TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas

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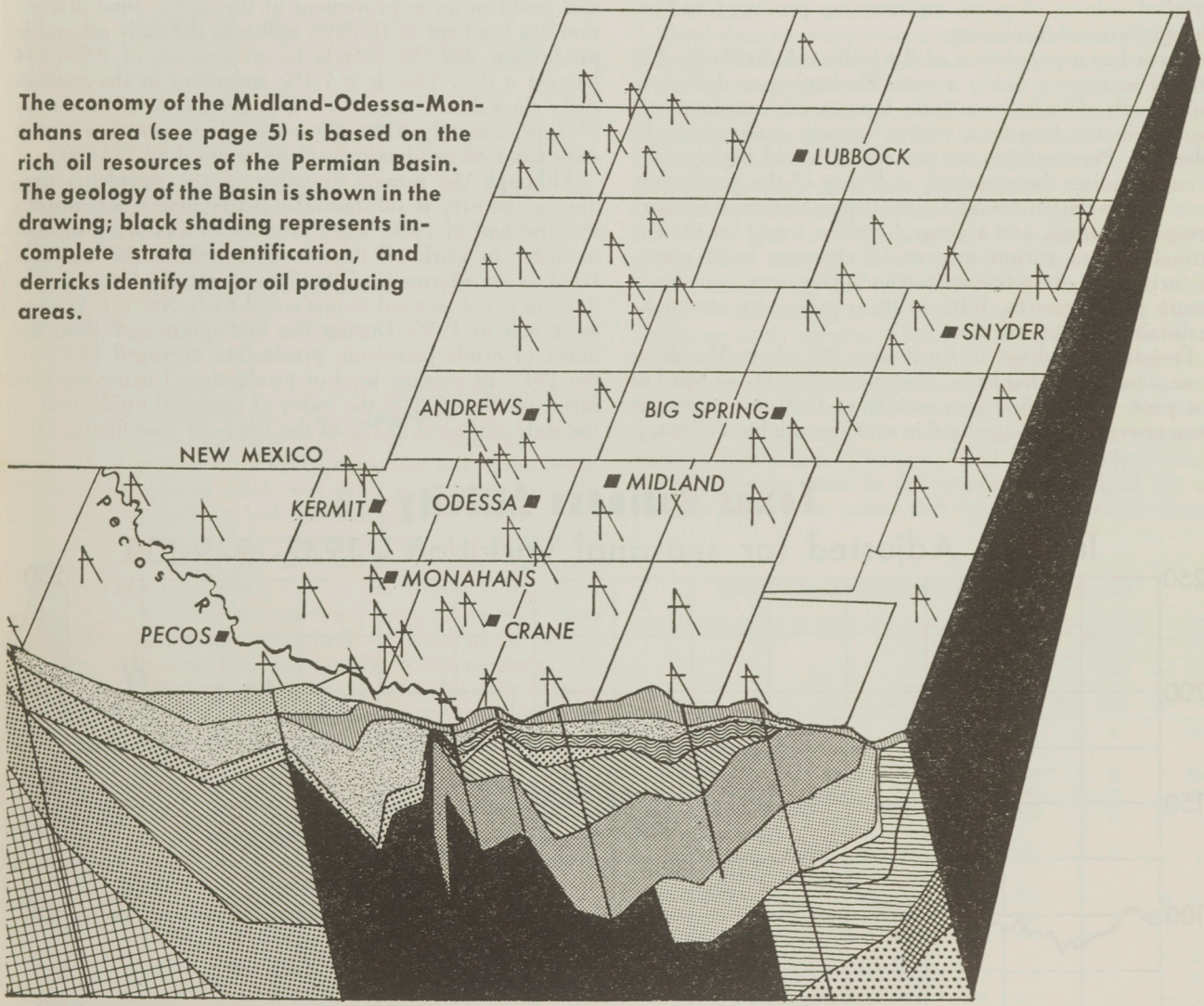
The Midland-Odessa-Monahans Area

The economy of the Midland-Odessa-Monahans area (see page 5) is based on the rich oil resources of the Permian Basin. The geology of the Basin is shown in the drawing; black shading represents incomplete strata identification, and derricks identify major oil producing areas.



The Business Situation in Texas

By FRANCIS B. MAY

The Index of Texas Business Activity in April rose to a new high level of 216% of the 1947–49 average rate of activity, after adjustment for seasonal variation. This value was about one-half of one percent higher than the previous high of 215% established in February. It was 18% above the recession low of 183% in March of 1958 and 7% above March of this year.

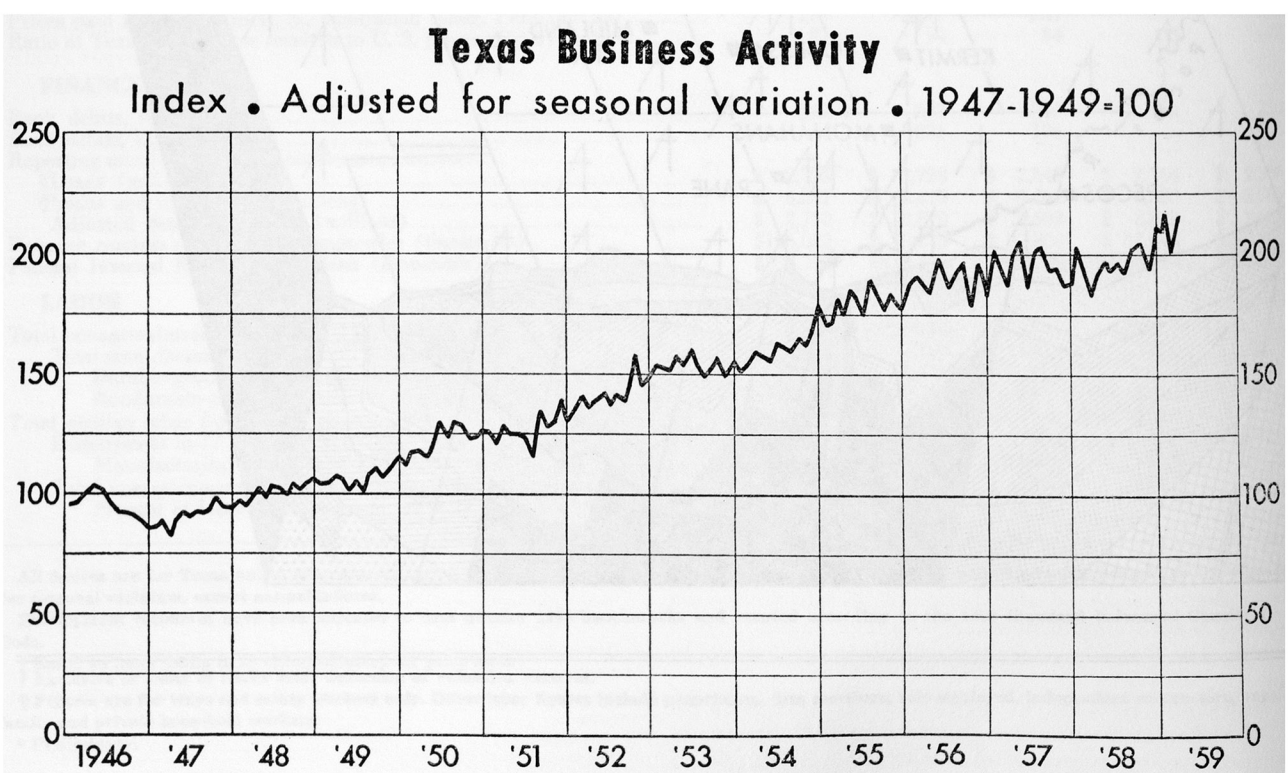
Since the Index of Texas Business Activity is adjusted for price variation, the improvement in activity measured by the index in April is due to an increase in the real volume of transactions, not to the illusions of prosperity that can be created when prices are rising rapidly but physical volume of goods and services produced and exchanged are not increasing.

Texas has a population of 9.4 million individuals. The rate of increase is 2.4% a year. Slackening or decline in the growth of business activity because of recessions or a decline in the long-term rate of growth cannot long be tolerated. Personal income per capita would begin to decline, lowering the standard of living of the population. Loss of population would result as people moved to more prosperous areas, and a general decline would set in. The attraction and encouragement of vigorous basic manufacturing and extractive industries is necessary in order to assure future growth. Without them prosperity cannot be maintained in the long run.

Freight carloadings in April were 2% above March on a seasonally adjusted basis. They were 12% above April of last year. For the first four months of 1959 this index has been above the year-ago level in every month but February. In February it was slightly below February of 1958. Both March and April of this year were well above the year-ago levels. Since freight carloadings are physical volumes of goods shipped, this is further evidence of the strength of the cyclical recovery from the trough of the recession.

Crude petroleum production in April was 2% below the March level, after allowing for the seasonal pattern of fluctuation. The drop was caused by a cutback of the number of producing days from 12 in March to 11 in April. At the reduced rate of activity the index was still a healthy 23% above the April 1958 level with its 8-day production pattern. The May allowable is 12 days, which will result in an improvement of the index. June production has been cut to 10 days, reducing the daily allowable production 232,738 barrels to an average of 2,904,414 barrels a day. This is a 7.4% reduction in the average daily allowable. It means a loss in revenue to oil producers of approximately $700,000 a day. June revenues to the state from oil production will be reduced $2,750,000.

Although the present situation of the petroleum producing industry is substantially better than it was during the first half of 1958, when production was being slashed in order to work off the enormous inventories accumulated as an aftermath of the Suez crisis, the level of production is not as good as one could wish. Nor is it as good as it was in 1956. During the first quarter of 1956 the index of crude petroleum production averaged 134% of the 1947–49 average level of production. During the first three months of 1959 the index of crude oil production in the state averaged 123% of the 1947–49 base figure. This

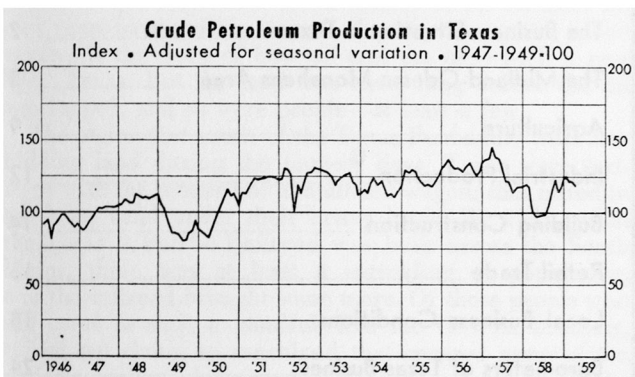


is an average level for the quarter 8% below the 1956 first quarter, and 1956 was tthe last crisis- and recession-free year that the industry has had.

It is clear that while the level of operations in April was a welcome improvement over 1958, it does not indicate that the state's largest mining industry has returned to anythink like boom days. Instead it has achieved recovery at a comparatively low level.

How can one account for this condition in what is one of the state's largest industries, at a time when news of the national economy proclaims a high level of prosperity and an outlook which promises faster increases—marred perhaps by a slight interruption due to a possible steel strike? Does the fault lie in lack of demand or in oversupply?

During the first four months of this year demand was above the recession levels of a year ago. However, the improvement was not as great as was expected. Cold weather



in January resulted in a high level of demand, but since then the improvement has been disappointing. In April gasoline demand improved only 1.6%. It would have been higher had not bad weather kept tractors out of the fields. Fuel oil demand in April was poor, so much so that the combined demand for fuel oils and gasoline was no better than the year-ago level. Competition from natural gas in the heating market is severe at this time of year. As home-heating demand declines, natural gas is sold to industrial users at prices which are extremely competitive with those of fuel oils. The result is that fuel oils' share of the market declines more than proportionately in the summer. The deficit in demand may be made up later this year if summer vacation driving is at a higher volume than last year. Gasoline is the major product of the refiner from the standpoint of both volume and profit.

While there is a fair prospect that improvement in demand later this year may result in the year as a whole coming up to expectations, the supply situation is less favorable. The world petroleum industry is splashing about in an ocean of oil. Surplus production capacity is so great that no foreseeable increase in demand over the next decade will eliminate it. This surplus is being added to by new discoveries abroad in Africa and elsewhere. In the Middle East there are reserves of such magnitude as to dwarf those discovered elsewhere. All of this production capacity is searching for markets both here and in western Europe. The Russians have their own oil in surplus supply also.

With supply greatly in excess of demand, pressure on the U. S. market has been severe, resulting finally in the imposition of mandatory import quotas effective in March for crude oil and unfinished products and in April for finished products and residual fuel oil. Large amounts of products were imported in anticipation of the cutback date.

Since import quotas to refiners are based on refinery runs, there has been pressure to keep runs high despite the rise in inventories. As a result, inventories are once again excessive. The Atlantic and Gulf Coast refiners are the principal holders of these excess inventories. Reduction in the state's oil allowable for June is intended to mitigate this situation. There is an industry aphorism that "giving crude to a refiner is like giving candy to a baby." The Railroad Commission is reducing the supply of candy.

Crude oil runs to stills, seasonally adjusted, were up 2% in April over the preceding month. They were 12% above April of 1958. With inventories high and prices weak this rate should be reduced. The April index value was the highest since April of 1957, excepting February of this year when fuel oil demand was unusually high due to very cold weather over much of the country.

Total electric power consumption in April was 5% above March, after seasonal adjustment. The increase was due to a rise in consumption of electric power by both industrial and commercial consumers. Industrial power consumption was 15% above April of 1958. Growth in power consumption by industry generally reflects a higher rate of activity. The growth rate of power consumption exceeds that of industrial production because of increasing use of electrical machinery and controls as automation increases. This is particularly true in Texas with its highly automated petroleum refining and chemical process industries. Automation is spreading to the producing sector of the oil industry as more automatic lease oil custody transfer units are installed, reducing the need for pumpers and gaugers.

Ordinary life insurance sales in April were up 1% over March after allowing for seasonal factors. At 398% of the 1947–49 average the index was below the January-February levels but 8% above April of 1958. The prevailing inflationary trend in the economy has helped life insurance sales to the extent that it has made larger estates

SELECTED BAROMETERS OF TEXAS BUSINESS

Index	Apr 1959	Mar 1959	Apr 1958	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958
Texas Business Activity	216	202	192	+ 7	+ 13
Miscellaneous freight carloadings in S.W. district	87	85	78	+ 2	+ 12
Crude petroleum production	119*	122*	97	— 2	+ 23
Crude oil runs to stills	148	145	132	+ 2	+ 12
Total electric power consumption	357*	340*	311	+ 5	+ 15
Industrial electric power consumption	374*	347*	324	+ 8	+ 15
Bank debits	259	241	229	+ 7	+ 13
Ordinary life insurance sales	398	394	369	+ 1	+ 8
Total retail sales	206*	203r	191	+ 1	+ 8
Durable-goods sales	169*	167r	140	+ 1	+ 21
Nondurable-goods sales	226*	222r	219	+ 2	+ 3
Urban building permits issued	252*	235*	227	+ 7	+ 11
Residential	301*	273*	260	+ 10	+ 16
Nonresidential	202*	187*	188	+ 8	+ 7

Adjusted for seasonal variation, except annual average and farm cash income.
* Preliminary.
r Revised.

necessary for family protection and for retirement. However, to the extent that inflation causes a stock market boom that siphons savings into speculative uses, it hurts life insurance sales. A speculative fever seems to be rising in the nation. A well-singed speculator is a good prospect for life insurance, but there aren't enough of them yet.

Retail sales rose on a broad front in April. Total sales rose 1% above March after seasonal adjustment, reflecting an increase in sales of both durable and nondurable goods. The April index was 8% above April 1958. Durable goods sales rose 1% above March. Two consecutive months of increases have placed the durable goods index at a level 21% above April of last year. Furniture and household appliances were star performers in the rise, reflecting the increase in incomes and home building. Motor vehicle sales dropped in April but were 24% above April of last year. Cumulative sales of automobiles for the year are 20% above the first four months of 1958. Sales of nondurable goods were up 2% over March and 3% above the April 1958 level. The difference in the year-to-year comparisons is due to the greater cyclical decline in durable goods. Nondurables are relatively unaffected by cyclical declines of short duration such as the 1957–58 decline. In general nondurable goods sales are more recession resistant than those of articles whose longer wearing qualities make their purchase subject to postponement to a greater degree. Retail sales for the nation on a seasonally adjusted basis rose 0.6% in April from March.

Urban building permits issued in April were 7% above March after seasonal adjustment. At 252% of the 1947–49 average level the index was 11% above April of 1958. Both residential and nonresidential permits rose. Residential permits were 10% above March and 16% above the year-ago level. Nonresidential permits were 8% above March and 7% above April of last year. It has been the construction industry which has bulwarked the economy and led the way out of the recession. With industry curtailing its investment in new plant and equipment during the recession, expenditures of national, state, and local government units on schools and roads and individual expenditures on housing have been a strong support to the economy. This and the willingness of consumers to keep consumption expenditures at a high level rather than hoard cash prevented the recession from developing into a downward spiral of the type familiar prior to World War II.

Now that the prosperity phase of the current cyclical upswing is established and likely to continue with no major interruptions for the next year or two, it is time to think ahead for a decade or two. The existence of its vast petroleum deposits has brought great prosperity to Texas for more than fifty years. Due to the changed world geography of the oil industry, it seems that oil in Texas in the future will be a sustaining factor but not a vigorously upthrusting one that will keep the state's economy growing at a rate in keeping with its population growth. Manufacturing industries must be brought into the state to serve as a new source of employment and wealth. This is a simple and fundamental fact that must not be ignored. The only alternative to growth is stagnation. Stagnation cannot be accepted. In order to realize the magnitude of the task one has only to reflect that in the last pre-recession year (1957) 32.2% of the nonagricultural employees in the United States were employed in manufacturing. In Texas only 19.6% were so employed.

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The Midland-Odessa-Monahans Area

By ROBERT H. RYAN*

When the 1960 Census count is totaled, West Texas is likely to have a new double-barreled metropolis: Midland-Odessa. If the federal government follows its usual statistical guidelines, it will designate Midland and Odessa as the twin central cities of a two-county standard metropolitan area with a total population probably larger than 140,000.

The story of how two towns almost unknown until recent years have quickly risen to the major league of urban centers is the story of how oil and gas have built a new West Texas. But the land was there long before the oil was tapped, and so were people—at least a few.

The plains just south of the Texas Panhandle were forbidding land during the pioneer days. Trails were scattered with the remains of abandoned wagons that mired in the loose sand under their heavy loads. By 1881, when the Texas & Pacific Railroad was built across the South Plains, there was at least a sprinkling of population, and the railroad brought some more. Of those people who did come to stay, a handful, like the Cowden brothers, staked out claims to ranchland that covered some of the nation's richest deposits of oil. But not many of the pioneer ranchers lived to see the potential of their land realized.

There was a Midland, of a sort, before Odessa was founded. In 1880 Midland's population was about 300. A few long ranch houses around a public square accounted for most of them. Yet, the old *Midland Gazette* spoke proudly, around that time, of the "Queen City of the South Plains." In fact, Midland was about the only town for a considerable distance around.

Land was advertised for sale in those days at prices "less than rent," an offer that might arouse doubts today but apparently did not in those optimistic times. In any case, the population grew. During the nineties it was well over a thousand. The coming of the railroad gave the town not only a means of transportation but also its name. Railroad men observed that the settlement was about half way from Fort Worth to El Paso. They could see little else worthy of note except that the West Texas heat was enough to singe the pinfeathers off a prairie chicken—if a rattlesnake didn't catch it first.

Few of the railroaders stayed long enough to learn that the winters were formidable, too. Cold blue northers, then as now, whipped across the plains and sometimes took a heavy toll in unsheltered herds. But the ranchers stayed on, raising cattle to be driven up the old Chihuahua Trail that ran from Horsehead Crossing on the Pecos to Castle Gap, through Midland, past the watering place at Big Spring, and on to the east.

The buffalo grass no longer was grazed by buffalo, but it raised good cattle, even with less than 20 inches of rainfall. No rivers watered the Midland area, but there was a fertile valley, Johnson's Draw, where the grass was tender and green most of the time. The classic feud between cowmen and farmers never got very far in the Midland country. Neither, indeed, did the farmers. With so little water, not much crop potential was at issue before irrigation. Even the dry soil was fertile enough to raise a small amount of grain here and there, but perennial drouth discouraged most kinds of cropping. With the thought of improving this situation, the U. S. Department of Agriculture sent to Midland in 1891 a Major R. G. Dyrenforth, who was to engage in rainmaking experiments. What the Major failed to accomplish was done a little later by the water drillers and the men who brought pumps and windmills to the plains. With irrigation water available, cotton soon replaced corn as the main crop.

About the time Midland was beginning to develop as a ranching center, a section crew of the Texas & Pacific shunted a string of box cars on to a siding about twenty miles down the line. They called their impromptu depot Odessa. Why they chose that name is still a point of argument. Some contended that homesick Russian railroad workers were reminded by these bleak Texas plains of the rich wheat fields of the Ukraine, where the original Odessa is situated. Whether the story is true or not, there were some early and largely unsuccessful attempts to plant grain around Odessa. The second explanation, more straightforward, is that a local rancher, or perhaps a railroad foreman, had a daughter named Odessa. This story offers a second option: in some versions the daughter was beautiful; in others, the father was rich.

By the late 1880's there were about ten families who had been persuaded by an enterprising town-site company to move from Pennsylvania to Odessa. The company chose its settlers well. These tenacious Yankees were not easily discouraged. They tried their luck at farming and found it bad. Nor did they fare any better in their next move, to establish formal education. In 1889 they erected a college but discovered there were not enough students to justify opening it. The following year the college burned. Within a decade even the stubbornest farmers were convinced that the future of the South Plains lay in ranching.

But Odessa did progress during the next few years. A bank and churches were built. Electricity was provided two afternoons a week for the benefit of housewives with electric irons. But growth was slow. In 1920 the population of Odessa was 110; in 1930 it was 2,407.

During the 1920's, however, important things began to happen. Some oil was discovered in the outlying districts as early as 1921. With the opening of the Penn Field (1929) and the Cowden Field (1930), the people of the South Plains began to discover their hidden wealth.

The first few wells fell short of telling the whole story. Not until dozens of separate fields had been opened were geologists able to piece together the big picture. By examining well cores, as if they were plugs sliced from a

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watermelon, they found that the surface of the earth where West Texas now lies was shifted, long ago, by paroxysmal movements in the earth's crust. For countless years, while the land was submerged beneath a sea, it accumulated thick deposits of organic material, the remains of generations of marine life. It is this material, deeply embedded in rocks of Permian age, that produced the hydrocarbon mixtures we know as petroleum and natural gas. The broad area now known as the Permian Basin contains the remains of part of this buried sea. Visitors are sometimes puzzled to find that on the surface of the land the Basin is almost flat. The gently rolling plains, though, cover an immense valley, almost as large as New England, buried in the sediment of later ages.

It would be a mistake to think that even today the oil-bearing formations of the area are fully known. Within the past year, Phillips Petroleum Company spent some $3 million in the western part of the Basin drilling a well over 25,000 feet. This well, the deepest ever drilled, yielded valuable geologic information, but no oil and only a brief whiff of gas. The hope remains, though, that strata deeper than any now commercially tapped will prove productive.

The 35-million-acre Basin has already produced over 7 billion barrels of oil at a rate of about a half-billion barrels a year in recent years. Another 7 billion barrels or more is known to be recoverable from proven reserves.

Today this area produces more oil than the entire world did in 1915. Roughly a fifth of the nation's reserves are in the Permian area. But estimates of produceable reserves have been boosted substantially in recent years through development of new production techniques. The conventional method of flowing and pumping oil until it simply stopped coming recovered only 25% to 30% of the petroleum in the reservoir. When a field was abandoned, it still contained most of its oil. Now secondary recovery techniques are put to use to bring to the surface once-unrecoverable oil. Waterflooding, gas repressuring, miscible-phase recovery, and even underground combustion are used. The Interstate Oil Compact Commission now estimates that currently known fields can be made to yield 43% more of their oil through the use of these methods, and other techniques are still in development.

The economy of the Permian Basin, flush as it may seem, is rather precariously balanced on the thin edge that divides overproduction of oil from underproduction. Through skillful adjustment of production to market trends and to the fluctuations in volume of imported oil, the economy of the industry is effectively stabilized. But it is small wonder that interest in politics runs high in the Basin. State and federal policies in regard to taxation, foreign trade, and industrial prices are of direct concern to oil men. And the expertly edited *Odessa American* and *Midland Reporter-Telegram* are quick to point up the local significance of national policies. West Texans took heart recently when Humble Oil President, Morgan Davis, predicted that the nation would find twice as much oil in its reserves during the next twenty years as is now proven. Davis, a long-time specialist in production and exploration, looks to technologic improvement to offset the fast-inflating cost of drilling, to increase recovery from known fields, and to help find new ones. Abyssal depths are now being explored in the Delaware Basin—the vast western part of the Permian Basin—and there is hopeful expectation of important new strikes.

Worries about the possibility of declining markets for oil also seem ill founded. In spite of the coming of atomic power, oil is likely to hold its own and even increase its share of the energy market. By 1980, according to the National Planning Association, nuclear power may supply almost 10% of the nation's energy needs. The total market for energy, however, will be so much larger by that time that domestic oil consumption is likely to soar to 16 million barrels a day.

Permian Basin natural gas is shipped to consumers over much of the nation. Most of the petroleum produced in the Basin also is shipped out, in this case for processing. Gulf Coast plants refine most of the Permian Basin oil. For a single example, the Gulf Oil refinery at Port Arthur runs about 100,000 barrels of sour Permian Basin crude daily. However, local processing of both oil and gas has been stepped up sharply in the last two years.

The Odessa skyline is now spiked with the towers of a major petrochemical center, a complex of plants that represent an investment of more than $33 million. Units now in operation are turning out conventional refinery products and also styrene, butadiene, and synthetic rubber compounded from the two. About two years ago the Odessa Natural Gas Products Company put on stream a 9,000-barrel-a-day refinery to supply both the local market and the El Paso market. The refinery is linked to El Paso by a six-inch pipeline, which, by coincidence, roughly follows the airline route between the two cities.

Next door to the refinery is the Odessa Butadiene Company, owned jointly by El Paso Natural Gas, the United Carbon Company, and Odessans E. G. Rodman and W. D. Noel. The product, butadiene, is piped to the adjacent plant of General Tire and Rubber Company, which uses it in copolymerizing Buna-S for tiremaking in its Akron and Waco plants. United Rubber and Chemical Company, a United Carbon subsidiary, also uses Odessa butadiene in its Baytown rubber works.

The butadiene itself is based on butane, a liquid hydrocarbon recovered from gas at the Midkiff plant of El Paso Natural Gas and piped to Odessa. There the butane is split into two fractions, isobutane for use in gasoline making, and normal butane, which is stripped of part of its hydrogen in huge reactors. The result is butadiene, 50,000 tons of it every year, enough to make 66 million ordinary automobile tires.

The other ingredient of the Buna-S rubber is styrene, made in the neighboring plant of the Odessa Styrene Company (75% El Paso Gas-owned). Here another natural gas component, propane, is processed, at the rate of 50,000 gallons a day, to make inflammable, flowery-scented styrene. This chemical has the unusual characteristic of polymerizing—hardening into a stiff plastic—when it is heated. The very fact that styrene is so easily polymerized creates a handling problem. Hot styrene from the plant cannot be stored for long or allowed to rise beyon a certain temperature in a pipeline or it will begin to harden. Once it does, the plastic polymer is almost impossible to reconvert to fluid styrene. For this reason, the Odessa styrene plant stores its product in insulated, refrigerated tanks, then moves it the half-mile to the rubber plant through insulated pipelines.

Styrene has other uses than rubber making. The plastic that results from its polymerization is familiar in thousands of household and industrial products, inexpensive toys,

bottle caps, lighting fixtures, and so forth. Brittleness and inability to withstand much heat are its major weaknesses; but it is cheap to produce and mold, is a good electrical insulator, and can be made either crystal clear or in any color. In fact, about a third of the styrene produced in Odessa is sent by refrigerated tank car to Holyoke, Massachusetts, for use in plastics making.

Southwest of Odessa, in Ward County, is the third and smallest of the major Permian cities located on the east-west transportation lines. This is Monahans. With a population approaching 10,000, Monahans is strategically located near some of the most productive oil fields in the Basin. Secondary petroleum recovery through the use of waterflood has been particularly successful in areas in and around Ward County. Yet Monahans has never been a typical boom town.

It was scarcely a town at all until the coming of oil in 1928. The 500 inhabitants had neither electricity nor telephone service. Today the Monahans Station of Texas Electric Service Company serves an area the size of Ohio. A small refinery and two natural gasoline plants operate in the Monahans area, but oil-field servicing and administration are the main businesses. During World War II, Rattlesnake Air Base, which local people preferred to call Pyote Air Base, served as a training station. Later it was used to store gleaming acres of military aircraft. It is used now as a radar warning station.

Thousands of interregional tourists passing through Monahans on U. S. Highway 80, and on the Texas & Pacific Railroad, too, might be surprised to know that the town is a recreational center of considerable interest. On opposite sides of the highway, just east of Monahans, visitors can engage in water sports and desert sports. The water is contained in an enormous man-made pond, or "tank," as West Texans call it. There it will shortly be possible not only to go swimming and fishing but also to go dancing on the water. A floating dance pavilion is projected, to complete what is perhaps the most unlikely pleasure resort in West Texas.

The desert sports available at Monahans Sandhills State Park differ even more from the usual "tourist attraction." Over an area of fifteen square miles flows a sea of fine, buff-colored sand, swept into dunes as high as sixty feet by the nearly ceaseless wind. Paradoxically, the sandhills have served since Stone Age times as an oasis in the plains. Over six thousand years ago, primitive Indians stalked game here—and dropped their flint-pointed spears to be buried in the sands for modern archeologists. The wind exposes here and there in the sands a pool of clear, cool water, and visitors can usually find water within inches of the surface in the valleys between dunes. Wild hogs, too, know about the buried lake. They root for water after eating the large acorns borne on the two-foot oak trees of the sandhills.

The Sandhills Park is dotted with picnic facilities and provided with an impressive art and natural history museum and a refreshment building converted from a railroad section house and decorated in the style of a TV-western saloon, complete down to a face on the barroom floor. For the conservative, the park offers horseback rides through the dunes; for the less cautious, there are jeep rides as harrowing as any roller-coaster could provide.

Enthusiastic Monahans promoters like local businessman Conrad Dunagan look forward with temperate optimism to the development of trade and distributive industries. Monahans is already a growing shipping point for irrigated farm produce, especially onions, trucked in from the south. It may also have some potential as a manufacturing center, partly by virtue of the excellent quality, if not quantity, of its water. But Monahans remains, for the present, essentially an oil town, firmly based on the awesome mineral resources of its area.

In Odessa, too, manufacturing may be the key to the future. Today, however, Odessa businesses deal mainly in the appallingly complex equipment used in oil exploration and production.

Odessa still makes a gesture toward its ranching past in the annual Sand Hills Hereford-Quarter Horse Show and Rodeo. But this is an avocation, and the county's agricultural income, including sales of livestock, is relatively slight.

Odessa's prospects for manufacturing growth, except in the petrochemical industry, are mixed. Carbon black production in the Basin has been declining, since it depends upon low-priced "sour" gas, useless for other purposes, as a feedstock. The development of processes for removing from this gas the sulfur that makes it sour has largely stripped this manufacture of its raw material base. An industry only now under way in Odessa is the making of Portland cement. Southwest Portland Cement is currently beginning operations at its new $18.5-million plant, designed to turn out about 1.2 million barrels of cement yearly.

Water is still a question mark in the future of the Midland-Odessa area. With less than twenty inches of rainfall annually and with easily tapped but distinctly limited underground reservoirs, the cities must clearly go outside their immediate vicinity for large-scale water supplies. Odessa banker Charles Perry, who is president of the water district that supplies Odessa from a lake a hundred miles away, is optimistic. He would not discourage the coming of industries with relatively high water requirements and points out that water to supply them is certainly available, if distant. Perry admits that present water pipeline facilities to Odessa are now used at full capacity but sees no difficulty in expanding them further. Fresh water from the Lake Thomas reservoir is now being used for waterflood operations in the oil fields of Scurry and Mitchell counties, certainly a low-priority use. Furthermore, the water district has been surveying other promising sites for impoundment of the Colorado River, and if new facilities are built it would be desirable to have some new large-scale industrial customers for the water. In the meantime, however, the Odessa petrochemical plants use processed sewage effluent water because the companies could not be assured of a firm supply of fresh water from the Odessa system.

Odessa is planning its future growth as never before. Chamber of Commerce Manager Ray W. Hedges has expressed interest in the establishment of local plants for the production of oil-well sucker rod and also foundry products for field use. He feels that the production of salt chemicals in Odessa is also promising. While there are massive economic obstacles that make the establishment of both these types of industry unlikely in Odessa, local enthusiasm and ingenuity combined with the advantages that do exist might conceivably overcome the difficulties some time in the future. The growth of heavy industry in Odessa has probably overshadowed some of the most significant phases of the local economy—wholesaling, retailing, and service trades. With a population now edging toward 80,000 and

due to pass 100,000 by about 1970, there will be continued demand for the necessities of life and, in this high-income area, many of the luxuries. As the volume of demand grows, it will become profitable to retail, wholesale, or even manufacture many of the goods that not long ago were sent into the area on individual order. Today Odessans consume $30 million worth of food a year, and their expenditures for automobile purchases and upkeep are even more. Clothing sales may account for as much as $15 million a year, and as new suburban centers and refurbished downtown stores make local shopping more attractive, there will be constantly fewer Odessa dollars migrating to out-of-town shopping centers. Additional trade may be attracted by the presence of Odessa College, a two-year institution built not long ago on the fringe of the city but now engulfed by new residential areas.

Development of retailing and residential property has created some unusual patterns of change in Odessa. New houses commonly go up at the rate of 40 a week, or more, and the landmarks like the old Parker buffalo wallow have long since been obliterated by sleek housing developments. But in the process of residential growth, Odessa has tended to become a solid suburb. Shoppers and business people are apparently reluctant to use parking lots or to park their cars more than a few yards from their destinations. This attitude is generally felt to have inhibited the growth of the downtown business district. Planned parking areas have remained largely unused. The trend toward shopping in planned centers seems considerably stronger than in most cities. Nevertheless, downtown Odessa is not stagnating. Construction began just last month on a new 14-story bank and office building, and hospital and clinic construction on the downtown fringe has been especially active. Lots on the edge of the central business district that sold for as little as $700 in 1948 have recently been resold for as much as $1,200 per front foot. New office space and such facilities as the relatively new Lincoln Hotel, which boasts Texas-size (7-foot) beds, will unquestionably continue to attract business people downtown, regardless of where the shoppers choose to go.

The most spectacular forecast for Odessa is certainly the prediction, based on entirely creditable evidence, that the one-time boom town will continue its growth to a total population of about 150,000 by the year 2000. Not all of today's Odessans will be around to see the accomplishment of the goal, but if they live in Odessa they already know it will be reached.

Odessa is described more often than not as a boom town. Yet Midland, which has grown almost as much, although not quite so rapidly, is seldom labeled with that term. The fact is, most Midlanders would prefer not to think of their city as a boom town. Its growth has been orderly and rather staid; its atmosphere, urbane and conservative. The main downtown thoroughfare is, appropriately enough, Wall Street. And Midland itself is the Wall Street of West Texas. It is the financial and administrative center of the companies and individuals that own the oil fields, just as Odessa is the headquarters of the companies that build them.

Over six hundred oil and oil service firms have offices in Midland, mostly in the central business district. At office closing time, when the senior executives and junior executives, the accountants and the geologists, the map clerks and the secretaries spill out onto the street, the scene is the same as one might see in the most white-collared downtown districts of Dallas, Tulsa, or, for that matter, New York.

Midland has more low-income workers than Odessa, most of them engaged in providing the personal services and amenities to which Midlanders are accustomed. On the other hand, Midland has over half again as many households in the over-$10,000 income bracket, many of them far over that level. This in spite of the fact that Midland's city population is barely over 50,000, about one-third smaller than Odessa's. Midland's high income level, averaging more than $7,500 per family, has had a telling effect on local development. Midlanders eat out more often and more expensively than Odessans. They trade in their cars a bit more frequently on new models. And the clothing they buy is not only likelier to come from an expensive specialty shop, it is also nearly certain to be more formal, more Eastern, than the leisure-type apparel that most Odessans wear whether they are at leisure or not.

A look at Midland's background helps explain the relative importance of conservatism and symbols of social status there. In Odessa oil has been the *sine qua non.* But in Midland before there was an oil elite there was a ranching aristrocracy that did much to bring civility to West Texas. For nearly eighty years Midland has been a center of power and authority over the lands around it.

About as large a volume of checks is cleared monthly by Odessa banks as by those in Midland, but time deposits in Midland are more than three times as high as in Odessa banks. Nevertheless, Midland is not sitting idly by while the rest of the Permian Basin grows. The city is now planning for a population of 100,000, which is expected "before you know it." (Conservative estimates concede that Midland is likely to reach the 100,000 mark around 1990.)

The conservative estimates may prove to have been overcautious. Midland, with its 1.7 million square feet of office space, competed with Tulsa for the unwieldly title, "City with the Most Downtown Office Space per Capita." Not only are Midland's downtown office buildings fully occupied, they are being augmented. Two new buildings of 8 and 14 stories are now being completed, and two more, of 12 and 15 stories, respectively, are under way. The new buildings, moreover, have generally been fully leased almost since ground was broken.

Although this intensive development in the downtown area tends to conceal the fact, retail trade and services have been almost as strongly suburbanized in Midland as in Odessa.

On the west side of Midland, the city limit juts out into a narrow eight-mile corridor joining the city to its airport. Midland's air terminal, which serves Odessa also and is centrally located between the cities, is one of the nation's busiest small-city fields. Here the area, otherwise rather isolated geographically, is tied to the rest of the nation by flights radiating in almost every direction. American Airlines offers through flights to Los Angeles and Dallas-Fort Worth. And Continental Air Lines links Midland-Odessa with El Paso, Houston and Austin, Dallas-Fort Worth, Tulsa, and cities in the Panhandle and New Mexico. An elaborate new terminal building, now under construction, will serve the growing passenger traffic.

And new facilities may well be needed once again before the end of the century. If the best forecasts are realized, the year 2000 will find a Midland-Odessa Metropolitan Area with a population of 270,000—and still going strong.

AGRICULTURE IN NUECES COUNTY

By GLENN A. MITCHELL, JR.*

Nueces County, which has a land area of 838 square miles, is richly endowed with a variety of resources beneficial to agriculture. The terrain of most of the county's surface is drained adequately and is ideal for mechanized farming activity. A growing season of 280 to 300 days is exceptionally favorable for crop production. A layer of impervious clay underlies the soil. Average annual precipitation is 26 inches. Soils in Nueces County are of the chernozem variety and range from rich clay to clay loam as much as six feet deep in places. Most of this area is dry-farmed, except for irrigated sections of farmland north of Robstown. Nueces is listed in the 1954 agricultural census as the 67th ranking county in the United States in terms of value of all farm products.

The seasonal cycle of farming activities in the Coastal Bend follows this order:

Fall and Winter. In the fall, most of the land is exposed to absorb the heavy autumn rainfall; some acreage is planted to cover crops. Ample precipitation at this time of year usually results in high yields of spring and summer crops. In October, both table and field onions are planted.

Spring. Some farmers plant cotton between rows of onions; about March 1 the cotton seeds sprout before the onions are harvested. Grain sorghum is planted in early April, and corn is planted in March.

Summer. The Nueces County cotton harvest begins in August. In July, grain sorghum is cut; corn is harvested in August. After harvest the lands, if not put to cover crop, are exposed to the fall rains and the cycle begins again.

Most of the Coastal Bend's agricultural lands are dry-farmed; scant fall precipitation therefore severely affects crop production in the following year.

The year of 1954, in terms of precipitation (27 inches) and crop production, was normal in Nueces County, despite the preceding dry years of 1951, 1952, and 1953. Approximately 365,000 acres were classified as cropland in the county in 1954. In the same year there were 1,157 farms (41.5% of which were operated by tenant farmers); the average farm size was 489 acres with an estimated average annual income of $31,009.00 per farm. Total income for all of the county's farms was an estimated $35,877,275.00. Farm acreage, on the average, was divided into approximately 60% cropland and 40% pasture.

In 1910, when most of the county's farms were smaller, the rich "hog wallow" land sold for about $20.00 per acre. This same land sold for $150.00 to $400.00 per acre in 1959. At present, farmland for sale in Nueces County is scarce; it is difficult to find any even for rent.

Irrigated land in Nueces County accounted for approximately 18 square miles (11,250 acres) of harvested cropland in 1954. All of this land belongs to 15 farm operators and the entire area lies north of Robstown. Water is pumped from the Nueces River by farmers and is distributed in a series of ditches reaching as far south as Robstown.

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The worst handicap imposed on agriculture in Nueces County is drought. However, a variety of agricultural pests is present in limited numbers. Insects that are harmful to the county's farmers (especially to those growing cotton) are cutworms, thrips, flea hoppers, over-wintered boll weevils, boll weevils, boll worms, cotton aphids, spider mites, cotton flea hoppers, leafworms, cabbage hoppers, and pink boll worms. The following weed varieties are present: vine weed, careless weed, and thistle. Extensive weed growth, however, is held back by the county's semi-arid climate. Plant diseases found in Nueces County include cotton root rot and head smut and a variety of diseases common to each individual crop type. The majority of plant diseases thrive best after an extremely wet season.

AGRICULTURAL TRENDS IN NUECES COUNTY, 1900–1954

	1925	1930	1935	1940	1945	1950	1954
Number of farms	1,947	1,969	1,650	1,457	1,186	1,307	1,169
Tractors on farms	.....	759	.....	1,089	1,730	2,370	2,481
Acerage farm size (acres)	134	192	284	317	370	489	481
Crop land harvested (acres)	184,524	288,303	228,609	233,898	252,055	300,647	327,559
Full owners	356	389	480	468	412	447	353
Farm employment (10 years and older)		6,051		4,976		4,325	3,863

Source: Census of Agriculture.

Erosion of soil by wind action is possible during the period from September through March when much of the county's cropland is exposed to collect moisture. Slight sheet and gully erosion occurs in the rolling northwest corner and increases after the Jim Wells County line is crossed.

Cotton

Of the forty-odd varieties of cotton successfully tested in Nueces County, the following are the most popular: Delta Pine 15, Stoneville 7, Northern Star, and Delflos. Nueces is one of the nation's leading cotton producing counties for a variety of reasons, one of which is the uniformity of its soil. Soil uniformity insures a uniform county-wide cotton crop. Cotton produced in Nueces County is rated at "middling white" or better, with staple lengths of one to one and three thirty-seconds of an inch. Per acre yield in terms of lint cotton averages 250 pounds. Another factor favoring cotton growth in the county is the lack of rainfall and high humidity in the Coastal Bend during the so-called "making months" when the cotton boll matures. This period of cotton growth coincides with the county's driest period, July and August. Pickers employed in Nueces County come from the lower Rio Grande Valley, where they have just completed the cotton harvest. Later they move on to Central Texas cotton fields, which are ready after the Nueces crop is in.

The 30-year history of cotton in Nueces County from 1928 to 1959 shows one outstanding trend. There has been a marked decrease in cotton acreage and an equally marked increase in output per acre. In 1928 approximately 270,000 acres were planted to cotton in the county; 80,700 bales were produced. By 1958, with the aid of fertilizers, new and improved machinery and newly intro-

duced varieties, about the same quantity of cotton was produced on less than half the acreage planted in 1928. Per acre yields increased about four times during the same period. This trend is notable in most machine societies as technology finds its way into agricultural production and is usually accompanied by a decrease of farm workers and an increase in individual farm size.

Nueces County has 29 gins to serve the area's cotton farmers. Picked cotton is usually transported to the gins by farm truck. From the gins, cotton is transported by flat-bed trailer truck to either of the two compresses in the county. From the compress, cotton either moves to market or into government storage as a surplus commodity.

Cotton production is still the foundation for the economic well-being of Nueces County. Because cotton production was significant, there was pressure for a deep water port. The port then served—and serves—as a major stimulant to the county's industrial growth.

The future of cotton production in Nueces County is uncertain, because of uncertainty over the course of federal cotton price supports and acreage controls. Given conditions economically similar to those now prevailing, however, the future of cotton production in the county appears secure; no other crop or farm activity in sight can as well utilize Nueces County cropland.

Grain Sorghum

Nueces County is one of the nation's leading producers of grain sorghum. In fact, in 1954 the county's production exceeded grain sorghum production of the entire state of Oklahoma.

Grain sorghums are a "short species" of the grass family and are produced primarily for grain. As a world food, grain sorghums rank third after rice and wheat. In the United States, only wheat and corn exceed it in production. Grain sorghum production in Texas usually accounts for approximately 37% of the total value of the state's agricultural output. Most grain sorghum production in Texas occurs on the High Plains and in the Coastal Bend area.

In the United States, grain sorghum is used mainly to feed poultry, cattle, sheep and swine. Some grain sorghum, however, is processed for its wax and starch content. The wax is used in the manufacture of polishes, carbon paper, electric insulation, and grain alcohol; the starch is used as sizing in the output of paper, fabrics, adhesives, and various food products.

"Martin" is the most popular grain sorghum variety in Nueces County and the hybrids most used are RS-610, Texas 601, F-62A, Amak R-10 and E-56. About 50% of the county's sorghum production is the "Martin" variety. It and the hybrids listed are known as "combine maize," which is a plant approximately five feet in height developed expressly for mechanical harvesting. (Prior to the introduction of "combine maize," grain sorghum plants grown in the United States attained heights of ten feet and could only be harvested with a knife, since these plants were too high for mechanical reaping.) Sorghum is ideal in the Coastal Bend area as it is drought-tolerant, and the terrain of the area allows the crop to be harvested mechanically.

Grain sorghum is seeded in April and harvested in July. Seed rot is best avoided when sorghum is seeded in soil with a temperature of about 70° F. However, if the county's farmers plant later than the fifteenth of April, their grain seeds are subject to insect attack. This means seeding in soil that has a temperature of 58° to 60° F. Seed rot at this temperature is not prevalent unless the weather is cool and humid. The first half of April in Nueces County, however, is usually characterized by low humidity.

About 50% of the county's farmers cut and haul their grain to storage facilities and the rest hire harvest contractors to perform this task. The grain is threshed from standing stalks by combines and is stored in a cool dry place to await shipment. The county's average grain farmer produces a crop valued at $800.00 to $1,000.00, sells $700.00 worth, and uses the rest for feed. Grain is removed from the farms by truck to local community grain elevators, whose average storage capacities are 100,000,000 pounds, 40 carloads, or two million bushels. (Distribution of grain elevators in Nueces County is as follows: Corpus Christi, 5; Robstown, 3; Bishop, 2; Driscoll, 2; Agua Dulce, 2; Banquete, 2; Violet, 1; and London, 1.) At the grain storage sites, the grain is dried, and in some instances graded; it is then sold to the corn products refining plant at Corpus Christi, or is moved into government storage via the grain elevator at that city.

Although Nueces County cropland is well suited for the

COTTON PRODUCTION IN NUECES COUNTY, 1928–1958*

Year	Acres harvested	Lint yield per acre (pounds)	Total production (bales)	Year	Acres harvested	Lint yield per acre (pounds)	Total production (bales)
1928	270,000	143	80,700	1943	133,000	297	82,300
1929	268,000	231	129,000	1944	119,000	215	53,000
1930	250,000	295	154,000	1945	106,000	211	46,600
1931	254,600	178	94,900	1946	90,000	235	44,000
1932	226,900	140	66,100	1947	110,000	289	66,350
1933	252,300	227	83,400	1948	91,000	282	53,400
1934	173,000	159	57,400	1949	140,000	353	103,000
1935	186,000	232	90,200	1950	95,500	235	46,200
1936	201,000	207	87,000	1951	216,000	51	22,900
1937	218,000	203	92,800	1952	174,000	282	102,000
1938	166,200	232	74,900	1953	141,500	60	17,700
1939	152,200	254	79,300	1954	125,000	432	109,000
1940	139,200	201	54,600	1955	86,000	112	20,100
1941	135,000	212	57,900	1956	98,000	315	64,000
1942	136,000	276	77,245	1957	78,700	339	55,500
				1958	95,769	434	83,040

Source: Census of Agriculture; U. S. Department of Agriculture.
* The 31-year average yield of lint cotton per acre in Nueces County is 228 pounds.

growing of grain sorghum, the present high level of production is undoubtedly the result in large part of favorable government price supports. A sharp downward revision of these supports could adversely affect sorghum production in Nueces County, as elsewhere. A counterbalancing trend, however, is the rapidly growing use of sorghum for livestock feed, especially in cattle feedlots in the state. Lower sorghum support prices would encourage the use of more grain sorghum for this purpose. Nueces County grain sorghum might be marketed to cattle feeding operations in the Houston area, for example, and could also be used in similar operations in Nueces County itself. As a result, the county's livestock population could reverse the decline characteristic of the past few decades.

Onions

Onions are an important winter money crop to Nueces County farmers, and the county ranks as one of the nation's leading onion producers. A first-generation hybrid known as "White Granex," "Texas Granex 502," "Excel L-60," and a few of the Bermuda variety are most commonly grown.

Soils with a high degree of fertility, good structure, ability to hold moisture and plant food, and, above all, good drainage are prerequisite to successful onion production. The loam, silty loam, and alluvial soils of Nueces County meet most of these requirements. Clay soils, however, become dry and hard during the dry season and will deform the tender onion bulbs if an adequate amount of humus is not present. For this reason, green manure is usually applied before the crop is seeded in October. Onions require cool temperatures during their early growth period, as best root development occurs between air temperatures of 54° F. to 68° F. The climate of Nueces County is generally ideal for onion growth.

Because of careless farming practices or unusual weather conditions, onions grown in South Texas are subject to a variety of diseases. The most destructive diseases are sun scald and damping off, both of which result from poor farming practices, and pink root and bolting, which result from occasional unfavorable weather.

Harvesting occurs around May 15, when temperatures are as high and humidity as low as possible. Onions harvested at this time will dry out rapidly, thus avoiding the possibility of fungus diseases. After drying, the onions are removed to packing sheds where they are sorted according to size and packed in 50-pound net sacks. Later they are shipped by refrigerated boxcars to consuming centers.

Since onion crops are free of government control, and since local conditions for this product's growth are exceptionally good, Nueces County will in all probability continue to be one of the nation's leading onion producers.

Miscellaneous Agricultural Activities

Cotton, grain sorghum, and onions almost completely eclipse other crops in the county in terms of acreage and monetary return. The only other crop of any size in 1954 was corn: 175,173 bushels were harvested from 5,596 acres. Most corn is fed to cattle; some is sold to local tortilla factories. The area's climate is not ideal for corn production; the growing of grain sorghum on what might otherwise be "corn land" is much more profitable. The corn grown is, from an industrial point of view, of low quality; the local corn products plant imports corn from the Midwest.

CARLOAD SHIPMENTS OF LIVESTOCK*

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

Classification	Apr 1959	Mar 1959	Apr 1958	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958
TOTAL	5,073	3,106	4,895	+ 63	+ 4
Cattle	4,180	2,541	4,198	+ 65	**
Calves	426	286	315	+ 49	+ 35
Hogs	0	0	4	.....	—100
Sheep	467	279	378	+ 67	+ 24
INTERSTATE	4,648	2,841	4,387	+ 64	+ 6
Cattle	3,896	2,339	3,722	+ 67	+ 5
Calves	298	227	289	+ 31	+ 3
Hogs	0	0	4	.....	—100
Sheep	454	275	372	+ 65	+ 22
INTRASTATE	425	265	508	+ 60	— 16
Cattle	284	202	476	+ 41	— 40
Calves	128	59	26	+117	+392
Sheep	13	4	6	+225	+117

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

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

Flax had a high acreage in 1949, but very little was planted in 1959. Cabbage acreage has declined since 1949 because of poor market conditions. Dairying, broiler and egg production, and the growing of other agricultural produce are primarily for local consumption and for the Corpus Christi market.

Winter Vegetable Production

Nueces County, as well as the entire Coastal Bend, is capable of winter vegetable production on a scale comparable to that in California and Florida. However, the county's farmers have smaller land holdings and have not developed the elaborate marketing associations found in other winter vegetable producing areas (notably California). For this reason, winter vegetable production is not as profitable as subsidized cotton and grain production. It is locally known that many of the vegetables consumed in Corpus Christi are grown in the Rio Grande Valley and in Florida. Even the county's onion crop cannot successfully be marketed at times. It is possible that more acreage will be devoted to winter vegetables and that the county's farmers will investigate the possibilities of marketing them successfully if support prices are substantially lowered on cotton and grain sorghum.

Livestock

Although livestock production (principally beef cattle) is an important element in the economy of South Texas, agricultural activities in the Coastal Bend are devoted primarily to row crop production. Cattle, sheep and other livestock were mainstays in the Coastal Bend's economy prior to that area's land parcelization. However, land promoters who came to Nueces County in the first decades of the twentieth century knew that the area's clay soils were capable of supporting a large farm population. They were able to purchase large tracts from large ranches in the area, which they then subdivided and sold to individual farmers. The county's farmers since that time have found that their greatest monetary return per acre is derived from the cultivation of cotton and grain sorghum. This accounts for the decline of the county's livestock population and number of farms and ranches in the county devoted to that phase of agricultural activity.

Industrial Production:

THE DYNAMIC TEXAS PAINT MANUFACTURING INDUSTRY

By WALTER GRAY

The Texas paint manufacturing industry is an outstanding example of the fact that the over-all economic growth of the Southwest has occasioned a growth rate for some industries that is much higher than that of the economy as a whole. From 1947 to 1954 the total dollar volume of production of the state's paint manufacturers rose from $10 million to $18 million, for an 80% gain—by most standards an outstanding growth. Yet so great has been the increase in Texas paint production since 1954 that the 80% gain in the earlier period seems hardly significant.

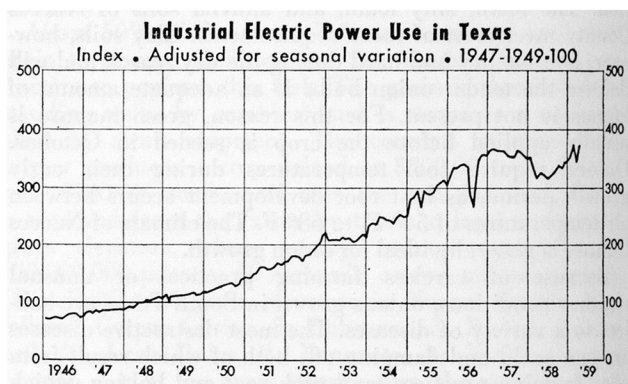
From 1954 to 1958, the dollar volume of paint produced in the Dallas and Houston areas—where the Texas industry is concentrated—rose approximately 250% and 180%, respectively. During the four-year period paint output in the Dallas area went from $7,887,000 to $28,198,000—or for that manufacturing center alone a 1958 figure more than that for the entire state in 1954, and nearly three times the state total in 1947. In the same period the expansion of the Houston segment of the industry was almost as remarkable; production rose from $8,213,000 in 1954 to an estimated $22,000,000 last year.

The 1954 Census of Manufactures reported 56 plants in Texas manufacturing paints and allied products(varnishes, lacquers, and enamels). Since 1954 at least 12 new paint manufacturing concerns have located in the state, and the extension of operations by other already-established manufacturers into paint production has increased the total number of Texas paint plants to the 78 listed in the *1959 Directory of Texas Manufacturers.*

Dallas is the state's leading paint manufacturing center, both by number of plants and volume of production. From 1955 through 1958 three new plants were built in Dallas, bringing that city's total number to 29. Two of these were built in 1955, one by the Texas Solvents & Chemical Co., and another by Western States Lacquer Corp. In 1958 the Sherwin-Williams Co. completed a $4 million Garland-Dallas facility; its output reportedly boosted total paint production in Dallas by approximately 50%. Houston, which now has 17 paint manufacturing plants, also gained three new plants within the past four years. Seidlitz Paints of Texas, Inc., began production in 1956, and in 1957 Benjamin Moore & Co. opened a new plant. Houston's third new manufacturer for the period came last year when Devoe and Raynolds completed a new $1 million structure. El Paso, the third-ranked Texas city in number of paint plants, added its fifth plant in 1957 when Given Paint Co. began operations there. Other new paint plants (for the most part relatively small) were placed in operation in other cities in the state during the period. Fort Worth and San Antonio have four plants each, but neither have gained new plants in recent years.

In the past few years there have been a number of important paint plant construction and expansion projects by already-operating Texas manufacturers. For example, the Jones-Blair Paint Co. constructed a new $350,000 Dallas plant in 1957, and last March Minnesota Paints, Inc., began a 17,000-square-foot addition to the $750,000 Dallas facility which had been built in 1957. In Houston, Napko Corp. completed a $500,000 plant in 1955 which is three times the size of the firm's former paint facility. Also in Houston, Tube-Kote, Inc., expanded and Masury Paints of Texas, Inc., built a new $150,000 plant building in 1956. Last year Pittsburgh Plate Glass Co.'s Paint Division completed a new $500,000 structure, including a new paint laboratory, and in April of this year the Coast Paint and Lacquer Co. (whose 1958 sales exceeded $5 million and whose plant investment has grown from $20,000 to $1 million in 14 years) announced an expansion program for their twelve-building plant. And recently Fresco Paint Mfg. Co. of Fort Worth announced a 10,000-square-foot addition to their paint production facilities.

From one point of view, however, the above account of the recent history of the Texas paint industry is far from adequate. For the term "paint industry" is ambiguous. The word "paint" as frequently used designates only one product among hundreds of "protective coatings" —including heavy asphalt roof coatings, for example— manufactured for application to a great variety of surfaces. Furthermore, many plants that manufacture "paints" in



the ordinary sense also produce a number of allied products, such as pigments, oils, solvents, and resins—some of which are also manufactured by chemical concerns that do not produce "paints" at all. Therefore, in order to treat adequately a major segment of the "paint industry" and its most familiar product, "paint" is used in this report in its nontechnical sense. House paints and general purpose industrial paints do in fact account for the major portion of the industry's gallonage sales.

A complex of related factors has caused the rapid expansion of the Texas paint manufacturing industry in the past decade, but most of these factors can be found in the postwar population and economic growth of the Southwest. Perhaps most important, this growth has meant the development of a major new regional market for paint and paint products. Population growth and urbanization have supported—and are supporting—a high rate of residential, commercial, industrial, and public construction and attendant consumption of paint and allied products. The multiplication of such structures, reinforced with a growing emphasis upon presentability and good repair, has also created a strong and growing secondary market for paint.

That the paint market has expanded so greatly in the entire region at the heart of which Texas lies, and not only

in Texas, is important in accounting for the recent expansion of the Texas segment of the paint industry. The growth of the Texas market alone could scarcely support paint industry growth of the magnitude that is occurring. Even with the advantages of location and raw material accessibility, it has been difficult for Texas paint manufacturers to compete with plants located in the major out-of-state population centers without the benefits of mass production, but the adoption of such techniques by numerous Texas paint manufacturers required a nearby market greater than Texas alone could offer. The rapid growth of Texas' neighbors has furnished the necessary environment for the recent notable expansion of the Texas paint industry. Now out-of-state manufacturers, who produced in large volume and sold most of their output in their home areas, and were thus able to market a part of their production profitably in Texas even while paying substantial transportation costs, find it more and more difficult to match prices of paints and paint products produced in Texas plants by methods as up-to-date as utilized anywhere.

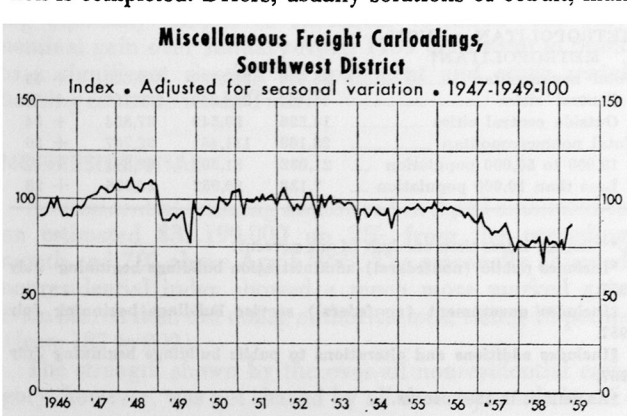
Texas and the South supplied many of the vegetable and mineral raw materials which go into the manufacture of paints at a time when the state's industry was still in its infancy, but now that the industry has reached major proportions the accessibility of these raw materials constitutes another significant advantage for paint manufacture in Texas. Among these raw materials are linseed oil, tung oil, clays, metals used for pigments and platings, and a variety of petrochemical solvents. The often-noted expansion of the Gulf Coast petrochemical industries, and the development of synthetic resin based paints, have greatly reinforced the position of Texas paint manufacturers in relation to raw material sources.

The raw materials used in the production of paints are classified generally into pigments, drying oils, driers, thinners and resins. Most paints contain hiding pigments and inerts (nonhiding pigments). The hiding pigments are minerals or mineral compounds which may be selected, as requirements of production dictate, in variations of six basic colors: whites, blacks, blues, greens, reds, and yellows. Hiding pigments provide color and covering power; inerts increase paint life and weather resistance, make for ease of application and add to the appearance and adhesion of paints. Widely-used inerts are mica, asbestine, and silica.

Drying oils most often used in paints are linseed oil, tung oil, soybean oil, oiticica oil, and tall oil (a refined product derived from the paper industry for uses in low-cost varnishes). Drying oil (called the "vehicle" of the coating) holds or carries the pigment after the polymerization is completed. Driers, usually solutions of cobalt, manganese, or lead salts of organic acids, catalyze the oxidization and polymerization of the oil. Widely-used thinners (volatile solvents) are coal-tar, petroleum products, or turpenes (turpentines, dipentene, and pine oil). The thinner aids in spreading the coating and, on evaporation, leaves a thin, even film of oil and pigment on the coated surface.

Resins are classified as natural or synthetic. At one time the only resins available were the natural resins (various kinds and grades of gum), none of which offered a very wide range of possibilities to the paint industry. The development and low-cost production of synthetic resins, however, caused a revolution in the paint industry.

The first synthetic resins were a phenol formaldehyde type called phenolics, which became available commercially about 1925. Later came the alkyds, vinyls, styrenes, and acrylics, all of which are now being used in enormous quantities in the paint industry. Of these, the acrylic ester resins, which are the bases for new and colorful plastic paints, merit considerable attention at the present time. (It is interesting to note that the fiber from which orlon and acrilan are made is derived from the same acrylic resins which are used to make plastic paints.)



REFINERY STOCKS*
(in thousands of barrels)

Source: *The Oil and Gas Journal*

Area and products	Apr 1959	Mar 1959	Apr 1958	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958
UNITED STATES					
Gasoline	209,593	213,448	202,515	— 2	+ 3
Distillate	85,584	78,694	76,266	+ 9	+ 12
Residual	54,500	58,710	58,050	— 7	— 6
Kerosene	21,076	18,616	18,703	+ 13	+ 13
TEXAS					
Gasoline	34,098	36,472	33,968	— 7	**
Distillate	10,744	9,676	9,139	+ 11	+ 18
Residual	7,285	8,045	5,919	— 9	+ 23
Kerosene	3,196	2,773	2,450	+ 15	+ 30

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

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

Plastic paint is a water-base (in contrast to an oil-base) paint. Durability is one of its particularly favorable features. This paint derives its long life from the fact that, when applied, a plastic-like film spreads across the painted surface protecting the finish from much of the wear-and-tear of normal usage. Another of its long-lasting qualities is due to the fact that none of the elements in the paint are susceptible to oxidation; fading, therefore, is almost wholly eliminated. Plastic paints are easy to apply (with brush, roller, or spray), dry quickly, and are almost odor free. Droppings and blotches can be washed off of hands and floors with soap and water—another of its features which have made this paint a boom to "do-it-yourselfers." The growing popularity of plastic paints is perhaps best attested to by the following estimate made by one of the earliest and largest producers of acrylic ester resins. Rohm and Haas Co. (which has a Texas plant in Deer Park) estimated that in 1957 there were 350 producers of acrylic emulsion paints in the United States— double the number of producers in 1956 and triple the number of 1954.

Another synthetic water-base paint, which has been on the market longer than plastic paints, is a butadiene-

styrene (synthetic rubber) latex formulation. Latex paints, which became fully commercial in 1949, command about 50% of the household wall paint market. In terms of favorable qualities and performance there is little difference between latex paints and plastic paints. Undoubtedly the growth in popularity of plastic paints is due partly to the fact that they offer qualities similar to their latex predecessors. While the wall paint markets have provided a bountiful past for the producers of latex paints, they are counting on the use of their product in yet another market for an even greater future. Already being used as exterior finishes for some metal products (bedsprings and office file cabinets), latex paints are being developed for uses in other areas of the industrial market—as finishes for automobiles, appliances, and metal products of all types.

An important stimulant for the paint industry in recent years has been the growing use of paints for industrial plants and equipment. The dull blacks, browns, and grays formerly used for these purposes (and which served mainly to cover dirt) were for the most part deficient in the most important requirement of industrial coatings: protection against corrosion. Comparatively new paints adapted to specific purposes have successfully entered—and expanded—the industrial paint market. As a result, industrial plants are blooming in an array of colorful paints which may protect against chemical corrosion and exposure to the elements, and which may be fire resistant or fungusproof.

One relatively new corrosion-resistant coating that can be applied by brush, roller, or spray has been developed by the Permaspray Mfg. Corp. of League City. Gulf Coast plants sprayed with their product have withstood three years' exposure to hydrochloric acid, caustic fumes, and normal weathering conditions. Also, Napko Corp. of Houston has a marine paint specialty on the market which is designed to give maximum protection against salt, heat, and humidity. These and many other paints produced in recent years have completely altered many old attitudes toward industrial painting. Given such a variety of paints designed to meet so many specific conditions, one can safely say that it is too expensive for most industrial facilities not to utilize them.

Surface protection is not the only monetary advantage to be gained by proper painting. Paint can be used inside factories to indicate danger zones. Stairs, for instance, or machines which are heated to intense temperatures, can be coated with particular colors, thus increasing industrial safety. Also, colored paints may be carefully selected in contrasting shades to concentrate attention on work areas. Finally, housekeeping may be facilitated and employee morale and efficiency raised by proper use of paints. In terms of utility, these new multifunctional paints are therefore extremely valuable items in the industrial world.

The big news in paint merchandising in the postwar era has been the extensive development of color systems. The system, which enables paint dealers to reduce inventories by 60% and still offer customers as great a selection of colors as before, involves base paints, colorants, and an electronic mixing machine. After the customer has selected his color from an assortment of hundreds of color swatches, the dealer then inserts a base paint into the machine, adds colorants (squeezed from tubes) and the machine does the rest. Thus is the increasing demand for color in home, office, and industry easily and more economically satisfied.

Building Construction:

APRIL PERMITS HIGHER THAN EXPECTED

By ROBERT H. DRENNER

Urban building construction authorized in Texas in April amounted to an estimated $113,857,000, a total which, though slightly less than March's $114,290,000, was significantly greater than was to be expected from the normal month-to-month pattern of authorizations. The seasonally adjusted index of permits issued in fact rose a healthy 17 points to 252 (1947–49=100) from 235 in the preceding month. It is noteworthy that neither new residential nor new nonresidential construction (the two major permit categories) followed the expected downward trend.

New building authorized in April, with a total dollar value of $103,733,000, represented 90% of the total value of all permits. Authorizations for additions, alterations, and repairs to both residential and nonresidential structures

ESTIMATED VALUE OF BUILDING AUTHORIZED

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

Classification	Apr 1959	January–April 1959	January–April 1958	Percent change 1959 from 1958
	Thousands of Dollars			
CONSTRUCTION CLASS				
ALL PERMITS	113,857	430,249	361,327	+ 19
New construction	103,733	391,118	322,312	+ 21
Residential				
(Housekeeping)	72,534	273,756	208,273	+ 31
One-family dwellings	69,564	256,218	190,952	+ 34
Multiple-family dwellings	2,970	17,538	17,322	+ 1
Nonresidential buildings	31,199	117,362	114,039	+ 3
Nonhousekeeping buildings (residential)	2,318	6,580	3,865	+ 70
Amusement buildings	236	4,274	2,993	+ 43
Churches	3,241	10,965	11,374	— 4
Factories and workshops	3,618	13,003	8,981	+ 45
Garages (commercial and private)	466	1,581	1,462	+ 8
Service stations	733	2,737	3,703	— 26
Institutional buildings	113	3,828	2,462	+ 55
Office-bank buildings*	3,481	15,926	15,996	**
Works and utilities	905	3,397	5,046	— 33
Educational buildings	4,025	21,255	31,750	— 33
Stores and mercantile buildings	9,579	27,964	20,540	+ 36
Other buildings and structures‡	2,484	5,852	5,867	**
Additions, alterations and repairs§	10,124	39,131	39,015	**
METROPOLITAN vs. NON-METROPOLITAN†				
Total metropolitan	85,689	318,789	268,620	+ 19
Central cities	71,463	268,240	230,766	+ 16
Outside central cities	14,226	50,549	37,854	+ 34
Total nonmetropolitan	28,168	111,461	92,707	+ 20
10,000 to 50,000 population	21,032	81,509	68,381	+ 19
Less than 10,000 population	7,136	29,952	24,326	+ 23

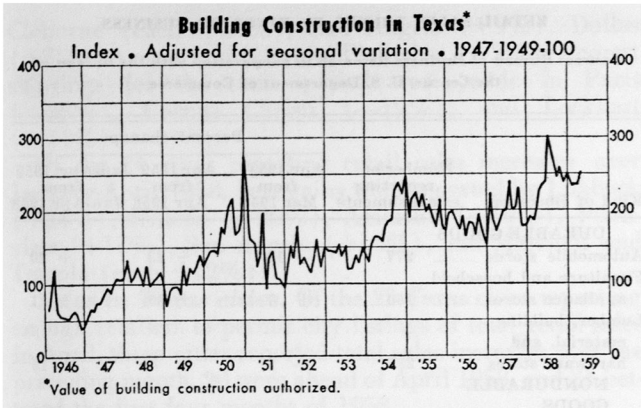
****Change is less than one-half of one percent.**

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

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

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

†As defined in 1950 census.



represented construction valued at $10,124,000, down 14% from the preceding month. For the first four months such permits were at virtually the same level as in the comparable 1958 period.

RESIDENTIAL

An estimated $72,534,000 in new residential building was authorized in April, an amount 1% greater than authorized in March. The seasonally adjusted index of residential construction authorized, however, rose 28 points —from 273 in March to 301, at which level the index is only 22 points below its record high in July of last year. April authorizations were also 19% greater than in April 1958. The improvement from the preceding March is strong evidence that the declining trend of the index in recent months signified no serious fall-off in residential building in Texas. Housing starts nationally are exceeding last year's, and there is no apparent reason to believe that activity in Texas will show less strength that U. S. home-building. Thus far this year residential building authorizations in the state are 31% above the comparable 1958 total —an improvement to date considerably in excess of the national showing.

April permits for single-family residences, up 3% from March, accounted for an unusually high proportion (96%) of all residential permits authorized. Permits for multiple-family dwellings, on the other hand, dropped sharply from the March level, chiefly the result of declines in the duplex (−16%) and apartment building (−41%) categories. For the first four months, however, both categories show small gains from January-April 1958. Though it is impossible to conclude much significant from the April decline—since the smallness of the category makes a month's showing especially subject to statistical variation—the only nominal gain over January-April 1959 does seem to point to a significant slowing of apartment and other rental housing construction in Texas.

NONRESIDENTIAL

Nonresidential building authorized in April amounted to an estimated $31,199,000 up 2% from the preceding month and 7% above April 1958. The seasonally adjusted nonresidential index showed a much more marked gain from March than did dollar authorizations, rising 15 points (from 187 to 202).

The strength shown by the over-all nonresidential category, however, was not shared by all the major subclassifications. There were in fact more minus signs than plus among these in the March-to-April comparison. Some of the declines were sharp—amusement building permits, for example, were down 89% from March (though up 43% from January-April 1958), and hospitals and other institutional buildings fell 69% (but +55% for the first four months). There were also large declines in permits for office and bank buildings (−43%, but no change from January-April 1958), utilities (−52%, and −33% for the four months), and schools (−33% from March, and −33% for the year). These April decreases, however, were more than balanced by a 104% gain from March in tourist court authorizations (+98% for January-April), a 105% rise in factory construction (+45% for January-April), a 67% improvement in new store permits (+36% for the year), and a 136% jump in the "other nonresidential" category. Church construction gained 11% from the preceding month. Perhaps the most encouraging gain was that posted by new factories; the category has been consistently strong thus far this year.

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* Apr 1959 from Mar 1959	Apr 1959 from Apr 1958	Apr 1958 from Mar 1958
TOTAL ASSETS	— 1	+ 4	+ 2
Loans and investments, less loans to banks and valuation reserves	— 2	+ 8	+ 2
Loans, less loans to banks and valuation reserves	+ 1	+ 11	— 1
Commercial, industrial, and agricultural loans	**	+ 14	— 1
Loans for purchasing or carrying securities	— 1	— 1	— 1
Real estate loans	+ 2	+ 11	+ 2
Other loans	+ 2	+ 8	— 1
Total U. S. Goverment securities	— 7	**	+ 8
Treasury bills	— 46	— 20	— 28
Treasury certificates of indebtedness	— 3	+ 30	+ 9
Treasury notes	— 13	— 4	+ 46
Bonds	**	**	+ 3
Other securities	+ 1	+ 23	+ 1
Loans to banks	+ 74	— 18	+471
Reserves with Federal Reserve banks	**	— 7	+ 5
Cash in vaults	+ 11	+ 9	+ 4
Balance with domestic banks	— 5	— 13	— 6
Other net assets	+ 2	**	— 7
TOTAL LIABILITIES	— 2	+ 5	**
Total adjusted deposits	— 1	+ 5	+ 4
Demand deposits	+ 2	+ 6	+ 2
Time deposits	**	+ 6	+ 7
U. S. Government deposits	— 44	— 21	+ 36
Total interbank deposits	— 5	— 5	— 8
Domestic banks	— 7	— 6	— 8
Foreign banks	+ 60	+ 41	+ 13
Borrowings	+ 15	+ 93	+ 87
Other liabilities	+ 6	— 13	— 10
CAPITAL ACCOUNTS	+ 1	+ 10	+ 1

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

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

BOTH DURABLES AND NONDURABLES CONTINUE STRONG YEAR-TO-YEAR GAINS

By TINA PIEDRAHITA

Dollar sales. Total retail sales in Texas in April were estimated at $1,056.6 million, down 3% from March 1959 but 8% above April 1958. For January-April 1959 total sales, at an estimated $4,084.3 million, were 7% above January-April 1958.

Durable goods sales in April ($296.6 million) were 7% below sales of durables in March 1959 but again showed an improvement (+21%) from the same month a year ago. Sales of durables for January-April 1959 were 18% higher than in the comparable period last year. Nondurable goods sales dipped slightly (—1%) from March 1959, the result of the fact that Easter fell in March this year and in April a year ago. Even so, April sales of nondurables were 3% higher than in April 1958, and, for the cumulative period, were 4% above sales of January-April 1958.

ESTIMATES OF TOTAL RETAIL SALES

(Unadjusted for seasonal variation)

Type of store	Apr 1959	Jan-Apr 1959	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958	Percent change: Jan-Apr 1959 from Jan-Apr 1958
	Millions of dollars				
TOTAL	1,056.6	4,084.3	— 3	+ 8	+ 7
Durable goods*	296.6	1,171.3	— 7	+ 21	+ 18
Nondurable goods	760.0	2,913.0	— 1	+ 3	+ 4

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

April indexes. After adjustment for seasonal variation, both durable and nondurable goods sales showed increases over the preceding month. The April index of total retail sales in Texas (1947–1949=100 and adjusted for seasonal variation) was 206, three points above the revised March index and 14 points above the average month in 1958. The durable goods index (169) was two points above March 1959 and nine points above the average monthly index in 1958. The nondurable goods index (226) topped March 1959 by four points and the average month for 1958 by 18 points. Deflated for price changes, the April index of total retail sales in Texas (175) was three points above the index reported for the preceding month.

Sales by store types. Stores reporting best sales increases over March 1959 were jewelry stores (+15%), men's and boys' clothing stores (+8%), and hardware stores and groceries with meats (each +6%); decreases for the same period ranged from 1% (reported by both family clothing stores and country general stores) to 31% (reported by shoe stores). Durable goods stores bettered both April 1958 and January-April 1958. Best increases over April 1958 were made by motor vehicle dealers (+24%), furniture stores (+20%), and hardware stores (+8%). Highest percentage increases over January-April 1958 were reported by motor vehicle dealers (+20%), lumber and building material dealers (+16%), hardware stores (+13%), and furniture stores (+11%).

Substantial sales gains over April 1958 for nondurable goods stores were reported by office, store, and school supply dealers (+18%), unclassified apparel stores (+12%), liquor stores (+11%), gasoline and service stations and jewelry stores (each +10%), groceries without meats (+7%), and family clothing stores (+5%). For January-April 1959 increases ranged from 2% to 12%. Highest increases in sales of nondurables were reported by office, store, and school supply dealers (+12%), gasoline and service stations, jewelry stores, and liquor stores (each +8%), shoe stores, women's ready-to-wear stores, department stores, and florists (each +7%), family clothing stores, men's and boy's clothing stores, and drug stores (each +5%), and restaurants and groceries without meats (each +3%).

RETAIL SALES TRENDS BY KINDS OF BUSINESS

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

Kind of Business*	Number of reporting establishments	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958	Percent change: Jan-Apr 1959 from Jan-Apr 1958
DURABLE GOODS				
Automobile stores	277	— 10	+ 23	+ 20
Furniture and household appliance stores	160	+ 7	+ 20	+ 11
Lumber, building material, and hardware stores	287	— 2	+ 4	+ 15
NONDURABLE GOODS				
Apparel stores	209	— 12	**	+ 6
Drug stores	160	— 6	+ 3	+ 5
Eating and drinking places	93	— 2	+ 3	+ 2
Food stores	244	+ 5	+ 1	— 1
Gasoline and service stations	860	— 3	+ 10	+ 8
General merchandise stores	165	— 6	+ 1	+ 6
Other retail stores	219	**	+ 8	+ 10

* Includes kinds of business other than classifications listed.

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

INDEXES OF WHOLESALE PRICES IN THE UNITED STATES

(1947–49—100)

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

Commodity group	Apr 1959	Mar 1959	Apr 1958	Jan-Apr 1959	Jan-Apr 1958
ALL COMMODITIES	120.0	119.6	119.3	119.7	119.2
Farm products	92.4	90.9	97.7	91.5	97.0
Processed foods	107.2	107.2	111.5	107.7	110.4
Meats	101.8	99.0	110.2	101.0	105.2
All other	128.3	128.1	125.5	127.9	125.8

Volume of department and apparel stores. Although April sales by Texas department and apparel stores slipped 8% from March 1959, their sales were still 1% above sales in April 1958 and 7% above January-April 1958.

Retail sales in 28 of the 32 reporting cities trailed March 1959; decreases ranged from 1% to 37%. Cities reporting increases over March 1959 were Houston (+4%), Dallas, El Paso, and Vernon (each +2%), and Cleburne (+1%). Increases over April 1958 were made in Lubbock (+19%), Houston (+12%), Amarillo and

Cleburne (each +10%), San Angelo (+9%), Dallas (+8%), Austin (+3%), and Plainview (+2%). Poorest showings for the same period were made in Paris (—38%), Corpus Christi (—19%), and Lockhart (—17%).

Of the 24 cities reporting retail sales increases over January-April 1958, best gains were reported by Lubbock (+24%), Killeen (+20%), Amarillo (+19%), Plainview (+17%), San Angelo (+16%), and Marshall and Temple (each +12%).

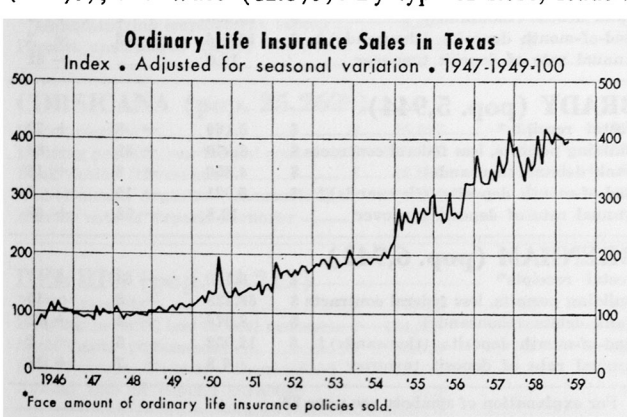
Sales in Texas cities. Of the 23 Texas cities reporting enough retailers to permit city listings of total retail sales in April, three cities reported total sales increases over the preceding month, 20 were ahead of April 1958, and 21 bettered the first four months of 1958.

Fort Worth (+4%), Dallas (+3%), and Amarillo (+2%) were the three cities reporting sales gains over March 1959; sales in Port Arthur remained unchanged. Poorest showings in the March-to-April comparison were made by Beaumont (—19%), Brownwood and Henderson (each —17%), Corpus Christi (—15%), Waco (—14%), Wichita Falls (—11%), and Lubbock (—10%).

Leaders in the April-to-April comparison were Plainview (+46%), Greenville (+39%), Texarkana (+35%), Amarillo (+23%), Henderson (+19%), Austin and Sherman (each +17%), Dallas and Lubbock (each +16%), Wichita Falls (+13%), and Houston and Waco (each +11%). Sales declines were reported by Corpus Christi (—34%), Temple (—5%), and Victoria (—1%). Best showings for the first four months of 1959 were made in Plainview (+68%), Texarkana (+37%), Greenville (+30%), Amarillo and Lubbock (each +26%), Waco (+16%), Wichita Falls (+15%), Austin (+14%), and Dallas and Fort Worth (each +10%). Sales declines for the same period were reported by Port Arthur (—5%) and Brownwood (—4%).

Credit and collection ratios. The April ratio of credit sales to total net sales in Texas department and apparel stores was 69.4%, or 3.6 points above March 1959 and 0.5 points above April 1958. Highest credit ratios were reported by Dallas (77.0%), San Antonio (74.2%), Fort Worth (69.9%), and Galveston (67.9%). By type of store, dry goods and apparel stores (76.3%) and men's clothing stores (72.2%) were the leaders.

The April ratio of collections during the month to outstandings at the first of the month (34.9%) fell 0.8 points below the ratio for March 1959 but was 0.8 points above the ratio of April 1958. By cities, collection ratios were highest in Austin (49.9%), Bryan (48.1%), Cleburne (42.9%), and Waco (41.8%). By type of store, leaders in collections were dry goods and apparel stores (56.8%) and men's clothing stores (43.1%). Austin, Bryan, Cleburne, El Paso, Houston and Waco improved their April 1959 collections over the same month a year ago.



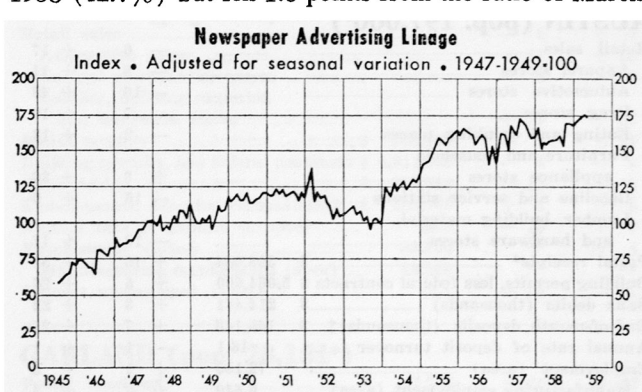
CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

Classification	Number of reporting stores	Credit ratios*		Collection ratios**	
		Apr 1959	Apr 1958	Apr 1959	Apr 1958
ALL STORES	66	69.4	68.9	34.9	34.1
BY CITIES					
Austin	5	62.7	64.5	49.9	48.3
Bryan	3	65.4	57.3	48.1	44.6
Cleburne	3	47.4	40.2	42.9	40.2
Dallas	8	77.0	75.9	37.5	37.7
El Paso	3	58.8	59.7	31.4	27.3
Fort Worth	3	69.9	69.3	30.7	31.4
Galveston	5	67.9	67.4	39.5	43.3
Houston	5	67.0	68.2	32.3	29.9
San Antonio	4	74.2	66.0	39.5	45.4
Waco	5	60.5	62.0	41.8	40.3
BY TYPE OF STORE					
Department stores (over $1 million)	21	69.8	70.0	33.8	32.8
Department stores (under $1 million)	17	48.4	48.5	37.8	38.5
Dry goods and apparel stores	5	76.3	75.8	56.8	52.9
Women's specialty shops	13	68.6	64.1	39.0	40.5
Men's clothing stores	10	72.2	72.0	43.1	46.5
BY VOLUME OF NET SALES					
Over $1,500,000	26	70.3	69.9	34.6	33.8
$500,000 to $1,500,000	14	57.5	57.4	41.7	43.1
$250,000 to $500,000	13	54.6	54.7	41.5	38.6
Less than $250,000	13	55.0	53.7	36.6	36.3

* Credit sales as a percent of net sales.

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

The April 1959 ratio of charge account sales to total net sales (46.4%) fell 2.8 points below the ratio of April 1958 but bettered March 1959 by 2.2 points. The ratio of instalment sales to total net sales (19.2%) bettered April 1958 by 2.2 points and March 1959 by 0.1 points. Collections on charge accounts (45.7%) were ahead of April 1958 (42.7%) but fell 1.6 points from the ratio of March



1959, while collections on instalment accounts (17.6%) improved from both March 1959 (by 0.2 points) and April 1958 (by 0.8 points).

Secondary trade indicators. Advertising linage in 22 Texas newspapers was 4% above March 1959 and 12% ahead of April 1958. Fifteen newspapers bettered March 1959 linage and 18 were ahead of April a year ago.

Local Business

City and Item	Apr 1959	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958
ABILENE (pop. 62,500[r])			
Retail sales			
Apparel stores	.....	— 8	— 20
General merchandise stores	.....	— 12	+ 4
Postal receipts*	$ 89,178	— 14	.....
Building permits, less federal contracts	$ 2,209,376	— 14	+ 15
Bank debits (thousands)	$ 96,140	— 2	+ 17
End-of-month deposits (thousands)‡	$ 63,026	— 1	+ 7
Annual rate of deposit turnover	18.2	— 2	+ 10
Employment (area)	32,100	+ 1	+ 5
Manufacturing employment (area)	3,400	— 1	+ 10
Percent unemployed (area)	4.5	— 6	— 27
AMARILLO (pop. 125,049[r])			
Retail sales	.....	+ 2	+ 23
Apparel stores	.....	— 2	+ 10
Automotive stores	.....	— 1	+ 34
Drug stores	.....	— 3	+ 1
Eating and drinking places	.....	**	+ 17
Food stores	.....	+ 10	+ 1
Furniture and household appliance stores	.....	+ 4	— 9
Gasoline and service stations	.....	+ 6	+ 29
Liquor stores	.....	+ 4	+ 15
Lumber, building material, and hardware stores	.....	— 3	+ 42
Postal receipts*	$ 182,437	+ 7	+ 24
Building permits, less federal contracts	$ 3,267,921	+ 56	+ 12
Bank debits (thousands)	$ 219,209	— 1	+ 22
End-of-month deposits (thousands)‡	$ 113,760	— 2	+ 4
Annual rate of deposit turnover	22.9	— 1	+ 15
Employment (area)	51,400	+ 1	+ 5
Manufacturing employment (area)	5,850	+ 1	+ 8
Percent unemployed (area)	3.1	— 24	— 55
ARLINGTON (pop. 45,340[r])			
Postal receipts*	$ 31,359	— 10	+ 61
Building permits, less federal contracts	$ 1,106,241	— 43	+ 64
Employment (area)	195,400	+ 1	+ 2
Manufacturing employment (area)	54,925	**	**
Percent unemployed (area)	5.0	— 12	— 32
AUSTIN (pop. 197,000[r])			
Retail sales	.....	— 6	+ 17
Apparel stores	.....	— 8	+ 11
Automotive stores	.....	— 16	+ 43
Drug stores	.....	— 7	+ 19
Eating and drinking places	.....	— 2	+ 13
Furniture and household appliance stores	.....	+ 3	+ 30
Gasoline and service stations	.....	— 15	+ 9
Lumber, building material, and hardware stores	.....	— 10	+ 17
Postal receipts*	$ 398,084	+ 15	+ 58
Building permits, less federal contracts	$ 5,064,600	+ 5	+ 26
Bank debits (thousands)	$ 214,441	+ 3	+ 22
End-of-month deposits (thousands)‡	$ 165,146	+ 7	+ 25
Annual rate of deposit turnover	16.1	— 1	+ 1
Employment (area)	72,100	+ 1	+ 3
Manufacturing employment (area)	5,640	+ 2	+ 4
Percent unemployed (area)	3.8	— 5	— 16
BAY CITY (pop. 14,042[r])			
Postal receipts*	$ 10,195	— 3	+ 32
Bank debits (thousands)	$ 12,470	+ 15	+ 26
End-of-month deposits (thousands)‡	$ 19,535	— 2	+ 5
Annual rate of deposit turnover	7.6	+ 15	+ 15
BAYTOWN (pop. 28,945[r])			
Postal receipts*	$ 20,270	— 10	+ 1
Building permits, less federal contracts	$ 377,840	— 40	— 5
Bank debits (thousands)	$ 21,319	— 3	+ 4
End-of-month deposits (thousands)‡	$ 23,997	— 4	+ 8
Annual rate of deposit turnover	10.5	+ 1	+ 12
Employment (area)	477,800	+ 1	+ 4
Manufacturing employment (area)	94,700	+ 1	+ 1
Percent unemployed (area)	4.7	— 13	— 31
BEAUMONT (pop. 122,485[r])			
Retail sales	.....	— 19	+ 3
Apparel stores	.....	— 9	— 8
Automotive stores	.....	— 24	+ 19
Eating and drinking places	.....	— 3	— 4
Food stores	.....	+ 2	+ 3
Furniture and household appliance stores	.....	+ 16	+ 39
General merchandise stores	.....	— 18	— 11
Lumber, building material, and hardware stores	.....	— 23	— 12
Postal receipts*	$ 102,580	— 10	+ 17
Building permits, less federal contracts	$ 1,665,730	+ 51	+ 30
Bank debits (thousands)	$ 154,256	— 2	+ 8
End-of-month deposits (thousands)‡	$ 103,724	— 1	— 5
Annual rate of deposit turnover	17.8	**	+ 13
Employment (area)	87,600	**	— 4
Manufacturing employment (area)	26,680	**	— 4
Percent unemployed (area)	10.4	— 8	+ 4
BEEVILLE (pop. 15,105[r])			
Retail sales			
Lumber, building material, and hardware stores	.....	+ 18	+ 22
Postal receipts*	$ 9,525	— 18	+ 15
Building permits, less federal contracts	$ 138,500	+ 38	+ 94
Bank debits (thousands)	$ 9,457	+ 2	+ 4
End-of-month deposits (thousands)‡	$ 13,787	**	+ 9
Annual rate of deposit turnover	8.2	**	+ 22
BIG SPRING (pop. 30,433[r])			
Retail sales			
Lumber, building material, and hardware stores	.....	+ 13	+ 30
Postal receipts*	$ 28,052	+ 9	+ 20
Building permits, less federal contracts	$ 265,925	+ 64	+ 43
Bank debits (thousands)	$ 40,228	+ 2	+ 13
End-of-month deposits (thousands)‡	$ 31,449	+ 7	+ 28
Annual rate of deposit turnover	15.9	+ 1	— 5
BORGER (pop. 18,059)			
Building permits, less federal contracts	$ 415,878	+ 88	+ 11
Bank debits (thousands)	$ 18,308	+ 2	+ 3
End-of-month deposits (thousands)‡	$ 16,246	— 13	+ 2
Annual rate of deposit turnover	12.6	.....	— 32
BRADY (pop. 5,944)			
Postal receipts*	$ 5,169	+ 8	+ 72
Building permits, less federal contracts	$ 8,970	+ 32	— 83
Bank debits (thousands)	$ 4,856	+ 3	+ 18
End-of-month deposits (thousands)‡	$ 5,921	— 15	— 6
Annual rate of deposit turnover	12.8	+ 58	+ 68
BRENHAM (pop. 6,941)			
Postal receipts*	$ 6,173	— 34	+ 7
Building permits, less federal contracts	$ 68,438	— 3	— 15
Bank debits (thousands)	$ 8,078	+ 4	+ 22
End-of-month deposits (thousands)‡	$ 12,052	— 5	+ 2
Annual rate of deposit turnover	7.8	+ 7	+ 16

For explanation of symbols, see page 23.

Conditions

City and Item	Apr 1959	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958
BROWNSVILLE (pop. 36,066)			
Retail sales			
Lumber, building material, and hardware stores	.....	+ 35	+ 10
Postal receipts*	$ 28,889	— 12	+ 37
Building permits, less federal contracts	$ 111,038	— 50	+ 29
BROWNWOOD (pop. 20,181)			
Retail sales	.....	— 17	+ 7
Apparel stores	.....	— 29	— 5
Automotive stores	.....	— 9	+ 22
Furniture and household appliance stores	.....	+ 13	+ 13
Building permits, less federal contracts	$ 177,421	— 32	+3203
Bank debits (thousands)	$ 12,320	— 10	+ 10
End-of-month deposits (thousands) ‡	$ 12,901	— 2	+ 9
Annual rate of deposit turnover	11.3	— 10	**
BRYAN (pop. 23,883[r])			
Retail sales	.....	— 4	+ 6
Apparel stores	.....	— 1	— 4
Automotive stores	.....	+ 10	+ 51
Food stores	.....	+ 1	— 7
Furniture and household appliance stores	.....	— 5	+ 8
Lumber, building material, and hardware stores	.....	— 28	— 6
Postal receipts*	$ 22,277	+ 2	+ 16
Building permits, less federal contracts	$ 176,465	— 42	— 59
CISCO (pop. 5,230)			
Postal receipts*	$ 3,505	— 17	+ 12
Bank debits (thousands)	$ 3,359	+ 11	+ 28
End-of-month deposits (thousands) ‡	$ 3,750	— 1	+ 5
Annual rate of deposit turnover	10.7	+ 11	+ 23
CORPUS CHRISTI (pop. 180,000[r])			
Retail sales	.....	— 15	— 34
Apparel stores	.....	— 30	— 19
Automotive stores	.....	— 12	— 38
Lumber, building material, and hardware stores	.....	+ 6	— 27
Postal receipts*	$ 152,595	— 12	+ 24
Building permits, less federal contracts	$ 2,667,182	+ 72	— 1
Bank debits (thousands)	$ 191,502	+ 2	+ 9
End-of-month deposits (thousands) ‡	$ 117,048	+ 4	+ 4
Annual rate of deposits turnover	20.0	+ 1	+ 5
Employment (area)	64,400	— 1	— 2
Manufacturing employment (area)	8,100	**	— 1
Percent unemployed (area)	6.9	— 10	— 9
CORSICANA (pop. 25,262[r])			
Postal receipts*	$ 16,637	— 15	+ 31
Building permits, less federal contracts	$ 265,581	+ 53	+219
Bank debits (thousands)	$ 15,185	— 7	+ 5
End-of-month deposits (thousands) ‡	$ 20,504	— 1	— 3
Annual rate of deposit turnover	8.9	— 5	+ 9
DEL RIO (pop. 14,211)			
Postal receipts*	$ 12,029	— 11	+ 43
Building permits, less federal contracts	$ 124,278	— 50	+ 89
Bank debits (thousands)	$ 9,819	+ 5	+ 11
End-of-month deposits (thousands) ‡	$ 11,279	— 2	+ 15
Annual rate of deposit turnover	10.3	.....	— 5

City and Item	Apr 1959	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958
DALLAS (pop. 641,000[r])			
Retail sales	.....	+ 3	+ 16
Apparel stores	.....	— 6	+ 3
Automotive stores	.....	+ 1	+ 33
Eating and drinking places	.....	— 2	— 4
Florists	.....	— 23	— 24
Furniture and household appliance stores	.....	+ 15	+ 29
Gasoline and service stations	.....	— 1	+ 18
General merchandise stores	.....	+ 14	+ 14
Liquor stores	.....	+ 6	+ 18
Lumber, building material, and hardware stores	.....	— 5	+ 17
Office, store, and school supply dealers	.....	— 9	+ 22
Postal receipts*	$ 1,976,592	— 4	+ 22
Building permits, less federal contracts	$14,617,090	— 26	+ 3
Bank debits (thousands)	$ 2,444,312	— 2	+ 13
End-of-month deposits (thousands) ‡	$ 1,135,046	— 1	+ 11
Annual rate of deposit turnover	25.8	— 2	**
Employment (area)	390,300	**	+ 2
Manufacturing employment (area)	84,900	**	— 5
Percent unemployed (area)	3.1	— 18	— 35
DENTON (pop. 29,479[r])			
Retail sales			
Drug stores	.....	— 3	+ 6
Postal receipts*	$ 26,244	— 9	+ 30
Building permits, less federal contracts	$ 240,300	+ 40	— 16
Bank debits (thousands)	$ 17,385	+ 1	.....
End-of-month deposits (thousands) ‡	$ 19,618	+ 2	.....
Annual rate of deposit turnover	10.7	— 1	.....
EDINBURG (pop. 15,993[r])			
Postal receipts*	$ 8,959	— 15	+ 18
Building permits, less federal contracts	$ 133,065	— 15	+164
Bank debits (thousands)	$ 11,989	+ 6	+ 32
End-of-month deposits (thousands) ‡	$ 9,041	+ 7	+ 9
Annual rate of deposit turnover	16.4	+ 2	+ 24
EL PASO (pop. 244,400[r])			
Retail sales	.....	— 1	+ 1
Automotive stores	.....	+ 23	+ 15
General merchandise stores	.....	— 6	— 3
Lumber, building material, and hardware stores	.....	+ 12	+ 35
Postal receipts*	$ 236,607	— 7	+ 21
Building permits, less federal contracts	$ 5,911,552	— 6	— 4
Bank debits (thousands)	$ 335,519	— 12	+ 15
End-of-month deposits (thousands) ‡	$ 166,786	+ 1	+ 5
Annual rate of deposit turnover	24.2	— 10	+ 9
Employment (area)	82,700	**	+ 4
Manufacturing employment (area)	13,250	**	**
Percent unemployed (area)	4.1	— 15	— 21
GARLAND (pop. 28,151[r])			
Postal receipts*	$ 27,746	+ 25	+ 57
Building permits, less federal contracts	$ 1,552,714	+ 48	+ 64
Bank debits (thousands)	$ 20,690	— 8	+ 22
End-of-month deposits (thousands) ‡	$ 11,426	— 29	+ 11
Annual rate of deposit turnover	18.0	.....	+ 8
Employment (area)	390,300	**	+ 2
Manufacturing employment (area)	84,900	**	— 5
Percent unemployed (area)	5.0	— 12	— 32

For explanation of symbols, see page 23.

City and Item	Apr 1959	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958
FORT WORTH (pop. 373,000[r])			
Retail sales		+ 4	+ 9
Apparel stores		— 5	+ 5
Automotive stores		— 12	+ 28
Drug stores		— 11	— 3
Eating and drinking places		+ 5	+ 17
Furniture and household appliance stores		— 3	+ 6
Gasoline and service stations		— 1	— 2
General merchandise stores		— 1	**
Liquor stores		+ 6	+ 9
Lumber, building material, and hardware stores		— 3	— 18
Postal receipts*	$ 652,460	— 2	+ 17
Building permits, less federal contracts	$ 4,752,774	+ 10	+ 42
Bank debits (thousands)	$ 759,499	— 3	+ 12
End-of-month deposits (thousands) ‡	$ 378,778	— 2	+ 14
Annual rate of deposit turnover	23.8	— 4	+ 7
End-of-month deposits (thousands) ‡	$ 378,778	— 2	+ 4
Employment (area)	195,400	+ 1	+ 2
Manufacturing employment (area)	54,925	**	**
GALVESTON (pop. 71,590[r])			
Retail sales		— 9	+ 2
Apparel stores		— 14	— 12
Automotive stores		— 23	— 1
Postal receipts*	$ 91,520	+ 2	+ 48
Building permits, less federal contracts	$ 270,341	+ 15	— 34
Bank debits (thousands)	$ 93,723	+ 7	+ 10
End-of-month deposits (thousands) ‡	$ 62,579	— 2	— 6
Annual rate of deposit turnover	17.8	+ 7	+ 19
Employment (area)	49,600	**	+ 3
Manufacturing employment (area)	10,880	— 1	— 1
Percent unemployed (area)	7.8	+ 4	+ 1
GLADEWATER (pop. 5,305)			
Postal receipts*	$ 5,047	— 6	+ 14
Building permits, less federal contracts	$ 53,000	+129	+769
Bank debits (thousands)	$ 3,746	**	+ 9
End-of-month deposits (thousands) ‡	$ 4,263	— 1	+ 4
Annual rate of deposit turnover	10.5	+ 3	+ 8
Employment (area)	27,550	+ 1	+ 4
Manufacturing employment (area)	4,790	+ 3	+ 11
Percent unemployed (area)	4.2	— 9	— 34
GOLDTHWAITE (pop. 1,566)			
Postal receipts*	$ 1,417	— 12	— 7
Bank debits (thousands)	$ 4,529	+ 3	+ 57
End-of-month deposits (thousands) ‡	$ 3,596	+ 1	+ 11
Annual rate of deposit turnover	15.2	**	+ 39
GRAND PRAIRIE (pop. 14,594)			
Postal receipts*	$ 19,878	— 15	+ 44
Building permits, less federal contracts	$ 334,195	— 10	+ 50
Employment (area)	390,300	**	+ 2
Manufacturing employment (area)	84,900	**	— 5
Percent unemployed (area)	3.1	— 18	— 35
GREENVILLE (pop. 20,034[r])			
Retail sales		— 4	+ 39
Food stores		+ 7	+ 4
Lumber, building material, and hardware stores		— 10	— 2
Postal receipts*	$ 20,981	+ 6	+ 33
Building permits, less federal contracts	$ 121,640	— 31	— 5
Bank debits (thousands)	$ 14,838	— 6	+ 20
End-of-month deposits (thousands) ‡	$ 16,027	+ 4	+ 10
Annual rate of deposit turnover	11.3	— 10	+ 12
HARLINGEN (pop. 31,799[r])			
Retail sales			
Automotive stores		— 29	+ 23
Postal receipts*	$ 32,938	+ 4	+ 38
Building permits, less federal contracts	$ 286,495	— 13	+ 94
Bank debits (thousands)	$ 33,729	**	+ 5
End-of-month deposits (thousands) ‡	$ 25,781	— 3	+ 3
Annual rate of deposit turnover	15.5	**	+ 1
HENDERSON (pop. 11,606)			
Retail sales		— 17	+ 19
Apparel stores		— 20	— 12
Automotive stores		— 27	+ 20
Furniture and household appliance stores		+ 47	+ 45
Lumber, building material, and hardware stores		+ 32	+ 41
Postal receipts*	$ 8,739	— 16	+ 26
Building permits, less federal contracts	$ 135,675	— 18	+ 46
Bank debits (thousands)	$ 9,350	+ 30	+ 30
End-of-month deposits (thousands) ‡	$ 16,271	+ 1	+ 10
Annual rate of deposit turnover	6.9	+ 28	+ 21
HEREFORD (pop. 7,500)			
Postal receipts*	$ 7,159	+ 16	+ 24
Building permits, less federal contracts	$ 52,650	— 4	— 8
Bank debits (thousands)	$ 12,189	+ 9	+ 28
End-of-month deposits (thousands) ‡	$ 10,874	— 5	+ 4
Annual rate of deposit turnover	13.1	+ 11	+ 17
HOUSTON (pop. 700,508[u])			
Retail sales¶		— 1	+ 11
Apparel stores¶		+ 7	+ 11
Automotive stores¶		— 11	+ 34
Drug stores¶		— 4	+ 6
Eating and drinking places¶		— 8	— 3
Food stores¶		+ 1	— 1
Furniture and household appliance stores¶		+ 19	+ 34
Gasoline and service stations¶		— 5	+ 7
General merchandise stores¶		+ 6	+ 9
Lumber, building material, and hardware stores¶		+ 1	— 13
Other retail stores¶		— 10	+ 8
Postal receipts*	$ 1,449,379	— 2	+ 25
Building permits, less federal contracts	$19,233,045	+ 2	— 4
Bank debits (thousands)	$ 2,485,303	+ 9	+ 11
End-of-month deposits (thousands) ‡	$ 1,243,598	— 1	+ 3
Annual rate of deposit turnover	23.9	+ 11	+ 7
Employment (area)	477,800	+ 1	+ 4
Manufacturing employment (area)	94,700	+ 1	+ 1
Percent unemployed (area)	4.7	— 13	— 31
IRVING (pop. 40,065[r])			
Postal receipts*	$ 17,755	— 30	+ 24
Building permits, less federal contracts	$ 1,847,877	— 38	+ 79
Employment (area)	390,300	**	+ 2
Manufacturing employment (area)	84,900	**	— 5
Percent unemployed (area)	3.1	— 18	— 35
JASPER (pop. 4,403)			
Retail sales			
Automotive stores		— 21	+ 5
Postal receipts*	$ 6,164	— 10	+ 46
Bank debits (thousands)	$ 6,827	+ 3	+ 8
End-of-month deposits (thousands) ‡	$ 7,998	+ 10	+ 25
Annual rate of deposit turnover	10.7	— 4	— 6

For explanation of symbols, see page 23.

City and Item	Apr 1959	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958
KILGORE (pop. 12,373[r])			
Postal receipts*	$ 11,715	— 23	+ 18
Building permits, less federal contracts	$ 155,670	+ 23	+ 11
Bank debits (thousands)	$ 15,493	+ 1	+ 7
End-of-month deposits (thousands)‡	$ 15,394	+ 2	+ 6
Annual rate of deposit turnover	12.2	— 1	+ 3
Employment (area)	27,550	+ 1	+ 4
Manufacturing employment (area)	4,790	+ 3	+ 11
Percent unemployed (area)	4.2	— 9	— 34
KILLEEN (pop. 26,646[r])			
Retail sales			
Apparel stores	.....	— 8	— 5
Postal receipts*	$ 24,316	+ 6	+ 19
Building permits, less federal contracts	$ 417,903	+ 18	+ 34
Bank debits (thousands)	$ 8,815	— 1	+ 19
End-of-month deposits (thousands)‡	$ 7,557	+ 7	+ 14
Annual rate of deposit turnover	14.5	— 5	+ 8
LAMESA (pop. 10,704)			
Retail sales			
Automotive stores	.....	— 17	+ 24
Postal receipts*	$ 8,266	— 16	+ 16
Building permits, less federal contracts	$ 213,943	+ 24	— 73
Bank debits (thousands)	$ 13,105	+ 2	+ 25
End-of-month deposits (thousands)‡	$ 16,833	— 8	+ 18
Annual rate of deposit turnover	8.9	+ 9	+ 3
LAMPASAS (pop. 4,869)			
Postal receipts*	$ 3,655	— 18	+ 24
Building permits, less federal contracts	$ 10,000	+ 18	— 60
Bank debits (thousands)	$ 6,330	+ 9	+ 26
End-of-month deposits (thousands)‡	$ 6,969	+ 3	+ 15
Annual rate of deposit turnover	11.1	+ 6	+ 11
LAREDO (pop. 59,350[r])			
Postal receipts*	$ 28,145	— 8	+ 17
Building permits, less federal contracts	$ 145,000	— 6	+181
Bank debits (thousands)	$ 29,047	+ 12	+ 13
End-of-month deposits (thousands)‡	$ 21,716	— 3	+ 3
Annual rate of deposit turnover	15.8	+ 11	+ 8
LLANO (pop. 2,954)			
Postal receipts*	$ 2,198	— 6	+ 24
Bank debits (thousands)	$ 2,670	+ 8	+ 5
End-of-month deposits (thousands)‡	$ 3,354	— 4	+ 5
Annual rate of deposit turnover	9.4	+ 11	— 4
LOCKHART (pop. 5,573)			
Postal receipts*	$ 3,444	— 8	+ 25
Building permits, less federal contracts	$ 25,900	+ 6	+4,217
Bank debits (thousands)	$ 4,211	.....	+ 4
End-of-month deposits (thousands)‡	$ 4,886	.....	+ 4
LONGVIEW (pop. 52,164[r])			
Postal receipts*	$ 46,142	+ 86	+ 61
Building permits, less federal contracts	$ 1,148,200	+ 28	+ 12
Bank debits (thousands)	$ 43,023	.....	.....
End-of-month deposits (thousands)‡	$ 38,935	.....	.....
Employment (area)	27,550	+ 1	+ 4
Manufacturing employment (area)	4,790	+ 3	+ 11
Percent unemployed (area)	4.2	— 9	— 34
LUFKIN (pop. 20,846[r])			
Postal receipts*	$ 16,954	— 17	+ 26
Building permits, less federal contracts	$ 224,400	— 1	— 56
Bank debits (thousands)	$ 22,989	— 9	— 7
End-of-month deposits (thousands)‡	$ 23,657	+ 3	— 6
Annual rate of deposit turnover	11.8	— 5	— 5
LUBBOCK (pop. 148,725[r])			
Retail sales	.....	— 10	+ 16
Apparel stores	.....	— 13	+ 17
Furniture and household appliance stores	.....	— 2	+ 14
Postal receipts*	$ 129,130	— 4	+ 7
Building permits, less federal contracts	$ 3,827,300	+ 4	+ 3
Bank debits (thousands)	$ 183,900	+ 2	+ 30
End-of-month deposits (thousands)‡	$ 115,007	— 9	+ 10
Annual rate of deposit turnover	18.4	+ 5	+ 14
Employment (area)	50,200	**	+ 5
Manufacturing employment (area)	5,410	+ 1	+ 10
Percent unemployed (area)	4.2	— 2	— 18
McALLEN (pop. 25,326[r])			
Retail sales			
Automotive stores	.....	+ 17	+ 28
Postal receipts*	$ 23,100	— 13	+ 20
Building permits, less federal contracts	$ 370,950	+ 33	+ 97
Bank debits (thousands)	$ 21,834	— 15	— 12
End-of-month deposits (thousands)‡	$ 24,678	+ 18	+ 9
Annual rate of deposit turnover	11.5	— 23	— 11
McKINNEY (pop. 16,653[r])			
Building permits, less federal contracts	$ 102,300	— 8	+ 85
Bank debits (thousands)	$ 8,952	+ 12	+ 18
End-of-month deposits (thousands)‡	$ 12,158	— 5	+ 20
Annual rate of deposit turnover	8.6	+ 12	+ 8
MARSHALL (pop. 25,479[r])			
Retail sales			
Apparel stores	.....	— 34	— 21
Postal receipts*	$ 18,804	— 18	+ 6
Building permits, less federal contracts	$ 431,333	+ 15	+726
Bank debits (thousands)	$ 16,264	+ 4	+ 11
End-of-month deposits (thousands)‡	$ 20,931	+ 2	**
Annual rate of deposit turnover	9.4	+ 1	+ 11
MERCEDES (pop. 10,081)			
Postal receipts*	$ 6,357	+ 15	+ 82
Building permits, less federal contracts	$ 32,395	+ 85	+ 86
Bank debits (thousands)	$ 5,787	**	— 12
End-of-month deposits (thousands)‡	$ 3,873	— 8	— 37
Annual rate of deposit turnover	17.1	+ 23	+ 16
MIDLAND (pop. 54,288[r])			
Postal receipts	$ 75,520	+ 4	+ 25
Building permits, less federal contracts	$ 5,679,300	+ 78	+161
Bank debits (thousands)	$ 94,156	**	.....
End-of-month deposits (thousands)‡	$ 86,333	— 2	.....
Annual rate of deposit turnover	13.0	+ 7	.....
MONAHANS (pop. 10,183[r])			
Postal receipts*	$ 7,166	— 12	+ 36
Building permits, less federal contracts	$ 171,200	+ 26	— 41
Bank debits (thousands)	$ 10,271	— 7	+ 14
End-of-month deposits (thousands)‡	$ 7,732	— 2	+ 5
Annual rate of deposit turnover	15.8	— 4	+ 10
ODESSA (pop. 87,521[r])			
Retail sales			
Furniture and household appliance stores	.....	— 3	— 12
Postal receipts*	$ 62,598	— 13	+ 30
Building permits, less federal contracts	$ 2,721,500	+ 37	— 15
Bank debits (thousands)	$ 78,833	+ 4	+ 19
End-of-month deposits (thousands)‡	$ 63,514	— 1	+ 17
Annual rate of deposit turnover	14.8	+ 2	— 1
No. rigs operating in Ector County	49	+ 7	+ 20
No. rigs operating in Permian Basin	508	— 9	+ 13

For explanation of symbols, see page 23.

City and Item	Apr 1959	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958
NACOGDOCHES (pop. 14,770[r])			
Postal receipts*	$ 11,538	— 24	.....
Building permits, less federal contracts	$ 110,093	— 66	+318
Bank debits (thousands)	$ 14,713	+ 9	+ 23
End-of-month deposits (thousands)‡	$ 14,340	— 3	+ 1
Annual rate of deposit turnover	12.1	+ 9	+ 20
NEW BRAUNFELS (pop. 12,210)			
Retail sales			
Automotive stores	.....	— 25	— 14
Postal receipts*	$ 15,605	— 7	+ 35
Building permits, less federal contracts	$ 109,315	**	— 27
Bank debits (thousands)	$ 11,144	— 5	+ 22
End-of-month deposits (thousands)‡	$ 11,553	— 4	+ 16
Annual rate of deposit turnover	11.3	— 4	+ 3
ORANGE (pop. 31,556[r])			
Retail sales			
Automotive stores	.....	— 25	— 5
Lumber, building material, and hardware stores	.....	+ 1	— 26
Building permits, less federal contracts	$ 924,517	+184	+ 16
Bank debits (thousands)	$ 21,528	— 7	+ 7
End-of-month deposits (thousands)‡	$ 21,278	+ 2	— 3
Annual rate of deposit turnover	12.3	— 7	+ 12
PALESTINE (pop. 15,063[r])			
Postal receipts*	$ 9,767	— 26	+ 13
Building permits, less federal contracts	$ 73,745	— 18	+ 8
Bank debits (thousands)	$ 8,723	+ 2	— 1
End-of-month deposits (thousands)‡	$ 14,111	**	+ 8
Annual rate of deposit turnover	7.4	**	— 7
PAMPA (pop. 20,448[r])			
Postal receipts*	$ 21,165	— 5	+ 24
Building permits, less federal contracts	$ 450,850	— 34	— 35
Bank debits (thousands)	$ 22,812	+ 7	+ 22
End-of-month deposits (thousands)‡	$ 24,001	— 5	— 2
Annual rate of deposit turnover	11.1	.....	+ 22
PARIS (pop. 24,551[r])			
Retail sales			
Apparel stores	.....	— 37	— 38
Automotive stores	.....	+ 6	+ 60
Lumber, building material, and hardware stores	.....	— 14	+ 14
Postal receipts*	$ 17,789	— 9	+ 34
Building permits, less federal contracts	$ 340,905	+ 38	+164
Bank debits (thousands)	$ 15,967	+ 3	+ 14
End-of-month deposits (thousands)‡	$ 13,139	— 2	+ 8
Annual rate of deposit turnover	14.4	+ 3	+ 16
PASADENA (pop. 58,928[r])			
Postal receipts*	$ 33,161	— 5	+ 34
Building permits, less federal contracts	$ 1,128,200	— 38	+ 63
Employment (area)	477,800	+ 1	+ 4
Manufacturing employment (area)	94,700	+ 1	+ 1
Percent unemployed (area)	4.7	— 13	— 31
PHARR (pop. 8,690)			
Postal receipts*	$ 5,248	— 13	+ 32
Bank debits (thousands)	$ 4,414	— 10	+ 6
End-of-month deposits (thousands)‡	$ 4,542	— 2	+ 12
Annual rate of deposit turnover	11.5	— 16	— 2
PLAINVIEW (pop. 21,106[r])			
Retail sales	.....	— 2	+ 46
Apparel stores	.....	— 18	**
Automotive stores	.....	**	+ 70
Postal receipts*	$ 16,958	— 7	+ 47
Building permits, less federal contracts	$ 641,100	+368	+1370
Bank debits (thousands)	$ 24,897	+ 2	.....
PORT ARTHUR (pop. 82,150[u])			
Retail sales	.....	**	+ 9
Apparel stores	.....	— 16	— 13
Automotive stores	.....	+ 5	+ 34
Food stores	.....	+ 1	+ 1
Furniture and household appliance stores	.....	— 8	+ 6
Lumber, building material, and hardware stores	.....	+ 4	— 26
Postal receipts*	$ 52,302	— 16	+ 38
Building permits, less federal contracts	$ 454,712	+ 4	+ 13
Bank debits (thousands)	$ 64,023	+ 11	— 2
End-of-month deposits (thousands)‡	$ 46,401	+ 5	+ 4
Annual rate of deposit turnover	16.9	+ 8	— 3
Employment (area)	87,600	**	— 4
Manufacturing employment (area)	26,680	**	— 4
Percent unemployed (area)	10.4	— 8	+ 4
SAN ANGELO (pop. 62,359[r])			
Retail stores			
Lumber, building material, and hardware stores	.....	+ 5	+ 39
Postal receipts*	$ 65,822	+ 6	+ 23
Building permits, less federal contracts	$ 543,231	+ 51	— 24
Bank debits (thousands)	$ 56,052	+ 3	+ 17
End-of-month deposits (thousands)‡	$ 45,240	— 4	+ 13
Annual rate of deposit turnover	14.5	+ 2	+ 4
Employment (area)	22,650	— 2	**
Manufacturing employment (area)	3,100	+ 1	+ 3
Percent unemployed (area)	5.1	— 22	— 40
SAN ANTONIO (pop. 555,000[r])			
Retail sales	.....	— 6	+ 4
Apparel stores	.....	— 24	— 5
Automotive stores	.....	— 18	+ 16
Drug stores	.....	— 8	— 5
Eating and drinking places	.....	— 4	**
Florists	.....	— 18	+ 3
Food stores	.....	+ 11	+ 5
Furniture and household appliance stores	.....	+ 3	+ 44
Gasoline and service stations	.....	— 1	+ 11
General merchandise stores	.....	— 21	— 18
Lumber, building material, and hardware stores	.....	— 8	**
Postal receipts*	$ 609,932	— 7	.....
Building permits, less federal contracts	$ 6,928,200	+ 23	+ 15
Bank debits (thousands)	$ 615,185	+ 4	+ 12
End-of-month deposits (thousands)‡	$ 394,495	**	+ 14
Annual rate of deposit turnover	18.7	+ 3	— 2
Employment (area)	200,900	+ 1	+ 3
Manufacturing employment (area)	24,725	+ 1	+ 6
Percent unemployed (area)	3.3	— 8	— 23
SAN MARCOS (pop. 14,300[r])			
Postal receipts*	$ 8,011	— 30	+ 5
Building permits, less federal contracts	$ 14,150	.....	+120
Bank debits (thousands)	$ 7,351	+ 1	+ 12
End-of-month deposits (thousands)‡	$ 8,750	— 2	+ 9
Annual rate of deposit turnover	10.0	+ 3	+ 4
SEGUIN (pop. 14,000[r])			
Postal receipts*	$ 9,841	— 9	.....
Building permits, less federal contracts	$ 27,570	— 91	— 53
Bank debits (thousands)	$ 11,339	+ 19	+ 41
End-of-month deposits (thousands)‡	$ 13,998	— 9	— 3
Annual rate of deposit turnover	9.2	+ 24	+ 37
SHERMAN (pop. 31,269[r])			
Retail sales	.....	— 9	+ 17
Apparel stores	.....	— 30	— 20
Postal receipts*	$ 28,412	— 1	+ 30
Building permits, less federal contracts	$ 252,737	— 21	+ 62

For explanation of symbols, see page 23.

City and Item	Apr 1959	Percent change: Apr 1959 from Mar 1959	Percent change: Apr 1959 from Apr 1958
SLATON (pop. 6,351ʳ)			
Postal receipts*	$ 2,823	— 26	**
Building permits, less federal contracts	$ 68,975	— 36	+156
Bank debits (thousands)	$ 2,807	— 4	+ 37
End-of-month deposits (thousands)‡	$ 4,442	— 5	+ 12
Annual rate of deposit turnover	7.4	+ 3	+ 23
Employment (area)	50,200	**	+ 5
Manufacturing employment (area)	5,410	+ 1	+ 10
Percent unemployed (area)	4.2	— 2	— 18
SMITHVILLE (pop. 3,373ʳ)			
Postal receipts*	$ 1,976	.....	.....
Building permits, less federal contracts	$ 14,800	+ 5	— 61
Bank debits (thousands)	$ 981	+ 26	+ 45
End-of-month deposits (thousands)‡	$ 2,731	— 3	+ 8
Annual rate of deposit turnover	5.8	+ 26	+ 29
SULPHUR SPRINGS (pop. 9,890ʳ)			
Postal receipts*	$ 8,795	+ 23	+ 43
Bank debits (thousands)	$ 9,258	— 7	+ 9
End-of-month deposits (thousands)‡	$ 11,942	— 2	+ 2
Annual rate of deposit turnover	9.2	— 6	+ 6
Postal receipts*	$ 11,757	— 12	— 38
Building permits, less federal contracts	$ 424,270	— 13	+179
Bank debits (thousands)	$ 11,345	+ 6	+ 8
End-of-month deposits (thousands)‡	$ 12,029	+ 5	+ 12
Annual rate of deposit turnover	11.6	+ 5	+ 3
TAYLOR (pop. 9,071)			
Retail sales			
Automotive stores	.....	+ 6	+ 59
Postal receipts*	$ 9,100	— 5	+ 15
Building permits, less federal contracts	$ 47,160	+ 39	+ 12
Bank debits (thousands)	$ 6,721	+ 2	+ 9
End-of-month deposits (thousands)‡	$ 12,343	— 3	+ 20
Annual rate of deposit turnover	6.4	+ 5	— 11
TEMPLE (pop. 33,912ʳ)			
Retail sales	.....	— 2	— 5
Apparel stores	.....	— 24	— 15
Drug stores	.....	— 6	— 2
Furniture and household appliance stores	.....	+ 33	+ 4
Lumber, building material, and hardware stores	.....	**	— 27
Postal receipts*	$ 31,871	+ 2	+ 35
Building permits, less federal contracts	$ 333,722	+ 7	— 22
Bank debits (thousands)	$ 22,234	+ 9	+ 23
End-of-month deposits (thousands)‡	$ 27,202	+ 3	— 11
Annual rate of deposit turnover	9.9	+ 9	+ 39
TEXARKANA (pop. 50,784ʳ)			
Retail sales	.....	— 8	+ 35
Apparel stores	.....	— 23	— 15
Automotive stores	.....	— 13	+ 59
Furniture and household appliance stores	.....	+ 13	+ 31
Postal receipts*	$ 46,316	+ 5	+ 4
Building permits, less federal contracts	$ 463,750	+153	+165
Bank debits (thousands)	$ 46,050	+ 2	+ 20
End-of-month deposits (thousands)‡	$ 16,123	— 5	+ 1
Annual rate of deposit turnover	15.6	+ 3	+ 11
Employment (area)	28,950	**	+ 3
Manufacturing employment (area)	3,510	+ 1	+ 1
Percent unemployed (area)	7.4	— 14	— 34
TEXAS CITY (pop. 30,000ʳ)			
Retail sales			
Lumber, building material, and hardware stores	.....	— 12	+ 29
Postal receipts*	$ 21,184	+ 12	+ 43
Building permits, less federal contracts	$ 448,217	— 20	— 51
Bank debits (thousands)	$ 22,548	+ 7	+ 13
End-of-month deposits (thousands)‡	$ 11,818	— 6	— 10
Annual rate of deposit turnover	22.2	+ 8	+ 57
Employment (area)	49,600	**	+ 3
Manufacturing employment (area)	10,880	— 1	— 1
Percent unemployed (area)	7.8	+ 4	+ 1
TYLER (pop. 49,443)			
Retail sales			
Automotive stores	.....	— 12	+ 29
Postal receipts	$ 111,038	+ 7	+ 12
Building permits, less federal contracts	$ 586,265	— 62	— 59
Bank debits (thousands)	$ 87,350	**	+ 11
End-of-month deposits (thousands)‡	$ 61,573	— 2	+ 3
Annual rate of deposit turnover	16.8	— 1	+ 8
VICTORIA (pop. 44,188ʳ)			
Retail sales	.....	— 8	— 1
Apparel stores	.....	— 25	— 20
Automotive stores	.....	— 16	+ 4
Eating and drinking places	.....	+ 1	— 8
Food stores	.....	+ 1	**
Furniture and household appliance stores	.....	+ 23	+ 6
Lumber, building material, and hardware stores	.....	— 14	— 23
Postal receipts*	$ 29,859	+ 9	+ 18
Building permits, less federal contracts	$ 248,112	— 21	— 78
WACO (pop. 101,824ʳ)			
Retail sales	.....	— 14	+ 11
Apparel stores	.....	— 4	— 11
Automotive stores	.....	— 12	+ 27
Furniture and household appliance stores	.....	— 19	+ 10
General merchandise stores	.....	— 16	+ 5
Postal receipts*	$ 149,795	.....	.....
Building permits, less federal contracts	$ 1,420,828	+ 36	+ 56
Bank debits (thousands)	$ 109,787	+ 4	+ 20
End-of-month deposits (thousands)‡	$ 70,064	**	+ 7
Annual rate of deposit turnover	18.8	+ 4	+ 12
Employment (area)	47,250	+ 1	+ 4
Manufacturing employment (area)	10,150	+ 2	+ 7
Percent unemployed (area)	5.3	— 7	— 23
WICHITA FALLS (pop. 103,152ʳ)			
Retail sales	.....	— 11	+ 13
Automotive stores	.....	— 12	+ 17
Furniture and household appliance stores	.....	+ 3	+ 64
Lumber, building material, and hardware stores	.....	+ 19	— 12
Building permits, less federal contracts	$ 683,932	— 64	+ 2
Bank debits (thousands)	$ 117,309	+ 1	+ 23
End-of-month deposits (thousands)‡	$ 102,607	— 2	**
Annual rate of deposit turnover	13.6	+ 3	+ 21
Employment (area)	40,300	**	+ 5
Manufacturing employment (area)	3,650	+ 1	+ 4
Percent unemployed (area)	4.4	— 14	— 39

* For the period April 4–May 1.

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

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

§ Figures include Texarkana, Arkansas (pop. 19,733) and Texarkana, Texas (pop. 31,051).

ʳRevised for use by the Texas Highway Department.

ᵘ1950 Urbanized Census.

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

BAROMETERS OF TEXAS BUSINESS

	Apr 1959	Mar 1959	Apr 1958	Year-to-date average 1959	Year-to-date average 1958
GENERAL BUSINESS ACTIVITY					
†Texas business activity, index	216	202	192	211	193
Miscellaneous freight carloadings in SW District, index	87	85	78	81	77
Ordinary life insurance sales, index	398	394	369	399	362
Wholesale prices in U. S., unadjusted index	120.0	119.6	119.4	119.7	119.3
Consumers' prices in U. S. unadjusted index	123.9	123.7	123.5	123.8	122.9
Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate)	$ 372.7*	$ 369.5	$ 349.7	$ 367.7*	$ 348.7
Business failures (number)	34	31	48	34	39
TRADE					
Total retail sales, index	206*	203r	191	.....	.....
Durable-goods stores	169*	167r	140	.....	.....
Nondurable-goods stores	226*	222r	219	.....	.....
Ratio of credit sales to net sales in department and apparel stores	69.4*	65.8*	68.9	68.5*	68.0
Ratio of collections to outstandings in department and apparel stores	34.9*	35.8*	34.1	36.6*	36.9
PRODUCTION					
Total electric power consumption, index	357*	340*	311	348*	318
Industrial electric power consumption, index	374*	347*	324	362*	333
Crude oil production, index	119*	122*	97	122*	109
Crude oil runs to stills, index	148	145	132	148	132
Gasoline consumption, index	.....	173	179	.....	189
Natural gas production, index	.....	198	180	.....	182
Industrial production in U. S., index	149	147	126	146	129
Cottonseed crushed, index	186	165	169	163	146
Construction authorized, index	252*	235*	227	239*	202
Residential building	301*	273*	260	289*	223
Nonresidential building	202*	187*	188	182*	175
Cement production, index	216	221	173	197	158
Cement consumption, index	199	217	159	200	155
Cement shipments, index	212	227	166	207	158
AGRICULTURE					
Prices received by farmers, unadjusted index, 1909–14=100	288	288	276	284	271
Prices paid by farmers in U. S., unadjusted index, 1909–14=100	299	298	294	298	292
Ratio of Texas farm prices received to U. S. prices paid by farmers	96	97	94	95	93
FINANCE					
Bank debits, index	259	241	229	252	230
Bank debits, U. S., index	236	215	212	223	206
Reporting member banks, Dallas Federal Reserve District:					
§Loans (millions)	$ 2,793	$ 2,773	$ 2,519	$ 2,757	$ 2,510
§Loans and investments (millions)	$ 4,502	$ 4,581	$ 4,168	$ 4,515	$ 4,016
Adjusted demand deposits (millions)	$ 2,810	$ 2,750	$ 2,643	$ 2,809	$ 2,628
Revenue receipts of the State Comptroller (thousands)	$131,250	$106,022	$120,549	$ 98,774	$ 89,956
Federal Internal Revenue collections (thousands)	$276,324	$203,737	$295,706	$261,320	$268,094
LABOR					
Total nonagricultural employment (thousands) ¶	2,420.4	2,411.1	2,378.9	2,408.0	2,378.5
Total manufacturing employment (thousands) ¶	481.8	481.6	475.6	478.4	482.3
Durable-goods employment (thousands) ¶	230.6	229.8	225.8	228.6	231.4
Nondurable-goods employment (thousands) ¶	251.2	251.8	249.8	249.8	250.9
Total civilian labor force in 17 labor market areas (thousands)	2,077.1	2,078.3	.....	2,074.7	.....
Employment in 17 labor market areas (thousands)	1,921.2	1,911.1	1,788.2	1,906.0	1,790.2
Manufacturing employment in 17 labor market areas (thousands)	363.7	362.5	356.7	360.5	359.2
Total unemployment in 17 labor market areas (thousands)	96.6	109.2	125.0	110.0	118.5
Percent of labor force unemployed in 17 labor market areas	4.6	5.3	.....	5.3	.....

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

Employment estimates have been adjusted to first quarter 1956 benchmarks.

*** Preliminary.**

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

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

¶ Includes wage and salary workers only.

r Revised.