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# TEXAS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS AND ECONOMIC CONDITIONS IN TEXAS

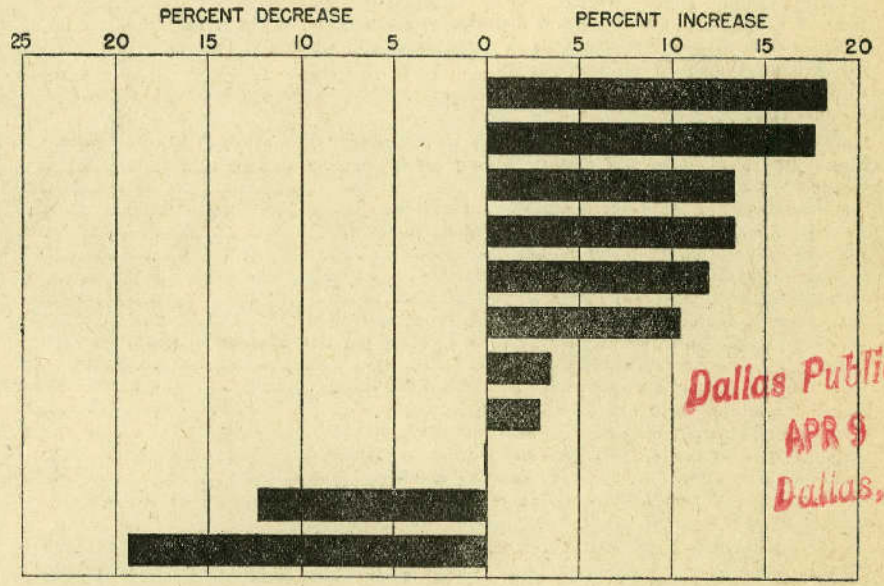
BUREAU OF BUSINESS RESEARCH  
COLLEGE OF BUSINESS ADMINISTRATION  
THE UNIVERSITY OF TEXAS

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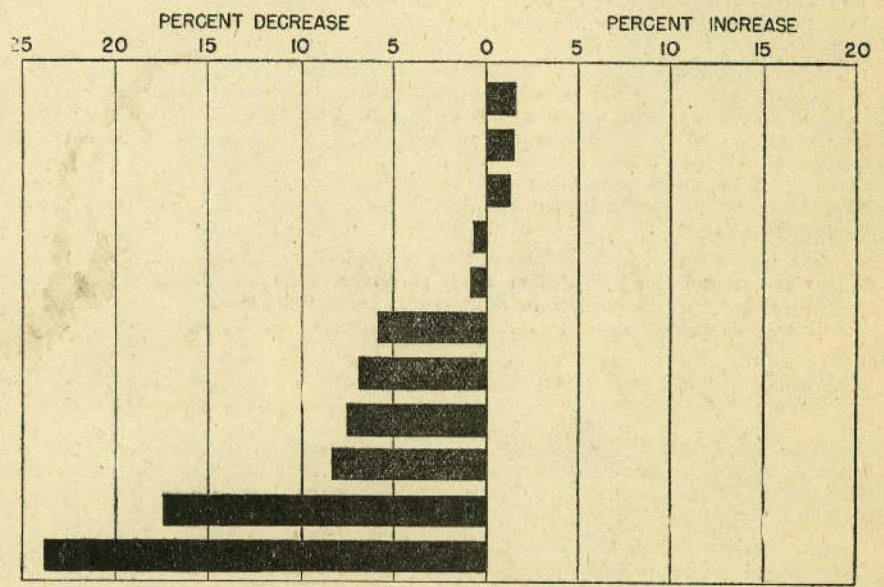
## HIGHLIGHTS OF TEXAS BUSINESS

FEBRUARY 1948 COMPARED WITH FEBRUARY 1947



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# FIGURES FOR THE MONTH

	Feb. 1948	Jan. 1948	Feb. 1947
<b>INDEX OF TEXAS BUSINESS ACTIVITY (1935-39=100)* .....</b>	<b>213.6</b>	<b>211.1</b>	<b>191.7</b>
Index of department and apparel store sales (10).....	336.6	350.6	290.1
Index of miscellaneous freight carloadings in Southwestern District (20).....	155.7	157.8	143.0
Index of crude oil runs to stills (5).....	178.4	171.7	148.0
Index of electric power consumption (15).....	326.3	303.3	287.8
Index of employment (25).....	121.5	122.4	120.0
Index of pay rolls (25).....	242.5	238.9	213.9
<b>TRADE</b>			
Retail sales, total.....	\$360,857,000	\$393,386,000	\$326,955,000
Durable goods stores.....	\$126,200,000	\$142,079,000	\$111,009,000
Nondurable goods stores.....	\$234,657,000	\$251,307,000	\$215,946,000
Ratio of credit sales to net sales in department and apparel stores.....	62.8%	59.4%	58.0%
Ratio of collections to outstandings in department and apparel stores.....	53.6%	55.3%	53.8%
Advertising linage in 36 newspapers.....	31,447,894	29,149,070	25,051,624
Postal receipts in 59 cities.....	\$ 2,866,670	\$ 3,099,892	\$ 2,559,319
<b>PRODUCTION</b>			
Industrial electric power consumption for 10 companies (thousands of kilowatt hours).....	245,541	252,822	224,900
Man-hours worked in 349 manufacturing establishments.....	2,158,710	2,169,773	2,097,287
Crude oil runs to stills (42-gallon barrels).....	46,037,157	48,639,015	38,192,139
Gasoline stocks at refineries (thousands of barrels).....	24,556	22,061	20,562
Fuel oil stocks at refineries (thousands of barrels).....	13,765	15,334	12,749
Cotton consumption (running bales).....	13,745	13,534	17,060
Cotton linters consumed (running bales).....	2,031	2,282	1,526
Cottonseed crushed (tons).....	124,467	148,202	58,431
Manufacture of dairy products (1,000 lbs. milk equivalent).....	32,223	32,029	48,069
Lumber production in southern pine mills (weekly per unit average in board feet).....	188,301	185,154	227,607
Construction contracts awarded.....	\$ 52,432,159	\$ 68,726,813	\$ 59,849,624
Construction contracts awarded for residential building.....	\$ 21,130,914	\$ 34,845,073	\$ 14,099,926
Building permits issued in 53 cities.....	\$ 34,368,156	\$ 45,617,257	\$ 19,385,759
Number of loans made by savings and loan associations.....	1,376	1,716	1,724
Amount of loans made by savings and loan associations.....	\$ 5,624,728	\$ 7,142,785	\$ 6,039,457
Telephones in service in 40 cities (end of month).....	934,780	925,130	815,480
Crude petroleum production (daily average in barrels).....	2,417,800	2,385,700	2,056,650
<b>AGRICULTURE</b>			
Farm cash income.....	\$ 48,424,000	\$ 83,574,000	\$ 57,509,000
Shipments of livestock (carloads).....	5,086	4,385	11,984
Rail shipments of fruits and vegetables (carloads).....	12,871	13,081	10,989
Rail shipments of poultry (carloads).....	8	15	14
Rail shipments of eggs (shell equivalent in carloads).....	40	22	269
Interstate receipts of eggs at Texas stations (shell equivalent in carloads).....	10	13	14
<b>FINANCE</b>			
Loans, reporting member banks in Dallas District (thousands).....	\$ 1,022,000	\$ 1,043,000	\$ 755,000
Loans and investments, reporting member banks in Dallas District (thousands).....	\$ 2,210,000	\$ 2,280,000	\$ 1,850,000
Demand deposits adjusted, reporting member banks in Dallas District (thousands).....	\$ 1,848,000	\$ 1,883,000	\$ 1,460,000
Bank debits in 20 cities (thousands).....	\$ 3,055,464	\$ 3,700,024	\$ 2,585,977
Corporation charters issued (number).....	336	398	114
Ordinary life insurance sales (thousands).....	\$ 57,565	\$ 61,087	\$ 55,930
Sales of United States Savings Bonds.....	\$ 17,789,563	\$ 25,323,700	\$ 20,637,413
<b>TRANSPORTATION</b>			
Revenue freight loaded in Southwestern District (carloads).....	259,263	278,308	259,531
Export and coastal cars unloaded at Texas ports (carloads).....	13,579	14,290	18,527
Miscellaneous freight carloadings in Southwestern District (carloads).....	160,264	170,163	147,212
Air express shipments (number).....	21,960	25,684	21,320
<b>LABOR</b>			
Total nonagricultural employment.....	1,658,900	1,670,900	1,604,700
Manufacturing employment.....	340,200	342,900	326,000
Nonmanufacturing employment.....	1,318,700	1,328,000	1,278,700
Nonagricultural civilian labor force in 15 labor market areas.....	1,231,971	1,235,485	1,206,232
Unemployment in 15 labor market areas.....	60,195	55,381	70,586
Placements in employment in 15 labor market areas.....	18,323	19,274	18,356
<b>GOVERNMENT</b>			
Revenue receipts of State Comptroller.....	\$ 40,844,513	\$ 39,031,456	\$ 29,655,067
Federal internal revenue collections.....	\$168,606,777	\$175,832,775	\$132,353,809
<b>PRICES</b>			
Index of consumers' prices in Houston (1935-39 = 100).....	170.4	170.8	154.1
Index of food prices in Houston (1935-39 = 100).....	218.1	221.5	190.6

\*The composite index is made up of the indexes listed. All component indexes except employment and pay rolls are adjusted for seasonal variation, and all indexes are based on the average month of the years 1935-39. Numbers in parentheses following the component indexes indicate the weight of each index in the composite.

# The Business Situation in Texas

The business situation in Texas during February remained in very nearly the same condition as in January. The level of activity was high, but showed little tendency to increase. Certain important phases of business showed considerable uncertainty, but these have not yet influenced the general situation to the point that any sign of general weakness has appeared. The Bureau's composite *index of business activity* established still another postwar high at 213.6% of the prewar base period, 1935-39. February showed an increase of 1.2% over January, after adjustment for normal seasonal variation. This level was only 10.2% below the wartime peak of 237.9% reached in January 1945, and was 0.2% above the level of July 1945, the last month of hostilities. The index has now risen 33.2% from the low point of October 1945, with 19 out of the last 27 months registering an increase.

With respect to the individual components of the index of business activity, the situation is similar to that prevailing in January. Three of the components registered increases and three decreases. The *index of employment* decreased 0.7%, but the *index of pay rolls* increased 1.5%. Both *miscellaneous freight carloadings* and *department and apparel store sales* declined, 1.3% and 4.0%, respectively. *Electric power consumption* and *crude runs to stills*, on the other hand, both increased, the former 7.6% and the latter 3.9%. The result of these divergent trends in the several components appears in the very small change in the composite index. This situation suggests, just as it did in January, that the level of activity has probably about reached its peak and if no new inflationary force becomes important, it would seem likely that a downturn could be expected before many months. However, the present unsettled state of the world and the possibility that the United States may embark on an extensive program of rearmament makes any forecast highly uncertain. It is reasonably certain that a strong originating force, such as greatly increased expenditures for rearmament, would create sufficient inflationary pressure to push activity back up to the high levels of the war period, and in effect offset the possibilities of a decline from the unbalance that has developed in the present business situation.

The business situation in Texas in comparison with a year ago shows a higher level of activity in all phases. All of the six components of the index of business activity were higher in February 1948 than in the same month in 1947, and the composite index was up 11.4%. Just as in January, the greatest increase over a year earlier was in crude runs to stills, and the smallest in employment. The former was 20.5% above February 1947, and the latter 1.3%.

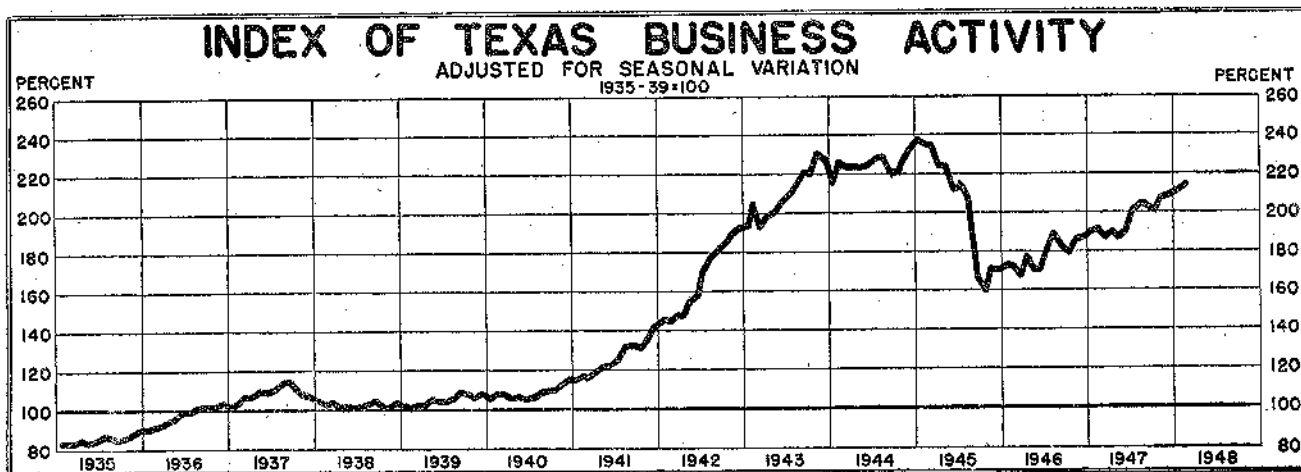
The Bureau's *index of bank debits* in principal Texas cities declined 5.5% in February from the all-time high of 434.1 set in January. This index is still 18.2% above the level of February 1947, although an unknown percentage of this increase is due to price increases rather than an increase in the actual volume of goods and services exchanged. Since the dollar volume of checks written against individual accounts measures fairly well the amount of business transacted during the month, it appears that the February business was beset with some uncertainties. The drop in the commodity and security markets was the most spectacular event related to the business situation in February, but since speculative transactions influence the volume of

### THIS MONTH

The Bureau of Business Research announces the addition of three towns to the local business section of the REVIEW: Bryan, Laredo, and Marshall. Harlingen and McAllen, normally carried, do not appear this month because of insufficient data.

Information on the value of natural resources produced in Texas also makes a first appearance in the current REVIEW. These figures, compiled by the State Comptroller, are a significant contribution to the section on natural resources (page 11).

The Bureau hopes that REVIEW readers will find these additional materials interesting and useful.



bank debits, some of the decline probably was due to the price break.

The total volume of retail trade dropped in February for the second consecutive month. January sales, adjusted for seasonal variation, fell 1.4% from December, and February sales were down 5.2% from January. Sales are still above the same month a year ago, but the difference in February was only 10.4%, while January sales were 16.2% above a year earlier. A rather surprising aspect of the situation in retail trade is the fact that sales of durable goods stores declined, after adjustment for seasonal variation, more than the sales of nondurable goods stores, a decline of 8.5% in the former and 3.4% in the latter. The January decline in retail sales was the first decline in the index since last summer, and for a drop to occur for two consecutive months lends support to the theory that a rather general weakness is developing in the business situation. This is the first time since the end of the war that the Bureau's *index of retail sales* has declined for two consecutive months. A certain erratic behavior of any business barometer is not unusual, but a decline in two successive months suggests that this movement may not be an erratic fluctuation.

The industrial picture in Texas was stronger than the trade picture, with the Bureau's *index of industrial power consumption* rising 1.5% after adjustment for seasonal variation. The Bureau's *index of crude runs to stills* increased 3.9%, after adjustment for seasonal variation, although the *index of crude petroleum* declined 1.4%. *Man-hours* worked in manufacturing establishments in February were down 0.5% from January, but since this series is not adjusted for seasonal variation, the fact that February was a shorter month than January makes this change actually an increase. Although February had 29 days this year, it had five Sundays.

An immediate result of the drop in farm prices in February was the decline of 25.8% in the Bureau's *index of farm cash income*. The January index had declined due to the smaller marketings, but the decline in February was primarily the result of the drop in prices. The February decline in farm cash income carried the Bureau's index to a point 19.2% below the February 1947 level. This index indicates that the farm purchasing power in Texas has been reduced by the decline in prices, although in comparison with the prewar level farm income is still high. The index in February was 221.8% of the 1935-39 base period.

The most dramatic aspect of the business situation in February was the break in commodity and stock prices. The effect of this price break on Texas business was felt chiefly in the level of farm income discussed above. A few reductions in food prices have resulted from the decline in grain and livestock prices, but the *consumer price index* of the Bureau of Labor Statistics is not yet available for February 15. The weekly price index of the Bureau of Labor Statistics declined from 163.7 on January 31 to 159.2 on February 28. The wholesale price of food declined from 177.4 to 170.5 in the same period. It now appears likely that January was the peak month for some prices, and at least close to the peak for the general level of prices.

## TRADE

### Retail Trade

(The movement of goods into the hands of consumers is one of the fundamental series of statistical data on business activity, since for business to be sound the volume of retail trade must be good. During a period of inflation an increase in sales results from a rise in prices as well as from an increase in the amount of business. A more detailed analysis of retail sales trends is made in a Supplement to the Review on Texas Retail Trade. The fluctuations in retail credit ratios are important conditioning factors of the volume of trade. Newspaper advertising linage and postal receipts are secondary trade indicators.)

Total retail sales estimated at \$360,857,000 in February were 10.4% higher than sales of February 1947, but 8.3% below January 1948. Early pre-Easter buying was handicapped by adverse weather conditions over the country; and reports of "scare" special sales in other parts of the nation tended to support customers' hopes for lower prices. Also stiffening consumer resistance to off-quality merchandise was noted, as well as merchants' fears of being caught with over-extended inventories if a general price slump should follow the recent softening in basic commodity markets. Durable goods lines continued to contribute the larger sales gains (13.7% in Texas) over 1947, but also the larger decrease (11.2%) from January 1948. However, the differences in sales volume were due largely to higher price tags on goods. Reports indicate that the backlog of consumer demand has largely been met for at least the smaller types of consumer durable goods.

#### ESTIMATES OF TOTAL RETAIL SALES

(in thousands of dollars)

Type of store	Percent change				
	Feb. 1948	Jan.-Feb. 1948	Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948	Jan.-Feb. 1948 from Jan.-Feb. 1947
TOTAL	360,857	754,248	+10.4	- 8.3	+13.3
Durable goods stores	126,200	268,279	+13.7	-11.2	+20.7
Nondurable goods stores	234,657	485,964	+ 8.7	- 6.6	+ 9.6

The *index of total retail sales* (adjusted for seasonal variation and based on the prewar years 1935-39) receded further to 303.8 from December's high of 325.2, nearly equaling the index 302.3 of September 1947, which had been the first month in recent years in which the index had reached the 300 point. Adjusted to remove the influence of price increases, the index of total sales fell to 159.7 in February, as compared with 172.6 in December 1947, an earlier high point of 188.8 in February 1946, and a 1946 average index of 169.2. The durable goods index (337.4 in February) had risen more rapidly (34.4%) in 1947 than the 15.0% rise of the nondurable goods index (285.0 in February), while the durable goods index fell by 7.5% in early 1948 and the nondurable goods index by 6.1%. Except for drug, automotive, and general merchandise stores, the indexes for types of retailing turned downward in January and February 1948.

By kinds of business, increases in February over January were reported for florists (8.7%) and jewelers (6.9%), both probably influenced by Valentine's Day gift business. All other types of retailers registered sales decreases ranging from 0.5% for drug stores to 11.6% for country general stores and 12.8% for automotive dealers. Except for country general, jewelry, general merchandise stores, and florists, retailers showed dollar sales gains over February 1947 varying from 0.4% for filling stations to 6.5% for building materials, lumber, and hardware dealers.

**RETAIL SALES OF INDEPENDENT STORES  
BY KINDS OF BUSINESS**

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

Business	Number of reporting establishments	Percent change	
		Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
Apparel stores	206	+ 0.6	-- 3.9
Automotive	203	+ 5.5	-- 12.8
Building, material, lumber and hardware	228	+ 6.5	-- 10.3
Country general	59	-- 1.3	-- 11.6
Department stores	51	+ 5.4	-- 4.2
Drug stores	120	+ 3.8	-- 0.5
Eating and drinking places	35	+ 3.6	-- 5.0
Filling stations	57	+ 0.4	-- 3.6
Florists	42	-- 3.6	+ 8.7
Food	192	+ 3.4	-- 9.6
Furniture and household	149	+ 3.0	-- 8.0
General merchandise	49	-- 1.1	-- 4.6
Jewelry stores	37	-- 6.0	+ 6.9
All other stores	106	+ 5.3	-- 10.3

For some months, the largest sales gain percentages have been reported by towns under 2,500 population and smallest gains for cities over 100,000, with intermediate sized communities showing a tendency for dollar sales to increase less as the population increased. In February the range of increase over 1947 was from 3.2% to 6.6%, with intermediate sized towns not adhering to the pattern.

**RETAIL SALES OF INDEPENDENT STORES  
BY CITY-SIZE GROUPS**

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

Population	Number of reporting establishments	Percent change	
		Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
Over 100,000	530	+ 3.2	-- 4.3
50,000-100,000	214	+ 5.6	-- 12.5
2,500-50,000	657	+ 3.6	-- 13.1
Under 2,500	178	+ 6.6	-- 8.7

Among individual cities declines were more numerous than advances over February a year ago; however, five cities reported better sales volume: Dallas, 5.3%; Fort Worth, 3.9%; San Antonio, 4.2%; Brownwood, 0.8%; and Temple, 6.6%. On the other hand, the January-to-February sales reduction was contributed to heavily by stores in the large cities Houston, Fort Worth, and San Antonio, while the majority of the remaining cities had increases.

The ratio of credit sales to total net sales in 63 department and apparel stores rose in February to 62.8% as compared with 58.0% a year earlier; but the average collection ratio fell from 57.2% to 53.8% on the yearly comparison. This increased liberality in credit extension and these poorer collection results have been noted for months and were evident in February for all types and volumes of stores reporting and for all cities except Corpus Christi. As during months before, Dallas (72.2%) among cities and women's specialty shops (71.2%) among types maintained the highest credit percentages; and the percentage of credit granting continued to increase with the larger sales volume of the store.

**CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES**

(in percent)

Classification	Number of reporting stores -	Ratio of credit sales to net sales*		Ratio of collections to outstanding†	
		Feb. 1948	Feb. 1947	Feb. 1948	Feb. 1947
ALL STORES	63	62.8	58.0	53.8	57.2
<b>BY CITIES:</b>					
Austin	7	51.8	46.7	59.0	62.5
Bryan	3	47.5	46.4	48.9	52.7
Corpus Christi	3	59.9	50.8	94.4	68.9
Dallas	10	72.2	68.3	54.1	56.7
Fort Worth	4	59.6	58.1	56.0	61.6
Houston	8	59.9	55.2	50.6	57.0
San Antonio	5	59.2	52.0	49.7	54.8
Waco	4	59.6	55.1	50.3	53.5
Other	19	52.1	47.8	50.7	56.3
<b>BY TYPE OF STORE:</b>					
Department stores (annual sales over \$500,000)	16	61.1	56.7	52.9	58.1
Department stores (annual sales under \$500,000)	9	52.0	47.0	51.6	57.3
Dry goods apparel stores	5	44.0	37.8	58.3	62.1
Women's specialty shops	17	71.2	66.6	53.8	53.8
Men's clothing stores	16	55.1	49.8	59.9	63.5
<b>BY VOLUME OF NET SALES (1947):</b>					
Over \$2,500,000	22	64.8	60.5	53.7	56.9
\$1,000,000-\$2,500,000	11	53.2	48.3	56.4	61.7
\$500,000-\$1,000,000	15	47.7	39.3	55.0	58.3
Less than \$500,000	15	46.4	43.2	48.5	56.0

\*Credit sales divided by net sales.

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

Sales of gasoline subject to tax totaled 154,175,232 gallons in January, an increase of only 4.8% over January 1947 and a drop of 15.9% from December 1947. Sales to the federal government were 27,664,705 gallons, being 11.5% behind December but many times larger than the very small sales of January 1947. The gasoline sales index stood at 174.0 in January.

Advertising linage in 36 newspapers of leading Texas cities was 25.5% greater than for February 1947 and 7.9% larger than in January 1948. February 1947 had shown a 4.4% drop from January 1947.

Attendance records at State parks in February registered 74,375 visitors with 23,232 cars, or 18.5% fewer visitors and 20.9% fewer cars than in February 1947. There were 27.7% fewer out-of-State cars this year; but overnight visitors increased by 40.5%.

Postal receipts were 12.0% larger than for February 1947 but 7.5% smaller than in January 1948, as reported by 59 Texas cities. The February index, seasonally-adjusted, stood at 230.9, as compared with the all-time high of 238.9 recorded in December 1947. Only 7 communities reported postal receipts smaller than a year ago.

## POSTAL RECEIPTS

City	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
TOTAL	\$2,866,670	\$3,059,892	\$2,559,310	+12.0	- 7.5
Abilene	31,877	35,287	29,068	+ 9.7	- 9.7
Amarillo	57,784	65,455	51,860	+11.4	-11.7
Austin	131,065	128,378	108,941	+20.3	+ 1.7
Beaumont	46,638	53,036	41,494	+12.4	-12.1
Big Spring	8,632	12,655	7,607	+13.5	-31.8
Borger	8,231	8,782	6,720	+22.5	- 6.3
Brownsville	12,161	13,390	11,293	+ 7.7	- 9.2
Brownwood	10,344	11,888	11,895	-13.0	-13.0
Bryan	8,811	9,124	8,364	+ 5.3	- 3.4
Childress	3,611	4,152	3,428	+ 5.3	-18.0
Cleburne	5,861	5,881	5,821	+10.0	- 0.5
Corpus Christi	63,370	68,273	58,778	+ 7.8	- 7.2
Corsicana	7,832	8,630	8,312	- 5.8	- 9.8
Dallas	716,181	768,666	648,904	+10.4	- 6.2
Del Rio	6,977	8,976	4,248	+64.2	-22.3
Denison	9,903	10,378	9,563	+ 3.6	- 9.0
Denton	12,918	15,188	11,479	+12.5	-14.9
Edinburg	5,632	6,519	5,396	+ 4.9	-13.1
El Paso	96,302	106,536	88,005	+ 9.4	- 3.6
Fort Worth	302,404	319,834	280,109	+ 8.0	- 5.4
Gainesville	6,936	6,824	5,812	+20.2	+ 7.1
Galveston	50,886	55,429	45,284	+12.4	- 8.2
Gladewater	2,633	4,878	3,469	+ 6.2	-24.5
Greenville	10,478	10,299	8,411	+24.6	+ 1.7
Harlingen	15,030	15,896	12,424	+21.0	- 2.4
Houston	437,755	530,283	437,076	+11.6	- 8.0
Jacksonville	5,552	6,989	4,715	+17.8	-20.6
Kenedy	2,032	2,065	1,849	+12.6	+ 0.8
Kerrville	4,540	5,233	4,119	+10.2	-13.2
Lamesa	4,837	4,434	3,229	+49.8	+ 9.1
Laredo	14,824	18,455	13,959	+ 6.2	-19.7
Lockhart	2,028	2,704	2,042	- 0.7	-25.0
Longview	16,969	13,634	14,978	+13.3	+24.5
Lubbock	45,655	46,138	36,478	+25.2	- 1.0
Lufkin	8,307	9,706	7,198	+15.4	-14.4
McAllen	11,556	14,450	10,785	+ 7.1	-20.0
Marshall	10,930	12,477	9,510	+15.0	-12.3
Midland	14,632	17,394	11,840	+23.6	-18.2
New Braunfels	5,746	5,651	4,381	+32.7	+ 1.7
Orange	11,477	10,721	10,239	+12.2	+ 7.1
Palestine	7,794	8,673	9,609	-18.9	-10.1
Pampa	9,961	11,845	8,620	+15.6	-16.9
Paris	10,000	11,092	10,194	- 1.9	- 9.8
Plainview	6,766	8,955	5,877	+15.1	-24.4
Port Arthur	23,314	24,959	23,843	+ 2.1	- 6.6
San Angelo	25,709	29,232	22,099	+16.3	-12.1
San Antonio	278,843	302,971	230,829	+20.8	- 8.0
Seguin	4,895	5,265	3,915	+25.0	- 7.0
Sherman	13,314	13,076	12,065	+10.4	+ 1.8
Snyder	1,977	2,345	1,930	- 0.7	-15.7
Sweetwater	7,655	8,807	6,921	+10.6	-13.1
Temple	12,929	13,585	11,086	+16.6	- 4.8
Texarkana	24,913	37,494	21,849	+14.0	-33.6
Texas City	8,306	10,318	6,703	+23.9	-19.5
Tyler	31,422	32,451	26,387	+19.1	- 3.2
Vernon	5,396	7,458	5,563	- 8.0	-27.6
Victoria	8,508	7,165	7,997	+ 6.4	+18.7
Waco	64,677	69,286	62,044	+ 4.2	- 6.7
Wichita Falls	39,775	44,477	34,205	+16.3	-10.6

## Wholesale Trade

(Wholesale sales and inventories represent the movement of goods to retailers, and when compared with the changes in retail sales indicate whether stocks in the hands of retailers are being maintained at a constant level or are being allowed to increase or decrease.

Dollar sales of Texas wholesalers moved off 1% in January from their December total despite the continued rise in wholesale prices. Sales were only 8% higher in the first month of 1948 than they were in January 1947, whereas the 12-month comparison for December showed a 15% increase.

Despite the relative stability of total dollar sales this winter there were striking differences in the sales of particular types of wholesalers. For example, January sales for the electrical group were down 23% from December, while the wholesalers of machinery, equipment, and supplies (except electrical) reported a sales gain of 24% for the same period. The 14% increase in the sales of auto supplies at wholesale was also substantial.

Compared with January 1947, all groups reported higher sales this past January except the wholesalers of automotive supplies (-6%) and tobacco products (-10%).

The changes in wholesale inventories followed those of sales. Inventories were up only slightly (1%) for the month and 12% for the 12-month comparison. Again there were considerable differences for the month-to-month changes among the various wholesale groups, but all except the dealers in drugs and sundries and miscellaneous merchandise had larger inventories in January 1948 than in January 1947.

The big break in wholesale commodity prices came in February, and it was not long in showing itself in sales at wholesale and retail as well as in retail prices. However, the drop made no great dent in the high cost of living or the dollar value of wholesale inventories. It will take a more prolonged shakeout to do that to the State or national economy. At the moment talk of military preparations is rapidly pushing the prospect of a further decline in wholesale prices into the background as far as business is concerned.

## PERCENTAGE CHANGES IN WHOLESALERS' SALES AND INVENTORIES

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

Business	Sales		Inventories	
	Jan. 1948 from Jan. 1947	Jan. 1948 from Dec. 1947	Jan. 1948 from Jan. 1947	Jan. 1948 from Dec. 1947
TOTAL	+ 8	- 1	+12	+ 1
Automotive supplies	- 6	+14	+34	+ 1
Drugs and sundries*	+ 3	+ 6	-12	- 2
Electrical group	+40	-23	+34	+ 3
Groceries	+ 3	+ 5	+ 4	- 2
Hardware	+ 2	+ 1	+20	+ 4
Machinery, equipment, and supplies (except electrical)	+72	+24	+72	+17
Tobacco products	-10	- 4	0	-13
All others	+ 9	-13	-13	-13

\*Includes liquor departments.

**Foreign Trade**

(Tonnage figures for export shipments from the principal ports of the State provide an accurate physical measure of the current volume of foreign export trade. Value figures for exports and imports, however, represent a more common measurement of foreign trade transactions.)

Latest available figures for foreign trade by water through Texas ports indicate a volume of \$86,900,000 in November, or about \$400,000 more than the October volume. This slight gain was in contrast to a national decline of \$85,000,000 between September and October and a fall for the Gulf ports of 5% in weight and 3% in value.

Texas exports in November reached their largest volume since June with a total movement by water of \$79,700,000. This figure represented a gain of 3.9% for the month and was due entirely to the increased trade (6.1%) in the Galveston district. Both the Sabine and Laredo districts recorded slight dollar declines. The national decrease for the month was 7%.

Compared with the 1946 average, exports from the Galveston district were up slightly (2.5%), exports from the Sabine district almost doubled (83.7%), and exports from the Laredo district slumped (25.0%).

**WATER-BORNE EXPORTS OF DOMESTIC AND FOREIGN MERCHANDISE**

(in thousands of dollars)

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

Customs district	Nov. 1947	Oct. 1947	Monthly average 1946	Percent change	
				Nov. 1947 from 1946 avg.	Nov. 1947 from Oct. 1947
TOTAL	79,700	76,700*	70,700	+ 12.7	+ 3.9
Sabine	16,900	17,400	9,200	+ 83.7	- 2.9
Galveston	62,200	58,600*	60,700	+ 2.5	+ 6.1
Laredo	600	700	800	- 25.0	- 14.3

\*Revised.

Water-borne imports at Texas ports continued their four-month decline in November, totaling only \$7,200,000, or 24.2% less than in October. Nationally the drop in the value of water-borne imports was 5%. Detail by districts is shown in the accompanying table.

**WATER-BORNE IMPORTS OF GENERAL MERCHANDISE**

(in thousands of dollars)

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

Customs district	Nov. 1947	Oct. 1947	Monthly average 1946	Percent change	
				Nov. 1947 from 1946 avg.	Nov. 1947 from Oct. 1947
TOTAL	7,200	9,500	5,400	+ 33.3	- 24.2
Sabine	100	400	100	0.0	- 75.0
Galveston	6,100	8,100	4,600	+ 32.6	- 24.7
Laredo	1,000	1,000	700	+ 42.9	0.0

Throughout the State and nation businessmen eye the shifting volume of foreign trade as one of the most important clues to the present business and international

political situations. In January the country's commercial exports dropped to \$931,900,000, the lowest since November 1946 and 11% below December 1947. Imports also declined 10% from December to total \$543,700,000. The gap between exports and imports which last year was \$8,700 million is being slowly closed. This tendency if continued is expected to restore trade to a sounder basis.

The total exports under the various aid programs increased from \$132,900,000 in December to \$167,900,000 in January. Calculations of this year's trade volume must be based very largely on the outcome in Congress of the European Recovery Program or the so-called Marshall Plan. If this program is adopted, the total foreign trade of the United States will remain high. Any sizable cut is bound to affect business in Texas and in other parts of the country. For example, it is reported that an order for 3 million boxes of citrus fruit is "on the hook" for removal when the program goes into effect. An order of this size would do much to bolster the Valley citrus industry which is passing through a troubled season. Even with the adoption of the recovery program some national decrease in exports is expected, however.

Another significant feature of January trade was the large withdrawal of merchandise from bonded warehouses following the effective date for the application of tariff cuts provided for in the Geneva Trade Agreements. During the closing months of 1947 a considerable quantity of merchandise accumulated in bonded warehouses throughout the country in anticipation of this event. The stimulation to imports which is badly needed to bring the country's trade into better balance could undoubtedly be increased if an International Trade Organization can be developed at the current Havana Conference.

Foreign traders continue to complain about the new export licensing policy of the federal government. The more it is explained and modified the more complicated it becomes. There is a general feeling that trade should be controlled through this critical period, but no agreement as to how the controls should be set up has been reached.

**SMALL BUSINESS AIDS**

Recent additions to the list of *Small Business Aids* reproduced by the Bureau of Business Research in cooperation with the Office of Small Business of the U.S. Department of Commerce are as follows:

- A Medical Program for Small Industrial Plants
- Work Simplification
- Pricing Merchandise Properly
- The Control of Cost in a Small Manufacturing Business
- Newspaper Advertising

Copies of the above *Aids*, as well as those announced in previous issues of the REVIEW, are available without charge from the Bureau of Business Research.

## PRODUCTION

### Manufacturing

(The volume of manufacturing activity in any industrial area is a sensitive measure of the changes in business activity. The volume of durable goods manufactured tends to fluctuate more violently than the volume of nondurable goods such as foods, and may serve to indicate changes in the business situation at an early date. Since many manufacturing industries vary regularly with the seasons, this factor must be taken into consideration in interpreting the changes from month to month.)

Output of oil in 1947 hit a new high of just over two billion barrels according to a joint report of the American Petroleum Institute and the American Gas Association. The old argument that the United States is running out of oil remains as elusive now as in the past. Existing fields proved reserves were extended 2.2 billion barrels, and new discoveries added some 500 million barrels. The additions outran production by a bit more than 700 million barrels. Total reserves of crude oil and natural gas liquids at the end of 1947 were put at nearly 22¾ billion barrels. A year earlier they were a little over 24 billion barrels, and at the time of Pearl Harbor, 19½ billion barrels. An international crisis could place even greater importance on the operations of the Arabian-American Oil Company. Work is proceeding on their new big pipeline which when completed will be cause for celebration in the fuel-hungry western democracies.

#### REFINERY STOCKS\*

(in thousands of barrels)

Source: *The Oil and Gas Journal*

Section and item	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
<b>TEXAS</b>					
Gasoline	24,566	22,061	20,562	+19.4	+11.3
Distillate	5,678	5,928	6,858	-17.1	-4.2
Residual	6,704	7,607	5,896	+18.7	-11.9
Kerosene	1,888	1,799	---	---	-23.1
<b>TEXAS GULF COAST</b>					
Gasoline	20,948	18,188	16,025	+27.0	+11.9
Distillate	5,368	5,514	6,585	-17.9	-2.7
Residual	5,817	6,788	5,138	+13.3	-14.3
Kerosene	1,191	1,381	---	---	-13.8
<b>INLAND TEXAS</b>					
Gasoline	4,208	3,878	4,537	-7.3	+8.6
Distillate	815	414	818	-0.9	-23.9
Residual	887	819	763	+16.3	+8.3
Kerosene	192	418	---	---	-54.1

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

The textile situation is becoming increasingly complicated. Merchants are howling for lower textile prices. Some people wonder if the maze of textile middlemen may be caught overstocked. Prices have dropped in the gray market for linings. The real test of the future appears to lie in Easter retail trade, which seems to be off to a bad start. Even the most bearish of textile men admit that three weeks of good sales at retail would straighten things out beautifully. And even the most

bullish admit that a really bad Easter and post-Easter would turn the present hesitancy into a genuine, though perhaps temporary, textile recession. Exports are another important item. Last year exports of cotton goods came to about 1.5 million square yards of a total production of about 11 million square yards. The first of this year exports started to drop. This drop was one of the reasons for the sudden weakening in spot prices. The industry thinks exports will pick up again later in the year, especially after the Marshall Plan gets going.

#### COTTON MANUFACTURING

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

Item	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
<b>CONSUMPTION*</b>					
Cotton	18,745	18,534	17,060	-19.4	+1.6
Linters	2,031	2,282	1,526	+33.1	-11.0
<b>SPINNING ACTIVITY*</b>					
Spindles in place	234,000	233,000	245,824	-4.8	+0.4
Spindles active	229,000	227,000	242,886	-5.9	+0.9
Total spindle hours	89,000,000	98,000,000	93,931,674	-5.3	-9.2
Average spindle hours	380	420	382	-0.5	-9.5
<b>COTTONSEED†</b>					
Received at mills	18,923	51,220	10,868	+28.1	-72.8
Crushed	124,467	148,202	58,431	+113.0	-16.0
Stocks at end of month	257,006	867,550	63,258	+306.3	-30.1

\*In running bales.

†In tons.

#### WHEAT GRINDINGS AND FLOUR PRODUCTION

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

Item	Unit	Jan. 1948	Dec. 1947	Jan. 1947	Percent change	
					Jan. 1948 from Jan. 1947	Jan. 1948 from Dec. 1947
Wheat ground	1,000 bu.	3,913	4,039	4,605	-15.0	-3.1
Wheat flour	1,000 sks.	1,730	1,792	1,973	-12.3	-3.5

Lumber production also showed a considerable decrease from 1947, although there is a small increase in production over January 1948.

#### LUMBER PRODUCTION IN SOUTHERN PINE MILLS

(in board feet)

Source: Southern Pine Association

Item	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
Average weekly production per unit	188,301	185,154	227,607	-17.3	+1.7
Average weekly shipments per unit	189,960	198,812	209,584	-9.4	-2.0
Average unfilled orders per unit, end of month	845,686	887,848	895,110	-5.5	-4.7



Cement production was down in January from December, but was up from January 1947. The seasonally-adjusted index of cement production was up 5.1% to 200.2 for the month of January 1948, but down 18.7% from the preceding month.

**CEMENT PRODUCTION**

(in thousands of barrels)

Source: Bureau of Mines, U. S. Department of Interior

Item	Percent change				
	Jan. 1948	Dec. 1947	Jan. 1947	Jan. 1948	
				from Jan. 1947	Jan. 1948
Production	885	1,176	889	+ 5.2	-20.5
Shipments	909	1,009	828	+ 9.8	- 9.9
Stocks	543	517*	488	+24.0	+ 5.0

\*Revised.

Grapefruit juice canning continued below the 1946-47 season. Shipments also decreased, although stocks declined only a fraction of a percent.

**GRAPEFRUIT JUICE CANNING**

(in cases of 24/2's)

Source: Texas Cannery Association

Item	Percent change		
	1947-48 Season*	1946-47 Season*	1947-48 from 1946-47
Shipments	2,281,906	2,553,904	-10.7
Stocks	2,559,550	2,560,177	- 0.03

\*Through February 28.

**MANUFACTURE OF DAIRY PRODUCTS**

Product	Unit	Percent change				
		Feb. 1948	Jan. 1948	Feb. 1947	Feb. 1948	
					from Feb. 1947	Jan. 1948
<b>TOTAL MILK EQUIVALENT*</b>	1,000 lbs.	32,223	32,029	48,069	-33.0	+ 0.6
Creamery butter	1,000 lbs.	823	764	1,128	-27.0	+ 7.7
Ice cream†	1,000 gals.	704	809	1,040	-32.3	-18.0
American cheese	1,000 lbs.	439	407	798	-45.0	+ 7.9
All others		1,124	1,042	1,915	-41.3	+ 7.9

\*Milk equivalent of dairy products was calculated from production data.

†Includes sherbets and ices.

**Construction**

(Because of the accumulated deficiency of building in all sections of the State, data on the volume of construction work are an extremely important part of the business situation. Building permits or contracts awarded are generally used to measure building activity, but recent studies by the United States Bureau of Labor Statistics indicate there is considerable lag in beginning construction of buildings for which permits have been issued, and that actual costs are now 25% or more above the permit valuation. Loans by savings and loan associations reflect the financing of residential housing.)

On the basis of construction contracts the volume of building in Texas dropped 23.7% in February compared with January this year. In 1947 there was a 79.6% jump in the value of construction contracts

awarded between these two months. This year engineering contracts almost tripled in value in February, but residential and nonresidential construction slowed up considerably. Compared with February 1947, contract awards in Texas were down 12.4%. Only residential awards showed a larger total (49.9%) in February 1948 than in the same month of last year.

Bad weather, which began in the middle of January and extended throughout most of February, was probably the most important factor in the month's poor showing. In Dallas, for example, most of the construction workers put in fewer than five days in the six

**BUILDING PERMITS**

City	Feb. 1948	Jan. 1948	Feb. 1947
<b>TOTAL</b>	<b>\$34,368,159</b>	<b>\$45,617,257</b>	<b>\$19,385,759</b>
Abilene	254,215	836,450	224,425
Amarillo	591,825	798,115	554,210
Austin	1,557,525	2,079,919	1,208,060
Beaumont	478,854	576,634	353,577
Big Spring	102,325	95,865	99,635
Borger	111,100	25,100	25,800
Brownsville	58,390	84,030	63,830
Brownwood	158,613	217,190	102,500
Bryan	56,225	134,295	190,691
Childress	48,295	55,850	2,420
Cleburne	18,000	2,200	25,150
Coleman	24,600	56,955	41,975
Corpus Christi	3,919,895	1,618,195	1,166,544
Corsicana	17,465	36,650	254,000
Dallas	6,119,065	7,861,172	3,292,689
Del Rio	34,810	58,750	28,140
Denison	36,815	42,920	39,373
Denton	58,550	82,050	105,235
Edinburg	83,100	89,565	53,566
El Paso	378,535	1,011,193	810,145
Fort Worth	1,286,289	3,181,982	1,922,220
Gainesville	43,025	17,800	88,875
Galveston	174,127	810,574	297,574
Gladewater	17,475	114,125	7,550
Graham	10,000	49,600	29,600
Harlingen	181,775	216,120	176,140
Houston	10,819,125	15,027,950	3,043,437
Jacksonville	24,800	56,850	31,800
Kerrville	45,910	39,175	69,799
Lamesa	22,600	68,950	96,045
Lockhart	34,810	6,475	18,605
Longview	70,825	205,750	95,580
Lubbock	1,259,097	719,792	454,250
McAllen	86,035	104,350	124,850
Marshall	403,674	38,750	70,480
Midland	236,250	389,225	112,950
Nacogdoches	16,725	31,500	31,305
New Braunfels	75,015	102,087	49,025
Pampa	108,150	158,660	59,465
Paris	18,725	80,300	42,825
Plainview	195,600	190,350	80,500
Port Arthur	183,938	763,683	216,051
San Antonio	2,312,813	3,759,095	2,154,124
Seguin	57,950	22,950	48,870
Sherman	49,397	81,513	95,963
Snyder	11,500	3,500	0
Sweetwater	56,420	82,000	58,790
Temple	230,475	103,830	80,500
Texas City	189,030	287,723	155,440
Tyler	326,649	1,276,089	172,330
Victoria	29,750	28,018	46,525
Waco	798,480	2,624,027	678,966
Wichita Falls	333,620	376,916	156,100

weeks from mid-January to the end of February. With 11,000 construction and related workers in the area this idleness ran to an estimated 400,000 man-hours, which at \$1 per hour represents a substantial fall in purchasing power. The secondary effects of unemployment in the construction industry were centered in the 1000-worker decrease in the employment provided by the retail and service establishments of the city, according to local analysts from the Texas Employment Commission. Retail sales in Dallas declined as a consequence of these developments.

#### CONSTRUCTION CONTRACTS

Source: Texas Contractor

Type of building	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
TOTAL	\$62,432,159	\$68,726,818	\$59,849,624	-12.4	-23.7
Engineering	16,209,963	5,297,249	15,711,552	-8.2	+187.1
Nonresidential	16,091,282	28,584,491	30,038,146	-46.4	-43.7
Residential	21,130,914	34,845,078	14,099,926	+49.9	-39.4

The value of *building permits* issued by Texas cities in February 1948 was also 24.7% below the January total, a decrease almost three times greater than the one that occurred last year at this season. That better days are ahead for the Texas construction industry may be indicated by the fact that the value of building permits this February was 77.3% greater than 12 months ago.

The seasonally-adjusted *index of building permits* for the State dipped 28.2% in February but was still 501.4% above the prewar (1935-39) level. At this rate building intentions were still up to their average volume in the last six months of 1947.

*Loans* by savings and loan associations in Texas dropped 19.8% in number and 21.3% in amount between January and February 1948. Last year the declines were 2.7% and 11.8%, respectively. The slump in construction activity is further reflected in the 20.2%

#### LOANS MADE BY SAVINGS AND LOAN ASSOCIATIONS

Source: Federal Home Loan Bank of Little Rock

Type	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
NUMBER, TOTAL	1,876	1,716	1,724	-20.2	-19.8
Construction	363	479	381	-4.7	-24.2
Purchase	804	756	798	-24.3	-20.1
Refinance	111	154	143	-22.4	-27.9
Recondition	106	112	161	-34.2	-5.4
Other	192	215	241	-20.3	-10.7
AMOUNT, TOTAL	\$6,624,738	\$7,142,785	\$6,080,457	-6.9	-21.3
Construction	1,682,489	2,638,706	1,605,923	+4.8	-36.1
Purchase	2,774,042	3,124,231	3,080,645	-10.0	-11.2
Refinance	359,007	583,420	478,716	-24.2	-38.5
Recondition	201,549	193,620	198,166	+4.3	+4.1
Other	607,641	607,808	686,007	-11.4	-0.02

decrease in the number of loans and the 6.9% fall in their value, when February of this year is compared with February 1947. Shifts in the number and amount of the several types of loans are shown in the accompanying table.

#### Public Utilities

(The consumption of electric power by industrial concerns is a measure of the volume of industrial activity, since it may be assumed that the amount of power used will be directly related to manufacturing volume. Residential and commercial power consumption show a seasonal variation due to the changing amount of lighting needed.)

The consumption of electric power declined less than 1% between January and February 1948. This decrease was considerably less than the usual seasonal fall and was smaller than the 3.2% decline of last year. Compared with February 1947, electric power consumption in February 1948 was up 13.4%.

Some significance may be attached to the fact that the monthly decline though slight was entirely due to the 2.9% drop in industrial electric power consumption. However, February had five Sundays this year and is always a short month. More important is the fact that the 12-month gain in the consumption of electric power (9.2%) was substantially less than the advances made in the other classifications of power consumption. Does this lag indicate the leveling-off or downturn in production that has been so freely predicted?

It is also a fact that the seasonally-adjusted *index of industrial electric power consumption* hit its all peacetime peak in November, when it stood 187% above the average prewar (1935-39) month. Since that date it has fallen and risen again to its November peak in February of this year.

#### ELECTRIC POWER CONSUMPTION\*

(in thousands of kilowatt hours)

Use	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
TOTAL	533,169	537,721	470,133	+13.4	-0.8
Commercial	112,528	111,078	95,802	+17.5	+1.3
Industrial	245,541	252,822	224,900	+9.2	-2.9
Residential	97,733	97,617	81,696	+19.6	+0.1
Other	77,372	76,209	67,735	+14.2	+1.5

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

The production of electric energy rose 3.7% in December over November and 0.7% in January over December. A year ago it was the same story. December 1947 production was 14.1% over December 1946, while January 1948 production was 11.8% over January 1947. These same changes appear in the national figures for this period.

Telephones in service in 40 Texas cities increased by 14.6% from February 1947 to a total of 934,780 instruments in use on February 29, 1948. This is an increase of 1% in the number of instruments in service compared with January 1948.

**Natural Resources**

(The production of crude petroleum is a major industry in Texas, and the changes in the volume of production have a direct effect upon the income produced in the State. Figures on the number of well completions by districts indicate the extent to which new sources of oil and gas are being developed and the areas of the State in which drilling operations are in process.)

The steady rise in *crude petroleum production* continued through the second month of the year with a February advance of 1.3% over January. Last year the January-to-February rise was 6.5%, but February production this year was 17.6% over production in February a year ago.

The seasonally-adjusted index of *crude petroleum production* continued to hover close to its peak year-end levels. Although the index was 1.4% lower in February than in January, it was still 94.1% over the prewar (1935-39) average.

During the first two months of 1948 there were 1,676 *well completions* in Texas as against 1,307 in the same months of 1947. The rate of well completions was somewhat lower in January than in February of this year.

**WELL COMPLETIONS**

Source: *The Oil and Gas Journal*

District	February 1948*				Jan.-Feb. (all wells)	
	Total	Oil	Gas	Dry	1948	1947
TEXAS	691	450	32	209	1,676	1,307
North Central Texas	196	108	6	82	491	422
West Texas	185	163	1	21	448	323
Panhandle	34	19	12	3	93	76
Eastern Texas	84	19	3	12	92	78
Texas Gulf Coast	115	72	3	40	277	253
Southwest Texas	127	69	7	51	280	155

\*For 4 weeks ending February 28, 1948.

The production of *carbon black* fell 10.3% between January and February 1948 as compared with a decline of 16.1% last year. February's production of \$3,087,044 this year was only 1.3% less than the total 12 months earlier.

In February the production of *natural and casinghead gas* amounted to \$11,579,288 or 66.2% more than production in February 1948. Between January and February production decreased 5.8% last year; in the same period production dropped 16.2%. A pending application for permission to add more horsepower to compressor stations on the Big and Little Big Inch lines indicates that the East plans to draw even more heavily on Texas gas resources.

**VALUE OF NATURAL RESOURCES PRODUCED**

Source: State Comptroller of Public Accounts

Item	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
Carbon black	3,087,044	3,442,733	3,128,889	- 1.3	-10.3
Crude oil	188,114,824	188,608,335	97,945,897	+32.1	+ 2.5
Natural and casinghead gas	11,579,288	12,291,898	6,987,127	+66.2	- 5.8

**AGRICULTURE**

**Income**

(The amount of income received by farmers is a composite measure of the prosperity of agriculture, taking into account both the volume of products sold and the prices received. Since the marketings of many products are concentrated in certain seasons of the year, it is important that the data be adjusted for seasonal variations in order to show the basic changes in the situation of agriculture.)

The Bureau's *index of farm cash income* for February declined 42.1% from January, which brought it to a level 15.8% below February 1947. The first two months of 1948, however, were 6.5% above the first two months of 1947. January 1948 was 22.6% above the same month a year ago; thus all of the decline for 1948 occurred in February.

The decline from January was surprisingly uniform for all crop-reporting districts, with only Districts 10 and 10-A reporting increases. Income in District 1-S dropped 75.9%, but was still 13.6% above February 1947. For three other districts income was above February 1947, while in all but Districts 10 and 10-A February reported a decline from January.

The total of farm cash income in February was \$48,424,000, and for two months, January and February 1948, was \$131,998,000.

**FARM CASH INCOME**

District	Indexes, 1935-39 = 100, adjusted for seasonal variation			Amount, Jan.-Feb. (in thousands of dollars)	
	Feb. 1948	Jan. 1948	Feb. 1947	1948	1947
TEXAS	221.9	299.1	274.5	131,998	123,956
1-N	451.9	510.3	606.4	16,033	18,245
1-S	276.1	693.8	245.4	23,372	8,916
2	214.8	336.5	351.5	11,900	11,915
3	234.8	212.1	349.3	5,488	5,856
4	154.7	187.7	202.9	15,769	16,451
5	245.6	229.9	272.2	7,404	7,124
6	131.1	219.0	102.6	4,290	3,888
7	200.0	282.2	285.3	5,779	5,317
8	268.2	343.4	304.7	11,004	10,714
9	392.1	431.0	389.9	11,951	10,254
10	446.6	286.3	394.2	6,076	5,854
10-A	258.8	256.9	396.3	12,932	19,422

**Marketings**

(The level of farm income is affected not only by changes in prices, but by the volume of products farmers send to market in a given month. Data on shipments of farm products must also be used to explain the changes in the level of farm income from month to month.)

February shipments of *livestock* from Texas stations totaled 5,086 cars, a decline of 42.0% from the 8,770 cars shipped in January, and 57.6% below the 11,984 cars shipped in February of last year. Shipments of cattle were 41.4% below January, and 62.9% below February of last year. Calves were 53.1% below last month and 32.5% below the same month of 1947. Shipments of hogs and sheep were down 20.4% and 46.0%, respectively, from January, and 28.1% and 72.3% below February 1947.

## SHIPMENTS OF LIVESTOCK

(in carloads)\*

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

Classification	Percent change				
	Feb. 1948	Jan. 1948	Feb. 1947	Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
TOTAL SHIPMENTS	5,086	4,385	11,984	- 57.6	+ 16.0
Cattle	1,471	2,510	3,968	- 62.9	- 41.4
Calves	361	770	535	- 32.5	- 53.1
Hogs	629	790	875	- 28.1	- 20.4
Sheep	170	315	614	- 72.3	- 46.0
INTERSTATE PLUS FORT WORTH					
Cattle	1,279	2,181	3,625	- 64.7	- 41.4
Calves	310	653	467	- 38.6	- 52.5
Hogs	620	780	860	- 20.5	- 27.9
Sheep	163	300	562	- 71.0	- 45.7
INTRASTATE MINUS FORT WORTH†					
Cattle	192	329	343	- 44.0	- 41.6
Calves	51	117	65	- 25.0	- 56.4
Hogs	9	10	15	- 40.0	- 10.0
Sheep	7	15	52	- 86.5	- 53.3

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

†Intrastate truck shipments are not included. Fort Worth shipments are combined with interstate forwardings to show the bulk of market disappearance for the month.

Shipments of *chickens* from Texas stations in February totaled 6 carloads, compared with 9 carloads in February 1947 and 13 carloads in January 1948. Turkey shipments showed no change from January, with 2 carloads, but were below the 5 carloads shipped in February 1947.

Marketings of *eggs* declined drastically from February 1947. Only 40 carloads of eggs (shell equivalent) were shipped in February 1948 compared with 269 carloads in the same month of last year. No shell eggs were shipped during February or January 1948, while 5 carloads were shipped during February 1947. The shipments of frozen eggs were 75.0% below a year ago, and the shipments of dried eggs were 86.2% below the same period. Total interstate receipts of eggs

## RAIL SHIPMENTS OF POULTRY AND EGGS FROM TEXAS STATIONS

(in carloads)

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

Classification	Feb. 1948	Jan. 1948	Feb. 1947
Chickens	6	13	9
Turkeys	2	2	5
Eggs—shell equivalent*	40	22	269
Shell	0	0	5
Frozen	4	7	16
Dried	4	1	29

\*Dried eggs and frozen eggs are converted to a shell-egg equivalent on the following basis: 1 rail-carload of dried eggs = 8 carloads of shell eggs and 1 carload of frozen eggs = 2 carloads of shell eggs.

(shell equivalent) at Texas stations were 28.6% below February 1947 and 23.1% below January 1948.

## INTERSTATE RECEIPTS OF EGGS BY RAIL AT TEXAS STATIONS

(in carloads)

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

Type	Feb. 1948	Jan. 1948	Feb. 1947
TOTAL RECEIPTS—SHELL EQUIVALENT*	10	13	14
Shell	0	7	10
Frozen	1	3	2
Dried	1	0	0

\*Dried eggs and frozen eggs are converted to a shell-egg equivalent on the following basis: 1 rail-carload of dried eggs = 8 carloads of shell eggs and 1 carload of frozen eggs = 2 carloads of shell eggs.

Shipments of *fruits and vegetables* totaled 12,871 carloads during February, a decrease of 1.6% from January, but an increase of 17.1% over February 1947. Grapefruit again represented the largest number of carloads, a total of 3,325.

## RAIL SHIPMENTS OF FRUITS AND VEGETABLES\*

(in carloads)

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

Item	Percent change				
	Feb. 1948	Jan. 1948	Feb. 1947	Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
TOTAL	12,871	13,081	10,989	+ 17.1	- 1.6
Beets	103	79	34	+217.6	+ 36.7
Cabbage	3,007	2,764	2,176	+ 38.2	+ 8.8
Carrots	849	1,124	513	+ 65.5	- 24.5
Grapefruit	3,235	2,972	3,566	- 9.3	+ 8.8
Lettuce	157	44	8	†	+256.3
Mixed citrus	496	683	701	- 29.2	- 27.4
Mixed citrus and vegetables	66	80	94	- 29.8	- 17.5
Mixed vegetables	2,802	2,862	2,360	+ 18.7	- 2.1
Oranges	1,137	1,541	682	+ 79.9	- 26.2
Spinach	803	562	682	+ 18.5	+ 43.8
All other fruits and vegetables	206	370	228	- 7.6	- 44.3

\*Figures for oranges and grapefruit include both rail and truck shipments.

†Per cent meaningless.

## Prices

(The prices received by farmers constitute one of the elements of farm cash income. Changes in prices are of primary concern to farmers and all businessmen relying on the farm market. Farmers are also concerned with the prices which they have to pay for commodities used in family maintenance and production since these prices help to determine their real income.)

The most dynamic aspect of the agricultural situation in February was the drop in *prices*. Early in February the prices of grains in the central markets broke spec-

tacularly, carrying down with them, the prices in practically all farm products. The effect of this price break was registered strikingly on the prices received by farmers on February 15. The farm price of wheat was down 24.4% from \$2.79 to \$2.11, the level of last fall. Corn brought farmers an average of \$2.00 a bushel on February 15, compared to \$2.35 in January.

The sharp drop in grain prices was reflected to a somewhat smaller degree in the prices of livestock, in spite of the fact that with consumer income running at current high levels the demand for meat is not expected to decline.

PRICES OF TEXAS FARM PRODUCTS

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

Commodity	Unit	Feb. 15 1948	Jan. 15 1948	Feb. 15 1947
Wheat	bu.	\$ 2.11	\$ 2.79	\$ 1.99
Corn	bu.	2.00	2.35	1.46
Oats	bu.	1.10	1.29	0.92
Barley	bu.	1.55	1.89	1.26
Grain sorghum	cwt.	2.70	3.70	2.15
Rice	bu.	3.40	3.30	2.32
Potatoes	bu.	1.80	1.80	1.50
Sweet potatoes	bu.	2.65	2.35	2.40
Cotton lint	lb.	0.286	0.317	0.299
Cottonseed	ton	89.00	96.00	98.00
Cowpeas	bu.	4.10	4.30	3.30
Peanuts	lb.	0.096	0.098	0.083
Hogs	cwt.	21.20	25.20	21.80
Beef cattle	cwt.	18.20	20.20	15.10
Veal calves	cwt.	21.10	23.00	16.50
Sheep	cwt.	10.00	10.00	8.50
Lambs	cwt.	18.70	19.20	15.00
Milk cows	head	124.00	127.00	103.00
Chickens	lb.	0.242	0.246	0.231
Turkeys	lb.	0.302	0.323	0.26
Eggs	doz.	0.436	0.498	0.36
Butter	lb.	0.71	0.74	0.67
Butterfat	lb.	0.74	0.76	0.61
Milk, wholesale	cwt.	6.35	6.40	5.70
Wool	lb.	0.42	0.41	0.40
All hay, loose	ton	24.50	23.50	18.00
Alfalfa hay, loose	ton	25.00	34.00	27.50
Oranges	box	1.76	0.95	1.80
Grapefruit	box	0.52	0.45	0.78

The prices of livestock products also felt the effect of the decline. Eggs brought farmers an average of \$0.436 per dozen on February 15, a decline of 18.3% from January 15. Butterfat prices were down 2.6% and milk prices (wholesale) were down 0.8%. Prices received for chickens and turkeys were down 1.6% and 6.5%, respectively.

Cotton

(The cotton balance sheet shows the basic demand and supply factors affecting cotton, which is an outstanding element in the farm income of the State.)

Cotton growers are now making and carrying out decisions which determine to a large extent the degree of their prosperity for this crop year. Data on the outlook for cotton is thus of paramount interest at this, the cotton planting, season of the year.

There are some facts available which each cotton grower needs to know. The carryover of United States grown cotton outside the United States is at an exceptionally low point. The carryover of all commercial cotton will be about 13,000,000 bales, which is the least since August 1929. There is then no burdensome carryover anywhere to plague the next crop.

The outlook for production in the United States is for some increase as a result of expansion in both acreage and probable yield per acre. The world outside of the United States will likewise increase acreage to some extent.

Mr. Read Dunn of The National Cotton Council estimates world commercial cotton production for 1947-48 at 23,000,000 bales and world consumption at 26,700,000 bales.

If the European Recovery Program is enacted by Congress, world consumption of cotton may easily approach 28 million bales during 1948-49. It is very unlikely that world cotton production can reach that amount.

The prospective value of the dollar six or seven months from now is a consideration of paramount importance. The enactment of the European Recovery Program and tax reduction will be strong inflationary medicine in the United States. If substantial inflation does come, then cotton has substantial advantages as a crop to grow this year because it has an international market.

COTTON BALANCE SHEET FOR THE U.S. AS OF MARCH 1, 1948

(in thousands of running bales except as noted)

Year	Carryover Aug. 1	Imports to Mar. 1*	Final government estimate	Total	Consumption to Mar. 1	Exports to Mar. 1	Total	Balance as of Mar. 1
1938-39	11,533	86	11,623	23,240	3,959	2,456	6,415	16,825
1939-40	13,083	103	11,481	24,928	4,704	4,917	9,621	15,307
1940-41	10,596	72	12,298	22,955	5,216	714	5,930	17,025
1941-42	12,367	214	10,485	23,076	6,280	727	7,007	16,069
1942-43	10,590	144	12,438	23,172	6,506	653	7,159	16,013
1943-44	10,987	108	11,129	21,924	5,955	310	6,765	16,159
1944-45	10,727	87	11,839	29,659	6,659	314	6,473	16,177
1945-46	11,164	192	8,813	20,169	6,154	1,683	6,837	13,332
1946-47	7,522	140	8,513	16,215	6,053	2,234	828	7,928
1947-48	2,521	182†	11,694‡	14,297	5,423	872†	6,295	8,002

\*In 478 pound net weight bales.

†6 months ending January.

‡December estimate.

# LOCAL BUSINESS

City and Item	Percent change		
	Feb. 1948	Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
<b>ABILENE:</b>			
Retail sales of independent stores		+ 4.6	- 10.8
Department and apparel store sales		+ 0.7	- 6.1
Postal receipts	\$ 31,877	+ 9.7	- 9.7
Building permits	\$ 254,215	+ 13.3	- 24.4
Bank debits to individual accounts (thousands)	\$ 29,127	+ 17.0	- 17.2
End-of-month deposits (thousands)*	\$ 41,895	+ 10.5	- 0.7
Annual rate of deposit turnover	8.4	+ 7.7	- 16.8
Air express shipments	122	- 15.3	- 28.7
Unemployment	1,475	- 7.8	+ 18.5
Placements in employment	353	- 25.7	- 0.8

<b>AMARILLO:</b>			
Retail sales of independent stores		+ 6.3	- 4.0
Department and apparel store sales		+ 3.8	+ 0.6
Postal receipts	\$ 57,784	+ 11.4	- 11.7
Building permits	\$ 591,825	+ 6.8	- 25.3
Bank debits to individual accounts (thousands)	\$ 71,763	+ 16.4	- 22.5
End-of-month deposits (thousands)*	\$ 82,738	+ 13.8	- 3.2
Annual rate of deposit turnover	10.2	- 1.0	- 22.1
Air express shipments	452	+ 16.8	- 0.2
Unemployment	1,750	+ 9.4	+ 4.5
Placements in employment	560	- 0.4	- 5.7

<b>AUSTIN:</b>			
Retail sales of independent stores		+ 9.1	- 1.1
Department and apparel store sales		+ 3.0	+ 3.5
Postal receipts	\$ 131,065	+ 20.3	+ 1.7
Building permits	\$ 1,557,525	+ 29.5	- 25.1
Bank debits to individual accounts (thousands)	\$ 99,499	+ 10.4	- 25.3
End-of-month deposits (thousands)*	\$ 100,135	+ 7.1	+ 0.6
Annual rate of deposit turnover	12.0	+ 10.1	- 22.6
Air express shipments	398	- 10.0	- 15.1
Unemployment	1,701	- 25.5	+ 11.1
Placements in employment	627	- 24.5	- 10.8
Railroad carloadings:			
Inbound	976	- 3.1	- 16.3
Outbound	270	- 19.4	- 23.5

<b>BEAUMONT:</b>			
Retail sales of independent stores		+ 4.0	- 10.8
Department and apparel store sales		+ 0.7	+ 3.1
Postal receipts	\$ 46,638	+ 12.4	- 12.1
Building permits	\$ 478,354	+ 35.4	- 17.0
Bank debits to individual accounts (thousands)	\$ 86,886	+ 24.0	- 14.5
End-of-month deposits (thousands)*	\$ 98,857	+ 18.3	+ 0.8
Annual rate of deposit turnover	10.6	+ 5.0	- 14.5
Export cars unloaded	448	+ 226.7	- 0.7
Air express shipments	300	+ 16.3	- 10.2

<b>BROWNSVILLE:</b>			
Retail sales of independent stores		+ 5.7	- 14.1
Postal receipts	\$ 12,161	+ 7.7	- 9.2
Building permits	\$ 58,390	+ 8.5	- 30.5
Export and coastal cars unloaded	442		+ 31.9
Air express shipments	1,139	- 42.4	- 13.6

<b>BRYAN:</b>			
Department and apparel store sales		- 8.6	- 13.7
Postal receipts	\$ 8,811	+ 5.3	- 3.4
Building permits	\$ 56,235	- 79.5	- 58.1
Air express shipments	15	- 21.1	- 40.0

\*Excludes deposits to the credit of banks.

City and Item	Percent change		
	Feb. 1948	Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
<b>BROWNWOOD:</b>			
Retail sales of independent stores		+ 22.1	+ 0.3
Department and apparel store sales		+ 7.7	- 3.7
Postal receipts	\$ 10,344	- 13.0	- 13.0
Building permits	\$ 153,613	+ 49.9	- 29.3
Air express shipments	27		- 37.2

<b>CORPUS CHRISTI:</b>			
Retail sales of independent stores		+ 5.4	- 14.7
Department and apparel store sales		- 2.1	- 9.3
Postal receipts	\$ 63,370	+ 7.8	- 7.2
Building permits	\$ 3,919,895	+ 236.0	+ 143.0
Bank debits to individual accounts (thousands)	\$ 65,778	+ 10.0	- 21.5
End-of-month deposits (thousands)*	\$ 72,579	+ 6.8	- 0.8
Annual rate of deposit turnover	10.3	+ 1.9	- 19.4
Air express shipments	393	- 20.0	- 18.3
Unemployment	3,900	+ 30.0	+ 11.4
Placements in employment	794	+ 57.5	- 3.5

<b>CORSICANA:</b>			
Postal receipts	\$ 7,832	- 5.8	- 9.8
Building permits	\$ 17,465	- 93.1	- 52.3
Bank debits to individual accounts (thousands)	\$ 8,361	- 0.5	- 33.6
End-of-month deposits (thousands)*	\$ 19,306	+ 3.9	- 0.8
Annual rate of deposit turnover	5.0	- 5.7	- 32.4

<b>DALLAS:</b>			
Retail sales of independent stores		+ 5.3	+ 3.7
Apparel stores		+ 2.4	+ 4.8
Automotive stores		+ 15.5	+ 3.2
Department stores		+ 7.6	+ 3.1
Drug stores		- 0.6	- 5.8
Florists		+ 13.9	+ 24.7
Food stores		+ 6.0	+ 3.6
Furniture and household stores		+ 10.2	- 5.0
Lumber, building material, and hardware stores		+ 3.1	- 4.5
Eating and drinking places		- 1.5	- 10.7
All other stores		+ 9.7	+ 9.3
Postal receipts	\$ 716,181	+ 10.4	- 6.2
Building permits	\$ 36,119,085	+ 85.8	- 23.2
Bank debits to individual accounts (thousands)	\$ 856,176	+ 11.4	- 19.1
End-of-month deposits (thousands)*	\$ 685,736	+ 6.0	- 1.7
Annual rate of deposit turnover	14.9	+ 3.5	- 17.2
Air express shipments	6,145	+ 0.4	- 23.6
Unemployment	8,500	- 29.2	+ 21.4
Placements in employment	3,535	+ 30.7	- 4.5

<b>EL PASO:</b>			
Retail sales of independent stores		- 1.0	- 4.2
Department and apparel store sales		- 2.4	- 6.5
Postal receipts	\$ 96,302	+ 9.4	- 9.6
Building permits	\$ 878,595	+ 8.4	- 13.1
Bank debits to individual accounts (thousands)	\$ 117,546	+ 30.9	- 12.6
End-of-month deposits (thousands)*	\$ 116,938	+ 6.3	- 2.1
Annual rate of deposit turnover	11.9	+ 21.4	- 11.2
Air express shipments	1,341	+ 15.8	- 8.3
Unemployment	3,050	+ 1.7	+ 1.7
Placements in employment	699	+ 14.6	- 20.8
Railroad carloadings:			
Inbound	3,173		+ 0.6
Outbound	3,432		- 2.6

\*Excludes deposits to the credit of banks.

# S CONDITIONS

City and item	Percent change		
	Feb. 1948	Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
<b>FORT WORTH:</b>			
Retail sales of independent stores.....		+ 3.9	- 4.6
Apparel stores .....		+ 8.4	- 8.5
Automotive stores .....		+ 9.1	+ 0.8
Drug stores .....		+ 5.8	- 4.4
Florists .....		+ 17.7	+ 37.3
Food stores .....		- 2.1	- 13.6
Lumber, building material, and hardware stores .....		- 0.02	- 20.7
Eating and drinking places .....		- 3.8	- 2.2
All other stores .....		+ 3.5	+ 1.9
Postal receipts .....	\$ 302,404	+ 8.0	- 5.4
Building permits .....	\$1,286,239	- 33.1	- 59.6
Bank debits to individual accounts (thousands) .....	\$ 262,063	+ 10.0	- 19.5
End-of-month deposits (thousands)* .....	\$ 265,676	+ 0.2	- 2.8
Annual rate of deposit turnover .....	11.6	+ 7.4	- 13.9
Air express shipments .....	1,345	+ 9.2	- 16.6
Unemployment .....	9,600	+ 6.7	+ 18.5
Placements in employment .....	2,500	- 15.9	- 16.8

<b>GALVESTON:</b>			
Retail sales of independent stores.....		+ 7.9	- 17.5
Department and apparel store sales.....		- 2.3	- 10.6
Postal receipts .....	\$ 50,886	+ 12.4	- 3.2
Building permits .....	\$ 174,127	- 41.5	- 43.9
Bank debits to individual accounts (thousands) .....	\$ 66,954	+ 37.4	+ 10.1
End-of-month deposits (thousands)* .....	\$ 93,455	+ 9.3	+ 1.0
Annual rate of deposit turnover .....	8.9	+ 23.6	+ 8.5
Export cars unloaded .....	7,393	- 34.1	- 4.7
Air express shipments .....	350	+ 13.6	- 8.9
Unemployment (area) .....	1,550	- 13.9	- 3.1
Placements in employment (area) .....	908	- 0.3	+ 1.9

<b>HOUSTON:</b>			
Retail sales of independent stores.....		- 1.6	- 7.5
Apparel stores .....		- 3.2	- 11.6
Automotive stores .....		- 5.3	- 2.6
Drug stores .....		+ 7.4	- 5.2
Florists .....		- 12.9	+ 7.0
Food stores .....		+ 0.1	- 11.5
Furniture and household stores.....		+ 4.2	- 9.0
Lumber, building material, and hardware stores .....		- 11.8	- 5.2
Eating and drinking places .....		+ 3.5	- 0.3
All other stores .....		+ 3.9	- 10.3
Postal receipts .....	\$ 487,755	+ 11.6	- 8.0
Building permits .....	\$10,819,125	+255.5	- 28.0
Bank debits to individual accounts (thousands) .....	\$ 896,615	+ 31.1	- 14.4
End-of-month deposits (thousands)* .....	\$ 827,626	+ 14.4	+ 0.3
Annual rate of deposit turnover .....	13.0	+ 16.1	- 13.3
Export cars unloaded .....	3,674	- 16.1	- 8.9
Air express shipments .....	4,739	+ 6.7	- 7.9
Unemployment (area) .....	9,400	- 32.9	+ 9.3
Placements in employment (area).....	4,264	- 1.8	+ 4.0

<b>LAMESA:</b>			
Retail sales of independent stores.....		- 5.9	- 17.2
Postal receipts .....	\$ 4,337	+ 49.8	+ 9.1
Building permits .....	\$ 28,600	- 70.2	- 55.3

City and item	Percent change		
	Feb. 1948	Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
<b>LAREDO:</b>			
Department and apparel store sales.....		- 0.6	+ 5.1
Postal receipts .....	\$ 14,824	+ 6.2	- 19.7
Bank debits to individual accounts (thousands) .....	\$ 13,403	- 11.5	- 23.6
End-of-month deposits (thousands)* .....	\$ 21,845	+ 6.6	+ 0.3
Annual rate of deposit turnover .....	7.3	- 18.0	- 29.1
Air express shipments .....	262	- 12.4	- 13.9
Tourist cars entering Mexico.....	9,695	+ 32.5	+ 11.6
Natural gas sales (m.c.f.) .....	95,189	+ 26.0	+ 22.8
Electric power consumption (k.w.h.) .....	2,316,177	+ 6.3	- 5.8

<b>LOCKHART:</b>			
Retail sales of independent stores.....		- 13.3	- 9.3
Department and apparel store sales.....		- 5.3	- 32.3
Postal receipts .....	\$ 2,028	- 0.7	- 25.0
Building permits .....	\$ 34,310	+ 84.4	+526.7
Bank debits to individual accounts (thousands) .....	\$2,399,950	+ 15.8	- 18.4
End-of-month deposits (thousands)* .....	\$4,975,570	+ 16.1	- 3.6

<b>LUBBOCK:</b>			
Retail sales of independent stores.....		+ 14.5	- 15.9
Department and apparel store sales.....		+ 10.1	- 7.3
Postal receipts .....	\$ 45,655	+ 25.2	- 1.0
Building permits .....	\$1,259,097	+177.2	+ 74.9
Bank debits to individual accounts (thousands) .....	\$ 60,920	+ 34.1	- 26.9
End-of-month deposits (thousands)* .....	\$ 67,280	+ 19.8	- 5.3
Annual rate of deposit turnover .....	10.6	+ 10.4	- 23.7
Air express shipments .....	242	+ 3.4	- 19.6
Unemployment .....	1,000	0.0	+ 11.1
Placements in employment .....	423	- 9.8	- 19.6

<b>MARSHALL:</b>			
Department and apparel store sales.....		- 7.0	+ 9.1
Postal receipts .....	\$ 10,939	+ 15.0	- 12.3
Building permits .....	\$ 403,674	+472.7	+941.7

<b>PLAINVIEW:</b>			
Retail sales of independent stores.....		+ 13.4	- 7.3
Department and apparel store sales.....		+ 19.1	- 23.5
Postal receipts .....	\$ 6,766	+ 15.1	- 24.4
Building permits .....	\$ 195,600	+143.0	+ 2.8
Air express shipments .....	55		+ 41.0

<b>PORT ARTHUR:</b>			
Retail sales of independent stores.....		+ 15.4	- 15.3
Department and apparel store sales.....		- 6.8	- 12.9
Postal receipts .....	\$ 23,314	+ 2.1	- 6.6
Building permits .....	\$ 182,938	- 15.3	- 76.0
Bank debits to individual accounts (thousands) .....	\$ 32,063	+ 17.5	- 8.1
End-of-month deposits (thousands)* .....	\$ 40,803	+ 3.2	+ 0.3
Annual rate of deposit turnover .....	9.5	+ 14.5	- 6.9
Export and coastal cars unloaded.....	1,232	+ 2.3	- 0.2
Air express shipments .....	140	- 15.2	- 17.6

\*Excludes deposits to the credit of banks.

\*Excludes deposits to the credit of banks.

# LOCAL BUSINESS CONDITIONS

(Continued)

City and item	Feb. 1948	Percent change	
		Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
<b>SAN ANGELO:</b>			
Retail sales of independent stores		+ 7.5	- 5.9
Department and apparel store sales		+ 1.3	- 14.3
Postal receipts	\$ 25,709	+ 16.3	- 12.1
Bank debits to individual accounts (thousands)	\$ 27,331	+ 28.1	- 15.1
End-of-month deposits (thousands)*	\$ 37,498	+ 6.8	- 2.4
Annual rate of deposit turnover	8.9	+ 23.6	- 12.7
Air express shipments	439	+ 96.9	+ 12.6

**TEMPLE:**

Retail sales of independent stores		+ 4.1	+ 6.6
Department and apparel store sales		+ 24.8	+ 31.0
Postal receipts	\$ 12,929	+ 16.6	- 4.8
Building permits	\$ 230,475	+186.3	+121.8
Air express shipments	60	+ 39.5	+ 5.3

**SAN ANTONIO:**

Retail sales of independent stores		+ 4.2	- 8.5
Apparel stores		+ 1.2	- 4.0
Automotive stores		- 4.0	- 15.0
Drug stores		- 2.6	+ 5.9
Filling stations		+ 5.4	- 9.5
Food stores		- 3.9	- 14.6
Furniture and household stores		+ 5.2	+ 3.5
Lumber, building material, and hardware stores		+ 2.3	- 14.2
Eating and drinking places		- 5.0	- 4.0
All other stores		+ 1.3	- 5.7
Postal receipts	\$ 278,843	+ 20.8	- 8.0
Building permits	\$2,312,313	+ 7.4	- 38.5
Bank debits to individual accounts (thousands)	\$ 210,272	+ 6.8	- 21.4
End-of-month deposits (thousands)*	\$ 310,361	+ 0.3	- 0.7
Annual rate of deposit turnover	8.0	+ 3.9	- 20.8
Air express shipments	2,647	+ 5.9	- 12.0
Unemployment	7,500	- 25.0	- 5.1
Placements in employment	2,200	+ 30.6	+ 3.4

**TEXAS CITY:**

Retail sales of independent stores		+ 13.4	- 19.7
Postal receipts	\$ 8,306	+ 23.9	- 19.5
Building permits	\$ 199,030	+ 28.0	- 16.3
Export and coastal cars unloaded	390	- 75.9	- 18.6
Unemployment (area)	1,550	- 13.9	- 8.1
Placements in employment (area)	906	- 0.8	+ 1.9

\*Excludes deposits to the credit of banks.

**Cold Storage**

(In both periods of shortages and surpluses, the storage holdings of perishable food products are important because of their effect on prices. The seasonal nature of farm products is in part offset by the accumulation of stocks in periods of peak production to be withdrawn in periods of low production. Deviations from the normal levels of holdings will exert pressure on the price structure.)

Cold storage holdings of farm products showed substantial declines during February for all products ex-

City and item	Feb. 1948	Percent change	
		Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
<b>TEXARKANA:</b>			
Retail sales of independent stores		- 14.3	- 17.5
Department and apparel store sales		- 31.9	- 29.4
Postal receipts	\$ 24,918	+ 14.0	- 33.6
Bank debits to individual accounts (thousands)	\$ 20,834	+ 2.5	- 19.1
End-of-month deposits (thousands)*	\$ 22,574	+ 2.5	- 1.6
Annual rate of deposit turnover	6.9	+ 1.5	- 15.0
Air express shipments	58	- 14.7	- 42.6
Unemployment	3,375	+ 0.6	+ 7.6
Placements in employment	335	- 57.2	- 13.2

**TYLER:**

Retail sales of independent stores		+ 8.3	- 7.6
Postal receipts	\$ 31,422	+ 19.1	- 3.2
Building permits	\$ 326,649	+ 39.5	- 74.4
Bank debits to individual accounts (thousands)	\$ 34,522	+ 16.6	- 18.9
End-of-month deposits (thousands)*	\$ 50,232	+ 14.3	- 2.0
Annual rate of deposit turnover	8.2	+ 2.5	- 16.3
Air express shipments	126	+ 26.0	+ 4.1

**WACO:**

Retail sales of independent stores		- 0.5	- 9.4
Department and apparel store sales		- 8.6	- 12.0
Postal receipts	\$ 64,677	+ 4.2	- 6.7
Building permits	\$ 798,420	+ 17.7	- 69.3
Bank debits to individual accounts (thousands)	\$ 48,156	+ 18.4	- 11.9
End-of-month deposits (thousands)*	\$ 63,418	+ 4.1	- 3.1
Annual rate of deposit turnover	9.0	+ 4.8	- 10.0
Air express shipments	168	- 16.0	+ 3.1
Unemployment	3,500	+ 1.4	0.0
Placements in employment	332	- 37.5	- 4.9

**WICHITA FALLS:**

Retail sales of independent stores		- 16.8	- 35.4
Department and apparel store sales		- 2.9	- 16.9
Postal receipts	\$ 39,775	+ 16.3	- 10.6
Building permits	\$ 338,620	+145.8	+ 1.8
Bank debits to individual accounts (thousands)	\$ 44,689	+ 7.2	- 16.1
End-of-month deposits (thousands)*	\$ 76,680	+ 16.7	- 0.5
Annual rate of deposit turnover	7.0	- 7.9	- 14.6
Air express shipments	219	+ 7.4	- 15.8
Unemployment	1,469	- 16.2	+ 11.7
Placements in employment	333	- 12.4	- 20.3

\*Excludes deposits to the credit of banks.

cept poultry, which registered an increase of 189.0% from January, and shell eggs, which showed no change.

Cold storage space occupied in public cold storage warehouses showed a decrease from 70% occupancy to 67% for cooler space, and from 83% to 79% for freezer space. In private and semiprivate warehouses 100% of the space has been occupied since the beginning of 1948.



## FINANCE

### Bank Credit

(Since bank credit is essential to all business, the conditions of the commercial banks and the Federal Reserve Banks is a significant indicator of the state of business. Changes in the volume of credit the banks have outstanding reflect the state of business. The condition of the Federal Reserve Banks in like manner reflects the condition of credit available to commercial banks.)

Comparison of the *statement of condition of weekly reporting member banks* in the 11th Federal Reserve District for February with last February's statement underlines the increased business activity in Texas and the Southwest during the last twelve months, for banks' statements of condition are excellent business barometers. Total loans and investments are 19.5%, or \$360 million, above the February 1947 figure. Most of this increase is attributable to the 35.4% increase in loans outstanding, for U.S. Government securities held rose by only 5.6% in the same period. In addition, the reporting banks' reserves with the Dallas Reserve Bank, which serve as the basis for credit extension, have increased \$94 million to a total of \$471 million this February, a rise of 24.9%. These increases in loans and reserve accounts indicate the extent to which the banks of this area are supporting business expansion by granting necessary credit.

Changes during February as compared to January of this year were slight, decreases being apparent in all asset accounts with the exception of balances with domestic banks, which increased slightly to \$274 million, or 4.6% during the month. No significant deposit changes were reported.

Although indicating little change during the month of February, the *statement of condition of the Federal*

#### CHANGES IN CONDITION OF WEEKLY REPORTING MEMBER BANKS

Source: Board of Governors of the Federal Reserve System

Item	Percent change		
	Feb. 25 1948 from Feb. 26 1947	Feb. 25 1948 from Jan. 28 1948	Feb. 26 1947
<b>ASSETS</b>			
Loans and investments	+19.5	- 3.1	- 0.7
Loans	+35.4	- 2.0	0.0
Total U.S. Government securities	+ 5.6	- 4.4	- 1.4
Treasury bills	-93.1	-77.8	- 6.5
Treasury certificates of indebtedness	-32.3	- 5.8	- 2.0
Treasury notes	-16.1	- 3.7	- 5.1
United States bonds	+28.5	- 2.7	- 0.2
Other securities	+46.2	0.0	+ 1.3
Reserve with Federal Reserve Banks	+24.9	- 2.3	- 1.8
Cash in vault	+22.2	0.0	0.0
Balances with domestic banks	+29.9	+ 4.6	- 3.7
<b>LIABILITIES</b>			
Total deposits (except interbank)	+23.2	- 0.9	- 1.3
Demand deposits adjusted	+26.6	- 1.9	- 2.2
Time deposits	+19.9	+ 1.6	0.0
U.S. Government deposits	-39.3	+32.1	+17.3
<b>Interbank deposits:</b>			
Domestic banks	+12.3	- 3.1	- 3.3
Foreign banks	+33.3	0.0	+50.0
<b>CAPITAL ACCOUNTS</b>	+24.0	+ 0.5	+ 0.7

*Reserve Bank of Dallas* shows the business expansion during the last year. Since February 1947 total assets and liabilities have risen 7.8% to \$1,635 million. Gold certificates, which must be held as reserves against deposits, and Federal Reserve notes issued climbed from \$482 million in February of last year to \$522 million this February, an increase of 8.4%.

#### SUMMARY STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(in thousands of dollars)

Source: Board of Governors of the Federal Reserve System

Classification	Feb. 25 1948	Jan. 28 1948	Feb. 26 1947	Percent change	
				Feb. 25 1948 from Feb. 26 1947	Feb. 25 1948 from Jan. 28 1948
<b>ASSETS</b>					
Gold certificate reserves	522,185	519,740	481,600	+ 8.4	+ 0.5
U.S. Government securities	953,233	965,438	898,249	+ 6.7	- 1.3
Discounts and advances	11,718	12,767	10,374	+13.0	- 8.2
Other cash	15,356	17,356	13,834	+11.0	-11.5
Other assets	132,414	133,386	117,868	+12.3	- 0.7
<b>TOTAL ASSETS</b>	<b>1,634,906</b>	<b>1,648,737</b>	<b>1,516,925</b>	<b>+ 7.8</b>	<b>- 0.8</b>
<b>LIABILITIES</b>					
Federal Reserve notes	598,247	606,314	582,227	+ 2.8	- 1.3
Deposits	898,266	913,015	807,671	+11.2	- 1.6
Other liabilities	112,399	104,161	102,768	+ 9.4	+ 7.9
<b>TOTAL LIABILITIES</b>	<b>1,608,912</b>	<b>1,623,490</b>	<b>1,492,666</b>	<b>+ 7.8</b>	<b>- 0.9</b>
<b>AND CAPITAL ACCOUNTS</b>					
Capital paid in	7,583	7,504	7,029	+ 7.9	+ 1.1
Surplus	15,418	15,418	15,084	+ 2.2	0.0
Other capital accounts	2,993	2,325	2,146	+39.5	+28.7
<b>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</b>	<b>1,634,906</b>	<b>1,648,737</b>	<b>1,516,925</b>	<b>+ 7.8</b>	<b>- 0.8</b>

### Bank Debts

(Since the bulk of business transactions are settled by check, changes in bank debts to individual accounts represent changes in the volume of transactions and are a basic measure of business activity.)

*Bank debts* in the 20 reporting cities declined from the all-time January high of \$3,700 million to \$3,055 million in February, a drop of 17.4%. This figure is, however, 13.2% above the debts of \$2,586 million reported in February of last year. Deposit currency as a means of payment was used less in February in all reporting cities except Galveston, which enjoyed a 10.1% increment for the month. Corsicana, Lubbock, and Austin led in the declines, experiencing drops of 33.6%, 26.9%, and 25.3%, respectively. Deposits were turning over at the rate of 11.8 times per year during February, as compared to a 14.0 rate in January and 10.8 rate in February 1947.

After adjusting the total bank debts for seasonal fluctuations, a decline of 5.5% for the month is evident. The seasonally-adjusted index declined from 434.1 in January to 410.4 in February.

**BANK DEBITS\***

(in thousands of dollars)

Source: Board of Governors of the Federal Reserve System

City	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
TOTAL	\$3,055,464	\$3,700,024	\$2,585,977	+18.2	-17.4
Ablene	29,127	35,164	24,702	+17.9	-17.2
Amarillo	71,763	92,656	61,652	+16.4	-22.5
Austin	99,499	133,135	90,154	+10.4	-25.3
Beaumont	86,886	101,646	70,055	+24.0	-14.5
Corpus Christi	65,778	83,766	59,792	+10.6	-21.5
Corsicana	8,861	12,592	8,400	- 0.5	-33.6
Dallas	856,176	1,058,398	768,603	+11.4	-19.1
El Paso	117,546	134,473	89,326	+30.9	-12.6
Fort Worth	262,063	325,656	238,149	+10.0	-19.5
Galveston	68,954	62,609	50,191	+37.4	+10.1
Houston	896,615	1,047,379	688,951	+31.1	-14.4
Laredo	13,408	17,553	15,141	-11.5	-23.6
Lubbock	60,920	38,865	45,424	+34.1	-26.9
Port Arthur	32,063	34,906	27,287	+17.5	- 8.1
San Angelo	27,821	32,798	21,729	+23.1	-15.1
San Antonio	210,272	267,686	196,838	+ 6.8	-21.4
Texarkana†	20,834	25,747	20,328	+ 2.5	-19.1
Tyler	34,528	42,549	29,617	+16.6	-18.3
Waco	48,156	54,668	42,450	+13.4	-11.9
Wichita Falls	44,689	59,293	41,688	+ 7.2	-16.1

\*Debits to deposit accounts except interbank accounts.  
†Includes 2 banks in Arkansas, Eighth District.

**Business Failures**

(The number of failures and the amount of liabilities vary inversely with the prosperity of business and reflect in a simple and direct manner what is happening to business.)

Reports of Dun and Bradstreet, Inc., number the *business failures* as 4 during February, with total liabilities of \$101,000, an average of approximately \$25,000 per firm. Twice as many businesses failed during January, but average liabilities per failure during that month were only \$18,000, while only 3 enterprises were reported as failures in February 1947, with total liabilities of \$120,000.

**BUSINESS FAILURES**

Source: Dun and Bradstreet, Inc.

	Feb. 1948	Jan. 1948	Feb. 1947	Jan. 1947
Number	4	8	3	2
Liabilities*	101	145	120	2,509
Average liabilities per failure*	25	18	40	1,255

\*In thousands of dollars.

**Life Insurance Sales**

(Since the sales of life insurance are relatively sensitive to the changes in consumer income, they may be used as a measure of the consumer market.)

Texans purchased \$57,565 thousand of *ordinary life insurance* during February, 5.8% less than the sales in January, but 2.9% more than for February a year ago. Sales for the nation as a whole declined 16.3% during the month to \$1,115 million, which is also 6.0% less than sales in February 1947.

**Corporation Charters**

(The issue of corporation charters measures the additions to the business population and reflects the state of optimism or pessimism of businessmen.)

New *domestic corporations* chartered in Texas during February numbered 336, and 35 foreign corporations were chartered. The total capitalization reported of \$8,213 thousand was \$2,523 thousand less than the total capitalization of the 398 new domestic corporations chartered in the previous month.

**CORPORATION CHARTERS ISSUED BY CAPITALIZATION**

Source: Office of the Secretary of State

Capitalization	Feb. 1948	Jan. 1948	Feb. 1947
Over \$100,000	18	19	4
\$5,000-\$100,000	173	237	30
Less than \$5,000	93	96	17
Capitalization not specified	6	4	1
No capital stock	46	42	12

**CORPORATION CHARTERS ISSUED BY CLASSIFICATIONS**

Source: Secretary of State

Classification	Feb. 1948	Jan. 1948	Feb. 1947
<b>DOMESTIC CORPORATIONS</b>			
Capitalization*	8,213	10,736	3,241
Number	336	338	114
Banking-finance	8	8	1
Construction	25	32	4
Manufacturing	22	33	17
Merchandising	75	115	28
Oil	15	16	4
Public service	4	1	1
Real estate	50	48	16
Transportation	3	7	1
All other	88	96	30
No capital stock	46	42	12
<b>FOREIGN CORPORATIONS</b>			
Number	35	35	47

\*In thousands of dollars.

**Sales of United States Savings Bonds**

(Sales of United States savings bonds less redemptions are significant because they represent private savings siphoned off by the government to meet its fiscal needs.)

Purchases of *savings bonds* in Texas totaled \$17,790 thousand during February, a figure considerably under the \$25,324 thousand sold during January. Percentage-wise, the decline was 29.8%, and the amount is 13.8% below the February 1947 sales.

**SALES OF UNITED STATES SAVINGS BONDS**

Source: Treasury Department, Office of State Director for Texas

Series	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
TOTAL	\$17,789,568	\$25,323,700	\$20,687,413	-13.8	-29.8
Series E	12,891,986	17,449,595	13,692,773	- 5.8	-26.1
Series F and G	4,897,577	7,874,105	6,944,640	-29.5	-37.8

## TRANSPORTATION

### Rail

(The movement of goods by rail is fundamental to all business operations, and changes in the number of freight cars loaded reflect basic changes in the volume of business. The commodity groups are significant for the information they give on specific industries. The miscellaneous group includes manufactured goods and is generally considered a measure of the volume of trade. Merchandise l.c.l. shipments include the same type of goods shipped in smaller lots. Cars unloaded for export reflect the changes in the volume of exports.)

Car loadings reports so far in 1948, car loadings predictions by shippers advisory boards, and the incidence of the coal strike combine to indicate that volume of rail freight traffic will be appreciably lower for the first quarter of 1948 as compared with a year ago. Some car shortage is still apparent, but the situation is much better than in 1947.

Analysis of demand for cars would indicate, however, that the carriers will need to order and have built a maximum number of new cars for several years to come, if continued car supply difficulties are to be avoided. If increased war preparation impends, with its inevitable strain on such scarce commodities as steel plates and sheets, the carriers face trouble in obtaining completion of car construction programs even at the present modest rate. The average age of freight cars is now above 20 years, and forced retirements of large quantities of such elderly equipment will continue to keep the net addition of cars to a dangerously low level.

The Southwest will not be hurt as much as some other areas by the coal strike, since many of the trains are diesel electric and oil-burning engine operated. The effect will be mainly from the restrictions imposed on Eastern and Southern roads operating mostly coal burning locomotives, and by the slow-down of industry as the fuel supplies shrink. This yearly, sometimes twice-yearly, strangulation of the transportation and industrial life of the nation by a labor baron merely points to the necessity of greater decentralization of industry and the growth and development of the Southwest, with gas and oil as the fuel supply.

### REVENUE FREIGHT LOADED IN SOUTHWESTERN DISTRICT

(in carloads)

Source: Car Service Division, Association of American Railroads

Item	Percent change				
	Feb. 1948	Jan. 1948	Feb. 1947	Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
TOTAL	259,263	278,308	259,531	- 0.1	- 6.3
Grain and grain products	17,690	22,107	23,488	-24.7	-20.0
Livestock	3,012	4,393	5,428	-44.5	-31.4
Coal	28,785	31,550	26,077	+10.4	- 8.8
Coke	846	905	744	+13.7	- 6.5
Forest Products	17,578	18,935	25,966	-32.3	- 7.2
Ore	3,122	2,440	2,398	+30.3	+28.0
Merchandise (l.c.l.)	27,966	27,815	23,220	- 0.9	+ 0.5
Miscellaneous	160,264	170,163	147,212	+ 8.9	- 5.8

Revenue freight loadings in the Southwestern District fell below their year-earlier levels for the first time in many months in February 1948. The decline, though small in the aggregate, was made up of sharp reductions in loadings of grain and grain products (24.7%), livestock (44.5%), and forest products (32.3%).

In comparison with January 1948, total freight movement slid 6.3%, with declines in every category except ore (up 28.0%) and l.c.l. merchandise (up 0.5%).

### Water

(Since a sizable volume of traffic moves into and out of the State by water, statistics on water-borne commerce are an important indicator not only of transportation but of general business activity.)

Renewed interest in the development of the Trinity River project came about recently with the action of the appropriation sub-committee of the House of Representatives in Congress earmarking \$400,000 for the development of the lower Trinity. It is hoped that sufficient funds will be added by the Senate to complete the Anahuac link in 1948-49, which will be a first step in projecting inland navigation of the Trinity from the Gulf to Fort Worth. Long years of work and planning, together with many disappointments, have gone into this project. Sulphur, pulpwood, shell, and sand and gravel are some of the major commodities expected to move on the Trinity channel.

### EXPORT AND COASTAL CARS UNLOADED\*

Source: Car Service Division, Association of American Railroads

Port	Percent change				
	Feb. 1948	Jan. 1948	Feb. 1947	Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1947
TOTAL	18,679	14,290	18,527	- 26.7	- 5.0
Beaumont	448	451	105	+326.7	- 0.7
Port Arthur	1,232	1,234	1,204	+ 2.3	- 0.2
Texas City	390	470	1,619	- 75.9	- 13.6
Houston	3,674	4,031	4,379	- 16.1	- 5.9
Galveston	7,393	7,760	11,220	- 34.1	- 4.7
Brownsville	442	335	0	.....	+ 31.9

\*Excluding coal.

### Air

(The total volume of commodities shipped by air express is only a very small percentage of all commodities moved, but the rapid increase in the use of this type of transportation makes its growth of general interest to business.)

A number of air transport developments within the past few weeks have been of particular interest to Texas. Foremost among these was the action of the Civil Aeronautics Board examiners in recommending that Slick Airways and Airnews, both of San Antonio, be awarded temporary certificates of public convenience and necessity as air freight common carriers. Only six applicants, of the dozens that had applied originally, received favorable examiner reports. Slick is recommended for a nation-wide service and Airnews for operation in South Texas.

Final decision on the applications will not be made until after oral arguments are presented before the Civil Aeronautics Board. At the present time, these two Texas all-cargo airlines are offering common carrier services under a temporary exemption order of the Board pending decision on the final route awards.

Also of interest was Pioneer Air Lines award of a temporary certificate to serve additional cities in Texas and New Mexico. The new cities to be served by this Texas-owned and operated local-service airline include El Paso, Clovis, Tucumcari, Los Vegas, Santa Fe, Albuquerque, Roswell, Alamogordo, and Las Cruces. Considerable expansion of Pioneer's equipment and personnel will be required in establishing service to these new points. Recent inauguration of international air parcel post by the Post Office Department under a cooperative arrangement with the domestic air carriers and the international air carriers affords a fast air service for postal parcels to a large number of foreign countries. This new service will save days and weeks of time in transit over that of the surface carriers.

#### AIR EXPRESS SHIPMENTS

Source: Railway Express Agency

Cities	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
TOTAL	21,960	25,684	21,920	+ 8.0	- 14.5
Ablene	122	171	144	- 15.3	- 23.7
Amarillo	452	458	387	+ 16.8	- 0.2
Austin	398	469	442	- 10.0	- 15.1
Beaumont	300	334	258	+ 16.8	- 10.2
Big Spring	43	52	46	- 6.5	- 17.3
Brownsville	1,189	1,319	1,979	- 42.4	- 13.6
Brownwood	27	42	*	—	- 37.2
Bryan	15	25	19	- 21.1	- 40.0
Corpus Christi	393	481	491	- 20.0	- 18.3
Dallas	6,145	8,046	6,119	+ 0.4	- 23.6
Eagle Pass	35	73	*	—	- 52.1
El Paso	1,341	1,462	1,158	+ 15.8	- 8.3
Fort Stockton	5	10	*	—	- 50.0
Fort Worth	1,345	1,613	1,232	+ 9.2	- 16.6
Galveston	350	364	303	+ 13.6	- 8.9
Houston	4,739	5,146	4,441	+ 6.7	- 7.9
Lamesa	*	*	16	—	—
Laredo	262	323	299	- 12.4	- 18.9
Longview	138	144	*	—	- 4.2
Lubbock	242	301	234	+ 3.4	- 19.6
Midland	218	214	116	+ 87.9	+ 1.9
Mineral Wells	18	12	24	- 25.0	+ 50.0
Odessa	151	172	52	+190.4	- 12.2
Palestine	19	14	*	—	+ 35.7
Paris	29	36	*	—	- 19.4
Plainview	55	39	*	—	+ 41.0
Port Arthur	140	170	165	- 15.2	- 17.6
San Angelo	439	390	223	+ 96.9	+ 12.6
San Antonio	2,647	3,009	2,499	+ 5.9	- 12.0
Sweetwater	86	44	53	+ 62.3	+ 95.5
Temple	60	57	43	+ 39.5	+ 5.3
Texarkana	58	101	68	- 14.7	- 42.6
Tyler	126	121	100	+ 28.0	+ 4.1
Victoria	36	33	*	—	+ 9.1
Waco	168	163	200	- 16.0	+ 8.1
Wichita Falls	219	250	204	+ 7.4	- 15.8

\*Not reported during indicated months.

## LABOR

### Employment

(Employment statistics are among the most important indicators of Texas business and economic activity. The estimates of total employment in Texas include all employees, both production workers and others, but exclude proprietors, officers of corporations, and other principal executives. More detailed statistics on Texas employment, pay rolls, hours, earnings, and man-hours are analyzed in a Supplement to the Review on Texas Employment and Pay Rolls.)

Total nonagricultural employment in Texas was 0.7% below January 1948, but 3.4% above February 1947. Manufacturing employment, in both durable and non-durable goods, was below last month. Though this drop in employment could be a continuation of the winter slump, it can also be an indication that the employment peak has been reached and a period of leveling-off has begun. From reports over the State, industrialization and new activity in manufacturing are on the increase and should serve as a stabilizing force, if capital goods production has begun to feel the effects of lower demand and higher prices.

Employment in trade was down for the month, both wholesale and retail, with the exception of a 4.1% increase in the apparel trade. The winter slump in addition to very adverse weather conditions has definitely had its effect on trade. Too, the general tightening of the movement of goods that has been apparent in other sections of the country may at last be affecting the picture of employment here. The general reductions in savings and reluctance or inability of the general public to continue high volume purchasing at high prices, coupled with adequate supplies in many types of goods, may make the present indication in the employment picture a forerunner of downward trends in the future.

Contract construction has definitely suffered because of unusually severe weather conditions for the season throughout the State, and the employment picture here has undergone a reversal of predicted activity. If the trend continues another month into the Spring, it can be assumed that the employment drop is more than a seasonal movement in the delicately balanced economic situation.

It might be interesting to note that the actual number of employed persons at the present time in Texas is the lowest that it has been within the last six-month period. Individuals seem to be concerned with the difficulty of retaining present positions rather than looking for another.

### Pay Rolls

(Pay roll figures are generally recognized as significant indicators of income and purchasing power by both economists and businessmen. Emphasis on the maintenance of purchasing power as a goal for the country's postwar economy gives particular importance to these figures at this time.)

Pay roll reports compiled by the Bureau of Business Research in cooperation with the federal Bureau of Labor Statistics indicate some interesting changes in Texas industry and business for February 1948. Dur-

ESTIMATES OF NONAGRICULTURAL EMPLOYMENT IN TEXAS

(in thousands)

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

Industry	Percent change				
	Feb. 1948	Jan. 1948	Feb. 1947	Feb. 1948	
				from Feb. 1947	from Jan. 1948
TOTAL	1,658.9	1,670.9	1,604.7	+ 3.4	- 0.7
Manufacturing	340.2	342.9	326.0	+ 4.4	- 0.8
Durable goods	141.0	141.4	135.6	+ 4.0	- 0.8
Nondurable goods	199.2	201.5	190.4	+ 4.6	- 1.1
Nonmanufacturing	1,318.7	1,328.0	1,278.7	+ 3.1	- 0.8
Iron and steel	19.5	19.4	17.0	+14.7	+ 0.5
Machinery, except electrical	31.1	30.7	27.9	+11.5	+ 1.3
Transportation equipment except automobile	24.2	24.5	27.1	-10.7	- 1.2
Nonferrous metals	11.2	11.2	9.8	+14.3	0.0
Lumber and timber	31.1	31.5	28.3	+10.0	- 1.3
Furniture	11.8	11.4	12.1	- 6.6	- 0.9
Stone, clay and glass	9.5	9.6	9.3	- 3.1	- 1.0
Other durable goods	3.1	3.1	3.6	-13.9	0.0
Textiles	9.8	9.8	9.0	+ 8.9	0.0
Apparel	27.9	28.3	26.6	+ 4.9	- 1.4
Food	68.4	68.7	65.1	+ 5.1	- 0.4
Paper and allied products	3.6	3.7	3.6	0.0	- 2.7
Printing and publishing	19.7	19.8	19.1	+ 3.1	- 0.5
Chemicals	24.1	24.1	19.6	+23.0	0.0
Petroleum	38.1	38.0	39.2	- 2.3	+ 0.3
Other nondurable goods	7.6	9.1	8.2	- 7.4	-16.5
Mining	92.2	92.2	86.1	+ 7.1	0.0
Crude petroleum and natural gas production	85.8	85.7	79.7	+ 7.7	+ 0.1
Other mining	6.4	6.5	6.4	0.0	- 1.5
Transportation and public utilities	221.8	219.5	209.2	+ 6.0	+ 1.0
Interstate railroads	66.4	66.0	67.5	- 1.6	+ 0.6
Telephone and telegraph	32.0	31.7	29.7	+ 7.7	+ 0.9
Other transportation and public utilities	123.4	121.8	112.0	+10.2	+ 1.3
Trade	383.6	388.3	397.3	- 3.4	- 1.3
Wholesale	104.6	107.2	110.4	- 5.3	- 2.4
Retail	279.0	281.1	286.9	- 2.3	- 0.9
General merchandise	57.4	60.3	64.2	-10.6	- 4.8
Foods and liquors	37.7	38.5	45.9	-17.9	- 2.1
Automobile	25.6	25.3	25.5	+ 0.4	+ 1.2
Apparel	22.3	21.9	20.7	+10.1	+ 4.1
Other retail trade	135.5	135.6	130.6	+ 3.3	- 0.1
Finance and service	235.3	235.4	264.7	+ 7.3	0.0
Bank and trust companies	18.2	18.1	16.3	+11.7	+ 0.6
Insurance	25.2	24.7	23.7	+ 6.3	+ 2.0
Real estate and other financial agencies	24.9	24.3	21.3	+16.9	+ 2.5
Hotels	24.0	24.2	24.5	- 2.0	- 0.8
Other personal services	50.4	50.9	52.3	- 4.5	- 1.0
Medical services	29.8	29.4	26.4	+12.9	+ 1.4
Other business and professional services	112.3	113.8	99.7	+13.1	- 0.9
Contract construction	95.2	101.5	81.1	+17.4	- 6.2
Government	240.6	240.6	240.3	+ 0.1	0.0

able goods show declines or little change in almost all of the classifications, with the exception of a 9.3% gain in nonferrous metals. This decline in most of the classifications may be more than a seasonal drop. Pay rolls in the capital goods industries serve as a fairly good barometer of our position in the business cycle. If the present indication of a drop moves in the near future

CHANGES IN PRODUCTION WORKER PAY ROLLS IN SPECIFIED INDUSTRIES

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

Industry	Number of reporting establishments	Percent change	
		Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
<b>MANUFACTURING</b>			
Durable goods:			
Iron and steel	28	+ 24.0	- 1.4
Machinery, except electrical	34	+ 17.1	- 0.2
Nonferrous metals	7	+ 3.5	+ 9.3
Lumber and timber	19	+ 25.3	+ 1.5
Furniture and finished lumber	23	+ 1.1	- 6.2
Stone, clay, and glass	29	+ 4.1	- 6.7
Other durable goods	4	+ 3.5	- 3.6
Nondurable goods:			
Textiles	16	+ 14.3	+ 0.5
Apparel	29	+ 5.4	- 1.4
Food	110	+ 13.2	- 5.4
Paper	8	+ 13.1	- 4.0
Printing and publishing	32	+ 25.5	+ 1.2
Chemicals	58	+ 15.6	+ 2.0
Petroleum refining	30	+ 13.3	+ 5.7
Other nondurable goods	6	+ 9.4	- 42.3
<b>NONMANUFACTURING</b>			
National banks	6	+ 15.0	+ 5.4
Brokerage	3	- 2.4	- 2.4
Crude petroleum production	28	+ 29.3	+ 2.7
Dyeing and cleaning	9	- 1.3	- 1.7
Hotels*	14	+ 7.9†	+ 0.4†
Insurance	73	+ 10.6	+ 5.7
Quarrying	12	+ 13.1	- 3.2
Public utilities	117	+ 16.0	+ 6.9
Retail trade*	234	+ 6.2	+ 0.7
Wholesale trade*	105	+ 15.3	+ 0.5
Laundries	9	- 3.3	+ 0.6

\*Figures cover all employees except proprietors, firm members, officers of corporations, or other principal executives.

†Cash payments only; the additional value of board, room, and tips cannot be computed.

into a decided decline, it will be logical to assume that most of the other industries and businesses will follow.

Petroleum refining and chemicals increased pay rolls for February over January, but the majority of the industries in the classification indicated declines for the month. Here again, the industries may be suffering a longer-than-usual seasonal slump which has aided the weather in decreasing demand, lowering production, and reducing pay rolls. If the trend continues, it may be well to insert a note of caution for future activity.

Pay rolls in the public utilities, in the insurance business, in banking, and in crude petroleum production have increased for the month, but not in proportion to the decreases in manufacturing.

Hours and Earnings

(Statistics on hours and earnings show clearly the effects of the shift of the State's economy and the general upward movement of wages since V-J Day. Average hourly earnings are computed by dividing the total number of man-hours worked in reporting establishments into total pay rolls.)

Eleven of the 15 industries of the manufacturing group reported a work week of less than 42 hours for the month of February 1948, while 2 of the 8 industries of the nonmanufacturing group reported a work week

## HOURS AND EARNINGS\*

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

Industry	Average weekly hours		Average hourly earnings (in cents)		Average weekly earnings (in dollars)		Percent change Feb. 1948 from Feb. 1947		
	Feb. 1948	Feb. 1947	Feb. 1948	Feb. 1947	Feb. 1948	Feb. 1947	Weekly hours	Hourly earnings	Weekly earnings
<b>MANUFACTURING</b>									
Durable goods:									
Iron and steel	48.4	41.7	114.1	106.6	49.52	44.45	+ 4.1	+ 7.0	+ 11.4
Machinery (except electrical)	40.5	43.8	127.4	111.3	51.60	48.75	- 7.5	+ 14.5	+ 5.8
Nonferrous metals	41.6	40.6	158.2	119.0	65.81	48.31	+ 2.5	+ 32.9	+ 33.2
Lumber and timber	41.8	46.6	102.6	85.0	42.89	39.61	- 10.3	+ 20.7	+ 8.3
Furniture and finished lumber	41.6	44.2	83.3	80.8	34.65	35.71	- 5.9	+ 3.1	- 3.0
Stone, clay, and glass	40.4	42.7	98.2	88.2	39.67	37.70	- 5.4	+ 11.2	+ 6.2
Other durable goods	39.1	39.0	137.4	124.1	53.72	48.40	+ 0.3	+ 10.7	+ 11.0
Nondurable goods:									
Textiles	39.6	42.8	95.6	101.8	41.87	43.57	- 7.5	- 6.1	- 3.9
Apparel	38.4	36.9	70.9	74.3	27.23	27.42	+ 4.1	- 4.8	- 0.7
Food	48.0	49.6	101.5	80.4	43.84	37.47	- 7.7	+ 26.2	+ 16.5
Paper	41.8	42.4	99.6	97.4	41.63	41.30	- 1.4	+ 2.3	+ 0.8
Printing and publishing	40.0	39.8	154.6	130.3	61.84	51.60	+ 1.0	+ 18.6	+ 19.8
Chemicals	44.0	46.5	117.2	92.6	51.57	43.01	- 5.4	+ 26.7	+ 19.9
Petroleum refining	41.3	39.1	163.8	146.7	69.71	57.36	+ 5.6	+ 15.1	+ 21.5
Other nondurable goods	38.8	40.7	92.8	89.0	36.01	36.22	- 4.7	+ 4.3	- 0.6
<b>NONMANUFACTURING</b>									
Crude petroleum production†	42.4	39.8	172.2	151.2	73.01	60.18	+ 6.5	+ 13.9	+ 21.3
Dyeing and cleaning†	42.9	49.3	82.9	76.0	36.39	37.47	- 11.0	+ 9.1	- 2.9
Hotels	47.9	51.5	45.4	36.6	21.75	18.85	- 7.0	+ 24.0	+ 15.4
Laundries†	47.5	46.2	47.6	46.5	23.61	21.48	+ 2.8	+ 2.4	+ 5.3
Public utilities	44.7	44.7	124.0	111.0	55.43	49.62	0.0	+ 11.7	+ 11.7
Quarrying†	38.8	39.7	123.8	122.6	49.97	48.67	- 2.3	+ 5.1	+ 2.7
Retail trade	44.0	40.7	77.9	76.8	34.28	31.26	+ 8.1	+ 1.4	+ 9.7
Wholesale trade	41.3	43.4	92.9	90.3	38.37	39.41	- 4.8	+ 2.3	- 2.6

\*Figures do not cover proprietors, firm members, officers of corporations, or other principal executives. Manufacturing data cover production and related workers; nonmanufacturing data cover all employees except as noted.

†Figures cover production workers only.

of less than 42 hours. The average work week for all manufacturing was 41.3 hours, while the average work week for the nonmanufacturing group was 43.3 hours.

With only two exceptions *hourly earnings* were greater in February 1948 than in February 1947 in the manufacturing industries. The exceptions were textiles (6.1% less) and apparel (4.6% less). In the nonmanufacturing group all industries without exception reported increased hourly earnings for the same 12-month period.

By comparing hours worked to hourly earnings, it becomes apparent that Texas industries are following the nation-wide seasonal slump at the year's beginning. In the manufacturing group the average work week of all industries is less than 42 hours for the first time in many months, and the percentage change from the average reported a year ago is also a decline. The figures also lend weight to the assumption that capital goods (durable goods) manufacturing is even below the seasonal slump. While this does not necessarily presage a quick decline of business activity, it may be the indicator that certain phases of our economy are now fully supplied by present production schedules.

It is also interesting to note that the decreased average work week did not adversely affect *weekly take-home pay* to any great extent. From the accompanying chart it can be seen that the few instances of decreased weekly earnings for the 12-month period were slight, while in

several instances the reported gains were substantial. Weekly take-home pay figures can be compared to placement activity and to unemployment estimates, for an indication of the purchasing power, the stability, and the size of the labor force.

Five industries are now reporting average weekly earnings of more than \$55.00 a week. These are: crude petroleum production (\$73.01), petroleum refining (\$69.71), nonferrous metals (\$65.81), printing and publishing (\$61.84), and public utilities (\$55.43).

## Man-hours

(The reports which the Bureau receives on employment include every employee who worked any part of the week. This means that changes in the number of employees in an industry do not always measure the changes in the volume of output. Changes in the number of man-hours worked, however, are closely associated with the rate of manufacturing activity, and may be used as a measure of the volume of production.)

Total *man-hours* worked in 349 manufacturing establishments dropped 0.9% from January, continuing the downward trend began in January when there was a 4.5% decrease. The larger decreases were in durable goods: lumber and timber (10.0%), furniture and finished lumber (8.7%), and stone, clay, and glass (7.8%). Not any durable goods group showed an increase in man-hours in February.

It should be noted that man-hours have declined during the last two months and that they are now only 1.9% greater than February a year ago.

**MAN-HOURS WORKED IN IDENTICAL MANUFACTURING ESTABLISHMENTS**

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

Industry	Number of reporting establishments	Percent change	
		Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
TOTAL	849	+ 1.9	- 0.9
<b>Durable goods:</b>			
Iron and steel	24	+16.2	- 1.0
Machinery, except electrical	38	+ 3.8	- 2.6
Nonferrous metals	8	-17.3	0.0
Lumber and timber	13	+ 0.9	-10.0
Furniture and finished lumber	19	- 8.0	- 8.7
Stone, clay, and glass	22	- 5.3	- 7.8
Other durable goods	4	- 2.4	- 3.2
<b>Nondurable goods:</b>			
Textiles	18	+ 1.6	- 0.1
Apparel	20	- 2.2	+ 2.5
Food	86	+ 0.4	- 6.7
Paper and allied products	7	+ 4.2	+ 0.6
Printing and publishing	27	+12.6	+ 1.2
Chemicals	49	+ 7.0	- 0.9
Petroleum	26	+ 4.5	+ 5.5
Other nondurable goods	3	+18.5	-27.6

**Placements**

(The number of placements reported by the Texas Employment Commission indicates roughly the relationship of the supply of and the demand for jobs in various parts of the State. Placements do not include private placements in business and industry, but only those made through the State Employment Service. Furthermore, the number of placements made should not be considered as additions to total employment, since many of them represent shifts from one job to another.)

Total placement activity declined 4.9% in the 15 labor market areas of Texas during February 1948, and placements were on an average of 0.2% less than February a year ago. In view of the fact that the Texas Employ-

**PLACEMENTS IN EMPLOYMENT**

Source: Texas Employment Commission

Area	Percent change			
	Feb. 1948	Jan. 1948	Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
TOTAL	18,328	19,274	18,856	- 0.2 - 4.9
Abilene	353	356	476	- 25.7 - 0.8
Amarillo	560	594	562	- 0.4 - 5.7
Austin	627	703	830	- 24.5 - 10.8
Corpus Christi	794	823	604	+ 87.5 - 8.5
Dallas	3,535	3,702	2,705	+ 30.7 - 4.5
El Paso	699	883	610	+ 14.6 - 20.3
Fort Worth	2,500	3,004	3,007	- 16.9 - 16.8
Galveston-Texas City	906	889	913	- 0.8 + 1.9
Houston-Baytown	4,264	4,100	4,343	- 1.8 + 4.0
Longview	462	414	560	- 17.5 + 11.6
Lubbock	423	526	469	- 9.8 - 19.6
San Antonio	2,200	2,127	1,685	+ 30.6 + 3.4
Texarkana	335	386	782	- 57.2 - 13.2
Waco	332	349	531	- 37.5 - 4.9
Wichita Falls	333	418	380	- 12.4 - 20.3

ment Commission ranks second highest in the United States for number of placements made, the decrease from the 19,274 placements of January 1948 to the 18,323 placements of February 1948 shows that the labor force is becoming more stabilized and is not moving about as much as has been the practice in the past.

**Labor Force**

(Estimates of the nonagricultural civilian labor force are made currently for the State's principal labor market areas by the Texas Employment Commission. Labor force data, indicating the total supply of labor in these areas, include all employed workers, as well as all others who are available for jobs and who are willing and able to work.)

The labor force in 15 principal labor market areas was estimated at 1,231,971 in February, a decrease of 0.3% from January, according to the Texas Employment Commission. Both declines and increases were small in the individual areas, with the exception of a 4.4% decline in Abilene. In January, Abilene's labor force declined 8.3%, making a total decline of 12.4% in Abilene for the first two months of 1948.

The civilian labor force of the nation has declined almost steadily since the late spring of 1947.

**NONAGRICULTURAL CIVILIAN LABOR FORCE**

Source: Texas Employment Commission

Area	Percent change		
	Feb. 1948	Jan. 1948	Feb. 1948 from Jan. 1948
TOTAL	1,231,971	1,235,485	- 0.3
Abilene	17,243	18,042	- 4.4
Amarillo	34,711	34,875	- 0.5
Austin	44,478	44,279	+ 0.4
Corpus Christi	49,182	49,223	- 0.1
Dallas	222,275	225,180	- 1.3
El Paso	51,515	51,563	- 0.1
Fort Worth	133,479	138,545	- 0.1
Galveston-Texas City	57,257	57,385	- 0.2
Houston-Baytown	308,330	307,335	+ 0.3
Longview	22,680	23,624	+ 0.08
Lubbock	25,225	24,983	+ 1.2
San Antonio	157,161	157,274	- 0.1
Texarkana	32,479	33,162	- 2.1
Waco	46,028	46,278	- 0.5
Wichita Falls	29,978	29,737	+ 0.8

**Unemployment**

(Estimates of unemployment in various areas of the State are currently made by the Texas Employment Commission. Data on the payment of unemployment benefits also provide a rough measure of unemployment in Texas, although only employees in establishments employing 8 or more workers for 20 or more weeks per year are covered. Veterans' claim actions and disbursements are less inclusive, but throw light on the important problem of veteran re-employment.)

Unemployment in 15 labor market areas increased 3.7% during February 1948 over January 1948, a further indication of the seasonal slump in business activity as well as an indication of the peak production in certain industries. If the supply is catching up with the demand, there will still be a leveling-off period before a sharp decline is felt. The fact that in February 1948 there were 14.7% less unemployed than a year earlier proves the labor force of the state is still large.

The total unemployment in Texas at the end of February was estimated at 60,195. Over a million more workers unemployed dropped the national employment estimate to about 43,000,000.

Unemployment compensation *benefits* paid to Texans in February 1948 totaled \$460,318 (excluding veterans claims). Total collections deposited were \$3,204,808, which left \$180,214,260 available for benefits at the end of the month, compared to \$177,476,823 at the end of January.

There were 3,562 applications filed by *veterans* in February 1948 according to information reported on veterans claims and disbursements. This was an increase of 1.8% over the 3,498 claims filed in January, and brought the cumulative total of applications for the year to 7,060 and the over-all total since applications were first accepted to 383,904. The allowances paid during February were \$1,851,269 to unemployed veterans and \$312,146 to self-employed veterans, totaling \$4,415,701 for the year and \$157,244,163 since the inception of the program.

### UNEMPLOYMENT

Source: Texas Employment Commission

Area	Feb. 1948	Jan. 1948	Feb. 1947
TOTAL	60,195	55,381	70,586
Abilene	1,475	1,900	1,600
Amarillo	1,750	1,675	1,600
Austin	1,701	1,531	2,283
Corpus Christi	3,900	3,500	3,000
Dallas	8,500	7,000	12,000
El Paso	3,050	3,000	3,000
Fort Worth	9,600	8,100	9,000
Galveston-Texas City	1,550	1,600	1,800
Houston-Baytown	9,400	8,600	14,000
Longview	1,925	1,800	2,250
Lubbock	1,900	900	1,000
San Antonio	7,500	7,900	10,000
Texarkana	3,875	3,600	3,850
Waco	3,500	3,500	3,450
Wichita Falls	1,469	1,815	1,753

### Industrial Relations

(A knowledge of current developments in industrial relations is necessary to an understanding of the State's labor picture.)

The labor relations picture darkened during February, both nationally and within Texas, as preparations were made for the "third round" of wage demands expected in the spring. Some experts believed that the recent commodity price break would materially decrease "third round" wage demands. By the end of February there was little evidence that demands would be lower (the United Auto Workers on February 28 formally opened negotiations for a 30-cent hourly pay boost at General Motors), but it was possible that wage *settlements* might be lower than previously expected. Representative February pay increase settlements included increases of 6.3% for Atlantic and Gulf National Maritime Union seamen, 10% for about 60 Dallas warehouse workers, 19 cents hourly for about 650 craftsmen at a Freeport chemical company, and 2½ cents hourly for Wichita Falls city bus drivers.

## GOVERNMENT

### State Finance

(Statistics on State finance are closely connected with changes in the level of business activity. State occupation, production, use, and sales taxes and license fees vary directly with changing business conditions.)

Total *revenue receipts* of the State, as reported by State Comptroller, were \$40,844,513 in February 1948, as compared with \$29,655,067 in February 1947. More striking, however, is that the total of such receipts for the fiscal year to date (September 1-February 29) were \$247,390,086, as compared with \$175,162,999 for the corresponding period of the preceding fiscal year. This was an increase of 41.2%. Whatever may be some theoretical defects of the revenue system, it has at least the merit of productivity under existing conditions of active business, little unemployment, free consumer spending, and high prices.

Outstanding among the increases shown in the accompanying table for the first six months of the current fiscal year are those in the crude oil tax, the ad valorem (general property) tax, the motor fuel tax, federal aid, and mineral leases, rentals, and bonuses. These five sources accounted for \$55,075,945 of the total increase of \$72,227,081.

The special taxes on the three natural resources of oil, natural and casinghead gas, and sulphur amounted to \$44,984,599, or 18% of total revenue receipts; the selective sales taxes, including licenses, on motor fuel, cigarettes, alcoholic beverages, automobiles, radios, cosmetics, and playing cards produced \$48,884,267, or 19.7%; and federal aid of \$55,612,894 constituted 22.4% of the total.

### REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Item	September 1-February 29			Percent change
	Feb. 1948	1947-48	1946-47	
TOTAL	\$ 40,844,513	\$247,390,086	\$175,162,999	+ 41.2
Ad valorem tax	1,210,538	23,358,656	12,433,388	+ 87.9
Crude oil production tax	7,895,231	39,294,216	25,277,292	+ 55.5
Motor fuel tax (net)	5,305,599	33,948,700	30,270,761	+ 12.2
Cigarette tax and licenses	1,661,429	10,969,108	10,152,962	+ 8.0
Alcoholic beverage taxes and licenses	1,103,837	8,976,314	8,604,568	+ 4.3
Mineral leases, rentals, and bonuses	83,191	14,819,187	4,551,778	+225.6
Interest on securities owned	142,604	2,947,158	2,700,270	+ 9.1
Unclassified receipts from county tax collectors	1,633,755	3,838,622	1,786,844	+114.8
Federal aid—highways	2,170,533	16,022,687	7,741,137	+107.0
Federal aid—public welfare	4,607,343	27,359,327	23,908,748	+ 14.4
Federal aid—public education	3,033,849	11,056,920	6,430,020	+ 72.0
Unemployment compensation taxes	3,231,774	11,040,409	9,251,593	+ 19.3
All other	8,766,780	43,758,432	32,053,648	+ 36.5



Federal Finance

(Federal collections of income, pay roll, and excise taxes vary directly with the level of business prosperity. During the war period federal taxation has likewise become an important determinant of general business activity.)

Federal *internal revenue collections* in February 1948 were \$168,606,777, or an increase of 27.4% over those of February 1947. The income tax, made up of income tax payments and income tax withholdings, accounted for \$141,810,454 of the receipts. The income tax receipts in February of this year were \$34,125,233 greater than those in February last year, and this increase was almost wholly responsible for the increase in total internal revenue collections in February.

For the first eight months (July 1-February 29) of the current fiscal year total collections were \$801,511,614, or an increase of 14.1% over those of the corresponding period of the preceding year. The income tax, payments and withholdings combined, accounted for \$655,595,364, or 81.7% of total receipts. Employment taxes and other sources showed substantial increases in the first eight months of the present year.

The First District (or South Texas) showed an increase in total collections in February 1948 over February 1947, of 45.2%, as compared with an increase in the Second District (or North Texas) of 15.9%.

A movement got rather earnestly under way in Congress in February for the repeal of the federal levies on margarine. These discriminatory taxes and licenses date back to 1886. The several bills for their repeal are stymied in committees.

The break in prices on the commodity exchanges worked both direful and contrary prophesies of the future of business activity and consequent effects on government finances. Nothing of importance followed this flurry, and public interest was shortly diverted to foreign developments, with speculation becoming rife as to what effects these may have upon our finances and particularly upon the strong congressional drive to reduce the income tax.

PRICES

Consumers' Prices

(All income figures must be used in connection with a measure of changes in consumers' prices, since the purchasing power of income is more significant than the aggregate amount in dollars. The increasing cost of living, as measured by indexes of consumers' prices, is of vital importance to all businessmen and consumers.)

*Consumers' food prices in Houston* reflected to a small extent the February decline in commodity prices by dropping to a level 1.5% below that attained in January. They were still 14.4% higher than they were in the same month of last year, however. In 1947, food prices declined 1.0% from January to February.

An increase from January to February in the index of apparel prices of 1.8% and one of 0.3% for house-furnishings prices offset the drop in the food index sufficiently to cause the overall cost-of-living index to fall only .4 of a point from 170.8 to 170.4, or 0.2%.

Current reports indicate that food prices have tended to level off since mid-February. The sharp drop in wholesale prices created some falling-off in the buying of foods at first, as consumers waited to see if prices would not decline still further. Continued resistance is noted only in respect to meats.

INDEXES OF CONSUMERS' PRICES IN HOUSTON

(1935-39 = 100)

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

Group	Feb. 1948	Jan. 1948	Feb. 1947	Percent change	
				Feb. 1948 from Feb. 1947	Feb. 1948 from Jan. 1948
ALL ITEMS	170.4	170.8	154.1	+10.6	- 0.2
Food	218.1	221.5	190.6	+14.4	- 1.5
Apparel	202.9	199.4	179.3	+13.2	+ 1.3
Rent	118.1	*	*		
Fuel, electricity, and ice	94.3	94.3	94.2	+ 0.1	0.0
House furnishings	191.6	191.0	185.2	+ 3.5	+ 0.3
Miscellaneous	149.2	149.3	136.6	+ 9.2	- 0.1

\*Not surveyed.

FEDERAL INTERNAL REVENUE COLLECTIONS

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

District	February			July 1-February 29		
	1948	1947	Percent change	1947-48	1946-47	Percent change
TEXAS	168,606,777	132,353,809	+ 27.4	801,511,614	702,767,488	+ 14.1
Income	82,808,011	60,155,719	+ 37.6	444,595,276	396,990,069	+ 12.0
Employment	12,316,925	11,063,457	+ 11.8	43,557,957	37,047,927	+ 17.6
Withholding	59,007,443	47,529,502	+ 24.1	211,000,088	175,034,570	+ 20.5
Other	14,479,398	13,605,131	+ 6.4	102,358,293	93,694,922	+ 9.2
FIRST DISTRICT	75,515,733	52,023,942	+ 45.2	415,446,279	361,518,373	+ 14.9
Income	31,886,420	13,941,712	+128.7	227,987,712	204,169,763	+ 11.7
Employment	5,947,554	5,132,934	+ 15.9	20,042,428	17,413,450	+ 15.1
Withholding	30,570,514	25,888,143	+ 18.3	113,701,857	93,275,571	+ 21.9
Other	7,111,235	7,110,353	0.0	53,714,282	46,659,589	+ 15.1
SECOND DISTRICT	93,091,044	80,330,167	+ 15.9	386,065,335	341,249,115	+ 13.1
Income	50,916,591	46,214,007	+ 10.2	215,607,564	192,820,306	+ 12.3
Employment	6,369,881	5,930,528	+ 7.4	23,515,529	19,634,477	+ 19.3
Withholding	28,436,929	21,691,859	+ 32.0	97,298,231	81,758,999	+ 19.0
Other	7,368,163	6,494,278	+ 13.5	48,644,011	47,085,338	+ 3.4

## Wholesale Prices

(Changes in the prices of commodities are of fundamental importance to businessmen, since the level of prices has an important effect on profits. The index of wholesale prices compiled by the United States Bureau of Labor Statistics is the most comprehensive measure of price changes published in the United States.)

Except for a 3-point decline in hides and leather prices and a drop of a half point in textiles, *wholesale prices* on the whole were higher in January than they were in December by 1.5% and stood at a level 17.0% higher than that of January 1947.

As was pointed out last month, the weekly index of prices of the Bureau of Labor Statistics began to drop during the week of January 24, when it fell to 164.4 as compared with 165.5 for the preceding week. The big break in commodity prices began on the fourth of February, but was not reflected in the weekly index until February 14 when it dropped 4.1 points to 159.7. During the same week prices of farm products declined almost 15 points—the index for the week of February 7 being 195.5 and that for the following week standing at 180.9.

The index on February 28 was 159.2 which was 2.7% below that for January 31 but 8.7% above the end of

February last year. All commodity groups showed declines from January, but the biggest drop was that for farm products which declined 6.3%.

The break in commodity prices has caused some exercise of caution in buying; most experts seem to agree, however, that its effect has been a healthy one as long as it has only a sobering effect and does not create a widespread loss of confidence. The most commonly mentioned cause of the recent decline was the improvement in the outlook for wheat.

The current "war scare" has not had the bullish effect that might have been expected, possibly because of the fear that political changes in Italy or France would reduce the size of the export market for many commodities scheduled to go to these countries under the European Recovery Program.

On the other hand, there are many factors indicating still further inflation, such as: the fact that the supply of money today is estimated to be about three times greater than in 1939, while the supply of goods is only 50% larger; continuing full employment coupled with as yet unsatisfied consumer demands for durable goods; and a high rate of expenditure by business for capital goods.

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J. Anderson Fitzgerald ..... Dean

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# FIGURES FOR THE YEAR TO DATE

	January-February		Percent Change
	1947	1948	
<b>TRADE</b>			
Estimated retail sales, total	\$ 754,243,000	\$ 655,484,000	+ 13.3
Durable goods, total	\$ 268,279,000	\$ 222,231,000	+ 20.7
Automotive stores	131,137,000	112,154,000	+ 16.9
Lumber, building materials, and hardware stores	107,279,000	81,268,000	+ 32.0
Furniture—household appliance stores	24,013,000	23,161,000	+ 3.7
Jewelry stores	5,850,000	5,648,000	+ 3.6
Nondurable goods, total	\$ 485,964,000	\$ 443,253,000	+ 9.6
Apparel	50,134,000	44,084,000	+ 13.7
Country general	10,978,000	10,699,000	+ 2.6
Department stores	53,683,000	48,539,000	+ 10.6
Eating and drinking places	48,608,000	49,689,000	- 2.2
Filling stations	51,429,000	46,730,000	+ 10.1
Food	159,499,000	145,944,000	+ 9.3
General merchandise	33,282,000	26,434,000	+ 25.9
Drug stores	39,011,000	35,246,000	+ 10.7
Other	39,340,000	35,888,000	+ 9.6
Ratio of credit sales to net sales in department and apparel stores	61.1	56.4	+ 8.3
Ratio of collections to outstandings in department and apparel stores	54.4	55.5	- 2.0
Postal receipts in reporting cities	\$ 5,966,562	\$ 5,383,791	+ 10.8
<b>PRODUCTION</b>			
Industrial electric power consumption for 10 companies (thousands of kilowatt hours)	498,363	458,400	+ 8.7
Man-hours worked in reporting manufacturing establishments	4,328,483	4,682,376	- 7.6
Crude oil runs to stills (thousands of 42-gallon barrels)	94,676	80,028	+ 18.3
Cotton consumption (running bales)	27,279	36,484	- 25.2
Cotton linters consumed (running bales)	4,313	3,480	+ 23.9
Cottonseed crushed (tons)	272,669	143,357	+ 90.2
Manufacture of dairy products (1,000 lbs. milk equivalent)	64,252	94,571	- 32.1
Lumber production in southern pine mills (weekly per unit average in board feet)	186,728	200,344	- 6.8
Construction contracts awarded	\$ 121,158,972	\$ 93,181,097	+ 30.0
Construction contracts awarded for residential building	\$ 55,975,987	\$ 20,605,656	+ 171.7
Building permits issued in reporting cities	\$ 79,985,413	\$ 40,757,734	+ 96.2
Number of loans made by savings and loan associations	3,092	3,496	- 11.6
Amount of loans made by savings and loan associations	\$ 12,767,513	\$ 12,889,997	- 1.0
Crude petroleum production (daily average in barrels)	2,401,750	1,994,125	+ 20.4
<b>AGRICULTURE</b>			
Farm cash income	\$ 131,998	\$ 123,956	+ 6.5
Shipments of livestock (carloads)	13,856	26,902	- 48.5
Rail shipments of eggs (shell equivalent)	62	447	- 86.1
Interstate receipts of eggs at Texas stations (shell equivalent)	23	60	- 61.7
Rail shipments of poultry (carloads)	23	15	+ 53.3
<b>FINANCE</b>			
Bank debits in 20 cities (thousands of dollars)	\$ 6,755,488	\$ 5,467,930	+ 23.5
Corporation charters issued (number)	734	276	+ 165.9
Ordinary life insurance sales	\$ 118,652,000	\$ 110,917,000	+ 7.0
Business failures (number)	12	5	+ 140.0
Sales of United States Savings Bonds	\$ 43,113,263	\$ 49,897,453	- 13.6
<b>TRANSPORTATION</b>			
Revenue freight loaded in Southwestern District (carloads)	537,571	534,660	+ 0.5
Export and coastal cars unloaded at Texas ports	27,869	35,179	- 20.8
Miscellaneous freight carloadings in Southwestern District	330,427	300,338	+ 10.0
Air express shipments (number)	47,644	43,994	+ 8.3
<b>LABOR</b>			
Total nonagricultural employment (monthly average)	1,664,900	1,603,950	+ 3.8
Manufacturing employment	341,550	325,400	+ 5.0
Nonmanufacturing employment	1,323,350	1,278,550	+ 3.5
<b>GOVERNMENT</b>			
Revenue receipts of State Comptroller*	\$ 247,390,086	\$ 175,162,999	+ 41.2
Federal internal revenue collections†	\$ 801,511,614	\$ 702,767,488	+ 14.1
<b>PRICES</b>			
Index of consumers' prices in Houston (monthly average; 1936-39=100)	170.6	154.0	+ 10.8
Index of food prices in Houston (monthly average; 1935-39=100)	219.8	191.6	+ 14.7

\*State fiscal year to date—September 1—February 29.

†Federal fiscal year to date—July 1—February 29.

# BAROMETERS OF TEXAS BUSINESS

