

TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas

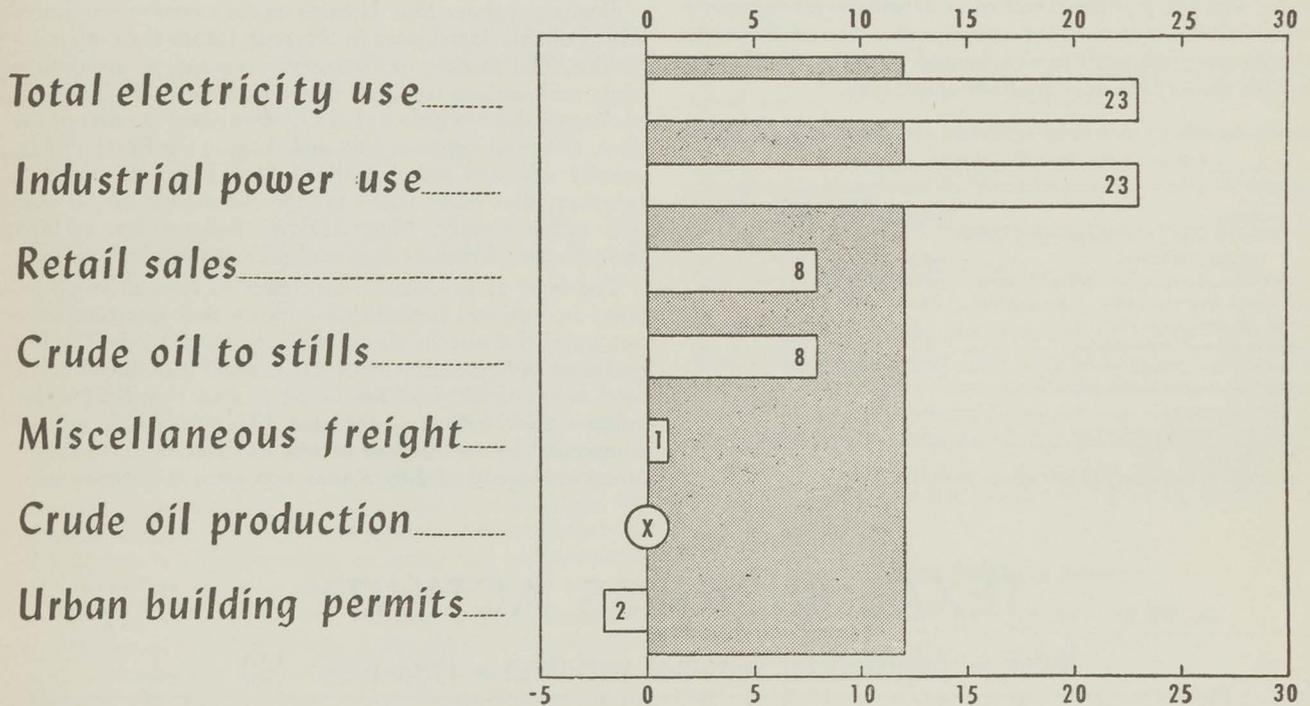
BUREAU OF BUSINESS RESEARCH : THE UNIVERSITY OF TEXAS

VOL. XXVII, No. 8

TWENTY CENTS A COPY—TWO DOLLARS A YEAR

SEPTEMBER 1953

The first eight months of 1953 found Texas business flying high but declining slightly. How much higher business was than during January–August 1952 is shown in the chart below, with its plus side far outweighing the one negative change.



The shaded block at right represents the cumulative 1952-to-1953 increase (11%) in the level of Texas business at large, as measured by the weighted composite of all seven index series charted above. For the first two-thirds of this year, crude oil output barely wavered from its comparable 1952 position, and the volume of urban building authorized in the state dipped slightly. But every other indicator rose. A table on the following page and charts throughout this issue detail the past and present status of each key barometer of Texas business.

The Business Situation in Texas

Business activity in Texas registered a substantial decline between July and August, according to the composite index of business compiled by the Bureau of Business Research. August, the second successive month to show a pronounced drop in the index, gave strong confirmation of the signs that began, last spring, to suggest that the current boom in Texas business was reaching an end. The chart at the bottom of the page shows the leveling off of the index after it reached its all-time high in January. This plateau, established during the first half of the year, gave rather convincing warning that the strong rise was over. The past two months indicate that a decline is now under way.

The table below shows that the drop in the composite index was not just the result of an unusually strong movement in one or two of the components; five of the seven components fell, while two registered increases. Crude runs to stills showed the only substantial increase.

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

Indexes	Weight	Aug 1953	July 1953	Percent change
INDEX OF BUSINESS ACTIVITY				
(COMPOSITE)	100.0	283*	291*	- 3
Retail sales, adjusted for price changes	47.7	230*	242*	- 5
Industrial electric power consumption	14.8	620	618	x
Crude oil runs to stills	4.5	218	205	+ 6
Electric power consumption	3.0	732	776	- 6
Miscellaneous freight carloadings	17.6	140	145	- 3
Urban building permits, adjusted for price changes	3.8	151*	157*	- 4
Crude petroleum production	8.6	231	232	x

*Preliminary.

xChange is less than one half of one percent.

In spite of the downturn in the level of Texas business in August, it appears that the year 1953 will register an all-time high. For practically all segments of the economy except agriculture and construction, the year to date has exceeded any previous period by a substantial margin. The cover chart on this issue illustrates the status of each of the most significant components of Texas business during the first eight months of 1953 as compared to its cumulative record at the end of August 1952. It is evident from this chart that even if business for the remainder of the year should continue to decline, 1953 may reasonably be expected to add up as the best year on record for many Texas business firms.

Business volume that depends on consumer expenditures will probably fare better in the near future than other activities. The income of consumers remains at an all-time high, and savings continue large. Retail sales in Texas up to August showed only a slight decline since the first of the year, although between July and August the Bureau's seasonally adjusted index declined 5%. It is not expected, however, that retail trade for the remainder of the year will suffer greatly. Most analysts believe that at least through the Christmas season retail sales will hold up well.

The level of inventories continues to rise, although reports in business periodicals indicate that merchants are not worried about the size of their stocks of goods. The Department of Commerce reports that retail inventories had a total value of \$20.1 billion at the end of July 1952 and a value of \$22.1 billion a year later. This rise of 10% was accompanied by an increase of 6% in retail sales, so inventories at the end of July a year ago were 1.47 times sales

TEXAS BUSINESS ACTIVITY

Index • Adjusted for seasonal variation • 1935-1939 = 100



for the month, while in 1953 they were 1.52 times the sales for the month of July. As long as sales remain strong, there appears to be no trouble in sight with respect to inventories, but any slowing down of retail sales would result in an immediate reduction in buying from manufacturers. Industrial production has been slipping a little since the first of the year, but a widespread move on the part of retailers to reduce inventories would bring on a much sharper curtailment in manufacturing output. Some of the factory products have been going into manufacturers' inventories, and any reduction in sales of manufacturers would almost inevitably cause an immediate reduction in the level of production.

for a smaller number of housing starts in 1954 than this year. There is no indication that easier credit will be available in the near future.

Wholesale prices declined slightly in August to end the month a little below the July level. Industrial prices remained practically unchanged during August, but food and farm prices declined. The decline during August, however, did not equal the sharp rise in July, so prices are still higher than for any month of 1953 except July. The Index of Consumers' Prices for all cities rose 0.3 points between July and August, with every type of goods except apparel showing an increase. This represents another all-time high for this index, which is used to measure changes in the cost of living of moderate-income families in urban centers.

INDEXES OF CONSUMERS' PRICES IN THE UNITED STATES

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

Index	Percent change				
	Aug 1953	July 1953	Aug 1952	Aug 1953 from Aug 1952	Aug 1953 from July 1953
ALL ITEMS	115.0	114.7	114.3	+ 1	x
Food	114.1	113.8	116.6	- 2	x
Housing	118.0	117.8	114.6	+ 3	x
Apparel	104.3	104.4	105.1	- 1	x
Transportation	130.6	129.7	127.0	+ 3	+ 1
Medical care	121.8	121.5	118.1	+ 3	x
Personal care	112.7	112.6	112.1	+ 1	x
Reading and recreation	107.6	107.4	107.0	+ 1	x
Other	118.4	118.3	115.9	+ 2	x

xChange is less than one half of one percent.

The index of industrial power consumption in Texas, which serves as the measure of industrial production in the state, has declined 4% since the peak established early in 1953. The index of industrial production compiled for the United States by the Board of Governors of the Federal Reserve System has declined 3% from the 1953 high. The movement of these two indexes leads to the conclusion that the decline in manufacturing in Texas has approximately paralleled the situation in the remainder of the country.

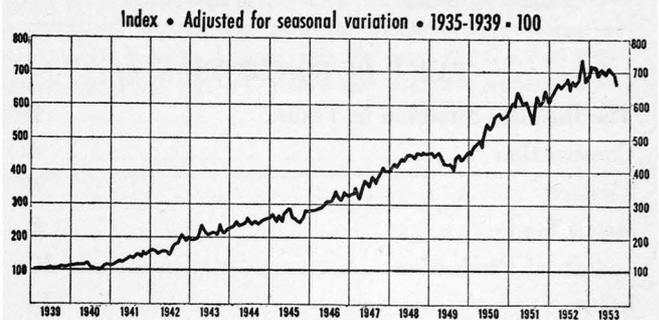
The outlook for petroleum refining in Texas is clouded by the size of gasoline stocks at the close of the period of peak consumption. Although gasoline consumption set a record during the past summer, stocks are higher than in previous years. Crude stocks are also increasing and have brought on a cut in crude production. In addition to this troubled state of the industry, increased imports of crude seem to be imminent. In several areas of large consumption, gasoline prices are showing weakness. There is an almost universal feeling that the course of the industry in the immediate future will be downward. The outlook for the building industry continues uncertain, although the volume of building permits issued during August declined 5% from July. For the first eight months of 1953, the volume of urban building authorized was 9% higher than the same period of 1952. For the United States new housing starts during the first seven months exceeded the same period of 1952 by 3%. For the United States new housing starts during the first seven months exceeded the same period of 1952, but the seasonally adjusted number of starts has been declining since February. The plans of builders are still being hampered by tight money, and official predictions look

Wholesale Prices in the U.S.



The index of bank debits, compiled by the Bureau of Business Research from data collected by the Federal Reserve Bank of Dallas from banks in 20 Texas cities, declined 3% between July and August. This was equal to the percentage decline registered by the composite index of business activity and tends to confirm the movement of that barometer. The level of bank debits in August was

Bank Debits in Texas



6% higher than a year ago, although the composite index was 12% higher. One of the differences between the two is the fact that the index of bank debits reflects changes in prices as well as changes in the physical volume of business. The composite index of business activity does not reflect price changes and so was not depressed by the decline in the wholesale price level during the past 12 months.

JOHN R. STOCKTON



TEXAS BUSINESS REVIEW

Robert H. Ryan Managing Editor

College of Business Administration, The University
of Texas

William R. Spriegel Dean

Business Research Council

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

STAFF OF THE BUREAU OF BUSINESS RESEARCH

John R. Stockton <i>Director</i>	Stanley A. Arbingast <i>Assistant Director Resources Specialist</i>	Marjorie T. Cornwell <i>Research Supervisor</i>
Stella Traweck <i>Consulting Statistician</i>	A. Hamilton Chute <i>Retailing Specialist</i>	Richard C. Henshaw, Jr. <i>Statistician</i>
Raymond V. Lesikar Robert H. Ryan <i>Research Associates</i>	Harvey B. Smith <i>Research Assistant</i>	Jo Overstreet William S. Lowe <i>Statistical Assistants</i>
Calvin Jayroe <i>Offset Press Operator</i>	Eleanor A. O'Neal <i>Publications Assistant</i>	Alice R. Locklin <i>Library Assistant</i>
Judy Vaughan Emily J. Vavra <i>Secretaries</i>	Beverly Webb Yvonne Hawn <i>Statistical Clerks</i>	

Assistants

Marilyn Biel, Carroll Boudreaux, Allen Brewster, Robert Clayton, Ben Cummins, Floyd Eiland, Maurice Friedman, Tom Greer, Olin Hardwick, Benny Hill, Vera Jeffrey, Henry Love, Sam Muller, Don Noble, Tina Piedrahita, Cecilia Pingnot, Ann Roche, Anne Schuler, and Newton Youngblood.

Cooperating Faculty

A. B. Cox <i>Professor of Cotton Marketing</i>	Elizabeth Lanham <i>Associate Professor of Management</i>
-------------------------------------------------------	------------------------------------------------------------------

TABLE OF CONTENTS

The Business Situation in Texas	2
Construction	4
Finance	6
Retail Trade	8
Industrial Production	10
Labor	13
Agriculture	14
Mellorine: Challenge to Dairy Industry	16
Local Business Conditions	18
Barometer of Texas Business	24

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

CONSTRUCTION

Additions, alterations, and repairs show drop. The value of permits issued for major types of building in Texas during August diverged sharply from the July pattern. The most significant change was a 23% drop in the category of additions, alterations, and repairs, the result of declines of 29 and 16%, respectively, in the nonresidential and residential classifications.

The value of nonresidential permits issued for new buildings in August made a very weak comeback (+7%) over the July level, which was the lowest since December of last year. Important changes bringing about this modest increase were in the following types: factories and workshops +382%, institutional buildings +1,837%, and educational buildings +82%.

Cement Production in Texas



The value of residential permits issued for new buildings in August declined by 6% from July, the fifth consecutive monthly decrease. In value, residential permits issued for August were 44% below those of last March. Likewise, the number of dwelling units authorized has decreased consistently, from 5,493 in March to 3,005 in August. Thus, the 8% decline in residential housekeeping building was offset to only a limited extent by a 223% increase in the very inactive category of residential nonhousekeeping building, which contained only some construction of tourist courts. The 8% decline in residential housekeeping building was a result of the following changes since July: two-family houses, -62%; three- and four-family houses, +29%; and apartment buildings, -35%.

By the latter part of September, most of the strikes in the building trades in South and Central Texas had either been settled or at least seemed to be very near to an agreement. There can be little doubt that the wave of strikes which plagued the industry for nearly three months has been at least partially responsible for the decrease in construction activity in some parts of the state. On the first of August, 4,012 construction workers were engaged in stoppages, and work had been halted on Gulf Coast projects valued at well over \$200 million. When the seasonally adjusted figures on building activity become available for the last quarter of this year, it should be possible to determine roughly how much of the slump in the third quarter was due to the strikes rather than to decrease in demand.

According to the Texas Employment Commission, construction employment is expected to increase by 5,000 from mid-July to reach a September level of 171,400 workers;

yet, this would be a net loss from June (173,000) workers even if stoppages ended. These employment estimates indicate that the overall construction trend is slightly downward. The increasing number of building completions is offset in part by new projects of considerable size in scattered areas.

Sales of Texas lumber, building material, and hardware dealers declined by 2% from July to August, bringing them to a level 13% below that of August, 1952. Total sales for the first eight months of 1953 were 8% below the comparable period last year.

Building permits this year still exceed 1952. In spite of the 5% July-to-August drop in urban construction authorized in Texas, the total value of building permits issued during the first eight months of 1953 exceeded the value for the same period last year by 9%. Nonresidential building alone is responsible for the overall 9% increase, with a total value 42% above 1952. The more important category of residential building (in terms of building value) is down 4% this year for the same periods, offsetting the gain in nonresidential building to a great extent. The pattern of permit values for additions, alterations, and repairs is quite similar to that of new building: The nonresidential classification registered a 21% increase, and the residential, a 1% decline.

The changes in residential housekeeping building in order of importance during the first eight months of this year compared to the same period for 1952 were as follows: total residential housekeeping building, -6%; one-family houses, -3%; two-family houses, -64%; three- and four-family houses, -18%; and apartment houses, -1%.

Changes in important types of nonresidential building during the first eight months of this year compared to 1952 in order of significance were: total nonresidential building, +42%; office and bank buildings, +219%; educational buildings, +65%; commercial garages, +670%; amusement buildings, +172%; stores and other mercantile buildings, +12%; factories and workshops, -25%; miscellaneous nonresidential buildings, +127%; and service stations, +48%.

Permits issued by city-size groups. A somewhat different picture of the trends in Texas construction activity can be obtained from the permit values by city-size groups. Although building in cities with populations over 100,000

declined by 19% from July to August, the total for the first eight months of this year is still 22% above 1952. Similar, though less significant, changes were experienced by those cities with populations between 50,000 and 100,000 with their average decline of 10% from July to August. Their total for the first eight months of 1953 was still 11% above last year.

ESTIMATED VALUE OF BUILDING PERMITS ISSUED
Source: Bureau of Business Research in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Classification	Aug 1953*	January-August		Percent change
		1953	1952	
CONSTRUCTION CLASS Value (thousands of dollars)				
ALL PERMITS	46,957	465,033	427,135	+ 9
New construction	39,830	406,115	372,540	+ 9
Residential	23,107	254,526	265,481	- 4
Housekeeping	22,310	247,794	263,977	- 6
One family	21,418	236,308	243,095	- 3
Multiple family	892	11,486	22,386	- 49
Nonhousekeeping	797	6,732	1,504	+348
Nonresidential	16,723	151,589	107,059	+ 42
Additions, alterations, and repairs	7,127	58,918	54,595	+ 8
CITY-SIZE GROUP (1940)				
ALL PERMITS	46,957	465,033	427,135	+ 9
Over 100,000	21,467	224,472	184,720	+ 22
50,000 to 100,000	7,734	86,068	77,416	+ 11
25,000 to 50,000	4,157	38,042	43,411	- 12
Under 25,000	13,599	116,451	121,588	- 4

Federal contracts are excluded.

*Preliminary.

The construction picture for cities with populations below 50,000 is exactly the reverse of that described above. Although building in cities with populations between 25,000 and 50,000 increased by 28% from July to August, the total for the first eight months of this year was still 12% below 1952. Likewise, cities with populations under 25,000 experienced an average increase of 24% in building activity from July to August, but the total for the first eight months of 1953 was 4% below the comparable period last year.

Bureau of Business Research Publications

Personnel Practices in Industry

by

William R. Spriegel, Dean of the College of Business Administration and Distinguished Professor of Management, and Alfred G. Dale, Research Associate.

A key development in American industry during recent years has been the evolution of scientifically planned personnel management. In this bulletin, eighth of the Personnel Studies published by the Bureau, Dr. Spriegel, eminent authority on the subject, and Mr. Dale, staff researcher in the Bureau, present and analyze the results of a survey of personnel practices in 628 industrial firms. Nineteen tables set forth statistical summaries of the findings; simple interpretive comment and explanation illuminates their meaning. The study, to be published November 15, will be available postpaid for one dollar, fifty cents.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

Source: Dodge Statistical Research Service

Type of construction	Aug 1953	January-August		Percent change
		1953	1952	
	Value (thousands of dollars)			
ALL CONSTRUCTION	84,960	732,074	892,804	- 18
ALL BUILDING	66,611	586,054	685,213	- 14
Residential	26,976	329,476	374,480	- 12
Nonresidential	39,635	256,578	310,733	- 17
PUBLIC WORKS AND UTILITIES	18,349	146,020	207,591	- 30

Permit values for leading cities. Changes in value of building permits issued in the five largest cities in Texas from July to August were as follows: Houston, -16%; Dallas, -19%; San Antonio, -23%; Fort Worth, -24%; and Austin, +45%.

Hereford had the biggest relative increase in building permits issued during August compared to July (+3,704%) because of a large permit let for an educational building. Raymondville was next (+1,487%), the result of an abnormally low total in July. Mercedes was in third place (+965%), with a permit let for a large commercial garage. Sherman followed next (+783%), with a large permit issued for an educational building. Brownwood was in fifth position (+701%) because of an institutional building permit. Harlingen was in sixth position (+475%) because of permits issued for the construction of three nonresidential buildings.

The city leading the state in per capita value of building permits issued during August was Hereford with \$149.41 per person. Other top cities: Irving \$138.50, Arlington \$137.29, Garland \$111.53, and Terrell Hills \$72.38. Average municipal per capita building in August was \$11.36, compared to \$11.89 in July.

RICHARD C. HENSHAW, JR.

LOANS BY SAVINGS AND LOAN ASSOCIATIONS

Source: Federal Home Loan Bank of Little Rock

Type	Aug 1953	July 1953	Aug 1952	Percent change	
				Aug 1953 from Aug 1952	Aug 1953 from July 1953
	Number				
ALL LOANS	3,619	3,757	3,009	+ 20	- 4
Construction	721	790	684	+ 5	- 9
Purchase	1,152	1,252	1,020	+ 13	- 8
Refinance	290	284	254	+ 14	+ 2
Recondition	499	513	367	+ 36	- 3
Other	957	918	684	+ 40	+ 4
	Value (thousands of dollars)				
ALL LOANS	19,400	20,761	14,792	+ 31	- 7
Construction	5,914	6,657	4,702	+ 26	- 11
Purchase	7,015	7,949	5,792	+ 21	- 12
Refinance	1,506	1,499	1,397	+ 8	x
Recondition	1,251	1,478	885	+ 41	- 15
Other	3,714	3,178	2,016	+ 84	+ 17

FINANCE

Overall bank condition unchanged. The early September condition of southwestern banks, as indicated by reports from member banks of the Eleventh Federal Reserve District, differed little from that for the preceding month. Compared with the year-ago reports, however, the data show general and significant increases.

Slight gain in bank loans. The September 2 total of bank loans is slightly larger than the total a month earlier, but the \$6 million gain (from \$1,776 million to \$1,782 million) is too small to measure percentage-wise. The loan total at the same time in 1952 was 9% smaller.

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

Source: Board of Governors of the Federal Reserve System

Item	Percent change*		
	Aug 1953 from Aug 1952	Aug 1953 from July 1953	Aug 1952 from July 1952
ASSETS			
Loans and investments	+ 5	+ 1	+ 1
Loans	+ 9	x	+ 4
Total U.S. Government securities	- 1	+ 1	- 2
Treasury bills	- 22	+ 1	- 17
Treasury certificates of indebtedness	+ 24	+ 7	0
Treasury notes	- 3	- 1	+ 1
Bonds	x	x	+ 1
Other securities	+ 9	0	+ 1
Reserve with Federal Reserve			
Banks	- 7	- 3	- 1
Cash in vaults	+ 7	- 12	- 2
Balances with domestic banks	+ 10	+ 18	0
LIABILITIES			
Total deposits (except interbank)	+ 6	x	- 2
Demand deposits (adjusted)	+ 3	x	x
Time deposits	+ 20	+ 1	x
U. S. Government deposits	+ 12	+ 2	- 30
Interbank deposits	- 2	+ 8	+ 9
Domestic banks	- 2	+ 8	+ 10
Foreign banks	+ 11	+ 11	- 10
CAPITAL ACCOUNTS	+ 11	+ 1	+ 1

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

xChange is less than one half of one percent.

The expansions in commercial, industrial, and agricultural loans account for the increase during August, even exceeding the gain in total loans. Commodity dealers and certain commercial and industrial groups were particularly active in their borrowing. Construction interests and some food manufacturers also increased their outstanding indebtedness. Wholesale and retail trade groups, however, liquidated more loan obligations than they assumed.

Small increase in bank investments. Investments in U.S. Government securities were up 1% for the month of August, although the September 1 total was still 1% below the comparable 1952 figure. Practically all of the month's increase resulted from a \$13 million gain (from \$197 million to \$210 million) in Treasury certificates. Treasury bills also contributed a gain (from \$147 million to \$148 million). The total of investments in Treasury notes dropped 1% (from \$178 million to \$176 million). Significant decreases were recorded in bank reserves with

FEDERAL INTERNAL REVENUE COLLECTIONS

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

July 1-August 31			
Source	1953	1952	Percent change
TEXAS	\$282,267,555	\$269,420,034	+ 5
Income	64,944,621	66,668,380	- 3
Employment	2,401,130	2,362,092	+ 2
Withholding	186,922,113	171,408,696	+ 9
Other	27,999,691	28,980,866	- 3
FIRST DISTRICT	141,141,839	145,577,501	- 3
Income	26,460,421	37,731,078	- 30
Employment	105,679	123,524	- 14
Withholding	99,866,015	91,381,565	+ 9
Other	14,709,724	16,341,334	- 10
SECOND DISTRICT	141,125,716	123,842,533	+ 14
Income	38,484,200	28,937,302	+ 33
Employment	2,295,451	2,238,568	+ 3
Withholding	86,056,098	80,027,131	+ 9
Other	13,289,967	12,639,532	+ 5

Federal Reserve banks down 3% (from \$556 million to \$537 million), and cash in vaults down 12% (from \$51 million to \$45 million). Balances with domestic banks increased sharply from \$382 million to \$450 million, a gain of 18%.

General stability of deposits. The total of deposits other than interbank on September 1 was practically unchanged from the comparable total a month earlier and was 6% greater than the 1952 figure. During the 31-day period a slight drop in demand deposits (\$2,486 million to \$2,477 million) occurred, largely as a result of changes in the accounts of individuals, partnerships, and corporations. This decrease was offset by minor gains in time deposits, up 1% (from \$567 million to \$573 million) and U.S. Government deposits, up 2% (from \$122 million to \$124 million). Interbank demand deposits increased 8% (from \$698 million to \$766 million) during the month.

High level of state revenue collections. At the end of the 1952-53 state fiscal year, August 31, Texas revenue collections were 8% greater than the total for 1951-52. According to the State Comptroller of Public Accounts, almost \$736 million was collected during the year just ended, as compared with \$683 million for the year before. Gains were recorded for nearly all categories of receipts, but most significant dollarwise were mineral leases, rentals, and bonuses (up \$6.4 million); sale of commodities (up \$5.5 million); net motor fuel tax (up \$5 million); occupation taxes (up \$3.5 million); natural and casinghead gas (up \$3.3 million); motor vehicle licenses, permits, and fees (up \$3.2 million); and oil and gas royalties (up \$3 million).

BUSINESS FAILURES

Source: Dun & Bradstreet, Inc.

	Percent change					
	Aug 1953		July 1953		Aug 1952	
	1953	1953	1952	Aug 1953 from Aug 1952	Aug 1953 from July 1953	Aug 1952 from July 1953
Number	17	17	12	+ 42	0	
Liabilities (thous of dols)	1,369	1,121	786	+ 74	+ 22	
Average liabilities per failure (thous of dols)	81	66	66	+ 23	+ 23	

REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

September 1-August 30			
Source	1952-53	1951-52	Percent change
TOTAL	\$735,997,680	\$682,835,693	+ 8
AD VALOREM TAX	26,296,186	24,256,967	+ 8
INHERITANCE TAX	6,394,389	6,131,308	+ 4
POLL TAX	1,559,849	2,651,899	- 41
GROSS RECEIPTS—UTILITIES AND TELEPHONE	8,241,891	7,261,288	+ 14
GROSS PRODUCTION			
Natural and casinghead gas	21,390,993	18,018,955	+ 19
Gas gathering tax	1,344,188	4,179,651	- 68
Crude oil	125,412,641	119,667,153	+ 5
Other	10,721,331	11,030,716	- 3
LICENSES AND FEES			
Occupation tax	19,774,516	16,260,352	+ 22
Net motor fuel tax	109,373,381	104,854,775	+ 4
Cigarette tax and licenses	35,857,005	35,284,873	+ 2
Alcoholic beverage tax and licenses	18,929,365	18,480,815	+ 2
Sales taxes	19,845,333	18,394,764	+ 8
Other licenses and fees	17,566,311	16,982,852	+ 3
FRANCHISE TAXES	14,119,944	14,029,074	+ 1
UNCLASSIFIED RECEIPTS			
Mineral leases, rentals, and bonuses	29,192,732	22,801,526	+ 28
Oil and gas royalties	20,843,729	17,834,342	+ 17
Interest on securities owned	13,783,424	11,898,217	+ 16
Motor vehicle licenses, permits, and fees	39,200,087	36,064,861	+ 9
Sale of commodities	9,944,812	4,478,706	+122
Other	10,658,442	15,553,888	- 31
FEDERAL AID			
Highways	32,118,870	31,215,775	+ 3
Public health	10,050,380	9,615,455	+ 5
Public welfare	100,944,328	73,628,518	+ 37
Public education	8,576,028	18,336,241	- 53
Other	2,501,422	1,421,994	+ 76
DONATIONS	56,846	76,792	- 26
UNEMPLOYMENT COMPENSATION TAXES	20,794,247	22,423,936	- 7

Likewise, federal government collections in Texas are running ahead of the 1952 levels. At the end of the first two months of the federal fiscal year, which began July 1, collections in the state were 5% greater than for the same period a year before (\$282 million as compared with \$269 million). Practically all of the increase was in withholding collections, up 9% (from \$171 million to \$187 million).

RAYMOND V. LESIKAR

Bureau of Business Research Publications

**Economic Statistics of Texas:
1900-1952**

Business Leaflet No. 6

Alfred G. Dale and Frank T. Cadena,

Research Associates in the Bureau of Business Research have collaborated in the collection of statistical data outlining the development of mineral and agricultural production, industry, commerce, and other phases of Texas business for the first half of the century. Price, twenty-five cents.

RETAIL TRADE

Business leveling off? The slight decline (—1%) in sales of nondurable goods this August should be viewed against the 9% increase that last August showed over August 1951. Likewise, the 11% increase over August 1952, in sales of durable or hard goods brought only partial recovery from the decrease of 16% in August 1952, from August 1951.

ESTIMATES OF TOTAL RETAIL SALES

Type of store	Sales (mils of dols)		Percent change		
	Aug 1953	Jan-Aug 1953	Aug 1953 from Aug 1952	Aug 1953 from July 1953	Jan-Aug 1953 from Jan-Aug 1952
	TOTAL	644.1	5,386.7	+ 4	— 3	+ 7
Durable goods	284.1	2,392.3	+ 11	— 4	+ 9
Nondurable goods	360.0	2,944.4	— 1	— 1	+ 6

Early in August, clearance sales and early fall promotions brought good response in many areas, especially for summer apparel in the Southwest. But in later August and early September, consumer buying fell off substantially in most parts of the country under the impact of unseasonably hot weather. The late Labor Day was credited with some of the delay in back-to-school preparatory buying. Despite high income and large savings, most consumers have been buying more cautiously in relation to actual and immediate needs, with less tendency to anticipate wants. Quality and value continue to receive strong emphasis.

Retail Sales in Texas

Index • Adjusted for seasonal variation • 1935-1939 • 100



Commitments shorter. Buying by retailers in the wholesale markets was up substantially from a year earlier. Yet, apprehension about large inventories was becoming apparent by mid-August. With orders heavier than a year earlier, retail buyers were nevertheless more selective and their commitments were generally for shorter periods, especially in durable-goods lines. They were complacent or apathetic in the face of threatened shortages or delayed deliveries of popular, fast-moving apparel items. Many department stores reduced their orders more than normally for the season. Demand strengthened in food lines and for furniture and household goods. But there was scant activity in most types of appliances.

Retailing prospects good. The prosperous middle-income group that now dominates the American market has continued to enjoy record employment and peak prosperity during recent months. Consumers' disposable income (after taxes) topped the 1952 level by 6 or 7%, even though farm incomes were reduced about 10%. For months, customers' discretionary buying power has been at a high level. But since the earlier months of 1953, food prices have risen seasonally and other elements of the cost of living—housing, transportation, personal services and medical care—have continued to advance over last year, thus offsetting the increases in income. Consumers have continued to save larger than "normal" percentages of their incomes, 7% in the second quarter of 1953 in comparison with 8% in the third quarter of 1952 and a prewar "normal" of 4 or 5%. They have also continued to pledge future earnings under instalment contracts. The huge increase in instalment debt in July, however, was only 84% as large as a year earlier, and volume this July originated largely in sales of automobiles. Other types of instalment contract were reduced about \$200 million across the nation. New instalment obligations built up their smallest monthly increase since February. Reluctance of banks to loan funds helped to slow the pace.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

Classification	Number of reporting stores	Credit ratios*		Collection ratios†	
		Aug 1953	Aug 1952	Aug 1953	Aug 1952
ALL STORES	70	63.1	65.1	35.1	39.0
BY CITIES					
Austin	4	61.9	57.5	42.5	52.7
Cleburne	3	38.1	39.0	38.0	40.4
Dallas	8	69.2	77.0	36.8	42.0
El Paso	3	56.3	57.2	27.9	33.6
Fort Worth	5	63.0	62.5	36.7	39.7
Galveston	5	54.0	53.9	45.1	46.9
Houston	6	61.2	60.3	28.5	32.0
San Antonio	6	61.4	63.3	42.6	42.0
Waco	5	60.0	59.3	49.9	50.9
Others	25	58.3	65.1	40.5	44.0
BY TYPE OF STORE					
Department stores (over \$1 million)	22	64.1	67.1	33.8	37.8
Department stores (under \$1 million)	18	42.8	40.6	41.4	44.2
Dry goods and apparel stores	6	70.1	69.0	52.7	51.7
Women's specialty shops	16	59.0	58.0	40.2	43.6
Men's clothing stores	18	64.4	59.5	51.2	54.6
BY VOLUME OF NET SALES (1952)					
Over \$3,000,000	21	64.5	67.2	34.0	38.0
\$1,500,000 to \$3,000,000	7	58.7	57.8	50.8	49.4
\$500,000 to \$1,500,000	18	55.3	50.9	44.1	47.6
\$250,000 to \$500,000	10	36.5	33.2	42.0	44.8
Less than \$250,000	14	43.1	41.7	42.9	46.2

*Credit sales as a percent of net sales.

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

Yet, record sales are expected for the remainder of 1953. Unit sales remain high, but weakening prices undermine volume; thus the average sale is down. Consumer incomes will probably taper off gradually and irregularly in 1954.

But even after the shrinkage expected by the forecasters, retailers should still be able to make 1954 one of the three or four best years in mercantile history.

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		
		Aug 1953 from Aug 1952	Aug 1953 from July 1953	Jan-Aug 1953 from Jan-Aug 1952
KIND OF BUSINESS				
DURABLE GOODS				
Automotive stores	250	+ 27	- 6	+ 19
Furniture and household-appliance stores	137	- 13	+ 1	- 1
Jewelry stores	30	- 1	+ 15	- 2
Lumber, building material, and hardware stores	280	- 13	- 2	- 8
NONDURABLE GOODS				
Apparel stores	212	+ 3	+ 14	+ 3
Drug stores	185	+ 1	+ 2	+ 2
Eating and drinking places	101	- 6	- 2	- 2
Filling stations	1,001	+ 4	- 3	+ 4
Florists	36	- 10	- 1	- 1
Food stores	184	- 4	- 7	+ 4
General merchandise stores	159	+ 1	+ 8	x
Liquor stores	6	- 6	- 14	+ 10
Office, store, and school supply dealers	36	- 5	- 7	+ 1
CITY-SIZE CLASS (1950)				
Over 250,000	1,320	+ 3	+ 3	+ 5
100,000 to 250,000	214	+ 5	+ 5	+ 9
50,000 to 100,000	210	+ 1	- 2	+ 6
2,500 to 50,000	864	+ 9	x	+ 5
Under 2,500	120	+ 3	+ 5	- 8

xChange is less than one half of one percent.

Texas retailing in August. Reporting by cities, 294 Texas department and apparel stores averaged a nominal increase of 1% over last August and the same for the January-August eight-months comparison but topped July by 10%. Among the 35 cities included, 29 bettered July, 14 topped last August, and 15 were ahead in comparing January-August with those months of last year. In the August-to-August comparison, the leaders were Brownwood (+24%), Abilene (+12%), Marshall, Sherman and Sweetwater (each +8%), Houston and Wichita Falls (each +7%). Best showings for the eight months were in Brownwood, Houston, and Marshall (each +8%) and Sherman (+7%).

Of 41 cities reporting enough retailers of various types to be listed individually, 21 bettered July, 19 topped August 1952, and 24 were ahead of January-August 1952. Best showings in the August-to-August comparison were at Paris (+43%), Denison (+24%), Denton (+22%), Pittsburg (+19%), Sherman and Texarkana (each +18%), Tyler (+16%), and Gainesville (+11%). Comparing the January-August periods, leading increases were at Pittsburg (+25%), Tyler (+16%), Paris (+15%), Denison (+14%), Austin (+13%), Denton (+12%), Beaumont and Port Arthur (each +10%).

Advertising lineage in 28 Texas newspapers as a group fell 3% from July and from August 1952, with 14 papers topping last year.

Seventy-one of 120 Texas cities bettered their postal receipts of August 1952, with an average increase of 3%.

Sales of gasoline subject to tax totaled 261,814,000 gallons in July, 7% below June and 2% under July 1952. Gasoline sold to the federal government amounted to 118,448,000 gallons, 8% over June and 105% higher than in July 1952.

A. HAMILTON CHUTE

POSTAL RECEIPTS

City	Aug 1953	July 1953	Aug 1952	Percent change	
				Aug 1953 from Aug 1952	Aug 1953 from July 1953
TOTAL*	\$5,186,746	\$5,434,092	\$5,043,150	+ 3	- 5
Alice	8,393	11,355	8,512	- 1	- 26
Bastrop	1,431	2,087	1,815	- 21	- 32
Bay City	6,952	8,611	6,955	x	- 19
Belton	4,886	4,086	4,291	+ 14	+ 20
Borger	11,347	14,576	10,837	+ 5	- 22
Brownfield	4,929	6,273	4,804	+ 3	- 21
Cameron	3,638	3,779	4,392	- 17	- 4
Childress	3,755	5,212	4,391	- 14	- 28
Cisco	2,310	4,167	3,171	- 27	- 45
Cleburne	9,267	9,243	9,559	- 3	x
Coleman	5,027	5,235	4,072	+ 23	- 4
Crystal City	2,561	2,534	2,271	+ 13	+ 1
Cuero	4,061	4,106	4,075	x	- 1
El Campo	7,543	7,556	6,605	+ 14	x
Gainesville	8,631	9,886	7,747	+ 11	- 13
Gatesville	2,883	3,483	2,319	+ 24	- 17
Giddings	2,576	2,540	2,539	+ 1	+ 1
Gilmer	3,333	4,372	3,107	+ 7	- 24
Graham	4,684	4,235	4,395	+ 7	+ 11
Granbury	1,370	1,742	1,259	+ 9	- 25
Grand Prairie	10,914	10,670	7,484	+ 46	+ 2
Hillsboro	4,447	4,823	4,486	- 1	- 8
Huntsville	6,641	7,295	5,490	+ 21	- 9
Jacksonville	10,824	10,189	7,625	+ 42	+ 6
Kenedy	2,960	3,477	3,124	- 5	- 15
Kerrville	7,362	8,723	6,797	+ 8	- 16
Kingsville	8,215	10,048	7,258	+ 13	- 18
La Grange	3,109	3,128	3,532	- 12	- 1
Littlefield	3,822	5,024	4,143	- 8	- 24
Llano	1,518	2,319	1,750	- 13	- 35
Luling	2,531	3,306	2,466	+ 3	- 23
McCamey	2,246	3,333	2,590	- 13	- 33
Mercedes	4,760	4,175	3,874	+ 23	+ 14
Mission	4,836	5,820	4,554	+ 6	- 17
Monahans	4,605	5,600	5,330	- 14	- 18
Navasota	4,120	3,961	3,520	+ 17	+ 4
Pampa	12,144	15,770	12,835	- 5	- 23
Pasadena	12,665	13,314	10,776	+ 18	- 5
Pecos	6,382	7,873	7,253	- 12	- 19
Pharr	3,226	3,830	3,555	- 9	- 16
Pittsburg	2,586	2,397	2,123	+ 22	+ 8
Raymondville	3,600	4,825	4,552	- 21	- 25
Sulphur Springs	5,903	5,816	4,618	+ 28	+ 2
Taylor	6,557	7,411	5,676	+ 16	- 12
Terrell	4,769	5,502	4,326	+ 10	- 13
Uvalde	5,024	5,612	5,824	- 14	- 10
Vernon	7,644	9,749	7,994	- 4	- 22
Victoria	17,985	21,530	17,209	+ 5	- 16
Weatherford	6,896	6,489	6,591	+ 5	+ 6
Yoakum	10,340	9,085	10,206	+ 1	+ 14

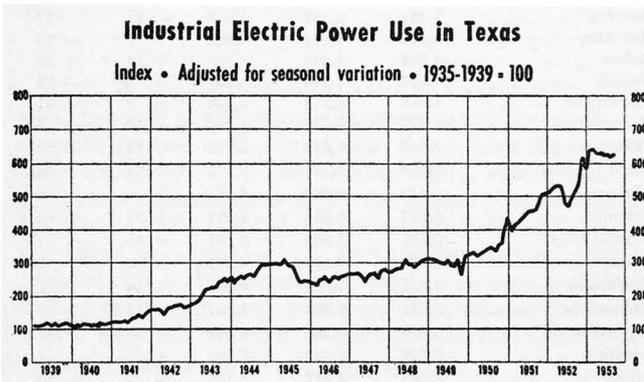
*The total includes receipts for cities which are listed individually under "Local Business Conditions."

xChange is less than one half of one percent.

INDUSTRIAL PRODUCTION

How deep the downturn? After months of anxiety over the possible industrial repercussions of Korean truce, the truce came as an anticlimax. While there was no shouting in the streets, neither was there mourning in the production offices.

Texas industrial activity, gauged with considerable accuracy by industrial consumption of electricity, seemed to have revived from the midsummer vacation lull. In August, the seasonally adjusted index of industrial power use rose once more to reach a level 6.21 times the 1935-39 average, lower than the record 648% registered for January, but up slightly from the July low of 618%. This series, together with some other industrial barometers, suggests that war material production may have been exaggerated as a depressant of the national economic situation.



Defense output accounts for only 14% of the gross national product, and even that sector has not been cut back as heavily as some forecasters predicted. Durable-goods industries scored the greatest gains in the second quarter of this year compared with that part of 1952. Electrical goods, aircraft, and steel have registered higher profits in 1953 than they did last year, partly because of rising prices but largely because of the lower rate of consumer savings, down from 8.2% in the third quarter of 1952 to 6.9% in the second quarter of this year.

Production of goods in Texas is dominated by industries generally so far removed from the ultimate consumer market (except in the case of gasoline and certain petroleum products) that the movements of Texas industry are not necessarily synchronous with trends in national output with its strong emphasis on automobiles and other consumer durables. Moreover, some of the fields of industry that are concentrated in Texas still show expansive inclinations. Oil-field machinery, for example, is still on the upgrade, and producers of such equipment look for a 5% rise in the current quarter followed by a gentle decline that may bring their business back to its present level by midyear 1954.

Comprehensive figures on plant and equipment expansion in Texas alone are not available, but it is clear that there has been a slowing-down of such activity. In this sector of business, it may be expected that Texas will be rather closely geared to the nation as a whole, at least in direction. Economic analysts of the national scene foresee a cutback of 6% to as much as 12% in capital

ELECTRIC POWER CONSUMPTION

Use	Consumption (thous of kw-hrs)			Percent change	
	Aug 1953	July 1953	Aug 1952	Aug 1953 from Aug 1952	Aug 1953 from July 1953
TOTAL	1,541,487	1,534,742	1,346,906	+ 14	x
Commercial	279,602	300,547	272,352	+ 3	- 7
Industrial	652,852	627,327	538,609	+ 21	+ 4
Residential	294,218	287,325	238,638	+ 23	+ 2
Other	314,815	319,543	297,284	+ 6	- 1

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

xChange is less than one half of one percent.

outlays by mid-1954. Industrial production is conservatively expected to decline at least that much during the same period.

Military expansion in Texas. Government contracts have supported much of the industrial activity in the state, not only through defense materiel contracts, but also through expenditures for military bases and facilities. Spending for these projects during the coming year is expected to exceed \$100 million. Some \$20 million has already been earmarked by the Department of Defense for a classified project of undisclosed nature. Other foci of military expansion include Tye Air Force Base at Abilene, a new jet bomber operations center where \$18.6 million is being spent this year; Fort Bliss at El Paso, where the Army has begun large-scale expansion; Lackland AFB and Kelly Field at San Antonio, Carswell AFB at Fort Worth, and Moore Field at Mission, at each of which more than \$5 million of new construction is under way. Twenty-six other Air Force and Navy aviation bases in Texas are also listed for major improvements.

In addition to these direct military expenditures, contracts for planes, gasoline and jet fuel, and other supplies and equipment have become a mainstay of Texas industry. Texas led all other states in certificates of necessity for industrial construction issued in the three years ending June 30. These accelerated tax write-off permits issued in Texas represent nearly \$2 billion in new industrial facilities.

Blending stock for high-octane gasoline will be the major product of a 16,000-barrel-capacity platforming unit to be built by Phillips Petroleum Company at its Sweeny refinery. The plant's present capacity, about 75,000 barrels of crude daily, has been greatly expanded

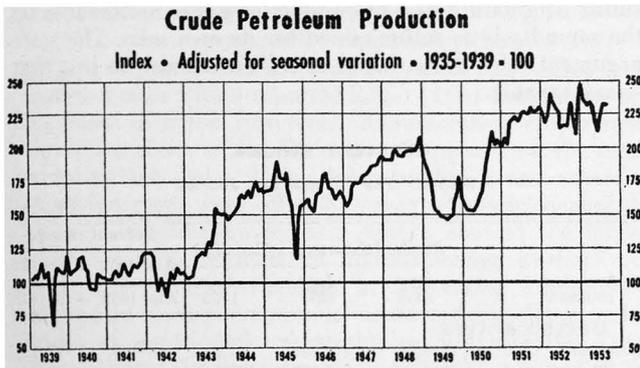
Bureau of Business Research Publications

Notes on the Industrialization of Texas Series I

Twenty articles originally printed in the Texas Business Review are now available in this anthology of Texas industrial news covering the years since 1951. The collection includes information on tourism and transportation in Texas, the metals and chemical industries of the state, population trends, and general reviews of industrialization. The price is fifty cents.

during a six-year expansion program. Products already include automobile and aviation gasoline, jet fuel, heavier fuel oils, and liquified petroleum gases. The *platforming* unit, a development of Universal Oil Products Company, is so-called because the installation changes the *form* of hydrocarbon molecules through the use of *platinum* catalysis.

unit, scheduled to go into operation by the fall of 1954. Houston Oxygen Company has announced that by "a simple matter of squeezing and filtering the air," it will produce argon gas at its new \$1-million plant. The gas produced is an inert, colorless, tasteless, odorless but far from valueless product. It is used in welding easily oxidized metals and in filling special-purpose light globes.



Stirring bread dough in one-ton batches will be a standard operation at the nation's largest bread bakery, soon to be opened in Dallas by Mrs. Baird's Bakeries, Inc. A 140,000-square-foot symbol of confidence in the Dallas area consumer market, the plant has facilities adequate to supply 1,340,000 persons with their daily bread, although the plant is not expected to run at more than 70% of capacity for the present. The completely air-conditioned, automatic plant will be the newest of five operated by the Baird company, largest independent U.S. bread maker.

Industrial expansion footnotes:

A \$20-million electric power station will be built on the Houston Ship Channel by Houston Lighting and Power Company. Current will flow from the new plant, projected for 1956 completion, to industries throughout the Houston-Baytown area.

Pan American Refining Corporation will boost its Texas City refining capacity from 114,000 barrels a day to 135,000 upon completion of a new catalytic reforming

WELL COMPLETIONS
Source: *The Oil and Gas Journal*

Region	August 1953*				January-August	
	Oil	Gas	Dry	Total	1953	1952
TEXAS	921	107	653	1,681	10,483	10,707
North Central	395	6	300	701	3,875	3,377
West	230	6	85	321	2,350	3,347
Panhandle	32	30	7	69	477	403
Eastern	19	12	39	70	497	570
Gulf Coast	120	33	108	261	1,591	1,560
Southwest	125	20	114	259	1,693	1,450

*For five weeks ending August 29, 1953.

Alleged oversupply of crude and possibility of a general business slackening brought a significant cut in allowable production of Texas oil in October, although the month ordinarily registers a seasonal fall increase. The 2.9% cut for the month was also variously attributed to high purchases of foreign and out-of-state crude and to the threatened glut in petroleum products inventories.

In both Texas and the entire nation, August gasoline stocks at refineries were up 22% from a year earlier. While the national supply of distillate was up only 14% from August to August, the Texas increase was 33%. By August 22, however, the American Petroleum Institute announced, national refiners' stocks of gasoline were down some 1.3 million barrels from the first of the month. Meanwhile oil men looked hopefully for cool weather in northern states, the prime stimulus to sales of domestic heating oil, commonly sold at a summer discount until September 30.

PETROLEUM AND GAS ACTIVITY
Source: State Comptroller of Public Accounts and Oil and Gas Division, Railroad Commission of Texas

Product	Aug 1953	July 1953	Aug 1952	Percent change	
				Aug 1953 from Aug 1952	Aug 1953 from July 1953
CARBON BLACK PRODUCED (value in thous of dols) ..	2,334	3,142	3,625	- 36	- 26
CRUDE OIL Value (thous of dols) ...	245,609	236,036	204,860	+ 20	+ 4
Production (thous of bbls)	86,534	87,371	79,436	+ 9	- 1
Runs to stills (thous of bbls)	62,867	59,453	61,819	+ 2	+ 6
NATURAL AND CASINGHEAD GAS PRODUCED (Value in thous of dols) ..	33,084	29,403	27,037	+ 22	+ 13

Bureau of Business Research Publications

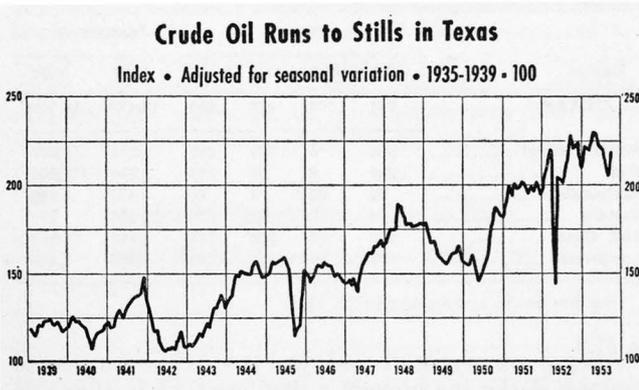
Industrial Expansion in Texas
3rd Quarter 1953

Stanley A. Arbingast, Assistant Director and Alice Locklin, Library Assistant.

This supplement to the Directory of Texas Manufacturers lists new industrial plants and expansions of existing plants announced during July-September 1953, together with data on their cost, number of employees, and products. Single copies of this release are available without charge, and readers are invited to add their names to the mailing list for future copies.

At present, 48% of every barrel of crude oil processed east of the Rockies flows from the refinery as gasoline, an appreciably higher yield than that averaged as recently as last year. In spite of heavier demand for gasoline, the combination of larger crude runs to stills and higher gasoline yield per barrel refined has resulted in abnormally high stock levels. In the market such a situation may lead to a drop of as much as one-half cent a gallon at the refinery. Already, scattered brokers are selling to gasoline wholesalers at as much as one-half cent below the market price.

cant value, but also the usefulness of the gas is greatly enhanced by the removal of the acid-forming sulfide. Similar processes are used for removing sulfur from refinery gases, pyrites, and smelter gases. With sour-gas treating well established and rising as a large-scale mode of sulfur production, several firms now extracting sulfur from gas are debating the legality of the \$1.40 state tax levied on every ton of sulfur produced. The companies contend that sulfur originating as a by-product of gas is not taxable on the same basis as sulfur mined for its own sake. The state argument: If it is marketed as sulfur, it must be just that—and taxable.



In an attempt to forestall further oversupply and price cuts, refiners throughout the nation pinched their output to an average 90.7% of capacity in the third week of September, as compared with 93.6% for the preceding week.

Sulfur output approaches record. Current projections indicate that 1953 will probably close as the all-time top year in Texas sulfur production. A slight drop is expected in total output from the salt domes of the Gulf Coast. Last year they were the source of about 5,290,000 tons; this year's total may reach no higher than 5,250,000 tons. But with development of four new domes scheduled to begin in 1955, a stable supply of native sulfur will undoubtedly continue to flow from the Frasch wells for years to come. Yet, the increased costs of exploration and development of salt domes has turned much of the emphasis to another major source of elemental sulfur—natural gas.

MANUFACTURE OF DAIRY PRODUCTS					
Product	Aug 1953	July 1953	Aug 1952	Percent change	
				Aug 1953 from Aug 1952	Aug 1953 from July 1953
TOTAL PRODUCTION IN MILK EQUIVALENT					
(thous of lbs)	46,194	54,058	44,286	+ 4	- 15
Creamery butter (thous of lbs)	620	664	530	+ 17	- 7
Ice cream (thous of gals)	1,642	2,241	2,280	- 28	- 27
American cheese (thous of lbs)	421	470	290	+ 45	- 10
All others (thous of lbs)	4,895	4,615	1,786	+174	+ 6

Milk equivalent of dairy products is calculated from production data.

Much of the vast Texas supply of natural gas contains hydrogen sulfide, from which sulfur is readily recoverable. Not only does the sulfur extracted from the gas have signifi-

REFINERY STOCKS

Source: *The Oil and Gas Journal*

Area and product	Stocks (thousands of barrels)			Percent change	
	Aug 1953	July 1953	Aug 1952	Aug 1953 from Aug 1952	Aug 1953 from July 1953
UNITED STATES					
Gasoline	143,287	143,423	117,240	+ 22	x
Distillate	116,568	102,651	101,948	+ 14	+ 14
Residual	50,912	49,547	52,296	- 3	+ 3
Kerosene	34,725	30,732	32,080	+ 8	+ 13
TEXAS					
Gasoline	24,540	25,058	20,159	+ 22	- 2
Distillate	16,610	15,879	12,479	+ 33	+ 5
Residual	8,599	8,837	9,041	- 5	- 3
Kerosene	4,388	4,250	4,592	- 4	+ 3

Figures shown for week ending nearest last day of the month. xChange is less than one half of one percent.

At the end of September, Phillips Chemical Company brought suit against the state in an attempt to recover tax payments already made on sour-gas sulfur. With output of sulfur from gas due to be quadrupled this year, the ruling of the court will receive widespread attention in both the oil and the sulfur industry.

ROBERT H. RYAN

Bureau of Business Research Publications

**Water Requirements Survey
Red River Basin, Texas**

by

John R. Stockton, Stanley A. Arbingast and W. Bion Moore.

A study of the regional economy of 25 counties in North Texas. Particular emphasis is given to the industrial development potential of the area and its prospect of being realized. A major key to resource utilization and population growth is the supply of water available in the area; this study projects the future development of the Red River Basin provided ample water is to be had there. A total of 49 tables and 11 charts and maps are included in this 180-page publication. The price is two dollars.

LABOR

Labor picture quiet. Stability was the keynote of Texas employment and labor supply during August. Reports received from a majority of the 17 key labor-markets were variations on a familiar theme—steady employment and labor supply. Texarkana and the Galveston-Texas City area were the only markets reporting significant August employment decreases, with 1,150 (-3%) and 610 (-4%) fewer employed, respectively, than in July. A single area, the Dallas labor market, more than offset those two decreases with a reported 2,050 (1%) increase in employment over the July total. Manufacturing employment continued static with only minor changes from the totals reported for July. Those labor-market areas reporting small increases were offset by areas with employment decreases. Percentagewise, San Angelo showed the largest change, a 6% increase in manufacturing workers primarily in food processing, as harvesting commenced. Statewide unemployment, as measured by the monthly count of out-of-work registrants on file with the Texas Employment Commission, totaled 72,820, a bare 2% increase (1,720 workers) over the July total. This overall unemployment increase apparently did not augur a trend, for it appeared to be due primarily to seasonal layoffs, which are normally to be expected at this time of the year.

Statewide labor forecast cheerful. The Texas Employment Commission in its monthly analysis of the labor situation predicts a rising pattern through the end of October for employment in agriculture and retail and service trade. Retail trade, along with associated service trades, will require additional personnel as schools reopen for the fall sessions. Already several thousand service workers have resumed their jobs. The TEC, which gives much weight to projected contract construction activity in forecasting the economic future, sees a continued increment of construction workers to the employment total as present planned projects move into the actual building stage.

U.S. hits employment peak. The U.S. Department of Commerce reports that employment for the country as a whole reached a total of 63,408,000 workers in August to mark an all-time high. At the same time, unemployment was down to a post-war low of 1,240,000, a level which Department of Commerce officials estimate to be close to the theoretical minimum. Employment in factories, stores, and other businesses climbed to 56,134,000; farm workers numbered 7,274,000, a decrease of 650,000 from the June peak reached by this group.

Strikes abate. A 64-day-old strike of AF of L iron-workers in Houston ended September 16 with agreement on wage increases to total 28¾ cents an hour. Meanwhile, that city observed the tenth week of a strike of AF of L operating engineers with no settlement yet in sight. Striking CIO communications workers ended their walkout against the Southwestern Bell Telephone Company and returned to their jobs on August 31. A two-month-old strike of operating engineers in San Antonio appeared close to settlement as both sides made conciliatory gestures.

HARVEY B. SMITH

ESTIMATES OF NONAGRICULTURAL EMPLOYMENT

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

Industry	Employment (thousands)			Percent change	
	Aug 1953*	July 1953	Aug 1952	Aug 1953 from Aug 1952	Aug 1953 from July 1953
TOTAL	2,269.6	2,275.3	2,243.8	+ 1	x
TOTAL MANUFACTURING	438.1	438.6	429.0	+ 2	x
Durable goods	208.5	209.6	204.1	+ 2	- 1
Ordnance	11.5	12.1	11.6	- 1	- 5
Lumber and wood products	27.4	27.5	29.3	- 6	x
Furniture and fixtures	11.1	11.0	10.4	+ 7	+ 1
Stone, clay, and glass	15.9	16.0	15.4	+ 3	- 1
Primary metals	23.4	23.0	19.6	+ 19	+ 2
Fabricated metal products	17.7	17.5	16.4	+ 8	+ 1
Machinery—except electrical	36.7	36.9	35.8	+ 3	- 1
Electrical equipment	4.2	4.1	3.2	+ 31	+ 2
Transportation equipment	54.4	55.3	56.4	- 4	- 2
Other durable goods	6.2	6.2	6.0	+ 3	0
Nondurable goods	229.6	229.0	224.9	+ 2	x
Food	60.7	61.3	61.0	x	- 1
Textile mill products	9.7	9.4	9.2	+ 5	+ 3
Apparel	33.1	32.7	31.3	+ 6	+ 1
Paper and allied products	7.1	6.9	6.6	+ 8	+ 3
Printing and publishing	24.8	24.8	24.3	+ 2	0
Chemicals and allied products	39.8	39.3	39.0	+ 2	+ 1
Petroleum products	49.6	49.7	48.8	+ 2	x
Leather and leather products	2.4	2.5	2.6	- 8	- 4
Other nondurable goods	2.4	2.4	2.1	+ 14	0
TOTAL NONMANUFACTURING	1,831.5	1,836.7	1,814.8	+ 1	x
Mining	132.0	130.8	127.4	+ 4	+ 1
Petroleum and natural gas	124.9	123.7	120.8	+ 3	+ 1
Metal, coal, and other mining	7.1	7.1	6.6	+ 8	0
Contract construction	161.2	166.6	181.6	- 11	- 3
Transportation and utilities	235.1	235.5	235.1	0	x
Interstate railroads	66.3	66.9	66.1	x	- 1
Other transportation	95.4	95.2	96.4	- 1	x
Telephone and telegraph	37.1	37.3	37.7	- 2	- 1
Public utilities	36.3	36.1	34.9	+ 4	- 1
Government	319.5	320.7	320.6	x	x
Trade	606.2	606.0	587.8	+ 3	x
Wholesale trade	148.5	149.7	150.5	- 1	- 1
Retail trade	457.7	456.3	437.3	+ 5	x
General merchandise	78.8	77.7	76.7	+ 3	+ 1
Food and liquor stores	77.4	77.3	72.4	+ 7	x
Automotive	53.2	53.0	51.2	+ 4	x
Apparel	26.7	26.5	26.9	- 1	- 1
Other retail trade	221.6	221.8	210.1	+ 6	x
Finance, insurance and real estate	97.5	97.3	91.8	+ 6	x
Banks and trust companies	24.9	25.0	22.4	+ 11	x
Insurance	38.6	38.6	37.2	+ 4	0
Real estate and finance	34.0	33.7	32.2	+ 6	+ 1
Service and miscellaneous	230.0	279.8	270.5	+ 4	x
Hotels and lodging places	25.8	25.4	25.2	+ 2	+ 2
Laundries and cleaners	29.8	30.5	30.2	- 1	- 2
Other business services	224.4	223.9	215.1	+ 4	x

xChange is less than one half of one percent.

*Preliminary.

AGRICULTURE

Rains brighten agricultural outlook. The early fall condition of Texas agriculture contrasts mildly with the gloomy outlook that prevailed over much of the state a few weeks earlier. Credit for the general improvement must be given to long-overdue rains that covered most of the state in late August and the first days of September. But drouthy conditions are once again returning to portions of Texas, particularly to northwestern and western regions where the drouth toll was already most severe. Even in South Texas where recent rains fell with torrential force, surface moisture is again becoming scant. Moisture sufficient for planting and for sustaining plant growth is to be found only in parts of East Texas and along the Gulf coast.

Increase in cotton estimate. Cotton prospects brightened as the harvest season progressed. The U. S. Department of Agriculture September estimate of the 1953 Texas harvest was 3,850,000 bales, a full 325,000 bales over the August figure. Last year's total approached 3,750,000 bales, and the 10-year average (1942-51) stands at 3,020,000 bales. Most of the current production gain results from an increase in average yield, 306 pounds per acre for this year as compared with 283 pounds last year and the 10-year average of 271 pounds.

Slight improvement in ranges. Following the late-summer rains, range conditions began to improve over the state. But in the drying northwestern and southern counties grass growth has slowed to a near standstill. Northwestern wheat fields, already up to a good stand in several areas, present fair prospects for winter grazing. In general, the range condition has improved to the extent that 104 of the 152 counties previously designated as drouth disaster areas

FARM CASH INCOME

Commodity	January-August		
	Value (thousands of dollars)		Percent change
	1953	1952	
TEXAS	904,105	1,116,708	- 19
Cotton	194,375	260,495	- 25
Cottonseed	19,229	27,925	- 31
Wheat	36,389	54,080	- 33
Oats	8,968	6,091	+ 47
Corn	7,683	10,235	- 25
Grain sorghum	21,356	38,194	- 44
Flaxseed	3,911	3,155	+ 24
Peanuts	1,314	1,936	- 32
Rice	19	5,048	- 99
Cattle	169,230	245,543	- 31
Calves	61,115	74,383	- 18
Hogs	50,666	55,087	- 8
Sheep and lambs	16,847	13,628	+ 24
Wool	17,376	22,285	- 22
Mohair	5,539	8,701	- 36
Poultry	42,013	41,700	+ 1
Eggs	56,737	48,300	+ 17
Milk and milk products	136,536	146,076	- 7
Fruit and vegetables	54,802	53,756	+ 2

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

CARLOAD SHIPMENTS OF LIVESTOCK*

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

Classification	Percent change				
	Aug 1953	July 1953	Aug 1952	Aug 1953 from Aug 1952	Aug 1953 from July 1953
	TOTAL SHIPMENTS	2,227	3,705	5,404	- 59	- 40
Cattle	1,360	2,850	3,201	- 58	- 52
Calves	523	449	780	- 33	+ 16
Hogs	10	3	134	- 93	+233
Sheep	334	403	1,289	- 74	- 17
INTERSTATE	1,792	3,475	5,093	- 65	- 48
Cattle	1,098	2,667	3,083	- 64	- 59
Calves	422	422	757	- 44	0
Hogs	0	0	52	-100	0
Sheep	272	386	1,201	- 77	- 30
INTRASTATE	435	230	311	+ 6	+ 89
Cattle	262	183	118	+122	+ 43
Calves	101	27	23	+339	+274
Hogs	10	3	82	- 87	+233
Sheep	62	17	88	- 30	+265

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

have been removed from the list of those eligible for government relief. Encouraged by the prospects of better grazing in the months ahead, stockmen appear to be holding on to their herds and waiting to see what the future holds.

Revival of Valley vegetable prospects. Fears that the Texas fall and winter vegetable crops would fail were allayed by heavy downpours of rain that soaked the Rio Grande Valley and built up supplies of vital irrigation water. Now that moisture has been received, seed beds have made good growth, and planted acreage is expected to come

CARLOAD SHIPMENTS OF FRUIT AND VEGETABLES

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

Item	January-August		
	1953	1952	Percent change
TOTAL	31,014	30,904	x
FRUIT	5,161	4,361	+ 18
Cantaloupe	1,154	356	+224
Grapefruit	43	.....	.....
Honeydew melons	16	.....	.....
Lemons	23	.....	.....
Oranges	83	.....	.....
Peaches	41	.....	.....
Plums and prunes	35	10	+250
Nectarines	10	.....	.....
Watermelons	3,737	3,995	- 6
Mixed fruit	19	.....	.....
VEGETABLES	25,853	26,543	- 3
Beets	139	208	- 33
Cabbage	1,390	2,196	- 37
Carrots	4,542	3,714	+ 22
Cauliflower	115	162	- 29
Corn	517	432	+ 20
Lettuce	1,311	1,156	+ 13
Onions	6,668	6,630	+ 1
Potatoes	880	1,074	- 18
Spinach	1,009	1,074	- 6
Tomatoes	4,255	4,412	- 4
Mixed vegetables	5,027	5,485	- 8

xChange is less than one half of one percent.

close to that for 1952. Too, the improved moisture conditions have stimulated plans for rebuilding the citrus groves almost wiped out by the disastrous 1951 freeze.

Continued depression of prices. Depressed crop and livestock prices continued to darken the agricultural outlook throughout August. The month's average dropped 1% from that of July to reach a level 19% below the year-ago mark. The average price received for crops changed little from July, for the 5% increase in the price of cotton was just enough to offset slight decreases in all other crop groups. Compared with the 1952 level, the crop average was down 16%. Prices received for livestock and products during August were down 2% from the preceding month and 22% under the 1952 figures. Decreases in prices paid for meat animals (-6%) and wool (-2%) were more than enough to offset the gains recorded for dairy products (+2%) and poultry and eggs (+5%).

RAYMOND V. LESIKAR

COTTON

The nation's total cotton balance on September 1, as shown on the cotton balance sheet below, amounted to about 19.7 million bales, the greatest indicated supply on this date since 1944-45. The indicated increase from September 1 last year to September 1, 1953 is approximately 3.8 million bales. An authoritative estimate of corresponding increase in total world supply (outside the iron curtain nations) is only about 600,000 bales.

Evidently the major gain in world stocks of cotton is concentrated in the United States. Very probably if world cotton consumption should decrease substantially, the result would tend to show up as an increased carryover in the United States. Major factors in this trend would be the above-market-price loan level and also the lack of dollar exchange available to some foreign buyers. Many foreign nations now plan increased cotton production, which will tend to progressively reduce the export market for U.S. cotton.

All available evidence points inescapably to the need for a thorough re-evaluation of U.S. cotton policy. Especially, it should be adjusted in relation to international developments as well as in relation to inter-fiber competition.

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

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

Index	Aug 1953	July 1953	Aug 1952	Percent change	
				Aug 1953 from Aug 1952	Aug 1953 from July 1953
ALL FARM PRODUCTS	270	272	332	- 19	- 1
ALL CROPS	261	260	310	- 16	x
Food grains	223	232	238	- 6	- 4
Feed grains and hay	190	196	230	- 17	- 3
Potatoes and sweet potatoes.....	285	290	375	- 24	- 2
Fruit	147	147	240	- 39	0
Truck crops	329	334	438	- 25	- 14
Cotton	269	256	310	- 13	+ 5
Oil-bearing crops	273	282	336	- 19	- 3
LIVESTOCK AND PRODUCTS	281	288	361	- 22	- 2
Meat animals	276	294	422	- 35	- 6
Dairy products	259	253	280	- 7	+ 2
Poultry and eggs	275	261	269	+ 2	+ 5
Wool	379	385	360	+ 5	- 2

TEXAS COTTON ACTIVITY

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

Item	July 1953	June 1953	July 1952	Percent change	
				July 1953 from July 1952	July 1953 from June 1953
COTTONSEED (thous of tons)					
Received at mills	106,624	1,121	72,713	+ 47	+9412
Crushed	66,593	60,330	41,124	+ 62	+ 10
Stocks, end-of-month.....	88,131	48,100	62,022	+ 42	+ 83
CONSUMPTION (running bales)					
Cotton	12,103	10,423	11,456	+ 6	+ 16
Linters	2,187	2,236	2,662	- 18	- 2
SPINDLES (thousands)					
Spindles in place	229	229	226	+ 1	0
Spindles active	222	218	207	+ 7	+ 2
Total spindle hours	96,000†	84,000	81,000	+ 19	+ 14
Average spindle hours....	419	367	358	+ 17	+ 14

†For five weeks ending August 1, 1953.

Scientific and technological developments of recent years necessitate a reorientation of the entire United States production pattern.

A. B. Cox

COTTON BALANCE SHEET FOR THE UNITED STATES

Year	Carryover Aug 1	Imports to Sept 1*	Final ginnings*	Total	Consumption to Sept 1	Exports to Sept 1	Total	Balance as of Sept 1
1944-45	10,727	2	11,483	22,212	842	33	875	21,337
1945-46	11,160	15	10,020	21,195	738	188	926	20,269
1946-47	7,522	18	9,171	16,711	856	413	1,269	15,422
1947-48	2,521	20	11,849	14,390	711	49	760	13,360
1948-49	2,823	22	15,169	18,064	729	115	844	17,420
1949-50	5,283	†	14,943	20,226	664	178	842	19,384
1950-51	6,700	20‡	9,882	16,582	808	200	1,008‡	15,574
1951-52	2,179	†	17,291	19,470	754	186‡	940	18,720
1952-53	2,745	†	13,889	16,634	744	†	744	15,890
1953-54	5,502	†	15,159	20,661	725	151	876	19,661

The cotton year begins August 1, and figures are in thousands of running bales except as noted.

*In 478 pound bales.

†Not available.

‡Estimated.

MELLORINE: Challenge to the dairy industry

It looks like ice cream; it tastes like ice cream; but, instead of cream it contains vegetable oil. After losing much of their market to oleomargarine, butterfat producers now face a powerful new competitor.

A revival of the ancient vegetable fat *vs.* butterfat controversy is now under way—this time in the frozen-dessert field. To veteran observers this new engagement appears to be a repeat performance of the oleomargarine-butter battle which, after sixty years of bitter bickering, is only now ending in clear-cut victory for the vegetable-fat group over the dairy industry.

This latest challenge to the dairy industry is a product that looks and tastes like ice cream. Yet, it costs much less than ice cream. Its secret, as in the case of oleomargarine, lies in the substitution of vegetable fats for butterfats as the major ingredient. With vegetable fats currently selling at wholesale for less than 20 cents a pound, as compared with the approximately quadruple price of butterfat, the savings are obvious. These savings, when passed on to the consumer, lead to a retail price of 15 cents to 23 cents a pint for the new product. Regular ice cream sells for from 30 cents to 45 cents a pint.

A variety of names have been given this "synthetic ice cream." Generally it is referred to as a vegetable fat frozen dessert. In some areas it is known chiefly by the brand name its producers choose for it. In one state it must by law be clearly labeled as "imitation" ice cream. But the product is more and more commonly being called *mellorine*, a name that now has legal status in some states in which the product is manufactured.

Mellorine can be made in all flavors, and, as with ice cream, vanilla, chocolate, and strawberry are the popular favorites. Except for the fat content, its basic ingredients are practically the same as those of ice cream. Only in food value does the vegetable-fat dessert lag, but, as with oleomargarine, it can be fortified at very little extra cost. The addition of 8,400 U.S.P. units of Vitamin A per gallon of mellorine makes the product comparable in vitamin content to ice cream of equal fat content. The cost of this addition is a negligible 12 cents to 15 cents per 100 gallons.

Mellorine's fat content closely parallels that of the ice cream now being made, varying from 5% to 12%, and averaging around 10%. Its average solids content is 36.1%, but the range is from 24 to 41%. There is a considerable variation in the fats used, a combination of several oils comprising the formula of most manufacturers. In Texas, cottonseed oil is the favorite; in Illinois and Missouri a coconut oil blended with cottonseed oil or peanut oil is most popular. But soybean processors, favored by their product's lower price, are working hard for a big share of the new market.

The legal manufacture of mellorine is scarcely three years old, but on a "bootleg" basis its production dates back a few years earlier to the World War II period. Dur-

ing this time butterfat was limited in supply and sold at a premium. The strong incentive to introduce low-priced substitutes prompted development of an "ice cream" in which inexpensive vegetable fats were substituted for more costly butterfat.

Unfortunately this first mellorine was made by unethical manufacturers who sold the product as ice cream, thereby pocketing the saving from the low production cost. Most of these early "bootleg" operations were carried on in states where regulation of ice cream production was lax or nonexistent. Quite understandably, the ethical ice cream manufacturers and milk producers were alarmed by these unfair competitive practices. This new infringement on their market domain posed a serious problem, particularly when the practice continued into the post-war years.

The problem was solved in Texas in 1950 with the establishment of a name (mellorine) and standards under which the new product could legally be manufactured and sold. Since this time, several other states (Oklahoma, Missouri, Illinois, California, Oregon, Montana, and Arkansas) have enacted similar measures legalizing vegetable-fat frozen desserts. In the remaining states opposing forces have been instrumental in securing the adoption of new laws or the strengthening and maintenance of existing laws prohibiting the product's manufacture and sale. Even in some of the states permitting the manufacture and sale of mellorine, expansion is heavily hindered by regulatory measures. In California, for example, vegetable-fat frozen desserts cannot be manufactured, handled, or sold in a place where ice cream is manufactured, handled, or sold.

Although most of the current opposition to mellorine production may be traced to the friends and members of the dairy industry, actually this latter group are divided in their stand. Some members advocate strong resistance to the legalization of mellorine production. Others favor production under strict regulation in the belief that ice cream can hold its own under conditions of fair competition.

The position of the first group is based on the important role ice cream plays in the overall dairy picture. Currently ice cream takes about 5% of the total milk production. But even more important, ice cream serves as a sort of seasonal balance by absorbing the peak flow of milk. Milk producers register their highest output in the hot summer months when the demand for ice cream is greatest. Should mellorine bite into total ice cream demand, they reason, the balance in the dairy industry could be seriously upset.

Those in the industry who favor permitting the manufacture of mellorine under strict regulation believe that ice cream is not in direct competition with the cheaper product. Low-cost mellorine will reach a new market comprising

consumers who have felt that they could ill afford the price of ice cream, and, the pro-mellorine argument continues, so long as the two products are clearly regulated and labeled, there is no cause for alarm. Also, they see in mellorine a new market for the dairy industry's production, for although the new product contains no butterfat, it does make use of nonfat milk solids. The more optimistic of those favoring regulated production of mellorine believe that a public made more frozen-dessert-conscious will also increase its purchases of ice cream. They point persuasively to statistics from certain areas where ice cream sales increased following the introduction of mellorine.

There is general agreement in both groups that should mellorine production be allowed, rigid means of protective regulation must be established. But protective regulation cannot be effective until a ready means of detecting the presence of vegetable fats in frozen desserts has been perfected. Although some such tests have been advanced, they are not yet simple enough for quick, easy use. Other tests are in the process of development. One such test, which would require that a tracer be added to the vegetable fats to facilitate detection, seems especially promising.

The group favoring strict prohibition of mellorine consists, for the most part, of dairy product manufacturers. Yet, in sharp contrast to their stand in the oleomargarine-butter battle, many dairy manufacturers are not vigorously opposed to legalizing the product; indeed, some are among the most vigorous proponents of legalization. In fact, most of the current supply of mellorine is made and distributed by established manufacturers of ice cream. Perhaps they remember all too vividly the lucrative oleomargarine market that they allowed to slip through their fingers.

Reports in the trade indicate that many of the old-line ice cream manufacturers are making mellorine only as a defensive measure, not because of any burning enthusiasm for the product. So far, the real money in mellorine has been made by outsiders and marginal operators (those only partially in the dairy business) who have backed their convictions with high-powered advertising and promotion.

This variation in the zeal of the manufacturers has led to sharp differences in mellorine success by area. Where the manufacturers show little enthusiasm for their product, mellorine has enjoyed only mild success. In areas where the manufacturers have supported spectacular advertising and promotion, their efforts have been rewarded by consumer acceptance of the product. Probably the best example of this observation is in the case of the J. H. Costello Company, a St. Louis manufacturer. Costello entered the market with a loud splash of advertising, store demonstrations, and free samples. Response to the campaign was almost unbelievable. Customers emptied retailers' cabinets in short order and actually stood in lines for fresh deliveries. At last count, vegetable-fat frozen desserts comprised 60% of the total of all frozen-dessert sales (including ice cream) in the St. Louis market. It is little wonder that mellorine proponents see this market as a glowing example of their product's potential.

The current status of mellorine production, according to currently available U.S. Bureau of Agricultural Economics production estimates, is a long way from such a potential. These early data cover only those four states (Oklahoma,

Texas, Missouri, and Illinois) in which any significant mellorine production was registered in 1952. In these states, some 11,008,000 gallons of mellorine were produced during the year, as compared with 76,895,000 gallons of ice cream. A breakdown by states, however, shows that only in Texas was mellorine production large enough to constitute a significant threat to ice cream. In Texas 6,319,000 gallons (56% of the national total) of mellorine were made; ice cream manufactured totaled 22,705,000 gallons. Mellorine-to-ice-cream comparison in gallons for the three other states were: Illinois, 2,457,000 to 31,180,000; Missouri, 1,780,000 to 15,805,000; and Oklahoma, 452,000 to 7,205,000.

These figures, however, are far from the complete story. In Illinois the January 1952 production figure for mellorine was only 4,000 gallons; by December, monthly production totaled 235,000 gallons. During the same time period, monthly mellorine production jumped from 17,000 gallons to 107,000 gallons in Missouri. Production in Oklahoma was held back by the uncertainty of the product's legality, but even here production almost doubled from 14,000 gallons in January to 26,000 gallons in December. Only in Texas, where the new dessert has firmly established itself, was there anything approaching stability during the period. In this state, production was 267,000 gallons for January and 294,000 gallons for December. For the nation as a whole, the January total of 302,000 gallons was more than doubled by December's 662,000 gallons.

The national increase during 1953 is expected to be even greater than that for 1952. Four more states (California, Oregon, Arkansas, and Montana) will have substantial production to add to the total. In Oklahoma there will be little to curb expansion now that the question of legalization in the state has been cleared up. In the veteran producing states of Texas, Missouri, and Illinois, production is progressing at a rapid rate. In Texas, for example, a survey made recently by The University of Texas Bureau of Business Research shows mellorine production for the first seven months of 1953 to be 191% greater than that for the comparable 1952 period.

Also, the available data shed some light on the effects mellorine may have on ice cream consumption. Only in Texas is there sufficient mellorine production to support a reasonably valid conclusion on the question. In this state, ice cream production for the first seven months of 1953 dropped 2,375,000 gallons (from 14,805,000 to 12,130,000) from the same period of 1952. Over the same time period, mellorine production gained 3,145,000 gallons (from 3,457,000 to 6,602,000). Apparently, mellorine sales are increasing at the expense of ice cream.

Whether the trend in Texas will become typical for the industry will, of course, depend on the strength of the current resistance movement. But if conclusions may be gathered from the oleomargarine story, or from other historical examples of technological change, it will be only a matter of time until the initial resistance to the shift will be overcome. As in most similar situations of the past, resistance may likely continue for a long time. But chances are that consumer pressure will determine the final decision.

Local Business

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
ABILENE: (pop. 45,570)			
Retail sales		+ 8	+ 3
Department and apparel stores		+ 12	+ 17
Postal receipts	\$ 52,261	- 5	- 12
Value of building permits	\$ 927,974	+173	+187
Bank debits (thousands)	\$ 49,653	- 1	- 4
End-of-month deposits (thousands) †	\$ 50,571	- 11	+ 1
Annual rate of deposit turnover	11.9	+ 3	- 2
Employment	25,600	- 9	x
Manufacturing employment	3,390	+ 3	x
Percent of labor force unemployed	4.5	+ 10	- 6
Air express shipments	247	+ 57	+ 18

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
ALPINE: (pop. 5,261)			
Postal receipts	\$ 3,266	+ 3	- 24
Value of building permits	\$ 2,000	+100	0
Bank debits (thousands)	\$ 2,179	- 4	+ 7
End-of-month deposits (thousands) †	\$ 3,963	- 5	- 1
Annual rate of deposit turnover	6.6	+ 2	+ 8
Air express shipments	11	- 8	+450

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
AMARILLO: (pop. 74,246)			
Retail sales*		- 20	+ 15
Department and apparel stores		- 20	+ 34
Drug stores*		- 12	+ 7
Office, store, and school supply dealers*		- 19	- 8
Postal receipts	\$ 133,359	- 16	+ 8
Value of building permits	\$ 792,506	- 70	- 51
Bank debits (thousands)	\$ 125,227	- 2	- 4
End-of-month deposits (thousands) †	\$ 100,450	- 14	- 3
Annual rate of deposit turnover	14.8	+ 1	- 1
Employment*	43,200	x	x
Manufacturing employment*	4,990	x	x
Percent of labor force unemployed*	5.6	+ 70	- 5
Air express shipments	709	+ 89	+ 2

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
ARLINGTON: (pop. 7,692)			
Postal receipts	\$ 10,505	+ 43	+ 14
Value of building permits	\$ 1,055,966		+325
Bank debits (thousands)	\$ 8,315	+ 44	- 4
End-of-month deposits (thousands) †	\$ 9,382	+ 40	+ 1
Annual rate of deposit turnover	10.7	+ 13	- 1

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
AUSTIN: (pop. 132,459)			
Retail sales		+ 9	- 2
Automotive stores		+ 37	- 13
Department and apparel stores		- 1	+ 7
Drug stores		- 1	+ 7
Eating and drinking places		- 1	+ 4
Filling stations		- 10	- 5
Food stores		- 3	- 1
General merchandise stores		x	+ 12
Lumber, building material, and hardware stores		+ 3	+ 5
Postal receipts	\$ 199,183	- 6	x
Value of building permits	\$ 2,865,774	+ 45	+ 45
Bank debits (thousands)	\$ 101,787	+ 6	- 8
End-of-month deposits (thousands) †	\$ 98,420	- 17	+ 1
Annual rate of deposit turnover	12.5	- 1	- 6
Employment	60,300	+ 5	x
Manufacturing employment	4,210	- 1	+ 1
Percent of labor force unemployed	3.4	+ 17	- 6
Air express shipments	594	+ 47	- 3

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
BAYTOWN: (pop. 22,983)			
Postal receipts	\$ 14,894	+ 27	- 5
Value of building permits	\$ 159,300	- 63	+ 16
Bank debits (thousands)	\$ 17,745	+ 11	- 5
End-of-month deposits (thousands) †	\$ 19,646	+ 6	- 4
Annual rate of deposit turnover	10.6	0	- 6

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
BEAUMONT: (pop. 94,014)			
Retail sales*		+ 8	x
Automotive stores*		+ 24	- 5
Department and apparel stores		- 2	+ 13
Eating and drinking places*		- 8	- 1
Food stores*		+ 5	- 4
Furniture and household appliance stores*		- 30	- 22
General merchandise stores*		- 3	+ 20
Lumber, building material, and hardware stores*		- 15	+ 16
Postal receipts	\$ 66,609	+ 2	- 10
Value of building permits	\$ 371,085	+ 2	+ 77
Bank debits (thousands)	\$ 126,034	+ 4	- 4
End-of-month deposits (thousands) †	\$ 89,337	- 5	- 3
Annual rate of deposit turnover	16.7	+ 2	- 1
Employment (area)	79,850	- 3	+ 1
Manufacturing employment (area)	27,230	+ 3	+ 1
Percent of labor force unemployed (area)	5.7	+ 16	0
Air express shipments	207	- 5	- 9
Waterborne commerce (tons)	47,807	+ 8	+ 60

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
BEEVILLE: (pop. 9,348)			
Department and apparel store sales		- 12	- 32
Postal receipts	\$ 4,214	- 41	- 41
Value of building permits	\$ 6,735	- 93	- 92
Bank debits (thousands)	\$ 6,353	- 5	- 6
End-of-month deposits (thousands) †	\$ 12,144	- 4	x
Annual rate of deposit turnover	6.3	- 2	+ 5
Air express shipments	10	- 9	+100

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
BIG SPRING: (pop. 17,286)			
Postal receipts	\$ 16,534	- 6	- 4
Value of building permits	\$ 86,475	- 84	- 59
Bank debits (thousands)	\$ 18,875	- 14	- 8
End-of-month deposits (thousands) †	\$ 21,390	- 16	- 1
Annual rate of deposit turnover	10.3	+ 3	- 1
Air express shipments	59	- 21	- 24

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
BRADY: (pop. 5,944)			
Postal receipts	\$ 3,444	- 7	- 24
Value of building permits	\$ 23,150	- 83	- 61
Bank debits (thousands)	\$ 4,162	+ 1	- 4
End-of-month deposits (thousands) †	\$ 7,515	+ 4	- 4
Annual rate of deposit turnover	6.5	- 7	- 6

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
BRENHAM: (pop. 6,941)			
Postal receipts	\$ 6,575	+ 16	+ 13
Value of building permits	\$ 10,500	- 89	- 84
Bank debits (thousands)	\$ 6,364	+ 3	+ 15
End-of-month deposits (thousands) †	\$ 10,998	+ 10	+ 10
Annual rate of deposit turnover	7.3	- 4	+ 9

For explanation of symbols, see p. 23.

Conditions

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
BROWNSVILLE: (pop. 36,066)			
Retail sales*		- 9	+ 1
Department and apparel stores		- 21	+ 13
Postal receipts	\$ 18,918	- 6	- 8
Value of building permits	\$ 41,787	- 67	- 91
Air express shipments	410	+ 9	- 4

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
BROWNWOOD: (pop. 20,181)			
Retail sales		+ 7	- 5
Department and apparel stores		+ 24	+ 11
Postal receipts	\$ 13,810	+ 7	- 9
Value of building permits	\$ 186,711	- 2	+701
Bank debits (thousands)	\$ 8,742	- 10	- 1
End-of-month deposits (thousands) †	\$ 13,191	+ 5	x
Annual rate of deposit turnover	8.0	- 14	- 1
Air express shipments	30	+ 11	+100

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
BRYAN: (pop. 18,102)			
Retail sales*			+ 2
Department and apparel stores		- 5	- 16
Postal receipts	\$ 13,465	- 10	- 12
Value of building permits	\$ 101,595	- 45	- 36
Air express shipments	25	+ 67	+ 47

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
CORPUS CHRISTI: (pop. 108,287)			
Retail sales		+ 4	+ 7
Apparel stores		- 8	- 6
Automotive stores		+ 27	+ 2
Country general stores		- 13	+ 6
Department stores†		- 8	+ 14
Lumber, building material, and hardware stores		- 18	- 2
Postal receipts	\$ 104,986	+ 6	- 9
Value of building permits	\$ 1,585,197	+ 2	- 35
Bank debits (thousands)	\$ 147,103	- 4	- 7
End-of-month deposits (thousands) †	\$ 108,602	- 4	+ 2
Annual rate of deposit turnover	16.4	- 11	- 6
Employment	61,300	- 22	x
Manufacturing employment	7,600	+ 8	+ 1
Percent of labor force unemployed	4.7	+114	0
Air express shipments	362	- 9	- 9

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
CORSICANA: (pop. 19,211)			
Department and apparel store sales		- 8	+ 6
Postal receipts	\$ 12,310	+ 9	- 8
Value of building permits	\$ 27,230		- 64
Bank debits (thousands)	\$ 11,458	- 8	- 9
End-of-month deposits (thousands) †	\$ 19,788	- 9	x
Annual rate of deposit turnover	7.0	- 5	- 9

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
DEL RIO: (pop. 14,211)			
Postal receipts	\$ 8,257	+ 37	- 7
Value of building permits	\$ 29,770	- 59	- 29
Bank debits (thousands)	\$ 7,099	x	+ 4
End-of-month deposits (thousands) †	\$ 10,065	- 10	x
Annual rate of deposit turnover	8.5	+ 8	+ 5
Air express shipments	17	- 15	- 6

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
DENISON: (pop. 17,504)			
Retail sales		+ 24	+ 9
Department and apparel stores		- 1	+ 23
Postal receipts	\$ 12,735	- 1	- 6
Value of building permits	\$ 79,430	+275	x
Bank debits (thousands)	\$ 9,415	- 4	- 19
End-of-month deposits (thousands) †	\$ 19,460	+ 46	- 2
Annual rate of deposit turnover	5.7	- 35	- 26

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
DALLAS: (pop. 434,462)			
Retail sales*		+ 7	+ 3
Apparel stores*		+ 7	+ 22
Automotive stores*		+ 49	+ 4
Department stores†		+ 5	+ 8
Drug stores*		- 5	+ 2
Eating and drinking places*		- 8	x
Filling stations*		+ 5	- 5
Florists*		- 10	- 14
Food stores*		+ 1	- 5
Furniture and household appliance stores*		- 72	- 2
General merchandise stores*		+ 3	+ 1
Lumber, building material, and hardware stores*		+ 11	+ 5
Office, store, and school supply dealers*		- 1	- 8
Postal receipts	\$ 1,382,590	x	- 2
Value of building permits	\$ 7,089,877	- 12	- 19
Bank debits (thousands)	\$ 1,511,250	+ 12	- 9
End-of-month deposits (thousands) †	\$ 863,391	- 18	x
Annual rate of deposit turnover	21.0	+ 9	- 8
Employment	306,700		+ 1
Manufacturing employment	75,790		+ 2
Percent of labor force unemployed	2.5		- 4
Air express shipments	8,124	+ 3	+ 3

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
DENTON: (pop. 21,372)			
Retail sales		+ 22	- 3
Postal receipts	\$ 13,738	+ 2	- 26
Value of building permits	\$ 113,500	+215	+ 20
Bank debits (thousands)	\$ 10,103	+ 11	- 5
End-of-month deposits (thousands) †	\$ 13,289	+ 1	+ 1
Annual rate of deposit turnover	9.2	+ 10	- 3

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
EAGLE PASS: (pop. 7,276)			
Postal receipts	\$ 4,093	x	- 20
Value of building permits	\$ 12,725	+ 19	+ 1
Bank debits (thousands)	\$ 3,833		+ 12
End-of-month deposits (thousands) †	\$ 3,847	+ 13	+ 13
Annual rate of deposit turnover	12.7		+ 1
Air express shipments	15	- 50	- 12

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
EL PASO: (pop. 130,485)			
Retail sales*		x	+ 4
Apparel stores*		+ 1	+ 1
Automotive stores*		- 23	+ 18
Department stores†		+ 2	+ 18
Drug stores*		+ 16	+ 5
Furniture and household appliance stores*		- 6	+ 13
General merchandise stores*		+ 1	+ 20
Piano and musical instrument stores*		+ 3	- 10
Postal receipts	\$ 181,101	+ 13	+ 1
Value of building permits	\$ 1,206,685	+ 92	+ 16
Bank debits (thousands)	\$ 190,874	+ 12	- 4
End-of-month deposits (thousands) †	\$ 117,037	- 24	+ 1
Annual rate of deposit turnover	19.7	+ 11	- 3
Employment*	67,300	+ 2	0
Manufacturing employment*	10,800	+ 6	+ 1
Percent of labor force unemployed*	4.1	+ 3	- 7
Air express shipments	1,440	+ 22	x

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	Percent change		
	Aug 1953	Aug 1953	Aug 1953
		from Aug 1952	from July 1953
EDINBURG (pop. 12,383)			
Postal receipts	\$ 5,312	- 23	- 19
Value of building permits	\$ 40,220	+349	+ 33
Bank debits (thousands)	\$ 8,474	- 40	- 13
End-of-month deposits (thousands) †	\$ 9,084	- 7	- 5
Annual rate of deposit turnover	10.9	+ 40	- 13
Air express shipments	14	+100	+367

FORT WORTH: (pop. 278,778)

Retail sales*		x	+ 5
Apparel stores*		- 4	- 1
Automotive stores*		+ 18	- 1
Department stores†		- 6	+ 13
Eating and drinking places*		- 5	x
Filling stations*		- 6	- 2
Food stores*		- 1	- 7
Furniture and household appliance stores*		+ 7	+ 24
General merchandise stores*		+ 2	+ 19
Lumber, building material, and hardware stores*		- 14	+ 2
Postal receipts	\$ 454,537	+ 11	+ 3
Value of building permits	\$ 2,904,010	+ 7	- 24
Bank debits (thousands)	\$ 473,595	- 4	- 8
End-of-month deposits (thousands) †	\$ 328,042	- 19	- 1
Annual rate of deposit turnover	17.3	- 5	- 6
Employment	172,900		x
Manufacturing employment	52,960		- 1
Percent of labor force unemployed	4.4		- 2
Air express shipments	1,671	- 10	- 8

GALVESTON: (pop. 66,568)

Retail sales		- 5	- 1
Automotive stores		- 11	- 19
Department and apparel stores		- 2	+ 10
Food stores		+ 1	+ 5
Furniture and household appliance stores		+ 26	- 9
Lumber, building material, and hardware stores		- 35	- 14
Postal receipts	\$ 58,110	+ 1	- 17
Value of building permits	\$ 119,092	- 29	+ 1
Bank debits (thousands)	\$ 71,265	- 7	- 7
End-of-month deposits (thousands) †	\$ 82,684	- 19	x
Annual rate of deposit turnover	10.3	- 28	- 8
Employment (area)	46,650	- 4	- 4
Manufacturing employment (area)	11,400	x	- 5
Percent of labor force unemployed (area)	3.9	+ 3	0
Air express shipments	492	+108	+ 3

GARLAND: (pop. 10,571)

Postal receipts	\$ 9,673	+ 12	- 6
Value of building permits	\$ 1,179,215	+227	+ 87
Bank debits (thousands)	\$ 10,317	+ 36	- 5
End-of-month deposits (thousands) †	\$ 10,296	+ 42	x
Annual rate of deposit turnover	12.0	- 6	- 14

GLADEWATER: (pop. 5,305)

Postal receipts	\$ 4,478	+ 7	- 16
Value of building permits	\$ 91,000		+149
Bank debits (thousands)	\$ 4,268	+ 14	+ 2
End-of-month deposits (thousands) †	\$ 5,137	+ 1	+ 25
Annual rate of deposit turnover	11.1	+ 12	- 4
Employment (area)	24,100		+ 1
Manufacturing employment (area)	3,775		0
Percent of labor force unemployed (area)	4.2		- 12
Air express shipments	3	- 25	0

City and item	Percent change		
	Aug 1953	Aug 1953	Aug 1953
		from Aug 1952	from July 1953
GREENVILLE: (pop. 14,727)			
Retail sales*			+ 16
Department and apparel stores		- 13	- 2
Postal receipts	\$ 15,807	- 4	+ 10
Value of building permits	\$ 30,859	- 65	- 53
Bank debits (thousands)	\$ 10,771	+ 8	- 1
End-of-month deposits (thousands) †	\$ 12,395	- 11	+ 1
Annual rate of deposit turnover	10.5	+ 24	- 1

GOLDTHWAITE: (pop. 1,566)

Retail sales*			- 17
Postal receipts	\$ 1,551	+ 28	- 9
Bank debits (thousands)	\$ 1,871	- 9	- 30
End-of-month deposits (thousands) †	\$ 2,727	+ 4	- 1
Annual rate of deposit turnover	8.2	- 14	- 22

GONZALES: (pop. 5,659)

Postal receipts	\$ 3,751	- 5	- 8
Value of building permits	\$ 11,500	- 63	- 74
Bank debits (thousands)	\$ 4,964	+ 5	- 1
End-of-month deposits (thousands) †	\$ 6,052	- 3	+ 1
Annual rate of deposit turnover	9.9	+ 6	- 1

HARLINGEN: (pop. 23,229)

Retail sales*			- 12
Postal receipts	\$ 24,223	+ 19	- 2
Value of building permits	\$ 179,636	- 27	+475
Bank debits (thousands)	\$ 32,176	- 53	- 33
End-of-month deposits (thousands) †	\$ 20,838	- 13	- 7
Annual rate of deposit turnover	17.8	- 48	- 35
Air express shipments	75	- 48	+ 4

HENDERSON: (pop. 6,833)

Retail sales*			+ 15
Postal receipts	\$ 6,844	- 13	- 16
Value of building permits	\$ 64,200	+ 66	+ 69
Bank debits (thousands)	\$ 6,200	+ 13	+ 26
End-of-month deposits (thousands) †	\$ 13,778	- 4	+ 1
Annual rate of deposit turnover	5.4	+ 15	+ 26

HOUSTON: (pop. 596,163)

Retail sales¶		+ 5	- 4
Apparel stores¶		+ 11	+ 15
Automotive stores¶		+ 21	- 19
Department stores†		+ 7	+ 10
Drug stores¶		+ 3	- 1
Eating and drinking places¶		- 4	- 8
Filling stations¶		+ 20	+ 2
Food stores¶		- 2	- 5
Furniture and household appliance stores¶		- 6	- 3
General merchandise stores¶		+ 8	+ 5
Lumber, building material, and hardware stores¶		- 23	- 12
Office, store, and school supply dealers¶		+ 11	- 16
Postal receipts	\$ 837,537	+ 5	- 3
Value of building permits	\$ 8,143,649	- 6	- 16
Bank debits (thousands)	\$ 1,588,771	+ 6	- 5
End-of-month deposits (thousands) †	\$ 1,056,922	- 10	+ 1
Annual rate of deposit turnover	18.1	+ 1	- 5
Air express shipments	4,516	+ 2	+ 10

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
HEREFORD: (pop. 5,207)			
Postal receipts	\$ 5,654	+ 15	- 1
Value of building permits	\$ 777,841	+9051	+3704
Bank debits (thousands)	\$ 7,548	- 12	- 12
End-of-month deposits (thousands) †	\$ 8,161	- 15	- 8
Annual rate of deposit turnover	10.6	+ 2	- 12

JASPER: (pop. 4,403)			
Retail sales* .....	.....	.....	+ 3
Postal receipts	\$ 4,108	- 9	- 12
Bank debits (thousands)	\$ 3,982	- 8	- 1
End-of-month deposits (thousands) †	\$ 5,024	- 6	- 3
Annual rate of deposit turnover	\$ 9.3	- 4	.....

KERMIT: (pop. 6,912)			
Postal receipts	\$ 4,532	+ 7	- 18
Value of building permits	\$ 19,000	- 31	- 66
Bank debits (thousands)	\$ 3,018	- 7	- 14
End-of-month deposits (thousands) †	\$ 2,965	- 31	- 11
Annual rate of deposit turnover	11.5	+ 28	- 12

KILGORE: (pop. 9,638)			
Postal receipts	\$ 9,627	+ 9	- 18
Value of building permits	\$ 23,000	+130	+ 53
Bank debits (thousands)	\$ 12,754	+ 7	- 6
End-of-month deposits (thousands) †	\$ 14,622	x	x
Annual rate of deposit turnover	10.5	+ 7	- 5
Employment (area)	24,100	.....	+ 1
Manufacturing employment (area)	3,775	.....	0
Percent of labor force unemployed (area)	4.2	.....	- 12
Air express shipments	19	- 24	0

KILLEEN: (pop. 7,045)			
Postal receipts	\$ 14,421	- 25	+ 2
Value of building permits	\$ 23,279	.....	+ 46
Bank debits (thousands)	\$ 4,373	- 37	+ 4
End-of-month deposits (thousands) †	\$ 9,203	- 10	- 5
Annual rate of deposit turnover	5.5	- 32	+ 8

LAMESA: (pop. 10,704)			
Postal receipts	\$ 7,529	x	+ 2
Value of building permits	\$ 600	- 99	- 40
Bank debits (thousands)	\$ 5,982	- 6	- 15
End-of-month deposits (thousands) †	\$ 11,720	+ 16	- 1
Annual rate of deposit turnover	6.1	- 5	- 13

LAMPASAS: (pop. 4,869)			
Retail sales* .....	.....	.....	- 2
Postal receipts	\$ 2,438	- 25	- 37
Value of building permits	\$ 16,300	- 52	- 27
Bank debits (thousands)	\$ 3,706	- 13	+ 5
End-of-month deposits (thousands) †	\$ 6,451	- 3	- 2
Annual rate of deposit turnover	6.8	- 13	+ 6

LAREDO: (pop. 51,910)			
Department and apparel store sales .....	.....	- 10	+ 4
Postal receipts	\$ 21,933	+ 5	- 15
Value of building permits	\$ 14,855	- 95	- 87
Bank debits (thousands)	\$ 17,064	- 15	- 10
End-of-month deposits (thousands) †	\$ 18,162	- 28	- 1
Annual rate of deposit turnover	11.3	- 7	- 7
Air express shipments	163	- 14	+ 21
Tourists entering Mexico	16,087	- 16	- 1
Tourist cars entering Mexico	5,009	- 9	+ 2

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
LEVELLAND: (pop. 8,264)			
Postal receipts	\$ 5,303	+ 7	- 19
Value of building permits	\$ 68,500	- 1	+142
Bank debits (thousands)	\$ 6,418	.....	+ 18
End-of-month deposits (thousands) †	\$ 7,434	.....	- 4
Annual rate of deposit turnover	10.1	.....	+ 23

LOCKHART: (pop. 5,573)			
Department and apparel store sales .....	.....	+ 6	+ 28
Postal receipts	\$ 2,673	+ 9	- 5
Value of building permits	\$ 9,000	- 31	- 79
Bank debits (thousands)	\$ 3,274	- 7	- 2
End-of-month deposits (thousands) †	\$ 4,869	+ 9	+ 7
Annual rate of deposit turnover	8.4	- 14	- 6

LONGVIEW: (pop. 24,502)			
Postal receipts	\$ 24,300	+ 15	- 11
Value of building permits	\$ 185,110	+445	- 45
Bank debits (thousands)	\$ 26,815	- 6	- 21
End-of-month deposits (thousands) †	\$ 36,355	+ 2	x
Annual rate of deposit turnover	8.8	- 9	- 21
Employment (area)	24,100	.....	+ 1
Manufacturing employment (area)	3,775	.....	0
Percent of labor force unemployed (area)	4.2	.....	- 12
Air express shipments	159	+ 29	- 19

LUBBOCK: (pop. 71,747)			
Retail sales .....	.....	x	- 9
Automotive stores .....	.....	+ 15	- 8
Department and apparel stores .....	.....	- 2	- 3
Furniture and household appliance stores .....	.....	- 55	- 51
General merchandise stores .....	.....	- 4	- 8
Lumber, building material, and hardware stores .....	.....	- 47	- 27
Postal receipts	\$ 70,966	- 7	- 13
Value of building permits	\$ 986,498	- 29	+ 4
Bank debits (thousands)	\$ 85,030	- 7	- 8
End-of-month deposits (thousands) †	\$ 75,122	- 24	x
Annual rate of deposit turnover	13.6	+ 2	- 3
Employment*	32,400	+ 7	- 1
Manufacturing employment*	3,325	+ 3	- 1
Percent of labor force unemployed*	6.4	+100	+ 2
Air express shipments	629	+183	- 7

LUFKIN: (pop. 15,135)			
Postal receipts	\$ 11,231	- 3	- 21
Value of building permits	\$ 63,850	- 15	- 59
Bank debits (thousands)	\$ 14,701	- 1	- 7
End-of-month deposits (thousands) †	\$ 20,750	+ 1	+ 8
Annual rate of deposit turnover	8.8	- 2	- 6
Air express shipments	35	+ 59	+ 6

McALLEN: (pop. 20,067)			
Retail sales .....	.....	- 6	+ 1
Department and apparel stores .....	.....	- 9	+ 15
Postal receipts	\$ 13,865	- 9	- 1
Value of building permits	\$ 52,475	- 46	+ 26
Air express shipments	42	+ 8	+ 5

MARLIN: (pop. 7,099)			
Postal receipts	\$ 5,003	- 3	- 14
Value of building permits	\$ 27,311	+ 2	- 20
Bank debits (thousands)	\$ 2,853	+ 4	- 6
End-of-month deposits (thousands) †	\$ 4,169	- 20	+ 5
Annual rate of deposit turnover	8.4	+ 29	- 6

LOCAL BUSINESS CONDITIONS

City and item	Percent change		
	Aug 1953	Aug 1953 from Aug 1952	Aug 1953 from July 1953
	MARSHALL: (pop. 22,327)		
Department and apparel store sales.....	.....	+ 8	+ 9
Postal receipts	\$ 17,115	+ 24	- 4
Value of building permits	\$ 702,846	+844	+447
Bank debits (thousands)	\$ 12,881	+ 3	- 5
End-of-month deposits (thousands) ‡	\$ 19,789	+ 2	- 1
Annual rate of deposit turnover	7.8	0	- 4

MIDLAND: (pop. 21,713)			
Postal receipts	\$ 35,001	+ 5	- 21
Value of building permits	\$ 522,645	- 78	- 7
Bank debits (thousands)	\$ 46,065	- 5	- 2
End-of-month deposits (thousands) ‡	\$ 62,420	+ 17	+ 3
Annual rate of deposit turnover	9.0	- 18	- 2
Air express shipments	201	+ 28	+ 13

NACOGDOCHES: (pop. 12,327)			
Postal receipts	\$ 7,656	- 14	- 6
Value of building permits	\$ 8,000	- 84	- 59
Bank debits (thousands)	\$ 9,001	- 4	- 3
End-of-month deposits (thousands) ‡	\$ 15,338	- 1	+ 1
Annual rate of deposit turnover	7.1	- 3	- 7

NEW BRAUNFELS: (pop. 12,210)			
Postal receipts	\$ 9,458	+ 5	- 4
Value of building permits	\$ 57,800	- 37	- 22
Bank debits (thousands)	\$ 7,069	.....	- 24
End-of-month deposits (thousands) ‡	\$ 10,810	.....	+ 38
Annual rate of deposit turnover	9.5	.....	- 25

ODESSA: (pop. 29,495)			
Department and apparel store sales.....	.....	- 20	- 24
Postal receipts	\$ 30,639	x	- 23
Value of building permits	\$ 941,060	- 21	+ 74
Bank debits (thousands)	\$ 31,443	- 22	- 5
End-of-month deposits (thousands) ‡	\$ 30,980	- 19	+ 2
Annual rate of deposit turnover	12.3	- 9	- 2
Air express shipments	186	- 18	+ 15

ORANGE: (pop. 21,174)			
Postal receipts	\$ 12,945	x	- 11
Value of building permits	\$ 142,261	- 61	- 39
Bank debits (thousands)	\$ 16,906	+ 9	- 5
End-of-month deposits (thousands) ‡	\$ 24,519	+ 8	x
Annual rate of deposit turnover	8.3	+ 8	- 6

PALESTINE: (pop. 12,503)			
Postal receipts	\$ 8,595	+ 6	- 15
Value of building permits	\$ 50,832	- 77	- 3
Bank debits (thousands)	\$ 4,816	- 12	- 18
End-of-month deposits (thousands) ‡	\$ 12,178	- 3	+ 5
Annual rate of deposit turnover	4.9	- 8	- 17

PARIS: (pop. 21,643)			
Retail sales .....	.....	+ 43	+ 13
Department and apparel stores.....	.....	+ 2	+ 13
Postal receipts	\$ 14,638	+ 14	+ 10
Value of building permits	\$ 20,455	- 39	- 29
Bank debits (thousands)	\$ 11,467	- 9	- 4
End-of-month deposits (thousands) ‡	\$ 13,534	- 7	- 3
Annual rate of deposit turnover	10.0	- 3	- 2
Air express shipments	46	+109	+ 7

City and item	Percent change		
	Aug 1953	Aug 1953 from Aug 1952	Aug 1953 from July 1953
	PLAINVIEW: (pop. 14,044)		
Retail sales .....	.....	- 4	- 5
Department and apparel stores.....	.....	- 6	+ 3
Postal receipts	\$ 11,360	+ 12	+ 1
Value of building permits	\$ 74,300	- 63	- 55
Bank debits (thousands)	\$ 12,544	- 13	- 9
End-of-month deposits (thousands) ‡	\$ 18,860	- 2	- 3
Annual rate of deposit turnover	7.9	- 11	- 5
Air express shipments	22	+ 38	- 59

ROCKDALE: (pop. 2,321)			
Postal receipts	\$ 3,059	+ 10	- 30
Value of building permits	\$ 39,220	- 71	- 91
Bank debits (thousands)	\$ 3,592	+ 8	+ 5
End-of-month deposits (thousands) ‡	\$ 3,575	- 5	+ 1
Annual rate of deposit turnover	12.1	+ 3	+ 6

PORT ARTHUR: (pop. 57,530)			
Retail sales* .....	.....	+ 9	+ 4
Automotive stores* .....	.....	+ 36	+ 2
Department and apparel stores .....	.....	- 7	+ 14
Drug stores* .....	.....	+ 5	+ 2
Filling stations* .....	.....	- 22	+ 11
Food stores* .....	.....	x	- 6
Furniture and household appliance stores* .....	.....	- 15	+ 8
Lumber, building material, and hardware stores* .....	.....	- 31	+ 25
Postal receipts	\$ 31,814	+ 6	+ 10
Value of building permits	\$ 180,739	- 54	+ 14
Bank debits (thousands)	\$ 43,435	- 1	- 8
End-of-month deposits (thousands) ‡	\$ 37,070	- 14	x
Annual rate of deposit turnover	14.0	+ 1	- 8
Employment (area)	78,300	- 5	- 1
Manufacturing employment (area)	27,230	+ 3	+ 1
Percent of labor force unemployed (area)	5.7	+ 16	0
Air express shipments	123	- 4	+ 7

SAN ANGELO: (pop. 52,093)			
Retail sales .....	.....	- 4	- 4
Department and apparel stores.....	.....	+ 2	- 8
Postal receipts	\$ 38,130	- 15	- 18
Value of building permits	\$ 393,227	- 9	- 28
Bank debits (thousands)	\$ 34,492	- 4	- 8
End-of-month deposits (thousands) ‡	\$ 44,311	- 14	- 1
Annual rate of deposit turnover	9.2	- 2	- 8
Employment	21,650	- 5	+ 1
Manufacturing employment	2,375	+ 13	+ 6
Percent of labor force unemployed	4.6	+ 10	- 2
Air express shipments	290	+ 70	- 9

SAN ANTONIO: (pop. 408,442)			
Retail sales* .....	.....	- 8	- 6
Apparel stores* .....	.....	- 4	+ 8
Automotive stores* .....	.....	- 8	- 31
Department stores† .....	.....	- 5	+ 10
Drug stores* .....	.....	- 2	+ 1
Eating and drinking places* .....	.....	- 12	+ 1
Filling stations* .....	.....	- 9	- 8
Food stores* .....	.....	- 6	- 2
Furniture and household appliance stores* .....	.....	- 32	- 26
General merchandise stores* .....	.....	- 6	+ 9
Lumber, building material, and hardware stores* .....	.....	- 11	- 24
Postal receipts	\$ 429,873	+ 2	- 5
Value of building permits	\$ 3,329,986	+ 10	- 23
Bank debits (thousands)	\$ 379,937	+ 10	- 4
End-of-month deposits (thousands) ‡	\$ 313,627	- 21	+ 1
Annual rate of deposit turnover	14.6	+ 7	- 2
Air express shipments	2,018	- 8	+ 2

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
SAN MARCOS: (pop. 9,980)			
Postal receipts	\$ 9,119	+ 6	- 5
Value of building permits	\$ 54,775	+ 30	+172
Bank debits (thousands)	\$ 5,171	- 2	+ 11
End-of-month deposits (thousands) †	\$ 8,137	+ 8	+ 2
Annual rate of deposit turnover	7.7	- 9	+ 8

SEGUIN: (pop. 9,733)			
Postal receipts	\$ 6,863	+ 7	- 17
Value of building permits	\$ 52,075	+ 76	- 26
Bank debits (thousands)	\$ 7,302	+ 2	+ 8
End-of-month deposits (thousands) †	\$ 15,747	+ 4	+ 1
Annual rate of deposit turnover	5.6	- 3	+ 8

SHERMAN: (pop. 20,150)			
Retail sales		+ 18	+ 2
Department and apparel stores		+ 8	+ 14
Postal receipts	\$ 19,616	+ 6	- 8
Value of building permits	\$ 1,096,008	+408	+783

SNYDER: (pop. 12,010)			
Postal receipts	\$ 7,775	+ 4	- 20
Value of building permits	\$ 99,050		- 48
Bank debits (thousands)	\$ 10,664		- 6
End-of-month deposits (thousands) †	\$ 10,550		- 2
Annual rate of deposit turnover	12.0		- 5

SWEETWATER: (pop. 13,619)			
Department and apparel store sales		+ 8	+ 23
Postal receipts	\$ 9,960	+ 11	+ 1
Value of building permits	\$ 24,375	- 54	- 61
Bank debits (thousands)	\$ 7,527		- 3
End-of-month deposits (thousands) †	\$ 9,789		- 1
Annual rate of deposit turnover	9.2		- 1
Air express shipments	21	+ 91	+ 91

TAYLOR: (pop. 9,071)			
Postal receipts	\$ 6,557	+ 16	- 12
Value of building permits	\$ 26,484	- 18	- 21
Bank debits (thousands)	\$ 13,542	+ 5	+ 25
End-of-month deposits (thousands) †	\$ 15,821	+ 15	+ 16
Annual rate of deposit turnover	8.2	- 28	- 15

TEMPLE: (pop. 25,467)			
Retail sales		- 11	+ 3
Department and apparel stores		- 19	+ 6
Postal receipts	\$ 25,485	x	+ 2
Value of building permits	\$ 120,100	- 50	+ 42
Bank debits (thousands)	\$ 17,071	- 3	+ 6
End-of-month deposits (thousands) †	\$ 22,020	- 1	- 1
Annual rate of deposit turnover	9.3	- 4	+ 8
Air express shipments	59	+ 55	+ 51

TEXARKANA: (pop. 40, 628) §			
Retail sales		+ 18	+ 5
Department and apparel stores		- 2	+ 15
Postal receipts	\$ 53,072	- 17	+ 14
Value of building permits	\$ 79,265	- 35	- 40
Bank debits (thousands)	\$ 39,746	+ 5	- 11
End-of-month deposits (thousands) †	\$ 18,392	- 35	- 2
Annual rate of deposit turnover	11.9	0	- 2
Employment	41,850	- 12	- 3
Manufacturing employment	11,010	+ 20	+ 1
Percent of labor force unemployed	6.7	+ 37	+ 10
Air express shipments	129	+ 32	+ 57

City and item	Aug 1953	Percent change	
		Aug 1953 from Aug 1952	Aug 1953 from July 1953
WAXAHACHIE: (pop. 11,204)			
Postal receipts	\$ 7,224	- 3	- 17
Value of building permits	\$ 39,036	+ 30	- 9
Bank debits (thousands)	\$ 3,416	+ 2	+ 2
End-of-month deposits (thousands) †	\$ 3,707	- 30	+ 13
Annual rate of deposit turnover	11.7	+ 23	+ 2

TEXAS CITY: (pop. 16,620)			
Postal receipts	\$ 12,131	+ 1	- 22
Value of building permits	\$ 227,450	- 13	- 24
Bank debits (thousands)	\$ 24,422	- 7	- 7
End-of-month deposits (thousands) †	\$ 24,250	- 1	- 7
Annual rate of deposit turnover	11.7	- 7	- 1
Employment (area)	46,650	- 4	- 4
Manufacturing employment (area)	11,400	x	- 5
Percent of labor force unemployed (area)	3.9	+ 3	0

TYLER: (pop. 38,968)			
Retail sales		+ 16	- 7
Postal receipts	\$ 43,058	+ 7	- 2
Value of building permits	\$ 922,070	+120	+ 99
Bank debits (thousands)	\$ 55,310	+ 8	- 5
End-of-month deposits (thousands) †	\$ 52,641	- 4	x
Annual rate of deposit turnover	12.6	+ 3	- 5
Air express shipments	268	+ 44	+ 17

WACO: (pop. 84,706)			
Retail sales		+ 9	+ 8
Apparel stores		+ 3	+ 21
Automotive stores		+ 26	- 9
Department stores †		- 5	+ 16
Florists		- 8	+ 4
Furniture and household appliance stores		- 19	- 2
General merchandise stores		+ 3	+ 27
Postal receipts	\$ 88,522	- 8	- 19
Value of building permits	\$ 794,193	+ 49	- 33
Bank debits (thousands)	\$ 68,452	x	- 9
End-of-month deposits (thousands) †	\$ 63,032	- 30	+ 1
Annual rate of deposit turnover	13.1	- 2	- 10
Employment	44,350	- 14	x
Manufacturing employment	8,880	+ 4	+ 2
Percent of labor force unemployed	5.1	+ 42	+ 4
Air express shipments	108	- 18	- 22

WICHITA FALLS: (pop. 68,042)			
Retail sales		- 11	- 23
Department and apparel stores		+ 7	+ 7
Postal receipts	\$ 71,338	+ 4	- 17
Value of building permits	\$ 731,730	- 18	+ 6
Bank debits (thousands)	\$ 77,804	- 4	- 5
End-of-month deposits (thousands) †	\$ 97,119	- 8	x
Annual rate of deposit turnover	9.6	- 7	- 5
Employment	35,950		x
Manufacturing employment	3,790		- 1
Percent of labor force unemployed	5.0		+ 2
Air express shipments	493	+172	+ 10

xChange is less than one half of one percent.

*Preliminary.

†Reported by the Federal Reserve Bank of Dallas.

‡Excludes deposits to credit of banks.

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

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

BAROMETERS OF TEXAS BUSINESS

	Aug 1953	July 1953	June 1953	Year-to-date average 1953	Average month 1952
GENERAL BUSINESS ACTIVITY					
†Index of Texas Business Activity (100.0).....	283*	291*	298*	294	269
Index of bank debits.....	666	690	708	692	659
Income payments to individuals in the U.S. (billions—seasonally adjusted at annual rate).....		\$ 288.1	\$ 286.3	\$ 283.8	\$ 269.7
Index of wholesale prices in the U.S. (1947-49=100, unadjusted).....	110.6	110.9	109.4	108.6	111.6
Index of consumers' prices in the U.S. (1947-49=100, unadjusted).....	115.0	114.7	114.5	114.1	113.5
Index of postal receipts.....	394	420	415	400	382
†Index of miscellaneous freight carloadings in the Southwestern Dis- trict (17.6).....	140	145	145	144	144
Business corporation charters issued (number).....	253*	301	317	322	278
Business failures (number).....	17	17	13	14	8
TRADE					
†Index of total retail sales (adjusted for price changes, 47.7).....	230*	242*	252	247	231
Index of total retail sales.....	480	504	525	514	486
Durable-goods stores.....	640	683	734	720	672
Nondurable-goods stores.....	401	417	424	415	397
‡Index of total retail sales in the U.S.....		451	449	447	424
Durable-goods stores.....		647	644	649	582
Nondurable-goods stores.....		388	385	381	372
Ratio of credit sales to net sales in department and apparel stores.....	63.1	59.9	63.9	63.4	63.6
Ratio of collections to outstandings in department and apparel stores.....	35.1	40.2	38.1	40.4	43.7
Index of gasoline sales.....		250	275	272	260
PRODUCTION					
†Index of industrial electric power consumption (14.8).....	620	618	625	630	536
†Index of crude runs to stills (4.5).....	218	205	220	221	209
Index of wheat grindings.....		87	92	98	99
Index of cottonseed crushed.....		186	327	191	126
Index of southern pine production (unadjusted).....		128	129	128	123
Index of dairy product manufacturing.....	48	49	63	66	49
†Index of urban building permits (adjusted for price changes, 3.8).....	151*	157*	208*	189	190
Index of urban building permits.....	336*	350*	463*	414	399
†Index of crude petroleum production (8.6).....	231	232	222	227	232
†Index of total electric power consumption (3.0).....	732	776	749	698	594
Index of industrial production in the U.S.....	238*	233*	240	239	219
Index of cement production.....		313	317	325	325
Construction contracts awarded (thousands).....	\$ 84,960	\$ 84,000	\$ 89,957	\$ 96,437	\$111,344
AGRICULTURE					
Index of farm cash income (unadjusted).....	388	337	291	323	506
Index of prices received by farmers (unadjusted).....	270	272	264	279	332
Index of prices paid by farmers in the U.S. (parity index—unadjusted, 1909-14=100).....	278	278	276	279	286
Parity ratio.....	97	98	96	100	116
Index of prices received by farmers—livestock (unadjusted, 1909-14= 100).....	281	288	269	305	371
Index of prices received by farmers—all crops (unadjusted, 1909-14= 100).....	261	260	260	259	303
FINANCE					
Loans, reporting member banks in Dallas district (millions).....	\$ 1,782	\$ 1,776	\$ 1,759	\$ 1,767	\$ 1,609
Loans and investments, reporting member banks in Dallas district (millions).....	\$ 3,209	\$ 3,188	\$ 3,103	\$ 3,121	\$ 2,999
Demand deposits adjusted, reporting member banks in Dallas district (millions).....	\$ 2,477	\$ 2,486	\$ 2,410	\$ 2,456	\$ 2,385
Bank debits in 20 cities (millions).....	\$ 5,198	\$ 5,551	\$ 5,718	\$ 5,497	\$ 5,382
Revenue receipts of the State Comptroller (thousands).....	\$ 56,669	\$ 62,935	\$ 69,068	\$ 63,494	\$ 58,076
Federal Internal Revenue collections (thousands).....	\$157,446	\$124,821	\$249,509	\$209,391	\$188,187
LABOR					
Total nonagricultural employment (thousands).....	2,269.6*	2,275.3	2,280.8	2,262.3	2,215.2
Total manufacturing employment (thousands).....	438.1*	438.6	437.6	437.5	425.9
Durable-goods employment (thousands).....	208.5*	209.6	208.5	207.4	203.3
Nondurable-goods employment (thousands).....	229.6*	229.0	229.1	230.0	222.6

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1955-59 except where indicated and are adjusted for seasonal variation (except annual indexes).

Manufacturing employment estimates have been adjusted to first quarter 1952 benchmarks.

*Preliminary.

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

‡New series. Index computed from estimates of retail sales published by Bureau of the Census.