

# TEXAS BUSINESS REVIEW

A Monthly Summary of the Business and the Economic Conditions in Texas

BUREAU OF BUSINESS RESEARCH : THE UNIVERSITY OF TEXAS

STATE AND LOCAL DEBT IN TEXAS: A PROFILE *by* Lynn F. Anderson / THE PROCESS OF CAPITAL BUDGETING *by* Richard L. Norgaard / THE BUSINESS SITUATION IN TEXAS *by* Francis B. May

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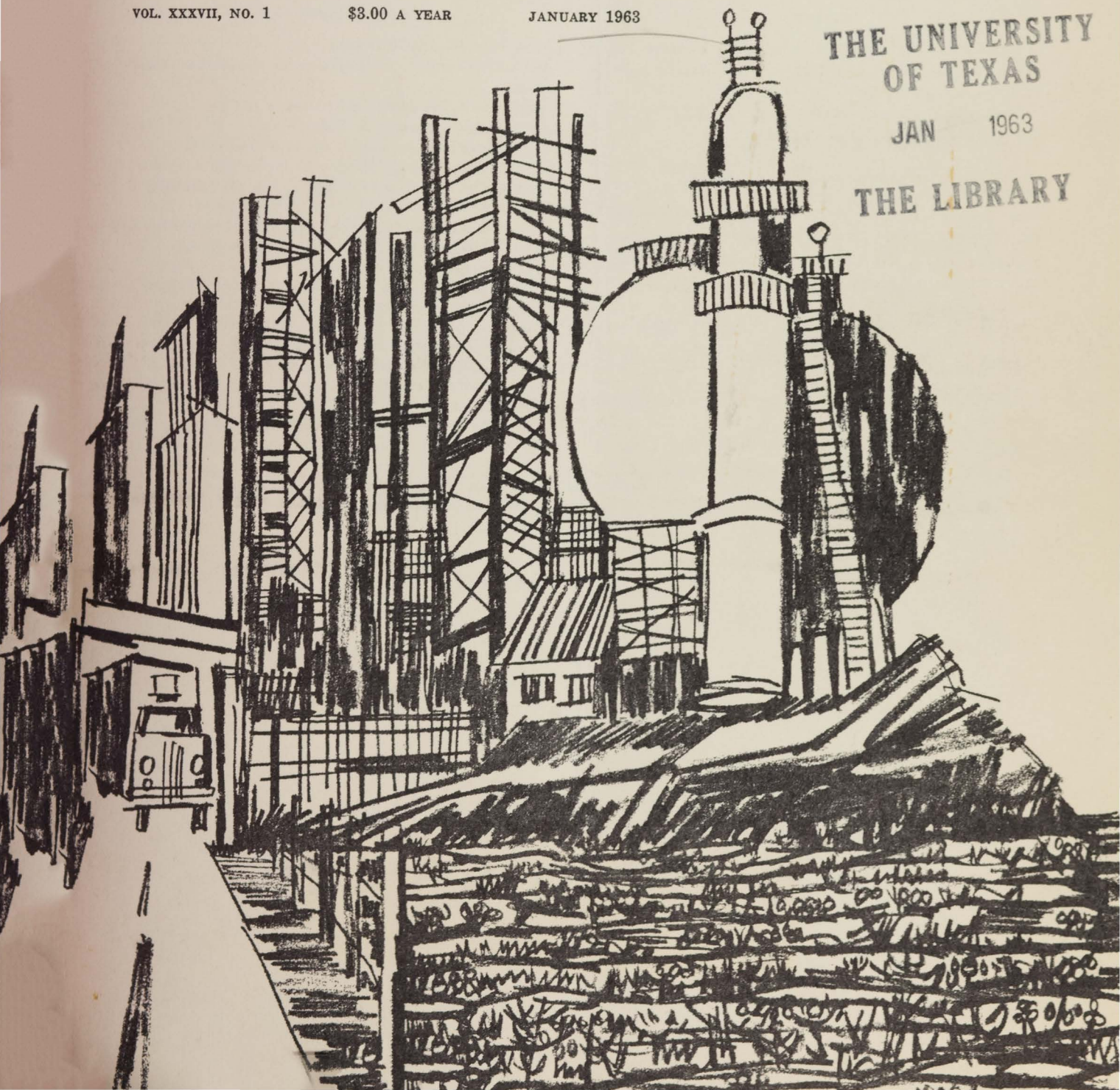
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# TEXAS BUSINESS REVIEW VOL. XXXVII, NO. 1 JANUARY 1963

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# THE BUSINESS SITUATION IN TEXAS

by Francis B. May



THE SEASONALLY ADJUSTED INDEX OF TEXAS BUSINESS activity rose 2% in November to a value of 131.3% of the 1957-59 monthly average. At this level the index was 5% above November of last year. It was at its third highest value in history, being exceeded only by the August value of 135.4 and the January value of 132.9.

This was the second consecutive advance in the index after its sharp drop in September. It was induced by rises in a substantial number of barometers of Texas business. For the first eleven months the index averaged 129.5% compared with 117.6% for the like 1961 period. This was an increase in the average of 10.1%. Every month of this year has seen a value of the index recorded that exceeded the corresponding 1961 month.

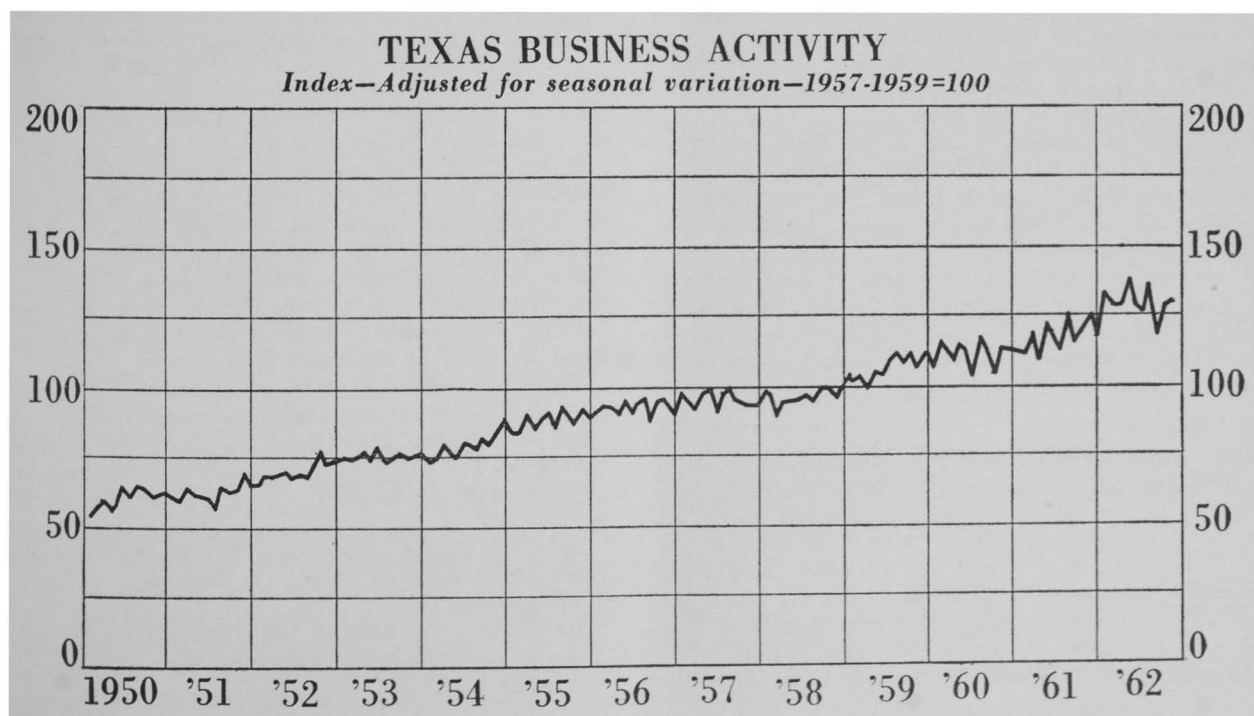
Miscellaneous freight carloadings rose 4% after seasonal adjustment. At 81.1% of the 1957-59 base the index was 5% above November 1961. The index averaged 16.6% below 1961 during the first eleven months of this year. While the current improvement is welcome, the rails have much lost ground to recover. Other transportation media have made heavy inroads into their carriage of the manufactured products which comprise much of the "miscellaneous" category. The rails must be given an opportunity

to earn revenues that will enable them to make needed capital investment. Current estimates indicate that by the year's end they will have spent only \$830.0 million on capital investment. In 1957 they spent \$1.4 billion.

Seasonally adjusted production of crude petroleum in November remained at the October level of 91.8% of 1957-59 average monthly production. At this level the index was equal to its November 1961 value. Allowable production in November was restricted to eight days. December production was set at the same figure for the eleventh consecutive month, the longest period of such tight restriction in the post-World War II era.

In an effort to achieve greater flexibility in setting production quotas the Railroad Commission has shifted from a daily allowable to a percentage basis. The January allowable has been set at 26% of the maximum output permitted for prorated wells. Strippers, water-floods, and other nonprorated production remains unaffected. The amount of such exempted production was 1,226,315 barrels a day as of December 15.

During the first eleven months of this year the index of crude production averaged 92.3% of 1957-59 compared with an average of 92.0% for the comparable 1961 period.



Total 1962 production will be almost the same as in 1961 which, in turn, was almost identical with total production in 1960.

Crude oil runs to stills dropped 1% in November after seasonal adjustment. They were 10% above November 1961. For the first eleven months of the year, they averaged 5.3% above 1961. This increase in refinery runs at a time when crude production was virtually unchanged was possible because a certain amount of oil produced in neighboring states finds its way to Gulf Coast refineries. This is a natural feature of interstate trade and of the oil business. Much of the refining capacity of the nation is located on the Texas Gulf Coast, supplying jobs for thousands of Texas refinery employees.

Seasonally adjusted total electric power consumption rose 2% in November to a level 17% above November of last year. For the first eleven months the index averaged 15.4% above the comparable period last year.

Industrial power consumption rose 4% in November, after seasonal adjustment to a value of 132.5% of 1957-59.

#### ESTIMATES OF TOTAL RETAIL SALES

Classification	Nov 1962 (millions of dollars)	Jan-Nov 1962 (millions of dollars)	Percent change		
			Nov 1962 from Oct 1962	Nov 1962 from Nov 1961	Jan-Nov 1962 from Jan-Nov 1961
TOTAL	1,006.6	10,833.7	- 3	+ 4	+ 8
Durable goods*	353.6	4,032.8	- 10	+ 9	+ 19
Nondurable goods	653.0	6,800.9	+ 1	+ 1	+ 3

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

The November value of the index was 6% above the same month last year. The first eleven months of the current year averaged 15.9% above the comparable 1961 period. It is apparent that the rate of growth of industrial power consumption is keeping up with that of the total power consumption index. This, in turn, implies that the other two categories of power consumers, residential and commercial, are increasing their consumption at about the same rate as that for industrial users.

Seasonally adjusted retail sales declined 2% in November due to a drop in sales of durable goods. They were 4% above November of last year.

Investment in chemical plants in the state continues, although at a somewhat reduced rate. Monsanto Chemical Company placed its Chocolate Bayou "chemical refinery" on stream recently. It will have an output of hydrocarbons of 2.5 billion pounds a year.

It appears that 1963 will be a year of good business. Fears of a recession have subsided for lack of negative factors in the outlook. On the other hand, there is no expectation of a boom. "Business as usual" seems to be the watchword.

#### Retail Sales

After rising 9% in October, the seasonally adjusted index of total retail sales declined 2% in November because of a fall in the volume of sales of durable goods. At 113.8% of the average monthly volume of sales in the 1957-59 base period, the index was 6% above its September value. Total sales for November were 4% above November 1961. Sales for the first eleven months of this year were 8% above the first eleven months of 1961.

An estimate of total sales for the year based on results

for the first eleven months places them at \$12.05 billion.

Seasonally adjusted sales of durable goods rose a spectacular 26% in October due almost entirely to a phenomenal 50% increase in sales of automobiles. This unprecedented rise was due in part to the unusually strong acceptance of the new models and in part to the Cuban crisis. International political tension generated by the Cuban situation revived memories of shortages of consumer durable goods during World War II. Automobiles were almost completely unobtainable then. Many heads of families undoubtedly decided to turn in the family conveyance earlier than usual in order to have a brand-new vehicle with many years of useful life. Relaxation of the tension has caused a subsidence of these fears. It seems that a lot of November business was borrowed in October. The usual seasonal decline in sales of automotive stores in November is 1%. This November the decline was 10%.

#### SELECTED BAROMETERS OF TEXAS BUSINESS (1957-59=100)

Index	Nov 1962	Oct 1962	Nov 1961	Percent change	
				Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
Texas business activity	131.3*	128.1	125.4	+ 2	+ 5
Miscellaneous freight carload- ings in S.W. district	81.1	77.8	77.5	+ 4	+ 5
Crude petroleum production	91.8*	92.2r	92.1	**	**
Crude oil runs to stills	110.3	111.7	99.9	- 1	+ 10
Total electric power consumption	143.7*	141.0	122.4	+ 2	+ 17
Industrial power consumption	132.5*	127.7	114.0	+ 4	+ 6
Bank debits	132.2	129.0	125.4	+ 2	+ 5
Ordinary life insurance sales	136.5	129.5	126.1	+ 5	+ 8
Total retail sales	113.8*	116.3r	109.4r	- 2	+ 4
Durable-goods sales	121.3*	131.7r	111.3r	- 8	+ 9
Nondurable-goods sales	109.9*	108.4r	108.8r	+ 1	+ 1
Urban building permits issued	134.6	124.9	119.7	+ 8	+ 12
Residential	130.0	118.4	115.0	+ 10	+ 13
Nonresidential	139.1	133.3	127.1	+ 4	+ 9

Adjusted for seasonal variation.

\*Preliminary.

rRevised.

\*\*Change is less than one-half of 1 percent.

Sales of motor vehicles dealers declined by the same amount. At this level November automobile sales were still 14% above November 1961.

Sales of other categories of consumer durables contributed to the October-November decline of 8%. Sales of furniture and appliances combined dropped 5% instead of the usual 1%. This drop was due entirely to a fall in sales of appliances. Furniture sales fell the usual seasonal drop of 1% for the month. Sales of lumber, building material, and hardware stores declined 13% instead of the usual November drop of 9%.

Seasonally adjusted sales of nondurable goods rose 1.4% in November—not enough to offset the decline in sales of durables. They were 1% above the November 1961 level. For the first eleven months of the year sales of consumers' nondurables were 3% above the like 1961 period.

Sales of apparel contributed to the improvement in nondurables' sales by rising 7% instead of falling the usual seasonal 1%.

Drugstore sales held at the October level instead of dropping the usual 5% in November. They were 1% above November 1961.



Sales of eating and drinking places fell less than seasonally, dropping 3% instead of the usual 6%.

Gasoline and service station sales dropped more than seasonally, 7% instead of the usual 1%.

Department store sales showed a very good rise.

Sales of "other" retail stores rose the usual seasonal 1%. This category includes florists, whose sales rose 7%; nurseries, whose sales declined 34%; jewelry stores, whose sales rose 31%; and office, store and school supply dealers, whose sales fell 9%.

Nationally, retail sales rose 2% in November after seasonal factors were taken into account. Nondurable goods' sales rose 3%. Durable goods' sales remained at the October level. Sales of automobiles were unchanged from

year has been above the corresponding month of 1961 every month except August.

The average value of the index for the first 11 months this year was 124.8% compared with 113.0% for the like 1961 period. This represented a 10.5% increase over the first 11 months of 1961.

Seasonally adjusted residential permits rose 10% in November. This is the second strong monthly increase, for the index rose 8% in October. At 130% of 1957-59 the index was 13% above November 1961. This is the highest value of the index since it reached an all-time high of 135.4% in July 1958. During the intervening years residential permits have been as low as 79% of the base value. This value was reached in December 1960.

Permits for single-family dwellings for the first 11 months at \$566.7 million were only 0.4% above the like 1961 period. Permits for multiple-family dwellings were up 121% over the first 11 months of last year. Duplexes were up 19%; three- and four-family apartments were up 65% and larger apartment buildings, up 133%.

In appraising these figures, it is important to realize that \$753.4 million of the total of \$1.26 billion of permits issued for the first 11 months was for one-family buildings. This means that one-family homes accounted for 60% of the total. Multifamily dwellings accounted for \$186.7 million in permits or 14% of the total. Large apartment buildings accounted for \$175.0 million of the \$186.7 million of permits for multiple-family dwellings. Permits for large apartment buildings for the first 11 months last year amounted to \$75.2 million, less than half the 1962 total.

Seasonally adjusted nonresidential permits rose 4% in November to 139.1% of 1957-59, a value 9% above November 1961. This was a second monthly rise in the value of nonresidential permits. Cumulative value of these permits for the first 11 months was 7% above the same period of 1961.

Total value of nonresidential permits for the first 11 months was \$507.3 million, or 40% of the total.

For the year to November 30, increases in nonresidential permits over the first 11 months of last year were 9% for industrial buildings, 81% for office-bank buildings, 4% for educational buildings, and 15% for service stations and repair garages.

At \$144.5 million, permits for alterations and repairs for the first 11 months were up 6% over 1961. Total value of these permits was fairly evenly divided between house-keeping dwellings and other private buildings.

Of the \$1.2 billion of permits issued for metropolitan areas, \$969.2 million was the cumulative value of permits for the central cities. This is a further illustration of the fact that, today, most of the population of the state lives in urban areas and most of the economic activity, measured in dollar volume, takes place there. Rural areas are important, but their relative position in population and personal income earned is declining. An equilibrium position will probably not be reached in the near future.

Large amounts of building in the Houston area will result from the NASA establishment there. One consortium of builders plans a medium-sized city designed to service the center and its personnel. The continued high rate of population growth in Texas assures a continued demand for homes.

#### 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			
		Nov from Oct	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961	Jan-Nov 1962 from Jan-Nov 1961	
<b>DURABLE GOODS</b>						
Automotive stores†	259	— 1	—10	+14	+24	
Furniture & household appliance stores†	146	— 1	— 5	— 8	+ 5	
Lumber, building material, and hardware stores...	248	— 9	—13	— 1	+ 5	
<b>NONDURABLE GOODS</b>						
Apparel stores	243	— 1	+ 7	— 1	+ 1	
Drug stores	165	— 5	**	+ 1	+ 2	
Eating and drinking places	97	— 6	— 3	+ 3	+ 2	
Food stores	403	— 3	— 3	+ 2	+ 3	
Gasoline and service stations	65	— 1	— 7	**	+ 5	
General merchandise stores†	237	+ 2	+13	+ 2	+ 5	
Other retail stores†	245	+ 1	+ 1	— 1	+ 3	

\*Average seasonal change from preceding month to current month.

\*\*Change is less than one-half of 1 percent.

†Includes kinds of business other than classification listed.

October's high rate after adjustment for seasonal variation.

Nationally, sales of consumer goods have been sustained by high levels of per capita personal income. There has been a slight tendency for gains in per capita personal income in Texas to lag behind the national average. This situation can be remedied by measures designed to increase job opportunities, particularly skilled jobs. The advent of NASA and the award of defense contracts of great magnitude within the state should assist in reversing this trend, not immediately but in the years to come.

#### Building Construction

Total value of urban building permits issued in Texas, seasonally adjusted, rose 8% in November. After dropping rather sharply to 104.9% of the 1957-59 average monthly value in September, the index rose 19% in October. The additional 8% increase in November placed the index at a level just under its peak of 140.9% reached in June and at the third highest value in its history. The June high has been exceeded only once. That was in August 1961 when the index reached an all-time peak of 152.3%. It dropped to 95.9% the following month. The index this

# STATE AND LOCAL DEBT IN TEXAS: A PROFILE

by Lynn F. Anderson

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*This article presents data available at the time of publication on public debt in Texas. In a second article planned for the March issue, the author will present his projections of these figures for the remainder of the decade.*

AMONG MANY GROUPS OF PERSONS, FROM PROFESSIONAL economists to main street businessmen and average citizens, there is widespread knowledge of the fact that the United States government now has an outstanding debt of \$300 billion. Much less well known is the fact that state and local governments in this country have an aggregate outstanding debt of \$75 billion (\$411 per capita) and that this debt is steadily increasing in size from year to year. Texas state and local governments, located as they are in one of the nation's largest and rapidly growing states, are active participants in this process, and currently they rank behind only California and New York in the aggregate volume of long-term bonds being issued.

Viewed in historical perspective, the growth of borrowings by state and local governments is a concomitant of the nation's economic growth, population increase, and urbanization. Within this overall development for the country as a whole, the forces behind a growing volume of municipal debt in Texas have been dramatic and sustained. The economy of the state has grown markedly within the past two decades and has become more diversified with the addition of manufacturing industries and significant government installations to an existing agricultural base of large proportions. Much of this economic growth has centered in, or clustered around, cities and has been primarily responsible for significant shifts of population within the state from rural to urban areas. Coupled with the shift from farm to city has been an uninterrupted growth in the state's population, largely by natural increase rather than in-migration. A few figures tell the story vividly.

In 1940 Texas had a total population of 6,414,824, less than half of which (45.4%) resided in urban places. By 1960 the state's population had increased to 9,579,677, and 75% of this population was located within urban areas. Thus, within the comparatively short span of two decades, Texas had been transformed from a rural to an urban state—at least so far as place of residence is concerned. Equally, if not more, significant is the fact that in 1960 more than three-fifths (63.7%) of the state's total population resided in twenty-one standard metropolitan areas, the largest number of such areas in any single state in the United States. Two out of every five Texans now live in the state's four largest cities—Houston, Dallas, San Antonio, and Fort Worth—and provide a metropolitan concentration of people completely antithetical to the "wide

open spaces" which characterize the state's geography and its popular image.

As Texas has reoriented itself into a dynamic, industrial, and urban economy, the need and demand for facilities and services in those functional areas which are the legal responsibilities of state and local governments have grown by leaps and bounds. At the state level, significant increases in spending have taken place for both capital outlay and operating costs for such functions as highways, education, and water resources. At the local level, numerous governmental jurisdictions have participated in the rendition of a variety of public services and facilities, but municipal governments and independent school districts have been especially pressed by mounting needs in fast-growing urban areas.

City governments have been faced with the costs of new subdivision development, new and improved streets, enlarged utility plants and distribution systems, hospitals, and airports, in addition to such expanded services as fire and police protection. Local school districts, and particularly the independent school districts, as the local governmental units charged with administration of public education at the elementary and secondary levels, have had to increase both operating and capital outlays to meet the needs of rapidly rising school enrollments and to improve the quality of educational offerings. These districts receive substantial financial assistance from the state in the form of per capita and minimum foundation grants, but these are restricted to operating costs and do not, therefore, assist in meeting the districts' needs for school buildings and equipment.

In addition to cities and school districts, special districts also have assumed a role of some importance in local government finance in recent years. These districts are local governmental jurisdictions designed to perform a single public function, such as water supply, drainage, or hospital service, which cannot be, or is not being, performed by general purpose units such as cities or counties. Among other powers, most of these districts have the power to borrow money and to impose taxes on property. During recent years a principal area of growth among special districts has been the increase in the number of various water districts in suburban areas adjacent to growing municipalities. These districts supply water to residential or industrial consumers outside of city boundaries during early development of the areas and are frequently absorbed by the city government when the area is subsequently annexed to the municipality.



## Texas Borrowing Patterns and Trends

At the beginning of 1962 there were 3,328 units of government operating in the state of Texas. In addition to the state government, this number included 254 counties, 866 municipalities, 1,474 school districts, and 733 local special districts. As these units of government have been confronted by the financial needs noted above, they have been required to raise tax rates or impose new taxes to meet increased operating costs. One tangible evidence of this at the state level is the 2% sales tax imposed by the legislature in 1961. At the local level, property tax rate increases or increased assessment levels have been widespread in most school districts and cities that have

Table 1

### ESTIMATED OWNERSHIP OF STATE AND LOCAL SECURITIES BY INVESTOR CLASS June 30, 1961

Investor class	Amount (billions)	Percent of total
Individuals .....	\$28.3	39.5
Commercial banks .....	18.8	26.2
Insurance companies .....	12.3	17.1
State and local governments (trust and investment funds) .....	7.4	10.3
Corporations (other than banks and insurance companies) .....	2.2	3.1
Others .....	2.7	3.8
<b>Total .....</b>	<b>\$71.7</b>	<b>100.0</b>

Source: *Annual Report of the Secretary of the Treasury on the State of the Finances for the Fiscal Year Ended June 30, 1961*, p. 625.

experienced economic and population growth within the past decade. With additional amounts of current tax revenue being required for current operations, the only practical alternative for the financing of capital outlays has been to resort to the money markets through the medium of long-term bonds.

In line with national developments in the field of municipal finance, Texas governments have used both general obligation and revenue bonds to finance their capital requirements. **General obligation bonds** are debt instruments which are backed by the full faith and credit of the issuing government and are repaid from general property taxes, while **revenue bonds** must depend for their service entirely upon the net earnings of a self-supporting enterprise. One class of local governments in Texas, the water control and improvement districts, possesses the power to issue so-called combination bonds. These are instruments which are primarily revenue bonds serviced by enterprise earnings but are also backed by the taxing power in cases where earnings are insufficient to meet debt service requirements. For all of these classes of municipal bonds, the serial type of bond—where a portion of the principal becomes due and payable in each year the issue is outstanding—has almost completely displaced the older term or sinking fund type of bond which comes due on a single maturity date.

Except for a small volume of negotiated sales involving

primarily revenue issues, municipal bonds in Texas are marketed on the basis of sealed bids to competing syndicates of investment and commercial bankers. Bidding on Texas municipal bond issues is usually brisk, and it is not uncommon to find four or more syndicates involving a total of 30 or more banks and investment firms bidding on individual bond issues. The winning syndicate in any bond sale distributes the bonds purchased among its member firms in accordance with prearranged agreements, and each firm in turn offers a portion of the bonds to the ultimate investors.

Table 2

### STATE AND LOCAL BOND ISSUES IN TEXAS BY UNITS OF GOVERNMENT January 1-November 19, 1962

Type of governmental unit	Amount issued 1962 (thousands)	Percent of total 1962	Percent of five-year total 1957-1961
<b>Cities and towns</b>			
General obligation bonds .....	\$ 89,111	22.2	21.2
Revenue bonds .....	79,276	19.7	18.6
<b>Total—cities and towns .....</b>	<b>\$168,387</b>	<b>41.9</b>	<b>39.8</b>
<b>School and junior college districts</b> .....	<b>\$115,973</b>	<b>28.9</b>	<b>29.4</b>
Special districts and authorities .....	50,736	12.6	9.5
State agencies and colleges .....	39,978	10.0	12.7
Counties .....	24,994	6.2	7.5
Road districts .....	1,644	0.4	1.1
<b>Total .....</b>	<b>\$401,712</b>	<b>100.0</b>	<b>100.0</b>

Source: Municipal Advisory Council of Texas.

Since the income of municipal bonds is exempt from federal income taxes, these bonds are especially attractive to certain investors, such as individuals in higher income tax brackets, commercial banks, and insurance companies. Data are not available on the ownership of Texas municipal debt, but it is known that these securities are widely held both in and out of Texas, and there is no reason to believe that the pattern of ownership would differ significantly from the national figures exhibited in Table 1. As shown in this table, more than 80% of outstanding municipal bonds are owned by individuals, commercial banks, and insurance companies. Although these are the latest published data, it should be noted that more recent data, when they become available, may show an increase in commercial bank holdings.

Commercial banks, authorized to increase the rate paid on savings and time deposit accounts early in 1962, found it necessary to increase the size and earnings of their investment portfolios and have invested heavily in municipal bonds during recent months to achieve this objective.

Since the conclusion of World War II, state and local governments in Texas have issued more than \$2.5 billion in bonds. During the period from 1956 through 1961 the annual volume of municipal bonds issued in the state increased from \$327.1 million to \$446.5 million, or 37%. This growth trend continued during the calendar year

1962, and at the time of this writing it was likely that a new annual high in the vicinity of \$450 million would be reached. For the period January 1 to November 19, 1962, the volume of bonds issued amounted to \$401,712,000. Table 2 contains a breakdown of this amount by type of issuing agency and also compares the relative importance of 1962 amounts with those for the four-year period from 1957 to 1961.

From the data in Table 2, it is clearly evident that cities and towns are the largest issuers of long-term bonds, producing more than 40% of the total state-local volume. General obligation bonds, with 22.2% of the total amount issued, continue to exceed revenue bonds in importance, but the margin of difference is not extremely large. Based on a recent analysis by the Municipal Advisory Council of Texas of the purposes of bond issues during the 1959-1961 period, more than half of the annual value of general obligation bonds is regularly represented by issues for street improvements, including necessary rights-of-way. Second in importance are general obligation bonds issued for water and sewer systems, and these are followed in order by public buildings of various kinds, airport improvements, and parks and swimming pools. In the revenue bond classification, bonds for waterworks systems occupy the number one position and account for approximately one-half of the new revenue bonds (exclusive of refunding issues). These are followed by revenue issues for sewer systems and electric light and power systems, each of which accounts for approximately one-fifth of the total annual volume of revenue issues. Of the remaining purposes for which revenue bonds are issued, only those issued to finance airport improvements have shown any significant increase in recent years.

As indicated in Table 2, the second largest volume of current bond issues are those of school and college districts. Of the combined total of 28.9% issued to November 19, 1962, only a small amount represented the issues of junior college districts; most of the bond issues in this category were for school buildings and related capital outlays of independent school districts. Well behind the local school districts in their annual contribution to the volume of new bonds are the special districts and authorities and state agencies and colleges. In 1962 issues by special districts and authorities accounted for 12.6% of the total volume to November 19, compared to an average of 9.5% for the five-year period from 1957 to 1961. Conversely, the \$39.9 million issued by state agencies and colleges during the first ten and one-half months of 1962 accounted for only 10% of the total volume compared to the 1957-1961 average of 12.7%. As will be indicated below, the state of Texas has followed a cautious borrowing policy for its noneducational functions. Moreover, the volume of bonds issued by colleges and universities included in these data does not reflect their total borrowing, because a number of these institutions have availed themselves of low-interest housing loans from the Community Facilities Administration of the federal Housing and Home Finance Agency.

Counties and road districts, the smallest issuers of municipal bonds at the present time, are of decreasing importance in the public debt of Texas. County governments, being the least active financially of the major units of government, have remained static in many areas

of the state and have had little, or no, need for new capital facilities. A number of counties have become debt free, and there is little prospect that they will change from this status in the near future. Road districts are political subdivisions in rural areas which exist for the sole purpose of financing roads. With the growth of the farm-to-market road program under the state highway system and the development and financing of roads on a countywide basis, these districts are fast disappearing, and the volume of debt issuance has been correspondingly reduced.

As might be expected, there is a close correlation between the amount of debt currently being issued by the various classes of governmental units in Texas and the relative share of the total outstanding debt attributable

Table 3  
OUTSTANDING DEBT OF STATE AND LOCAL  
GOVERNMENTS IN TEXAS  
December 31, 1960

Type of government	Amount of debt outstanding (thousands)	Percent of total
Cities .....	\$1,434,900	41.6
School districts .....	1,068,383	31.0
State agencies and colleges .....	329,749	9.6
Special districts and authorities ..	290,516	8.4
Counties .....	253,479	7.3
Road districts .....	51,296	1.5
Junior college districts .....	22,267	0.6
Total .....	\$3,450,590	100.0

Source: Municipal Advisory Council of Texas.

to these units. The most recent detailed breakdown of the state's public debt is that prepared by the Municipal Advisory Council of Texas as of December 31, 1960, and presented here in Table 3. It will be noted that, of the total outstanding debt of \$3.45 billion at the end of 1960, cities and school districts had issued \$2.5 million, or almost three-fourths of the total. Perhaps even more striking is the fact that the state government had issued less than 10% of this total debt, while local units of government as a group had issued more than 90%. This is by far the lowest ratio of state debt to total state-local debt of any of the states with comparable amounts of long-term debt outstanding. Based on U. S. Census Bureau data for state and local fiscal years ended in 1961, there were ten states which had an outstanding long-term debt of more than \$2 billion: California, Illinois, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, Texas, and Washington. Of this group, in which Texas ranked fifth, the average ratio of state to combined state-local debt was 28.3%. Texas, with a ratio of 9.8%, was the lowest of the group and, together with Illinois, was one of the two states below the 20% mark. This comparison reflects complex differences in the public financial structures of the individual states in this group and at the same time points up important policy questions insofar as future borrowing by governments in this state are concerned. Both of these matters are worthy of detailed individual study and are, therefore, beyond the scope of this presentation.



# PROCESS OF CAPITAL BUDGETING

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**RATIONING OF CAPITAL EXPENDITURES, WHICH IS AN** outwardly complex but basically simple procedure, is the most important function in a firm's financial life. This rationing process is called capital budgeting. It is through the proper selection of potential investments that a firm succeeds or fails. On any given day the financial press reports the bad investments firms make which can be attributed directly to their failure to budget properly their capital expenditures.

Often management of small and even large businesses fails to plan properly. They make an investment without all of the facts, or their assembly and evaluation of the facts available are faulty. Any business to be successful in the long run must plan carefully and execute its plan through systematic procedures. This is all that capital budgeting is in fact—an investment plan executed through systematic procedures. Businessmen who fail to use capital budgeting will almost surely be victimized if they make important business decisions by “feel” or intuition. All of the pertinent problems, costs, revenues, and profits anticipated from any expenditure of capital can be determined and evaluated by using the tools available in a sound capital budgeting program.

The purpose of the capital budgeting program is to insure that the firm selects the best investments for its available funds from among those investment possibilities which are compatible with the firm's purpose, and this article attempts to outline the organization of a simple, but effective, capital budgeting program which could be applied by any firm.

## Organizing for effectiveness

Although almost everyone agrees that capital budgeting is important and necessary, there is, nonetheless, a wide range of views about how to establish and use it. There is no “right way” to budget capital. The single most important thing in any plan is that it be systematic. If it is systematic, consistent in evaluation, and true to its purpose, it will accomplish the desired ends. Systematizing the procedure has a secondary advantage. After a project has been approved and established, the results can be checked against the projections. Where there are differ-

ences, the reasons for these differences can be determined and corrections taken in the system to prevent further deficiencies of this type, thus assuring better estimates in the future.

Any systematic approach will involve the standard steps for decision-making. These are determination of the project, selection of alternatives, evaluation of these alternatives, and choice.

**Determination of the project**—The determination of the best investment possibilities should be a part of the planning process of the firm. Thus the capital budgeting program should be based on the long-range objectives of the firm. For example, if diversification is an object of the firm, new investment proposals in different product lines would receive precedence over other investments. Firms which make spur-of-the-moment decisions must always be prepared to accept the failures that go with insufficient planning. Plans for the future are not properly stated in vague, general terms but in specific, clear terms which make implementation possible. The major implementation of a firm's long-range plans is accomplished through the capital budget.

A firm must have a constant and sufficient quantity of new investment proposals. Employees must be on the outlook for new methods of cutting costs and for new investment opportunities. Management must be responsible for fresh ideas for labor-saving machines, new products, product expansion, and on the look-out for other firms which can be acquired profitably. This steady inflow of investment proposals is necessary even where the firm's sales are not expanding. Even the static firm must reinvest the cash which flows from its profit and depreciation, because the rapid change in technology makes the firm which repurchases equipment used in the past only lose ground to its competitors.

**Selection of alternatives**—As new investment proposals are made, they must each be examined to see if they are in conflict with other proposals. Thus a proposal to purchase a new machine which would double output might conflict with the corporation's desire to hold output where it is. Proposals can also be competing. If, for instance,

the problem is the moving of material by hand, there might be several other ways of doing it, such as conveyor belt, lift truck, or overhead carrier. Not only must each be considered as opposed to the present method, but each must be considered opposed to the others, for selection of one implies rejection of the others.

As ideas for investment are proposed, they can be grouped into specific areas such as cost reduction, plant expansion, new products, and innovation. Groupings like this will help in evaluating the projects. Thus while a new product may have a better expectation of future income than a cost reducing project, the cost reduction offers far less risk of failure and, therefore, should be given precedence. Such a grouping can help the firm recognize some of the risks involved in a new product that would not be present in a cost reduction plan or a plant expansion plan.

**Evaluation**—Once management has the proposals listed, it must evaluate them properly so that a course of action may be determined. The number of proposals, whether it be one or a hundred, makes no difference. With each proposal management must decide either to accept it and invest, to shelve it for a more appropriate time, or to reject it. Evaluation uses the quantitative approach and is subject to a great amount of debate and discussion. It is in this area that it is most difficult to get management to break old habits. It is only through proper evaluation, however, that what action will be taken on a project can be determined. The principal cause of failure in a capital budgeting program is the inability to evaluate proposals properly.

The three processes of evaluation are (1) determine the cost of the proposal, (2) measure the net cash flow from the proposal, and (3) compare the cost of the proposal with the computed net cash flow.

**Cost of the proposal**—On the surface, determination of the cost of a proposal seems to be quite simple. If it is proposed to buy a new machine, what is the price tag? This is an oversimplification, however, because the cost of a new project is more than just the amount of cash necessary for purchase. Each proposal also includes the costs of getting the project into operation. Costs can be grouped into three areas. The first area of cost includes the new equipment and accompanying items such as freight-in, changes in plant area, special foundations, and anything else needed to get the equipment operating. A second important area of cost is the additional working capital needed. When a new machine or product is added, there will probably be additional receivables and inventory. This takes cash. The buildup of these current accounts may also make it necessary for the firm to carry more in the cash account permanently. All of these should be added as costs of the new proposal.

The third area of significance in cost in some proposals is the equipment or product replaced. If one machine replaces another machine which is still operating, what is to be done with the loss suffered on the replaced machine? This type of loss is known as a sunk cost and is not included in the cost of the new machine or product. At first it may seem difficult to accept this concept—funds once spent are sunk and should not be used in determining the acceptability of other funds. Robert W. Johnson, in his book, *Financial Management*, points up the problem

of sunk cost. "If you paid \$10,000 for an oil well that went dry the day after you bought it, would you charge the \$10,000 cost against your next investment? Would you say that your next \$10,000 investment would have to be doubly profitable in order to recover your dry hole cost—otherwise you would not invest? If you would normally be satisfied with a 10% rate of return, would your next \$10,000 have to earn 20%?"

With all of the costs of the new proposal determined, it is necessary to measure the revenue that the proposal will produce.

**Measure of cash flow**—Evaluation of a project depends upon how much cash the project will generate. Cash is of primary interest because cash is used to pay for the project, the labor, the materials, and management and to yield a return to the investor. In this respect, cash flow—basically net income plus depreciation—is more important than net income only. To arrive at the appropriate cash flow it is first necessary to measure expected sales or revenues generated by the proposed project. This may seem difficult to estimate; however, most firms who have capital budgeting programs report that they have become very proficient at it. The basic solution of the problem is to be systematic in the approach. Many books are written on how to project sales, and it is too involved a subject to be developed here. It should be sufficient to say that the projection can be accurate with even minimal experience. Once sales are projected, costs for materials, labor, overhead, and administration can be determined. Any firm has sufficient resources at hand to make this determination quite accurately. After the projection of sales and costs there is only one other expense that must be considered, and that is tax. Since taxes must be paid, they cannot be part of cash flow. A simple example should help to illustrate the calculation of cash flow.

Trionics, an electronic manufacturing firm, plans to purchase a new machine which will cost \$10,000 installed. It is expected to have a 5-year life at which time it will be fully depreciated with no salvage value. The machine does not replace any other machine and is expected to provide additions to revenue of \$6,000 a year with direct costs of \$2,000. What is the cash flow for this machine?

Cash flow		
Revenue from machine	\$6,000	
Less direct cost	2,000	\$4,000
Gross profit	\$4,000	
Depreciation per year (straight line)	2,000	
Profit before tax	\$2,000	
Taxes (50%)	1,000	1,000
Net profit	\$1,000	
CASH FLOW		\$3,000

The determination of cash flow is more complicated when new equipment replaces old equipment. In this case the differences in cash flow must be computed; however, the principal is the same.

**Comparison of cost and cash flow**—The comparison of cost and cash flow is not difficult although it involves



simple mathematics; nevertheless, it is the area of substantial disagreement as to method and as to implementation. Although there are many different methods of comparing costs and cash flow, all methods can be grouped into three basic types: payback, return on investment, and present value.

**A. PAYBACK**—Investment in fixed assets are usually large and generally take several years to recover. As a rule, the degree of risk assumed by a firm when purchasing a fixed asset is directly related to the length of time required to recover the investment from the firm's cash flow. The payback method of evaluating investment proposals stresses the length of time that is necessary for a firm to recoup its investment from profit and depreciation charges.

While there are several ways to calculate a payback, the most common is:

$$\text{After-tax payback (years)} = \frac{\text{Investment}}{\text{Cash flow per annum}}$$

The following example illustrates this method. Assume that a firm is contemplating the purchase of two machines which require an investment of \$1,500 each. Each machine has an expected life of five years and each will be depreciated on a straight line basis with no salvage value. The following data pertain to each machine.

Cash Flow		
Year	A	B
1	600	400
2	500	400
3	400	400
4	300	400
5	200	400

From this data we see that machine A will pay for itself in three years, whereas it takes 3¾ years for machine B to pay for itself.

There are three advantages of the payback method. First, it is easy to calculate. Second, if a firm is experiencing a shortage of cash, the payback method may be used to select those investments which yield a quick return of cash funds. Third, the payback method permits a firm to determine the length of time that is required to recapture its original investment, thus determining the degree of risk of each investment. Unfortunately, the payback method ignores the time value of money and the income which may be produced beyond the payback period.

**B. RETURN ON INVESTMENT**—The basic return on investment adds very little to the payback method and is calculated as follows

$$\text{Return on investment} = \frac{\text{Net profit}}{\text{Investment}}$$

Customarily, this equation is modified in order to take into account the relative profitability of the various projects. The modification most used is the average rate of return which is calculated as follows:

$$\text{Average rate of return} = \frac{\text{Average net profit}}{\text{Average investment}}$$

Referring to the examples given under the payback method, it is noted that both projects yield 13¾% return. This is calculated as follows:

$$\begin{aligned} \text{Average rate of return} &= \frac{\text{Cash flow} - \text{depr. / useful life}}{\text{Investment}/2} \\ &= \frac{\$2,000 - \$1,500/5}{\$1,500/2} \\ &= 13\frac{3}{4}\% \end{aligned}$$

Note that in the denominator the average investment is used. The investment is fully used up by the end of the period, and is depreciated on a straight line basis. Note also that cash flow is not used alone in this equation. Cash flow minus depreciation or simply net profit is substituted in its place. It may be recalled that using payback as a basis of selection, project A was more desirable than B; under this method they are equally desirable.

The average-return method of selecting alternative uses of funds takes into consideration income over the entire life of the project; nevertheless, it still possesses a primary weakness in that it ignores the time value of funds. Where the income from the investment does not vary appreciably, however, this method can closely approximate a true rate of return while still possessing the ease of calculation of the payback method.

**C. PRESENT VALUE**—The present value method for evaluating proposals is the most difficult to calculate, the most accurate, and the method most often used by firms that have developed capital budgeting programs. While the two previously described methods of measuring alternatives have advantages, they both fail to account for the time value of money. This means that if a person were given a choice between receiving a dollar today or a dollar a year from today, he would choose a dollar today, because a dollar invested at interest (assuming a rate of 4%) would be worth \$1.04 a year from now. This consideration ignores any price level changes, of course.

The present value can be calculated in various ways. Basically, however, the whole problem of present value can be reduced to a compound interest table. Because the compound interest table, annuity table, and present value table all perform the same function, and because they are all so readily available, it will suffice to examine a typical table without going through the procedures of calculation. Furthermore, for the purpose of simplifying this explanation, all methods of discounting cash flow will be ignored, except the one shown in the accompanying illustration which is labeled present value.

When the interest rate has been computed with the present value method as demonstrated in the accompanying computation, the results of the three methods applied to the same projects can be compared.

	Method		
	Payback	Return on investment	Present value
Machine A	3 yrs.	13.3%	12.8%
Machine B	3.75 yrs.	13.3%	10.4%

These and any other projects being considered can now be ranked for this budget period. In ranking, additional interest factors can be added where appropriate in order to compensate for risk or for category. For instance, if

in the above case machine A were going to be used for a new product line and machine B for a cost reduction program, and we assessed a risk factor of 5% for new product lines, then the ranking for present value would be: machine A, 7.8% (12.8 — 5.0) and machine B, 10.4%.

**Choice**—With the projects or proposals ranked on the basis of one of the above methods, the next problem is to choose the ones to be completed during the budget period. This usually depends on the amount of capital available and the cost of capital, that is, the cost to the firm of the money it has available to invest. Assume that the ma-

Projects below the cost of capital are rejected. Projects above the cost of capital but below the available capital are postponed until more capital becomes available. When all the facts are collected and assembled, the choice of proposals to accept, shelve, or reject is automatic.

After the capital budgeting program has been established, it must be examined periodically for errors. This process is called control. Control makes the capital budgeting program work. After a project has been accepted and it starts returning income, it should be tested to see if the estimates made on the original proposal were cor-

### COMPUTATION OF PRESENT VALUE

A normal present value table has interest rates from 1%-100% and years hence from 1-50. The following table is a portion of a typical table:

Table of Present Value of \$1 Received at the End of Year

Years hence	8%	10%	12%	14%
1	.926	.909	.893	.877
2	.857	.826	.797	.769
3	.794	.751	.712	.675
4	.735	.683	.636	.592
5	.681	.621	.567	.519
6	.630	.564	.507	.456

Calculations from this table are simple. Assume the interest rate is 10%. If \$.909 is invested (see table) today, it will be worth \$1 at the end of a year (.909 x 1.10 = .9999). All the other figures in the table could be derived in a similar fashion.

Now apply this table to the same machines that were used in the payback and average rate of return method. In that example, there were two machines: A with cash flows of \$600, \$500, \$400, \$300, and \$200 and B with cash flows of \$400 for each of 5 years. Both machines cost \$1,500. The problem is to find an interest rate which will equate the \$2,000 in cash flows with the \$1,500 in initial cost. However, since the income is not received at the end of the 5 years but periodically throughout the period, the factors must be applied at the end of each year. Because this is not an exact method due to the mathematics involved, the correct interest rate can be found by trial and error. With machine A estimate the rate to be between 12% and 14%. Now the problem can be solved for the interest rate.

chines have been ranked as follows:

Machine B \$1,500 investment 10.4% rate of return  
Machine A \$1,500 investment 7.8% rate of return  
We have \$3,000 available to us from depreciation and net profit, but our cost of capital is 8%. Under the circumstances we would invest in machine B only.

The cost of capital is a subject as broad and extensive as is capital budgeting. As a result it will not be discussed here; however, it can be briefly summarized. The cost to a firm of the capital it generates and borrows is approximately equal to its traditional ratio of earnings on invested assets. Where a firm invests its money in long-run projects which earn less than its traditional rate, it is in effect liquidating itself. In practice the money available and cost of capital provide us with a cut-off point.

### Machine A

Year	(1) Cash flow	(2) Est. rate (12%)	(1X2) Present value	(4) Est. rate (14%)	(4X1) Present value
1	\$600	.893	\$ 535.8	.877	\$ 526.2
2	500	.797	398.5	.796	384.5
3	400	.712	284.8	.675	270.0
4	300	.636	190.8	.592	177.6
5	200	.567	113.4	.519	103.8
			\$1,523.3		\$1,461.1

The true rate of interest then for this machine lies somewhere between 12% and 14% because the cash flow at 12% had a present value of \$1,523.30, whereas 14% was \$1,461, and the true interest rate would have given a present value to the cash flow of \$1,500. By interpolation the rate can be estimated to be 12.8%.

### Machine B

		(10%)		(12%)	
1	\$400	.909	\$ 363.6	.893	\$ 357.2
2	400	.826	330.4	.797	318.8
3	400	.751	300.4	.712	284.8
4	400	.683	273.2	.636	254.4
5	400	.621	248.4	.567	226.8
			\$1,516.0		\$1,442.0

By interpolation the rate can be estimated to be 10.4%.

This problem can now be restated for the other machine. At what interest rate would there be indifference about receiving \$1,500 today or \$400 a year for 5 years? The answer is, at an interest rate of 10.4%. Thus \$400 received over 5 years, discounted at 10.4% compound interest, results in \$1,500—the initial investment.

rect. It matters little if they are under or over the actual performance. Any variation is cause for corrective action. As corrections are made, however, so are improvements, and through the process of control the program generates better and better estimating procedures.

Capital budgeting is the key to successful business operations, for it insures that a firm will select the best possible investments for the funds it has available. Capital budgeting can be as simple or as complex as the firm that uses it. Because it can be used by large as well as small companies, there is no "right" method or procedure. The only "right" approach to evaluating proposals for future investment is that the process be systematic—for this is the single most important characteristic of a capital budgeting program.



# LOCAL BUSINESS CONDITIONS

As a reader's guide to better utility of retail sales data, an average percent change from the preceding month has been computed for each month of the year. This percent change is marked with a dagger (†) following that figure. The next percent change represents the actual change from the preceding month. A large variation in the normal seasonal from the actual figure represents an abnormal month. The third percent change shows the change from the identical period the preceding year. Postal receipt information which is marked by an asterisk (\*) indicates cash receipts received during the four-week postal accounting period ended Nov. 9, 1962, and the percent changes from the preceding period and the comparable period in

the previous year. Annual postal data are for 13 four-week periods falling closest within 1960 and 1961 calendar years. Changes less than one-half of 1 percent are marked with a double asterisk (\*\*). Waco retail sales information is reported in cooperation with the Baylor Bureau of Business Research. End-of-month deposits as reported represent money on deposit in individual demand deposit accounts on the last day of the month and are indicated by the symbol (§). All population figures are final 1960 census data, with the exceptions of those marked (r) which are official revisions. Figures under Texarkana with the following symbol (§) are for Texarkana, Texas, only.

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>ABILENE (pop. 90,368)</b>			
Retail sales .....	— 1†	**	— 4
Apparel stores .....	— 1†	— 17	— 24
Drug stores .....	— 5†	— 2	+ 3
General merchandise stores .....	+ 2†	+ 5	— 6
Lumber, building material, and hardware stores .....	— 9†	— 7	— 5
Postal receipts* .....	\$ 103,163	— 12	— 4
Building permits, less federal contracts \$ .....	964,391	— 47	+ 18
Bank debits (thousands) .....	\$ 106,043	— 9	— 4
End-of-month deposits (thousands) § .....	\$ 71,393	— 4	+ 1
Annual rate of deposit turnover .....	17.5	— 7	— 6
Employment (area) .....	35,800	— 1	— 3
Manufacturing employment (area) .....	3,920	— 8	— 5
Percent unemployed (area) .....	6.2	+ 9	+ 22
<b>ALPINE (pop. 4,740)</b>			
Postal receipts* .....	\$ 4,109	— 21	+ 3
Building permits, less federal contracts \$ .....	50,275	+906	+3042
Bank debits (thousands) .....	\$ 3,643	— 2	+ 20
End-of-month deposits (thousands) § .....	\$ 4,360	— 2	+ 7
Annual rate of deposit turnover .....	9.9	— 4	+ 11
<b>AMARILLO (pop. 137,969)</b>			
Retail sales .....	— 1†	— 10	+ 16
Apparel stores .....	— 1†	— 4	+ 22
Automotive stores .....	— 1†	— 12	+ 11
Eating and drinking places .....	— 6†	— 4	+ 8
Furniture and household appliance stores .....	— 1†	— 29	+ 17
Postal receipts* .....	\$ 254,820	+ 7	+ 23
Building permits, less federal contracts \$ .....	4,193,370	+ 76	+ 58
Bank debits (thousands) .....	\$ 242,359	— 4	+ 2
End-of-month deposits (thousands) § .....	\$ 122,660	— 3	+ 5
Annual rate of deposit turnover .....	23.4	— 6	— 3
Employment (area) .....	51,900	**	**
Manufacturing employment (area) .....	5,450	— 1	+ 13
Percent unemployed (area) .....	4.2	+ 17	— 25
<b>ANDREWS (pop. 11,135)</b>			
Postal receipts* .....	\$ 6,941	— 23	+ 27
Building permits, less federal contracts \$ .....	55,519	+ 45	— 60
Bank debits (thousands) .....	\$ 5,237	— 7	+ 7
End-of-month deposits (thousands) § .....	\$ 7,543	+ 8	— 26
Annual rate of deposit turnover .....	8.6	— 18	+ 43

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>ARANSAS PASS (pop. 6,956)</b>			
Postal receipts* .....	\$ 3,763	— 29	— 5
Building permits, less federal contracts \$ .....	22,160	+ 87	+ 58
Bank debits (thousands) .....	\$ 5,581	— 11	+ 15
End-of-month deposits (thousands) § .....	\$ 6,379	+ 1	+ 17
Annual rate of deposit turnover .....	10.6	— 12	— 2
<b>ARLINGTON (pop. 44,775)</b>			
Retail sales .....	— 1†	— 1	+ 3
Apparel stores .....	— 1†	— 1	+ 3
Lumber, building material, and hardware stores .....	— 9†	— 16	+ 5
Postal receipts* .....	\$ 44,762	— 13	+ 11
Building permits, less federal contracts \$ .....	957,935	— 45	— 16
Bank debits (thousands) .....	\$ 36,355	— 2	+ 10
End-of-month deposits (thousands) § .....	\$ 26,415	— 1	+ 22
Annual rate of deposit turnover .....	16.5	— 4	— 9
Employment (area) .....	220,500	**	+ 2
Manufacturing employment (area) .....	49,350	+ 1	— 4
Percent unemployed (area) .....	5.0	+ 11	— 6
<b>AUSTIN (pop. 186,545)</b>			
Retail sales .....	— 1†	**	+ 25
Apparel stores .....	— 1†	— 4	— 1
Automotive stores .....	— 1†	— 15	+ 24
Food stores .....	— 3†	— 7	+ 2
Furniture and household appliance stores .....	— 1†	— 10	+ 7
Lumber, building material, and hardware stores .....	— 9†	— 5	+ 17
Postal receipts* .....	\$ 436,813	+ 10	+ 13
Building permits, less federal contracts \$ .....	8,888,792	+186	+ 38
Bank debits (thousands) .....	\$ 276,039	+ 4	+ 20
End-of-month deposits (thousands) § .....	\$ 157,605	**	— 2
Annual rate of deposit turnover .....	21.0	+ 2	+ 20
Employment (area) .....	84,500	+ 1	+ 5
Manufacturing employment (area) .....	5,840	**	+ 4
Percent unemployed (area) .....	3.8	+ 6	— 3
<b>BAY CITY (pop. 11,656)</b>			
Retail sales .....	— 1†	— 26	— 4
Automotive stores .....	— 1†	— 15	— 5
Postal receipts* .....	\$ 11,230	— 15	— 5
Bank debits (thousands) .....	\$ 16,357	— 4	+ 4
End-of-month deposits (thousands) § .....	\$ 23,344	+ 1	— 3
Annual rate of deposit turnover .....	8.4	— 7	+ 6
Nonagricultural placements .....	65	— 42	— 27

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>BAYTOWN (pop. 28,159)</b>			
Retail sales	— 1†	— 5	+ 6
Automotive stores	— 1†	— 9	— 3
Postal receipts*	\$ 24,983	— 44	— 54
Building permits, less federal contracts	\$ 208,922	— 7	+ 12
Bank debits (thousands)	\$ 26,893	+ 2	+ 3
End-of-month deposits (thousands)\$	\$ 24,971	— 6	+ 1
Annual rate of deposit turnover	13.0	**	+ 1
Employment (area)	518,500	**	— 2
Manufacturing employment (area)	91,750	+ 3	— 11
Percent unemployed (area)	4.0		

## BEAUMONT (pop. 119,175)

Retail sales	— 1†	— 2	+ 8
Automotive stores	— 1†	— 7	+ 12
Furniture and household appliance stores	— 1†	+ 21	+ 31
Lumber, building material, and hardware stores	— 9†	— 7	+ 50
Postal receipts*	\$ 122,861	— 4	+ 7
Building permits, less federal contracts	\$ 681,443	— 50	— 87
Bank debits (thousands)	\$ 167,957	— 8	— 5
End-of-month deposits (thousands)\$	\$ 104,268	+ 1	— 1
Annual rate of deposit turnover	19.4	— 9	— 4
Employment (area)	107,000	**	+ 2
Manufacturing employment (area)	34,340	— 1	+ 13
Percent unemployed (area)	7.3	+ 18	+ 6

## BEEVILLE (pop. 13,811)

Postal receipts*	\$ 9,660	— 24	— 10
Building permits, less federal contracts	\$ 23,050	— 98	— 66
Bank debits (thousands)	\$ 10,692	— 4	+ 10
End-of-month deposits (thousands)\$	\$ 14,613	+ 5	+ 5
Annual rate of deposit turnover	9.0	— 7	+ 6
Nonagricultural placements	89	— 45	— 38

## BIG SPRING (pop. 31,230)

Retail sales	— 1†	— 7	+ 6
Drug stores	— 5†	+ 1	— 3
Lumber, building material, and hardware stores	— 9†	— 17	— 6
Postal receipts*	\$ 32,255	— 14	+ 1
Building permits, less federal contracts	\$ 389,265	+ 77	+ 11
Bank debits (thousands)	\$ 40,332	— 6	— 12
End-of-month deposits (thousands)\$	\$ 27,153	— 1	— 4
Annual rate of deposit turnover	17.8	— 7	— 7
Nonagricultural placements	195	— 26	— 8

## BISHOP (pop. 3,722)

Postal receipts*	\$ 3,095	+ 24	+ 16
Bank debits (thousands)	\$ 1,896	— 14	— 13
End-of-month deposits (thousands)\$	\$ 2,765	— 9	— 12
Annual rate of deposit turnover	7.9	— 11	— 1

## BONHAM (pop. 7,357)

Bank debits (thousands)	\$ 9,302	**	+ 15
End-of-month deposits (thousands)\$	\$ 8,276	— 5	**
Annual rate of deposit turnover	13.1	— 3	+ 8

## BORGER (pop. 20,911)

Postal receipts*	\$ 16,170	— 10	— 5
Building permits, less federal contracts	\$ 192,738	+ 5	— 20
Nonagricultural placements	127	— 44	— 29

## BRADY (pop. 5,338)

Postal receipts*	\$ 3,651	— 24	— 18
Building permits, less federal contracts	\$ 12,200	— 27	— 23
Bank debits (thousands)	\$ 5,058	— 19	+ 11
End-of-month deposits (thousands)\$	\$ 7,476	— 3	— 2
Annual rate of deposit turnover	8.0	— 20	+ 13

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>BRENNHAM (pop. 7,740)</b>			
Postal receipts*	\$ 7,285	— 14	— 4
Building permits, less federal contracts	\$ 70,674	+ 17	— 37
Bank debits (thousands)	\$ 11,724	+ 3	+ 12
End-of-month deposits (thousands)\$	\$ 13,307	— 4	+ 1
Annual rate of deposit turnover	10.3	+ 1	+ 10
Nonagricultural placements	42	— 33	— 43

## BROWNSVILLE (pop. 48,040)

Retail sales	— 1†	— 16	+ 10
Automotive stores	— 1†	— 26	+ 16
Lumber, building material, and hardware stores	— 9†	— 14	+ 6
Postal receipts*	\$ 33,107	**	+ 8
Building permits, less federal contracts	\$ 154,611	— 5	— 62
Bank debits (thousands)	\$ 37,792	— 11	+ 22
End-of-month deposits (thousands)\$	\$ 23,191	— 1	+ 15
Annual rate of deposit turnover	19.5	— 12	+ 7
Nonagricultural placements	334	— 33	+ 13

## BROWNWOOD (pop. 16,974)

Retail sales	— 1†	— 1	+ 2
Apparel stores	— 1†	— 2	— 6
Postal receipts*	\$ 20,417	— 19	— 6
Building permits, less federal contracts	\$ 16,025	— 30	— 25
Bank debits (thousands)	\$ 16,562	— 8	+ 8
End-of-month deposits (thousands)\$	\$ 13,426	**	**
Annual rate of deposit turnover	14.8	— 6	+ 6
Nonagricultural placements	116	— 31	+ 4

## BRYAN (pop. 27,542)

Retail sales	— 1†	— 2	+ 6
Automotive stores	— 1†	+ 12	+ 17
Food stores	— 3†	— 3	+ 17
Lumber, building material, and hardware stores	— 9†	— 19	— 15
Postal receipts*	\$ 23,649	+ 11	+ 2
Bank debits (thousands)	\$ 27,371	— 8	+ 5
End-of-month deposits (thousands)\$	\$ 18,648	+ 1	+ 4
Annual rate of deposit turnover	17.7	...	+ 1
Nonagricultural placements	223	— 23	+ 12

## CALDWELL (pop. 2,204)

Postal receipts*	\$ 2,195	— 10	— 1
Bank debits (thousands)	\$ 2,707	— 1	+ 3
End-of-month deposits (thousands)\$	\$ 4,137	**	— 4
Annual rate of deposit turnover	7.9	— 4	+ 7

## CAMERON (pop. 5,640)

Postal receipts*	\$ 4,812	— 17	+ 4
Building permits, less federal contracts	\$ 13,230	— 75	— 57
Bank debits (thousands)	\$ 5,029	— 14	— 9
End-of-month deposits (thousands)\$	\$ 5,293	— 4	+ 2
Annual rate of deposit turnover	11.2	— 10	— 10

## CANYON (pop. 5,864)

Building permits, less federal contracts	\$ 108,200	— 40	...
Bank debits (thousands)	\$ 7,116	— 9	+ 14
End-of-month deposits (thousands)\$	\$ 6,941	+ 3	+ 4
Annual rate of deposit turnover	12.5	— 15	+ 13

## CARROLLTON (pop. 4,242)

Postal receipts*	\$ 4,981	+ 2	+ 12
Building permits, less federal contracts	\$ 135,800	— 72	— 76
Bank debits (thousands)	\$ 5,541	— 4	+ 55
End-of-month deposits (thousands)\$	\$ 3,154	+ 2	+ 31
Annual rate of deposit turnover	21.3	— 4	+ 22

## CISCO (pop. 4,499)

Postal receipts*	\$ 3,662	— 27	— 3
Bank debits (thousands)	\$ 3,327	— 13	+ 2
End-of-month deposits (thousands)\$	\$ 3,735	**	— 4
Annual rate of deposit turnover	10.7	— 11	+ 6

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>CLEBURNE (pop. 15,381)</b>			
Postal receipts*	14,202	+ 5	+ 2
Building permits, less federal contracts \$	204,325	+ 3	+103
Bank debits (thousands)	11,672	**	+ 14
End-of-month deposits (thousands)\$	12,079	- 1	+ 3
Annual rate of deposit turnover	11.5	- 2	+ 10
Employment (area)	220,500	**	+ 2
Manufacturing employment (area)	49,350	+ 1	- 4
Percent unemployed (area)	5.0	+ 11	- 6

## CLUTE (pop. 4,501)

Postal receipts*	1,633	- 14	- 9
Building permits, less federal contracts \$	30,490	- 64	- 42
Bank debits (thousands)	1,934	+ 2	+ 49
End-of-month deposits (thousands)\$	1,547	**	- 14
Annual rate of deposit turnover	15.0	+ 3	+ 63

## COLORADO CITY (pop. 6,457)

Retail sales			
Automotive stores	- 1†	- 3	- 2
Lumber, building material, and hardware stores	- 9†	+ 8	- 14
Postal receipts*	5,792	+ 8	+ 12
Building permits, less federal contracts \$	7,026	+ 12	- 4
Bank debits (thousands)	6,631	+ 5	+ 7
End-of-month deposits (thousands)\$	13.0	+ 5	- 10

## COLLEGE STATION (pop. 11,396)

Postal receipts*	18,573	- 29	+ 2
Building permits, less federal contracts \$	40,650	- 12	- 48
Bank debits (thousands)	3,718	- 12	- 2
End-of-month deposits (thousands)\$	2,929	- 1	+ 9
Annual rate of deposit turnover	15.2	- 8	- 10

## COPPERAS COVE (pop. 4,567)

Postal receipts*	3,115	+ 2	+ 37
Building permits, less federal contracts \$	72,525	- 43	- 80
Bank debits (thousands)	1,333	- 11	+ 26
End-of-month deposits (thousands)\$	1,122	**	+ 52
Annual rate of deposit turnover	14.2	- 18	- 19

## CORPUS CHRISTI (pop. 167,690)

Retail sales			
Apparel stores	- 1†	+ 10	- 6
Automotive stores	- 1†	- 18	+ 13
Lumber, building material, and hardware stores	- 9†	+ 2	- 11
Postal receipts*	170,624	- 1	+ 3
Building permits, less federal contracts \$	3,201,980	- 23	+136
Bank debits (thousands)	201,759	+ 2	- 4
End-of-month deposits (thousands)\$	109,455	- 2	- 3
Annual rate of deposit turnover	21.8	+ 2	**
Employment (area)	65,300	+ 1	+ 2
Manufacturing employment (area)	8,690	**	+ 2
Percent unemployed (area)	5.1	+ 4	- 11

## CORSICANA (pop. 20,344)

Postal receipts*	42,609	+ 62	+ 14
Building permits, less federal contracts \$	476,426	+232	+2046
Bank debits (thousands)	18,539	- 2	- 1
End-of-month deposits (thousands)\$	20,885	- 1	+ 3
Annual rate of deposit turnover	10.6	- 5	- 4
Nonagricultural placements	178	- 21	- 3

## CRYSTAL CITY (pop. 9,101)

Postal receipts*	3,364	- 6	- 1
Building permits, less federal contracts \$	54,490	+137	+ 92
Bank debits (thousands)	3,474	+ 2	+ 23
End-of-month deposits (thousands)\$	3,049	- 6	+ 4
Annual rate of deposit turnover	13.3	+ 3	+ 16

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>DALLAS (pop. 679,684)</b>			
Retail sales	+ 3†	- 4	- 1
Apparel stores	- 1†	+ 11	- 4
Automotive stores	+ 7†	- 8	+ 15
Eating and drinking places	- 15†	- 11	- 2
Florists	+ 3†	- 14	- 10
Food stores	+ 1	- 12	- 6
Furniture and household appliance stores	- 1†	- 27	- 35
Lumber, building material, and hardware stores	- 14†	- 6	+ 3
Office, store, and school supply dealers	**†	- 10	- 6
Postal receipts*	2,522,013	+ 1	+ 5
Building permits, less federal contracts \$	17,691,649	- 22	+ 49
Bank debits (thousands)	3,403,424	+ 2	+ 10
End-of-month deposits (thousands)\$	1,301,199	**	+ 4
Annual rate of deposit turnover	31.4	+ 1	+ 5
Employment (area)	461,600	**	+ 2
Manufacturing employment (area)	102,900	**	+ 7
Percent unemployed (area)	4.1	+ 21	- 5

## DEER PARK (pop. 4,865)

Postal receipts*	4,057	- 32	- 17
Building permits, less federal contracts \$	46,741	- 31	- 30
Bank debits (thousands)	3,664	+ 12	+ 4
End-of-month deposits (thousands)\$	2,435	+ 7	+ 12
Annual rate of deposit turnover	18.6	- 2	- 2

## DEL RIO (pop. 18,612)

Retail sales			
Lumber, building material, and hardware stores	- 9†	- 13	- 7
Postal receipts*	12,184	- 14	+ 9
Building permits, less federal contracts \$	150,795	- 70	+157
Bank debits (thousands)	10,764	- 12	+ 11
End-of-month deposits (thousands)\$	14,941	**	+ 12
Annual rate of deposit turnover	8.7	- 12	+ 1

## DENISON (pop. 22,748)

Retail sales			
Drug stores	- 5†	+ 6	- 24
Postal receipts*	19,134	- 9	**
Building permits, less federal contracts \$	247,518	+ 4	- 24
Bank debits (thousands)	16,678	- 2	+ 5
End-of-month deposits (thousands)\$	15,556	+ 3	+ 5
Annual rate of deposit turnover	13.1	- 4	+ 2
Nonagricultural placements	139	- 37	- 9

## DENTON (pop. 26,844)

Retail sales	- 1†	- 22	+ 19
Automotive stores	- 1†	- 2	+ 13
Drug stores	- 5†	**	+ 12
Postal receipts*	33,943	- 9	- 12
Building permits, less federal contracts \$	1,536,424	+298	+371
Bank debits (thousands)	24,756	**	+ 24
End-of-month deposits (thousands)\$	24,245	- 1	+ 6
Annual rate of deposit turnover	12.2	+ 1	+ 16
Nonagricultural placements	143	- 46	+ 23

## DONNA (pop. 7,522)

Postal receipts*	2,624	- 33	- 18
Building permits, less federal contracts \$	39,900	+153	+142
Bank debits (thousands)	2,345	- 8	- 6
End-of-month deposits (thousands)\$	2,690	- 32	- 10
Annual rate of deposit turnover	8.5	- 9	- 16

## EDINBURG (pop. 18,706)

Postal receipts*	6,211	- 56	- 35
Building permits, less federal contracts \$	42,113	- 56	- 60
Bank debits (thousands)	13,772	- 6	- 21
End-of-month deposits (thousands)\$	9,917	+ 4	+ 15
Annual rate of deposit turnover	17.0	- 11	- 25
Nonagricultural placements	254	+ 2	- 58



## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>EDNA (pop. 5,038)</b>			
Retail sales			
Food stores	— 3†	— 2	+ 6
Postal receipts*	\$ 3,895	— 39	— 3
Building permits, less federal contracts	\$ 64,150	— 84	+ 59
Bank debits (thousands)	\$ 7,957	+ 3	+ 55
End-of-month deposits (thousands)†	\$ 7,241	+ 1	— 7
Annual rate of deposit turnover	13.3	— 1	+ 66

## EL PASO (pop. 276,687)

Retail sales	— 1†	— 12	— 12
Apparel stores	— 1†	+ 14	— 25
Automotive stores	— 1†	— 32	— 9
Lumber, building material, and hardware stores	— 9†	— 15	— 10
Postal receipts*	\$ 318,859	+ 8	+ 7
Building permits, less federal contracts	\$ 4,021,091	+139	+ 16
Bank debits (thousands)	\$ 359,792	**	— 5
End-of-month deposits (thousands)†	\$ 186,524	+ 2	+ 4
Annual rate of deposit turnover	23.4	— 1	— 7
Employment (area)	94,000	**	+ 1
Manufacturing employment (area)	15,290	— 3	+ 8
Percent unemployed (area)	5.2	+ 11	+ 21

## ENNIS (pop. 9,347)

Building permits, less federal contracts	\$ 111,250	— 3	+173
Bank debits (thousands)	\$ 6,862	— 19	— 10
End-of-month deposits (thousands)†	\$ 7,084	— 2	— 8
Annual rate of deposit turnover	11.5	— 18	— 3

## EULESS (pop. 2,062)

Building permits, less federal contracts	\$ 208,410	— 49	+ 33
Bank debits (thousands)	\$ 245	+ 12	...
End-of-month deposits (thousands)†	\$ 664	+ 28	...
Annual rate of deposit turnover	5.0	— 31	...

## FORT STOCKTON (pop. 6,373)

Bank debits (thousands)	\$ 5,812	— 8	+ 8
End-of-month deposits (thousands)†	\$ 5,117	— 6	+ 1
Annual rate of deposit turnover	13.2	— 6	+ 3

## FORT WORTH (pop. 356,268)

Retail sales	**†	+ 2	+ 5
Apparel stores	— 7†	+ 7	+ 2
Automotive stores	— 6†	— 13	+ 23
Drug stores	— 3†	— 3	— 4
Eating and drinking places	— 8†	— 4	+ 3
Food stores	— 7†	+ 12	+ 9
Furniture and household appliance stores	— 3†	— 5	— 9
Gasoline and service stations	— 2†	— 5	— 4
General merchandise stores	+ 14†	+ 16	+ 3
Lumber, building material, and hardware stores	— 14†	— 16	— 13
Postal receipts*	\$ 852,197	+ 9	+ 4
Building permits, less federal contracts	\$ 1,945,407	— 12	— 4
Bank debits (thousands)	\$ 806,542	— 4	**
End-of-month deposits (thousands)†	\$ 388,896	— 2	**
Annual rate of deposit turnover	24.7	— 4	**
Employment (area)	220,500	**	+ 2
Manufacturing employment (area)	49,350	+ 1	— 4
Percent unemployed (area)	5.0	+ 11	— 6

## FREDERICKSBURG (pop. 4,629)

Retail sales	— 1†	+ 15	+ 14
Drug stores	— 5†	— 4	— 3
Food stores	— 3†	+ 13	+ 8
General merchandise stores	+ 2†	+ 10	+ 11
Postal receipts*	\$ 5,374	— 8	+ 26
Building permits, less federal contracts	\$ 29,200	— 59	— 65
Bank debits (thousands)	\$ 9,462	+ 13	+ 16
End-of-month deposits (thousands)†	\$ 8,313	— 2	**
Annual rate of deposit turnover	13.5	+ 13	+ 16

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>GALVESTON (pop. 67,175)</b>			
Retail sales	— 1†	— 4	— 22
Apparel stores	— 1†	— 10	— 13
Food stores	— 3†	— 1	— 12
Furniture and household appliance stores	— 1†	+ 15	— 49
Postal receipts*	\$ 80,734	+ 2	— 7
Building permits, less federal contracts	\$ 717,519	— 43	+ 91
Bank debits (thousands)	\$ 91,661	— 6	+ 2
End-of-month deposits (thousands)†	\$ 60,685	— 2	— 7
Annual rate of deposit turnover	17.9	— 5	+ 7
Employment (area)	52,000	**	— 1
Manufacturing employment (area)	10,520	— 1	— 1
Percent unemployed (area)	8.9	+ 5	+ 5

## GARLAND (pop. 38,501)

Retail sales	— 1†	— 14	+ 36
Automotive stores	— 1†	— 17	+ 46
Furniture and household appliance stores	— 1†	+ 13	— 2
Postal receipts*	\$ 33,614	— 15	— 1
Building permits, less federal contracts	\$ 1,231,564	— 29	— 44
Bank debits (thousands)	\$ 28,239	— 2	— 12
End-of-month deposits (thousands)†	\$ 15,975	+ 3	+ 9
Annual rate of deposit turnover	21.5	— 1	— 24
Employment (area)	461,600	**	+ 2
Manufacturing employment (area)	102,900	**	+ 7
Percent unemployed (area)	4.1	+ 21	— 5

## GATESVILLE (pop. 4,626)

Postal receipts*	\$ 4,950	— 23	+ 30
Bank debits (thousands)	\$ 6,154	— 9	+ 16
End-of-month deposits (thousands)†	\$ 5,969	— 5	+ 6
Annual rate of deposit turnover	12.1	— 7	+ 9

## GIDDINGS (pop. 2,821)

Postal receipts*	\$ 3,817	+ 10	+ 8
Bank debits (thousands)	\$ 3,397	+ 6	+ 18
End-of-month deposits (thousands)†	\$ 4,087	+ 1	+ 3
Annual rate of deposit turnover	10.0	+ 4	+ 14

## GLADEWATER (pop. 5,742)

Postal receipts*	\$ 6,144	— 13	+ 11
Bank debits (thousands)	\$ 3,306	— 7	— 5
End-of-month deposits (thousands)†	\$ 6,205	— 4	+ 10
Annual rate of deposit turnover	6.3	— 5	— 11
Employment (area)	28,750	**	**
Manufacturing employment (area)	5,580	**	— 3
Percent unemployed (area)	4.8	+ 9	+ 33

## GOLDTHWAITE (pop. 1,383)

Postal receipts*	\$ 1,586	— 24	— 10
Bank debits (thousands)	\$ 3,110	— 8	+ 8
End-of-month deposits (thousands)†	\$ 3,497	— 3	— 10
Annual rate of deposit turnover	10.5	— 11	+ 18

## GRAHAM (pop. 8,505)

Postal receipts*	\$ 7,690	— 7	— 11
Building permits, less federal contracts	\$ 45,700	— 29	+215
Bank debits (thousands)	\$ 8,745	— 3	**
End-of-month deposits (thousands)†	\$ 10,735	— 1	+ 3
Annual rate of deposit turnover	9.7	— 4	— 4

## GRANBURY (pop. 2,227)

Postal receipts*	\$ 2,520	— 9	+ 20
Bank debits (thousands)	\$ 1,686	+ 8	+ 13
End-of-month deposits (thousands)†	\$ 2,161	+ 6	+ 4
Annual rate of deposit turnover	9.7	+ 3	+ 9

## GRAND PRAIRIE (pop. 30,386)

Postal receipts*	\$ 21,309	— 12	+ 7
Building permits, less federal contracts	\$ 1,333,613	+128	+122
Bank debits (thousands)	\$ 18,029	— 14	+ 15
End-of-month deposits (thousands)†	\$ 10,359	— 4	+ 2
Annual rate of deposit turnover	20.5	— 13	+ 33
Employment (area)	461,600	**	+ 2
Manufacturing employment (area)	102,900	**	+ 7
Percent unemployed (area)	4.1	+ 21	— 5

# Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>GRAPEVINE (pop. 2,821)</b>			
Postal receipts*	\$ 3,258	- 18	+ 4
Building permits, less federal contracts \$	482,100	+831	+998
Bank debits (thousands).....\$	2,908	- 14	+ 20
End-of-month deposits (thousands)\$..\$	2,682	- 6	- 7
Annual rate of deposit turnover.....	12.6	- 12	+ 25
<b>GREENVILLE (pop. 19,087)</b>			
Retail sales .....	- 1†	- 19	+ 9
Apparel stores .....	- 1†	+ 2	+ 4
Drug stores .....	- 5†	- 4	- 6
Lumber, building material, and hardware stores.....	- 9†	- 39	- 6
Postal receipts*	\$ 26,779	- 12	+ 17
Building permits, less federal contracts \$	62,300	- 55	- 48
Bank debits (thousands).....\$	15,185	- 14	**
End-of-month deposits (thousands)\$..\$	14,859	**	- 12
Annual rate of deposit turnover.....	12.3	- 15	+ 13
Nonagricultural placements .....	86	- 22	+ 23
<b>HALE CENTER (pop. 2,196)</b>			
Postal receipts*	\$ 1,742	- 22	**
Building permits, less federal contracts \$	9,500	- 62	- 58
Bank debits (thousands).....\$	4,545	+ 2	+ 8
End-of-month deposits (thousands)\$..\$	4,276	+ 1	- 8
Annual rate of deposit turnover.....	12.8	- 10	+ 9
<b>HARLINGEN (pop. 41,207)</b>			
Postal receipts*	\$ 28,761	- 15	- 19
Building permits, less federal contracts \$	65,300	- 52	- 96
Bank debits (thousands).....\$	35,040	- 16	- 7
End-of-month deposits (thousands)\$..\$	27,783	- 9	+ 1
Annual rate of deposit turnover.....	14.4	- 13	- 11
Nonagricultural placements .....	401	- 27	- 26
<b>HEMPSTEAD (pop. 1,505)</b>			
Postal receipts*	\$ 3,320	- 58	- 59
Bank debits (thousands).....\$	1,221	- 29	- 16
End-of-month deposits (thousands)\$..\$	2,064	- 13	+ 8
Annual rate of deposit turnover.....	6.6	- 29	- 28
<b>HENDERSON (pop. 9,666)</b>			
Retail sales .....			
Apparel stores .....	- 1†	+ 9	+ 10
Postal receipts*	\$ 8,909	- 24	+ 12
Building permits, less federal contracts \$	37,185	+ 11	- 23
Bank debits (thousands).....\$	7,348	+ 10	+ 4
End-of-month deposits (thousands)\$..\$	16,424	**	+ 3
Annual rate of deposit turnover.....	5.4	- 10	**
<b>HEREFORD (pop. 7,652)</b>			
Postal receipts*	\$ 8,594	- 18	- 6
Building permits, less federal contracts \$	72,250	- 91	+ 25
Bank debits (thousands).....\$	21,004	+ 18	+ 37
End-of-month deposits (thousands)\$..\$	16,663	+ 25	+ 32
Annual rate of deposit turnover.....	16.8	+ 1	+ 15
<b>HOUSTON (pop. 938,219)</b>			
Retail sales .....	- 2†	- 2	+ 1
Apparel stores .....	+ 2†	+ 6	+ 1
Automotive stores .....	- 5†	- 15	+ 11
Drug stores .....	- 1†	- 3	- 2
Eating and drinking places.....	- 1†	- 4	**
Food stores .....	- 2†	- 8	- 5
General merchandise stores.....	+ 1†	+ 15	+ 9
Liquor stores .....	+ 2†	+ 8	- 8
Lumber, building material, and hardware stores.....	- 11†	- 21	+ 21
Postal receipts*	\$ 1,699,672	- 2	+ 4
Building permits, less federal contracts \$	\$24,578,364	- 14	+ 58
Bank debits (thousands).....\$	\$ 3,066,747	- 8	+ 7
End-of-month deposits (thousands)\$..\$	\$ 1,447,778	+ 2	+ 7
Annual rate of deposit turnover.....	25.7	- 8	+ 1
Employment (area) .....	518,500	**	+ 1
Manufacturing employment (area) ..	91,750	**	- 2
Percent unemployed (area).....	4.0	+ 8	- 11

# Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>HUMBLE (pop. 1,711)</b>			
Building permits, less federal contracts \$	60,000	...	+5900
Bank debits (thousands).....\$	2,625	- 8	+ 19
End-of-month deposits (thousands)\$..\$	2,889	+ 2	+ 16
Annual rate of deposit turnover.....	11.0	- 10	+ 4
<b>IOWA PARK (pop. 3,295)</b>			
Building permits, less federal contracts \$	151,300	+ 52	- 13
Bank debits (thousands).....\$	3,224	- 8	+ 2
End-of-month deposits (thousands)\$..\$	3,833	- 2	+ 9
Annual rate of deposit turnover.....	10.0	- 6	- 4
<b>JACKSONVILLE (pop. 9,590)</b>			
Postal receipts*	\$ 19,289	- 4	- 1
Building permits, less federal contracts \$	46,100	- 17	- 89
Bank debits (thousands).....\$	10,390	- 9	- 9
End-of-month deposits (thousands)\$..\$	8,569	- 4	- 7
Annual rate of deposit turnover.....	14.2	- 8	- 4
<b>JASPER (pop. 4,889)</b>			
Retail sales .....	- 1†	**	+ 8
Automotive stores .....	- 1†	- 4	+ 17
Drug stores .....	- 5†	+ 2	+ 23
Postal receipts*	\$ 7,026	- 4	- 2
Building permits, less federal contracts \$	45,800	- 68	+ 91
Bank debits (thousands).....\$	9,460	**	+ 16
End-of-month deposits (thousands)\$..\$	7,523	**	- 11
Annual rate of deposit turnover.....	15.1	- 2	+ 32
<b>JUSTIN (pop. 622)</b>			
Postal receipts*	\$ 460	- 48	- 17
Bank debits (thousands).....\$	1,351	- 14	+ 4
End-of-month deposits (thousands)\$..\$	895	+ 1	+ 5
Annual rate of deposit turnover.....	18.2	- 19	+ 2
<b>KATY (pop. 1,569)</b>			
Building permits, less federal contracts \$	33,000	+ 72	+340
Bank debits (thousands).....\$	2,371	+ 6	+ 19
End-of-month deposits (thousands)\$..\$	2,419	+ 1	+ 20
Annual rate of deposit turnover.....	11.8	- 9	+ 4
<b>KILGORE (pop. 10,092)</b>			
Postal receipts*	\$ 10,808	- 26	- 18
Building permits, less federal contracts \$	52,705	- 12	- 61
Bank debits (thousands).....\$	12,133	+ 6	**
End-of-month deposits (thousands)\$..\$	13,273	**	- 11
Annual rate of deposit turnover.....	11.0	+ 5	+ 12
Employment (area) .....	28,750	**	**
Manufacturing employment (area) ..	5,580	**	- 3
Percent unemployed (area).....	4.8	+ 9	+ 33
<b>KILLEEN (pop. 23,377)</b>			
Postal receipts*	\$ 38,240	+ 12	+ 37
Building permits, less federal contracts \$	355,462	- 60	+ 16
Bank debits (thousands).....\$	12,212	- 13	+ 9
End-of-month deposits (thousands)\$..\$	8,719	- 4	- 3
Annual rate of deposit turnover.....	16.4	- 15	+ 10
<b>KINGSVILLE (pop. 25,297)</b>			
Postal receipts*	\$ 12,043	- 28	- 7
Building permits, less federal contracts \$	63,965	- 50	- 37
Bank debits (thousands).....\$	11,850	- 4	+ 12
End-of-month deposits (thousands)\$..\$	14,051	+ 5	+ 7
Annual rate of deposit turnover.....	10.4	- 6	+ 6
<b>KIRBYVILLE (pop. 1,660)</b>			
Postal receipts*	\$ 2,419	- 50	- 32
Bank debits (thousands).....\$	2,056	- 13	- 3
End-of-month deposits (thousands)\$..\$	2,914	- 4	+ 20
Annual rate of deposit turnover.....	8.3	- 20	- 19
<b>LA FERIA (pop. 3,047)</b>			
Postal receipts*	\$ 1,833	- 25	- 14
Building permits, less federal contracts \$	11,927	+154	+ 11
Bank debits (thousands).....\$	1,193	- 12	- 15
End-of-month deposits (thousands)\$..\$	1,494	- 3	+ 7
Annual rate of deposit turnover.....	9.5	- 3	- 18

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>LA MARQUE (pop. 13,969)</b>			
Postal receipts*	7,938	— 3	+ 39
Building permits, less federal contracts \$	222,296	+131	+438
Bank debits (thousands)	8,243	— 5	+ 4
End-of-month deposits (thousands)\$..\$	6,249	+ 16	— 2
Annual rate of deposit turnover.....	17.0	— 11	+ 15
Employment (area)	52,000	**	— 1
Manufacturing employment (area)	10,520	— 1	— 1
Percent unemployed (area)	8.9	+ 5	+ 5

## LAMESA (pop. 12,438)

Retail sales			
Automotive stores	— 1†	+ 1	— 17
Postal receipts*	10,516	— 32	— 31
Building permits, less federal contracts \$	199,600	— 54	— 4
Bank debits (thousands)	23,835	+ 26	— 30
End-of-month deposits (thousands)\$..\$	18,517	+ 11	— 20
Annual rate of deposit turnover.....	16.2	+ 13	— 11
Nonagricultural placements	61	— 20	— 16

## LAMPASAS (pop. 5,061)

Postal receipts*	5,443	+ 1	+ 22
Building permits, less federal contracts \$	8,185	— 86	— 91
Bank debits (thousands)	7,780	— 4	+ 20
End-of-month deposits (thousands)\$..\$	6,673	— 1	**
Annual rate of deposit turnover.....	13.9	— 3	+ 20

## LA PORTE (pop. 4,512)

Bank debits (thousands)	3,385	— 17	+ 10
End-of-month deposits (thousands)\$..\$	2,317	— 18	— 12
Annual rate of deposit turnover.....	15.8	— 9	+ 9

## LAREDO (pop. 60,678)

Postal receipts*	35,702	+ 14	+ 4
Building permits, less federal contracts \$	206,330	— 31	+ 74
Bank debits (thousands)	33,919	— 2	+ 27
End-of-month deposits (thousands)\$..\$	26,142	+ 4	+ 16
Annual rate of deposit turnover.....	15.8	— 4	+ 10
Employment (area)	18,700	**	...
Manufacturing employment (area)	1,270	— 1	...
Percent unemployed (area)	10.8	+ 30	...
Nonagricultural placements	300	— 40	— 32

## LEVELLAND (pop. 10,153)

Postal receipts*	7,900	— 18	— 1
Building permits, less federal contracts \$	147,719	— 20	+ 23
Bank debits (thousands)	16,995	+ 11	— 6
End-of-month deposits (thousands)\$..\$	12,287	+ 12	— 2
Annual rate of deposit turnover.....	17.5	— 1	— 3

## LITTLEFIELD (pop. 7,236)

Retail sales	— 1†	— 15	— 7
Automotive stores	— 1†	— 30	— 17
General merchandise stores	+ 2†	+ 26	+ 10
Postal receipts*	6,704	+ 13	— 4
Building permits, less federal contracts \$	49,839	— 69	...

## LLANO (pop. 2,656)

Postal receipts*	2,550	+ 5	+ 1
Building permits, less federal contracts \$	31,600	...	+265
Bank debits (thousands)	3,877	— 24	+ 11
End-of-month deposits (thousands)\$..\$	4,195	— 9	— 1
Annual rate of deposit turnover.....	10.6	— 23	+ 7

## LOCKHART (pop. 6,084)

Retail sales			
Automotive stores	— 1†	— 1	+ 22
Postal receipts*	3,473	— 24	+ 70
Building permits, less federal contracts \$	3,365	+ 31	— 73
Bank debits (thousands)	4,750	**	+ 7
End-of-month deposits (thousands)\$..\$	6,246	+ 2	+ 10
Annual rate of deposit turnover.....	9.2	— 3	**

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>LONGVIEW (pop. 40,050)</b>			
Retail sales	— 1†	— 6	— 1
Food stores	— 3†	— 3	— 2
Lumber, building material, and hardware stores	— 9†	— 4	— 4
Postal receipts*	48,326	— 3	+ 1
Building permits, less federal contracts \$	357,900	— 52	— 67
Bank debits (thousands)	48,536	— 5	+ 2
End-of-month deposits (thousands)\$..\$	39,783	+ 2	+ 3
Annual rate of deposit turnover.....	14.8	— 7	— 3
Employment (area)	28,750	**	**
Manufacturing employment (area)	5,580	**	— 3
Percent unemployed (area)	4.8	+ 9	+ 33

## LOS FRESNOS (pop. 1,289)

Postal receipts*	907	— 8	— 16
Building permits, less federal contracts \$	10,000	+158	+ 43
Bank debits (thousands)	1,093	— 24	— 7
End-of-month deposits (thousands)\$..\$	1,231	— 9	— 20
Annual rate of deposit turnover.....	10.1	— 21	+ 13

## LUBBOCK (pop. 128,691)

Retail sales	— 1†	+ 11	+ 4
Apparel stores	— 1†	+ 4	+ 7
Automotive stores	— 1†	+ 9	+ 1
Furniture and household appliance stores	— 1†	+ 6	+ 8
Postal receipts*	181,997	+ 5	+ 4
Building permits, less federal contracts \$	1,969,722	+ 3	— 31
Bank debits (thousands)	252,257	+ 20	+ 7
End-of-month deposits (thousands)\$..\$	127,067	+ 4	**
Annual rate of deposit turnover.....	24.4	+ 14	— 7
Employment (area)	53,200	+ 2	+ 2
Manufacturing employment (area)	6,260	+ 4	+ 17
Percent unemployed (area)	3.6	+ 6	— 23

## LUFKIN (pop. 17,641)

Retail sales			
Automotive stores	— 1†	+ 7	+ 64
Postal receipts*	25,709	+ 15	+ 30
Building permits, less federal contracts \$	132,900	— 18	+ 93
Bank debits (thousands)	26,661	— 2	+ 10
End-of-month deposits (thousands)\$..\$	27,298	+ 3	— 2
Annual rate of deposit turnover.....	11.9	— 5	+ 11
Nonagricultural placements	89	— 6	— 14

## MCALLEN (pop. 32,728)

Retail sales	— 1†	— 2	— 3
Apparel stores	— 1†	+ 38	+ 11
Automotive stores	— 1†	— 15	— 8
Food stores	— 3†	+ 1	+ 6
Furniture and household appliance stores	— 1†	+ 39	— 6
Gasoline and service stations	— 1†	— 6	+ 15
Postal receipts*	27,034	+ 1	— 4
Building permits, less federal contracts \$	158,660	— 23	— 47
Bank debits (thousands)	25,622	— 5	— 2
End-of-month deposits (thousands)\$..\$	22,584	— 4	+ 15
Annual rate of deposit turnover.....	13.3	— 3	— 14
Nonagricultural placements	405	— 37	— 45

## McCAMEY (pop. 3,375)

Postal receipts*	2,697	— 24	— 4
Bank debits (thousands)	1,706	— 26	— 15
End-of-month deposits (thousands)\$..\$	1,981	**	— 6
Annual rate of deposit turnover.....	10.4	— 25	— 6

## McGREGOR (pop. 4,642)

Building permits, less federal contracts \$	1,000	— 17	— 96
Bank debits (thousands)	3,311	— 10	+ 11
End-of-month deposits (thousands)\$..\$	5,476	— 3	+ 10
Annual rate of deposit turnover.....	7.1	— 10	+ 1



## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>McKINNEY (pop. 13,763)</b>			
Postal receipts*	10,048	— 12	— 15
Building permits, less federal contracts \$	62,235	— 63	— 32
Bank debits (thousands).....\$	11,495	— 22	+ 6
End-of-month deposits (thousands)\$..\$	10,105	— 3	+ 7
Annual rate of deposit turnover.....	13.4	— 22	+ 1
Nonagricultural placements .....	84	— 39	— 16

## MARSHALL (pop. 23,846)

Retail sales .....	— 1†	— 3	**
Apparel stores .....	— 1†	**	+ 12
Postal receipts* .....	21,072	— 16	— 10
Building permits, less federal contracts \$	169,131	+181	+134
Bank debits (thousands).....\$	16,990	— 3	+ 3
End-of-month deposits (thousands)\$..\$	22,303	+ 1	+ 3
Annual rate of deposit turnover.....	9.2	**	**
Nonagricultural placements .....	67	— 49	— 69

## MERCEDES (pop. 10,940)

Postal receipts* .....	4,523	— 5	— 10
Building permits, less federal contracts \$	31,125	— 30	— 10
Bank debits (thousands).....\$	5,338	— 4	+ 3
End-of-month deposits (thousands)\$..\$	3,980	— 12	+ 2
Annual rate of deposit turnover.....	15.1	+ 7	— 3

## MEXIA (pop. 6,121)

Postal receipts* .....	5,380	— 14	+ 11
Building permits, less federal contracts \$	28,000	+ 4	+100
Bank debits (thousands).....\$	3,929	— 10	+ 7
End-of-month deposits (thousands)\$..\$	4,723	— 2	**
Annual rate of deposit turnover.....	9.9	— 10	— 36

## MESQUITE (pop. 27,526)

Postal receipts* .....	10,469	— 19	— 15
Building permits, less federal contracts \$	740,860	— 33	— 61
Bank debits (thousands).....\$	6,940	— 2	+ 11
End-of-month deposits (thousands)\$..\$	5,920	+ 4	— 15
Annual rate of deposit turnover.....	14.4	— 8	+ 13
Employment (area) .....	461,600	**	+ 2
Manufacturing employment (area) ..	102,900	**	+ 7
Percent unemployed (area) .....	4.1	+ 21	— 5

## MIDLAND (pop. 62,625)

Postal receipts .....	91,450	+ 4	— 3
Building permits, less federal contracts \$	2,581,585	+362	+ 76
Bank debits (thousands).....\$	122,748	— 7	+ 3
End-of-month deposits (thousands)\$..\$	98,090	— 1	— 7
Annual rate of deposit turnover.....	14.9	— 7	+ 6
Employment (area) .....	54,700	**	+ 1
Manufacturing employment (area) ..	2,670	**	+ 15
Percent unemployed (area) .....	3.7	+ 19	+ 12
Nonagricultural placements .....	578	— 25	+ 1

## MIDLOTHIAN (pop. 1,521)

Bank debits (thousands).....\$	1,216	— 19	+ 1
End-of-month deposits (thousands)\$..\$	1,809	— 3	+ 6
Annual rate of deposit turnover.....	8.0	— 17	— 2

## MINERAL WELLS (pop. 11,053)

Postal receipts* .....	11,064	— 21	— 7
Building permits, less federal contracts \$	507,075	+ 19	+642
Bank debits (thousands).....\$	11,425	— 6	+ 23
End-of-month deposits (thousands)\$..\$	13,556	+ 1	+ 27
Annual rate of deposit turnover.....	10.2	— 7	— 1
Nonagricultural placements .....	55	— 54	— 45

## MISSION (pop. 14,081)

Postal receipts* .....	8,134	+ 2	+ 2
Building permits, less federal contracts \$	70,762	+ 69	+ 53
Bank debits (thousands).....\$	10,156	— 3	+ 2
End-of-month deposits (thousands)\$..\$	8,902	— 5	+ 4
Annual rate of deposit turnover.....	13.4	+ 1	— 4

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>MONAHANS (pop. 8,567)</b>			
Postal receipts* .....	7,441	— 23	— 2
Building permits, less federal contracts \$	49,350	— 72	+ 67
Bank debits (thousands).....\$	10,037	— 3	— 5
End-of-month deposits (thousands)\$..\$	7,507	— 10	— 9
Annual rate of deposit turnover.....	15.2	— 1	+ 1

## MUENSTER (pop. 1,190)

Postal receipts* .....	1,009	— 27	— 51
Building permits, less federal contracts \$	20,000	— 67	+567
Bank debits (thousands).....\$	2,190	— 17	+ 4
End-of-month deposits (thousands)\$..\$	2,265	+ 9	+ 23
Annual rate of deposit turnover.....	12.1	— 18	— 13

## NACOGDOCHES (pop. 12,674)

Retail sales .....			
Apparel stores .....	— 1†	+ 8	+ 8
Postal receipts* .....	21,355	+ 36	+ 39
Building permits, less federal contracts \$	55,120	— 96	— 96
Bank debits (thousands).....\$	17,345	— 5	+ 7
End-of-month deposits (thousands)\$..\$	18,917	— 2	+ 22
Annual rate of deposit turnover.....	10.9	— 8	— 13
Nonagricultural placements .....	100	— 12	— 17

## NEDERLAND (pop. 12,036)

Building permits, less federal contracts \$	168,999	+ 13	+ 53
Bank debits (thousands).....\$	5,293	— 5	+ 3
End-of-month deposits (thousands)\$..\$	3,976	— 4	+ 6
Annual rate of deposit turnover.....	15.6	— 5	— 1

## NEW BRAUNFELS (pop. 15,631)

Postal receipts* .....	19,483	+ 16	+ 3
Building permits, less federal contracts \$	50,024	— 85	— 49
Bank debits (thousands).....\$	12,181	**	+ 31
End-of-month deposits (thousands)\$..\$	12,186	— 3	+ 8
Annual rate of deposit turnover.....	11.8	**	+ 19

## NORTH RICHLAND HILLS (pop. 8,662)

Building permits, less federal contracts \$	146,096	— 7	...
Bank debits (thousands).....\$	1,934	+ 2	...
End-of-month deposits (thousands)\$..\$	1,146	+ 4	...
Annual rate of deposit turnover.....	20.7	+ 37	...

## ODESSA (pop. 80,338)

Retail sales .....	— 1†	— 5	+ 4
Furniture and household appliance stores .....	— 1†	+ 10	— 14
General merchandise stores .....	+ 2†	+ 4	— 6
Postal receipts* .....	71,035	— 5	+ 11
Building permits, less federal contracts \$	468,002	— 77	— 29
Bank debits (thousands).....\$	71,875	— 5	— 1
End-of-month deposits (thousands)\$..\$	71,609	— 4	+ 9
Annual rate of deposit turnover.....	11.8	— 7	— 9
Employment (area) .....	54,700	**	+ 1
Manufacturing employment (area) ..	2,670	**	+ 15
Percent unemployed (area) .....	3.7	+ 19	+ 12
Nonagricultural placements .....	384	— 35	— 42

## ORANGE (pop. 25,605)

Postal receipts* .....	20,434	— 26	— 18
Building permits, less federal contracts \$	98,539	— 73	— 24
Bank debits (thousands).....\$	30,092	— 2	+ 3
End-of-month deposits (thousands)\$..\$	25,152	+ 1	+ 12
Annual rate of deposit turnover.....	14.4	— 6	— 8
Employment (area) .....	107,000	**	+ 2
Manufacturing employment (area) ..	34,340	— 1	+ 13
Percent unemployed (area) .....	7.3	+ 18	+ 6
Nonagricultural placements .....	319	+ 72	+ 89

## PALESTINE (pop. 13,974)

Postal receipts* .....	13,932	**	— 4
Building permits, less federal contracts \$	80,035	— 43	— 63
Bank debits (thousands).....\$	11,666	— 3	— 6
End-of-month deposits (thousands)\$..\$	15,676	**	+ 8
Annual rate of deposit turnover.....	8.9	— 7	— 14

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>PAMPA (pop. 24,664)</b>			
Retail sales .....	— 1†	— 7	— 3
Eating and drinking places.....	— 6†	— 8	+ 21
Food stores .....	— 3†	— 13	— 8
Lumber, building material, and hardware stores.....	— 9†	— 6	— 13
Postal receipts* .....	\$ 23,907	+ 4	+ 9
Building permits, less federal contracts \$	43,600	— 49	— 33
Bank debits (thousands).....	\$ 24,400	— 3	+ 3
End-of-month deposits (thousands) \$..	\$ 22,451	+ 3	**
Annual rate of deposit turnover.....	13.2	— 6	+ 3
Nonagricultural placements .....	137	— 22	+ 65

## PARIS (pop. 20,977)

Retail sales .....			
Apparel stores .....	— 1†	+ 1	+ 4
Automotive stores .....	— 1†	+ 6	**
Postal receipts* .....	\$ 17,759	— 17	— 1
Building permits, less federal contracts \$	64,978	— 72	— 76
Bank debits (thousands).....	\$ 19,123	— 4	+ 3
End-of-month deposits (thousands) \$..	\$ 15,335	+ 1	+ 9
Annual rate of deposit turnover.....	15.0	— 7	— 4
Nonagricultural placements .....	93	— 55	— 28

## PHARR (pop. 14,106)

Postal receipts* .....	\$ 5,087	— 8	— 20
Building permits, less federal contracts \$	60,713	— 4	+ 35
Bank debits (thousands).....	\$ 3,530	— 4	— 2
End-of-month deposits (thousands) \$..	\$ 3,437	— 1	+ 2
Annual rate of deposit turnover.....	12.3	+ 2	— 4

## PILOT POINT (pop. 1,254)

Building permits, less federal contracts \$	400	— 19	...
Bank debits (thousands).....	\$ 1,254	— 22	+ 29
End-of-month deposits (thousands) \$..	\$ 1,863	**	+ 8
Annual rate of deposit turnover.....	8.1	— 28	+ 21

## PLAINVIEW (pop. 18,735)

Retail sales .....			
Automotive stores .....	— 1†	+ 9	+ 32
Postal receipts* .....	\$ 20,110	— 9	— 4
Building permits, less federal contracts \$	304,750	+ 4	+ 21
Bank debits (thousands).....	\$ 43,117	+ 7	+ 11
End-of-month deposits (thousands) \$..	\$ 28,519	+ 10	+ 15
Annual rate of deposit turnover.....	19.0	— 4	— 1
Nonagricultural placements .....	220	— 19	+ 15

## PLANO (pop. 3,695)

Postal receipts* .....	\$ 4,156	— 9	— 17
Building permits, less federal contracts \$	94,666	— 48	— 78
Bank debits (thousands).....	\$ 2,432	+ 46	+ 14
End-of-month deposits (thousands) \$..	\$ 2,262	— 18	+ 4
Annual rate of deposit turnover.....	11.6	+ 47	— 3

## PORT ARTHUR (pop. 66,676)

Retail sales .....	— 1†	— 11	— 1
Automotive stores .....	— 1†	— 23	+ 14
Food stores .....	— 3†	+ 2	— 8
Furniture and household appliance stores .....	— 1†	— 15	— 22
Gasoline and service stations.....	— 1†	— 11	— 5
Lumber, building material, and hardware stores.....	— 9†	— 8	— 19
Postal receipts* .....	\$ 43,757	— 19	— 21
Building permits, less federal contracts \$	1,102,506	+232	+377
Bank debits (thousands).....	\$ 62,881	— 1	— 1
End-of-month deposits (thousands) \$..	\$ 45,537	— 2	— 2
Annual rate of deposit turnover.....	16.4	— 4	— 1
Employment (area) .....	107,000	**	+ 2
Manufacturing employment (area) ..	34,340	— 1	+ 13
Percent unemployed (area).....	7.3	+ 18	+ 6

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>PORT ISABEL (pop. 3,575)</b>			
Postal receipts* .....	\$ 1,478	— 35	— 5
Building permits, less federal contracts \$	17,650	— 73	+358
Bank debits (thousands).....	\$ 1,317	— 4	+ 24
End-of-month deposits (thousands) \$..	\$ 1,258	— 12	+ 41
Annual rate of deposit turnover.....	11.8	+ 1	— 16

## PORT NECHES (pop. 8,696)

Postal receipts* .....	\$ 6,130	**	— 30
Building permits, less federal contracts \$	72,395	— 24	+ 71
Bank debits (thousands).....	\$ 7,775	— 4	+ 7
End-of-month deposits (thousands) \$..	\$ 6,106	— 3	+ 8
Annual rate of deposit turnover.....	15.1	— 4	— 3

## RAYMONDVILLE (pop. 9,385)

Postal receipts* .....	\$ 5,147	— 24	— 8
Building permits, less federal contracts \$	18,700	— 9	+ 73
Bank debits (thousands).....	\$ 6,214	— 9	+ 4
End-of-month deposits (thousands) \$..	\$ 9,009	— 4	+ 8
Annual rate of deposit turnover.....	8.1	— 4	— 5
Nonagricultural placements .....	119	— 22	+ 3

## ROBSTOWN (pop. 10,266)

Postal receipts* .....	\$ 5,098	— 30	— 19
Building permits, less federal contracts \$	24,720	— 33	— 34
Bank debits (thousands).....	\$ 9,317	— 16	+ 3
End-of-month deposits (thousands) \$..	\$ 9,901	— 9	— 8
Annual rate of deposit turnover.....	10.7	— 9	+ 10

## ROCKDALE (pop. 4,481)

Postal receipts* .....	\$ 3,852	— 5	+ 13
Building permits, less federal contracts \$	2,500	— 93	— 58
Bank debits (thousands).....	\$ 4,179	— 2	+ 16
End-of-month deposits (thousands) \$..	\$ 5,816	— 1	+ 7
Annual rate of deposit turnover.....	8.6	**	+ 9

## SAN ANGELO (pop. 58,815)

Retail sales .....	— 1†	+ 14	+ 3
Apparel stores .....	— 1†	— 2	— 12
Jewelry stores .....	...	+ 44	+ 13
Postal receipts* .....	\$ 67,129	— 17	— 9
Building permits, less federal contracts \$	497,430	— 72	+ 44
Bank debits (thousands).....	\$ 53,222	— 12	— 2
End-of-month deposits (thousands) \$..	\$ 47,636	**	— 5
Annual rate of deposit turnover.....	13.4	— 12	+ 2
Employment (area) .....	20,000	**	+ 2
Manufacturing employment (area) ..	3,140	**	+ 16
Percent unemployed (area).....	4.4	— 4	— 10

## SAN ANTONIO (pop. 587,718)

Retail sales .....	+ 10†	**	+ 6
Apparel stores .....	+ 5†	+ 12	+ 6
Automotive stores .....	+ 3†	— 5	+ 20
Drug stores .....	— 6†	**	— 1
Eating and drinking places.....	— 1†	+ 1	+ 18
Food stores .....	— 5†	— 6	— 2
Furniture and household appliance stores .....	+ 4†	— 10	+ 4
Gasoline and service stations.....	— 3†	— 2	+ 9
General merchandise stores.....	— 5†	+ 22	+ 5
Jewelry stores .....	...	+ 55	+ 12
Lumber, building material, and hardware stores.....	— 11†	— 20	— 13
Postal receipts* .....	\$ 701,113	— 8	— 3
Building permits, less federal contracts \$	4,473,440	+ 26	— 1
Bank debits (thousands).....	\$ 671,420	— 7	+ 4
End-of-month deposits (thousands) \$..	\$ 422,358	+ 3	+ 7
Annual rate of deposit turnover.....	19.4	— 9	— 1
Employment (area) .....	208,400	**	**
Manufacturing employment (area) ..	24,325	— 2	— 1
Percent unemployed (area).....	5.2	+ 16	+ 4

## SAN JUAN (pop. 4,371)

Postal receipts* .....	\$ 2,473	— 19	— 7
Building permits, less federal contracts \$	12,325	— 34	+ 30
Bank debits (thousands).....	\$ 2,215	+ 4	+ 3
End-of-month deposits (thousands) \$..	\$ 1,964	+ 2	— 8
Annual rate of deposit turnover.....	13.7	+ 1	+ 15

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961

### SAN MARCOS (pop. 12,713)

Postal receipts*	9,375	- 23	- 4
Building permits, less federal contracts \$	167,381	- 68	+466
Bank debits (thousands)	7,284	- 13	+ 15
End-of-month deposits (thousands)\$	8,953	- 4	+ 12
Annual rate of deposit turnover	9.6	- 11	+ 2

### SAN SABA (pop. 2,728)

Postal receipts*	2,546	- 21	- 4
Bank debits (thousands)	5,098	- 2	- 6
End-of-month deposits (thousands)\$	4,821	+ 1	- 4
Annual rate of deposit turnover	12.7	- 2	- 2

### SEAGOVILLE (pop. 3,745)

Postal receipts*	2,671	- 41	+ 32
Bank debits (thousands)	2,390	- 3	+ 20
End-of-month deposits (thousands)\$	1,514	+ 2	+ 19
Annual rate of deposit turnover	19.1	- 7	+ 4

### SEGUIN (pop. 14,299)

Postal receipts*	9,313	- 23	- 10
Building permits, less federal contracts \$	63,681	+ 66	- 1
Bank debits (thousands)	9,900	- 14	**
End-of-month deposits (thousands)\$	14,591	- 2	**
Annual rate of deposit turnover	8.1	- 13	**

### SHERMAN (pop. 24,988)

Retail sales			
Automotive stores	- 1†	+ 5	+ 5
Furniture and household appliance stores	- 1†	- 17	+ 4
Postal receipts*	30,009	- 1	+ 5
Building permits, less federal contracts \$	280,230	+ 61	+ 4
Bank debits (thousands)	32,411	+ 3	+ 31
End-of-month deposits (thousands)\$	20,162	- 5	+ 2
Annual rate of deposit turnover	18.8	+ 2	+ 25
Nonagricultural placements	177	- 38	+ 21

### SILSBEE (pop. 6,277)

Postal receipts*	6,865	- 17	+ 4
Bank debits (thousands)	4,106	- 6	+ 7
End-of-month deposits (thousands)\$	5,557	+ 2	+ 5
Annual rate of deposit turnover	9.0	- 8	+ 3

### SINTON (pop. 6,008)

Postal receipts*	4,765	- 5	- 18
Building permits, less federal contracts \$	45,800	+6443	+394
Bank debits (thousands)	4,779	- 4	+ 15
End-of-month deposits (thousands)\$	5,403	+ 15	+ 14
Annual rate of deposit turnover	11.4	- 1	+ 12

### SLATON (pop. 6,568)

Postal receipts*	3,270	- 29	- 22
Building permits, less federal contracts \$	96,212	+272	+712
Bank debits (thousands)	4,117	- 3	- 10
End-of-month deposits (thousands)\$	4,123	+ 12	- 7
Annual rate of deposit turnover	12.6	- 10	- 3
Employment (area)	53,200	+ 2	+ 2
Manufacturing employment (area)	6,260	+ 4	+ 17
Percent unemployed (area)	3.6	+ 6	- 23

### SMITHVILLE (pop. 2,933)

Postal receipts*	1,577	- 38	- 20
Building permits, less federal contracts \$	750	- 91	- 81
Bank debits (thousands)	1,124	- 11	- 1
End-of-month deposits (thousands)\$	2,303	+ 1	**
Annual rate of deposit turnover	5.9	- 11	- 2

### SNYDER (pop. 13,850)

Postal receipts*	9,576	- 31	- 19
Building permits, less federal contracts \$	26,170	- 71	+1439
Bank debits (thousands)	14,055	+ 9	- 3
End-of-month deposits (thousands)\$	19,392	+ 9	+ 3
Annual rate of deposit turnover	9.1	- 2	- 1

## Local Business Conditions

City and item	Percent change		
	Nov 1962	Nov 1962 from Oct 1962	Nov 1962 from Nov 1961

### SOUTH HOUSTON (pop. 7,253)

Building permits, less federal contracts \$	355,584	+263	+9642
Bank debits (thousands)	4,904	+ 4	+ 27
End-of-month deposits (thousands)\$	3,215	- 5	+ 13
Annual rate of deposit turnover	17.8	+ 7	+ 10

### SULPHUR SPRINGS (pop. 9,160)

Retail sales			
Automotive stores	- 1†	+ 2	- 5
Postal receipts*	7,986	- 19	- 2
Building permits, less federal contracts \$	49,450	- 65	+ 40
Bank debits (thousands)	11,734	- 4	+ 2
End-of-month deposits (thousands)\$	13,059	- 1	- 4
Annual rate of deposit turnover	10.7	- 6	+ 6

### SWEETWATER (pop. 13,914)

Postal receipts*	9,664	- 44	+ 2
Bank debits (thousands)	14,052	- 3	+ 2
End-of-month deposits (thousands)\$	10,595	+ 2	+ 3
Annual rate of deposit turnover	16.1	- 8	+ 2
Nonagricultural placements	91	- 30	- 11

### TAYLOR (pop. 9,434)

Postal receipts*	7,324	- 11	- 2
Building permits, less federal contracts \$	16,600	- 76	- 61
Bank debits (thousands)	8,133	- 13	+ 13
End-of-month deposits (thousands)\$	14,980	- 4	+ 11
Annual rate of deposit turnover	6.4	- 12	+ 3
Nonagricultural placements	54	- 37	- 4

### TEMPLE (pop. 30,419)

Retail sales			
Apparel stores	- 1†	+ 4	+ 14
Furniture and household appliance stores	- 1†	+ 8	+ 10
Lumber, building material, and hardware stores	- 1†	+ 4	- 2
Postal receipts*	32,557	- 19	- 8
Building permits, less federal contracts \$	310,335	- 27	- 56
Bank debits (thousands)	27,656	- 4	+ 10
Nonagricultural placements	134	- 52	- 20

### TERRELL (pop. 13,803)

Postal receipts*	8,705	- 21	+ 3
Building permits, less federal contracts \$	37,460	- 97	- 70
Bank debits (thousands)	8,063	- 11	+ 7
End-of-month deposits (thousands)\$	8,491	- 1	+ 13
Annual rate of deposit turnover	11.3	- 14	- 3
Nonagricultural placements	51	- 50	- 28

### TEXARKANA, TEX. (pop. 30,218)

Retail sales			
Furniture and household appliance stores	- 1†	+ 13	+ 32
Postal receipts*	57,809	- 9	+ 2
Building permits, less federal contracts \$	237,170	+108	- 15
Bank debits (thousands)\$	58,851	- 11	+ 5
End-of-month deposits (thousands)\$	17,535	**	+ 1
Annual rate of deposit turnover	18.1	- 3	+ 8
Employment (area)	31,100	**	+ 4
Manufacturing employment (area)	5,450	- 1	+ 27
Percent unemployed (area)	6.4	+ 7	- 16



## Local Business Conditions

Local Business Conditions		Percent change	
		Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
City and item	Nov 1962		
<hr/>			
TEXAS CITY (pop. 32,065)			
Postal receipts* .....	\$ 21,531	— 2	+ 8
Building permits, less federal contracts \$	286,725	+ 1	+ 15
Bank debits (thousands) .....	\$ 23,043	+ 6	— 15
End-of-month deposits (thousands)†. \$	14,676	+ 3	— 15
Annual rate of deposit turnover .....	19.1	+ 4	— 4
Employment (area) .....	52,000	**	— 1
Manufacturing employment (area) ..	10,520	— 1	— 1
Percent unemployed (area) .....	8.9	+ 5	+ 5

## TOMBALL (pop. 1,713)

Building permits, less federal contracts \$	8,100	— 96	...
Bank debits (thousands)	6,818	— 18	— 8
End-of-month deposits (thousands) \$	5,750	— 4	+ 6
Annual rate of deposit turnover	13.9	— 13	— 12

## TYLER (pop. 51,230)

Retail sales	— 1†	— 6	— 2
Apparel stores	— 1†	+ 12	+ 6
Automotive stores	— 1†	— 9	— 3
Postal receipts*	\$ 90,137	— 3	+ 1
Building permits, less federal contracts \$	442,395	— 63	— 16
Bank debits (thousands)	96,814	— 4	+ 4
End-of-month deposits (thousands) \$	63,557	— 2	+ 2
Annual rate of deposit turnover	18.1	— 4	+ 2
Employment (area)	31,100	**	...
Manufacturing employment (area)	7,020	— 2	...
Percent unemployed (area)	4.6	+ 21	...
Nonagricultural placements	617	— 33	— 26

## UVALDE (pop. 10,293)

Postal receipts*	\$ 7,116	— 20	— 3
Building permits, less federal contracts \$	64,274	— 70	— 22
Bank debits (thousands)	12,706	— 10	+ 50
End-of-month deposits (thousands) \$	8,864	— 5	— 1
Annual rate of deposit turnover	16.8	— 5	+ 51

## VERNON (pop. 12,141)

Postal receipts*	\$ 9,436	— 11	— 11
Building permits, less federal contracts \$	98,925	+ 37	— 12
Bank debits (thousands)	16,913	+ 13	— 16
End-of-month deposits (thousands) \$	18,607	— 2	— 6
Annual rate of deposit turnover	10.8	+ 13	— 11
Nonagricultural placements	55	— 5	— 42

## VICTORIA (pop. 33,047)

Retail sales	— 1†	— 4	— 2
Automotive stores	— 1†	— 6	— 4
Food stores	— 3†	— 4	+ 7
Postal receipts*	\$ 36,304	+ 3	— 2
Building permits, less federal contracts \$	219,355	— 56	— 89
Bank debits (thousands)	64,944	— 4	+ 9
End-of-month deposits (thousands) \$	79,729	**	+ 3
Annual rate of deposit turnover	9.8	— 6	+ 5
Nonagricultural placements	361	— 40	— 53

## WAXAHACHIE (pop. 12,749)

Postal receipts*	\$ 12,699	— 2	+ 1
Building permits, less federal contracts \$	1,550	— 97	— 89
Bank debits (thousands)	9,589	— 26	— 13
End-of-month deposits (thousands) \$	10,179	— 17	— 7
Annual rate of deposit turnover	10.2	— 12	— 8
Nonagricultural placements	61	— 26	— 35

## Local Business Conditions

Local Business Conditions	City and item	Percent change	
		Nov 1962 from Oct 1962	Nov 1962 from Nov 1961
<b>WACO (pop. 103,462<sup>r</sup>)</b>			
Retail sales	— 1†	— 1	+ 10
Apparel stores	— 1†	— 6	— 5
Lumber, building material, and hardware stores	— 9†	— 32	+ 16
Postal receipts*	\$ 173,966	+ 8	+ 10
Building permits, less federal contracts \$	1,048,797	+ 83	+ 29
Bank debits (thousands)	\$ 112,003	— 9	+ 3
End-of-month deposits (thousands) \$	75,463	+ 4	+ 6
Annual rate of deposit turnover	18.1	— 12	— 2
Employment (area)	49,600	**	+ 3
Manufacturing employment (area)	10,220	**	+ 5
Percent unemployed (area)	5.2	+ 18	— 7

## WEATHERFORD (pop. 9,759)

Postal receipts*	\$ 9,134	— 6	— 10
Building permits, less federal contracts \$	40,375	— 66	— 64
End-of-month deposits (thousands) \$	13,686	+ 6	— 10

## WESLACO (pop. 15,649)

Retail sales	...	...	...
Automotive stores	— 1†	— 9	— 19
Food stores	— 3†	+ 1	— 6
Postal receipts*	\$ 8,142	— 13	+ 1
Building permits, less federal contracts \$	64,440	+ 80	— 21
Bank debits (thousands)	6,182	— 13	+ 1
End-of-month deposits (thousands) \$	7,355	— 3	— 7
Annual rate of deposit turnover	9.9	— 8	+ 2

## WICHITA FALLS (pop. 101,724)

Retail sales	— 1†	+ 11	+ 14
Apparel stores	— 1†	+ 13	— 3
Automotive stores	— 1†	+ 3	+ 29
Eating and drinking places	— 6†	— 1	+ 6
Furniture and household appliance stores	— 1†	— 10	— 6
Postal receipts	\$ 134,809	— 14	+ 4
Building permits, less federal contracts \$	1,455,453	+ 64	+ 73
Bank debits (thousands)	117,864	— 4	— 3
End-of-month deposits (thousands) \$	93,950	**	— 6
Annual rate of deposit turnover	15.1	— 3	+ 3
Employment (area)	45,850	**	+ 1
Manufacturing employment (area)	3,910	— 2	+ 5
Percent unemployed (area)	4.6	+ 10	— 13

## LOWER RIO GRANDE VALLEY (pop. 352,036) (Cameron, Willacy, and Hidalgo Counties)

Retail sales	— 1†	— 6	— 1
Apparel stores	— 1†	+ 33	+ 6
Automotive stores	— 1†	— 14	— 4
Drug stores	— 5†	+ 5	+ 4
Food stores	— 3†	— 2	— 2
Furniture and household appliance stores	— 1†	+ 17	— 9
Gasoline and service stations	— 1†	— 7	+ 12
General merchandise stores	+ 2†	+ 31	— 3
Jewelry stores	...	+ 59	+ 76
Lumber, building material, and hardware stores	— 9†	— 14	+ 13
Office, store, and school supply dealers	...	+ 23	— 14
Postal receipts*	...	— 13	— 8
Building permits, less federal contracts	...	— 17	— 65
Bank debits (thousands)	...	— 10	**
End-of-month deposits (thousands) \$	...	— 5	+ 7
Annual rate of deposit turnover	14.2	— 8	— 7

# BAROMETERS OF TEXAS BUSINESS

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1957-59, except where indicated; all are adjusted for seasonal variation, except annual indexes. Employment estimates are Texas Employment Commission data in cooperation with the Bureau of Labor Statistics of the U. S. Department of Labor. The index of Texas business activity is based on bank debits in 20 cities, adjusted for price level. An asterisk (\*) indicates preliminary data subject to revision. Revised data are marked (r).

	Nov. 1962	Oct. 1962	Nov. 1961	Year-to-date average	
				1962	1961
<b>GENERAL BUSINESS ACTIVITY</b>					
Texas business activity, index.....	131.3*	128.1	125.4	129.5	117.6
Miscellaneous freight carloadings in SW District, index.....	81.1	77.8	77.5	76.9	92.2
Ordinary life insurance sales, index.....	136.5	129.5	126.1	115.8	107.9
Wholesale prices in U. S., unadjusted index.....	100.7	100.7	100.0	100.6	100.3
Consumers' prices in Houston, unadjusted index.....	104.5	...	103.9	104.6	102.6
Consumers' prices in U. S., unadjusted index.....	106.0	106.0	104.6	105.4	104.2
Business failures (number).....	51	65	41	44	48
Newspaper lineage, index.....	107.7	101.0	104.2	103.9	100.3
<b>TRADE</b>					
Total retail sales, index.....	113.8*	116.3r	109.4r	...	...
Durable-goods sales, index.....	121.3*	131.7r	111.3r	...	...
Nondurable-goods sales, index.....	109.9*	108.4r	108.8r	...	...
Ratio of credit sales to net sales in department and apparel stores....	76.7	74.7	76.9r	73.3	73.3
Ratio of collections to outstandings in department and apparel stores..	37.7	37.8	39.3r	37.3	38.1
<b>PRODUCTION</b>					
Total electric power consumption, index.....	143.7*	141.0	122.4	135.6	117.5
Industrial electric power consumption, index.....	132.5*	127.7	114.0	125.3	108.1
Crude oil production, index.....	91.8*	92.2r	92.1	92.3	92.0
Crude oil runs to stills, index.....	110.3	111.7	99.9	109.7	104.2
Industrial production in U.S., index.....	119.5	119.5	114.8	118.2	108.8
Texas industrial production—total index.....	114	112	109	112	107
Texas industrial production—manufacturing index.....	124	122	118	122	114
Texas industrial production—durable goods, index.....	117	117	114	117	109
Texas industrial production—nondurable goods, index.....	130	125	121	127r	118
Texas mineral production, index.....	100	99	96	98	97
Average daily production per oil well.....	12.3	12.3	12.7	12.5	12.8
Construction authorized, index.....	134.6	124.9	119.7	124.7	112.9
Residential building, index.....	130.0	118.4	115.0	118.7	102.6
Nonresidential building, index.....	139.1	133.3	127.1	135.2	129.2
<b>AGRICULTURE</b>					
Prices received by farmers, unadjusted index (1910-14=100).....	263	261	265	261	255
<b>FINANCE</b>					
Bank debits, index.....	132.2	129.0	125.4	130.2	117.9
Bank debits, U. S., index.....	142.7	144.1	131.9	137.2	124.4
Reporting member banks, Dallas Reserve District:					
Loans (millions).....	\$ 3,495	\$ 3,410	\$ 3,191	\$ 3,347	\$ 3,050
Loans and investments (millions).....	\$ 5,597	\$ 5,517	\$ 5,136	\$ 5,392	\$ 4,977
Adjusted demand deposits (millions).....	\$ 2,916	\$ 2,845	\$ 2,860	\$ 2,861	\$ 2,761
Revenue receipts of the State Comptroller (thousands).....	\$143,947	\$113,438	\$119,219	\$126,728	\$105,948
Federal internal revenue receipts (thousands).....	\$471,655	\$167,531	\$385,261	\$335,741	\$289,424
<b>LABOR</b>					
Total nonagricultural employment (thousands).....	2,579.1*	2,578.8r	2,537.4	2,554.5	2,518.1
Total manufacturing employment (thousands).....	488.1*	489.7r	485.1	490.5	483.2
Durable-goods employment (thousands).....	236.3*	236.7r	234.0	236.9	230.5
Nondurable-goods employment (thousands).....	251.8*	253.0r	251.1	253.5	252.6
Total nonagricultural labor force in 18 labor market areas (thousands)	2,357.1	2,355.0	2,345.1	2,345.2	2,330.7
Employment in 18 labor market areas (thousands).....	2,182.7	2,183.6	2,151.5	2,171.8	2,130.9
Manufacturing employment in 18 labor market areas (thousands)	389.6	391.6	377.8	393.5	382.4
Total unemployment in 18 labor market areas (thousands).....	111.1	99.9	115.5	107.6	125.3
Percent of labor force unemployed in 18 labor market areas.....	4.7	4.2	4.9	4.6	5.4
Average weekly earnings—manufacturing, index.....	111.7*	110.9r	110.8	111.2	107.4
Average weekly hours—manufacturing, index.....	100.6*	99.8r	100.8	100.7	99.8

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