

TEXAS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS AND ECONOMIC CONDITIONS IN TEXAS

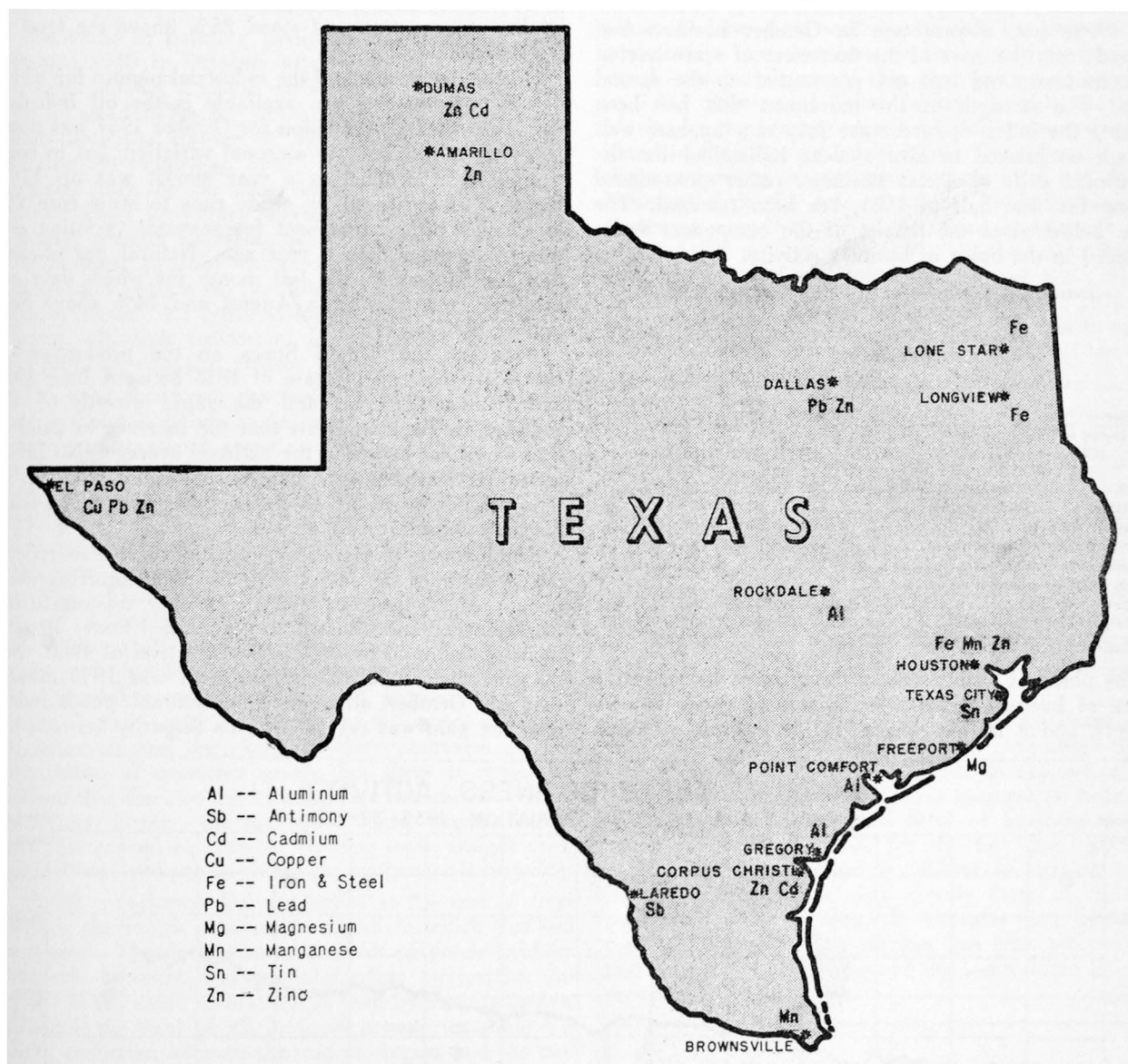
BUREAU OF BUSINESS RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
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METALS INDUSTRIES IN TEXAS

(See Notes on the Industrialization of Texas, Page 16)



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The Business Situation in Texas

Business activity in Texas continued to rise during October, bringing the Index of Texas Business Activity compiled by the Bureau of Business Research to 258% of the 1935-39 base period, the highest point reached since the January level of 261. The rise in October marked the third consecutive month of increase, and the three months brought the level of the index up 7% from the 241 registered in July. Four of the component series rose between September and October while three declined; however, these three represent only 15.4% of the total weight in the index.

The level of the composite index was 7% above October 1950; but, a year ago in October business had slipped from the crest of the first wave of scare buying by consumers, and had not yet started up the second wave. The strength of the movement that has been pushing the index upward since July now appears well enough established to give a clear indication that the downward drift of Texas business, rather pronounced during the first half of 1951, has been reversed. The table below gives the details of the component series included in the index of business activity.

INDEX OF BUSINESS ACTIVITY IN TEXAS, AND
COMPONENT SERIES,
(adjusted for seasonal variation)
1935-39=100

Series	Weight	Oct 1951	Sept 1951	Percent change
Index of Business Activity (Composite)	100	258†	256	+ 1
Retail sales, adjusted for price changes..	47.7	223†	220	+ 1
Industrial power consumption.....	14.8	499	482	+ 4
Crude oil runs to stills.....	4.5	200	196	+ 2
Electric power consumption.....	3.0	543	558	- 3
Miscellaneous freight carloadings.....	17.6	155	152	+ 2
Urban building permits, adjusted for price changes	3.8	157†	196	- 20
Crude petroleum production	8.6	228	230	- 1

†Preliminary.

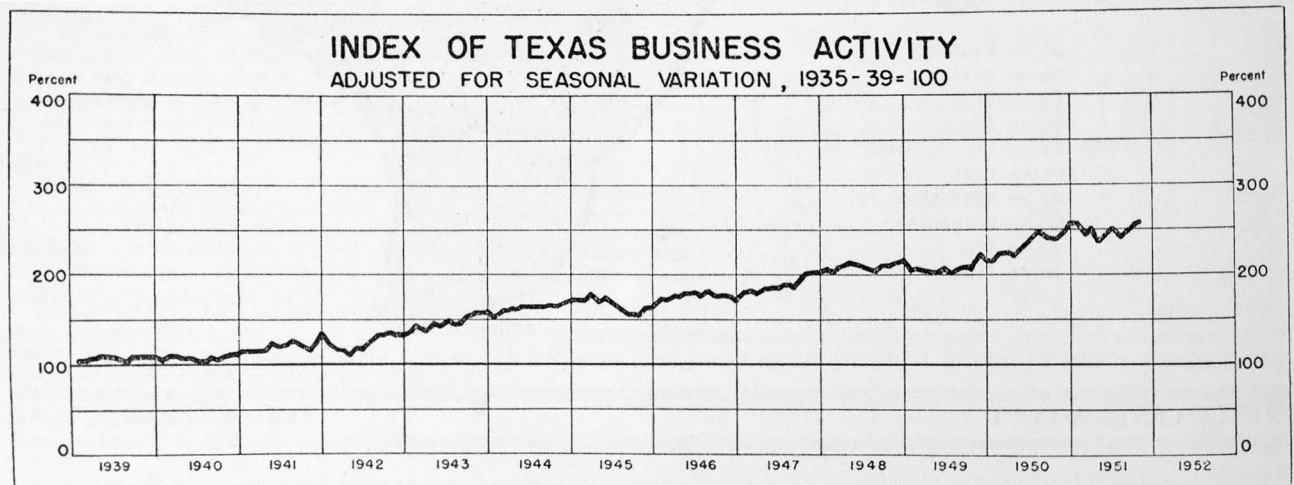
The phase of business given the greatest weight in the index of business activity is the sale of goods to consumers, and it is this element in the business situation

that has exerted the most influence on the decline in the composite index. On the other hand, the recent upturn in the index has been brought about by the other components rather than by consumer buying. By far the most spectacular increase has been registered in the portion of the index related to manufacturing. The index of industrial power consumption, which is used to measure the changes in manufacturing activity in the absence of a more direct measure, has risen at an unprecedented rate ever since the outbreak of the Korean conflict. The seasonally adjusted index of industrial power consumption for October 1951 was 4% over September consumption and stood 25% above the level of October 1950.

One of the elements of the industrial picture for which direct measurements are available is the oil industry. Crude petroleum production for October 1951 was down 1% after adjustment for seasonal variation, but in comparison with production a year ago it was up 11%. Refining as measured by crude runs to stills rose 2% in October after adjustment for seasonal variation and was 6% greater than a year ago. Natural gas production for September, the last month for which data are available, was 5% below August and 14% above September 1950.

Data for the United States on the production of chemicals show an increase of 18% between June 1950 and September 1951, and the rapid growth of the industry in Texas suggests that the increase in production may have exceeded the national average. No information is available on a state basis for this industry, so it is possible to do no more than draw conclusions from the national data.

Employment in manufacturing industries also reflects the strength of the increase in the manufacturing component of business in Texas. October manufacturing employment was estimated by the United States Department of Labor to be 11% above the level of 1950. For durable-goods industries employment was 19% greater than last October, although for nondurable-goods industries the gain was only 4%. This disparity between the



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two types of manufactures reflects the demand for durable goods by both business and consumers, a demand spurred by the Korean war and the rearmament program.

Industrial production for the United States increased slightly in October, although all of the increase was in the durable-goods industries. The index of the Board of Governors of the Federal Reserve System rose one point, from 219 to 220 (preliminary), while the durable-goods component rose from 273 to 277 and the non-durable-goods component dropped from 192 to 190. For the United States, total electric power sales by utilities has risen 19% since June 1950. During the same period the increase in Texas was 33%.

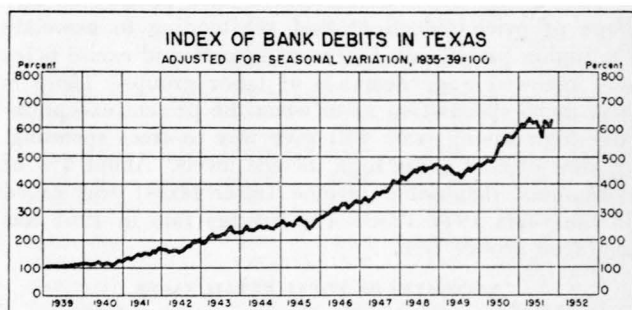
The value of building permits issued in Texas cities dropped 19% in October, after a sharp rise of about the same amount a month earlier. The Bureau's seasonally adjusted index for October was 324, considerably below both the average of 504 for 1950 and 426 for the first ten months of 1951. The index has generally declined since the December 1950 peak, in spite of two sharp though temporary upward swings. The data on building permits issued actually represent the value of new building projects started in cities requiring building permits and are the best available gauge of construction in Texas. All types of construction have been declining, although residential construction of all kinds has been showing the greatest drop.

The most significant conclusion to be drawn from the analysis of the trends in industrial production and its relation to consumer spending is that the high level of production in the fall of 1951 is being maintained more by industrial goods than by consumer goods. A year ago consumers were buying goods at rates that threatened to strip merchants' shelves, but with the continued high rate of production, the problem of most manufacturers of consumer goods is to find buyers at present prices. A considerable amount of evidence indicates that with significant price reductions it is possible to make sales, but in general businessmen are finding that it is becoming more and more of a problem to sell goods. There is still a great deal of talk about shortages of materials and the effects of these shortages on the production of consumer goods, but there is reason to believe that the slowing in consumer demand is a more important factor. On the other hand, production of heavy industrial equipment, machine tools, freight cars, locomotives, and power-generating equipment is booming.

Retail inventories declined again at the end of September, the fourth consecutive month in which this has happened. The decline in inventories of goods held by retailers, however, was partially offset by another increase in the value of inventories held by manufacturers, although the total of all business inventories showed a slight reduction between the end of August and the end of September. The rise in manufacturers' inventories was the smallest in recent months, but the total value of their stocks at the end of September was nearly \$2 billion greater than at the beginning of the summer. The greatest increase has been taking place in inventories of durable-goods industries; for this group the rise since the end of September 1950 was 47%, while for

nondurable goods the rise was 26%. The effect of the rearmament program is clearly evident here, with manufacturers' inventories of goods in process and raw materials in particular reflecting the increased production of armaments and industrial equipment to be used in further manufacture.

The preliminary estimates of the United States Department of Commerce indicate that personal income of individuals declined slightly in September, the first month this has happened since last winter. Salaries and wages, the largest component of this series, increased; but all proprietors' income and particularly the income of farmers showed a decline. Dividend payments of corporations have been well maintained, but corporate income before taxes has been declining, and the prospects for dividend declarations this year are not so bright as in 1950. Income of Texas farmers is still above last year's; for the first ten months of 1951 income was 27% ahead of the same period in 1950. The influence of the slight reductions in consumer income need not depress business, since the rate of saving by individuals has continued very high. For the third quarter of 1951 personal net savings were 9.6% of disposable income, up from 9.5% in the second quarter and 5.2% for the year 1950. The highest postwar year has been 1946 with 7.6%. In that year consumer goods were still scarce, and it is likely that some saving was forced on individuals.

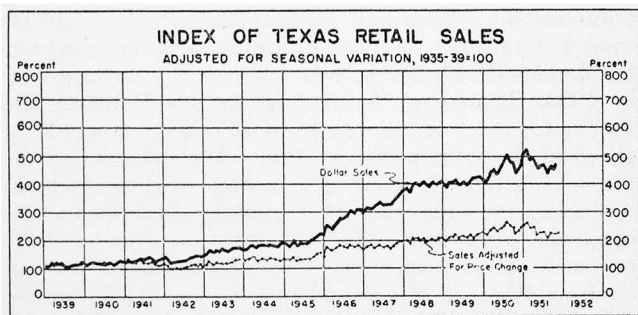


The Bureau's index of bank debits in Texas cities rose 3% in October to bring the level 11% above that of October 1950. This index is given as supporting data for the composite index of Texas business in measuring the changes in the general level of business activity. When allowance is made for the fact that the bank-debit index is expressed in dollars at current prices, its fluctuations follow very closely those of the composite index of business. It indicates that the downturn in business of last summer has been reversed and that a considerable portion of the lost volume has been regained.

The Bureau of Business Research announces the forthcoming publication of a bibliography of the metals industries of Texas, listing and evaluating sources of information on that subject. Single copies of the bibliography will be mailed without charge; and a request received before the publication date, early in January, will reserve a copy for the sender. Letters should be addressed to Stanley A. Arbingast, Assistant Director.

RETAIL TRADE

Excellent holiday business is in prospect, according to the beliefs and plans of many merchants. Certain factors tend to support the prediction: the onset of brisk wintry weather in many parts of the nation; the more than seasonal upturns in sales of apparel, furniture, farm equipment, and some other lines; early and heavy buying of toys and gifts; and the certainty of rising or continuing high incomes among most consumer classes. Business has proved good in various areas, although the better showings have been closely associated with aggressive, calculated promotions at popular prices.



Some observers believe that the widespread buying reluctance among customers is tapering off, although store patrons remain highly selective and price-conscious. Some feel that customers have abandoned any hope of price reductions and are tending to associate the higher prices with increased income and excise taxes and renewed wage demands of labor groups. There is also much speculation as to when the present exceptionally high savings rate will give way to freer spending, in view of continuing high income levels. About 4% of consumers' disposable income (after taxes) was saved in the years 1947-1950. The savings rate in 1951 has averaged around 9%.

ESTIMATES OF TOTAL RETAIL SALES
(in millions)

Type of store	Oct 1951	Jan-Oct 1951	Percent change		
			Oct 1951 from Oct 1950	Oct 1951 from Sept 1951	Jan-Oct 1951 from Jan-Oct 1950
Total	\$640.8	\$6,173.8	+ 5	+ 4	+ 3
Durable goods	278.6	2,816.1	+ 5	+ 3	+ 2
Nondurable goods	362.2	3,357.7	+ 6	+ 5	+ 4

Retailers' inventory positions may prove to be one of the trickiest factors in the holiday situation. The heavy, overhanging retail stocks that built up earlier in the year through continuing deliveries while customers reduced their buying have been slowly melting to a level about 7% below midsummer stocks. However, manufacturers of hard goods have added to their own inventories since summer. Buyers for stores have purchased cautiously. Forward commitments of department stores in recent months have been about half of what they totaled in 1950. Recently, with renewed customer interest in seasonal buying, wholesale markets have become more active than last year. Still, their ordering is cautious. If holiday business should prove to be as

RETAIL SALES TRENDS BY KIND OF BUSINESS

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

Kind of business	Number of reporting establishments	Percent change		
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951	Jan-Oct 1951 from Jan-Oct 1950
Durable goods				
Automotive stores	251	x	— 1	— 4
Furniture and household appliance stores	161	+ 5	+ 7	— 10
Jewelry stores	37	— 10	— 2	+ 4
Lumber, building material, and hardware stores	288	— 7	+ 15	— 1
Nondurable goods				
Apparel stores	243	+ 9	+ 6	+ 5
Country general stores	50	+ 4	— 6	+ 13
Department stores	96	+ 12	+ 10	x
Drug stores	175	+ 4	+ 2	+ 7
Eating and drinking places	114	+ 12	+ 3	+ 11
Filling stations	651	+ 2	+ 10	+ 5
Florists	45	+ 4	+ 17	+ 4
Food stores	215	+ 13	+ 2	+ 10
General merchandise stores	49	+ 13	+ 10	+ 5
Liquor stores	30	+ 23	+ 42	+ 1
Office, store, and school supply dealers	45	+ 23	+ 3	+ 24

xChange is less than one half of one percent.

good as many merchants expect, inadequate stocks and broken assortments may still develop as they did in 1949.

The wholesale price level dropped about 4% from March to September, after the too vigorous upward swing in the early stages of the Korean conflict. But its tendency is now mildly upward, especially for farm products and foods. In October for the first time in four months no average retail price decline occurred, as reflected in the Fairchild Publications Retail Price Index. With that index at 148 (based on 1935-39=100), quotations stood 3.9% above a year ago and 7.6% over the level of July 1, 1950. No severe price rises appear to be in prospect. Soft-goods lines are in plentiful supply and are backed by large available productive capacity. Current production of some durables is down substantially, but large stocks will delay any evidence of shortage. Some manufacturers are increasing their advertising budgets sharply to help shrink those inventories. Both merchants and the public remain largely indifferent to threatened shortages.

In Texas, total retail sales in October, aided by an added selling day this year, bettered September by 4% and October 1950 by 5%. The first ten months of 1951 showed dollar sales only 3% greater than during the same period of 1950, a gain smaller than the percentage of average price increases.

RETAIL SALES TRENDS BY CITY-SIZE CLASS

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

City-size class	Number of reporting establishments	Percent change		
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951	Jan-Oct 1951 from Jan-Oct 1950
Over 250,000	989	+ 8	+ 9	+ 3
100,000 to 250,000	335	- 1	+ 2	- 3
50,000 to 100,000	269	+ 5	+ 6	+ 2
25,000 to 50,000	828	+ 5	+ 2	- 1
Under 25,000	112	x	+ 4	+ 2

xChange is less than one half of one percent.

According to newly calculated indexes of sales by individual lines, certain retail types gained by more than normal seasonal increases in October. Lumber, building material, and hardware stores, furniture and household appliance stores, filling stations, department stores, apparel stores, and general merchandise stores followed this pattern. However, country general stores, automotive stores, jewelers, food stores, and eating and drinking places were below seasonal expectations.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES
(in percent)

Classification	Number of reporting stores	Credit ratios*		Collection ratios†	
		Oct 1951	Oct 1950	Oct 1951	Oct 1950
All stores	69	66.4	64.7	45.9	45.7
By cities					
Austin	7	60.2	60.1	54.3	56.1
Cleburne	3	41.7	40.5	40.0	39.4
Corpus Christi	3	59.2	61.9	45.7	41.1
Dallas	9	74.5	70.5	46.1	44.6
Denison	3	58.1	68.1	34.1	46.3
El Paso	3	57.5	58.3	39.4	35.1
Fort Worth	5	63.6	64.2	41.9	48.8
Galveston	4	61.6	61.4	49.5	52.0
Houston	6	61.1	59.6	52.1	51.0
San Antonio	4	68.5	61.2	46.2	47.2
Waco	5	57.1	58.2	55.3	53.9
Others	17	57.4	57.1	50.1	50.9
By type of store					
Department stores (over \$1 million)	22	68.6	66.2	44.7	44.6
Department stores (under \$1 million)	12	51.4	50.4	44.7	46.9
Dry goods and apparel stores	5	69.3	69.7	57.5	58.3
Women's specialty shops	17	57.8	59.3	50.1	48.4
Men's clothing stores	13	62.2	61.7	54.9	54.8
By volume of net sales (1950)					
Over \$3,000,000	21	68.5	66.3	45.1	44.9
\$1,500,000 to \$3,000,000	8	59.8	59.9	54.3	54.2
\$500,000 to \$1,500,000	19	54.3	56.7	50.4	48.8
\$250,000 to \$500,000	12	43.5	42.9	46.2	48.4
Less than \$250,000	9	43.2	40.4	46.1	45.0

*Credit sales divided by net sales.

†Collections during the month divided by the total accounts unpaid on the first of the month.

A total of 339 Texas department and apparel stores averaged sales increases of 8% over September and 11% above October 1950. Sales remained at 2% over January-October 1950. Among the 35 cities included, 22 averaged sales increases over September 1951, 29 over October 1950, and 21 for January-October over the same months of 1950. The largest increases over October 1950 were in Texas City (59%), Laredo (58%), Plainview (53%), Brownsville (42%), Tyler (27%), Amarillo (26%), and Texarkana (23%).

The ratio of credit sales to total net sales in October for 69 Texas department and apparel stores stood at 66.4%. This was the highest level since February (67.6%) and the fourth highest point in nearly six years. Earlier October averages were: 1950, 64.7%; 1949, 65.2%; 1948, 60.6%; 1947, 59.3%; 1946, 55.4%. The percentage of credit business increased consistently with large sales volumes.

The average collection ratio for October was 45.9%, compared with 45.7% in 1950, 49.3% in 1949, 47.6%

in 1948, 56.2% in 1947, and 64.9% in 1946. Largest reported collection ratios were in Waco, Austin, and Houston. Collection ratios were improved over 1950 in Cleburne, Corpus Christi, Dallas, El Paso, Houston, and Waco.

Postal receipts for October in 93 Texas cities bettered September by 25% and topped October 1950 by 15%. Among cities, 89 were above September, and 71 increased receipts over October 1950.

Advertising linage in 31 Texas newspapers in October averaged 7% over September but slipped 2% from a year ago. Of these 31 papers, 29 topped September but only 11 bettered a year ago.

Sales of gasoline subject to tax totaled 225,304,000 gallons in September, down 8% from August but about equalling 1950 sales. Gasoline sold to the federal government amounted to 51,062,000 gallons, 14% below August but 160% over a year earlier.

POSTAL RECEIPTS

City	Oct 1951	Sept 1951	Oct 1950	Percent change	
				Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
Total*	\$5,088,793	\$4,078,780	\$4,427,165	+ 15	+ 25
Arlington	6,505	5,763	4,671	+ 39	+ 13
Bastrop	1,730	1,198	1,757	- 2	+ 44
Borger	14,423	7,611	12,667	+ 14	+ 90
Brownfield	7,692	4,505	4,920	+ 56	+ 71
Bryan	13,741	11,049	12,703	+ 8	+ 24
Burnet	1,960	1,319	1,404	+ 40	+ 49
Cameron	5,441	2,592	4,597	+ 18	+110
Cleburne	8,788	8,779	7,988	+ 10	x
Coleman	4,507	3,976	5,466	- 18	+ 13
Cotulla	1,374	940	1,386	- 1	+ 46
Crystal City	2,645	2,287	2,960	- 11	+ 16
Cuero	4,326	3,764	4,061	+ 7	+ 15
Edinburg	8,816	6,321	8,520	+ 3	+ 39
El Campo	6,471	5,255	5,330	+ 21	+ 23
Gainesville	6,662	6,666	7,643	- 13	x
Giddings	2,305	1,803	2,005	+ 15	+ 28
Gladewater	4,485	4,539	4,611	- 3	- 1
Goldthwaite	1,571	1,279	1,714	- 8	+ 23
Graham	5,194	4,389	4,537	+ 14	+ 18
Granbury	1,317	797	1,052	+ 25	+ 65
Hillsboro	5,510	4,384	5,626	- 2	+ 26
Jacksonville	8,744	6,633	8,878	- 2	+ 32
Kenedy	3,329	2,376	2,232	+ 49	+ 40
Kerrville	8,513	5,908	7,479	+ 14	+ 44
La Grange	3,412	3,238	3,737	- 9	+ 5
Littlefield	5,131	4,390	4,676	+ 10	+ 17
Llano	1,546	1,250	1,674	- 8	+ 24
Luling	2,964	2,201	2,792	+ 6	+ 35
McKinney	7,126	5,626	6,025	+ 18	+ 27
Mission	6,662	4,984	7,185	- 7	+ 33
Navasota	4,092	2,755	2,622	+ 56	+ 49
New Braunfels	10,817	8,721	8,301	+ 30	+ 24
Orange	13,442	10,556	12,317	+ 9	+ 27
Palestine	9,587	7,665	9,137	+ 5	+ 25
Pampa	13,630	11,181	12,909	+ 6	+ 22
Pasadena	10,609	8,937	9,165	+ 16	+ 19
Pecos	11,794	6,400	7,916	+ 49	+ 84
Seguin	7,512	5,535	6,876	+ 9	+ 36
Snyder	9,226	9,103	10,343	- 11	+ 1
Uvalde	6,581	4,190	4,967	+ 32	+ 57
Vernon	10,168	7,381	9,183	+ 11	+ 38
Yoakum	13,203	9,836	12,996	+ 2	+ 34

*The total includes receipts for cities which are listed individually under "Local Business Conditions."

xChange is less than one half of one percent.

FOREIGN TRADE

Vegetable oils and fats. Reversing its prewar position, the United States has become a major exporter of vegetable fats and oils, desperately short in most nations since the war. United States production has risen nearly 50% above prewar figures to approximately 12 billion pounds a year. The loss of Manchuria as a major supplier has stimulated soybean production in this country more than four times the prewar average.

Soybeans. Total soybean production of the United States in 1950, nearly 9 million short tons, comprised almost 50% of the total world crop. Approximately 15% is recovered as refined soybean oil; the remainder is valued chiefly as a high-protein feed concentrate.

The Department of Agriculture indicated that prices received by domestic farmers for soybeans during most of October averaged \$2.70 a bushel, 25 cents above the support price. Demand for soybean meal is expected to be heavy; a typical October price was \$74.00 a short ton.

Aside from the United States and Manchuria, important producing areas include China, Japan, and Canada. Major uses are for margarine, salad oil, lard substitutes, soap, glycerin, paint, varnish, and linoleum. Canadian production increased more than 600,000 bushels from 1950 to a 1951 total of 3,962,000 bushels; yet, the crop does not enter foreign trade for it is consumed entirely in the domestic market.

Nogales free perimeter established. To encourage Mexican foreign trade a decree issued October 16, 1951, by President Truman established a free perimeter at Nogales, Sonora, for ten years.

United States in world trade. Total United States exports of \$1,230 million and imports of \$734 million in September represent a drop from August totals. Despite this decline, exports were 44% higher than the average month in 1950, although imports were 36% lower; thus, both factors aggravated the prevailing dollar shortage.

Reduced shipments of machinery, vehicles, vegetable food products, and beverages account for most of the export decline in September. Smaller volumes of United States purchases were seen in all import commodity groups except wood and paper.

FOREIGN TRADE THROUGH TEXAS CUSTOMS DISTRICTS
(in millions)

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

Customs district	Aug 1951	July 1951	Aug 1950	Percent change	
				Aug 1951 from Aug 1950	Aug 1951 from July 1951
Exports, total	\$137.4	\$117.3	\$110.8	+ 24	+ 17
District 24 (El Paso)†.....	4.0	3.3	2.4	+ 67	+ 21
District 23 (Galveston).....	75.2	71.6	76.8*	- 2	+ 5
District 22 (Laredo).....	48.1	32.7	27.3	+ 76	+ 47
District 21 (Sabine)†.....	10.1	9.7	4.3*	+135	+ 4
Imports, total	\$ 32.7	\$ 37.5	\$ 24.4	+ 34	- 13
District 24 (El Paso)†.....	2.8	3.2	2.0	+ 40	- 13
District 23 (Galveston).....	26.1	29.0	23.9	+ 9	- 10
District 22 (Laredo).....	3.7	5.3	8.5	- 56	- 30
District 21 (Sabine)†.....	0.1	†	†	-----	-----

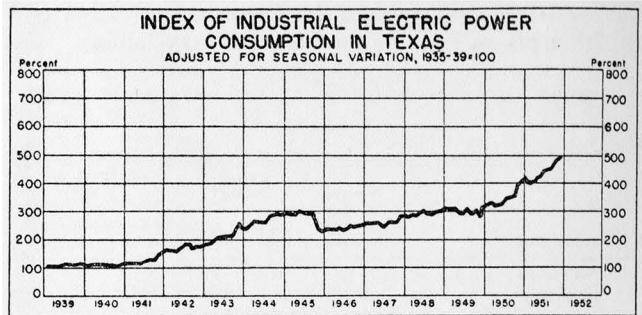
*Denotes water-borne shipments only.

†Customs districts 21 and 24 include Lake Charles, Louisiana, and Columbus, New Mexico, respectively.

‡Denotes less than \$50,000.

INDUSTRIAL PRODUCTION

Industrial use of electric power by Texans dropped 4% in October, following seven months of increase: however, the seasonally-adjusted index of this important business barometer showed a rise of 4% from September and 25% over October of last year. With cooling equipment being



stored away, residential consumption of electric power dipped 25% while commercial and other categories were recording 13% decreases. Electric power consumption, as reported by 10 major power companies, climbed 25% from 1950 but declined 12% from the September total. According to Federal Power Commission information, September production of electric energy in Texas dropped from 2,142 million kilowatt-hours for August to 1,913 million kilowatt-hours. This 11% decline surpassed the 6% dip registered for the nation as a whole.

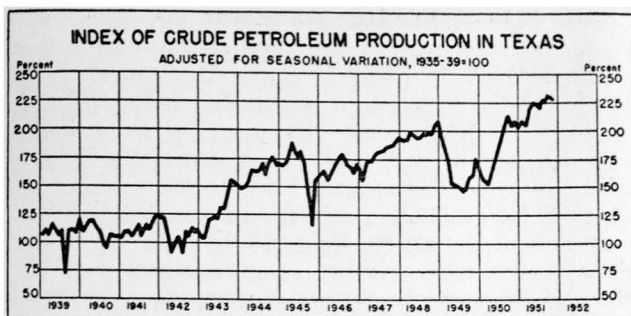
ELECTRIC POWER CONSUMPTION*

(in thousands of kilowatt-hours)

Use	Oct 1951	Sept 1951	Oct 1950	Percent change	
				Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
All uses, total	1,025,869	1,159,923	818,682	+ 25	- 12
Commercial	214,210	245,481	180,165	+ 19	- 13
Industrial	479,835	501,930	383,020	+ 25	- 4
Residential	168,606	225,637	136,169	+ 24	- 25
Other	163,218	186,875	119,328	+ 37	- 13

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

Petroleum production and refining. For the second consecutive month, the Railroad Commission of Texas has reduced the allowable crude production within the state. The order included 23-19 producing days for December. The cutback to 2,924,918 barrels per calendar day during December follows October increases of from 4 to 17% in the nation's stocks of gasoline, distillate, residual, and kerosene compared to a year ago. Gasoline stocks in Texas rose 9%, distillate rose 12%, and residual and kerosene soared 19% during the year. Compared to September, changes in Texas stocks ranged from nil for kerosene to +15% for distillate. The nation's distillate stocks stood at an all-time high early this month, probably due to the fact that consumers had more of this fuel on hand than they were believed to have. The unusual severity of the early part of this winter is expected to help return fuel stocks to their normal level. Some authorities feel that the Iranian



shutdown has had little effect on the middle-eastern oil boom. Crude oil exports from that area this year will surpass those of last year in spite of the loss of Iranian production. By mid-1952 Middle-East oil production will total 2.5 million barrels per day as compared to 0.7 million barrels per day produced in 1946.

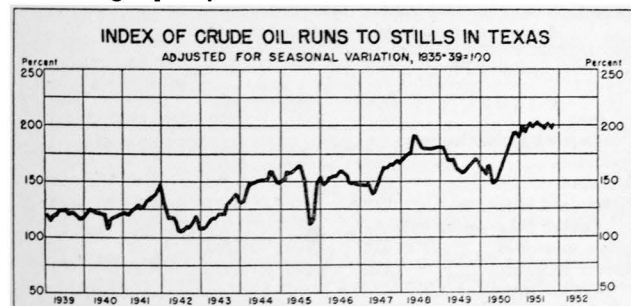
REFINERY STOCKS*
(in thousands of barrels)
Source: *The Oil and Gas Journal*

Item	Oct 1951	Sept 1951	Oct 1950	Percent change	
				Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
United States					
Gasoline	109,513	112,356	105,062	+ 4	— 8
Distillate	102,926	97,019	84,057	+ 22	+ 6
Residual	48,570	47,569	44,310	+ 10	+ 2
Kerosene	33,522	33,837	28,634	+ 17	— 1
Texas					
Gasoline	21,457	21,153	19,767	+ 9	+ 1
Distillate	16,076	13,977	14,301	+ 12	+ 15
Residual	8,225	7,817	6,920	+ 19	+ 5
Kerosene	6,164	6,187	5,171	+ 19	x

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

xChange is less than one half of one percent.

Completion of refineries now under construction in the Middle East may not relieve the existing bottleneck. Improved production methods, the opening of extensive new fields, and the revolution of petroleum transport by pipe lines have aggravated the already existant shortage of refining capacity in that area.



Crude oil runs to stills in Texas during October (57,728,000 barrels) continued their upward trend by 3% after a slight decline in September. Daily average production of crude petroleum also rose slightly during the month. Although the October average of 2,896,900 barrels was 1% over that of the preceding month, after adjustment for seasonal variation the index showed a drop from 230 to 228. Both actual production and the adjusted index were up 11% from October 1950.

During the five weeks ending November 3 there were 1,615 wells drilled in the Lone Star State, according to

WELL COMPLETIONS

Source: *The Oil and Gas Journal*

District	October 1951*				Jan-Oct	
	Total	Oil	Gas	Dry	1951	1950
All Texas	1,615	974	78	563	14,035	13,560
North Central Texas	492	250	4	238	4,275	4,101
West Texas	511	417	5	89	4,274	4,085
Panhandle	86	37	34	15	608	762
Eastern Texas	115	69	7	39	1,014	946
Texas Gulf Coast	228	111	22	95	1,943	1,914
Southwest Texas	183	90	6	87	1,921	1,752

*For five weeks ending November 3, 1951.

The Oil and Gas Journal figures. Of this total there were 974 oil producers, 78 gassers, and 563 dusters. As might be expected, the western part of the state was the district where the largest number of wells (511) were drilled. In this area 417 produced oil, 5 produced gas, and 89 were dry holes. A total of 14,035 wells were drilled between January 1 and November 3.

REPORTED PETROLEUM PRODUCTION

(in barrels)

Source: Oil and Gas Division, Railroad Commission of Texas

Oil and gas districts	Aug 1951	July 1951	Aug 1950	Percent change	
				Aug 1951 from Aug 1950	Aug 1951 from July 1951
All districts	85,330,344	84,889,438	75,587,182	+ 13	+ 1
District 1	1,035,632	1,040,781	915,444	+ 13	x
District 2	5,084,738	5,044,381	4,426,223	+ 15	+ 1
District 3	14,766,589	14,763,374	13,398,342	+ 10	x
District 4	7,971,784	7,836,325	6,885,292	+ 16	+ 2
District 5	1,733,811	1,715,363	1,263,778	+ 37	+ 1
District 6	11,952,381	11,954,334	11,464,583	+ 4	x
District 7b	2,556,759	2,513,769	2,272,507	+ 13	+ 2
District 7c	3,236,820	3,098,156	1,924,758	+ 68	+ 4
District 8	29,522,041	20,459,174	25,625,918	+ 15	+ 44
District 9	4,863,410	4,871,391	4,593,385	+ 6	x
District 10	2,606,379	2,592,390	2,816,902	- 7	+ 1

xChange is less than one half of one percent.

Natural gas production. In September, the latest month for which Railroad Commission information is available, 378,459 million cubic feet of natural gas was produced. Of that total 277,841 million cubic feet was gas well gas. Marketed production of gas well, casing-head, and comingled gas rose 16, 20, and 426% from September 1950, but dropped 4 to 5% from August 1951. Exports from the state took 46% of marketed production as compared to 45% a month ago, and natural gas going to carbon black plants fell slightly, to 26,044 million cubic feet.

VALUE OF NATURAL RESOURCES
(in thousands)

Source: State Comptroller of Public Accounts

Item	Oct 1951	Sept 1951	Oct 1950	Percent change	
				Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
Carbon black					
production	\$ 4,323	\$ 1,141	\$ 749	+477	+279
Crude oil sales	202,026	190,477	173,211	+ 17	+ 6
Natural and casinghead gas sales	27,074	15,267	16,465	+ 64	+ 77

TOTAL AND MARKETED PRODUCTION OF NATURAL GAS

(in millions of cubic feet)

Source: Oil and Gas Division, Railroad Commission of Texas

Item	Sept 1951	Aug 1951	Sept 1950	Percent change	
				Sept 1951 from Sept 1950	Sept 1951 from Aug 1951
Total production	378,459	394,845	332,157	+ 14	- 4
Gas well gas	277,841	289,873	247,107	+ 12	- 4
Sweet	249,825	260,108	219,316	+ 14	- 4
Sour	28,016	29,765	27,791	+ 1	- 6
Casinghead gas*	100,618	104,972	85,050	+ 18	- 4
Marketed production	307,117	321,982	256,431	+ 20	- 5
Gas well gas	211,398	222,580	181,865	+ 16	- 5
Casinghead gas	87,596	90,827	73,023	+ 20	- 4
Comingled gas†	8,123	8,575	1,543	+426	- 5
Transmission lines	220,828	232,337	176,983	+ 25	- 5
Consumed in state	78,714	88,011	66,911	+ 18	- 11
Exported from state.....	142,114	144,326	110,072	+ 29	- 2
Percent of marketed production	46	45	43	+ 7	+ 2
To carbon black manufacture	26,044	26,961	25,950	x	- 3

*Total casinghead gas produced, excluding gas legally vented at the oil well.

†Casinghead and gas well gas combined in gasoline plant operations.

xChange is less than one half of one percent.

Production of petroleum from coal and oil shale.

Reports by the National Petroleum Council and the Bureau of Mines give divergent pictures of the practicality of producing gasoline from coal and oil shale. The former agency reported the estimated cost of gasoline from coal hydrogenation to be about 43.5 cents a gallon. The Bureau of Mines' estimate was 14 cents a gallon, a price nearly competitive with gasoline derived from crude oil. Both government and industry would be more interested in the production of gasoline from coal, because of its wide distribution and nearness to consuming centers, than in production from oil shale, which is found only in the West. However, since government and industry were more nearly agreed on cost estimates for production of gasoline from oil shale than from coal, further research on oil shale has been suggested. The industry report was less unfavorable toward the production of synthetic fuels by gasifying coal and converting the carbon monoxide and hydrogen to liquid fuels. At present, structural steel required for a coal-to-gasoline plant, estimated at 7 to 7.3 tons per daily barrel of product by the Bureau of Mines and 7.9 to 8.5 by the council, would be a major bottleneck. The

PRODUCTION OF HYDROCARBON LIQUIDS FROM GASOLINE AND RECYCLING PLANTS

(in barrels)

Source: Oil and Gas Division, Railroad Commission of Texas

Item	Aug 1951	July 1951	June 1951	May 1951
Total production	9,915,140	9,344,899	9,099,543	9,499,579
Condensate-crude	480,475	495,480	480,242	507,813
Gasoline	5,784,638	5,562,360	5,408,114	5,580,288
Butane-propane and methane-ethane	3,443,106	3,095,255	3,024,620	3,205,616
Other products	206,921	191,804	185,567	205,862
Total gas processed*	300,483	291,072	283,589	294,011
Yield per Mcf in gallons	1.89	1.35	1.35	1.36

*In millions of cubic feet.

Defense Director has indicated that he has neither steel nor funds for an experimental gasoline-from-coal project.

Magnesium in West Texas. Of interest is the possible development of a magnesium industry in the oil fields of West Texas. By pumping water into a thick salt zone that underlies a vast part of the Permian basin, bringing the resultant brine to the surface, and testing it for magnesium content, a large chemical company now producing the light metal on the Gulf Coast plans to determine whether commercialization is possible. If commercial amounts of magnesium are found in Borden County, the site of the tests, the way should open for construction of magnesium plants there in the near future.

MANUFACTURE OF DAIRY PRODUCTS

(in thousand pounds milk equivalent)

Product	Unit (000's)	Oct 1951	Sept 1951	Oct 1950	Percent change	
					Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
Total production in milk equivalent*	lbs.	50,098	55,871	51,028	- 2	- 10
Creamery butter	lbs.	843	798	860	- 2	+ 6
Ice cream	gals.	2,003	2,506	1,945	+ 3	- 20
American cheese	lbs.	307	380	310	- 1	- 19
Cottage cheese	lbs.	393	440	401	- 2	- 11
All others	lbs.	2,580	2,513	3,147	- 18	+ 3

*Milk equivalent of dairy products is calculated from production data.

Cement production and activity. With the building season drawing to a close, stocks of cement zoomed upward 32% during September and stood 54% above the total of last September. Production and shipments both fell (4 and 18%, respectively). Production for September came to 1,525,000 barrels; 1,345,000 barrels were shipped; and at the end of the month stocks totaled 739,000 barrels.

Wheat ground. One-percent decreases in both wheat ground and flour milled were registered in September. The total of 2,284,000 bushels of wheat ground, although 30,000 less than the August figure, raised the seasonally adjusted index from 95 to 96.

TEXAS INDUSTRIAL ACTIVITY

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

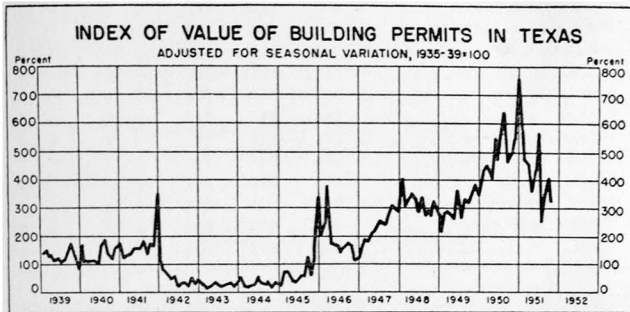
Item	Sept 1951	Aug 1951	Sept 1950	Percent change	
				Sept 1951 from Sept 1950	Sept 1951 from Aug 1951
Cement (1,000 barrels)					
Production	1,525	1,588	1,487	+ 3	- 4
Shipments	1,345	1,645	1,517	- 11	- 18
Stocks, end-of-month	739	559	481	+ 54	+ 32
Cotton (in running bales)					
Cotton consumed	11,547	11,666	14,624	- 21	- 1
Linters consumed	1,475	3,032	2,770	- 47	- 51
Cotton spindles					
Spindles in place (000's)	215	214	214	x	x
Spindles active (000's)	200	203	210	- 5	- 1
Total spindle hours (000's)	83,000†	83,000	105,000	- 21	0
Average spindle hours	386	388	491	- 21	- 1
Cottonseed (tons)					
Received at mills	207,284	308,363	138,382	+ 50	- 33
Crushed	127,709	108,726	131,578	- 3	+ 17
Stocks, end of month	329,090	249,515	201,104	+ 64	+ 32
Wheat					
Ground (1,000 bushels)	2,384	2,414	2,629	- 9	- 1
Milled: flour (1,000 sacks)	1,011	1,025	1,120	- 10	- 1

†For four weeks ending September 29, 1951.

xChange is less than one half of one percent.

CONSTRUCTION

Decline in building permits. The preliminary index of building permits issued in October fell to 324 after adjustment for seasonal variation, down 19% from September and 35% from last October's level. The average monthly index of 1951 stood at 435, compared with 598 in 1950. After adjustment for price changes, the deflated index registered 157, down 20% from last month and 36% from October 1950.



The first-ten-month total of the value of building permits issued in Texas amounted to \$553,109,000, 21% behind last year's \$696,793,000, but still the second highest ten-month total on record. With few exceptions, all classes suffered downward trends. Decreases in residential building of all kinds ranged from 24% in one-family houses to 57% in tourist cabins. Construction of stores and amusement buildings was hardest hit, down 83 and 42%, respectively. Institutional construction led in nonresidential building, up 73% from last year. Value of permits for factories and workshops rose 54%, while office and bank buildings gained 28%.

The total number of privately financed dwelling units authorized in October was 3,638, of which 3,326 units were one-family houses. This number represents decreases of 15% from September and 29% from last October. The total of the first ten months in 1951 was only 44,487, short 36% of the record total of 69,435 during the same period of last year. However, the large volume of public-housing construction earlier this year (11,315 units) pushed the first-ten-month total of 1951 to 55,802, only 20% behind last year.

ESTIMATES OF BUILDING PERMITS ISSUED BY TYPE OF CONSTRUCTION (in thousands)

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

Type of construction	Oct 1951*	January-October		
		1951	1950	Percent change
Total, all classes.....	\$42,764	\$553,109	\$696,793	- 21
New construction	36,303	488,442	628,545	- 22
Residential	22,735	320,646	432,188	- 26
Housekeeping	22,547	316,680	425,309	- 26
Single family	21,220	290,091	381,043	- 24
Multiple family	1,327	26,589	44,266	- 40
Nonhousekeeping	188	3,966	6,879	- 42
Nonhousekeeping	13,568	167,796	196,357	- 15
Additions, alterations, and repairs	6,461	64,667	68,248	- 5

Only building for which permits were issued within the incorporated area of the city is included. Federal contracts are excluded.

*Preliminary.

CONSTRUCTION CONTRACTS AWARDED IN TEXAS

(in thousands)

Source: Dodge Statistical Research Service

Type of construction	Sept 1951	January-September		
		1951	1950	Percent change
All construction.....	\$87,635	\$1,080,193	\$799,393	- 29
Total new building	59,772	745,422	593,698	+ 26
Residential building	35,511	443,201	371,017	+ 19
Nonresidential building	24,261	302,221	222,681	+ 36
Additions, alterations, and repairs	7,208	112,773	59,035	+ 91
Residential	300	4,719	5,214	- 9
Nonresidential	6,908	108,054	53,821	+101
Public works and utilities.....	20,655	171,998	146,660	+ 17

Decreased construction in Texas. Private construction in Texas registered a substantial decline during the first month under the Controlled Materials Plan, which took effect October 1, 1951. This decline represents a more-than-seasonal slump, and like declines are reported from throughout the nation. The preliminary estimates of urban building authorized in October fell to \$42,764,000, a drop of 26% from September's \$58,050,000, and 34% off from October 1950. Both residential and nonresidential building shared the decline. Residential building totaled \$22,735,000, down 38% from September and 35% from last October. Nonresidential building was valued at \$13,568,000, a 10% drop from September and 40% below last year. All types of housekeeping residential building showed decreases from last month and from a year ago.

Scarce building supplies. Shortages of materials dictate a definite downward trend for construction activities during the remainder of this year. After the supplies of critical materials stockpiled by contractors are exhausted, the allotments of steel, copper, and aluminum from the National Production Authority will determine to a large extent the amounts and types of construction that will continue to be put in place in the coming months. NPA has already vetoed 65% of the applications for allotments of critical materials in October. Structural steel was the principal limiting factor during October; copper may come next.

The Southwest is particularly concerned about the tight steel situation, for the vast petroleum activity in Texas and neighboring states requires large amounts of fabricated steel. Furthermore, the shift of industries from the North and East to the South and Southwest calls for additional construction in industrial plants, housing, and community facilities.

ESTIMATES OF BUILDING PERMITS ISSUED BY CITY-SIZE CLASS (in thousands)

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

City-size class (Population, 1940 Census)	Oct 1951*	January-October		
		1951	1950	Percent change
All urban places.....	\$42,764	\$553,109	\$696,793	- 21
Over 100,000	18,473	274,210	326,338	- 16
50,000 to 100,000	6,552	91,748	129,964	- 29
25,000 to 50,000	5,488	45,453	60,261	- 25
Under 25,000	12,251	141,698	180,260	- 21

Only building for which permits were issued within the incorporated area of the city is included. Federal contracts are excluded.

*Preliminary.

AGRICULTURE

Income

Farm cash income. The unadjusted index of farm cash income for October 1951 stood 860% above the 1935-39 average month and 29% above last month's index. Yet, the index was less than one half of one percent higher than during October 1950. The January-through-October total of farm cash income for 1951 was 27% above the 1950 total. This increase in income does not necessarily reflect a good crop year but, rather, a period of prosperity for Texas farmers through a high ratio of prices received to prices paid. The index of prices received by farmers in Texas for all farm products has shown an increase from the corresponding 1950 period every month during 1951 with the exception of September, and the decrease in that month was less than one half of one percent. As the 1951 crop season nears an end, production estimates for most of the crops except cotton and rice are greatly below the 1940-49 average and 1950 totals as well.

FARM CASH INCOME*

(in thousands)

Commodity	January-October		Percent change
	1951	1950	
Texas	\$1,649,767	\$1,302,959	+ 27
Cotton	465,256	376,690	+ 24
Cottonseed	89,946	70,504	+ 28
Wheat	21,793	44,447	- 51
Oats	6,250	8,511	- 27
Corn	21,154	24,135	- 12
Mohair	11,280†	10,596†	+ 6
Wool	45,880	29,396	+ 56
Grain sorghum	68,412	49,283	+ 39
Cattle	340,870	217,127	+ 57
Calves	98,507	43,211	+128
Hogs	32,212	25,024	+ 29
Sheep and lambs	33,500	24,856	+ 35
Poultry	54,247†	38,939†	+ 39
Eggs	74,639†	52,840†	+ 41
Rice	49,851†	55,712†	- 11
Milk and milk products	178,617†	160,328†	+ 11
Fruit and vegetables	46,780†	50,514†	- 7
Peanuts	10,362	16,990	- 39
Flaxseed	211	3,856	- 95

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

†Revised.

The higher prices caused large increases in cumulative income from marketings of several products compared to their 1950 levels: calves, +128%; cattle, +57%; wool, +56%; eggs, +41%; grain sorghum and poultry, +39%, each; hogs, +29%; cottonseed, +28%; and cotton, +24%. Although rice production during 1951 promises to be a record yield, the increased supply has forced the current price down; consequently the 1951 income is 11% below the cumulative total for 1950. Other decreases were seen in: flaxseed (-95%), wheat (-51%), and peanuts (-39%).

Price of Texas farm commodities. The index of prices received by Texas farmers for all farm products, 343 for October 1951, represents a 2% increase over

INDEXES OF PRICES RECEIVED BY FARMERS IN TEXAS

(1909-14 = 100)

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

Group	Oct 1951	Sept 1951	Oct 1950	Percent change	
				Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
All farm products	349	343	340	+ 8	+ 2
All crops	286	268	300	- 5	+ 7
Food grains	236	212	232	+ 2	+ 11
Feed grains and hay	212	202	155	+ 37	+ 5
Potatoes and sweet potatoes	227	215	117	+ 94	+ 6
Fruit	47	47	168	- 72	0
Truck crops	415	410	328	+ 27	+ 1
Cotton	290	271	312	- 7	+ 7
Oil-bearing crops	336	311	407	- 17	+ 8
Livestock and products	434	444	394	+ 10	- 2
Meat animals	532	554	483	+ 10	- 4
Dairy products	284	274	245	+ 16	+ 4
Poultry and eggs	318	312	252	+ 26	+ 2
Wool	435	441	491	- 11	- 1

September and a 3% increase over the same month last year. The index of all crops stood at 286 for October, 7% up from last month, but 5% down from October 1950. Large increases for October 1951 over October 1950 were recorded for feed grains and hay (+37%), potatoes and sweet potatoes (+94%), truck crops (+27%), and poultry and eggs (+26%).

Texas farmers received \$5.00 per hundredweight for their rice in October, an increase of 37% over last month, but 9% below the price received in October 1950. Flaxseed, selling at an average of \$3.60 per bushel in October, increased 16% from September and 24% from the same month in 1950. The average weighted price of all hay in October 1951, \$34.20 per ton, was 6% over that of September 1951 and 74% over that of October 1950. Beef cattle sold at an average of \$25.50 a hundredweight during October, 5% less than in September but 9% more than in October 1950. The average price of hogs in October, \$20.30 a hundredweight, declined 10 cents from September, but remained 90 cents higher than in October 1950. Calf prices declined 70 cents from September to \$31.00 per hundredweight in October, but farmers received \$4.80 more than during the same month last year. The only increase in livestock prices was recorded for sheep, up 40 cents from last month to average \$16.90 per hundredweight during October, \$1.60 more than the October 1950 prices.

Cotton, selling at 35.1 cents per pound in October, increased 7% from September but decreased the same amount from October 1950.

Marketings of farm commodities. Ginnings of cotton lint and cottonseed during October increased 26% from the preceding month but decreased 5% from October 1950. A survey of mohair sales indicated that mohair marketings were accelerated. October 1951 showed increases of 153% from the month before and 199% from October last year. The mohair industry is subject to tremendous seasonal variations, and these large increases are primarily explained by this factor.

Egg production during October, estimated by the Department of Agriculture at 172 million, was 3%

above that of last month but fell 4% below the October 1950 level.

Texas pastures received scattered rain during October, except in the western plateau and the trans-Pecos counties. The effects of the scattered showers are seen in the figures measuring shipments of livestock. Total shipments during September increased 74% from September 1950, whereas October shipments increased only 43% from October 1950. October 1951 total shipments increased 24% over those of September, but this increase occurred primarily because of the seasonal nature of livestock marketings, rather than because of the drought-seared condition of pasturelands. Shipments within the state continued below 1950 levels, and all livestock during October decreased 57%. Cattle and hog shipments increased from September to October 79 and 13%, respectively.

SHIPMENTS OF LIVESTOCK

(in carloads)*

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

Classification	Oct 1951	Sept 1951	Oct 1950	Percent change	
				Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
Total shipments.....	11,850	9,579	8,311	+ 43	+ 24
Cattle	8,233	5,711	5,883	+ 40	+ 44
Calves	1,857	1,794	1,440	+ 29	+ 4
Hogs	723	672	658	+ 10	+ 8
Sheep	1,037	1,402	330	+214	- 26
Interstate plus					
Fort Worth.....	11,284	9,109	6,998	+ 61	+ 24
Cattle	7,808	5,473	4,937	+ 58	+ 43
Calves	1,772	1,677	1,208	+ 47	+ 6
Hogs	705	656	658	+ 7	+ 7
Sheep	999	1,303	195	+412	- 23
Intrastate minus					
Fort Worth†.....	566	470	1,313	- 57	+ 20
Cattle	425	238	946	- 55	+ 79
Calves	85	117	232	- 63	- 27
Hogs	18	16	0	.....	+ 13
Sheep	38	99	135	- 72	- 62

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

†Intrastate truck shipments are not included. Fort Worth shipments are combined with interstate forwardings in order that the bulk of market disappearance for the month may be shown.

Total October shipments of sheep, which mostly originate in West Texas, showed an increase of 214% from October 1950; the September-to-September increase was 80%.

Interstate shipments plus forwardings to Fort Worth for slaughter continued higher this month than during last October. The only decrease in this category was recorded for sheep, down 23% from September. This indicates that the movement of lambs and old ewes, which has been heavy for the past few months, is beginning to decline.

Crop prospects. Department of Agriculture estimates for grain sorghums, sweet potatoes, Irish potatoes, hay, pecans, and earlier-harvested crops remained unchanged during October, but the cotton and peanut crops were revised downward 10 and 8%, respectively, to 4.3 million bales and 139 million pounds. Estimates for corn

and rice were revised upward by 3 and 2%. Conditions for harvesting during October were favorable over most of the state, but progress of fall seedlings was retarded by a lack of adequate moisture. Late October and early November precipitation temporarily improved small grain cover crops and winter pasture feeds. Yet, more moisture was needed in most areas of the state, especially the western plateau and trans-Pecos counties. Oats, winter cover crops, and pastures in many central, eastern, and southern counties suffered considerably from insect infestation. The tomato crop in the Laredo area required dusting in early October to retard the worm damage, but conditions improved during the remainder of the month, and a good crop was expected at harvest time.

Cotton harvesting was nearing completion in all areas except the west and northwest, and the early November freeze should speed up the activities there. The 1951 cotton crop to date is 46% greater than last year's and 41% above the 1940-49 average. The estimate of rice production, 12,397,000 hundredweight bags, on November 1, indicated a 7% increase over the 1950 crop and a 50% increase over the 1940-49 average. The corn production estimate was revised upward in October, with harvesting activities nearing completion. The average yield per acre during October was 19.5 bushels, compared to 19.0 bushels during September. The current yield compares favorably with the 10-year average of 16.8 but is 1.5 bushels per acre below the 1950 yield.

Pasture feed prospects were materially improved by general rains over most of the state during the latter part of October, but supplemental feeding of concentrates was continued in some localities. Movement of lambs and old ewes in heavy volume from the plateau and western counties continued during October as ranchmen continued culling operations to adjust their flocks to their feed reserve levels.

The indicated 1951 turkey production estimate on November 1 was 15% above the comparable period for 1950.

Cotton

The cotton situation is plagued with great uncertainty. The biggest single question concerns the imminent December estimate. The decline in cotton production prospects in the United States and foreign countries combined has been about three million bales since August. This has created a very bullish supply situation. Should the December estimate be decreased by a million bales from the November estimate as shown above, prices would most certainly reach the ceiling of 45.39 cents for futures.

It must be recognized that present mill margins in this country will not support such a price. The strength in the market on the demand side lies in prospective exports paid for to a large extent by our own government. It must also be recognized in this connection that as prices advance the number of bales exportable with government grants decreases. Mills in this country will as surely seek limitations of exports to hold prices of cotton down in the United States in order to continue in full operation.

LABOR

Employment. Employment continued to inch upward during October. Texas Employment Commission estimates for 17 key cities show a September-to-October gain of about 1% in nonagricultural employment. Compared with the same period of a year ago October 1951 registered a 7% increase.

Nonagricultural employment for the state increased 2,700 from September to October, reaching a month-end total of 2,122,200. Most of this gain was made in the manufacturing industries, where 4,300 new employees were added. In the nonmanufacturing industries as a whole, employment dropped 1,600, but movements within this group were not uniform. Mining (including petroleum), services, and miscellaneous industries showed losses of 2,000 each. Government employment fell 700. Partially offsetting these losses were construction with 600 and trade with 2,600 new employees.

October's mild gains resulted largely from the seasonal jump in retail trade plus the ever-increasing defense activity. Employment in these two groups was more than enough to offset mild seasonal drops in mining and apparel industries.

Unemployment. Once again the unemployed among the labor force decreased in number. By October's end the Texas Employment Commission estimates for the 17 key cities showed a drop for this group to 2.7% of the labor force. The September percentage was 2.8; in October 1950, unemployment was 3.2% of the labor force.

Labor supply. Unemployment figures alone do not show the whole labor supply picture. So far most of the recent employment demands of our expanding economy have been met by additions to the force—youths, women, and in-migrants. The supply of women for the labor force cannot be measured accurately, but it is considered adequate for present needs. Most of this group, however, are seeking the more lucrative defense jobs. As a result, many areas report more women registered for defense jobs than can be placed. As in past months in-migration of workers was intensified during October. But many of this group are seasonal migrants from the North seeking temporary employment.

Placements. Reports from key cities to the Texas Employment Commission show good gains in placements in most areas. Placements throughout the state as a whole showed a 6% gain from September. Waco, with a 32% rise, and Dallas, up 19%, showed the most activity among the major centers. Abilene, Galveston-Texas City, Houston-Baytown, and Wichita Falls registered minor losses.

The national scene. Over the nation certain encouraging aspects of the economy were offset by work stoppages involving longshoremen, employees in atomic energy plants, rubber plants, electric appliance factories, and others. But of even greater significance were the impending possibilities of future damaging strikes.

PRICES

Bureau of Labor Statistics price indexes. The cost of living in the United States was higher during October than ever before, according to the Bureau of Labor Statistics. The Consumers' Price Index, the government's official yardstick, reached an all-time high of 187.4, breaking the existing record for the third consecutive month. In Houston, one of the key cities surveyed monthly by the BLS, a similar advance was registered. There, as elsewhere, the active agent of inflation during October was the "miscellaneous" category. This group of family expenses includes personal and medical care, household services, and recreation. It also includes transportation, significantly more expensive since recent increases in automobile insurance rates, and alcoholic beverages and tobacco products, both of which will have risen still more in the November index, due to the levying of massive, new excise taxes.

In a preliminary report, the BLS announced a slight upward tendency of wholesale prices during October. The bureau's Index of Wholesale Prices for All Commodities started uphill once more after seven successive months of decline. The October index, 178.1, indicated that wholesale prices stood at approximately the same levels as at the beginning of the year, and higher than at any time between 1776 and 1951.

The effects of credit curbs and the aftermath of scare buying sprees have weakened the demand for many lines of durable and semidurable goods and have tended to decrease their prices. Yet, such deflationary influences as these have been cancelled in large measure by the increase in employment since April 1950. During the last 19 months, 4 million persons previously unemployed or not in the labor market have been receiving wages and spending more than 90% of their net disposable income. The extra billions of dollars that these new workers have put into circulation have competed actively for most consumer goods.

Strong downward pressures have been exerted on the price levels of many commodities during recent weeks. Food is a day-to-day necessity and its average price has increased more than most prices. Consequently, the soaring grocery bills that have beset the average family of moderate income have eaten into segments of the family budget ordinarily spent otherwise. Expenditures

INDEXES OF CONSUMERS' PRICES (1935-39 = 100)

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

Group	Oct 1951*	Sept 1951	Aug 1951	Oct 1950	Sept 1950
United States, all items.	187.4	186.6	185.5	174.8	173.8
Houston, all items.....	194.4	194.1	193.0	182.3	182.2
Food	237.6	239.4	237.2	222.3	223.3
Clothing	222.8	223.1	221.1	206.8	205.5
Rent	†	†	168.6	†	†
Fuel group	98.6	98.6	98.6	98.6	98.6
Housefurnishings	205.0	205.3	203.8	189.8	188.7
Miscellaneous	171.7	169.7	169.2	159.7	159.5

*Preliminary.

†Not surveyed.

on food still take more of the current income dollar than before the Korean outbreak; however, food costs absorb no more of the consumer's deflated purchasing power than in the years from 1935 to 1939. From mid-1950 to the same time this year, the nation's food bill increased from 28% of all personal consumption expenditures to 29%. Over the same period, retail food prices increased 13%, considerably more than the 11% increase in all retail prices including food. The result has been a changed relationship between food expenditures and total expenditures.

INDEXES OF WHOLESALE PRICES IN THE UNITED STATES
(1926 = 100)

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

Group	Oct 30 1951*	Oct 2 1951	Oct 31 1950	Percent change	
				Oct 30 1951 from Oct 31 1950	Oct 30 1951 from Oct 2 1951
All commodities.....	177.0	177.1	169.7	+ 4	x
Farm products	192.1	191.1	178.8	+ 7	+ 1
Foods	189.9	189.5	172.4	+ 10	x
All commodities other than farm and foods....	165.1	165.2	162.3	+ 2	x

*Preliminary.

xChange is less than one half of one percent.

Squeezed retail margins. While wholesale foods have advanced some 16% in the past 16 months, retail food prices have gained only 12%; hence, retail margins have apparently been squeezed more than those of wholesalers. Through a survey of 14 retail food chains, the National City Bank of New York found that the margin of profits as a percentage of sales in retail food stores dropped from 1.6% for the first half of 1950 to 1.0% for the first half of 1951. Ceiling prices on meats have reportedly been a constricting influence on profits, and operating expenses have generally risen more than retail prices.

Beef marketing. In general, about one-eighth of the family food budget is spent for beef, a larger proportion than for any other single item of food. Hence, beef prices carry great weight in determining the general level of food prices. The future direction of beef prices remains problematical. Although the present cattle population of nearly 90 million is the highest in history, stockmen are reluctant to sell them at current ceiling prices. It is evident that they expect these ceilings to be repealed or liberalized.

The Bureau of Agricultural Economics announced recently: "Even with the seasonally large marketings that are expected in the fourth quarter, cattle slaughter for 1951 will likely total no more than 18 million head. This would be the smallest annual slaughter in at least eight years. Cattle numbers are rising. By next January 1, there will be around 6 more million head of cattle and calves on farms than a year earlier, setting a new high record."

Cutback in durable-goods manufacture. The National Production Authority unveiled plans in mid-November for sharp cutbacks in all types of consumer durables during the first quarter of 1952. During the first three months, all strictly consumer-oriented production of durable goods will be cut at least 50% from

pre-Korea levels. Many items, in fact, are expected to be cut much more than this, although none will be entirely eliminated. In allotting steel, copper, and aluminum, NPA will divide products into two groups. The first, "relatively unessential," includes pins and needles, furniture, and most household appliances. Producers of such wares will get 50% of their pre-Korea steel allotment, 40% as much copper wire as formerly, and 35% as much copper, brass, and aluminum. The second group includes such "less essential" products as jewelry, Christmas decorations, luggage hardware, smokers' supplies, and advertising materials. These goods are supposedly defensible or subject to changes in materials used in their making. Their metal rations range from 50% in steel and 20% in aluminum to 19% in copper, all based on their pre-Korea consumption.

The effects of this regulation on price lines is already evident in scattered instances. The widespread household appliance clearance sales of last summer are coming to an end. Some manufacturers are marking up their prices on the legal grounds that their costs have risen tremendously and on the commercial grounds that Christmas-shopping consumers are likely to be less price-conscious than during recent months, and that tightening supplies after the first of the year will eventually force the market value of durable goods skyward.

New prices on old cars. New dollars-and-cents ceilings were ordered on November 15 for used cars. Current ceilings for pre-1951 models will be cut by some 6% when the new ruling goes into effect December 20. Each model has three different ceilings, one in each of three geographical areas of the country. The northeastern quarter of the nation constitutes one zone, the second zone includes the states on the West Coast, and the remainder of the country falls into the third. Beginning January 1, 1952, and on the first day of each calendar quarter after that date, the ceiling on any given car will be automatically reduced 2% to allow for depreciation.

Prices outside the United States. In spite of the popular notion that prices in the United States have increased out of all proportion to those in other countries, this nation has suffered a much milder inflation than most, during the years since World War II. The statistical agency of the United Nations Organization has computed comparable series of cost-of-living indexes for most member nations. During August, when the United States registered an index of 181 (1937=100), France (131) was the only major power with a lower figure. Canada, which has followed United States trends rather closely, marked up a 187 index that month. In the other neighboring nation, Mexico, the July index (based on prices in Mexico City only) equalled 483. Elsewhere, inflation was even sharper. Japan reported a July index of 149, but the base year for this figure, 1948, came after the severest wartime inflation experienced in the Pacific empire. And in Greece the cost of living in August 1951, measured in the same monetary unit, was estimated by the United Nations bureau to be 34,527% higher than in 1937.

FINANCE

Shifts in banking activity. A general increase in loans and deposits of weekly reporting member banks of the 11th Federal Reserve District occurred during October, according to data supplied by the Federal Reserve Bank of Dallas. That these increases are generally seasonal in nature is indicated by the pattern of previous years. In particular, total loans and investments of the reporting member banks expanded by approximately \$153 million (+6%), loans alone by \$45 million (+3%), and adjusted demand deposits by \$57 million (+3%). In addition, the reporting member banks increased their holdings of United States Government securities by \$107 million (10%) with the increases being concentrated in the highly liquid Treasury bills and Treasury certificates of indebtedness. The former group expanded by 51% (\$92 million) and the latter group by 15% (\$19 million).

Although this tendency of the commercial banks to increase their holdings of federal government obligations may be of no particular significance at the present time, it is important to understand that prices will tend to rise to the extent that the new public debt, growing out of our intensive national security program, is taken up in the banking system. As long as reserves are available, commercial banks can purchase government securities with funds created in the process itself, thus expanding the money supply with no corresponding increase in output. The result is upward pressure on prices and the accompanying evil effects of inflation. If, on the other hand, the increase in the national debt

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

Source: Board of Governors of the Federal Reserve System

Item	Percent change*		
	Oct 1951 from Oct 1950	Oct 1951 from Sept 1951	Oct 1950 from Sept 1950
Assets			
Loans and investments	+ 7	+ 6	+ 1
Loans	+ 5	+ 3	+ 6
Total U.S. Government securities	+ 8	+ 10	- 4
Treasury bills	+176	+ 51	- 12
Treasury certificates of indebtedness	+160	+ 15	- 5
Treasury notes	- 38	- 3	- 6
United States bonds	- 9	+ 1	- 1
Other securities	+ 10	+ 1	+ 1
Reserve with Federal Reserve			
Banks	+ 14	- 4	+ 7
Cash in vaults	+ 11	+ 3	- 10
Balances with domestic banks....	+ 29	- 4	- 2
Liabilities			
Total deposits (except interbank)	+ 9	+ 2	- 2
Demand deposits (adjusted)....	+ 7	+ 3	- 1
Time deposits	- 1	0	x
U.S. Government deposits.....	+141	+ 9	- 26
Interbank deposits	+ 13	+ 6	+ 16
Domestic banks	+ 13	+ 5	+ 16
Foreign banks	- 9	+ 25	+ 22
Capital accounts	+ 11	x	+ 1

*Percentage comparisons are based on week ending nearest the close of the calendar month.

xChange is less than one half of one percent.

can be absorbed by the general public or by financial institutions which do not have the money-creating power, inflationary forces will tend to be curtailed, for previously existing purchasing power will be utilized instead of new purchasing power. The recent ill-fated Treasury savings bond campaign was an effort to achieve such an end; it is unfortunate that the Series E bonds (which yield only 2.9% if held until maturity) are not sufficiently attractive to entice savers. Not only are new savings moving more and more into insurance contracts, saving and loan shares, savings bank deposits, and corporate stocks, but many people are cashing savings bonds and transferring their funds to these higher-yielding investments. To the extent that the institutions which receive these savings place them in government securities, less public debt need be placed in the banking system. But if these institutions utilize the funds primarily for other types of credit extension, the government is forced to rely on the commercial and Federal Reserve banks for support of its borrowing operations; thus the inflationary bias of a semi-war economy is reinforced by an expanding money supply. The need is clear for new Treasury securities which will appeal to the general public and financial institutions other than commercial banks.

LOANS MADE BY SAVINGS AND LOAN ASSOCIATIONS

Source: Federal Home Loan Bank of Little Rock

Type	Oct 1951	Sept 1951	Oct 1950	Percent change	
				Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
Number	2,535	2,386	2,704	- 6	+ 6
Construction	528	501	681	- 22	+ 5
Purchase	876	764	884	- 1	+ 15
Refinance	170	206	232	- 27	- 17
Recondition	255	252	315	- 19	+ 1
Other	706	663	592	+ 19	+ 6
Value (\$000's) ..	\$10,847	\$ 9,620	\$11,447	- 5	+ 13
Construction	3,259	3,048	3,901	- 16	+ 7
Purchase	4,595	3,873	4,463	+ 3	+ 19
Refinance	862	909	1,091	- 21	- 5
Recondition	632	619	749	- 16	+ 2
Other	1,499	1,171	1,243	+ 21	+ 28

Stable month in Federal Reserve accounts. Few significant changes took place in the condition of the Federal Reserve Bank of Dallas during October. Federal Reserve notes, which provide the major portion of our hand-to-hand money in the Southwest, increased by only 1%, while total deposits, which consist of member bank reserve accounts, government deposits, non-member bank deposits, and foreign bank deposits, declined by 1%. The combined result was an increase of only 1% in total liabilities, and practically no change in total liabilities and capital, which is the equivalent of total assets.

Increased money turnover. The seasonally adjusted index of bank debits reversed its September trend and rose 3% to a level of 625 (1935-39=100). Since this index is influenced by both the volume of deposits and their turnover, the high level maintained during 1951 emphasizes the fact that the volume of money is only one of the two factors determining the size of the spending

BANK DEBITS AND END-OF-MONTH DEPOSITS IN SELECTED TEXAS CITIES
(in thousands of dollars)

City	Bank debits			End-of-month deposits		
	Oct 1951	Sept 1951	Percent change	Oct 1951	Sept 1951	Percent change
Arlington	2,134	4,763	- 55	3,460	5,579	- 38
Bastrop	1,423	1,338	+ 6	1,759	1,760	- 1
Caldwell	2,381	2,175	+ 9	3,721	3,869	- 4
Cameron	4,998	5,453	- 8	8,906	8,738	- 2
Giddings	1,863	1,686	+ 10	3,786	3,704	+ 2
Gonzales	5,737	5,611	+ 2	6,561	6,446	+ 2
Llano	4,129	4,812	- 14	4,414	4,615	- 4
San Saba	4,712	5,002	- 6	4,833	4,498	+ 7
Terrell	4,212	4,933	- 15	7,446	8,007	- 7

stream. The turnover of the money supply can at times be even more important than the volume of means of payment, particularly during periods of rapidly rising or rapidly declining prices. During such periods the spending public becomes convinced that either goods (in the case of rapidly rising prices) or money (in the case of rapidly falling prices) is the much more desirable asset to hold. Consequently, the attempt to decrease one's cash balance during inflation results in an increase in the turnover (or velocity) of money and bolsters the price rise. The opposite occurs during a period of severe deflation. At such a time, convinced that the value of money will continue to rise, individuals, businessmen, and banks attempt to build up their cash balances by disposing of other assets. The result is further deflation. Although most economists believe that during normal periods the supply of means of payment is the dominant factor in the price situation, they do not deny that especially during periods of economic stress or turbulent expectations the velocity of the money supply can become the key factor.

Federal taxation in Texas. Federal internal revenue collections in Texas continued at a high rate during October, when the more than \$102 million in collections brought the total for the first four months of the 1952 fiscal year to more than \$481 million, an amount

FEDERAL INTERNAL REVENUE COLLECTIONS*

Source: Office of the Collector, Internal Revenue Service, Treasury Department

Source	July 1-October 31		
	1951	1950	Percent change
Texas	\$481,876,505	\$379,037,607	+ 27
Income	223,937,766	182,645,452	+ 23
Employment	3,772,092	17,754,538	- 79
Withholding	199,586,884	128,331,240	+ 56
Other	54,079,763	50,306,877	+ 8
First District	259,675,801	195,093,487	+ 33
Income	120,637,413	91,542,550	+ 32
Employment	172,223	210,643	- 18
Withholding	109,473,691	77,271,958	+ 42
Other	29,392,474	26,068,336	+ 13
Second District	221,700,704	183,944,120	+ 21
Income	103,300,353	91,102,902	+ 13
Employment	3,599,869	17,543,895	- 79
Withholding	90,113,193	51,059,282	+ 76
Other	24,687,289	24,238,041	+ 2

*Withholding receipts for 1951 include Federal Insurance Contributions which were formerly included in employment tax collections.

27% greater than for the same period a year ago. Since these figures end at October 31 and the tax increases of November are not included, an even larger percentage increase can be expected during the remaining eight months of the fiscal year. As a result of the high level of receipts enjoyed in Texas and the rest of the nation, the Department of Commerce has estimated that the Treasury Department's prediction of a \$7.5 billion deficit for fiscal 1952 should be reduced to about \$4 billion, for tax receipts are now expected to amount to \$65 billion and expenditures to \$69 billion. If this last estimate is correct, inflationary pressures during the next eight to twelve months should be less than previously expected.

REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

	September 1-October 31			
Source	Oct 1951	1951	1950	Percent change
Total	\$60,303,813	\$100,003,614	\$85,296,698	+ 17
Ad valorem taxes	3,150	7,113	8,549	- 17
Natural and casinghead gas production taxes..	1,548,959	2,422,258	1,798,068	+ 35
Crude oil production taxes	9,311,943	18,093,108	16,245,042	+ 11
Sulfur production taxes	1,349,663	1,349,663	1,367,848	- 1
Insurance companies and other occupation taxes	10,096	10,096	223,277	- 95
Motor fuel taxes (net) ..	7,299,946	15,719,495	15,707,490	x
Cigarette tax and licenses	3,158,957	5,789,736	5,473,502	+ 6
Alcoholic beverage taxes and licenses	2,019,860	4,395,006	3,321,844	+ 32
Automobile and other sales taxes	1,710,229	2,849,420	3,243,997	- 12
Franchise taxes	65,014	165,334	444,541	- 63
Mineral leases, rentals, and bonuses	1,627,972	1,872,690	251,006	+646
Oil and gas royalties	2,608,448	2,721,928	2,427,254	+ 12
Interest on deposits	17,944	31,386	26,140	+ 20
Interest on securities owned	2,226,872	2,775,321	1,231,700	+125
Unclassified receipts from county tax collectors	4,192,575	4,288,586	5,504,081	- 22
Motor vehicle licenses and permits	678,398	1,297,615	1,128,690	+ 15
Federal aid-highways ..	3,275,045	6,974,633	3,039,150	+129
Federal aid-public welfare	8,037,894	12,767,251	11,974,546	+ 7
Federal aid-public education	2,537,070	3,063,930	2,928,594	+ 5
Retirement contri- butions	1,040,364	1,693,502	1,406,539	+ 20
Unemployment compen- sation taxes	1,649,746	1,887,828	1,847,097	+ 2
All other receipts	5,933,668	9,827,715	5,697,743	+ 72

xChange is less than one half of one percent.

State finance. Revenue receipts of the state comptroller during the first two months of the current state fiscal year (September 1 to October 31) are running at a rate 17% higher than last year. Collections this year have amounted to slightly more than \$100 million as compared to \$85.3 million for the comparable period in 1950. The greatest absolute gains were registered in federal aid for highways (an increase of more than \$3.5 million) and crude oil production taxes (an increase of nearly \$2 million).

Notes on the Industrialization of Texas

METALS INDUSTRIES IN TEXAS

(see map on cover)

By Stanley A. Arbingast

Assistant Professor of Resources, Department of Marketing and Transportation; Assistant Director and Resources Specialist, Bureau of Business Research.

Author's Note: This article is intended to serve as a brief summary of recent developments within the metals processing industries of the state. Later articles will deal with the specific contributions of certain metals to our economy.

It is not surprising that most Texans do not think of their state as an important processor and refiner of metals. The refining of petroleum and the processing of natural gas plus the rapid growth of closely associated chemicals manufacturing activities have tended to minimize the significance of other industrial developments. However, the state has witnessed a spectacular increase in the output of metals particularly during the past decade.

Perhaps the most startling fact concerning this increase in output is the wide diversity among the metals that are produced here. Texas now smelts or refines aluminum, magnesium, tin, antimony, iron, copper, lead, zinc, and cadmium. This last metal is a by-product of zinc smelting, but it can be recovered in large enough quantities at Corpus Christi and Dumas to be classified as a major product. Small amounts of indium, gold, silver, and other metals are also recovered during certain smelting operations, but these recoveries are minor in their overall significance. A recent addition to the list of Texas metal products is manganese. It was announced this year that two plants to process and concentrate this valuable ferro-alloy would be built in the state, one by the Tenn-Tex Alloy and Chemical Corporation, at a site on the Houston Ship Channel, and the other by Texas International Manganese Corporation in Brownsville.

The military needs of the nation's gigantic armament program during World War II together with those thrust upon us by the present international emergency were the immediate causes of construction of new metals plants in the state and for the expansion of those already in existence. Only seven of the plants listed in the accompanying table were in operation on December 7, 1941; the others date from 1942. Plans were made and construction was begun on the steel plants of Sheffield and Lone Star during that year, but neither plant was in actual production until 1944.

It should be noted that the acceleration of new plant construction and expansion of those in operation due to defense demands hastened events that undoubtedly would have taken place within the next decade, for Texas possesses certain advantages for metal production, namely: (a) easy access to foreign ores because of coastal location; (b) relatively cheap fuels for power; (c) a well established air, rail, highway, and canal transportation network; (d) a stable supply of native labor; (e) raw materials which include low-grade iron ores,

sea water for magnesium manufacturing, nearby supplies of scrap metals, and extensive deposits of oyster shell and limestone which are readily available for use as fluxes and chemical agents; (f) additional raw materials such as gypsum, sulfur, petroleum, natural gas, salt, lumber, and others which are not necessary for metals processing but contribute considerably to the growth of other types of industry which in turn need metals for construction and plant operations; and last (g) a rapidly increasing population in most parts of the Southwest with concomitantly increasing demands for consumer's goods, demands which many manufacturers are well aware can best be met by decentralizing some of their production away from the Great Lakes and Atlantic Seaboard areas. For example, much of the local need for pipe for transmission of petroleum, natural gas, and chemicals is now met locally by plants operating at Orange, Houston, and Lone Star.

Light-metals production got underway in 1940 with the establishment of the Dow Chemical Company's magnesium plant at Freeport in Brazoria County. Shortly, the federal government built two other plants in the area, one at Freeport and the other at Velasco. After the close of World War II both of these plants reverted to standby status until Dow purchased the Freeport installation and integrated it with its own facilities. The Velasco plant has now been reopened and is being operated by Dow. It is of general interest to know that Dow is now carrying on a research program in West Texas to discover if the subsurface brines of that section of the state are suitable for the production of magnesium and certain other chemicals. The first installation in Texas to reduce alumina to aluminum was that of Alcoa built at Point Comfort across Lavaca Bay from Port Lavaca. This plant is being greatly expanded. This year Reynolds began construction of an \$80-million plant at Gregory near Corpus Christi and Alcoa is beginning to build a \$100-million plant at Rockdale in Milam County. The latter plant is revolutionary because lignite will be employed as the chief fuel; the Point Comfort and Gregory operations utilize natural gas. Last month officials of the Reynolds Company announced that the firm would build an alumina plant on the north shore of Corpus Christi Bay on a site beside the Gregory plant. This new facility will cost approximately \$45 million and will be the first such plant in the nation in which alumina processing is carried on immediately adjacent to a reduction installation.

Refined copper has long been an important product of the El Paso area. The plant of the Phelps Dodge Corporation is reported to be one of the most modern and largest of its kind; it refines approximately 30% of all the copper produced in the United States. The El Paso installation of the American Smelting and Refining Company processes not only copper, but lead and zinc as well. Zinc smelting and refining has been well established at Corpus Christi, Amarillo, and Dumas for several years. Each of these plants has plans for expansion, some of which are already being implemented. Plants in Houston and Dallas supply local needs for lead and zinc through the utilization of scrap and pig-

The National Lead Company plant at Laredo is the only large scale producer of antimony in the nation, and the Longhorn Tin Smelter at Texas City similarly dominates its field. In 1949 the Longhorn Smelter treated concentrates from Bolivia, Indonesia, Thailand, and the Belgian Congo. The only other plant producing tin in the United States is that of the Vulcan Detinning Company of Sewaren, New Jersey; at present its output is minor.

Sheffield Steel of Houston and the Lone Star Steel Company of Lone Star both have gigantic expansion programs underway. A new producer in the iron and steel industry is the Le Tourneau Steel Company of Longview. Most of the Le Tourneau output, however, will be utilized locally by R. B. Le Tourneau, Incorporated, in the manufacture of heavy machinery. This plant will have two electric furnaces and a complete rolling mill.

As metal-using industries become better established here, it can be anticipated that many more fabricating facilities will be established in the state. Expansion of the aircraft, chemical, and refining industries will create increasing markets for metal products. These industries are already well integrated into the Texas economy, and there is little reason to believe that they will not become more important with the passing years. There may be problems of excess capacity if our national defense needs suddenly shrink, but our expanding economy should soon take up any slack in the market.

Far from being industrial islands, these metal plants involve themselves, directly or indirectly, in the entire business configuration of Texas. At the recent Conference on Southern Industrial Development in Fort Worth, Mr. Gordon Turrentine of the Industrial Department, South Texas National Bank, in Houston commented on the significance of these industrial foci. He strongly emphasized that such plants do not confine their purchasing activities to their local communities but, rather, buy supplies from fabricators, wholesalers, and retailers all over the state. Structural steel, for example, may move from mills in South or East Texas to a plant under construction in West Texas. Upon completion, this western plant, in turn, will buy and sell over a broad territory, thus stimulating commerce and industry throughout the state and throughout the land.

LOCATION OF MAJOR METALS PLANTS IN TEXAS*

Author's Note: The date preceding each entry is the year of establishment or of expected beginning of production. However, the date does not always indicate that the present owners operated the plant at that time; i.e., the American Smelting and Refining Company did not acquire its El Paso works until 1889. Explanatory notes are in parentheses.

Aluminum:

- 1950 Aluminum Company of America—Point Comfort near Port Lavaca
- 1952 Aluminum Company of America—Rockdale (Under construction)
- 1952 Reynolds Metals Company—Gregory (Under construction)

*Note: The list of small fabricating and processing plants, particularly for iron and steel, is too long to be included here.

(See announcement, p. 3)

Antimony:

- 1930 National Lead Company, Texas Mining and Smelting Division—Laredo

Cadmium:

- 1922 American Smelting and Refining Company—Amarillo (Horizontal-retort — only small amounts as a by-product)
- 1942 American Smelting and Refining Company—Corpus Christi (Electrolytic—by-product)
- 1936 American Zinc Company of Illinois—Dumas (Horizontal-retort—by-product)

Copper:

- 1883 American Smelting and Refining Company—El Paso (Electrolytic—custom smelter)
- 1930 Phelps Dodge Refining Corporation—El Paso (Electrolytic and fire-refined)

Iron and steel:

- 1942 American Rolling Mills Company—Houston (Sheffield Steel)
- 1952 Le Tourneau Steel Company—Longview (Under construction)
- 1942 Lone Star Steel Company—Lone Star

Lead:

- 1883 American Smelting and Refining Company—El Paso (Smelter produces base bullion)
- 1942 American Smelting and Refining Company—Houston (Scrap and pig only)
- 1938 American Smelting and Refining Works—Dallas (Scrap only)
- 1945 Eagle-Picher Company—Dallas (Scrap and pig plus small amounts of ores)

Magnesium:

- 1940 Dow Chemical Company—Freeport (A government-owned plant was purchased by Dow in 1949 and integrated with that company's facilities)
- 1942 Dow Chemical Company—Velasco (Government-owned but operated by Dow)

Manganese:

- 1952 Tenn-Tex Alloy and Chemical Corporation—Houston (Under construction)
- 1952 Texas International Manganese Corporation—Brownsville (Under construction)

Tin:

- 1942 Tin Processing Corporation, Longhorn Tin Smelter—Texas City

Zinc:

- 1922 American Smelting and Refining Company—Amarillo (Horizontal-retort)
- 1883 American Smelting and Refining Company—El Paso (Slag-fuming)
- 1942 American Smelting and Refining Company—Corpus Christi (Electrolytic)
- 1943 American Smelting and Refining Company—Houston (Scrap and pig only)
- 1938 American Smelting and Refining Works—Dallas (Scrap only)
- 1936 American Zinc Company of Illinois—Dumas (Horizontal-retort)

LOCAL BUSINESS CONDITIONS

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
ABILENE: (pop. 45,570)			
Retail sales	-----	+ 7	+ 2
Department and apparel store sales	-----	+ 10	- 6
Postal receipts	\$ 58,027	+ 12	+ 24
Building permits	\$ 372,022	- 66	- 17
Bank debits to individual accounts (thousands)	\$ 56,544	- 1	+ 14
End-of-month deposits (thousands)*	\$ 52,682	+ 6	x
Annual rate of deposit turnover	12.8	- 9	+ 11
Placements in employment	623	- 17	- 16
Nonagricultural civilian labor force	23,100	+ 9	x
Unemployment	800	+ 14	0
Percent of labor force unemployed	3.5	+ 6	+ 3
Air express shipments	256	+ 1	+ 67

AMARILLO: (pop. 74,246)			
Retail sales .....	.....	+ 24	+ 10
Department and apparel stores .....	.....	+ 26	+ 5
Drug stores .....	.....	- 2	+ 8
Florists .....	.....	+ 15	+ 51
Food stores .....	.....	+ 29	+ 5
Furniture and household appliance stores .....	.....	+ 9	+ 1
General merchandise stores .....	.....	+ 27	+ 13
Lumber, building material, and hardware stores .....	.....	+ 26	+ 18
Office, store, and school supply dealers .....	.....	+ 44	+ 18
Postal receipts	\$ 103,119	+ 4	+ 11
Building permits	\$ 1,427,721	- 52	- 56
Bank debits to individual accounts (thousands)	\$ 159,338	+ 30	+ 22
End-of-month deposits (thousands)*	\$ 110,062	+ 14	+ 6
Annual rate of deposit turnover	17.9	+ 15	+ 16
Placements in employment	2,111	+ 29	+ 9
Nonagricultural civilian labor force	43,000	+ 14	- 2
Unemployment	950	- 24	- 5
Percent of labor force unemployed	2.2	- 33	- 4
Air express shipments	584	+ 10	+ 38

AUSTIN: (pop. 132,459)			
Retail sales .....	.....	- 9	x
Automotive stores .....	.....	- 19	- 4
Department and apparel stores .....	.....	- 1	+ 6
Eating and drinking places .....	.....	+ 24	+ 1
Filling stations .....	.....	- 1	+ 20
Food stores .....	.....	+ 16	- 3
Furniture and household appliance stores .....	.....	- 5	- 13
Liquor stores .....	.....	+ 31	+ 34
Lumber, building material, and hardware stores .....	.....	- 20	- 1
Postal receipts	\$ 190,579	+ 23	+ 23
Building permits	\$ 1,461,350	- 59	- 46
Bank debits to individual accounts (thousands)	\$ 133,771	+ 14	+ 7
End-of-month deposits (thousands)*	\$ 116,039	x	+ 4
Annual rate of deposit turnover	14.2	+ 14	+ 4
Placements in employment	1,505	- 18	+ 6
Nonagricultural civilian labor force	49,675	+ 6	x
Unemployment	1,525	+ 2	- 2
Percent of labor force unemployed	3.1	- 3	0
Air express shipments	574	+ 18	+ 28

BROWNSVILLE: (pop. 36,066)			
Department and apparel store sales .....	.....	+ 42	- 3
Postal receipts	\$ 21,708	+ 16	+ 20
Building permits	\$ 78,259	- 23	- 35
Placements in employment	342	- 1	- 21
Air express shipments	504	+ 70	+ 15

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
BAYTOWN: (pop. 22,983)			
Postal receipts	\$ 14,365	+ 5	+ 30
Building permits	\$ 222,720	- 30	+ 69
Bank debits to individual accounts (thousands)	\$ 15,635	----	+ 58
End-of-month deposits (thousands)*	\$ 17,110	----	- 1
Annual rate of deposit turnover	10.9	----	+ 60
Placements in employment (area)	7,086	+ 3	- 2
Nonagricultural civilian labor force (area)	348,200	+ 2	x
Unemployment (area)	8,000	- 16	0
Percent of labor force unemployed (area)	2.3	- 18	0

BEAUMONT: (pop. 94,014)			
Retail sales .....	.....	+ 2	+ 9
Automotive stores .....	.....	- 3	+ 7
Department and apparel stores .....	.....	+ 12	+ 5
Eating and drinking places .....	.....	+ 6	+ 1
Food stores .....	.....	+ 11	+ 2
Furniture and household appliance stores .....	.....	+ 8	+ 9
Lumber, building material, and hardware stores .....	.....	- 16	+ 39
Postal receipts	\$ 77,375	+ 16	+ 15
Building permits	\$ 582,465	+ 53	- 18
Bank debits to individual accounts (thousands)	\$ 123,145	+ 12	+ 8
End-of-month deposits (thousands)*	\$ 92,528	- 1	+ 5
Annual rate of deposit turnover	17.0	+ 13	+ 5
Placements in employment (area)	2,257	+ 29	+ 6
Nonagricultural civilian labor force (area)	77,650	+ 2	x
Unemployment (area)	5,050	- 28	- 4
Percent of labor force unemployed (area)	6.5	- 30	- 4
Air express shipments	37	- 89	- 85
Waterborne commerce (tons)	84,900	+ 18	- 1

BIG SPRING: (pop. 17,286)			
Retail sales .....	.....	- 14	+ 7
Department and apparel store sales .....	.....	+ 8	+ 2
Postal receipts	\$ 16,397	+ 3	+ 31
Bank debits to individual accounts (thousands)	\$ 33,177	+ 19	+ 7
End-of-month deposits (thousands)*	\$ 28,136	+ 12	- 2
Annual rate of deposit turnover	14.0	0	- 3
Placements in employment	203	+ 4	- 11
Air express shipments	44	- 30	+ 29

BRADY: (pop. 5,944)			
Postal receipts	\$ 4,134	- 5	+ 32
Building permits	\$ 38,700	+416	+ 11
Bank debits to individual accounts (thousands)	\$ 5,637	- 7	+ 11
End-of-month deposits (thousands)*	\$ 8,016	+ 6	- 1
Annual rate of deposit turnover	8.4	- 11	+ 12

BROWNWOOD: (pop. 20,181)			
Retail sales .....	.....	+ 24	+ 6
Department and apparel store sales .....	.....	+ 6	- 5
Postal receipts	\$ 15,644	+ 11	+ 28
Building permits	\$ 111,483	+224	- 18
Bank debits to individual accounts (thousands)	\$ 12,848	- 5	+ 5
End-of-month deposits (thousands)*	\$ 13,938	+ 1	+ 2
Annual rate of deposit turnover	11.2	- 5	+ 3
Placements in employment	188	- 41	+ 3
Air express shipments	31	+ 7	+ 35

For explanation of symbols, see p. 23.

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
BRENHAM: (pop. 6,941)			
Postal receipts	\$ 5,753	— 2	+ 36
Building permits	\$ 37,750	— 78	+ 6
Bank debits to individual accounts (thousands)	\$ 7,431	+ 7	+ 1
End-of-month deposits (thousands)*	\$ 11,363	— 22	+ 3
Annual rate of deposit turnover	8.0	+ 19	— 2
Placements in employment	126	.....	— 7

CISCO: (pop. 5,230)			
Retail sales .....	.....	+ 12	+ 28
Postal receipts	\$ 3,819	+ 7	+ 28
Bank debits to individual accounts (thousands)	\$ 2,313	- 1	- 5
End-of-month deposits (thousands)*	\$ 4,252	+ 25	+ 3
Annual rate of deposit turnover	6.6	- 20	- 7

CORPUS CHRISTI: (pop. 108,287)			
Retail sales .....	.....	+ 3	+ 8
Apparel stores .....	.....	- 23	+ 14
Automotive stores .....	.....	x	- 5
Department stores† .....	.....	+ 14	+ 33
Eating and drinking places .....	.....	- 10	- 17
Food stores .....	.....	+ 18	- 3
Lumber, building material, and hardware stores .....	.....	+ 12	+ 10
Postal receipts	\$ 104,389	+ 16	+ 30
Building permits	\$ 832,182	- 76	- 38
Bank debits to individual accounts (thousands)	\$ 127,257	+ 19	+ 8
End-of-month deposits (thousands)*	\$ 101,501	+ 8	+ 3
Annual rate of deposit turnover	15.2	+ 10	+ 4
Placements in employment	1,919	- 5	+ 5
Nonagricultural civilian labor force	58,025	+ 4	x
Unemployment	1,425	- 21	- 5
Percent of labor force unemployed	2.5	- 22	- 4
Air express shipments	453	- 4	+ 31
Water connections	29,898	+ 7	x
Electric connections	34,655	+ 8	+ 1

CORSICANA: (pop. 19,211)			
Department and apparel store sales .....	.....	+ 10	+ 1
Postal receipts	\$ 17,848	+ 18	+ 57
Building permits	\$ 48,745	- 40	- 60
Bank debits to individual accounts (thousands)	\$ 16,320	- 3	+ 6
End-of-month deposits (thousands)*	\$ 22,585	+ 6	+ 1
Annual rate of deposit turnover	8.8	- 9	+ 6
Placements in employment	214	- 34	+ 2

DEL RIO: (pop. 14,211)			
Postal receipts	\$ 9,004	x	+ 88
Building permits	\$ 28,200	+ 71	- 61
Bank debits to individual accounts (thousands)	\$ 7,412	+ 4	+ 1
End-of-month deposits (thousands)*	\$ 11,329	x	+ 4
Annual rate of deposit turnover	8.0	+ 5	- 1
Air express shipments	43	- 45	+ 26

DENISON: (pop. 17,504)			
Retail sales .....	.....	+ 10	- 7
Department and apparel store sales .....	.....	+ 2	+ 1
Postal receipts	\$ 10,846	- 3	+ 3
Building permits	\$ 57,074	- 21	- 41
Bank debits to individual accounts (thousands)	\$ 10,182	+ 24	- 2
End-of-month deposits (thousands)*	\$ 13,130	+ 15	+ 2
Annual rate of deposit turnover	9.4	+ 8	- 5
Placements in employment	324	+ 8	- 23

For explanation of symbols, see p. 23.

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
DALLAS: (pop. 434,462)			
Retail sales .....	.....	+ 5	+ 8
Apparel stores .....	.....	+ 11	+ 8
Automotive stores .....	.....	- 1	- 9
Department stores† .....	.....	+ 9	+ 6
Drug stores .....	.....	- 1	+ 6
Eating and drinking places .....	.....	+ 22	+ 9
Filling stations .....	.....	+ 3	+ 12
Florists .....	.....	+ 2	+ 63
Food stores .....	.....	+ 21	+ 23
Furniture and household appliance stores .....	.....	- 18	- 1
Lumber, building material, and hardware stores .....	.....	- 10	+ 9
Office, store, and school supply dealers .....	.....	+ 20	- 7
Postal receipts	\$ 1,395,461	+ 19	+ 25
Building permits	\$ 6,556,714	- 24	- 34
Bank debits to individual accounts (thousands)	\$ 1,475,294	+ 10	+ 9
End-of-month deposits (thousands)*	\$ 1,003,548	+ 15	+ 5
Annual rate of deposit turnover	18.0	- 3	+ 6
Placements in employment	8,725	+ 6	+ 19
Nonagricultural civilian labor force	280,450	+ 4	+ 1
Unemployment	4,150	+ 4	- 11
Percent of labor force unemployed	1.5	x	- 12
Air express shipments	11,144	+ 4	+ 25

DENTON: (pop. 21,372)			
Retail sales .....	.....	- 8	- 2
Department and apparel store sales .....	.....	+ 8	+ 4
Postal receipts	\$ 17,347	- 5	+ 16
Building permits	\$ 52,300	- 15	- 47
Bank debits to individual accounts (thousands)	\$ 11,708	.....	+ 12
End-of-month deposits (thousands)*	\$ 13,227	.....	- 1
Annual rate of deposit turnover	10.6	.....	+ 8
Placements in employment	32	- 37	- 47

EL PASO: (pop. 130,485)			
Retail sales .....	.....	- 5	- 2
Apparel stores .....	.....	- 11	+ 18
Automotive stores .....	.....	- 15	- 14
Department stores† .....	.....	+ 9	+ 2
Drug stores .....	.....	+ 13	- 3
Furniture and household appliance stores .....	.....	+ 11	+ 20
General merchandise stores .....	.....	+ 8	+ 2
Piano and musical instrument stores .....	.....	+ 45	+ 14
Lumber, building material, and hardware stores .....	.....	- 31	+ 7
Office, store, and school supply dealers .....	.....	- 2	+ 10
Postal receipts	\$ 172,295	+ 21	+ 21
Building permits	\$ 771,824	- 63	+ 28
Bank debits to individual accounts (thousands)	\$ 172,170	- 8	+ 15
End-of-month deposits (thousands)*	\$ 136,159	+ 5	+ 6
Annual rate of deposit turnover	15.6	- 11	+ 11
Placements in employment	1,816	- 1	+ 4
Nonagricultural civilian labor force	63,600	+ 4	x
Unemployment	1,800	- 5	- 6
Percent of labor force unemployed	2.8	- 10	- 7
Air express shipments	1,638	+ 14	+ 31

GARLAND: (pop. 10,571)			
Postal receipts	\$ 9,919	.....	+ 46
Building permits	\$ 423,850	+101	+284
Bank debits to individual accounts (thousands)	\$ 6,595	.....	- 3
End-of-month deposits (thousands)*	\$ 6,353	.....	+ 3
Annual rate of deposit turnover	12.7	.....	+ 3

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
FORT WORTH: (pop. 278,778)			
Retail sales .....	.....	+ 8	+ 2
Apparel stores .....	.....	- 13	+ 8
Automotive stores .....	.....	- 3	+ 3
Department stores† .....	.....	+ 13	+ 10
Eating and drinking places .....	.....	- 12	+ 14
Food stores .....	.....	+ 3	- 6
Lumber, building material, and hardware stores .....	.....	+ 1	+ 14
Postal receipts	\$ 495,418	+ 10	+ 30
Building permits	\$ 2,484,410	+ 5	- 12
Bank debits to individual accounts (thousands)	\$ 513,192	+ 24	+ 10
End-of-month deposits (thousands)*	\$ 373,489	+ 14	+ 2
Annual rate of deposit turnover	16.7	+ 10	+ 8
Placements in employment	5,923	- 4	+ 2
Nonagricultural civilian labor force	165,000	+ 13	+ 1
Unemployment	4,700	- 16	- 6
Percent of labor force unemployed	2.8	- 26	+ 8
Air express shipments	232	- 90	- 88

GALVESTON: (pop. 66,568)			
Retail sales		+ 4	- 1
Automotive stores		- 13	+ 6
Department and apparel stores		+ 13	- 11
Food stores		+ 4	x
Jewelry stores		+ 10	+ 2
Lumber, building material, and hardware stores		- 2	+ 32
Postal receipts	\$ 60,212	- 4	+ 17
Building permits	\$ 219,875	- 80	+166
Bank debits to individual accounts (thousands)	\$ 82,550	+ 9	+ 9
End-of-month deposits (thousands)*	\$ 98,926	+ 1	+ 1
Annual rate of deposit turnover	10.1	+ 7	+ 7
Placements in employment (area)	923	+ 24	- 7
Nonagricultural civilian labor force (area)	50,200	+ 1	x
Unemployment (area)	1,700	- 15	0
Percent of labor force unemployed (area)	3.4	- 15	x
Air express shipments	326	- 15	+ 54

GREENVILLE: (pop. 14,727)			
Retail sales		+ 10	- 2
Department and apparel store sales		+ 7	- 1
Postal receipts	\$ 18,096	+ 82	+ 26
Building permits	\$ 37,800	+ 38	—
Placements in employment	381	+ 45	- 13
Air express shipments	28	—	+ 75

HENDERSON: (pop. 6,833)			
Department and apparel store sales		- 1	+ 10
Postal receipts	\$ 7,537	+ 3	+ 9
Building permits	\$ 79,475	- 86	+1556
Placements in employment	186	+ 6	+ 22

LAMESA: (pop. 10,704)			
Postal receipts	\$ 9,831	+ 30	+ 33
Building permits	\$ 63,700	- 34	- 74
Bank debits to individual accounts (thousands)	\$ 13,851	- 8	+ 63
End-of-month deposits (thousands)*	\$ 15,488	- 7	+ 10
Annual rate of deposit turnover	11.3	- 5	+ 59
Placements in employment	135	- 23	- 21
Railroad carloadings:			
Inbound	112	- 3	+ 12
Outbound	111	- 62	+909

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
HARLINGEN: (pop. 23,229)			
Postal receipts	\$ 20,534	— 3	+ 26
Building permits	\$ 132,200	— 23	— 22
Bank debits to individual accounts (thousands)	\$ 29,534	+ 26	— 40
End-of-month deposits (thousands)*	\$ 26,093	+ 17	— 7
Annual rate of deposit turnover	13.1	+ 9	— 35
Placements in employment	363	+ 16	+ 6
Air express shipments	92	+ 3	— 23

HOUSTON: (pop. 596,163)			
Retail sales		+ 17	+ 11
Apparel stores		+ 5	+ 8
Automotive stores		+ 23	+ 24
Department stores†		+ 17	- 8
Drug stores		+ 15	+ 8
Eating and drinking places		- 1	+ 4
Filling stations		- 4	+ 9
Food stores		+ 16	+ 1
Furniture and household appliance stores		- 4	+ 9
Liquor stores		+ 25	+ 50
Lumber, building material, and hardware stores		+ 45	+ 33
Postal receipts	\$ 809,184	+ 14	+ 19
Building permits	\$ 5,296,710	- 59	- 53
Bank debits to individual accounts (thousands)	\$ 1,439,193	+ 7	+ 2
End-of-month deposits (thousands)*	\$ 1,109,457	+ 7	+ 2
Annual rate of deposit turnover	15.7	+ 1	+ 1
Placements in employment (area)	7,086	+ 3	- 2
Nonagricultural civilian labor force (area)	348,200	+ 2	x
Unemployment (area)	8,000	- 16	0
Percent of labor force unemployed (area)	2.3	- 18	x
Air express shipments	5,324	+ 5	+ 25

LAMPASAS: (pop. 4,869)			
Postal receipts	\$ 3,339	+ 10	+ 24
Building permits	\$ 47,770	+ 77	+8085
Bank debits to individual accounts (thousands)	\$ 5,233	+ 8	+ 10
End-of-month deposits (thousands)*	\$ 6,502	+ 2	- 2
Annual rate of deposit turnover	9.6	+ 5	+ 10

LAREDO: (pop. 51,910)			
Department and apparel store sales		+ 58	+ 1
Postal receipts	\$ 22,079	+ 15	+ 24
Building permits	\$ 52,250	+ 19	- 47
Bank debits to individual accounts (thousands)	\$ 21,536	+ 16	+ 10
End-of-month deposits (thousands)*	\$ 21,465	- 1	x
Annual rate of deposit turnover	12.0	+ 17	+ 9
Placements in employment	267	+ 62	- 17
Air express shipments	271	+ 33	+ 50
Electric power consumption (kw. hr.)	4,556	+ 9	- 8
Natural gas consumption (Mcf)	35,135	+ 2	- 19
Tourists entering Mexico	7,889	+ 6	- 30
Tourist cars entering Mexico	2,787	+ 9	- 27

LOCKHART: (pop. 5,573)			
Department and apparel store sales		- 13	- 23
Postal receipts	\$ 2,856	- 2	- 5
Building permits	\$ 16,300	- 64	- 47
Bank debits to individual accounts (thousands)	\$ 4,135	+ 6	- 5
End-of-month deposits (thousands)*	\$ 5,017	- 6	+ 2
Annual rate of deposit turnover	10.0	+ 11	- 10

For explanation of symbols, see p. 23.

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
LONGVIEW: (pop. 24,502)			
Postal receipts	\$ 24,921	+ 25	+ 32
Building permits	\$ 314,350	+ 1	- 41
Bank debits to individual accounts (thousands)	\$ 31,268	+ 44	+ 2
End-of-month deposits (thousands)*	\$ 32,607	+ 10	+ 1
Annual rate of deposit turnover	11.6	+ 29	+ 1
Placements in employment	741	+ 6	+ 2
Nonagricultural civilian labor force	23,975	+ 5	+ 1
Unemployment	975	- 28	- 3
Percent of labor force unemployed	4.1	- 31	- 2
Air express shipments	138	- 33	+ 9

LUBBOCK: (pop. 71,747)			
Retail sales		x	+ 17
Apparel stores		+ 30	+ 9
Automotive stores		+ 2	+ 25
Department stores		+ 18	+ 8
Furniture and household appliance stores		- 19	- 31
Lumber, building material, and hardware stores		- 41	+ 33
Postal receipts	\$ 80,866	+ 7	+ 15
Building permits	\$ 3,350,625	+ 15	+161
Bank debits to individual accounts (thousands)	\$ 120,363	+ 25	+ 40
End-of-month deposits (thousands)*	\$ 94,267	+ 11	+ 5
Annual rate of deposit turnover	15.7	+ 12	+ 37
Placements in employment	1,143	- 19	+ 2
Nonagricultural civilian labor force	31,200	+ 6	+ 3
Unemployment	750	+ 25	0
Percent of labor force unemployed	2.4	+ 20	- 4
Air express shipments	429	- 3	+ 47

LUFKIN: (pop. 15,135)			
Postal receipts	\$ 12,669	+ 8	+ 39
Building permits	\$ 197,484	+134	+774
Bank debits to individual accounts (thousands)	\$ 15,760	+ 6	+ 10
End-of-month deposits (thousands)*	\$ 19,305	+ 9	+ 1
Annual rate of deposit turnover	9.8	- 3	+ 8
Placements in employment	149	- 11	- 23
Air express shipments	46	0	+ 12

McALLEN: (pop. 20,067)			
Retail sales		- 6	- 15
Postal receipts	\$ 14,704	- 2	+ 19
Building permits	\$ 19,500	- 89	- 86
Bank debits to individual accounts (thousands)	\$ 14,991	- 2	- 10
End-of-month deposits (thousands)*	\$ 17,801	+ 25	- 3
Annual rate of deposit turnover	10.0	- 22	- 12
Placements in employment	444	+ 5	+ 54
Air express shipments	46	- 22	+ 59

MARSHALL: (pop. 22,327)			
Retail sales		+ 22	+ 8
Department and apparel store sales		+ 8	+ 6
Postal receipts	\$ 15,271	+ 1	+ 28
Building permits	\$ 70,894	+ 9	- 24
Bank debits to individual accounts (thousands)	\$ 13,210	+ 4	+ 6
End-of-month deposits (thousands)*	\$ 18,926	- 1	+ 3
Annual rate of deposit turnover	8.5	+ 6	+ 6
Placements in employment	374	- 1	- 5

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
MARLIN: (pop. 7,099)			
Postal receipts	\$ 5,097	+ 10	+ 11
Building permits	\$ 32,650	- 74	+154
Bank debits to individual accounts (thousands)	\$ 3,657	- 4	- 8
End-of-month deposits (thousands)*	\$ 5,295	- 12	+ 3
Annual rate of deposit turnover	8.4	+ 8	- 12
Placements in employment	70		+ 3

MIDLAND: (pop. 21,713)			
Postal receipts	\$ 37,225	+ 35	+ 24
Building permits	\$ 1,319,576	+ 37	- 53
Bank debits to individual accounts (thousands)	\$ 46,538	+ 37	x
End-of-month deposits (thousands)*	\$ 52,832	+ 36	+ 8
Annual rate of deposit turnover	10.8	- 3	- 2
Placements in employment	847	+206	+ 6
Air express shipments	220	- 13	x

MINERAL WELLS: (pop. 7,801)			
Retail sales		+ 23	+ 10
Bank debits to individual accounts (thousands)	\$ 157,580	+110	+130
End-of-month deposits (thousands)*	\$ 9,041	+ 15	+ 2
Annual rate of deposit turnover	6.9	- 5	+ 1
Placements in employment	94	+109	+ 2
Air express shipments	20	- 12	+100

NACOGDOCHES: (pop. 12,327)			
Postal receipts	\$ 9,144	+ 7	+ 22
Bank debits to individual accounts (thousands)	\$ 9,841	+ 14	+ 3
End-of-month deposits (thousands)*	\$ 14,562	+ 7	+ 3
Annual rate of deposit turnover	8.2	+ 8	0
Placements in employment	144	+ 23	+ 11

ODESSA: (pop. 29,495)			
Retail sales		+ 10	- 16
Postal receipts	\$ 32,699	+ 29	+ 11
Building permits	\$ 924,795	+ 24	+ 2
Bank debits to individual accounts (thousands)	\$ 35,344	+ 34	+ 10
End-of-month deposits (thousands)*	\$ 36,307	+ 28	+ 10
Annual rate of deposit turnover	12.2	+ 5	- 1
Placements in employment	724	+ 49	+ 3
Air express shipments	203	- 14	+ 25

PARIS: (pop. 21,643)			
Retail sales		- 1	- 2
Department and apparel store sales		+ 7	+ 3
Postal receipts	\$ 14,127	+ 11	+ 32
Building permits	\$ 333,641	+966	+887
Bank debits to individual accounts (thousands)	\$ 17,689	+ 4	+ 21
End-of-month deposits (thousands)*	\$ 14,517	- 10	+ 2
Annual rate of deposit turnover	14.8	+ 12	- 21
Placements in employment	318	- 14	- 9
Air express shipments	23	- 49	- 18

PLAINVIEW: (pop. 14,044)			
Retail sales		+ 27	+ 24
Department and apparel store sales		+ 53	+ 46
Postal receipts	\$ 11,590	+ 10	+ 24
Building permits	\$ 166,000	+ 2	+ 5
Bank debits to individual accounts (thousands)	\$ 20,698	+ 43	+ 69
End-of-month deposits (thousands)*	\$ 17,246	+ 10	+ 12
Annual rate of deposit turnover	15.2	+ 37	+ 58
Placements in employment	109	- 17	- 12
Air express shipments	38	+ 12	+ 36

For explanation of symbols, see p. 28.

For explanation of symbols see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951

PORT ARTHUR: (pop. 57,370)			
Retail sales .....	.....	- 2	- 7
Automotive stores .....	.....	- 14	- 27
Department and apparel stores .....	.....	+ 7	+ 3
Eating and drinking places .....	.....	- 1	- 10
Food stores .....	.....	+ 18	+ 1
Furniture and household appliance stores .....	.....	- 9	+ 1
Lumber, building material, and hardware stores .....	.....	x	+ 36
Postal receipts	\$ 36,372	+ 28	+ 41
Building permits	\$ 595,961	+ 74	+ 59
Bank debits to individual accounts (thousands)	\$ 41,894	+ 10	+ 5
End-of-month deposits (thousands)*	\$ 42,486	+ 5	+ 3
Annual rate of deposit turnover	12.0	+ 3	+ 5
Placements in employment (area)	2,257	+ 29	+ 6
Nonagricultural civilian labor force (area)	77,650	+ 2	x
Unemployment (area)	5,050	+ 28	- 4
Percent of labor force unemployed (area)	6.5	- 30	- 4
Air express shipments	207	+ 14	+ 28

RAYMONDVILLE: (pop. 9,136)			
Postal receipts	\$ 5,176	+ 6	+ 31
Building permits	\$ 17,708	- 25	- 44
Bank debits to individual accounts (thousands)	\$ 7,822	+ 39	- 53
End-of-month deposits (thousands)*	\$ 8,361	+ 4	- 38
Annual rate of deposit turnover	8.6	-	- 25
Placements in employment	92	- 9	- 11

SAN ANGELO: (pop. 52,093)			
Retail sales		- 6	+ 1
Department and apparel store sales		x	- 1
Postal receipts	\$ 45,207	+ 18	+ 21
Building permits	\$ 343,116	- 64	- 69
Bank debits to individual accounts (thousands)	\$ 46,536	+ 5	+ 10
End-of-month deposits (thousands)*	\$ 55,208	+ 12	+ 8
Annual rate of deposit turnover	10.2	- 6	+ 6
Placements in employment	760	+ 20	+ 2
Nonagricultural civilian labor force	20,800	+ 2	- 1
Unemployment	800	+ 23	+ 14
Percent of labor force unemployed	3.8	+ 19	+ 15
Air express shipments	283	- 27	+ 55

SHERMAN: (pop. 20,150)			
Retail sales		+ 2	+ 5
Department and apparel store sales		+ 12	- 4
Postal receipts	\$ 30,625	+ 53	+ 67
Building permits	\$ 65,096	+154	- 31
Placements in employment	139	- 1	- 49

TAYLOR: (pop. 9,071)			
Postal receipts	\$ 7,719	+ 18	+ 28
Building permits	\$ 34,235	- 59	+ 20
Bank debits to individual accounts (thousands)	\$ 13,061	-	- 24
End-of-month deposits (thousands)*	\$ 14,878	-	+ 7
Annual rate of deposit turnover	10.9	-	- 28
Placements in employment	135	+ 31	+ 10

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
SAN ANTONIO: (pop. 408,442)			
Retail sales		+ 8	+ 7
Apparel stores		+ 17	+ 14
Automotive stores		- 1	- 9
Department stores†		+ 18	+ 17
Drug stores		+ 2	+ 4
Eating and drinking places		+ 21	+ 2
Filling stations		+ 9	+ 12
Food stores		+ 8	+ 2
Furniture and household appliance stores		+ 2	+ 13
Lumber, building material, and hardware stores		+ 3	+ 19
Postal receipts	\$ 478,770	+ 16	+ 29
Building permits	\$ 3,955,772	+ 7	- 74
Bank debits to individual accounts (thousands)	\$ 370,908	+ 12	+ 6
End-of-month deposits (thousands)*	\$ 382,991	+ 5	+ 1
Annual rate of deposit turnover	11.8	+ 7	+ 7
Placements in employment	4,304	+ 26	+ 4
Nonagricultural civilian labor force	196,300	+ 21	+ 1
Unemployment	5,500	+ 29	0
Percent of labor force unemployed	2.8	+ 8	0
Air express shipments	3,121	+ 4	- 10

TEMPLE: (pop. 25,467)			
Department and apparel store sales		+ 3	- 7
Postal receipts	\$ 24,663	+ 21	+ 17
Building permits	\$ 265,006	- 25	- 24
Bank debits to individual accounts (thousands)	\$ 19,827	- 5	- 3
End-of-month deposits (thousands)*	\$ 23,117	- 5	+ 5
Annual rate of deposit turnover	10.6	+ 1	- 6
Placements in employment	414	+ 1	+ 25
Air express shipments	37	- 34	- 8

TEXARKANA: (pop. 40,628)‡			
Retail sales‡		+ 17	- 8
Department and apparel store sales‡		+ 23	+ 1
Postal receipts‡	\$ 55,711	+ 29	+ 33
Building permits	\$ 33,976	- 40	- 88
Bank debits to individual accounts (thousands)‡	\$ 42,394	+ 31	+ 17
End-of-month deposits (thousands)*	\$ 23,892	+ 4	+ 1
Annual rate of deposit turnover	11.9	+ 17	+ 14
Placements in employment	1,426	+ 38	+ 8
Nonagricultural civilian labor force	41,100	+ 12	+ 1
Unemployment	2,500	- 4	0
Percent of labor force unemployed	6.1	- 14	- 2
Air express shipments‡	121	+ 36	+ 25

TEXAS CITY: (pop. 16,620)			
Retail sales		+ 28	+ 14
Department and apparel store sales		+ 59	+ 10
Postal receipts	\$ 12,529	+ 12	+ 30
Building permits	\$ 460,900	+122	+185
Bank debits to individual accounts (thousands)	\$ 21,780	+ 35	+ 2
End-of-month deposits (thousands)*	\$ 23,513	+ 59	+ 8
Annual rate of deposit turnover	11.5	- 7	- 1
Placements in employment (area)	923	+ 24	- 7
Nonagricultural civilian labor force (area)	50,200	+ 1	x
Unemployment (area)	1,700	- 15	0
Percent of labor force unemployed (area)	3.4	- 15	x

For explanation of symbols, see p. 23.

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
TYLER: (pop. 38,968)			
Retail sales .....	.....	+ 5	- 3
Department and apparel store sales.....	.....	+ 27	- 10
Postal receipts\$	49,020	+ 12	+ 33
Building permits\$	200,775	- 81	- 85
Bank debits to individual accounts (thousands).....\$	52,670	+ 7	+ 8
End-of-month deposits (thousands)*.....\$	52,377	+ 6	+ 1
Annual rate of deposit turnover.....	12.1	+ 2	+ 6
Placements in employment	581	- 8	- 4
Air express shipments	229	- 31	+ 16

VICTORIA: (pop. 16,126)			
Department and apparel store sales.....		- 8	+ 4
Postal receipts\$	15,333	+ 10	+ 23
Placements in employment	283	+ 38	+ 7
Air express shipments	34	- 32	+ 6

WICHITA FALLS: (pop. 68,042)			
Retail sales		+ 25	+ 14
Building permits\$	572,374	+ 76	- 25
Bank debits to individual accounts (thousands).....\$	89,427	+ 30	+ 14
End-of-month deposits (thousands)*.....\$	104,249	+ 11	+ 2
Annual rate of deposit turnover.....	10.3	+ 16	+ 12
Placements in employment	844	- 9	- 7
Nonagricultural civilian labor force.....	41,650	+ 13	x
Unemployment	850	- 15	- 6
Percent of labor force unemployed.....	2.0	- 26	- 9
Air express shipments	246	- 18	- 1

City and item	Oct 1951	Percent change	
		Oct 1951 from Oct 1950	Oct 1951 from Sept 1951
WACO: (pop. 84,706)			
Retail sales	-----	- 4	+ 4
Apparel stores	-----	+ 8	- 5
Automotive stores	-----	- 20	+ 7
Department stores	-----	+ 3	- 4
Furniture and household appliance stores	-----	+ 55	+ 54
Lumber, building material, and hardware stores	-----	- 18	+ 19
Postal receipts	\$ 98,618	+ 7	+ 23
Building permits	\$ 1,436,105	- 39	+ 75
Bank debits to individual accounts (thousands)	\$ 74,175	+ 3	+ 3
End-of-month deposits (thousands)*.....	\$ 90,493	+ 12	+ 10
Annual rate of deposit turnover.....	10.3	- 6	- 5
Placements in employment	1,507	+ 61	+ 32
Nonagricultural civilian labor force.....	44,150	x	+ 1
Unemployment	1,300	- 7	+ 8
Percent of labor force unemployed.....	2.9	- 9	+ 7
Air express shipments	198	+ 11	- 4
Railroad carloadings			
Inbound	260	+ 5	+ 42
Outbound	275	+ 29	+ 29

*Excludes deposits to credit of banks.

xChange is less than one-half of one percent.

†Reported by the Federal Reserve Board of Dallas.

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

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William R. Spriegel.....Dean

J. Anderson Fitzgerald.....Consulting Dean

STAFF OF THE BUREAU OF BUSINESS RESEARCH

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Co-operating Faculty

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Research Assistants

Joanne Barry, Howard Brady, Tom Brown, Diane Cocke, Ben Cummins, Terry Eccles, Fletcher Etheridge, Mary Frances Goins, Tom Greer, Benny Hill, Calvin Jayroe, Vera Jeffrey, Lee Roy Kern, William Lowe, Lillian Malec, Sylva Macrides, Sally Norman, David Nugent, Howard Rose, Jerrold Simon, and Charles Stahl.

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BAROMETERS OF TEXAS BUSINESS

	Oct 1951	Sept 1951	Aug 1951	Year-to-date average 1951	Average month 1950
GENERAL BUSINESS ACTIVITY					
†Index of Texas Business Activity	258†	256	250	250	235
Index of bank debits in Texas cities.....	625	606	634	612	535
Income payments to individuals in the U.S. (billions—seasonally adjusted at annual rate).....		\$ 253.3	\$ 253.7	\$ 249.0	\$ 222.8
Index of wholesale prices in the U.S. (1926=100, unadjusted).....	178.1†	177.6	178.0	180.9	161.5
Index of consumers' prices in Houston (unadjusted).....	194.4	194.1	193.0	192.4	178.7
Index of consumers' prices in the U.S. (unadjusted).....	187.4	186.6	185.5	185.1	172.0
Index of postal receipts in Texas cities.....	399	360	385	363	309
†Index of miscellaneous freight carloadings in the Southwestern Dis- trict (17.6).....	155	152	147	146	142
Business corporation charters issued (number).....		210	119	218	263
Business failures (number).....	9	8	6	8	15
TRADE					
†Index of total retail sales (adjusted for price changes) (47.7) *.....	223†	220	225	228	219
Index of total retail sales*.....	462	457	463	470	412
Durable goods stores*.....	641	640	660	674	553
Nondurable goods stores*.....	376	368	369	373	345
Index of department store sales in the U.S.	304†	312	319	313	303
Ratio of credit sales to net sales in department and apparel stores.....	66.4	64.4	66.2	65.2	64.7
Ratio of collections to outstandings in department and apparel stores.....	45.9	43.5	43.9	45.3	46.3
Index of gasoline sales.....		235	246	248	234
PRODUCTION					
†Index of industrial electric power consumption (14.8).....	499	482	451	439	355
Index of industrial production in the U.S.	220†	219	218	220	200
†Index of crude runs to stills (4.5).....	200	196	201	199	167
Index of wheat grindings.....		96	95	101	110
Index of cottonseed crushed.....		123	147	115	153
Index of cement production.....		290	302	289	279
Index of Southern Pine production.....		105	119	120	128
Index of dairy product manufacturing.....	67	69	70	60	73
†Index of crude petroleum production (8.6).....	228	230	226	221	184
Index of natural gas production.....		508	534	486	435
†Index of total electric power consumption (3.0).....	543	558	528	490	406
†Index of urban building permits (adjusted for price changes) (3.8).....	157†	196	162	208	262
Index of urban building permits.....	324	402	332	426	504
Construction contracts awarded (thousands).....	\$ 61,330	\$ 87,635	\$ 83,565	\$109,152	\$ 89,293
AGRICULTURE					
Index of farm cash income (unadjusted).....	960	743	906	471	387
Index of prices received by farmers (unadjusted).....	349	343	343	373	306
Index of prices paid by farmers in the U.S. (parity index, unadjusted) (1910-14=100).....	283	282	282	281	256
Parity ratio for Texas.....	123	122	122	134	120
Index of prices received by farmers—livestock (unadjusted).....	434	444	428	451	356
Index of prices received by farmers—all crops (unadjusted).....	286	268	279	314	262
FINANCE					
Loans, reporting member banks in the Dallas Federal Reserve District (millions).....	\$ 1,482	\$ 1,437	\$ 1,435	\$ 1,456	\$ 1,273
Loans and investments, reporting member banks in the Dallas Federal Reserve District (millions).....	\$ 2,847	\$ 2,694	\$ 2,673	\$ 2,672	\$ 2,583
Demand deposits adjusted, reporting member banks in the Dallas Federal Reserve District (millions).....	\$ 2,255	\$ 2,198	\$ 2,231	\$ 2,197	\$ 2,067
Bank debits in 20 cities (millions).....	\$ 5,164	\$ 4,782	\$ 4,942	\$ 4,877	\$ 4,322
Revenue receipts of the State Comptroller (thousands).....	\$ 60,304	\$ 39,700	\$ 57,823	\$ 53,480	\$ 48,374
Federal Internal Revenue collections (thousands).....	\$102,093	\$165,470	\$128,126	\$161,018	\$109,990
LABOR					
Total manufacturing employment (thousands).....	409.9†	405.6	396.8	391.2	353.2
Durable goods employment (thousands).....	195.7†	193.4	182.7	177.7	151.7
Nondurable goods employment (thousands).....	214.2†	212.2	214.1	213.5	201.5
Nonagricultural civilian labor force in 17 labor market areas (thousands).....	1,558	1,551	1,547	1,518	1,431
Unemployment in 17 labor market areas.....	42,775	43,910	46,730	46,577	62,810
Placements in 17 labor market areas.....	43,613	41,235	39,695	37,524	29,995
Percent of labor force unemployed in 17 labor market areas.....	2.7	2.8	3.0	3.1	4.4

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1935-39 except where indicated and are adjusted for seasonal variation (except annual indexes).

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

‡Preliminary.

*Revised.

Retail sales indexes have been tentatively revised on the basis of preliminary 1948 Census of Business reports.

Manufacturing employment estimates have been adjusted to First Quarter 1951 benchmarks.