
| Postal receipts* | \$ 27,788 | — 5 | — 11 |
| Building permits, less federal contracts \$ | 76,525 | + 16 | + 13 |
| Bank debits (thousands) | \$ 24,191 | — 12 | + 5 |
| End-of-month deposits (thousands) ‡ \$ | 21,703 | — 2 | + 2 |
| Annual rate of deposit turnover | 13.2 | — 10 | + 3 |

| | | | |
|--|----------|------|------|
| LLANO (pop. 2,957^r) | | | |
| Postal receipts* | \$ 1,703 | — 36 | — 19 |
| Bank debits (thousands) \$ | 4,372 | + 34 | — 2 |
| End-of-month deposits (thousands) ‡ \$ | 4,558 | + 15 | + 11 |
| Annual rate of deposit turnover | 12.3 | + 22 | — 12 |

| | | | |
|---|----------|------|------|
| LOCKHART (pop. 7,067^r) | | | |
| Postal receipts* | \$ 3,365 | — 16 | — 5 |
| Building permits, less federal contracts \$ | 7,080 | — | — 66 |
| Bank debits (thousands) \$ | 5,511 | + 9 | + 16 |
| End-of-month deposits (thousands) ‡ \$ | 5,691 | + 9 | + 3 |
| Annual rate of deposit turnover | 12.1 | + 2 | + 12 |

| | | | |
|---|-----------|------|------|
| LONGVIEW (pop. 52,164^r) | | | |
| Postal receipts* | \$ 43,247 | + 10 | — |
| Building permits, less federal contracts \$ | 325,300 | — 68 | — 52 |
| Bank debits (thousands) \$ | 43,765 | + 2 | — |
| End-of-month deposits (thousands) ‡ \$ | 41,594 | + 14 | — |
| Annual rate of deposit turnover | 13.5 | — 5 | — |
| Employment (area) | 27,900 | ** | + 4 |
| Manufacturing employment (area) | 4,980 | ** | + 13 |
| Percent unemployed (area) | 3.7 | — 8 | — 34 |

| | | | |
|--|------------|------|------|
| LUBBOCK (pop. 152,776^r) | | | |
| Retail sales | | | |
| Apparel stores | + 3† | + 5 | + 20 |
| Furniture and household appliance stores | + 14† | + 1 | + 3 |
| Lumber, building material, and hardware stores | — 1† | + 9 | + 15 |
| Postal receipts* | \$ 131,895 | + 1† | — 7 |
| Building permits, less federal contracts \$ | 3,595,328 | + 3 | — 9 |
| Bank debits (thousands) \$ | 169,192 | — 45 | — 4 |
| End-of-month deposits (thousands) ‡ \$ | 110,527 | — 5 | + 16 |
| Annual rate of deposit turnover | 18.7 | + 4 | + 9 |
| Employment (area) | 51,400 | — 6 | + 8 |
| Manufacturing employment (area) | 5,530 | + 1 | + 8 |
| Percent unemployed (area) | 3.4 | + 1 | + 12 |
| | | — 15 | — 33 |

| | | | |
|---|-----------|------|------|
| LUFKIN (pop. 20,846^r) | | | |
| Postal receipts* | \$ 20,466 | + 28 | — 22 |
| Building permits, less federal contracts \$ | 145,400 | — 30 | + 51 |
| Bank debits (thousands) \$ | 22,063 | — 10 | + 3 |
| End-of-month deposits (thousands) ‡ \$ | 25,151 | + 3 | + 5 |
| Annual rate of deposit turnover | 10.7 | — 8 | + 1 |

| | | | |
|---|-----------|------|------|
| McALLEN (pop. 25,326^r) | | | |
| Postal receipts* | \$ 23,069 | — 5 | — 12 |
| Building permits, less federal contracts \$ | 240,000 | — 51 | — 56 |
| Bank debits (thousands) \$ | 29,511 | + 2 | + 27 |
| End-of-month deposits (thousands) ‡ \$ | 23,643 | + 9 | + 35 |
| Annual rate of deposit turnover | 15.6 | — 1 | + 1 |

| | | | |
|---|---------|------|------|
| McKINNEY (pop. 16,653^r) | | | |
| Building permits, less federal contracts \$ | 148,355 | + 69 | + 30 |
| Bank debits (thousands) \$ | 8,908 | — 6 | — 2 |
| End-of-month deposits (thousands) ‡ \$ | 9,454 | + 2 | — 9 |
| Annual rate of deposit turnover | 11.4 | + 9 | + 5 |

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

| City and item | August 1959 | Percent Change | |
|---|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| MARSHALL (pop. 25,479^r) | | | |
| Retail sales | | | |
| Apparel stores | + 14† | + 7 | + 12 |
| General merchandise stores | + 10† | + 22 | + 19 |
| Postal receipts* | \$ 18,523 | — 17 | — 24 |
| Building permits, less federal contracts \$ | 231,107 | ** | + 454 |
| Bank debits (thousands) | \$ 16,149 | — 11 | + 11 |
| End-of-month deposits (thousands)‡ \$ | 20,582 | ** | + 4 |
| Annual rate of deposit turnover | 9.4 | — 8 | + 7 |

| | | | |
|--|-----------|------|------|
| MERCEDES (pop. 10,081) | | | |
| Postal receipts* | \$ 4,900 | + 16 | — 18 |
| Building permits, less federal contracts | \$ 19,570 | + 16 | — 47 |
| Bank debits (thousands) | \$ 9,160 | + 56 | — 1 |
| End-of-month deposits (thousands)‡ | \$ 5,051 | + 24 | — 27 |
| Annual rate of deposit turnover | 24.1 | + 37 | + 39 |

| | | | |
|--|--------------|------|------|
| MIDLAND (pop. 54,288^r) | | | |
| Postal receipts | \$ 72,219 | — 10 | — 16 |
| Building permits, less federal contracts | \$ 1,693,350 | — 30 | — 46 |
| Bank debits (thousands) | \$ 99,885 | — 9 | + 35 |
| End-of-month deposits (thousands)‡ | \$ 94,317 | + 2 | + 8 |
| Annual rate of deposit turnover | 12.3 | — 19 | + 27 |

| | | | |
|---|------------|------|------|
| MONAHANS (pop. 10,183^r) | | | |
| Postal receipts* | \$ 7,366 | + 45 | — 16 |
| Building permits, less federal contracts | \$ 118,800 | — 33 | — 17 |
| Bank debits (thousands) | \$ 10,251 | + 2 | + 20 |
| End-of-month deposits (thousands)‡ | \$ 7,349 | + 4 | + 4 |
| Annual rate of deposit turnover | 17.1 | + 2 | + 18 |

| | | | |
|--|------------|------|-------|
| NACOGDOCHES (pop. 14,770^r) | | | |
| Postal receipts* | \$ 12,906 | — 1 | — 3 |
| Building permits, less federal contracts | \$ 154,828 | + 81 | + 833 |
| Bank debits (thousands) | \$ 14,788 | — 1 | + 8 |
| End-of-month deposits (thousands)‡ | \$ 14,739 | — 2 | — 3 |
| Annual rate of deposit turnover | 11.9 | ** | + 11 |

| | | | |
|--|-----------|------|------|
| NEW BRAUNFELS (pop. 12,210) | | | |
| Retail sales | | | |
| Automotive stores | + 1† | — 18 | + 9 |
| Postal receipts* | \$ 13,930 | — 10 | — 22 |
| Building permits, less federal contracts | \$ 61,025 | — 72 | — 32 |
| Bank debits (thousands) | \$ 9,657 | — 18 | + 5 |
| End-of-month deposits (thousands)‡ | \$ 11,631 | + 4 | + 5 |
| Annual rate of deposit turnover | 10.2 | — 19 | — 5 |

| | | | |
|---|--------------|------|------|
| ODESSA (pop. 87,521^r) | | | |
| Retail sales | | | |
| Furniture and household appliance stores | — 1† | + 10 | — 12 |
| Postal receipts* | \$ 66,692 | + 1 | — 10 |
| Building permits, less federal contracts | \$ 2,168,840 | — 64 | — 41 |
| Bank debits (thousands) | \$ 74,153 | — 5 | + 12 |
| End-of-month deposits (thousands)‡ | \$ 60,426 | — 1 | + 5 |
| Annual rate of deposit turnover | 14.6 | — 2 | + 1 |
| No. Rigs Operating in Ector County | 25 | — 7 | — 34 |
| No. Rigs Operating in Permian Basin | 316 | — 13 | — 12 |

| | | | |
|--|------------|------|------|
| ORANGE (pop. 31,556^r) | | | |
| Postal receipts* | \$ 19,170 | — 3 | — 34 |
| Building permits, less federal contracts | \$ 616,694 | — 47 | + 90 |
| Bank debits (thousands) | \$ 20,819 | — 5 | + 9 |
| End-of-month deposits (thousands)‡ | \$ 19,031 | — 3 | — 5 |
| Annual rate of deposit turnover | 12.9 | — 4 | + 13 |
| Employment (area) | 104,400 | ** | + 3 |
| Manufacturing employment (area) | 33,250 | ** | — 1 |
| Percent unemployed (area) | 10.0 | — 1 | — 10 |

| City and item | August 1959 | Percent Change | |
|---|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| PALESTINE (pop. 15,063^r) | | | |
| Postal receipts* | \$ 10,801 | — 3 | — 17 |
| Building permits, less federal contracts \$ | 83,825 | ..... | + 23 |
| Bank debits (thousands) | \$ 9,331 | + 3 | + 8 |
| End-of-month deposits (thousands)‡ \$ | 13,574 | — 1 | ** |
| Annual rate of deposit turnover | 8.2 | + 3 | + 8 |

| | | | |
|--|------------|------|------|
| PAMPA (pop. 26,720^r) | | | |
| Postal receipts* | \$ 21,163 | — 2 | — |
| Building permits, less federal contracts | \$ 276,436 | — 31 | — 45 |
| Bank debits (thousands) | \$ 21,731 | — 13 | + 18 |
| End-of-month deposits (thousands)‡ | \$ 23,763 | + 1 | ** |
| Annual rate of deposit turnover | 11.0 | — 12 | + 20 |

| | | | |
|---|------------|------|-------|
| PARIS (pop. 24,551^r) | | | |
| Retail sales | | | |
| Apparel stores | + 3† | + 12 | + 21 |
| Automotive stores | + 14† | + 17 | + 7 |
| Lumber, building material, and hardware stores | + 1† | — 18 | + 35 |
| Postal receipts* | \$ 17,940 | + 12 | — 15 |
| Building permits, less federal contracts | \$ 209,750 | + 39 | + 121 |
| Bank debits (thousands) | \$ 14,162 | — 14 | + 5 |
| End-of-month deposits (thousands)‡ | \$ 12,765 | ** | + 1 |
| Annual rate of deposit turnover | 13.3 | — 14 | + 4 |

| | | | |
|---|------------|------|------|
| PASADENA (pop. 58,928^r) | | | |
| Postal receipts* | \$ 35,018 | + 4 | + 5 |
| Building permits, less federal contracts | \$ 799,566 | — 45 | — 27 |
| Employment (area) | 483,200 | ** | + 5 |
| Manufacturing employment (area) | 92,700 | — 3 | + 1 |
| Percent unemployed (area) | 4.1 | — 5 | — 38 |

| | | | |
|------------------------------------|----------|------|------|
| PHARR (pop. 8,690) | | | |
| Postal receipts* | \$ 5,610 | + 8 | — 26 |
| Bank debits (thousands) | \$ 4,833 | + 16 | ** |
| End-of-month deposits (thousands)‡ | \$ 5,356 | + 29 | — 5 |
| Annual rate of deposit turnover | 12.2 | + 6 | — 1 |

| | | | |
|--|------------|------|------|
| PLAINVIEW (pop. 21,106^r) | | | |
| Retail sales | | | |
| Apparel stores | + 3† | + 8 | + 19 |
| Automotive stores | + 14† | — 11 | + 4 |
| General merchandise stores | + 1† | + 15 | + 58 |
| Postal receipts* | \$ 16,147 | + 2 | — 14 |
| Building permits, less federal contracts | \$ 106,900 | — 56 | — 76 |
| Bank debits (thousands) | \$ 22,711 | — 15 | — |
| End-of-month deposits (thousands)‡ | \$ 22,246 | — 1 | — |
| Annual rate of deposit turnover | 12.2 | — 12 | — |

| | | | |
|---|------------|------|------|
| PORT ARTHUR (pop. 82,150^u) | | | |
| Retail sales | | | |
| Apparel stores | + 3† | + 5 | + 2 |
| Automotive stores | + 14† | + 11 | + 6 |
| Furniture and household appliance stores | + 1† | + 2 | + 7 |
| Lumber, building material, and hardware stores | — 1† | + 29 | + 10 |
| Postal receipts* | \$ 49,126 | + 6 | — 16 |
| Building permits, less federal contracts | \$ 389,048 | — 6 | + 13 |
| Bank debits (thousands) | \$ 62,119 | — 9 | ** |
| End-of-month deposits (thousands)‡ | \$ 42,776 | — 1 | — 4 |
| Annual rate of deposit turnover | 17.3 | — 7 | + 5 |
| Employment (area) | 104,400 | ** | + 3 |
| Manufacturing employment (area) | 33,250 | ** | — 1 |
| Percent unemployed (area) | 10.0 | — 1 | — 10 |

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

| City and item | August 1959 | Percent Change | |
|--|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| RAYMONDVILLE (pop. 9,136^r) | | | |
| Postal receipts* | \$ 9,778 | + 30 | — 2 |
| Building permits, less federal contracts \$ | 5,745 | — 90 | — 20 |
| Bank debits (thousands) | 23,688 | | |
| End-of-month deposits (thousands) ‡ \$ | 12,821 | ..... | ..... |

| | | | |
|---|----------|------|------|
| ROCKDALE (pop. 6,400^r) | | | |
| Postal receipts* | \$ 2,906 | — 16 | — 31 |
| Building permits, less federal contracts \$ | 11,000 | — 61 | +197 |
| Bank debits (thousands) \$ | 3,495 | — 4 | + 3 |
| End-of-month deposits (thousands) ‡ \$ | 5,365 | — 1 | + 1 |
| Annual rate of deposit turnover | 7.8 | — 5 | — 10 |

| | | | |
|---|-----------|------|------|
| SAN ANGELO (pop. 62,359^r) | | | |
| Postal receipts* | \$ 61,360 | + 8 | — 12 |
| Building permits, less federal contracts \$ | 366,475 | — 24 | — 71 |
| Bank debits (thousands) \$ | 52,399 | — 12 | + 12 |
| End-of-month deposits (thousands) ‡ \$ | 45,628 | + 1 | + 8 |
| Annual rate of deposit turnover | 13.8 | — 12 | + 5 |
| Employment (area) | 23,100 | ** | + 2 |
| Manufacturing employment (area) | 3,260 | ** | + 8 |
| Percent unemployed (area) | 4.1 | ** | — 45 |

| | | | |
|--|------------|------|------|
| SAN ANTONIO (pop. 555,000^r) | | | |
| Retail sales | + 2† | + 3 | + 8 |
| Apparel stores | + 13† | + 25 | + 11 |
| Automotive stores | + 1† | + 6 | + 41 |
| Drug stores | **† | — 1 | + 2 |
| Eating and drinking places | + 4† | + 5 | + 8 |
| Florists | ..... | + 12 | — 19 |
| Food stores | + 2§ | — 9 | — 10 |
| Furniture and household appliance stores | — 2† | — 8 | — 23 |
| Gasoline and service stations | — 2† | — 2 | + 12 |
| General merchandise stores | + 8† | + 20 | + 5 |
| Lumber, building material, and hardware stores | — 2† | — 18 | + 8 |
| Postal receipts* | \$ 620,795 | + 8 | — 8 |
| Building permits, less federal contracts \$ | 3,770,501 | — 43 | — 41 |
| Bank debits (thousands) \$ | 597,551 | — 8 | + 16 |
| End-of-month deposits (thousands) ‡ \$ | 401,084 | + 2 | + 4 |
| Annual rate of deposit turnover | 18.0 | — 9 | + 11 |
| Employment (area) | 200,600 | ** | + 2 |
| Manufacturing employment (area) | 25,500 | ** | + 6 |
| Percent unemployed (area) | 3.3 | — 13 | — 21 |

| | | | |
|---|----------|------|------|
| SAN MARCOS (pop. 14,300^r) | | | |
| Postal receipts* | \$ 8,367 | — 13 | — 12 |
| Building permits, less federal contracts \$ | 31,675 | — 89 | +215 |
| Bank debits (thousands) \$ | 8,482 | + 15 | — 1 |
| End-of-month deposits (thousands) ‡ \$ | 9,115 | + 11 | + 9 |
| Annual rate of deposit turnover | 11.7 | + 10 | + 4 |

| | | | |
|--|-------|------|------|
| SAN SABA (pop. 3,400) | | | |
| Bank debits (thousands) \$ | 4,127 | + 11 | + 17 |
| End-of-month deposits (thousands) ‡ \$ | 4,752 | + 5 | + 4 |
| Annual rate of deposit turnover | 10.7 | + 9 | + 14 |

| | | | |
|---|----------|------|------|
| SEGUIN (pop. 14,000^r) | | | |
| Postal receipts* | \$ 9,127 | — 13 | — 14 |
| Building permits, less federal contracts \$ | 53,100 | + 20 | — 59 |
| Bank debits (thousands) \$ | 9,702 | + 4 | + 9 |
| End-of-month deposits (thousands) ‡ \$ | 14,369 | + 4 | — 7 |
| Annual rate of deposit turnover | 8.3 | + 1 | + 17 |

| City and item | August 1959 | Percent Change | |
|---|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| SHERMAN (pop. 31,269^r) | | | |
| Retail sales | + 3† | + 8 | + 12 |
| Apparel stores | + 14† | ** | — 3 |
| Automotive stores | + 1† | + 10 | + 19 |
| Furniture and household appliance stores | — 1† | + 3 | + 1 |
| Lumber, building material, and hardware stores | + 1† | + 36 | + 38 |
| Postal receipts* | \$ 25,567 | + 4 | — 10 |
| Building permits, less federal contracts \$ | 633,979 | +245 | + 95 |
| Bank debits (thousands) | 24,647 | — 1 | + 6 |
| End-of-month deposits (thousands) ‡ \$ | 19,486 | + 4 | + 11 |
| Annual rate of deposit turnover | 15.5 | — 3 | ..... |

| | | | |
|---|----------|------|------|
| SLATON (pop. 6,351^r) | | | |
| Postal receipts* | \$ 2,600 | — 19 | — 31 |
| Building permits, less federal contracts \$ | 62,850 | + 51 | +263 |
| Bank debits (thousands) \$ | 2,797 | + 3 | + 34 |
| End-of-month deposits (thousands) ‡ \$ | 3,681 | — 6 | + 7 |
| Annual rate of deposit turnover | 8.8 | + 7 | + 21 |
| Employment (area) | 51,400 | + 1 | + 8 |
| Manufacturing employment (area) | 5,530 | + 1 | + 12 |
| Percent unemployed (area) | 3.4 | — 15 | — 33 |

| | | | |
|---|----------|------|-------|
| SMITHVILLE (pop. 3,376^r) | | | |
| Postal receipts* | \$ 1,586 | — 9 | ..... |
| Building permits, less federal contracts \$ | 2,000 | — 95 | — 86 |
| Bank debits (thousands) \$ | 1,311 | + 4 | + 34 |
| End-of-month deposits (thousands) ‡ \$ | 2,368 | + 2 | + 1 |
| Annual rate of deposit turnover | 6.7 | — 3 | + 31 |

| | | | |
|---|-----------|-------|-------|
| SNYDER (pop. 16,324^r) | | | |
| Postal receipts | \$ 13,112 | ..... | ..... |
| Building permits, less federal contracts \$ | 148,850 | — 53 | — 7 |
| Bank debits (thousands) \$ | 13,026 | — 4 | — 4 |
| End-of-month deposits (thousands) ‡ \$ | 13,596 | — 16 | — 17 |
| Annual rate of deposit turnover | 10.5 | + 14 | + 5 |

| | | | |
|---|-----------|------|------|
| SWEETWATER (pop. 13,619) | | | |
| Postal receipts* | \$ 16,095 | + 51 | + 6 |
| Building permits, less federal contracts \$ | 158,075 | + 26 | + 11 |
| Bank debits (thousands) \$ | 10,979 | ** | + 16 |
| End-of-month deposits (thousands) ‡ \$ | 12,106 | + 6 | + 12 |
| Annual rate of deposit turnover | 11.2 | — 2 | + 7 |

| | | | |
|---|----------|------|------|
| TAYLOR (pop. 9,071) | | | |
| Retail sales | | | |
| Automotive stores | + 1† | + 2 | + 1 |
| Postal receipts* | \$ 8,965 | + 23 | + 1 |
| Building permits, less federal contracts \$ | 27,786 | — 68 | — 21 |
| Bank debits (thousands) \$ | 9,493 | + 23 | + 3 |
| End-of-month deposits (thousands) ‡ \$ | 13,685 | + 11 | + 5 |
| Annual rate of deposit turnover | 8.7 | + 16 | — 4 |

| | | | |
|--|-----------|------|------|
| TEMPLE (pop. 33,912^r) | | | |
| Retail sales | + 3† | ** | — 1 |
| Apparel stores | + 14† | + 15 | + 3 |
| Drug stores | + 1† | — 1 | — 1 |
| Furniture and household appliance stores | — 1† | — 3 | — 10 |
| Lumber, building material, and hardware stores | + 1† | ** | + 15 |
| Postal receipts* | \$ 31,179 | — 7 | — 21 |
| Building permits, less federal contracts \$ | 212,871 | — 26 | — 15 |

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

| City and item | August 1959 | Percent Change | |
|---|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| TEXARKANA (pop. 50,784^r) | | | |
| Retail sales | + 3† | + 10 | + 23 |
| Apparel stores | + 14† | + 20 | + 1 |
| Automotive stores | + 1† | + 11 | + 33 |
| Postal receipts*§ \$ | 53,422 | + 7 | — 7 |
| Building permits, less federal contracts \$ | 192,528 | + 30 | — 39 |
| Bank debits (thousands) § | 48,701 | — 8 | + 20 |
| End-of-month deposits (thousands) ‡ \$ | 15,572 | ** | — 5 |
| Annual rate of deposit turnover § | 16.7 | — 5 | + 25 |
| Employment (area) | 29,200 | + 1 | + 3 |
| Manufacturing employment (area) | 3,870 | + 1 | + 6 |
| Percent unemployed (area) | 6.4 | — 11 | — 28 |

TEXAS CITY (pop. 30,000^r)

| | | | |
|--|---------|------|------|
| Retail sales | | | |
| Lumber, building material, and hardware stores | + 1† | + 17 | + 27 |
| Postal receipts* \$ | 18,712 | — 1 | — 14 |
| Building permits, less federal contracts \$ | 283,880 | + 31 | — 60 |
| Bank debits (thousands) \$ | 20,040 | — 5 | + 8 |
| End-of-month deposits (thousands) ‡ \$ | 12,577 | + 17 | + 6 |
| Annual rate of deposit turnover § | 20.6 | — 11 | + 9 |
| Employment (area) | 48,750 | — 1 | + 1 |
| Manufacturing employment (area) | 9,910 | — 1 | — 11 |
| Percent unemployed (area) | 7.6 | + 3 | — 3 |

TYLER (pop. 49,443)

| | | | |
|---|---------|------|------|
| Retail sales | | | |
| Automotive stores | + 1† | — 3 | + 21 |
| Postal receipts \$ | 72,032 | — 2 | — 2 |
| Building permits, less federal contracts \$ | 836,410 | — 25 | — 47 |
| Bank debits (thousands) \$ | 83,957 | — 8 | + 10 |
| End-of-month deposits (thousands) ‡ \$ | 61,059 | + 2 | — 2 |
| Annual rate of deposit turnover § | 16.7 | — 8 | + 13 |

VERNON (pop. 12,684^r)

| | | | |
|---|---------|------|-------|
| Postal receipts* \$ | 7,579 | — 31 | — 31 |
| Building permits, less federal contracts \$ | 151,870 | + 88 | + 132 |

| City and item | August 1959 | Percent Change | |
|--|----------------|-------------------------------|------------------------------|
| | | Aug 1959 from July 1959 | Aug 1959 from Aug 1958 |
| VICTORIA (pop. 44,188^r) | | | |
| Retail sales | + 3† | + 9 | + 4 |
| Apparel stores | + 14† | + 15 | + 19 |
| Automotive stores | + 1† | + 16 | + 24 |
| Food stores | + 1† | + 2 | — 8 |
| Furniture and household appliance stores | — 1† | + 12 | — 4 |
| Gasoline and service stations | — 2† | + 4 | + 1 |
| Lumber, building material and hardware stores | + 1† | — 6 | — 17 |
| Postal receipts* | \$ 28,404 | — 6 | — 20 |
| Building permits, less federal contracts \$ | 1,676,250 | + 557 | + 695 |

WACO (pop. 101,824^r)

| | | | |
|---|---------|------|------|
| Retail sales | + 3† | + 9 | + 10 |
| Apparel stores | + 14† | — 7 | — 6 |
| Automotive stores | + 1† | + 5 | + 8 |
| Florists | — | + 2 | + 11 |
| Furniture and household appliance stores | — 1† | + 14 | + 28 |
| General merchandise stores | + 10† | + 17 | + 13 |
| Postal receipts* \$ | 136,239 | — 7 | + 3 |
| Building permits, less federal contracts \$ | 628,826 | — 47 | — 50 |
| Bank debits (thousands) \$ | 105,832 | — 5 | + 12 |
| End-of-month deposits (thousands) ‡ \$ | 67,472 | + 2 | — 2 |
| Annual rate of deposit turnover § | 19.1 | — 4 | + 13 |
| Employment (area) | 47,700 | ** | + 5 |
| Manufacturing employment (area) | 10,390 | ** | + 6 |
| Percent unemployed (area) | 3.8 | — 10 | — 34 |

WICHITA FALLS (pop. 103,152^r)

| | | | |
|---|---------|------|------|
| Retail sales | | | |
| Automotive stores | + 1† | — 4 | + 2 |
| Postal receipts \$ | 101,568 | — 2 | — |
| Building permits, less federal contracts \$ | 602,757 | — 42 | — 43 |
| Bank debits (thousands) \$ | 119,333 | — 8 | + 22 |
| End-of-month deposits (thousands) ‡ \$ | 103,717 | ** | — 4 |
| Annual rate of deposit turnover § | 13.8 | — 5 | + 27 |
| Employment (area) | 41,450 | + 1 | + 6 |
| Manufacturing employment (area) | 3,750 | + 1 | + 5 |
| Percent unemployed (area) | 3.5 | — 13 | — 42 |

† Normal seasonal change from July to August.

* For the period July 25–August 21.

‡ 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.

r Revised for use by the Texas Highway Department.

u 1950 Urbanized Census.

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

§ Figures are for both Texarkana, Texas (pop. 31,051) and Texarkana, Arkansas (pop. 19,733).

‡ Unusually high increase in building activity figures due to a permit for a church valued at \$150,000.

21st Annual Conference

TEXAS PERSONNEL & MANAGEMENT ASSOCIATION

AUSTIN, TEXAS • • • OCTOBER 22–23, 1959

for further information write:

Texas Personnel & Management Association, University Station, Austin, Texas

BAROMETERS OF TEXAS BUSINESS

| | Aug 1959 | July 1959 | Aug 1958 | Year-to-date average | |
|---|-------------|--------------|-------------|----------------------|-----------|
| | | | | 1959 | 1958 |
| GENERAL BUSINESS ACTIVITY | | | | | |
| †Texas business activity, index..... | 222 | 226 | 193 | 216 | 194 |
| Miscellaneous freight carloading in SW District, index..... | 81 | 81 | 80 | 83 | 77 |
| Ordinary life insurance sales, index..... | 365 | 435 | 359 | 400 | 364 |
| Wholesale prices in U.S., unadjusted index..... | 119.1 | 119.5 | 119.1 | 119.6 | 119.2 |
| Consumers' prices in U.S., unadjusted..... | 124.8 | 124.9 | 123.7 | 124.2 | 123.3 |
| Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate)..... | \$ 381.4* | \$ 384.0r | \$ 362.4r | \$ 378.1* | \$ 355.6r |
| Business failures (number)..... | 30 | 34 | 25 | 34 | 35 |
| Newspaper advertising linage, index..... | 178.5 | 184.5 | 159.6 | 176.8 | 158.0 |
| TRADE | | | | | |
| Total retail sales, index..... | 228* | 223r | 215r | ..... | ..... |
| Durable-goods stores..... | 184* | 179r | 150r | ..... | ..... |
| Nondurable-goods stores..... | 251* | 246r | 251r | ..... | ..... |
| Ratio of credit sales to net sales in department and apparel stores..... | 70.5* | 66.0* | 69.5r | 68.2* | 67.7r |
| Ratio of collections to outstandings in department and apparel stores..... | 37.4* | 37.8* | 38.1r | 36.9* | 37.3r |
| PRODUCTION | | | | | |
| Total electric power consumption, index..... | 402* | 401* | 374r | 371* | 333r |
| Industrial electric power consumption, index..... | 367* | 376* | 326r | 371* | 327r |
| Crude oil production, index..... | 109* | 109* | 117r | 119* | 107 |
| Crude oil runs to stills, index..... | 137 | 134 | 140 | 145 | 132 |
| Gasoline consumption, index..... | ..... | 184 | 177 | ..... | 180 |
| Natural gas production, index..... | ..... | 192 | 187 | ..... | 183 |
| Industrial production in U.S., index..... | 149* | 153 | 136 | 149 | 131 |
| Southern pine production, index..... | ..... | 90 | 101 | ..... | 98 |
| Cottonseed crushed, index..... | 113 | 123 | 120 | 158 | 159 |
| Construction authorized, index..... | 231 | 308 | 273 | 249 | 230 |
| Residential building..... | 257 | 298 | 300 | 280 | 255 |
| Nonresidential building..... | 203 | 327 | 275 | 218 | 209 |
| Cement production, index..... | 218 | 204 | 205 | 207 | 178 |
| Cement consumption, index..... | 188 | 202 | 197 | 198 | 173 |
| Cement shipments, index..... | 200 | 211 | 201 | 207 | 178 |
| AGRICULTURE | | | | | |
| Farm cash income, unadjusted index..... | ..... | 94 | 131 | ..... | 95 |
| Prices received by farmers, unadjusted index, 1909-14 = 100..... | 285 | 293 | 286 | 283 | 276 |
| Prices paid by farmers in U.S., unadjusted index, 1909-14 = 100..... | 297 | 298 | 293 | 298 | 293 |
| Ratio of Texas farm prices received to U.S. prices paid by farmers..... | 96 | 98 | 98 | 95 | 94 |
| FINANCE | | | | | |
| Bank debits, index..... | 264 | 270 | 230 | 259 | 231 |
| Bank debits, U.S., index..... | 222 | 246 | 198 | 226 | 207 |
| Reporting member banks, Dallas Reserve District: | | | | | |
| \$Loans (millions)..... | \$ 2,859 | \$ 2,898 | \$ 2,619 | \$ 2,807 | \$ 2,548 |
| \$Loans and investments (millions)..... | \$ 4,529 | \$ 4,531 | \$ 4,437 | \$ 4,515 | \$ 4,181 |
| Adjusted demand deposits (millions)..... | \$ 2,675 | \$ 2,802 | \$ 2,647 | \$ 2,764 | \$ 2,648 |
| Revenue receipts of the State Comptroller (thousands)..... | \$ 88,339 | \$102,497 | \$ 78,879 | \$ 99,073 | \$ 88,444 |
| Federal Internal Revenue collections (thousands)..... | \$259,335 | \$171,985 | \$228,888 | \$257,612 | \$253,901 |
| LABOR | | | | | |
| Total nonagricultural employment (thousands)¶..... | 2,455.3* | 2,455.2r | 2,404.3 | 2,429.1* | 2,387.9r |
| Total manufacturing employment (thousands)¶..... | 484.1* | 487.1r | 476.3 | 482.3* | 478.4r |
| Durable-goods employment (thousands)¶..... | 232.7* | 235.8r | 226.0 | 231.4* | 227.9r |
| Nondurable-goods employment (thousands)¶..... | 251.4* | 251.3r | 250.3 | 250.9* | 250.5r |
| Total civilian labor force in 17 labor market areas (thousands)..... | 2,140.1 | 2,125.8 | ..... | 2,093.4 | ..... |
| Employment in 17 labor market areas (thousands)..... | 1,965.0 | 1,963.1 | 1,796.3 | 1,927.6 | 1,790.9 |
| Manufacturing employment in 17 labor market areas (thousands)..... | 372.0 | 373.8 | 354.2 | 365.4 | 356.6 |
| Total unemployment in 17 labor market areas (thousands)..... | 89.5 | 95.0 | 115.5 | 101.5 | 121.0 |
| Percent of labor force unemployed in 17 labor market areas..... | 4.2 | 4.5 | ..... | 4.9 | ..... |

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.

§ Exclusive of loans to banks after deduction of valuation reserves.

¶ Wage and salary workers only.

r Revised.