

# TEXAS BUSINESS REVIEW

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

BUREAU OF BUSINESS RESEARCH : THE UNIVERSITY OF TEXAS

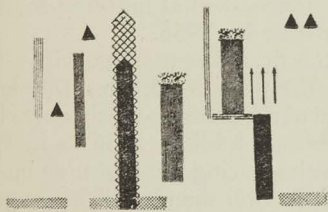
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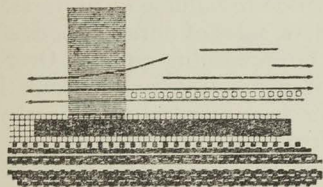
*Everything is just around the corner for*

## Texas Metropolitan Shoppers



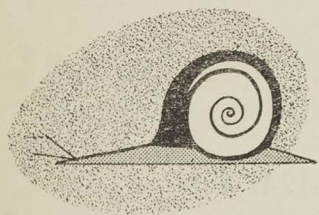
### **Vertical expansion is the downtown keynote.**

Dallas, Houston, Fort Worth, and most major cities are elevator-oriented. But traffic in and out of these skyscraping commercial centers overloads streets, especially where private automobiles are dominant. Parking congestion also follows.



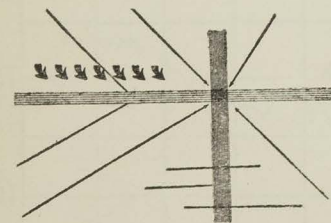
### **Horizontal growth came with the automobile.**

Excessive decentralization, though, shatters the housewife's dream of one-stop shopping. Strip shopping concentrations along busy streets bring further traffic problems. Solution: planned shopping centers, offering variety of merchandise.



### **Self-containment is one goal of planners.**

Space occupancy is carefully designed in centers. Most big centers have a major department store surrounded by specialized shops and copious peripheral parking areas. Texas examples: Gulfgate in Houston, Harris Center in Dallas, and others.



### **Accessibility to consumers is imperative.**

Market analysts plot where metropolitan shoppers live, what locations are most easily reached by car from the largest number of customers' homes. Nearness to expressways, arterial streets is a top consideration. Access lanes must be built.

**Now turn to page 8 for an analysis of how Texans are meeting the new challenge in retailing.**

# The Business Situation in Texas

The index of business activity compiled by the Bureau of Business Research declined in September for the fourth consecutive month. The preliminary value of the index for August (published in the October issue of the *Texas Business Review*) showed no change from July. But when complete data became available, the index value declined from 161 to 160. The preliminary value for September again declined, bringing the latest value of the index to 159.

The all-time high for the index, 174, was reached in February 1956. The average for the first half of this year was 171, compared with the 160 average for the third quarter. The average for the first nine months of 1956 was 167, while the average for the full year 1955 was 166. Although 1956 is still ahead of last year, the margin has become very small, and unless the index shows a distinct rise in the fourth quarter, the average level for 1956 will fail to top last year.

The table below shows the change in the components of

**INDEX OF TEXAS BUSINESS ACTIVITY AND COMPONENT SERIES**  
(Adjusted for seasonal variation, 1947-49 = 100)

Index	Weight	Sept 1956	Aug 1956	Percent change
<b>TEXAS BUSINESS ACTIVITY (COMPOSITE)</b>				
.....	100.0	159*	160*	- 1
Retail sales, deflated .....	46.8	123*	135*	- 9
Industrial electric power consumption.....	14.6	316*	291*	+ 9
Miscellaneous freight carloadings .....	10.0	97	90	+ 8
Building authorized, deflated .....	9.4	115*	116*	- 1
Crude petroleum production .....	8.1	127*	131*	- 3
Ordinary life insurance sales, deflated.....	4.2	227	221	+ 3
Crude oil runs to stills .....	3.9	142	147	- 3
Total electric power consumption.....	3.0	307*	299*	+ 3

\*Preliminary.

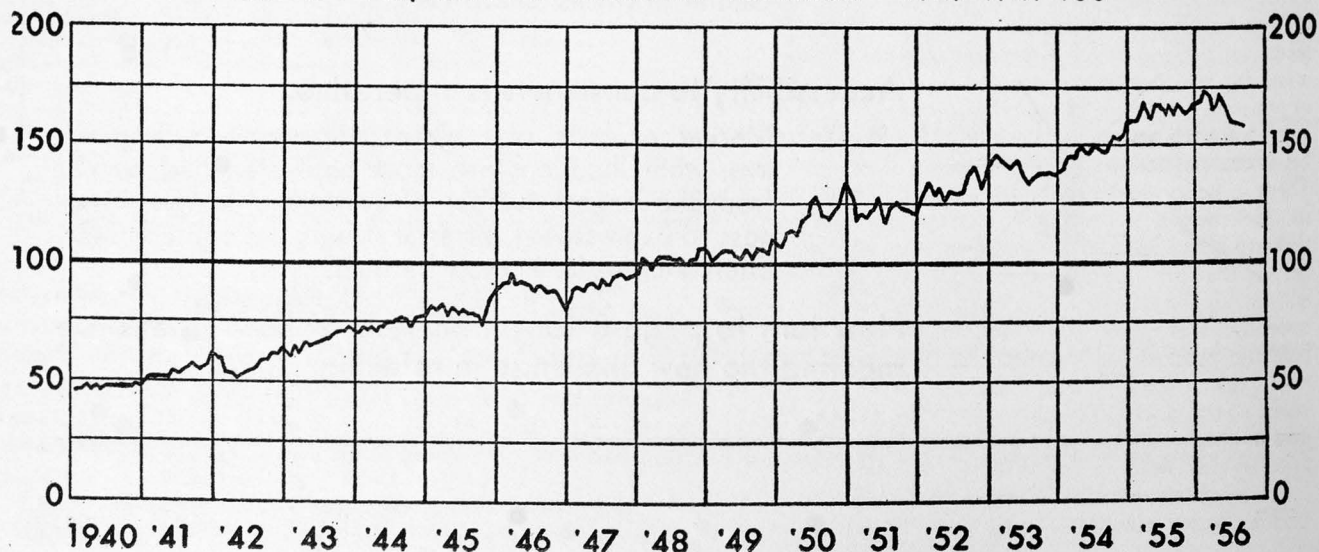
the index of business activity during September. The largest decline came in retail sales, which also receives the heaviest weight in computing the composite index. Crude runs to stills and crude oil production each declined 3%, while building authorized declined only 1%. The remaining four component series registered increases, but although the same number of series rose as declined, the greater weight assigned to the declining series resulted in a net decline in the composite index.

Analysis of the behavior of the component series included in the index of business activity in Texas shows that the factors that have held down the 1956 level of business are building activity and consumer spending for durable goods. A further analysis of the data on building shows that residential building has been responsible for the decline in the total; nonresidential building for 1956 to date is above the level reached in 1955.

Total retail sales for the first nine months, without adjustment for changes in the price level, were 6% below the average of 1955. Sales of nondurable-goods stores have remained at the same average level in 1956 as in 1955, but durable-goods store sales during the first nine months of 1956 have averaged 15% lower than in 1955. The greatest decline has been reported by automobile dealers, but furniture and appliance stores and building material stores also have registered a decline in volume of business. For each of the last four quarters, sales of durable-goods stores have been lower than in the preceding quarter. Over this same period, the sales of nondurable-goods stores have shown little variation. The four quarters of 1955 showed practically no deviation from the annual average; the first quarter of 1956 set a record, with the second quarter dropping off somewhat and the third quarter recovering almost to the level of 1955.

## TEXAS BUSINESS ACTIVITY

Index . Adjusted for seasonal variation 1947-1949-100



It appears that the very high level of consumer income in 1956 has sustained the sales of nondurable-goods stores, but much consumer income has been taken to repay the extremely large volume of instalment credit extended during 1955, particularly for the purchase of automobiles. The decline in durable-goods sales during 1956 is without much doubt related to the overexpansion of sales of durable goods last year.

No change in the prospects for residential building appears likely for the remainder of 1956. The index of residential building compiled by the Bureau of Business Research from reports of building permits issued shows that the value of residential building during the first nine months of 1956 was 26% below the level of 1955, with no allowance made for changing building costs. At the same time, the value of nonresidential building increased 15%. The resulting change in the value of all building was a decline of 9%, but because of the rise in construction costs this represented a decline of some 13% in the volume of building.

#### INDEX OF WHOLESALE PRICES IN THE UNITED STATES (1947-49 = 100)

Source: Bureau of Labor Statistics, U. S. Department of Labor

Index	1956*		Sept 1956	Oct 1956
	Oct 16	Oct 9		
ALL COMMODITIES .....	115.1	115.0	115.3	111.6
Farm products .....	88.4	88.1	90.2	86.8
Processed foods .....	103.4	103.3	104.0	100.2
All other commodities .....	123.0	123.0	122.9	119.0

\*Indexes shown are weekly and are calculated as a percent change for the latest published monthly comprehensive index. The weekly index is based on the actual weekly prices of a small sample (approximately 200 commodities) of the commodities included in the monthly index and on the estimated prices for all other commodities.

Tightened credit continues to be a factor in the building industry. It does not seem entirely correct to state that the shortage of credit is curtailing building activity. Funds are still apparently available but not in sufficient amounts to permit financial agencies to continue the extremely liberal terms that have prevailed in the past. In other words, speculative builders are not able to offer as liberal financing terms for their product, which means that the effective demand for housing has contracted. In spite of the high level of consumer income, many consumers already have extensive commitments that prevent their buying the houses now being constructed except on extremely liberal credit terms. There is no evidence that industrial, commercial, or public construction has suffered from the higher interest rates that are being charged. There seems to be good reason to believe that the very low interest rates of the past 20 years will no longer be available, but instead of saying that interest rates are now abnormally high, it is easier to defend the proposition that interest rates have been abnormally low since the early thirties. It seems likely that credit controls will continue to hold the expansion of business in check, although the gradual inflationary rise in the price level shows no signs of being reversed.

Crude oil production (+6%) and crude runs to stills (+8%) show substantial gains for the first nine months

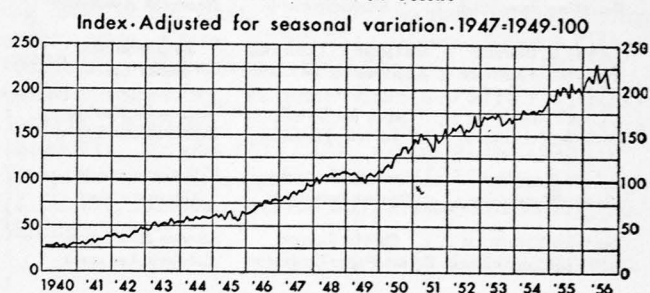
of 1956 over the level of last year. However, rising gasoline stocks carry a warning that the present level of production may be difficult to maintain. In addition, any change in the Suez crisis might have an immediate effect on the industry in Texas.

Industrial electric power consumption rose 9% in September, after declining for two successive months. For the first nine months of 1956 industrial power consumption was at a rate 12% above the average for 1955. Total electric power consumption was up 10%. The continued increase in electric power consumption reflects the expanding industrial activity in Texas. This phase of business continues to be the most dynamic segment of the economy and is probably the basic factor in the high level of business in the state.

Industrial production in the United States has risen to match the record levels of late last year, as the seasonally adjusted index of industrial production compiled by the Board of Governors of the Federal Reserve System rose from 142 in August to 144 in September. The rise reflected sharp increases in steel production and iron ore mining following the ending of the steel strike. The level reached by the production index represents close to full capacity operation for the industrial system. Any substantial increases in output will depend upon further expansion of plant capacity. Such expansion has been going on during 1956 at a record rate; the substantial share of this expansion that is being built in Texas is responsible for the continued industrial growth of the state.

The index of bank debits is constructed by the Bureau of Business Research from data collected by the Federal Reserve Bank of Dallas for leading Texas cities. It represents the value of business transactions in these cities and serves as a measure of total business activity in the state. It fails to represent the changes in the volume of business activity, in that it is influenced by changes in the level of prices and by the fact that it does not include data measuring directly the changes in business outside the 20 cities covered by the Federal Reserve Bank.

#### Bank Debits in Texas



The index of bank debits declined sharply in September after rising during recent months at a rate considerably above the rise in the index of business activity. The decline in September brings the index back to a level approximately equal to the index of business activity, although the average for the nine months of 1956 is approximately 6% above the level of 1955.

JOHN R. STOCKTON

# TEXAS BUSINESS REVIEW



Editor ..... John R. Stockton  
 Managing Editor ..... Robert H. Ryan

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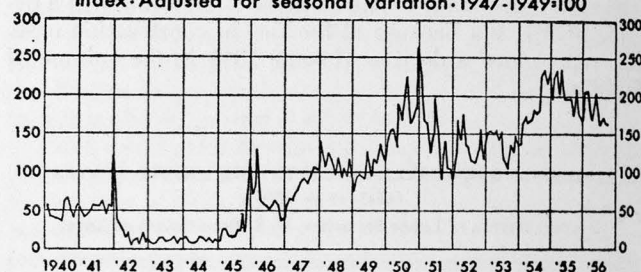
## CONSTRUCTION

### Lag in Housing

The dip in building construction authorized during September in Texas brought the level 1% below August 1956 and 5% below September 1955. Total building authorized during September was \$73 million, and the January-September value totalled \$719 million. After adjustment for seasonal variation, the first nine months of 1956 slipped 11% below the total recorded in the same period of 1955 but was 6% better than the nine-month total for 1954.

### Building Construction in Texas

Index - Adjusted for seasonal variation - 1947-1949=100



Lagging residential building registered its lowest monthly total in September (\$31 million) since January 1954. This decline, many authorities say, is caused by the increasingly pinched relationship between low down payment and interest rates, long-term repayment, and increasing building costs. Some builders are allegedly obliged to shift from the FHA-insured and VA-guaranteed homes that most modest-income families purchase to more expensive, conventionally financed houses. Result: fewer houses for fewer buyers.

Strong gains in nonresidential building authorized during September brought the monthly total in that category to \$35 million, a jump of 48% over weak August. Since 1942 only 13 months have topped the \$35 million September level in nonresidential building: December 1945; August, November, and December 1950; January 1951; April 1952; June and September 1953; September and October 1954; March 1955; and January and September 1956. The highest monthly total was registered in December 1950, when total nonresidential building reached an estimated \$62 million.

Construction employment rose in September following the return of some workers who had been unemployed because of disputes, the Texas Employment Commission reports. Others, however, were still out. The construction business is now coming to the time of year when jobs on

### VALUE OF CONSTRUCTION CONTRACTS AWARDED

Source: Dodge Statistical Research Service

Classification	Sept 1956	Aug 1956	Jan-Sept 1956
TOTAL CONSTRUCTION .....	131,496	140,702	1,325,635
ALL BUILDING .....	108,371	102,640	1,059,703
Residential building .....	48,094	58,347	575,739
Nonresidential building .....	60,277	44,293	483,964
PUBLIC WORKS AND UTILITIES .....	23,125	38,062	285,932

completed projects may not be matched by those on new starts. Receipt of government contracts has been fairly brisk to date, and the 1956 award total (\$64.3 million at the end of August) has been about on a par with 1955.

**The school boom** continues to stimulate Texas building. Educational structures authorized since January total \$79 million in value, an 80% increase over January-September 1955. Authorizations during September included five educational buildings at Fort Worth (\$1.69 million), three at Waco (\$1.66 million), three at Houston (\$1.32 million), and two at Dallas (\$1.20 million). Smaller cities authorizing large projects were Canyon (two permits for \$974,000 plus plans for \$1.3 million to be spent for two dormitories and a cafeteria), Sherman (two buildings for \$900,000), Denton (one for \$750,000), Monahans (four for \$602,280), and Crane (six buildings for \$600,000). At Beaumont, Lamar State College of Technology will begin work soon on a new \$700,000 men's gymnasium. At Ozona, the Crockett County School District expects to complete 18 teachers' cottages, costing \$144,000, by early November. A \$3.91 million bond proposal has been approved in the Port Neches School District to launch a program for a new junior high school in Groves, another in Port Neches, and elementary schools in both cities.

**A new School of Aviation Medicine** is to be built at Brooks Air Force Base, San Antonio, under an \$8 million appropriation. The U. S. Army Corps of Engineers has called for bids to be issued November 15 on the first phase of the project. The first two buildings will house classrooms and a flight medicine laboratory. A research institute and altitude laboratory, to be built later, will complete the initial phase of the project.

**Office and bank building authorizations** are running 71% ahead of the first nine months of 1955. September 1956 registered a \$3.58 million total, 97% over August. During September, Houston authorized \$1.37 million worth of offices; Amarillo, \$247,000; and Fort Worth, \$195,700. Work is in progress in Dallas on the Exchange Bank Building, Braniff Building, Southland Center, Dallas Federal Savings and Loan Association, Mercantile-Dallas Building, Texas Bank Motor Building, First National Motor Bank, and many other smaller projects representing well over \$50 million worth of construction.

**Factories and workshops** recorded the third largest categorical increase in nonresidential building from January-September 1955 to the same months this year (+44%). Total value of factories and workshops authorized in September was almost \$4 million, compared with \$1.7 million in August. Possible construction of a \$34 million research and development center for the Houston area was announced in late September. Also planning a \$50 million building program in Houston are two Dresser Industries'

# ESTIMATED VALUE OF BUILDING AUTHORIZED

Source: Bureau of Business Research in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Type and location	Sept 1956*	January-September		Percent change
		1956	1955	
CONSTRUCTION CLASS		Thousands of dollars		
TOTAL CONSTRUCTION ....	72,975	718,652	810,909	— 11
New construction .....	65,442	638,249	730,655	— 13
Residential buildings .....	30,789	359,900	490,881	— 27
Housekeeping dwellings .....	30,729	356,530	484,531	— 26
One-family dwellings .....	29,791	337,640	465,286	— 26
Multiple-family dwellings....	938	18,890	19,245	— 2
Nonhousekeeping buildings ....	60	3,370	6,349	— 47
Nonresidential buildings .....	34,653	278,349	239,774	+ 16
Additions, alterations, and repairs .....	7,533	80,403	80,254	**
METROPOLITAN vs. NON-METROPOLITAN†				
TOTAL CONSTRUCTION ....	72,975	718,652	810,909	— 11
Total metropolitan .....	53,614	536,266	610,672	— 12
Central cities .....	47,847	461,687	506,511	— 9
Outside central cities .....	5,767	74,579	104,161	— 28
Total nonmetropolitan .....	19,361	182,386	200,237	— 9
10,000 to 50,000 population .....	13,830	131,029	127,785	+ 3
Less than 10,000 population .....	5,531	51,357	72,452	— 29

Only building for which permits were issued within the incorporated area of a city is included. Federal contracts and public housings are not included.

\*Preliminary.

†As defined in the 1950 Census.

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

subsidiaries, Southwestern Industrial Electronics Company and Lane-Wells Company.

**Average per capita building** construction in 332 Texas cities amounted to \$16.52 during September, down 3% from August and 4% from September 1955. Of the six major areas, Austin ranked first with \$39.66 per capita. The Dallas area alone showed \$24.83. The combined Dallas-Fort Worth area, with 34 cities, reported \$21.55. Houston and 18 satellite cities showed \$18.96 per capita; the Fort Worth area, with 15 cities, \$16.06; the El Paso area, \$14.38; and the San Antonio area, \$9.74.

North Richland Hills reported the top per capita building level in the state, \$1,145.00. Ranked in descending order were Crane (\$285.05), Piney Point Village (\$280.00), Richardson (\$277.71), Groves (\$235.85), Canyon (\$235.79), Farmers Branch (\$213.11), Lake Jackson (\$193.30), Richland Hills (\$175.00), Irving (\$173.98), DeSoto (\$157.72), Castle Hills (\$135.61), Mesquite (\$115.57), Spring Valley (\$115.00), Robinson (\$108.33), Monahans (\$104.58), Euless (\$104.00), and Mathis (\$102.96).

JO OVERSTREET

## Texas Industrial Expansion

July-September 1956

A quarterly supplement to the Directory of Texas Manufacturers prepared by Stanley A. Arbingast, Assistant Director  
Ray Akin, Jr., Library Assistant

Projects announced during the quarter are listed with data on cost, employment, products. Mailing charge, fifty cents a year.

## RETAIL TRADE

### Survey of Texas Trade

Reporting by cities, 316 Texas department and apparel stores slipped 1% from August and 3% from last September but held a nominal 1% lead for the nine months over January-September 1955. Of the 34 cities, 21 topped August, and 12 bettered both last September and the nine-month average. Best increases over August were at Breckenridge (+31%), Plainview (+30%), Paris (+27%), Temple (+25%), and Denison (+23%). Big Spring, Brownwood, Corsicana, Greenville, and Sherman each rose 15% to 18%. Leaders in topping last September were Breckenridge (+18%), Galveston (+14%), El Paso (+9%). Beaumont, Big Spring, Corpus Christi, Marshall, Sherman, and Waco showed gains ranging from 5% to 8%. For the nine months through September, sales improved in McAllen (+10%); Galveston (+9%); and Breckenridge, El Paso, and Henderson (each +4%).

Among the 30 cities reporting enough retailers of various types to be listed individually, only three topped August: Bryan (+16%) and Paris and San Angelo (each +3%). Three cities also bettered last September: San Angelo (+9%), Bryan (+8%), and Corpus Christi (+1%). Likewise, three were ahead for January-September: San Angelo (+6%) and El Paso and Paris (each +1%).

In view of this situation, it may be noted that an unfavorable overall city average may mask favorable showings for particular lines. For example, El Paso (-13%), with September automobile sales off 32%, showed gains in department and apparel stores (+9%), drug stores (+12%), and lumber and building material dealers (+8%). Galveston (-7%), with furniture sales down 11%, reported increases for department and apparel stores (+14%), lumber and building material dealers (+10%), and food stores (+6%). (See pp. 19, 20.)

**Secondary trade indicator.** Advertising linage in 26 Texas newspapers averaged slightly under August and 6% below last September. Seven papers topped August, and three bettered last September.

#### 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

Group	Number of reporting establishments	Percent change		
		Sept 1956 from Aug 1956	Sept 1956 from Sept 1955	Jan-Sept 1956 from Jan-Sept 1955
DURABLE GOODS				
Automotive stores .....	293	— 16	— 28	— 21
Furniture and household appliance stores .....	163	— 15	— 13	— 7
Lumber, building material, and hardware stores.....	328	— 8	— 15	— 12
NONDURABLE GOODS				
Apparel stores .....	228	+ 2	+ 16	+ 17
Drug stores .....	163	— 1	+ 7	+ 10
Eating and drinking places .....	107	— 4	+ 5	— 5
Food stores .....	292	— 7	.....	.....
Gasoline and service stations .....	942	— 9	— 4	+ 9
General merchandise stores .....	213	— 3	— 7	— 4
Other retail stores .....	199	+ 4	+ 4	+ 5

#### ESTIMATES OF TOTAL RETAIL SALES

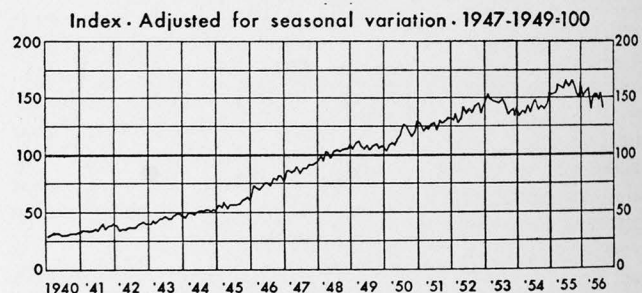
Type of store	Millions of dol\$		Percent change		
	Sept 1956	Jan-Sept 1956	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955	Jan-Sept 1956 from Jan-Sept 1955
TOTAL .....	740.1	6,933.9	— 7	— 12	— 6
Durable goods .....	227.0	2,266.4	— 14	— 23	— 17
Nondurable goods .....	513.1	4,667.5	— 4	— 5	**

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

### High-Level Sales

September sales nationally slipped from August by 2%, after seasonal adjustment, and about equalled September 1955. Consumer response to sales promotions has been good. Sales in soft-goods lines increased to offset a decline in automobile volume. Sales have continued above 1955 levels for general merchandise, clothing, food, furniture, drugs, eating and drinking places, and gasoline service stations but declined for hardware and building materials, largely as a result of an 11% decrease in residential building. Volume in apparel has held at a high level, with demand pointing to higher quality and prices. Yet, sales of both used cars and household appliances have been comparatively more vigorous than demand for new equipment. Home furnishings, although at a high level, slipped below 1955 levels in mid-September. Electrical appliances slowed, except radio and television. In food lines, canned goods continued to yield volume to frozen foods.

#### Retail Sales in Texas



**Markets alert and active.** Market activity, on the whole, has held moderately above corresponding weeks of 1955. Active reorders for women's fall apparel have encountered some delayed deliveries. Furniture and furnishings were ordered well, although demand slowed materially for floor coverings. By early October, electrical appliance lines, except refrigeration equipment, strengthened.

**Inventories reasonable.** Neither wholesale nor retail inventories (except automobiles) changed materially during July. Retail stocks were only 1.7% over July 1955, despite threats of higher prices. Inventories of soft goods increased seasonally by \$140 million during August. High interest rates tend to discourage anticipatory buying, and merchants are relying heavily on reorders for fall merchandise. Used car stocks are 15% below last year, and new automobile inventories are rapidly being whittled down to "normal" size.

## CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

Classification	Number of reporting stores	Credit ratios*		Collection ratios†	
		Sept 1956	Sept 1955	Sept 1956	Sept 1955
ALL STORES .....	60	67.7	66.9	32.1	34.6
BY CITIES					
Austin .....	5	64.9	62.5	47.8	50.4
Cleburne .....	3	40.8	42.7	38.1	42.0
Dallas .....	8	71.9	69.8	31.9	36.4
Fort Worth .....	3	68.1	68.6	30.4	33.1
Galveston .....	3	60.2	60.9	46.8	44.7
Houston .....	3	67.2	68.4	29.6	29.6
San Antonio .....	5	63.3	63.9	35.6	39.1
Waco .....	4	63.3	60.8	49.8	51.7
BY TYPE OF STORE					
Department stores (over \$1 million) .....	19	68.4	67.5	31.0	33.5
Department stores (under \$1 million) .....	19	50.5	50.7	38.0	40.5
Dry goods and apparel stores .....	4	74.5	73.8	52.5	52.5
Women's specialty shops .....	10	66.0	65.8	39.8	42.0
Men's clothing stores .....	8	65.9	64.5	41.9	45.5
BY VOLUME OF NET SALES (1950)					
\$1,500,000 and over .....	21	68.5	67.7	31.7	34.2
\$500,000 to \$1,500,000 .....	14	59.2	58.3	41.3	47.0
\$250,000 to \$500,000 .....	12	48.5	48.1	41.4	39.1
Less than \$250,000 .....	13	50.1	49.7	37.8	38.7

\*Credit sales as a percent of net sales.

†Collections during the month as a percent of accounts unpaid on the first of the month.

**Prices firming.** Wholesale prices are near record levels, about 4.8 index points over July 1955. They rose about 3% since January, while retail prices increased about 3%. It is probable that wholesalers and retailers can no longer continue to absorb price increases, even under heavy competitive pressure. Price advances have been noted in lines as widely divergent as mattresses, shoes and rubber heels, clothing and hardware items, radio and television (+1% to +10%), air conditioners (+5% to +10%), carpets and bed linens, and used cars. Farm equipment and tire producers announced price increases despite declining sales. All items with steel components face probable price increases. However, lumber and some textiles have been experiencing price reductions, which are probably at an end. On the whole, price increases have not yet been sufficient to make any test of possible consumer price resistance.

**Indebtedness still growing.** Consumer debt has been growing at an annual rate of \$2.5 billion, contrasting with the \$6.0 billion rate of increase last year. Instalment debt on September 1 totalled \$3.3 billion above that date in 1955. A larger proportion of car sales is being made on an instalment basis this year. Gross personal savings are at an annual rate of \$25 billion, as against a \$22.5 billion rate in 1955. Some increased delinquency in payments is reported, but the rate is still lower than "normal." However, 63% of families are said to have some form of debt. Hardware stores nationally are considering the offer of some form of instalment credit. Various groups of manufacturers (as in photographic and kitchen equipment, golf clubs, and hardware) are helping dealers to develop methods for instalment selling and disposal of the paper to suitable financing agencies. Personal instalment loans are 15% higher than last year.

**Merchants optimistic.** Recent opinion surveys reveal that typical merchants are confident that holiday business this year will surpass 1955 and that satisfactory volume can be expected well into 1957. Apparel merchants look for a 3% increase over last year, and gains are also anticipated in department stores (+4%) and house furnishings (+5%). Higher prices are expected in coming months (e.g., +5% in cars and +2% in household appliances). However, profit margins will probably be squeezed even more than in recent months when poor ability to absorb rising merchandise costs and greater expenses has contributed to an increasing rate of business failures, although that rate is still low.

A. HAMILTON CHUTE

## POSTAL RECEIPTS

City	Aug 25-Sept 21 1956	Aug 1956	Aug 27-Sept 23 1955	Percent change	
				Aug 25-Sept 21 1956 from	Aug 25-Sept 23 1955 from
Alice .....	10,811†	11,638†	12,205†	— 7	— 11
Bastrop .....	1,850	1,479†	1,751†	+ 25	+ 6
Belton .....	4,719	3,707	5,453	+ 27	— 13
Brownfield .....	7,163	7,345	5,693	— 2	+ 26
Cameron .....	5,140	4,547†	7,613†	+ 13	— 32
Childress .....	3,964	4,279†	4,606†	— 7	— 14
Cleburne .....	8,790	10,016	8,575	— 12	+ 3
Coleman .....	5,867	3,876†	5,504†	+ 51	+ 7
Crystal City .....	3,399	2,069	2,399†	+ 64	+ 42
Cuero .....	3,603	3,988	3,755	— 10	— 4
Eagle Pass .....	4,911	4,641	4,798	+ 6	+ 2
Edna .....	3,022	3,490†	3,790†	— 13	— 20
El Campo .....	7,322	9,375†	8,964†	— 22	— 18
Gainesville .....	9,880	11,188†	12,217†	— 12	— 19
Gatesville .....	2,858	2,807	3,336	+ 2	— 14
Gilmer .....	4,133	3,265	3,009	+ 27	+ 37
Graham .....	4,453	4,973	5,904	— 10	— 25
Granbury .....	2,089	1,958	1,597	+ 7	+ 31
Hale Center .....	605	1,242†	1,119†	— 51	— 46
Hillsboro .....	4,934	4,176	4,922	+ 18	**
Huntsville .....	8,132	6,738†	6,639†	+ 21	+ 22
Jacksonville .....	13,019	11,963	11,542	+ 9	+ 13
Kenedy .....	2,987	3,192	2,772	— 6	+ 8
Kermit .....	5,871†	5,606†	5,807†	+ 5	+ 1
Kerrville .....	8,540	8,788	8,036	— 3	+ 6
Kingsville .....	14,405	10,225	13,718	+ 41	+ 5
Kirbyville .....	2,219	2,406	1,454	— 8	+ 53
La Grange .....	4,069	3,477	3,685	+ 17	+ 10
Levelland .....	5,591	6,020	5,558	— 7	+ 1
Littlefield .....	5,191	4,152†	5,286†	+ 25	— 2
Lufkin .....	14,780	15,464	14,158	— 4	+ 4
Luling .....	2,646	2,416	3,612†	+ 10	— 21
Marlin .....	5,697†	5,203†	5,477†	+ 9	+ 4
Mission .....	6,999†	6,480†	7,685†	+ 8	— 9
Navasota .....	3,120	3,561	3,156	— 12	— 1
Odessa .....	43,240	39,973	39,300	+ 8	+ 10
Pecos .....	15,218	7,104†	12,699†	+ 114	+ 20
Pittsburg .....	1,435	2,405	1,297	— 40	+ 11
Raymondville .....	4,153	4,992†	5,066†	— 17	— 18
Taft .....	1,626	2,396	1,401	— 32	+ 16
Terrell .....	6,838	6,662†	29,232†	— 16	— 13
Waxahachie .....	7,930	9,724†	8,054†	— 8	— 2
Yoakum .....	8,784	10,049	10,149	— 13	— 13

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

†Total for calendar month, not four-week month.

*Everything is just around the corner for*

# Texas Metropolitan Shoppers

Take a county. Plant a major city in it. Fringe the city with suburban residential and business developments. The result is a metropolitan area. Texas already has 14 by Census Bureau definition; for practical purposes, there may be even more. The key to the metropolitan area is automobile transportation. And one product of this highly concentrated and mobile population cluster is the planned shopping center.

Texans pioneered in the development of the planned metropolitan shopping center. Even before World War I, Hugh Prather, a Texas realtor, set aside a 10-acre corner of his 1,300-acre development just outside Dallas for the development of an integrated, planned shopping center. Between 1916 and 1931, the plans materialized and construction was completed. The result was Highland Park Shopping Center, one of the main shopping areas of Dallas, with a total store area of 92,345 square feet. Shortly afterward, Hugh Potter developed his River Oaks district in Houston, patterned along modern lines, in contrast to the Spanish Plaza style at Highland Park.

These two, however, were not *regional* centers. They were never planned to serve metropolitan shoppers on the scale that newer centers do. In comparison with less than 100,000 square feet of stores in the Highland Park Center, two new centers in Paramus, New Jersey, a New York suburb, each have 1,500,000 square feet of store space. These have space for about 100 stores each and parking facilities for 8,000 to 10,000 cars. Other comparable centers now dot the nation in major metropolitan areas. The first, opened in 1950, was Seattle's Northgate, a 230,000-square-foot center located in the rolling woods near several residential suburbs. Later, controlled regional centers grew up around Detroit, Boston, Los Angeles, San Francisco, and of course New York. But what about Texas? Is metropolitan merchandising taking the same outside curve here? The answer is a qualified "yes." Texas retailers are concentrating their sales efforts on Suburbia, but they are not generally concentrating their stores in the tightly integrated, hive-like centers being built in some areas.

Bureau of the Census figures for 1954 are now being published for the first time. The changes they show in Texas retailing only document what retailers already knew: the big growth in sales is in stores outside central business districts. But while the downtown stores are barely more than holding their own, they still dominate the field in many lines of merchandise, particularly apparel. Moreover, most of the overall increase in sales is being divided among hundreds of new, small stores in satellite business districts.

As a case in point, the seven downtown Fort Worth department stores averaged \$8,573,000 in sales during 1954, while the five department stores not downtown averaged \$2,369,000. Austin's downtown general merchandise stores averaged \$756,000 for the same year; those not downtown averaged \$63,000 in sales.

Most downtown-oriented department stores in the state have increased their sales—a little. But they have not kept pace with the growth of retailing as a whole. Fort Worth department stores accounted for over 19% of the city's retail sales in 1948; by 1954 their share had shrunk to barely more than 15%. Where has the additional money tended to go? The largest part of it has been spent for food and automobiles. In 1948, food stores took 17.5 cents of the Fort Worth retail dollar; by 1954, their share was up to 23 cents. And food stores have been among the most conspicuous migrants to the suburbs.

The overall trend is even more impressive. From 1948 to 1954, downtown retailers in Fort Worth increased their sales 11.9%, in Austin 8.8%, and in Corpus Christi 19.4%. But retailers away from the downtown areas of the same three cities boosted their receipts 70.9%, 71.0%, and 90.3%, respectively. As customers have moved out of the cities, retail businesses have followed them. The Bureau of the Census, moreover, foresees a long-range trend in this direction. By 1975, the Bureau estimates, the nation's metropolitan suburbs will have roughly 35 million more residents than now.

Suburban shopping, then, has followed two main trends: the shift of population to Suburbia and the increase in number of automobiles. Analysts point out that the automobile is to the development of planned shopping centers very much as the subway and suburban railroad were to the development of cities being built forty years ago.

Texas roughly parallels the national average increase of 40% in suburban population from 1940 to 1950, although the state has less than the national proportion of one-fourth of the total population living in suburbs. And, whereas in 1917 the State Highway Department reported only 194,720 motor vehicle registrations, the number had risen to 1,802,063 in 1940 and to a spectacular 3,781,235 in 1954.

With the motorized age of shopping came a rise in family shopping, night shopping, one-stop shopping, and, concurrently, the planned suburban shopping center. However, unlike the retail chains in the Northeast, it seems that Texas department store units were little inclined to enter into shopping center development until recently. Caution was practiced in Texas even more than in other parts of the nation. The reason for such reluctance on the part of major chains has been the failure of many small district shopping centers and the collapse of Massachusetts' massive regional center, Shoppers' World, the single major center that has gone into receivership. The smaller centers, largely unplanned, encouraged cut-throat competition within the center and with other, larger centers nearby. Other factors such as excessive rentals, harmful clauses in leases, lack of strategic location, overexpansion or undersize, and proximity to other strong centers have all produced consternation in the ranks of the national and state-wide department store chains.

How does a chain decide whether or not to go into a specific shopping center? Top factors are:

1. Analysis of the trading area, in terms of population, income, competition (now and in the future), potential continuity of income, age levels, racial composition, and number of families living within the area.
2. Evaluation of the drawing ability of a specific center location, emphasizing driving time, not mileage distances from the center.
3. Evaluation of the area in terms of how well the population is already served.
4. Analysis of the physical characteristics, such as effective architectural construction, potential expansion room, topography, area per store, and relative uniformity.
5. Cost analysis of construction and operation, leases, predicted sales, potential aid from the management, and relationship between the main stores of the principal tenants and their branches.

In general, chains look first for location and follow with analysis of the other factors. Without a good location, no chain would seriously consider entering a shopping center unit, no matter how large it might be. Even the best merchandisers can seldom overcome the handicap of poor location, while good locations will offset many other merchandising deficiencies. Authorities disagree over the best location for particular centers.

Economists use the term "friction of space and rent" to describe the interaction between locational convenience, usually found at the cost of high rent, and low rent, usually prevalent only in isolated fringe areas. The best rule seems to be that where land availability, transportation, driving time, and population and income concentration combine to promote favorable conditions, that is the best location.

The factor of competition is uppermost in the minds of many prospective tenants in a shopping center. Although they are in agreement over limited competition within the shopping center itself, they are skeptical of neighborhood competition. Threats from larger centers located nearby and also the continuing menace of an improved central business district harass the suburban chain store executive. Tradition is strong, and the downtown business district has served chains well for years. So the chains have not yet scuttled their downtown operations for a complete suburbanization of their units. They are moving in that direction, however, in the largest metropolitan zones. Only a few days ago, Sears, Roebuck opened its largest store in the South, with 200,000 square feet of floor space, in Pasadena, a Houston satellite city. Large suburban branches, like this one, have proven that their pulling power can more than match that of small neighborhood centers. For the relatively high construction costs of small centers correspondingly increase the risk of chain stores entering them.

Recently, retail chains have begun to take an active role in shopping center development, beginning at the planning stage, to insure the necessary foundation for their operations. Max Levine, president of Foley's in Houston, expressed the opinion of many department store executives when he stated that the best way to meet the competition of suburban shopping centers was to join them. With these operations being planned and developed by the large chains, the incidence of failure among large and small centers alike should decrease. This fact has induced Joske's of Houston to expand into Gulfgate Shopping Center. A

Harris of Dallas and Wolff and Marx of San Antonio have taken similar steps to locate in shopping center developments. But Foley's has stayed downtown.

Once basic research is completed to determine the income and expenditure potential of an area, together with future expansion or retraction, the most important considerations are location, highway and thoroughfare congestion and availability, type of stores, security from immediate competition, topography, layout of buildings, parking area, and management. Later problems will include leases, financing, expansion, and center promotion, all of which must be considered before a retail department store will enter a location. Stores base their plans on what they have experienced in the downtown district, adapted of course to meet the slightly changed conditions of suburban selling. They want to know what to expect in the form of sales both tomorrow and five years hence.

These considerations have all been examined by Allied Stores in its move into Gulfgate Shopping Center in Houston. Deciding on an area of 840,000 square feet, Allied felt that a major department store unit was the *sine qua non* for a regional shopping center. Thus, Joske's store will occupy the principal unit, surrounded by one hundred stores on a plot of more than 200,000 square feet. This \$20 million center is planned for a parking turnover of 20,000 cars a day, establishing it as the largest in Texas and one of the largest in the nation.

It has been found that regional centers have to "prove" themselves. That is, they are not immediately thriving successes. Despite contests, parties, circuses, and other center-wide promotions, it takes at least five years for a regional center to achieve 90% of its total potential sales. Centers which fail to take this into consideration may follow the Shoppers' World example and fall into receivership.

Shopping centers of the large regional type have not yet appeared in Texas, with the exception of the new Gulfgate Center in Houston. However, the district and community centers have sprouted like puffballs over the face of the land, especially in the Fort Worth-Dallas and Houston areas.

In Dallas and Fort Worth, traffic congestion and lack of adequate parking facilities have led to the creation of many shopping centers in the periphery, such as the twenty-one-unit Oak Cliff Shopping Center in Dallas and the thirty-one units planned for Fort Worth's Westcliff Center. How have these new centers affected the downtown district? The widely publicized plan to remodel downtown Fort Worth, drawn up by eminent shopping center architect Victor Gruen, calls for the creation of a *planned* downtown district of 370 acres. It is to be complete with malls, gardens, open-air courts, retail stores, and best of all—no cars. This combination of modern shopping center and New York's Rockefeller Center shows the real threat which shopping centers have posed to retail sales in a downtown area.

Dallas has its own plan in the operational stage. Radios hawking four-hour parking for 25 cents every summer Saturday in "Texas' largest shopping center—downtown Dallas" indicate the suburbs have begun to hit hard at sales. Dallas' "City of Tomorrow," known as Exchange Park and already under construction, will eventually contain a 1,000-room hotel, four multistory office buildings, a medical center, the Exchange Bank and Trust Company, and 150 retail shops, complete with such shopping center

innovations as air-conditioned pedestrian streets (already in use in San Antonio).

Can the chain stores find the conditions in Texas which permit them to enter shopping center locations and provide the impetus for regional centers of the type found in the Northeast? Populationwise, Texas has all that might be desired, at least in some spots. The optimistic prediction of some that any city of 50,000 can support a regional shopping center is doubtful. However, there are at least six areas in Texas where the population quantitatively and qualitatively meets the conditions required of a regional shopping center: Dallas-Fort Worth, Houston, San Antonio, El Paso, Corpus Christi, and Austin. Other cities potentially might support a regional center—Amarillo, Lubbock, Beaumont-Port Arthur, Waco, and Galveston, but they do not offer the ideal conditions for one now. Texas in general offers a rising population, which is one of the essential prerequisites. It also offers a better-than-average buying power index, ranging from Houston's .5272 to Corpus Christi's .1034 in 1955. Both indices show a rise from 1954, a healthy indication.

The situation with regard to water is an indirect influence on shopping center development which Texas shares with other Plains states. Shopping centers of the regional type usually do best in areas of intensive industrial activity. In 1950 the total employment in manufacturing in Houston was 25%, in Dallas 19%, and in San Antonio 15%. This is sufficient to promote a regional center, but chains would do well to analyze the long-range potential of industry in Texas before setting up operations. The lack of water may curtail future industrial expansion, unless some form of reclamation is undertaken to utilize more surface water. Critical industries such as oil refining and chemical manufacturing require vast amounts of water, a substance which is rare enough for the basic agriculture in most areas of Texas. How soon Texas solves its water problem may well indicate how soon the growth of regional shopping centers will accelerate.

What then must be the conclusion about potential shopping center development in Texas? Above all, the centers will be planned, cautiously and with complete consideration of the factors involved. Centers will not appear merely for the show with ultramodern trappings. Studies have indicated that shoppers prefer a modern, comfortable shopping area but do not enjoy weird or unusual effects. However, there will be an emphasis on park areas, fountains, do-it-yourself conveniences, shrubbery, and music for shoppers. All this is an attempt to restore the easy, enjoyable traditions of New England and Europe to shopping in the United States.

Lease arrangements and financing of the new centers will be so arranged as to give the tenant and owner the optimum advantages. In the case of leases, this means a minimum rental against a percentage of gross sales, thus protecting both the landlord in case of inflation and the tenant who secures a scaled rental. These percentages range from 1% in a supermarket operation to 15% for theatre chains. Capable management will be merchandise-minded and interested in long-range investment, not a quick turnover.

The size of center which will be adopted in Texas will probably be of the community or district type rather than

the smaller neighborhood center or the larger regional center. There will be exceptions, of course, especially in Houston and Dallas-Fort Worth. But, by and large, the factors necessary for regional center development are absent in Texas.

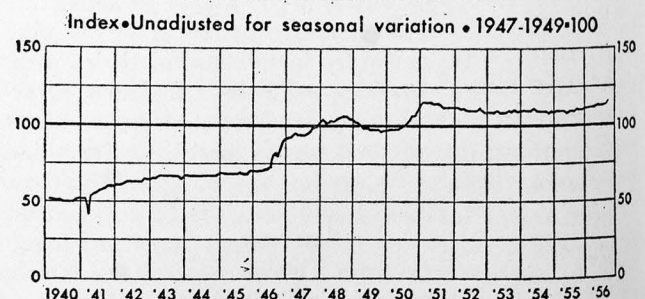
The district center averages 100,000 square feet of building space, meets the needs of from 25,000 to 100,000 consumers and specializes in shopping and specialty goods. The community center may have as many as two dozen stores which offer goods of a less specialized nature than the district center, occupying an average of 35,000 square feet and serving 10,000 to 25,000 persons. The majority of Texas cities can support these types of center-developments, but the question of the "supercenter" is still unsolved.

The big impetus to shopping center growth in the United States has been the shift of the national chain stores into centers. In 1955, 6% of the chain stores (over 10,000) were in shopping centers. Estimates for 1956 indicate that half the new stores planned will be located in shopping centers. Has this national trend taken place in Texas? Skillern's Drug Stores have located in shopping centers in Fort Worth's Edgewood Terrace Shopping Center and Fair Oaks Shopping Center, and in the Casa View Village Shopping Center in Dallas. Worthington's 5 cents to \$1 variety stores have opened in Preston Shopping Center in Dallas. W. T. Grant has opened in the Village Shopping Center in Houston and both the Harris Shopping Center and the Oak Cliff Shopping Center in Dallas. Woolworth's five-and-dime operations have moved into the \$4 million Palms Center in Houston, as well as to the Village Shopping Center, San Angelo, and the Lakewood Shopping Center, Houston. A hundred more examples might be listed for every one of these.

Right down the line, the national and statewide chains are moving from downtown districts into planned shopping centers. This has resulted in a symbiotic relationship in many cases, in which both the downtown main store and the suburban branch store have experienced new highs in retail sales. This same trend could continue in most of Texas, resulting in benefits to all, but especially to the metropolitan consumer-shopper, who is now being sought after by many and varied shopping center developments. The real future of any shopping center development in Texas will ultimately lie with the more than 8 million consumers who constitute the Texas market.

JACK D. L. HOLMES

### Wholesale Prices in the U.S.



## INDUSTRIAL PRODUCTION

### New in Texas: Industrial Research

Texas industries are rapidly becoming research conscious. In the recent past, many industrialists strongly felt that research was a fairly esoteric activity, preferably to be quarantined in ivory towers and certainly not to be integrated with industry or encouraged as an independent business. But already thousands of Texans are employed in research laboratories, and industrial research facilities are certain to be greatly expanded in the future.

Texas has a particularly big stake in research. Many of its major products, mineral and agricultural, are in great demand as raw materials for use by modern industry—such widely diversified commodities as cotton, oil and gas, wood, and various heavy chemicals. Significantly, these are the very materials that are yielding the richest variety of new products in the research laboratory.

#### WELL COMPLETIONS

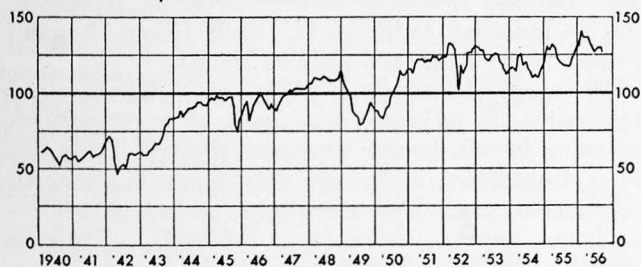
Source: *The Oil and Gas Journal*

Region	September 1956*				January-September	
	Oil	Gas	Dry	Total	1956	1955
TEXAS .....	925	66	593	1,584	16,391	18,777
Southwest .....	108	17	91	216	2,386	2,855
Gulf Coast .....	95	16	94	205	1,980	2,338
East .....	56	3	31	90	827	917
North Central .....	302	8	273	583	5,892	6,936
West .....	309	0	92	401	4,304	4,753
Panhandle .....	55	22	12	89	1,002	978

\*For four weeks ending nearest the last day of month.

#### Crude Oil Production in Texas

Index. Adjusted for seasonal variation. 1947-1949=100



During September Texas oil wells continued to flow at a higher rate than the average for any year before 1956. There seems little doubt that this year will mark an all-time high for Texas petroleum output. With combat flaring anew in the Middle East, Texas' 170,000 oil wells may be required to produce even more heavily. Railroad Commission Chairman W. J. Murray, Jr., warns, however, that high drilling and production costs here make it unreasonable to expect Texas producers to maintain a wide emergency margin of potential output.

#### ELECTRIC POWER CONSUMPTION

Use	Thousands of kilowatt hours			Percent change	
	Sept 1956*	Aug 1956*	Sept 1955†	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
TOTAL .....	3,421,235	3,467,053	3,269,527	— 1	+ 5
Commercial .....	457,850	479,073	507,838	— 4	— 10
Industrial .....	2,070,479	1,981,509	1,941,283	+ 4	+ 7
Residential .....	763,250	851,176	677,978	— 10	+ 13
Other .....	129,656	155,295	142,428	— 17	— 9

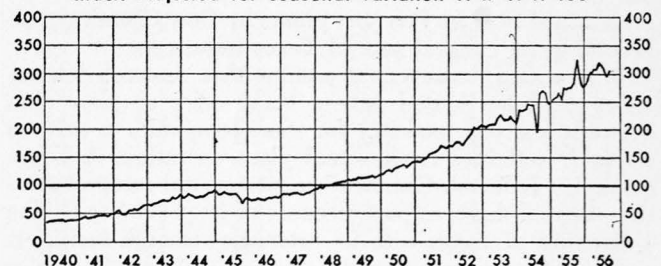
\*Preliminary—based on reports of 10 electric power companies reported to the Bureau of Business Research and leveled to Federal Power Commission estimates.

†Revised to preliminary Federal Power Commission data.

The state already owes a tremendous debt to researchers. For example, it was the U. S. Bureau of Mines, working in conjunction with the Texas Power and Light Company, that developed the power-from-lignite process which made it feasible for Alcoa to establish its Rockdale aluminum plant. It was research, too, that developed the process for making lime from oystershell, a discovery that was the foundation for Texas' vital inorganic chemical industry. Again, it was researchers who discovered a way to make corn starch and corn sugar from grain sorghums, as is done in the Corn Products Refining plant at Corpus Christi. Researchers experimented with cottonseed until they were successful in making margarine, salad oils, and cooking fats—a development which adversely affected the dairy industry of such distant states as Minnesota and New York and depressed the export of olive oil from Southern Europe but which resulted in an increased income for cotton farmers in the South.

#### Total Electric Power Use in Texas

Index. Adjusted for seasonal variation. 1947-1949=100



Electricity, like oil (left), is scoring a record year. Electric use so far in 1956 is 3.2 times the 1947-49 average. The only dip this year came in August, when a United Steel Workers strike hit Texas' aluminum industry. Aluminum reduction plants at Rockdale and Port Lavaca (Alcoa) and near Corpus Christi (Reynolds) not only place Texas second to Washington in light-metal output but also use more electricity by far than any other individual plants in the state. All three are being expanded.

## PETROLEUM AND GAS ACTIVITY

Source: State Comptroller of Public Accounts and Railroad Commission of Texas

Product	January-September		
	1956	1955	Percent change
<b>CRUDE OIL</b>			
Production (1,000 bbls) .....	804,269	757,973	+ 6
Total value (\$1,000) .....	2,345,300	2,106,330	+ 11
Runs to stills (1,000 bbls) .....	627,179	580,819	+ 8
<b>NATURAL GAS†</b>			
Production (\$1,000) .....	358,522	311,093	+ 15
<b>SULFUR</b>			
Recovered from gas (long tons) ..	3,104	2,376	+ 31

†Includes casinghead gas.

## REFINERY STOCKS\*

Source: *The Oil and Gas Journal*

Product	Thousands of barrels			Percent change	
	Sept 1956	Aug 1956	Sept 1955	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>UNITED STATES</b>					
Gasoline .....	174,720	175,571	151,266	**	+ 16
Distillate .....	150,367	138,449	143,722	+ 9	+ 5
Residual .....	47,499	46,783	46,754	+ 2	+ 2
Kerosene .....	33,817	32,401	35,413	+ 4	- 7
<b>TEXAS</b>					
Gasoline .....	30,740	30,843	25,201	**	+ 22
Distillate .....	19,830	18,513	18,507	+ 7	+ 7
Residual .....	8,728	7,898	8,416	+ 11	+ 4
Kerosene .....	4,554	4,311	3,943	+ 6	+ 15

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

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

Primarily, of course, the great advances made in petroleum and natural gas technology in recent years have affected Texans most, and many of the largest research laboratories in the state are those connected directly with the chemical and refining industries.

Every manufacturer is faced with the need to compete with those who make similar products. Failure to spend money on product research may result in loss of markets; obsolescence of product and equipment is a constant worry. In Texas three major industries—chemicals, refining, and aircraft—are particularly beset with the fear that their executives may wake up one morning and find that one, or more, of their end products has been superseded. For that reason, all of the major companies operating here must funnel vast sums into basic and applied research as well as into improved production processes.

Not all the major companies operating in the state concentrate their research activities here. In fact, many of them do most of their laboratory work near their home offices—Pittsburgh, Wilmington, New York City, or elsewhere. On the other hand, such vast, expensive facilities as the multimillion-dollar W. R. Veazey Research Center, maintained near its Freeport plants by Dow Chemical, are becoming an integral part of Texas industry.

It is wrong, however, to assume that research laboratories need be located near a home office or plant site. There is a strong tendency for some companies to divorce research activities from actual plant operation. A Texas example: Jefferson Chemical's experimental setup at Austin—located there, in part, because of its proximity to The University of Texas with its extensive research facilities.

A survey recently completed by the National Academy of Sciences and the National Research Council lists 106 different laboratories in Texas. Since not all the firms surveyed responded, the total may well be much larger, perhaps as high as 200.

The largest employment in research was reported by locally owned Chance Vought at Dallas, which listed 8 chemists, 1,450 engineers, 85 mathematicians, 2 metallurgists, 83 physicists, and 150 other technical personnel, plus 400 additional persons working in the research division.

Some of the 106 research units reported were very small; for example, some laboratories employed only two or three technicians. The laboratories were located in 34 different communities, with Houston reporting the largest number (30). Dallas (26), Fort Worth (12), and San Antonio (7) followed in that order. Other communities with two or more laboratories include Austin, Beaumont, Borger, Corpus Christi, and Texas City. Not all research activities are concentrated in or near large cities, however, for laboratory units are also located in such communities as Breckenridge, Clarkwood, Daingerfield, Diboll, Helotes, Newgulf, Pampa, Sugar Land, and Hoskins Mound.

The range of interests of the reporting laboratories is impressive. It includes: techniques of underwater exploration for oil, lumber treatment, poultry disease remedies, insecticides, manganese ores, synthetic detergents, construction technology, electronics, packaging, polishes, oxidation, pipeline technology, defoliants, polyglycols, styrene oxide, micromechanisms, gravity meters, applied

## PRODUCTION OF HYDROCARBON LIQUIDS FROM GASOLINE AND RECYCLING PLANTS

(millions of barrels)

Source: Oil and Gas Division, Railroad Commission of Texas

Product	Jan 1956	Feb 1956	Mar 1956	Apr 1956	May 1956	June 1956	January-June	
							1956	1955
<b>TOTAL PRODUCTION</b> .....	16,222,477	13,435,639	14,603,188	13,923,332	14,331,248	13,818,259	86,334,143	79,232,232
Condensate-crude .....	1,037,846	880,123	913,117	881,625	833,026	831,102	5,376,839	4,847,556
Gasoline .....	8,875,402	6,611,603	7,297,620	7,067,402	7,460,937	7,277,936	44,590,900	40,633,272
Butane-propane .....	5,813,674	5,544,322	5,951,935	5,610,718	5,614,607	5,359,393	33,894,649	31,939,499
Other products .....	495,555	399,591	440,516	363,587	422,673	349,828	2,471,755	1,811,905
<b>TOTAL GAS PROCESSED*</b> .....	460,706	420,409	453,601	431,647	433,635	414,666	2,614,664	2,406,699
Yield per Mcf in gallons .....	1.48	1.34	1.35	1.35	1.39	1.40	1.39	1.38

\*Millions of cubic feet.

optics, wax products, livestock foods, nuclear-powered aircraft, and soda ash. And there are dozens more.

Not all research of value to industry is carried on in the typical company laboratory. For example, scientists at The University of Texas, at A & M College, and at the branches of both schools often assist industrialists with their problems. The research laboratories at the University, some of which are supported with federal funds, employ hundreds. Other institutions active in research include Rice Institute, North Texas State College, the University of Houston, and Texas Technological College. The fact that Nacogdoches was the site of Stephen F. Austin State College was an important factor in the choice of that city as the location for a branch plant of Basson Industries. Officials of the college promised to cooperate with the company in setting up the firm's research facilities.

Largest private nonprofit research setup in the state is undoubtedly that of the Southwest Research Institute at San Antonio, one of several such facilities spotted at strategic locations throughout the nation to aid industries with their problems. The San Antonio unit employs hundreds and has ambitious plans for expansion. Directors of the Institute envision a \$50 million "Science City" at their Culebra Road site. If recent developments are any indication, their optimism is warranted. Within the past two months, construction plans for two new laboratories to be

integrated into the Institute have been announced. Pratt and Whitney (home office: Hartford, Connecticut) plans to build a \$600,000 "hot lab" to test the action of radiation on fuels and lubricants, and the U. S. Army Ordnance Corps (St. Louis District) has begun construction of a \$750,000 unit designed to house facilities for research in engine fuels and lubricants. The Institute is also actively seeking the U. S. Quartermaster Corp's contemplated multi-million-dollar irradiated foods laboratory.

Among new company-sponsored expansion projects which have recently been announced are the \$1 million engineering laboratory which Temco is building at Garland and new labs for Sun Oil and Magnolia Petroleum at Dallas and for Schlumberger in the Houston area. One of the largest facilities completed in recent years was Humble Oil Company's unit at Baytown.

It is not too illogical to assume that both investment and employment in research activities in Texas may double within the next decade. Just ten years ago there were only about half as many laboratories in the state as there are in 1956. The rapid pace of technological advance will demand that greater emphasis be given to experimentation, and Texas companies cannot afford to be counted out in the race.

STANLEY A. ARBINGAST

## Labor Statistics

### HOURS AND EARNINGS

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

Industry	Average weekly earnings			Average weekly hours			Average hourly earnings		
	Sept 1956*	Aug 1956	Sept 1955	Sept 1956*	Aug 1956	Sept 1955	Sept 1956*	Aug 1956	Sept 1955
<b>ALL MANUFACTURING</b>	\$82.17	\$80.75	\$78.20	41.6	41.2	42.5	1.98	1.96	1.84
Durable goods	81.48	80.87	79.53	42.0	41.9	43.7	1.94	1.93	1.82
Primary metals	90.23	85.65	90.86	40.1	37.4	41.3	2.25	2.29	2.20
Machinery, except electrical	87.52	86.43	84.61	42.9	43.0	44.3	2.04	2.01	1.91
Oil field machinery	92.88	93.53	93.11	42.8	43.5	45.2	2.17	2.15	2.06
Transportation equipment	97.44	99.33	94.15	42.0	43.0	42.6	2.32	2.31	2.21
Fabricated metal products	76.68	74.76	76.20	42.6	42.0	44.3	1.80	1.78	1.72
Lumber and wood products	53.42	53.30	56.64	42.4	42.3	47.6	1.26	1.26	1.19
Furniture and fixtures	65.56	62.34	59.16	44.0	42.7	43.5	1.49	1.46	1.36
Stone, clay, and glass	69.06	71.90	69.11	41.6	42.8	42.4	1.66	1.68	1.63
Nondurable goods	83.64	80.80	76.59	41.2	40.4	41.4	2.03	2.00	1.85
Textile mill products	52.95	54.18	49.22	42.0	42.0	42.8	1.26	1.29	1.15
Broad woven goods	51.05	52.15	49.76	41.5	42.4	42.9	1.23	1.23	1.16
Apparel and fabric products	42.69	42.69	37.60	36.8	36.8	37.6	1.16	1.16	1.00
Food	75.65	73.92	69.28	42.5	42.0	42.5	1.78	1.76	1.63
Meat packing	87.34	87.78	81.97	41.2	41.6	41.6	2.12	2.11	1.98
Paper and allied products	96.36	90.52	86.29	44.2	42.3	43.8	2.18	2.14	1.97
Printing	83.47	83.00	83.42	37.6	37.9	38.8	2.22	2.19	2.15
Chemicals and allied products	99.49	98.18	95.27	42.7	42.5	43.7	2.33	2.31	2.18
Vegetable oil mills	55.10	55.93	53.50	47.5	47.8	53.5	1.16	1.17	1.00
Petroleum and coal products	112.44	104.54	103.07	41.8	39.6	40.9	2.69	2.64	2.52
Leather	48.86	48.09	41.29	39.4	39.1	39.7	1.24	1.23	1.04
<b>NONMANUFACTURING</b>									
Mining	105.02	99.13	95.91	44.5	43.1	43.4	2.36	2.30	2.21
Crude petroleum products	106.80	100.39	97.63	44.5	42.9	43.2	2.40	2.34	2.26
Sulfur	96.00	89.38	83.67	41.2	39.9	39.1	2.33	2.24	2.14
Public utilities	75.33	74.34	70.62	40.5	40.4	39.9	1.86	1.84	1.77
Retail trade	61.20	62.03	61.04	42.5	42.2	43.6	1.44	1.47	1.40
Wholesale trade	80.04	78.30	74.99	43.5	43.5	43.1	1.84	1.80	1.74

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

\*Preliminary—subject to revision upon receipt of additional reports.

## AGRICULTURE

### Farming: High or Dry

Texas farmers have been making their dusty way through the most lingering drouth in their history—but also, in many areas, the most prosperous. Statewide surveys of farm income conducted by the U. S. Department of Agriculture have continued to show high totals. In fact, the average agricultural income for the five dry years from 1951 through 1955 was 6% higher than the average for 1947-49. But what of this year?

Although rains spotted the state in October with the coming of cooler weather, September 1956 rainfall was only 18% of normal. So far this year Texas has received less than half its normal precipitation. The Texas Board of Water Engineers says that water levels in the state's 35 major reservoirs were lower this year than at any end-of-September during the drouth's long siege, which in most areas has been going for six years. Water flow in the Trinity, Sabine, Neches, and San Jacinto rivers reached all-time lows this fall. Of Texas' 354 counties, 322 are now classified as "drouth disaster zones" for federal livestock aid. Yet, many Texas farmers are having a relatively successful year.

**Cotton production** is expected to average a per-acre yield of 266 pounds—second highest since 1894. Total output of 3,460,000 bales is predicted, despite the reduced acreage.

**Citrus production** for the 1956-1957 season is forecast at 3,500,000 boxes of grapefruit and 2,300,000 boxes of oranges, 53% above last year and the largest crop since the 1951 freeze.

**Rice production** is down from last year, but growers have still harvested a very successful 10,841,000 100-pound-bag crop. (See September *Texas Business Review*.)

Clear evidence of the fact that not all farm commodities have been burned up by the drouth is the farm cash income table (p. 15). As it shows, so far in 1956 total farm income for the state is running almost even with 1955. Thus in this, the sixth year of the drouth, farm income is holding its own. Moreover, the index of farm cash income (which uses the pre-drouth years of 1947-1949 as an average period with a value equal to 100%) shows that farm income has dropped only slightly since the beginning of the drouth.\* In 1950, 1951, and 1952, the average index

\*Exceptions may well be taken to the use of farm cash income to show the state of Texas agriculture. Critics say that since it represents gross income, not net, it says nothing about what actually goes into the farmers' pockets. They maintain that while it may be true enough that gross income has not decreased significantly during the drouth, still the cost of farming operations has increased greatly, leaving little or no profit. This objection is refuted in part by the fact that there is also a much smaller farm population to share these reduced profits. (Because of the great migration to the cities, Texas rural population decreased 57% in the period 1939 to 1954).

Another argument is that income alone does not tell the entire story—that it is being supported only through the sale of what financiers would call capital (i.e., materials needed for continued production, like breeding stock). The counter-argument is that such a situation could not be too widespread, since the drouth has been going on for six years and farmers would have run out of capital to sell off before now. Further, the latest U. S. Bureau of the Census count, for 1954, shows Texas farmers had far more cattle and calves in that year than in 1950 or in any decennial year since 1900.

### CARLOAD SHIPMENTS OF LIVESTOCK\*

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

Classification	Sept 1956	Aug 1956	Sept 1955	Percent change	
				Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
TOTAL	5,209	7,026	3,318	- 26	+ 57
Cattle	3,601	4,654	2,400	- 23	+ 50
Calves	831	1,289	445	- 36	+ 87
Hogs	6	3	0	+100	.....
Sheep	771	1,080	473	- 29	+ 63
INTERSTATE	4,726	6,569	2,899	- 28	+ 63
Cattle	3,284	4,311	2,090	- 24	+ 57
Calves	788	1,241	424	- 37	+ 86
Hogs	2	0	0	.....	.....
Sheep	652	1,017	385	- 36	+ 69
INTRASTATE	483	457	419	+ 6	+ 15
Cattle	317	343	310	- 8	+ 2
Calves	43	48	21	- 10	+105
Hogs	4	3	0	+ 33	.....
Sheep	119	63	88	+ 89	+ 35

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

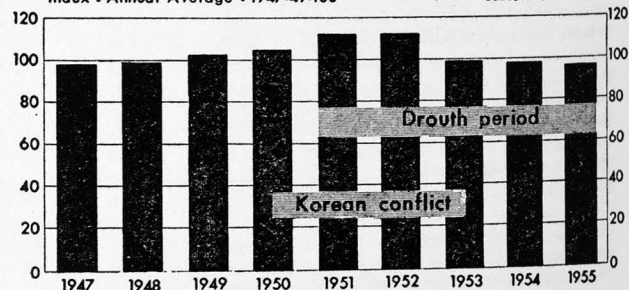
stood at 105, 112, and 112, respectively, registering the effects of the demand created by the Korean war. In 1953, with a truce in the war and a continuation of the drouth, income dropped—but only to an index level of 99. The cumulative effects of the drouth forced income down one index point each of the next two years. But, standing at 97 in 1955, it was not greatly below average.

This situation (i.e., comparatively steady income despite six years of the worst drouth on record) raises some questions: What effect has the prolonged drouth had on Texas farmers and ranchers? Are all segments of agriculture and all areas of the state suffering alike? And if so, what has supported income?

A survey of the state gives the answer. Agriculture in Texas is a picture of extremes. The drouth has severely

### TEXAS FARM CASH INCOME

Index • Annual Average • 1947-49=100



The gradual rise and decline of Texas farm income, charted above, reflect the heavy demand that came with war in Korea and the depressing influence of five consecutive years of drouth. Since 1956 marketings are far from complete, it is still too early to compare this year's results with those of preceding years.

hurt many people, and certain areas are receiving almost no income from farming. Yet, in other areas the farmers have been able to adjust to the lack of rainfall and maintain their incomes. The principal weapon used against the drouth has been irrigation. Spectacular results have been achieved by irrigation in the Panhandle-South Plains region. In the period 1950-1954, the number of wells increased from 14,000 to 27,500 and irrigated land from 1,860,000 to 3,500,000 acres. This year, farmers in the Lubbock-Amarillo area expect to account for more than one-tenth of the nation's cotton, with a crop estimated at 1,400,000 bales. This cotton, all grown on irrigated land, should bring well over \$200 million to the growers. In Crop Reporting District 1-S, the area between Lubbock and the New Mexico border, which has been put under extensive irrigation in recent years, farm income rose some \$30 million (from \$240 million to \$271 million) from 1951 to 1955. Similar successes on irrigated land are being made in the Trans-Pecos area, and irrigation has long been the key to the prosperity of the Lower Rio Grande Valley.

Another adjustment to the drouth has been the increased use of rapidly maturing crop varieties that can be planted after the last freeze and will still mature before summer's searing heat parches the soil. This is the technique used in the area north of Corpus Christi, where farmers are sometimes harvesting their crops before planting is finished in the Panhandle.

Perhaps the most important adjustment in the long run is the adoption of careful water conservation methods. Drouth, in this case, has been the mother of invention. Farmers have been forced to learn how to get the most out of what rainfall they receive. This is mainly done by tak-

## INDEXES OF PRICES RECEIVED BY FARMERS

(1909-14=100)

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

Index	Sept 1956	Aug 1956	Sept 1955	Percent change	
				Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
ALL FARM PRODUCTS .....	248	250	254	— 1	— 2
ALL CROPS .....	243	249	243	— 2	**
Food grains .....	223	211	217	+ 6	+ 3
Feed grain and hay .....	182	176	142	+ 3	+ 28
Potatoes and sweet potatoes .....	238	278	142	— 14	+ 68
Fruit .....	103	103	119	**	— 13
Truck crops .....	353	378	323	— 7	+ 9
Cotton .....	244	250	259	— 2	— 6
Oil-bearing crops .....	259	264	220	— 2	+ 18
LIVESTOCK AND PRODUCTS .....	255	252	268	+ 1	— 5
Meat animals .....	263	265	287	— 1	— 8
Dairy products .....	256	250	250	+ 2	+ 2
Poultry and eggs .....	224	215	247	+ 4	— 9
Wool .....	261	255	242	+ 2	+ 8

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

ing steps to prevent heavy runoff and to reduce evaporation through such techniques as contour planting and terracing, which increase the depth of moisture penetration and the amount of water stored in the soil. By such practices, the waste caused by erratic distribution of rainfall has been lessened and a maximum of water saved for crop use.

Through these and other adjustments farmers in many parts of the state have been able to reach a certain degree of prosperity. Others have managed to hold their own. But there are areas where the drouth's severity has gone untempered. In the northernmost High Plains, formerly one of the chief wheat-producing areas of the country, farmers have not been able to reap a major wheat crop in the last five years. This year they may not even have enough moisture to plant their seed. The hardest hit region is the Edwards Plateau. There, range and pasture feed conditions are reported by the U. S. Department of Agriculture to be at their lowest level in history—even worse than during the drouth of 1934. Range grass is exhausted, credit and feed supplies are severely strained, and only courage and subsidies enable the ranchers to hold on. Many are doing so only by selling their foundation herds. From 1951 to 1955, farm income in the area dropped 45% (from \$163 million to \$88 million). Further declines are expected this year.

So Texas agriculture is a combination of prosperity and paucity. V. C. Childs, chief agricultural statistician for the Agricultural Marketing Service of the U. S. Department of Agriculture in Austin, sums the situation up by saying:

"The average farm income for the state has declined only slightly despite the drouth; but it is an average of extremes. It does not mean that all or even most farmers and ranchers are not suffering greatly. It does mean that at least some segments of agriculture are successfully combating the effects of six long, dry years. And it does point up the danger in sweeping generalities about 'state of Texas agriculture.' It brings to mind the story of the man who drowned in a river that his map had shown averaged only three feet of water."

JAMES H. KEAHEY

## FARM CASH INCOME

	January-September		
Commodity	1956	1955	Percent change
Thousands of dollars			
TOTAL .....	1,108,960	1,097,610	+ 1
Cotton .....	270,477	314,413	— 14
Cottonseed .....	26,251	32,927	— 20
Wheat .....	32,924	32,641	+ 1
Oats .....	5,861	10,199	— 43
Corn .....	13,803	13,677	+ 1
Grain sorghum .....	44,095	40,228	+ 10
Flaxseed .....	340	1,635	— 79
Peanuts .....	5,502	5,575	— 1
Rice .....	22,929	25,079	— 9
Cattle .....	252,190	247,579	+ 2
Calves .....	75,994	71,938	+ 6
Hogs .....	47,461	41,116	+ 15
Sheep and lambs .....	27,213	19,673	+ 38
Wool .....	13,946	12,911	+ 8
Mohair .....	8,999	9,144	— 2
Poultry .....	47,578	38,591	+ 23
Eggs .....	43,401	47,368	— 8
Milk and milk products .....	95,775	78,869	+ 21
Fruit and vegetables .....	74,221	54,057	+ 37

Farm cash income as computed by the Bureau understates actual farm cash income by 6% to 10%. This situation results from the fact that means of securing complete local marketings, especially by truck, have not yet been fully developed. In addition, means have not yet been developed for computing cash income from all agricultural specialties of local importance in scattered areas. This situation does not impair the accuracy of the index shown on page 24.

## FINANCE

## Industrials

**Dresser Industries, Incorporated**, share owners will vote November 19 on a proposed two-for-one stock split of the company's 2.2 million \$.50-par common shares. Authorized shares will be increased from 4.4 million to 10 million, and one new share for each old share outstanding will be issued. Directors propose to increase dividend payments, for the fourth time in the last two years, from the present quarterly rate of \$.75 a share to the equivalent of \$.90 a share on the old stock after the split.

**Lone Star Cement Company** directors have proposed a 2.5-for-1 split of the company's stock to increase authorized shares to 10 million from the present 4 million and reduce the par value from \$10 a share to \$4. There are now 2.9 million shares outstanding.

**Pan American Sulphur Company** reports consolidated net income of \$1.9 million from sales of \$8.3 million for the fiscal year ending August 31. Net earnings for calendar 1956 are expected to total about \$2.3 million after payment of an initial dividend of \$.25 declared September 18. Daily production of sulfur for the remainder of this year should total about 2,000 long tons, bringing total 1956 production to about 600,000 long tons.

**Anderson, Clayton and Company** reports consolidated earnings per share of \$3.82 for the year ended July 31. Net income, \$12.4 million after taxes, was over 50% up from the \$8.2 million net earned in the preceding fiscal year.

## REVENUE RECEIPTS OF THE STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Account	September 1-September 30		
	1956	1955	Percent change
<b>TOTAL</b> .....	\$59,383,082	\$69,938,285	- 15
Ad valorem, inheritance and poll taxes .....	329,712	575,759	- 43
Natural and casinghead gas production taxes .....	2,809,709	3,235,438	- 13
Crude oil production taxes .....	11,363,949	10,936,604	+ 4
Other gross receipts and production taxes .....	343,482	341,109	+ 1
Insurance companies and other occupation taxes .....	25,882	25,392	+ 2
Motor fuel taxes (net) .....	13,798,695	11,058,959	+ 25
Cigarette tax and licenses .....	3,502,713	3,730,774	- 6
Alcoholic beverage taxes and licenses .....	3,770,255	3,125,287	+ 21
Automobile and other sales taxes .....	1,483,434	1,684,116	- 12
All licenses and fees .....	2,850,249	2,323,846	+ 23
Franchise taxes .....	95,393	73,430	+ 30
Mineral leases, land sales, rentals, and bonuses .....	296,263	12,336,019	- 98
Oil and gas royalties .....	762,668	2,251,349	- 66
Interest earned .....	1,684,109	1,432,095	+ 18
Unclassified receipts .....	220,633	259,566	- 15
Other miscellaneous revenue .....	2,653,097	2,162,291	+ 23
Federal aid for highways .....	2,862,039	3,842,094	- 26
Federal aid for public welfare .....	8,845,451	8,601,515	+ 3
Other federal aid .....	1,636,040	1,926,820	- 15
Donations and grants .....	49,309	15,822	+212

## FEDERAL INTERNAL REVENUE COLLECTIONS

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

Account and area	July 1-September 30		
	1956	1955	Percent change
<b>TEXAS</b> .....	\$466,204,182	\$443,283,508	+ 5
Income .....	208,119,951	183,859,839	+ 13
Employment .....	2,697,603	3,863,764	- 30
Withholding .....	210,216,163	213,185,071	- 1
Other .....	45,170,465	42,374,834	+ 7
<b>FIRST DISTRICT</b> .....	262,427,163	226,275,435	+ 16
Income .....	107,310,014	92,121,009	+ 16
Employment .....	53,968	139,886	- 61
Withholding .....	124,061,033	109,050,044	+ 14
Other .....	31,002,148	24,964,496	+ 24
<b>SECOND DISTRICT</b> .....	203,777,019	217,008,073	- 6
Income .....	100,809,937	91,738,830	+ 10
Employment .....	2,643,635	3,723,878	- 29
Withholding .....	86,155,130	104,135,027	- 17
Other .....	14,168,317	17,410,338	- 19

## Electric Utilities

**Southwest Public Service Company** earned a net of \$7.4 million during the fiscal year ending August 31. This was an increase of 7% over the preceding year. The company's gross revenues, \$38.6 million, increased 10% over the \$35.1 million earned in fiscal 1955. Kilowatt-hour sales, 2.5 billion for the 1955-56 fiscal period, were up 11%, and consumers of electricity increased to 173,000 from 167,000.

**Texas Utilities Company** earned \$.72 a share during the quarter ending August 31. For the fiscal year ending on the same date, per share earnings were \$.21, an increase of \$.16 per share over 1955. Operating revenues of subsidiaries were \$139.9 million for the year ending August 31, compared with \$123.0 million for 1955. Much of the gain was due to the increased use of air conditioning and refrigeration during the summer. (The Dallas-Fort Worth area had 43 days of temperatures of 100 degrees or higher.) On August 16 the system served a peak load of 2.0 million kilowatts, 19% above the 1955 maximum.

**Houston Lighting and Power** earned \$2.79 a common share during the year ending August 31, a \$.48 increase over 1955 and \$.59 over 1954. Net income of \$16.7 million for the year was \$2.8 million above 1955. Common shares outstanding on August 31 totalled 5.8 million.

**Gulf States Utilities** reports earnings of \$2.22 a common share for the year ending August 31, a \$.19 increase over 1955. The company's net for 1956 totalled \$10.9 million, up \$820,000 from 1955.

**Texas Power and Light Company** plans to raise about \$22 million by the sale of common and preferred stock and the issuance of first mortgage bonds. No-par-value preferred in the amount of \$10 million dollars (100,000 shares) will be sold. An additional \$2 million of common will be sold to Texas Utilities Company. The proceeds of these issues will be used to retire short-term loans and to support a construction program.

## LOANS BY SAVINGS AND LOAN ASSOCIATIONS

Source: Federal Home Loan Bank of Little Rock

Type	Percent change				
	Sept 1956	Aug 1956	Sept 1955	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
	Number				
ALL LOANS .....	3,724	4,197	4,678	— 11	— 20
Construction .....	739	800	1,060	— 8	— 30
Purchase .....	1,207	1,506	1,766	— 20	— 32
Other .....	1,778	1,891	1,852	— 6	— 4
	Thousands of dollars				
ALL LOANS .....	21,537	24,535	30,541	— 12	— 29
Construction .....	6,735	7,126	9,803	— 5	— 31
Purchase .....	9,196	11,401	14,210	— 19	— 35
Other .....	5,606	6,008	6,528	— 7	— 14

## Oil and Gas

**General American Oil Company of Texas** shareholders have approved an increase in authorized common shares from 2 million to 4 million. Subsequently, company directors voted a 100% stock dividend, payable November 16 to holders of record on October 10 and a 15-cent semi-annual cash dividend on the common stock, payable January 2 to holders of record December 2. This payment keeps common stockholders' cash income at the same level as it was prior to the stock split. Owners' conversion privileges on the 85,332 shares of preferred outstanding were extended to December 31, 1957, and the usual 15-cent dividend on preferred was declared.

**Shamrock Oil and Gas Corporation** reports earnings of \$2.88 a share for the nine months ending August 31. This is an improvement over the \$2.45 earned for the similar 1955 period. The total of net sales and other income, \$39.6 million, was substantially above the \$31.4 million for 1955. Net after taxes for the nine months ending last August was \$6.6 million, as against \$5.5 million for the comparable 1955 period.

**Houston Natural Gas Corporation** shareholders have approved a plan for financing the purchase of Houston Pipe Line Company from Atlantic Refining, which, in turn, recently acquired the \$37.7 million company as part of a \$200 million deal with Houston Oil Company. As part of the purchase price, Houston Natural Gas will assume about \$11.7 million of long-term indebtedness of Houston Pipe Line. The \$26 million balance will be paid to Atlantic. As part of the financing plan, Houston Natural Gas stockholders have approved a new class of 300,000 shares of \$100-par preferred, subsidiary to the present outstanding preferred. One-third of this new stock will be offered at public sale.

**Lone Star Gas Company** has been allowed to amend restrictions on dividend payments contained in a loan agreement with the Prudential Insurance Company of America to permit disbursement of a larger percentage of the company's net income to share owners. Under the new agreement Lone Star can pay out up to 95% of consolidated net income accumulated after December 31, 1956. The previous maximum was 75%.

## Banking and Insurance

**Republic National Bank** directors have proposed a 5% stock dividend on 127,500 shares of \$12 par value. Capital and surplus of the Dallas bank are to be increased from \$70 million to \$75 million. The dividend will increase capital stock by \$1.53 million. An additional \$3.47 million will be transferred from undivided profits to surplus. The present monthly cash dividend of \$.14 a share, or \$1.68 a year, will probably be continued.

**Republic National Life Insurance Company** directors have proposed a 15-to-1 stock split. At the same time the par value will be reduced from \$10 a share to \$2. The capital account will be increased from the present \$467,270 to \$1,401,810 by transferring \$934,540 from surplus.

The company's growth to a total of more than \$1 billion of life insurance in force was cited as the reason for the action.

FRANCIS B. MAY

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

Source: Board of Governors of the Federal Reserve System

Account	Percent change		
	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955	Sept 1955 from Aug 1955
TOTAL ASSETS .....	**	+ 2	+ 2
Loans and investments, less loans to banks and valuation reserve .....	**	+ 2	+ 1
Loans, less loans to banks and valuation reserves .....	**	+ 5	+ 2
Commercial, industrial, and agricultural loans .....	**	+ 1	+ 3
Loans for purchasing or carrying securities .....	— 1	+ 29	— 4
Real estate loans .....	+ 2	+ 3	+ 3
Other loans .....	**	+ 14	+ 2
Total U. S. Government securities .....	— 1	— 4	— 3
Treasury bills .....	+ 6	— 35	— 16
Treasury certificates of indebtedness .....	— 9	+305	— 5
Treasury notes .....	+ 3	— 20	— 1
Bonds .....	— 1	— 4	— 2
Other securities .....	— 1	— 7	+ 1
Loans to banks .....	+300	— 56	— 14
Reserves with Federal Reserve Banks .....	— 5	+ 1	+ 1
Cash in vaults .....	— 8	— 10	+ 6
Balances with domestic banks .....	+ 15	+ 8	+ 12
Other net assets .....	— 1	+ 19	+ 2
TOTAL LIABILITIES .....	**	+ 2	+ 2
Total adjusted deposits .....	— 3	— 2	+ 1
Demand deposits .....	— 3	— 5	+ 2
Time deposits .....	+ 1	+ 5	— 2
U. S. Government deposits .....	— 18	+ 14	— 15
Total interbank deposits .....	+ 12	+ 13	+ 1
Domestic banks .....	+ 12	+ 14	+ 4
Foreign banks .....	— 10	— 10	+ 5
Borrowings .....	+120	+ 27	+ 37
Other liabilities .....	— 2	+ 33	+ 7
CAPITAL ACCOUNTS .....	+ 1	+ 12	**

Percentage changes are based on the Wednesday nearest the end of the month.

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

# Local Business

City and item	Percent change		
	September 1956	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>ABILENE (pop. 55,000<sup>r</sup>)</b>			
Retail sales .....		- 2	- 5
Department and apparel stores .....		- 2	- 3
Postal receipts† .....	\$ 66,714	- 1	- 9
Building permits, less federal contracts \$ .....	1,010,948	- 32	- 30
Bank debits (thousands) .....	\$ 70,664	- 5	+ 5
End-of-month deposits (thousands) ‡ .....	\$ 58,306	+ 1	- 1
Annual rate of deposit turnover .....	14.6	- 6	+ 7
Employment .....	30,500	+ 1	+ 9
Manufacturing employment .....	3,350	- 1	+ 7
Percent unemployed .....	4.4	- 6	+ 5

<b>ALPINE (pop. 5,261)</b>			
Postal receipts .....	\$ 3,420	+ 15	- 5
Building permits, less federal contracts \$ .....	14,500	- 34	- 19
Bank debits (thousands) .....	\$ 2,270	- 6	+ 5
End-of-month deposits (thousands) ‡ .....	\$ 4,394	+ 5	+ 28
Annual rate of deposit turnover .....	6.4	- 10	- 17

<b>AMARILLO (pop. 108,034<sup>r</sup>)</b>			
Retail sales* .....		- 9	- 7
Automotive stores* .....		- 18	+ 2
Department and apparel stores .....		- 3	- 10
Drug stores* .....		- 6	+ 6
Florists* .....		+ 4	- 4
Furniture and household appliance stores* .....		- 13	- 11
Gasoline and service stations* .....		- 7	+ 8
Liquor stores* .....		- 1	- 5
Lumber, building material, and hardware stores* .....		- 31	- 28
Postal receipts .....	\$ 121,486	- 9	- 7
Building permits, less federal contracts \$ .....	1,456,292	- 2	- 7
Bank debits (thousands) .....	\$ 144,501	- 12	- 8
End-of-month deposits (thousands) ‡ .....	\$ 104,856	+ 2	- 1
Annual rate of deposit turnover .....	16.7	- 11	- 5
Employment .....	47,200	+ 1	+ 4
Manufacturing employment .....	5,360	+ 1	+ 2
Percent unemployed .....	3.8	- 10	- 7

<b>ARLINGTON (pop. 27,550<sup>r</sup>)</b>			
Postal receipts .....	\$ 20,073	- 4	+ 12
Building permits, less federal contracts \$ .....	425,553	- 9	- 73
Employment (area) .....	200,500	+ 1	+ 6
Manufacturing employment (area) .....	64,950	**	+ 14
Percent unemployed (area) .....	3.8	- 7	- 31

<b>AUSTIN (pop. 168,500<sup>r</sup>)</b>			
Retail sales .....		- 3	- 12
Automotive stores .....		- 2	- 27
Department and apparel stores .....		+ 7	- 3
Eating and drinking places .....		+ 19	- 2
Food stores .....		+ 9	+ 12
Furniture and household appliance stores .....		- 9	- 14
Gasoline and service stations .....		- 12	- 17
Lumber, building material, and hardware stores .....		- 18	- 17
Postal receipts .....	\$ 250,709	+ 2	- 7
Building permits, less federal contracts \$ .....	5,252,603	+ 69	+ 81
Bank debits (thousands) .....	\$ 147,643	**	+ 6
End-of-month deposits (thousands) ‡ .....	\$ 112,343	- 1	- 5
Annual rate of deposit turnover .....	15.7	+ 1	+ 10
Employment .....	69,600	+ 1	+ 5
Manufacturing employment .....	5,190	**	+ 10
Percent unemployed .....	3.7	- 3	+ 3

City and item	Percent change		
	September 1956	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>BAY CITY (pop. 14,042<sup>r</sup>)</b>			
Postal receipts .....	\$ 9,240	+ 3	+ 20
Bank debits (thousands) .....	\$ 13,138	+ 13	+ 5
End-of-month deposits (thousands) ‡ .....	\$ 18,906	+ 8	+ 7
Annual rate of deposit turnover .....	8.9	+ 10	+ 1

<b>BAYTOWN (pop. 22,983)</b>			
Postal receipts .....	\$ 16,810	- 10	+ 12
Building permits, less federal contracts \$ .....	260,000	- 50	+ 33
Employment (area) .....	416,300	+ 1	+ 8
Manufacturing employment (area) .....	92,550	**	+ 8
Percent unemployed (area) .....	3.5	**	+ 13

<b>BEAUMONT (pop. 104,416<sup>r</sup>)</b>			
Retail sales* .....		- 9	- 2
Automotive stores* .....		- 19	- 5
Department and apparel stores .....		+ 4	+ 7
Eating and drinking places* .....		- 4	+ 5
Food stores* .....		+ 2	- 1
Lumber, building material, and hardware stores* .....		- 5	- 11
Postal receipts† .....	\$ 82,663	- 15	- 1
Building permits, less federal contracts \$ .....	1,748,166	+ 38	+ 79
Bank debits (thousands) .....	\$ 134,025	- 3	+ 7
End-of-month deposits (thousands) ‡ .....	\$ 102,423	- 2	+ 5
Annual rate of deposit turnover .....	15.6	- 1	+ 1
Employment (area) .....	85,600	- 1	+ 3
Manufacturing employment (area) .....	29,040	- 1	+ 3
Percent unemployed (area) .....	3.7	- 12	- 35

<b>BEEVILLE (pop. 10,500<sup>r</sup>)</b>			
Postal receipts .....	\$ 6,968	- 21	**
Building permits, less federal contracts \$ .....	79,755	- 69	+ 95
Bank debits (thousands) .....	\$ 7,519	- 9	+ 13
End-of-month deposits (thousands) ‡ .....	\$ 12,620	- 2	+ 3
Annual rate of deposit turnover .....	7.1	- 9	+ 11

<b>BIG SPRING (pop. 20,654<sup>r</sup>)</b>			
Retail sales .....		- 13	- 25
Automotive stores .....		- 23	- 42
Department and apparel stores .....		+ 16	+ 8
Drug stores .....		+ 1	- 3
Lumber, building material, and hardware stores .....		- 15	- 8
Postal receipts .....	\$ 16,173	- 28	- 9
Building permits, less federal contracts \$ .....	115,780	- 53	- 48
Bank debits (thousands) .....	\$ 23,646	- 18	+ 2
End-of-month deposits (thousands) ‡ .....	\$ 26,884	+ 1	+ 11
Annual rate of deposit turnover .....	10.6	- 17	- 9

<b>BORGER (pop. 18,059)</b>			
Postal receipts .....	\$ 12,377	- 14	- 15
Building permits, less federal contracts \$ .....	80,655	- 63	+ 24
Bank debits (thousands) .....	\$ 15,706	- 7	+ 9
End-of-month deposits (thousands) ‡ .....	\$ 15,754	+ 1	+ 5
Annual rate of deposit turnover .....	12.0	- 7	+ 6

<b>BRADY (pop. 5,944)</b>			
Postal receipts .....	\$ 3,290	- 1	+ 8
Building permits, less federal contracts \$ .....	12,775	+ 287	+ 125
Bank debits (thousands) .....	\$ 3,356	+ 43	- 8
End-of-month deposits (thousands) ‡ .....	\$ 6,695	**	+ 7
Annual rate of deposit turnover .....	6.0	+ 43	- 14

<b>BRENNHAM (pop. 6,941)</b>			
Postal receipts .....	\$ 5,870	+ 39	+ 22
Building permits, less federal contracts \$ .....	25,170	- 77	- 64
Bank debits (thousands) .....	\$ 7,266	+ 6	- 7
End-of-month deposits (thousands) ‡ .....	\$ 11,211	- 13	- 16
Annual rate of deposit turnover .....	7.2	- 31	**

For explanation of symbols, see page 23.

# Conditions

City and item	Percent change		
	September 1956	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>BROWNSVILLE (pop. 36,066)</b>			
Retail sales*	.....	— 15	— 3
Automotive stores*	.....	— 12	— 10
Food stores*	.....	+ 4	+ 12
Lumber, building material, and hardware stores*	.....	— 31	— 8
Postal receipts	\$ 20,793	.....	— 11
Building permits, less federal contracts	\$ 661,012	+ 368	+ 253

<b>BROWNWOOD (pop. 20,181)</b>			
Retail sales	.....	— 10	— 11
Automotive stores	.....	— 30	— 22
Department and apparel stores	.....	+ 18	+ 4
Furniture and household appliance stores	.....	— 7	— 13
Postal receipts	\$ 16,842	— 7	— 15
Building permits, less federal contracts	\$ 10,100	— 97	— 83
Bank debits (thousands)	\$ 9,408	— 11	— 9
End-of-month deposits (thousands)†	\$ 11,976	**	— 10
Annual rate of deposit turnover	9.4	— 10	**

<b>BRYAN (pop. 23,883<sup>r</sup>)</b>			
Retail sales*	.....	+ 16	+ 8
Food stores*	.....	— 8	— 1
Postal receipts	\$ 16,921	— 11	— 3
Building permits, less federal contracts	\$ 212,985	— 29	+ 12

<b>CALDWELL (pop. 2,109)</b>			
Bank debits (thousands)	\$ 1,802	+ 6	— 7
End-of-month deposits (thousands)†	\$ 3,978	+ 3	**
Annual rate of deposit turnover	5.5	+ 4	— 10

<b>CISCO (pop. 5,230)</b>			
Postal receipts	\$ 3,310	— 6	— 13
Bank debits (thousands)	\$ 2,148	— 17	— 8
End-of-month deposits (thousands)†	\$ 3,647	**	— 13
Annual rate of deposit turnover	7.1	— 15	+ 6

<b>CORPUS CHRISTI (pop. 122,956<sup>u</sup>)</b>			
Retail sales	.....	— 10	+ 1
Automotive stores	.....	— 20	— 10
Department and apparel stores	.....	— 7	+ 6
Lumber, building material, and hardware stores	.....	— 4	+ 23
Postal receipts	\$ 123,462	— 12	— 10
Building permits, less federal contracts	\$ 919,566	— 10	— 44
Bank debits (thousands)	\$ 172,440	— 6	+ 10
End-of-month deposits (thousands)†	\$ 109,644	**	+ 2
Annual rate of deposit turnover	18.8	— 7	+ 8
Employment	64,500	**	+ 2
Manufacturing employment	8,340	**	+ 1
Percent unemployed	4.5	**	— 4

<b>CORSICANA (pop. 19,211)</b>			
Department and apparel store sales	.....	+ 15	— 3
Postal receipts	\$ 12,274	— 45	— 26
Building permits, less federal contracts	\$ 106,995	+ 29	+ 281
Bank debits (thousands)	\$ 16,580	+ 11	— 5
End-of-month deposits (thousands)†	\$ 21,735	+ 3	— 2
Annual rate of deposit turnover	9.2	+ 8	— 3

<b>DEL RIO (pop. 14,211)</b>			
Postal receipts	\$ 7,921	— 36	— 39
Building permits, less federal contracts	\$ 59,730	— 61	— 35
Bank debits (thousands)	\$ 7,473	— 15	**
End-of-month deposits (thousands)†	\$ 11,202	— 3	+ 5
Annual rate of deposit turnover	7.9	— 13	— 4

City and item	Percent change		
	September 1956	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>DALLAS (pop. 538,924<sup>u</sup>)</b>			
Retail sales*	.....	— 8	— 11
Automotive stores*	.....	— 30	— 37
Department and apparel stores	.....	+ 2	+ 1
Drug stores*	.....	+ 7	+ 3
Eating and drinking places*	.....	— 8	— 8
Florists*	.....	— 8	+ 3
Food stores*	.....	— 1	— 2
Furniture and household appliance stores*	.....	— 9	— 23
Gasoline and service stations*	.....	— 9	— 1
General merchandise stores*	.....	+ 7	— 4
Liquor stores*	.....	+ 7	+ 8
Lumber, building material, and hardware stores*	.....	— 10	— 31
Office, store, and school supply dealers*	.....	— 1	+ 6
Postal receipts	\$ 1,542,246	— 13	— 10
Building permits, less federal contracts	\$ 10,369,794	+ 42	— 23
Bank debits (thousands)	\$ 1,902,607	— 7	— 3
End-of-month deposits (thousands)†	\$ 993,328	+ 3	— 2
Annual rate of deposit turnover	23.3	— 9	— 1
Employment (area)	334,200	+ 1	+ 6
Manufacturing employment (area)	86,100	+ 1	+ 10
Percent unemployed (area)	2.2	— 12	— 4

<b>DENISON (pop. 17,504)</b>			
Retail sales	.....	— 17	— 16
Automotive stores	.....	— 24	— 16
Department and apparel stores	.....	+ 23	**
Furniture and household appliance stores	.....	— 36	— 32
Lumber, building material, and hardware stores	.....	— 14	— 49
Postal receipts	\$ 12,556	— 21	— 15
Building permits, less federal contracts	\$ 211,959	**	+ 316
Bank debits (thousands)	\$ 14,916	+ 6	+ 14
End-of-month deposits (thousands)†	\$ 16,716	— 2	+ 4
Annual rate of deposit turnover	10.6	+ 5	+ 7

<b>DENTON (pop. 21,372)</b>			
Postal receipts	\$ 21,706	+ 5	— 11
Building permits, less federal contracts	\$ 1,063,150	+ 934	+ 314
Bank debits (thousands)	\$ 12,601	+ 1	— 5
End-of-month deposits (thousands)†	\$ 17,187	+ 5	+ 9
Annual rate of deposit turnover	9.0	**	— 13

<b>EL PASO (pop. 182,505<sup>r</sup>)</b>			
Retail sales*	.....	— 7	— 13
Automotive stores*	.....	— 13	— 32
Department and apparel stores	.....	— 4	+ 9
Drug stores*	.....	+ 2	+ 12
Lumber, building material, and hardware stores*	.....	+ 5	+ 8
Piano and musical instrument stores*	.....	+ 10	+ 2
Postal receipts	\$ 183,838	**	— 15
Building permits, less federal contracts	\$ 1,884,948	— 8	— 26
Bank debits (thousands)	\$ 215,851	— 13	— 3
End-of-month deposits (thousands)†	\$ 132,787	+ 4	+ 2
Annual rate of deposit turnover	19.9	— 14	— 3
Employment	79,200	+ 1	+ 5
Manufacturing employment	12,860	+ 1	+ 5
Percent unemployed	4.1	— 15	+ 11

For explanation of symbols, see page 23.

## LOCAL BUSINESS CONDITIONS

City and item	September 1956	Percent change	
		Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>EDINBURG (pop. 15,993<sup>r</sup>)</b>			
Postal receipts .....	\$ 6,543	+ 3	— 10
Building permits, less federal contracts. \$	45,770	+ 15	— 49
Bank debits (thousands) .....	\$ 7,616	— 34	+ 2
End-of-month deposits (thousands)† .....	\$ 6,673	— 27	— 2
Annual rate of deposit turnover .....	11.5	— 29	— 7

**FORT WORTH (pop. 315,578<sup>u</sup>)**

Retail sales*		- 12	- 8
Automotive stores*		- 17	- 39
Department and apparel stores .....		- 7	- 8
Drug stores*		- 3	- 4
Eating and drinking places*		- 3	- 4
Furniture and household appliance stores*		- 11	+ 2
Gasoline and service station*		- 12	- 9
Hay, grain, and feed stores*		+ 15	+ 59
Lumber, building material, and hardware stores*		- 11	- 10
Postal receipts .....	\$ 544,625	- 8	+ 3
Building permits, less federal contracts .....	\$ 3,687,815	- 39	- 10
Bank debits (thousands) .....	\$ 628,221	- 8	+ 6
End-of-month deposits (thousands)† .....	\$ 372,319	**	+ 4
Annual rate of deposit turnover .....	20.3	- 8	+ 2
Employment (area) .....	200,500	+ 1	+ 6
Manufacturing employment (area) ..	64,950	**	+ 14
Percent unemployed (area) .....	3.8	- 7	- 31

**GALVESTON (pop. 71,527<sup>u</sup>)**

Retail sales .....		- 10	- 7
Department and apparel stores .....		- 11	+ 14
Food stores .....		**	+ 6
Furniture and household appliance stores .....		- 11	- 11
Lumber, building material, and hardware stores .....		+ 1	+ 10
Postal receipts .....	\$ 71,224	+ 6	**
Building permits, less federal contracts .....	\$ 731,996	+ 437	+ 39
Bank debits (thousands) .....	\$ 85,128	- 22	+ 6
End-of-month deposits (thousands)† .....	\$ 73,696	+ 1	+ 5
Annual rate of deposit turnover .....	13.9	- 26	+ 1
Employment (area) .....	47,800	**	+ 5
Manufacturing employment (area) ..	11,710	+ 1	+ 3
Percent unemployed (area) .....	5.6	+ 6	- 3

**GARLAND (pop. 10,571)**

Postal receipts .....	\$ 12,925	- 5	- 4
Building permits, less federal contracts .....	\$ 358,542	- 13	- 48
Bank debits (thousands) .....	\$ 15,398	**	+ 13
End-of-month deposits (thousands)† .....	\$ 12,985	- 3	- 1
Annual rate of deposit turnover .....	14.0	+ 1	+ 7
Employment (area) .....	334,200	+ 1	+ 6
Manufacturing employment (area) ..	86,100	+ 1	+ 10
Percent unemployed (area) .....	2.2	- 12	- 4

**GIDDINGS (pop. 2,532)**

Postal receipts .....	\$ 2,051	- 14	- 28
Bank debits (thousands) .....	\$ 1,762	- 6	- 3
End-of-month deposits (thousands)† .....	\$ 3,449	**	- 15
Annual rate of deposit turnover .....	6.1	- 3	+ 15

**GLADEWATER (pop. 5,305)**

Postal receipts .....	\$ 4,094	+ 8	- 30
Bank debits (thousands) .....	\$ 3,549	- 8	- 8
End-of-month deposits (thousands)† .....	\$ 4,667	+ 13	**
Annual rate of deposit turnover .....	9.7	- 13	- 8
Employment (area) .....	25,350	+ 1	+ 4
Manufacturing employment (area) ..	4,790	+ 1	+ 18
Percent unemployed (area) .....	3.6	- 5	- 10

City and item	September 1956	Percent change	
		Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>GOLDTHWAITE (pop. 1,566)</b>			
Postal receipts .....	\$ 2,928	+104	+ 18
Bank debits (thousands) .....	\$ 3,626	+ 11	+ 18
End-of-month deposits (thousands) † ..	\$ 3,096	— 3	+ 6
Annual rate of deposit turnover .....	13.8	+ 15	+ 10

**GONZALES (pop. 5,659)**

Postal receipts .....	\$ 3,756	+ 9	- 15
Building permits, less federal contracts .....	\$ 79,000	+ 645	+ 599
Bank debits (thousands) .....	\$ 3,936	- 14	- 26
End-of-month deposits (thousands)† .....	\$ 5,075	- 5	- 22
Annual rate of deposit turnover .....	9.1	- 11	- 9

**GRAND PRAIRIE (pop. 14,594)**

Postal receipts .....	\$ 16,402	- 8	+ 7
Building permits, less federal contracts .....	\$ 268,505	- 12	- 48
Employment (area) .....	334,200	+ 1	+ 6
Manufacturing employment (area) ..	86,100	+ 1	+ 10
Percent unemployed (area) .....	2.2	- 12	- 4

**GREENVILLE (pop. 17,500<sup>r</sup>)**

Retail sales*		- 2	- 25
Automotive stores*		- 17	- 55
Department and apparel stores .....		+ 16	- 11
Food stores*		+ 15	+ 26
Lumber, building material, and hardware stores*		+ 5	- 5
Postal receipts .....	\$ 16,305	- 2	**
Building permits, less federal contracts .....	\$ 43,135	- 69	- 67
Bank debits (thousands) .....	\$ 14,762	+ 15	- 1
End-of-month deposits (thousands)† .....	\$ 15,209	+ 4	- 3
Annual rate of deposit turnover .....	11.8	+ 13	+ 4

**HARLINGEN (pop. 30,038<sup>r</sup>)**

Postal receipts .....	\$ 24,151	- 12	- 10
Building permits, less federal contracts .....	\$ 291,422	- 31	- 1
Bank debits (thousands) .....	\$ 36,415	- 42	**
End-of-month deposits (thousands)† .....	\$ 23,528	- 11	+ 1
Annual rate of deposit turnover .....	17.5	- 37	- 1

**HENDERSON (pop. 6,833)**

Retail sales*		- 18	- 10
Automotive stores*		- 31	- 19
Department and apparel stores .....		+ 6	- 1
Food stores*		+ 17	+ 25
Postal receipts† .....	\$ 8,252	- 11	+ 4
Building permits, less federal contracts .....	\$ 249,500	+ 376	+ 1123
Bank debits (thousands) .....	\$ 6,221	**	- 17
End-of-month deposits (thousands)† .....	\$ 14,338	+ 1	**
Annual rate of deposit turnover .....	5.2	- 2	- 19

**HEREFORD (pop. 5,207)**

Postal receipts† .....	\$ 6,029	+ 10	- 13
Building permits, less federal contracts .....	\$ 123,133	- 19	- 44
Bank debits (thousands) .....	\$ 10,699	- 2	+ 12
End-of-month deposits (thousands)† .....	\$ 10,425	- 11	+ 19
Annual rate of deposit turnover .....	11.6		- 9

**JASPER (pop. 4,403)**

Postal receipts .....	\$ 4,402	- 32	+ 2
Bank debits (thousands) .....	\$ 5,473	- 8	+ 5
End-of-month deposits (thousands)† .....	\$ 6,673	- 2	+ 6
Annual rate of deposit turnover .....	9.7	- 9	- 2

**KILGORE (pop. 9,638)**

Postal receipts .....	\$ 10,796	+ 13	**
Building permits, less federal contracts .....	\$ 102,258	**	+ 151
Bank debits (thousands) .....	\$ 15,938	+ 5	+ 8
End-of-month deposits (thousands)† .....	\$ 17,043	+ 9	+ 8
Annual rate of deposit turnover .....	11.7	**	+ 3
Employment (area) .....	25,350	+ 1	+ 4
Manufacturing employment (area) ..	4,790	+ 1	+ 18
Percent unemployed (area) .....	3.6	- 5	- 10

For explanation of symbols, see page 23.

## LOCAL BUSINESS CONDITIONS

City and item	Percent change		
	September 1956	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>HOUSTON (pop. 700,508<sup>u</sup>)</b>			
Retail sales		— 6	— 3
Automotive stores		— 16	— 15
Department and apparel stores		— 1	— 2
Drug stores		+ 3	+ 7
Eating and drinking places		+ 3	+ 10
Food stores		— 6	— 2
Furniture and household appliance stores		— 15	+ 6
Gasoline and service stations		— 6	+ 3
General merchandise stores		+ 2	— 8
Lumber, building material, and hardware stores		— 7	— 9
Office, store, and school supply dealers		— 10	+ 37
Postal receipts \$	1,016,135	— 13	— 1
Building permits, less federal contracts \$	11,864,100	— 19	+ 26
Bank debits (thousands) \$	2,109,105	— 7	+ 7
End-of-month deposits (thousands) † \$	1,233,974	+ 1	+ 2
Annual rate of deposit turnover	20.6	— 8	+ 5
Employment (area)	416,300	+ 1	+ 8
Manufacturing employment (area) \$	92,550	**	+ 8
Percent unemployed (area)	3.5	**	+ 13
<b>KILLEEN (pop. 21,076<sup>r</sup>)</b>			
Postal receipts \$	15,476	— 23	— 40
Building permits, less federal contracts \$	44,023	— 46	— 81
Bank debits (thousands) \$	6,159	— 13	— 27
End-of-month deposits (thousands) † \$	5,476	— 8	— 5
Annual rate of deposit turnover	12.9	— 7	— 26
<b>LAMESA (pop. 10,704)</b>			
Postal receipts \$	7,362	— 7	+ 18
Building permits, less federal contracts \$	37,600	— 86	+ 73
Bank debits (thousands) \$	10,818	+ 32	+ 26
End-of-month deposits (thousands) † \$	12,331	+ 10	+ 22
Annual rate of deposit turnover	11.0	+ 28	+ 9
<b>LAMPASAS (pop. 4,869)</b>			
Postal receipts \$	4,096	+ 41	— 4
Building permits, less federal contracts \$	29,900	— 160	— 35
Bank debits (thousands) \$	4,454	— 8	— 4
End-of-month deposits (thousands) † \$	6,356	+ 3	— 6
Annual rate of deposit turnover	8.5	— 10	+ 4
<b>LAREDO (pop. 59,350<sup>r</sup>)</b>			
Postal receipts \$	22,337	— 6	— 6
Building permits, less federal contracts \$	97,675	— 50	+ 141
Bank debits (thousands) \$	20,834	— 2	+ 6
End-of-month deposits (thousands) † \$	18,972	+ 2	— 3
Annual rate of deposit turnover	13.3	— 2	+ 9
<b>LLANO (pop. 2,954)</b>			
Postal receipts \$	1,540	+ 1	— 21
Building permits, less federal contracts \$	2,500		
Bank debits (thousands) \$	3,146	+ 8	+ 14
End-of-month deposits (thousands) † \$	3,602	— 4	— 1
Annual rate of deposit turnover	10.3	+ 7	+ 12
<b>LOCKHART (pop. 5,573)</b>			
Building permits, less federal contracts \$	151,430	+ 893	+ 89
Bank debits (thousands) \$	3,380	+ 1	— 11
End-of-month deposits (thousands) † \$	4,773	+ 1	— 7
Annual rate of deposit turnover	8.5	+ 1	— 7
<b>LONGVIEW (pop. 34,328<sup>r</sup>)</b>			
Postal receipts \$	27,634	— 1	— 7
Building permits, less federal contracts \$	793,640	+ 231	+ 69
Bank debits (thousands) \$	35,337	— 2	+ 5
End-of-month deposits (thousands) † \$	36,568	**	+ 5
Annual rate of deposit turnover	11.6	— 3	**
Employment (area)	25,350	+ 1	+ 4
Manufacturing employment (area) \$	4,790	+ 1	+ 13
Percent unemployed (area)	3.6	— 5	— 10

City and item	Percent change		
	September 1956	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>LUBBOCK (pop. 128,674<sup>r</sup>)</b>			
Retail sales		**	— 36
Automotive stores		— 5	— 46
Department and apparel stores		+ 3	— 5
Furniture and household appliance stores		— 6	— 17
Lumber, building material, and hardware stores		+ 24	— 23
Postal receipts \$	91,249	— 21	— 13
Building permits, less federal contracts \$	1,774,430	+ 4	— 5
Bank debits (thousands) \$	120,317	+ 3	— 5
End-of-month deposits (thousands) † \$	89,165	+ 5	+ 2
Annual rate of deposit turnover	16.6	+ 2	— 1
Employment	43,550	+ 1	+ 2
Manufacturing employment	4,590	+ 1	+ 3
Percent unemployed	4.8	— 6	+ 14
<b>McALLEN (pop. 25,326<sup>r</sup>)</b>			
Retail sales		— 19	— 19
Department and apparel stores		— 23	+ 2
Postal receipts \$	19,084	+ 3	+ 15
Building permits, less federal contracts \$	92,960	— 29	— 89
Bank debits (thousands) \$	16,612	— 18	+ 3
End-of-month deposits (thousands) † \$	21,951	+ 25	+ 33
Annual rate of deposit turnover	10.1	— 23	—
<b>McKINNEY (pop. 10,560)</b>			
Building permits, less federal contracts \$	27,350	— 68	— 38
Bank debits (thousands) \$	7,544	+ 1	— 19
End-of-month deposits (thousands) † \$	12,211	+ 2	+ 4
Annual rate of deposit turnover	7.5	—	— 23
<b>MARSHALL (pop. 25,479<sup>r</sup>)</b>			
Department and apparel store sales		+ 10	+ 5
Postal receipts \$	15,916	**	— 16
Building permits, less federal contracts \$	79,129	— 30	— 85
Bank debits (thousands) \$	14,543	+ 5	— 2
End-of-month deposits (thousands) † \$	20,583	**	— 3
Annual rate of deposit turnover	8.5	—	**
<b>MERCEDES (pop. 10,081)</b>			
Postal receipts \$	3,596	— 39	— 24
Building permits, less federal contracts \$	2,700	— 57	+ 800
Bank debits (thousands) \$	5,877	— 83	+ 10
End-of-month deposits (thousands) † \$	6,134	+ 12	+ 16
Annual rate of deposit turnover	12.2	— 38	+ 4
<b>MIDLAND (pop. 42,600<sup>r</sup>)</b>			
Postal receipts † \$	52,504	— 7	+ 8
Building permits, less federal contracts \$	1,788,300	+ 34	+ 47
Bank debits (thousands) \$	65,286	— 8	+ 11
End-of-month deposits (thousands) † \$	79,499	— 1	+ 8
Annual rate of deposit turnover	9.8	— 7	+ 3
<b>MONAHANS (pop. 6,311)</b>			
Postal receipts \$	4,747	— 1	— 23
Building permits, less federal contracts \$	653,580	+ 264	+ 761
Bank debits (thousands) \$	7,308	— 8	— 5
End-of-month deposits (thousands) † \$	7,240	+ 3	+ 1
Annual rate of deposit turnover	12.2	— 9	— 6
<b>NACOGDOCHES (pop. 12,327)</b>			
Postal receipts \$	8,422	— 25	— 20
Building permits, less federal contracts \$	38,735	— 45	— 41
Bank debits (thousands) \$	11,074	— 5	+ 2
End-of-month deposits (thousands) † \$	16,414	+ 6	+ 5
Annual rate of deposit turnover	8.3	— 7	— 2
<b>NEW BRAUNFELS (pop. 12,210)</b>			
Postal receipts \$	18,616	— 12	+ 20
Building permits, less federal contracts \$	62,298	+ 12	— 87
Bank debits (thousands) \$	7,514	— 11	+ 2
End-of-month deposits (thousands) † \$	9,791	+ 5	— 7
Annual rate of deposit turnover	9.4	— 11	—

For explanation of symbols, see page 23.

## LOCAL BUSINESS CONDITIONS

City and item	September 1956	Percent change	
		Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>ORANGE (pop. 21,174)</b>			
Building permits, less federal contracts \$	140,018	— 44	— 46
Bank debits (thousands) .....	\$ 18,958	— 8	— 15
End-of-month deposits (thousands) † .. \$	23,945	— 5	+ 1
Annual rate of deposit turnover .....	9.2	— 5	— 20
<b>PALESTINE (pop. 15,063<sup>r</sup>)</b>			
Postal receipts .....	\$ 9,674	+ 7	— 9
Building permits, less federal contracts \$	69,810	+ 33	— 44
Bank debits (thousands) .....	\$ 7,189	— 1	+ 8
End-of-month deposits (thousands) † .. \$	13,694	+ 1	+ 7
Annual rate of deposit turnover .....	6.3	— 3	+ 2
<b>PAMPA (pop. 20,448<sup>r</sup>)</b>			
Postal receipts .....	\$ 19,299	+ 10	+ 15
Building permits, less federal contracts \$	823,390	+230	+184
Bank debits (thousands) .....	\$ 16,544	— 1	+ 7
End-of-month deposits (thousands) † .. \$	21,321	+ 1	+ 6
Annual rate of deposit turnover .....	9.4	— 1	+ 2
<b>PASADENA (pop. 22,483)</b>			
Postal receipts .....	\$ 19,191	— 18	+ 14
Building permits, less federal contracts \$	1,079,891	— 10	— 11
Employment (area) .....	416,300	+ 1	+ 8
Manufacturing employment (area) ....	92,550	**	+ 8
Percent unemployed (area) .....	3.5	**	+ 13
<b>PHARR (pop. 8,690)</b>			
Postal receipts .....	\$ 4,294	+ 3	— 9
Building permits, less federal contracts \$	36,600	+ 32	—
Bank debits (thousands) .....	\$ 3,168	— 10	+ 1
End-of-month deposits (thousands) † .. \$	2,980	— 18	— 15
Annual rate of deposit turnover .....	11.5	+ 5	+ 5
<b>PLAINVIEW (pop. 14,044)</b>			
Retail sales .....	.....	— 7	**
Department and apparel stores .....	.....	+ 30	+ 9
Postal receipts .....	\$ 13,223	+ 5	— 4
Building permits, less federal contracts \$	119,000	— 18	— 33
Bank debits (thousands) .....	\$ 19,712	+ 9	+ 20
End-of-month deposits (thousands) † .. \$	17,487	— 6	— 16
<b>PORT ARTHUR (pop. 82,150<sup>u</sup>)</b>			
Retail sales* .....	.....	— 5	— 8
Automotive stores* .....	.....	— 2	— 15
Department and apparel stores .....	.....	— 3	+ 2
Drug stores* .....	.....	+ 1	+ 2
Eating and drinking places* .....	.....	— 1	+ 19
Food stores* .....	.....	— 6	— 6
Furniture and household appliance stores* .....	.....	— 9	+ 6
Lumber, building material, and hardware stores* .....	.....	— 14	— 11
Postal receipts .....	\$ 32,282	+ 1	— 14
Building permits, less federal contracts \$	443,797	+ 3	— 22
Bank debits (thousands) .....	\$ 51,798	— 12	— 4
End-of-month deposits (thousands) † .. \$	43,967	— 1	— 3
Annual rate of deposit turnover .....	14.0	— 12	**
Employment (area) .....	85,600	— 1	+ 3
Manufacturing employment (area) ....	29,040	— 1	+ 3
Percent unemployed (area) .....	3.7	— 12	— 35
<b>ROCKDALE (pop. 4,550<sup>r</sup>)</b>			
Postal receipts .....	\$ 2,787	— 16	— 13
Building permits, less federal contracts \$	25,725	+100	— 3
Bank debits (thousands) .....	\$ 3,392	— 7	— 19
End-of-month deposits (thousands) † .. \$	5,192	+ 1	+ 1
Annual rate of deposit turnover .....	7.9	— 7	— 22
<b>SAN MARCOS (pop. 9,980)</b>			
Postal receipts .....	\$ 8,660	— 5	— 24
Building permits, less federal contracts \$	12,210	— 40	— 88
Bank debits (thousands) .....	\$ 5,378	— 18	— 30
End-of-month deposits (thousands) † .. \$	8,084	— 1	— 10
Annual rate of deposit turnover .....	7.9	— 16	— 23

City and item	September 1956	Percent change	
		Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>SAN ANGELO (pop. 62,359<sup>r</sup>)</b>			
Retail sales .....		+ 3	+ 9
Department and apparel stores.....		+ 6	- 2
Postal receipts .....\$	44,038	- 11	- 12
Building permits, less federal contracts.\$	385,111	- 22	- 41
Bank debits (thousands) .....\$	44,443	- 1	**
End-of-month deposits (thousands)†.....\$	45,900	**	+ 1
Annual rate of deposit turnover.....	11.6	- 3	**
Employment.....	23,050	**	+ 1
Manufacturing employment .....	2,870	**	- 9
Percent unemployed .....	4.2	- 16	+ 5
<b>SAN ANTONIO (pop. 449,521<sup>u</sup>)</b>			
Retail sales*.....		- 4	- 3
Automotive stores*.....		- 20	- 6
Department and apparel stores.....		- 2	- 2
Drug stores*.....		- 1	+ 3
Eating and drinking places*.....		- 13	- 5
Food stores*.....		- 2	+ 3
Furniture and household appliance stores*.....		- 22	- 14
General merchandise stores*.....		+ 2	- 1
Lumber, building material, and hardware stores*.....		- 1	- 29
Building permits, less federal contracts.\$	3,562,930	- 32	- 21
Bank debits (thousands) .....\$	431,662	- 13	- 7
End-of-month deposits (thousands)†.....\$	341,405	- 2	- 2
Annual rate of deposit turnover.....	15.0	- 12	- 7
Employment.....	187,100	+ 1	+ 3
Manufacturing employment .....	23,250	- 1	+ 3
Percent unemployed .....	3.2	- 16	- 20
<b>SAN SABA (pop. 3,400)</b>			
Bank debits (thousands) .....\$	2,573	+ 1	- 15
End-of-month deposits (thousands)†.....\$	3,649	- 5	- 2
Annual rate of deposit turnover.....	8.2	+ 1	- 15
<b>SEGUIN (pop. 14,000<sup>r</sup>)</b>			
Postal receipts .....\$	7,949	+ 8	- 8
Building permits, less federal contracts.\$	90,385	- 4	+ 91
Bank debits (thousands) .....\$	7,057	- 6	- 11
End-of-month deposits (thousands)†.....\$	15,366	**	- 1
Annual rate of deposit turnover.....	5.5	- 7	- 10
<b>SHERMAN (pop. 25,855<sup>r</sup>)</b>			
Retail sales .....		- 6	- 15
Department and apparel stores .....		+ 17	+ 5
Furniture and household appliance stores .....		- 15	- 6
Lumber, building material, and hardware stores .....		+ 2	- 44
Postal receipts .....\$	22,463	- 7	- 27
Building permits, less federal contracts.\$	1,067,503	+914	+211
Bank debits (thousands) .....\$	22,924	- 8	- 15
End-of-month deposits (thousands)†.....\$	17,098	- 1	- 5
Annual rate of deposit turnover.....	16.0	- 8	- 12
<b>SLATON (pop. 5,036)</b>			
Postal receipts†.....\$	2,747	+ 4	**
Building permits, less federal contracts.\$	49,587	+ 3	+ 16
Bank debits (thousands) .....\$	2,269	+ 21	+ 9
End-of-month deposits (thousands)†.....\$	3,303	+ 1	+ 6
Annual rate of deposit turnover.....	8.3	+ 22	+ 8
<b>SNYDER (pop. 14,111<sup>r</sup>)</b>			
Department and apparel store sales.....		+ 27	- 2
Postal receipts .....\$	10,310	+ 11	- 3
Building permits, less federal contracts.\$	57,400	- 41	+ 65
Bank debits (thousands) .....\$	11,285	- 7	- 5
End-of-month deposits (thousands)†.....\$	14,372	+ 3	- 39
Annual rate of deposit turnover.....	9.5	- 4	

For explanation of symbols, see page 23.

## LOCAL BUSINESS CONDITIONS

City and item	Percent change		
	September 1956	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>SULPHUR SPRINGS (pop. 9,870<sup>r</sup>)</b>			
Postal receipts .....	\$ 6,092	+ 12	— 12
Building permits, less federal contracts. \$	15,800	— 62	— 83
Bank debits (thousands) .....	\$ 8,118	+ 1	+ 17
End-of-month deposits (thousands) †.....	\$ 10,938	+ 2	+ 5
Annual rate of deposit turnover.....	9.0	+ 2	+ 10

<b>SWEETWATER (pop. 13,619)</b>			
Postal receipts .....	\$ 10,209	— 19	— 7
Building permits, less federal contracts. \$	406,680	+172	— 15
Bank debits (thousands) .....	\$ 10,011	+ 11	+ 16
End-of-month deposits (thousands) †.....	\$ 11,414	**	+ 12
Annual rate of deposit turnover.....	10.5	+ 11	+ 4

<b>TAYLOR (pop. 9,071)</b>			
Postal receipts .....	\$ 6,923	— 17	+ 7
Building permits, less federal contracts. \$	23,165	— 42	— 90
Bank debits (thousands) .....	\$ 7,296	— 4	— 32
End-of-month deposits (thousands) †.....	\$ 11,481	+ 3	— 17
Annual rate of deposit turnover.....	7.8	— 2	— 18

<b>TEMPLE (pop. 33,912<sup>r</sup>)</b>			
Retail sales .....		— 16	— 24
Department and apparel stores.....		+ 25	— 8
Drug stores .....		— 2	— 9
Eating and drinking places.....		— 7	— 11
Food stores .....		**	— 1
Furniture and household appliance stores .....		— 33	— 11
Lumber, building material, and hardware stores .....		— 24	— 16
Postal receipts .....	\$ 25,426	— 16	— 13
Building permits, less federal contracts. \$	38,739	— 86	— 72
Bank debits (thousands) .....	\$ 21,223	+ 6	— 10
End-of-month deposits (thousands) †.....	\$ 27,593	+ 5	+ 8
Annual rate of deposit turnover.....	9.4	+ 2	— 18

<b>TEXARKANA (pop. 24,753)</b>			
Retail sales .....		— 30	— 33
Automotive stores .....		— 33	— 42
Furniture and household appliance stores .....		— 49	— 5
Postal receipts .....	\$ 44,116	— 4	— 9
Building permits, less federal contracts. \$	141,350	+ 37	— 59
Bank debits (thousands) .....	\$ 40,048	— 2	+ 2
End-of-month deposits (thousands) †.....	\$ 16,459	— 3	— 7
Annual rate of deposit turnover.....	13.4	— 1	+ 6
Employment .....	34,000	**	— 3
Manufacturing employment .....	5,290	— 1	— 9
Percent unemployed .....	7.5	— 1	+ 1

<b>TEXAS CITY (pop. 23,000<sup>r</sup>)</b>			
Postal receipts .....	\$ 15,325	+ 4	+ 4
Building permits, less federal contracts. \$	327,466	+ 12	— 2
Bank debits (thousands) .....	\$ 26,350	— 14	— 14
End-of-month deposits (thousands) †.....	\$ 27,070	— 12	— 5
Annual rate of deposit turnover.....	10.9	— 8	— 13
Employment (area) .....	47,800	**	+ 5
Manufacturing employment (area) .....	11,710	+ 1	+ 3
Percent unemployed (area) .....	5.6	+ 6	— 3

City and item	Percent change		
	September 1956	Sept 1956 from Aug 1956	Sept 1956 from Sept 1955
<b>TYLER (pop. 49,443<sup>r</sup>)</b>			
Postal receipts .....	\$ 60,646	+ 4	+ 8
Building permits, less federal contracts. \$	854,896	+ 81	— 33
Bank debits (thousands) .....	\$ 74,659	— 1	+ 3
End-of-month deposits (thousands) †.....	\$ 58,428	+ 1	+ 4
Annual rate of deposit turnover .....	15.5	**	+ 1

<b>VERNON (pop. 12,651)</b>			
Department and apparel store sales .....		+ 4	+ 3
Postal receipts .....	\$ 10,046	+ 41	— 9
Building permits, less federal contracts. \$	42,600	— 7	— 16
Bank debits (thousands) .....	\$ 9,747	— 5	— 4
End-of-month deposits (thousands) †.....	\$ 20,228	**	+ 14
Annual rate of deposit turnover .....	5.8	— 8	.....

<b>VICTORIA (pop. 49,164<sup>r</sup>)</b>			
Retail sales* .....		— 9	— 15
Automotive stores* .....		— 9	— 24
Department and apparel stores .....		— 5	— 13
Food stores* .....		— 9	— 7
Furniture and household appliance stores .....		— 20	— 6
Lumber, building material, and hardware stores* .....		— 11	— 19
Building permits, less federal contracts. \$	1,338,019	— 39	+134

<b>WACO (pop. 101,824<sup>r</sup>)</b>			
Retail sales .....		— 1	**
Department and apparel stores .....		+ 12	+ 5
Florists .....		— 17	— 11
Furniture and household appliance stores .....		— 9	— 17
Postal receipts .....	\$ 112,449	+ 2	— 3
Building permits, less federal contracts. \$	2,240,298	+129	+134
Bank debits (thousands) .....	\$ 84,405	— 5	— 4
End-of-month deposits (thousands) †.....	\$ 65,173	**	— 4
Annual rate of deposit turnover .....	15.6	— 6	— 1
Employment .....	48,100	+ 26	**
Manufacturing employment .....	9,330	+ 2	+ 6
Percent unemployed .....	3.2	— 22	+ 7

<b>WICHITA FALLS (pop. 103,192<sup>r</sup>)</b>			
Retail sales .....		— 4	— 25
Automotive stores .....		— 5	— 33
Department and apparel stores .....		+ 6	+ 2
Furniture and household appliance stores .....		— 27	+ 1
Lumber, building material, and hardware stores .....		+ 1	— 12
Postal receipts .....	\$ 85,300	**	+ 1
Building permits, less federal contracts. \$	537,457	— 12	— 63
Bank debits (thousands) .....	\$ 91,513	— 8	— 8
End-of-month deposits (thousands) †.....	\$ 103,459	**	**
Annual rate of deposit turnover.....	10.7	— 8	— 5
Employment .....	38,350	— 98	+ 4
Manufacturing employment .....	3,510	**	— 1
Percent unemployed .....	3.4	— 15	— 15

\*Preliminary.

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

†Figures are for calendar month rather than four-week month.

‡Excludes deposits to the credit of banks.

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

§Figures include Texarkana, Arkansas (pop. 15,875) and Texarkana, Texas (pop. 24,753).

\*Revised for use by the Texas Highway Department.

\*1950 Urbanized Census.

# BAROMETERS OF TEXAS BUSINESS

	Sept 1956	Aug 1956	July 1956	Year-to-date average 1956	Average month 1955
<b>GENERAL BUSINESS ACTIVITY</b>					
†Texas business activity, index (100.0).....	159*	160*	161*	167	166
†Miscellaneous freight carloadings in SW Dist., index (10.0).....	97	90	93	94	96
†Ordinary life insurance sales, index adjusted for price changes (4.2).....	227	221	230	233	219
Ordinary life insurance sales, index.....	266	258	269	270	251
Bank debits, index.....	205	224	220	216	199
Bank debits in U. S., index.....	176	200	188	186	173
Wholesale prices in U. S., unadjusted index.....	115.3	114.6	114.0	113.7	110.7
†Consumers' prices in Houston, unadjusted index.....		118.2		117.2	115.8
Consumers' prices in U. S., unadjusted index.....	117.1	116.8	117.0	115.7	114.5
Income payments to individuals in U. S. (billions, at seasonally adjusted annual rate).....		\$ 328.2*	\$ 324.3	\$ 321.9	\$ 306.1
Corporation charters issued (number).....	423	418	475	502	445
Business failures (number).....	29	30	24	26	17
<b>TRADE</b>					
†Total retail sales, index adjusted for price changes (46.8).....	123*	135*	129	134	143
Total retail sales, index.....	141	154	148	151	160
Durable-goods stores.....	126	141	134	139	164
Nondurable-goods stores.....	148	161	155	157	157
Ratio of credit sales to net sales in department and apparel stores.....	67.7	64.9	65.1	66.9	65.8
Ratio of collections to outstandings in department and apparel stores.....	32.1	34.1	35.1	35.4	38.6
<b>PRODUCTION</b>					
†Industrial electric power consumption, index (14.6).....	316*	291*	304*	324	290
†Construction authorized, index adjusted for price changes (9.4).....	115*	116*	121*	129	148
†Crude oil production, index (8.1).....	127*	131*	131	132	125
†Crude oil runs to stills, index (3.9).....	142	147	143	150	139
†Total electric power consumption, index (3.0).....	307*	299*	311*	305	278
Gasoline consumption, index.....		186	161	174	172
Industrial production in U. S., index.....	144*	142	136	141	139
Southern pine production, index.....		123	116	121	122
Cottonseed crushed, index.....		117	108	127	131
Construction authorized, index.....	166*	167*	174*	183	201
Residential building.....	136*	196*	188*	171	232
Nonresidential building.....	184*	151*	168*	165	144
Construction contracts awarded (thousands).....	\$131,496	\$140,702	\$113,184	\$147,293	\$123,957
<b>AGRICULTURE</b>					
Farm cash income, unadjusted index.....	112*	87*	83*	75	97
Prices received by farmers, unadjusted index, 1909-14=100.....	248	250	255	250	259
Prices paid by farmers in U. S., unadjusted index, 1909-14=100.....	287	288	287	285	281
Ratio of Texas farm prices received to U. S. prices paid by farmers.....	86	87	89	88	92
<b>FINANCE</b>					
Reporting members banks, Dallas Reserve District:					
\$Loans (millions).....	\$ 2,444	\$ 2,444	\$ 2,448	\$ 2,427	\$ 2,266
\$Loans and investments (millions).....	\$ 3,809	\$ 2,823	\$ 3,789	\$ 3,682	\$ 3,750
Adjusted demand deposits (millions).....	\$ 2,595	\$ 2,671	\$ 2,638	\$ 2,645	\$ 2,687
Revenue receipts of the State Comptroller (thousands).....	\$ 59,383	\$ 92,436	\$ 69,657	\$ 79,700	\$ 73,348
Federal Internal Revenue collections (thousands).....	\$154,967	\$206,290	\$104,947	\$226,456	\$193,020
<b>LABOR</b>					
Total nonagricultural employment (thousands).....	2,401.7*	2,387.5	2,377.5	2,245.6	2,292.4
Total manufacturing employment (thousands).....	473.9*	474.2	464.9	467.1	446.1
Durable-goods employment (thousands).....	230.7*	231.7	227.2	227.3	211.1
Nondurable-goods employment (thousands).....	243.2*	242.5	237.7	239.8	235.0
Total nonagricultural labor force in 20 labor market areas (thousands).....	1,840.8	1,831.7	1,827.4	1,810.8	1,745.8
Employment in 20 labor market areas (thousands).....	1,774.9	1,760.6	1,749.6	1,735.8	1,671.4
Manufacturing employment in 20 labor market areas (thousands).....	373.1	372.0	365.9	361.0	340.1
Total unemployment in 20 labor market areas (thousands).....	65.1	69.9	74.0	73.3	73.8
Percent of labor force unemployed in 20 labor market areas.....	3.5	3.8	4.1	4.0	4.2

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1947-49, except where indicated: all are adjusted for seasonal variation, except annual indexes.

Employment estimates have been adjusted to first quarter 1955 benchmarks.

\* Preliminary.

† The index of business activity is the weighted average of the indexes indicated by a dagger (†). The weight given each index in computing the composite is given in parentheses.

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

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