

TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas

BUREAU OF BUSINESS RESEARCH : THE UNIVERSITY OF TEXAS

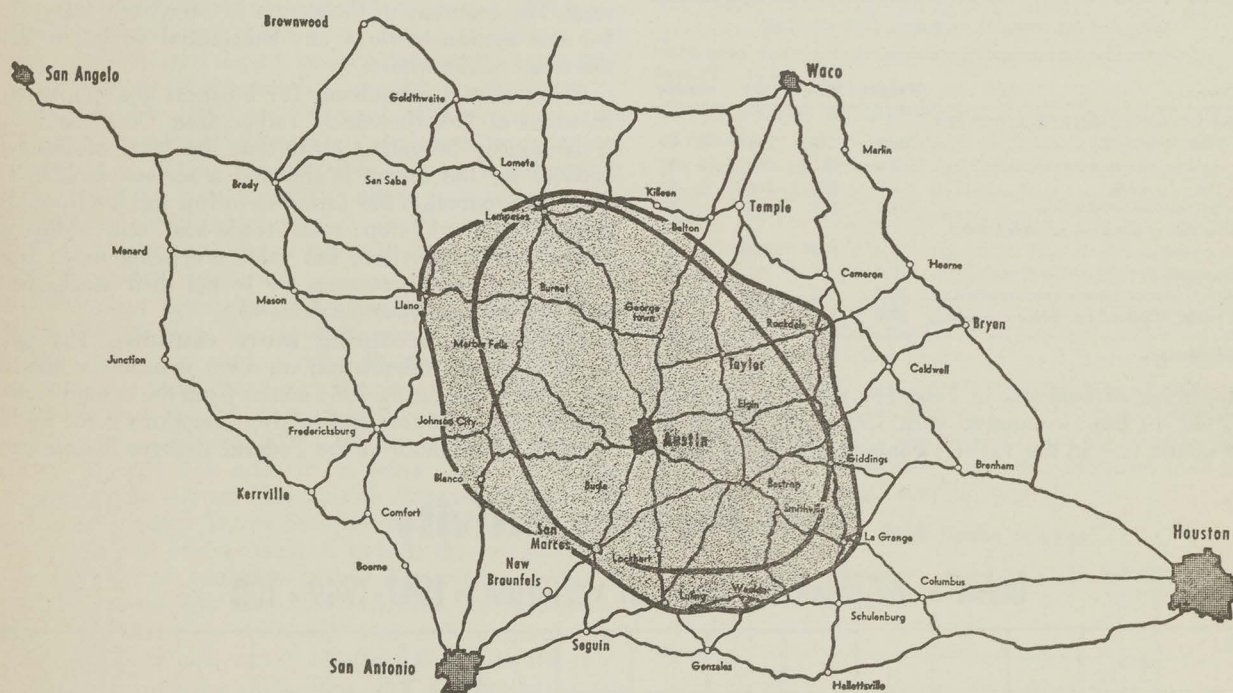
VOL. XXVIII, No. 4

TWENTY CENTS A COPY—TWO DOLLARS A YEAR

APRIL 1954

Retail trade goes to town

Like a magnetic field, the area around a major shopping center has lines of "gravitation." And they pull the customers straight to town -- the largest and nearest one



Circling the Austin bullseye on this map are two lines. The inner one encloses Austin's primary retail trade area, from which it draws over half the out-of-town trade. Within the outer line is the city's secondary trade area, from which it attracts slightly less than half such trade.

Beginning on page 10 of this issue, Ralph B. Thompson, associate professor of marketing in the College of Business Administration, reviews the methods and uses of trade area research, illustrating his discussion with a case study of Austin, Texas. The results of this Austin trade area survey, a project recently completed under Dr. Thompson's supervision, are completely described and charted in a new publication of the Bureau of Business Research, to be released this month (A Retail Trade Area Survey of Austin, Texas, by Ralph B. Thompson and Robert A. Jones. Bureau of Business Research Studies in Marketing, No. 1. \$2.00).

The Business Situation in Texas

February business activity rises. Business activity in Texas in February strengthened somewhat as most of the barometers compiled by the Bureau of Business Research rose. A general increase in the business indexes brought the February level to approximately the same position at which they closed the year 1953. In view of the increasing gloom over the condition of business in the remainder of the country, there seems to be little reason to conclude that the improved showing of the Texas figures for February is the result of anything more than an erratic movement that so frequently characterizes the measures of business activity.

The rise in the composite index of Texas business activity resulted from general increases in the component series. The table below shows that only one of the individual series on which the index is based registered a decline in February.

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

Indexes	Weight	Feb 1954	Jan 1954	Percent change
INDEX OF BUSINESS ACTIVITY				
(COMPOSITE)	100.0	143*	136*	+ 5
Total electric power consumption	3.0	211	208	+ 1
Crude runs to stills	3.9	128	124	+ 3
Crude petroleum production	8.1	117	119	- 2
Urban building permits, adjusted for price changes	9.4	120*	98*	+ 22
Miscellaneous freight carloadings	10.0	95	95	0
Industrial electric power consumption	14.6	234	226	+ 4
Retail sales, adjusted for price changes	51.0	147*	139*	+ 6

*Preliminary.

The index of business in February stood at 143% of the 1947-49 base, compared with 150% a year ago, in spite of the rise in the various components of the index

during February. The index of retail sales, which carries the largest weight in the composite, was still 7% below the level of a year ago in spite of the 6% rise between January and February. Crude petroleum production was down 9% over the period of a year, and crude runs to stills down 3%. Although building permits rose 22% in February, the index was 2% below the level of February 1953. Freight carloadings were only 1% below a year ago, and both of the electric power series rose, industrial power consumption 5% and total consumption 6%.

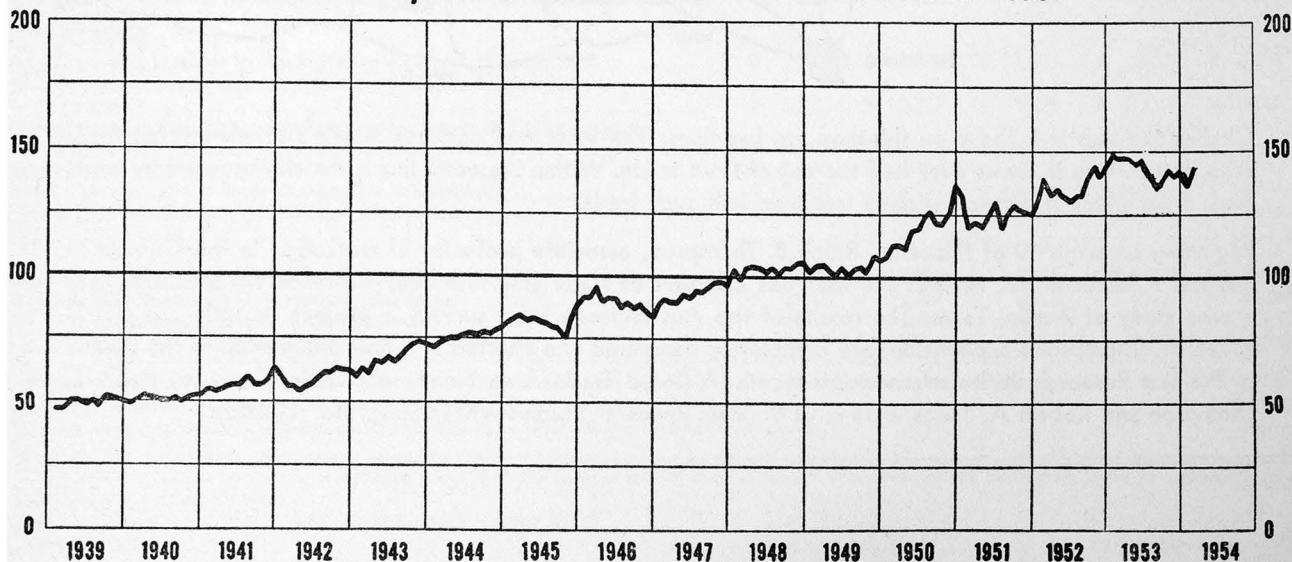
In order not to place too much importance on the rise shown in the February figures, it is important to keep in mind that business in Texas is substantially below its level at this time last year. While it is not unexpected for the level of business in Texas to hold up better than for the nation as a whole, there is little hope that any serious decline in the U. S. economy would not be felt in this area. The economy of the nation is too closely integrated for one section to show any substantial deviation from the trend of the whole.

There is still a tendency for business analysts to talk in terms of "readjustment" rather than "recession," but it is rapidly becoming clear that the level of business activity for the nation is showing a serious decline. Industrial production has failed to follow the forecasts that the decline would stop; retail trade has been holding up better than production, but sales are being made from inventories as businessmen try to get their stocks back into line with prospective demand.

Consumers becoming more cautious. The most comprehensive information on what consumers may be expected to do during 1954 comes from the annual survey of consumer finances and buying intentions made by the Board of Governors of the Federal Reserve System each

Texas Business Activity

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



year. The preliminary announcement of the results of this survey was made late in March, and it appears that consumers are becoming more cautious. The interviews for this report were made in January and February, and the results suggest strongly that there is a substantial movement on the part of consumers to proceed with caution in their purchases this year. The percentage of consumers planning to buy new cars declined from 9.0% in 1953 to 7.8% in 1954; 26.8% plan to buy furniture and major appliances in 1954, compared to 31.9% expressing similar plans in 1953; and 6.8% plan to buy houses this year, while 8.8% had such plans last year.

The reluctance to buy major items of durable goods undoubtedly can be traced to the expectation that income will be less in 1954 than in 1953. The answers to this question showed that more people are thinking their incomes will be smaller this year than last, and fewer people believe their incomes will be larger. The increasing level of unemployment and the reduction in the number of hours worked are apparently having their effect on the thinking of consumers.

These influences may be expected to be felt during the coming months, and there is no reason to believe that Texas business will depart much from this general trend. The decline of 7% in sales of durable-goods stores between February 1953 and February 1954 probably does not mark the end of the downward movement in consumer expenditures. While it is possible that an improvement in the business picture might induce consumers to increase their spending plans, it is equally likely that any deterioration in the level of expected income might bring about a revision downward.

Information just released by the Department of Commerce and the Securities and Exchange Commission on business plans for capital expenditures during 1954 indicate that business spending will ease off during the year, with a total of \$27.2 billion of such capital expenditures in 1954 compared with \$28.4 billion in 1953. This is a decline of only 4% and would leave 1954 the second largest year in business investment. Because of the rapid growth of industry in the Southwest, it is to be expected that Texas will fare at least as well as the remainder of the country and probably better. The mining industry expects to spend 3% more this year than last; yet manufacturing industries, railroads, and utilities expect to spend less. Railroads expect to spend 28% less, durable-goods manufacturers 10% less, and nondurable-goods manufacturers 4% less. The total investment of commercial concerns is expected to rise during 1954.

Since the rising level of business in Texas has been strongly influenced by the rising capital investment in the state, any slowing down of the rate of investment will be felt in the barometers of business. It is also important to remember in using these data that investment plans can be reduced if business activity continues to decline. During the long period of expansion since the end of World War II, the estimates of investment expenditures tended to be low, and business spent more than was originally planned. With a decline in activity the reverse pattern might easily hold, with expansion programs slowing down until management can see how serious the decline in business may be.

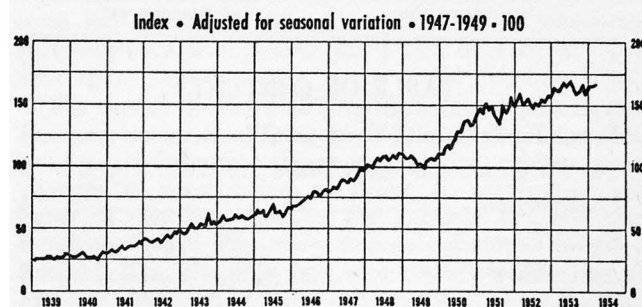
The construction industry continues to furnish substantial support to the level of business in the state, as

the Bureau's index of the value of urban building authorized for February 1954 rose above the February 1953 value. Although declining building costs brought the index 2% below a year ago after adjustment for price changes, it is significant that building continues at a high rate. All analyses of the backlog of construction needs in the state indicate that there is still a need for a great deal of building; in many categories the construction industry has not caught up with the soaring demand. This backlog of demand is one reason for believing that the present decline in business activity bears no resemblance to the 1929-32 debacle.

Unemployment reflects decline. Public attention has been focused on the number of unemployed as a measure of the severity of the decline in business. Many analysts have pointed out that these data are not necessarily the best indexes of the level of business, but since unemployment is one of the most serious consequences of a decline in business activity, it is watched with a great deal of interest. Additional interest in the level of unemployment was created when President Eisenhower announced that the March figures would decide whether or not the federal government would embark on an antirecession program.

Some confusion has resulted from the fact that the Bureau of the Census has just announced a revised method of estimating unemployment, with the result that the currently compiled data are not exactly comparable with previous data. However, both the new and the old series showed a strong rise in the number unemployed in February. An indication that the decline was not arrested in March came from a report from the Bureau of Employment Security of the Department of Labor which stated that unemployment continued to rise in March and was spreading to a wide range of industries. Virtually all of the 149 labor-market areas suffered increases in unemployment and 40 areas were moved into classifications of greater worker surpluses. Two of these areas are in Texas; San Antonio was shifted from the "moderate" to the "substantial" surplus class, and Houston was classified as a "moderate" surplus area.

Bank Debits in Texas



The index of bank debits constructed from data for 20 Texas cities compiled by the Federal Reserve Bank of Dallas rose 1% in February, bringing the level 1% higher than in February 1953. The chart above shows that this barometer has given a somewhat less pessimistic picture of the level of business over the past twelve months than the index of business activity. The February value of 165 is slightly higher than the 163 average for the year 1953 and considerably above the 154 average level of 1952.

JOHN R. STOCKTON



TEXAS BUSINESS REVIEW

Robert H. Ryan Managing Editor

College of Business Administration, The University
of Texas

William R. Spriegel Dean

Business Research Council

William R. Spriegel (*ex officio*), A. Hamilton Chute, F. L. Cox,
Elizabeth Lanham, R. H. Montgomery, G. H. Newlove, and Charles
E. Walker.

STAFF OF THE BUREAU OF BUSINESS RESEARCH

John R. Stockton Director
Stanley A. Arbingast Assistant Director
Florence Escott Research Supervisor
Resources Specialist

Richard C. Henshaw, Jr. Statistician
Raymond V. Lesikar Research Associate
A. Hamilton Chute Retailing Specialist

Robert H. Ryan Research Associate
Alfred G. Dale Research Associate

Calvin Jayroe Offset Press Operator
Jo Overstreet Statistical Assistants
William S. Lowe Publications Assistant
Martha Ann Moore

Judy Vaughan Secretaries
Bonnie Thornhill Administrative Clerk
Marjorie T. Cornwell Statistical Clerks
Ann Roche
Anne Schuler
Yvonne Hawn
Alice R. Locklin Library Assistant

Assistants

Pierce Arthur, Jr., Marilyn Biel, Carroll Boudreaux, Robert Clayton,
Ben Cummins, Maurice Friedman, John Hall, Olin Hardwick,
Benny Hill, Vera Jeffrey, Virginia Kindig, David Lewis, Henry Love,
Edward Mainous, Sam Muller, Don Noble, Candis Pattillo, Tina
Piedrahita, and Cecilia Pingentot.

Cooperating Faculty

A. B. Cox Professor of
Cotton Marketing
Elizabeth Lanham Associate Professor
of Management

TABLE OF CONTENTS

Retail Trade Goes to Town	1
The Business Situation in Texas	2
Construction	4
Retail Trade	6
Agriculture	8
Labor	13
Industrial Production	14
Finance	16
Local Business Conditions	18
Barometers of Texas Business	24

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

CONSTRUCTION

Big upturn in new construction. The value of new urban building authorized in Texas, as measured by building permits issued, gained 23% from January to February, in spite of the fact that a normal seasonal decline of 7% was anticipated. Private residential building in urban areas experienced a remarkable increase of 29%. Nonresidential building also climbed significantly, showing a slightly less impressive gain of 13%. According to a recent tabulation made by *Engineering News-Record*, Texas has a bigger construction backlog than any other state. At the beginning of 1954, the construction backlog in Texas was estimated to be at least \$8,635 million, followed by New York with \$8,253 million, California with \$6,888 million, and Pennsylvania with \$4,283 million.

Value of Urban Building Authorized in Texas

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



This huge volume of proposed construction in Texas amounts to about a four-year backlog at the very fast pace set by the Texas construction industry during 1952. With such a backlog it is small wonder that a construction boom appears to have been underway in Texas during the first two months of 1954.

The regular monthly sampling of employers by the Texas Employment Commission suggests a substantial increase in construction jobs by mid-March, as workers are recalled after the winter letup. This stirring of spring activity is looked for in virtually all sections of the state.

Gains in building activity during February were also reflected in sales of Texas lumber, building material, and hardware dealers. Their sales climbed 24% above January, although the normal seasonal rise is only 1%. This large increase during February brought the sales level 3% above February 1953.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

Source: Dodge Statistical Research Service

Type of construction	Feb 1954	January-February		Percent change
		1954	1953	
Value (thousands of dollars)				
NEW CONSTRUCTION	87,620	173,435	188,983	— 8
NEW BUILDINGS	74,575	145,966	152,531	— 4
Residential	43,910	91,586	92,841	— 1
Nonresidential	30,665	54,380	59,690	— 9
PUBLIC WORKS AND UTILITIES	13,045	27,469	36,452	— 25

ESTIMATED VALUE OF BUILDING PERMITS ISSUED

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

Classification	Feb 1954*	January-February		Percent change
		1954	1953	
CONSTRUCTION CLASS	Value (thousands of dollars)			
ALL PERMITS	59,212	111,111	115,896	— 4
New construction	53,827	97,743	103,819	— 6
Residential	34,141	60,665	69,982	— 13
Housekeeping	33,657	59,638	67,637	— 12
One family	31,657	56,586	64,563	— 12
Multiple family	2,000	3,052	3,074	— 1
Nonhousekeeping	484	1,027	2,295	— 55
Nonresidential	19,686	37,078	33,887	+ 9
Additions, alterations, and repairs	5,385	13,368	12,077	+ 11
CITY-SIZE GROUP (1940)				
ALL PERMITS	59,212	111,111	115,896	— 4
Over 100,000	26,078	52,040	53,272	— 2
50,000 to 100,000	8,864	17,358	23,706	— 27
25,000 to 50,000	10,068	14,014	9,590	+ 46
Under 25,000	14,202	27,699	29,328	— 6

Federal contracts are not included.

*Preliminary.

Additions, alterations, and repairs decline. The value of Texas urban building permits issued for additions, alterations, and repairs in February fell 33%. The real reason for this decline was the extremely high value marked up in January, for the February total was not abnormally low. Additions, alterations, and repairs to housekeeping-residential buildings gained 18% from January to February, which partially offset a 57% drop in additions, alterations, and repairs to other types of building.

Among the various classes of residential construction authorization, the increase in value of permits issued for one-family houses was the most significant (+27%). Each of the remaining types of dwelling unit marked up substantially larger percentage increases, but they were of much less importance relatively, because of the low levels at which these kinds of building have been put in place for more than a year. Thus the value of permits issued for two-family houses climbed 81% over January, for three- and four-family houses the rise was 61%, and apartment buildings authorized gained by a very significant 107%.

Permits were let for 4,234 new urban dwelling units in February, the largest number in any single month since May 1953, and a 781 increase above January 1954. In spite of the large February rise, however, the number of urban dwelling units authorized this February remained 549 below that of February 1953.

Permits issued for tourist courts and other nonhousekeeping-residential building thus far this year have been of negligible magnitude. No hotels have been authorized. The value of permits issued for tourist cabins rose 102% in February above January, but this gain was overshadowed by a 100% decline in other nonhousekeeping-residential building.

Permits were issued in large amounts in February in all city-size classes, although the increase from January

in cities over 100,000 population was negligible. Most noteworthy was a 155% rise in cities between 25,000 and 50,000 population. Moderate increases (4% and 5%) occurred in cities with populations from 50,000 to 100,000 and under 25,000.

In spite of the sharp increases in value of building permits issued during January and February over December 1953, the average level remained 4% below January and February last year. All types of housekeeping-residential building this year were below the same months of 1953 except apartment building which is up 83% thus far. Likewise in the nonhousekeeping-residential categories only tourist cabins and other nonhousekeeping-residential building was above the January-February 1953 level, with gains of 54% and 148%, respectively.

The levels of the following types of nonresidential building this year are ahead of January-February 1953: stores and other mercantile building, +67%; churches, +60%; factories and workshops, +91%; public works and utilities, +8%; commercial garages, +109%; and educational buildings, +1%.

Additions, alterations, and repairs to nonresidential and nonhousekeeping-residential building in January-February 1954 are up 46% above January-February of last year.

Building levels during January-February this year likewise failed to reach the levels of January-February 1953 in all city-size classes except in those cities with populations from 25,000 to 50,000, which was up 46%. Building is only slightly below the 1953 levels: in the largest cities (over 100,000 population), -2%; and in the smallest cities (below 25,000 population), -6%. The lowest rate of building activity this year, relatively speaking, is taking place in cities with populations between 50,000 and 100,000, -27%.

Contracts awarded in Texas. Contract data include urban and rural areas as well as federal building. The value of construction contracts awarded in Texas during February rose 2% above January to a level which remained 13% below February of last year. Nonresidential building was the only category which showed an increase from January to February this year, and all categories this February were below the levels of February one year ago.

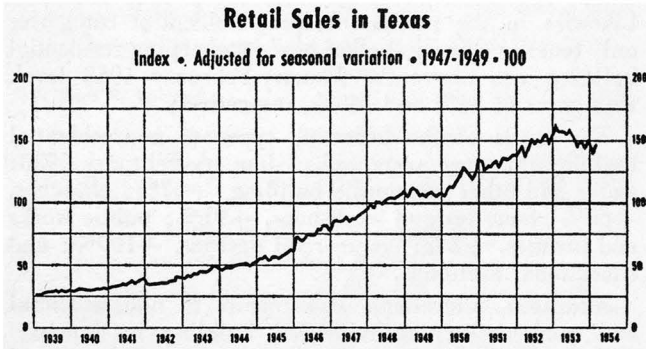
The overall decline of 8% in the value of construction contracts awarded in Texas from January-February 1953 to January-February this year can be explained by changes in construction according to ownership. The value of contracts awarded for publicly financed construction dipped 9%, while privately financed construction fell 8%. The only type of construction showing an increase above the levels of last year is publicly financed residential building. Public and private nonresidential levels were down 1% and 13%, respectively. Likewise, publicly financed public works and utilities were down 19%, and privately financed public works and utilities were 67% below last year's levels.

Permit values for leading cities. Changes in value of building permits issued in the five largest Texas cities from January to February were: Houston, -8%; Dallas, -8%; San Antonio, +27%; Fort Worth, +42%; and Austin, +154%.

RICHARD C. HENSHAW, JR.

RETAIL TRADE

Retail sales continue good. Aided by aggressive reduced-price promotions, February retail sales in Texas and the nation continued generally good. Yet, the Texas level was 7% short of the peaks reached in 1953, and the national average was 5% below last year's high points. Sales in the Southwest, well above the national average since early April 1952, slipped below that average by 2% to 4% during February but revived in early March.



Retail prices have generally been comparatively stable for some months, although some individual lines have continued to weaken or to firm. There is still evidence that customers are delaying their buying in the hope of further reductions. Attractive promotions with convincing price concessions continue to draw good response. Substantial discounts on car sales are commonly reported, as is true with some major household appliances. Obviously the overall percentage of customers *unable* to buy is still small, although drought conditions in the Texas Panhandle and adjoining areas have brought about serious reduction in incomes and sales volume, departure of some tenant farmers, and closing of marginal retail enterprises.

ESTIMATES OF TOTAL RETAIL SALES

Type of store	Sales (mils of dols)		Percent change		
	Feb 1954	Jan-Feb 1954	Feb 1954 from Feb 1953	Feb 1954 from Jan 1954	Jan-Feb 1954 from Jan-Feb 1953
TOTAL	686.1	1,363.2	- 7	+ 1	- 11
Durable goods	276.6	528.1	- 7	+ 10	- 13
Nondurable goods	409.5	835.1	- 7	- 4	- 9

Liquidation of "excess" inventories has proceeded much better at wholesale and retail levels in most lines than at manufacturing levels. However (according to *Ward's Automotive Reports*) the stock of new cars at the close of February exceeded 600,000 units for the first time on record. But the heavy selling season is just ahead. Stocks of major household appliances are in better shape, since manufacturers began to trim their production at midyear 1953.

With vivid recollections of their recent efforts to cut down or balance inventories, buyers in the wholesale markets are still limiting their commitments to immediate needs and reorders of accepted lines. Apparel buying has remained below 1953 and has been less active, probably due in part to the unusually late Easter. However,

the flow of orders has been steady. There is some tendency to enlarge orders for summer clothing, as favorable response appeared to early promotions of resortwear.

Customers paid off credit obligations this January at a faster rate than in any postwar January, their repayments exceeding new credit. Apparently consumer credit reached its peak in December. Fewer companies report that collections are slow, but more demand is noted for long-term payments. January's outlay of credit was the smallest since August 1952, partly because of more cautious buying by consumers and reduced demand for automobiles and major appliances. In 1952 consumers' retail purchases amounted to about 70% of disposable income, but late in 1953 they shrank to 67.5%. Tax reductions and easier money appear less powerful than the existing (although not widespread) "caution psychology." Savings were at the rate of 7.7% of disposable personal income in late 1953. The Texas Region (*Dun's Trade Barometers*) reflected the greatest increase from the 1947-49 levels of income until late 1953. But in January income in the region stood at 3% below a year earlier. Loss was attributed to reduced farm prices and cutbacks in petroleum output.

January business failures were at the highest level since mid-1952. They were heavier in all retail lines but food and drugs. More apparel stores closed than in any month since early 1950.

March apparel sales should benefit from one added business day but suffer from the postponement of Easter buying into April. Income reductions are largely in fields of production and transportation, while distribution ac-

RETAIL SALES TRENDS

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

Groups	Number of reporting establishments	Percent change		
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954	Jan-Feb 1954 from Jan-Feb 1953
KIND OF BUSINESS				
DURABLE GOODS				
Automotive stores	332	- 6	+ 8	- 8
Furniture and household appliance stores	170	- 15	- 7	- 13
Lumber, building material, and hardware stores	351	+ 3	+ 24	- 11
NONDURABLE GOODS				
Apparel stores	258	+ 1	- 12	- 6
Drug stores	157	x	- 2	- 5
Eating and drinking places	129	- 5	- 3	- 5
Filling stations	1,042	+ 7	x	+ 5
Florists	41	- 5	+ 8	- 9
Food stores	410	- 3	- 4	- 6
General merchandise stores	230	- 3	- 4	- 6
Jewelry stores	42	- 21	x	- 19
Liquor stores	26	- 24	+ 3	- 19
Office, store, and school supply dealers	41	- 13	- 12	- 11
CITY-SIZE CLASS (1950)				
Over 250,000	1,623	- 3	+ 2	- 7
100,000 to 250,000	150	- 11	- 4	- 11
50,000 to 100,000	297	- 11	- 7	- 12
2,500 to 50,000	1,085	+ 1	+ 4	- 5
Under 2,500	165	+ 1	+ 1	x

xChange is less than one-half of one percent.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

Classification	Number of reporting stores	Credit ratios*		Collection ratios†	
		Feb 1954	Feb 1953	Feb 1954	Feb 1953
ALL STORES	70	64.9	64.8	38.0	39.5
BY CITIES					
Austin	4	61.4	58.7	48.8	54.2
Cleburne	3	41.8	42.6	37.8	36.2
Dallas	7	70.9	69.7	39.3	45.3
El Paso	3	55.8	58.4	33.2	35.2
Fort Worth	4	61.2	65.2	40.4	38.2
Galveston	5	58.1	57.1	44.6	38.1
Houston	6	57.0	63.7	33.4	31.7
San Antonio	6	62.3	64.4	44.3	43.3
Waco	5	60.4	60.0	47.0	49.7
Others	27	58.9	60.6	39.1	40.1
BY TYPE OF STORE					
Department stores (over \$1 million)	22	65.8	66.0	37.0	38.9
Department stores (under \$1 million)	17	47.9	49.1	41.0	43.5
Dry goods and apparel stores	5	56.8	56.1	37.9	42.0
Women's specialty shops	16	62.4	61.3	42.2	40.6
Men's clothing stores	10	63.6	59.1	53.3	51.9
BY VOLUME OF NET SALES (1953)					
Over \$3,000,000	22	66.0	65.9	37.4	39.0
\$1,500,000 to \$3,000,000	5	60.6	59.6	51.5	48.6
\$500,000 to \$1,500,000	17	55.6	56.3	43.9	41.5
\$250,000 to \$500,000	10	48.8	48.3	45.5	47.2
Less than \$250,000	16	45.4	44.5	40.5	41.6

*Credit sales as a percent of net sales.

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

tivities continue at a high level. Business is better than in the "good" year 1952. Industry still has large orders ahead. Construction is active, having set an alltime record for the month in February. Business continues to "set its house in order" through manipulating inventories, cutting costs, waste control, improving operating efficiency, and adjusting to peacetime conditions.

Durable goods sales up. In Texas, with 3,320 retailers reporting, total retail sales of durable goods this February topped January by 10%, but nondurables slipped 4%. Both classes of sales fell below February 1953 by 7%. The January-February drop from 1953 was 11%, in contrast with an increase of 10% for January-February 1953 over those months of 1952.

Reporting by cities, 339 Texas department and apparel stores averaged 8% decrease from January and 1% from February 1953. Of the 34 cities tabulated, only Brownwood (+7%) and Texarkana (+1%) topped January sales. Thirteen bettered February 1953 by 1% to 20%. Leaders were Port Arthur (20%), Lockhart (5%), and Abilene, Brownwood, Wichita Falls, and Henderson (4% each). Seven cities were ahead of January-February 1953 by 1% to 6%. Best were Lockhart (6%), McAllen and Texas City (each 5%), and Brownsville and Wichita Falls (each 4%).

Of 36 cities reporting enough retailers of various types to be listed individually, 19 topped January, 9 bettered last February, and 5 outdistanced January-February 1953. Best showings in the February-to-February comparison were in Greenville (50%), Kirbyville (14%), Henderson (12%), Mineral Wells (9%), Victoria (9%), and Denton (6%). Comparing the January-February periods,

the gains were in Greenville (38%), Kirbyville (14%), Victoria (6%), Henderson (3%), and Plainview (2%).

Based on 1947-49=100 and adjusted for seasonal variation, the estimated index (147) of total retail sales rose from the January low of 139 but remained below the annual averages for 1953 (153) and 1952 (148). The range in the two years was from 137 (March 1952) to 159 (June 1953). Deflated for price changes, the adjusted index stood at 132 in February. The index for durable goods (172) climbed well above its levels since June 1953, equalling the 1953 average but still below the 186 level reached a year earlier. For nondurables, the index (134) advanced a bit from January but remained below all points reached since March 1952 (range 133 to 150).

A. HAMILTON CHUTE

POSTAL RECEIPTS

City	Feb 1954	Jan 1954	Feb 1953	Percent change	
				Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
TOTAL	\$5,382,438	\$5,662,123	\$5,138,188	+ 5	- 5
Alice	9,995	8,295	9,095	+ 10	+ 20
Bastrop	2,068	1,829	1,602	+ 29	+ 13
Bay City	8,199	8,965	7,178	+ 14	- 9
Belton	3,390	5,018	4,743	- 29	- 32
Brownfield	5,799	6,156	5,825	x	- 6
Cameron	7,787	7,234	7,710	+ 1	+ 8
Childress	3,707	4,500	4,098	- 10	- 18
Cleburne	8,941	12,894	10,042	- 11	- 31
Coleman	5,213	5,493	5,019	+ 4	- 5
Crystal City	2,135	3,106	2,302	- 7	- 31
Cuero	3,275	5,365	2,758	+ 19	- 39
El Campo	6,990	7,706	6,415	+ 9	- 9
Gainesville	9,441	9,798	8,755	+ 8	- 4
Garland	11,337	10,241	8,834	+ 28	+ 11
Gatesville	3,121	4,984	3,329	+ 6	- 37
Giddings	2,813	2,152	2,614	+ 8	+ 31
Gilmer	2,526	4,998	3,416	- 26	- 49
Granbury	1,592	2,027	1,323	+ 20	- 21
Grand Prairie	12,073	13,907	11,337	+ 6	- 13
Hillsboro	4,775	5,411	5,174	- 8	- 12
Huntsville	5,365	6,790	6,816	- 15	- 21
Jacksonville	8,398	8,668	7,904	+ 6	- 3
Jasper	3,099	4,087	3,389	- 9	- 24
Kenedy	2,861	2,934	3,081	- 7	- 2
Kerrville	8,123	9,192	6,651	+ 22	- 12
Kingsville	9,723	10,914	8,946	+ 9	- 11
Kirbyville	3,862	3,969	.....	.....	- 3
La Grange	4,763	2,962	4,941	- 4	+ 61
Littlefield	4,674	5,018	3,805	+ 23	- 7
Luling	2,632	2,643	2,537	+ 4	x
McCamey	2,605	2,443	2,293	+ 14	+ 7
Marlin	5,796	4,988	5,486	+ 6	+ 16
Mission	5,249	5,259	5,916	- 11	x
Monahans	3,839	5,806	5,293	- 27	- 34
Navasota	4,033	3,644	3,083	+ 31	+ 11
Pasadena	15,785	15,468	12,959	+ 22	+ 2
Pecos	5,995	5,943	7,569	- 21	+ 1
Pharr	3,877	4,360	3,522	+ 10	- 11
Pittsburg	2,286	2,945	2,286	0	- 22
Sulphur Springs	5,775	5,008	5,243	+ 10	+ 15
Taft	1,623	2,109	1,670	- 3	- 23
Terrell	4,557	5,652	4,419	+ 3	- 19
Uvalde	6,040	6,111	5,604	+ 8	- 1
Victoria	18,013	21,066	17,596	+ 2	- 14
Weatherford	6,426	6,908	6,431	x	- 7
Yoakum	7,902	8,858	8,687	- 9	- 11

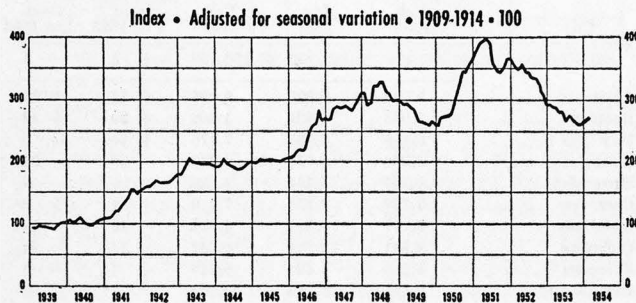
*The total includes receipts for cities which are listed individually under "Local Business Conditions," but excludes cities which have incomplete data.

xChange is less than one-half of one percent.

AGRICULTURE

Return of the drouth. Drouth conditions intensified over most of Texas during February and on into late March. By the arrival of spring, only in the southeastern and northeastern corners of the state was soil moisture anywhere near adequate. In fact, the 1954 version of the drouth appeared to be off to a faster start than during disastrous 1953. Underground water levels had reportedly dipped to new low levels in many areas, and all Texas streams were carrying deficient flows of water. February precipitation was measured to be only 18% of normal. And during most of March, normal rain clouds were replaced by wind-driven clouds of western topsoil that blanketed all of the state. Added to the gloomy picture were reports that irrigated farms in northern Texas would get scant relief from run-off of melting snows in the Rocky Mountains. This year's snowfall there has been extremely light, and soil beneath the snowpack is dry.

Prices Received by Farmers.



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

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture

Index	Percent change					
	Feb 1954	Jan 1954	Feb 1953	Feb 1954 from Feb 1953	Feb 1954 from Jan 1954	
ALL FARM PRODUCTS.....	272	267	287	- 5	+ 2	
ALL CROPS	243	238	257	- 5	+ 2	
Food grains	245	245	259	- 5	0	
Feed grains and hay	198	196	226	- 12	+ 1	
Potatoes and sweet potatoes.....	220	217	339	- 35	+ 1	
Fruit	81	96	147	- 45	- 16	
Truck crops	345	334	389	- 11	+ 3	
Cotton	243	235	235	+ 3	+ 3	
Oil-bearing crops	251	251	328	- 23	0	
LIVESTOCK AND PRODUCTS	309	305	328	- 6	+ 1	
Meat animals	329	311	366	- 10	+ 6	
Dairy products	262	267	279	- 6	- 2	
Poultry and eggs	263	295	248	+ 6	- 11	
Wool	385	379	366	+ 5	+ 2	

Decline in wheat prospects. Wheat prospects dropped sharply in March as a result of drouth. Winds and blowing sands added to the already bad situation, particularly in the northwestern counties. The acreage of plants actually blown out, however, was negligible. All in all, each successive rainless day cuts more sharply into harvest anticipations. But there remained the possibility that sufficient and timely rains could bring about a fair harvest.

Rising hopes of livestock men. At the outset of spring, members of the cattle industry appeared to be

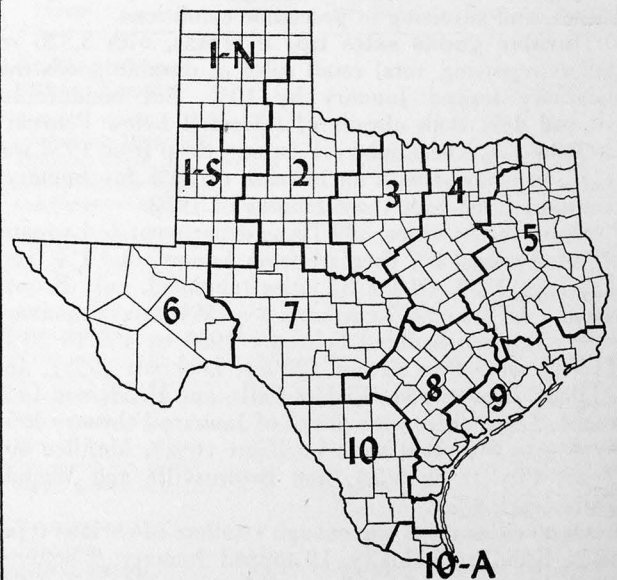
FARM CASH INCOME BY CROP REPORTING DISTRICTS

District	January-December		
	Value (thous of dollars)		Percent change
	1953	1952	
TEXAS	1,865,449	2,121,173	— 12
District 1-N	203,792	278,821	— 27
District 1-S	190,031	268,770	— 29
District 2	157,885	155,388	+ 2
District 3	99,668	106,918	— 7
District 4	349,256	308,931	+ 13
District 5	150,905	160,341	— 6
District 6	66,179	84,787	— 22
District 7	94,304	99,064	— 5
District 8	228,855	284,902	— 20
District 9	167,244	176,882	— 6
District 10	68,569	81,991	— 16
District 10-A	88,761	114,378	— 22

taking on an attitude of cautious optimism, even though drouthy conditions lingered on. Of course, the possibility of another dry year loomed threateningly. But the promise of rising and stabilizing market conditions gives them some grounds for optimism. Some 8,587,000 head of cattle and calves are now on Texas ranges, only 3% fewer than a year ago and less than 1% below the 1943-52 average.

Progress in pink-bollworm control. Reports recently released by the federal pink-bollworm-control program point to three successive years of successful combat against this most vicious of scourges to the cotton plant. According to these reports, infestation found in field debris has declined each year in most of the 28 counties studied. Average infestation in the area was measured

Crop-reporting Districts of Texas



CARLOAD SHIPMENTS OF FRUIT AND VEGETABLES

Source: Compiled from reports received from Bureau of Agricultural Economics, U. S. Department of Agriculture

Item	January-February		
	1954	1953	Percent change
TOTAL	10,252	8,003	+ 28
FRUIT	59	72	- 18
Grapefruit	56	43	+ 30
Oranges	2	—	—
Mixed citrus	1	29	- 97
VEGETABLES	10,193	7,931	+ 29
Beets	17	58	- 71
Broccoli	93	22	+323
Cabbage	1,903	1,097	+ 73
Carrots	2,324	1,613	+ 44
Cauliflower	487	115	+323
Endive	19	3	+533
Greens	7	4	+ 75
Lettuce	1,232	972	+ 27
Potatoes	11	12	- 8
Spinach	551	816	- 32
Turnips	11	4	+175
Mixed vegetables	3,519	3,142	+ 12
All other	19	73	- 74

at 51.6 worms per 100 bolls in 1951, 11.7 in 1952, and only 8.7 in 1953.

New crop possibilities. Progress is being made in the search for new cash crops that will fit into southwestern agricultural conditions and stimulate a farm economy now depressed by drouth and the decreasing demand for cotton. For some time successful experiments have been conducted with guar, sesame, and the castor bean. Most recent tests suggest two more plants as possibilities—the carob bean and bamboo.

Carob beans would be particularly adapted to hot, dry areas with as little as six inches of annual rainfall. The bean, a mainstay to the diets of the people of Asia Minor,

FARM CASH INCOME

Commodity	January-February		
	1954	1953	Percent change
	Value (thousands of dollars)		
TOTAL	233,095	229,590	+ 2
Cotton	91,797	78,974	+ 16
Cottonseed	1,285	2,099	- 39
Wheat	4,507	7,489	- 40
Oats	932	563	+ 66
Corn	1,232	1,651	- 25
Grain sorghum	6,397	4,104	+ 56
Peanuts	2,169	1,030	+111
Cattle	34,350	35,985	- 5
Calves	11,293	14,428	- 22
Hogs	14,209	15,804	- 10
Sheep and lambs	2,299	1,639	+ 40
Wool	516	469	+ 10
Mohair	231	263	- 12
Poultry	7,804	8,659	- 10
Eggs	14,067	13,267	+ 6
Milk and milk products	28,970	32,433	- 10
Fruit and vegetables	11,037	10,733	+ 2

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

CARLOAD SHIPMENTS OF LIVESTOCK*

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

Classification	Percent change				
	Feb 1954	Jan 1954	Feb 1953	Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
TOTAL SHIPMENTS	1,900	3,137	1,827	+ 4	- 39
Cattle	1,485	2,433	1,455	+ 2	- 39
Calves	168	294	166	+ 1	- 43
Hogs	0	6	3	-100	—
Sheep	225	404	203	+ 11	- 44
INTERSTATE	1,695	2,837	1,562	+ 9	- 40
Cattle	1,325	2,217	1,205	+ 10	- 40
Calves	136	249	164	- 17	- 45
Hogs	0	3	0	0	-100
Sheep	212	368	193	+ 10	- 42
INTRASTATE	205	300	265	- 23	- 32
Cattle	160	216	250	- 36	- 26
Calves	32	45	2	+1500	- 29
Hogs	0	3	3	-100	-100
Sheep	13	36	10	+ 30	- 64

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

is high in sugar and protein content. The pods are a top-quality fattening feed for livestock and also a source of a rich food meal now used as a substitute for chocolate in many products.

Bamboo growing on acreage formerly devoted to cotton has been suggested by the U. S. Department of Agriculture. That the plant can be grown successfully in Texas is indicated by the results of extensive experimentation. The plant now has some seventy different uses, chief among them being as a source of pulp in manufacturing. As a source of pulp the plant would serve as a long-needed supplement to the present stands of southern pine.

Slight rise in agricultural prices. Prices received by Texas farmers turned up in January, registering a 2% gain over December levels. Compared with levels of a year ago, however, a 5% overall decline is evident. February gains were general, slight increases being recorded for most groups. Most encouraging increase during February was in prices paid for meat animals (+6%). Significant losses were measured for fruit prices (-16%) and poultry and eggs (-11%).

RAYMOND V. LESIKAR

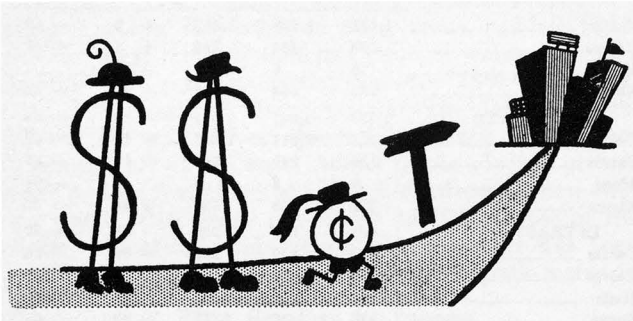
TEXAS COTTON ACTIVITY

Source: Bureau of the Census, U. S. Department of Commerce

Item	Percent change				
	Jan 1954	Dec 1953	Jan 1953	Jan 1954 from Jan 1953	Jan 1954 from Dec 1953
COTTONSEED (thous of tons)					
Received at mills	65,762	323,618	46,332	+ 42	- 80
Crushed	186,532	191,110	183,422	+ 2	- 2
Stocks, end-of-month	724,572	845,342	459,417	+ 58	- 14
CONSUMPTION (running bales)					
Cotton	11,547	11,952	13,268	- 13	- 3
Linters	2,082	2,011	2,521	- 19	+ 1
SPINDLES (thousands)					
Spindles in place	230	230	222	+ 4	0
Spindles active	219	222	212	+ 3	- 1
Total spindle hours	79,000†	89,000	105,000	- 25	- 11
Average spindle hours	343	387	473	- 28	- 11

†For four weeks ending January 30, 1954.

Retail trade goes to town



The dotted lines on your highway map may be useful now and then in checking the boundaries of a county or state, but it is doubtful whether many people refer to a map in deciding where to shop—unless they simply want to check the highway route or mileage to the nearest city.

In these days of a mobilized buying public, political and geographical lines are almost as fictitious, from the consumer's point of view, as a parallel of latitude. And the ordinary map is no longer of any use to the urban merchant as a guide to his market area. As a result, he is bombarded with claims that each of the various advertising media covers his market more thoroughly than the others. To be sure, he can tell through his sales or credit records that some of his customers "come to town" from the smaller communities in the hinterland of his city. But how can he know whether he is attracting his full potential share of the customers in any given location? Perhaps there are other places from which he could draw considerable trade if only the people living there were told of his merchandise or services.

For the neighborhood grocer or druggist the problem of discovering the extent of the geographical area from which he draws his trade is not serious. His goods are such that people tend to purchase them at the most convenient location. The traffic that goes past the door of the merchant in the primary shopping district or in a large shopping center, however, comes both from within and from beyond the city limits. These people have not been attracted to a particular shopping center by his promotional efforts alone, but they may have been attracted by the combined effect of the advertising done by all the retailers in the city plus such factors as the quality and assortment of merchandise available in the city as compared with those in other cities which the shoppers might also visit, the nearness and size of these competing cities, and the condition of the highways serving them.

What is a trade area? In general a retail trade area is defined as the territory from which the stores of a city draw or can draw a considerable proportion of the purchasing of retail shoppers. The analysis of the Austin trade area dealt only with sales of style and fashion goods, merchandise such as clothing, furniture, house-furnishings, jewelry, luggage, and gifts. Most important of all these are ladies' coats, hats, dresses, and shoes. The

customer for fashion goods is typically in search of something distinctive, and this "something distinctive" must almost necessarily be chosen in a place where there are many sellers, each with a large assortment of goods. If such a place is at a considerable distance from the shopper's home, it simply means that the family car will cover that much greater mileage. The determined shopper is no longer very much deterred by distance.

Of course a trade area that included every point from which the shopping center draws *any* trade would be larger than the area from which it draws *most* of the trade. And analysts have generally found that the proportion of trade a city does attract declines as the distance from the city increases until a point is reached from which two or more cities divide the out-of-town trade equally.

Trade centers and competition. Primary trade centers are cities that draw a substantial volume of trade from the surrounding countryside and lose rather little to other centers. In these cities, sales of fashion goods are particularly important. Most of these primary centers are greater than 25,000 in population: Houston, San Antonio, and, to some extent, Dallas and Fort Worth.

Smaller cities, generally those between 5,000 and 25,000 in population, are known as secondary trade centers when they lose about as much trade to larger centers (with larger stores and a wider field of choice) as they gain from still smaller places. Most of these secondary centers have at least three stores that offer women's apparel, furniture, and household goods. But these stores are often unable to satisfy the wants of all shoppers. Typical secondary trade centers in the Austin area are Taylor, Cameron, Bryan, Seguin, San Marcos, New Braunfels, and Kerrville.

Towns that are still smaller, tertiary trading centers, usually offer little but convenience goods in their stores. Their low-priced goods may satisfy the needs of the lowest income groups; however, they lose almost all their fashion-goods trade to larger centers.

Retail gravitation. Not until the late nineteen-twenties was there very much interest in tracing the outlines of trade areas. By that time the automobile had already begun to revolutionize American life and business, including retailing. Before the first World War, retail trade analysts had only to pick up a handful of railroad and interurban timetables for the basic data of their trade area surveys. A comparison of the transportation service to one city with the service to its competitors quickly showed the extent of the respective trade areas.

Then in 1929, William J. Reilly began studies of the trade areas of Texas cities for the Bureau of Business Research. The formula he evolved has become known since as "Reilly's law of retail gravitation." The "law" was originally stated:

"Two cities draw trade from a smaller intermediate city or town approximately in direct proportion to the first power of the population of the two larger cities and in an inverse proportion to the square of the distance of each of the larger cities from the smaller intermediate city." (William J. Reilly, *Methods for the Study of Retail Relationships*. University of Texas Bulletin, No. 2944, November 22, 1929, p. 16.)

The postulate to this formula is that somewhere along a major highway connecting two cities there is a *breaking point*, where their trade influences exert equal attraction. Like the hypothetical horse standing midway between two feed troughs, the shopper living at this point would be equally likely to turn toward either city.

In 1946, Paul D. Converse of the University of Illinois revived the interest in trade area analysis, which had been pushed to one side during the depression and war periods. He tested the Reilly formula and found that after a passage of fifteen years—and in another part of the country—it was a reasonably reliable method of determining trade areas. Converse developed three additional formulas—one of which is useful in determining the location of the breaking point along a highway between two shopping centers.

The study of the Austin trade area began with a test application of these "laws" of Reilly and Converse to a specific situation. The division of trade between Austin and each of its principal competitors was calculated in terms of which city would attract the shoppers from smaller, interspersed communities. The breaking points between Austin's trade area and the areas of the other major cities were spotted on a map. A line drawn to connect these points represented the boundary of Austin's primary trade area.

In using these formulas only two factors are considered—population and distance. This assumes that all other factors—the condition of the highways, parking or traffic problems, or the aggressiveness of merchants in the two cities—are equal. It also assumes that changes in the population ratio between competing centers or the construction of new highways would alter the amount of trade each attracts. However, if the formulas were found to be reliable they would offer quick, inexpensive means of outlining trade areas. To check the reliability of the formulas as applied to Austin several other types of analyses were made.

Analysis of the origin of credit customers. Four Austin stores selling fashion and shopping goods cooperated by making their credit records available for analysis. A random sample of the accounts in each of the

stores was drawn, the locations of these customers were recorded, and the results combined. The number of charge accounts in each community was divided by the number of families in that community in 1950. The resulting ratios were considered to be a measure of Austin's relative strength in credit sales to customers in central Texas communities. One limitation of this measure is that there is duplication among the credit customers of the four co-operating stores. However, if it is assumed that such duplication is about equal for all communities it is not a serious limitation. Another limitation is that some of these charge accounts are maintained in Austin for the convenience of members of the family who are students at The University of Texas. Again it might be assumed that this factor would be about the same for all communities, except that in cities distant from Austin that might be the only reason for maintaining charge accounts in the capital city. When the ratios of Austin charge accounts to families were plotted on a map of Central Texas, it was found that they generally declined in direct proportion to the distance of the community from Austin. When a line was drawn on the map to include all communities having a ratio of 5% or more the area so enclosed was found to be slightly larger, but of about the same shape as that drawn on the basis of the law of retail gravitation. Llano, LaGrange and Rockdale were included in this area but not in that determined by use of the formula.

Analysis of newspaper circulation. A second check on the validity of the Reilly and Converse formulas was made through an analysis of the circulation in central Texas communities of the *Austin American* and *Austin Statesman*. The numbers of these papers delivered by carrier or by mail were obtained from the March 31, 1951 Audit Bureau of Circulation report. These were divided by the number of families in each community plus the number of rural box holders served by each post office. The resulting ratios showed the proportion of families taking the Austin newspapers and were plotted on a map of Central Texas. Since Lampasas sends about 50% of its fashion-goods trade to Austin and is therefore on the dividing line according to the law of retail gravitation, the ratio of circulation of Austin newspapers to families in that town was taken as a minimum. A line was drawn on the map to include all communities 18% or more of whose families take the Austin papers, since 18% was the ratio in Lampasas. Again the area included by the line was similar to that found by using Reilly's law and also to that obtained by including all communities with a 6% ratio of charge accounts to total families. In general, a larger proportion of the families in towns west of Austin read Austin papers than do in towns east of the city. As a result the line

Reilly's "law," as formulated here, states that from a given point between two major shopping centers (a and b) the relative volumes of retail business drawn to them (B_a and B_b) are proportional to their respective populations (P_a and P_b) times the square of the inverse proportion of their distances from the given point (D_b and D_a).

$$\frac{B_a}{B_b} = \left(\frac{P_a}{P_b} \right) \left(\frac{D_b}{D_a} \right)^2$$

swung somewhat farther to the west than the line determined by the laws of retail gravitation.

Consumer surveys in Central Texas. The most logical source of information on buying habits is, of course, the buyers themselves. As a final check upon the validity of the laws of retail gravitation, surveys were conducted, by students in a marketing research class at The University of Texas, in seven towns located near the line delineating the Austin trade area as determined by the breaking-point formula. These towns were: Smithville, Gonzales, San Marcos, Fredericksburg, Lampasas, Belton and Rockdale. In each town the sample was drawn in such a way as to insure a random coverage of all the households. First, a map of each town was obtained and every block was given a different number. Second, numbers were drawn at random to select the blocks to be included in the survey. Third every other house in each of these blocks was selected as part of the sample. It should be noted that this last selection was left up to the interviewer, and it is possible that some subjective factors affected their choice. Also, due to lack of time, no call-backs were made. If the characteristics of the people who were not at home at the time of the survey are different from those who were, then an estimate of the shopping habits of all the families in these communities based upon the samples is not fully accurate.

Although a number of questions were asked of each household interviewed, the one that was most important in delineating the Austin trade area was: "In what out-of-town city do you shop most frequently?" By comparing the percentage of people who named Austin as the first, second, third or fourth choice with the percentages who named other cities, Austin's relative importance was ascertained.

One fact that became apparent immediately upon tabulation of the results was that some of the towns that originally were assumed to be competitors of Austin in certain areas were not. One cannot apply Reilly's formula or Converse's without knowing what other city competes for an intermediate town's trade, since these formulas are based solely on the division of trade between two cities. It had been supposed that San Angelo and Brownwood were Austin's competitors to the west and northwest. The results of surveys in Fredericksburg and Lampasas revealed, however, that it was San Antonio which competed with Austin for the fashion-goods trade of the area. It was necessary therefore, to revise the calculations using these laws to include San Antonio as the competitor. It had likewise been assumed that Waco was the chief competitor to the north, whereas the survey in Belton showed rather that it was Temple which was the chief competitor. It was also assumed that Houston would compete with Austin for the out-of-town trade of Rockdale, but it was found by the survey that the much smaller communities of Taylor and Cameron were preferred by Rockdale residents to Houston. This would suggest that before the formulas could be used to determine the trade area of a city, surveys should first be made. If surveys are out of the question due to lack of time and money and there is any doubt as to the cities which compete for trade, an alternative would be to determine the circula-

tion of newspapers from every metropolitan city to the populations of each town suspected of being in the trade area of the city in question. Since it has been found that newspaper circulation correlates fairly well with trade preference, the competitive shopping centers could be determined easily enough.

In general, the distribution of fashion-goods trade of the towns of central Texas, as determined by the surveys, was close to that determined by the formulas. The surveys revealed a higher percentage going to Austin from San Marcos and Lampasas than was shown by the use of Reilly's law. Since the competitor for the trade of these towns is San Antonio, this would tend to confirm findings of Converse, whose work in Illinois showed the very large size of Chicago to be unfavorable rather than a favorable factor as far as drawing shoppers from out-of-town is concerned.

The Austin retail trade area. In general, the boundaries of the Austin retail trade area determined by each of the four methods were the same. Therefore it was possible to combine them into one boundary which is shown on the map on the cover of this *Review*. Once the trade area has been determined, statistics can be collected from various published sources, such as the *U. S. Census*, *Sales Management's Annual Survey of Buying Power*, and the various state agencies, to determine more fully its characteristics and buying power. In so doing it will be necessary to adjust the boundaries of the trade area to conform to political boundaries, particularly county lines, since most statistics are classified on the basis of political units.

In addition to the four methods described above there are others that can be used to determine retail trade areas. An obvious parallel to the analysis of newspaper circulation would be a study of the coverage of the radio and television stations of a central city. Not only is this coverage limited by the distance that signals can reach, but the advertisements of a city's places of business tend to persuade those within the area to visit the city in which the station is located. In addition, the interest of out-of-town people in the sporting and cultural events which they hear or watch may arouse an interest in visiting the city to see them at first hand.

Measurements of automobile traffic itself can help in determining trade movements, although of course, many people travel on the highways for reasons other than shopping. The state highway department has prepared maps showing the volume of traffic flowing along the principal highways of the state. It is immediately noticeable on this map that the volume declines markedly the farther one moves from a city until it begins to pick up again as one approaches the next city. These low points could be taken as the limit of a city's commercial influence and compared with the breaking points determined by the other methods described. A survey of the license plates of cars parked on the lots used most by shoppers will reveal the places from which they come. Surveys of people entering a city on busses and local trains can be used to supplement counts of those coming by automobile.

LABOR

Unemployment claims jump in March. After decreasing steadily in February, claims for Texas unemployment insurance jumped to a 1954 high of 49,443 at the end of the second week in March. The claims were highest since mid-February 1950, when 49,550 were filed. The March total represented a 14,093 increase over the 35,350 claims filed during the first week of 1954.

While the U. S. Labor Department predicted that unemployment will average 2 million per week for the nation throughout the fiscal year 1955, Texas Employment Commission offices reported mounting unemployment in most cities but looked toward April for at least small gains. Unemployment increased from January to February by 200 at Amarillo, 350 at San Antonio, and 500 at Texarkana. However, Waco showed a decrease of 350 for the same period, largely because construction work offered additional job openings.

In Dallas the district office expected a sharp drop in unemployment by mid-April. From a 10,500 unemployment level in mid-February, a drop to 9,400 by mid-April is expected. At the same time, total employment may reach 311,975 in April, as against 310,475 in February.

Both farm and nonfarm job placements increased during February in the seven-city San Angelo District of the TEC. Jobs for 2,280 persons were found by TEC offices in San Angelo, Midland, Odessa, Abilene, Big Spring, Sweetwater, and Monahans. Farm jobs in the seven cities numbered 301, while industrial jobs totaled 1,979. Total February placements were 407 greater than the January totals but were 677 less than the farm and industrial placements in February 1953.

The highway department will expedite a highway construction program in 12 drought-stricken plains and Panhandle counties to help both the employment situation and the general economy of the area. An expected \$3 million will be spent on the project during the next year.

Bracero pact wins approval. The United States and Mexico reached an agreement in March to provide for U. S. recruitment of Mexican farm workers. The new pact will run through 1955. Changes included in the pact provide for a new recruiting station at Mexicali and the reactivation of stations at Monterrey and Chihuahua. The braceros who quit before their contract period is up must now pay part of their fare home. The employer's share will be prorated on the basis of how much of his contract period the individual worker fulfills. Other changes will continue, but the Mexican government can protest and present evidence in cases where it believes the prevailing wage determination is inaccurate. Employers must offer on-the-job insurance coverage as well as occupational insurance coverage, both at the workers' expense. The agreement also provides for a joint binational commission to study overall problems of illegal immigration and make recommendations by October 31.

Ten new labor-management disputes reported to TEC in February involved 435 workers. Four settlements of disputes removed 42 workers from dispute status. At the end of the month, 1,800 were involved in 60 disputes, compared with 1,407 in 54 disputes in January.

ANNE K. SCHULER

ESTIMATES OF NONAGRICULTURAL EMPLOYMENT

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

Industry	Employment (thousands)			Percent change	
	Feb 1954*	Jan 1954	Feb 1953	Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
TOTAL	2,209.6	2,216.8	2,214.8	x	x
TOTAL					
MANUFACTURING	424.3	428.2	435.5	- 3	- 1
Durable goods	198.5	201.3	208.5	- 5	- 1
Ordinance	5.6	7.3	13.1	- 57	- 23
Lumber and wood products	25.4	25.3	26.9	- 6	x
Furniture and fixtures	10.1	10.1	10.0	+ 1	0
Stone, clay, and glass	15.3	15.5	15.0	+ 2	- 1
Primary metals	25.8	25.7	22.6	+ 14	x
Fabricated metal products	17.9	17.8	17.0	+ 5	+ 1
Machinery (except electrical)	34.3	33.8	35.6	- 4	+ 1
Electrical equipment	5.1	5.0	3.8	+ 34	+ 2
Transportation equipment	51.9	53.8	57.3	- 9	- 4
Other durable goods	7.1	7.0	7.2	- 1	+ 1
Nondurable goods	225.8	226.9	227.0	- 1	x
Food	60.5	61.4	62.1	- 3	- 1
Textile mill products	9.7	9.8	9.5	+ 2	- 1
Apparel	29.3	29.0	31.5	- 7	+ 1
Paper and allied products	7.1	7.2	7.1	0	- 1
Printing and publishing	26.1	26.3	24.9	+ 5	- 1
Chemicals and allied products	41.0	41.1	40.0	+ 3	x
Petroleum products	47.1	47.1	46.8	+ 1	0
Leather and leather products	2.8	2.7	2.7	+ 4	+ 4
Other nondurable goods	2.2	2.3	2.4	- 8	- 4
TOTAL NONMANUFACTURING	1,785.3	1,788.6	1,779.3	x	x
Mining	120.1	120.0	118.4	+ 1	x
Petroleum and natural gas	113.4	113.3	111.5	+ 2	x
Metal, coal, and other mining	6.7	6.7	6.9	- 3	0
Contract construction	161.2	158.9	169.1	- 5	+ 1
Transportation and utilities	226.8	228.9	236.1	- 4	- 1
Interstate railroads	60.1	61.8	66.2	- 9	- 3
Other transportation	94.0	94.4	96.5	- 3	x
Telephone and telegraph	35.4	35.4	37.3	- 5	0
Public utilities	37.3	37.3	36.1	+ 3	0
Government	326.2	327.1	327.2	x	x
Trade	588.5	592.5	579.5	+ 2	- 1
Wholesale trade	152.9	152.4	153.2	x	x
Retail trade	435.6	440.1	426.3	+ 2	- 1
General merchandise	69.7	73.3	72.6	- 4	- 5
Food and liquor stores	75.8	75.4	71.6	+ 6	+ 1
Automotive	52.1	52.6	50.3	+ 4	- 1
Apparel	27.5	27.7	27.6	- 1	x
Other retail trade	210.5	211.1	204.2	+ 3	- 1
Finance, insurance, and					
real estate	98.6	98.0	93.4	+ 6	+ 1
Banks and trust companies	24.6	24.3	23.9	+ 3	+ 1
Insurance	42.9	42.7	39.5	+ 9	x
Real estate and finance	31.1	31.0	30.0	+ 4	x
Service and miscellaneous	263.9	263.2	255.6	+ 3	x
Hotels and lodging places	27.3	26.9	26.7	+ 2	+ 1
Laundries and cleaners	29.1	29.0	30.1	- 3	x
Other business services	207.5	207.3	198.8	+ 4	x

xChange is less than one-half of one percent.

*Preliminary.

INDUSTRIAL PRODUCTION

The proof of the drilling. When the nation's oil men took an overall look at their basic inventories last month, their reactions ranged from complacent optimism to genuine alarm. The American Petroleum Institute and American Gas Association released their annual joint report on U. S. proved reserves of hydrocarbons, showing not only the national picture but also the relative status of each producing state.

Their estimates showed that at the end of 1953 Texas still had more than half the underground oil and gas known to exist in the country. But the proportions (51.8% of oil and 50.3% of natural gas) were the smallest in years. During 1953, the API-AGA report showed, Texas expansion of proved reserves, only 82.5 million barrels net, was outranked by expansion in three other states, Louisiana, Wyoming, and Oklahoma, in that order. In 1946 Texas had 55% of the nation's liquid hydrocarbons in reserve. But since then the Texas share has declined every year except in 1951, when the potential production

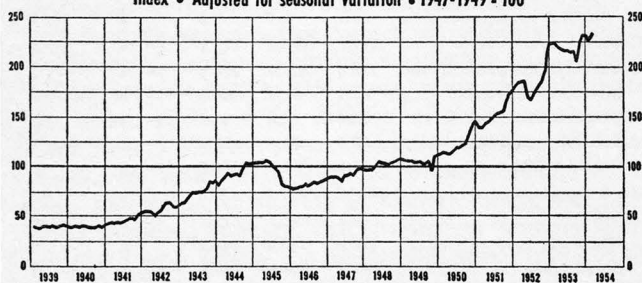
ELECTRIC POWER CONSUMPTION

Use	Consumption (thous kw-hrs)			Percent change	
	Feb 1954	Jan 1954	Feb 1953	Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
TOTAL	1,168,412	1,202,525	1,105,035	+ 6	- 3
Commercial	176,486	187,018	183,462	- 4	- 6
Industrial	584,542	588,812	558,142	+ 5	- 1
Residential	196,885	217,873	172,968	+ 14	- 10
Other	210,499	208,822	190,463	+ 11	+ 1

Prepared from reports of 10 electric power companies to the Bureau of Business Research.

Industrial Electric Power Use in Texas

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



The electric power indexes continue their impressive up-trend as Texas' most dynamic industrial barometers. The industrial consumption index charted above hit a new high of 234 in February, 5% up from February 1953. And there is every reason to believe that the overall power consumption of the state is still growing, probably faster than any other major industrial activity. Several Texas electric utility companies have indicated their intention to continue expanding their capacities at about the same rate this year and next as during the past two or three years. For the nation as a whole, the year's expansion (13 million kilowatts capacity) will not be far behind the expansion for 1952 and 1953 together (16 million kilowatts capacity). Present national total capacity: about 91.4 million kilowatts.

WELL COMPLETIONS

Source: *The Oil and Gas Journal*

Region	February 1954*				January-February	
	Oil	Gas	Dry	Total	1954	1953
TEXAS	781	94	494	1,369	2,709	2,460
North Central	290	5	216	511	1,001	867
West	223	5	80	308	635	540
Panhandle	42	21	14	77	143	127
Eastern	14	15	23	52	106	113
Gulf Coast	109	28	74	211	426	369
Southwest	103	20	87	210	398	444

*For four weeks ending February 27, 1954.

of West Texas' Spraberry area was presumably much overestimated. The high year for Texas gas reserves was 1950, when the state held 52% of the reported national reserves. Since those early postwar years, the actual gains in Texas' proven reserves have risen only slightly, for increased production of oil has almost kept pace with the rate of new discoveries in the state.

The innocent layman might infer that by dividing the "proved reserves" of oil at the end of last year by the year's production, he could learn how much longer the nation will be able to supply itself with petroleum. He would discover, if he carried through his calculation, that early on the morning of Monday, July 4, 1966—at 3:44 A.M. to be exact—the nation would be fresh out of petroleum.

The fallacies in such a conclusion are numerous and not entirely obvious. Of course the assumption that oil production will continue at last year's rate is patently false. A glance at the chart of Texas gasoline consumption at the bottom of this page will readily show the immense increase underway in the use of oil products.

Gasoline Consumption

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



At 164% of the 1947-49 base period, the January index of gasoline consumption in Texas was at the second lowest point since the beginning of 1953. By February, stocks of gasoline had reached such large proportions on the Gulf Coast that bulk prices were softening perceptibly. Yet refinery activity did not decline as predicted. Rather than having cut production to bring stocks into line, major companies have apparently been taking the view that demand this year will be high enough to absorb their heavy backlog of gasoline in addition to a larger current supply. Two major companies look for a 1954 increase in U.S. petroleum demand ranging from 2% to 5.5%.

PRODUCTION OF HYDROCARBON LIQUIDS BY TEXAS GASOLINE AND RECYCLING PLANTS

Source: Oil and Gas Division, Railroad Commission of Texas

Product	August 1953	September 1953	October 1953	November 1953	December 1953	Total	
						1953	1952
TOTAL PRODUCTION.....	11,795,038	11,549,142	11,734,630	11,297,991	11,699,863	137,200,526	127,895,550
Condensate-crude.....	665,854	700,261	794,139	742,336	857,013	8,686,661	7,447,627
Gasoline.....	6,583,388	6,315,029	6,311,618	5,931,607	6,005,434	74,382,194	70,584,103
Butane-propane.....	4,257,423	4,253,074	4,346,507	4,380,042	4,577,096	50,639,924	46,184,804
Other products.....	288,373	280,778	282,366	244,006	260,320	3,491,747	3,679,016
TOTAL GAS PROCESSED*.....	358,136	350,170	370,332	368,307	389,494	4,342,098	4,578,365
Yield per Mcf in gallons.....	1.38	1.39	1.33	1.29	1.26	1.33	1.17

*In millions of cubic feet.

The definition of "proved reserves," however, is even more essential to an understanding of the oil supply-use configuration. Proved reserves represent the underground stocks of oil and gas known to exist and economically producible by currently used methods. In spite of the fact that a rising flood of petroleum is tapped each year, the proved reserves ordinarily increase instead of shrinking. This happens because new discoveries of oil and the development of new production techniques add to the established reservoir faster than it is drained.

The figures for proved reserves, then, include no oil that may become available next year or the year after through new methods of production or through chemical processing of coal, shale, or other possible sources; and they include none of the oil that may (and doubtless does) exist in untested or unexplored areas.

Further, oil and gas fields do not suddenly run dry after years of steady production, like an emptied storage tank. Rather, their production gradually declines until it becomes uneconomical to operate the field unless a new method of increasing underground pressure or mak-

ing the oil-impregnated rocks more permeable is discovered.

It would be entirely misleading to even suggest that Texas' reserves are anywhere within sight of depletion. At year-end, the crude oil reserves, 14,998,620,000 barrels in all, constituted only part of the state's stock of liquid hydrocarbons. An additional 3,267,242,000 barrels was estimated to exist in the form of natural gas liquids, the fractions that are "swept" from gas and processed into a wide range of chemical products. The Texas reserves of gas were estimated at the same time to be 106,529,626 million cubic feet, a net gain of 796,863 million cubic feet over the 1952 year-end report. The increase, however, was a great deal smaller than the total natural gas production for 1953, about 4.67 trillion cubic feet. With the strong uptrend evident in gas used by petrochemical industries, some authorities believe that Texas gas will ultimately be more valuable as a basic chemical raw material than as a general-use fuel.

ROBERT H. RYAN

Crude Oil Runs to Still in Texas

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



With stocks still within reasonable bounds, except for a possible oversupply of gasoline, primary output of Texas refineries continued upward during the first two months of 1954. The February level of activity (128% of the 1947-49 average) was not far below last year's high points. Current indicators suggest that the March level of the index may be down nominally, for refiners cut their output slightly during the first two weeks of the month in response to small gains in their gasoline stocks. During the week ending March 13, the nation's refineries were operating at 86.2% of capacity, and stocks of all major products except gasoline were down from the levels of the preceding week and the year-ago week.

Cement Production in Texas

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



After a precipitous drop in December, Texas cement production was back to a January index level (140) not far below the January 1953 point (149). The cement index, an indirect measure of construction work, does not always follow very closely the changes in volume of building permits and construction contracts. Building authorities look for no very great drop in starts of new houses during 1954, but even should domestic construction decline sharply, the long-range plans of commercial and industrial builders might be expected to cushion the market for cement. Also, the increase in public works usually sponsored by the government to stimulate employment and production in slack times demands large supplies of cement for the building of roads, dams, and public buildings.

REFINERY STOCKS

Source: *The Oil and Gas Journal*

Area and product	Stocks (thousands of barrels)			Percent change	
	Feb 1954	Jan 1954	Feb 1953	Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
UNITED STATES					
Gasoline	179,170	170,421	157,378	+ 8	+ 5
Distillate	69,137	83,936	68,025	+ 2	- 18
Residual	45,941	46,433	44,432	+ 3	- 1
Kerosene	19,506	22,093	20,550	- 5	- 12
TEXAS					
Gasoline	32,509	30,874	27,902	+ 17	+ 5
Distillate	7,152	10,797	8,133	- 12	+ 34
Residual	6,503	6,953	7,002	- 7	- 6
Kerosene	2,494	2,575	2,582	- 3	- 3

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

PETROLEUM AND GAS ACTIVITY

Source: State Comptroller of Public Accounts and Oil and Gas Division, Railroad Commission of Texas

Product				Percent change	
	Feb 1954	Jan 1954	Feb 1953	Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
CARBON BLACK					
PRODUCED (value in thous of dols) ..	1,061	2,518	1,777	- 40	- 58
CRUDE OIL					
Value (thous of dols) ..	237,208	209,571	227,218	+ 4	+ 13
Production (thous of bbls)	83,437	73,638	87,849	- 5	+ 13
Runs to stills (thous of bbls)	56,243	59,113	57,904	- 3	- 5
NATURAL AND CASINGHEAD GAS					
PRODUCED (value in thous of dols) ..	50,404	31,165	33,371	+ 51	+ 62
SULFUR RECOVERED					
(long tons)	83	677	1	+8200	- 88

ULTIMATE DISPOSITION OF ALL REPORTED NATURAL GAS PRODUCED IN TEXAS

Source: Railroad Commission of Texas and U.S. Bureau of Mines

	Reported gas (millions of cubic feet)			Percent change	
	1953	1952	1940	1953 from 1940	1953 from 1952
Marketed production	4,649,700	4,147,805	1,063,538	+337	+ 12
Gas-well gas	3,835,636	3,779,107	1,087,089	+253	+ 1
Casinghead gas	1,479,185*	1,310,270*	457,100	-----	-----
Total gas reported	5,314,771*	5,089,371*	1,544,089	-----	-----
Extraction loss	184,632	174,260	56,210	+228	+ 6
Plant fuel and lease use..	414,112	381,864	216,583	+ 91	+ 8
Gas lift	-----	105,154*	52,003	-----	-----
Pressure maintenance, repressuring, and cycled	779,054	784,892	265,677	+193	- 1
Carbon black	197,030	258,985	326,050	- 40	- 24
Transmission lines	3,440,991	3,199,003	494,826	+595	+ 8
Consumed in state	1,224,113	1,192,539	255,376	+379	+ 3
Exported from state	2,216,878	2,006,464	239,450	+826	+ 10
Percent of marketed production	47.7	48.4	22.5	+112	- 1
Vented	298,951*	185,219*	132,740	-----	-----

*Data not comparable with previous years.

FINANCE

Total deposits of the weekly reporting member banks in the Eleventh Federal Reserve District declined noticeably between January and February. Demand deposits registered the greatest relative and absolute decline, amounting to 4%. This drawing against deposit accounts is largely a seasonal movement, reflecting withdrawals for income tax expenses by individuals and businesses.

Member banks covered these withdrawals partly by reduction of investments (government securities -2%) and partly by drawing on reserves held by Federal Reserve Banks, which declined 12% from January to February. Holdings of all short- and medium-term government paper were contracted; holdings of Treasury notes declined 32%, certificates of indebtedness declined 11%, and bills declined 9%. U. S. Government bond holdings, however, increased 11%.

The changes in the holdings of government securities also partly reflected the recent refunding operation of the Treasury, which was the largest in history. The new one-year 1 $\frac{5}{8}$ % certificate of indebtedness and the seven-year-nine-month 2 $\frac{1}{2}$ % bond had heavy subscriptions, purchase being limited to holders of maturing certificates of indebtedness and medium-term notes and to holders of certain bonds due for redemption on June 15. Because the bondholders were restricted to changing their existing holdings for the new bond issue and because the emphasis in the total refunding is on long-term paper, the whole operation has been successful in shifting the debt from an unduly high concentration of rapidly maturing securi-

CHANGES IN CONDITION OF WEEKLY-REPORTING MEMBER BANKS IN THE DALLAS DISTRICT

Source: Board of Governors of the Federal Reserve System

Item	Percent change*		
	Feb 1954 from Feb 1953	Feb 1954 from Jan 1954	Feb 1953 from Jan 1953
ASSETS			
Loans and investments	+ 8	- 1	- 2
Loans	+ 8	- 1	x
Total U.S. Government securities ..	+ 6	- 2	- 5
Treasury bills	- 9	- 9	- 31
Treasury certificates of indebtedness	+ 36	- 11	- 3
Treasury notes	- 31	- 32	+ 1
Bonds	+ 13	+ 11	- 2
Other securities	+ 19	+ 1	- 1
Reserve with Federal Reserve Banks	- 9	- 12	x
Cash in vault	- 4	+ 2	+ 2
Balances with domestic banks	+ 9	+ 6	- 3
LIABILITIES			
Total deposits (except interbank) ..	+ 5	- 2	- 2
Demand deposits (adjusted) ..	x	- 4	- 3
Time deposits	+ 31	+ 2	+ 1
U. S. Government deposits	- 19	+ 12	+ 31
Interbank deposits	+ 7	- 4	- 4
Domestic banks	+ 7	- 4	- 4
Foreign banks	0	0	- 17
CAPITAL ACCOUNTS	+ 10	+ 1	+ 1

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

xChange is less than one-half of one percent.

REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

September 1-February 28			
Source	1953-54	1952-53	Percent change
TOTAL	\$387,404,455	\$336,971,709	+ 15
Ad valorem taxes	24,015,014	22,550,710	+ 6
Natural and casinghead gas			
production taxes	12,553,681	10,137,063	+ 24
Crude oil production taxes	64,379,317	63,259,490	+ 2
Net motor fuel taxes	55,036,146	53,748,877	+ 2
Cigarette tax and licenses	16,947,843	17,535,934	- 3
Alcoholic beverage taxes and licenses	9,942,476	10,379,363	- 4
Automobile and other sales taxes	8,924,059	8,801,907	+ 2
Other licenses and fees	7,501,899	7,945,937	- 6
Mineral leases, rentals, and bonuses	47,458,967	11,202,146	+324
Oil and gas royalties	11,498,640	9,461,318	+ 22
Interest on securities owned	5,550,777	6,654,028	- 17
Sale of commodities	5,690,446	5,622,705	+ 1
Federal aid—highways	15,728,639	10,388,337	+ 51
Federal aid—public welfare	56,433,692	49,064,243	+ 15
Federal aid—public health	3,687,640	5,785,883	- 36
Unemployment compensation taxes	8,118,980	9,535,987	- 15
All other receipts	33,936,239	34,897,781	- 3

ties. The popularity of the bond issue is understandable in the light of the current general economic uncertainty. Commercial banks, because of declines in loan activity, have undoubtedly been impelled to invest spare funds in the bond market. For the first time in three years (ever since the Federal Reserve ceased to support the government bond market), many Treasury bonds are selling at par, and the trend seems set for a continued rise in bond prices and diminishing yields, at least until the business readjustment has stabilized.

At the same time, the prime commercial rate charged by banks is under pressure, because of the increasing volume of available credit in the country. Although banks are still maintaining a $3\frac{1}{4}\%$ charge on prime commercial paper, nonbank interest charges are as low as $2\frac{1}{2}\%$. It is probable that interest rates charged by the banks will be adjusted downwards in the near future.

An additional factor in this connection has been the lowering of the discount rate by the Federal Reserve banks. The Dallas bank came into line with the other members of the system on February 15, when the discount rate was lowered from 2% to $1\frac{3}{4}\%$. This facilitates the extension of cheaper credit to commercial bank borrowers and is an orthodox and logical move in the face of the present situation.

Finance in Mexico. According to the 1953 Annual Report of the Banco de Mexico the balance of payments during the last year was approximately in balance. Although exports shrank from 1952 levels and imports increased during the year, balance was achieved through continued growth in the invisible accounts (dollars earned through tourist trade and retained wages of migratory labor in the U. S.). Long-term loans by the Export-Import Bank and the International Bank for Reconstruction and Development amounted to a relatively small \$14 million. The expansion of bank credit has stimulated primary productive capacity, particularly in agriculture. The federal debt continued to expand; expenditures declined only 2% in the face of a 10% reduction in revenue.

FEDERAL INTERNAL REVENUE COLLECTIONS

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

July 1-February 28			
Source	1953-54	1952-53	Percent change
TEXAS	\$1,289,992,378	\$1,368,921,773	- 6
Income	572,353,332	691,421,935	- 17
Employment	17,660,047	16,787,995	+ 5
Withholding	571,927,097	536,213,759	+ 7
Other	128,051,902	124,498,084	+ 3
FIRST DISTRICT	690,851,574	732,279,127	- 6
Income	307,564,905	373,460,723	- 18
Employment	4,569,645	4,484,260	+ 2
Withholding	306,729,886	283,979,767	+ 8
Other	71,987,138	70,354,377	+ 2
SECOND DISTRICT	599,140,804	636,642,646	- 6
Income	264,788,427	317,961,212	- 17
Employment	13,090,402	12,303,735	+ 6
Withholding	265,197,211	252,233,992	+ 5
Other	56,064,764	54,143,707	+ 4

State revenue. During the first six months of the fiscal year commencing September 1, 1953, total revenue receipts in Texas were approximately 15% greater than during the corresponding 1952-53 period. Increased income from mineral leases, rentals, and bonuses (+324%) largely accounted for the change, but there were significant increases in the amounts of federal aid for highways and public welfare and to a lesser extent in oil and gas royalties and natural and casinghead gas production taxes. Federal aid for public health purposes was down rather sharply (-36%) from the corresponding 1952-53 period, and there were also declines in the amounts collected from cigarette taxes and licenses and alcoholic beverage taxes and licenses.

Federal tax collections. Total collections during February were 23% greater than during the corresponding month last year, but for the fiscal period July-February, total tax collections were down 6%. Changes in the amounts of income taxes collected influenced the total picture most strongly. In the month-to-month comparison income taxes were up 47%; but for the July-February period, income tax collections were down 17% from the 1952-53 level. In general, collections of employment and withholding taxes showed fairly consistent increases in the month-to-month and in the eight-month cumulative comparisons, but there was a marked drop in employment tax collections in the First District during February 1954 as compared with February 1953.

ALFRED G. DALE

INDEXES OF WHOLESALE PRICES IN THE UNITED STATES

(1947-49=100)

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

Index	1954*		Feb 1954	Mar 1953
	Mar 16	Mar 9		
ALL COMMODITIES	110.6	110.6	110.5	110.0
Farm products	98.8	99.0	97.9	99.8
Food	104.7	104.6	104.8	104.1
All others	114.3	114.4	114.4	113.4

*Estimates of the index for the week ending on date given.

Local Business

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
ABILENE (pop. 45,570)			
Retail sales	-----	+ 2	x
Department and apparel stores.....	-----	+ 4	- 8
Postal receipts	\$ 55,452	+ 6	- 10
Value of building permits|| .....	\$ 1,099,095	+ 35	+173
Bank debits (thousands)	\$ 52,520	+ 13	- 13
End-of-month deposits (thousands) ‡	\$ 51,992	- 11	- 5
Annual rate of deposit turnover	11.9	+ 11	- 10
Employment	26,300	+ 2	x
Manufacturing employment	3,350	+ 1	- 2
Percent of labor force unemployed	5.6	+ 37	- 8

ALPINE (pop. 5,261)			
Postal receipts	\$ 2,898	- 2	- 10
Value of building permits|| .....	\$ 8,000	- 85	+220
Bank debits (thousands)	\$ 1,901	- 12	- 12
End-of-month deposits (thousands) ‡	\$ 3,729	- 14	- 4
Annual rate of deposit turnover	6.0	+ 2	- 5

AMARILLO (pop. 74,246)			
Retail sales*		- 17	- 12
Automotive stores*		- 37	- 12
Department and apparel stores		- 7	- 8
Drug stores*		- 17	- 1
Filling stations*		- 15	- 2
Florists*		- 19	+ 12
Food stores*		- 18	- 9
Furniture and household appliance stores*		- 26	- 48
Liquor stores*		x	- 3
Lumber, building material, and hardware stores*		+ 9	+ 10
Postal receipts	\$ 106,857	+ 2	- 7
Value of building permits|| .....	\$ 832,791	- 60	- 17
Bank debits (thousands)	\$ 117,175	- 6	- 6
End-of-month deposits (thousands) ‡	\$ 96,984	- 20	- 2
Annual rate of deposit turnover	14.3	+ 1	- 4
Employment	42,500	- 2	- 1
Manufacturing employment	4,710	- 7	- 2
Percent of labor force unemployed	6.4	+ 36	- 8

ARLINGTON (pop. 7,692)			
Postal receipts	\$ 11,751	+ 39	+ 13
Value of building permits|| .....	\$ 512,443	- 66	- 1
Bank debits (thousands)	\$ 7,915	+ 16	- 12
End-of-month deposits (thousands) ‡	\$ 10,393	+ 25	- 1
Annual rate of deposit turnover	9.1	- 6	- 10

AUSTIN (pop. 132,459)			
Retail sales		- 8	- 1
Automotive stores		- 21	- 3
Department and apparel stores		- 1	- 12
Eating and drinking places		+ 23	- 7
Food stores		+ 16	- 8
Furniture and household appliance stores		- 35	- 31
General merchandise stores		x	+ 3
Liquor stores		- 18	- 11
Lumber, building material, and hardware stores		- 6	+ 46
Postal receipts	\$ 207,979	+ 12	- 5
Value of building permits|| .....	\$ 3,466,375	+ 46	+154
Bank debits (thousands)	\$ 107,534	+ 6	- 4
End-of-month deposits (thousands) ‡	\$ 97,627	- 20	- 4
Annual rate of deposit turnover	13.0	+ 2	0
Employment	60,600	+ 5	x
Manufacturing employment	4,225	+ 5	- 1
Percent of labor force unemployed	4.7	+ 27	+ 7
Air express shipments	724	+ 12	+ 5

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
BAYTOWN (pop. 22,983)			
Postal receipts	\$ 13,591	+ 4	- 11
Value of building permits|| .....	\$ 188,022	+ 17	- 53
Bank debits (thousands)	\$ 18,866	+ 13	- 5
End-of-month deposits (thousands) ‡	\$ 21,942	+ 6	+ 3
Annual rate of deposit turnover	10.5	+ 7	- 5
Employment (area)	352,200	- 1	x
Manufacturing employment (area)	81,125	- 4	x
Percent of labor force unemployed (area)	4.6	+ 77	+ 12

BEAUMONT (pop. 94,014)			
Retail sales*		- 2	- 2
Automotive stores*		- 9	- 4
Department and apparel stores		+ 1	- 9
Eating and drinking places*		- 16	- 6
Food stores*		+ 13	- 3
Furniture and household appliance stores*		- 44	+ 3
General merchandise stores*		- 1	- 7
Lumber, building material, and hardware stores*		+ 42	+ 40
Postal receipts	\$ 70,129	+ 8	- 14
Value of building permits|| .....	\$ 463,072	x	- 7
Bank debits (thousands)	\$ 108,543	- 13	- 11
End-of-month deposits (thousands) ‡	\$ 100,445	- 3	- 1
Annual rate of deposit turnover	13.0	- 14	- 9
Employment (area)	78,000	- 1	- 1
Manufacturing employment (area)	26,220	- 1	- 1
Percent of labor force unemployed (area)	7.4	+ 50	+ 10
Air express shipments	215	- 3	- 11
Waterborne commerce (tons)	33,314	+ 56	- 16

BEEVILLE (pop. 9,348)			
Postal receipts	\$ 6,367	+ 17	+ 2
Value of building permits|| .....	\$ 107,000	+809	+ 7
Bank debits (thousands)	\$ 6,289	+ 1	- 11
End-of-month deposits (thousands) ‡	\$ 11,861	- 4	+ 2
Annual rate of deposit turnover	6.4	+ 7	- 10
Air express shipments	5	- 64	+ 25

BIG SPRING (pop. 17,286)			
Retail sales		- 1	- 7
Department and apparel stores		- 9	- 25
Postal receipts	\$ 15,796	- 4	- 11
Value of building permits|| .....	\$ 376,690	+ 42	+432
Bank debits (thousands)	\$ 19,091	- 4	- 9
End-of-month deposits (thousands) ‡	\$ 22,778	- 6	- 3
Annual rate of deposit turnover	9.9	+ 1	- 6
Air express shipments	23	- 39	- 28

BORGER (pop. 18,059)			
Postal receipts	\$ 11,506	+ 14	x
Value of building permits|| .....	\$ 53,050	+ 13	- 62
Bank debits (thousands)	\$ 10,525	- 12	- 9
End-of-month deposits (thousands) ‡	\$ 13,170	- 2	- 8
Annual rate of deposit turnover	9.2		- 23
Air express shipments	32	- 47	- 27

BRADY (pop. 5,944)			
Postal receipts	\$ 3,658	+ 6	- 11
Value of building permits|| .....	\$ 4,450	- 88	- 88
Bank debits (thousands)	\$ 3,783	- 7	- 3
End-of-month deposits (thousands) ‡	\$ 6,959	- 2	- 1
Annual rate of deposit turnover	6.5	- 6	- 2

For explanation of symbols, see page 23.

Conditions

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
BRENNHAM (pop. 6,941)			
Postal receipts	\$ 5,237	- 13	- 11
Value of building permits||	\$ 49,949	+179	+ 21
Bank debits (thousands)	\$ 5,537	+ 6	- 12
End-of-month deposits (thousands) ‡	\$ 10,651	+ 5	- 3
Annual rate of deposit turnover	6.1	+ 2	- 9
BROWNSVILLE (pop. 36,066)			
Retail sales*		- 4	+ 10
Department and apparel stores		- 4	- 26
Value of building permits issued||	\$ 61,780	- 71	- 40
Air express shipments	377	- 8	- 2
Tourist cars entering Mexico	301		- 27
Waterborne commerce (tons)	77,165	+ 10	- 24
BROWNWOOD (pop. 20,181)			
Retail sales		- 4	+ 4
Department and apparel stores		+ 4	+ 7
Postal receipts	\$ 15,060	- 1	- 9
Value of building permits||	\$ 7,948	- 86	- 2
Bank debits (thousands)	\$ 10,945	+ 34	+ 15
End-of-month deposits (thousands) ‡	\$ 13,261	+ 4	- 3
Annual rate of deposit turnover	9.7	+ 28	+ 20
BRYAN (pop. 18,102)			
Retail sales*		- 12	- 12
Department and apparel stores		- 2	- 35
Postal receipts	\$ 17,641	+ 5	- 7
Value of building permits||	\$ 387,850	+504	+ 15
CISCO (pop. 5,230)			
Postal receipts	\$ 3,330	- 17	- 29
Value of building permits||	\$ 8,000		
Bank debits (thousands)	\$ 2,124	+ 11	+ 8
End-of-month deposits (thousands) ‡	\$ 3,932	+ 1	x
Annual rate of deposit turnover	6.5	+ 10	+ 10
CORPUS CHRISTI (pop. 108,287)			
Retail sales		- 7	x
Apparel stores		+ 3	- 19
Automotive stores		- 7	x
Country general stores		- 5	- 7
Department stores†		- 5	+ 20
Lumber, building material, and hardware stores		- 30	+ 5
Postal receipts	\$ 113,375	+ 5	- 5
Value of building permits||	\$ 1,942,485	- 44	- 20
Bank debits (thousands)	\$ 134,766	- 1	- 11
End-of-month deposits (thousands) ‡	\$ 102,378	- 13	x
Annual rate of deposit turnover	15.8	+ 1	- 9
Employment	60,400	+ 1	x
Manufacturing employment	7,825	+ 9	x
Percent of labor force unemployed	6.9	+ 50	+ 10
CORSICANA (pop. 19,211)			
Postal receipts	\$ 11,838	- 18	- 28
Value of building permits||	\$ 47,300	+ 31	- 81
Bank debits (thousands)	\$ 12,665	+ 4	- 18
End-of-month deposits (thousands) ‡	\$ 21,493	- 5	- 3
Annual rate of deposit turnover	7.0	0	- 16
DEL RIO (pop. 14,211)			
Postal receipts	\$ 8,798	+ 5	- 16
Value of building permits||	\$ 9,675	- 82	- 93
Bank debits (thousands)	\$ 6,251	- 4	- 12
End-of-month deposits (thousands) ‡	\$ 10,082	- 3	- 1
Annual rate of deposit turnover	7.4	- 1	- 11
Tourists entering Mexico	19,311	+ 51	- 10
Tourist cars entering Mexico	6,094	+ 54	- 8

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
DALLAS (pop. 434,462)			
Retail sales*	_____	- 4	+ 2
Apparel stores* _____	_____	+ 4	- 6
Automotive stores* _____	_____	+ 9	+ 20
Department stores† _____	_____	+ 1	+ 6
Drug stores* _____	_____	+ 6	+ 9
Eating and drinking places* _____	_____	- 2	- 2
Filling stations* _____	_____	+ 6	- 1
Florists* _____	_____	- 19	+ 4
Food stores* _____	_____	- 39	- 45
Furniture and household appliance stores* _____	_____	- 5	+ 3
General merchandise stores* _____	_____	+ 1	+ 7
Jewelry stores* _____	_____	- 23	+ 8
Liquor stores* _____	_____	- 5	- 2
Lumber, building material, and hardware stores* _____	_____	+ 7	+ 56
Office, store, and school supply dealers* _____	_____	- 13	- 12
Postal receipts _____ \$	1,460,247	+ 9	+ 2
Value of building permits|| _____ \$	8,538,519	+ 10	- 8
Bank debits (thousands) _____ \$	1,518,118	+ 5	- 20
End-of-month deposits (thousands) ‡ _____ \$	895,110	- 19	- 3
Annual rate of deposit turnover _____	20.0	+ 1	- 17
Employment _____	305,400	_____	x
Manufacturing employment _____	75,575	_____	- 1
Percent of labor force unemployed _____	3.3	_____	+ 6
DENISON (pop. 17,504)			
Retail sales _____	_____	- 13	- 4
Department and apparel stores _____	_____	- 10	- 14
Postal receipts _____ \$	11,130	+ 6	- 28
Value of building permits|| _____ \$	170,368	+351	+379
Bank debits (thousands) _____ \$	10,769	+ 7	- 12
End-of-month deposits (thousands) ‡ _____ \$	18,318	+ 31	- 1
Annual rate of deposit turnover _____	7.0	- 19	- 9
DENTON (pop. 21,372)			
Retail sales _____	_____	+ 6	+ 20
Postal receipts _____ \$	19,669	+ 9	- 6
Value of building permits|| _____ \$	165,650	+ 76	+ 75
Bank debits (thousands) _____ \$	10,393	+ 5	- 4
End-of-month deposits (thousands) ‡ _____ \$	13,891	+ 3	+ 1
Annual rate of deposit turnover _____	9.0	+ 2	- 3
EAGLE PASS (pop. 7,276)			
Postal receipts _____ \$	4,534	+ 5	- 10
Value of building permits|| _____ \$	22,450	+132	- 66
Bank debits (thousands) _____ \$	3,215	_____	- 6
End-of-month deposits (thousands) ‡ _____ \$	3,210	_____	- 7
Annual rate of deposit turnover _____	11.6	_____	+ 1
EDINBURG (pop. 12,383)			
Postal receipts _____ \$	8,095	+ 23	+ 9
Value of building permits|| _____ \$	86,210	+219	+171
Bank debits (thousands) _____ \$	7,296	- 16	- 16
End-of-month deposits (thousands) ‡ _____ \$	10,108	- 9	- 1
Annual rate of deposit turnover _____	8.6	- 10	- 14
GLADEWATER (pop. 5,305)			
Postal receipts _____ \$	3,961	- 5	- 36
Value of building permits|| _____ \$	194,000	_____	+270
Bank debits (thousands) _____ \$	3,729	- 18	- 5
End-of-month deposits (thousands) ‡ _____ \$	4,522	x	- 3
Annual rate of deposit turnover _____	9.7	- 23	- 1
Employment (area) _____	23,850	_____	x
Manufacturing employment (area) _____	3,985	_____	x
Percent of labor force unemployed (area) _____	5.5	_____	+ 8

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
EL PASO (pop. 130,485)			
Retail sales* .....	.....	- 18	- 9
Apparel stores* .....	.....	+ 4	- 17
Automotive stores* .....	.....	- 24	- 14
Department stores† .....	.....	- 9	- 2
Drug stores* .....	.....	+ 8	- 2
Furniture and household appliance stores* .....	.....	- 55	- 3
General merchandise stores* .....	.....	- 10	- 8
Lumber, building material, and hardware stores* .....	.....	- 54	+ 6
Office, store, and school supply dealers* .....	.....	- 25	- 24
Piano and musical instrument stores* .....	.....	- 32	- 13
Postal receipts \$	178,717	+ 6	- 9
Value of building permits‖	\$ 1,182,813	- 14	- 33
Bank debits (thousands) \$	191,724	- 3	- 9
End-of-month deposits (thousands) ‡	\$ 121,197	- 31	- 5
Annual rate of deposit turnover	18.6	+ 4	- 4
Employment	70,000	.....	+ 3
Manufacturing employment	10,500	.....	- 2
Percent of labor force unemployed	5.2	.....	+ 11
Air express shipments	1,427	- 3	- 7
Tourists entering Mexico	3,250	+ 14	+ 12
Tourist cars entering Mexico	1,006	- 8	- 10

FORT WORTH (pop. 278,778)			
Retail sales*		- 6	x
Apparel stores*		- 2	- 30
Automotive stores*		- 17	+ 7
Department stores†		- 6	+ 1
Drug stores*		- 8	- 3
Eating and drinking places*		- 10	- 6
Filling stations*		+ 9	+ 2
Food stores*		- 4	- 3
Furniture and household appliance stores*		- 30	+ 2
General merchandise stores*		+ 2	+ 2
Hay, grain, and feed stores*		- 29	- 3
Lumber, building material, and hardware stores*		- 14	+ 2
Postal receipts \$	470,080	x	- 5
Value of building permits||	\$ 3,488,214	- 22	+ 42
Bank debits (thousands)	\$ 463,411	- 2	- 13
End-of-month deposits (thousands) ‡	\$ 322,157	- 24	- 5
Annual rate of deposit turnover	16.8	0	- 11
Employment	170,100	- 2	x
Manufacturing employment	50,200	- 9	- 1
Percent of labor force unemployed	5.7	+ 39	+ 6
Air express shipments	1,539	- 14	- 4

GALVESTON (pop. 66,568)			
Retail sales		- 12	- 15
Automotive stores		- 50	- 31
Department and apparel stores		- 5	- 7
Eating and drinking places		- 14	- 9
Food stores		- 5	- 8
Furniture and household appliance stores		+ 14	- 38
Lumber, building material, and hardware stores		- 7	+ 7
Postal receipts \$	62,555	+ 2	- 11
Value of building permits||	\$ 93,796	- 93	- 42
Bank debits (thousands)	\$ 72,041	+ 5	- 8
End-of-month deposits (thousands) ‡	\$ 80,525	- 22	+ 1
Annual rate of deposit turnover	10.8	- 7	- 7
Employment (area)	45,200	- 6	x
Manufacturing employment (area)	11,000	- 6	- 1
Percent of labor force unemployed (area)	5.9	+ 64	+ 4
Air express shipments	363	+ 72	+ 9

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
GOLDTHWAITE (pop. 1,566)			
Retail sales* _____	_____	- 15	+ 8
Postal receipts _____ \$	1,179	- 8	- 32
Bank debits (thousands) _____ \$	1,971	+ 7	- 4
End-of-month deposits (thousands) ‡ _____ \$	3,081	+ 22	+ 2
Annual rate of deposit turnover _____	7.7	- 12	- 3

GONZALES (pop. 5,659)			
Postal receipts \$	4,007	+ 30	- 2
Value of building permits||	\$ 13,500	- 7	- 53
Bank debits (thousands)	\$ 4,071	- 4	- 10
End-of-month deposits (thousands) ‡	\$ 5,756	- 11	- 5
Annual rate of deposit turnover	8.3	+ 6	+159

GREENVILLE (pop. 14,727)			
Retail sales*		+ 50	+ 46
Department and apparel stores		+ 3	- 21
Postal receipts \$	15,155	- 12	- 8
Value of building permits||	\$ 396,432	+514	+675
Bank debits (thousands)	\$ 11,504	+ 8	- 9
End-of-month deposits (thousands) ‡	\$ 16,148	+ 24	- 4
Annual rate of deposit turnover	8.4	- 13	+ 2

HARLINGEN (pop. 23,229)			
Postal receipts \$	22,675	+ 1	- 5
Value of building permits||	\$ 168,175	- 77	+ 27
Bank debits (thousands)	\$ 22,596	- 13	- 5
End-of-month deposits (thousands) ‡	\$ 18,463	- 4	+ 1
Annual rate of deposit turnover	14.8	- 7	- 26
Air express shipments	187	+202	- 17

HENDERSON (pop. 6,833)			
Retail sales*		+ 12	+ 17
Department and apparel stores		+ 4	- 22
Postal receipts \$	7,429	+ 10	+ 16
Value of building permits||	\$ 44,200	- 16	- 19
Bank debits (thousands)	\$ 4,956	- 15	- 15
End-of-month deposits (thousands) ‡	\$ 13,866	- 3	- 1
Annual rate of deposit turnover	4.3	- 12	- 38

HOUSTON (pop. 596,163)			
Retail sales||		+ 1	+ 2
Apparel stores||		+ 4	- 16
Automotive stores||		- 5	+ 9
Department stores†		- 2	- 4
Drug stores||		- 4	- 6
Eating and drinking places||		+ 8	+ 6
Filling stations||		+ 15	+ 1
Food stores||		- 2	x
Furniture and household appliance stores||		+ 4	+ 9
General merchandise stores||		- 1	- 3
Jewelry stores||		- 7	+ 17
Liquor stores||		- 33	+ 8
Lumber, building material, and hardware stores||		+ 33	+ 25
Office, store, and school supply dealers||		- 2	- 8
Postal receipts \$	888,725	+ 7	- 1
Value of building permits||	\$10,854,318	+ 39	- 8
Bank debits (thousands)	\$ 1,526,055	+ 1	- 11
End-of-month deposits (thousands) ‡	\$ 1,072,081	- 4	- 2
Annual rate of deposit turnover	16.9	- 3	- 8
Employment (area)	352,850	x	x
Manufacturing employment (area)	81,125	- 4	x
Percent of labor force unemployed (area)	4.6	+ 77	+ 12
Air express shipments	4,003	- 3	- 3

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
HEREFORD (pop. 5,207)			
Postal receipts	\$ 4,847	+ 7	- 16
Value of building permits|| .....	\$ 75,700	+ 89	+309
Bank debits (thousands)	\$ 6,676	- 17	- 29
End-of-month deposits (thousands) †	\$ 9,661	+ 4	- 6
Annual rate of deposit turnover	8.0	- 18	+116

KERMIT (pop. 6,912)			
Postal receipts	\$ 3,910	x	- 26
Value of building permits	\$ 174,975	+1607	- 13
Bank debits (thousands)	\$ 2,448	- 31	- 29
End-of-month deposits (thousands)†	\$ 2,189	- 57	- 37
Annual rate of deposit turnover	10.4	+ 9	- 20

KILGORE (pop. 9,638)			
Postal receipts	\$ 9,217	- 5	- 25
Value of building permits	\$ 7,000	- 59	- 30
Bank debits (thousands)	\$ 12,006	- 2	- 9
End-of-month deposits (thousands)†	\$ 13,958	- 3	- 6
Annual rate of deposit turnover	10.0	- 1	- 6
Employment (area)	23,850	.....	x
Manufacturing employment (area)	3,985	.....	x
Percent of labor force unemployed (area)	5.5	.....	+ 8

KILLEEN (pop. 7,045)			
Postal receipts	\$ 21,195	+ 64	+ 20
Value of building permits	\$ 208,799	+581	+274
Bank debits (thousands)	\$ 4,657	+ 4	+ 4
End-of-month deposits (thousands)†	\$ 9,708	- 3	x
Annual rate of deposit turnover	5.8	+ 9	+ 7

LAMESA (pop. 10,704)			
Postal receipts	\$ 5,825	- 3	- 22
Value of building permits	\$ 24,800	- 6	+107
Bank debits (thousands)	\$ 6,753	- 20	- 13
End-of-month deposits (thousands)†	\$ 10,969	- 18	- 6
Annual rate of deposit turnover	7.2	- 3	- 9

LAMPASAS (pop. 4,869)			
Retail sales*	.....	- 17	+ 13
Postal receipts	\$ 2,765	+ 1	- 37
Bank debits (thousands)	\$ 3,088	- 14	- 13
End-of-month deposits (thousands)†	\$ 6,129	- 5	- 1
Annual rate of deposit turnover	6.0	- 10	- 10

LAREDO (pop. 51,910)			
Postal receipts	\$ 22,955	+ 11	- 5
Value of building permits	\$ 34,345	- 94	x
Bank debits (thousands)	\$ 18,779	- 10	- 13
End-of-month deposits (thousands)†	\$ 18,805	- 28	+ 1
Annual rate of deposit turnover	12.1	+ 1	- 12
Air express shipments	147	- 37	+ 2
Tourists entering Mexico	8,483	- 17	+ 7
Tourist cars entering Mexico	3,232	- 7	+ 5

LEVELLAND (pop. 8,264)			
Postal receipts	\$ 5,058	- 1	- 21
Value of building permits	\$ 88,525	+322	+ 90
Bank debits (thousands)	\$ 6,050	- 21	- 29
End-of-month deposits (thousands)†	\$ 10,217	+ 20	- 3
Annual rate of deposit turnover	7.0	- 27	- 26

LLANO (pop. 2,954)			
Postal receipts	\$ 1,492	+ 1	- 30
Value of building permits	\$ 15,000	- 6	+ 25
Bank debits (thousands)	\$ 1,944	+ 3	- 8
End-of-month deposits (thousands)†	\$ 3,284	- 3	- 2
Annual rate of deposit turnover	7.0	+ 8	- 4

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
LOCKHART (pop. 5,573)			
Department and apparel store sales.....		+ 5	- 15
Postal receipts.....\$	3,200	- 2	- 35
Value of building permits||.....\$	10,200	- 51	- 59
Bank debits (thousands).....\$	2,796	x	- 13
End-of-month deposits (thousands)†.....\$	5,023	+ 3	- 2
Annual rate of deposit turnover.....	6.6	- 1	- 10

LONGVIEW (pop. 24,502)			
Postal receipts	\$ 22,772	- 6	- 15
Value of building permits	\$ 161,300	- 43	- 73
Bank debits (thousands)	\$ 29,369	- 14	- 1
End-of-month deposits (thousands)†	\$ 35,430	- 6	- 3
Annual rate of deposit turnover	9.8	- 8	+ 1
Employment (area)	23,850	.....	x
Manufacturing employment (area)	3,985	.....	x
Percent of labor force unemployed (area)	5.5	.....	+ 8
Air express shipments	118	- 26	- 24

LUBBOCK (pop. 71,747)			
Retail sales	.....	- 20	- 14
Automotive stores	.....	- 21	- 8
Department and apparel stores	.....	- 9	- 22
Furniture and household appliance stores	.....	- 23	- 1
General merchandise stores	.....	- 10	- 22
Lumber, building material, and hardware stores	.....	- 42	- 20
Postal receipts	\$ 72,601	- 3	- 19
Value of building permits	\$ 3,199,703	+120	+ 53
Bank debits (thousands)	\$ 99,605	- 15	- 26
End-of-month deposits (thousands)†	\$ 86,233	- 25	- 7
Annual rate of deposit turnover	13.3	- 6	- 25
Employment	39,100	+ 1	- 1
Manufacturing employment	3,780	+ 4	x
Percent of labor force unemployed	6.1	+ 85	+ 9
Air express shipments	676	+ 24	- 7

LUFKIN (pop. 15,135)			
Postal receipts	\$ 11,989	- 2	- 19
Bank debits (thousands)	\$ 12,837	- 16	- 23
End-of-month deposits (thousands)†	\$ 19,983	- 10	+ 4
Annual rate of deposit turnover	7.8	- 6	- 21
Air express shipments	24	- 52	- 11

McALLEN (pop. 20,067)			
Retail sales	.....	- 15	- 7
Department and apparel stores	.....	+ 3	- 2
Postal receipts	\$ 16,275	+ 12	- 3
Value of building permits	\$ 31,500	- 57	- 25
Air express shipments	39	0	+ 8

MARSHALL (pop. 22,327)			
Retail sales	.....	- 3	+ 2
Department and apparel stores	.....	- 11	- 11
Postal receipts	\$ 14,375	- 8	- 14
Value of building permits	\$ 73,975	- 3	+ 88
Bank debits (thousands)	\$ 13,322	+ 1	x
End-of-month deposits (thousands)†	\$ 20,226	- 1	- 1
Annual rate of deposit turnover	7.9	+ 3	0
Air express shipments	15	.....	- 32

MERCEDES (pop. 10,081)			
Postal receipts	\$ 4,265	+ 1	- 7
Value of building permits	\$ 3,750	- 96	- 51
Bank debits (thousands)	\$ 6,251	- 1	- 20
End-of-month deposits (thousands)†	\$ 5,520	- 10	- 5
Annual rate of deposit turnover	13.2	+ 10	- 11

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
MIDLAND (pop. 21,713)			
Postal receipts	\$ 41,514	+ 3	- 11
Value of building permits|| .....	\$ 923,543	- 7	+ 56
Bank debits (thousands)	\$ 43,342	- 16	- 16
End-of-month deposits (thousands) †	\$ 67,522	+ 2	x
Annual rate of deposit turnover	7.7	- 21	- 15
Air express shipments	295	+ 47	+ 20
NACOGDOCHES (pop. 12,327)			
Postal receipts	\$ 10,266	+ 34	+ 3
Value of building permits|| .....	\$ 22,530	+ 35	+ 90
Bank debits (thousands)	\$ 8,252	- 7	- 5
End-of-month deposits (thousands) †	\$ 14,587	- 5	- 1
Annual rate of deposit turnover	6.8	- 3	- 4
Air express shipments	0	-100	0
NEW BRAUNFELS (pop. 12,210)			
Postal receipts	\$ 11,303	+ 14	- 9
Value of building permits|| .....	\$ 64,815	- 17	- 29
Bank debits (thousands)	\$ 6,322	+ 6	- 6
End-of-month deposits (thousands) †	\$ 9,227	- 11	- 1
Annual rate of deposit turnover	8.2	—	- 5
ODESSA (pop. 29,495)			
Retail sales	—	- 2	+ 13
Postal receipts	\$ 34,103	+ 8	- 11
Value of building permits|| .....	\$ 552,087	- 35	- 32
Bank debits (thousands)	\$ 31,343	- 9	- 8
End-of-month deposits (thousands) †	\$ 29,283	- 14	- 8
Annual rate of deposit turnover	12.3	+ 3	- 1
Air express shipments	142	+ 7	+ 16
ORANGE (pop. 21,174)			
Postal receipts	\$ 13,269	+ 3	- 26
Value of building permits|| .....	\$ 218,538	+ 30	+ 31
Bank debits (thousands)	\$ 17,221	+ 3	- 7
End-of-month deposits (thousands) †	\$ 24,502	+ 3	+ 3
Annual rate of deposit turnover	8.6	+ 2	- 7
PALESTINE (pop. 12,503)			
Postal receipts	\$ 9,346	- 6	- 3
Value of building permits|| .....	\$ 87,291	- 56	+121
Bank debits (thousands)	\$ 5,349	- 6	- 10
End-of-month deposits (thousands) †	\$ 12,804	- 1	+ 1
Annual rate of deposit turnover	5.0	- 4	- 11
PAMPA (pop. 16,583)			
Postal receipts	\$ 13,179	- 2	- 5
Value of building permits|| .....	\$ 70,075	- 86	- 45
Bank debits (thousands)	\$ 13,984	- 1	- 8
End-of-month deposits (thousands) †	\$ 20,804	+ 38	- 2
Annual rate of deposit turnover	8.1	- 18	- 6
PARIS (pop. 21,643)			
Department and apparel store sales	—	- 3	- 3
Postal receipts	\$ 13,463	+ 2	- 12
Value of building permits|| .....	\$ 56,950	+135	+513
Bank debits (thousands)	\$ 11,967	+ 2	- 7
End-of-month deposits (thousands) †	\$ 14,670	- 7	- 2
Annual rate of deposit turnover	9.7	+ 5	0
Air express shipments	41	0	+ 11
RAYMONDVILLE (pop. 9,136)			
Postal receipts	\$ 4,244	- 3	- 9
Value of building permits|| .....	\$ 500	- 97	- 78
Bank debits (thousands)	\$ 3,758	- 13	- 22
End-of-month deposits (thousands) †	\$ 7,669	- 13	- 8
Annual rate of deposit turnover	5.8	+ 2	- 19

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
PLAINVIEW (pop. 14,044)			
Retail sales .....	.....	+ 3	+ 1
Department and apparel stores .....	.....	- 7	- 31
Postal receipts	\$ 10,601	- 12	- 23
Value of building permits|| .....	\$ 96,050	- 22	- 65
Bank debits (thousands)	\$ 17,294	- 1	- 30
End-of-month deposits (thousands) †	\$ 24,615	+ 1	- 9
Annual rate of deposit turnover	8.0	- 2	- 29
Air express shipments	13	- 43	- 50
PORT ARTHUR (pop. 57,530)			
Retail sales* .....	.....	- 5	+ 3
Automotive stores* .....	.....	- 21	+ 12
Department and apparel stores .....	.....	+ 20	- 9
Drug stores* .....	.....	+ 3	+ 1
Eating and drinking places* .....	.....	- 59	- 12
Filling stations* .....	.....	+ 7	- 6
Food stores* .....	.....	+ 25	- 8
Furniture and household appliance stores* .....	.....	+ 16	- 2
Lumber, building material, and hardware stores* .....	.....	+ 3	+ 28
Postal receipts	\$ 30,488	+ 3	- 23
Value of building permits|| .....	\$ 234,212	- 43	+ 53
Bank debits (thousands)	\$ 42,054	- 2	- 8
End-of-month deposits (thousands) †	\$ 39,543	- 9	+ 3
Annual rate of deposit turnover	13.0	- 2	- 9
Employment (area)	78,000	- 1	- 1
Manufacturing employment (area)	26,220	- 1	- 1
Percent of labor force unemployed (area)	7.4	+ 51	+ 14
Air express shipments	93	- 21	+ 21
ROCKDALE (pop. 2,321)			
Postal receipts	\$ 3,886	+ 37	- 5
Value of building permits|| .....	\$ 82,650	- 49	+106
Bank debits (thousands)	\$ 3,718	- 17	- 5
End-of-month deposits (thousands) †	\$ 3,540	- 14	- 8
Annual rate of deposit turnover	12.1	- 11	+ 4
SAN ANGELO (pop. 52,093)			
Retail sales .....	.....	- 5	- 19
Department and apparel stores .....	.....	- 9	- 26
Postal receipts	\$ 43,109	+ 9	- 12
Value of building permits|| .....	\$ 1,038,847	+253	+153
Bank debits (thousands)	\$ 34,973	+ 5	- 11
End-of-month deposits (thousands) †	\$ 44,786	- 15	- 2
Annual rate of deposit turnover	9.2	+ 10	- 11
Employment	21,650	+ 3	x
Manufacturing employment	2,430	+ 13	- 2
Percent of labor force unemployed	6.3	+ 37	+ 5
Air express shipments	342	+ 71	- 9
SAN MARCOS (pop. 9,980)			
Postal receipts	\$ 10,574	+ 1	- 7
Value of building permits|| .....	\$ 106,545	+249	+101
Bank debits (thousands)	\$ 4,764	- 9	+ 2
End-of-month deposits (thousands) †	\$ 8,370	+ 9	+ 2
Annual rate of deposit turnover	6.9	- 16	+ 1
SEGUIN (pop. 9,733)			
Postal receipts	\$ 7,807	+ 2	- 7
Value of building permits|| .....	\$ 103,291	+ 78	+ 2
Bank debits (thousands)	\$ 6,494	+ 11	- 2
End-of-month deposits (thousands) †	\$ 16,776	+ 7	+ 1
Annual rate of deposit turnover	4.7	+ 4	0

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
SHERMAN (pop. 20,150)			
Retail sales .....	.....	- 5	+ 10
Department and apparel stores.....	.....	+ 1	- 4
Postal receipts	\$ 20,982	+ 6	x
Value of building permits|| .....	\$ 212,686	+ 55	+ 57

SAN ANTONIO (pop. 408,442)			
Retail sales* .....	.....	- 7	+ 1
Apparel stores* .....	.....	- 3	- 6
Automotive stores* .....	.....	- 10	+ 27
Department stores† .....	.....	- 11	- 8
Drug stores* .....	.....	- 2	- 2
Eating and drinking places* .....	.....	- 9	- 5
Filling stations* .....	.....	+ 1	x
Food stores* .....	.....	- 5	- 5
Furniture and household appliance stores* .....	.....	- 21	+ 1
General merchandise stores* .....	.....	- 11	- 12
Lumber, building material, and hardware stores* .....	.....	+ 9	+ 27
Postal receipts	\$ 475,283	+ 7	- 1
Value of building permits|| .....	\$ 3,196,884	- 52	+ 27
Bank debits (thousands)	\$ 354,025	+ 2	- 7
End-of-month deposits (thousands) ‡	\$ 308,284	- 23	x
Annual rate of deposit turnover	13.8	+ 5	- 5
Employment	175,200	- 6	x
Manufacturing employment	19,550	- 6	x
Percent of labor force unemployed	8.8	+ 69	+ 2
Air express shipments	2,065	- 1	- 3

SNYDER (pop. 12,010)			
Postal receipts	\$ 7,706	- 1	- 15
Value of building permits|| .....	\$ 208,650	+328	+346
Bank debits (thousands)	\$ 11,207	- 18	- 13
End-of-month deposits (thousands) ‡	\$ 10,533	- 15	- 17
Annual rate of deposit turnover	11.5	- 12	- 4

SWEETWATER (pop. 13,619)			
Postal receipts	\$ 10,607	- 2	- 21
Value of building permits|| .....	\$ 49,175	+109	+ 1
Bank debits (thousands)	\$ 8,236	+ 4	- 18
End-of-month deposits (thousands) ‡	\$ 9,530	- 7	- 11
Annual rate of deposit turnover	9.7	+ 5	- 15
Air express shipments	87	+147	- 23

TAYLOR (pop. 9,071)			
Postal receipts	\$ 6,207	- 1	- 25
Value of building permits|| .....	\$ 75,255	+ 97	+ 70
Bank debits (thousands)	\$ 8,959	- 12	- 11
End-of-month deposits (thousands) ‡	\$ 15,550	+ 8	- 2
Annual rate of deposit turnover	6.8	- 19	- 12

TEMPLE (pop. 25,467)			
Retail sales .....	.....	- 3	+ 17
Department and apparel stores .....	.....	- 10	- 12
Postal receipts	\$ 23,465	- 7	- 17
Value of building permits|| .....	\$ 205,902	+ 12	+233
Bank debits (thousands)	\$ 14,916	- 1	- 8
End-of-month deposits (thousands) ‡	\$ 23,165	- 2	- 1
Annual rate of deposit turnover	7.7	+ 1	- 3
Air express shipments	144	+235	+ 64

TYLER (pop. 38,968)			
Postal receipts	\$ 56,629	- 12	- 3
Value of building permits|| .....	\$ 3,531,994	+532	+643
Bank debits (thousands)	\$ 53,965	+ 3	- 8
End-of-month deposits (thousands) ‡	\$ 55,510	- 4	- 2
Annual rate of deposit turnover	11.5	- 6	- 5
Air express shipments	189	+ 1	- 10

City and item	February 1954	Percent change	
		Feb 1954 from Feb 1953	Feb 1954 from Jan 1954
TEXAS CITY (pop. 16,620)			
Department and apparel store sales.....		+ 3	— 10
Postal receipts\$	12,716	— 5	— 12
Value of building permits|| .....\$	302,460	— 11	— 48
Bank debits (thousands)\$	22,527	— 13	— 13
End-of-month deposits (thousands) ‡.....\$	22,703	— 7	— 13
Annual rate of deposit turnover	11.0	— 8	— 8
Employment (area)	45,200	— 6	x
Manufacturing employment (area)....	11,000	— 6	— 1
Percent of labor force unemployed (area)	5.9	+ 64	+ 4

TEXARKANA (pop. 40,628) §			
Retail sales\$ .....	.....	- 3	x
Department and apparel stores\$ .....	.....	- 5	+ 1
Postal receipts\$	\$ 40,100	+ 10	- 22
Value of building permits\$	\$ 61,219	- 25	+ 9
Bank debits (thousands)\$	\$ 33,528	- 1	- 12
End-of-month deposits (thousands) ‡	\$ 17,873	- 34	- 2
Annual rate of deposit turnover	10.9	+ 5	- 8
Employment\$	35,900	- 16	- 5
Manufacturing employment\$	6,730	- 30	- 16
Percent of labor force unemployed\$	11.6	+119	+ 16
Air express shipments\$	179	+116	- 24

WACO (pop. 87,706)			
Retail sales .....	.....	- 14	- 7
Apparel stores .....	.....	- 26	- 20
Automotive stores .....	.....	- 20	- 3
Department stores† .....	.....	- 5	+ 1
Florists .....	.....	- 19	+ 2
General merchandise stores .....	.....	- 5	- 10
Postal receipts	\$ 93,725	+ 2	- 12
Value of building permits|| .....	\$ 882,476	+ 9	- 30
Bank debits (thousands)	\$ 73,501	+ 7	- 3
End-of-month deposits (thousands) ‡	\$ 66,300	- 23	+ 2
Annual rate of deposit turnover	13.4	- 3	- 1
Employment	43,050	- 2	+ 1
Manufacturing employment	7,910	- 1	x
Percent of labor force unemployed	7.9	+ 96	- 8
Air express shipments	261	+ 49	- 1

WAXAHACHIE (pop. 11,204)			
Postal receipts	\$ 9,643	- 48	+ 16
Value of building permits|| .....	\$ 118,100	+275	- 41
Bank debits (thousands)	\$ 3,869	+ 15	+ 6
End-of-month deposits (thousands) ‡	\$ 3,367	- 1	- 40
Annual rate of deposit turnover	10.4	- 8	+ 37

WICHITA FALLS (pop. 68,042)			
Retail sales .....	.....	- 14	- 9
Department and apparel stores .....	.....	+ 4	- 22
Postal receipts	\$ 68,459	- 9	- 14
Value of building permits|| .....	\$ 930,012	- 16	+149
Bank debits (thousands)	\$ 79,188	- 1	- 3
End-of-month deposits (thousands) ‡	\$ 99,086	- 8	- 4
Annual rate of deposit turnover	9.4	- 4	- 1
Employment	34,450	- 5	- 1
Manufacturing employment	3,420	- 12	- 2
Percent of labor force unemployed	6.3	+ 19	+ 9
Air express shipments	496	+123	- 23

xChange is less than one half of one percent.

*Preliminary.

†Reported by the Federal Reserve Board of Dallas.

‡Excludes deposits to credit of banks.

§Federal contracts are not included.

¶Reported by Bureau of Business and Economic Research, University of Houston.

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

BAROMETERS OF TEXAS BUSINESS

	Feb 1954	Jan 1954	Dec 1953	Feb 1953	
GENERAL BUSINESS ACTIVITY					
†Index of Texas Business Activity (100.0).....	143*	136*	142*	148	150
Index of bank debits.....	165	163	163	163	
Index of bank debits in the United States.....	162	153	154	148	
Income payments to individuals in the U.S. (bilions—seasonally adjusted at annual rate).....		\$ 282.5	\$ 284.6	\$ 281.0	\$ 280.5
Index of wholesale prices in the U.S. (unadjusted).....	110.5	110.8	110.1	109.6	109.9
Index of consumers' prices in the U.S. (unadjusted).....	115.0	115.2	114.9	113.4	113.9
†Index of consumers' prices in Houston (adjusted).....	116.9			116.1	
Index of postal receipts.....	162	155	180	156	153
†Index of miscellaneous freight carloadings in the Southwestern District (10.0).....	95	95	86	96	102
Business corporation charters issued (number).....	291*	306	273	347	340
Business failures (number).....	18	12	24	15	8
Index of ordinary life insurance sales (adjusted for price changes).....	188	183	200	179	184
Index of ordinary life insurance sales.....	163	159	174	158	162
Index of life insurance sales in the West South Central states.....	180	167	173	168	165
Index of life insurance sales in the United States.....	160	150	169	151	146
TRADE					
†Index of total retail sales (adjusted for price changes, 51.0).....	132*	124*	134	142	146
Index of total retail sales.....	147	139	150	158	163
Durable-goods stores.....	173	153	159	186	191
Nondurable-goods stores.....	134	131	146	143	149
Ratio of credit sales to net sales in department and apparel stores.....	64.9	63.5	58.9	64.8	63.4
Ratio of collections to outstandings in department and apparel stores.....	38.0	42.0	39.8	39.5	42.7
PRODUCTION					
†Index of industrial electric power consumption (14.6).....	234	226	232	223	225
†Index of crude runs to stills (3.9).....	128	124	118	132	133
Index of wheat grindings.....		61	65	64	67
Index of cottonseed crushed.....		121	122	127	119
Index of southern pine production (1935-39=100, unadjusted).....		115	109	118	129
†Index of urban building permits (adjusted for price changes, 9.4).....	121*	98*	98*	123	119
Index of urban building permits.....	157*	128*	127*	152	147
†Index of crude petroleum production (8.1).....	117	119	120	129	130
Index of gasoline consumption.....		164	185	172	196
†Index of total electric power consumption (3.0).....	211	208	216	200	200
Index of industrial production in the U.S.	123*	125*	126	134	134
Index of cement production.....		140	104	143	149
Construction contracts awarded (thousands).....	\$ 87,620	\$ 85,815	\$104,755	\$100,902	\$ 88,081
AGRICULTURE					
Index of farm cash income (unadjusted).....		85	123	49	91
Index of prices received by farmers (1909-14=100, unadjusted).....	272	267	263	287	291
Index of prices paid by farmers in the U.S. (parity index—unadjusted, 1910-14=100).....	282	282	278	281	284
Parity ratio.....	96	95	95	102	102
Index of prices received by farmers—livestock (unadjusted, 1909-14=100).....	309	305	296	328	339
Index of prices received by farmers—all crops (unadjusted, 1909-14=100).....	243	238	237	257	255
FINANCE					
Loans, reporting member banks in Dallas district (millions).....	\$ 1,889	\$ 1,909	\$ 1,905	\$ 1,755	\$ 1,756
Loans and investments, reporting member banks in Dallas district (millions).....	\$ 3,326	\$ 3,372	\$ 3,377	\$ 3,091	\$ 3,158
Demand deposits adjusted, reporting member banks in Dallas district (millions).....	\$ 2,455	\$ 2,545	\$ 2,623	\$ 2,448	\$ 2,533
Bank debits in 20 cities (millions).....	\$ 5,094	\$ 5,903	\$ 6,422	\$ 5,046	\$ 5,948
Revenue receipts of the State Comptroller (thousands).....	\$ 55,117	\$ 53,239	\$ 97,247	\$ 54,479	\$ 54,444
Federal Internal Revenue collections (thousands).....	\$307,707	\$207,860	\$ 69,339	\$250,434	\$275,449
LABOR					
Total nonagricultural employment (thousands).....	2,209.6	2,216.8	2,277.9	2,214.8	2,221.4
Total manufacturing employment (thousands).....	424.3	428.2	429.4	435.5	434.6
Durable-goods employment (thousands).....	198.5	201.3	200.6	208.5	206.7
Nondurable-goods employment (thousands).....	225.8	226.9	228.8	227.0	227.9

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

Manufacturing employment estimates have been adjusted to first quarter 1953 benchmarks.

*Preliminary.

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

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