# TEXAS BUSINESS REVIEW

*A Monthly Summary of Business and Economic Conditions in Texas*

BUREAU OF BUSINESS RESEARCH : THE UNIVERSITY OF TEXAS

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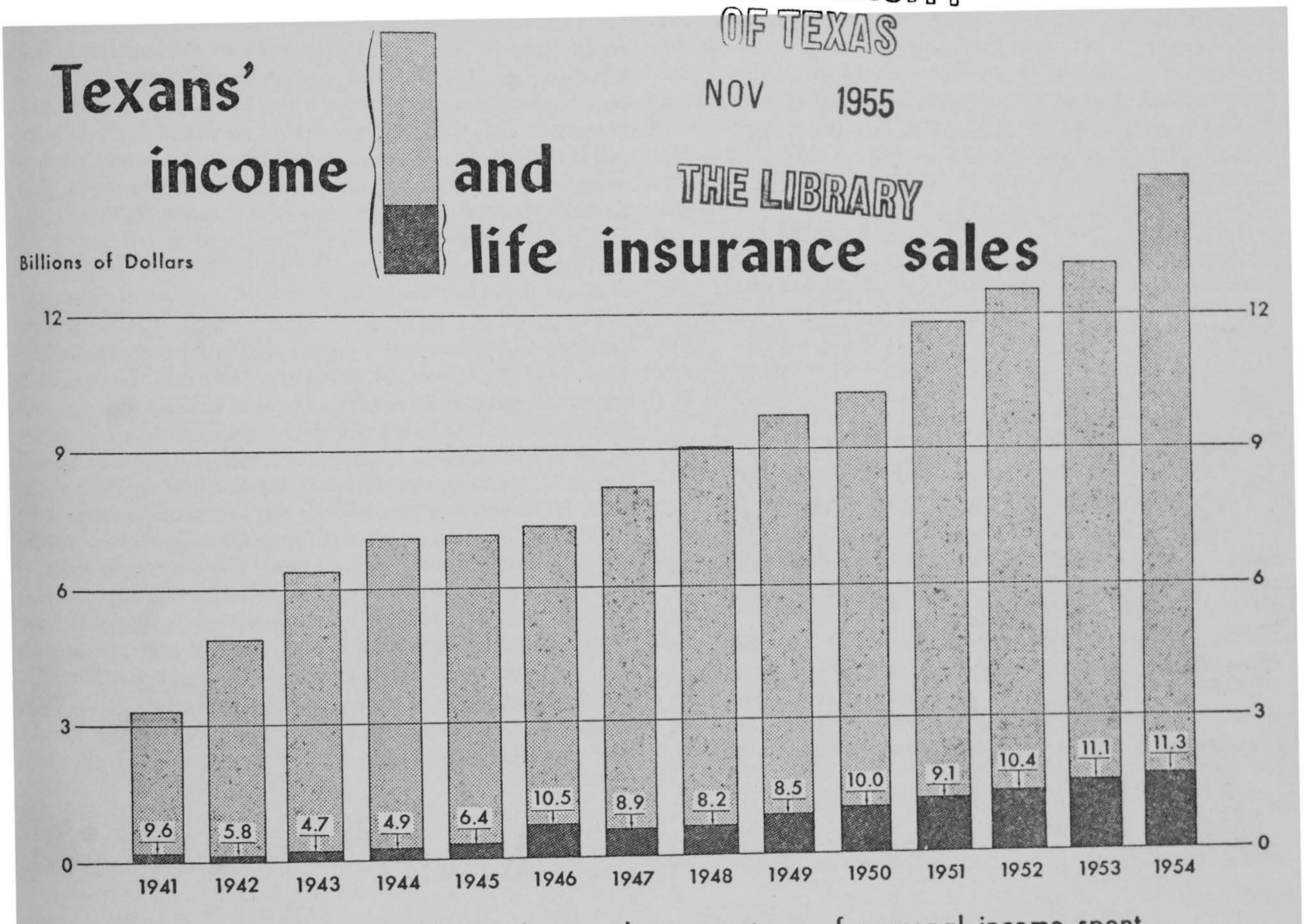



Note. The figure inside each bar indicates the percentage of personal income spent in purchases of life insurance in Texas during the year.

This year the average Texas family carries $5,500 in life insurance, less than the $6,300 U.S. average but up a big step from the 1953 Texas figure, $4,900.

During the war years (see chart) much money that would ordinarily have gone into privately issued life insurance was spent for servicemen's insurance.

Economic conditions at large and the particular situation of the individual family have much to do with the amount of insurance they do, and should, carry. During the depression of the 1930's, for example, an economically insecure public tended to put a bigger share of income into insurance. This month's special report (page 16) highlights the current insurance picture in Texas.

# The Business Situation in Texas

Business activity in Texas during September showed very little change from the previous month but in the aggregate registered a slight fall. The index of business activity compiled by the Bureau of Business Research (see chart below) declined from 174 to 173, with increases in four and decreases in four of the component series. The detailed changes in the component series are shown in the table below.

**INDEX OF TEXAS BUSINESS ACTIVITY AND COMPONENT SERIES**

(Adjusted for seasonal variation, 1947–49 = 100)

| Index | Weight | Sept 1955 | Aug 1955 | Percent change |
|---|---|---|---|---|
| INDEX OF BUSINESS ACTIVITY (COMPOSITE) | 100.0 | 173* | 174* | — 1 |
| Retail sales, deflated | 46.8 | 156* | 163 | — 4 |
| Industrial electric power consumption | 14.6 | 305* | 290* | + 5 |
| Miscellaneous freight carloadings | 10.0 | 99 | 93 | + 6 |
| Construction authorized, deflated | 9.4 | 128* | 146* | — 12 |
| Crude petroleum production | 8.1 | 117* | 118* | — 1 |
| Ordinary life insurance sales, deflated | 4.2 | 218 | 214 | + 2 |
| Crude oil runs to stills | 3.9 | 138 | 141 | — 4 |
| Total electric power consumption | 3.0 | 297* | 286* | + 4 |

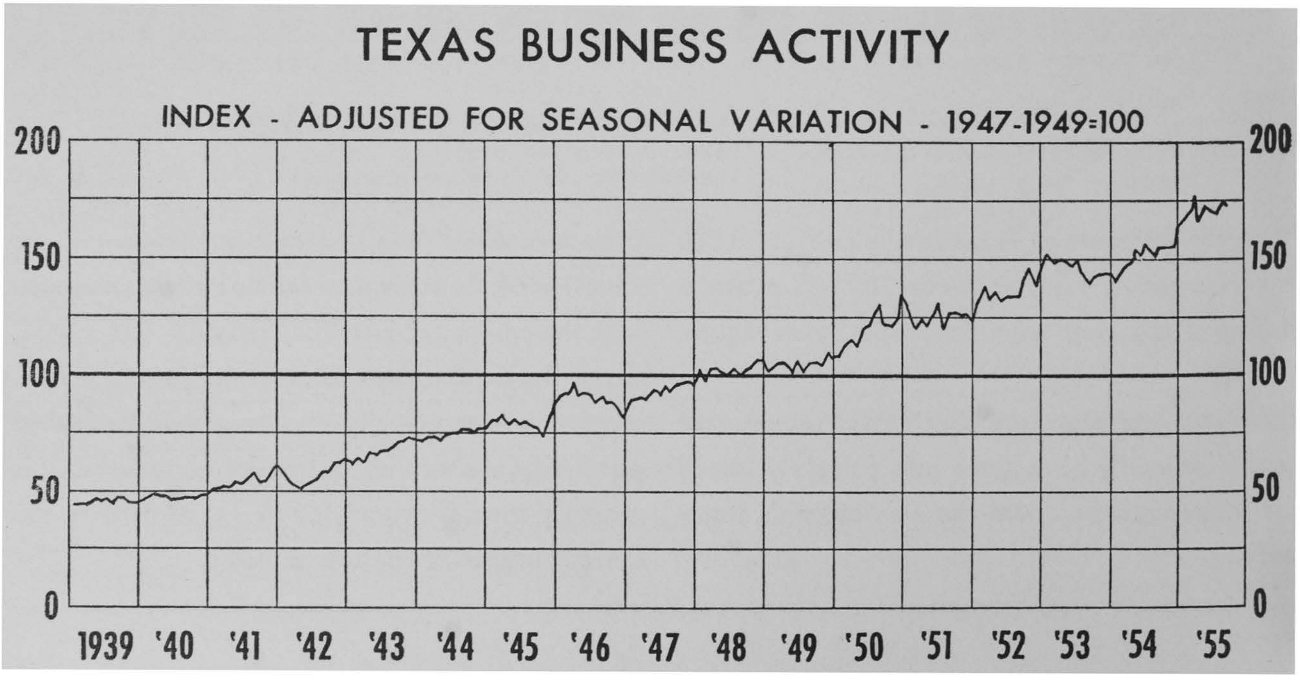
*Preliminary.

The decline of 12% in construction activity was by far the greatest drop in any phase of Texas business. The series representing new building starts tends to be somewhat erratic in its fluctuations, but after taking into consideration this tendency, it can be seen that there has been a consistent downward drift since the end of last year. The value of new building authorized in the first quarter of 1955 was 4% lower than in the last quarter of 1954. The second quarter of 1955 was 3% below the first quarter, and the third quarter fell 10% from the second quarter. In comparison with a year ago, the value of building authorized has decreased 22%, and when an allowance is made for an increase in building costs, the decline amounts to 24%.

The boom in construction in Texas was a major factor in bringing about a reversal of the mild cyclical decline in the last half of 1953, and it contributed substantially to the rapid gain in Texas business volume during 1954. With building now levelling off and even shrinking in volume, one of the strong supports to further expansion has been removed. This does not mean that substantially less building is indicated for the future; all reports suggest that there is still a large backlog of demand for construction, particularly in public works, schools, commercial buildings, and industrial projects. The behavior of residential building, however, supports the thesis that the present boom shows signs of levelling off.

The rapid rise in business activity during 1954 resulted to a considerable extent from a continual increase in consumer spending, but the third quarter of 1955 gives indications that the upward trend in retail sales is less vigorous than in 1954. The index of retail sales for the third quarter of 1955 averaged 177, compared with an average of 175 for the second quarter and 172 for the first quarter of the year. In the first part of 1955 the increase in retail sales came largely from sales of durable-goods stores. In the third quarter, however, this trend was reversed; sales of durable-goods stores declined, while sales of nondurable-goods stores gained. All of these series are adjusted for seasonal variation, although the seasonal patterns of durable-goods sales are always difficult to measure accurately.

The speed with which automobile dealers have been selling the remaining 1955 models in preparation for the 1956 models is causing business analysts to refrain from



expressing too much skepticism with respect to the predictions that next year will be nearly as good as this year has been. A year ago the optimistic predictions of the automobile industry were received with a certain amount of derision, but the record for the year will exceed the most rosy predictions. There are signs that many automobile dealers are not happy with the high level of production, but there has been no indication that any drastic curtailment of production is in prospect.

INDEX OF WHOLESALE PRICES IN THE UNITED STATES
(1947–49 = 100)

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

| Index | 1955* Oct 18 | Oct 11 | Sept 1955 | Oct 1954 |
|---|---|---|---|---|
| ALL COMMODITIES | 111.2 | 111.2 | 111.6 | 109.7 |
| Farm products | 87.1 | 86.7 | 89.3 | 93.1 |
| Processed foods | 99.8 | 99.8 | 101.4 | 103.7 |
| All other commodities | 118.6 | 118.7 | 118.4 | 114.5 |

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

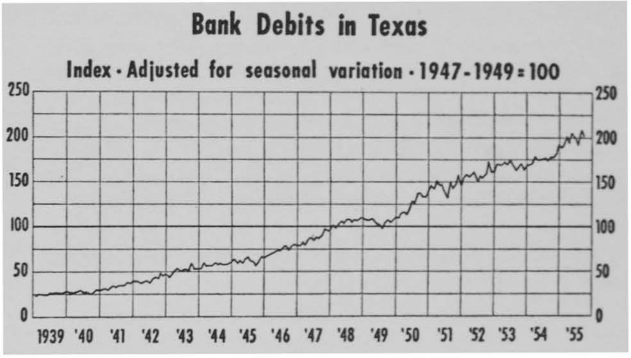
There is no doubt that an unprecedented volume of consumer credit was needed to sell the output of 1955 cars. The last figures available, for the end of August, showed a continuation of the rise in the volume of automobile instalment paper outstanding, in spite of the general tightening of credit. The volume outstanding on August 31, 1955, was 31% greater than a year earlier and totalled over $13.5 billion. Instalment paper outstanding on all consumer durable goods was 23% higher than at the end of August last year. Disposable personal income for the third quarter of 1955 was 7% above the third quarter of last year. Production of consumer durable goods during September was 35% above the same month a year ago. These figures are all for the United States, since no breakdown is available for Texas; but the situation in Texas appears to be similar to that of the country as a whole. Increased consumer spending has come from both larger income and steadily rising instalment debt.

The recovery from the recession of 1953 was brought about to a considerable degree by the continued increase in consumer spending, and the rapidly growing population seems to assure that demand for consumer goods will grow even further. If consumer spending continues upward, businessmen will increase their investment in production and distribution facilities. The latest population forecast by the Bureau of the Census predicts that the population of the United States will be 228.5 million people in 1975. The previous forecast placed the 1975 total at 221 million, but the rate of increase for the past two years has been greater than anticipated, and the projected growth during the next 20 years has been adjusted upward.

The long-range projection of the Texas population made by the Texas Research League has been used in forecasting by the Bureau of Business Research. But in view of the new projection by the Bureau of the Census the earlier projection (12.1 million in 1975) may be too small.

Unquestionably the rapid growth in population has had a pronounced effect on business in Texas, and the expected continuation of this growth would continue to influence the course of business activity. Greater industrial activity in Texas has been part of a tremendous expansion in industrial capacity throughout the country. Because the productivity of labor has increased steadily, the output of goods and services has increased even faster than the population. This accelerated production of goods has placed constantly greater emphasis on the ability of the consumer market to absorb the output of the factories. Mass distribution has become quite as important as mass production. There are signs that a revolution is taking place in the distribution of goods, particularly durable goods. A generation ago the chain store revolutionized the marketing of food, and at the present time strong forces are at work in the distribution of automobiles and appliances. The most striking manifestations of this trend are the discount houses and the large-volume automobile dealers. Some of the latter have been franchised dealers, but others have been unauthorized dealers, performing a function in the distribution of automobiles similar to that performed by the discount houses in the distribution of other consumer durables, particularly appliances.

The prospects of a continually expanding Texas population and a rising per capita income seem to give assurance of a continued high level of business in the state. It is inevitable that minor cyclical recessions will occur, even if no serious major recession develops. The present rising trend of business has run for nearly two years in Texas, and the evidence continues to suggest that the end of the rise is approaching. On the other hand, there is strong indication that the forces influencing the growth of the economy are powerful enough to offset a minor recession before it can develop into a major downturn. So, although it appears that business activity is now rather precariously balanced at a very high level, the probabilities of a major decline within the next year appear small; there is a greater likelihood of a minor recession. But the advance has been so fast this year that 1955 is almost certain to set a new record.




The index of bank debits has been showing the same levelling off that the index of business activity has registered during 1955. A decline of 3% in September was a sharp reversal of the strong rise in August, with the result that the third quarter averaged 201, compared with an average of 200 for the second quarter. This rise of one point in the quarterly average for the index of bank debits was the same as the rise in the business activity index in the third quarter.

The index of wholesale commodity prices rose in September for the fourth consecutive month. The index of all commodities has risen 2% since May. Industrial prices included in the index have risen more than the total, while farm prices continued to decline.

JOHN R. STOCKTON

TEXAS BUSINESS REVIEW



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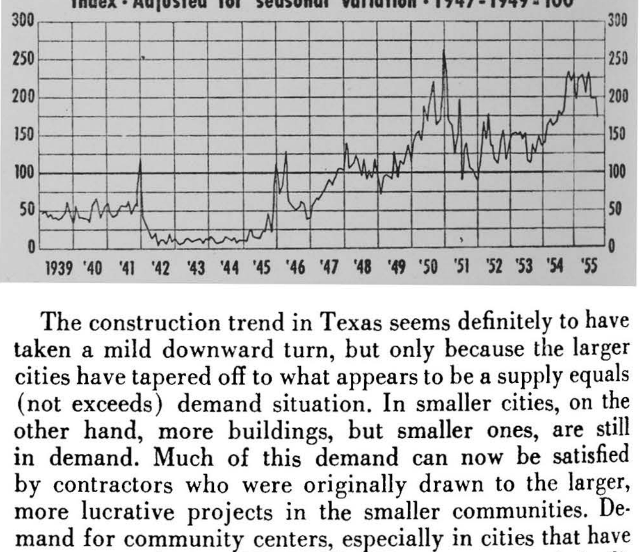
## CONSTRUCTION

**Texas building continues mild decline.** The estimated value of building authorized in Texas during September 1955 topped $76 million, still $22 million short of September 1954 and $11 million less than in August 1955. September, the sixth consecutive month of decline for total authorized construction, was the lowest month since early 1954, even though the total for the first nine months of 1955 was 20% ahead of the comparable period in 1954.

Of the $67 million authorized for *new* building, 67% was for new residential construction. Almost $27 million of the $43 million earmarked for housekeeping residential building was authorized in the following cities: Dallas (the leader, with permits for 521 dwelling units, valued at $5.53 million), Houston (400 units for $4.22 million), San Antonio (402 units for $2.96 million), Fort Worth (296 units for $2.40 million), El Paso (238 units for $1.97 million), Austin (150 units for $1.88 million), Arlington (179 units for $1.58 million), Lubbock (122 units for $1.48 million), Odessa (150 units for $1.40 million), Abilene (101 units for $1.21 million), Pasadena (103 units for $1.09 million), and Midland (78 units for $1.06 million).

**Value of Building Construction Authorized in Texas**

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




The construction trend in Texas seems definitely to have taken a mild downward turn, but only because the larger cities have tapered off to what appears to be a supply equals (not exceeds) demand situation. In smaller cities, on the other hand, more buildings, but smaller ones, are still in demand. Much of this demand can now be satisfied by contractors who were originally drawn to the larger, more lucrative projects in the smaller communities. Demand for community centers, especially in cities that have grown enough since World War II to warrant such facilities, is said to run into many millions of dollars. Many of these smaller towns also have a backlog of demand for additional grocery stores, eating places, laundry and dry cleaning establishments, branch department stores, variety and hardware stores, florists, service stations and garages, drug stores, and other retail establishments where shopping is made convenient, both by location and by ease of parking. Other demands include new rural schools (objective: to abolish completely the conventional "country school" from the Texas scene). Public auditoriums are wanted in towns that have outgrown the high school gym, as more road shows make their appearance. More and better parking facilities are needed in towns that are increasingly clogged with traffic from expanded military bases as well as a growing domestic population. In these smaller towns the private car is commonly the only means of transportation.

Yet, building needs in smaller towns are not expected to be great enough to keep the construction barometer at current levels. They will help, however, to cushion the return to normalcy and to prevent a sudden drop, which some observers have anticipated. In brief, the chain-reaction nature of the present boom has spread to smaller cities, towns, and villages of Texas. Builders' competitive positions in the larger cities will no longer depend entirely on how fast or how big a structure they can put up, for as loan conditions tighten and quick write-offs are abandoned, new building techniques will put increasing emphasis on quality construction. Builders and buyers alike are certain to look more closely at probable maintenance and repair costs.

**Contracts awarded hit nine-month record.** F. W. Dodge Statistical Research Service reports that total construction contracts awarded in September 1955 in Texas were valued at $106.9 million, 14% down from the previous month and 29% below last September's level. The January-September cumulative total, however, established a new high in the state, surpassing last year's nine-month figure by 21% and the previous record, set in 1951, by 12%. During the nine-month period all major categories showed increased activity: nonresidential awards were up 30%; residential contracts rose 15%; and public works and utility outlays ran 22% ahead of the January-September total for 1954.

**Per capita building value in Texas.** Average per capita value of building in Texas during September was $17.24, a full 15% below the previous month and 23% below September 1954. Evidence that building is progressing rapidly in the smaller cities can be seen in the high per capita levels registered in some of them. Lake Jackson was in first place with $680.01; second was Irving, with building per capita at $326.21; Robinson followed with $294.12; and Groves, with $279.23. Others were Castle Hills ($261.07), Benbrook ($226.90), Arlington ($213.21), Muenster ($143.97), Hunters' Creek ($130.00), Euless ($116.00), and Richland Hills ($101.50).

**Nonresidential building also drops.** During September 1955 nonresidential building authorized in Texas amounted to almost $22 million, some $6 million (20%) below August. January–September 1955 was only $30 million (10%) more than the total for January–September 1954. Major declines were in institutional buildings and public works and utilities (each —90%), churches and public buildings (each —60%), and factories and workshops and commercial garages (each —30%). Increases occurred in amusement buildings (+90%), office and bank buildings (+370%), educational buildings and stores and other mercantile buildings (each +10%), private garages (+14%), and service stations (+7%).

**Construction employment continues strong.** Construction employment is maintaining a high level, with starts and completions fairly well balanced, the Texas Employment Commission reports. More of the major labor market areas reported job gains than reported losses in August. By October there may have been a slight easing off, as some big projects were completed.

**National construction records all-time peak.** New construction activity in the nation as a whole increased to an all-time monthly high of $4.0 billion in September, to round out the most active quarter on record, according to preliminary estimates prepared jointly by the U. S. Department of Commerce and Department of Labor. The value of new work put in place during September brought the third-quarter total to $11.9 billion, 9% more than the July–September 1954 total. After adjustment for seasonal factors new construction activity in the third quarter of 1955 was at an annual rate of $41.8 billion, compared with actual outlays of $37.6 billion in 1954.

**National home demand to continue.** The October 7 issue of *U. S. News & World Report* states that in the five years ending in 1960 the United States will need 5.6 million more houses—4.5 million to take care of the growth in population and 1.0 million to replace houses torn down or otherwise withdrawn from use. However, only 5.1 million are to be built new; the additional half million will come from older houses split into apartments and from makeshift arrangements.

JO OVERSTREET

**ESTIMATED VALUE OF BUILDING AUTHORIZED**

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

| Classification | Sept 1955* | January-September 1955 | January-September 1954 | Percent change |
|---|---|---|---|---|
| CONSTRUCTION CLASS | Value (thousand of dollars) | | | |
| ALL PERMITS | 76,130 | 809,950 | 683,621 | + 20 |
| New construction | 67,399 | 729,978 | 614,935 | + 20 |
| Residential buildings | 45,419 | 491,915 | 406,123 | + 20 |
| Housekeeping dwellings | 43,369 | 484,535 | 400,257 | + 20 |
| One-family houses | 41,827 | 465,274 | 377,874 | + 20 |
| Multiple-family houses | 1,542 | 19,261 | 22,383 | — 10 |
| Nonhousekeeping buildings | 2,050 | 7,380 | 5,231 | + 40 |
| Nonresidential buildings | 21,980 | 238,062 | 208,812 | + 10 |
| Additions, alterations, and repairs | 8,731 | 80,197 | 68,686 | + 20 |
| METROPOLITAN vs. NON-METROPOLITAN† ALL PERMITS | 76,130 | 809,950 | 683,621 | + 20 |
| Total metropolitan | 56,311 | 610,667 | 524,330 | + 20 |
| Central cities | 47,105 | 506,509 | 451,090 | + 10 |
| Outside central cities | 9,206 | 104,158 | 73,240 | + 40 |
| Total nonmetropolitan | 19,819 | 199,282 | 159,291 | + 30 |
| 10,000 to 50,000 pop. | 13,895 | 127,651 | 90,322 | + 40 |
| Less than 10,000 pop. | 5,924 | 71,631 | 68,969 | + 4 |

Only building for which permits were issued within the incorporated area of a city is included. Federal contracts and public housings are not included.

*Preliminary.

†As defined in the 1950 Census.

**VALUE OF CONSTRUCTION CONTRACTS AWARDED**

Source: Dodge Statistical Research Service

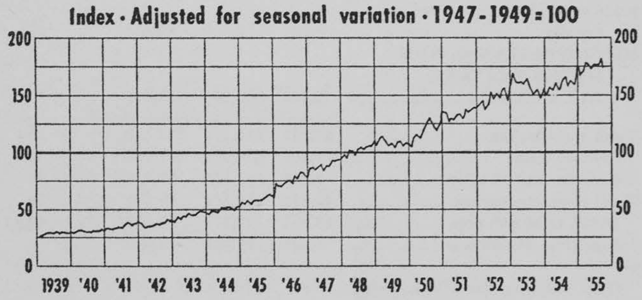
| Type of construction | Sept 1955 | January-September 1955 | January-September 1954 | Percent change |
|---|---|---|---|---|
| | Value (thousands of dols) | | | |
| NEW CONSTRUCTION | 106,909 | 1,150,101 | 948,777 | + 21 |
| ALL BUILDING | 74,948 | 920,475 | 759,979 | + 21 |
| Residential buildings | 44,344 | 523,140 | 453,541 | + 15 |
| Nonresidential building | 30,604 | 397,335 | 306,438 | + 30 |
| PUBLIC WORKS AND UTILITIES | 31,961 | 229,626 | 188,798 | + 22 |

## RETAIL TRADE

**Sales still at peak.** In most retail lines sales have continued their climb to new record levels. Response to seasonal sales promotions has been good, especially since the arrival of cooler, more seasonal weather. Price reductions have helped in some areas. Demand for women's apparel was spotty, geographically, and varied in intensity between the weeks in September and early October. Men's wear sold better than in many months. The call for children's wear continued strong, as did the demand for shoes for the entire family. Automobile sales slowed despite severe price cuts, but they revived with the introduction of new models.

**Retail Sales in Texas**

**Index · Adjusted for seasonal variation · 1947-1949 = 100**




Furniture lines continued their high activity, especially for bedroom suites, dining sets, and upholstered chairs. Draperies and floor coverings drew strong interest, as did china and glassware, paints, and household hardware. Sales of television and radio sets improved. Purchases of groceries remained at high levels except for canned foods. Fur coats, jewelry, and handbags were active. Customers throughout the nation have been spending about $1 million more per month than last year in retail stores. And demand has focused sharply on higher-priced, rather than popular- or budget-priced, lines. Against a national average of +7%, department stores in the Southwest gained about 10% this year, as reported by the Federal Reserve Bank.

**ESTIMATES OF TOTAL RETAIL SALES**

| Type of store | Sales (mils of dols) Sept 1955 | Jan-Sept 1955 | Percent change Sept 1955 from Aug 1955 | Sept 1955 from Sept 1954 | Jan-Sept 1955 from Jan-Sept 1954 |
|---|---|---|---|---|---|
| TOTAL | 918.8 | 8,136.1 | − 3 | + 8 | + 11 |
| Durable goods | 331.8 | 3,054.4 | − 10 | + 14 | + 18 |
| Nondurable goods | 587.0 | 5,081.7 | + 2 | + 5 | + 8 |

**Markets lively.** The wholesale markets have been crowded with buyers anxious to fill up depleted or conservatively bought stocks. Slowing deliveries, uncertainty as to textile stocks, and rising prices have contributed to longer commitments to assure supply. All lines of durable goods have drawn brisk response, as have most apparel lines. In household goods, gratifying volume from sales promotions has sparked heavy reordering. Expensive glassware, gift lines, and juvenile furniture made noticeable upturns. Jewelry and accessories moved rapidly. Strong activity in men's clothing was labeled as a "return to normal" after several lean years. Most retail inventories are said to be within "normal" ratios to sales. In fact, numerous merchants fear that retail stocks will prove inadequate to meet the expected "greatest Christmas business in all history." In the new car field, dealer's stocks fell to 593,000, about September 10, from an earlier 800,000.

**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 Sept 1955 from Aug 1955 | Sept 1955 from Sept 1954 | Jan-Sept 1955 from Jan-Sept 1954 |
|---|---|---|---|---|
| KIND OF BUSINESS | | | | |
| DURABLE GOODS | | | | |
| Automotive stores | 342 | − 10 | + 30 | + 31 |
| Furniture and household appliance stores | 176 | − 12 | + 10 | + 8 |
| Lumber, building material, and hardware stores | 343 | − 10 | + 2 | + 12 |
| NONDURABLE GOODS | | | | |
| Apparel stores | 235 | + 12 | + 3 | + 5 |
| Drug stores | 196 | − 1 | + 6 | + 6 |
| Eating and drinking places | 141 | − 5 | − 2 | − 1 |
| Filling stations | 1,092 | − 4 | + 12 | + 17 |
| Food stores | 377 | + 5 | + 5 | + 2 |
| General merchandise stores | 213 | − 3 | + 7 | + 8 |
| Other retail stores | 233 | + 7 | x | + 5 |
| CITY-SIZE CLASS (1950) | | | | |
| Over 250,000 | 1,475 | − 5 | + 11 | + 16 |
| 100,000 to 250,000 | 209 | − 4 | + 10 | + 15 |
| 50,000 to 100,000 | 298 | − 6 | + 15 | + 17 |
| 2,500 to 50,000 | 1,116 | − 2 | + 17 | + 14 |
| Under 2,500 | 250 | x | + 5 | + 4 |

xChange is less than one-half of one percent.

**Credit use still higher.** According to the Federal Reserve Board, consumer credit rose in August by another $740 million (about $500 million of it for new automobiles), to a new all-time high point of $33.6 billion. Since August 1954, total consumer credit rose about 17%, about three-quarters of it for car purchases. Credit repayments are also being made at a record rate. Delinquencies and repossessions are low. Mortgage debt now is poised at a record $82 billion. Personal liquid savings have reached a peak of $215 billion. Yet much of the added 6% of take-home pay is being spent for retail goods and services.

**Retail prospects.** After an anticipated peak in Christmas sales, price increases in many lines—durable goods and some apparel—are expected to complicate selling. The wholesale price level for commodities other than farm products reached a record high in August. Many increases in production and marketing costs are currently being absorbed and are not yet reflected on retail price tags. Competition among automobile dealers is furnishing some "1956 models at 1955 prices." In household electrical appliances, 5% to 7% increases are expected after the turn of the year. And the question in many lines of durable goods is, how much 1956 business has been garnered by selling this year? A gradual slowing to "stabilized" levels in 1956 should still leave that year as one of the best in sales history.

**Survey of Texas trade.** With 3,348 retailers reporting, September sales slipped from August by 3% but topped last September by 8% and the first nine months of 1954 by 11%. Durable goods continued in the lead, with +14% for the month and +18% for the three-quarter year.

Retail lines averaging gains over August were women's (+15%) and men's (+10%) apparel stores, shoe stores (+14%), and florists (+8%). Best increases over last September were among motor vehicle dealers (+31%); filling stations (+12%); jewelers and florists (each +11%); furniture and department stores (each +9%); men's wear (+7%); and hardware, drug, and liquor stores (each +6%). Leaders for the first nine months, 1955 over 1954, were motor vehicle dealers (+32%), filling stations (+17%), lumber and building material dealers (+13%), hardware stores (+11%), furniture and department stores (each +10%), and jewelers (+8%). Cities of more than 2,500 population averaged gains of 14% to 17%, smaller towns 4%. All crop-reporting districts gained for the nine months (+2% to +34%).

Reporting by cities, 299 Texas department and apparel stores topped August by 4%, last September by 6%, and January-September 1954 by 8%. Of the 34 cities reporting, 26 topped August sales, 18 bettered last September, and 23 were ahead for the year to date. Best gains over August were at Bryan (+44%), Greenville and Paris (each +38%), Temple (+29%), Childress (+24%), and El Paso (+19%). In the September-to-September comparison, leaders were Dallas and Fort Worth (each +13%), Paris (+12%), McAllen and Port Arthur (each +11%), Denison (+10%), Childress and El Paso (each +9%), and Amarillo and Greenville (each +7%). For the nine months, largest gains were at Lubbock (+24%); McAllen (+21%); Fort Worth (+12%); Dallas (+10%); Port Arthur (+9%); El Paso, Houston, Temple, and Tyler (each +8%); and Abilene (+7%).

Of the 39 cities reporting enough retailers of various types to be listed individually, 10 rose from August, 32 surpassed last September, and 34 exceeded January-September 1954. Topping August by best margins were Pampa (+27%); Big Spring (+16%); Brownwood, Greenville, and Navasota (each +9%); and Lubbock and Wichita Falls (each +8%). Bettering last September were Big Spring (+69%), McAllen (+49%), Pampa (+13%), Texarkana (+29%), Wichita Falls (+27%), Lubbock (+26%), Paris (+23%), and Beaumont and Greenville (each +19%).

A. Hamilton Chute

**CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES**

| Classification | Number of reporting stores | Credit ratios* | | Collection ratios† | |
|---|---|---|---|---|---|
| | | Sept 1955 | Sept 1954 | Sept 1955 | Sept 1954 |
| ALL STORES | 63 | 64.2 | 65.4 | 36.4 | 36.9 |
| BY CITIES | | | | | |
| Austin | 4 | 62.1 | 61.9 | 51.5 | 51.3 |
| Cleburne | 3 | 42.7 | 41.8 | 42.0 | 37.1 |
| Dallas | 6 | 61.3 | 66.9 | 33.7 | 34.3 |
| El Paso | 3 | 62.8 | 60.0 | 30.2 | 29.1 |
| Fort Worth | 3 | 68.6 | 67.6 | 33.1 | 32.2 |
| Galveston | 5 | 59.3 | 60.6 | 44.3 | 47.0 |
| Houston | 3 | 78.5 | 77.1 | 40.6 | 40.5 |
| San Antonio | 6 | 63.0 | 63.5 | 39.4 | 42.9 |
| Waco | 5 | 59.2 | 59.2 | 48.2 | 46.5 |
| All others | 25 | 63.1 | 65.4 | 40.9 | 41.9 |
| BY TYPE OF STORE | | | | | |
| Department stores (over $1 million) | 18 | 64.9 | 66.7 | 35.1 | 35.4 |
| Department stores (under $1 million) | 19 | 51.1 | 50.6 | 40.5 | 38.7 |
| Dry goods and apparel stores | 5 | 57.4 | 61.3 | 41.8 | 42.9 |
| Women's specialty shops | 15 | 64.3 | 63.4 | 42.3 | 43.4 |
| Men's clothing stores | 6 | 62.2 | 61.8 | 45.4 | 51.6 |
| BY VOLUME OF NET SALES (1954) | | | | | |
| Over $3,000,000 | 18 | 65.4 | 66.8 | 35.5 | 36.0 |
| $1,500,000 to $3,000,000 | 3 | 58.0 | 59.4 | 49.8 | 49.3 |
| $500,000 to $1,500,000 | 17 | 59.1 | 59.1 | 45.4 | 45.6 |
| $250,000 to $500,000 | 11 | 43.9 | 44.2 | 37.7 | 39.3 |
| Less than $250,000 | 14 | 49.8 | 49.1 | 38.1 | 38.9 |

*Credit sales as a percent of net sales.

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

**POSTAL RECEIPTS**

| City | Sept 1955 | Aug 1955 | Sept 1954 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|---|---|
| TOTAL* | $5,432,638 | $5,205,117 | $5,193,662 | + 4 | + 5 |
| Alice | 12,205 | 10,899 | 11,270 | + 12 | + 8 |
| Bastrop | 1,751 | 1,278 | 1,501 | + 37 | + 17 |
| Bay City | 10,276 | 9,226 | 9,626 | + 11 | + 7 |
| Belton | 5,126 | 5,728 | 5,589 | — 11 | — 8 |
| Brownfield | 6,278 | 6,393 | 6,597 | — 2 | — 5 |
| Cameron | 7,613 | 4,680 | 6,649 | + 63 | + 14 |
| Cleburne | 9,682 | 9,424 | 10,600 | + 3 | — 9 |
| Coleman | 5,504 | 5,384 | 5,865 | + 2 | — 6 |
| Crystal City | 2,399 | 2,837 | 2,924 | — 15 | — 18 |
| Cuero | 4,546 | 3,972 | 5,203 | + 14 | — 13 |
| El Campo | 8,964 | 8,613 | 8,597 | + 4 | + 4 |
| Gainesville | 12,217 | 11,964 | 13,229 | + 2 | — 8 |
| Gatesville | 4,706 | 3,859 | 4,494 | + 22 | + 5 |
| Gilmer | 3,926 | 3,223 | 3,454 | + 22 | + 14 |
| Graham | 6,811 | 5,904 | 6,292 | + 15 | + 8 |
| Granbury | 2,167 | 1,745 | 2,074 | + 24 | + 4 |
| Grand Prairie | 20,028 | 16,629 | 14,758 | + 20 | + 36 |
| Hale Center | 1,119 | 1,069 | 1,404 | + 5 | — 20 |
| Hillsboro | 5,749 | 4,729 | 5,237 | + 22 | + 10 |
| Huntsville | 6,639 | 6,597 | 6,800 | + 1 | — 2 |
| Jacksonville | 13,059 | 8,851 | 11,036 | + 48 | + 18 |
| Kenedy | 3,415 | 3,068 | 3,557 | + 11 | — 4 |
| Kerrville | 9,567 | 8,053 | 8,156 | + 19 | + 17 |
| Kingsville | 15,347 | 10,110 | 14,692 | + 52 | + 4 |
| Kirbyville | 2,306 | 2,173 | 2,999 | + 6 | — 23 |
| La Grange | 4,297 | 3,321 | 4,575 | + 29 | — 6 |
| Littlefield | 5,286 | 4,418 | 5,389 | + 20 | — 2 |
| Luling | 3,612 | 2,887 | 3,741 | + 25 | — 3 |
| McCamey | 3,655 | 2,486 | 3,515 | + 47 | + 4 |
| Marlin | 5,477 | 5,458 | 6,026 | x | — 9 |
| Mission | 7,685 | 6,412 | 5,947 | + 20 | + 29 |
| Nacogdoches | 10,560 | 10,999 | 10,772 | — 4 | — 2 |
| New Braunfels | 12,230 | 12,257 | 12,608 | x | — 3 |
| Pasadena | 19,670 | 18,681 | 17,406 | + 5 | + 13 |
| Pecos | 12,699 | 7,924 | 12,060 | + 60 | + 5 |
| Pharr | 4,735 | 4,166 | 4,322 | + 14 | + 10 |
| Pittsburg | 2,516 | 2,344 | 3,105 | + 7 | — 19 |
| San Marcos | 11,180 | 10,240 | 10,713 | + 9 | + 4 |
| Snyder | 10,670 | 9,098 | 9,577 | + 17 | + 11 |
| Sulphur Sprngs | 6,948 | 6,472 | 6,029 | + 7 | + 15 |
| Taft | 2,970 | 3,232 | 2,862 | — 8 | + 4 |
| Terrell | 5,945 | 5,478 | 5,212 | + 9 | + 14 |
| Vernon | 11,151 | 8,737 | 16,101 | + 28 | — 31 |
| Waxahachie | 8,054 | 9,092 | 8,834 | — 11 | — 9 |
| Yoakum | 10,140 | 11,300 | 12,365 | — 10 | — 18 |

*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

**To be made in Texas: more planes, cars.** Texas' $200 million transportation equipment industry continues to move toward new output records. Robert J. Hammond, General Motors plant manager (Buick-Oldsmobile-Pontiac assembly) at Arlington, has announced that the addition of a second shift will bring employment there to a total of about 3,500 workers and will make General Motors one of the largest employers in the Dallas-Fort Worth industrial nucleus. Employment in the Arlington plant now amounts to some 0.57% of General Motor's total U. S. payroll, which is at an all-time high. Continuation of overtime operations has boosted workers' weekly earnings in the GM car, truck, body, and assembly divisions during the first three-quarters of 1955 to an average of $104.91.

Frye Corporation of Fort Worth, of which Jack Frye, former head of Trans World Airlines is president and board chairman, has announced designs are being drawn for a 60-passenger transport plane that can take off from a 1,000 foot runway at 55 miles an hour. Frye's announcement was enthusiastically received by feeder airlines, several of which have been anxious to have planes capable of taking off and landing at small airfields. Flexibility of the plane for quick conversion from passenger to freight service is planned. Frye now employs about 25 persons in Fort Worth, but officials plan to expand the staff to 100 within a short time. The company does not expect to build the plane but will license existing manufacturers to produce it. The Convair Division of General Dynamics at Fort Worth has received the go-ahead signal for production of the gigantic B-58 bomber, and TEMCO Aircraft Corporation of Dallas has been awarded a number of new subcontracts for various planes.

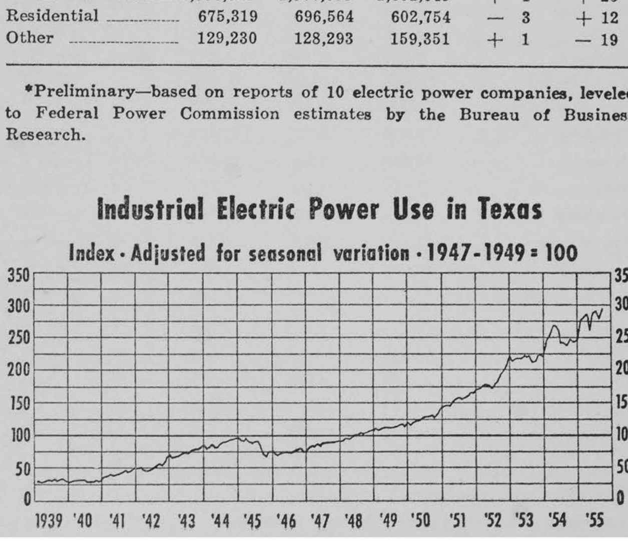
**ELECTRIC POWER CONSUMPTION**

| Use | Consumption (thous kw-hrs) Sept 1955* | Aug 1955* | Sept 1954 | Percent change Sept 1955 from Aug 1955 | Sept 1955 from Sept 1954 |
|---|---|---|---|---|---|
| TOTAL | 3,317,894 | 3,316,332 | 2,842,862 | x | + 17 |
| Commercial | 514,800 | 514,440 | 479,108 | x | + 7 |
| Industrial | 1,998,545 | 1,977,035 | 1,601,649 | + 1 | + 25 |
| Residential | 675,319 | 696,564 | 602,754 | — 3 | + 12 |
| Other | 129,230 | 128,293 | 159,351 | + 1 | — 19 |

*Preliminary—based on reports of 10 electric power companies, leveled to Federal Power Commission estimates by the Bureau of Business Research.

**Industrial Electric Power Use in Texas**

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




**WELL COMPLETIONS**

Source: *The Oil and Gas Journal*

| Region | September 1955* Oil | Gas | Dry | Total | January-September 1955 | 1954 |
|---|---|---|---|---|---|---|
| TEXAS | 993 | 51 | 553 | 1,597 | 15,311 | 13,796 |
| Southwest | 132 | 9 | 112 | 253 | 2,328 | 1,923 |
| Gulf Coast | 96 | 9 | 70 | 175 | 1,884 | 2,015 |
| East | 24 | 9 | 34 | 67 | 730 | 839 |
| North Central | 347 | 7 | 269 | 623 | 5,748 | 5,074 |
| West | 315 | 1 | 61 | 377 | 3,829 | 3,174 |
| Panhandle | 79 | 16 | 7 | 102 | 792 | 771 |

*For four weeks ending October 1, 1955.

Selection of Convair to engage in B-58 production is regarded as highly significant by Convair officials, for the new Air Force contract is several times larger than the first order for B-36's at the Fort Worth plant.

TEMCO's newest Air Force contract is for manufacture of major assemblies for the C-130A "Hercules" combat transport. After completion of the assemblies they are to be forwarded to the Georgia Division of Lockheed. Earlier in the month, TEMCO was selected by Lockheed's California Division to engineer, tool, and manufacture two major assemblies for the Lockheed "Electra," new turbo-prop transport recently purchased in quantity by trunk-line passenger carriers. Some of the new contract work will be performed at TEMCO's auxiliary plants at Garland and Greenville.

These new developments help to substantiate statements in previous issues of the *Texas Business Review* concerning the growth in importance of the North Texas industrial complex as a center for the manufacture of aircraft and parts. Concentration of the industry in North Texas has some influence on decisions of manufacturers of planes and equipment to seek plant sites elsewhere in less industrialized areas of Texas, but because of proximity to other manufacturers and because of the reservoir of skilled labor which has been accumulated in the Dallas-Fort Worth area, North Texas can reasonably expect to attract the majority of new plants which locate in the state.

For example, the decision of Menasco Manufacturing Company of Burbank, California, maker of landing gears and missile components, to choose a site near Fort Worth in Tarrant County was influenced by nearness to Convair at Fort Worth and Chance Vought at Dallas, both substantial purchasers of Menasco products. Outside of the North Texas area, important manufacturers of aircraft and parts are: Camair at Galveston, Intercontinental (a division of Hoffman) at Brady, Mooney Aircraft at Kerrville, and Northrop, now building a plant at El Paso to manufacture and modify propellor-driven target drones.

Modification of aircraft is also a large and growing Texas industry. TEMCO does much modification and overhaul work at its three plants, and Southwest Airmotive has units at Love Field in Dallas and Amon Carter Field at Fort Worth, the latter a recent addition to the company's facilities. Camair at Galveston, Slick Airways at San Antonio, and Pan American at Brownsville are other companies which do substantial amounts of modification work. American Airlines and Braniff International Airways employ several hundred workers each at their respective overhaul bases in Fort Worth and Dallas, and regional

PETROLEUM AND GAS ACTIVITY

Source: State Comptroller of Public Accounts and Railroad Commission of Texas

| Product | Sept 1955 | Aug 1955 | Sept 1954 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|---|---|
| CRUDE OIL | | | | | |
| Value (thous of dols) | 234,380 | 227,989 | 216,502 | + 3 | + 8 |
| Production (thous of bbls) | 82,723 | 80,584 | 76,248 | + 3 | + 8 |
| Runs to stills (thous of bbls) | 62,421 | 67,850 | 58,935 | − 8 | + 6 |
| NATURAL AND CASINGHEAD GAS PRODUCED (value in thous of dols) | 35,949 | 40,880 | 31,477 | − 12 | + 14 |
| SULFUR RECOVERED (long tons) | 454 | 125 | 0 | +260 | ..... |

xChange is less than one-half of one percent.

CRUDE PETROLEUM PRODUCTION

Source: Oil and Gas Division, Railroad Commission of Texas

| District | Production (42-gallon bbls): July 1955 | June 1955 | July 1954 | Percent change: July 1955 from June 1955 | July 1955 from July 1954 |
|---|---|---|---|---|---|
| TEXAS | 82,095,304 | 80,571,445 | 79,684,864 | + 2 | + 3 |
| District 1 | 1,542,636 | 1,493,997 | 1,304,772 | + 3 | + 18 |
| District 2 | 4,177,763 | 4,105,701 | 4,093,664 | + 2 | + 2 |
| District 3 | 12,405,568 | 12,258,870 | 12,560,313 | + 1 | − 1 |
| District 4 | 6,943,012 | 6,823,840 | 7,151,520 | + 2 | − 3 |
| District 5 | 1,371,931 | 1,340,802 | 1,335,384 | + 2 | + 3 |
| District 6 | 9,739,981 | 9,695,125 | 10,070,997 | x | − 3 |
| District 7b | 4,294,104 | 4,180,495 | 3,840,817 | + 3 | + 12 |
| District 7c | 5,122,612 | 5,080,938 | 5,351,193 | + 1 | − 4 |
| District 8 | 27,721,691 | 27,047,785 | 25,660,360 | + 2 | + 8 |
| District 9 | 6,021,376 | 5,877,019 | 5,712,235 | + 2 | + 5 |
| District 10 | 2,754,630 | 2,666,873 | 2,602,933 | + 3 | + 6 |

xChange is less than one-half of one percent.

airlines such as Central and Trans-Texas also are sizeable employers.

Importance of transportation equipment manufacture to the Texas economy is emphasized by the fact that total employment in this industry in August 1955 was 57,200, as compared with 40,900 in chemicals and allied products, 48,000 in petroleum products, and 61,600 in food processing, the manufacturing category which accounts for the largest employment within the state.

The report made to the President in 1952 by the Paley Commission stated that it was reasonable to look for a 400% increase in aircraft production between 1950 and 1975. If this prediction proves to be a valid one and if Texas employment in aircraft increases at the same rate as that for the nation, some 200,000 persons will be working in the Texas industry by 1975. Several factors, moreover, suggest that Texas may exceed the national rate of growth. The two most important factors: aircraft industry is already established here, and a reservoir of skilled labor with the requisite know-how has been accumulated.

**To be made in Texas: more rubber.** Texas' synthetic rubber industry will be greatly expanded by 1957. Previously announced increases in capacity for rubber and ingredients at Goodrich-Gulf, Port Neches; Phillips Chemical, Borger; and Cosden, Big Spring were only the first round of expansion projects. Phillips Chemical has revealed plans to increase capacity at its Plains copolymer plant near Borger by a total of 40%. Output capacity of the Plains butadiene plant will also be increased to provide additional raw materials for use by the copolymer unit. Phillips anticipates that these new facilities will be ready to go on stream sometime early in 1957.

Also meaningful to the Borger area was the announcement by the J. M. Huber Corporation of a 15% boost in production of furnace black at its carbon black plant there. Carbon black is used in quantity as a reinforcing agent in rubber products.

Bids on the first phase of a $6 million expansion at Goodyear's Houston synthetic rubber plant were invited at the beginning of November. Capacity will be increased from 137,500 tons annually to 170,000 tons. E. J. Thomas, president, stated that his company hopes to increase capacity by 50% within the next five years.

Another major company, Petro-Tex, also intends to increase output 50% by 1960 at its Houston plant. A $1.5 million research laboratory is planned in addition to enlarged plant facilities. Contracts for the initial phases of the project have already been let. Present annual capacity is 90,000 tons.

Finally, on October 21, the Du Pont Company issued a press release stating that construction would begin immediately on a plant designed to manufacture Hypalon chemical rubber at Beaumont.

The new facility will be located at Du Pont's methionine works, which started operation a year ago at Beaumont. About 70 men will be required to operate the plant, which

REFINERY STOCKS

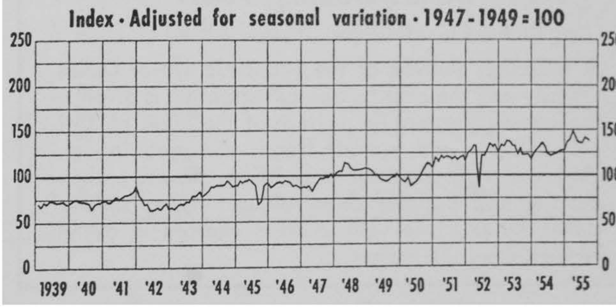
Source: *The Oil and Gas Journal*

| Area and product | Stocks (thousands of barrels): Sept 1955 | Aug 1955 | Sept 1954 | Percent change: Sept 1955 from Aug 1955 | Sept 1955 from Sept 1954 |
|---|---|---|---|---|---|
| UNITED STATES | | | | | |
| Gasoline | 151,266 | 153,292 | 122,468 | − 1 | + 24 |
| Distillate | 143,722 | 133,365 | 104,170 | + 8 | + 38 |
| Residual | 46,754 | 46,587 | 49,014 | x | − 5 |
| Kerosene | 36,413 | 34,945 | 36,171 | + 4 | + 1 |
| TEXAS | | | | | |
| Gasoline | 25,201 | 26,827 | 20,936 | − 6 | + 20 |
| Distillate | 18,507 | 17,550 | 14,612 | + 5 | + 27 |
| Residual | 8,416 | 8,717 | 9,479 | − 3 | − 11 |
| Kerosene | 3,943 | 4,064 | 4,470 | − 3 | − 12 |

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

**Crude Oil Runs to Stills in Texas**

**Index · Adjusted for seasonal variation · 1947-1949 = 100**



is scheduled for completion in early 1957. Additions and alterations to existing power and service facilities will also be made during the construction program.

**To be made in Texas: more building materials, paper.** Southwestern Portland Cement Company has begun construction of a $500,000 addition to its El Paso plant. This expansion is the sixth since the company began operations there in 1910. Output will be boosted by over 1,000 barrels a day when the project is completed. Completion of the construction program will help to alleviate the cement shortage problem in the company's distribution area, West Texas, southern New Mexico, and eastern Arizona.

Tyler's new $1.5 million National Homes factory was dedicated in a special ceremony October 4. The company expects to produce a peak of 75 prefabricated housing units per day. Present employment is 300, but National Homes officials expect that about 2,000 persons will be working in three shifts when production reaches its peak. Other National Homes plants are located at Lafayette, Indiana (company headquarters), and Horseheads, New York. National Homes chose Tyler for the new plant because of the city's central location within the firm's extensive distribution area.

First shipment from the new Sonoco Products plant at Longview was forwarded to Southland Paper at Lufkin early in October. Sonoco is the world's largest manufacturer of textile and paper carriers, and its shipment to Southland Paper consisted of a car of paper cores for use in that company's newsprint mill.

STANLEY A. ARBINGAST



# LABOR

**Employment tops all previous marks for the month.** National employment for September was estimated at 64,733,000, the largest number of jobs ever recorded for the month. This was 755,000 fewer than in August, but a decline was to be expected with students leaving summer jobs to return to school. Unemployment continued to decline in September, dropping 88,000 to 2,149,000, the lowest figure since November 1953.

**ESTIMATES OF NONAGRICULTURAL EMPLOYMENT**

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

| Industry | Employment (thous) Sept 1955* | Aug 1955† | Sept 1954 | Percent change Sept 1955 from Aug 1955 | Sept 1955 from Sept 1954 |
|---|---|---|---|---|---|
| TOTAL NONAGRICULTURAL | 2,273.7 | 2,271.4 | 2,205.8 | x | + 1 |
| MANUFACTURING | 442.4 | 442.6 | 426.9 | x | + 4 |
| Durable goods | 213.0 | 212.2 | 202.0 | x | + 5 |
| Nondurable goods | 229.4 | 230.4 | 224.9 | x | + 2 |
| NONMANUFACTURING | 1,831.3 | 1,828.8 | 1,778.9 | x | + 3 |
| Mining | 124.8 | 128.4 | 123.3 | − 3 | + 1 |
| Contract construction | 163.7 | 170.7 | 154.6 | − 4 | + 6 |
| Transportation & utilities | 226.5 | 226.9 | 223.8 | x | + 1 |
| Government | 335.8 | 323.3 | 325.2 | + 4 | + 3 |
| Trade | 609.6 | 606.7 | 589.3 | x | + 3 |
| Wholesale trade | 158.8 | 158.5 | 153.7 | x | + 3 |
| Retail trade | 450.8 | 448.2 | 435.6 | + 1 | + 3 |
| Finance, insurance, and | | | | | |
| Finance, insurance, and real estate | 101.6 | 102.5 | 98.5 | − 1 | + 3 |
| Service and miscellaneous | 269.3 | 270.3 | 264.2 | x | + 2 |

xChange is less than one-half of one percent.
*Preliminary.
†Revised.

In a joint report of the U.S. Department of Commerce and Department of Labor average weekly earnings in manufacturing were shown to have risen by $1.57 from August to mark a new record ($77.90) in September. Weekly pay was up about $6 from a year ago, reflecting longer working hours as well as pay increases. The federal report also noted that composition of the unemployed group has changed significantly from last year. The number of unemployed men 25 years old or over, most of them heads of families, has dropped more than 40% since last year, while the number of unemployed women now comprises about 45% of the total jobless group.

In Texas nonfarm employment is increasing at a faster pace than was indicated earlier. By mid-October, when all school employment was to have been included in the estimate, TEC officials reported employment to be 20,000 over the August figure, 2,768,000. Transportation equipment manufacturing was expected to absorb well over half of the additional workers.

Forecasted gains in employment between September and November include increases of 5,100 at El Paso, 2,800 at Dallas, 2,100 at Fort Worth, 968 at San Antonio, 810 at Lubbock, 570 at Austin, 530 at Beaumont, 305 at Corpus Christi, 310 at San Angelo, 125 at Longview, and 110 at Texarkana.

In comparison with the September 1954 employment figures, conditions in the major labor centers appear excellent. Dallas recorded a gain of 1,860 workers during September, which marks a new all-time high for the second successive month. At Fort Worth employment mounted to another record peak, 194,600, in September. A 1954–55 month-to-month comparison shows that during the last few months, the margin over last year has widened steadily, with a difference of 5,500 in May, 7,300 in June, 8,100 in July, and 9,000 in August. The September total exceeded September 1954 by 12,100 in Fort Worth.

September-to-September employment gains were also registered at Dallas (6,675), Waco (5,215), Austin (3,600), San Antonio (3,362), Lubbock (2,205), Port Arthur (2,215), Beaumont (2,015), Amarillo (1,485), Corpus Christi (1,430), Texarkana (950), Abilene (650), and San Angelo (235).

**Unemployment law extended.** The new unemployment compensation law which went into effect in October will affect approximately 1,500,000 Texas workers in 38,000 firms employing eight or more persons. Also, a new measure effective January 1, 1956, will add an additional 35,000 firms to the unemployment compensation program. This provision will cover workers in firms that employ four or more persons. The maximum weekly employment insurance benefit was increased from $20 to $28, affecting only workers whose average earnings are over $40 a week.

**Wage hike granted.** Union sheet metal workers at Amarillo settled their wage dispute with High Plains contractors and agreed to accept the offer of $3 an hour for a 40-hour work week. Although the union had asked a 25-cent raise, the $3 wage rate is a 12.5-cent hourly increase over terms of the contract, which expires April 31, 1956.

At Texas City, about 400 workers, members of the CIO Oil, Chemical, and Atomic Workers, Local No. 449, returned to work, ending a two-month old strike at Republic Oil Refining Co. The strike started when union and company were unable to agree during negotiation of a new contract.

**Highest-paid salary earners losing ground in last 15 years.** A study of income made by the Bureau of the Census reveals that highest-paid wage and salary earners have been losing ground since 1939. The study, based on what happened to incomes in this country from 1939 through 1951, showed that a rapid rise in wages paid to lower income bracket workers had brought about a more even distribution of wages in American industry.

The lowest paid workers, those in the bottom fifth, continued to receive 3% of total wages and salaries paid in 1951. Those in the third-ranking fifth of wage and salary earners were the biggest gainers, percentagewise. This group received 15% of all wages and salaries in 1939, 17% in 1945, and 19% in 1951. The highest fifth was the only group to lose ground. Workers in this bracket received 49% of all wages and salary income in 1939, 44% in 1945, and 42% in 1951. In all cases the study was based on income before taxes.

TINA PIEDRAHITA

**HOURS AND EARNINGS**

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

| Industry | Average weekly earnings | | | Average weekly hours | | | Average hourly earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Sept 1955* | Aug 1955 | Sept 1954 | Sept 1955* | Aug 1955 | Sept 1954 | Sept 1955* | Aug 1955 | Sept 1954 |
| ALL MANUFACTURING | $78.38 | $75.84 | $72.28 | 42.6 | 41.9 | 41.3 | $1.84 | $1.81 | $1.75 |
| Durable goods | 79.53 | 77.33 | 72.14 | 43.7 | 43.2 | 41.7 | 1.82 | 1.79 | 1.73 |
| Primary metals | 90.86 | 83.95 | 81.14 | 41.3 | 39.6 | 39.2 | 2.20 | 2.12 | 2.07 |
| Machinery—except electrical | 84.55 | 83.16 | 74.21 | 44.5 | 44.0 | 41.0 | 1.90 | 1.89 | 1.81 |
| Oil field machinery | 93.11 | 91.02 | 76.05 | 45.2 | 44.4 | 39.0 | 2.06 | 2.05 | 1.95 |
| Transportation equipment | 94.82 | 93.93 | 86.46 | 43.1 | 42.5 | 40.4 | 2.20 | 2.21 | 2.14 |
| Fabricated metal products | 76.02 | 73.35 | 72.87 | 44.2 | 43.4 | 43.9 | 1.72 | 1.69 | 1.66 |
| Lumber and wood products | 56.40 | 55.68 | 52.08 | 47.0 | 46.4 | 44.9 | 1.20 | 1.20 | 1.16 |
| Furniture and fixtures | 59.57 | 57.38 | 57.53 | 43.8 | 43.8 | 45.3 | 1.36 | 1.31 | 1.27 |
| Stone, clay, and glass | 69.96 | 70.78 | 63.80 | 42.4 | 44.8 | 41.7 | 1.65 | 1.58 | 1.53 |
| Nondurable goods | 76.59 | 73.89 | 72.80 | 41.4 | 40.6 | 40.9 | 1.85 | 1.82 | 1.78 |
| Textile mill products | 49.22 | 47.82 | 47.38 | 42.8 | 42.7 | 42.3 | 1.15 | 1.12 | 1.12 |
| Broad woven goods | 49.76 | 47.49 | 48.06 | 42.9 | 42.4 | 43.3 | 1.16 | 1.12 | 1.11 |
| Apparel and fabric products | 37.22 | 37.32 | 37.42 | 37.6 | 37.7 | 37.8 | 0.99 | 0.99 | 0.99 |
| Food | 68.85 | 67.55 | 66.10 | 42.5 | 41.7 | 42.1 | 1.62 | 1.62 | 1.57 |
| Meat packing | 81.97 | 81.00 | 74.70 | 41.4 | 40.3 | 40.6 | 1.98 | 2.01 | 1.84 |
| Paper and allied products | 86.48 | 82.80 | 79.92 | 43.9 | 42.9 | 44.4 | 1.97 | 1.93 | 1.80 |
| Printing | 82.99 | 79.34 | 82.40 | 38.6 | 37.6 | 37.8 | 2.15 | 2.11 | 2.18 |
| Chemicals and allied products | 95.27 | 90.95 | 85.57 | 43.7 | 42.3 | 43.0 | 2.18 | 2.15 | 1.99 |
| Vegetable oil mills | 53.50 | 50.99 | 48.60 | 53.5 | 48.1 | 50.1 | 1.00 | 1.06 | 0.97 |
| Petroleum and coal products | 103.32 | 98.65 | 98.01 | 41.0 | 40.1 | 40.5 | 2.52 | 1.46 | 2.42 |
| Leather | 40.89 | 41.51 | 41.62 | 39.7 | 40.7 | 40.8 | 1.03 | 1.02 | 1.02 |
| NONMANUFACTURING | | | | | | | | | |
| Mining | 96.58 | 96.36 | 95.23 | 43.7 | 44.2 | 44.5 | 2.21 | 2.18 | 2.14 |
| Crude petroleum products | 98.31 | 97.90 | 97.01 | 43.5 | 43.9 | 44.5 | 2.26 | 2.23 | 2.18 |
| Sulfur | 83.67 | 84.80 | 83.23 | 39.1 | 40.0 | 40.6 | 2.14 | 2.12 | 2.05 |
| Public utilities | 70.62 | 69.43 | 68.11 | 39.9 | 39.9 | 40.3 | 1.77 | 1.74 | 1.69 |
| Retail trade | 60.60 | 61.02 | 56.50 | 43.6 | 43.9 | 43.8 | 1.39 | 1.39 | 1.29 |
| Wholesale trade | 74.82 | 73.78 | 71.14 | 43.0 | 43.4 | 42.6 | 1.74 | 1.70 | 1.67 |

Figures do not cover proprietors, firm members, or other principal executives.

*Preliminary—subject to revision upon receipt of additional reports.

## FINANCE

**Interest rates rise.** The gradual increase in interest rates (a result of the pressure on credit applied by the Federal Reserve Board and other government agencies) has pushed the Treasury bill rate above the rediscount rate for the third time this year. The first two occasions resulted in an increase in the rediscount rate. The Federal Reserve Board generally prefers to keep the rediscount rate higher than the bill rate, in order to discourage banks from borrowing at the central banks in order to purchase bills. This is because the function of the central banks is to supply commercial banks with funds needed by commercial borrowers, not funds for investment at a profit in virtually riskless government securities. The Federal Reserve was quick to point out, however, that the bill rate is not an automatic indicator of increases in the rediscount rate; the main consideration governing discount rate changes is overall monetary policy. Beyond this warning, Board members refused to comment on the likelihood of further tightening of credit terms.

In September the structure of short-term interest rates corresponded closely with that of February 1953, as the following table shows.

| | February 1953 | September 1955 |
|---|---|---|
| Prime commercial loan rate | 3.00% | 3.25% |
| Prime 4-6 months commercial paper | 2.25 | 2.50 |
| Discount rate | 2.00 | 2.25 |
| 90-day bankers acceptance | 1.88 | 2.13 |
| Treasury bills, average yield on new issues | 2.02 | 2.09 |

The increase to 2.333% in the bill rate, coming as it did just after an increase in prime rate to 3½%, upset the relationships; and the boost in the rate on prime 4-to-6 month commercial paper to 2¾%, the tenth increase this year, further aggravated the imbalance.

These increases in interest rates have come when the demand for credit rises to its seasonal peak for the year. They vividly reflect the prevailing dearth of short-term money at a time when the need by business is greatest. Also the Treasury will be coming to the money market to cover its usual fourth-quarter deficit.

The New York City banks have been particularly affected by the demand for funds and Federal Reserve pressure on reserves, which raised member bank borrowing to approximately $840 million in September. Secondary reserves of the New York banks dropped to $0.9 billion in September, as compared with $2.5 billion in January. Secondary reserves comprise assets quickly convertible into cash without loss or injury to customer relationships. Treasury bills, other U. S. obligations due within one year, and call loans to government security dealers fall into this category. In order to avoid losses that would be involved in liquidating longer-term U. S. and state obligations due beyond one year—losses increased by the bond price declines of February and July—the banks have been borrowing more from the Federal Reserve. While the price decline was more moderate than in the spring of 1953, bank losses have been heavier because portfolios were lengthened substantially in 1954. This is one reason why the Treasury policy of stretching out public debt

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

Source: Board of Governors of the Federal Reserve System

| Item | Percent change: Sept 1955 from Aug 1955 | Sept 1955 from Sept 1954 | Sept 1954 from Aug 1954 |
|---|---|---|---|
| ASSETS | | | |
| Loans and investments | + 1 | + 5 | + 1 |
| Loans | + 2 | + 21 | + 2 |
| Total U.S. securities | − 3 | − 18 | − 2 |
| Treasury bills | − 16 | − 70 | + 16 |
| Treasury certificates of indebtedness | − 5 | − 88 | + 7 |
| Treasury notes | − 1 | + 32 | 0 |
| U.S. bonds | − 2 | − 5 | x |
| Other securities | + 1 | + 20 | + 3 |
| Reserve with Federal Reserve Banks | + 1 | − 6 | + 6 |
| Cash in vaults | + 6 | + 11 | + 5 |
| Balances with domestic banks | + 12 | − 3 | + 10 |
| LIABILITIES | | | |
| Total deposits, except interbank | + 1 | + 8 | + 1 |
| Demand deposits, adjusted | + 2 | + 5 | + 2 |
| Time deposits | − 2 | + 20 | x |
| Government deposits | − 15 | + 6 | − 13 |
| Interbank deposits | + 4 | − 16 | + 7 |
| Domestic banks | + 4 | − 16 | + 7 |
| Foreign banks | + 5 | + 25 | + 14 |
| CAPITAL ACCOUNTS | x | + 11 | + 1 |

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

xChange is less than one-half of one percent.

maturities has made the banks more sensitive to those changes in policy of the Federal Reserve Board which affect bond prices.

All these developments intensify interest in the probable course of Federal Reserve policy in coming months. The Reserve Banks have bought an average of $800 million of government securities in the September-December period of each of the last four years. In addition to this money supplied by the central bank, the member banks have borrowed about $200 million.

To what extent will the central bank relieve the credit shortage this year? In September the banks raised their borrowings from the Federal Reserve to approximately $840 million, highest monthly average since May 1953. Efforts of the central monetary authority to slow the use of credit in a rapidly expanding boom seem to have reached a crucial phase. After the stock market break, any event that causes a weakening of confidence may bring on the recession that the Federal Reserve is trying to avoid. A serious aggravation of the present credit shortage could cause a slackening in fourth-quarter business that might produce such a result.

**Stock prices fall.** The stock market, which soared upward into a boom of unexpected magnitude when President Eisenhower was elected, dropped like a plummet when the news of his heart attack made the prospect of his serving a second term extremely uncertain. Not since the hectic fall of 1929 has there been such a crisis. On the day of the initial break, Monday, September 26, the Dow-Jones average of the prices of 30 industrial stocks dropped 31.89 points, the heaviest decline since the descent of 38.33 points on October 28, 1929. Percentagewise, the drop amounted to 6.5%, as compared with 12.8% on October 28, 1929. The September break was exceeded on May 14 and 21, 1940, during the fall of France, when World War II seemed lost and the thousand-year Reich seemed near to realization. The drop on May 14 was 6.7% and on May 21 was 6.8%. The average at that time was fluctuating between 148 and 114.

The volume of trading, 7,720,000 shares, also broke records. It was the largest since July 21, 1933, but far below the 16,000,000 shares of October 29, 1929. The volume of business placed a strain on the machinery of the market. Selling orders in some instances so greatly overbalanced buying orders that many stocks could not be "opened" until enough buying orders had been collected to meet the supply. The governors of the exchange were forced to solicit buying orders from every available source, including institutions and corporation officials. At 11:00 o'clock, the time for the first calculation of the Dow-Jones averages, 19 of the 30 stocks in the industrial average had not had a sale, and 16 of the 20 rails were in the same position. The result was that the first hourly average was not calculated until noon, the first time such a delay had occurred since calculation of the averages was begun.

Monday, October 17, was the first Monday after the initial break that prices failed to drop severely. The low point of the reaction was reached on October 11, when the Dow-Jones industrial average had plunged to 438.59, slightly more than 50 points above its January 17 low of 388.20. By October 18, the average had slowly edged up to 448.58.

Market authorities offered several explanations for so severe a break at a time when business activity in general had suffered no corresponding setback and when the prospect for year-end dividends and extras seemed good. One view was that prior to the break the market was heavily overbought, and a reaction was overdue. Those holding this view anticipate further drops before the end of the year. A second explanation was that this is one of the unpredictable reversals of trend that can be expected at any time in the market. Those who are of this school of thought feel that the ostensible reason for the sell-off, the President's illness, has been given too much weight. They feel that a Democratic administration would adopt economic policies not too divergent from those of the Republicans—policies designed to maintain a high level of business prosperity. A third explanation is that there is fear that the central monetary authority will take further action to check the boom. This line of reasoning is that since previous margin and rediscount rate increases had failed to check the market rise, further action along this line would be forthcoming. Whatever the reason, market authorities were left in a cautious mood over the outlook for the rest of the year.

**Eleventh District banking.** The October 5 call for statements of condition from Texas banks revealed that Dallas bank deposits totalled $1,869,866,265; this was $91,021,658 above the October 7, 1954, level. Houston deposits totalled $1,675,777,359. The annual rate of deposit turnover for September was 23.6 for Dallas and 19.7 in Houston. The product of the deposit total and the annual rate of turnover would give a figure for the total annual rate of transactions that would be somewhat too large, for the turnover rate is based on demand deposits only. Time deposits, which are included in total deposits, have a much lower rate of turnover. However, even if a liberal discount is applied to the turnover ratios, the annual rate of financial transactions for the two cities is seen to amount to many billions of dollars.

FRANCIS B. MAY

**REVENUE RECEIPTS OF STATE COMPTROLLER**

Source: State Comptroller of Public Accounts

| Source | September 1955 | September 1954 | Percent change |
|---|---|---|---|
| TOTAL | 70,090,496 | 56,250,551 | + 25 |
| Ad valorem & inheritance taxes | 575,554 | 639,289 | — 10 |
| Natural & casinghead gas production taxes | 3,235,438 | 1,800,790 | + 80 |
| Crude oil production taxes | 10,936,604 | 10,102,040 | + 8 |
| Motor fuel taxes (net) | 11,058,959 | 9,803,978 | + 13 |
| Cigarette tax and licenses | 3,730,774 | 2,957,563 | + 26 |
| Alcoholic beverage taxes and licenses | 3,125,287 | 2,569,095 | + 22 |
| Automobile and other sales taxes | 1,684,116 | 1,356,378 | + 24 |
| Other licenses and fees | 2,323,846 | 2,297,290 | + 1 |
| Mineral leases, rentals and bonuses | 12,099,863 | 2,198,879 | +450 |
| Oil and gas royalties | 2,251,349 | 2,407,795 | — 6 |
| Interest on securities owned | 1,234,145 | 1,297,510 | — 5 |
| Motor vehicle licenses, permits and misc. | 1,041,531 | 724,068 | + 44 |
| Federal aid—highways | 3,842,094 | 1,353,426 | +180 |
| Federal aid—public welfare | 8,601,515 | 9,487,021 | — 9 |
| Federal aid—public education | 1,530,364 | 568,748 | +170 |
| All other receipts | 2,819,057 | 6,686,681 | — 58 |

**Correction:**
In the October 1955 issue of the *Texas Business Review*, Revenue Receipts of the State Comptroller (page 11) should read:

| Item | September 1-August 31 1954–55 | September 1-August 31 1953–54 | Percent change |
|---|---|---|---|
| Net motor fuel taxes | $121,083,573 | $112,978,817 | + 7 |
| Cigarette tax and licenses | 35,044,872 | 34,637,236 | + 1 |
| Unemployment compensation taxes | 17,418,957 | 16,456,420 | + 6 |
| All other receipts | 139,354,098 | 150,139,521 | — 7 |

**FEDERAL INTERNAL REVENUE COLLECTIONS**

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

| Source and area | July 1-September 30 1954–55 | July 1-September 30 1953–54 | Percent change |
|---|---|---|---|
| TEXAS | $443,283,508 | $392,370,529 | + 13 |
| Income | 183,859,839 | 161,103,721 | + 14 |
| Employment | 5,319,529 | 3,543,205 | + 50 |
| Withholding | 211,729,306 | 190,503,641 | + 11 |
| Other | 42,374,834 | 37,219,962 | + 14 |
| FIRST DISTRICT | 226,275,435 | 210,986,549 | + 7 |
| Income | 92,121,009 | 88,804,052 | + 4 |
| Employment | 139,886 | 140,032 | x |
| Withholding | 109,050,044 | 99,552,235 | + 10 |
| Other | 24,964,496 | 22,490,230 | + 11 |
| SECOND DISTRICT | 217,008,073 | 181,383,980 | + 20 |
| Income | 91,738,830 | 72,299,669 | + 27 |
| Employment | 3,723,878 | 3,403,173 | + 9 |
| Withholding | 104,135,027 | 90,951,406 | + 14 |
| Other | 17,410,338 | 14,729,732 | + 18 |

xChange is less than one-half of one percent.

# AGRICULTURE

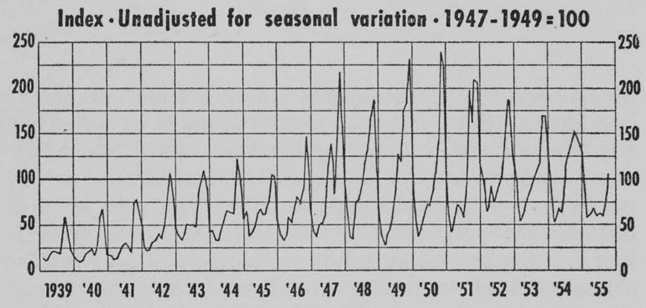
**Number of Texas farms down.** There were nearly 40,000 fewer individually owned farms in Texas in 1954 than in 1950, according to new agricultural census data released by the U. S. Department of Commerce. Statistics tabulated by the Bureau of Census from the farm count taken last fall and winter show that the number of farms dropped from 331,567 in 1950 to 292,946 last year. But the total area of land devoted to farming increased slightly during the same period. The number of acres on Texas farms last year totalled 145,962,287, almost 600,000 acres more than in 1950 and equal to 86.5% of the entire area of the state.

The report shows an increase in farms 1,000 acres or larger and 10 acres or smaller. Farms between 10 and 1,000 acres in size declined in number. Those 1,000 acres or larger grew in number from 18,042 to 18,820, while farms 10 acres or smaller increased from 25,825 to 26,101 during the five-year period. The largest numerical loss was in farms ranging in size between 140 and 150 acres; they decreased from 31,344 to 25,905.

The average size of a farm in Texas in 1954 (498.3 acres) was almost 60 acres larger than the 438.5 acres of 1950. The increase in value: almost 50%, from $20,269 in 1950 to $29,093 last year. The per acre value of farm land also climbed during the period from $46.21 to $59.52.

**Farm Cash Income in Texas**

Index · Unadjusted for seasonal variation · 1947-1949 = 100




Although land devoted to farming was extended slightly, the area that produced crops dropped more than 3 million acres. About a million additional acres went into pastures, and the remainder went uncultivated and unpastured or to cultivated summer fallow.

**Poultry farming on the rise.** Except for poultry farms, the number of farms devoted primarily to a single major product dropped, according to the Census Bureau findings. There were 8,955 farms classified as poultry farms in the state in 1954, as compared with only 7,850 five years earlier. On the other hand, the number of cotton farms in Texas shrank from 106,212 to only 78,392, despite the fact that Texas produces nearly as much cotton as all the other states of the nation combined.

Except for a slight increase in cattle, the number of animals on Texas farms fell substantially. The 1954 count of cattle and calves showed a total of 8,239,805, about 400,000 more than five years earlier. But during the same time, horses and mules disappeared from Texas farms in great numbers. Only 300,400 horses and mules were reported in 1954; there were 515,951 in 1950. The cause: mechanization of Texas farms. The new census report showed that Texas farmers owned 276,893 tractors, or 43,812 more than in 1950, and 153,379 motor trucks, as against 147,101 in 1950. The number of automobiles on Texas farms dropped from 254,860 to 250,679, probably because of the fewer farm owners.

The census report also disclosed that the numbers of sheep, lambs, hogs, and pigs dropped during the five-year period. The aggregate number of hogs and pigs in the state fell from 1,291,773 to 906,324, while the number of sheep and lambs fell from 7,750,395 to 5,731,835.

**CARLOAD SHIPMENTS OF LIVESTOCK***

**Source:** Bureau of Business Research in cooperation with Agricultural Marketing Service, U. S. Department of Agriculture

| Classification | Sept 1955 | Aug 1955 | Sept 1954 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|---|---|
| TOTAL | 3,314 | 2,464 | 4,456 | + 34 | − 26 |
| Cattle | 2,396 | 1,496 | 2,871 | + 60 | − 17 |
| Calves | 445 | 516 | 963 | − 14 | − 54 |
| Hogs | 0 | 1 | 4 | −100 | −100 |
| Sheep | 473 | 451 | 618 | + 5 | − 23 |
| INTERSTATE | 2,895 | 2,230 | 3,979 | + 30 | − 27 |
| Cattle | 2,086 | 1,340 | 2,547 | + 56 | − 18 |
| Calves | 424 | 484 | 904 | − 12 | − 53 |
| Sheep | 385 | 406 | 528 | − 5 | − 27 |
| INTRASTATE | 419 | 234 | 477 | + 79 | − 12 |
| Cattle | 310 | 156 | 324 | + 99 | − 4 |
| Calves | 21 | 32 | 59 | − 34 | − 64 |
| Hogs | 0 | 1 | 4 | −100 | −100 |
| Sheep | 88 | 45 | 90 | + 96 | − 2 |

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

**Irrigation shows increase.** A heavy increase was seen in the number of farms using irrigation and in acreage under irrigation, the census study reveals. There were 26,318 farms using irrigation in 1954, or about 5,000 more than in 1950. The acreage under irrigation totalled 4,706,017 acres, up 1,574,483 acres from 1950.

Included in the census reports were data showing that living conditions also have improved on Texas farms: the number of telephones increased from 79,080 to 111,395; in 1954, 269,219 farms had electricity, compared with 260,373 in 1950; television sets numbered 90,323 last year, or nearly one for every three farm homes; and home freezers were in 93,943 homes, as compared with 38,071 in 1950.

The numbers of corn pickers, pick-up hay balers, field forage harvesters, and other labor-saving devices all have increased.

**Cotton crop estimate boosted.** The prospective cotton crop in Texas has been placed at 4 million bales by the U. S. Department of Agriculture. The estimate, made October 1, is an increase of 150,000 bales over the month-earlier estimate but does not consider damaging effects of heavy rains during the first days of October which injured the amount and quality of the crop.

The Texas yield is expected to average 289 pounds an acre, the highest since 1866, when a 325-pound record was set. Last year's yield was only 245 pounds an acre. The average acre yield during the 1944–53 period was 188 pounds.

A 4 million bale crop, if realized, will be the best since Texas' 1953 harvest of 4,317,000 bales and a 60,000 bale increase over 1954's harvest of 3,940,000 bales.

**FARM CASH INCOME**

| Commodity | January-September 1955 | January-September 1954 | Percent change |
|---|---|---|---|
| | Value (thousands of dollars) | | |
| TOTAL | 1,087,862 | 1,197,453 | — 9 |
| Cotton | 308,949 | 346,679 | — 11 |
| Cottonseed | 34,052 | 51,729 | — 34 |
| Wheat | 30,968 | 44,859 | — 31 |
| Oats | 9,702 | 12,074 | — 20 |
| Corn | 13,825 | 14,311 | — 3 |
| Grain sorghum | 40,678 | 39,968 | + 2 |
| Flaxseed | 1,547 | 3,917 | — 61 |
| Peanuts | 6,207 | 4,243 | + 46 |
| Rice | 27,452 | 36,945 | — 26 |
| Cattle | 221,121 | 224,096 | — 1 |
| Calves | 59,112 | 83,538 | — 29 |
| Hogs | 42,694 | 55,471 | — 23 |
| Sheep and lambs | 24,160 | 21,126 | + 14 |
| Wool | 14,999 | 19,695 | — 24 |
| Mohair | 10,227 | 7,079 | + 44 |
| Poultry | 44,237 | 43,546 | + 2 |
| Eggs | 54,349 | 52,707 | + 3 |
| Milk and milk products | 90,665 | 89,324 | + 2 |
| Fruit and vegetables | 52,918 | 46,146 | + 15 |

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.

By mid-October clear weather had hastened maturity of cotton in the late areas. The harvest was in full swing in the Trans-Pecos and Low Rolling Plains and was stepped up in the High Plains. Throughout the state good progress was made in cotton and feed crop harvests, which moved toward completion in the Blacklands and to the east.

Besides the prospective increase in Texas cotton production, October 1 estimates of the U. S. Department of Agriculture indicated that corn, peanut, and grain sorghum crops also will increase considerably over last year's totals. The corn production is placed at 50,196,000 bushels, as against 33,184,000 bushels in 1954. Peanut production is estimated at 237,250,000 pounds this year, as compared with 108,185,000 pounds in 1954. Grain sorghums will increase 21,038,000 bushels over 1954 to a total of 138,424,000 bushels. Average production for the 1944–53 period: corn, 47,111,000 bushels; peanuts, 272,522,000 pounds; and grain sorghums, 77,502,000 bushels.

Prospective decreases in wheat and oat production from 1954 to 1955: wheat, 14,212,000 bushels, from the 1954 total of 30,894,000 bushels, and oats, 34,615,000 bushels in 1955, from 41,354,000 bushels last year. Averages for the crops during 1944–53: wheat 55,404,000 bushels, and oats, 28,167,000 bushels.

**Marketing quotas set for peanut crop.** The USDA has imposed 1956 crop marketing quotas aimed at cutting peanut plantings to 1,610,000 acres, about 7% less than this year. However, the Department also says it will offer to buy low-grade peanuts from commercial shellers as a supplement to its regular price-support program. Both actions stem from this year's huge peanut crop.

**INDEXES OF PRICES RECEIVED BY FARMERS**

(1909–14 = 100)

Source: Agricultural Marketing Service, U. S. Department of Agriculture

| Index | Sept 1955 | Aug 1955 | Sept 1954 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|---|---|
| ALL FARM PRODUCTS | 254 | 257 | 262 | — 1 | — 3 |
| ALL CROPS | 243 | 249 | 258 | — 2 | — 6 |
| Food grains | 217 | 205 | 218 | + 6 | x |
| Feed grain & hay | 142 | 149 | 176 | — 5 | — 19 |
| Potatoes & sweet potatoes | 142 | 202 | 256 | — 30 | — 45 |
| Fruit | 119 | 119 | 110 | 0 | + 8 |
| Truck crops | 323 | 299 | 275 | + 8 | + 17 |
| Cotton | 259 | 267 | 269 | — 3 | — 4 |
| Oil-bearing crops | 220 | 247 | 307 | — 11 | — 28 |
| LIVESTOCK & PRODUCTS | 268 | 268 | 267 | 0 | x |
| Meat animals | 287 | 292 | 277 | — 2 | + 4 |
| Dairy products | 250 | 245 | 242 | + 2 | + 3 |
| Poultry & eggs | 247 | 224 | 227 | + 10 | + 9 |
| Wool | 242 | 255 | 348 | — 5 | — 30 |

xChange is less than one half of one percent.

Marketing quotas provide that any grower who overplants his acreage allotment loses out on price supports and faces cash penalties as well. In a national referendum in 1953, peanut producers voted in advance to approve marketing quotas for the 1954, 1955, and 1956 crops. Quotas have been in effect for peanuts since 1949.

**Texas cowhands take to the air.** The Texas cowhand and his horse, familiar figures today largely because of motion picture popularity, are fast parting company. In 1920 there were 1,240,000 horses on Texas ranches and farms. Now there are only about 250,000 horses, and they are being replaced steadily by jeeps and bulldozers. Although not as picturesque, the jeep with one man can outwork two or three on horseback. And bulldozers, crashing through difficult, brush-filled terrain, easily speed up operations at lower cost.

Moreover, some 300 aircraft are being used to patrol fence lines, spray brush, spot stray cattle, and make trips to market. The Waggoner Ranch in northwest Texas has its own helicopter to chase wild cattle out of the brush. However, cattle are resisting the invasion of the whirlybirds. At first they fled from the brush, terrified by the helicopter's roaring noise. Now they must often be prodded with a long stick carried by the low-flying pilot.

**Farm wage rates up.** The Agricultural Marketing Service, USDA, reports that farm wage rates in Texas without board or room increased from $5.80 a day on October 1, 1954, to $6.20 a year later. The composite rate per hour also increased during the same period from $.647 to $.714.

ANNE K. SCHULER

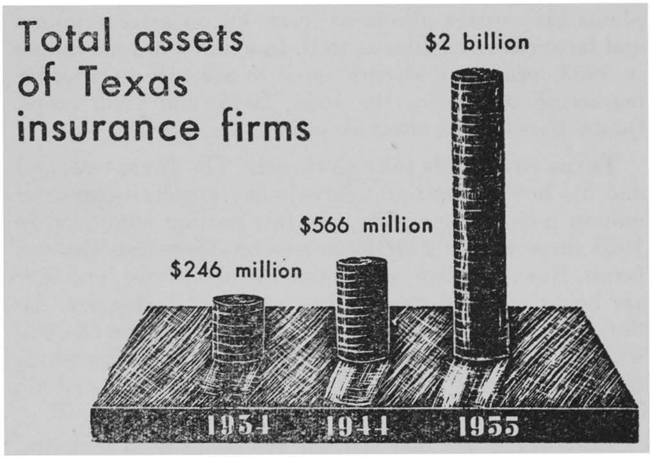
## A stabilizing keel for the Texas economy:

# The Insurance Business

Texans are building a new foundation, and a firmer one, under one of their biggest businesses—insurance. As 1955 began, Texans owned 10,548,000 life insurance policies, giving them an aggregate $15,061 million of protection (not including fire, casualty, and other types of insurance). The 185% rise in Texas life insurance since 1946 represents a massive gain in the financial security of the entire state.

Even greater security, though, is assured by the fully revised insurance regulation program now coming into effect. For decades the Texas insurance industry has suffered because of the few weak spots in the state insurance code. Thus the current revolution in insurance law was years in the making. Its major motivating force was the tremendous growth of insurance sales, although an intensive campaign to polish up the slightly tarnished popular reputation of Texas insurance did begin during the dark days of the 1954 legislative investigation.

It became plain then that a few Texas companies, a very small proportion, were financially quite unstable. Chairman Garland A. Smith of the Texas Board of Insurance Commissioners pointed out that the old regulations "let a company start out broke." Smith predicted that the new laws would inhibit the formation of new companies and "eliminate fly-by-night operators who have brought so much criticism to the Texas insurance industry."




During the 1953–1954 state fiscal year, only five insurance firms in Texas were placed in receivership. Several more were reinsured. But at the end of the year there remained 1,875 insurance companies licensed in Texas, 1,202 of them Texas-based companies. Further evidence of the proliferation of Texas insurance firms: of the 793 legal reserve life insurance companies in the nation at mid-1953, 215 were in Texas (New York had 26, Massachusetts 10).

As insurance reform measures were in preparation for the 54th Texas Legislature, Commissioner Smith urged that "we need revised thinking about insurance problems." And as the Legislature took action on one after another of the reform bills, revised thinking was translated into revised legal control of what has been called "Texas' Number Two Business."

In all, the 54th Legislature passed 22 bills, thoroughly revamping the insurance code. Some of the measures brought heated debate, and the program was not approved in whole until after Lieutenant Governor Ben Ramsey reminded legislators that federal control might be forthcoming unless the state took immediate action to clear the insurance field for legitimate operators. Ramsey said that in the past 10 years 86 insurance companies in Texas had failed, largely because the insurance code set up in 1951 was little more than a patchwork revision of original insurance laws passed in 1874. While the 1951 code was substantially effective, it failed to provide for official regulation of insurance company stocks and allowed organization of companies without adequate financial resources.

Special public interest focused on the key measure that brought regulation of insurance securities under control of the Board of Insurance Commissioners. An objective appraisal of a company's financial strength and stability must now precede public sale of its stock. To ensure enforcement of this control, the Legislature provided about $150,000 a year for the Securities Department of the Board of Insurance Commissioners. A "fair, just and equitable" text, similar to that already applied to other corporate stocks and bonds, is now the yardstick for approval of insurance securities.

Approval of new issues is not to be interpreted, however, as a recommendation of the stock for investment purposes. Some few companies, regarding the stiff new law with anxiety, rushed questionable securities into the investment market in a "last chance" sale during the weeks before September 6, when the control went into effect.

Other bills passed by the Legislature substantially increased financial requirements for fire, life, and casualty insurance firms. Even before the September deadline, most types of insurance companies were required by the state to have evidence of $100,000 paid-in capital, a figure set in 1874. But in the years since the first Texas insurance code was written, legislators had lowered the requirements to allow $25,000 legal reserve life companies to operate on a limited basis.

The new statutes required $100,000 capital and $100,000 surplus for a stock company or $200,000 surplus for a mutual company writing life, accident, and health insurance. Companies writing fire insurance must now have a minimum capital and surplus of $150,000; the minimum for casualty insurance companies is $225,000, and for firms writing both types, $300,000. A total of $400,000 capital and surplus is required to write all lines of fire, casualty, and marine insurance. The new regulations also prohibit future organization of $25,000 limited capital stock companies. To help enforce these new laws, the Legislature appropriated funds to the Board of Insurance Commissioners for salaries of 10 additional examiners, although 15 were requested.

The organization of the Board of Insurance Commissioners itself has also undergone some important changes.

No longer is each of the three commissioners individually responsible for the operation of his division—fire, casualty, or life. The three members now act jointly in administering the entire organization. The Board, acting together, is now authorized to hold public hearings before licensing new insurance companies, to deny them licenses, and to investigate the competence of officials and directors of the company before granting renewals of licenses.

The widespread concern with insurance affairs in Texas is more than justified by the size of the industry. It is probably the largest single type of business in Texas not directly dependent upon resources or manufactured commodities. Like all financial activities, insurance is sharply divorced from the land and often, unfortunately, from the people. While this sometimes creates an atmosphere of suspicion, Texas insurance companies have done much to build their public relations.

Only last year a new Texas Insurance Council was created to represent the state's insurance companies, much as the State Bar of Texas represents the legal profession. The objective of the Council is to formulate, adopt, and administer a rigorous code for insurance operations that will parallel the efforts of the State itself. While the legal housecleaning for the industry was begun in answer to long-realized needs, it points toward future growth as well. A new, important financial center is growing up in the Southwest with particular concentrations in Dallas and Houston. Financial analysts now look upon this current growth as the first phase in a long-range shift of the center of financial gravity for the nation as a whole.

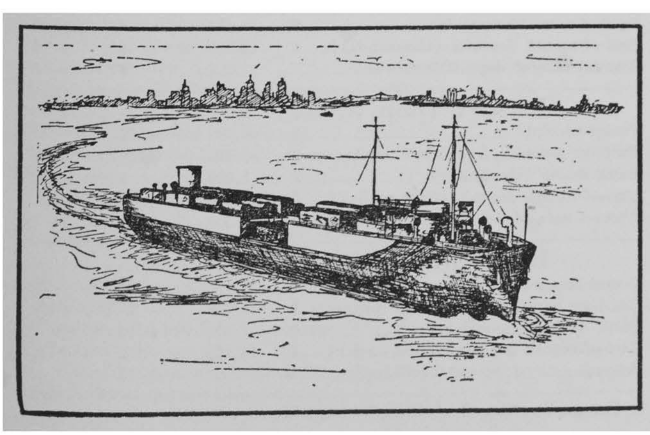
In recent years Texas has profited especially from one of the basic U. S. insurance business headaches. Life insurance sales have been growing as never before; 1954 was the industry's top year on record, in the nation as in Texas (see chart above). Including a new $7,000,000,000 group contract for federal employees, sales were up 21% from 1953. But the growth of insurance assets has stimulated the investment activities of the companies almost beyond the capacity of the traditional investment market. The need for secured but profitable investment outlets has turned the attention of insurance officers throughout the nation to Texas.

In pre-World War I years the rigidly parochial Robertson Law of 1908 drove many out-of-state companies away from Texas. The law, liberalized but still in effect, requires that 75% of a company's Texas reserves be invested in specified types of Texas securities. Investment in common stocks and building construction, for example, are generally forbidden. Each company operating in Texas can invest in a single offie building to be occupied by that company, although in the case of a life insurance firm, for example, no more than one-third of the company's capital may be invested in its home office building. Housing projects and other income-producing buildings cannot be financed except through mortgages, government bonds, or the like. However, the expansion of the insurance market in Texas and the growth of investment opportunities here ultimately persuaded most major out-of-state companies to return. Today most of them far exceed their required Texas investments. New York Life, for example, registered Texas investments totalling nearly $140,000,000 in 1952, as against the $8,000,000 legally required for the company. Prudential Life of New Jersey, a leader in Texas investments, has long since passed the $300,000,000 mark. The same is true with some companies based outside the United States; Sun Life Assurance of Canada registered over $3,000,000 in Texas investments in 1952, although only $55,000 was required.

Meanwhile, Texans are using insurance more extensively than ever—and receiving greater benefits. With new laws safeguarding the security of the insurance dollar, this key form of financial protection will help more than ever to meet the needs of a changing and expanding Texas economy.

ROBERT H. RYAN


*Index, 1947-49=100 adjusted for price changes and seasonal variation.



## Crisis in Coastal Shipping

### The Atlantic-Gulf Coast Case

### by John L. Hazard

Economic crisis has overtaken America's coastal lines with the speed and violence of a sea squall. Dr. Hazard examines the causes of the crisis and charts a course toward its solution. Austin: Bureau of Business Research ("Research Monographs," No. 16), three dollars and fifty cents.

# Local Business

| City and item | Sept 1955 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|
| **ABILENE (pop. 55,000r)** | | | |
| Retail sales | | x | + 10 |
| Department and apparel stores | | + 8 | + 3 |
| Postal receipts $ | 73,556 | + 7 | + 8 |
| Building permits, less federal contracts $ | 1,440,629 | − 42 | +100 |
| Bank debits (thousands) $ | 67,608 | + 1 | + 19 |
| End-of-month deposits (thousands) ‡ $ | 58,793 | x | + 9 |
| Annual rate of deposit turnover | 13.7 | 0 | + 8 |
| Employment | 28,050 | + 1 | + 2 |
| Manufacturing employment | 3,140 | − 1 | − 3 |
| Percent unemployed | 4.2 | − 7 | − 11 |
| **ALPINE (pop. 5,261r)** | | | |
| Postal receipts $ | 4,081 | + 41 | + 7 |
| Building permits, less federal contracts $ | 18,000 | − 68 | + 20 |
| Bank debits (thousands) $ | 2,165 | − 4 | + 3 |
| End-of-month deposits (thousands) ‡ $ | 3,446 | + 4 | − 15 |
| Annual rate of deposit turnover | 7.7 | + 4 | + 31 |
| **AMARILLO (pop. 108,034r)** | | | |
| Retail sales* | | − 12 | + 10 |
| Automotive stores* | | − 24 | + 22 |
| Department and apparel stores | | + 11 | + 7 |
| Eating and drinking places* | | − 24 | + 1 |
| Filling stations* | | − 19 | − 35 |
| Food stores* | | − 5 | − 9 |
| Furniture and household appliance stores* | | + 4 | + 14 |
| Lumber, building material, and hardware stores* | | − 21 | + 15 |
| Postal receipts $ | 130,371 | + 6 | + 9 |
| Building permits, less federal contracts $ | 1,754,511 | + 31 | + 61 |
| Bank debits (thousands) $ | 157,850 | x | + 21 |
| End-of-month deposits (thousands) ‡ $ | 106,404 | − 2 | + 2 |
| Annual rate of deposit turnover | 17.6 | + 1 | + 17 |
| Employment | 45,500 | + 1 | + 3 |
| Manufacturing employment | 5,270 | x | + 12 |
| Percent unemployed | 4.1 | − 20 | − 13 |
| **ARLINGTON (pop. 7, 692r)** | | | |
| Postal receipts $ | 22,284 | + 23 | + 65 |
| Building permits, less federal contracts $ | 1,640,070 | + 7 | − 15 |
| Employment (area) | 188,400 | + 1 | + 7 |
| Manufacturing employment (area) | 57,200 | + 2 | + 8 |
| Percent unemployed (area) | 5.5 | + 25 | + 17 |
| **AUSTIN (pop. 168,500r)** | | | |
| Retail sales | | x | + 11 |
| Automotive stores | | − 6 | + 19 |
| Department and apparel stores | | + 8 | − 1 |
| Eating and drinking places | | + 19 | + 6 |
| Filling stations | | + 2 | − 1 |
| Food stores | | + 11 | + 10 |
| Furniture and household appliance stores | | x | + 15 |
| Lumber, building material, and hardware stores | | − 5 | + 7 |
| Postal receipts $ | 269,194 | + 3 | + 10 |
| Building permits, less federal contracts $ | 2,907,050 | − 18 | − 20 |
| Bank debits (thousands) $ | 139,048 | + 1 | + 12 |
| End-of-month deposits (thousands) ‡ $ | 118,528 | + 2 | + 7 |
| Annual rate of deposit turnover | 14.3 | + 1 | + 4 |
| Employment | 66,300 | + 1 | + 6 |
| Manufacturing employment | 4,700 | + 1 | + 8 |
| Percent unemployed | 3.6 | − 5 | − 5 |

| City and item | Sept 1955 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|
| **BAYTOWN (pop. 22,983)** | | | |
| Postal receipts $ | 17,005 | + 3 | + 5 |
| Building permits, less federal contracts $ | 195,600 | − 9 | − 8 |
| Bank debits (thousands) $ | 17,751 | x | + 14 |
| End-of-month deposits (thousands) ‡ $ | 22,493 | + 1 | + 3 |
| Annual rate of deposit turnover | 9.5 | − 1 | + 9 |
| Employment (area) | 386,700 | + 8 | + 6 |
| Manufacturing employment (area) | 86,025 | x | + 6 |
| Percent unemployed (area) | 3.1 | − 9 | − 16 |
| **BEAUMONT (pop. 104,416r)** | | | |
| Retail sales* | | − 7 | + 19 |
| Automotive stores* | | − 11 | + 39 |
| Department and apparel stores | | + 1 | − 3 |
| Eating and drinking places* | | − 3 | − 8 |
| Food stores* | | + 10 | + 15 |
| General merchandise stores* | | x | − 2 |
| Lumber, building material, and hardware stores* | | − 8 | + 19 |
| Postal receipts $ | 83,431 | − 1 | − 3 |
| Building permits, less federal contracts $ | 976,068 | + 28 | + 9 |
| Bank debits (thousands) $ | 124,766 | − 1 | + 12 |
| End-of-month deposits (thousands) ‡ $ | 97,416 | − 1 | + 6 |
| Annual rate of deposit turnover | 15.4 | 0 | + 7 |
| Employment (area) | 83,500 | + 1 | + 5 |
| Manufacturing employment (area) | 28,080 | + 1 | + 5 |
| Percent unemployed (area) | 5.7 | − 3 | − 30 |
| **BEEVILLE (pop. 10,500r)** | | | |
| Postal receipts $ | 7,524 | − 11 | − 3 |
| Building permits, less federal contracts $ | 40,925 | − 64 | − 70 |
| Bank debits (thousands) $ | 6,673 | − 14 | − 8 |
| End-of-month deposits (thousands) ‡ $ | 12,254 | − 3 | − 3 |
| Annual rate of deposit turnover | 6.4 | − 14 | − 7 |
| **BIG SPRING (pop. 20,654r)** | | | |
| Retail sales | | + 16 | + 69 |
| Automotive stores | | + 21 | +100 |
| Drug stores | | − 1 | + 14 |
| Lumber, building material, and hardware stores | | − 3 | + 9 |
| Postal receipts $ | 17,735 | − 31 | − 5 |
| Building permits, less federal contracts $ | 221,245 | − 1 | − 2 |
| Bank debits (thousands) $ | 23,282 | − 1 | + 10 |
| End-of-month deposits (thousands) ‡ $ | 24,223 | + 2 | x |
| Annual rate of deposit turnover | 11.6 | − 3 | + 8 |
| **BORGER (pop. 18,059)** | | | |
| Postal receipts $ | 14,586 | + 17 | + 6 |
| Building permits, less federal contracts $ | 65,300 | − 45 | − 53 |
| Bank debits (thousands) $ | 14,451 | − 4 | + 17 |
| End-of-month deposits (thousands) ‡ $ | 15,010 | − 5 | + 13 |
| Annual rate of deposit turnover | 11.3 | − 3 | + 2 |
| **BRADY (pop. 5,944)** | | | |
| Postal receipts $ | 4,298 | + 31 | + 9 |
| Building permits, less federal contracts $ | 5,675 | +110 | ---- |
| Bank debits (thousands) $ | 3,650 | − 2 | ---- |
| End-of-month deposits (thousands) ‡ $ | 6,257 | − 1 | ---- |
| Annual rate of deposit turnover | 7.0 | 0 | ---- |
| **BRENHAM (pop. 6,941)** | | | |
| Postal receipts $ | 5,875 | − 11 | − 20 |
| Building permits, less federal contracts $ | 69,798 | − 16 | +180 |
| Bank debits (thousands) $ | 7,825 | + 14 | + 2 |
| End-of-month deposits (thousands) ‡ $ | 13,327 | + 3 | + 16 |
| Annual rate of deposit turnover | 7.2 | + 11 | − 12 |

For explanation of symbols, see page 23.

# Conditions

| City and item | Sept 1955 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|
| **BROWNSVILLE (pop. 36,066)** | | | |
| Retail sales* | ——— | −12 | +12 |
| Automotive stores* | ——— | −5 | +14 |
| Lumber, building material, and hardware stores* | ——— | −30 | +11 |
| Postal receipts | $ 23,491 | −2 | +6 |
| Building permits, less federal contracts | $ 187,520 | +150 | −8 |
| **BROWNWOOD (pop. 20,181)** | | | |
| Retail sales | ——— | +9 | +2 |
| Department and apparel stores | ——— | +12 | +1 |
| Furniture and household appliance stores | ——— | +31 | +19 |
| Postal receipts | $ 19,239 | +19 | +13 |
| Building permits, less federal contracts | $ 59,000 | +120 | −94 |
| Bank debits (thousands) | $ 10,358 | +6 | +19 |
| End-of-month deposits (thousands)‡ | $ 13,291 | +1 | −3 |
| Annual rate of deposit turnover | 9.4 | +8 | +22 |
| **BRYAN (pop. 23,833[r])** | | | |
| Retail sales* | ——— | +2 | +5 |
| Automotive stores* | ——— | −3 | +20 |
| Department and apparel stores | ——— | +44 | −3 |
| Food stores* | ——— | +16 | x |
| Lumber, building material, and hardware stores* | ——— | −27 | −10 |
| Postal receipts | $ 21,478 | +25 | +11 |
| Building permits, less federal contracts | $ 189,865 | −6 | −84 |
| **CHILDRESS (pop. 7,619)** | | | |
| Retail sales* | ——— | −7 | +10 |
| Automotive stores* | ——— | +7 | +17 |
| Department and apparel stores | ——— | +24 | +9 |
| Filling stations* | ——— | −11 | +8 |
| Food stores* | ——— | −8 | −4 |
| Lumber, building material, and hardware stores* | ——— | −17 | −14 |
| Postal receipts | $ 4,606 | −1 | x |
| Building permits, less federal contracts | $ 15,995 | −75 | −29 |
| **CISCO (pop. 5,230)** | | | |
| Postal receipts | $ 3,813 | −12 | −5 |
| Bank debits (thousands) | $ 2,340 | +1 | +10 |
| End-of-month deposits (thousands)‡ | $ 4,174 | −1 | +10 |
| Annual rate of deposit turnover | 6.7 | +2 | +2 |
| **CORPUS CHRISTI (pop. 122,956[u])** | | | |
| Retail sales | ——— | −23 | −1 |
| Apparel stores | ——— | +2 | −6 |
| Automotive stores | ——— | −33 | +12 |
| Department stores† | ——— | −8 | −2 |
| Postal receipts | $ 137,296 | +12 | +10 |
| Building permits, less federal contracts | $ 1,654,994 | −37 | −46 |
| Bank debits (thousands) | $ 156,651 | −11 | −1 |
| End-of-month deposits (thousands)‡ | $ 107,707 | x | −11 |
| Annual rate of deposit turnover | 17.4 | −10 | +15 |
| Employment | 63,400 | x | +2 |
| Manufacturing employment | 8,250 | −1 | +3 |
| Percent unemployed | 4.7 | −19 | −4 |
| **CORSICANA (pop. 19,211)** | | | |
| Department and apparel store sales | ——— | +16 | −5 |
| Postal receipts | $ 16,516 | +21 | −8 |
| Building permits, less federal contracts | $ 28,075 | −54 | −74 |
| Bank debits (thousands) | $ 17,481 | +6 | +9 |
| End-of-month deposits (thousands)‡ | $ 22,219 | +1 | +8 |
| Annual rate of deposit turnover | 9.5 | +7 | +1 |
| **DALLAS (pop. 538,924[u])** | | | |
| Retail sales* | ——— | −1 | +12 |
| Apparel stores* | ——— | +20 | +5 |
| Automotive stores* | ——— | −19 | +26 |
| Department stores† | ——— | +3 | +9 |
| Eating and drinking places* | ——— | −6 | −9 |
| Filling stations* | ——— | +3 | +25 |
| Florists* | ——— | +7 | −5 |
| Food stores* | ——— | +5 | −1 |
| Furniture and household appliance stores* | ——— | −8 | +19 |
| General merchandise stores* | ——— | +1 | +22 |
| Jewelry stores* | ——— | +12 | +17 |
| Lumber, building material, and hardware stores* | ——— | −2 | +11 |
| Office, store, and school supply dealers* | ——— | −5 | −31 |
| Postal receipts | $ 1,707,557 | +4 | +4 |
| Building permits, less federal contracts | $13,391,032 | −29 | −24 |
| Bank debits (thousands) | $ 1,956,668 | −3 | +16 |
| End-of-month deposits (thousands)‡ | $ 1,012,046 | +4 | +8 |
| Annual rate of deposit turnover | 23.6 | −6 | +9 |
| Employment (area) | 316,100 | x | +2 |
| Manufacturing employment (area) | 78,450 | x | x |
| Percent unemployed (area) | 2.3 | −8 | −18 |
| **DEL RIO (pop. 14,211)** | | | |
| Postal receipts | $ 13,014 | +28 | +21 |
| Building permits, less federal contracts | $ 91,865 | +6 | +60 |
| Bank debits (thousands) | $ 7,470 | −9 | −9 |
| End-of-month deposits (thousands)‡ | $ 10,700 | +3 | −3 |
| Annual rate of deposit turnover | 8.2 | −16 | −5 |
| **DENISON (pop. 17,504)** | | | |
| Retail sales | ——— | −9 | +4 |
| Department and apparel stores | ——— | +18 | +10 |
| Postal receipts | $ 14,839 | +1 | +15 |
| Building permits, less federal contracts | $ 50,968 | −47 | −38 |
| Bank debits (thousands) | $ 13,064 | −4 | +5 |
| End-of-month deposits (thousands)‡ | $ 16,147 | +3 | −13 |
| Annual rate of deposit turnover | 9.9 | −4 | +25 |
| **DENTON (pop. 21,372)** | | | |
| Postal receipts | $ 24,278 | +24 | −4 |
| Building permits, less federal contracts | $ 256,886 | +47 | +33 |
| Bank debits (thousands) | $ 13,248 | +2 | +12 |
| End-of-month deposits (thousands)‡ | $ 15,829 | +5 | +12 |
| Annual rate of deposit turnover | 10.3 | +1 | +2 |
| **EL PASO (pop. 182,505[r])** | | | |
| Retail sales* | ——— | +3 | +10 |
| Apparel stores* | ——— | +8 | +18 |
| Department stores† | ——— | +2 | +7 |
| Drug stores* | ——— | x | +5 |
| General merchandise stores* | ——— | +3 | +3 |
| Postal receipts | $ 217,323 | +16 | +12 |
| Building permits, less federal contracts | $ 2,538,459 | +42 | −25 |
| Bank debits (thousands) | $ 221,548 | +3 | +19 |
| End-of-month deposits (thousands)‡ | $ 129,670 | x | +7 |
| Annual rate of deposit turnover | 20.5 | +4 | +13 |
| Employment | 75,600 | +2 | +5 |
| Manufacturing employment | 12,250 | +1 | +7 |
| Percent unemployed | 3.7 | −5 | −10 |

For explanation of symbols, see page 23.

# LOCAL BUSINESS CONDITIONS

| City and item | Sept 1955 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|
| **EDINBURG (pop. 12,383)** | | | |
| Postal receipts $ | 7,670 | − 5 | − 14 |
| Building permits, less federal contracts $ | 89,515 | +200 | +300 |
| Bank debits (thousands) $ | 7,445 | − 39 | + 2 |
| End-of-month deposits (thousands)‡ $ | 6,823 | − 9 | + 1 |
| Annual rate of deposit turnover | 12.4 | − 37 | + 25 |
| **EDNA (pop. 3,855)** | | | |
| Postal receipts $ | 3,790 | − 8 | + 19 |
| Building permits, less federal contracts $ | 3,250 | − 95 | ...... |
| Bank debits (thousands) $ | 4,258 | − 17 | ...... |
| End-of-month deposits (thousands)‡ $ | 7,132 | + 1 | ...... |
| Annual rate of depocsit turnover | 7.2 | − 20 | ...... |
| **FORT WORTH (pop. 315,578u)** | | | |
| Retail sales* | .......... | − 3 | + 9 |
| Apparel stores* | .......... | + 13 | + 4 |
| Automotive stores* | .......... | − 4 | + 20 |
| Department stores† | .......... | − 6 | + 9 |
| Drug stores* | .......... | − 3 | − 1 |
| Eating and drinking places* | .......... | − 4 | x |
| Filling stations* | .......... | x | + 6 |
| Food stores* | .......... | − 5 | + 21 |
| Furniture and household appliance stores* | .......... | − 18 | − 3 |
| General merchandise stores* | .......... | − 2 | + 10 |
| Hay, grain and feed stores* | .......... | + 14 | − 7 |
| Lumber, building material, and hardware stores* | .......... | − 9 | − 8 |
| Postal receipts $ | 530,299 | x | + 3 |
| Building permits, less federal contracts $ | 4,079,937 | − 18 | + 3 |
| Bank debits (thousands) $ | 594,181 | − 3 | + 13 |
| End-of-month deposits (thousands)‡ $ | 356,771 | − 1 | + 5 |
| Annual rate of deposit turnover | 19.9 | − 2 | + 7 |
| Employment (area) | 188,400 | + 1 | + 7 |
| Manufacturing employment (area) | 57,200 | + 2 | + 8 |
| Percent unemployed (area) | 5.5 | + 25 | + 17 |
| **GALVESTON (pop. 71,527u)** | | | |
| Retail sales | .......... | − 10 | + 7 |
| Department and apparel stores | .......... | − 15 | − 12 |
| Food stores | .......... | − 2 | − 9 |
| Furniture and household appliance stores | .......... | − 10 | + 18 |
| Postal receipts $ | 71,555 | + 7 | + 4 |
| Building permits, less federal contracts $ | 257,665 | − 58 | − 66 |
| Bank debits (thousands) $ | 80,508 | − 2 | + 4 |
| End-of-month deposits (thousands)‡ $ | 70,433 | − 1 | + 8 |
| Annual rate of deposit turnover | 13.7 | − 2 | − 1 |
| Employment (area) | 45,500 | − 1 | + 1 |
| Manufacturing employment (area) | 11,410 | − 1 | + 1 |
| Percent unemployed (area) | 5.8 | − 3 | + 2 |
| **GARLAND (pop. 10,571)** | | | |
| Postal receipts $ | 13,491 | − 4 | + 9 |
| Building permits, less federal contracts $ | 688,684 | − 53 | − 32 |
| Bank debits (thousands) $ | 13,674 | − 5 | + 21 |
| End-of-month deposits (thousands)‡ $ | 13,087 | + 9 | + 19 |
| Annual rate of deposit turnover | 13.1 | − 5 | + 6 |
| Employment (area) | 316,100 | x | + 2 |
| Manufacturing employment (area) | 78,450 | x | x |
| Percent unemployed (area) | 2.3 | − 8 | − 18 |
| **GLADEWATER (pop. 5,305)** | | | |
| Postal receipts $ | 5,818 | + 32 | + 7 |
| Bank debits (thousands) $ | 3,858 | − 1 | + 10 |
| End-of-month deposits (thousands)‡ $ | 4,659 | + 14 | x |
| Annual rate of deposit turnover | 10.6 | − 9 | + 6 |
| Employment (area) | 24,300 | x | + 1 |
| Manufacturing employment (area) | 4,060 | + 1 | + 2 |
| Percent unemployed (area) | 4.0 | − 9 | − 23 |

| City and item | Sept 1955 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|
| **GOLDTHWAITE (pop. 1,566)** | | | |
| Retail sales* | .......... | − 3 | + 1 |
| Filling stations* | .......... | − 6 | + 11 |
| Postal receipts $ | 1,801 | + 19 | + 1 |
| Bank debits (thousands) $ | 3,066 | + 7 | + 32 |
| End-of-month deposits (thousands)‡ $ | 2,910 | − 3 | − 7 |
| Annual rate of deposit turnover | 12.5 | + 8 | + 42 |
| **GONZALES (5,659)** | | | |
| Postal receipts $ | 4,408 | + 15 | + 1 |
| Building permits, less federal contracts $ | 11,300 | − 70 | + 55 |
| Bank debits (thousands) $ | 5,326 | − 7 | + 16 |
| End-of-month deposits (thousands)‡ $ | 6,514 | + 3 | + 7 |
| Annual rate of deposit turnover | 10.0 | − 10 | + 1 |
| **GRAND PRAIRIE (pop. 14,594)** | | | |
| Postal receipts $ | 20,028 | + 20 | + 36 |
| Building permits, less federal contracts $ | 514,405 | + 6 | + 35 |
| Employment (area) | 316,100 | x | + 2 |
| Manufacturing employment (area) | 78,450 | x | x |
| Percent unemployed (area) | 2.3 | − 8 | − 18 |
| **HARLINGEN (pop. 30,038r)** | | | |
| Postal receipts $ | 26,935 | − 1 | x |
| Building permits, less federal contracts $ | 293,740 | + 23 | − 83 |
| Bank debits (thousands) $ | 36,531 | − 51 | + 14 |
| End-of-month deposits (thousands)‡ $ | 23,273 | − 12 | − 4 |
| Annual rate of deposit turnover | 17.7 | − 48 | + 17 |
| **HENDERSON (pop. 6,833)** | | | |
| Retail sales* | .......... | − 23 | − 5 |
| Automotive stores* | .......... | − 33 | − 9 |
| Department and apparel stores | .......... | + 8 | − 1 |
| Food stores* | .......... | + 16 | − 3 |
| Postal receipts $ | 7,958 | + 13 | + 6 |
| Building permits, less federal contracts $ | 20,400 | − 76 | − 76 |
| Bank debits (thousands) $ | 7,497 | + 25 | + 9 |
| End-of-month deposits (thousands)‡ $ | 14,371 | + 3 | + 4 |
| Annual rate of deposit turnover | 6.4 | + 23 | + 5 |
| **HEREFORD (pop. 5,207)** | | | |
| Postal receipts $ | 6,932 | + 30 | − 2 |
| Building permits, less federal contracts $ | 221,100 | + 31 | + 34 |
| Bank debits (thousands) $ | 9,556 | − 11 | + 20 |
| End-of-month deposits (thousands)‡ $ | 8,733 | − 7 | − 1 |
| Annual rate of deposit turnover | 12.7 | − 8 | + 20 |
| **HOUSTON (pop. 700,508u)** | | | |
| Retail sales¶ | .......... | − 2 | + 9 |
| Apparel stores¶ | .......... | + 1 | + 1 |
| Automotive stores¶ | .......... | − 12 | + 32 |
| Department stores† | .......... | 0 | + 7 |
| Drug stores¶ | .......... | − 6 | + 14 |
| Eating and drinking places¶ | .......... | − 2 | + 11 |
| Filling stations¶ | .......... | − 8 | + 17 |
| Food stores¶ | .......... | + 6 | − 2 |
| Furniture and household appliance stores¶ | .......... | x | + 15 |
| General merchandise stores¶ | .......... | − 8 | + 8 |
| Liquor stores¶ | .......... | + 11 | + 7 |
| Lumber, building material, and hardware stores¶ | .......... | − 16 | − 15 |
| Building permits, less federal contracts $ | 9,036,732 | + 3 | − 59 |
| Bank debits (thousands) $ | 1,973,058 | − 3 | + 12 |
| End-of-month deposits (thousands)‡ $ | 1,206,303 | + 1 | + 6 |
| Annual rate of deposit turnover | 19.7 | − 4 | + 5 |
| Employment (area) | 386,700 | + 8 | + 6 |
| Manufacturing employment (area) | 86,025 | x | + 6 |
| Percent unemployed (area) | 3.1 | − 9 | − 16 |

For explanation of symbols, see page 23.

## LOCAL BUSINESS CONDITIONS

| City and item | Sept 1955 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|
| **JASPER (pop. 4,403)** | | | |
| Retail sales* | .......... | − 1 | + 8 |
| Automotive stores* | .......... | + 17 | + 45 |
| Food stores* | .......... | x | x |
| General merchandise stores* | .......... | − 14 | − 2 |
| Lumber, building material, and hardware stores* | .......... | − 12 | − 30 |
| Postal receipts $ | 5,102 | x | + 15 |
| Bank debits (thousands) $ | 5,213 | + 7 | + 27 |
| End-of-month deposits (thousands)‡ $ | 6,311 | − 1 | + 5 |
| Annual rate of deposit turnover | 9.9 | + 5 | + 22 |
| **KERMIT (pop. 6,912)** | | | |
| Postal receipts $ | 5,807 | + 25 | − 2 |
| Building permits, less federal contracts $ | 47,500 | − 17 | + 18 |
| Bank debits (thousands) $ | 2,140 | − 39 | − 32 |
| End-of-month deposits (thousands)‡ $ | 2,528 | − 25 | − 25 |
| Annual rate of deposit turnover | 8.7 | − 33 | − 28 |
| **KILGORE (pop. 9,638)** | | | |
| Postal receipts $ | 10,814 | − 10 | − 2 |
| Building permits, less federal contracts $ | 40,804 | − 82 | − 46 |
| Bank debits (thousands) $ | 14,802 | + 3 | + 14 |
| End-of-month deposits (thousands)‡ $ | 15,736 | + 2 | + 1 |
| Annual rate of deposit turnover | 11.4 | + 1 | + 13 |
| Employment (area) | 24,300 | x | + 1 |
| Manufacturing employment (area) | 4,060 | + 1 | + 2 |
| Percent unemployed (area) | 4.0 | − 9 | − 23 |
| **KILLEEN (pop. 21,076[r])** | | | |
| Postal receipts $ | 27,888 | + 9 | + 5 |
| Building permits, less federal contracts $ | 230,428 | + 29 | − 75 |
| Bank debits (thousands) $ | 8,490 | x | + 28 |
| End-of-month deposits (thousands)‡ $ | 5,736 | − 3 | − 44 |
| Annual rate of deposit turnover | 17.5 | − 1 | +130 |
| **LAMESA (pop. 10,704)** | | | |
| Postal receipts $ | 8,943 | + 32 | + 3 |
| Building permits, less federal contracts $ | 21,700 | − 29 | − 34 |
| Bank debits (thousands) $ | 8,589 | − 17 | − 7 |
| End-of-month deposits (thousands)‡ $ | 10,108 | − 1 | − 1 |
| Annual rate of deposit turnover | 10.1 | − 13 | − 9 |
| **LAMPASAS (pop. 4,869)** | | | |
| Retail sales* | .......... | − 12 | − 2 |
| Automotive stores* | .......... | − 17 | + 5 |
| Department and apparel stores | .......... | + 9 | + 6 |
| Filling stations* | .......... | − 1 | + 4 |
| Food stores* | .......... | + 2 | − 4 |
| Postal receipts $ | 4,368 | + 31 | + 16 |
| Building permits, less federal contracts $ | 45,800 | +730 | + 53 |
| Bank debits (thousands) $ | 4,635 | − 4 | + 9 |
| End-of-month deposits (thousands)‡ $ | 6,762 | x | − 8 |
| Annual rate of deposit turnover | 8.2 | − 2 | + 11 |
| **LAREDO (pop. 59,350[r])** | | | |
| Postal receipts $ | 23,837 | + 1 | + 1 |
| Building permits, less federal contracts $ | 40,575 | + 7 | − 73 |
| Bank debits (thousands) $ | 19,623 | − 1 | + 14 |
| End-of-month deposits (thousands)‡ $ | 19,459 | + 1 | + 10 |
| Annual rate of deposit turnover | 12.2 | 0 | + 5 |
| **LLANO (pop. 2,954)** | | | |
| Postal receipts $ | 1,938 | + 16 | − 3 |
| Bank debits (thousands) $ | 2,765 | x | + 14 |
| End-of-month deposits (thousands)‡ $ | 3,624 | + 1 | − 5 |
| Annual rate of deposit turnover | 9.2 | − 3 | + 23 |

| City and item | Sept 1955 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|
| **LEVELLAND (pop. 8,264)** | | | |
| Postal receipts $ | 6,522 | + 8 | x |
| Building permits, less federal contracts $ | 66,550 | − 14 | − 70 |
| Bank debits (thousands) $ | 6,495 | − 14 | + 10 |
| End-of-month deposits (thousands)‡ $ | 7,718 | − 14 | − 7 |
| Annual rate of deposit turnover | 9.4 | − 6 | + 3 |
| **LOCKHART (pop. 5,573)** | | | |
| Department and apparel store sales | .......... | x | + 2 |
| Postal receipts $ | 8,681 | + 8 | − 3 |
| Building permits, less federal contracts $ | 109,000 | +110 | + 7 |
| Bank debits (thousands) $ | 3,799 | + 1 | + 4 |
| End-of-month deposits (thousands)‡ $ | 5,152 | + 5 | + 1 |
| Annual rate of deposit turnover | 9.1 | − 3 | + 3 |
| **LONGVIEW (pop. 34,328[r])** | | | |
| Postal receipts $ | 29,666 | + 6 | + 6 |
| Building permits, less federal contracts $ | 470,255 | − 46 | + 55 |
| Bank debits (thousands) $ | 33,522 | − 6 | + 9 |
| End-of-month deposits (thousands)‡ $ | 34,859 | + 2 | + 5 |
| Annual rate of deposit turnover | 11.6 | − 5 | + 5 |
| Employment (area) | 42,850 | + 2 | + 5 |
| Manufacturing employment (area) | 4,450 | x | + 14 |
| Percent unemployed (area) | 4.0 | − 9 | − 23 |
| **LUBBOCK (pop. 117,886[r])** | | | |
| Retail sales | .......... | + 8 | + 26 |
| Department and apparel stores | .......... | + 18 | + 2 |
| Postal receipts $ | 105,178 | + 15 | + 7 |
| Building permits, less federal contracts $ | 1,877,087 | − 22 | − 8 |
| Bank debits (thousands) $ | 126,560 | + 9 | + 22 |
| End-of-month deposits (thousands)‡ $ | 87,603 | − 6 | + 9 |
| Annual rate of deposit turnover | 16.8 | + 11 | + 8 |
| Employment | 42,850 | + 2 | + 5 |
| Manufacturing employment | 4,450 | x | + 14 |
| Percent unemployed | 4.2 | − 2 | + 16 |
| **LUFKIN (pop. 15,135)** | | | |
| Postal receipts $ | 14,158 | − 8 | + 4 |
| Building permits, less federal contracts $ | 257,838 | − 21 | +130 |
| Bank debits (thousands) $ | 20,191 | + 2 | + 30 |
| End-of-month deposits (thousands)‡ $ | 23,116 | + 10 | − 4 |
| Annual rate of deposit turnover | 11.0 | − 2 | + 39 |
| **McALLEN (pop. 25,326[r])** | | | |
| Retail sales | .......... | − 1 | + 49 |
| Department and apparel stores | .......... | − 24 | + 11 |
| Postal receipts $ | 16,542 | − 5 | − 6 |
| Building permits, less federal contracts $ | 861,250 | +700 | +170 |
| **McKINNEY (pop. 10,560)** | | | |
| Building permits, less federal contracts $ | 44,325 | − 48 | − 5 |
| Bank debits (thousands) $ | 9,294 | + 38 | + 3 |
| End-of-month deposits (thousands)‡ $ | 11,793 | + 6 | − 12 |
| Annual rate of deposit turnover | 9.7 | + 31 | + 15 |
| **MARSHALL (pop. 25,479[r])** | | | |
| Department and apparel store sales | .......... | + 5 | − 7 |
| Postal receipts $ | 18,991 | + 31 | + 4 |
| Building permits, less federal contracts $ | 515,948 | +160 | + 17 |
| Bank debits (thousands) $ | 14,852 | + 4 | + 8 |
| End-of-month deposits (thousands)‡ $ | 21,154 | + 2 | − 2 |
| Annual rate of deposit turnover | 8.5 | + 2 | + 12 |
| **MERCEDES (pop. 10,081)** | | | |
| Postal receipts $ | 4,703 | + 3 | − 5 |
| Building permits, less federal contracts $ | 300 | − 52 | − 87 |
| Bank debits (thousands) $ | 5,360 | − 45 | + 7 |
| End-of-month deposits (thousands)‡ $ | 5,279 | − 8 | − 23 |
| Annual rate of deposit turnover | 11.7 | − 41 | + 38 |

For explanation of symbols, see page 23.

# LOCAL BUSINESS CONDITIONS

| City and item | Sept 1955 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|
| **MIDLAND (pop. 42,600[r])** | | | |
| Postal receipts $ | 48,538 | — 4 | + 12 |
| Building permits, less federal contracts $ | 1,217,900 | — 26 | + 13 |
| Bank debits (thousands) $ | 59,032 | + 3 | + 17 |
| End-of-month deposits (thousands) ‡ $ | 73,513 | — 3 | + 4 |
| Annual rate of deposit turnover | 9.5 | + 1 | + 10 |
| **MONAHANS (pop. 6,311)** | | | |
| Postal receipts $ | 6,202 | + 16 | + 14 |
| Building permits, less federal contracts $ | 76,575 | — 91 | +200 |
| Bank debits (thousands) $ | 7,667 | — 5 | + 28 |
| End-of-month deposits (thousands) ‡ $ | 7,169 | + 3 | + 1 |
| Annual rate of deposit turnover | 13.0 | — 8 | + 30 |
| **NAVASOTA (pop. 5,188)** | | | |
| Retail sales* | | + 9 | + 12 |
| Filling stations* | | + 4 | + 3 |
| Food stores* | | — 1 | + 3 |
| Lumber, building material, and hardware stores* | | + 59 | + 20 |
| Postal receipts $ | 3,872 | + 5 | — 10 |
| **ODESSA (pop. 50,807[r])** | | | |
| Postal receipts $ | 45,726 | + 5 | + 11 |
| Building permits, less federal contracts $ | 1,719,658 | — 20 | + 8 |
| Bank debits (thousands) $ | 45,716 | x | + 28 |
| End-of-month deposits (thousands) ‡ $ | 33,603 | + 6 | — 4 |
| Annual rate of deposit turnover | 16.8 | — 3 | + 32 |
| **ORANGE (pop. 21,174)** | | | |
| Postal receipts $ | 16,821 | + 19 | x |
| Building permits, less federal contracts $ | 257,912 | — 57 | + 27 |
| Bank debits (thousands) $ | 22,238 | x | + 15 |
| End-of-month deposits (thousands) ‡ $ | 23,628 | + 3 | — 4 |
| Annual rate of deposit turnover | 11.5 | — 1 | + 24 |
| **PALESTINE (pop. 15,063[r])** | | | |
| Postal receipts $ | 10,597 | — 2 | — 2 |
| Building permits, less federal contracts $ | 123,635 | — 43 | + 30 |
| Bank debits (thousands) $ | 6,638 | — 1 | + 9 |
| End-of-month deposits (thousands) ‡ $ | 12,760 | — 1 | x |
| Annual rate of deposit turnover | 6.2 | 0 | + 9 |
| **PAMPA (pop. 20,448[r])** | | | |
| Retail sales | | + 27 | + 48 |
| Postal receipts $ | 16,765 | + 17 | + 11 |
| Building permits, less federal contracts $ | 289,827 | — 32 | + 25 |
| Bank debits (thousands) $ | 15,421 | x | + 4 |
| End-of-month deposits (thousands) ‡ $ | 20,069 | — 1 | — 4 |
| Annual rate of deposit turnover | 9.2 | + 2 | + 8 |
| **PARIS (pop. 21,643)** | | | |
| Retail sales | | + 4 | + 23 |
| Department and apparel stores | | + 38 | + 12 |
| Postal receipts $ | 14,406 | — 4 | — 13 |
| Building permits, less federal contracts $ | 63,593 | — 35 | +150 |
| Bank debits (thousands) $ | 15,523 | + 14 | + 4 |
| End-of-month deposits (thousands) ‡ $ | 15,121 | + 7 | + 7 |
| Annual rate of deposit turnover | 12.7 | + 9 | — 2 |
| **PLAINVIEW (pop. 14,044)** | | | |
| Retail sales | | — 15 | — 2 |
| Department and apparel stores | | + 11 | — 1 |
| Postal receipts $ | 13,824 | + 11 | — 4 |
| Building permits, less federal contracts $ | 178,500 | — 23 | + 45 |
| Bank debits (thousands) $ | 16,322 | + 2 | + 25 |
| End-of-month deposits (thousands) ‡ $ | 20,857 | — 3 | + 14 |
| Annual rate of deposit turnover | 9.2 | + 3 | + 10 |

| City and item | Sept 1955 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|
| **PORT ARTHUR (pop. 82,150[u])** | | | |
| Retail sales* | | — 6 | + 8 |
| Automotive stores* | | — 9 | + 11 |
| Department and apparel stores | | — 4 | + 11 |
| Eating and drinking places* | | + 2 | + 9 |
| Food stores* | | + 3 | + 3 |
| Furniture and household appliance stores* | | — 16 | + 13 |
| Lumber, building material, and hardware stores* | | — 7 | x |
| Postal receipts $ | 37,483 | — 5 | + 5 |
| Building permits, less federal contracts $ | 527,245 | — 8 | + 47 |
| Bank debits (thousands) $ | 53,713 | — 3 | + 16 |
| End-of-month deposits (thousands) ‡ $ | 45,555 | — 1 | + 17 |
| Annual rate of deposit turnover | 14.0 | — 4 | 0 |
| Employment (area) | 83,500 | + 1 | + 5 |
| Manufacturing employment (area) | 28,080 | + 1 | + 5 |
| Percent unemployed (area) | 5.7 | — 3 | — 30 |
| **RAYMONDVILLE (pop. 9,136)** | | | |
| Postal receipts $ | 5,066 | — 7 | — 2 |
| Building permits, less federal contracts $ | 3,800 | — 56 | — 52 |
| Bank debits (thousands) $ | 7,952 | — 50 | — 12 |
| End-of-month deposits (thousands) ‡ $ | 6,885 | — 30 | — 38 |
| Annual rate of deposit turnover | 11.3 | | + 22 |
| **ROCKDALE (pop. 4,550[r])** | | | |
| Postal receipts $ | 3,869 | + 6 | + 5 |
| Building permits, less federal contracts $ | 26,475 | — 57 | — 16 |
| Bank debits (thousands) $ | 4,213 | + 10 | + 12 |
| End-of-month deposits (thousands) ‡ $ | 5,123 | + 6 | + 36 |
| Annual rate of deposit turnover | 10.1 | — 3 | — 17 |
| **SAN ANGELO (pop. 62,359[r])** | | | |
| Retail sales | | — 2 | — 4 |
| Postal receipts $ | 50,184 | — 9 | — 4 |
| Building permits, less federal contracts $ | 656,072 | — 5 | + 26 |
| Bank debits (thousands) $ | 44,502 | + 3 | + 7 |
| End-of-month deposits (thousands) ‡ $ | 45,366 | — 2 | — 2 |
| Annual rate of deposit turnover | 11.6 | + 3 | + 8 |
| Employment | 22,750 | x | + 1 |
| Manufacturing employment | 3,150 | + 4 | + 1 |
| Percent unemployed | 4.0 | — 9 | — 7 |
| **SAN ANTONIO (pop. 449,251[u])** | | | |
| Retail sales* | | — 2 | + 6 |
| Apparel stores* | | + 11 | — 2 |
| Automotive stores* | | — 12 | + 28 |
| Department stores† | | — 11 | + 2 |
| Drug stores* | | — 1 | + 3 |
| Eating and drinking places* | | — 11 | — 6 |
| Filling stations* | | — 6 | + 3 |
| Food stores* | | x | + 7 |
| Furniture and household appliance stores* | | — 15 | + 9 |
| General merchandise stores* | | — 24 | + 5 |
| Lumber, building material, and hardware stores* | | — 2 | — 4 |
| Postal receipts $ | 529,749 | — 3 | + 2 |
| Building permits, less federal contracts $ | 4,481,912 | x | — 28 |
| Bank debits (thousands) $ | 465,250 | — 3 | + 13 |
| End-of-month deposits (thousands) ‡ $ | 346,968 | + 2 | + 9 |
| Annual rate of deposit turnover | 16.2 | — 6 | + 4 |
| Employment | 182,100 | x | + 2 |
| Manufacturing employment | 22,575 | + 1 | + 9 |
| Percent unemployed | 4.0 | — 15 | — 31 |

**For explanation of symbols, see page 23.**

# LOCAL BUSINESS CONDITIONS

| City and item | Sept 1955 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|
| **SEGUIN (pop. 14,000[r])** | | | |
| Postal receipts $ | 8,636 | − 1 | − 11 |
| Building permits, less federal contracts $ | 47,435 | − 75 | − 9 |
| Bank debits (thousands) $ | 7,921 | − 6 | + 1 |
| End-of-month deposits (thousands) ‡ $ | 15,551 | − 1 | − 9 |
| Annual rate of deposit turnover | 6.1 | − 6 | + 11 |
| **SHERMAN (pop. 25,855[r])** | | | |
| Retail sales | | − 13 | + 5 |
| Department and apparel stores | | + 10 | + 3 |
| Furniture and household appliance stores | | − 25 | − 8 |
| Lumber, building material, and hardware stores | | − 10 | + 36 |
| Postal receipts $ | 29,540 | + 10 | + 22 |
| Building permits, less federal contracts $ | 343,707 | − 2 | + 75 |
| Bank debits (thousands) $ | 27,119 | + 6 | + 2 |
| End-of-month deposits (thousands) ‡ $ | 18,079 | + 2 | + 14 |
| Annual rate of deposit turnover | 18.2 | + 5 | − 13 |
| **SLATON (pop. 5,036)** | | | |
| Postal receipts $ | 2,747 | + 7 | + 7 |
| Building permits, less federal contracts $ | 42,700 | − 4 | + 45 |
| Bank debits (thousands) $ | 2,089 | + 4 | ---- |
| End-of-month deposits (thousands) ‡ $ | 3,130 | − 7 | ---- |
| Annual rate of deposit turnover | 7.7 | + 12 | ---- |
| **SWEETWATER (pop. 13,619)** | | | |
| Postal receipts $ | 10,981 | + 6 | − 26 |
| Building permits, less federal contracts $ | 476,750 | +450 | +690 |
| Bank debits (thousands) $ | 8,633 | + 63 | x |
| End-of-month deposits (thousands) ‡ $ | 10,177 | − 1 | − 2 |
| Annual rate of deposit turnover | 10.1 | + 63 | − 4 |
| **TAYLOR (pop. 9,701)** | | | |
| Postal receipts $ | 7,336 | − 10 | − 1 |
| Building permits, less federal contracts $ | 242,094 | +260 | +610 |
| Bank debits (thousands) $ | 10,784 | + 11 | − 12 |
| End-of-month deposits (thousands) ‡ $ | 13,767 | + 3 | − 13 |
| Annual rate of deposit turnover | 9.5 | + 4 | + 1 |
| **TEMPLE (pop. 33,912[r])** | | | |
| Retail sales | | − 3 | x |
| Department and apparel stores | | + 29 | − 3 |
| Drug stores | | x | + 5 |
| Food stores | | + 6 | + 5 |
| Furniture and household appliance stores | | − 20 | − 3 |
| Lumber, building material, and hardware stores | | + 9 | + 2 |
| Postal receipts $ | 29,232 | + 3 | + 5 |
| Building permits, less federal contracts $ | 139,475 | − 65 | − 57 |
| Bank debits (thousands) $ | 23,704 | + 7 | + 9 |
| End-of-month deposits (thousands) ‡ $ | 25,483 | + 5 | + 4 |
| Annual rate of deposit turnover | 11.5 | + 3 | + 10 |
| **TEXARKANA (pop. 24,753)** | | | |
| Retail sales§* | | − 12 | + 29 |
| Postal receipts§ $ | 48,490 | + 9 | + 27 |
| Building permits, less federal contracts $ | 275,795 | +150 | + 64 |
| Bank debits (thousands) § $ | 39,422 | + 4 | + 14 |
| End-of-month deposits (thousands) ‡ $ | 17,749 | + 1 | + 1 |
| Annual rate of deposit turnover | 12.6 | + 6 | + 9 |
| Employment§ | 48,100 | + 2 | + 5 |
| Manufacturing employment§ | 5,800 | − 1 | + 7 |
| Percent unemployed§ | 7.4 | − 9 | − 23 |

| City and item | Sept 1955 | Percent change: Sept 1955 from Aug 1955 | Percent change: Sept 1955 from Sept 1954 |
|---|---|---|---|
| **TEXAS CITY (pop. 23,000[r])** | | | |
| Department and apparel store sales | | + 18 | − 16 |
| Postal receipts $ | 14,684 | + 14 | + 4 |
| Building permits, less federal contracts $ | 333,580 | − 52 | − 73 |
| Bank debits (thousands) $ | 30,747 | + 6 | + 6 |
| End-of-month deposits (thousands) ‡ $ | 28,529 | − 6 | − 4 |
| Annual rate of deposit turnover | 12.5 | + 1 | − 29 |
| Employment (area) | 83,500 | + 1 | + 5 |
| Manufacturing employment (area) | 28,080 | + 1 | + 5 |
| Percent unemployed (area) | 5.7 | − 14 | − 7 |
| **TYLER (pop. 49,443[r])** | | | |
| Department and apparel store sales | | + 9 | − 1 |
| Postal receipts $ | 56,236 | + 7 | + 2 |
| Building permits, less federal contracts $ | 1,276,015 | + 60 | + 81 |
| Bank debits (thousands) $ | 72,205 | + 1 | + 17 |
| End-of-month deposits (thousands) ‡ $ | 56,448 | x | + 2 |
| Annual rate of deposit turnover | 15.4 | + 2 | + 13 |
| **VICTORIA (pop. 16,126)** | | | |
| Retail sales* | | − 5 | + 13 |
| Automotive stores* | | + 5 | + 47 |
| Department and apparel stores | | + 1 | − 27 |
| Eating and drinking places* | | − 14 | − 12 |
| Filling stations* | | − 10 | − 2 |
| Food stores* | | − 9 | − 7 |
| Furniture and household appliance stores* | | − 40 | − 11 |
| Lumber, building material, and hardware stores* | | − 7 | + 4 |
| Postal receipts $ | 26,033 | + 7 | + 23 |
| Building permits, less federal contracts $ | 572,750 | + 42 | + 71 |
| **WACO (pop. 101,824[r])** | | | |
| Retail sales | | − 3 | + 16 |
| Apparel stores | | − 6 | − 10 |
| Department stores† | | 0 | + 18 |
| Furniture and household appliance stores | | − 23 | − 8 |
| Postal receipts $ | 120,997 | + 1 | + 22 |
| Building permits, less federal contracts $ | 956,568 | − 33 | − 21 |
| Bank debits (thousands) $ | 88,100 | + 1 | + 2 |
| End-of-month deposits (thousands) ‡ $ | 67,850 | + 3 | + 3 |
| Annual rate of deposit turnover | 15.7 | − 1 | − 2 |
| Employment | 48,100 | + 2 | + 5 |
| Manufacturing employment | 8,840 | + 1 | + 1 |
| Percent unemployed | 3.0 | − 23 | − 36 |
| **WICHITA FALLS (pop. 103,192[r])** | | | |
| Retail sales | | + 8 | + 27 |
| Department and apparel stores | | x | − 4 |
| Postal receipts $ | 84,822 | + 5 | + 3 |
| Building permits, less federal contracts $ | 1,656,875 | +110 | + 34 |
| Bank debits (thousands) $ | 97,779 | + 4 | + 18 |
| End-of-month deposits (thousands) ‡ $ | 103,032 | − 1 | + 4 |
| Annual rate of deposit turnover | 11.3 | + 4 | + 15 |
| Employment | 36,800 | + 1 | + 6 |
| Manufacturing employment | 3,530 | + 1 | + 5 |
| Percent unemployed | 4.0 | − 7 | − 17 |

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

* Preliminary.

† Reported by the Federal Reserve Board of Dallas.

‡ Money on deposit at the end of the month, but excludes deposits to the 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).

r Revised for use by Texas Highway Department.

u 1950 Urbanized Census.

# BAROMETERS OF TEXAS BUSINESS

| | Sept 1955 | Aug 1955 | July 1955 | Year-to-date average 1955 | Average month 1954 |
|---|---|---|---|---|---|
| **GENERAL BUSINESS ACTIVITY** | | | | | |
| †**Index of Texas Business Activity (100.0)** | 173* | 174* | 169* | 171 | 154 |
| Index of bank debits | 202 | 209 | 192 | 198 | 177 |
| Index of bank debits in the United States | 178 | 182 | 168 | 171 | 160 |
| Income payments to individuals in the United States (billions—seasonally adjusted at an annual rate) | ........ | $ 305.0* | $ 305.3* | $ 299.2 | $ 287.6 |
| Index of wholesale prices in the United States, unadjusted | 111.6 | 110.8 | 110.6 | 110.5 | 110.3 |
| Index of consumers' prices in the United States, unadjusted | 114.9 | 114.5 | 114.7 | 114.4 | 114.8 |
| ‡Index of consumers' prices in Houston, unadjusted | ........ | 115.5 | ...... | 115.6 | 116.7 |
| Index of postal receipts | 289 | 275 | 245 | 277 | 246 |
| †Index of miscellaneous freight carloadings in the Southwestern District (10.0) | 99 | 93 | 95 | 95 | 93 |
| Corporation charters issued (number) | 382* | 372* | 430 | 447 | 345 |
| †Index of ordinary life insurance sales, adjusted for price changes (4.2) | 218 | 214 | 201 | 211 | 172 |
| Index of ordinary life insurance sales | 250 | 245 | 230 | 242 | 197 |
| Index of ordinary life insurance sales in the West South Central states | 251 | 253 | 226 | 237 | 192 |
| Index of ordinary life insurance sales in the United States | 206 | 219 | 198 | 203 | 170 |
| **TRADE** | | | | | |
| †Index of total retail sales, adjusted for price changes (46.8) | 156* | 163 | 158 | 157 | 143 |
| Index of total retail sales | 174 | 182 | 176 | 175 | 160 |
| Durable-goods stores | 184 | 198 | 181 | 189 | 162 |
| Nondurable-goods stores | 169 | 173 | 173 | 167 | 159 |
| Ratio of credit sales to net sales in department and apparel stores | 64.2 | 62.6 | 60.6 | 63.0 | 62.9 |
| Ratio of collections to outstandings in department and apparel stores | 36.4 | 35.2 | 42.0 | 38.3 | 39.1 |
| **PRODUCTION** | | | | | |
| †Index of industrial electric power consumption (14.6) | 305* | 290* | 276* | 284 | 250 |
| †Index of crude runs to stills (3.9) | 138* | 141 | 135 | 139 | 127 |
| Index of cottonseed crushed | ........ | 121 | 154 | 141 | 150 |
| †Index of construction authorized, adjusted for price changes (9.4) | 128* | 146* | 146* | 153 | 141 |
| Index of construction authorized | 174* | 198* | 198* | 206 | 186 |
| †Index of crude petroleum production (8.1) | 117* | 118* | 118 | 124 | 117 |
| Index of southern pine production, unadjusted, 1935–39=100 | ........ | 126 | 117 | 123 | 117 |
| Index of gasoline consumption | ........ | 168 | 160 | 174 | 173 |
| Index of industrial production in the United States | 141* | 140* | 139 | 137 | 125 |
| †Index of total electric power consumption (3.0) | 297* | 286* | 275* | 270 | 241 |
| Construction contracts awarded (thousands) | $106,909 | $125,006 | $154,907 | $127,789 | $111,196 |
| Index of dairy products manufactured | ........ | 57 | 49 | 69 | 62 |
| Index of cement consumption | ........ | 175 | 155 | 167 | 153 |
| **AGRICULTURE** | | | | | |
| Index of prices received by farmers, unadjusted, 1909–14=100 | 254 | 257 | 257 | 262 | 265 |
| Index of prices paid by farmers in the United States, parity index—unadjusted, 1910–14=100 | 278 | 279 | 281 | 282 | 281 |
| Ratio of Texas farm prices received to U.S. prices paid by farmers | 91 | 92 | 91 | 93 | 94 |
| Index of prices received by farmers—livestock, unadjusted, 1909–14=100 | 268 | 268 | 266 | 275 | 284 |
| Index of prices received by farmers—all crops, unadjusted, 1909–14=100 | 243 | 249 | 251 | 252 | 251 |
| Index of farm cash income, unadjusted | 105 | 89 | 76 | 74 | 98 |
| **FINANCE** | | | | | |
| Loans, reporting member banks in the Dallas district (millions) | $ 2,318§ | $ 2,265 | $ 2,270 | $ 2,213 | $ 1,950 |
| Loans and investments, reporting member banks in the Dallas district (millions) | $ 3,747§ | $ 3,727 | $ 3,756 | $ 3,712 | $ 3,494 |
| Demand deposits adjusted, reporting member banks in the Dallas district (millions) | $ 2,722 | $ 2,657 | $ 2,626 | $ 2,680 | $ 2,552 |
| Bank debits in 20 cities (millions) | $ 6,496 | $ 6,644 | $ 6,299 | $ 6,420 | $ 5,849 |
| Revenue receipts of the State Comptroller (thousands) | $ 70,090 | $ 66,625 | $ 71,843 | $ 73,828 | $ 62,930 |
| Federal Internal Revenue Collections (thousands) | $161,526 | $180,535 | $101,222 | $215,259 | $183,604 |
| **LABOR** | | | | | |
| Total nonagricultural employment (thousands) | 2,273.7* | 2,271.4 | 2,258.5 | 2,237.2 | 2,189.6 |
| Total manufacturing employment (thousands) | 442.4* | 442.6 | 435.7 | 431.9 | 428.4 |
| Durable-goods employment (thousands) | 213.0* | 212.2 | 207.8 | 204.3 | 199.7 |
| Nondurable-goods employment (thousands) | 229.4* | 230.4 | 227.9 | 227.6 | 225.2 |

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

Employment estimates have been adjusted to first quarter 1954 benchmarks.

*Preliminary.

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

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

§Exclusive of loans to banks after deduction of valuation reserves; individual loan items are shown gross. Figures are not strictly comparable with previous published figures.