

TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas

BUREAU OF BUSINESS RESEARCH : THE UNIVERSITY OF TEXAS

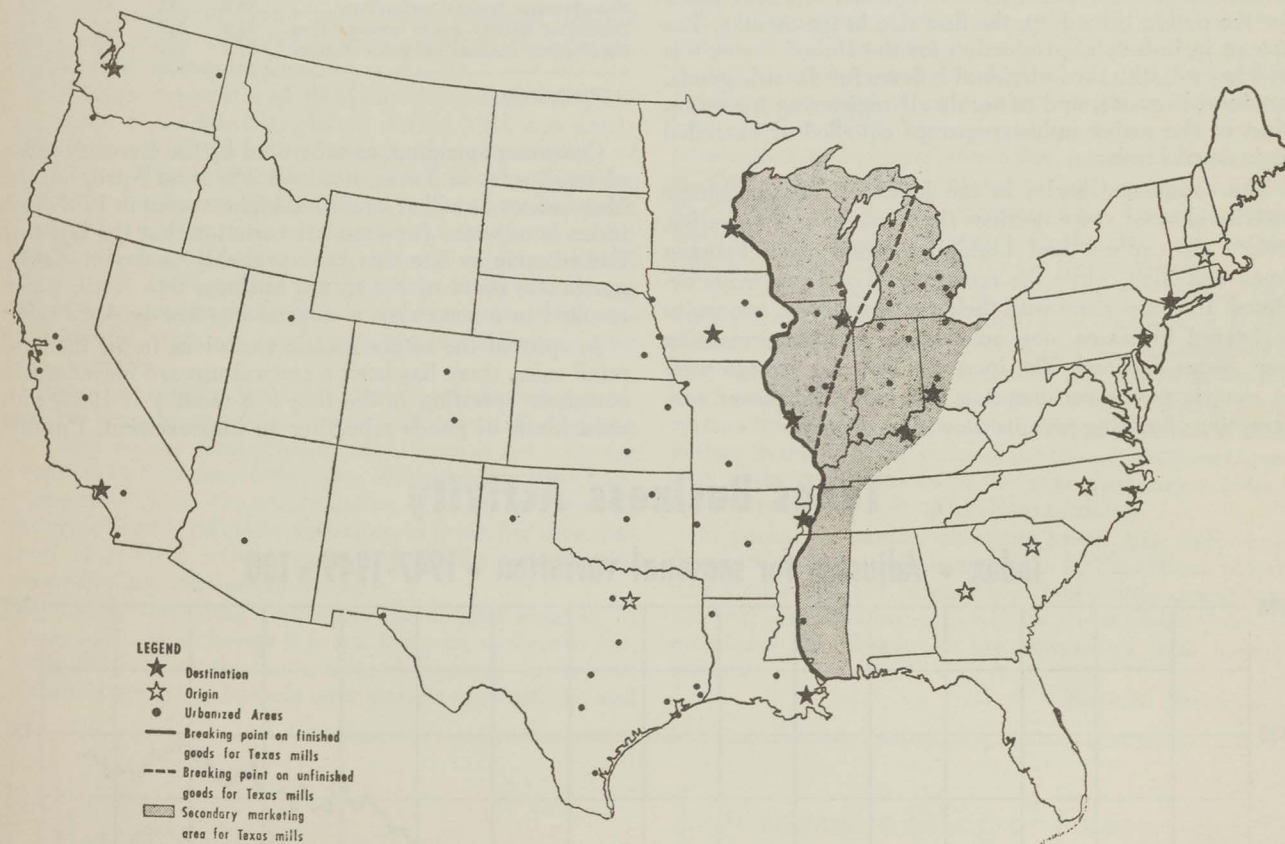
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JULY 1954

Cotton Textiles: An Opportunity in Texas

This month's special report on Texas business (page 15) shows why Texas is the prime location for construction of new cotton mills.



The primary marketing area for Texas textile mills stretches across the map from the West Coast to the Mississippi Valley. In the gray area east of the Mississippi, Texas mills can often compete with eastern producers. These marketing areas are mapped on the basis of shipping rates from mills (white stars) to major distribution points (black stars). The black dots show where major cities are located in Texas' potential market area.

The Business Situation in Texas

Business barometers compiled by the Bureau of Business Research during May continued to support the view expressed in these columns for the past two months that the decline in Texas business activity has ended. The record for May was not quite as good as for April in Texas. But during the past month more and more business analysts have taken an increasingly optimistic stand concerning the future of business, as the national business barometers levelled off or turned up.

The index of Texas business activity dropped three points from the level of April, leaving the May index two points below a year ago. In May 1953 the index had dropped seven points from the previous January level, while in May 1954 the index was four points higher than in January 1954.

On this January-May basis, the index of Texas business made a much better showing than the index of industrial production in the United States, compiled by the Board of Governors of the Federal Reserve System. The May index for the nation turned up, the first rise in ten months. The upturn in industrial production for the United States was widespread, with the individual indexes for durable goods, nondurable goods, and minerals all registering increases. Most of the major industry groups equalled or exceeded their April levels.

The component series in the index of Texas business activity showed more declines than increases. Two series, freight carloadings and building permits, rose between April and May, while the remaining five components declined. In comparison with their year-ago levels, two series registered increases, one no change, and the remaining four series declined. The increases over a year ago were in electric power consumption and industrial power consumption; building permits showed no change.

The detailed changes in the seven components of the index are shown in the following table. It is wise to remember in making use of the composite index of business activity in Texas that it represents the average change in a number of different phases of business in the state. Sometimes significant trends appear in the individual components that are as important as the average change in total activity.

INDEX OF TEXAS BUSINESS ACTIVITY AND COMPONENT SERIES
(adjusted for seasonal variation, 1947-49=100)

Index	Weight	May 1954	Apr 1954	Percent change
INDEX OF BUSINESS ACTIVITY				
(COMPOSITE)	100.0	141*	144*	- 2
Total electric power consumption	3.0	206	212	- 3
Crude runs to stills	3.9	130	135	- 4
Crude petroleum production	8.1	120	128	- 6
Urban building permits, adjusted for price changes	9.4	122*	120*	+ 6
Miscellaneous freight carloadings	10.0	95	90	+ 6
Industrial electric power consumption	14.6	212	214	- 1
Retail sales, adjusted for price changes	51.0	134*	138	- 3

*Preliminary.

Consumer spending, as measured by the Bureau's index of retail sales in Texas, declined 3% from April, but the May index was still at its second highest point in 1954. This index is adjusted for seasonal variation, but the fact that Easter came so late this year probably pushed a disproportionate share of the spring business into April, which resulted in a somewhat abnormal increase in April sales.

In spite of the rather erratic variations in the index of retail sales, there has been a general upward movement in consumer spending in the first five months of 1954, with most kinds of goods reporting an improvement. Durable

Texas Business Activity

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



goods have made a somewhat better showing than non-durables. One striking feature of the retail business has been the increased selling effort put forth by merchants, and there is no indication that selling will be any easier in the immediate future. However, consumer incomes remain high, and sales can be made if the businessman will put forth sufficient effort. It appears that the really competitive buyers' market that characterized prewar business has finally returned. Furthermore, it gives promise of remaining as long as there is no further immediate threat of war.

The increase in retail sales has been accompanied by a rise in installment credit outstanding, which has offset some of the drop in personal income during the past six months. Income payments to individuals in the United States have been declining since October, and although these data are not available for Texas on a monthly basis, it seems likely that income of Texas individuals has also been declining. The increased use of installment credit will have the same effect on retail sales as an increase in income. For the first three months of 1954, repayments of installment obligations exceeded new credit extended, with the result that the total amount of credit outstanding declined. During April new credit extended slightly exceeded repayments, and the total outstanding rose.

The large inventories of all kinds of goods, so conspicuous a part of the business picture during 1953, are slowly being reduced as the rate of sales exceeds the volume of production. The lower volume of sales, however, reduces the size of the inventory needed. As long as inventories are decreasing, it means that sales are being made from stocks, and production will not maintain a level equal to the level of consumer buying. This is the reverse of the stimulating effect of inventory accumulation, when consumers buy less than the factories are producing and the difference goes into inventory.

One of the striking features of the present decline in business has been the stability of commodity prices. And as long as prices do not drop precipitously, there is not a strong incentive to liquidate inventories. Businessmen have been trying to work off the accumulation of goods by vigorous promotions and judicious reductions in price, but there has been no distress selling, such as typically accompanies major cyclical declines in business.

Consumer spending represents the largest segment of Texas business, although it is not the most influential factor in determining the fluctuations in business. In general, consumer spending depends upon income expectations, and

in a sense its fluctuations are more a result of changes in other elements of the economic situation than a casual factor. It appears that business analysts have tended to over-emphasize the importance of consumer spending as a cause of changes in business activity. A more profitable type of analysis might be to study the reasons why income changes have occurred; explaining these changes will have the effect of explaining why business volume has fluctuated.

The most dynamic elements of the boom in Texas business since 1950 have been the expenditures of the government for munitions; the expenditures of business for new plant and equipment; and the other types of construction, such as homes, stores, churches, and schools. The tremendous increase in capital formation in Texas has been the greatest single factor in the high level of business, and the same holds true for all other sections of the country.

The fact that building and industrial expansion have continued with very little reduction during the past twelve months is the major reason the level of business in Texas has declined so little. The Bureau's index of building for the first five months of 1954 was 11% above the average for 1953, and there is no sign of any slowing down.

The Department of Commerce has just announced the results of its May survey of anticipated capital expenditures by business, and the indicated annual rate of expenditures in 1954 is within 5% of the record \$28.4 billion spent in 1953. Manufacturing concerns anticipated some reduction in capital expansion, but public utilities, oil pipelines, and airlines expected to increase their expenditures. There is a strong indication in the figures for Texas business that capital expansion in the state will be at a higher rate than the average for the United States.

The index of bank debits in Texas cities, computed from the data compiled by the Federal Reserve Bank of Dallas, showed no change in the level of business transactions in May. The average of this index for the past three months has been higher than for any previous month. Since it represents the changes in the dollar volume of business transactions in the principal cities of the state, it offers confirmation of the trends shown in the other barometers used in the analysis of the current business situation.

In periods of rapidly changing prices, this index is influenced by the price level as well as by the volume of business transacted, but prices have shown little change over the past year, and this index in its present form measures essentially the change in the volume of total business activity.

JOHN R. STOCKTON

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TABLE OF CONTENTS

The Business Situation in Texas	2
Construction	4
Retail Trade	6
Industrial Production	8
Agriculture	10
Finance	12
Labor	14
Cotton Textiles: An Opportunity in Texas	15
Local Business Conditions	18
Barometers of Texas Business	24

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CONSTRUCTION

The value of building permits issued in Texas declined 4% from April to May, but if a normal seasonal drop of 6% is taken into consideration, building activity actually gained about 2%.

Additions, alterations, and repairs constituted the only major type of building showing an increase (+9%). However, the construction of hotels, tourist courts, and other nonhousekeeping residential building, a relatively small category dollarwise, did increase by a very substantial 313%.

Nonresidential building decreased 6% from April to May while residential housekeeping building receded slightly more (-7%). In spite of the significant drop in value of housekeeping residential building, the number of

Value of Urban Building Authorized in Texas

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



permits issued for dwelling units in Texas was practically as high in May (4,851) as in April (4,861). This is explained by the authorization of an unusually large number of inexpensive apartment houses in small cities during May.

The value of building permits issued in Texas during the first five months of 1954 exceeded that of the same months last year by about 4%, but rising construction costs are the prime factor behind the overall increase. After adjustment for a climb of more than 5% in building costs, the estimated physical volume of construction for which building permits have been issued so far this year is slightly more than 1% below that of the comparable period in 1953.

Based upon the reports of construction contractors in the state, the Texas Employment Commission estimates that the greatest gains in employment during June took place in the construction industry. All but two of the 17 major labor market areas of the state reported prospective construction increases. Street and highway jobs will be added to the number called for by building contractors busy on commercial, industrial, school, hospital, and residential structures. Contract construction employment increased 3% from April to May compared to less than 0.2% for all non-agricultural employment. Both of the above employment categories are below the levels of last May, however (-3% and -0.5%, respectively).

Labor-management dispute activity stepped up a little in April. The largest number of workers off the job at the first of May were in the construction industry, where 710 were listed in eight disputes.

Building activity in small cities at high levels. The value of building permits in cities with less than 25,000 people gained 9% on the average from April to May. Losses averaged -8% in cities with over 100,000 popu-

lation, —9% for cities between 50,000 to 100,000 persons, and —13% in cities with 25,000 to 50,000 people.

Building values during the first five months of this year compared to a like period of 1953 are at a higher level in all city-size groups except the 50,000-to-100,000 classification in which the change was —9%. Cities with 25,000 to 50,000 population are up more (+18%) this year than cities of over 100,000 population (+8%) or cities with under 25,000 people (3%).

National outlook estimates upgraded. National expenditures for new construction are expected to reach a new record high of \$36 billion in 1954, almost 2% above last year's record level of \$35.3 billion, according to revised outlook estimates prepared jointly by the U. S. Department of Commerce and the U. S. Department of Labor. This revised estimate is \$2 billion higher than the \$34 billion level projected for 1954 by these agencies last November. Present expectations of a 2% increase in 1954 construction activity over 1953 contrasts with a 2% decline anticipated by the Commerce and Labor Departments in November 1953.

The more optimistic construction outlook at the present time results largely from a higher level of new home building so far this year than was expected last November. Most other types of civilian construction also are showing greater activity than previously anticipated, and they are expected to reach record or near-record levels.

Current indications are that 1,080,000 new private non-farm dwelling units will be started this year; it was anticipated earlier that there would be less than a million starts during 1954. On a seasonally-adjusted basis, private starts have been at an annual rate of well above 1,100,000 units for the first third of the year. The projected \$10.7 billions of expenditures on privately-financed new dwelling unit construction represents a total slightly above that for 1953. Eased mortgage opportunities have been widely

VALUE OF CONSTRUCTION CONTRACTS AWARDED

Source: Dodge Statistical Research Service

Type of const'uction	May 1954	January-May		Percent change
		1954	1953	
Value (thousands of dollars)				
NEW CONSTRUCTION.....	112,355	505,148	473,157	+ 7
NEW BUILDINGS	84,333	397,694	380,156	+ 5
Residential	52,766	244,994	230,157	+ 6
Nonresidential	31,567	152,700	150,000	+ 2
PUBLIC WORKS AND UTILITIES	28,022	107,454	93,000	+ 16

indicated as one of the mainsprings of the 1954 strength in housing.

Most building categories drop. Only nine of the 23 types of construction for which building permits are tabulated showed increases from April to May. Dollarwise, the miscellaneous nonresidential building classification showed the largest increase, \$1,292,000 or 298%. Other increases in order of dollar magnitude were: additions, alterations, and repairs to nonresidential and nonhousekeeping residential buildings (+31%) and construction of miscellaneous nonhousekeeping residential buildings (+415%), commercial garages (+190%), amusement buildings (+273%), tourist courts (+106%), churches (+7%), institutional buildings (+26%), and private garages (+9%). Few decreases were substantial with the notable exceptions of office buildings (—63%), public works and utilities (—60%), apartment buildings (—36%), educational buildings (—19%), and stores and other mercantile buildings (—15%). Other decreases ranged from —9% to —3%, not far from the normal seasonal decline between April and May.

Permit values in Texas cities. Changes from April to May in value of building permits issued in the five largest Texas cities were: Houston (+3%), Dallas (—15%), San Antonio (—21%), Fort Worth (—3%), and Austin (—23%).

Alpine had the biggest relative increase from April to May (+1,573%), followed by McAllen (+952%), Gladewater (+517%), Marlin (+426%), and Llano (+400%).

The city leading the state in per capita value of building permits issued during May was Irving with \$759.63 per person. Other top cities: Andrews (\$103.22), Grand Prairie (\$84.28), Odessa (\$80.28), and Trinity (\$72.05). Average municipal per capita building in the state during May was \$15.45, compared to \$16.47 in April.

Texas building materials down slightly. Sales of Texas lumber, building materials, and hardware slid 3% from April to May in sharp contrast to an expected seasonal rise of 3% between these two months. This drop brought the total for January-May 1954 about 7% below that of the same period last year. Even with the declines experienced in the first five months of this year, however, the May, 1954 level was equal to the level of May last year.

Shipments of portland cement from Texas mills in April slipped 1% below March, somewhat less of a drop than the expected seasonal decline of 4%. Shipments in April of this year were at a level 4% above April 1953.

RICHARD C. HENSHAW, JR.

ESTIMATED VALUE OF BUILDING PERMITS ISSUED

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

Classification	May 1954*	January-May		Percent change
		1954	1953	
CONSTRUCTION CLASS	Value (thousands of dollars)			
ALL PERMITS	63,263	314,679	302,242	+ 4
New construction	55,837	279,140	268,344	+ 4
Residential	39,427	189,433	178,235	+ 6
Housekeeping	38,577	185,900	172,783	+ 8
Single family	36,806	176,233	164,764	+ 7
Multiple family	1,771	9,667	8,019	+ 21
Nonhousekeeping	850	3,533	5,452	— 35
Nonresidential	16,410	89,707	90,109	x
Additions, alterations, and repairs	7,426	35,539	33,898	+ 5
CITY-SIZE GROUP (1940)				
ALL PERMITS	63,263	314,679	302,242	+ 4
Over 100,000	28,989	147,867	137,203	+ 8
50,000 to 100,000	11,923	55,755	61,361	— 9
25,000 to 50,000	4,568	30,361	25,645	+ 18
Under 25,000	17,783	80,696	78,033	+ 3

*Preliminary.

xChange is less than one-half of one percent.

Federal contracts are not included.

RETAIL TRADE

May sales below April level. The stimulating upturn of sales in April was followed by a less-than-seasonal rise in May. However, May sales, after seasonal adjustment, fell little short of April, which had been the best month since July 1953. It is widely believed that the bottom of the current recession was reached in March and that stabilized or slowly increasing sales can be expected in months ahead.



With adverse weather conditions in various parts of the country, widespread special promotions during May failed to offset the shrinkage of sales to a level below that expected. Outlying shopping centers and suburban towns apparently made better sales gains than city-central stores. Medium- and higher-priced lines of women's wear sold well, although below seasonal expectations. Sales of women's dresses remained high throughout the weeks following Easter. Clearance sales increased markedly in early June. Volume in men's wear in May remained sluggish, except for work clothing, although summer apparel became more active in early June. Children's wear maintained a large volume in May but declined noticeably in June. Food sales were consistently above 1953 levels, with supermarkets reporting better response than small retailers. Volume in household goods improved over recent months but still hung below last year. Sales of major household appliances were low, even with sales through discount houses. And television sales were spotty. But furniture and hardware

ESTIMATES OF TOTAL RETAIL SALES

Type of store	Sales (mils of dols)		Percent change		
	May 1954	Jan-May 1954	May 1954 from May 1953	May 1954 from Apr 1954	Jan-May 1954 from Jan-May 1953
TOTAL	800.5	3,807.7	— 6	— 1	— 8
Durable goods	303.1	1,395.9	— 3	+ 4	— 10
Nondurable goods	497.4	2,411.8	— 8	— 3	— 7

gained volume, especially for outdoor equipment. Air-conditioning units gained steadily in demand. Automobile sales slipped considerably below last year, with used cars selling well ahead of new ones. Large trade-in allowances and discounts for cash were widely reported. Many merchants are giving a smaller article "free" with a purchase. Groups are promoting to avoid the usual "summer slump."

Buying still cautious. Retailers buying apparel in the wholesale markets appeared to be more fearful of overhauling inventories than of shortages which might result

from delayed deliveries. Reports of consumer dissatisfaction due to out-of-stock conditions in lines of merchandise regularly carried have been widespread. Nevertheless, numerous buyers reportedly intend to handle inventory commitments on materially reduced buying budgets for fall and winter purchasing, especially for men's wear. Buying of women's and children's fall apparel began early this season, but orders continued to be small and exploratory. Some manufacturers of better dresses arranged for showings of their fall styles several weeks earlier than customary, being anxious to test customer reception of their offerings. Orders for men's wear remained low. Food ordering was well above 1953 but slowed at mid-June. Purchasing of household goods strengthened but remained selective and well below last year's levels. Buying, on the whole, remained cautious but optimistic.

Inventory shrinkage continuing. In eight months, manufacturers' stocks were generally reduced about 2.9%; wholesalers' inventories, 2.2%; retailers' goods, 2.0%. Retail stocks were cut in building materials, furniture, and appliances but were increased in clothing, food, and automobiles. However, stocks of used cars fell below 1953 levels. Most retailers are displaying a tendency to restrict their stocks further. Some observers question whether stocks have not already been cut too low if the expected upturn in consumers' buying materializes during the latter half of 1954.

Credit and income prospects. During January-April 1954, total consumer debt was reduced by \$900 million. During April consumers' use of ordinary charge accounts

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

Classification	Number of reporting stores	Credit ratios*		Collection ratios†	
		May 1954	May 1953	May 1954	May 1953
ALL STORES	73	64.4	65.8	43.3	43.1
BY CITIES					
Austin	4	60.3	59.4	50.6	54.2
Cleburne	3	37.9	36.5	46.1	44.2
Corpus Christi	3	59.2	59.8	40.9	37.7
Dallas	9	68.9	73.8	46.3	45.7
El Paso	3	59.2	58.9	32.1	34.1
Fort Worth	3	64.0	63.4	36.0	38.5
Galveston	5	59.9	59.1	50.5	49.0
Houston	7	69.2	67.9	44.9	44.0
San Antonio	5	62.3	62.6	46.2	44.6
Waco	4	60.7	58.2	57.0	50.8
Others	27	55.2	56.3	43.6	42.6
BY TYPE OF STORE					
Department stores (over \$1 million)	22	66.3	68.3	42.1	42.3
Department stores (under \$1 million)	20	42.3	43.3	50.2	43.8
Dry goods and apparel stores	6	70.9	70.3	57.2	54.3
Women's specialty shops	17	58.4	57.7	45.0	43.4
Men's clothing stores	8	65.2	64.6	54.4	54.0
BY VOLUME OF NET SALES (1953)					
Over \$3,000,000	21	66.6	68.2	42.3	42.5
\$1,500,000 to \$3,000,000	5	55.6	56.3	52.4	45.1
\$500,000 to \$1,500,000	19	54.5	55.1	51.4	50.0
\$250,000 to \$500,000	12	43.9	42.7	51.8	44.1
Less than \$250,000	16	41.8	43.0	45.7	47.1

*Credit sales as a percent of net sales.

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

RETAIL SALES TRENDS

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

Groups	Number of reporting establish- ments	Percent change		
		May 1954 from May 1953	May 1954 from Apr 1954	Jan-May 1954 from Jan-May 1953
KIND OF BUSINESS				
DURABLE GOODS				
Automotive stores	322	- 1	+ 6	- 13
Furniture and household appliance stores	157	- 13	+ 11	- 13
Lumber, building material, and hardware stores	355	x	- 3	- 7
NONDURABLE GOODS				
Apparel stores	247	- 5	- 13	- 3
Drug stores	172	+ 1	x	- 2
Eating and drinking places	145	- 7	+ 4	- 6
Filling stations	991	- 2	- 1	+ 4
Florists	37	+ 1	+ 2	- 5
Food stores	349	- 3	- 5	- 3
General merchandise stores	230	- 6	- 4	- 2
Jewelry stores	40	+ 3	+ 23	- 11
Liquor stores	23	- 4	+ 2	- 5
Office, store, and school supply dealers	37	- 7	x	- 10
CITY-SIZE CLASS (1950)				
Over 250,000	1,389	- 5	- 2	- 4
100,000 to 250,000	177	+ 1	- 5	- 5
50,000 to 100,000	267	- 10	- 1	- 11
2,500 to 50,000	1,161	+ 1	+ 2	- 3
Under 2,500	218	+ 8	+ 2	+ 2

xChange is less than one-half of one percent.

increased about \$180 million. Installment accounts increased only \$9 million in contrast with a rise of \$375 million during the preceding April. However, consumer installment debt as of April 30 still totalled 6% higher than on that date in 1953. A tendency is reported for lenders to be more selective and exacting this year than last spring. Yet personal income has decreased only 1.7%, and income after taxes less than 0.5%. Farmers' income from crops marketed slipped 4% from 1953.

Survey of Texas trade. Reporting by cities, 329 Texas department and apparel stores averaged decreases of 9% from April, 5% from last May, and 4% from January-May 1953. Of the 34 cities tabulated, four bettered April, nine topped last May, and nine were ahead in the January-May comparison. The largest gains over May 1953 were in El Paso (+18%), Texas City (+17%), San Angelo (+11%), Brownwood (+7%), Big Spring and Sherman (each +5%). Sales were ahead of January-May 1953 in Vernon (+20%) and El Paso (+10%), and also by 1% to 4% in Brownwood, Lampasas, Texas City, Sherman, Wichita Falls, Greenville, and Port Arthur.

Of 38 cities reporting enough retailers of various types to be listed individually, 15 topped April, 15 bettered last May, and seven were ahead in the January-May comparison. The largest gains over April were in Brownsville (+24%), Lampasas (+22%), Greenville (+19%), Temple (+18%), and Jasper (+17%). Best showings over last May were at Temple (+27%), Greenville (+15%), San Angelo (+12%), Jasper (+11%), Port Arthur (+6%) and Dallas (+5%). Comparing the January-May periods, increases over 1953 were reported from Greenville (+14%), Gainesville and Jasper (each

+11%), Commerce (+10%), Kirbyville (+4%), and San Angelo (+3%).

Secondary trade indicators. Advertising linage in 26 Texas newspapers averaged 2% under April and 7% below last May. Of the 26 papers, 10 bettered April but only 6 topped May 1953. Postal receipts for 123 Texas cities slipped below April by 6% but topped last May by 5%. Of the 123 cities, 47 topped April and 86 bettered May 1953.

A. HAMILTON CHUTE

POSTAL RECEIPTS

City	May 1954	Apr 1954	May 1953	Percent change	
				May 1954 from May 1953	May 1954 from Apr 1954
TOTAL*	\$5,691,084	\$6,028,993	\$5,446,683	+ 4	- 6
Alice	10,927	6,198	9,324	+ 17	+ 76
Bastrop	2,053	1,680	1,792	+ 15	+ 22
Bay City	7,740	7,636	6,932	+ 12	+ 1
Belton	4,914	5,987	3,818	+ 29	- 17
Brady	3,792	4,144	3,973	- 5	- 9
Brownfield	6,110	5,322	4,711	+ 30	+ 15
Cameron	7,951	9,694	6,682	+ 19	- 18
Cisco	3,879	3,263	3,856	+ 1	+ 19
Cleburne	10,620	10,418	9,861	+ 8	+ 2
Coleman	5,188	4,975	4,745	+ 9	+ 4
Crystal City	2,160	2,498	2,169	x	- 14
Cuero	3,584	5,441	3,607	- 1	- 34
El Campo	7,270	7,155	6,738	+ 8	+ 2
Gainesville	9,893	10,242	8,128	+ 22	- 3
Gatesville	3,313	2,942	2,828	+ 17	+ 13
Giddings	1,858	2,097	2,756	- 33	- 11
Gilmer	4,542	2,629	3,512	+ 29	+ 73
Graham	5,256	5,314	4,283	+ 23	- 1
Granbury	2,118	2,212	1,451	+ 46	- 4
Grand Prairie	12,610	15,487	12,181	+ 4	- 19
Hillsboro	5,033	4,976	4,387	+ 15	+ 1
Huntsville	5,971	8,638	7,307	- 18	- 31
Jacksonville	11,392	10,028	10,507	+ 8	+ 14
Kenedy	3,190	3,542	2,983	+ 7	- 10
Kerrville	7,872	7,645	7,000	+ 12	+ 3
Kingsville	9,547	10,044	9,524	x	- 5
Kirbyville	1,994	2,124	.....	.....	- 6
La Grange	3,441	3,878	4,638	- 26	- 11
Littlefield	5,051	5,269	3,792	+ 33	- 4
Luling	2,792	2,922	2,431	+ 15	- 4
McCamery	2,408	2,448	2,588	- 7	- 2
Mission	5,823	6,063	4,844	+ 20	- 4
Pampa	12,863	14,494	13,340	- 4	- 11
Pasadena	15,828	18,943	13,565	+ 17	- 16
Pecos	7,115	7,764	7,159	- 1	- 8
Pharr	3,926	3,629	3,502	+ 12	+ 8
Pittsburg	2,450	3,624	2,688	- 9	- 32
Sulphur Springs	6,154	5,696	5,234	+ 18	+ 8
Taft	2,062	2,083	1,996	+ 3	- 1
Terrell	5,225	5,489	4,664	+ 12	- 5
Uvalde	6,221	5,628	5,007	+ 24	- 11
Vernon	8,284	.....	8,182	+ 1	.....
Weatherford	6,965	7,055	6,724	- 1	- 4
Yoakum	9,580	8,940	8,500	+ 13	+ 7

*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

Authority of the Federal Power Commission was significantly broadened early last month to include control of natural gas produced for interstate shipment. In a long awaited decision, the U. S. Supreme Court ruled that the FPC was specifically responsible for price control of gas produced and gathered by the Phillips Petroleum Company and sold to pipeline companies for shipment out of the state. Details of the opinion expressed by the five-to-three majority of the court, however, were not immediately clear.

WELL COMPLETIONS

Source: *The Oil and Gas Journal*

Region	May 1954*				January-May	
	Oil	Gas	Dry	Total	1954	1953
TEXAS	814	56	550	1,420	7,267	6,936
North Central	100	7	74	181	2,307	2,526
West	95	15	72	182	1,459	1,522
Panhandle	33	10	41	84	407	339
Eastern	288	3	253	544	949	331
Gulf Coast	247	9	97	353	1,273	1,039
Southwest	51	12	13	76	872	1,179

*For four weeks ending May 29, 1954.

Texas officials, strongly opposed to extension of federal control in Texas gas fields, feared that more than 2,300 independent gas producers would be affected by the decision; there are at least that many who sell gas to interstate transmission lines. But the court's ruling stated only that Phillips' production of gas for interstate distribution constituted a phase of interstate commerce. Federal gas legislation has previously exempted from federal control the production and gathering of gas, and this law may continue to prevail in cases of producers whose operations are more clearly intrastate than those of Phillips.

The suggestion that the result of the Phillips case may be applicable to all gas producers appeared in the dissenting opinion of Supreme Court Justice Clark, who stated that the ruling of the court would extend federal control to "every gas operator, from the smallest producer to the largest pipeline."

The majority of the court declared that market rates charged by Phillips have a "direct and substantial effect on the price paid by ultimate consumers" and that "protection of consumers against exploitation . . . was the primary aim of the natural gas act." The decision was di-

PETROLEUM AND GAS ACTIVITY

Source: State Comptroller of Public Accounts and Oil and Gas Division, Railroad Commission of Texas

Product	May 1954	Apr 1954	May 1953	Percent change	
				May 1954 from May 1953	May 1954 from Apr 1954
CARBON BLACK PRODUCED (value in thous of dols) ..	1,614	1,805	2,920	- 45	- 11
CRUDE OIL Value (thous of dols)	237,803	233,727	213,907	+ 11	+ 2
Production (thous of bbls)	83,843	81,994	82,745	+ 1	+ 2
Runs to stills (thous of bbls)	60,658	59,409	62,291	- 3	+ 2
NATURAL AND CASINGHEAD GAS PRODUCED (value in thous of dols) ..	42,403	30,520	32,903	+ 29	+ 39
SULFUR RECOVERED (long tons)	101	1,324	2	+4900	- 92

xChange is less than one-half of one percent

rected toward closing what the court termed a "gap" in federal regulation of gas, but the breadth of the gap was not described. Nevertheless, gas buyers in the Middle West saw the decision as a victory.

Forces against federal control had been led by the Phillips company; the states of Texas, Oklahoma, and New Mexico; and even the Federal Power Commission, which had previously ruled that its control did not extend over the disputed area. On the pro-control side were several midwestern states and cities—Wisconsin and Michigan; Detroit, Milwaukee, and Kansas City, Missouri—that use large volumes of Texas natural gas and believe its price should be stabilized by federal authority.

Gas-producing states of the Southwest contend that far from exploiting northern consumers, gas producers are providing them with a premium fuel at prices that are commonly lower than those charged for fuel oil and coal, even in coal-producing areas. In Detroit, for example, coal heating for homes cost 32% more in 1950 than gas heating, while fuel oil cost about 70% more, in terms of heat generated. It is believed that the situation has not changed radically since then.

Resource economists have long complained that a market structure is unstable in which the premium commodity is sold at a lower price than less desirable competitive goods. They hold that this is particularly true in the case of natural gas, for the nation's reserves of gas are appar-

Industrial Electric Power Use in Texas

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



The industrial power use index (adjusted) dipped slightly in May (212), after reaching a spring high in April (214). Yet the U.S. industrial production index moved upward in May, and Texas industry appeared set for high-level summer production, broken perhaps by vacation-season slumps in industrial man-hours worked.

REFINERY STOCKS

Source: *The Oil and Gas Journal*

Area and product	Stocks (thousands of barrels)			Percent change	
	May 1954	Apr 1954	May 1953	May 1954 from May 1953	May 1954 from Apr 1954
UNITED STATES					
Gasoline	172,855	177,058	152,435	+ 13	- 2
Distillate	71,224	61,405	70,842	+ 1	+ 16
Residual	46,433	43,583	41,425	+ 12	+ 7
Kerosene	23,416	19,680	23,527	- 1	+ 19
TEXAS					
Gasoline	30,016	30,365	27,304	+ 10	- 1
Distillate	8,290	7,627	11,020	- 25	+ 9
Residual	5,538	5,434	7,252	- 24	+ 2
Kerosene	3,534	2,774	3,752	- 6	+ 27

Figures shown are for the Saturday nearest the end of the month.

ently much more limited than the widespread deposits of coal.

Some federal officials also predicted that long-range application of federal production control might ultimately vitiate the apparent object of the court decision. If FPC control should lead to an interstate price or distribution structure considered unfavorable by Texas producers, they might divert a larger proportion of their output to Texas consumers, thus pinching the supply available to gas-hungry northern cities.

Meanwhile, the Texas attorney general's office announced that the Supreme Court will be asked to reconsider the Phillips case and that if a rehearing is denied, Congress will be urged to restore gas production to state control through special legislation.

As June ended, K. S. Adams, chairman of Phillips' board of directors, warned that if the court ruling is not revoked or bypassed, Phillips may end all its interstate shipments of gas.

For the time being, however, some southwestern gas is destined to cross many state lines. The FPC has authorized a Houston firm, Pacific Northwest Pipeline Corporation, to deliver natural gas from the San Juan basin of New Mexico and Colorado to points as far distant as Bellingham, Washington.

Increasing demand for natural gas was indicated at the annual stockholders' meeting of Humble Oil and Refining Company. Hines H. Baker, president of the company, announced that Humble's natural gas sales had risen 18%

during the last year. The increasing market for gas is gradually raising its price, Mr. Baker said, "toward a level more nearly commensurate with the producer's real value."

As the distribution of Texas natural gas spreads over most of the United States, the problems confronting gas economists and legislators knit into one of the most tightly complex situations affecting the well-being of state and nation. The three basic demands placed upon Texas gas resources are contradictory at many points. Gas producers and marketers want, naturally enough, to maintain maximum profits within the bounds of reasonable conservation measures. But on the other hand, gas consumers,

ELECTRIC POWER CONSUMPTION

Use	Consumption (thous kw-hrs)			Percent change	
	May 1954	Apr 1954	May 1953	May 1954 from May 1953	May 1954 from Apr 1954
TOTAL	1,052,284	1,049,633	1,003,285	+ 5	+ 6
Commercial	201,659	190,636	181,094	+ 11	+ 6
Industrial	511,239	501,039	464,234	+ 10	+ 2
Residential	165,834	163,459	151,927	- 9	- 1
Other	173,502	194,499	206,000	- 16	- 11

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

wherever they may be, are in favor of keeping the price at the lowest possible level.

These consumers, however, fall into two conspicuously variant groups: industrial gas-users concentrated in Texas and other producing states, who use tremendous volumes of gas but must buy it at a very low rate; and residential gas-users, who are concentrated in the populous and chilly northeastern states. These latter users burn small amounts of gas individually and so must pay much higher rates, commonly more than three times as much per volume as industries. It is argued that by discouraging interstate shipment, Texans can offer their gas as a locational advantage to industries that may build gas-burning plants in Texas and boost the economy of the state. This argument is based upon the tenets of states' rights. The opposing group see gas as a national resource rather than as the special advantage of a particular region. They favor the broad, nation-wide use of highly localized resources, a development from which they would not fail to benefit.

ROBERT H. RYAN

The index of crude oil runs, basic barometer of Texas refining activity, slipped from 135 in April to 130 in May, but was still above the 1953 average of 128. In the nation as a whole, crude oil was processed at a slightly higher rate by mid-June, and gasoline stocks shrank slightly as the summer tourist season began.

Crude Oil Runs to Stills in Texas

Index • Adjusted for seasonal variation • 1947-1949 • 100



AGRICULTURE

Late rains still inadequate. Beneficial results of spring rains to Texas farms and ranchers became evident during June. But by the end of the month drouth was once more threatening large areas. Conditions were particularly good in the northern half of the state, partially as a result of scattered rains that fell during June. There crops and pastures made good to excellent progress. In the southern half of Texas, however, crops and grass began to deteriorate as soil moisture was rapidly depleted by dry winds and a blazing summer sun. Over most of this area general rains will be needed if a good harvest is to be made.

Wheat harvest good. Harvest of a good Texas wheat crop was well under way by late June. Throughout the wheat lands conditions contrasted sharply with the dismal prospects of only a few months earlier when drouthy conditions had prevailed. The almost-too-late rains that fell in April and May proved to be more beneficial than had been hoped for. To say the least, recovery of the once-weakened stands of wheat has been phenomenal.

Illustrative of the extent of this recovery is the June 1 production estimate of the U. S. Department of Agriculture. At that time prospects for the state's 1954 harvest stood at 31,224,000 bushels, almost a 50% increase over the 21,290,000 bushels forecast on April 1. This year's anticipated production compares favorably with the 23,035,000 bushels harvested in 1953 but is well under the 1943-52 average of 57,221,000 bushels.

It should be noted, however, that this year's crop will come from only 2,602,000 planted acres, whereas in 1953 2,718,000 acres were planted, and over the preceding 10-year period (1943-52) an average of 4,628,000 acres were planted. This year's yield should reach 12 bushels to the acre as compared with the 8.5 bushels-an-acre yield for 1953 and the 10-year average of 11.8 bushels. The overall favorable outlook was tempered a bit by the possibility that the final production figures would be reduced by the combined effects of hail, fungus, leaf rust, stem rust, and weed infestation.

Improved wheat-storage facilities in operation. As had been foreseen for some time, the increased wheat

FARM CASH INCOME			
January-May			
Commodity	1954	1953	Percent change
Value (thousands of dollars)			
TOTAL	551,801	532,767	+ 4
Cotton	149,396	109,106	+ 37
Cottonseed	1,285	2,099	- 39
Wheat	8,189	12,250	- 33
Oats	2,076	1,108	+ 87
Corn	2,828	3,344	- 15
Grain sorghum	11,674	7,991	+ 46
Flaxseed	3,141	2,880	+ 9
Peanuts	2,711	1,262	+115
Cattle	116,012	114,775	+ 1
Calves	30,857	36,343	- 15
Hogs	37,654	35,852	+ 5
Sheep and lambs	14,084	11,112	+ 27
Wool	5,825	7,131	- 18
Mohair	5,211	5,630	- 17
Poultry	21,141	24,848	- 15
Eggs	33,840	39,131	- 14
Milk and milk products....	73,279	90,646	- 19
Fruit and vegetables	32,598	27,259	+ 20

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.

crop brought about storage problems. Existing facilities, already bulging at the seams, were simply inadequate. In an attempt to alleviate these conditions, the Commodity Credit Corporation placed in operation at Fort Worth a unique system of ground storage.

This system, perfected after years of engineering research, consists of spilling the grain on the ground in a cone shaped mound, each mound containing about 1 million bushels. A canvas covering provides protection from the elements. Chemicals are used to repel insects, and "hot spot" detectors are used to gauge the heat at various stations within the cone.

The merits of the new system lie primarily in its economy, particularly when compared with the cost of constructing permanent storage that might not be needed every year. Between 8 million and 20 million bushels of wheat will be stored at the Fort Worth operation alone. A similar operation is planned for Saint Joseph, Missouri.

Cotton outlook encouraging. Cotton prospects continued good over most of Texas as plants reacted favorably to spring rains and hot summer weather. By late June, however, some areas, particularly in the southern Blacklands and the nonirrigated acreage in South Texas, were in need of additional moisture.

In the Rio Grande Valley harvest of a "very good" cotton crop got well under way during the month following the ginning of the first U. S. bale on May 30. For various reasons this year's harvest is expected to move slowly in comparison with those of past seasons. In the dryland parts of the Valley, cotton planting was late this year. Cooler-than-normal weather retarded boll maturing. Also, the subsoil has more moisture than usual. With the prospects of a longer harvest season, though, comes the probability of longer staples and a higher yield per acre.

Increased cotton demand seen by expert. The optimistic outlook of the Texas cotton farmer was extended

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

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

Index	May 1954	Apr 1954	May 1953	Percent change	
				May 1954 from May 1953	May 1954 from Apr 1954
ALL FARM PRODUCTS	272	270	280	- 3	+ 1
ALL CROPS	254	247	257	- 1	+ 3
Food grains	229	239	266	- 14	- 4
Feed grains and hay	197	197	206	- 4	0
Potatoes and sweet potatoes	215	216	356	- 40	x
Fruit	83	83	147	- 44	0
Commercial vegetables	363	304	295	+ 23	+ 19
Cotton	259	255	252	+ 3	+ 2
Oil-bearing crops	260	255	307	- 15	+ 2
LIVESTOCK AND PRODUCTS	297	301	309	- 4	- 1
Meat animals	344	343	334	+ 3	x
Dairy products	226	239	254	- 11	- 5
Poultry and eggs	202	203	258	- 22	x
Wool	366	379	391	- 6	- 3

xChange is less than one-half of one percent.

well beyond the current year by a long-term forecast made by Lamar Fleming, Jr., well-known cotton authority and chairman of the board of Anderson, Clayton and Company. Mr. Fleming sees a steady increase in both domestic and foreign needs for American cotton as a result of population growth and a gradual elevation of standards of living. Foreign production, Mr. Fleming believes, is not capable of growing enough to meet these expected increases in demand. Mr. Fleming backs his forecast with this logical reasoning: So far this year consumption abroad is running considerably higher than was predicted earlier; the year's exports are now expected to top 3.8 million bales. At this rate of gain, exports for 1955 and 1956 will probably increase still further—to about 5 million bales. Increased foreign consumption of U. S. cotton, coupled with larger domestic sales, Mr. Fleming contends, should reduce the national carryover to 5 million bales by 1956. This year's carryover is forecast at 9.5 million bales. The obvious effect of these predicted conditions would be to end the cotton surplus that has plagued the cotton industry in recent years.

Adjustments in 1953 cotton acreage made. Encouraging news for West Texas farmers came by way of a dispatch from Secretary of Agriculture Benson. Mr. Benson announced that state and county acreage records for 1953 will be adjusted upward to compensate for acreage not planted to cotton because of last year's drouth. During this year 2,016,717 cotton acres in 80 West Texas counties were not planted to cotton. Worried cotton farmers assumed that low 1953 records of cotton acreage would be used in determining quotas allotted under a possible future control program.

Increase in vegetable production expected. The late-June outlook for the 1954 Texas vegetable crop also showed evidence of benefiting from the timely moisture. Reports of the U. S. Department of Agriculture point to a harvest of spring and early summer commercial vegetables 22% greater than last year's and 32% above the 1950-53 average. Principal increases were measured for corn, cucumbers, tomatoes, green peppers, and watermelons. The late-spring tomato crop was forecast at 3,-

CARLOAD SHIPMENTS OF FRUIT AND VEGETABLES

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

Item	January-May		
	1954	1953	Percent change
TOTAL SHIPMENTS	24,347	23,530	+ 3
FRUIT	2,324	1,001	+130
Cantaloupe	1,977	916	+115
Grapefruit	95	43	+120
Plums and prunes	25	33	- 24
Watermelons	225	4	+5500
Mixed citrus	2	5	- 60
VEGETABLES	21,833	22,327	- 2
Beets	58	139	- 58
Broccoli	98	22	+350
Cabbage	2,287	1,390	+ 65
Carrots	4,059	4,307	- 6
Cauliflower	489	115	+320
Corn	480	395	+ 22
Lettuce	1,885	1,311	+ 44
Onions	3,950	5,966	- 34
Potatoes and sweet potatoes	117	43	+170
Spinach	648	1,009	- 36
Tomatoes	2,600	2,725	- 5
Mixed vegetables	5,164	4,905	+ 5
OTHER	190	202	- 6

611,000 bushels, 62% above last year and 21% above average. The early-summer green pepper crop was expected to increase 58% above the 1953 production figure to a total of 1,795,000 bushels. Most significant increase, however, was forecast for watermelons. A record 81,006,000 melons were expected for the early-summer season—20% more than for 1953 and 23% above the average.

Livestock condition favorable. Compared with a year ago the Texas livestock situation was favorable during June. In all but a few isolated areas livestock were in good condition. Stock water was adequate. Ranges were reported to be fair to excellent in most areas, although by the end of the month central, southern, and southeastern grasslands were showing the effects of dry weather. Supplemental feeding became necessary in South Texas. Panhandle grasslands, on the other hand, were as green as they have been in years. Marketings throughout the state were relatively heavy during the month, but they were well below the "drouth runs" of recent years.

Agricultural price gain measured. Prices received by Texas farmers for their products rose slightly during May, with the average for the month about 1% higher than the April level. Compared with year-earlier levels, however, a 3% decrease was indicated.

Increases in crop prices (+3%) accounted for the upward movement. Biggest gain in this group was recorded for commercial vegetables, up 19% from April levels. This gain and 2% increases for cotton and oil-bearing products were more than enough to offset a significant 4% drop in food-grains prices. This May's crop prices were 1% below comparable 1953 levels.

Partially offsetting the gains in crop prices, prices paid for livestock and products were down 1% from April on the average. Although prices paid for meat animals and poultry and eggs changed little during the period, significant drops were recorded for dairy products (-5%) and wool (-3%). Compared with the same month in 1953, May livestock and product prices were down 4%.

CARLOAD SHIPMENTS OF LIVESTOCK*

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

Classification	May 1954	Apr 1954	May 1953	Percent change	
				May 1954 from May 1953	May 1954 from Apr 1954
TOTAL	4,401	6,909	4,468	- 1	- 36
Cattle	3,338	5,656	3,142	+ 6	- 41
Calves	420	368	433	- 3	+ 14
Hogs	9	6	5	+ 80	+ 50
Sheep	652	879	888	- 27	- 26
INTERSTATE	4,072	6,642	4,236	- 4	- 39
Cattle	3,087	5,452	2,954	+ 5	- 43
Calves	385	332	408	- 6	+ 16
Hogs	1	1	2	- 50	0
Sheep	617	857	872	- 29	- 28
INTRASTATE	329	267	232	+ 42	+ 23
Cattle	251	204	188	+ 34	+ 23
Calves	35	36	25	+ 40	- 3
Hogs	8	5	3	+170	+ 60
Sheep	35	22	16	+120	+ 59

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

FINANCE

Reserve requirements cut. Funds available for investment continue to exceed current demand. Accepting this situation, some of the major finance companies have recently lowered interest rates they pay on their short-term commercial paper to $1\frac{1}{8}\%$ — $1\frac{1}{2}\%$. This is the seventh successive reduction made this year by the finance companies.

Leading potential has been further augmented this month by the reduction in the reserve requirements for member banks in the Federal Reserve System. By August reserve requirements on demand deposits for New York and Chicago banks will be lowered to 20% from the present 22%; for reserve city banks the requirement will be 18%; and for country banks the requirement will be 12%. Time deposit requirements for all banks have been fixed at 5% in place of the existing 6%. By releasing funds hitherto locked up in reserves, the lower reserve requirements make possible a total extra credit expansion within the banking system of approximately \$7.5 billion. This policy, supplementing earlier moves lowering the rediscount rate, may seem supererogatory at a time when loanable funds are apparently so abundant. However, the Federal Reserve is assuming that loan demand will increase materially in the near future, and the Board is anxious not to inhibit business recovery by a possible shortage of credit. How far the action of the Federal Reserve will affect general credit demand at the present time is uncertain. It is possible, though, that borrower pressure will force further cuts in the prime commercial rate, in view of the recent Federal Reserve moves towards easier money.

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

Source: Board of Governors of the Federal Reserve System

Item	Percent change*		
	May 1954 from May 1953	May 1954 from Apr 1954	May 1953 from Apr 1953
ASSETS			
Loans and investments.....	+ 11	+ 1	— 1
Loans	+ 8	x	— 1
Total U.S. Government securities	+ 13	x	— 1
Treasury bills	+ 46	— 11	+ 15
Treasury certificates of indebtedness	+ 12	— 28	— 15
Treasury notes	+ 12	+ 46	— 5
Bonds	+ 10	x	x
Other securities	+ 16	+ 8	+ 2
Reserve with Federal Reserve			
Banks	+ 5	+ 4	+ 1
Cash in vaults	+ 2	— 14	— 11
Balances with domestic banks	+ 5	— 7	— 1
LIABILITIES			
Total deposits (except interbank)	+ 9	x	x
Demand deposits (adjusted)	+ 3	x	x
Time deposits	+ 23	+ 2	+ 3
U.S. Government deposits	+200	— 3	— 38
Interbank deposits	+ 18	— 1	— 6
Domestic banks	+ 18	x	— 6
Foreign banks	+ 25	— 23	— 11
CAPITAL ACCOUNTS	+ 7	x	+ 3

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

xChange is less than one-half of one percent.

FEDERAL INTERNAL REVENUE COLLECTIONS

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

Source and area	July 1-May 31		
	1953-54	1952-53	Percent change
TEXAS	\$1,930,496,712	\$2,019,609,083	— 4
Income	979,281,336	1,103,416,053	— 11
Employment	21,379,126	20,204,561	+ 6
Withholding	757,573,808	723,856,591	+ 5
Other	172,262,442	172,181,878	x
FIRST DISTRICT	1,048,753,871	1,096,869,186	— 4
Income	541,807,015	607,032,128	— 11
Employment	4,748,418	4,660,717	+ 2
Withholding	403,983,714	386,616,597	+ 4
Other	98,214,724	98,559,744	x
SECOND DISTRICT	881,742,841	922,739,897	— 4
Income	437,474,321	496,383,925	— 12
Employment	16,630,708	15,543,844	+ 7
Withholding	353,590,094	337,239,994	+ 5
Other	74,047,718	73,572,134	+ 1

xChange is less than one-half of one percent.

Eleventh District banking. Total loans by weekly reporting member banks during May increased fractionally from the April level but were 8% higher than during May last year, as the accompanying table shows. In reducing reserve requirements, the Reserve Board indicated that the action was taken partly to provide for the expected seasonal increases in loan activity that usually precede crop marketings and inventory buying for year-end retail trade. The trend of loan activity in the Eleventh District during the next few months should provide some valuable clues to business expectations in the Southwest, with regard to both the immediate and the longer term future.

Holdings of all types of U. S. Government securities during May showed strong increases over last year's levels; the shorter term items continue to occupy a relatively less important position in portfolios than last year.

Demand deposits were slightly higher during May than during May, 1953 (+3%), and time deposits continue at relatively higher levels.

LOANS MADE BY SAVINGS AND LOAN ASSOCIATIONS

Source: Federal Home Loan Bank of Little Rock

Type	Percent change				
	May 1954	Apr 1954	May 1953	May 1954 from May 1953	May 1954 from Apr 1954
Number					
ALL LOANS	3,817	3,784	3,436	+ 11	+ 1
Construction	798	748	628	+ 27	+ 7
Purchase	1,222	1,127	1,132	+ 8	+ 8
Refinancing	366	310	313	+ 17	+ 18
Reconditioning	482	438	426	+ 13	+ 10
Other	949	1,161	937	+ 1	— 18
Value (thousands of dollars)					
ALL LOANS	21,036	20,127	18,304	+ 15	+ 5
Construction	5,643	5,970	5,320	+ 6	— 5
Purchase	7,721	6,918	6,813	+ 13	+ 12
Refinancing	2,327	1,688	1,661	+ 40	+ 38
Reconditioning	1,108	968	1,203	— 9	+ 14
Other	4,237	4,583	3,307	+ 28	— 8

State revenues show increase. At the end of the third quarter of the 1953-54 fiscal year, state revenue receipts were 13% above cumulated 1952-53 receipts for the same period. Chiefly reflecting the enormous growth in revenues accruing from offshore oil and gas leases, the increase nevertheless resulted partly from larger collections from other sources, notably from oil and gas production taxes and royalties. In addition, federal grants to the state for public welfare purposes have amounted this year to almost \$88 million, an increase of 18% over last year's \$74.5 million.

REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Source	September 1-May 31		Percent change
	1953-54	1952-53	
TOTAL	\$616,196,179	\$547,325,042	+ 13
Gross telephone receipts	3,529,918	3,193,440	+ 7
Natural and casinghead gas			
production taxes	19,007,430	15,873,664	+ 20
Crude oil production taxes	96,075,653	93,125,116	+ 3
Insurance companies occupation taxes	18,477,259	18,517,871	x
Net motor fuel taxes	83,723,933	81,650,852	+ 3
Cigarette tax and licenses	25,390,949	26,303,576	- 3
Alcoholic beverage taxes and licenses	14,250,676	14,627,478	- 3
Automobile and other sales taxes	13,778,462	14,476,994	- 5
Franchise taxes	14,958,270	13,756,565	+ 9
Mineral leases, rentals, and bonuses	53,942,107	11,918,934	+350
Oil and gas royalties	16,568,332	14,056,785	+ 25
Motor vehicles licenses, permits, and miscellaneous	38,464,920	35,210,027	+ 9
Federal aid—public welfare	87,892,822	74,485,424	+ 18
Unemployment compensation taxes	13,010,678	15,238,745	- 15
All other receipts	116,224,770	114,889,571	+ 1

xChange is less than one-half of one percent.

Federal revenue collections down. With two months remaining in the 1953-54 fiscal year, federal internal revenue collections in Texas were 4% below the July 1-May 31 period of the 1952-53 fiscal year. The major reason for the decline is apparently lagging income tax collections. The other categories of employment and withholding taxes are so far showing fairly substantial gains.

Business finance notes. The First National Bank in Dallas and the Dallas National Bank have mutually agreed to consolidate, subject to the approval of the U. S. Comptroller of the Currency and their respective stockholders. The new bank, under the name of the First National Bank

in Dallas, will rank about 25th in the nation on the basis of deposits. It is proposed to dispose of the present Dallas National Bank building after the merger has been accomplished.

The old Wichita Falls and Southern Railroad Company, which operated about 170 miles of track south from Wichita Falls to Dublin, has been bought by the Chicago, Rock Island, and Pacific Company. The southernmost 63 miles of trackage will be abandoned this month. The remaining 105 miles (Wichita Falls to South Hanlon near Breckenridge), which connect with the Rock Island at Graham, will be operated on an experimental basis for three years. Rock Island, which is paying approximately \$750,000 for the securities and some rolling stock of the old railroad, hopes that by integrating the trackage into its system this section can be made to show a slight operating profit.

According to the Quarterly Financial Report on United States manufacturing corporations made by the Federal Trade Commission, 1953 profits in the chemical and allied products industries, both before and after taxes, were 3% above 1952. During the fourth quarter of 1953, industry sales amounted to \$4.16 billion, compared with an estimated \$4.34 billion for the same period of 1952. In relation to sales, profits before taxes were approximately 10.7% during the fourth quarter of 1953, compared with an average of 13.1% in the last quarter of 1952. Working capital for this industry averaged \$4.68 billion at the end of the year.

Petroleum refining fared well during last year. Profits before and after taxes were 8% above 1952, totalling \$2.88 billion before taxes, and \$2.18 billion after taxes. Profits before taxes for petroleum refiners amounted to 13.3% of sales during the fourth quarter of 1953, increasing from the 12.5% profit margin achieved during the same period in 1952.

Petroleum and coal products industries finished the year with relatively less favorable balance sheets than the other two groups of industries. After taxes profits for this group were down 3% from 1952, declining from \$36 to \$34 million.

The FTC compilation shows that during last year, industries which form an important part of the economic base of the state continued to operate profitably, and it points up the fact that the business downswing has been relatively less severe in Texas than in other parts of the nation.

ALFRED G. DALE

Bureau of Business Research Publications

Texas Industrialization

A selected and annotated bibliography
by Stanley A. Arbingast, Assistant Director,
and Frank T. Cadena

The 1954 revision of this bibliography is now available for distribution. The 34-page work lists over two hundred sources of information on the development and present status of Texas industry. The listing includes books, pamphlets, magazine and newspaper articles generally available for reference. Single copies will be mailed without charge upon request.

Bureau of Business Research Publications

Industrial Expansion in Texas

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

This quarterly supplement to the Directory of Texas Manufacturers lists new industrial plants and expansions of existing plants announced during April-June 1954, together with data on their cost, number of employees, and products. Single copies of this release are available without charge, and readers are invited to add their names to the mailing list for future issues.

LABOR

Employment rises steadily. Employment in Texas continued for the most part to rise steadily through June, and additional increases for July are predicted by Texas Employment Commission officials. Largest seasonal gains are anticipated in construction work, cotton harvesting, garment manufacture, and in ice cream factories and soft drink bottling plants. A normal uplift in business at tourist courts and laundries was noted, as tourist traffic began approaching peak season proportions.

High school graduates found jobs scarce in June, particularly in mechanical and manual fields. Most of the new workers who got jobs were placed in clerical fields. F. E. James, Dallas district TEC director, said only 150 of 2,000 spring graduates found work there through the TEC. At the same time last year, 420 jobs were found for graduates. TEC expects to have 300 Dallas students placed in jobs this summer.

Employment gains were registered in Abilene, Amarillo, Austin, Beaumont, Longview, Port Arthur, Texarkana, and Waco. At Abilene, the most significant increase in the non-manufacturing group occurred in the petroleum production industry. There, rigs that have been stacked are being brought out and put into operation again.

Amarillo had the largest net increase in employment during May since December 1952. A net gain of 452 brought the current level to an estimated 44,924. The current level is only 150 or 0.4% below the corresponding period of last year. Employment total will reach 45,238 in July.

Local employers at Austin indicated they will need 272 additional workers during June and July and an additional 162 workers during August and September. At Texarkana, local employers indicate that total employment will in-

crease 385 workers from 38,760 in May to 39,145 in July. Farm employment will show a gain from 4,800 to 5,100 in the period. Additional workers will be needed in Waco during June and July, according to major employers there. The largest demand for men is in the construction industry; the largest demand for women is expected to be in garment and canvas goods factories.

Wage raise rejected. Bus service on 3,000 miles of Continental Dixie's routes between Dallas and points in East and Northeast Texas was at a standstill in mid-June as union members of the Brotherhood of Railroad Trainmen failed to reach a wage raise agreement with the company. The drivers offered to end their 17-day-old strike on June 18 for a 1½ cent-a-mile wage raise, but the company said it was unable to offer any more than ¼ cent for three years. The union offer was for a one-year contract.

Consolidated Vultee and the International Association of Machinists (AFL) signed a contract covering Convair's Fort Worth plant that gave workers a 5-cent-an-hour increase and fringe benefits. The new agreement also added 2 cents of Convair's 3-cent cost-of-living bonus pay to regular pay where it cannot be erased by a declining cost-of-living index.

High Texas wages. Factory production workers in Texas worked an average of 41 hours in April, compared with the national average of 39 hours. They earned an average of \$71.34 weekly as against \$70.20 weekly average in the nation. However, average hourly earnings in Texas were 6 cents less than the national average hourly earnings of \$1.80. The average weekly hours, hourly earnings, and weekly earnings were all higher in Texas than in Arkansas, Louisiana, and Oklahoma.

ANNE K. SCHULER

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		
	May 1954*	Apr 1954	May 1953	May 1954*	Apr 1954	May 1953	May 1954*	Apr 1954	May 1953
ALL MANUFACTURING	\$71.51	\$70.76	\$68.39	41.1	40.9	41.2	\$1.74	\$1.73	\$1.66
Durable goods	72.07	71.82	69.04	41.9	42.0	42.1	1.72	1.71	1.64
Primary metals	81.60	82.62	75.92	40.8	40.9	40.6	2.00	2.02	1.87
Machinery—except electrical	75.83	76.25	73.10	42.6	42.6	43.0	1.78	1.79	1.70
Oil field machinery	81.98	81.98	78.94	42.7	42.7	42.9	1.92	1.92	1.84
Transportation equipment	87.76	86.32	80.36	41.2	41.5	41.0	2.13	2.08	1.96
Fabricated metal products	71.50	70.68	72.61	43.6	43.1	45.1	1.64	1.64	1.61
Lumber and wood products	48.99	49.22	47.91	42.6	42.8	42.4	1.15	1.15	1.13
Furniture and fixtures	50.94	51.88	51.46	42.1	41.5	41.5	1.21	1.25	1.24
Stone, clay, and glass	64.80	64.65	61.49	43.2	43.1	42.7	1.50	1.50	1.44
Nondurable goods	71.51	70.45	67.87	40.4	39.8	40.4	1.77	1.77	1.68
Textile mill products	45.83	43.27	44.33	40.2	39.7	40.3	1.14	1.09	1.10
Broad woven goods	46.40	43.31	47.04	40.7	40.1	42.0	1.14	1.08	1.12
Apparel and fabric products	34.89	34.65	33.76	35.6	35.0	34.8	0.89	0.99	0.97
Food	62.97	62.99	60.91	41.7	40.9	42.3	1.51	1.54	1.44
Meat packing	71.50	69.81	71.68	39.5	39.0	40.5	1.81	1.79	1.77
Paper and allied products	75.17	77.00	77.52	43.2	42.5	44.3	1.74	1.77	1.75
Printing	82.86	85.39	85.28	38.9	39.9	41.6	2.13	2.14	2.05
Chemicals and allied products	85.87	84.18	82.02	42.3	42.3	42.5	2.03	1.99	1.93
Vegetable oil mills	49.27	50.59	50.49	48.3	49.6	49.5	1.02	1.02	1.02
Petroleum and coal products	96.70	94.09	91.03	40.8	39.7	40.1	2.37	2.37	2.27
Leather products	40.87	38.96	39.68	39.3	38.2	38.9	1.04	1.02	1.02
NONMANUFACTURING									
Mining	97.89	95.26	92.35	44.7	43.9	44.4	2.19	2.17	2.08
Crude petroleum products	99.46	97.24	93.68	44.6	44.0	44.4	2.23	2.21	2.11
Sulfur	85.69	79.97	79.00	41.8	39.2	39.9	2.05	2.04	1.98
Public utilities	67.09	66.47	63.83	39.7	39.8	40.4	1.69	1.67	1.58
Retail trade	55.34	54.48	53.94	42.9	42.9	43.5	1.29	1.27	1.24
Wholesale trade	72.21	71.21	67.55	43.5	42.9	43.3	1.66	1.66	1.56

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

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

Cotton Textiles:

An Opportunity in Texas

Perhaps never before in Texas' industrial progress has the opportunity for cotton textiles been so favorable. The present situation in the general industry suggests further regional shifts, particularly from New England. But there are also warnings of difficulties in the Southeast. Texas and the Southwest, with recent growth and prosperity, appear as attractive new areas for expansion of this industry.

The opportunity for textiles should be approached realistically in Texas, in the interest of sound local development as well as for the profitable operation of specific plants. An understanding of the national industry is helpful to this realism. The outstanding influences include the trends towards integration and technological change, the regional character, and the primary factors of cost and location. No single characteristic or trend or combination of factors disqualifies Texas. On the contrary, the characteristics of the industry point toward favorable consideration of this state.

Texas is fully aware of how an expansion of cotton textiles would benefit the economy of the state by providing a new block of industry particularly suitable for agricultural areas and small towns. It would permit the creation of additional wealth in processing values, investments, and payrolls and utilize the state's principal agricultural raw materials. It would provide new and diversified job opportunities for special population groups such as the released farm worker, women, and in certain areas the Latin-American. And it would permit the upgrading of both skills and wages and encourage the location of complementary and supplementary services and industries. This understanding and appreciation of such benefits would guarantee a friendly reception to new textile plants as well as a cooperative attitude on the part of cities and towns toward their successful and profitable operation.

Because of the mutual advantages accruing to both the industry and the state, a sound and growing textile industry is recognized as one of the major requirements for a balanced economy in Texas.

Profits, both immediate and for the long run, are the key to a possible expansion of textile industry in Texas. Since prices for textile products remain relatively stable, the profit structure depends largely on savings in costs. Margins are so low that all elements of cost are significant, even though labor and raw materials account for 70% of the total.

Profits are also the basis for the future of the industry. Unlike other fields where expansion may be financed by several methods and from various sources of funds, textiles have historically been limited to profits as the principal basis for expansion.

The industry is obviously sensitive to its profit margin position. This has been the motivating factor in cost-saving

technology, integration, market flexibility, and other influences. It was essentially the economic reason for the first regional shift in the industry in the 1920's and is now the key to the North-South competition. It is the principal factor that this industry will consider with respect to Texas and the Southwest. What, then, is the profit potential?

Specifically, what does Texas offer now and for the future; and how does it compare with existing or potential regions for location? There are both general and specific features of a profitable Texas location for this industry.

Texas is one of a very few regions in the country which would meet the general requirements for textile manufacturing. When the first regional shift occurred it was from New England to the Southeast because the Southeast could provide the basic factors: cotton raw material and a plentiful labor supply. As new shifts are contemplated there are only two other regions in this country which can fulfill these requirements, the Southwest and the West Coast. But the Southwest has at least two major advantages over the West Coast. Geographically the Southwest is more centrally located for distribution purposes. It would permit greater accessibility at lower cost for shipping textile products to all points of the nation. Second, general labor costs are not as high as on the West Coast and the long-run prospects are for more labor stability in the Southwest than in the fast-growing areas of the West.

This would leave only the Texas area, a region which produces cotton and has an abundant supply of labor, a region from which the West Coast could be served as well as other marketing areas of the nation.

Texas would represent a new region for a new industry. The modern textile industry, although an historical one, is geared to new technology, to integration, and to bigness, to new fibers and blends of fibers. It is on the threshold of new products, perhaps even of becoming a new industry. With *bigness* and *newness*, the essential question is whether a new environment would be desirable?

There are many general advantages of a new industrial area: reservoir of untouched labor, a vigorous and aggressive people with conservative attitudes, yet adaptable to new ideas and new techniques, and a dynamic economy with potentially rich markets. A new area also permits industry to take advantage of new technology and new buildings.

And yet Texas has had sufficient experience with modern industry to be able to assimilate any new development into its economy without the difficulties encountered in completely untouched areas. This would be a significant difference from what happened when the industry moved into the Southeast. In the Southwest there is already a diversity of industry, labor and wage relationships have been established through long experience, and a limited textile in-

dustry has prospered. And yet this is still a new region for expansion purposes in the sense that there are many rural sections, towns, and labor groups which need the touch of industry.

Since the average life of textile equipment is from 30 to 40 years the industry is concerned with the long-term trends and prospects of a region. In this respect, Texas and the Southwest are increasing their relative position in the nation.

The major trends reflect that the primary market area of Texas mill locations is developing at a rate faster than the average for the United States in growth of population, total income payments, per capita income, number of production workers per 1,000 population, and the value of private construction. And projections for the future indicate that the population and power of the primary market area will continue to increase faster than the United States' average.

The general pattern of migration in this industry indicates an adaptation to regional cost structures. Textile management is therefore sensitive to the general cost position of a region.

The marketing opportunity for cotton textiles from a Texas location is one of the outstanding advantages offered by this region.

The Texas market area has a population of 48.2 million and the population of this area is increasing at a greater rate than the United States' average. Income payments to individuals in the Texas market area total \$67.8 billion. The economy of this area is developing faster than the rest of the nation. Texas mill locations have a freight rate advantage in shipments made to all states west of the Mississippi River over Southeastern and New England locations and can compete favorably but does not have complete freight rate advantages in a region east of the river. The apparel industry in the Texas market area is expanding faster than the average for the United States.

There are special marketing opportunities within the Texas market areas. None of the textile mills west of the Mississippi River produces print goods, and the production of broadcloth and toweling is limited. Only one mill produces gingham and dress goods and four mills, wide sheeting.

Labor is both a principal location determinant and a major cost item for cotton textiles. Most studies indicate that wages paid to production workers alone in this industry account for about one-third of the total cost, depending upon the product; and next to the expense of raw material, this is the most significant cost item.

Labor cost may vary considerably between regions and between plants making the same kind of cloth within the same region. Management has a wide choice of adjustments to labor costs. Labor-saving equipment may be used, production design may be changed, or a move may even be made to lower labor cost area. Labor cost is further complicated by such factors as productivity, fringe benefits, the number of shifts, work load and assignments, governmental regulation, and the competitive relationship of the industry to the local economy in which it operates.

Management therefore concentrates on savings in labor cost as the principal opportunity for widening its profit margin. In considering a new area of location, it is the availability of labor as well as the cost which are essential to the decision. Texas is in a highly favorable economic

position in this respect, for its textile wages are the lowest in the nation.

Industry will find available reserves of labor in Texas. And in addition to the number of workers that can be obtained from the labor force now employed or unemployed, there are other labor groups which can be drawn upon, the released farm workers, women workers, and in some areas the Latin-Americans. Industry will find labor that is intelligent, easily trained, acquainted with the use of machinery, and dependable.

Further, industry will find that Texas labor laws respect the rights of management as well as of labor. These laws grant certain rights and privileges to labor, but they also place responsibilities upon labor organizations. For example, the check-off list is illegal.

The water resources of Texas are ample and of a suitable quality in many parts of the state to support a cotton textile industry. There are 525 reservoirs in Texas, and the total capacity of the 36 largest reservoirs is 32 million acre-feet. The average annual flow of Texas streams is approximately 63 million acre-feet, with only nine million acre-feet being used at the present time. There are large underground reservoirs of water at economical drilling depths. One of the largest spring areas of the United States is located in Texas along the Balcones Fault.

Texas is the only state that has a complete inventory of its cotton with respect to fiber properties other than grade and staple. Texas produces cottons which are similar in fiber characteristics to all growths with the exceptions of Peruvian and the coarse Asiatics. For the past five years Texas has produced over 4 million bales annually.

The cotton crop of Texas is produced under a wide range of soil and climatic conditions. The varieties planted are adapted to the physical environment of each geographic area. Staple length of cotton grown in Texas ranges from $\frac{3}{4}$ inch to $1\frac{1}{2}$ inches. The "bread and butter" cottons, $\frac{7}{8}$ through $1\frac{1}{32}$ inch, amount to approximately 50% of the annual production. Production of one inch through $1\frac{1}{16}$ inches cotton is about 30% of the total annual growth. Over 5% of the crop is $1\frac{3}{32}$ inches or longer and about 5% of the crop is $\frac{13}{16}$ inch or shorter. Over 35% of the crop is Middling white or higher in grade. About 20% of the crop is Strict Low Middling white or lower in grade. Approximately 40% of the crop is usually Spotted in the grade of Low Middling through Good Middling. These percentages, however, will vary according to seasonal weather conditions.

The wide range of fiber properties found in the Texas crop is more important to the mill than grade and staple. Year in and year out the tensile strength of the Texas crop will average 80 thousand pounds and about 70% of the crop will fall in the strength range of 75 to 85 thousand pounds. The average fineness of the crop has in recent years been about 4.5 micronaire units, and about 70% of the crop has fallen in the range of 3.8 to 5.2 micronaire units. In uniformity, the cotton of the state will range from 76% to 80%. Maturity of the cotton will fall in the limits of 76% to 82%. The fiber data as reported are from early and mid-season pickings. Late cotton will not be up to the standard of the early cotton, but this is true in all parts of the cotton belt.

Texas cotton will, grade for grade and length for length, usually make stronger yarn than can be had from other parts of the Cotton Belt. This situation arises from the

fact that a period of reduced rainfall usually sets in in Texas at the time when the plant begins to flower. Fiber strength is closely associated with moisture available at blooming time and for some 20 days thereafter. In general Texas cotton will do the work of cotton that is 1/32 of an inch longer from other parts of the cotton belt. This means a saving of \$1.00 to \$15.00 a bale depending upon the length of cotton in question. The superiority of Texas cotton is shown by spinning tests conducted by the United States Department of Agriculture over the seasons since 1946. Consequently, a mill located in the heart of an area that produces a wide variety of superior cottons has a distinct advantage in the selection of raw material.

The cost of cotton is the greatest cost item for the cotton textile industry, accounting for almost 50% of the total costs. The difference in the price paid for cotton at different locations reflects transportation costs, handling charges, time costs and incidental costs of merchandising.

A cotton textile mill located in Texas will pay at least \$7.50 a bale less for cotton than a mill in the Southwest or New England. The cotton raw material advantages of Texas are without equal in the nation.

The mild climate of Texas offers many advantages to the industry. It reduces construction costs, fuel requirements, transportation expenses associated with inclement weather, and favors efficient processing conditions for cotton textiles. Texas weather rarely causes protracted delays in plant operations. In addition, the mild climate of Texas is a major factor in lowering living costs in the state.

The average annual rainfall distribution varies widely, ranging from approximately 55 inches in East Texas to 8 inches in extreme West Texas, with about 40% of the state receiving 30 inches or more. The temperature in the eastern part of the state averages from 62° F along the Red River in the northern part of the state, to 70° F along the Gulf of Mexico. The range in average annual temperature is only 8° F over a north-south distance of about 500 miles.

Texas is the only state that supports an organization dedicated to research in the problems of cotton economics,

the technology of mill operations, and problems associated with cotton growing and seed utilization. Direction of the research is under the Cotton Research Committee of Texas composed of the Chancellors of The University of Texas and the Agricultural and Mechanical College System of Texas and the President of Texas Technological College.

The Texas Technological College is the only recognized textile school west of the Mississippi River. Extensive research facilities are available at the major colleges and universities.

The Southwest Research Institute, a private organization at San Antonio, has the facilities to conduct research in many fields associated with problems of the textile industry. The United States Testing Company maintains a complete fiber laboratory in Dallas. One of the fiber and spinning laboratories of the United States Department of Agriculture is located at College Station, Texas.

The electric power and light companies in Texas offer industry an adequate, dependable supply of electric power at rates which compare favorably with the power rates in the more highly industrialized areas of the nation. Texas has an abundant supply of natural gas and fuel oil and the largest deposits of lignite in the United States.

The governmental agencies in Texas have a clear conception of the value which manufacturing plants contribute to the economy of the state and the communities and they deal fairly, intelligently, and consistently with the existing tax problems. The citizens of Texas feel that it is not right to penalize existing industry by increasing its taxes sufficiently to subsidize new industry through tax waivers. It is preferred that each industry, as well as each person, pay a fair share of governmental costs.

Texas has a conservative tax policy. There is no state corporation income tax, no general sales tax, and no state individual income tax. Texas does not have a manufacturer's use tax and no payroll taxes for revenue purposes. Thirty-seven states have higher per capita state taxes than Texas.

NOEL H. WOOD

Texas Business Review

This month . . .

and every month, the special report featured in the Texas Business Review is reprinted for free distribution to interested readers. If you believe that some of your friends or business associates would be interested in one or more of these cover stories from the Review, just send their names to the Texas Business Review Circulation Division, Austin 12, Texas, and copies will be mailed to them.

Next month . . .

you will receive your copy of the semi-annual statistical issue of the Texas Business Review. This issue will feature complete information on a revised Index of Texas Business, designed to measure with maximum accuracy the fluctuations in general business activity within the state. An analysis of the new index by Richard C. Henshaw, Jr. will explain how statisticians gauge the shifting tides of the Texas economy.

Local Business

City and item	May 1954	Percent change	
		May 1954 from May 1953	May 1954 from Apr 1954
ABILENE (pop. 55,000)^r			
Retail sales .....	.....	+ 3	+ 5
Department and apparel stores .....	.....	- 3	- 6
Postal receipts	\$ 62,200	+ 10	+ 6
Value of building permits|| .....	\$ 616,525	+ 2	- 45
Bank debits (thousands)	\$ 51,979	+ 4	- 4
End-of-month deposits†	\$ 52,305	+ 6	+ 2
Annual rate of deposit turnover	12.0	- 1	- 6
Employment	26,650	+ 5	+ 1
Manufacturing employment	3,210	- 3	- 3
Percent of labor force unemployed	5.2	+ 16	+ 4
ALPINE (pop. 5,261)			
Postal receipts	\$ 3,301	+ 1	+ 7
Value of building permits|| .....	\$ 92,000	+667	+1573
Bank debits (thousands)	\$ 2,110	x	+ 6
End-of-month deposits (thousands)†	\$ 3,957	- 1	- 3
Annual rate of deposit turnover	6.3	0	+ 11
AMARILLO (pop. 92,592)^r			
Retail sales* .....	.....	- 2	- 3
Department and apparel stores .....	.....	+ 2	- 15
Furniture and household appliance stores* .....	.....	- 3	+ 73
Lumber, building material, and hardware stores* .....	.....	- 2	+ 4
Postal receipts	\$ 116,839	- 1	- 4
Value of building permits issued|| .....	\$ 1,245,876	- 13	- 47
Bank debits (thousands)	\$ 120,567	- 5	- 2
End-of-month deposits (thousands)†	\$ 97,057	- 4	- 1
Annual rate of deposit turnover	14.9	+ 1	- 1
Employment	43,200	x	+ 1
Manufacturing employment	4,670	- 10	- 1
Percent of labor force unemployed	5.1	+ 6	- 11
ARLINGTON (pop. 7,692)			
Postal receipts	\$ 12,954	+ 35	+ 5
Value of building permits|| .....	\$ 547,894	- 45	- 57
Bank debits (thousands)	\$ 9,728	+ 27	+ 4
End-of-month deposits (thousands)†	\$ 10,440	+ 12	+ 1
Annual rate of deposit turnover	11.3	+ 13	+ 7
AUSTIN (pop. 168,500)^r			
Retail sales .....	.....	- 3	- 1
Automotive stores .....	.....	- 3	- 19
Department and apparel stores .....	.....	- 7	- 12
Eating and drinking places .....	.....	+ 13	- 2
Filling stations .....	.....	+ 51	+ 14
Furniture and household appliance stores .....	.....	- 3	+ 32
Lumber, building material, and hardware stores .....	.....	- 7	- 13
Postal receipts	\$ 214,009	+ 8	- 10
Value of building permits|| .....	\$ 3,546,837	+ 3	- 23
Bank debits (thousands)	\$ 116,150	+ 11	- 4
End-of-month deposits (thousands)†	\$ 106,492	+ 5	+ 4
Annual rate of deposit turnover	13.3	+ 10	- 8
Employment	61,200	+ 2	x
Manufacturing employment	4,150	+ 2	- 1
Percent of labor force unemployed	4.2	+ 35	- 2
BAYTOWN (pop. 22,983)			
Postal receipts	\$ 15,754	+ 13	x
Value of building permits|| .....	\$ 125,230	- 33	- 55
Bank debits (thousands)	\$ 16,457	+ 48	+ 8
End-of-month deposits (thousands)†	\$ 18,927	- 1	- 9
Annual rate of deposit turnover	9.9	- 7	+ 14
Employment (area)	357,800	x	+ 1
Manufacturing employment (area)	80,575	- 5	x
Percent of labor force unemployed (area)	4.3	+ 65	+ 2

City and item	May 1954	Percent change	
		May 1954 from May 1953	May 1954 from Apr 1954
BEAUMONT (pop. 94,169)^u			
Retail sales*	-----	- 15	+ 2
Automotive stores*	-----	- 18	+ 8
Department and apparel stores	-----	- 2	- 8
Eating and drinking places*	-----	x	- 11
Food stores*	-----	+ 19	+ 2
General merchandise stores*	-----	- 2	- 6
Lumber, building material, and hardware stores*	-----	- 40	- 8
Postal receipts	\$ 78,354	x	- 13
Value of building permits||	\$ 470,278	- 14	- 47
Bank debits (thousands)	\$ 111,408	- 11	+ 2
End-of-month deposits (thousands) ‡	\$ 94,458	- 1	- 1
Annual rate of deposit turnover	14.0	- 11	+ 2
Employment (area)	78,200	- 2	x
Manufacturing employment (area)	26,400	- 1	+ 1
Percent of labor force unemployed (area)	6.6	+ 32	- 3
Waterborne commerce (tons)	58,233	+ 79	+ 69
BEEVILLE (pop. 9,348)			
Postal receipts	\$ 6,142	+ 22	+ 1
Value of building permits||	\$ 97,354	+982	- 16
Bank debits (thousands)	\$ 6,348	+ 5	x
End-of-month deposits (thousands) ‡	\$ 11,534	x	- 1
Annual rate of deposit turnover	6.6	+ 6	0
BIG SPRING (pop. 20,654)^r			
Retail sales	-----	- 3	- 2
Department and apparel stores	-----	+ 5	- 8
Drug stores	-----	- 4	- 1
Lumber, building material, and hardware stores	-----	- 19	- 7
Postal receipts	\$ 16,697	+ 20	- 4
Value of building permits||	\$ 49,875	- 85	- 86
Bank debits (thousands)	\$ 20,139	+ 3	+ 6
End-of-month deposits (thousands) ‡	\$ 22,944	- 2	- 2
Annual rate of deposit turnover	10.4	+ 3	+ 5
BORGER (pop. 18,159)			
Postal receipts	\$ 12,815	+ 15	+ 24
Value of building permits||	\$ 50,590	- 27	+ 92
Bank debits (thousands)	\$ 10,971	-----	- 8
End-of-month deposits (thousands) ‡	\$ 13,096	-----	- 2
Annual rate of deposit turnover	9.9	-----	- 7
BROWNSVILLE (pop. 36,066)			
Retail sales*	-----	- 4	+ 24
Automotive stores*	-----	+ 2	+ 27
Lumber, building material, and hardware stores*	-----	- 25	+ 13
Postal receipts	\$ 18,966	x	x
Value of building permits||	\$ 99,353	- 81	- 42
Tourists entering Mexico	882	-----	+ 28
Tourist cars entering Mexico	353	-----	+ 28
Waterborne commerce (tons)	86,313	+ 12	+ 14
BROWNWOOD (pop. 20,181)			
Retail sales	-----	+ 2	- 8
Department and apparel stores	-----	+ 7	- 17
Furniture and household appliance stores	-----	+ 4	+ 6
Postal receipts	\$ 14,867	+ 1	- 5
Value of building permits||	\$ 18,507	- 29	- 59
Bank debits (thousands)	\$ 9,294	+ 7	- 3
End-of-month deposits (thousands) ‡	\$ 13,041	+ 2	- 2
Annual rate of deposit turnover	8.5	+ 5	- 1

For explanation of symbols, see page 23.

Conditions

City and item	May 1954	Percent change	
		May 1954 from May 1953	May 1954 from Apr 1954
BRENHAM (pop. 6,941)			
Postal receipts	\$ 4,539	- 9	- 26
Value of building permits|| .....	\$ 47,722	- 44	- 47
Bank debits (thousands)	\$ 5,605	+ 3	- 4
End-of-month deposits (thousands) ‡	\$ 10,294	+ 4	x
Annual rate of deposit turnover	6.5	0	- 3
BRYAN (pop. 18,102)			
Retail sales* .....	.....	+ 1	- 4
Automotive stores* .....	.....	+ 15	+ 1
Department and apparel stores .....	.....	- 20	- 3
Postal receipts	\$ 17,094	+ 16	- 7
Value of building permits|| .....	\$ 110,020	+116	- 76
CHILDRESS (pop. 7,619)			
Retail sales* .....	.....	- 7	+ 3
Department and apparel stores .....	.....	- 14	- 24
Filling stations* .....	.....	- 3	+ 7
Food stores* .....	.....	- 17	+ 2
Lumber, building material, and hardware stores* .....	.....	+ 5	+ 32
Postal receipts	\$ 4,004	- 11	- 13
Value of building permits issued	\$ 6,300	- 94	+330
CORPUS CHRISTI (pop. 122,956) ^u			
Retail sales .....	.....	+ 3	- 2
Apparel stores .....	.....	x	- 23
Automotive stores .....	.....	+ 12	+ 4
Department stores† .....	.....	- 5	+ 3
Postal receipts	\$ 120,495	+ 10	- 3
Value of building permits|| .....	\$ 3,195,499	+ 87	+ 62
Bank debits (thousands)	\$ 147,140	+ 4	x
End-of-month deposits (thousands) ‡	\$ 117,959	+ 8	+ 13
Annual rate of deposit turnover	15.8	+ 3	- 7
Employment	60,700	x	x
Manufacturing employment	7,875	+ 6	x
Percent of labor force unemployed	5.7	+ 21	- 11
Waterborne commerce (tons)	1,884,716	- 18	+ 7
CORSICANA (pop. 19,211)			
Postal receipts	\$ 13,629	+ 16	- 1
Value of building permits|| .....	\$ 32,320	- 50	0
Bank debits (thousands)	\$ 12,414	+ 15	+ 2
End-of-month deposits (thousands) ‡	\$ 20,746	+ 7	x
Annual rate of deposit turnover	7.2	+ 9	+ 3
DALLAS (pop. 538,924) ^u			
Retail sales* .....	.....	+ 5	+ 2
Apparel stores* .....	.....	- 5	- 11
Automotive stores .....	.....	+ 21	+ 20
Department stores† .....	.....	- 9	- 3
Eating and drinking places* .....	.....	+ 5	+ 1
Filling stations* .....	.....	x	- 1
Florists* .....	.....	+ 1	- 12
Food stores* .....	.....	+ 4	- 5
Furniture and household appliance stores* .....	.....	- 5	+ 14
General merchandise stores* .....	.....	x	- 3
Lumber, building material, and hardware stores* .....	.....	+ 8	- 12
Office, store, and school supply dealers* .....	.....	- 10	+ 14
Postal receipts	\$ 1,490,790	+ 3	- 8
Value of building permits|| .....	\$10,425,445	+ 20	- 15
Bank debits (thousands)	\$ 1,674,056	+ 3	x
End-of-month deposits (thousands) ‡	\$ 914,932	+ 6	+ 3
Annual rate of deposit turnover	22.2	- 2	- 2
Employment	304,500	x	x
Manufacturing employment	75,300	x	- 1
Percent of labor force unemployed	3.3	+ 57	0

City and item	May 1954	Percent change	
		May 1954 from May 1953	May 1954 from Apr 1954
DEL RIO (pop. 14,211)			
Postal receipts	\$ 9,421	+ 7	- 4
Value of building permits|| .....	\$ 62,694	+ 77	+ 29
Bank debits (thousands)	\$ 8,286	- 3	+ 5
End-of-month deposits (thousands) ‡	\$ 11,076	+ 7	+ 2
Annual rate of deposit turnover	9.1	- 17	+ 1
Tourists entering Mexico	23,766	- 9	+ 14
Tourist cars entering Mexico	7,567	+ 3	+ 16
DENISON (pop. 17,504)			
Retail sales .....	.....	- 8	- 5
Automotive stores .....	.....	- 11	- 2
Department and apparel stores .....	.....	- 9	- 20
Postal receipts	\$ 14,343	+ 23	+ 16
Value of building permits|| .....	\$ 37,765	- 58	- 41
Bank debits (thousands)	\$ 11,411	- 13	+ 3
End-of-month deposits (thousands) ‡	\$ 18,604	+ 23	+ 1
Annual rate of deposit turnover	7.6	- 29	+ 4
DENTON (pop. 21,372)			
Retail sales .....	.....	- 9	- 5
Postal receipts	\$ 20,066	+ 5	+ 9
Value of building permits|| .....	\$ 110,475	- 9	- 29
Bank debits (thousands)	\$ 10,093	+ 1	- 4
End-of-month deposits (thousands) ‡	\$ 13,733	+ 5	- 1
Annual rate of deposit turnover	8.8	- 3	- 2
EAGLE PASS (pop. 7,276)			
Postal receipts	\$ 4,638	+ 3	- 6
Value of building permits|| .....	\$ 13,975	- 93	- 94
Bank debits (thousands)	\$ 3,770	+ 5	+ 14
End-of-month deposits (thousands) ‡	\$ 3,808	+ 17	+ 20
Annual rate of deposit turnover	13.0	+ 8	+ 10
EDINBURG (pop. 15,993)^r			
Postal receipts	\$ 7,110	+ 2	- 13
Value of building permits|| .....	\$ 4,250	- 92	- 86
Bank debits (thousands)	\$ 8,561	+ 1	+ 17
End-of-month deposits (thousands) ‡	\$ 9,160	- 1	- 3
Annual rate of deposit turnover	11.0	+ 4	+ 24
EL PASO (pop. 136,918)^u			
Retail sales* .....	.....	- 3	- 11
Apparel stores* .....	.....	+ 44	- 14
Automotive stores* .....	.....	- 14	- 13
Department stores† .....	.....	- 8	- 8
Drug stores* .....	.....	+ 9	+ 10
General merchandise stores* .....	.....	- 9	- 15
Postal receipts	\$ 185,532	+ 10	- 3
Value of building permits|| .....	\$ 2,207,256	- 8	+ 42
Bank debits (thousands)	\$ 174,428	- 3	- 5
End-of-month deposits (thousands) ‡	\$ 120,080	+ 4	x
Annual rate of deposit turnover	17.4	- 5	- 5
Employment	70,900	+ 2	+ 1
Manufacturing employment	10,725	+ 3	x
Percent of labor force unemployed	4.7	.....	- 6
Air express shipments .....	.....	.....	.....
Tourists entering Mexico	2,631	- 14	+ 10
Tourist cars entering Mexico	963	- 11	+ 1
GARLAND (pop. 10,571)			
Postal receipts	\$ 10,582	+ 12	- 13
Value of building permits|| .....	\$ 439,470	- 18	- 31
Bank debits (thousands)	\$ 10,160	+ 22	- 1
End-of-month deposits (thousands) ‡	\$ 9,897	+ 16	- 3
Annual rate of deposit turnover	12.1	+ 5	+ 2

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	May 1954	Percent change	
		May 1954 from May 1953	May 1954 from Apr 1954

FORT WORTH (pop. 315,578)^u			
Retail sales*		- 5	- 3
Apparel stores*		- 9	- 18
Automotive stores*		- 2	+ 2
Department stores†		- 7	- 5
Drug stores*		- 2	+ 5
Eating and drinking places*		- 16	+ 8
Filling stations*		+ 28	+ 7
Food stores*		- 17	+ 1
Furniture and household appliance stores*		- 25	+ 23
Hay, grain, and feed stores*		- 10	- 13
Jewelry stores*		+ 3	+ 42
Lumber, building material, and hardware stores*		- 4	- 7
Postal receipts	\$ 479,499	+ 4	- 4
Value of building permits||	\$ 3,308,246	+ 11	- 3
Bank debits (thousands)	\$ 507,315	+ 3	- 2
End-of-month deposits (thousands)‡	\$ 333,295	+ 3	+ 1
Annual rate of deposit turnover	18.4	+ 2	- 4
Employment	173,900	+ 1	+ 1
Manufacturing employment	52,625	- 1	+ 1
Percent of labor force unemployed	4.9	+ 14	- 4

GALVESTON (pop. 71,527)^u			
Retail sales		- 5	- 6
Department and apparel stores		- 7	- 13
Food stores		+ 33	- 1
Lumber, building material, and hardware stores		- 10	+ 2
Postal receipts	\$ 62,572	- 6	- 7
Value of building permits||	\$ 356,980	+ 73	- 54
Bank debits (thousands)	\$ 69,104	- 6	- 6
End-of-month deposits (thousands)‡	\$ 66,689	- 14	- 1
Annual rate of deposit turnover	12.4	+ 9	- 2
Employment (area)	44,250	- 6	x
Manufacturing employment (area)	5.9	+ 69	0
Percent of labor force unemployed (area)	5.9	+ 69	0

GLADEWATER (pop. 5,305)			
Postal receipts	\$ 5,134	+ 9	+ 13
Value of building permits||	\$ 296,000	+ 492	+ 517
Bank debits (thousands)	\$ 3,658	- 19	- 9
End-of-month deposits (thousands)‡	\$ 4,075	- 14	+ 3
Annual rate of deposit turnover	10.9	- 8	- 9
Employment (area)	23,950		x
Manufacturing employment (area)	4,030		+ 2
Percent of labor force unemployed (area)	5.1		+ 2

GOLDTHWAITE (pop. 1,566)			
Retail sales*		+ 1	+ 5
Automotive stores*		- 19	- 11
Postal receipts	\$ 1,377	+ 12	- 11
Bank debits (thousands)	\$ 3,594	+ 2	x
End-of-month deposits (thousands)‡	\$ 3,347	+ 21	+ 2
Annual rate of deposit turnover	13.0	- 17	- 2

GREENVILLE (pop. 17,500)^r			
Retail sales*		+ 15	+ 19
Apparel stores*		- 9	- 15
Department and apparel stores		- 10	- 11
Drug stores*		- 1	+ 7
Food stores*		- 6	+ 4
Lumber, building material, and hardware stores*		- 4	+ 10
Postal receipts	\$ 14,815	- 1	- 15
Value of building permits||	\$ 35,766	- 52	- 58
Bank debits (thousands)	\$ 10,956	+ 3	- 3
End-of-month deposits (thousands)‡	\$ 15,168	+ 21	x
Annual rate of deposit turnover	8.7	- 16	- 2

Percent change			
City and item	May 1954	May 1954 from May 1953	May 1954 from Apr 1954

GONZALES (pop. 5,659)			
Postal receipts	\$ 3,842	- 20	- 3
Value of building permits||	\$ 17,525	+ 15	+ 23
Bank debits (thousands)	\$ 4,414	+ 1	- 6
End-of-month deposits (thousands)‡	\$ 6,183	x	x
Annual rate of deposit turnover	8.6	+ 2	- 19

HARLINGEN (pop. 30,038)^r			
Postal receipts	\$ 22,506	+ 3	- 5
Value of building permits||	\$ 137,815	- 8	- 21
Bank debits (thousands)	\$ 23,334	+ 8	- 2
End-of-month deposits (thousands)‡	\$ 18,023	- 1	x
Annual rate of deposit turnover	15.8	+ 9	- 1

HENDERSON (pop. 6,833)			
Retail sales*		- 7	- 2
Automotive stores*		- 17	- 5
Department and apparel stores		- 8	- 8
Food stores*		- 9	- 1
Lumber, building material, and hardware stores*		+ 57	+ 13
Postal receipts	\$ 7,478	+ 5	+ 11
Value of building permits||	\$ 105,500	+ 220	- 22
Bank debits (thousands)	\$ 4,990	- 18	- 14
End-of-month deposits (thousands)‡	\$ 13,263	- 2	x
Annual rate of deposit turnover	4.5	- 15	- 13

HEREFORD (pop. 5,207)			
Postal receipts	\$ 4,585	+ 5	+ 3
Value of building permits||	\$ 107,000	+ 74	+ 41
Bank debits (thousands)	\$ 6,897	+ 3	- 4
End-of-month deposits (thousands)‡	\$ 8,555	- 6	- 3
Annual rate of deposit turnover	9.5	+ 10	0

HOUSTON (pop. 700,508)^u			
Retail sales||		- 8	- 5
Apparel stores||		- 11	- 17
Automotive stores||		- 10	+ 9
Department stores†		- 5	+ 4
Drug stores||		- 6	x
Eating and drinking places||		- 5	- 2
Filling stations||		- 15	- 4
Food stores||		- 10	- 18
Furniture and household appliance stores||		- 23	- 4
General merchandise stores||		- 15	- 1
Liquor stores||		- 9	+ 1
Lumber, building material, and hardware stores||		+ 7	+ 1
Postal receipts	\$ 957,359	+ 4	- 2
Value of building permits||	\$ 11,772,836	+ 6	+ 3
Bank debits (thousands)	\$ 1,706,002	+ 5	x
End-of-month deposits (thousands)‡	\$ 1,124,728	+ 8	- 2
Annual rate of deposit turnover	18.0	- 4	- 3
Employment (area)	357,800	x	+ 1
Manufacturing employment (area)	80,575	- 5	x
Percent of labor force unemployed (area)	4.3	+ 65	+ 2

JASPER (pop. 4,403)			
Retail sales*		+ 11	+ 17
Automotive stores*		+ 6	+ 30
Food stores*		+ 23	+ 15
General merchandise stores*		+ 1	+ 8
Postal receipts	\$ 4,400	+ 27	+ 11
Bank debits (thousands)	\$ 4,927	+ 18	+ 13
End-of-month deposits (thousands)‡	\$ 5,430	+ 4	x
Annual rate of deposit turnover	10.9	+ 16	+ 15

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	May 1954	Percent change	
		May 1954 from May 1953	May 1954 from Apr 1954
KERMIT (pop. 6,912)			
Postal receipts	\$ 4,375	+ 2	- 12
Value of building permits|| .....	\$ 41,600	+1287	- 48
Bank debits (thousands)	\$ 2,853	- 7	+ 1
End-of-month deposits (thousands)†	\$ 2,992	+ 18	+ 8
Annual rate of deposit turnover	11.9	- 14	+ 3

KILGORE (pop. 9,638)			
Postal receipts	\$ 8,769	- 6	+ 24
Value of building permits|| .....	\$ 102,900	+758	- 17
Bank debits (thousands)	\$ 12,172	- 1	- 9
End-of-month deposits (thousands)†	\$ 14,212	+ 1	- 2
Annual rate of deposit turnover	10.2	- 1	- 7
Employment (area)	23,950	.....	x
Manufacturing employment (area)	4,030	.....	+ 2
Percent of labor force unemployed (area)	5.1	.....	+ 2

KILLEEN (pop. 7,045)			
Postal receipts	\$ 21,258	+ 49	- 28
Value of building permits|| .....	\$ 191,932	+1210	- 83
Bank debits (thousands)	\$ 6,253	+ 52	+ 20
End-of-month deposits (thousands)†	\$ 9,649	- 3	- 3
Annual rate of deposit turnover	7.7	+ 57	+ 24

LAMESA (pop. 10,704)			
Postal receipts	\$ 6,629	- 16	- 1
Value of building permits|| .....	\$ 10,300	+415	+194
Bank debits (thousands)	\$ 6,238	- 6	- 8
End-of-month deposits (thousands)†	\$ 10,354	- 13	- 3
Annual rate of deposit turnover	7.1	+ 13	- 7

LAMPASAS (pop. 4,869)			
Retail sales* .....	.....	- 4	+ 22
Automotive stores* .....	.....	+ 8	+ 37
Department and apparel stores .....	.....	x	- 17
Food stores* .....	.....	+ 12	+ 4
Lumber, building material, and hardware stores* .....	.....	- 41	+ 85
Postal receipts	\$ 3,953	+ 42	+ 30
Value of building permits|| .....	\$ 89,600	+15000	+167
Bank debits (thousands)	\$ 4,598	+ 10	- 6
End-of-month deposits (thousands)†	\$ 6,426	- 5	+ 2
Annual rate of deposit turnover	8.7	+ 14	- 7

LAREDO (pop. 59,350)^r			
Postal receipts	\$ 24,071	- 6	+ 2
Value of building permits|| .....	\$ 64,150	- 39	+118
Bank debits (thousands)	\$ 18,878	- 7	- 8
End-of-month deposits (thousands)†	\$ 18,903	x	+ 4
Annual rate of deposit turnover	12.2	- 4	- 8
Tourists entering Mexico	7,972	- 12	+ 35
Tourist cars entering Mexico	2,959	+ 2	+ 30

LEVELLAND (pop. 8,264)			
Postal receipts	\$ 5,085	- 2	- 17
Value of building permits|| .....	\$ 92,425	+ 81	- 17
Bank debits (thousands)	\$ 5,708	- 4	- 6
End-of-month deposits (thousands)†	\$ 8,589	+ 1	- 5
Annual rate of deposit turnover	7.8	- 11	0

LLANO (pop. 2,954)			
Postal receipts	\$ 1,943	+ 24	+ 21
Value of building permits|| .....	\$ 15,000	+ 15	+400
Bank debits (thousands)	\$ 2,907	+ 24	+ 29
End-of-month deposits (thousands)†	\$ 3,595	+ 3	+ 3
Annual rate of deposit turnover	9.9	+ 19	+ 24

City and item	May 1954	Percent change	
		May 1954 from May 1953	May 1954 from Apr 1954
LOCKHART (pop. 5,573)			
Postal receipts	\$ 3,056	+ 21	+ 5
Value of building permits|| .....	\$ 30,050	+258	+ 29
Bank debits (thousands)	\$ 2,633	- 13	- 13
End-of-month deposits (thousands)†	\$ 4,558	+ 1	- 1
Annual rate of deposit turnover.....	6.9	- 13	- 12

LONGVIEW (pop. 43,328)^r			
Postal receipts	\$ 27,925	+ 17	+ 7
Value of building permits|| .....	\$ 453,400	+ 30	+ 93
Bank debits (thousands)	\$ 30,593	- 6	x
End-of-month deposits (thousands)†	\$ 34,063	- 4	x
Annual rate of deposit turnover	10.3	0	- 2
Employment (area)	23,950	.....	x
Manufacturing employment (area)	4,030	.....	+ 2
Percent of labor force unemployed (area)	5.1	.....	+ 2

LUBBOCK (pop. 96,095)^r			
Retail sales .....	.....	- 17	- 11
Automotive stores .....	.....	- 31	- 23
Department and apparel stores .....	.....	- 4	- 7
Furniture and household appliance stores .....	.....	- 29	+ 3
General merchandise stores .....	.....	- 4	- 5
Lumber, building material, and hardware stores .....	.....	- 4	+ 17
Postal receipts	\$ 79,510	+ 7	+ 4
Value of building permits|| .....	\$ 2,095,928	+ 77	+ 20
Bank debits (thousands)	\$ 91,572	- 4	- 8
End-of-month deposits (thousands)†	\$ 79,859	- 1	- 1
Annual rate of deposit turnover	13.7	- 1	- 6
Employment	39,700	+ 2	x
Manufacturing employment	3,910	+ 6	- 5
Percent of labor force unemployed	5.7	+ 78	- 3

LUFKIN (pop. 15,135)			
Postal receipts	\$ 13,572	- 3	+ 18
Value of building permits|| .....	\$ 105,600	+ 63	+ 23
Bank debits (thousands)	\$ 13,631	- 17	- 17
End-of-month deposits (thousands)†	\$ 23,490	+ 13	+ 11
Annual rate of deposit turnover	7.3	- 23	- 19

MARLIN (pop. 7,099)			
Postal receipts	\$ 5,153	+ 2	- 12
Value of building permits|| .....	\$ 13,325	- 44	+426
Bank debits (thousands)	\$ 2,603	- 3	- 11
End-of-month deposits (thousands)†	\$ 4,077	- 1	- 2
Annual rate or deposit turnover	7.6	- 1	- 8

MARSHALL (pop. 22,327)			
Department and apparel store sales .....	.....	- 10	- 17
Postal receipts	\$ 15,440	- 16	- 9
Value of building permits|| .....	\$ 196,831	+ 90	+114
Bank debits (thousands)	\$ 12,320	- 9	- 5
End-of-month deposits (thousands)†	\$ 19,728	- 2	- 1
Annual rate of deposit turnover	7.4	- 8	- 4

MERCEDES (pop. 10,081)			
Postal receipts	\$ 4,406	x	+ 11
Value of building permits|| .....	\$ 3,250	+1150	- 81
Bank debits (thousands)	\$ 6,998	+ 14	+ 25
End-of-month deposits (thousands)†	\$ 3,193	- 47	- 41
Annual rate of deposit turnover	19.5	+ 56	+ 57

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	May 1954	Percent change	
		May 1954 from May 1953	May 1954 from Apr 1954
MIDLAND (pop. 34,378)^r			
Postal receipts	\$ 43,877	+ 14	+ 2
Value of building permits|| .....	\$ 640,839	+ 82	- 32
Bank debits (thousands)	\$ 47,494	- 7	- 7
End-of-month deposits (thousands) ‡	\$ 69,050	+ 14	x
Annual rate of deposit turnover	8.3	- 17	- 7
MONAHANS (pop. 6,311)			
Postal receipts	\$ 4,729	+ 13	x
Bank debits (thousands)	\$ 6,196	+ 4	- 1
End-of-month deposits (thousands) ‡	\$ 6,410	+ 11	- 5
Annual rate of deposit turnover	11.3	- 4	+ 3
NACOGDOCHES (pop. 12,327)			
Postal receipts	\$ 8,066	+ 1	- 12
Value of building permits|| .....	\$ 143,050	+3600	+ 44
Bank debits (thousands)	\$ 9,079	+ 2	+ 14
End-of-month deposits (thousands) ‡	\$ 14,631	- 2	x
Annual rate of deposit turnover	7.5	+ 6	+ 17
NAVASOTA (pop. 5,188)			
Retail sales* .....	.....	- 3	+ 3
Food stores* .....	.....	- 6	+ 4
Postal receipts	\$ 3,548	- 13	+ 3
Value of building permits|| .....	\$ 3,880	- 80	- 78
NEW BRAUNFELS (pop. 12,210)			
Postal receipts	\$ 11,235	+ 13	+ 3
Value of building permits|| .....	\$ 93,545	+ 17	- 10
Bank debits (thousands)	\$ 6,668	- 19	- 1
End-of-month deposits (thousands) ‡	\$ 9,447	+ 15	- 3
Annual rate of deposit turnover	8.3	- 23	0
ODESSA (pop. 29,495)			
Department and apparel store sales .....	.....	- 2	- 11
Postal receipts	\$ 35,489	+ 9	+ 3
Value of building permits|| .....	\$ 2,367,796	+167	+ 96
Bank debits (thousands)	\$ 35,868	+ 1	+ 3
End-of-month deposits (thousands) ‡	\$ 31,698	- 4	- 2
Annual rate of deposit turnover	13.4	+ 8	+ 6
ORANGE (pop. 21,174)			
Postal receipts	\$ 14,825	+ 19	- 1
Value of building permits|| .....	\$ 296,867	+ 64	+ 16
Bank debits (thousands)	\$ 17,734	+ 6	- 9
End-of-month deposits (thousands) ‡	\$ 24,188	+ 2	+ 2
Annual rate of deposit turnover	8.9	+ 3	- 8
PALESTINE (pop. 15,063)^r			
Postal receipts	\$ 8,551	- 15	- 13
Value of building permits|| .....	\$ 32,750	- 36	- 52
Bank debits (thousands)	\$ 5,511	+ 11	- 8
End-of-month deposits (thousands) ‡	\$ 12,661	x	+ 1
Annual rate of deposit turnover	5.3	+ 11	- 9
PARIS (pop. 21,643)			
Department and apparel store sales .....	.....	- 16	- 16
Postal receipts	\$ 13,293	- 1	- 8
Value of building permits|| .....	\$ 146,462	+430	- 8
Bank debits (thousands)	\$ 11,082	- 3	- 7
End-of-month deposits (thousands) ‡	\$ 13,975	+ 1	+ 1
Annual rate of deposit turnover	9.5	+ 3	- 7
PLAINVIEW (pop. 14,044)			
Retail sales .....	.....	- 3	- 6
Department and apparel stores .....	.....	- 8	x
Postal receipts	\$ 11,815	+ 3	+ 5
Value of building permits|| .....	\$ 147,500	- 11	+ 8
Bank debits (thousands)	\$ 12,972	- 7	- 9
End-of-month deposits (thousands) ‡	\$ 21,200	+ 1	- 4
Annual rate of deposit turnover	7.2	- 6	- 4

City and item	May 1954	Percent change	
		May 1954 from May 1953	May 1954 from Apr 1954
PORT ARTHUR (pop. 82,150)^u			
Retail sales*	_____	+ 6	+ 7
Automotive stores* _____	_____	+ 15	+ 18
Department and apparel stores _____	_____	+ 3	- 12
Eating and drinking places* _____	_____	- 38	+ 3
Food stores* _____	_____	+ 3	- 4
Furniture and household appliance stores* _____	_____	- 2	+ 2
Lumber, building material, and hardware stores* _____	_____	+ 8	+ 4
Postal receipts _____ \$	34,026	- 1	+ 2
Value of building permits|| _____ \$	298,779	+ 39	+ 38
Bank debits (thousands) _____	44,847	- 2	x
End-of-month deposits (thousands) ‡ _____	38,034	+ 1	- 4
Annual rate of deposit turnover _____	13.8	- 5	+ 1
Employment (area) _____	78,200	- 8	x
Manufacturing employment (area) _____	26,400	- 1	+ 1
Percent of labor force unemployed (area) _____	6.6	+ 32	- 3
RAYMONDVILLE (pop. 9,136)			
Postal receipts _____ \$	4,018	- 11	- 28
Value of building permits|| _____ \$	7,850	- 16	+190
Bank debits (thousands) _____	3,667	+ 2	+ 1
End-of-month deposits (thousands) ‡ _____ \$	6,950	- 7	- 3
Annual rate of deposit turnover _____	6.2	+ 9	+ 3
ROCKDALE (pop. 4,550)^r			
Postal receipts _____ \$	3,302	+ 12	- 24
Value of building permits|| _____ \$	74,200	- 15	- 61
Bank debits (thousands) _____ \$	3,552	+ 15	- 15
End-of-month deposits (thousands) ‡ _____ \$	3,476	+ 7	- 18
Annual rate of deposit turnover _____	11.0	- 7	- 6
SAN ANGELO (pop. 52,093)			
Retail sales _____	_____	+ 12	- 3
Department and apparel stores _____	_____	+ 11	- 6
Postal receipts _____ \$	52,084	+ 20	+ 3
Value of building permits|| _____ \$	390,998	- 36	- 33
Bank debits (thousands) _____	36,786	+ 1	- 8
End-of-month deposits (thousands) ‡ _____ \$	42,400	- 7	x
Annual rate of deposit turnover _____	10.4	+ 7	- 7
Employment _____	22,000	+ 3	x
Manufacturing employment _____	2,700	+ 25	+ 4
Percent of labor force unemployed _____	5.0	+ 11	0
SAN ANTONIO (pop. 449,521)^u			
Retail sales* _____	_____	- 6	x
Apparel stores* _____	_____	- 4	- 13
Automotive stores* _____	_____	- 1	+ 8
Department stores† _____	_____	- 12	x
Drug stores* _____	_____	x	+ 9
Eating and drinking places* _____	_____	- 11	+ 2
Filling stations* _____	_____	- 5	- 9
Food stores* _____	_____	- 9	+ 2
Furniture and household appliance stores* _____	_____	- 18	+ 10
General merchandise stores* _____	_____	- 5	+ 1
Lumber, building material, and hardware stores* _____	_____	- 8	- 6
Postal receipts _____ \$	495,352	+ 8	- 6
Value of building permits|| _____ \$	3,482,816	+ 4	- 21
Bank debits (thousands) _____	381,046	- 3	- 4
End-of-month deposits (thousands) ‡ _____ \$	306,308	- 3	x
Annual rate of deposit turnover _____	14.9	+ 1	- 4
Employment _____	175,200	- 6	x
Manufacturing employment _____	19,950	- 4	+ 2
Percent of labor force unemployed _____	7.0	+100	- 11
SAN MARCOS (pop. 9,980)			
Postal receipts _____ \$	9,901	+ 4	+ 14
Value of building permits|| _____ \$	102,862	- 6	+ 22
Bank debits (thousands) _____ \$	4,656	- 2	- 2
End-of-month deposits (thousands) ‡ _____ \$	8,074	+ 4	- 3
Annual rate of deposit turnover _____	6.8	- 4	- 1

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	May 1954	Percent change	
		May 1954 from May 1953	May 1954 from Apr 1954
SEGUIN (pop. 14,000)^r			
Postal receipts	\$ 8,439	+ 12	- 6
Value of building permits|| .....	\$ 156,310	+880	+170
Bank debits (thousands)	\$ 6,386	+ 4	- 5
End-of-month deposits (thousands)†	\$ 16,594	+ 10	+ 2
Annual rate of deposit turnover	4.7	- 2	- 4
SHERMAN (pop. 20,150)			
Retail sales .....	.....	- 4	+ 8
Department and apparel stores .....	.....	+ 5	- 12
Furniture and household appliance stores .....	.....	- 16	+ 8
Lumber, building material, and hardware stores .....	.....	+ 42	+ 18
Postal receipts	\$ 23,556	+ 14	+ 2
Value of building permits|| .....	\$ 166,570	+104	+ 36
Bank debits (thousands)	\$ 24,419	+ 13	- 10
End-of-month deposits (thousands)†	\$ 16,163	+ 14	+ 5
Annual rate of deposit turnover	18.5	+ 2	- 11
SNYDER (pop. 14,111)^r			
Postal receipts	\$ 8,350	+ 5	- 8
Value of building permits|| .....	\$ 85,900	+ 23	+218
Bank debits (thousands)	\$ 13,158	+ 34	+ 1
End-of-month deposits (thousands)†	\$ 12,866	+ 42	+ 1
Annual rate of deposit turnover	12.4	- 7	+ 2
SWEETWATER (pop. 13,619)			
Postal receipts	\$ 10,036	- 30	- 45
Value of building permits|| .....	\$ 35,650	- 25	- 58
Bank debits (thousands)	\$ 8,099	+ 8	+ 2
End-of-month deposits (thousands)†	\$ 9,557	- 5	- 3
Annual rate of deposit turnover	10.1	+ 12	+ 3
TAYLOR (pop. 9,071)			
Postal receipts	\$ 6,197	x	- 10
Value of building permits|| .....	\$ 121,815	- 44	- 21
Bank debits (thousands)	\$ 9,036	- 4	- 5
End-of-month deposits (thousands)†	\$ 14,264	+ 3	- 1
Annual rate of deposit turnover	7.6	- 6	- 3
TEMPLE (pop. 25,467)			
Retail sales .....	.....	+ 27	+ 18
Apparel stores .....	.....	- 9	- 22
Department and apparel stores .....	.....	- 9	- 22
Furniture and household appliance stores .....	.....	+ 1	+ 9
Lumber, building material, and hardware stores .....	.....	+ 82	+ 31
Postal receipts	\$ 24,179	+ 1	- 7
Value of building permits|| .....	\$ 167,211	+195	- 20
Bank debits (thousands)	\$ 15,363	x	- 3
End-of-month deposits (thousands)†	\$ 23,808	+ 12	+ 1
Annual rate of deposit turnover	7.8	- 8	- 5
TEXARKANA (pop. 40,628) §			
Retail sales .....	.....	- 19	+ 2
Automotive stores .....	.....	- 19	+ 14
Department and apparel stores .....	.....	- 14	- 12
Furniture and household appliance stores .....	.....	- 34	+ 25
Postal receipts	\$ 3,911	- 17	- 26
Value of building permits|| .....	\$ 68,130	- 36	- 27
Bank debits (thousands)	\$ 32,669	- 17	- 5
End-of-month deposits (thousands)†	\$ 17,715	- 8	x
Annual rate of deposit turnover	10.3	- 5	- 11
Employment	33,950	.....	- 1
Manufacturing employment	5,635	- 57	- 4
Percent of labor force unemployed	12.8	+230	- 2
TYLER (pop. 38,968)			
Postal receipts	\$ 57,215	- 7	- 20
Value of building permits|| .....	\$ 600,123	- 67	- 13
Bank debits (thousands)	\$ 60,284	+ 11	+ 7
End-of-month deposits (thousands)†	\$ 57,512	+ 8	+ 2
Annual rate of deposit turnover	12.7	+ 5	+ 5

City and item	May 1954	Percent change	
		May 1954 from May 1953	May 1954 from Apr 1954
TEXAS CITY (pop. 23,000)^r			
Department and apparel store sales		+ 17	- 12
Postal Receipts	\$ 12,860	- 4	- 1
Value of building permits||	\$ 797,914	+194	+ 6
Bank debits (thousands)	\$ 25,796	- 5	- 2
End-of-month deposits (thousands)†	\$ 25,876	- 4	- 5
Annual rate of deposit turnover	11.6	- 5	- 6
Employment (area)	44,250	- 9	- 2
Manufacturing employment (area)	11,060	- 6	x
Percent of labor force unemployed (area)	5.9	+ 69	0
VICTORIA (pop. 16,126)			
Retail sales*		+ 1	x
Automotive stores*		+ 3	+ 3
Eating and drinking places*		- 15	+ 13
Eating and drinking places		- 16	+ 5
Filling stations*		- 6	+ 11
Food stores*		+ 7	- 2
Furniture and household appliance stores*		+ 1	+ 9
General merchandise stores*		- 3	- 10
Lumber, building material, and hardware stores*		- 3	- 6
Postal receipts	\$ 20,120	+ 4	- 3
Air express shipments	55	- 8	+ 53
WACO (pop. 92,834)^u			
Retail sales		- 5	- 3
Apparel stores		- 10	- 12
Department stores†		+ 25	+ 3
Furniture and household appliance stores		+ 25	+ 13
Postal receipts	\$ 103,882	+ 4	- 9
Value of building permits||	\$ 835,921	- 4	- 18
Bank debits (thousands)	\$ 73,193	+ 12	- 2
End-of-month deposits (thousands)†	\$ 61,217	+ 3	- 1
Annual rate of deposit turnover	14.3	+ 8	- 1
Employment	44,000	+ 6	+ 2
Manufacturing employment	8,230	+ 20	+ 1
Percent of labor force unemployed	6.4	- 12	- 4
WAXAHACHIE (pop. 11,204)			
Postal receipts	\$ 8,606	- 9	- 12
Value of building permits||	\$ 325,100	+470	+ 21
Bank debits (thousands)	\$ 3,785	+ 18	- 6
End-of-month deposits (thousands)†	\$ 3,906	+ 30	- 2
Annual rate of deposit turnover	11.5	- 3	- 3
WICHITA FALLS (pop. 90,676)^r			
Retail sales		- 14	+ 1
Department and apparel stores		+ 1	+ 4
Lumber, building material, and hardware stores		- 7	- 4
Postal receipts	\$ 77,878	+ 1	- 3
Value of building permits||	\$ 505,082	- 39	- 43
Bank debits (thousands)	\$ 78,804	- 1	- 3
End-of-month deposits (thousands)†	\$ 98,108	+ 4	- 1
Annual rate of deposit turnover	9.6	- 4	- 4
Employment	34,600	- 4	x
Manufacturing employment	3,320	- 14	x
Percent of labor force unemployed	5.6	+ 24	- 7

xChange is less than one-half of one percent.

*Preliminary.

†Reported by the Federal Reserve Board of Dallas.

‡Excludes deposits to credit of banks.

§Federal contracts are not included.

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

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

rRevised for use by Texas Highway Department.

u1950 Urbanized Census.

BAROMETERS OF TEXAS BUSINESS

	May 1954	Apr 1954	Mar 1954	Year-to-date average 1954	Average month 1953
GENERAL BUSINESS ACTIVITY					
†Index of Texas Business Activity (100.0).....	141*	144*	141	141	142
Index of bank debits.....	175	175	179	174	169
Index of bank debits in the United States.....	155	159	163	158	149
Income payments to individuals in the United States (billions—seasonally adjusted at annual rate).....		\$ 282.0	\$ 282.9	\$ 282.9	\$ 284.5
Index of wholesale prices in the United States (unadjusted).....	110.9	111.0	110.5	110.8	110.1
Index of consumers' prices in the United States (unadjusted).....	115.0	114.6	114.8	114.9	114.4
‡Index of consumers' prices in Houston (unadjusted).....	116.7			116.8	116.8
Index of postal receipts.....	165*	173	174	166	166
†Index of miscellaneous freight carloadings in the Southwestern District (10.0).....	110	90	90	93	98
Business corporation charters issued (number).....	300*	348	359	326	305
Business failures (number).....	26	25	21	20	15
Index of ordinary life insurance sales (adjusted for price changes).....	159	174	175	166	164
Index of ordinary life insurance sales.....	183	199	201	191	188
Index of ordinary life insurance sales in the West South Central states.....	180	196	199	184	179
Index of ordinary life insurance sales in the United States.....	164	167	176	163	160
TRADE					
†Index of total retail sales (adjusted for price changes, 51.0).....	134*	138	133	134	141
Index of total retail sales.....	149	154	148	150	158
Durable-goods stores.....	161	162	160	159	165
Nondurable-goods stores.....	143	149	142	145	154
Ratio of credit sales to net sales in department and apparel stores.....	64.4	65.1	63.2	64.2	63.4
Ratio of collections to outstandings in department and apparel stores.....	43.3	37.3	40.4	40.2	39.5
PRODUCTION					
†Index of industrial electric power consumption (14.6).....	212	214	209	213	195
†Index of crude runs to stills (3.9).....	130	135	131	130	128
Index of wheat grindings.....		60	65	62	64
Index of dairy products manufactured.....		87	107	98	79
Index of cottonseed crushed.....		302	168	184	127
Index of southern pine production (unadjusted, 1935-39=100).....		120	128	120	124
†Index of urban building permits (adjusted for price changes, 9.4).....	121*	120*	129	120	111
Index of urban building permits.....	159*	156*	168	156	140
†Index of crude petroleum production (8.1).....	120	128	128	122	124
Index of gasoline consumption.....		125	123	136	179
†Index of total electric power consumption (3.0).....	206	212	206	205	206
Index of industrial production in the United States.....	125*	123*	123*	124	134
Index of cement production.....		158	146	146	140
Index of cement shipments.....		157	153	154	140
Construction contracts awarded (thousands).....	\$112,355	\$115,732	\$103,626	\$101,030	\$ 98,397
AGRICULTURE					
Index of prices received by farmers (unadjusted, 1909-14=100).....	272	270	271	270	273
Index of prices paid by farmers in the United States (parity index— unadjusted, 1910-14=100).....	284	283	283	283	279
Parity ratio.....	96	95	96	95	98
Index of farm cash income (unadjusted).....	67	65	63	68	95
Index of prices received by farmers—livestock (unadjusted, 1909-14=100).....	297	301	300	302	298
Index of prices received by farmers—all crops (unadjusted, 1909-14=100).....	254	247	250	246	254
FINANCE					
Loans, reporting member banks in the Dallas district (millions).....	\$ 1,910	\$ 1,906	\$ 1,902	\$ 1,883	\$ 1,793
Loans and investments, reporting member banks in the Dallas district (millions).....	\$ 3,362	\$ 3,340	\$ 3,307	\$ 3,341	\$ 3,178
Demand deposits adjusted, reporting member banks in the Dallas district (millions).....	\$ 2,504	\$ 2,502	\$ 2,431	\$ 2,487	\$ 2,481
Bank debits in 20 cities (millions).....	\$ 5,509	\$ 5,574	\$ 5,967	\$ 5,609	\$ 5,570
Revenue receipts of the State Comptroller (thousands).....	\$ 76,409	\$ 76,789	\$ 75,593	\$ 67,429	\$ 65,583
Federal Internal Revenue collections (thousands).....	\$169,693	\$150,988	\$319,823	\$231,214	\$183,278
LABOR					
Total nonagricultural employment (thousands).....	2,224.0*	2,220.6	2,209.5	2,215.7	2,242.0
Total manufacturing employment (thousands).....	421.5*	421.7	423.3	423.6	437.8
Durable-goods employment (thousands).....	197.5*	198.7	198.6	198.9	209.6
Nondurable-goods employment (thousands).....	224.0*	223.0	224.7	224.7	228.2

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

Manufacturing employment estimates have been adjusted for first quarter 1953 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.