

TEXAS BUSINESS REVIEW

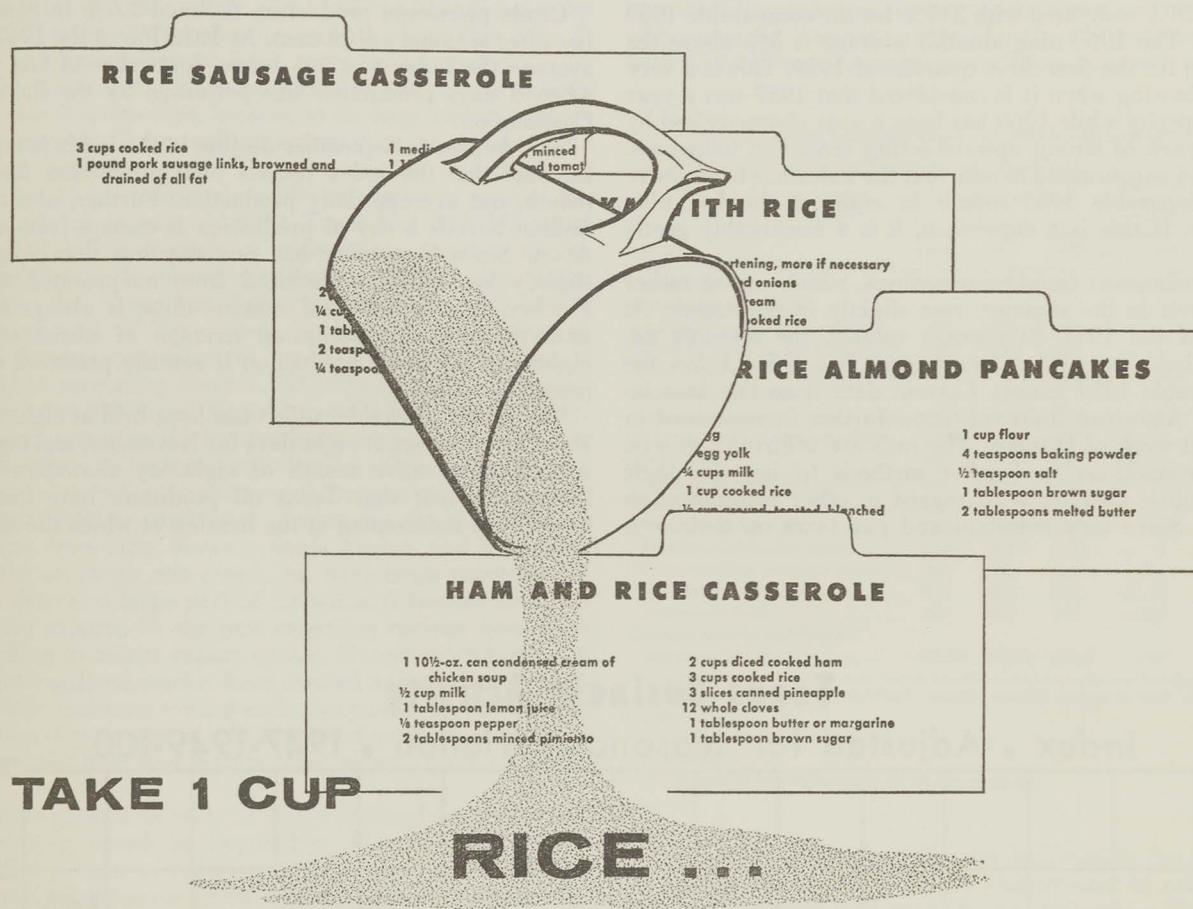
A Monthly Summary of Business and Economic Conditions in Texas

BUREAU OF BUSINESS RESEARCH : THE UNIVERSITY OF TEXAS

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The words **rice** and **food** are synonymous in many languages and these languages are so widespread that historians have concluded that this was the principal food in the misty dawn of settled life. Rice culture is so deeply embedded in man's history that the question of its origin is probably beyond the possibility of solution. One early western writer, after doing considerable research on the subject, came to the conclusion that rice culture began in southeastern Asia and could not be located more definitely.

Rice was more than a basic food to the early inhabitants of southeastern Asia. It was a way of life. One ancient Chinese script of nearly 5,000 years ago recorded

that in an important religious ceremony, the Emperor alone had the privilege of sowing rice. Our current practice of throwing rice at newly wedded couples must have come to us from an ancient Oriental custom. Their belief was that rice was the symbol of fertility and represented the wish that the newlyweds would be blessed with offspring.

The material for Dr. Pratt's article in this issue was taken from his research monograph, "Rice: Domestic Consumption in the United States." The monograph is now being published by the Bureau, and publication date will be announced next month. For the story of rice in Texas, see page 5.

The Business Situation in Texas

By FRANCIS B. MAY

After bounding up to a brisk 239% of the 1947-49 average in August, the Index of Texas Business Activity yielded part of its gain in September, dropping to 229%. The September level of activity was, after seasonal adjustment, at almost the same rate as June when the index stood at 228%. For the first nine months of 1960 the index averaged 228% compared with 217% for the comparable 1959 period. The 1960 nine month's average is 5% above the average for the first three quarters of 1959. This is a very good showing when it is considered that 1959 was a year of prosperity while 1960 has been a year characterized by an absence of strong upward-acting economic influences. It is also encouraging to note that the index has been above the comparable 1959 month in eight of the last nine months. If this is a depression, it is a remarkably gentle one.

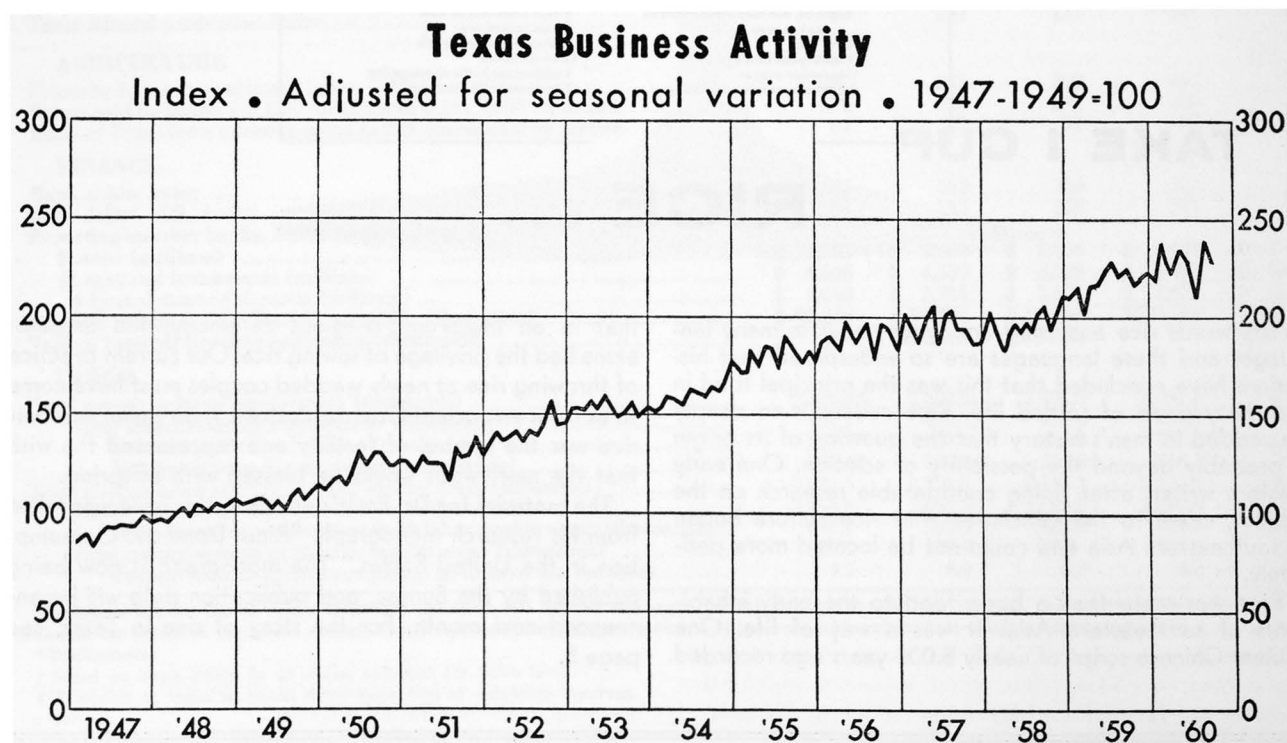
Miscellaneous freight carloadings, which ran at rather low levels in the summer, rose slightly in September. At 76% of the 1947-49 average volume, the seasonally adjusted index was 1% above August. It was 5% below the comparable 1959 month. Current data from the Association of American Railroads show further improvement in the first week of October. The rails are utilizing mergers, sales promotions, and other methods to improve their competitive position with regard to other transportation media. Since they maintain and pay taxes on their own

roadbeds, it is questionable whether they can restore their costs to a more competitive basis. This is a serious problem, for in a national emergency the traffic-carrying capacity of the railroads would be badly needed. Nationalization would simply bury their costs in the national budget where they would seldom meet the public gaze.

Crude petroleum production declined 1.6% in September after seasonal adjustment. At 103.47% of the 1947-49 average the index was 5% below September of last year when 9 days production was permitted by the Railroad Commission.

The August to September decline in the index is due to the fact that the index reflects total production for the month, not average daily production. Further, about 1.2 million barrels a day of production is exempt from shutdown. Since September has one day less than August, slightly less oil was produced from nonprorated wells. Further, due to technical reasons there is always some underproduction. Usually an average of about seven-eighths of allowable production is actually produced each month.

The state's allowable, which has been held at eight days since May, was set at eight days for November, making the seventh consecutive month of eight-day allowables—the longest drought that Texas oil producers have known. Companies represented at the hearing at which the allow-



able was set testified that for most of them inventories of products other than gasoline were not excessive. Gasoline supplies continued to be too high for this time of year when demand begins its seasonal decline.

The Texas Railroad Commission is required by law to consider probable market demand as a factor in establishing production quotas. Few producing states have such a law. It may be that the Commission should be given more discretionary authority. Other producing states know that if they choose to produce more oil, the Texas oil producers will have no choice other than to reduce production. This places us at a disadvantage.

A recent forecast places demand for crude and natural gas liquids of Texas origin at 4.5 million barrels a day by 1970. This level of production is 40% above this year. It implies a growth rate of 3.5% a year compounded.

Unless oil continues to be found at a high rate outside of Texas it seems that, because of its large excess productive capacity, Texas will recapture part of the domestic market in years to come. This assumes that import quotas continue to be restricted to 9% of domestic market demand. As of January 1, 1960, Texas had 36.5 billion of the 89.8 billion barrels of recoverable reserves in the United States. Its nearest rival had less than one-fourth the reserves that Texas has. Texas reserves were 41% of the national total. If Texas were producing a proportion of total demand equivalent to its 41% reserve position, it would be producing about 2,788,000 barrels a day instead of the 2,668,000 barrel allowable established for November.

Price cutting in the international petroleum market has led to efforts to form an organization of the principal foreign producers for the purpose of limiting total production and establishing production quotas for the participating nations. Iraq, Iran, Kuwait, Saudi Arabia, and Venezuela are the countries concerned. All have large reserves and each derives a large part of its national income from petroleum exports. In the past exporting nations have been unwilling to accept export quotas. Recent price breaks in the international market have created a threat that is forcing these countries toward such an agreement. The current solution is to consist of a limitation of production to about the current level and maintain the present posted price of oil.

Crude oil runs to stills in Texas declined for the second consecutive month in September. This conformed to a national pattern of reducing refinery operations in order to work off excessive inventories of refined products. The petroleum department of the Chase Manhattan Bank reports that nationally runs to stills were reduced 167,000 barrels a day. With inventories of refined products about 70 million barrels above desirable levels for this time of year, further reductions of runs are needed.

A recent report by the U. S. Bureau of Mines shows that the average price for natural gas in Texas in 1959 was 10.8 cents a thousand cubic feet at the well head. Of the four west south central states, Louisiana had the highest price, 15.4 cents a thousand cubic feet. Prices in Arkansas and Oklahoma were 8.7 cents and 10.0 cents respectively. The national average was 12.9 cents a thousand cubic feet. On the basis of heat energy content six thousand cubic feet of gas is equivalent to the one barrel of oil. Using the national average price, 77.4 cents worth of gas has the heat content of a \$3.00 barrel of oil. It is small wonder that markets for fuel oil are shrinking under the impact of competition from natural gas.

Ordinary life insurance sales in September rose 6% to 431% of 1947-49 after seasonal adjustment. At this level they were 6% above sales in September 1959. Sales of life insurance in the state to September 1960 have been above the corresponding 1959 period for seven of the nine months. The index has risen steadily throughout the 1950-1959 period from a monthly average of 134 in 1950 to 409 in 1959. In 1959 there were 4,138,000 Texas policyholders with \$15.5 million of ordinary life insurance in force. Only five states had more ordinary life insurance in force. Insurance companies are a potent factor in the economy, collecting and investing the savings of millions of policyholders. Their investments supply the needs of the homebuilding industry for mortgage money and the needs of business for long-term capital for plant investment. They held \$3.9 billion of mortgages on Texas property in 1959.

SELECTED BAROMETERS OF TEXAS BUSINESS

Index	(1947-49=100)			Percent change	
	Sept 1960	Aug 1960	Sept 1959	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
Texas business activity	229	239	225	— 4	+ 2
Miscellaneous freight					
carloadings in S.W. district ..	76	75	80	+ 1	— 5
Crude petroleum production	103*	105*	108	— 2	— 5
Crude oil runs to stills	143	145	137	— 1	+ 4
Total electric power					
consumption	457*	458r	413r	**	+ 11
Industrial power consumption ..	409*	401r	377r	+ 2	+ 8
Bank debits	273	285	269	— 5	+ 1
Ordinary life insurance sales	431	408	408	+ 6	+ 6
Total retail sales	229*	235r	229r	— 3	**
Durable-goods sales	160*	160r	157r	**	+ 2
Nondurable-goods sales	265*	275r	268r	— 4	— 1
Urban building permits issued ..	234	259	223	— 10	+ 5
Residential	205	201	277	+ 2	— 26
Nonresidential	272	352	183	— 23	+ 49
Average weekly earnings—					
manufacturing	175.8*	175.8r	177.9	**	— 1

Adjusted for seasonal variation, except annual averages and farm cash income.

* Preliminary.

r Revised.

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

Seasonally adjusted retail sales in Texas in September dropped to 229% of 1947-49. This volume of sales was 3% below August and equal to the September 1959 volume. The decrease was due entirely to a decline in the volume of sales of nondurable goods. Nationally retail sales experienced an August-September decline of 1% to \$18 billion. At this level they were 1% above September of 1959. In August of this year, Texas retail sales rose 2% while the national figure registered no increase from the preceding month.

Durable goods sales in September, seasonally adjusted, held at 160% of 1947-49 the same as in August. At this figure they were 2% above September 1959.

Nondurable goods sales dropped 4% in September to 265% of 1947-49 after taking seasonal factors into account. At this figure they were 1% below September 1959.

Sales of automobiles were responsible for the show of strength in the durable goods sector.

Weakness in apparel sales and in gasoline sales caused the drop in the nondurables sector.

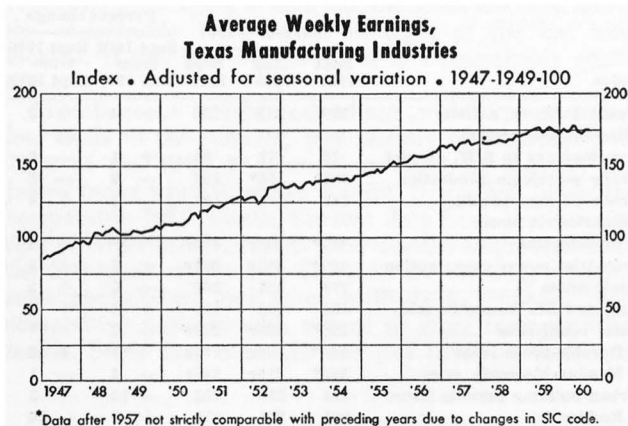
Merchants are expecting good sales for the holiday sea-

son. Personal income in September rose to a new high of \$408.4 billion in September, contrary to anticipations. Barring a severe drop in income in the final quarter, retail sales should be good. Increased emphasis on quality by consumers and the rapidly growing market of teenagers are strong positive factors in the retailing area. A large drop in personal income is unlikely.

Urban building permits issued in September dropped 10% below August, after allowance for seasonal factors was made. At 234% of the 1947-49 average, the index was 5% above September of last year. The month-to-month drop was caused by a decline in nonresidential permits.

Residential permits rose 2% in September—a gain that was offset by a 23% drop in nonresidential permits.

Nationally the number of nonfarm private housing starts declined to a seasonally adjusted rate of 1,054,000 in September. The rate was 1,276,000 in August. Applications for FHA commitments and requests for VA appraisals declined in September also.



This month the Bureau of Business Research begins publication of a new barometer of Texas economic activity, the Index of Average Weekly Earnings in Texas Manufacturing Industries. This index is influenced by changes in two things—average hours per worker in manufacturing and average hourly earnings. It is a good sensitive indicator of changes in wage payments in an important sector of the state's economy. The September value of the seasonally adjusted index was 176, unchanged from August and 1% below September of last year. The year-to-year decline was caused by a decline in average hours worked.

Total nonagricultural employment in Texas in September was 2,511,900, up slightly from August and 1% above September of 1959. The steel strike affected employment in September of last year only slightly for Lone Star Steel was not struck.

Insured unemployment in September dropped to 2.6% of covered employment. At this rate it was well below the national average of 4.0%. It was slightly above its value of 2.2% in September of 1959.

This analysis of the indicators of the health of Texas business reveals that, while the rolling readjustment continues to be with us, there is no reason for gloom. Employment is high; wages are high; oil production may stay at 8 days in December but it won't go lower; industrial power consumption is rising. The Texas economy has underlying strength that makes it strongly resistant to downward influences.

TEXAS BUSINESS REVIEW



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RICE:

TEXAS CROP IN SEARCH OF A CONSUMER

By PARLEY M. PRATT

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Texas is the largest producer of long grain rice in the United States. Since exports are weakening, the state has a vital stake in the domestic market. The competition for this market comes from Arkansas, California, and Louisiana, the other three rice-producing states. Since 1957 Texas has accounted for a higher proportion of the total United States production of rice than any other state; this could be a source of consistent profits to Texas rice producers provided a continuing market can be created.

With the beginning of World War II, the increase of exports caused the total distribution of U. S. rice to keep up with the total supply until about 1952. For the next three years exports were lower, but production increased at a much higher rate than ever before. The result was a large surplus accumulation. Since that time, exports of United States rice have fluctuated rather widely. United States agricultural policy embodied in government legislation and regulation has limited the extent to which producers can compete on the world market.

If our export market remains stable or cannot be maintained at a sufficient level to enable the industry to maintain a high level of production, then the question arises as to whether domestic consumption can be increased sufficiently to keep production at a high level.

There is another reason for focussing attention on domestic consumption of rice. The United States rice industry today is highly mechanized. The average farm size is very large, since rotation practices in most areas consist of planting rice on a given piece of land about every third year. Production has expanded to the extent that a high proportion each year must either be exported or enter our government surplus program. Even though acreage controls have reduced the domestic production from the 1953, 1954, and 1955 high levels of production, the annual rice crop in the United States is still over twice what it was just before World War II.

The per capita consumption of rice in the United States is just under 6 pounds which, though a relatively small figure, is a remarkably consistent one. Texans are average in this respect, consuming 4 to 6 pounds per capita.

Rice has fared well in comparison with other commodities which are close substitutes in basic diets. Indexes of the per capita civilian food consumption of potatoes, dry beans, corn, and wheat flour show that all have fluctuated during the period from 1935 to 1958. Corn and wheat showed greater increases during the World War II years than any of the other products. Rice dropped the lowest

during the period probably because of the huge exports to Asia and the fact that rice was not promoted for domestic use. However, of the four commodities, rice is the only one which is now back to the prewar level of consumption per capita. This becomes highly significant in comparison with the consumption per capita of corn, potatoes, and wheat, down about 40% to 45% from 50 years ago, while rice is at about the same level of consumption.

The fact that the per capita consumption of rice has not decreased along with consumption per capita of three of its main competitive foods probably does not have a simple explanation. It could mean that rice is not so susceptible to the inroads made on the other three by foods such as chicken, fresh fruits and vegetables, and seafood which can now be stored for longer periods of time and are available throughout the year. It may simply be that rice is less sensitive to price changes. The implication could be that rice is the best all-purpose food for those who are in the habit of eating it frequently.

Interest and concern about the domestic market for rice are best expressed by the Rice Research and Marketing Advisory Committee, composed of nine representatives of the rice industry, in a recent report in *The Rice Journal*.

The report recommends that more be learned about "... consumers' attitudes toward rice and rice products: Too little is known of the different factors which affect rice consumption to provide adequate direction to sales and promotional programs designed to expand the domestic market for rice and rice products. A nation-wide consumer survey of homemakers' attitudes and opinions toward rice should be initiated which will provide information on the factors associated with high and low consumption and with non-use of rice."

With this apparent need for information about consumer behavior patterns in mind, a consumer survey was made in the three metropolitan markets of Atlanta, Georgia; Dallas, Texas; and Denver, Colorado.

It was hoped that these three cities were representative of areas of above-average consumption (Atlanta), average (Denver). The object of the study was that of obtaining more information about the factors which influence the per capita consumption of rice, the frequency of serving cooked rice in the home, consumer buying habits and preferences, rice preparation and serving habits, consumer attitudes toward rice, consumer response to various advertising and promotional activities, how many families order rice when eating in restaurants, and various other factors. The results of the survey are used in this report so that the information provided may be useful in the marketing of rice.

Geographic location. Where rice has been grown or is

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now being grown extensively, the consumption per capita is higher than for the other parts of the nation. This same pattern is found in Asia. In the United States it may be partly associated with the difference in the ethnic composition of the population of rice growing areas and nonrice growing areas. This would provide only a partial explanation, however, since, as is shown under the discussion of ethnic factor, consumption per capita for a given ethnic group is higher in rice-growing areas than where rice is not grown.

Income. There is an inverse relationship between the level of income and consumption per capita. The one exception is that families with incomes of \$10,000 and over consumed more per capita than those with incomes between \$4,000 and \$10,000. There seems to be no logical explanation of this increase at the higher level of income in some parts of the country. Much of the differences may be attributed to the attitude consumers in different parts of the country have toward rice as a food. The consumer survey showed that the families in Atlanta liked rice much more than did the families in Denver. This may indicate that the high income families in Denver will discontinue using so much rice when their incomes increase substantially, whereas, the families in Atlanta may consume more rice at the higher levels of income to eat with the higher priced meats and seafoods which they could then afford.

Frequency of serving rice. There is a fairly close association between how well rice is liked and the frequency of its use in the homes of the consumers who participated in the survey. For all three cities combined, frequency is expressed in the following percentages: frequent 52.7%; moderate 35.9%, and infrequent 11.4%. In response to the question of how well rice was liked, 51.2% liked it very well; 40% liked it fairly well; and 8.8% did not like it very well; 74.2% of the frequent users liked rice very well, while 53.2% of the infrequent users did not like rice very well. This is another indication that the frequency of eating rice and the amount of rice eaten are the results of consumer attitude toward it rather than because it is either cheaper or dearer than other foods.

Ethnic factor. The combined statistics for all three cities showed an average consumption per capita of 88 pounds for the Oriental group, 17.7 pounds for the Negro sample, 7.5 for the Latin American group, and 5.2 for the White group. Even though Latin Americans are classed as White in our population statistics, it was felt that their consumption per capita and buying habits and preferences for rice would be different from the White racial group, and this justified their being listed separately.

Consumption per capita for each major group, except Orientals, varied in each city surveyed. As was expected, the Negroes in the South as represented by Atlanta consume more than the Negroes in the Southwest (Dallas) and a city farther north (Denver). The unexpected was that the Negroes in Denver consume as much per capita as do the Negroes in Dallas. This may be explained by the fact that Dallas is not a rice producing area and, therefore, should not necessarily have a higher consumption per capita for this ethnic group. The Latin Americans in Dallas reported eating more rice per capita than the Latin Americans in Denver. The difference was only 1.2 pounds but indicates that their eating habits further North and West may have responded to other influences.

Number of foods served with rice. The majority of families surveyed serve rice with relatively few foods.

About 66% of all families serve rice with four foods or even fewer. Consumption per capita very much above average is by families who serve rice with five or more other foods. As would be expected, this differs in the different cities when analyzed separately. In Atlanta 52% of the families eat rice with four or fewer other foods. In Dallas 81% and in Denver 65% of the families are in this category.

With a few exceptions, the general pattern is that those who eat rice with a greater variety of foods have a higher consumption per capita than those who eat it with only a limited number of other foods. The various promotional groups have advertised the use of rice with numerous other foods in hopes that this would encourage higher consumption per capita. They seem to be headed in the right direction. Of importance in relation to this factor is the fact that Latin Americans as a group eat rice with a greater variety of foods than do Negroes. Negroes as a group eat rice with a greater variety of foods than the White group surveyed.

Farm or city origin of adults. Adults who were reared on a farm, even though now living in a city, consume more rice per capita than do those who were reared in town or in a city. When the questionnaires were analyzed by origin of the housewife, those of farm origin consumed 9.4 pounds per capita as compared with 6.9 pounds for those of town or city origin. About the same pattern showed up when the questionnaires were analyzed by origin of the husband. Those of farm origin consumed 9.2 pounds per capita as compared with 6.9 pounds for those of town or city origin.

When housewife works outside the home. Housewives who work in addition to keeping house for their families serve more rice than do the housewives who do not work. Their families consume 13.4 pounds per capita as compared with only 7 pounds per capita for the families of the housewives who do not work outside the home. The same pattern is found when the three cities are examined separately; however, the difference is more pronounced in Denver than in the other two cities.

Since rice is so easy and fast to prepare and serve, the working housewife serves it more often and uses more of it than her counterpart who does not work outside the home. This probably is one of the reasons why the consumption of rice per capita has remained about the same while the consumption of some substitute foods which require greater preparation time have had a decreasing per capita consumption trend. With the trend toward a greater percentage of women in our working force, this could work to the advantage of the rice industry.

When there are children in the family. Households in which there are no small children consume more rice per capita than households in which there are small children. This varies with the different cities. Households in Atlanta with no small children had an average consumption per capita of 13 pounds as compared with 11.9 for the households with children. The difference in Dallas was greater. The situation in Denver was reversed with 4.9 pounds for families with no children and 5.6 pounds for families with children.

In general, small families have a higher consumption per capita than do medium size and large families. This is the result of higher consumption by adults than children, even though families in which there are children eat rice more often than families in which there are no children.

Most of the rice distributed in the United States is for

direct food use. The percentage used as direct food has declined since World War II due to increased use in food and industrial processing.

Summary and recommendations. The food value of rice is high in relation to the foods which are generally considered its substitutes. This probably accounts for part of the reason that the consumption per capita has stayed about the same for the past few decades while the per capita consumption of the substitute foods has gone down during the same period. Also, rice is a good basic food relatively easy to prepare and use and a versatile food which can be served in a great number of appetizing combinations.

The method of milling and cooking is important in obtaining the highest amount of nutrition from milled rice. Better milling methods and enrichment programs are probably in store for the future. More efficient cooking methods should result from the information given in advertisements and through various promotional activities carried on by the rice industry.

The demand for rice varies with the season. The low period falls during the summer months. There is some evidence that the consumption per capita for direct food use is due to habit, and the demand, therefore, would not be very responsive to price changes.

With very low consumption per capita in all parts of the United States, except for a few Southern and South Central states, a great deal of advertising and promoting of rice should be carried on to familiarize the housewives of the nation with this versatile product and get them into the habit of serving it.

The per capita consumption of rice is very closely associated with the frequency of serving cooked rice in the home. Both are influenced by geographic location, ethnic factor, family size, level of income, the number of foods with which rice is served, and whether the housewife works outside of the home.

The different buying habits and preferences as to brand and type of rice as shown for the various ethnic groups should be studied and provided for by the millers, wholesalers, and retailers doing business in areas where the different groups live. In some metropolitan areas, the advertising and promoting of rice can be effectively directed to the different major ethnic groups.

Since there is a relationship between the consumption per capita of rice and the number of foods with which it is served, the advertisement and promotion of rice should stress its versatility and the fact that it can be served with almost any other food. The housewives questioned gave a few suggestions for getting more persons to eat more rice. About two-thirds of the suggestions had to do with the need for more advertising and the promotion of more good recipes. The suggestion of "Need more good recipes" was mentioned most often, and "More advertising is needed" was second. Many housewives feel that there is not enough said about aspects such as: it is not fattening, it is excellent for most special diets, and in general it is a very healthful food. There is some brand advertising being done now, but more nonbrand advertising and promotion are needed. More large appetizing pictures in color should be used.

A minority of the housewives use the recipes and suggestions in newspaper food pages, advertisements, and on rice packages. Many of the housewives have their own recipes which they use for most of the rice which they

serve. Enough of them use the recipes and suggestions, however, that they should be continued to encourage housewives to use rice in more combinations and on more occasions.

With more and more time being spent by the housewife away from her kitchen either working at another job or in community, church, or other activities, there is a trend toward foods that are both easy to prepare and do not require much time to prepare. This aspect of rice should be promoted heavily since it fits the requirements very well.

Rice is basically an evening meal food. The few families who serve it for breakfast are sold on it as a substitute for other breakfast cereals. It has not been promoted adequately as a breakfast food in the form of cream of rice cereal, as a whole grain cereal served with cream or milk and sugar, nor as a side dish with meat or eggs. Other cereal grains are well known as good breakfast cereals, but very few families have tried cooked rice for breakfast.

The seasonal fluctuation in consumer use of rice could be decreased somewhat by promoting it for use in cool summer salads and desserts. It looks cool to begin with and is a neutral food which will combine with most or all of the summer salad and dessert combinations.

Since altogether too many housewives are washing away the natural and added vitamins in rice, a vigorous campaign should be made against this practice. This should be carried on by the members of the rice industry with any help they can get from state and federal authorities. Only then will a rice enrichment program make sense.

Comparatively few persons eat rice when eating out in restaurants. Most of those who eat rice in restaurants do so because it comes with the meal ordered. Relatively few menus in restaurants include rice. It is generally only included with special meals. Very few persons reported that they saw rice listed on the menu.

A program should be started to get rice into more restaurants to be listed as an alternative for potatoes or other side dishes, to be used with more combinations, and simply to have it available and listed for those who want rice. A little cooperation from the persons who make their living from the rice industry would help. Too many of them think that their only responsibility is that of getting the rice planted, harvested, milled, and processed. If each one asked for rice when eating in a restaurant and showed surprise and displeasure when it is not available, not listed on the menu, or when there is a reluctance to let the customer substitute rice for potatoes or other side dishes (which are probably more expensive), the restaurant operators would gradually begin to serve rice regularly. If the persons who make their living from growing, milling, or marketing rice do not support it as a food, they have no reason to complain that more of it does not sell.

Consumers, in general, are satisfied with the rice they are getting, they feel that it cooks well, that it looks good after it is cooked, and that it is a good basic food. The industry should continue to improve the rice put on the market and make sure that the housewife can get the rice which she likes best. If the per capita consumption of rice is to remain the same or to increase during this period of great developments and innovations in the field of food and food merchandising, the rice industry will not only have to keep pace with the changing times but also keep ahead of competing industries.

THE EUROPEAN ECONOMIC COMMUNITY

New Opportunities or Discrimination?

By HARRY G. COSTIS*

The European Economic Community (EEC), otherwise known as European Common Market, is a relatively new development in European economic history but one which will undoubtedly have a serious effect on world trade. In this article, the first of two parts, is presented a discussion of the background of tensions and needs that led to the formation of the E.E.C. Next month, the probable effects of the E.E.C. on United States foreign trade will be examined.

European economic and political integration has been the ultimate objective of European intellectuals and prominent statesmen, as well as nationalistic-minded dictators and militarists for many years. It has been manifested in political and religious alliances, war campaigns, commercial treaties, and trade agreements.

The effects of antagonism and enmity, however, that developed through the years among the European states prevented success and the dream of bringing together the European nations willing to give up part of their sovereignty for the cause of the unification of the Continent never came true.

After World War II, the economic and political environment seemed to have changed. Two external factors were mainly responsible for the emergence of the economic unification idea and precipitated the economic cooperation plan. First, increasing Communist subversion and aggression immediately after the war caused serious concern among the free states of Europe affecting their future survival. Economic disintegration as a result of the war, the low standard of living, serious monetary problems, and the overwhelmingly increasing disequilibrium in their balances of payments together with serious inflationary pressures were all factors which supplied arable soil for Communist subversion. And it was these pressures that led the European nations for the first time to implement methods of economic cooperation in an effort to alleviate their economic predicament and avoid the Communist danger.

The other external factor manifested itself when, at the beginning of 1948, the United States initiated the Marshall Plan. In his famous Harvard speech in 1947, Secretary of State Marshall invited the countries of Western Europe to formulate a cooperative economic program and Economic Commission Administration officials frequently suggested the establishment of a broad free market as a stimulus to recovery and as a step toward closer political and economic cooperation.

But the *sine qua non* for this broad free market and economic cooperation was intra-trade liberalization. The multi-

lateral trade system which Europe enjoyed in the past had broken down during the twenties owing to the split of Europe into small economic nationalistic states following the end of World War I and owing to economic and political developments during the interwar period.

The implementation of the Organization for European Economic Cooperation (OEEC) and of the European Payments Union as a requirement of U. S. foreign aid to Europe was a first-class opportunity for the re-establishment of that multilateral trade which Europeans were so seriously interested in. These institutions resulted in the emancipation of a large portion of Europe's trade from quotas and currency restrictions and led the way for further cooperative plans.

Many Europeans were not satisfied, however, with the favorable effects of trade liberalization and economic cooperation accomplished through the OEEC and the EPU institutions. It was felt that removal of tariffs and abolition of restrictions impeding free circulation of labor and capital were fundamental measures toward economic integration.

Important, too, were nationalist drives which motivated the Europeans toward closer economic cooperation, as they saw through it an easy way to political unity which could raise the prestige of declining European political influence in world affairs.

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

Source: Board of Governors of the Federal Reserve System

Account	Percent change*		
	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959	Sept 1959 from Aug 1959
TOTAL ASSETS	+ 2	+ 3	— 1
Loans and investments, less loans to banks and valuation reserves	**	+ 2	— 1
Loans, less loans to banks and valuation reserves	+ 1	+ 1	+ 1
Commercial, industrial, and agricultural loans†	+ 1	— 2	+ 1
Loans for purchasing or carrying securities	+ 7	+ 18	**
Real estate loans	**	— 8	+ 4
Other loans	**	+ 6	**
Total U. S. Government securities ..	— 1	+ 6	— 7
Treasury bills	— 33	+ 60	— 61
Treasury certificates of indebtedness	+ 12	— 20	— 6
Treasury notes and bonds	+ 1	+ 5	— 2
Other securities	— 1	— 2	+ 4
Loans to banks	— 25	+ 756	— 87
Reserves with Federal Reserve banks	+ 5	+ 6	— 6
Cash in vaults	+ 6	+ 8	+ 4
Balances with domestic banks	+ 13	— 2	+ 12
Other net assets	+ 10	+ 7	+ 6
TOTAL LIABILITIES	+ 2	+ 3	— 1
Total adjusted deposits	+ 1	+ 2	— 1
Demand deposits	— 1	— 2	**
Time deposits	+ 2	+ 11	— 1
U. S. Government deposits	+ 22	— 8	— 17
Total interbank deposits	+ 12	+ 4	**
Domestic banks	+ 12	+ 3	+ 1
Foreign banks	— 6	+ 14	— 13
Borrowings	— 42	+ 45	— 37
Other liabilities	+ 13	+ 41	+ 9
CAPITAL ACCOUNTS	**	+ 5	**

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

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

† Includes loans to nonbank financial institutions.

* Ph.D. candidate, College of Business Administration, The University of Texas.

REVENUE RECEIPTS OF THE STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Account	September 1–September 30		Percent change
	1960	1959	
TOTAL	\$ 78,730,983	\$ 84,721,501	— 7
Ad valorem, inheritance, and poll taxes	1,211,087	896,544	+35
Natural and casinghead gas production taxes	4,520,397	3,848,878	+17
Gas severance beneficiary tax	4,448	0	.....
Crude oil production taxes	10,256,199	9,031,462	+14
Other gross receipts and production taxes	304,540	457,779	—33
Insurance companies and other occupation taxes	38,440	19,278	+73
Motor fuel taxes (net)	16,168,164	15,914,549	+ 2
Cigarette tax and licenses	7,867,982	4,326,860	+82
Alcoholic beverage taxes and licenses	3,639,517	4,177,325	—13
Automobile and other sales taxes	3,118,606	1,722,583	+81
All licenses and fees	4,302,781	3,832,947	+12
Franchise taxes	52,165	4,410,306	—99
Mineral leases, land sales, rentals, and bonuses	617,290	728,860	—15
Oil and gas royalties	1,623,239	2,251,160	—28
Interest earned	2,200,656	2,117,271	+ 4
Unclassified receipts	1,137,533	1,221,410	— 7
Other miscellaneous revenue	1,356,916	1,166,076	+16
Federal aid for highways	6,108,121	15,634,120	—61
Federal aid for public welfare	10,089,039	9,832,933	+ 3
Other federal aid	4,059,260	3,084,446	+32
Donations and grants	59,603	46,664	+28

The Benelux countries (Belgium, the Netherlands, Luxembourg) were the first to move toward economic integration by the implementation of the "Benelux" customs union. Early in 1952 a team of federalists which was behind every movement leading toward economic integration (Robert Schuman, Jean Monnet, Henri Paul Spaak, Paul Van Zeeland) introduced the famous Schuman plan. This plan provided for integration of the coal and steel industries of six central European countries (France, Germany, the Benelux, and Italy) putting into effect the European Coal and Steel Community (ECSC).

Efforts were begun in 1954 for the creation of the European Defense Community which aimed at the integration of the military forces of the members of ECSC. But the ground was not yet ready for such a bold plan, and patriotic pride defeated the plan as the French parliament did not ratify the statute. The relics of antagonism and enmity have not completely disappeared from the minds of most Europeans. The average European has not as yet accepted wholeheartedly the idea of European integration.

The favorable effects that the ECSC had upon steel and coal production and trade and the continuing efforts of the federalists toward complete economic integration precipitated the creation of the European Economic Community (EEC). In June 1955 the six foreign ministers of the ECSC met in Messina, Sicily to discuss the implementation of the European Atomic Energy Community (Euratom).

The plan for the creation of the EEC was then introduced and after prolonged negotiations became a treaty, signed in Rome by the six ministers on March 25, 1957. It was given almost one year to be ratified by the respective parliaments and was put into effect on January 1, 1958, with the first 10% tariff reduction assumed on January 1, 1959.

The commitments the governments have undertaken under the Treaty can be summarized as follows (as taken from *Industry and Labor*, published by the International Labor Office, Geneva, September 1957) :

- Gradual elimination of tariff on intracommunity trade over a period of 12 years in three successive stages.
- Gradual abolition of existing quotas and quantitative trade restrictions between the members and application of a global quota system.
- Gradual elimination of restrictions on the movement of capital, services, and labor within the Community.
- Freedom of establishing, entering in and carrying out activities as well as setting up and managing commercial undertakings within the Community.
- Establishment of a common tariff on goods coming from outside the Community.
- Development of a common anticartel policy and elimination of business restrictions which impede trade.
- Association of overseas dependent territories with the Community.
- Creation of a Social Fund to promote employment facilities and facilitate occupational mobility of workers.
- Creation of the European Investment Bank with a capital of \$1 billion for the financing of development projects of underdeveloped regions and modernization or conversion of undertakings rendered necessary by the progressive establishment of the Common Market.
- Integration of transport media and prescription of rules for the admission of nonresident carriers to national services with a member state.

Many of the terms of the treaty are bold and at other times would seem unrealistic. However, the bringing together of France and Germany—traditional enemies—is interpreted as an indication that Europeans are much more conscious of the pressing requirements of cooperation today than they have ever been before. It is hoped that the Common Market arrangement will produce a workable solution to the complex economic problems of modern Europe and that it will be extended to embrace the other countries of OEEC. At the same time it creates problems for the outside world.

FEDERAL INTERNAL REVENUE COLLECTIONS

Source: Office of the Collector, Internal Revenue Service, Treasury Dept.

District	July 1–September 30		Percent change
	1960	1959	
	(thousands of dollars)		
TEXAS	\$664,670,164	\$640,274,162	+ 4
Income	262,586,416	269,026,728	— 2
Employment	3,519,040	3,260,036	+ 8
Withholding	340,463,991	311,783,614	+ 9
Other	58,100,717	56,203,784	+ 3
SOUTHERN DISTRICT	342,127,121	323,517,337	+ 6
Income	131,257,729	131,386,892	**
Employment	48,537	21,769	+123
Withholding	174,026,920	157,740,135	+ 10
Other	36,798,935	34,368,541	+ 7
NORTHERN DISTRICT	322,543,043	316,756,825	+ 2
Income	121,328,687	137,639,836	— 5
Employment	3,470,503	3,238,267	+ 7
Withholding	166,437,071	154,043,479	+ 8
Other	21,306,772	21,836,243	— 2

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

GROWTH IN TEXAS RETAIL TRADE 1954-1958

By IDA M. LAMBETH

The growth of retail trade volume in Texas more than kept pace with the national trend from 1954 through 1958. In 1958 Texas retail volume was 19% greater than in 1954; nationally, the rise was 17%. The state had a total of 99,093 retail establishments with an annual sales volume of \$10,792,599,000. Texas retail establishments provided jobs for 435,029 full-time employees.

Recently completed and released, this data has been published by the U. S. Bureau of the Census. The 1958 Census of Business shows that Texas compared favorably with the United States in all branches of retail trade.

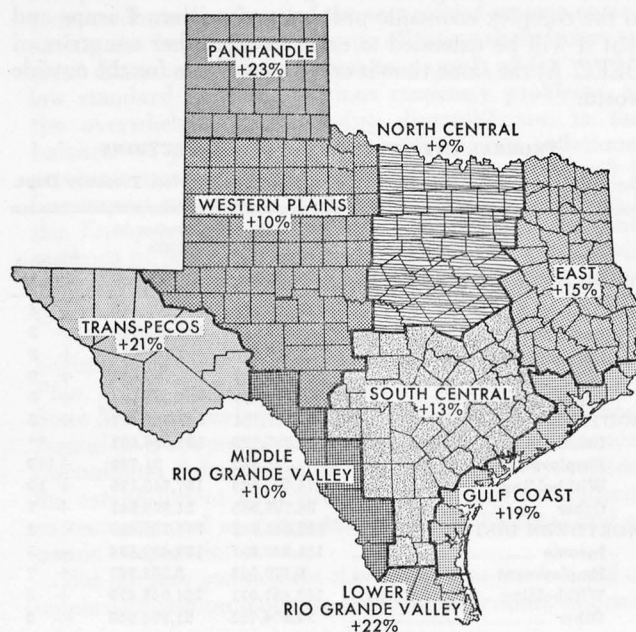
Food stores were the biggest retail business in 1958 with 18,355 establishments and sales volume of \$2,601,591,000—a volume rise of 26% over 1954. Food stores in the United States recorded a sales increase of 23% over 1954.

In 1958 there were 7,106 automotive stores, and automotive sales were second in volume. Sales volume reached \$2,083,119,000, a rise of 8% over 1954. National automotive sales rose 6% in the 1954-1958 period.

General merchandise stores, with 5,090 establishments in 1958, rang up the third largest sales in the state to the tune of \$1,172,663,000. This sales volume was 23% greater than in 1954, compared with a national rise of 22%.

Gasoline and service stations took fourth place. In 1958 there were 14,902 service stations in the state with annual sales volume rising to \$879,752,000, or 37% greater than in 1954. Nationally, service stations reported a 32% sales rise over 1954.

PERCENT CHANGES OF TEXAS RETAIL TRADE BY DISTRICTS, 1954-1958



Based on data from 1958 Census of Business; U.S. Bureau of Census.

ESTIMATES OF TOTAL RETAIL SALES

Type of store	Sept 1960 (millions of dollars)	Jan-Sept 1960 (millions of dollars)	Percent change		
			Sept 1960 from Aug 1960	Sept 1960 from Sept 1959	Jan-Sept 1960 from Jan-Sept 1959
TOTAL	\$1,189.2	\$10,631.8	— 3	**	— 2
Durable goods*	272.3	2,613.1	— 8	+ 2	— 8
Nondurable goods	916.9	8,018.7	— 1	— 1	+ 1

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

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

The 6,063 lumber, building material, and hardware stores throughout the state stayed abreast of the national 1954-1958 rise of 9% in volume with 1958 sales of \$842,858,000.

The 5,246 apparel stores throughout the state rose 20% with sales volume of \$624,215,000, while the national rise was 13%.

Eating and drinking places, while the second most numerous in the state with 17,124 establishments, were in seventh place by annual sales volume of \$594,744,000 in 1958. Texas' eating and drinking places rose 17% in the 1954-1958 period, while nationally the rise was 16%.

Furniture and household appliance stores, with 5,363 establishments in the state, rose 14% over 1954 annual sales volume with sales of \$494,474,000, outstripping the national rise by 2%.

Drug stores numbered 3,256 in Texas in 1958. The annual sales volume that year was \$376,178,000, or a gain of 32% over 1954. The national sales rise of drug stores was 29% in the 1954-1958 period.

The 13,033 retail establishments in the all-other cate-

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

Classification	Number of reporting stores	Ratio of credit sales to net sales*		Ratio of collections to outstandings†	
		Sept 1960	Sept 1959	Sept 1960	Sept 1959
ALL STORES	58	71.9	72.5	34.3	35.5
BY CITIES					
Austin	5	65.7	64.4	45.4	46.4
Cleburne	3	50.9	51.0	42.8	44.6
Dallas	6	79.9	79.1	35.4	37.8
El Paso	3	58.7	58.7	25.1	26.1
Fort Worth	3	68.6	69.2	30.4	29.1
Galveston	3	65.4	64.1	41.5	42.0
Houston	4	78.3	83.0	39.0	39.7
San Antonio	4	75.3	74.5	34.1	37.8
Waco	4	61.0	59.2	38.5	40.7
BY TYPE OF STORE					
Department stores					
(over \$1 million)	19	73.2	74.3	34.0	34.8
Department stores					
(under \$1 million)	17	49.3	47.6	36.2	36.5
Dry goods and apparel stores	4	77.1	77.2	52.9	53.6
Women's specialty shops	10	71.3	69.8	33.2	36.8
Men's clothing stores	8	67.4	64.9	39.3	40.5
BY VOLUME OF NET SALES					
\$1,500,000 and over	23	73.4	74.0	34.1	35.4
\$500,000 to \$1,500,000	14	58.1	57.8	39.3	39.4
\$250,000 to \$500,000	11	47.8	47.6	35.5	34.8
Less than \$250,000	10	52.4	49.6	34.5	35.7

* Credit sales divided by net sales.

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

gory, including florists, jewelry stores, liquor stores, and others, reported an annual sales volume of \$890,495,000 in 1958, or 21% over 1954 annual sales. The national sales rise was 18%. In this category Texas liquor stores were the only retail business outstripped by national figures. The 2,264 Texas liquor stores made total sales of \$189,844,000 in 1958, a rise of 23% over 1954, while nation-wide the rise of liquor stores' sales was 32%.

Nonstore retailers, mail-order houses, totaled 3,556 in the state in 1958. The total 1958 sales volume for this group was \$232,470,000, or 25% more than in 1954. The nation's nonstore retailers registered a gain of 20% over 1954.

Though not a part of retail business as such, the receipts of selected services are an important part of our economy and a good indicator of economic health. In this area of business, too, Texas evidenced a growing economy. The 1958 volume of selected services receipts from 56,435 establishments was \$1,388,147,000, or a rise of 38% over 1954.

Hotels, motels, tourist courts, and camps—4,436 of them throughout the state—had total receipts of \$162,770,000 in 1958, a rise of 24% over 1954.

Personal services, including laundries, cleaners, beauty and barber shops, photo studios, shoe repair shops, fun-

eral service, garment alteration and storage, and other personal services, had 23,269 establishments. In 1958 the total receipts for this group reached \$384,447,000, or a 34% gain over 1954.

Miscellaneous business services, including advertising, credit and collection bureaus, stenographic services, services to dwellings and other buildings, news syndicates, and private employment agencies, numbered 5,709 in Texas in 1958. Their annual receipts in 1958 jumped to \$302,119,000 for an 86% rise over 1954.

Automotive services, including auto repair shops, parking, auto and truck rental and other services, had receipts totaling \$229,082,000 from their 8,867 establishments. This group of services registered a gain of 78% in the 1954-1958 period.

Miscellaneous repair services, including electrical repair shops, watch and jewelry repair, furniture repair and reupholstery, and other repair services, grossed \$152,767,000 in 1958 for a rise of 21% over 1954. There were 9,785 such shops in Texas in 1958 compared with 7,475 in 1954.

Motion pictures, including theatres, drive-ins, and production and distribution services, lost 75 establishments during the 1954-1958 period, and receipts fell 19% to \$89,528,000 in 1958. This was the only group showing a loss in receipt volume.

POSTAL RECEIPTS

City	Percent change				
	Aug 20- Sept 16 1960	July 23- Aug 19 1960	Aug 22- Sept 18 1959	Aug 20- Sept 16 1960 from July 23- Aug 19 1960	Aug 20- Sept 16 1960 from Aug 22- Sept 18 1959
Brady	\$ 3,700	\$ 4,266	\$ 4,047	— 13	— 9
Brownfield	8,074	8,410	8,115	— 4	— 1
Cameron	5,116	3,480	6,025	+ 47	— 15
Childress	4,606	4,582	4,602	+ 1	**
Coleman	5,400	6,196	6,090	— 13	— 11
Crystal City	3,253	2,463	2,958	+ 32	+ 10
Cuero	5,957	5,549	5,047	+ 7	+ 18
Eagle Pass	5,707	5,665	5,704	+ 1	**
Edna	6,431	3,779	4,217	+ 70	+ 53
El Campo	9,629	9,011	8,736	+ 7	+ 10
Gainesville	11,432	12,666	11,375	— 10	+ 1
Gatesville	3,053	4,206	3,395	— 27	— 10
Graham	8,214	6,731	7,673	+ 22	+ 7
Granbury	1,938	3,345	3,338	— 42	— 42
Hale Center	1,917	1,766	1,460	+ 9	+ 31
Hillsboro	6,694	5,641	6,484	+ 19	+ 3
Huntsville	7,904	9,437	7,940	— 16	**
Kenedy	4,056	3,532	3,392	+ 15	+ 20
Kermit	7,513	6,339	7,033	+ 19	+ 6
Kerrville	10,793	11,968	10,672	— 10	+ 1
Kingsville	17,461	12,339	13,004	+ 42	+ 34
Kirbyville	3,132	3,128	3,024	**	+ 4
LaGrange	4,398	4,228	4,056	+ 4	+ 8
Levelland	7,137	6,510	6,895	+ 10	+ 4
Littlefield	6,383	5,060	4,573	+ 26	+ 40
McCamey	6,592	4,565	2,840	+ 44	+132
Marlin	4,971	5,954	6,972	— 17	— 29
Navasota	5,700	3,974	4,141	+ 43	+ 38
Pecos	11,039	10,765	12,750	+ 3	— 13
Pittsburg	2,894	2,887	3,410	**	— 15
Sinton	7,864	11,836	8,609	— 34	— 9
Taft	2,314	3,126	2,526	— 26	— 8
Terrell	6,813	7,449	6,895	— 9	— 1
Waxahachie	9,533	11,644	11,182	— 18	— 15
Yoakum	9,888	8,286	9,650	+ 19	+ 2

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

RETAIL SALES TRENDS BY KINDS OF BUSINESS

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

		Percent change			
Kind of business	Number of reporting establishments	Normal seasonal*	Actual		
		Sept from Aug	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959	Jan-Sept 1960 from Jan-Sept 1959
DURABLE GOODS					
Automotive stores†	230	— 10	— 7	+ 7	— 8
Furniture and household appliance stores†	161	— 10	— 11	— 6	— 3
Lumber, building material, and hardware stores..	279	— 5	— 11	— 13	— 13
NONDURABLE GOODS					
Apparel stores	212	+ 11	— 3	— 8	— 1
Drug stores	194	— 1	**	— 2	+ 2
Eating and drinking places..	86	— 5	— 5	+ 2	— 2
Food stores	307	+ 1	+ 5	+ 6	+ 4
Gasoline and service stations..	245	— 2	— 5	+ 4	+ 2
General merchandise stores†	184	+ 2	— 6	— 13	— 3
Other retail stores†	214	+ 4	**	— 2	— 2

* Average seasonal change from preceding month to current month.

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

† Includes kinds of business other than classification listed.

The Bureau of the Census has released the recently compiled data of the 1958 Census of Business. This information is readily comparable to the 1954 Census and this comparison provides the material for the above article which is published this month in lieu of the regular monthly analysis of retail trade. The statistics on retail trade in Texas for September 1960 may be found in the tables published in this issue.

Nonresidential Permits Set September Record; Residential Continues to Level Off

By CHARLES O. BETTINGER

Total construction in September inched upward once again over the corresponding month last year. Dollar authorizations amounted to \$89,522,000—a 5% gain over September 1959. The homebuilding slump has yet failed to put a damper on aggregate permits let as nonresidential activity remains strong in the current “rags or riches” building situation.

After removal of seasonal factors, the index of total construction stood at 234% of the 1947-49 average. The residential index rose to 201 in this period, showing a 2% gain over August after seasonal adjustment.

New per capita building data for the January-September period, using the 1960 Census as a base, again show Houston as the leader among the major Texas cities. Per capita authorizations in Houston amounted to \$246.24, followed by Austin and Dallas with \$187.15 and \$148.95, respectively.

With the continued advance in September, year-to-date data show total lets now are within 5% of the comparable period last year. If record-breaking rates of nonresidential authorizations continue in the fourth quarter, the record set in 1959 could be exceeded.

Locally, Houston was the center of Texas construction with that city accounting for almost one-third of total permits let in Texas (\$32,413,880), excluding the surrounding suburbs which fall under the auspices of other incorporated cities.

Nonresidential—Three months away from a new annual high—that’s the story of nonresidential construction in September as it again boosts up total construction to the tune of \$45,385,000. Showing no slack in the torrid onslaught on all existing monthly records, September’s 49% increase over September 1959 closed more of the gap in making 1960 a memorable year in nonresidential building. January through September permits were 26% above the first nine months of 1959. Highlighting the nonresidential classification and the industrial buildings group was a \$12 million petrochemical plant permit for Sinclair-Kopper of Houston. Six million dollars of schools construction in Houston gave educational building an able-bodied assist.

In the cumulative comparisons (January-September 1960 from January-September 1959), nearly all categories held substantial increases over last year: works and utilities (+74%), institutional buildings (+72%), office-bank buildings (+42%), churches (+32%), and industrial buildings (+14%).

Residential—Why and when? Why has the homebuilding industry taken such a prolonged nosedive; and when will the recovery begin? A new note of urgency is being placed upon these questions as government economists seek new solutions to end the drag in new home construction. The 1960 results of the industry’s development are now under close surveillance to determine the nature of recent actions and their effects upon the potential of 1961. Many feel that the fourth quarter will contain the answers they seek.

The Texas pattern in residential construction followed the

national picture again in September after the brief, erratic spurt in August. All indications are that activity has reached the bottom and is waiting for the necessary “shot in the arm” to bounce back.

With the proper waiting period, this stimulus has been administered in the form of lowered interest rates and a greater availability of money in the mortgage market. Earliest hope of significant changes in the industry as a result of changes in federal policies in finance would be in late November or early December. Those expecting an immediate upturn as interest rates were lowered were greatly disappointed. Just as tight money policies were slow in taking a toll in the industry’s progress when they were initiated, the same lag exists after the termination of these stringent measures.



Government Financing—An important note in the national picture is the fact that either new home financing is undergoing a major characteristic change or federal financing is responsible for much of the drop in residential activity. Relative changes between conventional mortgage activity and those sponsored by the government lend support to this assertion. In the first seven months of 1960, the downswing of the industry, conventional mortgage liens fell only 4% from 1960, much less severe than the decrease in total activity. On the other hand, however, VA and FHA liens dropped sharply in this period (29% and 30%, respectively). Government-assisted new housing represents only 22% of the total.

With these facts in front of them, there is little wonder why Washington economists are taking a second look at the result of their former policies before tackling the problems of 1961. Revitalization of government lending in the past has pushed homebuilding to the boom proportions of 1950 and 1955. Current attempts to stimulate this activity, such as lower mortgage rates and broader coverage under FHA specifications and requirements, could take hold early in 1961 and reach record heights by the end of next year. Failure to make such a comeback would indicate that supply and demand readjustment was not complete.

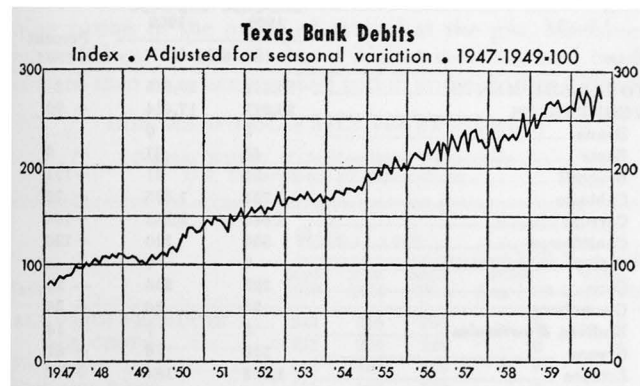
Accusations have been made in reference to the recent strictness of Federal Housing Authority officials toward new home mortgage applications as a cause in the drop in government financing. A closer analysis of the situation would reveal another side to the story. The true source of difficulty would probably be found in higher costs rather than tighter screening of candidates. As FHA officials are quick to point out, repossessions are occurring at abnormally high rates as many of those who have gone ahead and decided to purchase a new home without regard to the

higher costs in relation to income find themselves financially out on a limb.

In an attempt to maintain support for the FHA program, Congress approved another extension which greatly affects home remodeling and alterations. Providing federal lending for home improvements, this act has been used to improve 23 million homes in the 26-year history of its existence.

Politically, watch these areas of campaign promises: public housing (possibly including one-family homes), school construction, increased action under the urban renewal plan, and additional stimulants for the homebuilding industry.

Income vs. Increasing Home Costs—September's average home cost of authorized construction was \$11,755, 4% more than August, indicating that overpricing may



be a serious factor in depressing buying activity. The group most affected by higher prices are the younger families with lower incomes. Many leading experts believe that the numerous "extras" that most buyers want are preventing them from buying the house as the costs skyrocket past their income.

The results of these ambitious desires often cause couples to move into apartment units which furnish the luxurious mode of living which they want, and consequently they never accumulate the necessary funds for a move into a house of their own. Additional implications are imposed upon the construction industry as custom building becomes more and more prevalent, ending much of the mass, speculative building which had been true in the previous seller's market for houses.

Those builders who have not felt the pinch as drastically as others claim that the prime problem is "value starvation." The key to their success, they say, is to give the buyer "top quality at a reasonable price."

ESTIMATED VALUE OF BUILDING AUTHORIZED

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

Classification	Sept 1960	Jan-Sept		Percent change
	(thousands of dollars)			Jan-Sept 1960 from Jan-Sept 1959
ALL PERMITS	\$101,067	\$929,835	\$980,357	— 5
New construction	89,522	830,604	880,030	— 6
Residential (housekeeping) ..	44,137	453,358	580,104	— 22
One-family dwellings	40,699	421,455	542,572	— 22
Multiple-family dwellings	3,438	31,903	37,532	— 15
Nonresidential buildings ..	45,385	377,245	299,926	+ 26
Nonhousekeeping buildings (residential)	446	10,473	14,582	— 28
Amusement buildings	409	6,460	9,840	— 34
Churches	3,742	33,362	25,183	+ 32
Industrial buildings	13,836	28,774	25,258	+ 14
Garages (commercial and private)	420	8,100	4,164	+ 95
Service stations	942	7,503	7,024	+ 7
Institutional buildings ..	1,044	29,790	17,809	+ 72
Office-bank buildings	4,511	71,646	50,609	+ 42
Works and utilities	1,038	15,255	8,761	+ 74
Educational buildings	11,140	70,789	53,832	+ 31
Stores and mercantile buildings	5,628	76,078	70,594	+ 8
Other buildings and structures	2,229	19,015	12,770	+ 49
Additions, alterations, and repairs	11,545	99,232	100,327	— 1
METROPOLITAN vs. NON-METROPOLITAN†				
Total metropolitan	84,690	731,516	725,788	+ 1
Central cities	73,217	628,648	621,913	+ 1
Outside central cities	11,473	102,868	103,875	— 1
Total nonmetropolitan	16,377	198,319	254,569	— 22
10,000 to 50,000 population	10,217	128,578	178,980	— 28
Less than 10,000 population	6,160	69,741	75,589	— 8

† As defined in 1950 census.

In a semiannual report by National Homes Corporation, an analysis is made of the tight-money policy in relation to the income of home buyers to the effect that recent high mortgage rates (causing an increase of as much as \$10 a month) raise the required monthly income of the borrower \$50 higher than in 1959 (due to the normal credit requirements of a 5 to 1 ratio of income to payments). The net result of higher interest rates alone, it states, has priced many families out of the market. Whether it be a more expensive home, costlier financing, or higher construction costs, the problem of personal income and home costs cannot be overlooked without serious consequences.

Studies in Banking and Finance No. 4

EQUIPMENT REPLACEMENT POLICIES AMONG SELECTED TEXAS BANKS

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\$1.50 from the Bureau of Business Research, The University of Texas

COTTON IN TRANSITION

By FREDOLIN J. KADERLI

Cotton is the most valuable cash crop for Texas farmers. This continues to be true despite decreasing acreages and the vagaries of weather. It is partially accounted for by increasing yields per acre and the shifting of cotton production to those areas in the state where conditions are most favorable for cotton growing. Cotton farming is a great deal different today from what it was thirty years ago. Availability of water for irrigation in selected areas of the state, increased mechanization, the trend toward larger farms, and governmental policies are all responsible for the remarkable revolution that has occurred in recent decades.

Principal among the changes that have occurred is the shifting of cotton production to those areas where water is available for irrigation. It has been estimated that there are approximately 7,000,000 acres of land in Texas under irrigation and about 2,173,000 of these acres are planted in cotton. The availability of water has been one of the main factors contributing to the large increased production in the High Plains area and the Lower Rio Grande Valley. It is, perhaps, the principal reason for the large acreages under cultivation in the Trans-Pecos area.

The principal source of water in the High Plains area is ground water obtained from wells. The main source of water in the Lower Rio Grande Valley is, of course, the surface waters of the Rio Grande. In the Pecos Valley-Trans-Pecos area, approximately a third of the water requirements is pumped from ground water sources and the remaining two-thirds is obtained from surface waters. Widely scattered areas on the Rio Grande Plain utilize water obtained from underground sources.

In addition to the shift in areas of production, the trend toward larger farms is also of major significance in the cotton revolution. The average size farm in Texas has increased from 367 acres in 1945 to 498 acres in 1954. Because of increased mechanization and the trend toward larger farms, the amount of capital needed to operate farms has increased substantially. Thus, it is becoming increasingly difficult for the small farmer to operate. He simply cannot afford \$17,000 for a mechanical picker and he is hardly in a position to go to Mexico to import "bracero" labor. And the small cotton producer who is working land that is already too small for a good income has been seriously affected by the governmental acreage restrictions on cotton.

Another very significant change that has kept cotton up to date is the increased mechanization of harvesting. It was estimated that a third of the entire 1959 crop was harvested by mechanical means. An even larger share of the 1960 crop was undoubtedly gathered by mechanical pickers and strippers. For instance, cotton ginneries in the Lower Rio Grande Valley estimated that 59% of the 1960 crop was harvested by machine compared to 30% in 1959.

There are a number of reasons for the increasing trend in the mechanization of cotton harvesting but the principal ones are the instability of the farm labor supply and the lower costs of a "mechanical" harvest. Still, the development and acceptance of mechanical harvesters have been

slow, principally because of the cotton plant itself and the widely varying climatic conditions under which it is grown. The height of plants will vary from less than a foot to more than six feet, depending on the area in which it is grown. Two types of cotton harvesting machines, the stripper type and the picker type, are used to gather the different varieties of cotton.

The increased mechanization of cotton farming has had important implications for different persons in various segments of the economy. To the farmer who can effectively utilize cotton harvesters, it means lower production costs.

RAIL SHIPMENTS OF FRUIT AND VEGETABLES

Source: Compiled from reports received from Agricultural Marketing Service, U. S. Department of Agriculture.

Item	Jan-Sept 1960	Jan-Sept 1959	Percent change
	(in carloads)		
TOTAL SHIPMENTS	24,866	20,065	+ 24
VEGETABLES	22,921	17,644	+ 30
Beans	8	0	.....
Beets	40	37	+ 8
Broccoli	91	31	+194
Cabbage	2,751	1,595	+ 72
Carrots	4,645	2,232	+108
Cauliflower	330	140	+136
Celery	7	0	.....
Corn	223	296	- 25
Cucumbers	36	26	+ 38
Endives & escaroles	6	7	- 14
Greens	119	76	+ 57
Lettuce	1,312	184	+613
Mixed vegetables	4,746	2,986	+ 62
Onions	5,174	3,961	+ 31
Peppers	117	340	- 66
Potatoes	1,249	1,346	- 7
Spinach	1,082	1,192	- 9
Tomatoes	981	3,235	- 70
Turnips & rutabagas	9	10	- 10
FRUIT	1,945	2,421	- 20
Cantaloupes	410	415	- 1
Grapefruit	675	247	+173
Honeydews	242	343	- 29
Mixed citrus	420	168	+150
Mixed melons	2	9	- 78
Oranges	69	54	+ 28
Persian melons	0	20	-100
Plums & prunes	8	16	- 50
Strawberries	9	3	+200
Tangerines	2	12	- 83
Watermelons	108	1,184	- 90

To the implement dealers, it means more sales of equipment and repair services. But to the migratory agricultural worker, it means less work and, in some instances, a serious social problem. The social problem arises, especially, in those communities where the seasonal migratory worker maintains his permanent residence. In many instances, it means that he is thrown on the county tax relief rolls and creates a burden on the other citizens of the community in which he resides.

Mechanical harvesters have also been a contributing factor to other lesser problems. One of these is that quicker harvesting causes a more than usual burden on cotton gins. These gins have always been under pressure at harvest time to get the cotton ginned as quickly as possible but the faster harvest places them under even more pressure. Growers are anxious to get their equipment and personnel back to the fields. During the season's peak, growers

trailers often are waiting in line six to eight hours a day at a critical time when they are needed in the fields.

A partial solution to this problem would be the use of the newly developed one-bale cotton containers. These basket-like bins permit harvesting to proceed independently of ginning and are so designed that they may be constructed on the farm. They are quite inexpensive, can be built by unskilled labor, and should last for several years. The least expensive ones are constructed with 2- \times -4-inch lumber framing covered with 3/4-inch hardware cloth or chicken wire. Enough seed cotton for a uniform 500-pound bale can be loaded into a 4- \times -6- \times -7-foot container without excessive tramping or loss of quality. There is little loss of quality if regular conveyances are used, but it is often hard to divide large loads into uniform size bales.

These containers might also be used as a partial solution to another practice which needs revision, that of ginning cotton in the order of arrival at the gin. Machine-harvested cotton usually has a higher moisture and trash content than does hand-picked cotton and different settings

areas of the state (discussed earlier—to those areas where irrigation is possible). These changes probably would have occurred eventually without this governmental intervention but the policies followed by the Federal government undoubtedly hastened the change.

Scientists of the USDA's Agricultural Research Service and Experiment Stations are constantly at work to improve cotton plants in order that growers may realize higher yields from their crops. New developments and techniques are being brought to light, as for example, the recent discovery that deep-plowing as soon as possible after harvesting may be a solution to the problem of root rot. The USDA also hints that there may be a cotton in the future that bugs won't eat. The Department says that cotton plants bred for low nectar production prove less attractive to insects. In their most recent experiments, breeders in cooperation with the USDA, have developed a nectarless cotton of boll size and staple length nearly equal to popular upland varieties. While scientists do not expect to obtain complete control of cotton insects through breeding, they do expect that the new sections, together with better control methods, will give the producer better odds in the fight against insect damage.

INDEXES OF PRICES RECEIVED BY FARMERS

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

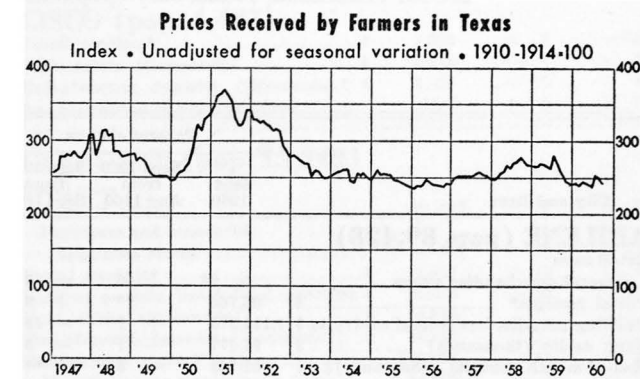
Index	(1910-14=100)			Percent change	
	Sept 1960	Aug 1960	Sept 1959	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
ALL FARM PRODUCTS	243	250	260	- 3	- 7
ALL CROPS	221	235	222	- 6	**
Food grains	197	192	199	+ 3	- 1
Feed grain & hay	111	113	110	- 2	+ 1
Potatoes and sweet potatoes...	236	255	157	- 7	+ 50
Fruit	217	218	257	**	- 16
Truck crops	251	257	217	- 2	+ 16
Cotton	249	273	256	- 9	- 3
Oil-bearing crops	216	221	206	- 2	+ 5
LIVESTOCK AND PRODUCTS	279	275	321	+ 1	- 13
Meat animals	337	336	417	**	- 19
Dairy products	278	269	276	+ 3	+ 1
Poultry and eggs	191	177	172	+ 8	+ 11
Wool	246	257	291	- 4	- 15

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

of gin machinery and drying equipment are required for each type. Since a modern gin can turn out a bale of cotton every six to ten minutes, there simply isn't enough time to make the needed adjustments on an individual basis.

Actually, this practice has alternative solutions. One is for growers and ginners to get together so that the seed cotton is grouped according to the method of harvest or moisture content. Experience has shown that trucks, trailers, and drivers are usually back in the field under the grouping plan as soon as under the old system of ginning on a first-come basis. If growers are using the basket-like containers described above, there is not a problem as the cotton is grouped and then ginned without the constant readjustment of ginning and drying machinery.

To a large extent, governmental policies have also influenced cotton production in the state of Texas. The Federal government has done this by guaranteeing cotton farmers a certain percentage of calculated parity (which in turn led to the need for controlling supply), and by subsidizing those who followed certain specified soil-improvement practices. The net result of this has been an increase in the per acre yield and the shifting of production to different



Texas continues to be the leading cotton producing state in the nation with an estimated 1960 production of 4,350,000 bales, or about 29.9% of the total estimated U. S. production of 14,553,000 bales. As noted previously, cotton continues to be the leading cash crop in Texas with producers receiving \$699 million for their 1959 crop of 4,416,000 bales (500-pound gross weight). This figure of 4.4 million bales is 3% more than the 1958 crop figure and the largest since the all-time high of 6,040,000 bales grown in 1949, according to the Texas Crop and Livestock Reporting Service. However, the \$699 million received in 1959 for lint and seed totaled 7% less than the \$749 million realized from the 1958 crop.

While cotton prices continued weak for the 1960 crop, there was an encouraging note sounded by the Foreign Agricultural Service when it announced that exports of all types of U.S. cotton during the 1959-60 marketing season (which ended July 31, 1960) totaled nearly 7.2 million running bales. This figure amounts to more than two and one-half times the 1958-59 cotton exports.

At the start of this season on August 1, domestic stocks of cotton were 7,500,000 bales, or little more than one-half of the 14,429,000 bales on August 1, 1956. The present crop, estimated at 14,553,000 bales, is expected to be a little smaller than domestic consumption combined with export sales in the present marketing year. Another moderate drop in the surplus on August 1, 1961 is anticipated.

Local Business Conditions

As a reader's guide to better utility of retail sales data, an average percent change from the preceding month has been computed for each month of the year. This percent change is marked with a dagger (†) following that figure. The next percent change represents the actual change from the preceding month. A large variation in the normal seasonal from the actual figure represents an abnormal month. The third and final percent change is the percent change from the identical period the preceding year showing the change between the two years. Postal receipt information which is marked by an asterisk (*) indicates cash receipts received during the four-week postal accounting period ending September 16, 1960, and the percent changes from the preceding period and the comparable period in the previous year. Changes less than one-half of one percent are marked with a double asterisk (**). Houston and Waco retail sales information are reported in cooperation with the University of Houston Center for Research in Business and Economics and Baylor Bureau of Business Research, respectively. End-of-month deposits as reported represent money on deposit in individual demand deposit accounts on the last day of the month. Figures under Texas with the following symbol (§) are for Texarkana, Texas, only (population 30,458).

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
ABILENE (pop. 89,428)			
Retail sales			
General merchandise stores	+ 2†	+ 6	— 6
Postal receipts*	\$ 96,760	**	+ 8
Building permits, less federal contracts	\$ 1,118,975	+ 1	— 43
Bank debits (thousands)	\$ 96,577	— 1	— 5
End-of-month deposits (thousands) †	\$ 63,768	— 3	**
Annual rate of deposit turnover	17.9	— 4	— 6
Employment (area)	31,800	**	— 2
Manufacturing employment (area)	3,240	**	— 4
Percent unemployed (area)	5.8	— 2	+ 26
ALICE (pop. 20,708)			
Retail sales			
Lumber, building material, and hardware stores	— 5†	— 7	+ 1
Postal receipts*	\$ 14,827	+ 9	— 1
Building permits, less federal contracts	\$ 36,820	— 63	— 39
ALPINE (pop. 4,732)			
Postal receipts*	\$ 3,770	— 5	— 14
Building permits, less federal contracts	\$ 12,000	— 73	+ 344
Bank debits (thousands)	\$ 2,575	+ 13	— 3
End-of-month deposits (thousands) †	\$ 3,514	+ 3	— 8
Annual rate of deposit turnover	8.9	+ 9	+ 6
AMARILLO (pop. 136,199)			
Retail sales	— 3†	— 5	+ 3
Apparel stores	+ 11†	+ 3	— 9
Automotive stores	— 10†	— 2	+ 13
Eating and drinking places	— 5†	— 22	— 1
Furniture and household appliance stores	— 10†	— 11	+ 7
Postal receipts*	\$ 174,438	— 5	+ 5
Building permits, less federal contracts	\$ 1,869,306	— 38	— 1
Bank debits (thousands)	\$ 213,430	— 3	— 6
End-of-month deposits (thousands) †	\$ 114,871	+ 3	**
Annual rate of deposit turnover	22.6	— 2	— 3
Employment (area)	54,000	+ 1	+ 3
Manufacturing employment (area)	5,940	— 1	**
Percent unemployed (area)	3.1	— 6	+ 24

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
ANDREWS (pop. 11,626)			
Building permits, less federal contracts	\$ 80,200	— 4	—
Bank debits (thousands)	\$ 5,619	—	—
End-of-month deposits (thousands) †	\$ 6,819	—	—
ARLINGTON (pop. 44,326)			
Postal receipts*	\$ 38,193	+ 7	+ 8
Building permits, less federal contracts	\$ 558,443	— 22	+ 231
Bank debits (thousands)	\$ 29,020	—	—
End-of-month deposits (thousands) †	\$ 19,607	—	—
Employment (area)	210,900	**	+ 2
Manufacturing employment (area)	54,075	+ 1	— 3
Percent unemployed (area)	4.2	— 7	+ 5
AUSTIN (pop. 185,052)			
Retail sales	— 3†	— 7	— 7
Apparel stores	+ 11†	+ 21	— 3
Automotive stores	— 10†	— 33	— 18
Drug stores	— 1†	+ 7	— 2
Food stores	+ 1†	+ 6	— 2
Furniture and household appliance stores	— 10†	+ 2	+ 8
Gasoline and service stations	— 2†	— 2	+ 11
General merchandise stores	+ 2†	— 5	— 10
Lumber, building material, and hardware stores	— 5†	— 15	— 15
Postal receipts*	\$ 346,143	— 5	**
Building permits, less federal contracts	\$ 2,924,704	— 14	— 60
Bank debits (thousands)	\$ 200,965	— 11	**
End-of-month deposits (thousands) †	\$ 139,691	— 5	— 2
Annual rate of deposit turnover	16.8	— 11	+ 1
Employment (area)	75,500	+ 2	— 3
Manufacturing employment (area)	6,150	— 1	+ 5
Percent unemployed (area)	3.5	— 3	+ 13

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959

BAY CITY (pop. 11,580)

Retail sales			
Automotive stores	— 10†	— 14	+ 11
Drug stores	— 1†	+ 2	— 6
Postal receipts*	\$ 11,488	+ 10	+ 12
Bank debits (thousands)	\$ 15,728	+ 34	+ 3
End-of-month deposits (thousands) ‡	\$ 19,825	+ 18	— 1
Annual rate of deposit turnover	10.3	+ 30	+ 11

Postal receipts*	\$ 20,862	— 13	— 2
Building permits, less federal contracts \$	319,141	— 24	— 16
Bank debits (thousands)	\$ 20,088	— 2	— 6
End-of-month deposits (thousands) ‡	\$ 21,307	+ 5	— 4
Annual rate of deposit turnover	11.6	— 3	+ 2
Employment (area)	502,800	**	+ 4
Manufacturing employment (area)	94,875	— 1	+ 3
Percent unemployed (area)	4.5	+ 5	+ 10

Retail sales	— 3†	— 7	**
Apparel stores	+ 11†	— 2	— 2
Automotive stores	— 10†	**	+ 9
Food stores	+ 1†	— 1	— 5
Furniture and household appliance stores	— 10†	— 21	— 4
Gasoline and service stations	— 2†	— 4	+ 2
General merchandise stores	+ 2†	— 10	— 5
Lumber, building material, and hardware stores	— 5†	— 19	— 4
Postal receipts*	\$ 110,056	**	+ 10
Building permits, less federal contracts \$	1,330,810	— 59	— 1
Bank debits (thousands)	\$ 151,807	— 5	— 6
End-of-month deposits (thousands) ‡	\$ 95,970	**	— 5
Annual rate of deposit turnover	19.0	— 5	— 3
Employment (area)	107,000	+ 1	+ 1
Manufacturing employment (area)	34,540	+ 1	+ 3
Percent unemployed (area)	5.6	— 14	— 33

Postal receipts*	\$ 10,213	— 3	— 2
Building permits, less federal contracts \$	52,315	+ 72	— 36
Bank debits (thousands)	\$ 9,920	— 3	— 4
End-of-month deposits (thousands) ‡	\$ 13,022	+ 1	— 6
Annual rate of deposit turnover	9.2	— 4	+ 5

Postal receipts*	\$ 26,561	— 1	+ 13
Building permits, less federal contracts \$	119,025	— 64	— 46
Bank debits (thousands)	\$ 38,885	**	— 3
End-of-month deposits (thousands) ‡	\$ 24,912	— 2	— 5
Annual rate of deposit turnover	18.6	+ 2	+ 2

Postal receipts*	\$ 7,114	+ 5	— 12
Building permits, less federal contracts \$	107,551	+112	+ 71
Bank debits (thousands)	\$ 9,578	+ 19	— 5
End-of-month deposits (thousands) ‡	\$ 12,041	+ 2	— 4
Annual rate of deposit turnover	9.6	+ 19	— 2

Retail sales	— 3†	— 10	— 5
Automotive stores	— 10†	— 15	+ 2
Lumber, building material, and hardware stores	— 5†	+ 2	— 25
Postal receipts*	\$ 25,467	— 10	— 6
Building permits, less federal contracts \$	488,232	+269	+146
Bank debits (thousands)	\$ 46,870	— 15	— 3
End-of-month deposits (thousands) ‡	\$ 21,224	+ 9	+ 1
Annual rate of deposit turnover	27.6	— 24	+ 1

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959

BROWNWOOD (pop. 16,785)

Retail sales			
Apparel stores	+ 11†	+ 10	+ 2
General merchandise stores	+ 2†	+ 1	— 16
Postal receipts*	\$ 24,169	+ 11	+ 4
Building permits, less federal contracts \$	53,765	— 90	+306
Bank debits (thousands)	\$ 13,948	— 4	+ 3
End-of-month deposits (thousands) ‡	\$ 12,607	**	— 2
Annual rate of deposit turnover	13.3	— 4	+ 6

Retail sales	— 3†	— 12	— 11
Automotive stores	— 10†	— 10	— 3
Food stores	+ 1†	+ 2	— 6
Lumber, building material, and hardware stores	— 5†	— 24	— 27
Postal receipts*	\$ 19,061	— 12	— 8

Bank debits (thousands)	\$ 2,169	+ 8	— 9
End-of-month deposits (thousands) ‡	\$ 3,769	+ 4	— 17
Annual rate of deposit turnover	7.0	+ 6	+ 9

Postal receipts*	\$ 3,803	— 7	— 22
Bank debits (thousands)	\$ 3,282	— 8	+ 3
End-of-month deposits (thousands) ‡	\$ 3,825	— 2	— 6
Annual rate of deposit turnover	10.2	— 8	+ 6

Retail sales			
Apparel stores	+ 11†	+ 5	+ 5
Furniture and household appliance stores	— 10†	— 8	+ 28
Postal receipts*	\$ 11,917	— 13	+ 2
Building permits, less federal contracts \$	26,273	— 59	— 76
Bank debits (thousands)	\$ 10,204	.....	.....
End-of-month deposits (thousands) ‡	\$ 11,247	.....	.....
Employment (area)	210,900	**	+ 2
Manufacturing employment (area)	54,075	+ 1	— 3
Percent unemployed (area)	4.2	— 7	+ 5

Postal receipts*	\$ 2,079	+ 3	.....
Building permits, less federal contracts \$	71,300	+ 95	+ 13
Bank debits (thousands)	\$ 756	— 3	.....
End-of-month deposits (thousands) ‡	\$ 666	— 2	.....
Annual rate of deposit turnover	13.5	— 1	.....

Retail sales	— 3†	— 6	+ 5
Apparel stores	+ 11†	— 14	— 16
Automotive stores	— 10†	+ 9	+ 39
General merchandise stores	+ 2†	— 18	— 19
Lumber, building material, and hardware stores	— 5†	— 23	— 24
Postal receipts*	\$ 152,337	— 4	+ 3
Building permits, less federal contracts \$	1,548,801	+ 43	+ 27
Bank debits (thousands)	\$ 192,426	— 8	— 2
End-of-month deposits (thousands) ‡	\$ 104,890	— 4	— 6
Annual rate of deposit turnover	21.6	— 7	+ 3
Employment (area)	65,100	**	+ 1
Manufacturing employment (area)	8,510	— 2	+ 3
Percent unemployed (area)	5.2	+ 4	+ 6

Postal receipts*	\$ 22,895	+ 52	+ 41
Building permits, less federal contracts \$	91,700	+111	+145
Bank debits (thousands)	\$ 18,607	+ 16	+ 8
End-of-month deposits (thousands) ‡	\$ 18,577	**	— 7
Annual rate of deposit turnover	12.0	+ 15	+ 17

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
DALLAS (pop. 672,424)			
Retail sales	— 1†	— 5	— 3
Apparel stores	+ 18†	— 5	— 10
Automotive stores	— 11†	— 14	+ 28
Eating and drinking places	— 5†	— 11	— 2
Florists	+ 1†	— 9	— 12
Furniture and household appliance stores	— 9†	+ 6	— 14
Jewelry stores .....	.....	— 19	— 7
Lumber, building material, and hardware stores	**†	— 12	— 18
Office, store, and school supply dealers	+ 4†	+ 21	+ 14
Postal receipts*	\$ 2,192,865	+ 2	+ 11
Building permits, less federal contracts \$	9,661,023	— 32	— 24
Bank debits (thousands)	\$ 2,797,623	— 3	+ 9
End-of-month deposits (thousands) ‡	\$ 1,168,005	+ 3	+ 2
Annual rate of deposit turnover	29.3	— 3	+ 7
Employment (area)	438,100	+ 1	— 1
Manufacturing employment (area)	94,050	+ 1	**
Percent unemployed (area)	3.7	— 16	+ 23

DEL RIO (pop. 18,512)

Retail sales	— 3†	— 12	— 15
Automotive stores	— 10†	— 17	— 4
Lumber, building material, and hardware stores	— 5†	— 10	— 27
Postal receipts*	\$ 10,785	+ 1	— 8
Building permits, less federal contracts \$	312,474	+392	+280
Bank debits (thousands)	\$ 9,138	— 1	— 12
End-of-month deposits (thousands) ‡	\$ 11,667	— 5	— 8
Annual rate of deposit turnover	9.2	+ 2	— 7

DENISON (pop. 22,534)

Retail sales	— 3†	**	— 10
Apparel stores	+ 11†	+ 2	— 9
Drug stores	— 1†	+ 6	— 1
Postal receipts*	\$ 17,745	— 20	+ 9
Building permits, less federal contracts \$	156,466	— 49	— 62
Bank debits (thousands)	\$ 16,525	+ 4	— 10
End-of-month deposits (thousands) ‡	\$ 14,964	.....	+ 2
Annual rate of deposit turnover	13.3	+ 2	— 14

DENTON (pop. 26,686)

Retail sales	— 3†	+ 23	+ 4
Automotive stores	— 10†	+ 8	— 8
Drug stores	— 1†	+ 1	— 2
Postal receipts*	\$ 25,465	— 8	— 23
Building permits, less federal contracts \$	299,400	— 47	+ 89
Bank debits (thousands)	\$ 17,971	.....	**
End-of-month deposits (thousands) ‡	\$ 19,516	.....	+ 6
Employment (area)	438,100	+ 1	— 1
Manufacturing employment (area)	94,050	+ 1	**
Percent unemployed (area)	3.7	— 16	+ 23

DONNA (pop. 7,477)

Postal receipts*	\$ 2,729	+ 7	.....
Building permits, less federal contracts \$	12,365	— 13	— 93
Bank debits (thousands)	\$ 2,954	— 9	— 2
End-of-month deposits (thousands) ‡	\$ 2,606	+ 13	— 11
Annual rate of deposit turnover	14.4	— 8	+ 18

EDINBURG (pop. 18,511)

Postal receipts*	\$ 8,122	— 13	— 8
Building permits, less federal contracts \$	119,025	— 6	+ 51
Bank debits (thousands)	\$ 14,456	— 6	— 8
End-of-month deposit (thousands) ‡	\$ 7,990	— 8	— 5
Annual rate of deposit turnover	20.8	— 4	— 5

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
EL PASO (pop. 273,212)			
Retail sales	— 3†	**	— 7
Automotive stores	— 10†	— 23	+ 23
General merchandise stores	+ 2†	+ 4	— 10
Lumber, building material, and hardware stores	— 5†	— 6	— 7
Postal receipts*	\$ 252,904	— 7	+ 2
Building permits, less federal contracts \$	4,727,256	+ 22	— 39
Bank debits (thousands)	\$ 325,781	— 6	— 2
End-of-month deposits (thousands) ‡	\$ 160,476	— 2	— 2
Annual rate of deposit turnover	24.1	— 4	+ 1
Employment (area)	91,000	+ 1	+ 9
Manufacturing employment (area)	14,160	+ 1	+ 11
Percent unemployed (area)	4.8	— 8	+ 41

FORT WORTH (pop. 347,368)

Retail sales	— 1†	+ 2	+ 8
Apparel stores	+ 1†	— 15	— 10
Automobile stores	— 6†	— 8	+ 43
Drug stores	— 2†	— 3	— 4
Eating and drinking places	— 4†	— 6	— 1
Furniture and household appliance stores	— 21†	— 11	— 14
Gasoline and service stations	— 1†	— 8	+ 2
General merchandise stores	+ 2†	+ 5	+ 2
Lumber, building material, and hardware stores	— 7†	— 13	— 22
Postal receipts*	\$ 596,215	— 10	— 1
Building permits, less federal contracts \$	4,456,348	+ 81	+ 37
Bank debits (thousands)	\$ 772,201	+ 1	— 1
End-of-month deposits (thousands) ‡	\$ 366,804	**	— 2
Annual rate of deposit turnover	25.2	+ 2	+ 2
Employment (area)	210,900	**	+ 2
Manufacturing employment (area)	54,075	+ 1	— 3
Percent unemployed (area)	4.2	— 7	+ 5

FREDERICKSBURG (pop. 4,592)

Postal receipts*	\$ 4,962	+ 8	+ 25
Building permits, less federal contracts \$	8,575	— 89	— 88
Bank debits (thousands)	\$ 7,003	+ 10	+ 1
End-of-month deposits (thousands) ‡	\$ 8,173	— 1	— 18
Annual rate of deposit turnover	10.2	+ 11	+ 20

GALVESTON (pop. 65,662)

Retail sales	— 3†	— 5	— 10
Apparel stores	+ 11†	— 6	— 6
Automotive stores	— 10†	— 4	+ 9
Food stores	+ 1†	**	+ 1
Furniture and household appliance stores	— 10†	— 6	— 33
Postal receipts*	\$ 78,865	+ 5	+ 4
Building permits, less federal contracts \$	1,062,685	+437	+381
Bank debits (thousands)	\$ 78,117	— 15	— 17
End-of-month deposits (thousands) ‡	\$ 59,107	**	— 5
Annual rate of deposit turnover	15.8	— 14	— 10
Employment (area)	51,600	+ 2	+ 6
Manufacturing employment (area)	10,800	**	+ 10
Percent unemployed (area)	6.4	— 7	— 17

GARLAND (pop. 38,512)

Postal receipts*	\$ 25,507	+ 6	+ 15
Building permits, less federal contracts \$	1,051,833	— 48	+106
Bank debits (thousands)	\$ 23,082	— 1	+ 7
End-of-month deposits (thousands) ‡	\$ 15,086	+ 4	+ 12
Annual rate of deposit turnover	18.7	— 4	— 4
Employment (area)	438,100	+ 1	— 1
Manufacturing employment (area)	94,050	+ 1	**
Percent unemployed (area)	3.7	— 16	+ 23

GIDDINGS (pop. 2,793)

Postal receipts*	\$ 3,242	+ 21	+ 23
Building permits, less federal contracts \$	72,000	.....	— 76
Bank debits (thousands)	\$ 2,620	+ 10	— 1
End-of-month deposits (thousands) ‡	\$ 3,714	+ 2	— 3
Annual rate of deposit turnover	8.5	+ 9	+ 1

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
GILMER (pop. 4,306)			
Retail sales			
General merchandise stores	+ 2†	— 1	— 7
Lumber, building material, and hardware stores	— 5†	— 7	— 13
Postal receipts*	\$ 2,952	+ 3	— 29
Building permits, less federal contracts \$	7,000	+ 40	+100
GLADEWATER (pop. 5,742)			
Postal receipts*	\$ 5,253	+ 11	— 3
Building permits, less federal contracts \$	26,500	+ 51	+ 77
Bank debits (thousands)	\$ 3,322	+ 3	— 12
End-of-month deposits (thousands) †	\$ 4,932	+ 12	+ 3
Annual rate of deposit turnover	8.6	— 4	— 11
Employment (area)	28,450	+ 1	+ 1
Manufacturing employment (area)	5,240	— 1	+ 5
Percent unemployed (area)	4.7	+ 12	+ 34
GOLDTHWAITE (pop. 1,365)			
Postal receipts*	\$ 2,555	+ 61	+ 59
Bank debits (thousands)	\$ 3,223	+ 16	— 10
End-of-month deposits (thousands) †	\$ 3,363	+ 2	— 9
Annual rate of deposit turnover	11.6	+ 18	— 2
GRAND PRAIRIE (pop. 30,202)			
Postal receipts*	\$ 17,805	— 16	— 15
Building permits, less federal contracts \$	161,367	— 60	— 68
Bank debits (thousands)	\$ 14,523	.....	.....
End-of-month deposits (thousands) †	\$ 11,820	.....	.....
Employment (area)	438,100	+ 1	— 1
Manufacturing employment (area)	94,050	+ 1	**
Percent unemployed (area)	3.7	— 16	+ 23
GROVES (pop. 17,271)			
Building permits, less federal contracts \$	380,314	+ 74	.....
Bank debits (thousands)	\$ 2,661	.....	.....
End-of-month deposits (thousands) †	\$ 2,032	.....	.....
GREENVILLE (pop. 18,109)			
Retail sales	— 3†	+ 1	+ 2
Apparel stores	+ 11†	+ 4	— 14
Lumber, building material, and hardware stores	— 5†	+ 14	+ 3
Postal receipts*	\$ 18,393	— 10	— 1
Building permits, less federal contracts \$	121,232	+ 3	— 34
Bank debits (thousands)	\$ 19,031	+ 34	+ 5
End-of-month deposits (thousands) †	\$ 16,013	+ 11	— 2
Annual rate of deposit turnover	15.0	+ 27	+ 17
HARLINGEN (pop. 40,794)			
Retail sales	— 3†	— 20	— 8
Automotive stores	— 10†	— 1	**
Furniture and household appliance stores	— 10†	— 37	— 22
Postal receipts*	\$ 33,065	+ 3	+ 4
HENDERSON (pop. 9,550)			
Retail sales	— 3†	+ 2	+ 6
Apparel stores	+ 11†	+ 4	— 8
Postal receipts*	\$ 9,247	— 2	— 7
Building permits, less federal contracts \$	38,150	— 80	— 73
Bank debits (thousands)	\$ 6,949	+ 9	**
End-of-month deposits (thousands) †	\$ 15,391	— 1	— 1
Annual rate of deposit turnover	5.4	+ 10	**
HEREFORD (pop. 7,473)			
Postal receipts*	\$ 8,518	— 3	+ 1
Building permits, less federal contracts \$	160,200	+ 69	+ 8
Bank debits (thousands)	\$ 14,207	+ 14	+ 4
End-of-month deposit (thousands) †	\$ 10,821	— 7	+ 1
Annual rate of deposit turnover	15.2	+ 13	**

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
HOUSTON (pop. 932,630)			
Retail sales†	— 4†	+ 2	+ 1
Apparel stores†	+ 4†	— 5	— 9
Automotive stores†	— 13†	+ 11	+ 4
Drug stores†	+ 3†	— 1	— 13
Eating and drinking places†	— 1†	— 1	— 3
Food stores†	+ 1†	+ 2	+ 3
Furniture and household appliance stores†	— 2†	— 19	+ 9
Gasoline and service stations†	— 1†	— 5	+ 7
General merchandise stores†	— †3	+ 3	+ 2
Liquor stores†	+ 4†	— 7	+ 1
Lumber, building material, and hardware stores†	— 7†	— 2	— 10
Office, store, and school supply dealers†	.....	— 5	— 9
Other retail stores†	+ 2†	+ 14	— 1
Postal receipts*	\$ 1,477,476	— 4	+ 9
Building permits, less federal contracts \$	\$32,413,880	+ 22	+ 94
Bank debits (thousands)	\$ 2,548,256	— 3	**
End-of-month deposits (thousands) †	\$ 1,272,147	+ 3	+ 3
Annual rate of deposit turnover	24.4	— 2	— 3
Employment (area)	502,800	**	+ 4
Manufacturing employment (area)	94,875	— 1	+ 3
Percent unemployed (area)	4.5	+ 5	+ 10
IRVING (pop. 45,414)			
Postal receipts*	\$ 20,400	— 22	**
Building permits, less federal contracts \$	\$ 1,532,889	+ 32	+ 16
Employment (area)	438,100	+ 1	— 1
Manufacturing employment (area)	94,050	+ 1	**
Percent unemployed (area)	3.7	— 16	+23
JACKSONVILLE (pop. 9,532)			
Postal receipts*	\$ 16,717	+ 17	— 6
Building permits, less federal contracts \$	\$ 80,450	— 89	— 76
Bank debits (thousands)	\$ 10,067	— 2	— 34
End-of-month deposits (thousands) †	\$ 8,484	+ 3	— 6
Annual rate of deposit turnover	14.5	— 4	— 30
JASPER (pop. 4,825)			
Retail sales			
Automotive stores	— 10†	— 7	— 8
Postal receipts*	\$ 6,776	— 18	+ 1
Bank debits (thousands)	\$ 7,251	**	+ 3
End-of-month deposits (thousands) †	\$ 9,075	+ 6	+ 8
Annual rate of deposit turnover	9.9	— 3	— 3
KILGORE (pop. 10,034)			
Retail sales	— 3†	— 2	— 6
Apparel stores	+ 11†	+ 21	— 12
Automotive stores	— 10†	+ 5	— 6
General merchandise stores	+ 2†	**	— 1
Lumber, building material, and hardware stores	— 5†	+ 3	— 19
Postal receipts*	\$ 11,197	— 11	— 7
Building permits, less federal contracts \$	44,190	— 88	— 48
Bank debits (thousands)	\$ 13,912	+ 16	— 4
End-of-month deposits (thousands) †	\$ 13,957	— 2	— 13
Annual rate or deposit turnover	11.8	+ 17	+ 4
Employment (area)	28,450	+ 1	+ 1
Manufacturing employment (area)	5,240	— 1	+ 5
Percent unemployed (area)	4.7	+ 12	+ 34
KILLEEN (pop. 23,182)			
Postal receipts*	\$ 23,509	+ 2	+ 3
Building permits, less federal contracts \$	258,772	.....	— 26
Bank debits (thousands)	\$ 9,308	— 6	+ 1
End-of-month deposits (thousands) †	\$ 8,694	+ 18	+ 25
Annual rate of deposit turnover	13.9	— 16	— 11

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
LA FERIA (pop. 3,010)			
Building permits, less federal contracts \$	100	— 89	.....
Bank debits (thousands)	2,314	— 24	.....
End-of-month deposits (thousands) †.....\$	1,595	— 10	.....
Annual rate of deposit turnover	16.5	— 31	.....
LA MARQUE (pop. 13,884)			
Building permits, less federal contracts \$	5,400	— 96	— 99
Bank debits (thousands)	6,396	+ 21	+ 3
End-of-month deposits (thousands) †.....\$	5,691	+ 8	+ 4
Annual rate of deposit turnover	14.0	— 24	+ 3
LAMESA (pop. 11,618)			
Retail sales			
Automotive stores	— 10†	— 1	— 11
Lumber, building material, and hardware stores	— 5†	+ 38	+ 2
Postal receipts*	\$ 14,115	+ 32	+ 15
Building permits, less federal contracts \$	108,100	— 27	— 51
Bank debits (thousands)	15,529	+ 30	— 23
End-of-month deposits (thousands) †.....\$	13,386	+ 10	— 11
Annual rate of deposit turnover	14.6	+ 27	— 17
LAMPASAS (pop. 5,020)			
Postal receipts*	\$ 4,090	— 7	— 16
Building permits, less federal contracts \$	41,600	+ 18	+108
Bank debits (thousands)	6,140	**	— 8
End-of-month deposits (thousands) †.....\$	6,368	— 1	— 7
Annual rate of deposit turnover	11.5	+ 1	+ 1
LAREDO (pop. 60,816)			
Retail sales			
Furniture and household appliance stores	— 10†	— 7	— 23
Postal receipts*	\$ 28,530	— 2	+ 8
Building permits, less federal contracts \$	100,085	— 83	— 83
Bank debits (thousands)	26,932	+ 3	+ 3
End-of-month deposits (thousands) †.....\$	21,254	— 1	— 3
Annual rate of deposit turnover	15.1	+ 3	+ 4
LLANO (pop. 2,634)			
Postal receipts*	\$ 1,992	**	— 40
Bank debits (thousands)	4,008	+ 5	+ 5
End-of-month deposits (thousands) †.....\$	4,209	— 1	— 6
Annual rate of deposit turnover	11.4	+ 7	+ 12
LOCKHART (pop. 6,069)			
Retail sales			
Apparel stores	+ 11†	+ 14	— 18
Automotive stores	— 10†	+ 46	+ 23
Food stores	+ 1†	+ 2	+ 12
Postal receipts*	\$ 3,258	+ 6	— 17
Building permits, less federal contracts \$	16,700	— 47	— 98
Bank debits (thousands)	5,222	+ 12	— 13
End-of-month deposits (thousands) †.....\$	5,092	+ 6	— 9
Annual rate of deposit turnover	12.7	+ 10	**
LONGVIEW (pop. 40,036)			
Retail sales			
Gasoline and service stations.....	+ 2†	— 5	— 5
Lumber, building material, and hardware stores	— 5†	— 19	— 16
Postal receipts*	\$ 38,749	— 10	+ 5
Building permits, less federal contracts \$	384,500	— 23	— 39
Bank debits (thousands)	42,762	— 1	+ 2
End-of-month deposits (thousands) †.....\$	33,277	— 2	— 5
Annual rate of deposit turnover	15.3	**	+ 16
Employment (area)	28,450	+ 1	+ 1
Manufacturing employment (area)	5,240	— 1	+ 5
Percent unemployed (area)	4.7	+ 12	+ 34
LOS FRESNOS (pop. 1,284)			
Bank debits (thousands)	2,381	— 36	— 30
End-of-month deposits (thousands) †.....\$	1,499	— 12	— 35
Annual rate of deposit turnover	17.8	— 40	— 25

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
LUBBOCK (pop. 125,951)			
Retail sales			
Automotive stores	— 10†	+ 9	— 7
Furniture and household appliance stores	— 10†	+ 3	+ 1
Postal receipts*	\$ 147,936	**	+ 2
Building permits, less federal contracts \$	2,236,049	— 35	— 27
Bank debits (thousands)	\$ 182,972	+ 2	**
End-of-month deposits (thousands) †.....\$	109,298	+ 3	+ 4
Annual rate of deposit turnover	20.4	**	**
Employment (area)	53,900	+ 2	+ 2
Manufacturing employment (area)	5,470	**	**
Percent unemployed (area)	3.8	— 5	+ 31
LUFKIN (pop. 17,554)			
Retail sales			
Automotive stores	— 10†	— 19	— 5
Postal receipts*	\$ 17,903	— 18	+ 1
Building permits, less federal contracts \$	108,790	— 35	— 43
Bank debits (thousands)	24,031	+ 5	— 2
End-of-month deposits (thousands) †.....\$	25,047	+ 5	— 1
Annual rate of deposit turnover	11.8	+ 2	+ 1
McALLEN (pop. 32,618)			
Retail sales			
Automotive stores	— 3†	— 17	**
Postal receipts*	\$ 22,258	— 5	— 10
Building permits, less federal contracts \$	209,825	— 3	— 71
Bank debits (thousands)	25,652	— 3	— 6
End-of-month deposits (thousands) †.....\$	18,709	— 2	— 18
Annual rate of deposit turnover	16.3	— 3	+ 16
McKINNEY (pop. 13,535)			
Building permits, less federal contracts \$	121,095	+ 32	+ 4
Bank debits (thousands)	10,527	+ 12	— 1
End-of-month deposits (thousands) †.....\$	9,269	+ 1	— 25
Annual rate of deposit turnover	13.7	+ 28	+ 17
MARSHALL (pop. 22,326)			
Retail sales			
Apparel stores	— 3†	— 9	— 6
General merchandise stores	+ 11†	— 8	— 7
Postal receipts*	\$ 18,095	— 12	— 1
Building permits, less federal contracts \$	73,463	— 91	— 37
Bank debits (thousands)	16,561	— 8	+ 5
End-of-month deposits (thousands) †.....\$	19,186	+ 2	— 5
Annual rate of deposit turnover	10.5	— 3	+ 13
MERCEDES (pop. 10,749)			
Postal receipts*	\$ 4,078	— 19	— 13
Building permits, less federal contracts \$	6,250	— 57	— 56
Bank debits (thousands)	7,462	— 9	— 18
End-of-month deposits (thousands) †.....\$	4,069	— 5	— 20
Annual rate of deposit turnover	21.4	— 17	— 1
MESQUITE (pop. 27,345)			
Postal receipts*	\$ 8,974	— 3	+ 12
Building permits, less federal contracts \$	1,456,917	+ 22	+128
Bank debits (thousands)	5,317	— 2	+ 8
End-of-month deposits (thousands) †.....\$	4,981	— 1	+ 6
Annual rate of deposit turnover	12.7	+ 8	+ 3
Employment (area)	438,100	+ 1	— 1
Manufacturing employment (area)	94,050	+ 1	**
Percent unemployed (area)	3.7	— 16	+ 23
MIDLAND (pop. 62,497)			
Postal receipts	\$ 80,848	+ 2	+ 2
Building permits, less federal contracts \$	788,050	— 47	— 70
Bank debits (thousands)	\$ 95,378	— 10	— 2
End-of-month deposits (thousands) †.....\$	87,666	— 11	— 3
Annual rate of deposit turnover	12.3	— 4	— 3
Employment (area)	53,300	— 1	— 4
Manufacturing employment (area)	2,300	**	— 9
Percent unemployed (area)	4.4	— 4	+ 69

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
MINERAL WELLS (pop. 10,987)			
Retail sales	— 3†	— 5	— 6
Apparel stores	+ 11†	+ 2	+ 17
Building permits, less federal contracts \$	34,859	— 67	— 29
MISSION (pop. 14,013)			
Postal receipts*	\$ 8,328	+ 6	+ 11
Building permits, less federal contracts \$	29,127	— 72	— 71
Bank debits (thousands)	11,939	— 12	— 7
End-of-month deposits (thousands) ‡	10,194	+ 4	— 7
Annual rate of deposit turnover	14.4	— 11	— 5
MONAHANS (pop. 8,496)			
Postal receipts*	\$ 7,594	+ 7	+ 12
Building permits, less federal contracts \$	8,450	.....	.....
Bank debits (thousands)	8,852	— 5	— 16
End-of-month deposits (thousands) ‡	7,002	— 2	— 2
Annual rate of deposit turnover	15.0	— 3	— 14
MUENSTER (pop. 1,174)			
Retail sales .....	.....	.....	.....
Automotive stores	— 10†	+ 6	+ 55
Postal receipts*	\$ 1,082	— 23	.....
Building permits, less federal contracts \$	24,000	+ 14	+ 12
Bank debits (thousands)	1,720	— 3	— 13
End-of-month deposits (thousands) ‡	1,869	+ 3	+ 5
Annual rate of deposit turnover	11.2	+ 1	— 13
NACOGDOCHES (pop. 12,685)			
Postal receipts*	\$ 12,609	— 2	— 12
Building permits, less federal contracts \$	43,373	— 44	— 70
Bank debits (thousands)	13,968	— 11	— 3
End-of-month deposits (thousands) ‡	13,983	+ 3	— 12
Annual rate of deposit turnover	12.1	— 12	+ 13
NEW BRAUNFELS (pop. 15,576)			
Postal receipts*	\$ 13,565	— 25	— 13
Building permits, less federal contracts \$	136,605	— 38	+ 186
Bank debits (thousands)	9,410	— 18	— 7
End-of-month deposits (thousands) ‡	10,765	+ 1	— 10
Annual rate of deposit turnover	10.5	— 15	+ 2
ODESSA (pop. 79,123)			
Retail sales .....	.....	.....	.....
Furniture and household appliance stores	— 10†	— 5	— 9
Postal receipts*	\$ 70,156	+ 8	+ 18
Building permits, less federal contracts \$	656,011	— 23	— 71
Bank debits (thousands)	69,068	— 2	.....
End-of-month deposits (thousands) ‡	61,254	+ 4	.....
Annual rate of deposit turnover	13.8	— 5	.....
Employment (area)	53,300	— 1	— 4
Manufacturing employment (area)	2,300	**	— 9
Percent unemployed (area)	4.4	— 4	+ 69
ORANGE (pop. 25,391)			
Retail sales .....	.....	.....	.....
Automotive stores	— 10†	+ 9	+ 35
Postal receipts*	\$ 19,738	— 7	**
Building permits, less federal contracts \$	174,267	— 52	— 77
Bank debits (thousands)	24,760	— 1	+ 22
End-of-month deposits (thousands) ‡	19,626	— 3	+ 3
Annual rate of deposit turnover	14.9	— 1	+ 16
Employment (area)	107,000	+ 1	+ 1
Manufacturing employment (area)	34,540	+ 1	+ 3
Percent unemployed (area)	5.6	— 14	— 33
PALESTINE (pop. 13,964)			
Postal receipts*	\$ 14,572	+ 33	+ 34
Building permits, less federal contracts \$	213,118	+ 77	+ 42
Bank debits (thousands)	9,533	+ 1	+ 5
End-of-month deposits (thousands) ‡	13,608	**	+ 1
Annual rate of deposit turnover	8.4	+ 2	+ 4

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
PAMPA (pop. 24,303)			
Retail sales	— 3†	— 16	— 15
Automotive stores	— 10†	— 29	— 28
Eating and drinking places	— 5†	— 13	— 1
Gasoline and service stations	— 2†	— 9	— 12
Postal receipts*	\$ 21,341	— 6	+ 5
Building permits, less federal contracts \$	387,392	— 9	— 27
Bank debits (thousands)	23,179	+ 2	— 2
End-of-month deposits (thousands) ‡	24,264	+ 2	— 11
Annual rate of deposit turnover	11.6	— 12	+ 5
PARIS (pop. 20,858)			
Retail sales	— 3†	**	+ 2
Apparel stores	+ 11†	+ 22	— 4
Automotive stores	— 10†	— 2	+ 11
Food stores	+ 1†	+ 7	+ 1
Furniture and household appliance stores	— 10†	— 16	— 11
Lumber, building material, and hardware stores	— 5†	+ 21	— 1
Postal receipts*	\$ 17,256	**	— 1
Building permits, less federal contracts \$	97,656	— 38	— 56
Bank debits (thousands)	16,681	+ 16	— 4
End-of-month deposits (thousands) ‡	14,692	+ 19	— 7
Annual rate of deposit turnover	14.8	+ 6	+ 1
PASADENA (pop. 58,613)			
Postal receipts*	\$ 36,754	+ 19	+ 16
Building permits, less federal contracts \$	1,187,490	+ 24	.....
Employment (area)	502,800	**	+ 4
Manufacturing employment (area)	94,875	— 1	+ 3
Percent unemployed (area)	4.5	+ 5	+ 10
PHARR (pop. 13,988)			
Postal receipts*	\$ 5,212	+ 3	— 2
Building permits, less federal contracts \$	82,352	— 36	.....
Bank debits (thousands)	4,263	— 10	— 22
End-of-month deposits (thousands) ‡	3,981	— 21	— 16
Annual rate of deposit turnover	11.4	— 14	— 12
PLAINVIEW (pop. 18,381)			
Retail sales	— 3†	— 2	+ 7
Apparel stores	+ 11†	+ 10	— 10
Automotive stores	— 10†	— 3	+ 25
General merchandise stores	+ 2†	— 19	— 30
Postal receipts*	\$ 17,792	+ 7	+ 11
Building permits, less federal contracts \$	231,200	— 11	+ 21
Bank debits (thousands)	32,312	+ 16	+ 27
End-of-month deposits (thousands) ‡	21,838	— 3	+ 3
Annual rate of deposit turnover	17.5	+ 18	+ 24
PORT ARTHUR (pop. 60,994)			
Retail sales	— 3†	— 5	— 2
Food stores	+ 1†	+ 7	+ 6
Furniture and household appliance stores	— 10†	— 26	— 14
Postal receipts*	\$ 50,336	+ 6	+ 3
Building permits, less federal contracts \$	459,693	+ 73	— 13
Bank debits (thousands)	61,568	— 4	+ 1
End-of-month deposits (thousands) ‡	42,160	**	**
Annual rate of deposit turnover	17.5	— 5	+ 2
Employment (area)	107,000	+ 1	+ 1
Manufacturing employment (area)	34,540	+ 1	+ 3
Percent unemployed (area)	5.6	— 14	— 33
PORT ISABEL (pop. 3,479)			
Building permits, less federal contracts \$	292,700	+ 2668	+ 2187
Bank debits (thousands)	617	— 2	.....
End-of-month deposits (thousands) ‡	483	+ 4	.....
Annual rate of deposit turnover	15.6	— 11	.....

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
RAYMONDVILLE (pop. 9,204)			
Postal receipts*	\$ 5,345	— 38	— 10
Building permits, less federal contracts \$	5,900	— 83	— 81
Bank debits (thousands) \$	11,778	— 43	— 40
End-of-month deposits (thousands) †	\$ 8,689	— 13	— 22
Annual rate of deposit turnover	15.1	— 46	— 23

RICHARDSON (pop. 16,728)

Postal receipts*	\$ 17,369	— 7	+ 55
Building permits, less federal contracts \$	1,087,638	— 42	— 49
Bank debits (thousands) \$	9,586	+ 11	+ 18
End-of-month deposits (thousands) †	\$ 4,897	— 11	+ 1
Annual rate of deposit turnover	22.1	+ 26	+ 4
Employment (area)	438,100	+ 1	— 1
Manufacturing employment (area)	94,050	+ 1	**
Percent unemployed (area)	3.7	— 16	+ 23

RIO GRANDE VALLEY (pop. 349,195)

Retail sales	— 3†	— 17	— 8
Apparel stores	+ 11†	— 16	+ 3
Automotive stores	— 10†	— 10	— 1
Drug stores	— 1†	— 5	**
Food stores	+ 1†	— 1	— 10
Furniture and household appliance stores	— 10†	— 19	— 18
General merchandise stores	+ 2†	— 32	+ 3
Lumber, building material, and hardware stores	— 5†	— 47	— 34
Office, store, and school supply dealers		+ 3	— 5
Other retail stores	+ 4†	+ 18	— 16
Postal receipts*		— 6	— 3
Building permits, less federal contracts		+ 75	— 10
Bank debits (thousands)		— 18	— 13
End-of-month deposits (thousands) †		— 4	— 8
Annual rate of deposit turnover	19.7	— 20	— 4

ROCKDALE (pop. 4,447)

Postal receipts*	\$ 3,166	— 8	— 19
Building permits, less federal contracts \$	19,300	— 35	+300
Bank debits (thousands) \$	4,096	+ 1	+ 10
End-of-month deposits (thousands) †	\$ 5,568	+ 2	+ 4
Annual rate of deposit turnover	8.9	**	+ 6

SAN ANGELO (pop. 57,811)

Retail sales	— 3†	— 5	+ 4
Furniture and household appliance stores	— 10†	— 11	+ 49
Jewelry stores		— 24	+ 12
Postal receipts*	\$ 70,103	— 3	+ 12
Building permits, less federal contracts \$	1,165,660	+ 19	+135
Bank debits (thousands) \$	55,410	— 2	— 5
End-of-month deposits (thousands) †	\$ 46,332	— 3	**
Annual rate of deposit turnover	14.2	— 1	— 6
Employment (area)	20,600	**	— 11
Manufacturing employment (area)	3,160	— 3	— 2
Percent unemployed (area)	4.5	— 6	+ 22

SAN JUAN (pop. 4,335)

Building permits, less federal contracts \$	37,100	— 24	+ 57
Bank debits (thousands) \$	2,980	+ 36	+ 41
End-of-month deposits (thousands) †	\$ 1,832	+ 11	— 25
Annual rate of deposit turnover	20.5	+ 37	+ 60

SAN MARCOS (pop. 12,704)

Postal receipts*	\$ 7,161	— 11	— 10
Building permits, less federal contracts \$	23,350	— 81	+ 20
Bank debits (thousands) \$	7,511	+ 9	— 1
End-of-month deposits (thousands) †	\$ 8,666	+ 12	— 7
Annual rate of deposit turnover	11.0	+ 3	+ 11

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
SAN ANTONIO (pop. 583,690)			
Retail sales	+ 7†	— 4	— 3
Apparel stores	+ 10†	— 3	— 3
Automotive stores	— 6†	— 14	+ 2
Drug stores	— 2†	+ 1	+ 1
Eating and drinking places	— 9†	— 11	— 2
Food stores	— 7†	+ 1	**
Furniture and household appliance stores	— 8†	— 2	— 12
Gasoline and service stations	— 2†	+ 2	— 17
General merchandise stores	— 6†	— 1	— 5
Jewelry stores		— 9	+ 14
Lumber, building material, and hardware stores	— 8†	— 1	— 8
Postal receipts*	\$ 608,385	— 8	+ 5
Building permits, less federal contracts \$	7,027,024	— 8	+ 5
Bank debits (thousands) \$	602,073	— 5	**
End-of-month deposits (thousands) †	\$ 372,202	+ 3	— 4
Annual rate of deposit turnover	19.7	— 6	+ 7
Employment (area)	203,800	+ 1	+ 1
Manufacturing employment (area)	25,050	**	— 2
Percent unemployed (area)	3.8	— 19	+ 23

SAN SABA (pop. 2,648)

Bank debits (thousands) \$	3,520	+ 13	— 14
End-of-month deposits (thousands) †	\$ 4,686	**	**
Annual rate of deposit turnover	9.0	+ 13	— 13

SEGUIN (pop. 14,254)

Postal receipts*	\$ 10,878	+ 9	**
Building permits, less federal contracts \$	95,932	+ 64	+146
Bank debits (thousands) \$	9,864	+ 8	— 12
End-of-month deposits (thousands) †	\$ 14,086	**	— 1
Annual rate of deposit turnover	8.4	+ 8	— 11

SHERMAN (pop. 24,507)

Postal receipts*	\$ 28,330	+ 3	+ 10
Building permits, less federal contracts \$	206,631	— 31	— 20
Bank debits (thousands) \$	24,848	+ 3	+ 4
End-of-month deposits (thousands) †	\$ 17,878	+ 6	— 6
Annual rate of deposit turnover	17.2	**	+ 16

SLATON (pop. 6,508)

Postal receipts*	\$ 2,529	— 27	— 24
Building permits, less federal contracts \$	42,070	— 32	+321
Bank debits (thousands) \$	2,744	+ 2	— 3
End-of-month deposits (thousands) †	\$ 3,196	— 4	— 9
Annual rate of deposit turnover	10.1	+ 5	+ 7
Employment (area)	53,900	+ 2	+ 2
Manufacturing employment (area)	5,470	**	**
Percent unemployed (area)	3.8	— 5	+ 31

SMITHVILLE (pop. 2,935)

Postal receipts*	\$ 1,729	+ 4	+ 2
Building permits, less federal contracts \$	11,500	— 80	— 48
Bank debits (thousands) \$	996	— 14	— 20
End-of-month deposits (thousands) †	\$ 2,252	+ 3	— 5
Annual rate of deposit turnover	5.4	— 14	— 14

SNYDER (pop. 13,736)

Postal receipts	\$ 12,266	+ 12	+ 10
Building permits, less federal contracts \$	37,445	— 31	— 88
Bank debits (thousands) \$	11,929	— 6	— 19
End-of-month deposits (thousands) †	\$ 16,982	+ 8	+ 27
Annual rate of deposit turnover	8.8	— 7	— 33

SULPHUR SPRINGS (pop. 9,166)

Postal receipts*	\$ 7,262	— 10	— 6
Bank debit (thousands) \$	9,459	**	— 12
End-of-month deposits (thousands) †	\$ 12,109	+ 1	— 2
Annual rate of deposit turnover	9.4	**	— 11

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
SWEETWATER (pop. 13,880)			
Postal receipts*	\$ 9,843	— 34	— 3
Building permits, less federal contracts \$	343,900	+2029	+239
Bank debits (thousands) \$	10,163	— 2	— 10
End-of-month deposits (thousands) † \$	9,717	+ 1	— 10
Annual rate of deposit turnover	12.6	— 1	+ 7

TAYLOR (pop. 9,400)

Retail sales			
Automotive stores	— 10†	— 13	+ 9
Postal receipts* \$	9,451	+ 60	+ 32
Building permits, less federal contracts \$	146,112	+329	+529
Bank debits (thousands) \$	11,411	+ 31	— 2
End-of-month deposits (thousands) † \$	13,460	+ 11	— 7
Annual rate of deposit turnover	10.7	+ 23	+ 8

TEMPLE (pop. 29,546)

Retail sales			
Apparel stores	— 3†	— 14	— 6
Furniture and household appliance stores	+ 11†	+ 10	+ 2
Lumber, building material, and hardware stores	— 10†	— 41	— 26
Postal receipts* \$	— 5†	— 21	— 3
Building permits, less federal contracts \$	34,309	+ 4	+ 4
Bank debits (thousands) \$	473,897	+ 79	+ 69
End-of-month deposits (thousands) † \$	27,465	+ 18	+ 6

TEXARKANA (pop. 49,645)

Retail sales			
Apparel stores	+ 11†	+ 7	+ 7
Furniture and household appliance stores	— 10†	— 20	+ 33
Postal receipts* \$	43,531	— 18	— 4
Building permits, less federal contracts \$	222,885	+175	+ 55
Bank debits (thousands) \$	52,062	+ 2	+ 6
End-of-month deposits (thousands) † \$	16,963	+ 2	+ 13
Annual rate of deposit turnover	16.4	— 5	**
Employment (area)	29,450	+ 1	+ 2
Manufacturing employment (area)	3,990	**	+ 3
Percent unemployed (area)	6.4	— 3	+ 10

TEXAS CITY (pop. 31,772)

Retail sales			
Lumber, building material, and hardware stores	— 5†	+ 17	— 7
Postal receipts* \$	16,475	— 15	— 7
Building permits, less federal contracts \$	335,400	+ 35	— 46
Bank debits (thousands) \$	19,711	— 11	— 6
End-of-month deposits (thousands) † \$	11,080	+ 3	— 2
Annual rate of deposit turnover	21.7	— 10	+ 3
Employment (area)	51,600	+ 2	+ 6
Manufacturing employment (area)	10,800	**	+ 10
Percent unemployed (area)	6.4	— 7	— 17

TYLER (pop. 51,158)

Retail sales			
Automotive stores	— 3†	— 14	+ 1
Florists	— 10†	— 30	+ 22
Postal receipts \$	—	— 8	— 12
Building permits, less federal contracts \$	81,474	+ 6	+ 5
Bank debits (thousands) \$	717,148	+ 50	+ 13
End-of-month deposits (thousands) † \$	82,821	— 6	— 6
Annual rate of deposit turnover	57,176	+ 2	— 3
	17.5	— 6	— 1

VERNON (pop. 12,058)

Postal receipts* \$	8,862	— 1	— 23
Building permits, less federal contracts \$	140,300	+ 44	— 26
Bank debits (thousands) \$	11,596	+ 4	— 2
End-of-month deposits (thousands) † \$	18,519	— 3	+ 1
Annual rate of deposit turnover	7.4	+ 7	— 4

City and item	Percent change		
	Sept 1960	Sept 1960 from Aug 1960	Sept 1960 from Sept 1959
VICTORIA (pop. 32,708)			
Retail sales			
Automotive stores	— 3†	— 4	+ 6
Eating and drinking places	— 10†	**	+ 8
Food stores	— 5†	— 8	+ 8
Lumber, building material, and hardware stores	+ 1†	— 2	+ 4
Postal receipts* \$	— 5†	— 12	+ 27
Building permits, less federal contracts \$	28,251	— 5	— 4
Bank debits (thousands) \$	249,550	— 21	— 82
End-of-month deposits (thousands) † \$	54,316	+ 22	— 8
Annual rate of deposit turnover	72,463	— 5	+ 1
	8.8	+ 19	+ 4

WACO (pop. 96,776)

Retail sales††			
Apparel stores††	— 3†	— 6	+ 1
Automotive stores††	+ 11†	+ 1	— 3
Florists††	— 10†	— 8	+ 5
Furniture and household appliance stores††	—	— 2	— 1
General merchandise stores††	— 10†	— 14	— 1
Lumber, building material, and hardware stores††	+ 2†	— 3	+ 3
Postal receipts* \$	— 5†	— 6	+ 20
Building permits, less federal contracts \$	159,908	+ 17	+ 7
Bank debits (thousands) \$	1,130,975	— 4	+ 19
End-of-month deposits (thousands) † \$	107,268	— 1	— 7
Annual rate of deposit turnover	68,736	**	+ 2
Employment (area)	18.7	— 2	— 9
Manufacturing employment (area)	48,550	+ 1	+ 1
Percent unemployed (area)	10,140	— 1	— 2
	4.0	— 13	+ 21

WAXAHACHIE (pop. 12,618)

Postal receipts* \$	9,533	— 18	— 15
Building permits, less federal contracts \$	28,822	— 55	— 69
Bank debits (thousands) \$	10,301	—	—
End-of-month deposits (thousands) † \$	9,376	—	—

WEATHERFORD (pop. 9,679)

Postal receipts* \$	9,201	+ 17	+ 17
Building permits, less federal contracts \$	60,480	+ 16	— 37
End-of-month deposits (thousands) † \$	13,658	— 13	— 7

WESLACO (pop. 15,334)

Retail sales			
Apparel stores	— 3†	— 12	— 10
Automotive stores	+ 11†	— 35	— 13
Postal receipts* \$	— 10†	— 9	— 10
Building permits, less federal contracts \$	8,008	+ 7	+ 8
Bank debits (thousands) \$	105,049	+146	— 1
End-of-month deposits (thousands) † \$	8,177	— 2	**
Annual rate of deposit turnover	6,442	— 5	+ 19
	14.9	— 5	+ 5

WICHITA FALLS (pop. 99,999)

Retail sales			
Apparel stores	— 3†	+ 3	+ 16
Automotive stores	+ 11†	+ 11	— 7
Eating and drinking places	— 10†	— 15	— 12
Furniture and household appliance stores	— 5†	— 15	— 14
Lumber, building material, and hardware stores	— 10†	— 8	+ 2
Postal receipts \$	— 5†	— 3	**
Building permits, less federal contracts \$	114,415	+ 4	+ 4
Bank debits (thousands) \$	1,102,878	— 51	+ 37
End-of-month deposits (thousands) † \$	109,834	— 10	— 10
Annual rate of deposit turnover	95,833	**	— 7
Employment (area)	13.8	— 8	— 3
Manufacturing employment (area)	47,200	**	+ 2
Percent unemployed (area)	3,730	— 1	— 1
	4.5	— 6	+ 36

BAROMETERS OF TEXAS BUSINESS

	Sept 1960	Aug 1960	Sept 1959	Year-to-date average	
				1960	1959
GENERAL BUSINESS ACTIVITY					
†Texas business activity, index	229	239	225	228	217
Miscellaneous freight carloadings in SW District, index	76	75	80	79	82
Ordinary life insurance sales, index	431	408	408	411	401
Wholesale prices in U.S., unadjusted index	119.2	119.2	119.6	119.5	119.6
Consumers' prices in U.S., unadjusted index	126.8	126.6	125.2	126.2	124.3
Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate)	\$408.4*	\$408.2r	\$384.3r	\$402.8*	\$380.1
Business failures (number)	39	44	39	41	34
Newspaper advertising lineage, index	175.5	170.4	182.0	174.4	177.4
TRADE					
Total retail sales, index	229*	236r	229r	-----	-----
Durable-goods stores	160*	174r	157r	-----	-----
Nondurable-goods stores	265*	268r	268r	-----	-----
Ratio of credit sales to net sales in department and apparel stores	71.9*	72.2*	72.5r	69.7*	68.8r
Ratio of collections to outstandings in department and apparel stores	34.3*	36.6*	35.5r	35.4*	36.6r
PRODUCTION					
Total electric power consumption, index	457*	458r	413r	412*	376r
Industrial electric power consumption, index	409*	401r	377r	398*	370r
Crude oil production, index	103*	105*	108	110	117
Crude oil runs to stills, index	143	145	137	148	144
Gasoline consumption, index	-----	175	198	-----	180
Southern pine production	-----	81	89	-----	85
Cottonseed crushed, index	-----	107	127	-----	155
Construction authorized, index	234	259	223	236	246
Residential building	205	201	277	218	280
Nonresidential building	272	352	183	270	214
Cement shipments, index	185	176	196	170	206
Cement production, index	178	176	200	170	206
Cement consumption, index	190	170	176	166	196
Average daily production per oil well (bbls.)	12.5	12.4	13.0	13.0	14.2
Industrial production in U.S., index	162	165	157	166	159
Texas industrial production—total, index	174	174	170	173	170
Texas industrial production—manufacturing, index	219	219	210	216	206
Texas industrial production—durable goods, index	252	250	249	250	242
Texas industrial production—nondurable goods, index	203	204	192	201	189
Texas mineral production, index	132	130	132	131	136
AGRICULTURE					
Prices by farmers, unadjusted index, 1910-14=100	243	250	260	245	268
Prices paid by farmers in U.S., unadjusted index, 1909-14 = 100	298	298	297	299	298
Ratio of Texas farm prices received to U.S. prices paid by farmers	82	84	88	82	90
FINANCE					
Bank debits index	273	285	269	272	260
Bank debits, U.S., index	251	258	225	242	226
Reporting member banks, Dallas Reserve District:					
\$Loans (millions)	\$ 2,922	\$ 2,883	\$ 2,893	\$ 2,871	\$ 2,816
\$Loans and investments (millions)	\$ 4,585	\$ 4,568	\$ 4,490	\$ 4,497	\$ 4,512
Adjusted demand deposits (millions)	\$ 2,647	\$ 2,668	\$ 2,688	\$ 2,656	\$ 2,756
Revenue receipts of the State Comptroller (thousands)	\$ 78,731	\$ 90,214	\$ 84,722	\$106,314	\$ 98,768
†Federal Internal Revenue collections (thousands)	\$204,569	\$323,836	\$208,954	\$272,270	\$252,205
LABOR					
Total nonagricultural employment (thousands)	2,511.9*	2,510.0r	2,490.6r	2,499.4	2,466.0r
Total manufacturing employment (thousands)	488.4*	490.9r	488.5r	489.9	487.3r
Durable-goods employment (thousands)	231.4*	233.4r	234.2r	233.4	234.5r
Nondurable-goods employment (thousands)	257.0*	257.5r	254.3r	256.5	252.8r
Average weekly earnings—manufacturing	175.8*	175.8r	177.9	175.5	175.2

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1947-49, except where indicated; all are adjusted for seasonal variation, except annual indexes. Employment estimates have been adjusted to first quarter 1956 benchmarks.

* Preliminary.

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

\$ Exclusive of loans to banks after deduction of valuation reserves.

r Revised.