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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

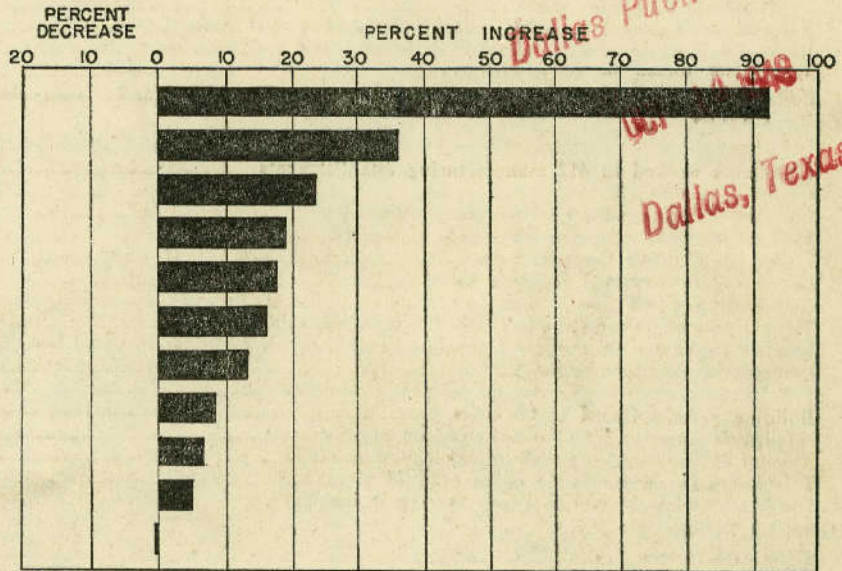
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September 1948

HIGHLIGHTS OF TEXAS BUSINESS

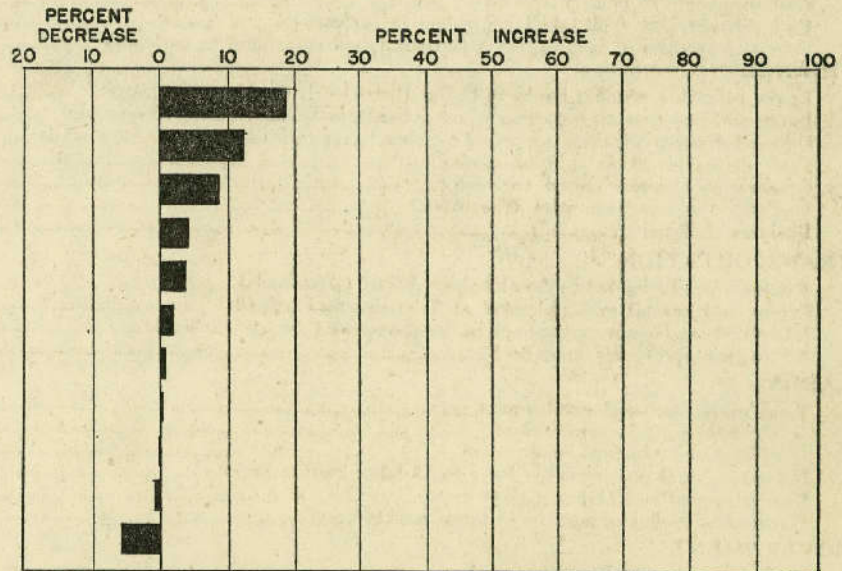
AUGUST 1948 COMPARED
WITH AUGUST 1947

- Construction contracts.....
- Farm cash income.....
- Pay rolls.....
- Bank debits.....
- Electric power consumption.....
- Postal receipts.....
- Retail sales.....
- Cotton consumption.....
- Crude petroleum production.....
- Employment.....
- Revenue freight loaded.....



AUGUST 1948 COMPARED
WITH JULY 1948

- Construction contracts.....
- Farm cash income.....
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- Electric power consumption.....
- Retail sales.....
- Crude petroleum production.....
- Employment.....
- Revenue freight loaded.....
- Postal receipts.....
- Bank debits.....



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FIGURES FOR THE MONTH

	August 1948	July 1948	August 1947
INDEX OF TEXAS BUSINESS ACTIVITY (1935-39=100)*.....	233.4	226.8	204.2
Index of department and apparel store sales (10).....	407.6	409.5	354.6
Index of miscellaneous freight carloadings in Southwestern District (20).....	157.5	146.1	153.1
Index of crude oil runs to stills (5).....	177.9	179.5	160.4
Index of electric power consumption (15).....	328.5	316.4	280.2
Index of employment (25).....	127.7	127.1	121.4
Index of pay rolls (25).....	283.9	273.2	230.6
TRADE			
Retail sales, total.....	\$430,277,000	\$421,575,000	\$378,511,000
Durable goods stores.....	\$171,502,000	\$163,327,000	\$133,129,000
Nondurable goods stores.....	\$258,775,000	\$258,248,000	\$245,382,000
Ratio of credit sales to net sales in department and apparel stores.....	61.3	55.9	58.1
Ratio of collections to outstandings in department and apparel stores.....	51.1	53.8	54.4
Advertising linage in 33 newspapers.....	29,018,763	28,914,885	27,463,446
Postal receipts in 61 cities.....	\$ 3,029,184	\$ 3,078,704	\$ 2,611,387
PRODUCTION			
Industrial electric power consumption for 10 companies (thousands of kilowatt hours).....	305,712	300,490	283,981
Man-hours worked in 412 manufacturing establishments.....	3,018,995	2,935,121	2,727,509
Crude oil runs to stills (42-gallon barrels).....	51,852	51,811	46,711
Gasoline stocks at refineries (thousands of barrels).....	17,590	18,601	16,517
Fuel oil stocks at refineries (thousands of barrels).....	22,111	18,633	21,206
Cotton consumption (running bales).....	12,900	11,936	11,887
Cotton linters consumed (running bales).....	2,052	2,286	1,885
Cottonseed crushed (tons).....	87,318	55,296	61,311
Manufacture of dairy products (1,000 lbs. milk equivalent).....	63,300	67,230	62,878
Lumber production in southern pine mills (weekly per unit average in board feet).....	204,103	215,528	222,124
Construction contracts awarded.....	\$ 90,110,014	\$ 76,186,654	\$ 46,854,097
Construction contracts awarded for residential building.....	\$ 30,876,102	\$ 31,509,527	\$ 17,971,985
Building permits issued in 50 cities.....	\$ 30,082,514	\$ 39,058,915	\$ 28,524,336
Number of loans made by savings and loan associations.....	1,815	2,046	2,079
Amount of loans made by savings and loan associations.....	\$ 6,854,772	\$ 7,889,004	\$ 8,248,884
Telephones in service in 40 cities (end of month).....	1,003,258	993,622	856,082
Crude petroleum production (daily average in barrels).....	2,446,600	2,424,750	2,300,400
AGRICULTURE			
Farm cash income.....	\$185,787,000	\$164,655,000	\$136,292,000
Shipments of livestock (carloads).....	7,764	6,000	6,819
Rail shipments of fruits and vegetables (carloads).....	513	4,681	2,279
Rail shipments of poultry (carloads).....	5	6	18
Rail shipments of eggs (shell equivalent in carloads).....	136	283	156
Interstate receipts of eggs at Texas stations (shell equivalent in carloads).....	5	14	58
FINANCE			
Loans, reporting member banks in Dallas District (thousands).....	\$ 1,041,000	\$ 1,018,000	\$ 848,000
Loans and investments, reporting member banks in Dallas District (thousands).....	\$ 2,281,000	\$ 2,241,000	\$ 2,137,000
Demand deposits adjusted, reporting member banks in Dallas District (thousands).....	\$ 1,907,000	\$ 1,905,000	\$ 1,784,000
Bank debits in 20 cities (thousands).....	\$ 3,459,269	\$ 3,674,092	\$ 2,901,789
Corporation charters issued (number).....	244	341	389
Ordinary life insurance sales (thousands).....	\$ 62,881	\$ 61,583	\$ 61,703
Business failures.....	12	6	7
TRANSPORTATION			
Revenue freight loaded in Southwestern District (carloads).....	302,256	303,115	305,292
Export and coastal cars unloaded at Texas ports (carloads).....	20,441	22,399	20,571
Miscellaneous freight carloadings in Southwestern District (carloads).....	188,668	172,052	183,406
Air express shipments (number).....	24,561	24,764	26,279
LABOR			
Total nonagricultural employment.....	1,748,800	1,740,300	1,659,000
Manufacturing employment.....	354,100	352,900	341,500
Nonmanufacturing employment.....	1,394,700	1,387,400	1,317,500
Nonagricultural civilian labor force in 15 labor market areas.....	1,263,565	1,259,354	1,213,683
Unemployment in 15 labor market areas.....	43,950	46,168	65,235
Placements in employment in 15 labor market areas.....	27,948	23,486	23,174
GOVERNMENT			
Revenue receipts of State Comptroller.....	\$ 43,055,975	\$ 41,683,083	\$ 32,856,765
Federal internal revenue collections.....	\$ 83,333,485	\$ 61,648,591	\$ 72,555,406
PRICES			
Index of consumers' prices in Houston (1935-39 = 100).....	175.2	173.7	159.7
Index of food prices in Houston (1935-39 = 100).....	223.8	222.1	200.8

*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

Texas business activity in August continued at a slightly higher level than was reached in July, and again the *composite index of business activity* established a new high for the postwar period. The August index adjusted for seasonal variation was 233.4% of the prewar base period 1935-39. It was 2.9% above July 1948 and 14.3% above August a year ago. With only a few minor variations the composite index of business activity has climbed steadily since the reconversion low point reached in October 1945. On that date the index stood at 160.0, and the present level represented an increase of 45.9% during the postwar boom. The August index was within 1.9% of the all-time high of 237.9 registered at the peak of the war effort in January 1945. A further rise of more than 3.5 points in the composite index will indicate a volume of business greater than any ever before reached in Texas.

The rise in the composite index from July was strong, with four of the six components increasing. The other two components declined less than 1%. Greatest gain over July was shown by *miscellaneous freight carloadings*, which went up 7.8%. *Pay rolls* rose 3.9% and *electric power consumption* 3.8%. Smallest rise was in *employment*, which was up only 0.5%. The two decreases were in *crude oil runs to stills*, down 0.9%, and *department and apparel store sales*, down 0.5%. In comparison with August of last year, all six of the components showed substantial increases. Pay rolls were up 23.1%, electric power consumption 17.2%, department and apparel store sales 14.9%, crude runs to stills 10.9%, employment 5.2%, and miscellaneous freight carloadings 2.9%.

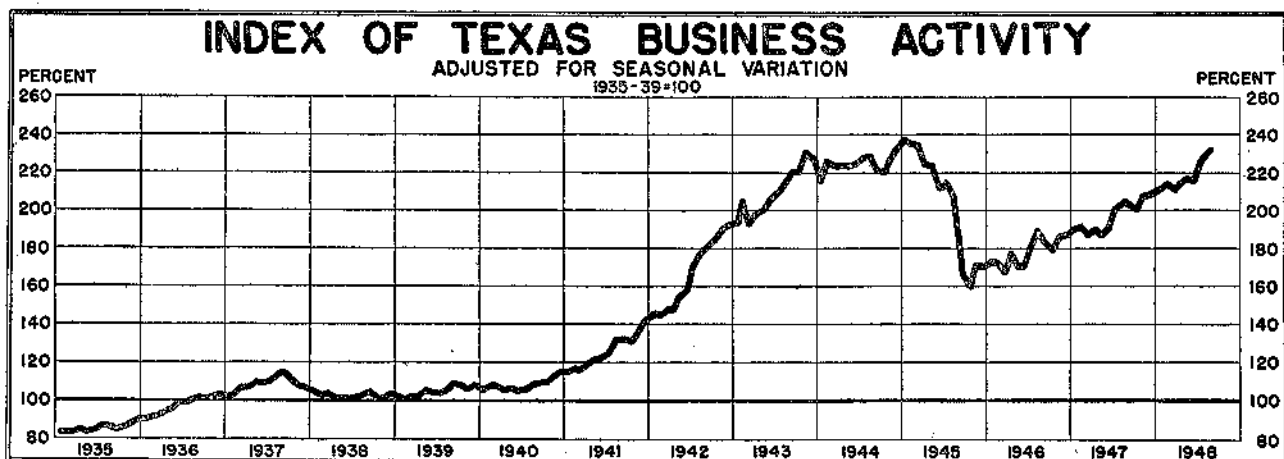
Another measure of the changes in the general level of business activity is the *index of bank debits* in Texas cities, compiled by the Bureau of Business Research from data collected by the Board of Governors of the Federal Reserve System. After adjustment for seasonal variation, this index was down 1.6% from the record high point reached in July 1948. This decline is too small to indicate a reversal of the upward trend, and still leaves the

index 19.2% above the level of a year ago. The August index point of 457.0 for bank debits means that the dollar volume of business transactions in Texas cities was more than 4½ times the volume in the prewar five-year period.

Further evidence of the trend of general business conditions is furnished by the Bureau's *index of postal receipts* in Texas cities, adjusted for seasonal variation and based on the years 1935-39. Since all business concerns use the postal services, and since there are no month-to-month changes in the prices of these services, the total volume of postal receipts may be expected to reflect the changes in the level of the volume of business activity. The index of postal receipts declined 0.7% in August from the previous month, but was 16.6% above the level of August 1947. The very small decline from the previous month supports the thesis that the level of August activity continued at the extremely high level that has prevailed all summer. However, the fact that both bank debits and postal receipts declined, while the composite index increased, suggests that the volume of business activity is about as high as it can go, except as price increases cause expansion in total dollar series.

August *retail sales* in Texas were estimated by the Bureau at \$430 million, an increase over July that was slightly less than the normal seasonal rise due in August. After adjustment for this seasonal factor, retail sales showed a decrease of 0.3% from July. The index of retail sales was 325.5% of the 1935-39 base period, much of its increase having resulted from higher prices rather than larger unit sales. After adjustment for changes in retail prices, the Bureau's index of retail sales was 168% of the 1935-39 base.

Sales of nondurable goods stores declined 4.0% in August from July, after adjustment for seasonal variation, while sales of durable goods stores declined 0.1%. Compared to August last year, durable goods store sales were up 28.8%, while sales of nondurable goods stores were only 5.5% higher. Aggregate retail sales for August 1948 were 13.7% more than a year earlier. Total retail



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sales were divided between durable and nondurable goods stores in the ratio of 40 to 60.

As many merchants were pushing the sale of durable goods on easy credit terms, in anticipation of a return of credit control, the ratio of credit sales to net sales in department and apparel stores reached 61% in August, compared to 55.9% in July. The ratio of collections to accounts receivable outstanding in department and apparel stores was 51.1% in August, down from 53.8% in July.

Industrial activity declined slightly in August, as the Bureau's seasonally adjusted *index of industrial power consumption* dropped 0.6%. Man-hours worked in manufacturing establishments increased 2.9% over July, and total manufacturing employment in the State increased 0.3%. However, neither of these two latter series is adjusted for seasonal variation, and there is normally a rise in August that should be considered a customary seasonal occurrence. If adjustment were made for this seasonal movement, it is likely that all three indexes of industrial activity would show very little change from July, and this change might be a decrease. Crude oil runs to stills, used as a measure of activity in the refining industry of the State, registered a decline of 0.9% after adjustment for seasonal variation.

Building permits dropped 34.6% in August to carry the index to a point only 9.8% above a year ago. This level, however, is still 519.5% of the 1935-39 level, and indicates that building activity is still a strong support to the boom. For the first eight months of 1948 building permits have been 51.5% above the same period of 1947, and construction contracts awarded have been 50.9% ahead of last year. Since there is considerable variation from one month to the next in building statistics, it is not safe to conclude that the drop in August is the beginning of a decline in building, although this series should be watched in coming months for an indication that building activity is slowing down.

Farm cash income from the marketing of farm products increased less than the usual seasonal rate, with the result that the Bureau's seasonally adjusted index dropped 13.7% from July.

Prices in general continue to rise, with the index of consumers' prices in Houston at 175.2 on August 15. This represents an increase of 0.9% over July and 9.7% over August of last year.

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 United States Department of Commerce are as follows:

Simplifying Stock Room Problems
Radio Advertising
Maintenance Cost Control in
Manufacturing Plant
Profit from Store Records

Copies of these *Aids* are available without charge from the Bureau of Business Research.

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.)

Estimated retail sales in Texas totaled \$430,277,000 for August, or 2.1% above July and 13.7% larger than in August 1947 (the same rate of increase as in July). Year-to-date sales were 15.6% higher in 1948. Durable goods stores continued to contribute the greater sales gains, 28.8% over August 1947 and 24.7% for the eight months, January-August. Sales of nondurable goods dealers increased 5.5% over last August and 10.9% for the eight months.

The *index of total retail sales* (adjusted for seasonal variation and based on the prewar years 1935-39) receded a point from July to 325.5, in comparison with the high point of 340.1 in April. The durable goods index dropped a half point to 380.1 and the nondurable goods index 12 points to 286.2. The average indexes for the eight months, January-August, were: total retail sales, 323.9; durable goods, 370.3; nondurables, 297.7. Deflated for price changes, the adjusted total retail sales index slipped a half point to 168.2, in comparison with 178.2 in April. Among individual retail lines, the indexes rose for filling stations and for lumber and building materials; and the index for automotive stores leaped to a new high point of 333.1. Indexes for other retail lines fell during August. The most noticeable declines were registered for department, apparel, jewelry, and food stores and eating and drinking places. Despite heavy purchasing in durable goods lines, customers' buying resistance to high prices and questionable quality is apparently dragging upon sales. Retailers' competition is increasing in prices, services, special selling events, and efforts to obtain and retain suitable sales personnel.

ESTIMATES OF TOTAL RETAIL SALES

(in thousands of dollars)

Type of store	Percent change					
	Aug. 1948	Jan.-Aug. 1948	Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948	Jan.-Aug. 1948 from Jan.-Aug. 1947	Jan.-Aug. 1948 from Jan.-Aug. 1947
TOTAL	430,277	3,371,886	+13.7	+ 2.1	+15.6	+15.6
Durable goods	171,502	1,252,188	+28.8	+ 5.0	+24.7	+24.7
Nondurable goods	258,775	2,119,698	+ 5.5	+ 0.2	-10.9	-10.9

By *kinds of business*, largest sales gains over August 1947 were as follows: motor vehicle dealers, 42.5%; farm implement dealers, 27.0%; building material dealers, 26.1%; food stores, 25.5%; furniture stores, 18.1%; filling stations, 13.6%. Other gains ranged from 1.1% for restaurants to 9.3% for family clothing stores. Decreases of from 3.2% to 9.2% were reported for country general stores, men's and boys' clothing stores,

**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		
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948	Jan.-Aug. 1948 from Jan.-Aug. 1947
Apparel stores	266	+ 3.5	+18.4	+ 3.4
Automotive stores	220	+40.1	+ 9.3	+18.3
Lumber, building material, and hardware	280	+21.3	+ 0.6	+18.6
Country general stores	64	- 3.2	- 1.4	+ 2.8
Department stores	58	+ 3.4	+ 2.8	+12.7
Drug stores	161	+ 3.8	- 1.4	+ 2.6
Eating and drinking places	97	+ 1.5	- 1.9	+ 2.3
Filling stations	55	+18.6	- 0.2	+15.3
Florists	46	+ 7.3	- 0.7	0.0
Food stores	210	+25.5	- 3.9	+12.5
Furniture and household	144	+17.4	+ 5.5	+12.8
General merchandise	51	+ 1.7	+ 2.4	+ 8.0
Jewelry stores	42	- 7.6	+ 2.2	+ 1.3
All other stores	111	+ 3.8	- 1.1	+ 9.4

jewelers, and shoe stores. For the eight months, 1948 over 1947, largest gains were indicated for farm implement dealers (26.1%), building materials dealers (24.9%), motor vehicle dealers (19.1%), and filling stations (15.3%).

As in July, sales increases over August 1947 were largest (16.8%) for cities over 100,000 population and smallest (13.0%) for towns under 2,500. This reverses the pattern noted during the latter part of 1947 and early 1948. For 1948 to date, the largest increase (13.2%) was reported for cities of 50,000 to 100,000.

Among individual cities, largest percentages of sales gains over August 1947 were registered for Beaumont (35.1%), Lamesa (33.5%), Houston (27.2%), Texas City (26.7%), Austin (25.9%), Corpus Christi (25.6%), Temple (24.7%), and Abilene (22.0%). Eight cities reported sales increases of 1 to 10%, seven had 11 to 20%, and three decreased by 3 to 6%.

**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		
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948	Jan.-Aug. 1948 from Jan.-Aug. 1947
Over 100,000	689	+16.8	+ 6.1	+11.4
50,000-100,000	195	+15.3	+ 5.8	+13.2
2,500-50,000	705	+15.1	+ 2.1	+12.6
Under 2,500	165	+13.0	+ 1.1	+10.2

The ratio of credit sales to total net sales in 73 Texas department and apparel stores stood in August at 61.3% as compared with 58.1% a year earlier and 55.9% in July 1948. The average collection ratio declined from 54.4% in August 1947 and 53.8% in July 1948 to 51.1% in August 1948. As in earlier months, Dallas (70.7%), among cities, and women's shops (65.1%), among types of retail stores, continued to produce the highest percentages of credit business. Cleburne (39.4%), Lubbock (40.4%), and Beaumont (48.0%), reported the lowest percentages. The best ratios of collections to accounts outstanding were made in Austin (58.0%) and Corpus

Christi (56.1%) and by the men's clothing stores (57.4%).

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 outstandings†	
		Aug. 1948	Aug. 1947	Aug. 1948	Aug. 1947
ALL STORES	73	61.3	58.1	51.1	54.4
BY CITIES:					
Austin	7	52.8	49.1	58.0	61.0
Beaumont	2	48.0	63.6	52.0	52.5
Cleburne	3	39.4	45.5	40.7	53.0
Corpus Christi	4	58.2	52.1	58.1	67.1
Dallas	12	70.7	68.6	53.5	54.4
Fort Worth	5	68.0	58.3	51.4	66.7
Houston	8	61.5	54.3	49.4	51.1
Lubbock	3	40.4	41.5	46.2	64.3
San Antonio	4	56.7	49.8	47.4	50.4
Waco	5	56.0	59.0	53.6	68.8
Other	13	49.8	45.2	48.8	49.2
BY TYPE OF STORE:					
Department stores (annual sales over \$500,000)	18	61.7	57.9	51.9	54.7
Department stores (annual sales under \$500,000)	10	47.8	43.4	51.6	68.3
Dry goods-apparel stores	7	46.4	40.4	41.0	55.8
Women's specialty shops	21	65.1	64.4	48.4	51.4
Men's clothing stores	17	55.9	51.3	57.4	58.6
BY VOLUME OF NET SALES: (1947)					
Over \$2,500,000	23	64.7	61.5	51.0	53.6
\$1,000,000-\$2,500,000	15	46.7	43.7	51.5	57.1
\$500,000-\$1,000,000	16	47.2	43.3	54.6	67.6
Less than \$500,000	19	39.8	38.3	44.9	54.0

*Credit sales divided by net sales.

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

Advertising linage in 33 newspapers of leading Texas cities was 5.7% larger than in August 1947 but only 0.4% larger than in July 1948. The similar July-to-August increase in 1947 was 5.8%.

Sales of gasoline subject to tax totaled 207,767,181 gallons in July, 2.2% above June 1948 and 7.8% over July 1947. Sales to the federal government increased 54.1% over June 1948 to stand 41.0% above July 1947. The index of gasoline sales rose again in July to 200.2 (1935-39=100), after adjustment for seasonal variation.

Attendance at State parks in August registered 377,024 visitors with 111,791 cars, or 10.3% more visitors and 15.6% more cars than in August 1947. However, out-of-State cars were 14.7% fewer than in July 1948 and 0.9% below 1947. Overnight visitors declined 17.2%.

NEW BUREAU PUBLICATION

The Bureau of Business Research is pleased to announce publication of "A Selected and Annotated Bibliography of Literature on Salesmanship" compiled by Mr. Ralph B. Thompson, Assistant Professor of Marketing in the College of Business Administration. Copies of this new bibliography are available without charge upon request at the Bureau.

Postal receipts in 61 Texas cities for August averaged 16.0% above 1947 but slipped 1.6% from July 1948. The like decrease for July-to-August 1947 was 4.5%. The index receded nearly two points to 243.8.

POSTAL RECEIPTS

City	August 1948	July 1948	August 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	\$3,629,184	\$3,078,704	\$2,611,387	+ 16.0	- 1.6
Abilene	31,349	34,099	29,326	+ 6.9	- 8.1
Amarillo	65,903	70,095	60,254	+ 9.4	- 6.0
Austin	187,829	130,965	119,579	+ 15.3	+ 5.2
Beaumont	55,409	51,511	45,718	+ 21.2	+ 7.6
Big Spring	9,209	11,200	10,077	- 8.6	- 17.8
Borger	7,143	9,355	6,346	+ 12.6	- 23.6
Brownsville	12,016	13,995	9,868	+ 21.8	- 14.1
Brownwood	11,419	11,677	9,920	+ 15.1	- 2.2
Bryan	9,224	7,966	7,064	+ 30.4	+ 15.8
Childress	3,202	3,677	3,125	+ 2.5	- 12.9
Cleburne	5,212	5,198	4,979	+ 19.0	+ 0.4
Coleman	5,241	3,942	3,179	+ 64.9	+ 33.0
Corpus Christi	67,410	67,797	62,713	+ 7.5	- 0.6
Corsicana	9,441	9,734	7,193	+ 31.3	- 8.0
Dallas	779,728	730,037	680,482	+ 14.6	- 0.03
Del Rio	4,965	5,289	4,917	+ 1.0	- 6.1
Denison	9,114	10,103	8,806	+ 8.5	- 9.8
Denton	12,274	13,485	9,323	+ 31.7	- 9.0
Edinburg	7,131	5,922	4,832	+ 47.6	+ 20.4
El Paso	94,988	103,176	87,450	+ 8.6	- 7.9
Fort Worth	289,458	300,429	242,485	+ 19.4	- 3.7
Gainesville	6,214	5,890	5,040	+ 23.3	+ 5.8
Galveston	51,739	47,704	44,204	+ 17.0	+ 8.5
Gladewater	3,858	4,062	2,985	+ 29.2	- 5.0
Greenville	10,168	12,808	11,390	- 10.7	- 20.6
Harlingen	15,729	15,210	11,762	+ 33.7	+ 3.4
Houston	535,219	534,789	447,155	+ 19.7	+ 0.1
Jacksonville	6,973	6,224	4,708	+ 48.1	+ 12.0
Kenedy	2,064	3,045	1,982	+ 4.1	+ 0.9
Kerrville	5,769	5,675	4,866	+ 18.1	+ 1.7
Lamesa	5,438	4,860	4,473	+ 21.6	+ 11.9
Laredo	14,380	17,671	13,743	+ 4.6	- 18.6
Lockhart	2,025	2,312	1,903	+ 6.4	- 28.0
Longview	16,872	19,325	13,714	+ 23.0	- 12.7
Lubbock	45,655	50,764	37,167	+ 22.3	- 10.1
Lufkin	10,191	9,561	8,093	+ 25.9	+ 6.6
McAllen	10,700	11,321	8,263	+ 29.5	- 5.5
Marshall	12,220	12,410	9,733	+ 25.6	- 1.5
Midland	14,705	17,682	12,193	+ 20.6	- 16.7
Nacogdoches	7,398	6,783	4,884	+ 51.5	+ 9.1
New Braunfels	5,455	6,179	5,119	+ 6.6	- 11.7
Orange	8,448	10,292	8,345	+ 1.2	- 17.9
Palestine	6,065	8,158	5,499	+ 26.7	- 14.4
Pampa	9,471	11,257	7,497	+ 26.3	- 15.9
Paris	11,053	11,612	8,496	+ 30.1	- 4.8
Plainview	6,734	8,301	6,965	- 3.3	- 18.9
Port Arthur	23,977	26,349	23,266	+ 0.5	- 12.9
San Angelo	26,295	29,556	21,221	+ 23.9	- 11.0
San Antonio	238,946	297,546	255,634	+ 13.0	- 2.9
Seguin	4,131	4,558	4,906	- 15.8	- 9.3
Sherman	14,175	13,878	12,299	+ 15.3	+ 2.2
Snyder	2,121	2,270	1,870	+ 13.4	- 6.6
Sweetwater	9,334	7,993	5,882	+ 58.7	+ 26.3
Temple	14,457	13,445	12,319	+ 17.4	+ 7.5
Texarkana	35,691	30,285	30,868	+ 15.6	+ 17.9
Texas City	8,926	8,227	7,521	+ 18.7	+ 8.5
Tyler	28,461	31,214	20,151	+ 41.2	- 8.9
Vernon	6,090	6,934	5,091	+ 19.6	- 12.2
Victoria	9,428	10,081	9,040	+ 4.3	- 6.5
Waco	63,402	66,487	59,391	+ 6.8	- 4.6
Wichita Falls	41,252	40,970	34,698	+ 18.9	+ 0.7

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.)

Reports from Texas wholesalers to the Bureau of the Census show that sales for July 1948 were 3% under those reported for the preceding month of June 1948. Wholesalers of automotive supplies (+16%) continued to hold the greatest monthly gain in sales. Tobacco products were up 5%, and drugs and sundries 3%, while sales of other wholesalers moved downward from June to July. Machinery, equipment and supplies (except electrical) turned in a 13% decline from June; hardware, 9%; electrical 6%; and the all other group 1%. Grocery wholesalers reported no change from June sales.

Over-all sales for July 1948 rose 12% from a year earlier. Except for a 6% decrease in the "all other" group, all wholesalers turned in gains over July 1947. Leading in this group was the machinery, equipment and supplies (except electrical) group with a 44% increase. Automotive supplies and groceries stepped up 13% and hardware, 12%.

Average inventories for July 1948 were unchanged from a month earlier. Although gains of 9 and 1% were turned in by tobacco products and machinery equipment and supplies (except electrical), they were counterbalanced by declines in the other groups. Automotive supplies were down 7%; electrical group, 6%; hardware, groceries, and all other wholesalers, 1%.

Inventories were 21% above that reported for July 1947. Machinery, equipment, and supplies (except electrical) were up 36%. Close behind was the electrical group, with a 35% rise. Groceries and the "all other" group reported a 22% gain, and hardware (16%), tobacco products (7%), automotive supplies (4%), and drugs and sundries (2%) were below the over-all average.

PERCENTAGE CHANGES IN WHOLESALERS' SALES AND INVENTORIES

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

Business	Sales		Inventories	
	July 1948 from July 1947	July 1948 from June 1948	July 1948 from July 1947	July 1948 from June 1948
TOTAL	+12.0	- 3.0	+21.0	0.0
Automotive supplies	+13.0	+16.0	+ 4.0	- 7.0
Electrical group	+11.0	- 6.0	+35.0	- 6.0
Hardware	+12.0	- 9.0	+16.0	- 1.0
Machinery, equipment and supplies (except electrical)	+44.0	-13.0	+36.0	+ 1.0
Drugs and sundries*	+ 6.0	+ 3.0	+ 2.0	0.0
Groceries	+13.0	0.0	+22.0	- 1.0
Tobacco products	+ 2.0	+ 5.0	+ 7.0	+ 9.0
All other	- 6.0	- 1.0	+22.0	- 1.0

*Excludes 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, but they are subject to adjustment for price changes.)

Exports from Houston and Galveston rose seasonally in July to a total of 796,674 tons. Although the increase over June was 37.6% as compared with a gain of 23.3% between the same two months of last year, the total was 3.7% less than export volume of July 1947. Furthermore, July of this year was the ninth consecutive month in which the current totals were below those of 12 months earlier. Since the first of the year the exports of these two ports have run approximately 13% behind exports in the first seven months of last year. There is every indication that the back of the export boom is broken and major support of a record-breaking level of business activity should not henceforth be expected from the movement of goods in foreign trade.

EXPORTS FROM GALVESTON AND HOUSTON

(In tons)

Source: Galveston and Houston Maritime Associations, Inc.

Port and product	July 1948	June 1948	July 1947	Percent change	
				July 1948 from July 1947	July 1948 from June 1948
TOTAL	796,674	579,002	827,530	- 3.7	+ 37.6
Galveston, total	513,505	414,508	535,891	- 4.2	+ 23.9
Cotton	12,579	10,836	5,077	+147.8	+ 13.1
Wheat	297,203	252,621	800,968	- 1.3	+ 17.6
Other grain	59,276	---	79,489	- 25.4	---
Flour	57,344	59,598	38,722	+ 48.1	- 8.8
Sulphur	77,488	67,862	91,879	- 15.2	+ 14.2
Other	9,615	23,596	20,256	- 52.5	- 59.3
Houston, total	283,169	164,494	291,639	- 2.9	+ 72.1
Cotton and linters	9,148	11,318	6,958	+ 31.5	- 19.2
Wheat	184,211	82,147	109,810	+ 68.5	+124.2
Flour	34,890	17,832	63,247	- 44.3	+ 95.7
Rice and rice products	367	3,518	3,649	- 76.2	- 75.4
Carbon black	9,270	9,866	11,057	- 16.2	- 6.0
Other	44,788	39,818	37,418	- 54.0	+ 12.5

For the nation the same downward trend was apparent, but it was not as marked as in Texas. Although exports from the United States in July were up slightly over June from \$1,013 million to \$1,022 million, imports fell from \$616 million to \$559 million. Thus the export-import gap was somewhat greater in July than in June and a weak element in the present business situation remained to worry forecasters. During the first seven months of 1948 exports were \$7,579 million, as against \$8,684 million for a like period last year. Imports in the same periods of 1947 and 1948 were \$3,312 million and \$4,005 million, respectively. Improvement in the balance of trade this year was therefore coupled with a lower total dollar volume despite the general rise in prices.

Viewed from close range, the broad trends were sometimes difficult to see. Imports into the United States during June were the second highest in history. Shipments of grain from Houston during July broke all records. Nevertheless, it was significant that exports of

FOREIGN TRADE OF TEXAS PORTS
(in millions of dollars)

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

Customs district	June 1948	May 1948	June 1947	Percent change	
				June 1948 from June 1947	June 1948 from May 1948
EXPORTS, TOTAL	111.3	182.4	123.9	- 10.2	- 15.9
El Paso	2.6	8.4	2.5	- 25.7	- 23.5
Galveston	68.0	88.2	78.3	- 13.2	- 13.3
Laredo	29.8	27.4	29.5	- 0.7	+ 6.9
Sabine	11.4	18.4	12.6	- 9.5	- 88.0
IMPORTS, TOTAL	21.4	14.6	12.5	+ 71.2	+ 46.6
El Paso	1.4	1.8	1.5	- 6.7	- 22.2
Galveston	15.0	8.2	5.6	+167.9	+ 82.9
Laredo	4.7	4.0	4.5	+ 4.4	+ 17.5
Sabine	0.3	0.6	0.9	- 66.7	- 50.0

cotton and raw materials from Houston during the fiscal year ending July 31 were down, and the export of food-stuffs from the same port decreased almost 20% in spite of the activities of the Venezuela Basic Economy Corporation. Other significant changes may be seen in the accompanying table.

Some improvement was noted in August in several factors that have disturbed foreign trade in Texas. After much effort the European Co-operation Administration appeared to have cleared the way for private trading in grain under the European Recovery Program. Moreover, the first disruptive effects of the Mexican peso devaluation seemed to have spent themselves. Announcement was also made that the United States Department of Commerce had entered into an agreement with the Mexican government that will permit that government to distribute land on a subsidized basis and thus avoid the disastrous rise in import prices. The immediate prospects for the trade in which Texans are interested has therefore taken a turn for the better in recent weeks.

WATER-BORNE IMPORTS OF MERCHANDISE

(in thousands of dollars)

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

Customs district	May 1948	April 1948	Monthly average 1947	Percent change	
				May 1948 from May 1947 avg.	May 1948 from Apr. 1948
TOTAL	10,100	9,400	8,000	+ 26.3	+ 7.4
Sabine	800	0	100	+500.0	---
Galveston	3,500	3,700	7,100	+ 19.7	- 2.8
Laredo	1,000	700	800	+ 25.0	+ 42.9

WATER-BORNE EXPORTS OF DOMESTIC AND FOREIGN MERCHANDISE

(in thousands of dollars)

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

Customs district	May 1948	April 1948	Monthly average 1947	Percent change	
				May 1948 from May 1947 avg.	May 1948 from Apr. 1948
TOTAL	101,100	89,800	84,400	+ 19.3	+ 12.6
Sabine	18,400	14,700	14,400	+ 27.8	+ 25.2
Galveston	82,600	75,000	69,300	+ 19.2	+ 10.1
Laredo	100	100	700	- 85.7	0.0

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.)

Crude oil runs were substantially greater during August than for the corresponding month of 1947. The steadily increasing demand throughout the nation for petroleum products helped promote this additional output, and the trend is rather consistently shown by the similar increases for other months of 1948 compared with the same months of 1947. Texas has played a major role in the easing of a petroleum shortage which has threatened the country for some time.

The *index of crude oil runs to stills*, adjusted for seasonal variation, was 177.9 last month compared with 160.4 for August 1947 (1935-39=100). Although this sizable increase in production over last year has noticeably relieved the threat of a petroleum shortage, it does not necessarily foreshadow any decrease in demands, particularly while the number of registered vehicles in the United States is increasing each month.

Over-all industrial production both in Texas and the nation as a whole has shown little increase throughout the summer even though some 25 new manufacturing and construction companies were scheduled to begin operations in August, according to the Texas Employment Commission. Many cautious observers foresee this leveling off as a sign of a forthcoming recession. It should be remembered, however, that similar short periods of leveling off have been followed by new spurts of activity.

REFINERY STOCKS*

(in thousands of barrels)

Source: *The Oil and Gas Journal*

Section and Item	August 1948	July 1948	August 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TEXAS					
Gasoline	17,590	18,601	16,517	+ 6.5	- 5.4
Distillate	9,510	7,984	9,810	- 3.1	+19.1
Residual	9,321	7,689	7,477	+24.7	+21.2
Kerosene	3,280	2,960	3,919	-16.3	+10.8
TEXAS GULF COAST					
Gasoline	14,212	15,267	13,755	+ 3.8	+ 6.9
Distillate	8,888	7,241	9,275	- 9.6	+15.8
Residual	8,919	6,879	6,570	+26.6	+20.9
Kerosene	2,520	2,126	3,407	-26.0	+18.5
INLAND TEXAS					
Gasoline	3,878	3,334	2,762	+22.3	+ 1.3
Distillate	1,124	743	635	+110.1	+51.3
Residual	1,002	810	907	+10.5	+23.7
Kerosene	760	834	512	+48.4	- 8.9

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

Cotton consumption in Texas remained relatively stable during August. August consumption was 8.1% above the same month of 1947 and 8.5% above July 1948. Such fluctuations in textile production are not generally

indicative of any trend or development unless they occur consistently in the same direction for at least several months.

Cottonseed consumption was noticeably greater in August than in the same month of 1947, principally because of a more favorable cotton crop in the Lower Rio Grande Valley. August production was 42.4% more than that for August 1947, and it might have been more had it not been for an unusually early maturing of the cotton crop this year. August crushing of cottonseed was 57.9% above that for July.

COTTON MANUFACTURING

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

Item	Aug. 1948	July 1948	Aug. 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
CONSUMPTION*					
Cotton	12,900	11,986	11,887	+ 8.5	+ 8.1
Linters	2,052	2,288	1,885	+ 8.9	- 10.2
SPINNING ACTIVITY					
Spindles in place	240,000	240,000	228,000	+ 5.3	0.0
Spindles active	215,000	190,000	214,000	+ 0.5	+ 11.3
Total spindle hours	81,000,000	67,000,000	80,000,000	+ 1.3	+ 20.9
Average spindle hours	836	278	849	- 3.7	+ 20.9
COTTONSEED†					
Received at mills	191,238	84,552	121,868	+ 56.9	+126.2
Crushed	87,318	55,296	61,311	+ 42.4	+ 57.9
Stocks at end of month	163,190	64,132	118,790	+ 47.3	+162.3

*In running bales.

†In tons.

Lumber mills reporting to the Southern Pine Association showed decreases of 8.1% from *production* in August of 1947 and 5.3% from July of 1948. The number of unfilled orders was noticeably less than at the same time last year. Lumber production, however, is still only at about 70% of the average prewar (1935-39) level.

LUMBER PRODUCTION IN SOUTHERN PINE MILLS

(in board feet)

Source: Southern Pine Association

Item	August 1948	July 1948	August 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
Average weekly production per unit	204,103	215,523	222,124	- 8.1	- 5.3
Average weekly shipments per unit	209,207	208,053	248,133	-16.4	+ 0.1
Average unfilled orders per unit, end of month	827,833	823,699	1,128,804	-26.7	- 0.2

Although in July the amount of *wheat ground* for flour decreased 8.2% from a record high in July 1947, the production nevertheless remained extremely high. The large wheat crops and heavy exports are partly responsible for this continued high level. In July the amount of wheat ground was 4.0% greater than in the preceding month, June.

The index of wheat ground, adjusted for seasonal variation, shows that production in July was about 1.85

times greater than the prewar average. Last year in July it was almost exactly twice as much as the monthly prewar average.

WHEAT GRINDINGS AND FLOUR PRODUCTION

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

Item	Unit	July 1948	June 1948	July 1947	Percent change	
					July 1948 from July 1947	July 1948 from June 1948
Wheat ground	1,000 bu.	4,398	4,167	4,764	- 7.8	+ 5.4
Wheat flour	1,000 sks.	1,897	1,824	2,067	- 8.2	+ 4.0

The increase in dairy production during August over the same month of last year is worth noting because it is not consistent with the downward trend in dairy production which the State has followed for several years.

MANUFACTURE OF DAIRY PRODUCTS

Products	Unit	Aug. 1948	July 1948	Aug. 1947	Percent change	
					Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL MILK EQUIVALENT*	1,000 lbs.	63,800	67,230	62,878	+ 0.7	- 5.8
Creamery butter	1,000 lbs.	1,429	1,481	1,263	+13.9	- 2.8
Ice cream†	1,000 gals.	1,480	1,574	1,614	- 8.8	- 6.0
American cheese	1,000 lbs.	815	886	751	+ 8.5	- 8.0
All others	1,000 lbs.	2,896	3,504	3,786	-22.5	-17.4

*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.)

The value of construction contracts awarded during the first eight months of 1948 surpassed any previous records for the same period. That the trend toward an increase in the value of all types of construction throughout the State is rather pronounced may be seen in the increase of 92.3% for construction awards in August over the corresponding month in 1947.

The value of construction awards for August was \$13,923,360 greater than during the preceding month of July; the difference represents an advance of 13.3%.

CONSTRUCTION CONTRACTS

Source: Texas Contractor

Type of building	August 1948	July 1948	August 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	\$90,110,014	\$76,186,654	\$46,854,097	+ 92.3	+ 13.8
Engineering	16,050,792	18,681,811	11,960,600	+ 34.2	- 14.1
Nonresidential	48,133,120	35,995,316	16,921,512	+155.2	+ 66.1
Residential	30,876,102	31,509,527	17,971,985	+ 71.8	- 2.0

Texas held the distinction of being the only state with more than one city among the first 10 in the United States in the number of dwelling units authorized by building permits during the first eight months of 1948. The three Texas cities included were Houston, Dallas, and San Antonio. The general feeling among contractors is that the number of construction jobs during the next six months to a year will be only slightly higher than during the past year, but because of the steadily rising costs, the dollar value of the construction will rise considerably. The short supply of labor and critical materials such as iron and steel are in a large measure the reason behind the increased prices. However, these steady rises in costs do not seem to affect the demand—or at least not the apparent demand.

BUILDING PERMITS

City	August 1948	July 1948	August 1947
TOTAL	\$30,082,514	\$39,058,915	\$28,524,836
Abilene	330,295	274,404	261,704
Amarillo	1,196,206	1,042,192	1,034,930
Austin	2,270,410	1,879,545	1,857,659
Beaumont	881,889	1,475,575	491,726
Big Spring	116,630	35,005	78,480
Borger	143,750	181,800	994,075
Brownsville	98,894	460,390	100,015
Brownwood	88,555	79,649	69,287
Bryan	146,950	68,860	117,590
Childress	81,350	54,850	31,750
Cleburne	30,050	27,625	272,555
Corpus Christi	822,917	1,850,593	1,411,874
Corsicana	34,175	57,125	40,520
Dallas	4,593,457	6,240,586	5,086,499
Del Rio	49,300	61,500	19,365
Denison	62,800	310,457	26,134
Denton	193,050	318,550	324,150
Edinburg	46,875	76,437	108,570
El Paso	596,773	2,279,190	755,507
Fort Worth	1,968,123	2,985,798	2,568,704
Galveston	173,136	392,973	208,205
Gladewater	78,935	127,950	38,250
Harlingen	123,600	73,735	99,240
Houston	8,047,000	8,654,000	5,636,552
Jacksonville	82,917	13,713	69,600
Kenedy	7,000	5,750	1,100
Kerrville	35,705	25,865	40,697
Lamesa	59,450	85,175	41,160
Lockhart	94,703	27,425	3,700
Longview	113,635	74,350	137,350
Lubbock	887,564	2,060,639	758,562
McAllen	211,490	126,287	127,333
Marshall	93,304	93,002	133,135
Nacogdoches	89,300	30,750	31,700
New Braunfels	219,039	56,467	67,962
Palestine	35,343	45,233	67,725
Pampa	216,795	205,750	38,325
Paris	27,114	97,050	51,735
Plainview	158,500	236,450	209,350
Port Arthur	475,631	727,967	176,492
San Antonio	3,421,733	3,015,309	2,491,323
Seguin	44,075	19,325	49,500
Sherman	61,681	67,752	65,302
Snyder	0	10,000	0
Temple	139,055	175,590	77,255
Texas City	102,875	893,220	588,433
Tyler	296,015	852,363	264,559
Victoria	151,315	99,491	85,900
Waco	751,900	342,333	921,974
Wichita Falls	269,900	255,905	370,233

LOANS MADE BY SAVINGS AND LOAN ASSOCIATIONS

Source: Federal Home Loan Bank of Little Rock

Type	Percent change				
	August 1948	July 1948	August 1947	Aug. 1948 Aug. 1948	
				from Aug. 1947	from July 1948
NUMBER, TOTAL..	1,815	2,046	2,079	-12.7	-11.8
Construction	456	568	557	-18.1	-19.7
Purchase	692	773	962	-28.1	-11.1
Refinance	167	190	145	+15.2	-12.1
Recondition	256	284	207	+23.7	-9.9
Other	244	226	208	+17.3	+ 8.0
AMOUNT, TOTAL..	\$6,854,772	\$7,889,004	\$8,248,884	-16.9	-13.1
Construction	2,287,202	2,690,185	2,804,844	-19.2	-15.7
Purchase	2,925,214	3,887,089	4,058,374	-27.0	-13.6
Refinance	625,730	653,417	429,885	+45.6	- 4.2
Recondition	404,826	486,599	315,746	+28.2	- 7.3
Other	481,800	721,764	640,036	- 1.8	-12.5

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* by industrial concerns would seem to indicate, because of the correlation between this consumption and manufacturing output, that industrial production not only for August but for the summer as a whole has remained at an almost static level. The power consumed in August was virtually the same as in July, although it was 7.7% greater than the amount consumed in August of 1947.

This consistency of industrial power consumption does not necessarily mean that the State is approaching a peak or saturation point in industrial output and expansion. Similar periods have been passed even in the last two or three years during which a phenomenal expansion has taken place. However, the rate of industrial expansion as reflected by the index of power consumption is slower for the year so far than in 1947. It is interesting to reflect, though, that the index shows that the present production level is almost three times greater than the average for the prewar years of 1935-39.

During August 9,636 more telephones were placed in service in 40 Texas cities, bringing the total up 17.2% above the same total for August of 1947.

ELECTRIC POWER CONSUMPTION*

(in thousands of kilowatt hours)

Use	Percent change				
	August 1948	July 1948	August 1947	Aug. 1948 Aug. 1948	
				from Aug. 1947	from July 1948
TOTAL	685,981	658,869	593,858	+17.2	+ 6.4
Commercial	162,238	147,862	129,515	+25.8	+ 8.7
Industrial	306,712	300,490	288,981	+ 7.7	+ 1.7
Residential	181,541	106,701	95,259	+38.1	+23.3
Other	96,440	98,816	85,108	+13.3	- 2.4

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

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 production of *natural and casinghead gas* showed the most surprising increase among the more important resources extracted in Texas. The production in August was a substantial 21.1% above July, and an enormous 72.6% greater than August of 1947. The production of synthetics, including organic chemicals, for which natural gas is a raw material, and the ever-increasing demands of California and eastern states for Texas natural gas are two important reasons for the increases. Requests were recently made to the Federal Power Commission for permission to increase the quantity of gas piped to California by 100 million cubic feet a day. Opponents in Texas argue that natural gas reserves may be exhausted even sooner than the approximate 24 years estimated by some sources. On the other hand, though, the pipeline companies still maintain that the increased loam will be derived from sources which now contribute only to waste as flare gas.

Crude oil production increased almost five million barrels in August over July—a very small percentage. Compared to August of 1947, however, the increase was 47.8%. Many petroleum experts acknowledge the evidence that the petroleum shortage has, at least for the time, been overtaken by steady increases in supply, especially from Texas.

Drilling activity showed a decline from 1,007 well completions in July to 982 in August. However, for the part of the current year from January through August, the number completed is considerably above the number for the corresponding period of 1947. North Central Texas retained its lead both in the number of completions and in the number of dry holes.

WELL COMPLETIONS

Source: *The Oil and Gas Journal*

District	August 1948*				Jan.-Aug. (all wells)	
	Total	Oil	Gas	Dry	1948	1947
TEXAS	982	626	89	317	7,660	5,956
North Central Texas	332	170	5	147	2,398	1,927
West Texas	251	218	2	36	2,074	1,438
Panhandle	55	44	9	2	411	287
Eastern Texas	47	28	5	14	359	342
Texas Gulf Coast	155	91	12	52	1,212	1,035
Southwest Texas	152	80	6	66	1,208	929

*Four weeks ending August 28, 1948.

VALUE OF NATURAL RESOURCES PRODUCED

Source: State Comptroller of Public Accounts

Item	Percent change				
	August 1948	July 1948	August 1947	Aug. 1948 Aug. 1948	
				from Aug. 1947	from July 1948
Carbon black	\$ 4,164,967	\$ 3,218,228	\$ 3,925,876	+ 6.1	+ 29.4
Crude oil	195,734,654	190,761,188	182,424,480	+47.8	+ 2.6
Natural and casing-head gas	14,757,779	12,186,687	8,550,442	+72.6	+ 21.1

AGRICULTURE

Income

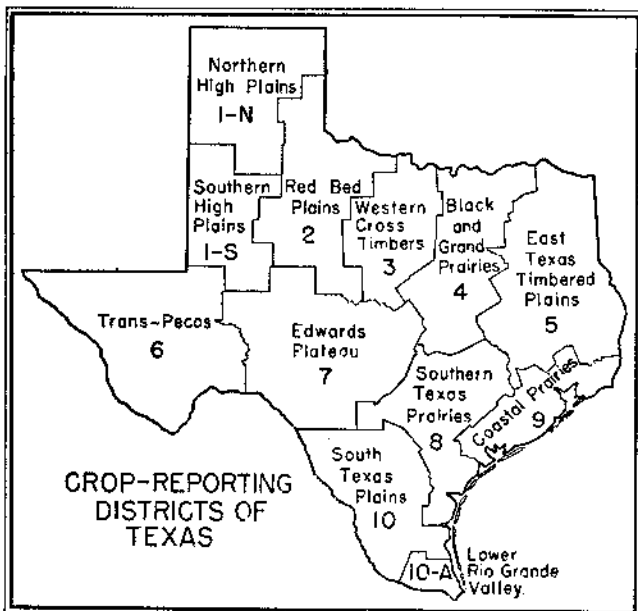
(The amount of income received by farmers is a composite measure of the prosperity of agriculture, taking into account both the volume of products sold and the prices received. Since the marketings of many products are concentrated in certain seasons of the year, it is important that the data be adjusted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

Texas farm income in August reached a summer peak ushered in by large-scale marketings of cotton and cottonseed. Stepped-up movement of most livestock, plus fairly heavy rice sales, also contributed to an August income which surpassed any previous month of 1948. Estimated receipts reached \$185,787,000, 36.3% above August 1947 and 12.8% above July 1948.

Despite the apparently rosy picture reflected in dollar income figures, August receipts still missed the mark anticipated on the basis of purely seasonal factors. Therefore, when allowance is made for this "normal" seasonal

FARM CASH INCOME

District	Indexes, 1935-39 = 100, adjusted for seasonal variation			Amount, Jan.-August (in thousands of dollars)	
	August 1948	July 1948	August 1947	1948	1947
	TEXAS	490.8	568.1	358.0	\$380,629	$929,506
1-N	446.8	541.3	330.5	106,222	193,202
1-S	321.7	447.3	352.0	61,931	47,489
2	343.2	596.5	261.1	78,503	108,865
3	376.5	449.2	265.1	55,234	60,134
4	500.0	209.5	142.1	100,703	93,411
5	608.4	156.0	199.3	44,693	44,356
6	293.2	422.5	337.1	20,763	19,296
7	472.7	208.5	329.4	70,322	62,898
8	502.9	699.4	488.9	116,304	102,570
9	1609.9	436.7	711.8	68,573	48,076
10	385.0	737.7	413.8	49,664	38,357
10-A	1207.5	1,475.3	788.0	107,107	108,852



element, the Bureau's index of farm cash income slid 13.8% under July. Dry weather, a faltering demand, and recent price skids share the responsibility for this shrinkage.

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.)

Shipments of cattle and sheep picked up sharply from July to August, as hog shipments dropped. Hot, dry weather during August forced 16.5% more cattle and 89.0% more calves to market by lowering range conditions in many areas, especially counties in central, southern, and eastern Texas. Sheep loadings were upped 74.4%. Price declines averaging 4% accompanied the upsurge in cattle, calf, and sheep marketings. Over-all, livestock movements rose 29.4% in August over the preceding month. Compared with a year earlier, cattle, hog, and sheep loadings were substantially heavier, but calf shipments less in August 1948.

SHIPMENTS OF LIVESTOCK

(in carloads)*

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

Classification	Aug. 1948	July 1948	Aug. 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL SHIPMENTS	7,764	6,000	6,819	+ 13.9	+ 29.4
Cattle	4,785	4,107	4,022	+ 19.0	+ 16.5
Calves	1,100	582	1,219	- 9.8	+ 89.0
Hogs	468	502	419	+ 11.7	- 6.8
Sheep	1,411	809	1,169	+ 21.7	+ 74.4
INTERSTATE PLUS					
FORT WORTH	7,131	5,680	6,018	+ 18.5	+ 26.7
Cattle	4,890	3,833	3,499	+ 25.5	+ 14.5
Calves	958	544	1,128	- 14.7	+ 76.1
Hogs	455	493	409	+ 11.2	- 7.7
Sheep	1,828	760	987	+ 34.5	+ 74.7
INTRASTATE MINUS					
FORT WORTH†	633	370	801	- 21.0	+ 71.1
Cattle	395	274	523	- 24.5	+ 44.2
Calves	142	38	96	+ 47.9	+ 273.7
Hogs	18	9	70	+ 30.0	+ 44.4
Sheep	83	49	172	- 51.7	+ 69.4

*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.

Marketings of fruits and vegetables in Texas tapered off in August to a seasonal low at 513 carloads, almost 90% under July. The severe drop under August a year ago was in part the effect of very poor growing conditions this summer. An early citrus season, especially in the case of oranges which were reported under harvest in September, promised to brighten the comparison somewhat. The grapefruit season is slated to commence in early October.

RAIL SHIPMENTS OF FRUITS AND VEGETABLES

(in carloads)

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

Item	August 1948	July 1948	August 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	513	4,681	2,279	- 77.5	- 89.0
Watermelons	257	3,652	1,839	- 86.0	- 93.0
Potatoes	203	421	896	- 48.7	- 51.8
Onions	20	68	2	+900.0	- 70.8
Cantaloupes	32	39	24	+ 33.3	- 17.9
All other fruits and vegetables	1	501	18	- 94.4	- 99.8

Marketing of eggs, measured by rail shipments from Texas stations, continued the decline which started in July, falling from 283 (July) to 136 carloads in August. During the same period shipments of chickens dropped to 4 carloads (down 2 cars from July) and turkey shipments filled 1 carload (there had been none in July). All poultry items reported in rail traffic were well under year-earlier levels. Apparently this trend is expected to continue at least in the turkey market, for a recent U. S. Department of Agriculture report revealed a 1948 turkey crop that is 18% under 1947 and 22% below average. The crop this year is 3,018,000 birds, lessened by high feed costs earlier this year and disappointment associated with the poor 1947 season.

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	August 1948	July 1948	August 1947
Chickens	4	6	10
Turkeys	1	0	8
Eggs—shell equivalent*	136	283	164
Shell	4	3	8
Frozen	30	44	26
Dried	9	24	13

*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.

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	August 1948	July 1948	August 1947
TOTAL RECEIPTS—SHELL EQUIVALENT*	15	14	58
Shell	5	6	44
Frozen	5	4	7
Dried	0	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.

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.)

Declines characterized the farm price situation in Texas during August, as 20 of 29 major commodities dropped moderately to substantially. Only 7 of the products included in the accompanying table advanced, and 2 (retail milk and sheep) were unchanged.

Sharpest losses were in grain prices and livestock and livestock products. Despite the fact that recent price declines would mean a saving of nearly 40% in farmers' feed bills, producers in some sections of the State met recently to announce further hikes in milk prices, amounting to a cent a quart at the retail level. Threatened shortages in large cities plus dwindling local supplies reportedly made these increases necessary in order to draw from more distant producing areas. In the face of recent declines in flaxseed, flax farmers asked government-support prices. Most other grain producers were already protected by government price supports.

The national index of prices received for agricultural commodities slipped 3% during the month ended August 15 to 293% of its 1909-14 base, in response to commodity price declines similar to those which occurred in this State. Prices paid by farmers were unchanged from July 15, and the farmer's buying position as measured by the parity ratio was lowered to 117. In October

PRICES OF TEXAS FARM PRODUCTS

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

Commodity	Unit	August 1948	July 1948	August 1947
Wheat	bu.	\$ 1.97	\$ 2.00	\$ 2.04
Corn	bu.	1.76	2.10	1.97
Oats	bu.	0.89	1.01	0.94
Barley	bu.	1.21	1.40	1.28
Flaxseed	bu.	5.65	5.70	5.60
Grain sorghum	cwt.	1.95	2.85	2.75
Rice	bu.	2.65	3.45	2.70
Potatoes	bu.	1.80	1.95	1.25
Sweet potatoes	bu.	3.25	3.15	3.10
Cotton lint	lb.	0.800	0.820	0.828
Cottonseed	ton	79.00	96.00	76.00
Cowpeas	bu.	4.80	5.40	5.15
Peanuts	lb.	0.104	0.103	0.091
Hogs	cwt.	26.80	26.10	24.60
Beef cattle	cwt.	22.60	23.60	16.50
Veal calves	cwt.	25.50	26.70	19.50
Sheep	cwt.	11.20	11.20	9.90
Lambs	cwt.	22.00	23.00	17.20
Milk cows	head	145.00	140.00	118.00
Chickens	lb.	0.272	0.276	0.247
Turkeys	lb.	0.317	0.303	0.229
Eggs	doz.	0.410	0.395	0.413
Butter	lb.	0.69	0.70	0.64
Butterfat	lb.	0.70	0.73	0.68
Milk, retail	qt.	0.196	0.196	0.180
Milk, wholesale	cwt.	5.35	5.80	5.20
Wool	lb.	0.49	0.66	0.42
All hay, loose	ton	20.40	20.50	16.00
Alfalfa hay, loose	ton	25.70	26.00	21.50

1946 the parity ratio reached 133, representing an all-time high in farmer prosperity as measured by prices they receive compared with prices they pay off-the-farm goods, including interest and taxes.

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.)

Holdings of most dairy and poultry products in cold storage continued to increase during July, and stocks of all items except frozen eggs were bigger on August 1 than a month previous. Creamery butter inventories almost doubled during the period.

Occupancy of space in private warehouses and meat-packing establishments continued at capacity or near-capacity levels, but there was some reduction in usage of space in public warehouses storing dairy and poultry products on August 1 as compared with July 1.

COLD STORAGE HOLDINGS

Source: Production and Marketing Administration, U.S. Department of Agriculture

Item	Unit (000's)	Aug. 1 1948	July 1 1948	Percent change		
				Aug. 1 1948	Aug. 1 1947	Aug. 1948 from July 1948
Cream:						
Fluid	lbs.	355	222	297	+ 19.5	+ 59.9
Plastic	lbs.	418	398	354	+ 18.1	+ 5.0
Creamery butter	lbs.	1,635	866	1,589	+ 9.5	+ 94.6
American cheese	lbs.	4,573	3,966	3,392	+ 34.8	+ 15.3
Shell eggs	cases	181	153	117	+ 37.6	+ 5.2
Frozen eggs	lbs.	14,763	17,902	12,544	+ 17.7	- 17.5
Poultry	lbs.	1,532	1,499	3,369	- 59.1	+ 5.5

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.)

There are as usual many conflicting forces operating in the cotton market. The outstanding facts are that world production of cotton this year will equal if not

exceed consumption. This should be a signal to cotton growers to recheck and readjust their farming operations to a relatively lower price level for cotton. Fortunately for the United States most of the increase in supply is a result of a record yield per acre which has generally served to lower costs of production.

The world demand for cotton is very large provided the people of the world have the means to buy. At the present time there are two sources of buying power for cotton. The most important is in the exchange of goods and services. The other is the policy of the United States Government to help finance the recovery of war-torn countries, especially in Europe. The aggressive use of the opportunities offered by these two sources of demand could result in the export this cotton year of raw cotton and cotton goods equivalent to 4 million bales of cotton.

The United States, under present unsettled world conditions, need to accumulate larger reserves of many essential and strategic materials not produced at all in this country or not produced in sufficient quantity.

Prices of most foreign growths of cotton are substantially higher than American cotton. It is thus possible to use this year's relatively large cotton production in the United States to contribute to our own security by using foreign exchanges from export of surplus cotton and cotton goods to acquire strategic materials, to help distressed people abroad, and at the same time prevent a cotton carryover which might otherwise become a serious price depressant for cotton growers in the United States.

Signs indicate that the government is aware of these opportunities for constructive action presented by the large cotton crop, as well as of the many grave consequences of permitting several million bales of cotton to accumulate under government loan. There seems to be every good reason for aggressive merchandising of this year's cotton crop.

The cotton balance sheet shows an increase in balance September 1 this year over last year of 3.8 million bales. During the past 15 years the cotton balance September 1 has exceeded the present balance of 17.4 million bales 11 times. The present supply of American cotton is not burdensome provided proper merchandising policies are followed.

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF SEPTEMBER 1

(in thousands of running bales except as noted)

Year	Carryover Sept. 1	Imports to Sept. 1	Government estimate as of Sept. 1	Total	Consumption to Sept. 1	Exports to Sept. 1	Total	Balance as of Sept. 1
1939-40	13,088	13	12,330	25,426	681	219	847	24,579
1940-41	10,596	10	12,772	28,378	651	65	716	22,662
1941-42	12,376	45	10,710	23,131	874	79	953	22,178
1942-43	10,590	11	14,028	24,629	925	71	996	23,633
1943-44	10,687	3	11,679	22,369	843	310	1,153	21,216
1944-45	10,727	2	11,483	22,212	842	33	875	21,337
1945-46	11,160	15	10,020	21,195	738	183	926	20,269
1946-47	7,522	18	9,171	16,711	856	413	1,269	15,442
1947-48	2,521	20	11,849	14,390	711	49	760	16,630
1948-49	2,283†	22*‡	15,219*	13,064	729	115‡	844	17,420

*500 pounds gross weight.

†Does not include ginning prior to August 1.

‡Reported by New York Cotton Exchange Trade Report Service.

LOCAL BUSINESS

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
ABILENE:			
Retail sales of independent stores	-----	+ 22.0	+ 2.0
Department and apparel store sales	-----	+ 7.4	+ 6.9
Postal receipts	\$ 31,349	+ 6.9	- 8.1
Building permits	\$ 330,295	+ 26.2	+ 20.4
Bank debits to individual accounts (thousands)	\$ 82,990	+ 21.1	+ 1.2
End-of-month deposits (thousands)*	\$ 41,975	+ 11.3	- 1.6
Annual rate of deposit turnover	9.4	+ 10.6	+ 2.2
Air express shipments	212	0.0	+ 16.5
Unemployment	1,000	- 38.3	0.0
Placements in employment	593	+ 15.8	+ 38.9
Nonagricultural civilian labor force	18,425	+ 21.1	+ 0.4

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
AMARILLO:			
Retail sales of independent stores	-----	+ 4.4	+ 5.7
Department and apparel store sales	-----	- 5.0	+ 21.9
Postal receipts	\$ 65,903	+ 9.4	- 6.0
Building permits	\$ 1,196,206	+ 15.6	+ 14.8
Bank debits to individual accounts (thousands)	\$ 98,840	+ 8.1	- 5.8
End-of-month deposits (thousands)*	\$ 86,218	+ 9.3	+ 2.1
Annual rate of deposit turnover	12.5	0.0	- 6.0
Air express shipments	494	- 1.8	- 2.9
Unemployment	1,500	+ 7.1	+ 7.1
Placements in employment	1,094	+ 15.4	+ 22.4
Nonagricultural civilian labor force	85,950	+ 18.4	+ 0.9

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
AUSTIN:			
Retail sales of independent stores	-----	+ 25.9	+ 1.7
Department and apparel store sales	-----	+ 8.1	- 0.2
Postal receipts	\$ 137,829	+ 15.3	+ 5.2
Building permits	\$ 2,270,410	+ 22.2	+ 20.8
Bank debits to individual accounts (thousands)	\$ 101,931	+ 13.4	- 3.3
End-of-month deposits (thousands)*	\$ 104,779	+ 8.0	+ 0.3
Annual rate of deposit turnover	11.6	+ 8.6	- 4.1
Air express shipments	576	+ 12.3	+ 85.5
Unemployment	1,400	- 31.2	- 5.1
Placements in employment	1,063	+ 20.8	+ 46.6
Nonagricultural civilian labor force	44,650	+ 0.8	- 0.01
Railroad carloadings:			
Inbound	1,207	- 2.1	- 0.3
Outbound	485	+ 35.1	- 17.9

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
BEAUMONT:			
Retail sales of independent stores	-----	+ 35.1	+ 15.8
Department and apparel store sales	-----	+ 17.4	+ 23.3
Postal receipts	\$ 55,409	+ 21.2	+ 7.6
Building permits	\$ 881,839	+ 79.3	- 40.2
Bank debits to individual accounts (thousands)	\$ 97,942	+ 38.9	+ 1.8
End-of-month deposits (thousands)*	\$ 98,450	+ 13.3	- 2.2
Annual rate of deposit turnover	11.8	+ 16.8	- 0.8
Export and coastal cars unloaded	442	- 32.5	+ 33.1
Air express shipments	352	+ 3.3	+ 11.4
Water-borne commerce (tons)	25,360	- 5.8	+ 37.9

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
BROWNSVILLE:			
Retail sales of independent stores	-----	+ 18.4	- 1.0
Postal receipts	\$ 12,016	+ 21.8	- 14.1
Building permits	\$ 98,994	- 1.0	- 78.5
Export cars unloaded	490	-----	- 24.4
Air express shipments	580	- 78.1	- 11.8
Coastal cars unloaded	69	-----	- 26.6
Water-borne commerce (tons)	75,901	+ 1.0	- 38.7

*Excludes deposits to credit of banks.

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
BROWNWOOD:			
Retail sales of independent stores	-----	+ 2.6	+ 7.6
Department and apparel store sales	-----	- 0.2	- 5.2
Postal receipts	\$ 11,419	+ 15.1	- 2.2
Building permits	\$ 88,555	+ 27.9	+ 11.2
Air express shipments	88	-----	+ 11.8

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
BRYAN:			
Department and apparel store sales	-----	- 8.4	- 18.8
Postal receipts	\$ 9,224	+ 30.6	+ 15.8
Building permits	\$ 146,950	+ 25.0	+ 130.1
Air express shipments	19	- 38.7	- 45.7

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
CORPUS CHRISTI:			
Retail sales of independent stores	-----	+ 25.6	+ 5.0
Department and apparel store sales	-----	- 4.1	- 1.6
Postal receipts	\$ 67,410	+ 7.5	- 0.6
Building permits	\$ 822,917	- 41.7	- 39.1
Bank debits to individual accounts (thousands)	\$ 38,412	+ 7.8	+ 6.5
End-of-month deposits (thousands)*	\$ 81,202	+ 16.0	+ 5.1
Annual rate of deposit turnover	18.4	- 6.3	+ 0.8
Air express shipments	505	- 17.8	- 2.1
Unemployment	1,800	- 39.6	- 15.8
Placements in employment	1,335	+ 28.1	+ 5.7
Nonagricultural civilian labor force	48,800	- 2.0	+ 1.0
Water connections	22,742	+ 9.9	+ 0.7
Electrical connections	26,182	+ 8.2	+ 0.6
Water-borne commerce (tons)	1,708,194	- 0.6	- 3.0

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
CORSICANA:			
Postal receipts	\$ 9,441	+ 31.3	- 3.0
Building permits	\$ 34,175	- 15.7	- 40.2
Bank debits to individual accounts (thousands)	\$ 10,215	+ 24.2	+ 8.4
End-of-month deposits (thousands)*	\$ 19,033	+ 1.8	+ 0.8
Annual rate of deposit turnover	6.5	+ 22.6	+ 8.3

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
DALLAS:			
Retail sales of independent stores	-----	+ 8.9	+ 15.2
Apparel stores	-----	+ 4.0	+ 27.5
Automotive stores	-----	+ 21.8	+ 7.6
General merchandise	-----	+ 15.1	+ 4.8
Drug stores	-----	+ 1.7	- 1.9
Filling stations	-----	+ 29.9	+ 8.7
Food stores	-----	- 10.0	- 12.1
Furniture and household stores	-----	- 0.8	+ 22.3
Lumber, building material, and hardware stores	-----	+ 12.8	+ 4.3
Eating and drinking places	-----	- 3.5	+ 0.7
All other stores	-----	+ 4.8	+ 3.4
Postal receipts	\$ 779,728	+ 14.6	- 0.03
Building permits	\$ 4,593,457	- 9.7	- 26.4
Air express shipments	7,669	+ 6.2	+ 0.6
Bank debits to individual accounts (thousands)	\$ 967,703	+ 19.3	- 8.8
Placements in employment	5,713	+ 56.5	+ 23.8
Unemployment	5,200	- 48.0	- 10.3
Nonagricultural civilian labor force	233,500	+ 5.0	+ 0.2
End-of-month deposits (thousands)*	\$ 724,709	+ 9.8	+ 1.3
Annual rate of deposit turnover	16.1	+ 10.3	- 8.0

*Excludes deposits to credit of banks.

S CONDITIONS

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
EL PASO:			
Retail sales of independent stores	-----	- 9.2	- 10.1
Department and apparel store sales	-----	- 16.1	- 2.7
Postal receipts \$	94,988	+ 8.6	- 7.9
Building permits \$	596,773	- 21.0	- 73.8
Bank debits to individual accounts (thousands) \$	106,454	+ 20.1	- 10.5
End-of-month deposits (thousands)* \$	111,591	+ 6.9	+ 0.8
Annual rate of deposit turnover	11.5	+ 12.7	- 10.2
Air express shipments	1,302	- 6.0	+ 6.2
Unemployment	2,400	- 7.7	- 4.0
Placements in employment	1,124	+ 19.2	+ 25.9
Nonagricultural civilian labor force	51,800	+ 3.0	+ 0.1
Railroad carloadings:			
Inbound	3,833	---	+ 14.7
Outbound	2,769	---	- 12.7

FORT WORTH:

Retail sales of independent stores	-----	+ 17.7	+ 9.7
Apparel stores	-----	+ 9.2	+ 11.8
Automotive stores	-----	+ 39.1	+ 26.5
General merchandise	-----	+ 8.8	+ 6.1
Drug stores	-----	- 4.5	- 0.5
Food stores	-----	+ 21.8	- 0.9
Furniture and household stores	-----	+ 23.8	+ 12.8
Lumber, building material, and hardware stores	-----	+ 15.2	+ 8.8
Eating and drinking places	-----	+ 7.8	+ 1.7
All other stores	-----	+ 4.8	+ 3.4
Postal receipts \$	239,458	+ 19.4	- 3.7
Building permits \$	1,968,123	- 23.4	- 34.1
Air express shipments	1,759	+ 12.5	+ 5.4
Bank debits to individual accounts (thousands) \$	805,777	+ 4.5	- 11.7
Placements in employment	4,065	+ 11.4	+ 5.6
Unemployment	6,100	- 24.7	- 6.2
Nonagricultural civilian labor force	135,000	+ 3.8	+ 0.2
End-of-month deposits (thousands)* \$	278,412	+ 2.4	+ 1.5
Annual rate of deposit turnover	18.3	+ 2.8	- 11.9

GALVESTON:

Retail sales of independent stores	-----	+ 11.0	- 4.2
Department and apparel store sales	-----	+ 6.5	- 0.2
Postal receipts \$	51,739	+ 17.0	+ 8.5
Building permits \$	178,136	- 14.4	- 30.0
Bank debits to individual accounts (thousands) \$	69,462	+ 19.7	- 2.0
End-of-month deposits (thousands)* \$	97,747	+ 9.5	+ 4.5
Annual rate of deposit turnover	8.3	+ 12.8	- 4.3
Export and coastal cars unloaded	11,458	- 1.0	- 4.6
Air express shipments	402	- 5.0	+ 38.6
Unemployment (area)	2,100	- 16.0	+ 5.0
Placements in employment (area)	822	- 13.7	+ 7.5
Nonagricultural civilian labor force (area)	55,590	- 2.5	- 1.0

LOCKHART

Retail sales of independent stores	-----	- 2.9	+ 1.4
Department and apparel store sales	-----	+ 10.1	+ 19.0
Postal receipts \$	2,025	+ 6.4	- 23.0
Building permits \$	94,703	+ 2,459.5	+ 246.3
Bank debits to individual accounts (thousands) \$	3,196	+ 9.9	+ 12.8
End-of-month deposits (thousands)* \$	4,934	+ 11.8	+ 6.4

*Excludes deposits to credit of banks.

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
HOUSTON:			
Retail sales of independent stores	-----	+ 27.2	+ 4.0
Apparel stores	-----	+ 9.4	+ 12.2
Automotive stores	-----	+ 39.1	+ 6.8
General merchandise	-----	+ 7.8	- 0.2
Drug stores	-----	+ 9.1	- 0.8
Filling stations	-----	+ 4.4	+ 11.3
Food stores	-----	+ 59.3	+ 0.6
Furniture and household stores	-----	+ 25.7	+ 3.8
Lumber, building material, and hardware stores	-----	+ 21.8	+ 2.7
Eating and drinking places	-----	+ 9.6	+ 1.4
All other stores	-----	+ 4.0	- 1.9
Postal receipts \$	535,219	+ 19.7	+ 0.1
Building permits \$	8,047,000	+ 42.8	- 7.0
Export and coastal cars unloaded	5,585	- 13.9	- 22.3
Air express shipments	4,990	- 2.4	- 0.8
Bank debits to individual accounts (thousands) \$	1,052,278	+ 28.5	- 3.8
Placements in employment (area)	5,814	+ 16.1	+ 21.1
Unemployment (area)	8,000	- 30.4	- 5.9
Nonagricultural civilian labor force (area)	320,600	+ 6.7	+ 0.7
Annual rate of deposit turnover	14.0	+ 10.2	- 5.4
End-of-month deposits (thousands)* \$	902,604	+ 16.5	+ 1.8

LAMESA:

Retail sales of independent stores	-----	+ 33.5	+ 16.0
Postal receipts \$	5,433	+ 21.6	+ 11.9
Building receipts \$	69,450	+ 44.5	+ 69.0

LAREDO:

Department and apparel store sales	-----	- 13.7	- 27.9
Postal receipts \$	14,380	+ 4.6	- 18.6
Bank debits to individual accounts (thousands) \$	15,045	+ 4.3	- 11.6
End-of-month deposits (thousands)* \$	28,435	+ 14.5	+ 1.1
Annual rate of deposit turnover	7.8	- 7.1	- 11.4
Air express shipments	230	- 20.1	- 11.5
Electric power consumption (thousands KWH)	3,188,218	+ 2.0	- 5.4
Natural gas consumption (thousands cu. ft.)	35,678	+ 3.5	- 9.5
Tourist cars entering Mexico	8,749	- 10.2	- 0.5
Tourists entering Mexico	18,437	- 3.9	+ 0.1

LUBBOCK:

Retail sales of independent stores	-----	+ 19.2	- 0.7
Department and apparel store sales	-----	- 13.7	- 7.6
Postal receipts \$	45,655	+ 23.8	- 10.1
Building permits \$	887,564	+ 17.0	- 56.9
Bank debits to individual accounts (thousands) \$	54,018	+ 8.6	- 8.8
End-of-month deposits (thousands)* \$	65,081	+ 18.8	+ 0.1
Annual rate of deposit turnover	10.0	- 8.3	- 5.7
Air express shipments	249	- 21.9	- 12.9
Unemployment	800	0.0	0.0
Placements in employment	813	+ 19.7	+ 36.0
Nonagricultural civilian labor force	28,850	+ 3.9	+ 2.1

MARSHALL:

Department and apparel store sales	-----	+ 9.2	+ 3.2
Postal receipts \$	12,220	+ 25.6	- 1.5
Building permits \$	93,304	- 32.5	+ 0.8

*Excludes deposits to credit of banks.

LOCAL BUSINESS CONDITIONS

(Continued)

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
PLAINVIEW:			
Retail sales of independent stores	-----	+ 18.3	- 0.2
Department and apparel store sales	-----	+ 13.4	- 1.5
Postal receipts	\$ 6,784	- 8.3	- 18.9
Building permits	\$ 158,500	- 24.3	- 38.0
Air express shipments	58	---	- 19.4

PORT ARTHUR:

Retail sales of independent stores	-----	+ 6.3	- 9.9
Department and apparel store sales	-----	- 4.5	+ 1.4
Furniture stores sales	-----	+ 39.0	+ 18.0
Postal receipts	\$ 28,377	+ 0.5	- 12.9
Building permits	\$ 475,681	+169.5	- 34.7
Bank debits to individual accounts (thousands)	\$ 34,331	+ 10.5	- 10.2
End-of-month deposits (thousands)*	\$ 39,298	+ 2.1	- 1.6
Annual rate of deposit turnover	10.4	+ 8.3	- 9.6
Export cars unloaded	1,708	+ 64.5	+ 23.9
Air express shipments	160	- 16.7	- 11.1
Coastal cars unloaded	341	- 2.6	- 0.3

SAN ANGELO:

Retail sales of independent stores	-----	- 6.2	- 5.0
Department and apparel store sales	-----	- 1.6	- 6.5
Postal receipts	\$ 26,295	+ 23.9	- 11.0
Bank debits to individual accounts (thousands)	\$ 30,166	+ 17.2	+ 2.8
End-of-month deposits (thousands)*	\$ 38,978	+ 6.6	+ 0.03
Annual rate of deposit turnover	9.2	+ 9.5	+ 3.4
Air express shipments	488	- 14.4	- 2.2

SAN ANTONIO:

Retail sales of independent stores	-----	+ 9.1	+ 4.0
Apparel stores	-----	+ 2.2	+ 8.7
Automotive stores	-----	+ 41.3	+ 1.7
General merchandise	-----	+ 2.3	+ 9.9
Drug stores	-----	- 0.7	- 2.1
Filling stations	-----	+ 8.0	- 3.0
Food stores	-----	- 14.3	- 14.6
Furniture and household stores	-----	+ 7.2	+ 18.2
Lumber, building material, and hardware stores	-----	+ 19.2	+ 0.2
Eating and drinking places	-----	- 5.4	+ 2.0
All other stores	-----	+ 3.2	+ 3.0
Nonagricultural civilian labor force	157,900	+ 0.3	+ 0.1
Postal receipts	\$ 288,946	+ 13.0	- 2.9
Building permits	\$ 3,421,733	+ 37.3	+ 18.5
Air express shipments	2,272	- 22.9	- 5.5
Bank debits to individual accounts (thousands)	\$ 233,757	+ 12.5	- 4.2
Placements in employment	3,186	+ 17.3	+ 25.1
Unemployment	4,500	- 62.5	- 10.0
End-of-month deposits (thousands)*	\$ 318,637	+ 1.4	+ 1.1
Annual rate of deposit turnover	8.9	+ 12.7	- 8.3

TEMPLE:

Retail sales of independent stores	-----	+ 24.7	+ 7.7
Department and apparel store sales	-----	+ 0.2	- 10.9
Postal receipts	\$ 14,457	+ 17.4	+ 7.5
Building permits	\$ 139,055	+ 80.0	- 20.8
Air express shipments	36	- 32.1	- 28.0

*Excludes deposits to credit of banks.

City and item	August 1948	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TEXARKANA:			
Retail sales of independent stores	-----	+ 6.7	- 3.3
Department and apparel store sales	-----	+ 0.4	- 8.5
Postal receipts	\$ 85,691	+ 15.6	+ 17.9
Bank debits to individual accounts (thousands)	\$ 29,422	+ 36.5	+ 14.6
End-of-month deposits (thousands)*	\$ 23,041	+ 5.1	+ 5.2
Annual rate of deposit turnover	10.4	+ 44.4	+ 22.4
Air express shipments	88	- 23.1	+ 1.2
Unemployment	8,100	- 6.1	- 1.7
Placements in employment	557	- 1.2	- 2.3
Nonagricultural civilian labor force	32,500	+ 4.3	- 1.1

TEXAS CITY:

Retail sales of independent stores	-----	+ 26.7	+ 7.5
Department and apparel store sales	-----	- 1.0	+ 8.3
Postal receipts	\$ 8,026	+ 18.7	+ 8.5
Building permits	\$ 102,875	- 31.7	- 88.5
Export cars unloaded	0	---	---
Unemployment (area)	2,100	- 16.0	+ 5.9
Placements in employment (area)	322	- 18.7	+ 7.5
Nonagricultural civilian labor force (area)	55,590	- 2.5	- 1.0
Coastal cars unloaded	353	- 24.6	- 14.9

TYLER:

Retail sales of independent stores	-----	+ 16.3	+ 16.4
Department and apparel store sales	-----	- 0.8	+ 12.1
Postal receipts	\$ 28,451	+ 41.2	- 8.9
Building permits	\$ 296,015	+ 11.9	- 65.3
Bank debits to individual accounts (thousands)	\$ 38,981	+ 15.3	- 10.8
End-of-month deposits (thousands)*	\$ 64,341	+ 12.9	+ 1.4
Annual rate of deposit turnover	8.6	+ 2.4	- 11.3
Air express shipments	397	- 8.1	- 36.2

WACO:

Retail sales of independent stores	-----	+ 20.1	+ 15.5
Department and apparel store sales	-----	+ 8.4	+ 14.2
Postal receipts	\$ 63,402	+ 6.8	- 4.6
Building permits	\$ 751,600	- 18.5	- 10.8
Bank debits to individual accounts (thousands)	\$ 47,474	+ 5.9	- 2.1
End-of-month deposits (thousands)*	\$ 64,289	+ 8.8	+ 3.2
Annual rate of deposit turnover	9.0	+ 2.8	- 2.2
Air express shipments	260	+ 44.4	+ 2.8
Unemployment	3,100	- 8.8	- 4.6
Placements in employment	547	+ 34.7	+ 60.4
Nonagricultural civilian labor force	46,800	+ 0.2	- 0.1

WICHITA FALLS:

Retail sales of independent stores	-----	+ 5.7	+ 8.5
Department and apparel store sales	-----	+ 5.4	+ 13.2
Postal receipts	\$ 41,252	+ 18.9	+ 0.7
Building permits	\$ 269,900	- 27.1	+ 5.1
Bank debits to individual accounts (thousands)	\$ 53,123	+ 25.2	- 3.2
End-of-month deposits (thousands)*	\$ 81,343	+ 12.5	+ 2.2
Annual rate of deposit turnover	7.9	+ 11.3	- 4.3
Air express shipments	316	+ 12.1	- 8.4
Unemployment	1,600	+ 3.1	+ 47.2
Placements in employment	529	+ 9.8	+ 3.1
Nonagricultural civilian labor force	31,900	+ 7.1	+ 1.8

*Excludes deposits to credit of banks.

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 that 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.)

Only minor changes were reflected in the statement of condition of the weekly reporting member banks in the Dallas district. Total loans and investments continued to increase at about the same rate, 1.8%, as observed for the past few months. The increase was accounted for primarily by the 2.3% increase in loans, while holdings of government securities increased only 0.9%. This increase in government securities resulted from a 28.6% advance in Treasury notes while all other classes of government securities declined, resulting in a somewhat more liquid position. Other securities were increased 6.0%, reserves with Federal Reserve banks 1.7%, but cash in vault decreased 11.4%, and balances with domestic banks 5.3%.

Total deposits of member banks continued to rise slightly (0.5%), the greatest increase percentage-wise being in United States Government deposits (2.6%). The biggest volume gain in deposits was the \$8 million (2.0%) increase in time deposits, while demand deposits rose \$2 million (0.1%).

The summary statement of condition of the Dallas Federal Reserve Bank indicates little change in condition from July 1948. There was an increase of only 1.3% in the bank's total resources in the four-week period. Greatest changes were in the discounts and

CHANGES IN CONDITION OF WEEKLY REPORTING MEMBER BANKS

Source: Board of Governors of the Federal Reserve System

Item	Percent change†		
	Sept. 1, 1948 from Sept. 8, 1947	Sept. 1, 1948 from July 28, 1948	Sept. 8, 1947 from July 2, 1947
ASSETS			
Loans and investments	+ 6.7	+ 1.8	+ 0.7
Loans	+ 22.8	+ 2.3	+ 1.4
Total U.S. Government securities	- 5.2	+ 0.9	- 0.8
Treasury bills	+183.3	- 14.3	- 25.0
Treasury certificates of indebtedness	- 12.4	- 8.1	- 5.2
Treasury notes	+ 3.3	+ 28.6	- 2.4
United States Bonds	- 7.5	- 0.6	+ 2.2
Other securities	+ 17.1	+ 5.0	+ 6.1
Reserve with Federal Reserve Banks	+ 2.5	+ 1.7	+ 3.2
Cash in vault	- 6.1	- 11.4	+ 6.5
Balances with domestic banks	- 2.2	- 5.3	- 2.5
LIABILITIES			
Total deposits (except interbank)	+ 7.7	+ 0.5	+ 0.6
Demand deposits adjusted	+ 6.9	+ 0.1	+ 0.1
Time deposits	+ 10.2	+ 2.0	- 0.5
United States Government deposits	+ 21.2	+ 2.6	+ 65.0
Interbank deposits:			
Domestic banks	- 4.2	+ 3.2	+ 1.9
Foreign banks	- 33.3	0.0	+ 50.0
CAPITAL ACCOUNTS	+ 5.5	+ 0.5	+ 0.6

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

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	Sept. 1 1948	July 28 1948	Percent change		
			Sept. 8 1947	Sept. 1948 from Sept. 1947	
ASSETS					
Gold certificate reserves	577,399	568,619	510,088	+ 13.2	+ 1.5
U.S. Government securities	970,880	961,184	922,245	+ 5.2	+ 1.0
Discounts and advances	9,802	8,412	1,299	+654.6	+ 16.5
Other cash	11,840	10,807	8,574	+ 38.1	+ 9.6
Other assets	149,008	147,349	1,041,171	+ 43.0	+ 1.1
TOTAL ASSETS	1,718,379	1,696,371	1,546,377	+ 11.1	+ 1.3
LIABILITIES					
Federal Reserve notes	615,378	600,511	617,347	- 0.3	+ 2.5
Deposits	949,205	940,133	817,786	+ 16.1	+ 1.0
Other liabilities	126,367	129,277	86,543	+ 46.0	- 2.3
TOTAL					
LIABILITIES	1,690,950	1,669,921	1,521,676	+ 11.1	+ 1.3
Capital paid in	7,733	7,706	7,202	+ 7.4	+ 0.3
Surplus	15,418	15,418	15,084	+ 2.2	0.0
Other capital accounts					
	4,279	3,326	2,415	+ 77.2	+ 28.7
TOTAL LIABILITIES AND CAPITAL ACCOUNTS					
	1,718,379	1,696,371	1,546,377	+ 11.1	+ 1.3

advances and "other" cash items, which increased 16.5 and 9.6%, respectively. Greatest shifts on the liabilities side of the bank balance were a 28.7% increase in "other" capital accounts and a 2.5% gain in Federal Reserve notes. Demand deposits went up slightly (1.0%) but "other" liabilities decreased 2.3%.

The action of the Board of Governors in increasing the reserves required against demand deposits by 2% can possibly reduce member banks' lending power by about \$12 billion. However, the member banks are meeting the increased reserve requirement by selling government bonds to the Federal Reserve banks to obtain credit to their accounts. This action is nullifying the effect of the increase in reserve requirements, leaving the amount of credit available relatively unchanged. It is doubtful if the new reserve requirements will have any effects other than psychological in limiting the amount of credit and consequently in exerting a braking effect on the inflationary trend. The decision as to the amount of credit extended will still remain about the same as before with the local bankers.

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 decreased 5.8% in August to a total of \$3.5 billion for 20 Texas cities; however, they were still 19.2% higher than for the same month a year ago. The decrease was only slightly more than the 4.2% slide in August 1947 from July 1947. Six of the 20 cities

showed increases over last month, however, greatest of which were Texarkana (14.6%), Corsicana (8.4%), and Corpus Christi (5.5%). The rate of deposit turnover decreased in August to a rate of 12.8 times per year. This rate was 8.5% above the figure for the same month a year ago, but down 6.6% from last month. Highest rates of deposit turnover were in Dallas (16.1), Houston (14.0), and Fort Worth (13.3).

The seasonally adjusted index of bank debits fell from 464.6 of the 1935-39 average to an index of 457.0, a figure 19.2% above a year ago. This indicates that the decrease of 5.8% shown above is not entirely seasonal.

BANK DEBITS*

(in thousands of dollars)

Source: Board of Governors of the Federal Reserve System

City	August 1948	July 1948	August 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	\$3,459,269	\$3,674,092	\$2,901,789	+19.2	- 5.8
Abilene	32,980	32,584	27,287	+21.1	+ 1.2
Amarillo	88,840	94,308	82,160	+ 8.1	- 5.8
Austin	101,931	105,388	89,907	+18.4	- 8.3
Beaumont	97,942	96,232	70,532	+38.9	+ 1.8
Corpus Christi	88,412	83,768	82,045	+ 7.8	+ 5.5
Corsicana	10,215	9,425	8,225	+24.2	+ 8.4
Dallas	967,708	1,061,127	811,486	+19.3	- 8.8
El Paso	106,454	119,004	88,668	+20.1	-10.5
Fort Worth	305,777	346,191	292,697	+ 4.5	-11.7
Galveston	69,462	70,865	58,047	+19.7	- 2.0
Houston	1,053,278	1,094,613	819,864	+28.5	- 8.8
Laredo	15,045	17,024	14,421	+ 4.3	-11.6
Lubbock	54,016	59,218	49,729	+ 8.6	- 8.8
Port Arthur	84,331	38,251	31,063	+10.5	-10.2
San Angelo	80,166	29,348	25,738	+17.2	+ 2.8
San Antonio	233,757	244,086	207,861	+12.5	- 4.2
Texarkana†	29,422	25,680	21,556	+36.5	+14.6
Tyler	38,981	43,688	38,765	+15.3	-10.8
Waco	47,474	48,489	44,848	+ 5.9	- 2.1
Wichita Falls	53,123	54,893	42,440	+25.2	- 3.2

*Debits to deposit accounts except interbank accounts.

†Includes two banks in Arkansas, Eighth District.

Corporation Charters

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

The Secretary of State reports that charters were granted to 244 domestic corporations during the month, as compared with 341 in July and 389 in August 1947. Total capitalization of the new corporations declined from \$9,071 thousand in July to \$5,535 thousand in August. Classified according to nature of business, those

CORPORATION CHARTERS ISSUED BY CAPITALIZATION

Source: Secretary of State

Capitalization	August 1948	July 1948	August 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
Over \$100,000	5	11	32	- 84.4	- 54.5
\$5,000-\$100,000	161	215	232	- 80.6	- 25.1
Less than \$5,000	74	93	73	+ 1.4	- 17.5
No capital stock	41	49	12	+241.7	- 16.3
Capitalization not specified	4	3	40	- 90.0	+ 33.3

to engage in merchandising led with 65, followed by manufacturing with 29, and real estate with 24. Charters were also granted to 43 foreign corporations during the month as compared with 46 last month and 36 for August 1947. Of those chartered, the smaller corporations prevailed, for only 5 were capitalized for amounts in excess of \$100,000, while 161 were chartered for amounts between \$5,000 and \$100,000, and 74 for amounts less than \$5,000.

CORPORATION CHARTERS ISSUED BY CLASSIFICATIONS

Source: Secretary of State

Classification	August 1948	July 1948	August 1947
DOMESTIC CORPORATIONS			
Capitalization*	\$5,535	\$9,071	\$14,614
Number	244	341	389
Banking-finance	3	8	13
Construction	21	16	21
Manufacturing	29	32	36
Merchandising	65	101	98
Oil	15	7	16
Public service	3	1	0
Real estate	24	45	57
Transportation	10	9	5
All others	74	74	72
No capital stock	41	49	40
FOREIGN CORPORATIONS			
Number	43	46	86

*In thousands of dollars.

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 *business failures* in Texas at 12 during August, with total liabilities of \$334,000, an average of approximately \$28,000 per firm. This number is double the number reported for the corresponding month last year and almost double the 7 reported for the preceding month this year. However, liabilities were less than half of the \$735,000 figure for the 6 July failures, but approximately two-thirds greater than the figure of \$202,000 for August 1947.

BUSINESS FAILURES

Source: Dun and Bradstreet, Inc.

	August 1948	July 1948	August 1947	July 1947
Number	12	6	7	4
Liabilities*	\$334	\$735	\$202	\$390
Average liabilities per failure*	\$ 28	\$123	\$ 29	\$ 98

*In thousands.

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.)

Sales of ordinary life insurance for August were \$62,881 thousand, an amount 2.1% above the preceding month and 1.9% above the corresponding month for last year. Sales in the nation registered an equal increase over July, but the \$1,125,117 thousand figure for the nation was 4.9% less than August 1947.

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.)

The volume of *revenue freight* loaded in the Southwestern District as measured in carloads, dropped 0.3% during August. The sharp seasonal decline of 44.7% in the number of cars of grain was offset by gains in all other classifications except coal. Gains were heaviest in the livestock, coke, and miscellaneous classifications.

Following the refusal of the Interstate Commerce Commission to reopen hearings in Docket No. 29645 "Transcontinental Rates and Estimated Weights on Fruits and Vegetables," attorneys for the Texas Citrus and Vegetable Growers and Shippers Association filed a petition in Federal District Court for an injunction setting aside the Commission's order. The Commission ordered the carriers to raise the estimated weight on carrots, carload from Texas points from 68 pounds to 80 pounds per crate. This increases transportation costs by 17.6%.

The National Labor Relations Board assumed jurisdiction in the Amarillo Bus strike on the grounds that the company's activities affect interstate commerce. The board ordered that an election be held by the 95 drivers and other workers of the bus company.

The Railroad Commission of Texas authorized a 10% increase in all motor-carrier-line haul rates on intrastate traffic. Unaffected are minimum rates and minimum charges per shipment.

REVENUE FREIGHT LOADED IN SOUTHWESTERN DISTRICT
(in carloads)

Source: Car Service Division, Association of American Railroads

Item	August 1948	July 1948	August 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	302,256	303,115	305,292	- 1.0	- 0.3
Grain and grain products	26,462	47,325	29,407	-10.0	-44.7
Livestock	6,918	5,001	8,416	-17.8	+88.3
Coal	23,680	23,740	24,829	- 2.7	- 0.8
Coke	1,598	939	758	+110.8	+70.2
Forest products	23,610	23,334	25,180	- 6.2	+ 1.2
Ore	2,527	2,501	3,086	-18.1	+ 1.0
Merchandise (l.c.l.)	29,798	27,723	30,710	- 3.0	+ 7.5
Miscellaneous	138,668	172,052	183,406	+ 2.9	+ 9.7

THIS MONTH

Dr. J. D. Neal, recently appointed Associate Professor of Transportation in the College of Business Administration, is added to the cooperating faculty staff of the Bureau. Henceforth Dr. Neal and Dr. H. K. Snell, Professor of Transportation and a member of the Bureau Research Council will prepare the current analysis of the transportation situation appearing in the REVIEW.

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.)

For the third consecutive month *air express shipments* registered a decline in August. The decrease was a moderate 0.8% from July 1948, and 6.5% from August 1947.

The long-heralded air parcel post became an actuality on September 1. It is being handled by the scheduled airlines. The government will pay the carriers at the same rate as present air mail for priority handling. Air parcel post will fit somewhere in between air express and regular mail service from the standpoint of speed and cost. It is not expected to drive air express out of business because the latter will still offer the speediest handling through its pickup and delivery service. Air parcel post is a more efficient means of handling the many small packages because they will be placed in regular mail bags for routing.

Beginning October 1 the domestic airlines and the international airlines will put into effect a universal air

AIR EXPRESS SHIPMENTS

Source: Railway Express Agency

City	August 1948	July 1948	August 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	24,561	24,764	26,279	- 6.5	- 0.8
Ablene	212	182	212	0.0	+ 16.5
Amarillo	494	509	502	- 1.6	- 2.9
Austin	576	425	513	+ 12.8	+ 35.5
Beaumont	353	316	339	+ 3.8	+ 11.4
Big Spring	33	42	65	- 49.2	- 21.4
Brownsville	580	654	2,156	- 73.1	- 11.3
Brownwood	33	34	*	.....	+ 11.8
Bryan	19	35	31	- 38.7	- 45.7
Corpus Christi	505	516	611	- 17.3	- 2.1
Dallas	7,669	7,621	7,223	+ 6.2	+ 0.6
Earle Pass	29	57	*	.....	- 59.6
El Paso	1,802	1,226	1,385	- 6.0	+ 6.2
Fort Stockton	16	20	*	.....	- 20.0
Fort Worth	1,759	1,669	1,563	+ 12.5	+ 5.4
Galveston	402	290	423	- 5.0	+ 33.6
Houston	4,990	5,022	5,112	- 2.4	- 0.8
Laredo	230	250	288	- 20.1	- 11.5
Longview	215	201	219	- 1.8	+ 7.0
Lubbock	249	286	319	- 21.9	- 12.9
Midland	177	213	185	- 4.3	- 16.9
Mineral Wells	22	21	33	- 42.1	+ 4.8
Odessa	244	231	167	+ 46.1	+ 10.4
Palestine	16	7	*	.....	+128.6
Paris	37	22	70	- 47.1	+ 63.2
Plainview	53	72	*	.....	- 19.4
Port Arthur	160	130	192	- 16.7	- 11.1
San Angelo	438	499	570	- 14.4	- 2.2
San Antonio	2,272	2,404	2,948	- 22.9	- 5.5
Sweetwater	26	23	76	- 65.8	- 7.1
Temple	86	50	53	- 32.1	- 28.0
Texarkana	83	82	108	- 23.1	+ 1.2
Tyler	397	322	432	- 8.1	- 36.2
Victoria	32	27	*	.....	+ 18.5
Waco	260	253	180	+ 44.4	+ 2.3
Wichita Falls	316	327	232	+ 12.1	- 8.4
Other	273	361	17	+1505.9	- 24.4

*Air express service originated at a later date.

travel plan. Patterned along lines similar to the plan in effect on domestic travel, the international traveler will henceforth be able to buy air transportation on credit almost anywhere in the world. A deposit of \$425 is required.

Ample evidence that the upward trend in air passenger fares has been checked, at least temporarily, is to be seen in the action of United Airlines in canceling a 10% premium charge for travel on DC-6's only 10 days after it went into effect. Some industry observers have felt that passenger fares, which are at the highest level since 1935, have reached the point of diminishing returns, and that with further advances the airlines would price themselves out of the market.

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.)

Car unloadings totaled 20,441 cars at Texas ports during August. This represented a decline of 8.7% from July 1948, and a drop of 0.6% from August 1947. Only the ports of Beaumont and Port Arthur registered gains in number of cars unloaded. Grain shipments from the port of Houston were up 836,954 bushels over August 1947. A total of 17 grain ships were loaded, or 3 more than in the corresponding month of 1947.

The tonnage of water-borne traffic at the ports of Beaumont, Brownsville, and Corpus Christi declined 0.6% from July. The port of Brownsville showed an increase in water-borne commerce of 1%.

EXPORT AND COASTAL CARS UNLOADED*

Source: Car Service Division, Association of American Railroads

Port	August 1948	July 1948	August 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	20,441	22,899	20,871	- 0.6	- 8.7
Beaumont	442	892	655	- 82.5	+ 33.1
Port Arthur	2,049	1,721	1,888	+ 47.6	+ 19.1
Texas City	353	415	468	- 24.6	- 14.9
Houston	5,585	7,188	6,489	- 18.9	- 22.3
Galveston	11,458	12,091	11,971	- 1.0	- 4.6
Brownsville	559	742	0	-	- 24.7

*Excluding coal.

WATER-BORNE COMMERCE AT TEXAS PORTS (tons)

Port	August 1948	July 1948	August 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	1,809,455	1,902,345	1,820,286	- 0.6	- 4.9
Beaumont	25,360	18,886	26,915	- 5.8	+ 37.9
Brownsville	75,901	123,795	75,170	+ 1.0	- 38.7
Corpus Christi	1,708,194	1,760,164	1,718,201	- 0.6	- 3.0

Beaumont reported August traffic 37.9% over July 1948 but 5.8% under August last year. Corpus Christi turned in declines of 3.0% for the month and 0.6% for the year. Conversely, Brownsville traffic showed a slight advance for the year, but a sizable decline for the month.

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.)

The Bureau of Business Research in cooperation with the federal Bureau of Labor Statistics reports a non-agricultural employment gain for Texas of 0.5% for August 1948 over July. A 0.3% gain was reported for all classifications of durable goods manufacturing. With the exceptions of fairly significant gains in chemicals and apparel, nondurable goods manufacturers showed negligible changes in number employed.

The trade group showed a drop under July, although wholesale trade was up slightly. The apparel and automobile trade businesses picked up appreciably in August, and all transportation and public utilities agencies increased their working forces during this period. In the mining industries employment was down for August from July. Employment in finance and services increased and government employment, up 1.1%, hit a new high in the field of State government.

The continuing rise in the cost of living is apparently forcing more and more women to seek employment. Employee shortages in specific types of work, such as secretarial, are approaching the critical stage in some areas of the State.

Sustained industrial expansion, the draft for the armed services, increased aircraft production, the ever-expanding construction boom, and the return of college and high school students to school—all should serve to emphasize recruitment and placement in Texas during the coming period.

Texas is still importing mechanics. In some areas of Texas men over 50 years of age are finding jobs with increasing ease—especially if they are willing to take off their "white collar."

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 rolls for durable goods manufacturing in Texas were up for August. Reports from 157 manufacturing concerns indicate increases ranging from 1.5% for non-ferrous metals to 9.5% for "other" durable goods. Industrial activity is continuing to support increasing pay rolls in durable goods despite shortages of basic raw material in some industries.

With the exceptions of seasonal pay roll declines for food and "other" nondurable goods, the 286 reporting manufacturers of nondurable goods indicate that more money was paid to employees in August than in July. The greatest single increase was 9.1% in the apparel industry.

Pay rolls were up in all classifications of nonmanufacturing for the month of August 1948 over July. The increase was led by the 8.4% gain for public utilities, followed closely by 8.2% in crude petroleum production and 6.3% in quarrying.

August reports indicate that pay rolls are following employment and the general price level fairly closely.

CHANGES IN PRODUCTION WORKER PAY ROLLS IN SPECIFIED INDUSTRIES

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

Industry	Number of reporting establishments	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
MANUFACTURING			
Durable goods:			
Iron and steel	26	+28.2	+ 6.4
Machinery, except electrical	37	+29.6	+ 8.2
Nonferrous metals	10	+22.0	+ 1.5
Lumber and timber	17	+26.5	+ 5.2
Furniture and finished lumber	24	-13.8	+ 7.6
Stone, clay, and glass	35	+ 9.4	+ 4.8
Other durable goods	8	+65.9	+ 9.5
Nondurable goods:			
Textiles	14	+18.7	+ 2.1
Apparel	23	-12.6	+ 9.1
Food	105	+ 7.1	- 1.7
Paper	17	+11.0	+ 2.7
Printing and publishing	35	+26.7	+ 0.8
Chemicals	58	+32.0	+ 2.5
Petroleum refining	25	+31.8	0.0
Other nondurable goods	9	- 0.3	- 3.5
NONMANUFACTURING			
Crude petroleum production	36	+36.8	+ 8.2
Hotels†	10	+10.8†	+ 0.9†
Insurance	89	+24.9	+ 5.8
Public utilities	148	+24.5	+ 8.4
Quarrying	12	+27.0	+ 6.8
Retail trade‡	202	+15.6	+ 3.3
Wholesale trade‡	120	+15.3	+ 1.9

†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.

*Based on preliminary tabulations.

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.)

Average hours worked in the 15 manufacturing groups of Texas during August 1948 amounted to approximately 43.1 per week, while the median work week for the non-manufacturing industries was about 43.7 hours.

Hourly earnings for August 1948 compared to August 1947 continued to show the strong upward trend of the recent bargaining period. A recent national survey by the National Industrial Conference Board showed that hourly wages from the middle of 1945 to a comparable date in 1948 had increased 30.5% while consumers' prices in the same period jumped 29.8%. The continued difficulty of procuring certain consumer goods and the price differentials of some geographic areas has tended to cause wage earners to believe that prices have negated all wage increases, however.

Weekly take-home pay of Texas workers continued at a high level, responding to increased hourly pay rate and the long work week. A recent release of the Bureau of Labor Statistics on wage developments in the Southeast and Southwest for July and August 1948 adds further proof that money wages of Texas workers compare

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	Aug.† 1948	July 1948	Aug. 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	1,748.8	1,740.8	1,659.0	+ 5.4	+ 0.5
Manufacturing	854.1	852.9	841.5	+ 3.7	+ 0.3
Durable goods	182.2	149.5	139.6	+ 9.0	+ 1.8
Nondurable goods	201.9	208.4	201.9	0.0	- 0.7
Nonmanufacturing	1,394.7	1,387.4	1,317.5	+ 5.9	+ 0.5
Iron and steel	20.4	19.9	18.7	+ 9.1	+ 2.5
Machinery, except electrical	32.7	32.6	30.0	+ 9.0	+ 0.8
Transportation equipment, except automobile	29.1	28.2	26.0	+11.9	+ 8.2
Nonferrous metals	11.8	11.2	9.4	+20.2	+ 0.9
Lumber and timber	35.0	34.0	30.5	+14.8	+ 2.9
Furniture	10.7	10.7	11.8	- 9.3	0.0
Stone, clay, and glass	9.7	9.7	9.7	0.0	0.0
Other durable goods	3.8	3.2	3.5	- 5.7	+ 3.1
Textiles	9.9	10.2	9.3	+ 6.5	- 2.9
Apparel	25.4	25.1	27.0	- 5.9	+ 1.2
Food	71.1	73.5	74.5	- 4.6	- 3.8
Paper and allied products	3.6	3.7	3.6	0.0	- 2.7
Printing and publishing	20.0	20.2	19.9	+ 0.5	- 1.0
Chemicals	25.1	24.0	20.4	+23.0	+ 4.6
Petroleum	39.5	39.4	38.9	+ 1.5	+ 0.8
Other nondurable goods	7.8	7.8	8.8	-12.0	0.0
Mining	101.9	103.9	93.1	+ 9.5	- 1.9
Crude petroleum and natural gas production	95.3	97.2	86.6	+10.0	- 2.0
Other mining	6.6	6.7	6.5	+ 1.5	- 1.5
Transportation and public utilities	232.8	229.3	217.2	+ 7.0	+ 1.8
Interstate railroads	67.4	66.2	66.9	+ 0.7	+ 1.8
Telephone and telegraph	38.7	38.3	30.3	+11.2	+ 1.2
Other transportation and public utilities	181.2	129.8	120.0	+ 9.8	+ 1.1
Trade	389.4	391.1	391.7	- 0.6	- 0.4
Wholesale	106.2	105.7	111.4	- 4.7	+ 0.5
Retail	283.2	285.4	280.3	+ 1.0	- 0.8
General merchandise	57.0	57.3	57.5	- 0.9	- 0.5
Food and liquor	38.8	39.4	38.2	+ 1.6	- 1.5
Automobile	24.1	23.6	24.3	- 0.8	+ 2.1
Apparel	24.7	23.1	21.7	+13.8	+ 6.0
Other retail trade	138.6	142.0	133.6	0.0	- 2.4
Finance and service	301.7	300.9	278.0	+ 8.5	+ 0.3
Bank and trust companies	19.5	19.5	17.6	+10.8	0.0
Insurance	26.2	25.9	24.7	+ 6.1	+ 1.9
Real estate and other financial agencies	27.7	27.5	23.6	+17.4	+ 0.7
Hotels	23.6	24.2	24.2	- 2.5	- 2.5
Other personal services	49.7	50.5	50.5	- 1.6	- 1.6
Medical services	33.3	32.4	29.5	+12.9	- 0.3
Other business and professional services	121.7	119.9	107.9	+12.8	+ 1.5
Government	250.4	247.6	241.4	+ 3.7	+ 1.1

*Totals include classifications other than those listed.

†Based on preliminary tabulations.

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 August 1948 from August 1947		
	Aug.** 1948	Aug.† 1947	Aug.** 1948	Aug.† 1947	Aug.** 1948	Aug.† 1947	Weekly hours	Hourly earnings	Weekly earnings
MANUFACTURING, TOTAL	43.1	43.3	128.1	110.9	53.08	48.02	- 0.5	+ 11.0	+ 10.5
Durable goods	43.4	43.9	122.7	111.9	53.25	49.12	- 1.1	+ 9.7	+ 8.4
Iron and steel	41.6	42.6	120.3	118.8	54.20	50.61	- 2.3	+ 9.7	+ 7.1
Machinery, except electrical	41.7	45.2	143.7	130.6	59.92	59.03	- 7.7	+ 10.0	+ 1.5
Nonferrous metals	41.6	41.7	138.5	132.1	55.54	55.09	- 0.2	+ 1.1	+ 0.8
Lumber and timber	42.2	47.3	94.0	88.4	39.67	39.45	- 10.8	+ 12.7	+ 0.6
Furniture and finished lumber	48.7	48.9	92.2	93.9	40.29	41.22	- 0.5	- 1.8	- 2.3
Stone, clay, and glass	46.4	46.7	103.2	95.3	47.88	44.51	- 0.6	+ 8.3	+ 7.6
Other durable goods	46.8	39.9	141.1	123.7	66.03	49.36	+ 17.3	+ 14.1	+ 33.3
Nondurable goods	42.9	42.8	123.4	110.2	62.94	47.17	+ 0.2	+ 12.0	+ 12.2
Textiles	44.3	42.4	94.9	90.0	42.04	38.16	+ 4.5	+ 5.4	+ 10.2
Apparel	39.9	36.8	71.3	74.1	28.45	27.27	+ 8.4	- 3.8	+ 4.3
Food	44.9	46.1	103.7	91.2	46.56	42.04	- 2.6	+ 13.7	+ 10.8
Paper	43.5	43.4	102.5	107.3	44.59	46.70	+ 0.2	- 4.7	- 4.5
Printing and publishing	41.3	40.9	173.9	151.3	72.69	61.88	+ 2.2	+ 14.9	+ 17.5
Chemicals	44.2	45.8	133.2	126.9	58.87	57.49	- 2.4	+ 5.0	+ 2.4
Petroleum refining	40.7	29.5	180.4	148.3	73.42	58.78	+ 3.0	+ 21.2	+ 24.9
Other nondurable goods	43.2	46.7	83.1	91.2	38.06	42.59	- 7.5	- 3.4	- 10.6
NONMANUFACTURING									
Crude petroleum production†	44.3	40.3	185.3	157.5	82.09	63.47	+ 9.9	+ 17.6	+ 23.3
Hotels	43.2	44.6	48.7	34.6	21.04	15.43	- 3.1	+ 40.8	+ 36.4
Public utilities	45.0	39.9	130.8	110.1	58.86	43.93	+ 12.3	+ 18.8	+ 34.0
Quarrying†	42.6	40.7	142.5	126.5	60.75	51.49	+ 4.7	+ 12.7	+ 18.0
Retail trade	43.1	41.9	85.9	76.9	36.16	32.22	+ 0.5	+ 11.7	+ 12.2
Wholesale trade	44.7	43.2	101.1	107.8	45.19	46.57	+ 3.5	- 6.2	- 3.0

*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.

‡Manufacturing data revised.

**Preliminary data.

MAN-HOURS WORKED IN IDENTICAL MANUFACTURING ESTABLISHMENTS*

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

Industry	Number of reporting establishments	Percent change	
		Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	414	+10.7	+ 2.9
Durable goods:			
Iron and steel	26	+15.5	+ 1.7
Machinery, except electrical	37	+ 3.6	- 0.2
Nonferrous metals	9	+ 7.4	+ 1.2
Lumber and timber	16	+15.4	+ 6.1
Furniture and finished lumber	22	-17.1	+ 1.8
Stone, clay, and glass	34	+ 1.2	+ 4.1
Other durable goods	6	+45.9	+ 3.3
Nondurable goods:			
Textiles	11	+19.1	+10.9
Apparel	21	-21.8	+ 4.4
Food	94	- 5.7	- 5.5
Paper and allied products	9	+ 0.7	- 1.5
Printing and publishing	22	+ 8.7	- 0.2
Chemicals	63	+17.5	+ 9.0
Petroleum	26	+ 5.5	+ 0.6
Other nondurable goods	8	- 1.3	-10.0

*Based on preliminary tabulations.

favorably with the national average. The average dollar-and-cent pay check for manufacturing workers in Texas for August 1948 was \$53.05. Comparing weekly take-home pay to consumers' prices shows the "real" wages of employees to be approximately the same for the past 12-month period.

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.)

Activity at Texas manufacturing plants picked up seasonally from July to August by 2.9%. Important monthly gains were apparent in establishments turning out lumber and timber; stone, clay, and glass; textiles and apparel; and chemicals.

The comparison of *man-hours* for the current month this year with year earlier levels showed substantial increase in August (up 10.7%). In the July comparison, the rise was only 4.1%, and for January-August the aggregate number of hours put in this year has risen only 2.4% over 1947. There have been sizable reductions in man-hours in the furniture and finished lumber industry (17.1%) and in food manufacturing (5.7%). On the other hand, most industries speeded up activity considerably over the August 1947 rate.

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 reached a new low for the year in the 15 labor market areas of Texas. The Texas Employment Commission reported only 43,950 unemployed workers during August 1948, which was 4.8% below the 46,168 reported in July, and 32.6% less than the 65,235 reported as unemployed in August 1947. The Texas figures compare closely with the national figures of the Department of Commerce which show that nonagricultural employment rose to a new all-time record in August 1948. Because of a seasonal lull in farm operations the peak of 61,615,000 employed in the United States in July 1948 dropped slightly to 61,245,000 in August 1948.

UNEMPLOYMENT

Source: Texas Employment Commission

Area	August 1948	July 1948	August 1947
TOTAL	43,950	46,168	65,235
Ablene	1,000	1,000	1,022
Amarillo	1,500	1,400	1,400
Austin	1,400	1,476	2,036
Corpus Christi	1,600	1,900	2,650
Dallas	5,200	5,800	10,000
El Paso	2,400	2,500	2,600
Fort Worth	6,100	6,500	8,100
Galveston-Texas City	2,100	2,000	2,500
Houston-Baytown	8,000	8,500	11,500
Longview	1,550	1,800	1,775
Lubbock	800	800	800
San Antonio	4,500	5,000	12,000
Texarkana	3,100	3,155	3,300
Waco	3,100	3,250	3,400
Wichita Falls	1,600	1,087	1,552

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.)

Placement activity in the 15 labor market areas of Texas was up 19.0% in August 1948 from July 1948, and increased to 20.6% above August 1947. The Dallas, Waco, and Corpus Christi areas reported the greatest gains in movements for the 12-month period.

Placements by the Texas Employment Commission in August 1948 were 27,948, compared to 23,486 in July and 23,174 in August 1947.

The large increase in activity in most areas can be accounted for in the continued expansion in larger companies and the fact that the summer vacation period is about over and workers are seeking the positions they desire for the winter months.

PLACEMENTS IN EMPLOYMENT

Source: Texas Employment Commission

Area	Aug. 1948	July 1948	Aug. 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	27,948	23,486	23,174	+20.6	+19.0
Ablene	598	427	512	+15.8	+38.9
Amarillo	1,094	894	948	+15.4	+22.4
Austin	1,063	725	850	+20.8	+46.6
Corpus Christi	1,385	1,263	1,042	+28.1	+ 5.7
Dallas	5,712	4,615	3,850	+56.5	+23.8
El Paso	1,124	893	943	+19.2	+25.9
Fort Worth	4,065	3,849	3,648	+11.4	+ 5.6
Galveston-Texas City	822	765	952	+13.7	+ 7.5
Houston-Baytown	5,614	4,637	4,834	+16.1	+21.1
Longview	593	660	707	-16.1	-10.2
Lubbock	818	598	679	+19.7	+36.0
San Antonio	3,186	2,546	2,704	+17.3	+25.1
Texarkana	557	573	564	- 1.2	- 2.8
Waco	847	528	629	+34.7	+60.4
Wichita Falls	529	513	482	+ 9.8	+ 8.1

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 nonagricultural civilian labor force in 15 areas edged up 0.3%, or 4,211 persons, from July to August, according to information released by the Texas Employment Commission. There were only minor variations in the labor force for the separate areas in August as compared to July. Lubbock, with an increase of 2.1%, Wichita Falls, with a 1.8% advance, and Texarkana, reporting a decline of 1.1%, were the only sections to register monthly changes in excess of 1%.

In the 15 areas combined, the nonagricultural civilian labor force reached 1,263,565 in August 1948 as compared with 1,259,354 in July 1948, and 1,213,683 in August a year ago.

NONAGRICULTURAL CIVILIAN LABOR FORCE

Source: Texas Employment Commission

Area	Aug. 1948	July 1948	Aug. 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
TOTAL	1,263,565	1,259,354	1,213,683	+ 4.1	+ 0.3
Ablene	18,425	18,349	15,214	+21.1	+ 0.4
Amarillo	35,850	35,534	30,274	+18.4	+ 0.9
Austin	44,650	44,656	44,286	+ 0.8	- 0.01
Corpus Christi	48,800	43,318	49,800	- 2.0	+ 1.0
Dallas	233,500	232,920	222,295	+ 5.0	+ 0.2
El Paso	51,800	51,750	50,305	+ 3.0	+ 0.1
Fort Worth	135,000	134,875	130,120	+ 3.8	+ 0.2
Galveston-Texas City	55,590	56,162	57,000	- 2.5	- 1.0
Houston-Baytown	320,600	318,287	300,530	+ 6.7	+ 0.7
Longview	22,900	22,105	22,570	+ 1.5	- 0.9
Lubbock	26,850	26,300	25,833	+ 3.9	+ 2.1
San Antonio	157,900	157,779	157,356	+ 0.3	+ 0.1
Texarkana	33,500	33,881	32,107	+ 4.3	- 1.1
Waco	46,300	46,355	46,206	+ 0.2	- 0.1
Wichita Falls	31,900	31,333	29,737	+ 7.1	+ 1.8

Abilene and Amarillo showed the greatest relative gains in their labor forces in comparison with August a year ago, with respective advances of 21.1% and 18.4%. Most significant from the standpoint of number of persons were the 5.0% hike in Dallas and the 6.7% rise in Houston which occurred in the past 12 months.

The total civilian labor force in the United States was estimated at 63,200,000 in August, down 700,000 from July. The decline marked the beginning of the customary late summer back-to-school recession in the labor force, according to the Census Bureau.

Industrial Relations

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

Much of management's attention is currently focused on labor peace, despite the recent flurry of strikes. The reason is that the first of 15 case studies of labor-management harmony to be issued by the National Planning Association has just come out. The N. P. A. is a non-profit organization of labor, farms, business, and professional spokesmen. The other 14 reports will be issued at monthly intervals.

The first N. P. A. reports deals with a situation where 14 years of industrial peace have existed. It covers a three-state bargaining unit which included 18 companies and two unions in the Pacific Coast pulp and paper industry.

Clinton S. Golden, a former high-official in the C.I.O., heads the 29-man committee.

The case study offers no cure-all for industrial conflict and offers no assurance of peace in the future. A major source of insecurity is rival unionism.

Authors of the case study are Dr. Clark Kerr and Roger Randall of the Institute of Industrial Relations of the University of California who worked under the supervision of the Golden committee as part of the N. P. A. project.

GOVERNMENT

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.)

The federal government collected \$83 million in revenue from Texas districts in August, a 14.9% increase over the amount received a year earlier. The August receipts were also substantially higher than the \$62 million collected in July of this year.

Major gain in the 12-month comparison was in employment (principally Social Security) taxes, which totaled over \$11 million in August for a 36.6% lead over August 1947. Even after allowance is made for possible differences in collection schedules this year and last, this sharp increase in employment taxes exemplifies the rise in employment and pay rolls in the past 12 months. Withholding collections of \$39 million in August 1948 lend further evidence to this trend; they were up 14.2% from last August. Other income taxes (corporation and individual other than withholding) showed a similar gain of 17.8%.

For the first two months of the current fiscal year, the revenue pattern in Texas has been toward increases in every major category of taxes: income, up 28.7%; employment, up 24.3%; withholding, up 1.2%; and other, up 1.8%. Over-all revenue was up 9.7% over a year ago to \$145 million for the two-month period.

The United States government debt on August 31 stood at \$253 billion. If the President's revised estimates prove correct, the government will take in a net total of \$40.6 billion in fiscal 1949, will spend \$39.2 billion, and end up with a budget surplus of \$1.4 billion. This would reduce the public debt by a like amount. These revised estimates, however, do not make allowance for estimated expenditures from the \$3 billion Foreign Economic Co-operation Trust Fund. Such expenditures in fiscal 1949 are expected to aggregate \$42 million and if included in the computation would result in an estimated deficit of \$1.5 billion for the current fiscal year.

FEDERAL INTERNAL REVENUE COLLECTIONS

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

District	August		Percent change	July 1-August 31		Percent change
	1948	1947		1948-49	1947-48	
TEXAS	\$ 83,393,485	\$ 72,555,408	+ 14.9	\$144,982,075	\$132,211,469	+ 9.7
Income	18,130,464	15,396,529	+ 17.8	38,384,087	29,828,452	+ 28.7
Employment	11,021,964	8,067,927	+ 36.0	15,270,706	12,280,528	+ 24.3
Withholding	39,152,272	34,272,086	+ 14.2	64,861,293	63,606,664	+ 1.2
Other	15,028,785	14,818,865	+ 1.4	26,966,989	26,495,881	+ 1.8
FIRST DISTRICT	41,251,975	38,521,980	+ 7.1	75,778,062	70,570,830	+ 7.4
Income	8,765,502	8,136,406	+ 7.7	20,691,416	15,547,967	+ 34.4
Employment	4,476,591	3,799,960	+ 17.8	7,045,985	6,070,055	+ 16.1
Withholding	20,304,184	18,422,908	+ 10.2	34,460,294	34,360,301	+ 0.3
Other	7,705,698	8,162,707	- 5.6	12,380,368	14,591,908	- 8.3
SECOND DISTRICT	42,081,510	34,033,426	+ 23.6	69,204,012	61,640,639	+ 12.3
Income	9,364,962	7,260,123	+ 29.0	17,492,621	14,280,455	+ 22.5
Employment	6,545,873	4,267,967	+ 53.4	8,224,721	6,210,468	+ 32.4
Withholding	18,848,088	15,849,178	+ 18.9	29,900,999	29,245,763	+ 2.2
Other	7,823,087	6,656,158	+ 10.0	13,585,671	11,908,928	+ 14.1

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.)

Revenue receipts of the State Comptroller continued at a high rate during August to bring the total collections for the fiscal year ending August 31 to \$514 million. This was an increase of 36.0% over the fiscal year immediately preceding, and according to a statement issued by the Comptroller, the 1947-48 revenue was almost exactly double the amount received in 1945.

The very high level of revenue receipts in Texas reflects expansion in both quantity production and dollar value. As indicated last month, the Comptroller has estimated that approximately 59% of the increase in the fiscal year's revenue was due to rising prices. The greatest single source of revenue was the crude oil tax, bringing in over \$87 million, for a 55.3% advance over the preceding year. The motor fuel tax, which has heretofore been the leading revenue source, fell next in line with collections of nearly \$72 million and with an increase of only 11.0% over the 1946-47 fiscal year. Altogether, \$209 million was collected from the oil and gas industry, slightly more than half of the total State revenue.

Federal grants-in-aid yielded \$115 million to the Comptroller's revenue receipts in the fiscal year just ended, compared to \$86 million the year before. These monies were spent principally to supplement State funds for education, highways, and public welfare. Improvement to highways is reflected in the increase of \$13 million in federal aid for this purpose.

On August 31, 1948, the General Revenue Fund showed a net balance of \$74,076,814.86. Governmental cost expenditures during the year had reached \$407 million.

REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Item	September 1-August 31			
	August 1948	1947-48	1946-47	Percent change
TOTAL	\$ 43,055,975	\$513,611,845	\$377,549,123	+ 36.0
Ad valorem taxes	36,108	27,548,916	15,009,461	+ 89.5
Crude oil production taxes	8,215,054	87,423,829	56,227,541	+ 55.3
Motor fuel tax (net)	7,001,497	71,789,099	64,646,133	+ 11.0
Cigarette tax and license	2,138,096	23,044,441	21,210,141	+ 8.6
Mineral leases, rentals, and bonuses	2,057,318	26,398,968	5,126,828	+414.9
Interest on securities owned	90,838	6,230,837	5,658,395	+ 10.1
Unclassified receipts from county tax collectors	37,603	53,463*	205,040*	- 73.9
Federal aid—highways	3,731,074	32,999,085	20,806,062	+ 58.6
Federal aid—public welfare	4,409,365	57,190,785	50,520,673	+ 13.2
Federal aid—public education	2,666,047	20,984,606	13,625,888	+ 54.0
Unemployment compensation tax	3,743,850	24,571,814	20,156,598	+ 21.9
All other receipts	8,929,145	135,482,930	104,706,443	+ 29.4

*Negative balance due to excess of clearances over receipts.

PRICES

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.)

The decline in prices of farm products, first noted in mid-July, continued during August and largely minimized the slight rise in prices of nonagricultural goods. The over-all wholesale price index was just 0.1% greater on August 28 than it had been on July 31, while the farm price index was down by 1.5%. Even so, prices of all commodities were 9.4% above the August 1947 level and the farm price index was 4.2% greater than it had been the year before.

The biggest increase was registered by the index of building materials, which was 0.8% greater at the end of August than it had been on the last day of July, 12.8% greater than in August 1947, and 102% of the 1926 base year level.

As was noted in the July issue of this REVIEW, commercial construction in Texas has apparently felt the effect of these higher building costs most acutely, as indicated by a marked drop in the value of nonresidential building permits issued. Some relief may result from weakened lumber prices reported in the Pacific Northwest. However, most observers hold these declines to be purely temporary.

Texas business can find scant hope for materially lowered raw material or inventory costs in the immediate future, especially in view of the recent 10% increase in motor freight rates authorized by the Railroad Commission.

INDEXES OF WHOLESALE PRICES IN THE UNITED STATES

(1926 = 100)

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

Group	Percent change				
	Aug. 28 1948	July 31 1948	Aug. 30 1947	Aug. 28 1948 from Aug. 30 1947	Aug. 28 1948 from July 31 1948
ALL COMMODITIES	168.4	168.3	154.0	+ 9.4	+ 0.1
Farm products	189.3	192.2	181.7	+ 4.2	- 1.5
Foods	187.8	187.7	172.1	+ 9.1	+ 0.1
Hides and leather products	189.9	189.6	183.3	+ 3.6	+ 0.2
Textile products	147.7	148.3	140.1	+ 5.4	- 0.4
Building materials	202.3	200.7	179.3	+12.8	+ 0.8
All commodities other than farm products	168.8	162.9	147.9	+10.8	+ 0.6
All commodities other than farm products and foods	153.2	152.1	137.3	+11.6	+ 0.7

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.)

Prices paid by consumers in Houston continued their uninterrupted march upward during August—the index

for that month being 0.9% greater than it was in July, and 9.7% above the level attained in the same month of 1947. Apparel prices spearheaded the climb with a rise of 1.3% during the eighth month, followed closely by gains of 1.0% for miscellaneous items and 0.8% for food. The rent index was 21% greater than it was for the base period 1935-39. Except for the price index for fuel, electricity, and ice, which was 1.6% below the base period, the rent index shows the smallest increase. House-furnishings prices were 99.3% above the base, apparel prices 110%, and food prices 123.8%—a fact that will, no doubt, become a bow for the arrows of price control advocates.

Despite (and because of) these higher prices, retail sales in Texas have continued to climb during the summer, as compared with 1947 levels. Recent announcements of increased telephone toll rates and higher tuitions in some Texas colleges indicate that further inflationary pressures are being exacted.

On the other hand, reports of buyer resistance continue to be heard. A survey of eating places in 11 cities, including Dallas, indicates declining sales and reduced profits. Inventories of wool suits are high, prices on fall offerings have in some cases been cut, and some unem-

ployment is beginning to be found in the garment industries.

Another study shows that rail and air vacation travel have dropped below 1947 levels, while travel by auto has increased. Because of the much smaller out-of-pocket cost involved in motoring it seems obvious that many are beginning their fight against higher prices by shunning the new higher fares of commercial transit agencies.

INDEXES OF CONSUMERS' PRICES IN HOUSTON (1935-39 = 100)

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

Group	Aug. 1948	July 1948	Aug. 1947	Percent change	
				Aug. 1948 from Aug. 1947	Aug. 1948 from July 1948
ALL ITEMS	175.2	173.7	159.7	+ 9.7	+ 0.9
Food	228.8	222.1	200.8	+11.5	+ 0.8
Apparel	210.9	208.2	192.2	+ 9.7	+ 1.8
Rent	121.1	*	*	—	—
Fuel, electricity, and ice	98.4	98.4	94.8	+ 4.3	0.0
House furnishings	199.3	199.1	185.5	+ 7.4	+ 0.1
Miscellaneous	152.6	151.1	140.4	+ 8.7	+ 1.0

*Not surveyed.

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FIGURES FOR THE YEAR TO DATE

	January-August		Percent change
	1948	1947	
TRADE			
Estimated retail sales, total	\$3,371,836,000	\$2,916,598,000	+ 15.6
Durable goods, total	\$1,252,138,000	\$1,004,480,000	+ 24.7
Automotive stores	573,110,000	473,077,000	+ 21.1
Lumber, building materials, and hardware stores	537,199,000	404,339,000	+ 32.9
Furniture—household appliance stores	114,509,000	101,383,000	+ 12.9
Jewelry stores	27,320,000	25,681,000	+ 6.4
Nondurable goods, total	\$2,119,698,000	\$1,912,118,000	+ 10.9
Apparel	222,878,000	198,225,000	+ 12.4
Country general	48,554,000	48,524,000	+ 0.1
Department stores	245,954,000	214,689,000	+ 14.6
Eating and drinking places	204,693,000	203,619,000	+ 0.5
Filling stations	248,291,000	205,555,000	+ 20.8
Food	657,857,000	613,322,000	+ 7.3
General merchandise	161,515,000	122,152,000	+ 32.2
Drug stores	158,359,000	151,215,000	+ 4.7
Other	171,597,000	154,817,000	+ 10.8
Ratio of credit sales to net sales in department and apparel stores	60.7	53.5	+ 13.5
Ratio of collections to outstandings in department and apparel stores	53.5	57.8	- 7.3
Postal receipts in reporting cities	\$ 24,464,453	\$ 21,549,091	+ 13.5
PRODUCTION			
Industrial electric power consumption for 10 companies (thousands of kilowatt hours)	2,538,563	2,242,698	+ 13.2
Man-hours worked in reporting manufacturing establishments	23,404,157	22,850,177	+ 2.4
Crude oil runs to stills (thousands of 42-gallon barrels)	400,460	336,544	+ 19.0
Cotton consumption (running bales)	106,117	118,731	- 10.6
Cotton linters consumed (running bales)	15,205	12,711	+ 19.6
Cottonseed crushed (tons)	670,775	292,471	+129.3
Manufacture of dairy products (1,000 lbs. milk equivalent)	432,684	606,258	- 28.6
Lumber production in southern pine mills (weekly per unit average in board feet)	208,943	216,647	- 3.6
Construction contracts awarded	\$ 622,633,955	\$ 412,610,127	+ 50.9
Construction contracts awarded for residential building	\$ 224,504,122	\$ 170,348,599	+ 31.8
Building permits issued in reporting cities	\$ 306,459,106	\$ 202,267,084	+ 51.5
Number of loans made by savings and loan associations	14,450	15,125	- 4.5
Amount of loans made by savings and loan associations	\$ 57,596,040	\$ 56,778,984	+ 1.4
Crude petroleum production (daily average in barrels)	2,421,643	2,166,907	+ 11.8
AGRICULTURE			
Farm cash income	\$ 880,629,000	\$ 929,506,000	- 5.3
Shipments of livestock (carloads)	63,269	87,592	- 27.8
Rail shipments of eggs (shell equivalent)	1,568	2,333	- 32.8
Interstate receipts of eggs at Texas stations (shell equivalent)	159	112	+ 42.0
Rail shipments of poultry (carloads)	58	125	- 53.6
FINANCE			
Bank debits in 20 cities (thousands of dollars)	\$ 27,961,430	\$ 22,758,306	+ 22.9
Corporation charters issued (number)	2,773	1,929	+ 43.8
Ordinary life insurance sales	\$ 433,924,804	\$ 427,779,467	+ 1.4
Business failures (number)	57	32	+ 78.1
TRANSPORTATION			
Revenue freight loaded in Southwestern District (carloads)	2,290,407	2,284,742	+ 0.2
Export and coastal cars unloaded at Texas ports	136,592	149,805	- 8.8
Miscellaneous freight carloadings in Southwestern District	1,409,910	1,337,935	+ 5.4
Air express shipments (number)	204,663	193,922	+ 5.5
LABOR			
Total nonagricultural employment (monthly average)	1,696,662	1,625,038	+ 4.4
Manufacturing employment	345,035	330,373	+ 4.4
Nonmanufacturing employment	1,351,627	1,294,665	+ 4.4
GOVERNMENT			
Revenue receipts of State Comptroller*	\$ 513,611,845	\$ 377,549,123	+ 36.0
Federal internal revenue collections†	\$ 144,982,075	\$ 132,211,469	+ 9.7
PRICES			
Index of consumers prices in Houston (monthly average; 1935-39=100)	173.9	158.6	+ 9.6
Index of food prices in Houston (monthly average; 1935-39=100)	222.3	199.0	+ 11.7

*State fiscal year to date—September 1—August 31.

†Federal fiscal year to date—July 1—August 31.

BAROMETERS OF TEXAS BUSINESS

