TEXAS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS AND ECONOMIC CONDITIONS IN TEXAS

BUREAU OF BUSINESS RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF TEXAS

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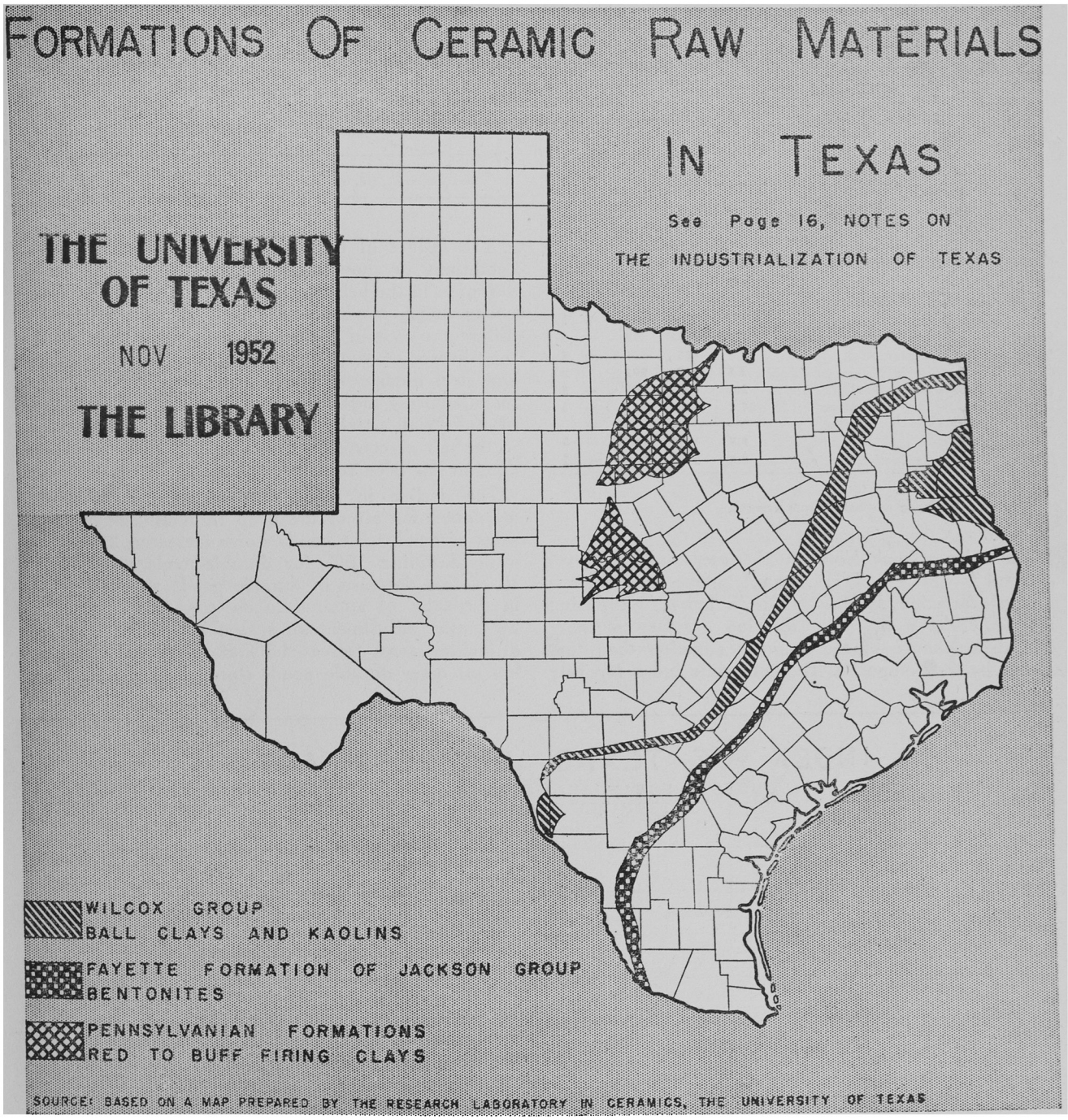

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The Business Situation in Texas

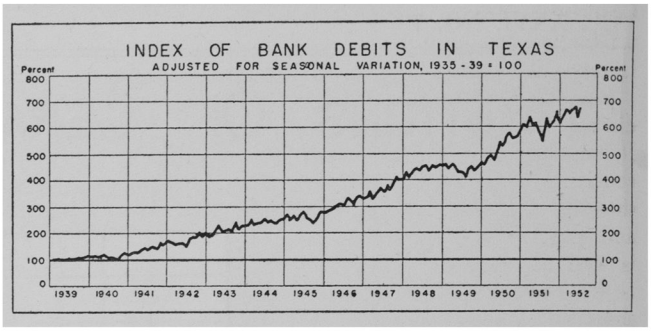
Different phases of business activity in Texas during July showed considerable variation, with the result that the over-all trend is not completely clear. However, after allowance for the normal seasonal variation between the two months the weight of the evidence indicates that July was not as good a month as June. The index of business activity compiled by the Bureau of Business Research declined 2% from June. Although only three of the seven components were lower than in the previous month, these three receive more weight in computing the composite than the series that rose. The table below gives the detailed record of the component series for June and July.

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

Indexes	Weight	July 1952	June 1952	Percent change
Index of Business Activity (Composite)	100.0	254‡	258	— 2
Retail sales, adjusted for price changes	47.7	218‡	233	— 6
Industrial power consumption	14.8	493	474	+ 4
Crude oil runs to stills	4.5	203	204	x
Electric power consumption	3.0	608	565	+ 8
Miscellaneous freight carloadings	17.6	139	141	— 1
Urban building permits, adjusted for price changes	3.8	177‡	186	— 5
Crude petroleum production	8.6	216	214	+ 1

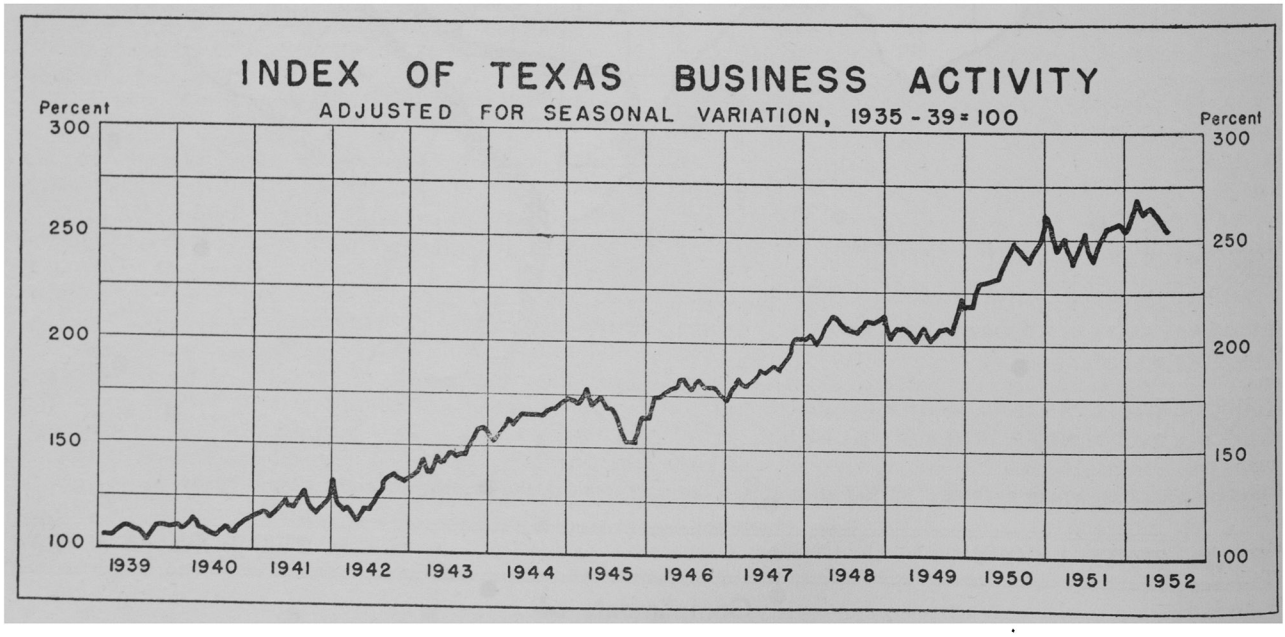
‡Preliminary.
xChange is less than one half of one percent.

The index of bank debits, another measure of the level of total business in Texas, usually moves in the same general direction as the composite index, but during most of 1952 it has been showing a somewhat more optimistic picture of the business situation than that shown by the composite. The composite index for July was the lowest it has been since October 1951, while the index of bank debits has been higher than the July value in only two months—February and May 1952.



The failure of the two general indexes of business conditions to show closer agreement, as well as the variation in the behavior of the components of the composite index, emphasize the lack of uniformity in the different aspects of business at the present time. Some of this diversity results from the strikes in the petroleum and steel industries; at the beginning of a strike in a manufacturing industry the effect is reflected in the level of industrial activity, but delayed effects may appear in the sale of consumer goods several months after production has been resumed.

The decline in retail sales of durable-goods stores accounted for all of the drop in retail sales; in fact, sales of nondurable goods stores increased 2% in July, while declining 16% for durable-goods stores. Almost all of this decrease in durable goods was concentrated in the sales of automobile dealers, which were down 24% after adjustment for seasonal variation. July sales of jewelry stores decreased 5% after seasonal adjustment, but all other durable goods stores showed an increase.



In other words, the drop of 2% in the index of business activity is the direct result of the reduced sales of automobile dealers during July.

The components of business representing industrial activity in Texas moved sharply during July. Industrial electric power consumption rose 4%, total electric power consumption 8%, and crude petroleum production 1%. Crude oil runs to stills declined less than 1%, while urban building permits dropped 5% and miscellaneous freight carloadings 1%.

Businessmen are generally optimistic about the immediate course of business activity in the United States. Inventories have been worked down, consumer income continues to increase, and consumer spending has been showing a steady rise. Government purchases of goods and services are becoming more important, although it is well to remember that the peak of defense spending is approaching. Industrial production is expected to show a sharp recovery from the declines brought on by the steel strike, with the possibility that new records will be set by the end of the year if a coal strike is avoided. The industrial production index of the Board of Governors of the Federal Reserve System registered the effect of the steel strike by a steep decline in June and again in July, bringing it from a peak of 222, reached in February, to a point below 200 in July. (A preliminary estimate sets the July level at 192.) The same factors that appear to make the prospects for business good for the whole country seem to be operating in Texas.

Industrial expansion in Texas shows no signs of slowing the pace that has been held for the past two years. Expenditures for new plant and equipment in the United States during the first half of 1952 are estimated to have been about 11% above the first half of 1951, again setting a record. The estimates of expenditures for the third quarter of 1952 are slightly less than for the first half of 1952, but approximately 6% greater than the same period of 1951.

It is easy to underestimate the importance of the expansion of industrial capacity during the last two years. The period from the end of the war to 1950 witnessed an unprecedented building of capital goods, but a decline had definitely set in; then the Korean War started another period of expansion. Texas industry has shared in both of these building waves to a greater extent than most other sections of the country, with the result that the capital assets of the state have grown much faster than the country as a whole. The impact of this expansion on the economy of Texas has been far-reaching and tends to overshadow the other elements in the business situation.

The data on income payments by states just published by the Department of Commerce, show that payments in Texas increased 14% over 1950. For the Southwest (Arizona, New Mexico, Oklahoma, and Texas) income payments increased 15%, the greatest increase shown by any of the seven regions into which the Department of Commerce divides the country. The increase was particularly great in income from industrial activity, reflecting the continuation of the trend towards industrialization in the Southwest. Texas income payments per capita in 1951 were 352% of 1939, while for the country as a whole per capita income payments were 294% of 1939. In 1939 per capita payments in Texas were 26% below the national average, but in 1951 they were only 11% lower.

Building activity in Texas declined again in July, but the decline was smaller than in earlier months. The preliminary July index of building permits compiled by the Bureau was 369% of the prewar level, and even after allowance is made for increased building costs it is still 177% of the base period. Residential building seems to be slowing considerably, but the demand for industrial, commercial, and institutional construction still appears to be strong. The statistical data for the remainder of 1952 may reflect the effects of the steel strike, so they must be interpreted with this in mind. Until the steel strike cut off materials. it appeared that the national figures would show 1952 to be a record year for building. Regardless of how the industry fares during the remainder of the year, it appears likely that it will continue to be a major support of a high level of activity in Texas as well as in the remainder of the country.

Prices of commodities are beginning to reflect improved demand, and during July the wholesale price index compiled by the Bureau of Labor Statistics reversed the downward trend of the past 16 months. For the week ending July 8 the index stood at 110.7, the same as the week before, but each week since that date has registered an increase, until for the week ending August 12 the index was 112.0. The three major groups, farm products, foods, and all other commodities (industrial products), all showed a steady increase. The steadiness with which all three components of the index have risen suggests that the trend is definitely upward.

The index of consumers' prices for all cities and the index for Houston both rose again in July. Rather unaccountably this index continued to rise during 1951 while the index of wholesale commodity prices was declining. Since retail prices are used in the consumers' price index, it is to be expected that this would lag somewhat behind the wholesale price index, but its failure to reflect the sixteen-month decline in the wholesale price index is unusual. Except for a slight dip in the spring of 1952, the index of consumers' prices in all cities continued to rise; the trend of the index for Houston paralleled very closely the index for all cities.

The question of primary importance to businessmen is whether the rise in wholesale prices presages another period of inflation, or merely reflects the strengthening demand emerging from the improvement taking place in business. The continued high level of private domestic investment and the increasing expenditures of the federal government, together with the prospects of a larger budgetary deficit, lead some business economists to conclude that another inflationary wave is imminent. However, the greatly expanded productive capacity of industry seems to give a considerable amount of protection in the form of a potential supply of goods large enough to meet any volume of demand except that generated by the prospects of an all-out war. If this latter view is correct, the present rise in prices is merely the normal cyclical behavior of business and any undue increase is unlikely.

JOHN R. STOCKTON

TEXAS BUSINESS REVIEW

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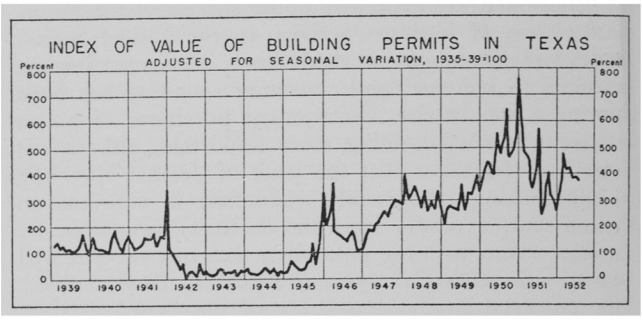
CONSTRUCTION

Slight improvement noted. Building activity in Texas shows signs of reversing its declining trend, for although the seasonally adjusted index of building permits has been generally declining since the February peak, each successive drop was smaller than the preceding one. The level of the index in July was 369, less than 5% below June and 41% above the freakishly low figure (262) for July a year ago.



The post-war peak in Texas building activity occurred in the latter half of 1950, while building activity in the nation has exhibited a slower though more steady rise, reaching a record total during the first half of this year. An upswing in Texas building activity may well be hampered or even prevented as a result of the prolonged steel strike.

ESTIMATES OF BUILDING PERMITS ISSUED

(in thousands)

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

Classification	July 1952*	January-July 1952	January-July 1951	Percent change
All building permits	$ 52,977	$383,485	$404,274	— 5
Kind of construction				
New construction	45,540	334,547	358,652	— 7
Residential	30,469	238,260	237,537	x
Housekeeping	30,350	236,801	235,223	+ 1
Single family	29,430	214,536	216,929	— 1
Multiple family	920	22,265	20,608	+ 8
Nonhousekeeping	119	1,459	2,314	— 37
Nonresidential	15,071	96,287	121,115	— 20
Additions, alterations, and repairs	7,437	48,938	45,622	+ 7
City-size group (Population, 1940 Census)				
Over 100,000	22,500	164,272	204,693	— 20
50,000 to 100,000	9,128	71,075	66,297	+ 7
25,000 to 50,000	5,771	39,259	30,865	+ 27
Under 25,000	15,578	108,879	102,419	+ 6

Only building for which permits were issued within the incorporated area of the city is included. Federal contracts are excluded.
x Change is less than one half of one precent.
*Preliminary.

Details about Texas. Building permits issued for new residential construction in Texas during July declined 3% below the June level. Much of the 59% decrease in multiple-family units was offset by a 1% increase in one-family units, which accounts for more than

95% of the value of all residential construction. Hotels and tourist cabins also showed an increase of 2%.

Permits for 4,415 dwelling units were issued in July, 459 below June but 1,316 above the abnormally low figure of July a year ago.

Non-residential categories showed a substantial decrease of 17% from June to July. This was brought about mainly by declines in stores and other mercantile (—60%), factories and workshops (—70%), and public buildings (—53%). Important categories showing increases were churches (+180%) and educational buildings (+128%).

An increase of 5% in additions, alterations and repairs was brought about by a 12% rise in the residential category which more than offset the 3% decline in the non-residential class.

Contracts awarded in Texas. Construction contracts awarded in Texas during the first half of 1952 were 9% below the same period last year. All classes decreased except public works and utilities (+32%) and additions, alterations and repairs to residential structures (+6%).

CONSTRUCTION CONTRACTS AWARDED IN TEXAS

(in thousands)

Source: Dodge Statistical Research Service

Type of construction	June 1952	January-June 1952	January-June 1951	Percent change
All construction	$107,821	$695,234	$762,057	— 9
Total new building	75,393	484,018	556,016	— 13
Residential building	40,289	284,814	334,256	— 15
Nonresidential building	35,104	199,204	221,760	— 10
Additions, alterations and repairs	10,135	45,722	80,403	— 43
Residential	702	3,304	3,118	+ 6
Nonresidential	9,433	42,418	77,285	— 45
Public works and utilities	22,293	165,494	125,638	+ 32

Total private building in Texas decreased by 8% during the first half of 1952 as compared to a like period last year. In the same comparison public building decreased by 9%. Privately financed public works and utilities (up 306%), were the only classification recording a gain. Private non-residential construction showed the greatest decline, 22% below the first half of 1951.

NUMBER OF DWELLING UNITS PROVIDED IN RESIDENTIAL PROJECTS IN TEXAS

Source: Dodge Statistical Research Service

Type of unit	January-June 1952	January-June 1951	Percent change
Total buildings	30,276	31,226	— 3
Apartment buildings	7,837	5,712	+ 37
One family (owner occupied)	1,415	2,708	— 48
One family (sale or rent)	19,080	19,895	— 4
Two family	1,888	2,842	— 34
Combination	56	69	— 19

The number of dwelling units in Texas for which contracts were awarded during the first half of this year was 3% below a similar period in 1951. The number of dwelling units in apartment buildings was the only category marking up an increase (+37%). One-family units (owner occupy) showed the greatest decline (—48%) followed by two-family (—34%), combination (—19%), and one-family (sale or rent) (—4%).

The national picture: A new outlook for 1952. The extended steel strike has eliminated the possibility of setting a new record in 1952 in the dollar volume of new construction put in place. This is in sharp contrast to the bright prospects envisioned in mid-May, when total construction outlays were expected by the Department of Commerce and the Bureau of Labor Statistics to top $32 billion for a new record and a 4% gain over 1951. Attainment of this mark, however, was based upon a rapid and progressive easing in the supply of metallics, particularly structural steel. It now appears likely that the construction industry will be hard pressed to equal last year's record $31 billion.

New construction expenditures for the first seven months of this year reached a record total of $18 billion, about 5% above the amount for the same period last year. Most of the increases over 1951 were centered in outlays for industrial buildings (both public and private), military and naval projects, and public utility expansion. A slightly lower volume of private outlays was more than offset by a 24% increase in the level of public expenditures. Nevertheless, the 1952 total for private construction was twice as great as that for public—$12 billion, as against $6 billion. It would be necessary for the industry to maintain a 4% margin over last year throughout the second half, to achieve the $32 billion as predicted early in May. In view of the length of the steel strike, it will not be possible to maintain this pace. Nevertheless, the volume of work put in place so far, and the progress as planned of most public outlays—particularly atomic energy plants and military projects—indicate that total volume for the year will still be the second largest on record.

Expenditures for new construction in July reached the record total of almost $3.1 billion, according to preliminary estimates of the U. S. Labor Department's Bureau of Labor Statistics and the Building Materials Division, U. S. Department of Commerce. The record dollar volume of work put in place indicated that the steel dispute had little adverse effect on the tempo of on-site operations during the month. Available evidence makes it appear that full effects of the shutdown will not be felt until later months.

The July figure topped the June level by 3% and that of July a year ago by 7%. Seasonal advances in all major categories brought the private construction total to nearly $2 billion. Half the private total consisted of outlays for new residential building, which were up 4% from last July. In the public sector, defense construction remained at high levels. Highway construction, however, rose less than usual for this time of year because of small and spotty cutbacks in activity due to scarce supplies of steel. Even so, the dollar volume of highway work was 12% above the July 1951 figure. Total public

expenditures for new construction amounted to $1.1 billion in July 1952.

Defense housing. Up to June 18 nearly 84,000 dwelling units have been programmed in 169 critical defense housing areas throughout the country. About three-quarters of that number are rental units. Intended for military personnel and inmigrant defense workers in the designated areas, the units planned are to be constructed by private builders. Incentives are created by removing or relaxing real estate credit regulations on the required number of homes and by making available mortgage insurance under very liberal provisions.

A study of 15 critical defense housing areas, according to field surveys by, and reports to, the Bureau of Labor Statistics, reveals that defense housing starts have very little impact on the certified community's level of starts.

Permits reported by Texas cities. Reports by local building inspectors to the Bureau of Business Research show that the value of permits issued in Houston during July was highest in the state for the second consecutive month. Bellaire, a residential city bordering the city limits of Houston, had the highest per capita value of building permits issued ($76.77) during July. Second and third, respectively, on a per capita basis, were Garland, a city near Dallas, and Highland Park, a residential city bordering the city limits of Dallas.

Building permits by city size groups. The value of building permits issued during July showed declines in all except the 25,000 to 50,000 group, which increased 43%. The 50,000 to 100,000 class decreased the most, 26%. Cities over 100,000 remained stable, with a decline of only 1%. Building in small cities under 25,000 was also down 11% since June.

In the July year-to-year comparison, all classes showed increases except the over-100,000 group, which declined by 20%. This was more than sufficient to offset the increases in the other classes, with the result that over-all building decreased 7% since last July.

RICHARD C. HENSHAW, JR.

FINANCE

Record peacetime expenditures. Federal budget expenditures during fiscal year 1952 (July 1, 1951–June 30, 1952) reached a peace-time high of $66 billion, a figure nearly $22 billion higher than for fiscal 1951 and approximately $34 billion lower than the war-time peak of $100 billion in fiscal 1945. In spite of the record expenditures, receipts of $62 billion resulted in a deficit of only $4 billion, while the cash budget enjoyed a surplus of almost $100 million. (The cash budget, unlike the administrative budget, excludes certain accrued expenses, such as interest accruals on savings bonds, and payments to trust accounts administered by the Treasury. Thus the cash deficit is ordinarily less than the administrative budget deficit.)

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

Source: Board of Governors of the Federal Reserve System

Item	Percent change: July 1952 from July 1951	July 1952 from June 1952	July 1951 from June 1951
Assets			
Loans and investments	+ 14	+ 2	+ 1
Loans	+ 10	x	— 1
Total U.S. Government securities	+ 22	+ 4	+ 3
Treasury bills	+ 71	+ 17	+ 22
Treasury certificates of indebtedness	+ 62	— 1	+ 24
Treasury notes	— 24	+ 1	— 8
Bonds	+ 22	+ 2	x
Other securities	+ 1	— 2	0
Reserve with Federal Reserve Banks	+ 14	— 3	— 7
Cash in vaults	+ 16	+ 5	0
Balances with domestic banks	+ 3	— 14	+ 4
Liabilities			
Total deposits (except interbank)	+ 13	+ 1	x
Demand deposits (adjusted)	+ 10	+ 4	+ 3
Time deposits	+ 9	+ 3	— 1
U.S. Government deposits	+121	— 31	— 38
Interbank deposits	+ 13	— 10	— 3
Domestic banks	+ 12	— 10	— 3
Foreign banks	+ 43	+ 11	0
Capital accounts	+ 14	+ 1	+ 1

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

xChange is less than one half of one percent.

Forecasts inaccurate. The actual result of Federal fiscal operations during the year indicates the difficulty of forecasting receipts and expenditures for even a relatively short period of time. In January of this year, President Truman estimated a budgetary deficit of more than $8 billion. The error resulted primarily from a lag in disbursements, for cash receipts actually fell short of the January forecast. Defense spending, which amounted to $46 billion, was more than $3 billion less than anticipated, and certain aid programs required fewer funds while economy of operations reduced expenditures in other areas.

The expenditures for national defense and related items of $46 billion (more than 70% of total expenditures) can be contrasted with a total for the same purpose of $26 billion (59%) in fiscal 1951 and $18 billion

(44%) in fiscal 1950. However, nondefense expenditures amounted to $20 billion in fiscal 1952 and $18 billion in fiscal 1951, reflecting an increase in absolute terms.

Budget balance and price stability. The near balance in the cash budget was an important contributing factor to the relative degree of price stability experienced by the economy during fiscal 1952. During the period, consumer prices ("cost-of-living") increased by less than 2.5%, while wholesale prices declined by 2.8%. When, as in fiscal 1952, the government is withdrawing funds from the economy at about the same rate as it is disbursing them, a minimum of inflationary pressures may be engendered. This is not to say that the fiscal activities are neutral under such circumstances, since the character of the expenditures and the incidence of the taxes levied to obtain the funds may exert a net inflationary (or deflationary) force. However, it is almost axiomatic that balanced cash operations on the part of the Federal government are more conducive to economic stability than the incurrence of a large deficit.

LOANS MADE BY SAVINGS AND LOAN ASSOCIATIONS
Source: Federal Home Loan Bank of Little Rock

Type	July 1952	June 1952	July 1951	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
Number	3,385	2,728	2,463	+ 37	+ 24
Construction	773	661	599	+ 29	+ 17
Purchase	1,056	866	779	+ 36	+ 22
Refinancing	327	239	170	+ 92	+ 37
Reconditioning	396	351	253	+ 57	+ 13
Other	833	611	662	+ 26	+ 36
Value (thousands)	$16,036	$13,238	$11,258	+ 42	+ 21
Construction	5,404	4,394	3,797	+ 42	+ 23
Purchase	5,926	4,704	4,080	+ 45	+ 26
Refinancing	1,634	1,438	911	+ 79	+ 14
Reconditioning	986	790	699	+ 41	+ 25
Other	2,086	1,912	1,771	+ 18	+ 9

BUSINESS FAILURES
Source: Dun & Bradstreet, Inc.

Item	July 1952	June 1952	July 1951	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
Number	12	3	11	+ 9	+300
Liabilities (in thousands)	$ 367	$ 111	$ 225	+ 63	+231
Average liabilities per failure (in thousands)	$ 31	$ 37	$ 20	+ 55	— 16

Deficit in 1953. Forecasts by the President for fiscal 1953 indicate that the favorable budgetary situation is transitory. The President's estimate of budget expenditures of $79 billion and receipts of $68.7 billion points to a budgetary deficit of $10.3 billion. In the light of past experience, a cash deficit of approximately $6 billion might then be expected. To the extent that a deficit of this size can be financed by utilizing savings of the public, inflationary forces can be reduced. The success of such a policy, however, depends not only on public expectations in regard to prices and interest rates, but also on Treasury debt-management decisions. If the Treasury insists on raising the needed funds at rates of interest too low to attract genuine savings, the funds must be borrowed from banks, a procedure which swells the money supply and reinforces inflationary pressures. Even more dangerous is the possibility that rates may be set so low as to endanger the success of a Treasury financing venture; under such circumstances Federal Reserve authorities might feel compelled to order large open-market purchases of Treasury securities to insure the success of the flotation. In this event, high-powered Federal Reserve funds are thrown onto the market, increasing commercial bank reserves and providing the basis for a multiple expansion of commercial bank deposits. The likelihood of such action has been reduced by the terms of the Treasury-Federal Reserve "accord" of March 1951, unless, as some observers maintain, the "accord" has not as yet really been tested. Regardless of Treasury financing decisions and the accompanying Federal Reserve policy, however, it is apparent that Federal fiscal actions will probably exert a net inflationary pressure during fiscal 1953.

CHARLS E. WALKER

REVENUE RECEIPTS OF STATE COMPTROLLER
Source: State Comptroller of Public Accounts

Source	September 1–July 31: 1951–52	1950–51	Percent change
Total	$631,465,102	$557,755,553	+ 13
Ad valorem taxes	24,221,959	33,753,627	— 28
Natural and casinghead gas production taxes	16,442,748	12,854,751	+ 28
Crude oil production taxes	110,094,523	102,104,580	+ 8
Sulfur production taxes	5,503,651	5,449,609	+ 1
Insurance companies taxes	15,311,110	13,307,760	+ 15
Net motor fuel taxes	95,487,432	87,584,250	+ 9
Cigarette tax and licenses	32,127,570	30,467,342	+ 5
Alcoholic beverage taxes and licenses	17,019,431	15,539,183	+ 10
Automobile and other sales taxes	16,820,940	15,685,815	+ 7
Franchise taxes	13,940,949	9,797,689	+ 42
Mineral leases, rentals and bonuses	22,642,442	13,483,227	+ 68
Oil and gas royalties	16,409,929	15,032,100	+ 9
Interest on securities owned	11,706,283	9,921,870	+ 18
Motor vehicle licenses, permits, and other	35,190,506	32,182,431	+ 9
Federal aid—highways	28,020,225	10,814,351	+159
Federal aid—public welfare	67,557,055	70,508,218	— 4
Federal aid—public education	15,557,470	17,645,641	— 12
Unemployment compensation taxes	18,368,422	16,097,222	+ 14
All other receipts	69,042,457	45,525,887	+ 52

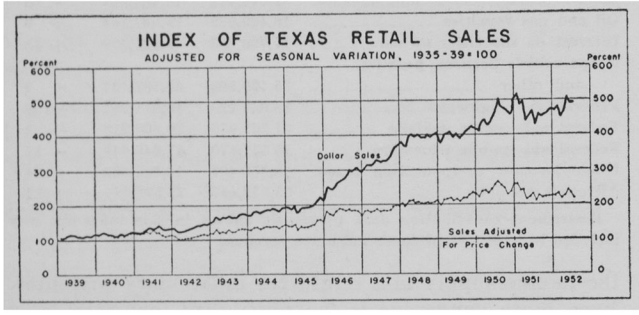
Retirement contribution data previously shown in this table are now included in a restricted fund, not state revenue.

FEDERAL INTERNAL REVENUE COLLECTIONS
Source: Office of the Collector, Internal Revenue Service, Treasury Department

Source	July 1–June 30: 1951–52	1950–51	Percent change
Texas	$ 124,956,744	$ 83,869,902	+ 49
Income	45,004,332	25,038,205	+ 80
Employment	228,727	499,595	— 54
Withholding	67,787,302	48,130,273	+ 41
Other	11,936,383	10,201,829	+ 17
First District	67,224,955	44,344,005	+ 52
Income	26,588,235	11,304,924	+135
Employment	82,296	83,034	— 1
Withholding	35,083,403	28,656,842	+ 22
Other	5,083,404	4,299,205	+ 18
Second District	57,731,789	39,525,897	+ 46
Income	18,416,097	13,733,281	+ 34
Employment	146,431	416,560	— 65
Withholding	32,703,899	19,473,431	+ 68
Other	6,465,362	5,902,624	+ 10

RETAIL TRADE

Inventories reduced. Retail merchants during recent weeks have been evidencing a degree of relief from some of the stress of past months. Overhanging and unbalanced inventories have been melting away. In the case of household appliances and some other durable goods, threatened shortages which are expected to result from the steel strike have helped to dissipate embarrassingly large warehouse and shelf stocks. Removal of credit controls also helped, as credit obligations increased sharply in May and June. A strong upturn of consumer buying during the early weeks of the summer soon depleted stocks to the point that sales were lost in numerous stores.



More buying strength. Accordingly retailers entered this summer's wholesale markets more willing to make commitments beyond immediate needs than has been true for many months. Considerable strength has appeared in textiles and leather goods and in many apparel lines. In household goods, demand has been spotty. The declining supplies of household air conditioners hesitantly provided by apprehensive merchants and suppliers soon proved much too small for the demand that developed rapidly in many areas. Dealers' floor stocks of the popular-priced automobiles soon thinned out, and used cars experienced unseasonable price rises in some localities. Stocks in other lines have remained adequate. The possible suspension of Regulation X in early October, which would ease down-payments and terms for buying homes, might also strengthen the demand for furniture and furnishings to outfit them.

Retail price trend. Retail prices on the whole declined for the ninth consecutive month, according to the Fairchild Retail Price Index. At 104.7 (based on 1947–49=100), the index stood 2.3% below July 1951 and was the lowest since late 1950. Piece goods and home furnishings reported the largest decreases, and men's and women's apparel the least. Trends for individual commodities were more mixed than at any time in months. It seems unlikely that further weakening of the retail price structure will continue for more than a few weeks.

However, it is to be noted that much of the reported upsurge of buying that began in May, particularly in apparel, shoes, and home furnishings, has centered about early clearance sales of current merchandise, with substantial price reductions. Consumers continue to be highly price conscious, as reflected in lower average sale figures for numerous types of retailers. Despite easy credit terms and sizeable discounts, increasing caution has been noted among customers in areas where the flow of income has been slowed by labor-management disputes or by drought-stricken crops.

Business prospects. Merchants can exercise considerable choice among business forecasters. Many business seers and government economists believe that the complex of economic factors is highly favorable for business to continue vigorously, if not too profitably in some lines, for at least 10 to 24 months ahead. Defense spending, which has erected and now largely supports the artificially high business plateau on which we are operating, should underwrite high income levels. Effects of the steel strike and of the wide-spread drought are declared to be short-lived and of small significance, except as they may contribute to increased costs and higher prices. Such rising prices, it is claimed, would

RETAIL SALES TRENDS

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

Group	Number of reporting establishments	Percent change: July 1952 from July 1951	July 1952 from June 1952	Jan-July 1952 from Jan-July 1951
KIND OF BUSINESS				
Durable goods				
Automotive stores	246	— 8	— 18	— 5
Furniture and household appliance stores	170	+ 20	x	+ 8
Jewelry stores	33	+ 12	— 13	+ 3
Lumber, building material, and hardware stores	313	+ 1	+ 1	— 9
Nondurable goods				
Apparel stores	233	+ 7	— 4	+ 4
Country general stores	53	+ 7	+ 5	— 1
Department stores	65	+ 8	— 6	+ 3
Drug stores	155	+ 1	— 1	+ 3
Eating and drinking places	102	— 1	+ 1	+ 5
Filling stations	626	+ 4	x	+ 7
Florists	40	+ 5	— 9	+ 5
Food stores	188	+ 11	+ 9	+ 8
General merchandise stores	132	+ 10	— 8	+ 4
Liquor stores	22	+ 13	+ 10	+ 2
Office, store, and school supply dealers	43	+ 26	+ 3	+ 8
CITY-SIZE CLASS (Population, 1950 Census)				
Over 250,000	889	— 2	— 10	+ 1
100,000 to 250,000	334	+ 3	— 9	— 1
50,000 to 100,000	288	+ 8	— 1	x
2,500 to 50,000	804	+ 2	— 6	x
Under 2,500	123	+ 5	— 3	+ 4

xChange is less than one half of one percent.

ESTIMATES OF TOTAL RETAIL SALES

(in millions)

Type of store	July 1952	Jan-July 1952	Percent change: July 1952 from July 1951	July 1952 from June 1952	Jan-July 1952 from Jan-July 1951
Total	$600.9	$4,302.7	+ 5	— 4	x
Durable goods	258.7	1,890.6	— 2	— 12	— 4
Nondurable goods	342.2	2,412.1	+ 12	+ 2	+ 4

xChange is less than one half of one percent.

help to convince reluctant consumers that retail prices had reached their lowest levels and that any changes could be only upward. This should encourage increased spending, especially as for several months the percentage of income going into savings has been decreasing from its abnormally high level.

POSTAL RECEIPTS

City	July 1952	June 1952	July 1951	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
Total*	$5,250,357	$4,816,216	$4,219,205	+ 24	+ 9
Belton	5,544	5,473	4,246	+ 31	+ 1
Brownfield	7,596	4,882	6,611	+ 15	+ 56
Childress	4,822	4,878	4,489	+ 7	— 1
Cleburne	8,931	8,924	7,432	+ 20	x
Coleman	5,268	4,559	4,189	+ 26	+ 16
Crystal City	2,606	2,042	2,272	+ 15	+ 28
Cuero	3,398	4,881	4,189	— 19	— 30
El Campo	6,442	5,630	5,432	+ 19	+ 14
Gainesville	8,837	8,999	7,204	+ 23	— 2
Gladewater	5,072	4,567	4,348	+ 17	+ 11
Goldthwaite	1,756	1,274	1,358	+ 29	+ 38
Graham	5,320	4,657	4,281	+ 24	+ 14
Granbury	1,560	1,145	1,129	+ 38	+ 36
Hillsboro	6,670	4,305	4,172	+ 60	+ 55
Huntsville	6,295	7,319	5,582	+ 13	— 14
Jacksonville	11,209	8,238	8,043	+ 39	+ 36
Kenedy	3,444	2,612	2,639	+ 31	+ 32
Kerrville	8,245	7,434	7,173	+ 15	+ 11
Kilgore	11,629	9,735	10,330	+ 13	+ 19
La Grange	4,390	4,065	3,141	+ 40	+ 8
Lampasas	3,341	3,028	3,047	+ 10	+ 10
Littlefield	3,869	4,142	4,230	— 9	— 7
Luling	2,413	2,717	2,665	— 9	— 11
Mission	6,313	4,693	5,875	+ 7	+ 35
Navasota	3,423	3,038	3,075	+ 11	+ 13
New Braunfels	11,423	8,831	8,526	+ 34	+ 29
Orange	15,059	11,923	12,085	+ 25	+ 26
Palestine	10,462	10,743	8,575	+ 22	— 3
Pasadena	12,453	12,607	9,525	+ 31	— 1
Snyder	9,956	9,238	8,881	+ 12	+ 8
Sulphur Springs	5,613	5,043	4,812	+ 17	+ 11
Terrell	4,867	5,034	5,184	— 6	— 3
Uvalde	5,866	4,751	6,001	— 2	+ 23
Vernon	9,983	7,416	9,114	+ 9	+ 33
Victoria	15,803	14,737	13,635	+ 16	+ 7
Yoakum	9,332	7,654	7,977	+ 17	+ 22

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

xChange is less than one half of one percent.

However some prophets view with alarm the many billions of dollars worth of manufacturers' and distributors' inventories of finished goods currently held at high prices and which the public appears reluctant to buy except at substantial discounts. It is said that bankers are becoming unwilling to renew loans against these stocks. If such huge stocks should be liquidated at distress prices, markets could be largely demoralized.

Survey of Texas trade. With 2,438 stores reporting, total retail sales in July decreased 4% from June but averaged 5% above July 1951. Nondurables with a 12% increase over last year masked a 2% drop in sales of durable goods. For January-July over the same months of 1951, a 4% increase in nondurables matched a 4% decrease in durables to equal 1951 volume. For the 17 most recent weeks, total retail trade in the Southwest has been definitely ahead of the national average.

Reporting by cities, 298 Texas department and apparel stores averaged a 5% drop from June but topped July 1951 by 7% and bettered January-June of last year by 3%. Among the 33 cities included, 11 bettered June, 28 topped July 1951, and 25 were ahead of January-July 1951. Corpus Christi, Laredo, and Lockhart made the best showings over 1951, both for July and for the seven months.

Of 32 cities reporting enough retailers to be listed individually by types, only two had sales above June. Nineteen were ahead of 1951 for July and 16 for January-July. In the July-to-July comparison, chief increases were reported for Odessa and Sherman (20% each), Corpus Christi (19%), Galveston and Port Arthur (14%), and Denison and Plainview (13% each). Odessa (16%) was the only city reporting a significant increase for January-July over those months of 1951.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES
(in percent)

Classification	Number of reporting stores	Credit ratios* July 1952	Credit ratios* July 1951	Collection ratios† July 1952	Collection ratios† July 1951
All stores	64	63.5	63.0	43.9	44.9
By cities					
Austin	6	56.9	52.4	49.4	49.4
Cleburne	3	34.9	35.5	41.0	38.9
Corpus Christi	3	60.3	55.2	41.9	45.7
Dallas	7	74.1	74.3	46.5	44.7
Fort Worth	4	60.9	59.4	47.9	49.8
Galveston	3	59.1	55.0	46.9	50.9
Houston	7	66.0	67.0	39.8	44.5
San Antonio	4	54.0	56.1	41.4	45.8
Waco	4	60.1	59.2	54.9	53.1
Others	23	51.8	49.9	40.2	39.3
By type of store					
Department stores (over $1 million)	17	67.0	67.4	42.6	43.3
Department stores (under $1 million)	18	44.0	40.9	47.2	45.1
Dry goods and apparel stores	5	69.4	67.7	52.9	54.1
Women's specialty shops	16	54.7	52.9	45.0	48.2
Men's clothing stores	8	66.4	59.9	54.0	55.3
By volume of net sales (Population, 1950 Census)					
Over $3,000,000	15	66.8	67.2	42.7	43.8
$1,500,000 to $3,000,000	6	63.2	59.5	54.2	56.0
$500,000 to $1,500,000	17	49.1	48.8	50.1	48.1
$250,000 to $500,000	17	40.7	33.9	43.1	45.0
Less than $250,000	9	47.6	43.0	40.5	41.3

*Credit sales divided by net sales.

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

Secondary trade indicators. Advertising linage in 29 Texas newspapers dropped 11% from June but was 3% ahead of a year ago. Of the 29 papers, only 6 bettered June but 17 topped July 1951. Sales of gasoline subject to tax totalled 261,160,000 gallons in June, about equal to May and to a year earlier. Gasoline sold to the federal government amounted to 52,260,000 gallons, a 76% advance from the low sales of May but 15% under June 1951.

Postal receipts for July in 101 Texas cities exceeded June by 9% and July 1951 by 24%. Seventy-four cities topped June and 93 cities surpassed July a year ago.

A. HAMILTON CHUTE

INDUSTRIAL PRODUCTION

Industrial development. One of the most significant aspects of the industrial expansion which is now in progress in Texas is the degree to which high-capital industries are being drawn into the state to utilize the rich natural resources of Texas. As we have noted before in the *Review*, defense-inspired expenditures have intensified this trend, specifically, the Certificate of Necessity program, which is a provision of the Revenue Act of 1950. The Defense Production Administration, which is responsible for providing quicker-than-usual tax write-offs in order to stimulate expansion, provides cumulative information from which it is possible to estimate the progress of the whole program to date. $1,679 millions worth of Certificates of Necessity have been issued to firms planning expansions or new industries in Texas as of June 20, 1952. Of all the states, only Pennsylvania exceeds Texas in the total of new investment; however this is less than $90 million. Defense production investment commitments are very much higher in Texas and Pennsylvania than in the next three highest states, each of which averages about $1,100 million.

TEXAS INDUSTRIAL ACTIVITY

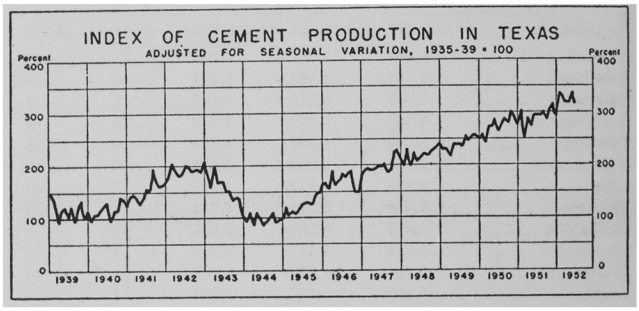
Source: Bureau of the Census, U. S. Department of Commerce, and State Comptroller of Public Accounts

Item	July 1952	June 1952	July 1951	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
Value of carbon black produced (000's)	$ 3,625	$ 8,834	$ 2,252	+ 61	— 59
Cotton (in running bales)					
Cotton consumed	11,456	10,292	12,564	— 9	+ 11
Linters consumed	2,662	2,041	3,257	— 18	+ 30
Cotton spindles (000's)					
Spindles in place	226	225	213	+ 6	x
Spindles active	207	205	192	+ 8	+ 1
Total spindle hours	81,000†	78,000	84,000	— 4	+ 4
Average spindle hours	358	347	394	— 9	+ 3
Cottonseed (tons)					
Received at mills	72,713	5,859	63,821	+ 14	+1141
Crushed	41,124	39,172	34,788	+ 18	+ 5
Stocks, end-of-month	62,022	30,433	49,878	+ 24	+104
Crude oil					
Value	$218,138	$157,175	$208,891	+ 5	+ 39
Production	84,774	60,820	80,771	+ 5	+ 39
Runs to stills	59,015	56,699	56,438	+ 5	+ 4
Value of natural and casinghead gas (000's)	$ 27,430	$ 24,966	$ 19,995	+ 37	+ 10
Sulfur production (long tons)	962	1	863	+ 11	.....

xChange is less than one half of one percent.
†For four weeks ending August 2, 1952.

Texas has an 11.5% share of the total expenditure for new facilities; this is high in proportion to its population and relative to previous industrial plant. This trend gives ample evidence that the resources of Texas are rated highly valuable to the nation's defense needs. Since very few Certificates of Necessity allow 100% fast tax write-off, and since few of the plants being built in Texas are government-financed, businessmen undertaking expansion of facilities must be convinced that products fabricated from raw materials now in demand will continue to be consumed in evergrowing quantities in peacetime. It is expected that the demands for aluminum, industrial chemicals, petrochemicals, plastics and petroleum products will remain close to the present war-inspired highs.

From the inception of the program through June 20, 1952 Texas received 486 certificates. Of this total, 111 were in Houston, with a total value of $324,689,000: Dallas received 33, valued at $29,431,000; the Beaumont-Port Arthur area, 31 for $116,915,000; Corpus Christi, 24 worth $185,410,000; Fort Worth, 21 certificates valued at $37,318,000; San Antonio, nine with a value of $13,346,000; El Paso, six certificates worth $15,771,000; Amarillo, four valued at $23,662,000; and Lubbock, two certificates worth $7,773,000.



Record allowable. In the last two months the Railroad Commission has completely reversed its attitude towards the inventory position of the nation as a whole, and the part which Texas producers should play in that position. While two months ago, the lowest level of production in the eighteen previous months was reached, the September allowable has been set at a new record high. The previous high was achieved in March 1952, and there have been only three other times in the history of the state when production in excess of three million barrels per day has been sanctioned. The increase of 261,201 barrels daily over current levels of production will bring the allowable up to 3,225,415 barrels per day. This production is to be accomplished by lengthening the producing month from 20 days to 22 days. East Texas, however, will remain on a producing schedule of 19 days. The two most significant reasons which prompted the Commission to take this action were: 11 billion barrels of crude petroleum have been drawn out of nation-wide inventories during the six weeks ending August 9, according to the Bureau of Mines, and furthermore, Gulf Coast refineries are short of crude.

REPORTED PETROLEUM PRODUCTION (in barrels)

Source: Oil and Gas Division, Railroad Commission of Texas

Oil and gas district	Apr 1952	Mar 1952	Apr 1951	Percent change: Apr 1952 from Apr 1951	Percent change: Apr 1952 from Mar 1952
All districts	85,185,965	90,153,057	81,431,784	+ 5	— 6
District 1	980,992	1,041,648	983,457	x	— 6
District 2	4,865,917	5,206,096	4,844,057	x	— 7
District 3	14,165,208	15,032,422	14,185,199	x	— 6
District 4	7,759,635	8,280,045	7,704,158	+ 1	— 6
District 5	1,802,291	1,912,577	1,548,528	+ 16	— 6
District 6	11,783,142	12,099,217	11,733,941	x	— 3
District 7b	2,776,250	2,916,721	2,481,497	+ 12	— 5
District 7c	4,215,857	4,283,934	2,691,667	+ 57	— 2
District 8	29,513,786	31,760,376	27,900,413	+ 6	— 7
District 9	4,895,365	5,085,917	4,755,393	+ 3	— 4
District 10	2,433,522	2,534,109	2,603,424	— 7	— 4

xChange is less than one half of one percent.

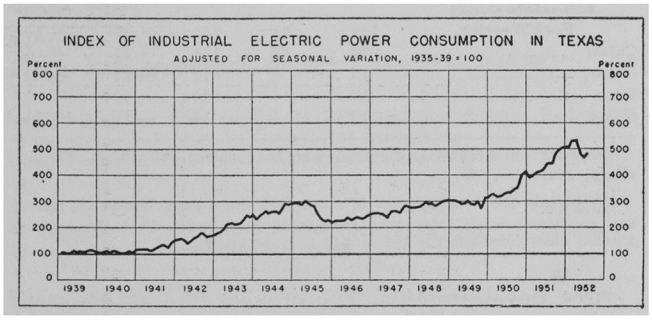
Refinery stocks. This month, compared to last month and July 1951, nation-wide refinery stocks are greater for all products except gasoline. However, the Texas picture taken alone does show important differences from the national pattern in that inventories of products except residual fuels are at lower levels this July than was the case last year at the same time.

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

Area and product	July 1952	June 1952	July 1951	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
United States					
Gasoline	116,243	120,902	121,156	— 4	— 4
Distillate	86,128	64,143	76,938	+ 12	+ 34
Residual	51,414	44,972	44,957	+ 14	+ 14
Kerosene	27,638	22,338	26,959	+ 3	+ 24
Texas					
Gasoline	20,195	21,165	21,393	— 6	— 5
Distillate	10,866	8,566	11,334	— 4	+ 27
Residual	8,874	7,708	5,908	+ 50	+ 15
Kerosene	8,974	3,370	5,002	— 21	+ 18

Figures shown for week ending nearest last day of month.

Electric power barometer. Industrial electric power consumption in Texas, a widely-used indicator of Texas manufacturing activity, shows a healthy increase of 19 points during the month of July. The June level reflected a slowdown of activity in several lines caused by the aftermath of the refinery strikes and the steel strikes. The index of industrial electric power use stands at 493% of the 1935–39 base period average, a level 4% higher than June and 10% higher than the level recorded in July 1952. This result is still significantly below the 538% of the base period average which was recorded in April of this year. The absolute number of kw-hrs. consumed by industry during July scored a sharp jump of 7% from the June reports, but since the seasonal pattern calls for increases at this time, the index rose by a smaller percentage than the absolute figures.



The index of total electric power use rose in an even more spectacular fashion than the industrial segment considered alone. The total index scored an 8% rise from the previous month, and is now 18% ahead of July 1951. The increased number of kw-hrs. demanded in July was even larger than these index figures would suggest, because of the seasonal trend to higher levels during this month. The rise in actual kw-hr. consumption was 15% during the last thirty days, and present consumption levels are 19% above July 1951 reports. Residential usage and the continuing high commercial demand seem to be responsible for the higher-than-usual jump for total electric power demand. Whereas the industrial segment has been the leader in recent years in the upsurge of electric power consumption of Texas, the past few months have witnessed the usurpation of the leader's role by the commercial and residential class of consumers.

ELECTRIC POWER CONSUMPTION
(in thousands of kilowatt-hours)

Use	July 1952	June 1952	July 1951	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
Total	1,214,024	1,055,371	1,023,448	+ 19	+ 15
Commercial	256,944	221,445	224,954	+ 14	+ 16
Industrial	500,424	467,852	456,171	+ 10	+ 7
Residential	221,340	167,630	177,544	+ 25	+ 32
Other	235,316	198,444	164,779	+ 43	+ 19

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

Sulphur production. One of the most serious shortages of the post-Korea defense buildup—sulphur—can now be considered met insofar as United States needs are concerned and there is reason to hope that all requirements of our allies will be filled by 1955. The Gulf Coast has played an important part in expanding output to fulfill these demands.

TOTAL AND MARKETED PRODUCTION OF NATURAL GAS
(in millions of cubic feet)
Source: Oil and Gas Division, Railroad Commission of Texas

Item	June 1952	January-June 1952	January-June 1951	Percent change
Total production	384,791	2,461,275	2,271,342	+ 8
Gas-well gas	286,253	1,870,576	1,725,627	+ 8
Sweet gas	259,195	1,697,481	1,546,771	+ 10
Sour gas	27,058	173,095	178,856	— 3
Casinghead gas*	98,538	590,699	545,715	+ 8
Marketed production	319,410	2,065,437	1,841,973	+ 12
Gas-well gas	215,093	1,426,255	1,317,166	+ 8
Casinghead gas	86,156	511,337	471,419	+ 8
Comingled gas†	18,161	127,845	53,388	+139
Transmission lines	232,921	1,541,677	1,314,676	+ 17
Consumed in state	73,535	554,979	484,887	+ 14
Exported from state	159,386	986,698	829,789	+ 19
Percent of marketed production	50	47	45	+ 4
Carbon black manufacture	22,617	141,490	169,174	— 16

*Total casinghead gas produced, exeluding gas legally vented at the oil well.
†Casinghead and gas-well gas combined in gasoline plant operations.

By far the largest degree of expansion included in the planned goals of the NPA for the sulphur industry is taking place in the coastal areas of Texas and Louisiana. Total new capacity by the end of 1955 will have increased by 1,370 million long tons in that area alone. When a Mexican Gulf Coast deposit which is scheduled to be in production by 1953 is included, this total reaches 1,570 million long tons. Smaller natural gas and refinery gas projects in many different areas of Texas will also add to the totals to be reached by 1955. Modern technology demands tremendous quantities of sulphur, four-fifths of which is utilized in the form of sulphuric acid. In 1955 the United States will be using 43% more sulphur than was consumed in 1950. Clearly, here is an area of basic importance to the industrial output of the nation in which Texas will participate for many years.

JOSEPH O. EASTLACK, JR.

AGRICULTURE

The drought. On August 22 Governor Shivers was impelled to request the President to declare Texas a drought-disaster state, to enable farmers to seek relief under Public Law 875. A week previously, Farmers' Home Administration field representatives meeting in Dallas had indicated that the whole of the state, with the exception of extreme East Texas and the Gulf Coast region southwards to Refugio County, was suffering from the effects of the paralyzing drought conditions. According to Under-Secretary of Agriculture McCormick, relief under the provisions of Public Law 875 will be confined to making available low-priced hay for livestock feeding. Although these fodder supplies have not yet materialized, it is estimated that the price will be between $35 and $40 per ton. Meanwhile the FHA State Director has stated that his organization will be prepared to advance farm loans in cases where local banks feel that they cannot accommodate the farmers.

INDEXES OF PRICES RECEIVED BY FARMERS IN TEXAS

(1909–14=100)

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

Product	July 1952	June 1952	July 1951	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
All farm products	333	341	351	— 5	— 2
All crops	302	308	298	+ 1	— 2
Food grains	235	236	250	— 6	x
Feed grains and hay	224	226	201	+ 11	— 1
Potatoes and sweet potatoes	329	339	189	+ 74	— 3
Fruit	242	242	47	+415	x
Truck crops	470	481	337	+ 39	— 2
Cotton	297	304	317	— 6	— 2
Oil-bearing crops	325	325	358	— 9	x
Livestock and products	374	384	421	— 11	— 3
Meat animals	462	491	526	— 12	— 6
Dairy products	274	275	261	+ 5	x
Poultry and eggs	233	204	249	— 6	+ 14
Wool	348	348	503	— 31	x

xChange is less than one half of one percent.

Pessimistic forecasts multiplied as the month progressed. The State Agricultural Commissioner stated on August 18 that the drought would shrink crop values by $68 million. The greatest loss will apparently be sustained by cotton producers (an estimated $50 million), and by grain sorghum and rice producers. The corn crop has also suffered, as indicated by the USDA August 1 revised estimate of 36.8 million bushels for Texas, compared with previous estimates of 39.1 million bushels for this year's crop. This would give a corn production some 5.5 million bushels below last year's figure, and a full 20 million bushels below the 1941–50 average annual production.

The present drought is a cumulative rather than a sudden phenomenon. Over the past two years there has been a total deficit of 25 inches of rain, with the result that a great deal of subsurface water has been lost. Dr. Lundell of the Texas Research Foundation believes that these conditions may persist for several years, and that they will not necessarily be alleviated by 1953.

Livestock shipments. The drought conditions influenced livestock shipments. In Fort Worth, for the week ending August 23, more than 23,000 cattle were sold, an increase of approximately 40 percent over the previous week's sales, and 35 percent more than during the same week last year. This was the largest week's cattle run in Fort Worth for five years. Increased cattle shipments have also been noted in Amarillo. Owing to difficulty in feeding, the seasonal cattle run has been advanced by several weeks. Prices for high-grade cattle held up well, but low-grade stock slipped in price by as much as $1 or $1.50 from the previous week's levels. Increased shipments resulting from the drought are not fully reflected in the accompanying table, but it should be noted that there was a total increase of cattle shipments of 10 percent over shipments for July 1951, which in turn were 46 percent greater than the July 1950 figures.

SHIPMENTS OF LIVESTOCK

(in carloads)*

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

Classification	July 1952	June 1952	July 1951	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
Total shipments	6,149	4,380	5,961	+ 3	+ 40
Cattle	3,995	2,681	3,628	+ 10	+ 49
Calves	694	426	1,077	— 36	+ 63
Hogs	589	648	606	— 3	— 9
Sheep	871	625	650	+ 34	+ 39
Interstate plus Fort Worth	6,040	4,292	5,713	+ 6	+ 41
Cattle	3,923	2,613	3,494	+ 12	+ 50
Calves	682	421	1,004	— 32	+ 62
Hogs	576	634	582	— 1	— 9
Sheep	859	624	633	+ 36	+ 38
Intrastate minus Fort Worth†	109	88	248	— 56	+ 24
Cattle	72	68	134	— 46	+ 6
Calves	12	5	73	— 84	+140
Hogs	13	14	24	— 46	— 7
Sheep	12	1	17	— 29	+1100

*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.

New developments. The drought, the anxieties and problems which trail in the wake of natural catastrophies, serve to underline the interest and importance of attempts to control natural conditions. Perhaps the most striking of these recent developments, and certainly the best publicized, has been the phenomenal growth in the production of soil-conditioners. It is interesting to note that some of these chemicals are already on sale in Texas stores, and that the cataloging of their virtues loses nothing in the telling. It has been claimed that crop yields of sweet corn have increased 100 percent by weight, carrots by 20 percent, and potatoes by 15 percent, following the use of soil-conditioners. There seems little doubt that these fertilizers have an important future. Nevertheless, Dr. J. B. Page of the Texas Agricultural

FARM CASH INCOME
(in thousands)

Commodity	January-July 1952	1951	Percent change
Texas	$698,294	$729,745	— 4
Cotton	54,976	56,053	— 2
Cottonseed	10,464	11,201	— 7
Wheat	50,343	18,516	+172
Oats	5,839	5,922	— 1
Corn	6,062	9,787	— 38
Grain sorghum	28,150	34,632	— 19
Flaxseed	3,159	248	+1174
Peanuts	1,585	4,263	— 63
Cattle	170,786	209,295	— 18
Calves	38,909	44,053	— 12
Hogs	20,501	23,917	— 14
Sheep and lambs	11,210	19,069	— 41
Wool	19,289	35,435	— 46
Mohair	8,629	8,222	+ 5
Poultry	37,570	32,499	+ 16
Eggs	44,826	52,725	— 15
Milk and milk products	133,030	122,413	+ 9
Fruit and vegetables	52,966	41,495	+ 28

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

Experiment Station has commented that because of premature marketing, they must be used with caution. They do not present a universal panacea; they are apparently most effective in soils of a high clay content; and in any case, their full potentialities have not been fully explored.

Recent developments in the conversion of natural gas into urea are also of interest. The erection of a $25 million plant has recently been proposed near Omaha (Nebraska) to produce this synthetic fertilizer. There is the possibility of the establishment of a similar industry in Texas, based upon the utilization of local supplies of natural gas.

RAIL SHIPMENTS OF FRUIT AND VEGETABLES
(in carloads)
Source: Compiled from reports of Bureau of Agricultural Economics, U. S. Department of Agriculture

Product	January-July 1952	1951	Percent change
Total	30,336	24,594	+ 23
Fruit			
Cantaloup	345	99	+ 248
Plums and prunes	10	31	— 68
Watermelons	3,461	4,100	— 16
Vegetables			
Beets	208	86	+ 142
Cabbage	2,196	462	+ 375
Carrots	3,714	2,974	+ 25
Cauliflower	162	57	+ 184
Corn	432	425	+ 2
Lettuce	1,156	788	+ 47
Onions	6,624	3,240	+ 104
Potatoes	1,057	1,191	— 11
Spinach	1,074	555	+ 94
Tomatoes	4,412	5,406	— 18
Turnips	142	10	+1320
Mixed vegetables	5,246	2,209	+ 137
All other	97	115	— 16

Farm income. Farm cash income in Texas for the first seven months of the year was some 4 percent less than for the same period of 1951. This trend deviated from the national picture, the USDA having reported that the national farm income figures had registered a corresponding increase of 2 percent during the same period. An analysis of the Texas data shows that increases in the income from certain items—particularly flaxseed and wheat—have not compensated for losses sustained in marketings of wool, grain sorghum, and corn. The decline in income from wool production is largely bound up with a general deterioration of wool prices and the reluctance of many buyers to make large purchases. The index of prices received shows that the most marked decline was sustained by this product, its index having been forced down 31 percent from the July 1951 level. The losses faced by producers of grain sorghum and corn are attributed to the unusually unfavorable local climatic conditions.

ALFRED G. DALE

COTTON

Cotton prices up. The cotton balance sheet as of August 1 indicates a total supply of 17,480,000 bales for the year 1952–1953. This is almost exactly two million bales less than was indicated at this time last year. The increased carryover was in line with our prediction; the estimated production of 14,735,000 bales is thought now by students of the situation to be too high. The fact is that cotton has substantially advanced in price since August 15, which indicates that the trade has already discounted a lower estimate for September.

The cotton goods market in the United States is in a stronger position than at this time last year. Stocks of goods on hand are much lower and mill margins are wider.

Prices of cotton to farmers should continue relatively strong.

A. B. Cox

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF AUGUST 1, 1952
(In thousands of running bales except as noted)

Year	Carryover Aug 1	Government estimate Aug 1	Balance Aug 1
1943–44	10,687	12,558	23,183
1944–45	10,727	11,022	21,749
1945–46	10,335*	10,134	20,469
1946–47	7,522	9,290	16,812
1947–48	2,521	11,844	14,365
1948–49	2,823†	15,169	17,992
1949–50	5,283‡	14,805	20,083
1950–51	7,000§	10,308	17,308
1951–52	2,179	17,266	19,445
1952–53	2,745	14,735	17,480

*Preliminary, does not include cotton elsewhere.
†Does not include 259,000 bales of the 1948 crop ginned prior to August 1.
‡Preliminary.
§Estimated.

PRICES

National cost-of-living record. Consumer prices advanced to a new all-time peak in July, recording the biggest monthly gain since late 1951. The Bureau of Labor Statistics index, based on the 1935–39 average, reached a mid-month value of 190.8, an increase of 1.2 over the preceding month, 12.1 higher than pre-Korea prices, and 5.0 over January 1951, the time when federal price and wage controls took effect.

Much of this gain was the result of sharp increases in food prices (up 1.5 percent), with eggs and some dairy products accounting for the major portion of the boost in this sector. The nation's worst drought since 1936 is largely responsible for these advances. Miscellaneous goods and services, including higher automobile insurance rates and medical care, advanced .3 percent; rents were up .2 percent. Generally, other prices were steady.

INDEXES OF CONSUMERS' PRICES

(1935–39=100)

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

Index	July 15 1952*	June 15 1952	July 15 1951	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
United States, all items†	190.8	189.6	185.5	+ 3	+ 1
Food	234.9	231.5	227.7	+ 3	+ 1
Clothing	201.4	202.0	203.3	— 1	x
Rent	141.9	141.6	136.2	+ 4	x
Fuel	146.4	144.8	144.0	+ 2	+ 1
Housefurnishings	204.2	204.4	212.4	— 4	x
All others	173.0	172.5	165.0	+ 5	x
Houston, all items†	195.1	194.6	192.6	+ 1	x
Food	239.7	237.2	235.2	+ 2	+ 1
Clothing	217.6	218.8	221.5	— 2	— 1
Fuel	103.1	103.1	98.6	+ 5	0
Housefurnishings	202.2	202.0	205.5	— 2	x
All others	172.9	172.9	169.1	+ 2	0

Rent in Houston not surveyed for given months.
xChange is less than one half of one percent.
*Preliminary.
†Comparison of indexes in different series (e.g. Houston and U.S.) does not show absolute relationships of prices in the areas or cities surveyed.

The steady upward movement of the general price level gives warning of the continuing presence of inflationary factors in the national economy—factors which point to further upward pressure on the price structure. But government economists regard these factors lightly, predicting that only "mild increases" in living costs are to be recorded in the months ahead. This group reasons that the severe drought will continue to push up some food prices, and that this factor, coupled with some other rising prices, is likely to force an "inching" price increase during the coming months. Certainly no runaway, fast-moving inflationary spiral is foreseen. Disagreement on these predictions was voiced in some top Washington quarters.

Price rises in Texas. In Texas the price rise was not nearly so sharp as in the rest of the nation. The cost of living in the state, as measured by an index of Houston prices, rose only .5, less than half as much as the national figures. July prices in Texas stand only 1 point above the year-ago value; the national gain approaches 3 points.

Farm-land prices in the state were at record peaks in 1951, according to the findings of the Texas Agricultural Experiment Station's annual study of farm and ranch prices. The Station's 1951 price index rose to 352 (1935–39 = 100), well above the 282 for 1950. In dollars and cents, this gain represents a jump from an average of $49.95 an acre to the 1951 $62.15 average.

United States and the World. Although Americans may cringe at current price tags, they should be encouraged by the results of a United Nations survey on world prices. Generally, the United States has held the line against inflation better than most nations. The survey shows that United States prices have gained only 10 percent since 1948. During this same period Britain gained 28 percent; Norway and Sweden, 31; Canada, 21; France, 43; and Argentina, 185. Some experts, however, are critical of the United Nations findings, contending that 1948 is not suitable as a base year. By that time, these experts claim, the nation had undergone the worst of its postwar inflation while the process was just beginning elsewhere.

INDEXES OF WHOLESALE PRICES IN THE UNITED STATES

(1947–49=100)

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

Group	1952* Aug 12	1952* Aug 5	July 1952	Aug 1951
All commodities	112.0	111.9	111.8	113.7
Farm products	110.1	110.1	110.2	110.4
Foods	110.8	110.4	110.0	111.2
All others	112.7	112.7	112.6	114.9

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

Reversed trend of wholesale prices. Reversing a downward trend that has been evident for the past 16 months, wholesale prices advanced during July. By the month's end the index had reached 112 percent of the 1947–49 average, an increase of 1 point from the preceding month. This sharp increase erased much of the steady downward movement of the past year, leaving the July value 1.7 below the year-ago figure.

Although the directions of the past month's movements of wholesale and consumer prices were parallel, their trends during the preceding 16 months were in opposite directions. Since March of 1951 wholesale prices have generally inched downward; consumers prices have continued the upward trend begun shortly after World War II. These unusual movements have no obvious and generally accepted explanation.

Many economists, however, have long been predicting that the widening gap between consumer and wholesale price levels will be closed. Most believe that the change will be reflected in the consumers price index, but so far their predictions have had little supporting fact. But the fact that these predictions have not materialized does not necessarily prove them to be untrue.

RAYMOND V. LESIKAR

LABOR

International labor relations. The Ministry of Foreign Relations of Mexico has recently instituted "emergency measures" in cooperation with the United States Immigration Service designed to dry up the stream of wet-backs who have been pouring over the Rio Grande. The Mexican authorities suggested specific measures directed at an effort combined with American Border Patrol activities to halt the migration of illegal aliens: 1. Provide transportation for repatriated Mexican nationals into the interior of Mexico after being apprehended in the United States. 2. Equip the Mexican border patrol with jeeps. 3. Increase cooperation with local Mexican authorities among the border towns to discourage illegal departures. 4. Coordinate patrolling activities and schedules on both sides of the Rio Grande. 5. Continue to expose to the Mexican authorities those who are organizing the illegal traffic in wetback laborers.

ESTIMATES OF EMPLOYMENT IN TEXAS

(in thousands)

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

Classification	July 1952*	June 1952	July 1951	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
All nonagricultural	2,177.5	2,166.4	2,101.9	+ 4	+ 1
Manufacturing, total	416.5	414.1	399.9	+ 4	+ 1
Durable goods	197.2	195.8	187.7	+ 5	+ 1
Nondurable goods	219.3	218.3	212.2	+ 3	x
Nonmanufacturing, total	1,761.0	1,752.3	1,702.0	+ 3	x
Construction	170.3	166.9	178.3	— 4	+ 2
Transportation and utilities	233.9	233.2	225.5	+ 4	x
Trade	573.8	572.8	551.2	+ 4	x
Wholesale	143.9	145.2	141.9	+ 1	— 1
Retail	429.9	427.6	409.3	+ 5	+ 1
Finance, insurance, and estate	91.2	90.5	82.2	+ 11	+ 1
Service and miscellaneous	250.9	249.4	243.7	+ 3	+ 1
Government	317.0	317.2	306.1	+ 4	x

xChange is less than one half of one percent.
*Preliminary.

In addition to these specific measures, the Immigration Service has noted recently a very encouraging improvement in the attitude of the Mexican government toward the illegal crossings. Until a short time ago very little was officially done to prevent the flow of these migrants into the United States. Under the provisions of the present campaign, work is being done in the interior of Mexico to influence the laborers not to leave their homes and travel north across the border. Through the services of the government, the potential wetbacks are made aware of the difficulties and disappointments they will encounter should they try to cross the border illegally.

The joint United States-Mexico effort in the train-lift, instituted after the cessation of the airlift, has been proving successful. Illegal entrants are now being taken to Monterrey at the rate of 1,000 per day. The expenses of this method of repatriation are borne by both governments, but the function of preventing train-jumping is the responsibility of the Mexican authorities. The cost of this venture is considerably less than that involved in airlift operations undertaken earlier this year.

Meanwhile, conferences were being held throughout Texas concerning the provisions of the new treaty for employment of Mexican nationals in the current harvest. It is estimated by the Texas Employment Commission that under the terms of the treaty, more than 110,000 farm laborers in West Texas alone can find employment during 1952. New certification and processing procedures, as well as the responsibilities of the employer, are the topics on which farm and ranch operators are being briefed by representatives of the U. S. Department of Labor and the TEC. However, both officials and farmers agree that the present labor pact needs improvement, particularly in regard to the required deposit-per-worker feature. The employers feel that the laborers should be made to assume some element of responsibility to prevent them from leaving before the contract is fulfilled, thus causing the employer's deposit to be forfeited.

A larger labor pool. The total nonagricultural civilian labor force in the state has continued to expand. Recent figures from the Texas Employment Commission indicate that there are 1,606,875 individuals potentially employable in the 17 key labor market areas. This is an increase of 4% over the July 1951 figure and exceeds the previous month's total by more than 6,600.

LABOR IN SELECTED TEXAS MARKETS

Source: Texas Employment Commission

Classification	July 1952	June 1952	July 1951	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
Nonagricultural civilian labor force	1,606,875	1,600,250	1,543,320	+ 4	x
Unemployment	57,425	57,050	47,920	+ 20	+ 1
Placements	36,685	41,699	40,263	— 9	— 12
Percent of labor force unemployed	3.6	3.6	3.1	+ 16	0

xChange is less than one half of one percent.

This expansion in the labor force, is of course, significant for the dynamic industrial economy of the state. Nevertheless, there exist certain local shortages of skilled workers. For instance, the TEC reports that the labor market for aircraft workers is very tight in the Dallas-Fort Worth area. Although aircraft employment in the area has been increasing rapidly in the past few months, officials expect a demand for another 1,000 workers in the near future. In view of this need, it is probable that the 6,000 workers from the Convair Fort Worth plant, who are scheduled to be laid off during the next two years as a result of the cessation of production of the B-36, will be absorbed into other aircraft plants in the area.

FRANK T. CADENA

The Bureau of Business Research has available for free distribution reprints of an article appearing in *The Southwestern Social Science Quarterly*, xxxiii, June, 1952, entitled "Shell, a Marine Resource of the Texas Coast," by Stanley A. Arbingast, Assistant Director, Bureau of Business Research.

NOTES ON THE INDUSTRIALIZATION OF TEXAS:

An Expanded Ceramics Industry in Texas?

Unlike certain other industries, the ceramic industry does not capture the imagination by virtue of convulsive and spectacular expansions. Nevertheless, during the past thirty years, enthusiasts have periodically proclaimed the imminence of a vast ceramic expansion in Texas; but performance has lagged behind pretension. The purpose of this article is to examine briefly the bases on which an expanded pottery industry (as distinct from a refractory or building-materials industry) might develop within the state.

It is becoming increasingly apparent that there exist within the state mineral resources potentially sufficient to sustain a considerable industry. Since its establishment in 1945 under the direction of Professor F. K. Pence, the Research Laboratory in Ceramics at the University of Texas has engaged in an extensive survey to determine the quantity and quality of ceramic raw materials occurring within the state. Hitherto, one of the chief difficulties in estimating the potentialities of a pottery industry based upon the utilization of local resources has resulted from a partial and insufficient knowledge of these resources.The picture is by no means yet complete, but investigations so far have demonstrated the existence of three well-defined groups of valuable clay deposits (see cover map).

The Fayette formation of the Jackson group, roughly following the conformation of the Gulf Coast from Starr County in the southwest to Newton County in the east, and varying from 10 to 20 miles in width, contains bentonite deposits suitable as a suspension agent and plasticizer. In North Central and Central Texas are two islanded areas containing red firing shales and red-buff firing clays, which are already used to some extent for existing manufacture of brick and tiles, as well as for a certain amount of artware production.

It is however, the third group, the Wilcox formation, which is most important so far as potential production of ceramic whiteware is concerned. This formation extends northeast across the state from Dimmitt County in the southwest to Bowie County in the northeast, and occurs also in the Sabine uplift, principally in Shelby, Panola, and Harrison counties. The central part of the Wilcox formation has been correlated with the Holly Springs formation in Kentucky, Tennessee, and Mississippi. In the two former states, this is the source of a large proportion of the ball clays used in the U. S. ceramic industry, and tests by the Ceramic Laboratories at the University of Texas have indicated that clays of a similar quality are available in the Wilcox formation. Moreover, in the northeast-central section of this formation (in Freestone, Limestone and Robertson counties), there are extensive deposits of silica-kaolin. There are also interesting isolated occurrences of white-firing kaolin in southeastern Jeff Davis County.

Furthermore, these raw materials exist in an area where an ideal fuel for the ceramics industry—natural gas—is inexpensive. An analysis of the average prices of natural gas to industrial consumers shows that in 1949 in Ohio and California (two states of major industrial pottery concentrations), the cost was approximately 40.3 cents and 23.9 cents per thousand cubic feet, respectively. In Texas, the price was approximately 8.7 cents.

There are also indications that the Spanish-American elements in the labor force—preponderantly in the southern portion of the state—have an aptitude for, and are temperamentally suited to the type of work required in the ceramic industry. The labor force of one large and progressive ceramics plant in this area is 99% Spanish-American.

Any attempt to indicate future trends must also take into account market potentialities, and consumer preferences within that market. In an interesting research report (No. 30, November 1951), the Texas Engineering Experiment Station has concluded that on the basis of prevailing freight rates and raw material prices, pottery produced in central Texas could compete with ware produced in the East Liverpool area of Ohio, or the Los Angeles area of California, as far as Omaha (Nebraska) to the north, Deming (New Mexico) to the west, and Memphis (Tennessee) to the east. Although the demarcation of such a market area is necessarily arbitrary, it includes states in which the amount of disposable income and retail sales have expanded during the past ten years more rapidly than the average national figures.

Within this area there is a marked bivalency of consumer demand. There exists on the one hand, a steady market for high-quality ware of traditional design, which is supplied in the main by eastern and foreign firms. This type of product demands a very high degree of technical and artistic production competence, and is a market in which traditional name products exert a profound influence over consumer selection. There is on the other hand a demand for the less expensive, lower quality type of tableware suitable for the alfresco living habits of many southwestern consumers. So far, this market has largely been dominated by the distinctive products from the large industry in California.

That a considerable industry has not yet developed, in spite of these apparent fundamental advantages and the existence of a potential market, is due probably to two main factors. One reason has been the lack of concrete information regarding the quality of the raw material deposits, and the economic potentialities of the southwestern market. The second is that the ceramic industry is one that tends to be inelastic, so far as plant-dispersal is concerned. Relying heavily on traditional employee skills and managerial knowledge, plants have tended to expand *in situ*, where they have continued to draw upon accumulations of particular and specialized technical competence. Consequently, what expansion has taken place in Texas has been principally on a small scale, and in the field of artware production. Most of the pottery firms listed in the 1952 edition of the *Directory of Texas Manufacturers* employ less than ten operatives.

From a limited survey of a selected number of Texas manufacturers of sanitary- and tableware conducted by the writer, certain interesting generalizations concerning future needs of an expanded industry in Texas may be drawn.

It is remarkable that in no case are existing clay deposits within the state being used by those manufacturers reporting. Firms are importing their raw materials from distant points—clays from Kentucky and Tennessee, flint from Arkansas and Illinois, and feldspar from the Dakotas. Some of the smaller firms indicated that they have little or no facilities for either developmental or applied research. While the need is being partly met by ceramic graduates from The University of Texas, there seems to be scope for some sort of cooperative research project to which the small manufacturer could refer chemical and engineering problems.

So far as future ceramic production activities within the state are concerned, two lines of development may be forecast. First, there are possibilities for the establishment of small firms in almost any city of the state, but particularly in the eastern section. Such an expansion will not, of course, be a spectacular one. But its socially desirable effects—particularly those inherent in the introduction of a regular core of employment into small communities—should not be disregarded. Secondly, there are long-range possibilities for the establishment of one or several larger concerns, with sufficient capital to introduce mechanized processes, operated by a semi-skilled labor force. It is probable that both types of manufacturers should concentrate on the production of a regional design of ware, to exploit the market which already exists for this distinctive lower quality, less expensive type of product in the Southwest.

It should be emphasized, however, that any considerable advance waits upon the confirmation of the commercial value of the local raw materials. The fact that many manufacturers are going outside the state for raw materials supports this conclusion, and in this connection, the value of the research work at present being undertaken in the Ceramics Research Laboratory and the Economic Geology Bureau at The University of Texas cannot be overestimated. It is understood that extensive and successful commercial tests of local kaolin have already been undertaken by the former department, the results of which are to be released shortly. At the same time, there is a need for a comprehensive market survey of the Southwest market area along the lines already explored by the Texas Engineering Experiment Station, to determine accurately merchandizing potentialities. Existing estimates still tend to be based largely upon optimism and the interpretation of partial data. Prospective manufacturers can accept neither as a basis for commencing operations.

Finally, it is important to realize that the existence of a ceramics industry carries certain long-range incidental benefits. It provides for the accumulation of practical experience and research in the handling, utilization, and behavior of inorganic and organic materials, which can be applied in other industrial contexts. The creation of a body of expert knowledge is a potential asset, the value of which is at least as significant for the industrial future of the state, as are the immediate economic benefits deriving directly from the operations of any one industry.

ALFRED G. DALE

FOREIGN TRADE

U. S. foreign trade at new high. The foreign trade of the United States for the first half of 1952 has exhibited a slight reduction of the export surplus that was characteristic of the last six months of 1951. This decrease in the trade gap stemmed mainly from a slight increase of imports during the recent period. The export surplus in effect the first half of 1952 was valued at $2,568.9 million, slightly less than $2,715.1 million reported during July-December of last year.

United States exports of foreign and domestic merchandise during the first two quarters of the current year amounted to the impressive sum of $7,974.0 million. This figure represents an increase of $607.9 million over the same period in 1951 and is even higher than the total of $7,406.0 million exported in the first six months of 1944, when war exigencies caused a considerable upsurge of exports. Should the present export rate continue throughout the present year, the total will surpass the all-time high of $15,030.4 million attained in 1951. Specifically, exports during this past May advanced to a value of $1,461.0 million and established a new record by exceeding the May 1944 level of $1,455.2 million.

Part of the present increase in exports is caused by shipments of the Department of Defense under arrangements provided for in the Mutual Security Program. Merchandise valued at $734.7 million was shipped during the first half of 1952. Of this sum, $651.0 million was exported to Western Europe. During the corresponding period in 1951, a total of $581.1 million was allocated for foreign military aid, of which Western Europe received $494.1 million.

Imports valued at $5,405.1 million during January-July 1952 represented a slight gain of $455.8 million over the previous six-month period but were lower than the corresponding period in 1951 by $612.7 million. Recent imports of raw wool and steel products, valued at $198 million and $98 million, respectively, have dropped sharply below their January-June 1951 levels of $466 million and $183 million. Imports of zinc, lead, and tin increased substantially from preceding relatively low levels.

Raising the tariff. Under the provisions of Section 7 of the Trade Agreements Extension Act of 1951, findings of the Tariff Commission may have a direct effect on the pattern of foreign trade. The President of the United States may invoke the "escape clause" included in this Act and raise the tariff on a particular commodity if he agrees with the Commission that the industry in question is being injured by foreign imports.

On August 14, President Truman announced that he had rejected the Tariff Commission's recommendation to increase by 50% the current import duty on certain watch items. Since Switzerland supplies most of the imported jeweled movements, any contraction of the United States market would necessarily be reflected in smaller Swiss purchases of American goods and services. Swiss imports from the United States during 1951 amounted to approximately $216 million, while American imports from that country totalled $131 million, of which more than half were watches.

FRANK T. CADENA

LOCAL BUSINESS CONDITIONS

City and item		July 1952	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
ABILENE: (pop. 45,570)				
Retail sales			— 7	x
Department and apparel stores			+ 5	+ 10
Postal receipts	$	55,635	+ 16	+ 6
Building permits	$	421,195	— 55	— 3
Bank debits (000's)	$	52,436	+ 10	+ 2
End-of-month deposits (000's)*	$	57,706	+ 10	x
Annual rate of deposit turnover		10.9	— 3	— 1
Placements in employment		536	— 22	— 31
Nonagricultural civilian labor force		24,850	+ 7	+ 1
Unemployment		1,150	+ 53	0
Percent of labor force unemployed		4.6	+ 44	— 2
Air express shipments		123	— 22	— 13
AMARILLO: (pop. 74,246)				
Retail sales			+ 2	— 4
Automotive stores			— 3	— 13
Department and apparel stores			+ 7	— 1
Drug stores			+ 7	— 1
Florists			+ 1	— 5
Furniture and household appliance stores			+ 8	+ 12
Lumber, building material, and hardware stores			— 9	+ 33
Office, store, and school supply dealers			+ 12	+ 2
Postal receipts	$	111,083	+ 12	+ 3
Building permits	$	2,359,782	+163	+ 48
Bank debits (000's)	$	143,728	+ 25	+ 4
End-of-month deposits (000's)*	$	113,502	+ 14	— 4
Annual rate of deposit turnover		14.9	+ 6	+ 4
Placements in employment		1,486	— 9	— 12
Nonagricultural civilian labor force		44,150	+ 2	+ 1
Unemployment		1,500	+ 28	— 9
Percent of labor force unemployed		3.4	+ 26	— 11
Air express shipments		330	— 8	— 15
AUSTIN: (pop. 132,459)				
Retail sales			— 7	— 5
Automotive stores			— 22	— 11
Department and apparel stores			+ 2	+ 3
Eating and drinking places			+ 4	+ 5
Filling stations			+ 18	— 2
Food stores			+ 13	+ 9
Furniture and household appliance stores			+ 34	+ 3
Lumber, building material, and hardware stores			— 6	— 7
Postal receipts	$	208,090	+ 27	+ 14
Building permits	$	2,401,988	+110	+ 33
Bank debits (000's)	$	145,490	+ 26	+ 2
End-of-month deposits (000's)*	$	125,612	+ 15	— 2
Annual rate of deposit turnover		13.8	+ 9	+ 1
Placements in employment		1,351	— 6	— 21
Nonagricultural civilian labor force		51,190	+ 3	x
Unemployment		1,890	— 2	— 2
Percent of labor force unemployed		3.7	— 5	— 3
Air express shipments		527	+ 35	+ 18
BASTROP: (pop. 3,176)				
Postal receipts	$	1,574	+ 9	x
Building permits	$	2,400	----	— 53
Bank debits (000's)	$	1,072	— 17	— 1
End-of-month deposits (000's)*	$	1,637	— 2	— 2
Annual rate of deposit turnover		7.8	— 20	0

For explanation of symbols, see p. 23.

City and item		July 1952	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
ARLINGTON: (pop. 7,692)				
Postal receipts	$	8,002	+ 34	+ 25
Bank debits (000's)	$	5,903	+ 25	+ 4
End-of-month deposits (000's)*	$	6,506	+ 13	+ 7
Annual rate of deposit turnover		11.3	+ 12	+ 2
BAYTOWN: (pop. 22,983)				
Postal receipts	$	14,737	+ 15	+ 4
Building permits	$	250,710	+115	— 51
Bank debits (000's)	$	15,558	— 24	— 4
End-of-month deposits (000's)*	$	17,568	+ 1	— 2
Annual rate of deposit turnover		10.5	— 26	— 2
Placements in employment (area)		5,730	— 9	— 17
Nonagricultural civilian labor force (area)		358,300	+ 3	+ 1
Unemployment (area)		10,400	+ 22	+ 6
Percent of labor force unemployed (area)		2.9	+ 21	+ 7
BEAUMONT: (pop. 94,014)				
Retail sales			+ 14	x
Automotive stores			— 1	— 1
Department and apparel stores			+ 5	— 8
Eating and drinking places			+ 25	+ 5
Food stores			+ 6	+ 7
Furniture and household appliance stores			+143	— 12
General merchandise stores			+ 5	x
Lumber, building material, and hardware stores			+ 11	+ 19
Postal receipts	$	78,938	+ 32	+ 25
Building permits	$	419,547	+ 17	— 40
Bank debits (000's)	$	124,762	+ 9	+ 7
End-of-month deposits (000's)*	$	98,536	+ 10	— 1
Annual rate of deposit turnover		15.1	— 2	+ 6
Placements in employment (area)		1,789	— 18	— 31
Nonagricultural civilian labor force (area)		76,850	x	x
Unemployment (area)		4,850	— 8	— 3
Percent of labor force unemployed (area)		6.3	— 7	— 3
Air express shipments		238	+ 14	— 6
Waterborne commerce (tons)		29,979	— 13	— 11
BEEVILLE: (pop. 9,348)				
Postal receipts	$	6,426	+ 8	+ 18
Building permits	$	10,975	+ 25	+336
Placements in employment		107	+ 8	— 10
Air express shipments		9	+125	+ 29
BIG SPRING: (pop. 17,286)				
Retail sales			+ 5	+ 5
Department and apparel stores			+ 15	+ 22
Postal receipts	$	16,833	+ 40	— 6
Building permits	$	940,240	+896	— 23
Bank debits (000's)	$	21,576	+ 26	— 4
End-of-month deposits (000's)*	$	24,873	— 1	— 1
Annual rate of deposit turnover		10.4	+ 27	— 1
Placements in employment		204	— 14	— 9
Air express shipments		53	+ 83	— 9
BORGER: (pop. 18,059)				
Postal receipts	$	12,884	+ 4	+ 18
Building permits	$	141,500	+304	+327
Placements in employment		220	— 30	— 49
Air express shipments		44	— 30	— 15

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	July 1952	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
BRADY: (pop. 5,944)			
Postal receipts	$ 3,885	+ 4	x
Building permits	$ 29,876	— 38	+ 16
Bank debits (000's)	$ 3,667	— 24	— 12
End-of-month deposits (000's)*	$ 6,824	— 12	x
Annual rate of deposit turnover	6.5	— 11	— 11
BRENHAM: (pop. 6,941)			
Postal receipts	$ 5,050	+ 2	— 13
Building permits	$ 18,704	— 44	— 88
Bank debits (000's)	$ 5,094	— 6	— 9
End-of-month deposits (000's)*	$ 9,375	+ 5	— 1
Annual rate of deposit turnover	6.5	— 8	— 7
Placements in employment	125	— 2	+ 1
BROWNSVILLE: (pop. 36,066)			
Retail sales		x	+ 2
Postal receipts	$ 20,817	+ 19	+ 11
Building permits	$ 325,972	+182	— 51
Placements in employment	352	— 4	+ 4
Air express shipments	404	+ 4	— 8
Waterborne commerce (tons)	90,653	+ 6	+ 9
BRYAN: (pop. 18,102)			
Department and apparel store sales		+ 15	+ 11
Postal receipts	$ 14,541	+ 24	+ 14
Building permits	$ 300,024	+621	— 46
Placements in employment	264	— 35	— 8
Air express shipments	22	+ 47	+ 22
CAMERON: (pop. 5,052)			
Postal receipts	$ 3,743	+ 19	— 12
Building permits	$ 36,325	+8981	+ 76
Bank debits (000's)	$ 3,868	+ 24	— 1
End-of-month deposits (000's)*	$ 7,155	+ 43	— 4
Annual rate of deposit turnover	6.3	— 17	— 5
CISCO: (pop. 5,230)			
Postal receipts	$ 3,581	— 9	+ 2
Bank debits (000's)	$ 2,290	+ 2	— 6
End-of-month deposits (000's)*	$ 4,262	+ 7	+ 1
Annual rate of deposit turnover	6.5	— 4	— 6
CORSICANA: (pop. 19,211)			
Department and apparel store sales		— 7	— 12
Postal receipts	$ 12,418	+ 4	— 3
Bank debits (000's)	$ 11,927	— 1	— 10
End-of-month deposits (000's)*	$ 21,639	x	— 1
Annual rate of deposit turnover	6.6	— 3	— 7
Placements in employment	126	— 54	— 16
DEL RIO: (pop. 14,211)			
Postal receipts	$ 7,827	+ 42	+ 25
Building permits	$ 39,925	+ 25	— 13
Bank debits (000's)	$ 6,894	+ 16	— 1
End-of-month deposits (000's)*	$ 10,286	+ 2	x
Annual rate of deposit turnover	8.1	+ 14	— 1
Air express shipments	24	+ 4	+ 9
DENISON: (pop. 17,504)			
Retail sales		+ 13	— 4
Department and apparel stores		+ 23	— 8
Postal receipts	$ 11,525	+ 12	x
Building permits	$ 30,412	+ 44	+ 33
Bank debits (000's)	$ 10,533	+ 16	+ 10
End-of-month deposits (000's)*	$ 13,379	+ 10	+ 4
Annual rate of deposit turnover	9.6	+ 9	+ 8
Placements in employment	259	— 16	+ 11

For explanation of symbols, see p. 23.

City and item	July 1952	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
BROWNWOOD: (pop. 20,181)			
Retail sales		— 14	— 14
Department and apparel stores		+ 6	+ 2
Postal receipts	$ 14,987	+ 4	+ 14
Building permits	$ 48,475	— 79	— 24
Bank debits (000's)	$ 10,064	x	+ 1
End-of-month deposits (000's)*	$ 12,606	— 6	— 2
Annual rate of deposit turnover	9.5	+ 6	+ 1
Placements in employment	120	— 44	— 31
Air express shipments	21	— 22	+ 40
CORPUS CHRISTI: (pop. 108,287)			
Retail sales		+ 19	— 5
Apparel stores		+ 15	+ 1
Automotive stores		— 2	— 24
Country general stores		+ 25	+ 5
Department and apparel stores		+ 35	— 4
Food stores		+ 37	+ 40
Lumber, building material, and hardware stores		x	— 1
Postal receipts	$ 113,288	+ 26	+ 11
Building permits	$ 1,115,692	— 23	— 81
Bank debits (000's)	$ 142,310	+ 15	+ 10
End-of-month deposits (000's)*	$ 108,603	+ 18	+ 2
Annual rate of deposit turnover	15.8	+ 5	+ 9
Placements in employment	1,915	x	— 6
Nonagricultural civilian labor force	60,385	+ 5	x
Unemployment	2,185	+ 15	— 11
Percent of labor force unemployed	3.6	+ 9	— 12
Air express shipments	369	+ 4	+ 5
Waterborne commerce (tons)	2,250,390	— 1	+ 4
DALLAS: (pop. 434,462)			
Retail sales		x	— 10
Apparel stores		+ 6	— 7
Automotive stores		— 15	— 21
Department and apparel stores		+ 7	— 7
Drug stores		+ 8	— 3
Eating and drinking places		— 2	— 6
Filling stations		x	— 1
Florists		+ 15	— 13
Food stores		+ 16	— 4
Furniture and household appliance stores		+ 10	+ 40
Lumber, building material, and hardware stores		+ 20	+ 5
Office, store, and school supply dealers		+ 46	+ 4
Postal receipts	$ 1,389,850	+ 32	+ 10
Building permits	$ 6,129,074	+ 13	— 1
Bank debits (000's)	$ 1,499,195	+ 21	+ 5
End-of-month deposits (000's)*	$ 1,084,485	+ 18	+ 2
Annual rate of deposit turnover	16.7	+ 4	+ 1
Placements in employment	6,088	— 14	— 18
Nonagricultural civilan labor force	289,100	+ 5	x
Unemployment	6,900	+ 24	0
Percent of labor force unemployed	2.4	+ 20	0
Air express shipments	6,966	+ 4	— 4
EDINBURG (pop. 12,383)			
Postal receipts	$ 7,930	+ 11	+ 26
Building permits	$ 52,710	+2858	+334
Bank debits (000's)	$ 9,452	+ 9	+ 23
End-of-month deposits (000's)*	$ 9,042	+ 23	+ 9
Annual rate of deposit turnover	13.1	— 12	+ 22
Placements in employment	95	+ 28	— 68
Air express shipments	10	— 87	+ 25

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item		July 1952	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
DENTON: (pop. 21,372)				
Retail sales		.....	— 1	— 7
Department and apparel stores		.....	— 7	— 11
Postal receipts	$	17,993	+ 12	— 2
Building permits	$	55,200	— 40	— 8
Bank debits (000's)	$	10,509	+ 15	— 3
End-of-month deposits (000's)*	$	12,937	+ 4	+ 4
Annual rate of deposit turnover		9.9	+ 13	— 5
Placements in employment		25	— 34	— 51
EL PASO: (pop. 130,485)				
Retail sales		.....	+ 5	— 17
Apparel stores		.....	+ 24	+ 3
Automotive stores		.....	— 7	— 25
Department and apparel stores		.....	+ 21	— 4
Drug stores		.....	+ 2	— 1
Furniture and household appliance stores		.....	+ 18	+ 10
General merchandise stores		.....	+ 17	— 16
Lumber, building material, and hardware stores		.....	— 9	— 10
Office, store, and school supply dealers		.....	+ 22	— 17
Postal receipts	$	160,750	+ 12	— 5
Building permits	$	970,104	+155	+ 9
Bank debits (000's)	$	177,349	+ 14	+ 2
End-of-month deposits (000's)*	$	150,598	+ 15	— 2
Annual rate of deposit turnover		14.0	— 2	0
Placements in employment		1,964	+ 20	— 8
Nonagricultural civilian labor force		68,200	+ 8	+ 1
Unemployment		2,900	+ 53	+ 16
Percent of labor force unemployed		4.3	+ 43	+ 16
Air express shipments		1,121	— 1	— 6
Tourists entering Mexico		3,959	+ 2	— 5
Tourist cars entering Mexico		1,571	+ 10	+ 8
FORT WORTH: (pop. 278,778)				
Retail sales		.....	+ 2	— 6
Apparel stores		.....	— 5	— 4
Automotive stores		.....	— 3	— 17
Department and apparel stores		.....	+ 3	— 2
Eating and drinking places		.....	— 7	+ 1
Filling stations		.....	— 6	— 5
Florists		.....	+ 10	— 15
Food stores		.....	+ 13	+ 8
Furniture and household appliance stores		.....	— 5	— 11
Lumber, building material, and hardware stores		.....	+ 9	+ 2
Postal receipts	$	442,515	+ 21	+ 5
Building permits	$	3,560,426	+ 91	— 26
Bank debits (000's)	$	526,008	+ 21	+ 1
End-of-month deposits (000's)*	$	409,189	+ 16	+ 2
Annual rate of deposit turnover		15.6	+ 5	+ 1
Placements in employment		5,046	— 24	— 5
Nonagricultural civilian labor force		169,400	+ 5	0
Unemployment		7,300	+ 43	— 5
Percent of labor force unemployed		4.3	+ 34	— 4
Air express shipments		1,726	+ 5	— 5
GARLAND: (pop. 10,571)				
Postal receipts	$	8,343	+ 22	+ 15
Building permits	$	771,488	+688	+262
Bank debits (000's)	$	8,104	.....	+ 12
End-of-month deposits (000's)*	$	6,972	+ 15	— 3
Annual rate of deposit turnover		13.7	.....	+ 12
GALVESTON: (pop. 66,568)				
Retail sales		.....	+ 14	— 5
Automotive stores		.....	+ 4	— 3
Department and apparel stores		.....	+ 3	— 4
Food stores		.....	— 1	+ 4
Furniture and household appliance stores		.....	+ 46	— 20
Lumber, building material, and hardware stores		.....	+ 52	+ 3
Postal receipts	$	63,143	+ 15	— 1
Building permits	$	259,535	+148	— 74
Bank debits (000's)	$	80,650	+ 7	— 4
End-of-month deposits (000's)*	$	105,055	+ 6	+ 1
Annual rate of deposit turnover		9.2	+ 1	— 6
Placements in employment (area)		853	— 6	— 15
Nonagricultural civilian labor force (area)		51,950	+ 5	x
Unemployment (area)		1,900	0	+ 6
Percent of labor force unemployed (area)		3.7	— 3	+ 6
Air express shipments		258	— 3	— 12
GIDDINGS: (pop. 2,532)				
Postal receipts	$	2,501	+ 30	— 7
Bank debits (000's)	$	1,744	+ 28	— 3
End-of-month deposits (000's)*	$	4,021	+ 15	+ 3
Annual rate of deposit turnover		5.3	+ 10	— 4
GONZALES: (pop. 5,659)				
Postal receipts	$	4,425	+ 44	+ 18
Building permits	$	3,100	+ 46	— 45
Bank debits (000's)	$	4,395	+ 2	— 3
End-of-month deposits (000's)*	$	5,948	x	+ 1
Annual rate of deposit turnover		8.9	0	— 3
GREENVILLE: (pop. 14,727)				
Retail sales		.....	— 7	— 6
Department and apparel stores		.....	+ 8	x
Postal receipts	$	19,053	+ 32	+ 43
Building permits	$	106,050	— 25	— 23
Placements in employment		264	+ 2	— 6
HARLINGEN: (pop. 23,229)				
Postal receipts	$	21,307	+ 17	+ 20
Building permits	$	133,435	+ 31	+ 4
Bank debits (000's)	$	42,505	+ 13	+ 79
End-of-month deposits (000's)*	$	23,274	— 6	+ 23
Annual rate of deposit turnover		24.2	+ 11	+ 59
Placements in employment		612	+ 70	— 6
Air express shipments		135	+ 13	+145
HENDERSON: (pop. 6,833)				
Postal receipts	$	7,841	+ 8	+ 14
Building permits	$	39,100	+ 62	+106
Bank debits (000's)	$	5,412	+ 14	— 34
End-of-month deposits (000's)*	$	13,904	+ 8	+ 22
Annual rate of deposit turnover		5.1	+ 20	— 33
Placements in employment		814	— 63	+303
KILLEEN: (pop. 7,045)				
Postal receipts	$	20,152	— 20	— 5
Building permits	$	342,992	.....	+230
Bank debits (000's)	$	6,560	.....	— 2
End-of-month deposits (000's)*	$	10,129	.....	x
Annual rate of deposit turnover		7.8	.....	— 1

For explanation of symbols, see p. 23.

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	July 1952	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
HOUSTON: (pop. 596,163)			
Retail sales		x	— 8
Apparel stores		+ 10	— 1
Automotive stores		— 8	— 16
Department and apparel stores		+ 10	— 1
Drug stores		+ 23	— 1
Eating and drinking places		— 6	— 2
Filling stations		— 4	— 2
Food stores		+ 18	+ 8
Furniture and household appliance stores		+ 16	— 2
Liquor stores		+ 18	+ 9
Lumber, building material, and hardware stores		— 28	— 12
Office, store, and school supply dealers		+ 3	— 11
Postal receipts	$ 883,777	+ 30	+ 9
Building permits	$10,327,246	+ 8	+ 28
Bank debits (000's)	$ 1,644,333	+ 21	+ 6
End-of-month deposits (000's)*	$ 1,188,369	+ 12	+ 1
Annual rate of deposit turnover	16.7	+ 10	+ 4
Placements in employment (area)	5,730	— 9	— 17
Nonagricultural civilian labor force (area)	358,300	+ 3	+ 1
Unemployment (area)	10,400	+ 22	+ 6
Percent of labor force unemployed (area)	2.9	+ 21	+ 7
Air express shipments	4,267	+ 10	+ 2
LAMESA: (pop. 10,704)			
Postal receipts	$ 8,022	+ 17	+ 10
Building permits	$ 41,000	— 48	+ 11
Bank debits (000's)	$ 8,647	+ 2	+ 4
End-of-month deposits (000's)*	$ 13,968	— 9	— 4
Annual rate of deposit turnover	7.3	+ 12	+ 7
Placements in employment	141	— 30	+ 8
LAREDO: (pop. 51,910)			
Department and apparel store sales		+ 30	+ 7
Postal receipts	$ 25,459	+ 15	+ 37
Building permits	$ 733,467	+2533	+1831
Bank debits (000's)	$ 20,871	+ 5	— 7
End-of-month deposits (000's)*	$ 25,054	+ 19	— 2
Annual rate of deposit turnover	10.0	— 15	— 4
Placements in employment	358	— 6	— 23
Air express shipments	222	+ 12	— 3
Tourists entering Mexico	18,138	+ 1	+ 1
Tourist cars entering Mexico	5,590	+ 1	+ 21
LLANO: (pop. 2,954)			
Postal receipts	$ 2,113	+ 28	+ 53
Building permits	$ 33,000	.....	+ 32
Bank debits (000's)	$ 2,250	— 22	+ 1
End-of-month deposits (000's)*	$ 3,542	— 15	+ 3
Annual rate of deposit turnover	7.7	— 11	— 1
LOCKHART: (pop. 5,573)			
Department and apparel store sales		+ 22	+ 17
Postal receipts	$ 2,993	+ 20	+ 16
Building permits	$ 25,300	+127	— 83
Bank debits (000's)	$ 3,031	+ 5	— 3
End-of-month deposits (000's)*	$ 4,191	+ 1	— 2
Annual rate of deposit turnover	8.6	+ 6	— 1

For explanation of symbols, see p. 23.

City and item	July 1952	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
LONGVIEW: (pop. 24,502)			
Postal receipts	$ 27,048	+ 34	+ 11
Building permits	$ 768,260	+ 43	+ 5
Bank debits (000's)	$ 30,713	+ 10	— 9
End-of-month deposits (000's)*	$ 35,088	+ 8	+ 1
Annual rate of deposit turnover	10.6	+ 1	— 3
Placements in employment	540	— 11	— 18
Nonagricultural civilian labor force	24,400	+ 3	+ 1
Unemployment	1,300	+ 11	0
Percent of labor force unemployed	5.3	+ 6	— 2
Air express shipments	107	— 25	— 12
LUFKIN: (pop. 15,135)			
Postal receipts	$ 13,393	+ 17	+ 17
Building permits	$ 56,000	+ 9	— 61
Bank debits (000's)	$ 16,688	+ 15	0
End-of-month deposits (000's)*	$ 19,025	+ 5	— 5
Annual rate of deposit turnover	10.3	+ 6	+ 1
Placements in employment	95	— 77	— 33
Air express shipments	30	— 9	— 17
McALLEN: (pop. 20,067)			
Retail sales		+ 4	— 7
Department and apparel stores		+ 11	— 7
Postal receipts	$ 13,907	+ 10	— 1
Building permits	$ 73,067	+267	— 50
Placements in employment	264	— 11	— 63
Air express shipments	21	— 58	— 57
LUBBOCK: (pop. 71,747)			
Retail sales		+ 12	x
Automotive stores		+ 8	— 7
Department and apparel stores		+ 11	+ 19
Filling stations		— 4	+ 6
Furniture and household appliance stores		+ 19	— 6
General merchandise stores		+ 10	+ 19
Lumber, building material, and hardware stores		+ 25	+ 1
Postal receipts	$ 81,701	+ 46	+ 24
Building permits	$ 2,590,081	+200	+ 88
Bank debits (000's)	$ 106,982	+ 34	+ 11
End-of-month deposits (000's)*	$ 101,041	+ 14	— 4
Annual rate of deposit turnover	12.5	+ 17	+ 11
Placements in employment	995	— 9	— 11
Nonagricultural civilian labor force	31,200	+ 4	x
Unemployment	1,000	+ 43	0
Percent of labor force unemployed	3.2	+ 39	0
Air express shipments	215	— 7	— 17
MARLIN: (pop. 7,099)			
Postal receipts	$ 4,984	+ 10	— 9
Building permits	$ 32,185	+ 63	+165
Bank debits (000's)	$ 3,009	— 20	— 1
End-of-month deposits (000's)*	$ 4,988	+ 24	— 2
Annual rate of deposit turnover	7.2	— 29	0
Placements in employment	84	— 13	— 7
MIDLAND: (pop. 21,713)			
Postal receipts	$ 43,270	+ 42	+ 18
Bank debits (000's)	$ 49,029	+ 14	— 7
End-of-month deposits (000's)*	$ 53,115	+ 5	— 5
Annual rate of deposit turnover	10.8	+ 6	— 2
Placements in employment	990	+ 33	— 10
Air express shipments	206	+ 1	— 3

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	July 1952	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
MARSHALL: (pop. 22,327)			
Retail sales	----------	+ 7	— 6
Department and apparel stores	----------	+ 11	— 5
Postal receipts	$ 16,025	+ 6	+ 11
Building permits	$ 158,413	+117	+ 3
Bank debits (000's)	$ 12,494	+ 3	— 1
End-of-month deposits (000's)*	$ 19,104	+ 4	0
Annual rate of deposit turnover	7.8	— 3	— 1
Placements in employment	393	+ 13	+ 7
NACOGDOCHES: (pop. 12,327)			
Postal receipts	$ 9,955	+ 22	+ 42
Building permits	$ 26,750	-----	— 28
Bank debits (000's)	$ 9,634	+ 10	+ 8
End-of-month deposits (000's)*	$ 15,132	+ 7	— 6
Annual rate of deposit turnover	7.4	0	+ 10
Placements in employment	100	+ 1	— 12
Air express shipments	11	-----	— 21
ODESSA: (pop. 29,495)			
Retail sales	----------	+ 20	x
Postal receipts	$ 37,832	+ 38	+ 19
Building permits	$ 1,113,217	+ 66	— 3
Placements in employment	563	+ 7	— 22
Air express shipments	214	+ 2	+ 15
PAMPA: (pop. 16,583)			
Postal receipts	$ 14,345	+ 18	+ 18
Building permits	$ 170,335	— 33	— 62
Placements in employment	179	— 49	+ 27
Air express shipments	53	+ 39	+ 10
PARIS: (pop. 21,643)			
Retail sales	----------	x	— 3
Department and apparel stores	----------	+ 6	— 7
Postal receipts	$ 13,957	+ 17	— 4
Building permits	$ 45,390	+ 20	— 24
Bank debits (000's)	$ 11,747	x	— 1
End-of-month deposits (000's)*	$ 15,872	+ 19	x
Annual rate of deposit turnover	8.9	— 14	— 2
Placements in employment	629	+ 24	— 26
Air express shipments	31	+ 11	— 11
PECOS: (pop. 8,054)			
Postal receipts	$ 7,859	+ 25	+ 10
Building permits	$ 269,771	+330	+ 75
Placements in employment	170	— 4	+ 1
Air express shipments	28	— 43	+100
PLAINVIEW: (pop. 14,044)			
Retail sales	----------	+ 13	— 6
Department and apparel stores	----------	+ 16	+ 24
Postal receipts	$ 11,371	+ 18	— 32
Building permits	$ 380,100	+737	+201
Bank debits (000's)	$ 15,660	+ 9	+ 15
End-of-month deposits (000's)*	$ 19,553	+ 20	x
Annual rate of deposit turnover	9.6	— 10	+ 16
Placements in employment	116	+ 14	+ 16
Air express shipments	25	+ 14	0

For explanation of symbols, see p. 23.

City and item	July 1952	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
PORT ARTHUR: (pop. 57,530)			
Retail sales	----------	+ 10	— 1
Automotive stores	----------	+ 4	— 15
Department and apparel stores	----------	+ 6	— 2
Drug stores	----------	+ 6	+ 3
Eating and drinking places	----------	— 23	+ 3
Filling stations	----------	+ 27	+ 2
Food stores	----------	+ 6	+ 12
Furniture and household appliance stores	----------	+ 28	— 3
Lumber, building material, and hardware stores	----------	+ 36	+ 14
Postal receipts	$ 35,812	+ 17	+ 2
Building permits	$ 437,159	+118	— 32
Bank debits (000's)	$ 44,731	+ 12	+ 7
End-of-month deposits (000's)*	$ 41,402	— 7	— 4
Annual rate of deposit turnover	12.7	+ 10	+ 8
Placements in employment (area)	1,789	— 18	— 31
Nonagricultural civilian labor force (area)	76,850	x	x
Unemployment (area)	4,850	— 8	— 3
Percent of labor force unemployed (area)	6.3	— 7	— 3
Air express shipments	96	— 18	— 28
SAN ANGELO: (pop. 52,093)			
Retail sales	----------	+ 3	— 5
Department and apparel stores	----------	+ 9	+ 30
Postal receipts	$ 42,177	+ 20	+ 3
Building permits	$ 453,427	+ 61	— 5
Bank debits (000's)	$ 37,104	+ 4	— 3
End-of-month deposits (000's)*	$ 50,593	+ 1	+ 1
Annual rate of deposit turnover	8.9	+ 5	— 2
Placements in employment	815	+ 24	— 2
Nonagricultural civilian labor force	21,300	+ 1	x
Unemployment	950	+ 27	— 5
Percent of labor force unemployed	4.5	+ 25	— 4
Air express shipments	172	— 23	— 7
SAN ANTONIO: (pop. 408,442)			
Retail sales	----------	— 8	— 14
Apparel stores	----------	+ 4	— 5
Automotive stores	----------	— 24	— 29
Department and apparel stores	----------	— 4	— 22
Drug stores	----------	— 4	— 1
Eating and drinking places	----------	+ 2	+ 4
Filling stations	----------	+ 10	+ 4
Florists	----------	+ 3	— 6
Food stores	----------	+ 11	+ 5
Furniture and household appliance stores	----------	+ 7	+ 7
Lumber, building material, and hardware stores	----------	— 22	+ 3
Office, store, and school supply dealers	----------	+ 38	+ 25
Postal receipts	$ 453,391	+ 15	+ 9
Building permits	$ 2,483,527	— 18	— 32
Bank debits (000's)	$ 371,501	+ 10	x
End-of-month deposits (000's)*	$ 396,176	+ 7	+ 2
Annual rate of deposit turnover	11.4	+ 4	— 1
Placements in employment	3,853	— 10	+ 7
Nonagricultural civilian labor force	202,350	+ 5	+ 1
Unemployment	7,250	+ 32	+ 12
Percent of labor force unemployed	3.6	+ 29	+ 13
Air express shipments	2,151	+ 2	— 1

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	July 1952	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
RAYMONDVILLE: (pop. 9,136)			
Postal receipts	$ 6,381	+ 28	+ 59
Building permits	$ 8,265	— 74	+808
Bank debits (000's)	$ 9,299	+ 28	+ 80
End-of-month deposits (000's)*	$ 13,373	+ 45	+ 81
Annual rate of deposit turnover	10.8	— 11	+ 26
Placements in employment	144	+ 1	— 24
SEGUIN: (pop. 9,733)			
Postal receipts	$ 8,123	+ 22	+ 16
Building permits	$ 30,450	— 47	— 85
Bank debits (000's)	$ 6,269	+ 11	— 2
End-of-month deposits (000's)*	$ 14,546	+ 6	+ 1
Annual rate of deposit turnover	5.2	+ 4	— 2
SHERMAN: (pop. 20,150)			
Retail sales		+ 20	— 16
Department and apparel store sales		— 7	— 13
Postal receipts	$ 22,937	+ 27	+ 15
Building permits	$ 438,585	+469	+254
Placements in employment	149	— 39	— 41
SWEETWATER: (pop. 13,619)			
Postal receipts	$ 10,143	+ 2	+ 2
Building permits	$ 59,975	— 27	+ 12
Placements in employment	106	— 29	— 15
Air express shipments	22	— 27	— 4
TAYLOR: (pop. 9,071)			
Postal receipts	$ 6,642	+ 3	+ 2
Building permits	$ 27,590	— 31	— 37
Bank debits (000's)	$ 10,326	— 5	x
End-of-month deposits (000's)*	$ 13,303	+ 12	+ 6
Annual rate of deposit turnover	9.6	— 14	— 1
Placements in employment	107	— 4	— 4
TEMPLE: (pop. 25,467)			
Retail sales		+ 1	— 8
Department and apparel stores		+ 6	— 12
Postal receipts	$ 25,345	+ 26	+ 21
Building permits	$ 207,905	+ 5	— 59
Bank debits (000's)	$ 16,559	— 4	x
End-of-month deposits (000's)*	$ 21,578	+ 7	— 11
Annual rate of deposit turnover	8.7	— 13	0
Placements in employment	351	— 16	— 15
Air express shipments	29	— 29	— 37
TEXARKANA: (pop. 40,628)‡			
Retail sales‡		x	— 13
Department and apparel stores‡		+ 6	— 5
Postal receipts‡	$ 45,380	+ 18	+ 6
Building permits‡	$ 82,605	+ 47	+ 28
Bank debits (000's)‡	$ 40,074	+ 24	+ 4
End-of-month deposits (000's)*	$ 28,063	+ 18	+ 8
Annual rate of deposit turnover	9.4	0	— 1
Placements in employment‡	1,613	+ 38	— 15
Nonagricultural civilian labor force‡	45,900	+ 11	+ 1
Unemployment‡	2,250	— 32	— 6
Percent of labor force unemployed‡	4.9	— 39	— 8
Air express shipments‡	93	+ 7	+ 9

City and item	July 1952	Percent change: July 1952 from July 1951	Percent change: July 1952 from June 1952
TEXAS CITY: (pop. 16,620)			
Postal receipts	$ 14,070	+ 31	+ 18
Building permits	$ 448,672	+163	+105
Bank debits (000's)	$ 25,386	+ 25	+ 21
End-of-month deposits (000's)*	$ 25,676	+ 19	+ 21
Annual rate of deposit turnover	13.0	+ 12	+ 11
Placements in employment (area)	853	— 6	— 15
Nonagricultural civilian labor force (area)	51,950	+ 5	x
Unemployment (area)	1,900	0	+ 6
Percent of labor force unemployed (area)	3.7	— 3	+ 6
TYLER: (pop. 38,968)			
Retail sales		+ 4	— 10
Department and apparel stores		— 7	— 12
Postal receipts	$ 42,007	— 1	— 2
Building permits	$ 526,620	+ 73	+ 19
Bank debits (000's)	$ 54,289	+ 11	+ 3
End-of-month deposits (000's)*	$ 59,152	+ 16	+ 4
Annual rate of deposit turnover	11.2	— 2	— 1
Placements in employment	489	— 28	— 11
Air express shipments	143	— 6	+ 2
WACO: (pop. 84,706)			
Retail sales		— 7	— 2
Apparel stores		+ 14	+ 6
Automotive stores		— 28	— 15
Department and apparel stores		+ 3	— 1
Furniture and household appliance stores		— 2	+ 1
General merchandise stores		x	— 3
Lumber, building material, and hardware stores		— 26	+ 21
Office, store, and school supply dealers		+ 4	+ 3
Postal receipts	$ 99,070	+ 19	+ 11
Building permits	$ 782,334	— 9	+ 58
Bank debits (000's)	$ 70,728	+ 18	+ 17
End-of-month deposits (000's)*	$ 87,781	+ 12	— 5
Annual rate of deposit turnover	9.5	+ 4	+ 16
Placements in employment	1,105	— 1	— 1
Nonagricultural civilian labor force	44,750	— 1	— 1
Unemployment	2,050	+ 32	— 15
Percent of labor force unemployed	4.6	+ 35	— 13
Air express shipments	137	+ 1	— 13
WICHITA FALLS: (pop. 68,042)			
Retail sales		+ 7	— 7
Department and apparel stores		+ 17	+ 1
Postal receipts	$ 80,081	+ 2	+ 8
Building permits	$ 608,827	— 2	x
Bank debits (000's)	$ 93,196	+ 24	+ 6
End-of-month deposits (000's)*	$ 106,049	+ 3	— 3
Annual rate of deposit turnover	10.4	+ 17	+ 6
Placements in employment	1,006	+ 4	+ 7
Nonagricultural civilian labor force	42,600	+ 4	x
Unemployment	1,650	+ 65	+ 5
Percent of labor force unemployed	3.9	+ 63	+ 5
Air express shipments	167	— 24	+ 3

x Change is less than one half of one percent.
*Excludes deposits to credit of banks.
†Reported by the Federal Reserve Board of Dallas.
‡Figures include Texarkana, Arkansas (pop. 15,875) and Texarkana, Texas (pop. 24,753).

BAROMETERS OF TEXAS BUSINESS

	July 1952	June 1952	May 1952	Year-to-date average 1952	Average month 1951
GENERAL BUSINESS ACTIVITY					
†**Index of Texas Business Activity (100.0)**	254‡	258	260‡	262	251
Index of bank debits in Texas cities	670	638	678	663	617
Income payments to individuals in the U. S. (billions—seasonally adjusted at annual rate)	------	$ 266.0	$ 264.5	$ 263.6	$ 253.6
Index of wholesale prices in the U.S. (1947–49=100, unadjusted)	111.8	111.3	111.6	112.1	114.8
Index of consumers' prices in Houston (unadjusted)	195.1	194.6	194.3	194.7	193.0
Index of consumers' prices in the U.S. (unadjusted)	190.8	189.6	189.0	189.0	185.6
Index of postal receipts in Texas cities	406	372	374	372	331
†Index of miscellaneous freight carloadings in the Southwestern District (17.6)	139	141	136	144	145
Business corporation charters issued (number)	------	382	305	297	224
Business failures (number)	12	3	8	8	7
TRADE					
†Index of total retail sales (adjusted for price changes, 47.7)	218‡	233	241	227	228
Index of total retail sales in Texas	459	490	508	476	471
Durable-goods stores	595	710	732	658	670
Nondurable-goods stores	393	385	401	390	375
Index of total retail sales in the U.S.	------	405	406	397	389
Durable-goods stores	------	570	579	547	546
Nondurable-goods stores	------	351	350	348	338
Ratio of credit sales to net sales in department and apparel stores	63.5	63.6	63.9	63.6	64.5
Ratio of collections to outstandings in department and apparel stores	43.9	44.6	47.1	46.2	46.0
Index of gasoline sales	------	250	259	262	250
PRODUCTION					
†Index of industrial electric power consumption (14.8)	493	474	484	510	451
†Index of crude runs to stills (4.5)	203	204	144	202	199
Index of wheat grindings	------	88	92	96	102
Index of cottonseed crushed	115	212	202	158	114
Index of southern pine production (unadjusted)	------	117	131	124	119
Index of dairy product manufacturing	49	58	53	59	59
†Index of urban building permits (adjusted for price changes, 3.8)	177‡	186	186	196	196
Index of urban building permits	369	387	384	405	404
†Index of crude petroleum production (8.6)	216	214	228‡	223	223
Index of natural gas production	------	519	510	523	497
†Index of total electric power consumption (3.0)	608	565	535	560	498
Index of industrial production in the U.S.	192	203	211	212	220
Index of cement production	308	314	338	325	294
Construction contracts awarded (thousands)	------	$107,821	$169,068	$115,872	$102,651
AGRICULTURE					
Index of farm cash income (unadjusted)	339	327	277	286	516
Index of prices received by farmers (unadjusted)	333	341	341	346	371
Index of prices paid by farmers in the U.S. (parity index—unadjusted, (1910–14=100)	286	286	289	288	281
Parity ratio for Texas	116	119	118	120	133
Index of prices received by farmers—livestock (unadjusted)	374	384	399	397	445
Index of prices received by farmers—all crops (unadjusted)	302	308	298	307	316
FINANCE					
Loans, reporting member banks in Dallas district (millions)	$ 1,574	$ 1,567	$ 1,537	$ 1,550	$ 1,468
Loans and investments, reporting member banks in Dallas district (millions)	$ 3,018	$ 2,968	$ 2,864	$ 2,905	$ 2,713
Demand deposits adjusted, reporting member banks in Dallas district (millions)	$ 2,406	$ 2,318	$ 2,361	$ 2,348	$ 2,217
Bank debits in 20 cities (millions)	$ 5,388	$ 5,155	$ 5,242	$ 5,272	$ 4,989
Revenue receipts of the State Comptroller (thousands)	$ 58,153	$ 58,881	$ 66,220	$ 59,643	$ 54,205
Federal Internal Revenue collections (thousands)	$124,957	$258,237	$142,755	$217,047	$155,170
LABOR					
Total nonagricultural employment (thousands)	2,1775	2,166.4	2,135.6	2,133.7	2,082.9
Total manufacturing employment (thousands)	416.5	414.1	411.1	414.0	397.9
Durable-goods employment (thousands)	197.2	195.8	200.3	197.8	185.4
Nondurable-goods employment (thousands)	219.3	218.3	210.8	216.2	212.5
Nonagricultural civilian labor force in 17 labor market areas (thousands)	1,607	1,600	1,586	1,584	1,528
Unemployment in 17 labor market areas	57,425	57,050	49,745	53,520	46,280
Placements in 17 labor market areas	36,685	41,699	36,587	35,442	36,696
Percent of labor force unemployed	3.6	3.6	3.1	3.4	3.0

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).

Manufacturing employment estimates have been adjusted to first quarter 1951 benchmarks.

†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.