

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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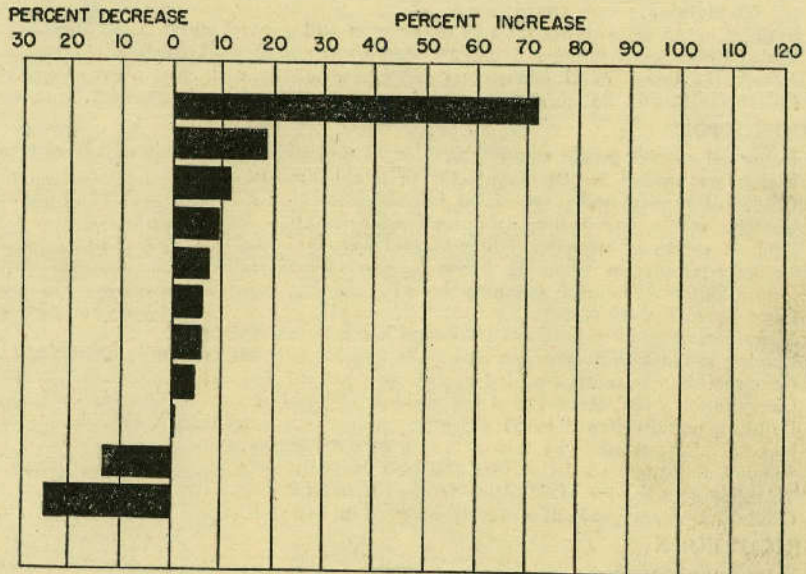
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November 1948

HIGHLIGHTS OF TEXAS BUSINESS

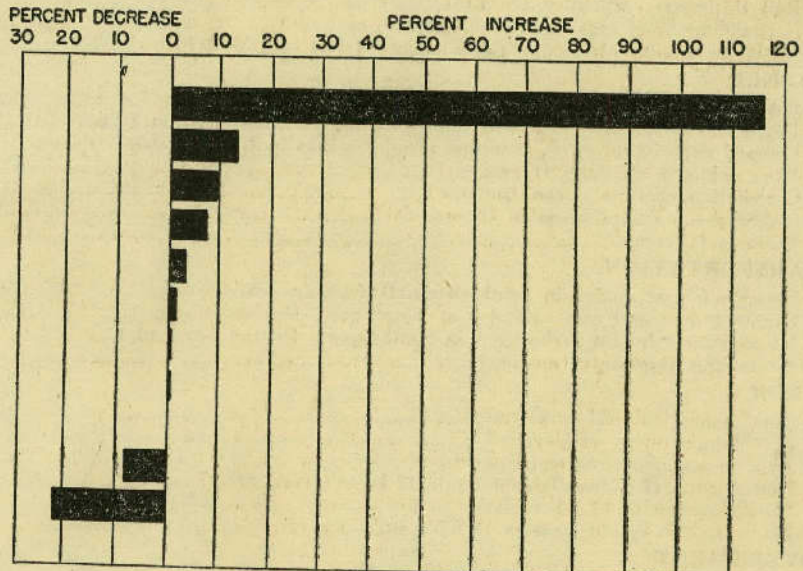
OCTOBER 1948 COMPARED WITH OCTOBER 1947

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



OCTOBER 1948 COMPARED WITH SEPTEMBER 1948

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



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FIGURES FOR THE MONTH

	October 1948	September 1948	October 1947
INDEX OF TEXAS BUSINESS ACTIVITY (1935-39=100)*.....	224.8	232.3	200.8
Index of department and apparel store sales (10).....	342.7	382.2	297.3
Index of miscellaneous freight carloadings in Southwestern District (20).....	162.5	160.7	155.3
Index of crude oil runs to stills (5).....	178.6	181.1	165.9
Index of electric power consumption (15).....	317.1	343.8	284.0
Index of employment (25).....	129.1	128.2	122.5
Index of payrolls (25).....	276.8	276.8	234.1
TRADE			
Retail sales, total.....	\$444,602,000	\$441,835,000	\$427,475,000
Durable goods stores.....	\$159,146,000	\$160,825,000	\$155,655,000
Nondurable goods stores.....	\$285,456,000	\$281,010,000	\$271,820,000
Ratio of credit sales to net sales in department and apparel stores.....	61.5	64.1	59.3
Ratio of collections to outstandings in department and apparel stores.....	50.8	51.0	56.2
Advertising linage in 31 newspapers.....	31,872,362	29,591,239	28,878,750
Postal receipts in 55 cities.....	\$ 3,349,516	\$ 3,134,229	\$ 3,133,488
PRODUCTION			
Industrial electric power consumption for 10 companies (thousands of kilowatt hours).....	290,648	309,846	272,165
Man-hours worked in 404 manufacturing establishments.....	3,099,638	3,061,129	2,879,674
Crude oil runs to stills (42-gallon barrels).....	51,362,175	50,849,516	47,736,657
Gasoline stocks at refineries (thousands of barrels).....	18,948	17,753	17,029
Fuel oil stocks at refineries (thousands of barrels).....	31,626	28,233	24,198
Cotton consumption (running bales).....	11,942	15,309	13,827
Cotton linters consumed (running bales).....	2,487	2,374	2,263
Cottonseed crushed (tons).....	170,869	124,625	157,896
Manufacture of dairy products (thousand lbs. milk equivalent).....	43,969	54,922	66,065
Lumber production in southern pine mills (weekly per unit average in board feet).....	210,958	199,273	216,467
Construction contracts awarded.....	\$107,033,214	\$ 49,410,198	\$ 62,190,112
Construction contracts awarded for residential building.....	\$ 54,029,712	\$ 12,322,278	\$ 32,452,032
Building permits issued in 51 cities.....	\$ 29,047,706	\$ 34,179,627	\$ 32,892,962
Number of loans made by savings and loan associations.....	1,732	1,828	2,008
Amount of loans made by savings and loan associations.....	\$ 6,704,052	\$ 6,947,978	\$ 7,987,848
Telephones in service in 40 cities (end of month).....	1,023,996	1,012,236	885,571
Crude petroleum production (daily average in barrels).....	2,507,000	2,456,700	2,375,000
AGRICULTURE			
Farm cash income.....	\$260,660,000	\$230,555,000	\$347,762,000
Shipments of livestock (carloads).....	10,333	7,439	13,041
Rail shipments of fruits and vegetables (carloads).....	734	124	1,197
Rail shipments of poultry (carloads).....	4	6	6
Rail shipments of eggs (shell equivalent in carloads).....	72	90	49
Interstate receipts of eggs at Texas stations (shell equivalent in carloads).....	57	46	53
FINANCE			
Loans, reporting member banks in Dallas District (thousands).....	\$ 1,096,000	\$ 1,050,000	\$ 950,000
Loans and investments, reporting member banks in Dallas District (thousands).....	\$ 2,295,000	\$ 2,245,000	\$ 2,241,000
Demand deposits adjusted, reporting member banks in Dallas District (thousands).....	\$ 1,911,000	\$ 1,900,000	\$ 1,824,000
Bank debits in 20 cities (thousands).....	\$ 3,742,506	\$ 3,619,226	\$ 3,425,400
Corporation charters issued (number).....	254	273	355
Ordinary life insurance sales (thousands).....	57,031	57,997	61,593
Business failures.....	7	2	7
TRANSPORTATION			
Revenue freight loaded in Southwestern District (carloads).....	322,707	293,696	319,709
Export and coastal cars unloaded at Texas ports (carloads).....	16,873	15,149	14,886
Miscellaneous freight carloadings in Southwestern District (carloads).....	204,443	186,634	195,337
Air express shipments (number).....	29,038	27,273	31,215
LABOR			
Total nonagricultural employment.....	1,770,900	1,757,900	1,674,500
Manufacturing employment.....	352,400	351,400	339,900
Nonmanufacturing employment.....	1,418,500	1,406,500	1,334,600
Nonagricultural civilian labor force in 17 labor market areas.....	1,368,420	1,361,245	1,303,873
Unemployment in 17 labor market areas.....	42,070	43,415	56,396
Placements in employment in 17 labor market areas.....	32,833	31,387	30,599
GOVERNMENT			
Revenue receipts of State Comptroller.....	\$ 45,075,769	\$ 33,144,924	\$ 40,301,814
Federal internal revenue collections.....	\$ 65,274,120	\$128,873,091	\$ 69,005,802
PRICES			
Index of consumers' prices in Houston (1935-39 = 100).....	174.7	175.4	163.4
Index of food prices in Houston (1935-39 = 100).....	220.8	223.7	208.7

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

The Business Situation in Texas

Business activity in Texas declined for the second consecutive month, as measured by the Bureau's composite index of business activity. October activity dropped 3.2% from the September level, which had declined 0.5% from the postwar high of 233.4 reached in August. It was reported a month ago in these columns that the small decline for one month was not to be taken as an indication that the high point of the postwar boom had been reached in August. However, the decline for two consecutive months gives some support to the view that the weak has been reached and passed. In the national picture there are also indications tending to support the belief that the peak may have been passed. The consumers' price index for the United States declined on October 15, to suggest that the end of the rise in living costs may have come. Prices of the major agricultural commodities continue at support levels, but livestock and livestock products remain well above the support prices. The index of wholesale commodity prices has been declining since August. More industries report that supply is catching up with demand, and it is becoming increasingly necessary to sell aggressively to dispose of goods that previously moved with no sales effort.

The decline in business activity was the result of substantial reductions in three of the index components, which were not balanced by a rather weak increase in two of the other three components and no change in one. The greatest decline was in department and apparel store sales (10.3%), with electric power consumption dropping 7.8%, and crude oil runs to stills 1.4%. The largest increase in a component of the composite index was 1.1% in freight carloadings in the Southwestern District. Employment rose 0.7% and pay rolls showed no change from September. In comparison with a year ago, the composite index of business rose 12.0%, and all the individual components registered gains. Pay rolls showed the greatest increase over October 1947, with a rise of 18.2%. Department and apparel store sales were next, with an increase of 15.3%, and

the remaining components showed gains as follows: electric power consumption 11.7%, crude oil runs to stills 7.7%, employment 5.4%, and miscellaneous freight carloadings 4.6%.

The Bureau's index of bank debits in Texas cities confirms the signs of decline registered by the composite index of business activity. Bank debits for October, after adjustment for seasonal variation, declined 2.5% from September, making the third consecutive month this index has declined. The drop in October was considerably more than that for either September (1.1%) or August 1948 (1.6%). A decline in this barometer for three successive months must be viewed as a sign that the volume of business activity in Texas is contracting. The volume of bank debits was only 9.3% larger than in October 1947.

The Bureau's index of postal receipts in Texas cities for October declined 3.1% from September, to lend further support to the thesis that the rate of business activity has turned down. In September this index was the only one of the Bureau's barometers of general business activity which failed to decrease, but in October it joined with the index of bank debits and the composite index of business activity in reflecting a decline in the level of Texas business.

Retail sales in Texas for the month of October gave further cause to believe that the level of business has turned down. After adjustment for seasonal variation, October sales of Texas retail stores declined 3.1% from September. The index of sales of durable goods stores fell 5.9% and the sales of nondurable goods stores fell 1.3%. Except for a rise in sales of eating and drinking places and drug stores, all types of business registered a decline for October in comparison with September. The widespread character of the decline is a rather convincing sign that the volume of business at the retail level was not as satisfactory in October as in previous months. Much of this situation appears to result from the resurgence of consumer caution in buying. More and more the consuming public is holding out for lower prices, and instances are being recorded of merchants



marking down prices. There is a general clamor on the part of retailers for price concessions from manufacturers, to enable them to reduce prices to their customers. As yet there is no widespread reduction of prices, and although October showed a decline in retail sales, the Bureau's index was 321.1% of the 1935-39 base period. In view of the advance in retail prices, it is obvious that some of this increase is due to price changes, but even after eliminating the effect of rising prices, the index of retail sales for October was 163.7% of the base period. This means that if prices in October were the same as they were in the five-year period 1935-39 the volume of retail sales would be 63.7% greater than in 1935-39.

Manufacturing in Texas made a better showing than either retailing or the over-all picture of business. Manufacturing employment in October increased 0.3% from September, and man-hours worked in a sample of manufacturing establishments in the State increased 1.3%. However, industrial power consumption declined 1.5% from September. Since the consumption of industrial electric power is related closely to the manufacturing activity, there is a strong indication that industrial production in the State showed a small decline during October. After adjustment for seasonal variation, crude runs to stills, representing the largest manufacturing industry in the State, declined 1.4%. Manufacturers all over the country are facing a squeeze on profit margins from two directions. Retailers are pushing for price reductions, and a fourth round of wage increases is in the offing, with resulting increases in labor costs. In some lines credit is being granted less liberally as bankers fear that high overhead costs will limit the prospects for future profits.

Value of building permits in Texas cities dropped 31.0% from September, to bring the level of the Bureau's index, after adjustment for seasonal variation, to 471.2% of the 1935-39 base period. This index always swings with wide, erratic movements, but for the year 1948 it has been dropping steadily lower. The October 1948 level of the index was 12.0% below October 1947.

The Bureau's index of cash farm income dropped 24.8% from September, after seasonal adjustment.

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:

How To Save on Shipping
 Checking the Work of the
 New Retail Salesman
 Manufacturers Should Watch
 Traffic Cost Leaks
 Retail Stores Should Watch
 These Efficiency Killers

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.)

Continuing a slow advance, estimated retail sales in Texas totaled \$444,602,000 for October, or a nominal 0.6% above September and 4.0% above October last year. For the first time in many months, stores selling durable goods contributed a smaller percentage (2.2%) of gain in October over last year than nondurables (5.0%). These small sales increases contrast with 12-month average sales gains of 14.9% in total, 24.2% for durables, and 10.2% for nondurables. Total sales gains for the year to date over 1947 averaged 13.6% with 20.8% for durable goods stores and 9.8% for nondurables.

Retail sales of durable goods stores totaled \$159,146,000 in October, or 35.8% of total sales, as compared with sales of \$285,456,000, 64.2% of the total by stores selling primarily nondurable goods.

ESTIMATES OF TOTAL RETAIL SALES

(in thousands of dollars)

Type of store	Oct. 1948	Jan.-Oct. 1948	Percent change		
			Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948	Jan.-Oct. 1948 from Jan.-Oct. 1947
TOTAL	444,602	4,258,273	+ 4.0	+ 0.6	+13.6
Durable goods stores	159,146	1,572,109	+ 2.2	- 1.0	+20.8
Nondurable goods stores	285,456	2,686,164	+ 5.0	+ 1.8	+ 9.8

The index of total retail sales, adjusted for seasonal variation and based on the prewar years 1935-39, receded to 321.1 in October from 331.3 for September, which had been the highest postwar point reached other than 340.1 in April 1948. The durable goods index fell from 402.7 to 378.8 during October and the nondurables index from 295.0 to 291.1. Average indexes for 1948 to date were: total, 324.4; durable goods, 376.8; nondurables, 296.8. Deflated for price changes, the adjusted total retail sales index slipped to 163.7 in October, the lowest point since February, with the 10-month average index at 168.4. The sales indexes for individual retail and service lines declined in October, except for small rises for drug stores and eating and drinking places. The declines ranged from 68 index points (from 308.6 down to 240.8) for furniture stores to 30 points for lumber, building materials, and hardware dealers, 26 points for general merchandise stores, 20 points for jewelers, 11 points for automotive dealers, and smaller changes in other lines.

By kinds of business, the larger sales gains over October 1947 were as follows: automotive dealers 14.4%,

RETAIL SALES TRENDS 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		
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948	Jan.-Oct. 1948 from Jan.-Oct. 1947
Apparel stores	280	+ 4.6	+ 1.7	+ 3.6
Automotive	247	+14.4	+ 1.6	+18.8
Lumber, building material, and hardware	243	- 2.5	- 0.8	+15.6
Country general stores	56	+ 2.2	+ 3.0	+ 2.3
Department stores	67	+ 6.0	+ 1.1	+12.9
Drug stores	137	+ 3.2	+ 0.4	+ 2.0
Eating and drinking places	98	+ 2.2	+ 4.2	+ 2.4
Filling stations	58	+ 2.8	- 6.4	+16.6
Florists	47	+ 7.0	+12.5	+ 1.0
Food	219	+ 7.5	+ 4.5	+12.3
Furniture and household stores	153	- 5.7	-14.9	+11.9
General merchandise stores	65	+ 1.3	+ 3.3	+ 6.5
Jewelry stores	40	- 2.4	+ 3.3	+ 0.3
All other stores	126	+ 2.7	+ 6.4	+ 7.9

food stores 7.5%, florists 7.0%, and department stores 6.0%. Average decreases from October 1947 were reported by furniture and household goods dealers (5.7%), hardware stores (3.4%, not shown separately in the accompanying table), building materials dealers (2.9%), and jewelers (2.4%). After adjustment for the usual seasonal variation, decreases from September sales were shown for general merchandise stores (7.7%), lumber, building materials, and hardware dealers (5.3%), jewelers (4.7%), and automotive dealers (3.2%). The large (22.0%) decrease for furniture dealers was probably related to the ending of the rush in early September to purchase furniture and appliances before reimposition of controls over instalment sales. For the 10 months of 1948, cumulative sales increases were largest for automotive dealers (18.8%), filling stations (16.6%), lumber, building materials, and hardware dealers (15.6%), department stores (12.9%), food stores (12.3%), and furniture stores (11.9%). Buyers' markets have returned for most nondurables and for durable goods except houses, farm machinery, and automobiles. Retail executives continue to be uneasy about inventories, with more selective purchasing often confined to 30-day needs.

An irregular pattern developed during October in relating sales increases to size of cities. In early 1948 and latter 1947, largest average sales increases had appeared in towns under 2,500 population and the smallest gains in cities over 100,000. From July to October 1948, that pattern was exactly reversed. Now differences between city sizes are apparently becoming smaller; and

RETAIL SALES TRENDS 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		
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948	Jan.-Oct. 1948 from Jan.-Oct. 1947
Over 100,000	687	+ 5.3	- 1.5	+11.6
50,000-100,000	209	+ 8.5	+ 4.9	+12.9
2,500-50,000	782	+ 5.3	+ 4.3	+11.0
Under 2,500	158	- 0.3	- 1.0	+ 3.7

the larger sales increases are occurring in cities of 50,000 to 100,000, with cities above and below that size reporting about equally, except for the lagging small towns.

The ratio of credit sales to net sales in 74 department and apparel stores stood at 61.5% in October, compared with 64.1% in September and 59.3% a year ago. The average collection ratio receded from 56.2% in October 1947 and 53.8% in July 1948 to 50.8% in October 1948. Dallas (70.5%) and Beaumont (65.7%), among cities, and the larger department stores (64.9%) and men's clothing stores (57.1%), among types of retail stores, produced the highest percentages of credit business; Cleburne (39.2%) and Lubbock (42.0%) reported the lowest percentages. Austin (59.3%) and Waco (58.4%) had highest rates of collections. Customers' incomes continue high and savings are substantial, but personal debts are mounting notably, including advances on life insurance policies.

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†	
		Oct. 1948	Oct. 1947	Oct. 1948	Oct. 1947
ALL STORES	74	61.5	59.3	50.8	56.2
BY CITIES:					
Austin	7	51.8	49.2	59.3	64.9
Beaumont	3	65.7	63.4	55.9	57.4
Cleburne	3	39.2	41.7	47.9	60.0
Corpus Christi	3	59.5	46.9	51.3	57.2
Dallas	13	70.5	68.9	49.4	55.4
El Paso	3	55.8	50.2	42.1	49.7
Fort Worth	4	58.0	53.2	55.3	58.8
Houston	6	62.3	59.5	47.3	54.2
Lubbock	3	42.0	35.3	54.3	63.6
San Antonio	5	57.0	53.1	53.0	56.1
Waco	5	58.3	55.1	53.4	60.4
All others	19	51.3	49.2	53.2	62.0
BY TYPE OF STORE:					
Department stores (annual sales over \$500,000)	20	64.9	62.7	49.3	54.8
Department stores (annual sales under \$500,000)	10	49.0	47.2	55.4	59.7
Dry goods-apparel	6	43.3	37.0	46.9	54.5
Women's specialty	21	51.7	49.3	54.9	58.3
Men's clothing stores	17	57.1	54.3	59.1	66.0
BY VOLUME OF NET SALES:					
(1947)					
Over \$2,500,000	23	64.5	62.2	50.1	55.4
\$1,000,000 to \$2,500,000	14	51.0	47.8	53.6	61.3
\$500,000 to \$1,000,000	16	46.2	43.7	53.0	62.3
Less than \$500,000	21	47.6	45.7	54.6	57.3

*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 31 newspapers of leading Texas cities averaged 10.4% larger than in October 1947 and 7.7% above September 1948. The similar September-to-October increase in 1947 was 13.7%. On the 1948-to-1947 comparison, nine of the papers reported decreased linage.

Sales of gasoline subject to tax totaled 188,970,988 gallons in September, 3.4% below August 1948 but 6.3% above September 1947. Sales to the federal government decreased 42.3% from August but bettered September 1947 by 38.4%. The index of gasoline sales rose two

points in September to 192.5 (1935-39=100), after adjustment for seasonal variation.

Visitors at *State parks* in October numbered 126,218 in 39,992 cars, or 9.6% more visitors and 14.7% more cars than a year earlier.

Postal receipts in 55 Texas cities for October averaged 6.9% above receipts of September 1948 and of October 1947. In the October-to-October comparison, 10 cities reported decreased receipts (0.4 to 29.0%).

POSTAL RECEIPTS

City	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL	\$3,349,516	\$3,184,229	\$3,133,488	+ 6.9	+ 6.9
Amarillo	73,878	68,265	67,769	+ 9.0	+ 8.2
Austin	182,760	158,146	181,654	+ 0.8	- 16.1
Beaumont	65,467	50,608	56,869	+ 15.1	+ 29.4
Big Spring	10,902	10,271	11,001	- 0.9	+ 6.1
Borger	9,394	7,765	8,561	+ 9.9	+ 21.0
Brownsville	15,744	12,131	13,989	+ 12.8	+ 29.9
Brownwood	12,749	11,641	12,819	+ 1.0	+ 10.5
Bryan	8,268	9,008	8,662	- 4.5	- 8.2
Childress	4,625	3,683	4,234	+ 9.2	+ 25.6
Cleburne	6,866	6,002	5,673	+ 12.2	+ 6.1
Corpus Christi	71,540	66,850	71,473	+ 0.1	+ 7.0
Corsicana	13,127	9,013	12,232	+ 7.3	+ 45.6
Dallas	894,466	837,995	848,766	+ 6.9	+ 6.7
Del Rio	6,260	5,205	8,812	- 29.0	+ 20.8
Denison	10,533	9,657	9,832	+ 7.1	+ 10.2
Denton	16,265	14,013	15,441	+ 5.3	+ 16.0
Edinburg	6,906	5,732	8,449	- 13.3	+ 20.5
El Paso	118,635	111,725	106,245	+ 11.7	+ 6.2
Fort Worth	369,484	322,559	344,528	+ 7.3	+ 14.5
Gainesville	6,612	6,189	6,732	- 1.8	+ 8.3
Galveston	58,847	51,229	51,952	+ 3.8	+ 4.1
Greenville	12,333	12,615	12,866	- 4.1	- 2.2
Harlingen	17,561	14,600	17,020	+ 3.2	+ 21.1
Houston	577,285	568,877	583,971	+ 8.1	+ 1.5
Jacksonville	7,288	6,162	5,810	+ 25.4	+ 18.2
Kenedy	2,347	1,898	2,376	- 1.2	+ 23.7
Kerrville	5,953	5,029	5,932	- 0.4	+ 5.8
Lamesa	6,288	5,216	5,528	+ 12.8	+ 19.6
Laredo	17,133	16,356	16,512	+ 8.8	+ 11.6
Lockhart	2,638	1,872	2,438	+ 8.2	+ 40.9
Lubbock	59,571	51,893	52,994	+ 12.4	+ 14.6
Lufkin	9,533	8,218	8,846	+ 7.7	+ 16.0
McAllen	13,588	10,966	13,433	+ 0.7	+ 23.7
Marshall	12,508	11,502	12,500	+ 0.1	+ 8.7
Midland	18,542	18,316	15,946	+ 16.3	+ 1.2
Nacogdoches	7,321	5,908	6,039	+ 20.2	+ 23.9
New Braunfels	6,833	5,472	6,306	+ 9.2	+ 25.8
Orange	10,251	10,508	10,294	- 0.4	- 2.4
Palestine	7,978	8,434	9,026	- 11.6	- 5.4
Pampa	11,627	9,533	10,219	+ 13.8	+ 22.0
Paris	11,320	11,967	11,295	+ 0.2	- 6.4
Plainview	9,455	7,666	8,680	+ 8.9	+ 23.3
Port Arthur	27,524	24,869	26,252	+ 4.8	+ 10.7
San Angelo	30,847	29,542	27,916	+ 10.5	+ 4.4
San Antonio	319,595	309,981	308,446	+ 4.8	+ 3.1
Seguin	5,709	5,756	5,015	+ 13.8	- 0.8
Sherman	16,492	15,564	15,278	+ 8.0	+ 6.0
Snyder	2,826	2,315	2,424	+ 16.6	+ 22.1
Sweetwater	11,376	9,453	9,719	+ 17.0	+ 20.3
Temple	15,854	15,826	14,116	+ 12.3	+ 0.2
Texas City	9,296	7,421	8,739	+ 6.4	+ 26.3
Tyler	36,491	31,653	22,959	+ 53.8	+ 16.2
Victoria	11,235	10,378	9,877	+ 14.4	+ 8.8
Waco	75,306	67,983	74,052	+ 1.7	+ 10.9
Wichita Falls	62,209	53,443	43,333	+ 20.5	+ 56.1

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.)

Texas *wholesale trade* in September 1948 continued to show an increase in sales over last year with an overall gain of 13% over September 1947. Reports from Texas wholesalers to the Bureau of the Census showed that the electrical group again led the field with a gain of 35%. Offsetting this gain was the decrease (25%) in sales of machinery, equipment, and supplies (except electrical). This is the first time this year that this group has failed to show an increase over 1947, and the decline may indicate that production has finally caught up with demand, at least temporarily.

September 1948 sales increased 7% compared with the previous month of August.

Wholesale inventories in every line were larger in September 1948 than for the same month a year ago, the average gain being 12%. The largest increase (28%) was in the electrical group.

Gains of 11% (hardware) to 19% (machinery, equipment and supplies, except electrical) were reported in all groups with the exception of groceries.

Average inventories in September 1948 showed no change from the previous month of August. Increases of 12% in drugs and sundries and 8% in automotive supplies for September were offset by a decrease of 11% in the "all other" group and minor losses in machinery, equipment, and supplies (except electrical), in the hardware group, and in the electrical group. Wholesale stocks of groceries and tobacco products increased slightly.

A sales increase of 9% in September 1948 over September 1947 was reported to the Department of Commerce by wholesalers over the nation. The advance in Texas sales in September over August (+7%) was only slightly higher than for the nation (+6%).

Wholesale inventories in the nation were 17% higher in September 1948 than in September 1947, but were 2% less than in the previous month of August.

PERCENTAGE CHANGES IN WHOLESALERS' SALES AND INVENTORIES

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

Business	Sales		Inventories	
	Sept. 1948 from Sept. 1947	Sept. 1948 from Aug. 1948	Sept. 1948 from Sept. 1947	Sept. 1948 from Aug. 1948
TOTAL	+13.0	+ 7.0	+12.0	0.0
Automotive supplies	- 5.0	- 6.0	+13.0	+ 8.0
Electrical group	+35.0	+ 9.0	+28.0	- 1.0
Hardware	+12.0	+ 4.0	+11.0	- 2.0
Machinery, equipment and supplies (except electrical)	-25.0	-31.0	+19.0	- 1.0
Drugs and sundries*	+16.0	+14.0	+18.0	+12.0
Groceries	+13.0	+18.0	+ 1.0	+ 1.0
Tobacco products	- 1.0	+ 2.0	+14.0	+ 2.0
All others	+ 8.0	- 4.0	+17.0	-11.0

*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.)

The anticipated increase in the value of United States exports of foreign and domestic merchandise during the remainder of 1948 did not materialize in September, but rather the value of exports declined further from \$988.2 million in August to \$926.5 million. Exports were valued at \$1,022.2 million in July and were near the \$1 billion figure in all previous months of 1948. The decline in September exports has been attributed largely to the decline in exports under the Department of the Army Civilian Supply Program for occupied areas from \$110.6 million in August 1948 to \$60.8 million in September.

From a commodity viewpoint the decline in exports was the result of decreased shipments of vegetable food products, principally grains, wood and paper, metals, and machinery and vehicles. Exports of grain and other vegetable food products, which had been at the unusually high level of \$215.5 million in August, declined to \$171.2 million in September. Exports in the other categories mentioned reached new low points for 1947-48.

The value of imports also declined from \$598.4 million in August 1948 to \$558.2 million in September. However, the domestic consumption of imports was maintained at the August level of about \$580 million by drawing down of stocks in bonded warehouses. The decline in imports by commodity groups was fairly general, and the total decline would have been greater except for a sharp increase in imports of cattle, principally from Canada. The increase in cattle imports from \$5.9 million in August to \$17.1 million in September was directly attributable to the relaxation of Canadian export restrictions on cattle in mid-August.

FOREIGN TRADE OF TEXAS PORTS (in millions of dollars)

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

Customs district	July 1948	June 1948	July 1947	Percent change	
				July 1948 from July 1947	July 1948 from June 1948
EXPORTS, TOTAL	112.2	111.3	104.7	+ 7.3	+ 0.8
El Paso	2.2	2.6	8.7	- 40.5	- 15.4
Galveston	64.6	68.0	56.5	+ 14.3	- 5.0
Laredo	30.6	29.3	33.1	- 7.6	+ 4.4
Sabine	14.8	11.4	12.6	+ 29.8	+ 29.8
IMPORTS, TOTAL	13.3	21.4	12.5	+ 46.4	- 14.5
El Paso	2.6	1.4	1.6	+ 62.5	+ 35.7
Galveston	9.7	15.0	6.8	+ 47.0	- 35.3
Laredo	4.9	4.7	4.2	+ 16.7	+ 4.3
Sabine	1.1	0.8	0.1	+100.0	+266.7

Since the decline in exports was greater than the decline in imports, the foreign trade gap continued its recent decline, amounting to \$368.3 million as compared to \$389.8 million in August and the average gap for the first six months of 1948 of \$511.7 million. For 1948 as a whole a considerably reduced gap as compared to 1947 can be anticipated. For the first nine months of 1948

exports were 19% below the same period in 1947, while imports were 24% above the 1947 level.

It is of interest to note that exports to the group of countries participating in the European Recovery Program and receiving assistance from the Economic Cooperation Administration did not continue their fairly steady decline of recent months, but are still well below the average of the first six months of 1948. Exports to this group of countries (including Turkey) amounted to \$317.1 million in September as compared to \$314.2 million in August and to \$367.5 million, the monthly average during the first half of 1948. Imports from these countries are showing some tendency to increase, reaching \$92.6 million in September as compared to \$84.3 million in August and the average of the first six months of \$89.1 million. On the other hand, in spite of ECA assistance, exports to China dropped sharply from \$19.0 million in August to \$7.7 million in September. The monthly average of the first six months of 1948 was \$25.5 million. Imports from China also declined.

ECA grant authorizations by November 17, 1948, had reached the cumulative total of more than \$3,600 million. These authorizations will not be reflected altogether in exports to Europe and China, since a considerable part of the funds are being spent initially for supplies in other parts of the world, in particular in Canada and Latin America. Ultimately, of course, any dollars spent by ECA outside of the United States will be used to purchase goods and services from the United States.

It is already being anticipated by ECA that additional funds will be needed for European aid to complete the first 15 months of the program authorized by the Congress. The Congress made \$4,875 million available for this first period, but authorized its expenditure in 12 months if the President found this necessary.

Loan contracts have now been concluded with a number of ECA countries. This fact should have considerable influence on the future composition of United States trade, since loan funds will be spent in considerable measure on durable goods. Exports of machinery, vehicles, and other iron and steel products may be expected to increase. ECA has existing authority to make loans and guarantees of about \$1 billion.

If the anticipated decline in grain exports during the current crop year ending June 30, 1949, is realized, the proportionate importance of durable goods exports may be accentuated. The Department of Agriculture, however, has revised upward its estimates of wheat exports, in spite of better crops outside of the United States this year as compared to last year.

Another example of the influence of ECA operations on the composition of trade is the increased imports of petroleum products by Europe. ERP countries imported 159 million barrels in the first half of this year as compared to 149 million in the second half and 123 million in the first half of 1947. These increased shipments have not, however, increased the drain on United States resources, since most imports in quantity terms are coming from the Middle East and Latin America. The value of United States petroleum products entering this trade is proportionally high since United States exports are heavily weighted with lubricants and aviation gasoline.

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 to stills were substantially greater during October than for the corresponding month of 1947. The trend in petroleum production has followed this direction rather consistently during the past several months. Production might have been even higher except for steel shortages. All types of refining stocks, except kerosene, were much larger than in October of 1947.

Over-all production in Texas showed very little change in October except for a small seasonal decline from September.

REFINERY STOCKS*

(in thousands of barrels)

Source: *The Oil and Gas Journal*

Section and Item	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TEXAS					
Gasoline	18,948	17,753	17,029	+11.3	+ 6.7
Distillate	15,307	18,493	10,824	+41.4	+13.4
Residual	11,675	10,735	8,754	+33.4	+ 8.3
Kerosene	4,644	4,005	4,620	+ 0.5	+16.0
TEXAS GULF COAST					
Gasoline	15,744	14,568	14,586	+ 7.9	+ 8.1
Distillate	14,063	12,312	10,251	+37.2	+14.2
Residual	10,481	9,610	7,968	+30.9	+ 8.5
Kerosene	3,895	3,252	3,919	- 0.6	+19.3
INLAND TEXAS					
Gasoline	3,204	3,185	2,443	+31.2	+ 0.6
Distillate	1,244	1,181	573	+117.1	+ 5.3
Residual	1,244	1,125	786	+58.3	+10.6
Kerosene	749	753	701	+ 6.8	- 0.5

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

Dairy manufacturing in Texas dropped to a low level in October. The production for the month was 33.4% less than in October of 1947; it was 19.9% less than in September, the preceding month. The index of

MANUFACTURE OF DAIRY PRODUCTS

Products	Unit	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
					Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL MILK EQUIVALENT*						
1,000 lbs.	48,969	54,922	66,065	-33.4	-19.9	
Creamery butter	1,000 lbs.	986	1,189	1,397	-33.0	-17.8
Ice cream†	1,000 gals.	1,155	1,689	1,881	-38.6	-31.6
American cheese	1,000 lbs.	331	469	525	-37.0	-29.4
All others	1,000 lbs.	2,846	2,333	2,746	+ 3.6	+22.0

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

†Includes sherbets and fees.

dairy production (1935-39 = 100), which is adjusted for seasonal variation, fell to 58.6, just slightly above the all-time low. Decline of dairy manufacturing is inconsistent with the large population increase recorded throughout the State in recent years.

Cotton consumption showed a decline both of 13.6% from October of 1947 and a decline of 22.0% from the preceding month of September.

COTTON MANUFACTURING

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

Item	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
CONSUMPTION*					
Cotton	11,942	15,309	18,827	-18.6	-22.0
Linters	2,437	2,374	2,263	+ 9.9	+ 4.8
SPINNING ACTIVITY					
Spindles in places	241,000	240,000	229,000	+ 5.2	+ 0.4
Spindles active	210,000	215,000	213,000	- 1.4	- 2.8
Total spindle hours	78,000,000	82,000,000	78,000,000	- 0.0	-11.4
Average spindle hours	328	365	340	- 5.0	-11.5
COTTONSEED†					
Received at mills	314,931	244,172	374,263	-15.9	+29.0
Crushed	170,869	124,625	157,896	+ 8.2	+37.1
Stocks at end of month	431,718	287,656	450,634	- 4.2	+50.1

*In running bales.

†In tons.

Wheat grindings and flour production declined 7.9% and 9.1%, respectively, from August to September of this year. The index of wheat ground for flour (1935-39 = 100), which is adjusted for seasonal variation, declined 10.5% from August to September 1948. Last year for this same period the index fell 14.5%.

WHEAT GRINDINGS AND FLOUR PRODUCTION

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

Item	Unit	Sept. 1948	Aug. 1948	Sept. 1947	Percent change	
					Sept. 1948 from Sept. 1947	Sept. 1948 from Aug. 1948
Wheat ground	1,000 bu.	4,010	4,354	3,809	+ 5.3	- 7.9
Wheat flour	1,000 sks.	1,724	1,897	1,674	+ 3.0	- 9.1

Cement production for September was 18.1% above that for the same month of 1947. Shipments and stocks also increased noticeably. The index of production (1935-39 = 100), which is adjusted for seasonal variation, is still well over twice the prewar level.

CEMENT PRODUCTION

(in thousands of barrels)

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

Item	Sept. 1948	Aug. 1948	Sept. 1947	Percent change	
				Sept. 1948 from Sept. 1947	Sept. 1948 from Aug. 1948
Production	1,196	1,158	1,013	+18.1	+ 3.8
Shipments	1,194	1,197	1,050	+13.7	- 0.3
Stocks	387	385	271	+42.8	+ 6.5

Lumber production during October showed very little change either from the preceding month or from the corresponding month of 1947.

LUMBER PRODUCTION IN SOUTHERN PINE MILLS

(in board feet)

Source: Southern Pine Association

Item	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
Average weekly production per unit	210,958	199,278	216,467	- 2.5	+ 5.9
Average weekly shipments per unit	206,775	209,719	224,443	- 7.9	- 7.9
Average unfilled orders per unit, end of month	700,618	800,913	897,171	-21.9	-12.5

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 contract awards for residential construction reached a level in October 338.5% greater than in September. Other types of construction showed noticeable increases as well, although not nearly so spectacular. During the past several months the value of business and industrial construction has been larger than other types, but in October residential construction took a strong lead with \$54,029,712 in contract awards.

Contracts for several new Texas industries and expansion of existing ones pushed nonresidential construction 31.9% above the level of September 1948. Engineering construction in October was also well above the September level, but it was a little below that for the same month of last year.

LOANS MADE BY SAVINGS AND LOAN ASSOCIATIONS

Source: Federal Home Loan Bank of Little Rock

Type	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
NUMBER, TOTAL	1,732	1,828	2,008	-13.7	- 5.3
Construction	499	433	506	- 1.4	+15.2
Purchase	606	737	914	-33.7	-17.3
Refinance	148	153	149	- 0.7	- 3.3
Recondition	224	250	212	+ 5.7	-10.4
Other	255	255	227	+12.8	0.0
AMOUNT, TOTAL	\$6,704,052	\$6,947,978	\$7,987,848	-16.1	- 2.5
Construction	2,417,336	2,249,372	2,378,591	+ 1.6	+ 7.5
Purchase	2,520,212	2,993,817	2,781,360	-33.4	-15.8
Refinance	557,817	634,334	723,659	-22.9	-12.1
Recondition	443,153	467,715	825,518	+36.1	- 5.3
Other	755,534	602,740	778,720	- 1.7	+27.0

CONSTRUCTION CONTRACTS

Source: Texas Contractor

Type of building	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL	\$107,033,214	\$49,410,198	\$62,190,112	+ 72.1	+116.6
Engineering	14,105,828	7,602,522	16,439,597	- 14.2	+ 85.5
Nonresidential	88,897,374	29,485,298	13,298,483	+192.5	+ 31.9
Residential	54,029,712	12,322,278	32,452,032	+ 68.5	+338.5

In spite of the unprecedented high level of residential construction some indications are that the demand for the more costly units will fall within the next few months.

BUILDING PERMITS

City	October 1948	September 1948	October 1947
TOTAL	\$29,047,706	\$34,179,627	\$32,892,962
Ablene	495,436	403,485	318,400
Amarillo	919,849	907,672	1,025,365
Austin	1,816,275	1,450,854	1,319,240
Beaumont	637,354	571,605	562,446
Big Spring	99,640	173,005	120,035
Borger	31,250	176,500	73,500
Brownsville	118,670	268,320	83,370
Brownwood	34,208	68,078	49,415
Bryan	81,325	82,150	113,221
Childress	6,790	29,377	10,500
Cleburne	15,497	17,000	43,000
Corpus Christi	1,049,506	915,465	2,243,044
Dallas	5,120,633	6,367,935	6,873,440
Del Rio	26,435	43,505	11,475
Denison	55,294	62,355	144,492
Denton	30,800	49,575	131,675
Edinburg	47,050	16,030	139,700
El Paso	2,872,016	1,251,965	834,505
Fort Worth	2,245,518	2,042,846	2,611,797
Gainesville	50,200	17,900	34,400
Galveston	190,592	217,441	198,545
Harlingen	93,620	99,613	140,014
Houston	7,329,700	7,342,950	8,239,053
Jacksonville	44,900	91,316	51,850
Kenedy	5,415	11,300	1,300
Kerrville	16,592	31,775	93,300
Lamesa	46,230	44,300	9,000
Lockhart	8,625	10,300	32,400
Lubbock	480,549	2,023,504	640,142
McAllen	67,350	127,496	320,977
Marshall	109,107	365,202	63,544
Midland	423,250	335,480	303,800
Nacogdoches	20,300	14,250	44,100
New Braunfels	123,407	101,605	87,204
Palestine	39,395	33,995	33,626
Pampa	417,695	173,301	90,750
Paris	33,895	49,585	18,800
Plainview	127,000	122,500	233,700
Port Arthur	210,622	137,463	191,373
San Angelo	215,794	372,068	271,723
San Antonio	2,325,245	3,063,210	2,631,210
Seguin	40,265	70,600	73,750
Sherman	57,323	110,546	96,114
Sweetwater	21,565	31,975	34,805
Temple	151,932	100,372	215,002
Texarkana	143,935	65,778	97,271
Texas City	39,055	1,044,380	176,435
Tyler	376,697	135,755	369,714
Victoria	125,795	132,603	82,700
Waco	714,250	330,732	905,200
Wichita Falls	133,255	305,050	191,940

Buyers are numerous in the cheaper field; so the possibilities are that residential construction may decline until more builders can enter this field.

Building permits in 51 Texas cities fell 31.0% from September to \$29,047,706. After adjustment for seasonal variation, the Bureau's index for October was 471.2% of the 1935-39 base period. This index usually swings with wide erratic movements, but for the year 1948 it has been dropping steadily lower. The October 1948 level of the index was 12.0% below October 1947, but the total value of building permits for the first 10 months of 1948 was 37.3% above the first 10 months of 1947. The first half of 1947 was much lower than any period since that date, with the result that the year 1947 had a total of building permits well below the level of 1948. However, a dropping off in the volume of permits seems to be unmistakable. High building costs, together with a tightening of credit for building construction, appear to be major factors in bringing about a reduction in the volume of permits.

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.)

Power consumption by all types of users increased in October over the same month of last year, although it was somewhat lower than the preceding month of September. There is usually some seasonal decline in consumption from September to October, however.

The Federal Power Commission report on production of electric energy for public use showed a 7.9% decline in September from the peak load in August. For the nation as a whole, energy production slipped only 2.4%. In comparison with a year earlier, September 1948 production stepped up 14.3% in Texas and 9.5% throughout the United States.

In October 1948, the seasonally adjusted *index of electric power consumption* was 317.1% of the prewar base (1930-39) period, compared to 343.8 in September 1948 and 284.0 in October 1947.

ELECTRIC POWER CONSUMPTION*

(In thousands of kilowatt hours)

Use	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL	620,837	692,135	556,927	+11.5	-10.8
Commercial	136,946	157,445	120,694	+13.5	-13.0
Industrial	290,648	309,846	272,165	+ 6.8	- 6.2
Residential	97,901	118,117	85,888	+14.0	-17.1
Other	95,842	106,727	78,080	+22.1	-10.7

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

The *index of industrial power consumption* indicates that the level of production in Texas is almost 7.0% higher than it was at the same time last year.

The number of *telephones* increased from 885,571 to 1,023,996 from October of 1947 to October of 1948, a

difference of 15.6%, for the 40 cities reported by the Southwestern Bell Telephone Company.

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.)

Values of practically all major resources extracted increased rather significantly over the corresponding value for October of 1947. *Natural and casinghead gas* showed the largest gain—47.1% above 1947.

VALUE OF NATURAL RESOURCES PRODUCED

Source: State Comptroller of Public Accounts

Item	October 1948	September 1948	October 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
Carbon black	\$ 4,704,763	\$ 3,249,824	\$ 3,451,293	+86.1	+ 44.8
Crude oil	189,955,136	197,192,597	184,481,115	+39.8	- 4.7
Natural and casinghead gas	12,544,009	10,049,227	8,527,207	+47.1	+ 24.8

Production of crude petroleum in Texas averaged 2,507,000 barrels a day in October 1948, compared with 2,465,700 in September 1948 and 2,375,000 in October 1947. Percentagewise, the increase over September was 1.7% and over October of last year the rise was 5.6%. After adjustment for seasonal variation, Texas production more than doubled the prewar (1935-39) level.

Crude petroleum taxes collected in October fell 4.7% under the preceding month. Carbon black production, measured by taxes collected in October, climbed 44.8% above September, and natural and casinghead gas rose 24.8%.

Production has been accelerated by intensive drilling activity. For the year to date, 9,916 wells have been drilled, compared with 7,647 wells for the same period of 1947. However, if the Railroad Commission stops production in 17 major oil fields which waste casinghead gas, the production, at least temporarily, is bound to decline.

North Texas continued to lead in the number of well completions and in the number of dry holes.

WELL COMPLETIONS

Source: The Oil and Gas Journal

District	October 1948*				Jan.-Oct. (all wells)	
	Total	Oil	Gas	Dry	1948	1947
TEXAS	970	611	33	321	9,916	7,647
North Central Texas	295	144	3	151	3,084	2,427
West Texas	255	223	4	23	2,688	1,851
Panhandle	54	41	11	2	532	337
Eastern Texas	61	33	4	24	487	455
Texas Gulf Coast	144	84	12	43	1,549	1,318
Southwest Texas	153	86	4	63	1,578	1,209

*For 4 weeks ending October 30.

AGRICULTURE

Income

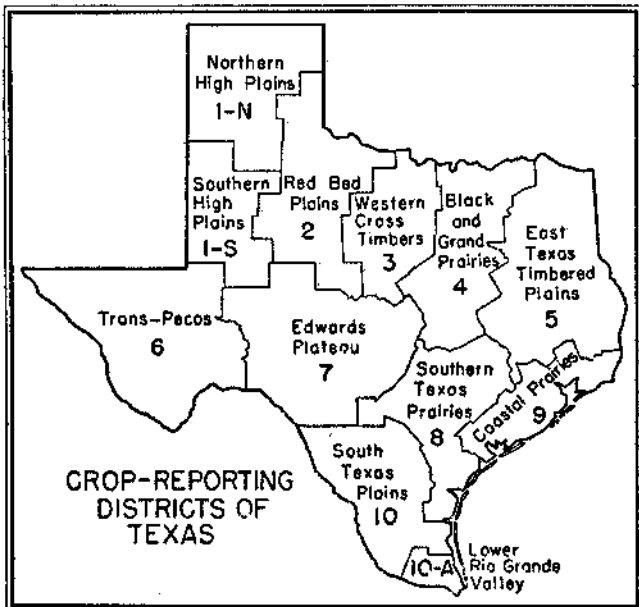
(The amount of income received by farmers is a composite measure of the prosperity of agriculture, taking into account both the volume of products sold and the prices received. Since the marketings of many products are concentrated in certain seasons of the year, it is important that the data be adjusted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

Grain sorghum, corn, and cattle sales held October income of Texas farmers 13.1% above September and were major items in total estimated income of \$260,660,000. When adjusted for the normal seasonal variation, however, cash income was actually 24.8% under September.

The past several months have shown conclusively that farm income in Texas is leveling off. Not since July has an increase over the corresponding month of 1947 been reported, and for the first 10 months dollar income slid 8.6% under the January-October 1947 figure. The pattern of the decrease is by no means uniform among

FARM CASH INCOME

District	Indexes, 1935-39 = 100, adjusted for seasonal variation			Amount, Jan.-Oct. (in thousands of dollars)	
	Oct. 1948	Sept. 1948	Oct. 1947	1948	1947
TEXAS	427.7	569.1	550.4	\$1,371,609	\$1,501,361
1-N	703.8	505.0	733.5	147,505	238,432
1-S	593.3	620.5	984.5	123,608	142,261
2	378.5	447.1	438.4	151,292	185,929
3	301.8	335.2	316.2	73,260	77,618
4	329.6	608.3	432.2	236,257	240,996
5	288.6	581.4	275.9	85,928	80,112
6	104.3	859.2	611.9	50,941	44,819
7	243.4	265.4	321.4	89,728	84,672
8	306.7	284.0	389.5	145,179	142,700
9	253.2	989.6	693.6	108,324	105,320
10	333.0	329.9	350.0	54,226	42,340
10-A	175.0	124.6	206.2	110,861	115,652



the several crop-reporting districts, however. In fact, four districts have had higher income so far in 1948 than they did last year. In this respect, the Trans-Pecos and the South Texas Plains have fared unusually well, with increases of 13.7% and 26.6%, respectively, for the year to date. A better-than-average grain sorghum crop in the Panhandle promised to brighten the comparison somewhat in the Plains area, but even so it would be difficult to make up the deficit of nearly \$130 million in farm income which 1948 has witnessed relative to last year.

Dollar income from farm marketings for January-October 1948 is estimated at \$1,371,609,000.

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 livestock from Texas railroad stations showed sharp seasonal increases from September to October. The advance was most pronounced in the case of cattle, the movement of which picked up 55.1%. Shipments of calves and hogs also rose, but sheep loadings registered a small seasonal drop. In comparison with a year earlier, shipments were down for all animals except hogs, up 9.0%. This trend follows the pattern maintained in the first 10 months of 1948, by which total livestock shipments have been 26.0% under the comparable 1947 volume.

Carrying capacity of Texas pastures is at its lowest in history, and the outlook for meat supply is dim, according to the meat experts. Although grain crops are good and

SHIPMENTS OF LIVESTOCK

(in carloads)*

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

Classification	Percent change				
	Oct. 1948	Sept. 1948	Oct. 1947	Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL SHIPMENTS	10,338	7,439	13,041	- 20.8	+ 38.9
Cattle	7,327	4,723	9,113	- 19.6	+ 55.1
Calves	1,516	1,276	2,434	- 37.7	+ 13.9
Hogs	533	500	535	+ 9.0	+ 16.6
Sheep	907	941	959	- 5.4	- 3.6
INTERSTATE PLUS					
FORT WORTH	9,166	6,647	11,743	- 22.0	+ 37.9
Cattle	6,486	4,276	8,144	- 20.4	+ 51.7
Calves	1,270	1,113	2,210	- 42.5	+ 14.1
Hogs	578	487	526	+ 9.9	+ 13.7
Sheep	332	771	868	- 4.1	+ 7.9
INTRASTATE MINUS					
FORT WORTH†	1,187	792	1,298	- 9.7	+ 47.3
Cattle	841	447	969	- 13.2	+ 53.1
Calves	246	162	224	+ 9.3	+ 51.9
Hogs	5	13	9	- 44.4	- 61.5
Sheep	75	170	91	+ 7.6	- 55.9

*Rail-car basis: cattle, 30 head per car; calves, 60; hogs, 30; 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 may be shown.

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	October 1948	September 1948	October 1947
Chickens	0	1	2
Turkeys	4	5	4
Eggs-shell equivalent*	72	90	49
Shell	0	2	7
Frozen	24	24	17
Dried	48	5	1

*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	October 1948	September 1948	October 1947
TOTAL RECEIPTS-SHELL EQUIVALENT*	57	46	58
Shell	28	30	51
Frozen	10	4	1
Dried	24	1	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.

the feed-animal price ratio is favorable, Texans may not see any marked effect in prices of meat because the Texas consumer normally eats principally grass-fed meat.

Poultry and egg shipments from Texas stations fell sharply from September and, except for eggs, were under the year-ago level. The State's turkey crop this year, lowest since 1938, will bring good prices. Tumbling grain prices should stimulate poultry production, but

RAIL SHIPMENTS OF FRUITS AND VEGETABLES†

(in carloads)

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

Item	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL	784	124	1,197	-38.7	+491.9
Carrots	30	6	—	—	+400.0
Oranges	101	—	536	-31.2	—
Lemons	11	—	28	-60.7	—
Lettuce	54	—	—	—	—
Cucumber	4	—	—	—	—
Grapefruit	887	—	505	-28.4	—
Peppers	45	1	66	-31.8	*
Egg plant	4	—	—	—	—
Cabbage	6	—	—	—	—
Sweet potatoes	2	1	27	*	*
All other fruits and vegetables	90	115	35	+187.1	-22.4

*Percent change meaningless.

†Figures for oranges and grapefruit includes both rail and truck shipments.

the shortage of hatching eggs has so far been a dampening influence. Texas imported more eggs from out-of-State points in October 1948 than in either the preceding month this year or the comparable month last year, and imports were not far behind Texas exports to out-of-State areas.

Citrus and winter vegetable shipments got under way during October, but were not up to year-ago levels.

Fertilizer Sales

(Sales of fertilizer are indicative of the amount of money farmers need and are able to spend in keeping up the soil fertility of their farms. Sales figures are based on monthly statistics for the equivalent number of short tons of fertilizer represented by the tax tags sold to fertilizer producers and which are required by law to be attached to each bag of fertilizer sold.)

Texas farmers purchased the equivalent of 36,161 tons of fertilizer during October, compared with 30,703 and 26,251 in October of the two years immediately preceding. Year-to-date sales in Texas have been 19% in excess of those for the corresponding 1947 period. This increase in the use of commercial fertilizer in Texas has been greatly in excess of the average for the South (+8%) but not as large as the 28% gain reported in four Midwestern states.

Prices

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

The downturn in prices received by Texas farmers continued into mid-October for the third straight month.

PRICES OF TEXAS FARM PRODUCTS

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

Commodity	Unit	Oct. 1948	Sept. 1948	Oct. 1947
Wheat	bu.	\$ 2.00	\$ 1.99	\$ 2.60
Corn	bu.	1.43	1.52	2.00
Oats	bu.	0.91	0.90	1.09
Barley	bu.	1.15	1.14	1.57
Grain sorghum	cwt.	2.05	2.05	8.15
Rice	bu.	2.20	2.10	2.71
Flaxseed	bu.	5.65	5.65	5.70
Potatoes	bu.	1.65	1.65	1.25
Sweet potatoes	bu.	2.40	2.90	2.45
Cotton lint	lb.	0.296	0.296	0.298
Cottonseed	ton	67.00	69.00	91.00
Cowpeas	bu.	3.90	4.45	5.00
Peanuts	lb.	0.102	0.104	0.95
Hogs	cwt.	23.40	26.30	26.30
Beef cattle	cwt.	20.20	22.80	16.80
Veal calves	cwt.	22.90	25.20	19.00
Sheep	cwt.	9.90	10.80	9.50
Lambs	cwt.	20.80	21.20	17.00
Milk cows	head	147.00	145.00	118.00
Chickens	lb.	0.282	0.274	0.259
Turkeys	lb.	0.879	0.840	0.300
Eggs	doz.	0.512	0.471	0.536
Butter	lb.	0.63	0.69	0.69
Butterfat	lb.	0.60	0.67	0.68
Milk, retail	qt.	0.205	0.205	0.186
Milk, wholesale	cwt.	6.50	6.15	5.45
Wool	lb.	0.46	0.49	0.41
All hay, loose	ton	20.30	20.60	20.00
Alfalfa hay, loose	ton	27.00	26.60	27.50

The index of prices compiled by the Bureau of Agricultural Economics slid to 299% of its 1909-14 base, down 3% from September 15. Sharp reductions in prices for meat animals and corn were the principal factors in the September-to-October decrease. Prices were moderately lower for cottonseed, sweet potatoes, and butterfat, while limited price gains were registered for other grains, poultry products, and wholesale milk. According to the Bureau of Agricultural Economics, the October price level was the lowest since last March and was only slightly higher than in October 1947.

Meanwhile the farmer's buying position showed further deterioration from previous months, as the national index of prices paid for off-the-farm goods and services declined only slightly from September. The parity ratio, which measures the ratio of prices received to prices paid, dropped to 111, its lowest point since November 1942.

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.)

The November election with the return of the Democrats to power is the most important recent development affecting the cotton situation. Indications now point to a revision of the agricultural act passed by the last Congress to provide for more liberal loans, or permanent provisions for a minimum loan on cotton of 90% parity.

Cotton consumption so far this year is running below last year, and prospects now indicate a domestic consumption of about 9 million bales. National employment and national income have the greatest influence on the demand for cotton goods and cotton. Employment is expected to remain not far from its present high levels.

Export of United States grown cotton promises to be the largest since 1939, possibly over 5 million bales.

Cotton put under Government loan by farmers so far has reached about 2.5 million bales, and at present price and loan relations may reach 3.5 million.

The above figures indicate a more or less tight supply situation in the making before the end of the current cotton year, one, at least, in which cotton will have to be drawn out of the Government loan.

The \$64 question is, what price will be required to draw cotton out of the loan in adequate volume?

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.)

Declines were more numerous than increases in stocks of agricultural products held in Texas cold storage houses during the month of September. In comparison with October 1, 1947, most commodities were also in shorter supply this year.

Space occupancy in cold storage warehouses and meat-packing establishments accordingly was at a lower rate on October 1 than on September 1 or on October 1 of 1947.

COLD STORAGE HOLDINGS

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

Item	Unit (000's)	Oct. 1 1948	Sept. 1 1948	Percent change	
				Oct. 1 1947	Oct. 1948 from Oct. 1947
Fresh vegetables	lbs.	1,426	1,517	5,010	- 71.5 - 6.0
Frozen vegetables	lbs.	2,639	2,422	3,663	- 25.9 + 9.0
Dried and evaporated fruits	lbs.	996	1,243	1,768	- 43.7 - 19.9
Frozen fruits	lbs.	5,292	5,254	6,060	+ 12.7 + 6.7
Nuts	lbs.	4,482	6,524	823	+444.6 - 31.8
Dairy products	lbs.				
Cream:					
Fluid	lbs.	521	410	389	+ 33.9 + 27.1
Plastic	lbs.	420	431	366	+ 14.8 - 2.6
Creamery butter	lbs.	1,752	1,971	1,461	+ 19.9 - 11.1
Evaporated and condensed milk	lbs.	1,132	1,036	3,914	- 71.1 + 4.2
Cheese, all types	lbs.	5,714	6,169	5,178	+ 10.4 - 7.4
Eggs:					
Shell	cases	80	115	80	0.0 - 30.4
Frozen	lbs.	9,842	12,103	10,100	- 4.5 - 20.8
Dried	lbs.	2,275	2,120	3,462	- 34.3 + 7.2
Frozen poultry	lbs.	1,562	1,550	3,201	- 51.2 - 1.1
Meat and meat products	lbs.	13,852	23,076	13,590	+ 1.9 - 40.0
Hides and pelts	lbs.	2,101	1,848	2,116	- 0.7 + 13.7

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF NOVEMBER 1, 1948

(in thousands of running bales except as noted)

Year	Carryover Aug. 1	Imports to Nov. 1*	Government estimate as of Nov. 1	Total	Consumption to Nov. 1	Exports to Nov. 1	Total	Balance as of Nov. 1
1938-39	11,533	40	12,187	23,710	1,638	1,054	2,692	21,018
1939-40	13,033	37	11,845	24,915	1,941	1,744	3,685	21,220
1940-41	10,596	30	12,847	23,473	2,064	350	2,414	21,059
1941-42	12,376	107	11,029	23,503	2,703	429	3,132	20,371
1942-43	10,590	91	13,329	23,720	2,853	434	3,280	20,439
1943-44	10,687	44	11,442	22,173	2,562	564	3,126	19,047
1944-45	10,727	55	13,320	23,102	2,425	257	2,682	20,420
1945-46	11,160	101	9,363	20,623	2,199	627	2,826	17,803
1946-47	7,522	59	3,437	16,068	2,605	653	3,258	12,810
1947-48	2,521	193	11,505	14,224	3,264	264	2,528	11,696
1948-49	2,823	118†	15,166	18,102	2,164	286†	2,450	15,652

The cotton year begins August 1.

*In 500-pound bales.

†To October 1.

LOCAL BUSINESS

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
ABILENE:			
Retail sales of independent stores	-----	+ 9.9	+ 8.1
Department and apparel store sales	-----	+ 3.5	- 5.0
Building permits	\$ 495,436	+ 55.6	+ 21.3
Bank debits to individual accounts (thousands)	\$ 36,329	- 1.7	+ 1.8
End-of-month deposits (thousands)*	\$ 42,421	+ 5.3	+ 1.4
Annual rate of deposit turnover	10.3	- 5.8	0.0
Air express shipments	203	- 10.2	+ 9.1
Unemployment	750	- 22.6	- 16.7
Placements in employment	488	- 8.6	- 7.9
Nonagricultural civilian labor force	18,800	- 2.1	+ 2.8

AMARILLO:			
Retail sales of independent stores	-----	- 3.5	+ 7.6
Department and apparel store sales	-----	- 2.0	+ 4.7
Postal receipts	\$ 73,873	+ 9.0	+ 8.2
Building permits	\$ 919,349	- 10.3	+ 1.3
Bank debits to individual accounts (thousands)	\$ 96,178	+ 4.2	+ 4.8
End-of-month deposits (thousands)*	\$ 84,775	- 0.1	+ 2.6
Annual rate of deposit turnover	13.8	+ 3.8	+ 5.3
Air express shipments	586	- 11.7	+ 16.7
Unemployment	1,200	- 14.3	0.0
Placements in employment	1,378	+ 32.5	+ 23.4
Nonagricultural civilian labor force	85,700	+ 4.0	+ 0.3

AUSTIN:			
Retail sales of independent stores	-----	+ 1.8	- 1.0
Department and apparel store sales	-----	+ 7.3	+ 2.3
Postal receipts	\$ 182,760	+ 0.8	- 16.1
Building permits	\$ 1,816,275	- 0.2	- 9.3
Bank debits to individual accounts (thousands)	\$ 104,233	+ 3.6	- 12.9
End-of-month deposits (thousands)*	\$ 102,255	- 1.9	- 1.2
Annual rate of deposit turnover	12.1	+ 4.3	- 12.3
Air express shipments	563	- 15.3	+ 9.1
Railroad carloadings:			
Inbound	1,202	- 4.7	- 5.1
Outbound	597	- 5.8	+ 20.1
Unemployment	1,350	- 17.9	- 3.6
Placements in employment	1,232	+ 20.8	+ 1.9
Nonagricultural civilian labor force	44,750	+ 1.3	+ 0.1

BEAUMONT:			
Retail sales of independent stores	-----	+ 22.4	+ 6.5
Department and apparel store sales	-----	+ 13.7	+ 1.0
Postal receipts	\$ 65,467	+ 15.1	+ 29.4
Building permits	\$ 637,354	+ 13.3	+ 11.5
Bank debits to individual accounts (thousands)	\$ 103,332	+ 25.0	+ 2.0
End-of-month deposits (thousands)*	\$ 101,553	+ 7.5	+ 6.0
Annual rate of deposit turnover	12.6	+ 15.6	+ 0.3
Export and coastal cars unloaded	468	- 18.6	+ 82.3
Air express shipments	391	+ 14.3	+ 1.8
Water-borne commerce (tons)	19,344	- 18.0	+ 65.5
Unemployment (area)	4,500	- 15.4	+ 3.4
Placements in employment (area)	2,050	- 12.1	- 12.8
Nonagricultural civilian labor force (area)	77,050	+ 10.9	+ 2.0

BROWNWOOD:			
Retail sales of independent stores	-----	+ 6.4	+ 11.3
Department and apparel store sales	-----	+ 6.0	+ 9.8
Postal receipts	\$ 12,749	+ 1.0	+ 10.5
Building permits	\$ 34,203	- 30.8	- 49.8
Air express shipments	42	+ 223.1	- 2.3

*Excludes deposits to credit of banks.

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
BROWNSVILLE:			
Retail sales of independent stores	-----	+ 6.9	- 9.0
Postal receipts	\$ 15,744	+ 12.6	+ 29.8
Building permits	\$ 118,670	+ 42.3	- 55.0
Export cars unloaded	323	+ 103.7	- 17.4
Air express shipments	423	- 75.6	- 2.1
Coastal cars unloaded	63	-----	+ 110.0
Water-borne commerce (tons)	104,204	+ 26.3	+ 41.0

BRYAN:			
Department and apparel stores sales	-----	+ 6.4	- 6.7
Postal receipts	\$ 8,268	- 4.5	- 8.2
Building permits	\$ 31,325	- 23.2	- 1.0
Air express shipments	37	+ 32.1	+ 117.6

CORPUS CHRISTI:			
Retail sales of independent stores	-----	+ 13.9	- 1.8
Department and apparel store sales	-----	- 0.4	- 2.6
Postal receipts	\$ 71,540	+ 0.1	+ 7.0
Building permits	\$ 1,049,506	- 53.2	+ 14.6
Bank debits to individual accounts (thousands)	\$ 75,230	- 1.8	- 6.3
End-of-month deposits (thousands)*	\$ 80,644	+ 10.9	+ 1.4
Annual rate of deposit turnover	11.3	- 10.3	- 5.3
Air express shipments	556	- 20.2	+ 1.6
Water-borne commerce (tons)	1,311,270	+ 4.4	+ 6.2
Unemployment	1,200	- 52.0	- 14.3
Placements in employment	1,451	+ 33.1	- 4.2
Nonagricultural civilian labor force	52,300	+ 5.6	0.0
Water connections	22,937	+ 8.7	+ 0.5
Electrical connections	26,624	+ 3.2	+ 0.6

CORSICANA:			
Postal receipts	\$ 13,127	+ 7.3	+ 45.6
Bank debits to individual accounts (thousands)	\$ 13,107	- 5.5	+ 2.1
End-of-month deposits (thousands)*	\$ 20,533	+ 1.6	+ 3.5
Annual rate of deposit turnover	7.3	- 7.1	- 1.3

DALLAS:			
Retail sales of independent stores	-----	+ 4.6	- 5.0
Apparel stores	-----	+ 3.0	- 3.4
Automotive stores	-----	+ 19.5	- 4.0
General merchandise	-----	+ 7.8	- 3.3
Drug stores	-----	- 3.5	+ 0.7
Florists	-----	- 1.3	+ 9.3
Food stores	-----	+ 8.7	+ 21.7
Furniture and household stores	-----	- 33.6	- 61.1
Lumber, building material, and hardware stores	-----	- 20.5	- 8.4
Eating and drinking places	-----	- 0.2	+ 7.7
All other stores	-----	+ 8.3	+ 4.6
Postal receipts	\$ 894,466	+ 6.0	+ 6.7
Building permits	\$ 5,120,638	- 25.5	- 25.4
Air express shipments	10,747	+ 8.2	+ 8.8
Bank debits to individual accounts (thousands)	\$ 1,062,490	+ 7.3	+ 4.1
End-of-month deposits (thousands)*	\$ 728,452	+ 5.4	- 0.4
Annual rate of deposit turnover	17.5	+ 1.2	+ 4.2
Placements in employment	6,860	+ 51.5	+ 22.5
Unemployment	3,900	- 37.1	- 11.4
Nonagricultural civilian labor force	236,000	+ 6.5	+ 0.8

*Excludes deposits to credit of banks.

S CONDITIONS

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
DENISON			
Retail sales of independent stores.....	-----	+ 10.7	- 12.6
Department and apparel store sales.....	-----	+ 12.2	+ 26.0
Postal receipts.....\$	10,533	+ 7.1	+ 10.2
Building permits.....\$	55,294	- 61.7	- 11.8
Bank debits to individual accounts (thousands).....\$	10,375	+ 9.4	-----
End-of-month deposits (thousands)* \$	11,045	+ 19.3	-----

EL PASO:			
Retail sales of independent stores.....	-----	+ 8.9	+ 5.9
Department and apparel store sales.....	-----	+ 6.3	+ 10.3
Postal receipts.....\$	118,685	+ 11.7	+ 6.2
Building permits.....\$	2,372,016	+184.2	+ 89.5
Bank debits to individual accounts (thousands).....\$	134,354	+ 12.8	+ 17.3
End-of-month deposits (thousands)* \$	118,508	+ 5.1	+ 2.5
Annual rate of deposit turnover.....	14.4	+ 7.5	+ 16.1
Air express shipments.....	1,591	- 12.9	+ 0.5
Unemployment.....	1,800	- 21.7	- 10.0
Placements in employment.....	1,109	+ 18.1	- 14.8
Nonagricultural civilian labor force.....	51,450	+ 1.8	- 0.3

FORT WORTH:			
Retail sales of independent stores.....	-----	+ 6.7	+ 8.5
Apparel stores.....	-----	+ 4.2	+ 11.5
Automotive stores.....	-----	+ 0.7	- 0.4
General merchandise.....	-----	+ 5.4	+ 8.5
Food stores.....	-----	+ 24.4	+ 9.8
Furniture and household stores.....	-----	+ 11.9	+ 5.1
Lumber, building material, and hardware stores.....	-----	+ 9.9	- 6.5
Eating and drinking places.....	-----	+ 10.5	+ 9.2
All other stores.....	-----	+ 1.0	+ 4.3
Postal receipts.....\$	369,484	+ 7.2	+ 14.5
Building permits.....\$	2,245,518	- 14.0	+ 9.9
Air express shipments.....	1,795	- 8.2	+ 14.1
Bank debits to individual accounts (thousands).....\$	328,724	- 1.3	+ 0.7
End-of-month deposits (thousands)* \$	287,408	+ 2.8	+ 1.1
Annual rate of deposit turnover.....	13.3	- 4.2	- 0.7
Placements in employment.....	4,225	+ 0.4	+ 8.2
Unemployment.....	5,400	- 20.6	- 8.6
Nonagricultural civilian labor force.....	135,900	+ 3.5	0.0

GALVESTON:			
Retail sales of independent stores.....	-----	+ 0.6	- 4.2
Department and apparel store sales.....	-----	+ 8.6	- 0.9
Postal receipts.....\$	53,347	+ 3.3	+ 4.1
Building permits.....\$	190,592	- 4.0	- 12.3
Bank debits to individual accounts (thousands).....\$	68,307	+ 7.6	+ 1.8
End-of-month deposits (thousands)* \$	96,521	+ 6.5	+ 0.7
Annual rate of deposit turnover.....	8.5	+ 1.2	+ 1.2
Export and coastal cars unloaded.....	9,204	+ 16.3	+ 9.4
Air express shipments.....	327	- 25.6	- 6.1
Unemployment (area).....	2,100	+ 16.7	+ 10.5
Placements in employment (area).....	865	- 33.5	+ 3.5
Nonagricultural civilian labor force (area).....	54,600	- 3.3	0.0

LAMESA:			
Retail sales of independent stores.....	-----	- 12.1	+ 21.6
Postal receipts.....\$	6,233	+ 12.3	+ 19.6
Building permits.....\$	46,230	+113.7	+ 4.4

*Excludes deposits to credit of banks.

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
HOUSTON:			
Retail sales of independent stores.....	-----	+ 8.7	- 1.0
Apparel stores.....	-----	+ 6.0	+ 2.6
Automotive stores.....	-----	+ 15.4	- 6.6
General merchandise.....	-----	+ 8.5	+ 5.3
Drug stores.....	-----	+ 8.7	+ 6.7
Food stores.....	-----	+ 10.5	+ 4.6
Furniture and household stores.....	-----	- 4.5	- 19.0
Lumber, building material, and hardware stores.....	-----	+ 15.0	+ 1.7
Eating and drinking places.....	-----	+ 16.5	+ 2.7
All other stores.....	-----	- 2.1	+ 13.3
Postal receipts.....\$	577,285	+ 8.1	+ 1.5
Building permits.....\$	7,829,700	- 11.6	- 6.5
Export and coastal cars unloaded.....	4,993	+ 3.1	+ 11.1
Air express shipments.....	5,632	- 0.3	+ 8.9
Bank debits to individual accounts (thousands).....\$	1,135,231	+ 20.1	+ 4.6
End-of-month deposits (thousands)* \$	900,452	+ 13.1	- 0.2
Annual rate of deposit turnover.....	15.1	+ 5.6	+ 4.9
Manufacturing employment.....	74,710	-----	+ 0.2
Nonmanufacturing employment.....	242,640	-----	+ 0.6
Placements in employment (area).....	5,797	- 9.9	+ 2.1
Unemployment (area).....	7,000	- 12.5	0.0
Nonagricultural civilian labor force (area).....	824,400	+ 8.6	+ 6.6

LAREDO:			
Department and apparel store sales.....	-----	- 2.0	+ 9.4
Postal receipts.....\$	17,133	+ 3.3	+ 11.6
Bank debits to individual accounts (thousands).....\$	15,588	+ 1.6	+ 3.6
End-of-month deposits (thousands)* \$	21,741	+ 5.3	- 1.3
Annual rate of deposit turnover.....	8.6	- 6.5	+ 7.5
Air express shipments.....	260	+ 2.3	+ 5.3
Electric power consumption (thousand KWH).....	2,930,201	- 2.4	- 17.9
Natural gas consumption (thousand cu. ft.).....	88,375	+ 1.3	+ 18.0
Tourist cars entering Mexico.....	1,586	+ 0.2	- 27.5
Tourists entering Mexico.....	6,237	- 42.2	- 29.7

LOCKHART			
Retail sales of independent stores.....	-----	+ 3.9	- 2.3
Department and apparel store sales.....	-----	+ 9.6	- 9.1
Postal receipts.....\$	2,838	+ 8.2	+ 40.9
Building permits.....\$	8,625	- 73.4	- 20.1
Bank debits to individual accounts (thousands).....\$	3,535	- 8.2	+ 0.5
End-of-month deposits (thousands)* \$	5,521	+ 3.1	+ 3.4

LUBBOCK:			
Retail sales of independent stores.....	-----	- 1.0	+ 11.0
Department and apparel store sales.....	-----	+ 0.01	+ 17.5
Postal receipts.....\$	59,571	+ 12.4	+ 14.6
Building permits.....\$	480,549	- 24.9	- 76.8
Bank debits to individual accounts (thousands).....\$	74,230	- 4.3	+ 24.4
End-of-month deposits (thousands)* \$	67,998	+ 11.2	+ 9.9
Annual rate of deposit turnover.....	18.7	- 12.7	+ 21.2
Air express shipments.....	360	- 8.2	- 6.7
Unemployment.....	575	+ 15.0	0.0
Placements in employment.....	830	+ 71.5	- 7.1
Nonagricultural civilian labor force.....	26,725	+ 4.0	- 0.2

*Excludes deposits to credit of banks.

LOCAL BUSINESS CONDITIONS

(Continued)

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
MARSHALL:			
Retail sales of independent stores.....	.....	- 0.2	+ 3.2
Department and apparel store sales .....	.....	+ 11.6	- 2.2
Postal receipts	\$ 12,508	+ 0.1	+ 8.7
Building permits	\$ 109,107	+ 71.7	- 70.1

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
PLAINVIEW:			
Retail sales of independent stores.....	.....	- 0.6	+ 20.2
Department and apparel store sales .....	.....	+ 46.4	+ 62.8
Postal receipts	\$ 9,455	+ 8.9	+ 23.3
Building permits	\$ 127,000	- 56.0	+ 8.7
Air express shipments	52	.....	+ 18.2

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
PORT ARTHUR:			
Retail sales of independent stores.....	.....	+ 2.8	- 0.8
Department and apparel store sales .....	.....	+ 5.1	+ 2.1
Postal receipts	\$ 27,524	+ 4.3	+ 10.7
Building permits	\$ 210,622	+ 10.1	+ 12.4
Bank debits to individual accounts (thousands)	\$ 35,160	+ 6.1	+ 2.8
End-of-month deposits (thousands)* \$	\$ 88,280	- 3.9	- 0.7
Annual rate of deposit turnover	11.0	+ 3.9	+ 3.3
Export cars unloaded	816	+ 41.7	+ 1.2
Coastal cars unloaded	486	+ 28.2	+ 21.8
Air express shipments	202	- 5.6	+ 6.3
Unemployment (area)	4,500	- 15.4	+ 3.4
Placements in employment (area)	2,050	- 12.1	- 12.8
Nonagricultural civilian labor force (area)	77,050	+ 10.9	+ 2.0

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
SAN ANGELO:			
Retail sales of independent stores.....	.....	- 0.7	- 5.5
Department and apparel store sales .....	.....	+ 2.4	- 2.8
Postal receipts	\$ 30,847	+ 10.5	+ 4.4
Building permits	\$ 216,794	- 20.6	- 75.8
Bank debits to individual accounts (thousands)	\$ 31,074	- 3.2	- 1.4
End-of-month deposits (thousands)* \$	\$ 29,964	+ 1.8	+ 5.1
Annual rate of deposit turnover	9.6	- 2.0	- 2.0
Air express shipments	447	- 38.5	- 1.1
Unemployment	575	- 41.0	+ 4.5
Placements in employment	531	+ 32.1	+ 2.1
Nonagricultural civilian labor force.....	17,325	+ 7.0	+ 1.0

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TEMPLE:			
Retail sales of independent stores.....	.....	+ 6.6	- 3.7
Department and apparel store sales .....	.....	+ 14.2	+ 8.8
Postal receipts	\$ 15,854	+ 12.3	+ 0.2
Building permits	\$ 151,982	- 29.3	+ 50.6
Air express shipments	70	- 13.6	+ 6.1

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TEXAS CITY:			
Retail sales of independent stores.....	.....	- 17.4	+ 6.8
Department and apparel store sales .....	.....	+ 14.0	+ 18.6
Postal receipts	\$ 9,296	+ 6.4	+ 25.8
Building permits	\$ 89,055	- 49.5	- 91.5
Unemployment (area)	2,100	+ 15.7	+ 10.5
Placements in employment (area).....	865	- 33.5	+ 3.5
Nonagricultural civilian labor force (area)	54,600	- 3.8	0.0
Coastal cars unloaded	560	+ 18.6	+ 43.2
Export cars unloaded	0	.....	.....

*Excludes deposits to credit of banks.

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
SAN ANTONIO:			
Retail sales of independent stores.....	.....	+ 2.2	- 2.4
Apparel stores .....	.....	+ 5.9	- 0.9
Automotive stores .....	.....	+ 9.3	- 4.1
General merchandise .....	.....	- 0.4	- 4.7
Drug stores .....	.....	+ 5.8	+ 0.2
Food stores .....	.....	+ 8.6	+ 6.0
Furniture and household stores .....	.....	- 10.7	- 5.2
Lumber, building material, and hardware stores .....	.....	- 15.0	+ 2.4
Eating and drinking places .....	.....	- 6.9	- 0.6
All other stores .....	.....	+ 2.2	+ 2.7
Postal receipts	\$ 819,595	+ 4.6	+ 8.1
Building permits	\$ 2,325,246	- 18.3	- 24.2
Air express shipments	2,504	- 22.3	- 1.8
Bank debits to individual accounts (thousands)	\$ 241,084	- 0.7	+ 0.6
End-of-month deposits (thousands)* \$	\$ 818,268	- 0.6	+ 0.3
Annual rate of deposit turnover	9.1	0.0	+ 1.1
Placements in employment	3,224	- 7.8	+ 0.6
Unemployment	3,750	- 56.9	- 6.8
Nonagricultural civilian labor force.....	157,100	+ 1.8	0.0

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TEXARKANA:			
Retail sales of independent stores.....	.....	+ 8.8	+ 9.6
Department and apparel store sales .....	.....	+ 0.8	+ 22.3
Building permits	\$ 143,935	+ 48.0	+113.8
Bank debits to individual accounts (thousands)	\$ 29,815	+ 5.8	+ 8.3
End-of-month deposits (thousands)* \$	\$ 22,784	+ 2.8	- 0.2
Annual rate of deposit turnover.....	8.6	- 4.4	+ 3.6
Air express shipments	19	- 81.7	- 79.8
Unemployment	8,000	0.0	0.0
Placements in employment	715	+ 27.7	+ 10.0
Nonagricultural civilian labor force	35,150	+ 7.5	+ 2.0

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TYLER:			
Retail sales of independent stores.....	.....	- 5.8	- 19.7
Department and apparel store sales .....	.....	+ 4.9	- 12.9
Postal receipts	\$ 36,461	+ 58.8	+ 15.2
Building permits	\$ 376,697	+ 1.9	+102.8
Bank debits to individual accounts (thousands)	\$ 41,245	+ 9.4	- 2.5
End-of-month deposits (thousands)* \$	\$ 54,293	+ 10.9	+ 1.2
Annual rate of deposit turnover	9.1	- 1.1	- 3.2
Air express shipments	437	- 52.4	+ 9.0

City and item	October 1948	Percent change	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
WACO:			
Retail sales of independent stores.....	.....	+ 16.0	+ 11.8
Department and apparel store sales .....	.....	+ 9.4	+ 2.9
Postal receipts	\$ 75,806	+ 1.7	+ 19.9
Building permits	\$ 714,250	- 21.1	- 14.0
Bank debits to individual accounts (thousands)	\$ 56,029	+ 3.6	+ 3.0
End-of-month deposits (thousands)* \$	\$ 66,523	- 0.9	+ 4.6
Annual rate of deposit turnover.....	10.8	+ 5.1	+ 1.0
Air express shipments	265	+ 25.6	+ 11.8
Unemployment	2,500	- 21.9	- 7.4
Placements in employment	818	- 4.2	+ 6.5
Nonagricultural civilian labor force	46,000	- 0.5	- 0.1

*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 are 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.)

Several changes were reflected in the *statement of condition of the weekly reporting member banks* in the Dallas district. Total loans and investments resumed their upward trend which had held for several months until last month's decline. Loans, which have been rising slightly each month, showed an increase several times as great as any previous monthly gain during the past year. Total government securities, which have been for the most part on the increase during the last six months, remained almost unchanged in the aggregate. Of much more significance, however, is the shift that occurred in the relative holdings of the different government securities individually. The shorter term treasury bills and treasury certificates showed an unusually large advance, while the longer term treasury notes and United States bonds had substantial decreases, greater than for any previous month this year. The movement in the direction of a more liquid position by the holders of government securities may have been in anticipation of an expected rise in the interest rate on government securities around the first of the year. Other securities remained unchanged as compared with the preceding month after following an erratic up and down course over the past year; their October level was approximately 6% above a year ago. Reserves with Federal Reserve banks continued to increase slightly while cash in vaults decreased. Balances with domestic banks increased significantly, more than offsetting the decrease during the preceding month.

There was little change in total deposits over September, and the end-of-October balance was only slightly higher than a year earlier.

The summary statement of *condition of the Dallas Federal Reserve Bank* indicates that the steady, unbroken rise in the bank's total resources continued through

LOCAL BUSINESS CONDITIONS

(Continued)

City and item	October 1948	Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
WICHITA FALLS:			
Retail sales of independent stores.....	-----	+ 4.2	+ 8.2
Department and apparel store sales	-----	+ 10.3	+ 5.9
Postal receipts	\$ 52,209	+ 20.5	+ 56.1
Building permits	\$ 183,255	- 4.5	- 39.9
Bank debits to individual accounts (thousands)	\$ 59,711	+ 19.2	+ 4.9
End-of-month deposits (thousands)* \$	82,229	+ 9.5	- 0.2
Annual rate of deposit turnover.....	8.8	+ 10.0	+ 6.0
Air express shipments	877	+ 84.1	+ 3.3
Unemployment	1,070	- 16.9	+ 2.9
Placements in employment	775	+ 49.9	+ 45.4
Nonagricultural civilian labor force..	32,820	+ 8.6	+ 1.7

*Excludes deposits to credit of banks.

CHANGES IN CONDITION OF WEEKLY REPORTING MEMBER BANKS*

Source: Board of Governors of the Federal Reserve System

Item	Percent change		
	Nov. 8, 1948 from Oct. 29, 1947	Nov. 3, 1948 from Sept. 29, 1948	Oct. 29, 1947 from Oct. 1, 1947
ASSETS			
Loans and investments	+ 2.4	+ 2.2	+ 8.4
Loans	+ 15.4	+ 4.4	+ 7.1
Total U.S. Government securities	- 8.4	- 0.2	+ 0.4
Treasury bills	+ 17.9	+ 13.8	+100.0
Treasury certificates of indebtedness	+ 21.8	+ 25.1	- 5.1
Treasury notes	- 36.7	- 33.9	- 8.4
United States bonds	- 12.0	- 1.7	+ 1.4
Other securities	+ 6.2	0.0	+ 5.6
Reserve with Federal Reserve Banks	+ 15.2	+ 2.0	- 1.4
Cash in vault	- 2.9	- 2.9	+ 12.9
Balances with domestic banks	- 8.4	+ 12.4	- 1.3
LIABILITIES			
Total deposits (except interbank)	+ 5.1	- 0.3	+ 1.0
Demand deposits adjusted	+ 4.8	+ 0.6	+ 2.0
Time deposits	+ 11.4	+ 1.0	- 1.1
U.S. Government deposits	+ 21.2	- 35.5	- 25.0
Interbank deposits:			
Domestic banks	- 5.7	+ 18.1	+ 6.8
Foreign banks	- 20.0	0.0	0.0
CAPITAL ACCOUNTS	+ 6.0	+ 1.0	+ 0.5

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

October. Total resources were 12.4% greater than a year ago. The most significant changes in assets as compared with last month were in the gold certificate reserve and "other" cash items.

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	Percent change				
	Nov. 3 1948	Sept. 29 1948	Oct. 29 1947	Nov. 1948 from Nov. 1947	Nov. 1948 from Oct. 1948
ASSETS					
Gold certificate reserves	622,910	564,280	516,787	+ 20.5	+ 10.4
U.S. Government securities	1,058,176	1,055,112	974,452	+ 8.1	- 0.2
Discounts and advances					
advances	8,595	10,398	5,004	+ 71.8	- 17.8
Other cash	18,321	12,637	11,179	+ 19.2	+ 5.4
Other assets	125,623	133,594	114,943	+ 9.8	- 6.0
TOTAL ASSETS	1,823,625	1,776,121	1,622,865	+ 12.4	+ 2.7
LIABILITIES					
Federal reserve					
notes	630,063	613,896	624,167	+ 0.9	+ 1.9
Deposits	1,048,395	1,017,976	871,053	+ 19.8	+ 2.5
Other liabilities	122,264	111,468	101,708	+ 20.2	+ 9.7
TOTAL LIABILITIES					
LIABILITIES	1,795,722	1,747,335	1,596,923	+ 12.4	+ 2.7
Capital paid in	7,793	7,768	7,228	+ 7.3	+ 0.8
Surplus	15,413	15,413	15,084	+ 2.2	0.0
Other capital accounts	4,692	5,100	3,125	+ 50.1	- 8.0
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	1,823,625	1,776,121	1,622,865	+ 12.4	+ 2.7

Bank Debits

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

Bank debits increased somewhat in October; however, the increase was only approximately one-fourth of the increase recorded for the same period a year ago. Indications seem to be that while bank debits are still increasing, the rate of increase is slackening. The increase during the last 12 months was only 9.3% whereas the increase during the preceding 12 months was 23.9%. All but 4 of the 20 reporting cities recorded gains, led by Lubbock and El Paso. No other city showed a sizable increase, while only Austin showed a significant decrease. The annual rate of deposit turnover rose very slightly from September to October and showed a narrow advance above the figure for a year ago.

The seasonally adjusted index of bank debits continued to decline slightly, indicating that the small September-to-October increase was entirely seasonal. For the same period a year ago, the seasonally adjusted index showed a significant increase.

BANK DEBITS*

(in thousands of dollars)

Source: Board of Governors of the Federal Reserve System

City	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL	\$3,742,506	\$3,619,226	\$3,425,400	+ 9.3	+ 8.4
Abilene	36,329	35,869	36,966	- 1.7	+ 1.3
Amarillo	96,178	91,807	92,318	+ 4.2	+ 4.8
Austin	104,233	119,748	100,690	+ 3.8	-12.9
Beaumont	103,332	101,320	82,634	+25.0	+ 2.0
Corpus Christi	75,230	80,331	76,531	- 1.3	- 6.3
Corsicana	13,107	12,335	13,377	- 5.5	+ 2.1
Dallas	1,062,490	1,020,967	989,803	+ 7.3	+ 4.1
El Paso	134,354	115,002	119,590	+12.3	+17.3
Fort Worth	323,724	326,532	332,903	- 1.3	+ 0.7
Galveston	63,307	67,463	63,479	+ 7.6	+ 1.3
Houston	1,135,231	1,085,597	945,153	+20.1	+ 4.6
Laredo	15,333	15,334	15,640	+ 1.6	+ 3.6
Lubbock	74,230	59,734	77,631	- 4.3	+24.4
Port Arthur	35,160	34,214	33,124	+ 6.1	+ 2.3
San Antonio	241,034	239,742	242,671	- 0.7	+ 0.6
San Angelo	31,074	31,515	32,032	- 3.2	- 1.4
Texarkana†	29,315	27,535	28,139	+ 5.3	+ 3.3
Tyler	41,245	42,315	37,707	+ 9.4	- 2.5
Waco	56,029	54,420	54,107	+ 3.6	+ 3.0
Wichita Falls	59,711	56,946	50,090	+19.2	+ 4.9

*Debits to deposit accounts except interbank accounts.

†Includes two banks in Arkansas, Eighth District.

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 October showed a slight decline from the previous month in Texas, while there was an appreciable increase over the previous month for the nation as a whole. However, sales for both Texas and the United States were considerably below sales for a year ago.

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.)

Seven business failures were reported by Dun and Bradstreet in October. However, total liabilities of the seven businesses were much less than those of the two business failures reported in September.

BUSINESS FAILURES

Source: Dun and Bradstreet, Inc.

	Oct. 1948	Sept. 1948	Oct. 1947	Sept. 1947
Number	7	2	7	7
Liabilities*	\$373	\$879	\$ 95	\$ 98
Average liabilities per failure*	\$ 53	\$440	\$ 14	\$ 13

*In thousands.

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 254 corporations in October as compared with 273 in September and 355 in October 1947. The total capitalization of corporation charters in October was much less than for the past few months and considerably less than the figure for October 1947 or October 1946.

CORPORATION CHARTERS ISSUED BY CAPITALIZATION

Source: Secretary of State

Capitalization	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
Over \$100,000	6	6	15	- 60.0	0.0
\$5,000-\$100,000	140	150	186	- 24.7	- 6.7
Less than \$5,000	73	70	83	- 17.0	+ 4.3
No capital stock	33	43	61	- 45.9	- 23.3
Capitalization not specified	2	4	5	- 60.0	- 50.0

CORPORATION CHARTERS ISSUED BY CLASSIFICATIONS

Source: Secretary of State

Classification	October 1948	September 1948	October 1947
DOMESTIC CORPORATIONS			
Capitalization*	\$4,729	\$5,007	\$7,229
Number	254	273	355
Banking-finance	5	6	1
Construction	16	12	21
Manufacturing	30	33	46
Merchandising	57	66	35
Oil	16	24	15
Public service	1	1	3
Real estate	33	23	45
Transportation	3	7	6
All others	55	55	72
No capital stock	33	43	61
FOREIGN CORPORATIONS			
Number	33	30	31

*In thousands of dollars.

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 322,707 carloads of *revenue freight* loaded in October represented increases of 9.9% over September and 0.9% over October 1947. All categories except coke registered a gain in October over September. The increase in October 1948 as compared with October 1947 was largely accounted for by the gains in grain shipments and in the miscellaneous group.

After adjustment for seasonal variation, the Bureau's *index of miscellaneous freight carloadings* increased 1.1% from September to 162.5% of the prewar (1935-39) base period, or 4.7% above the October 1947 level.

Forecasts by the Regional Shippers Advisory Boards for the fourth quarter 1948 indicate there will be an increase in carloadings of 1½% over a like period in 1947.

According to statistics released by the Interstate Commerce Commission recently, the railroads lose 31 cents on each \$1 spent on diners and lounge cars. Losses run the highest on eastern roads and lowest on southern roads.

REVENUE FREIGHT LOADED IN SOUTHWESTERN DISTRICT
(in carloads)

Source: Car Service Division, Association of American Railroads

Item	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL	322,707	293,696	319,709	+ 0.9	+ 9.9
Grain and grain products	28,888	23,369	26,206	+ 8.3	+21.5
Livestock	7,682	6,907	9,246	-16.9	+11.2
Coal	25,598	23,511	28,586	-10.8	+ 8.9
Coke	989	1,128	307	+16.4	-16.8
Forest products	22,145	20,844	24,120	- 8.2	+ 6.2
Ore	2,775	2,310	3,168	-12.4	+20.1
Merchandise (l.c.l.)	30,742	28,998	32,289	- 4.3	+ 6.0
Miscellaneous	204,443	186,684	195,827	+ 4.7	+ 9.5

Motor

(Although current data on trends in Texas motor transportation are not available, developments in this important segment of the transportation industry should not be overlooked.)

Statistics released by the Department of Research, American Trucking Association, Inc., reveal that the volume of freight transported by motor carriers in September increased 2% over August and 12.8% over September 1947. The ATA figures are based on reports from 287 carriers in 44 states. The ATA index reached an all-time high of 248 in September. The average monthly figure for the years 1938-40 is taken as the base period for the index.

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.)

In 1947 for the first time in history, municipal airports as a group showed an operating profit for the year. It should be remembered that very few cities charge interest on airport bonds or loans to airport revenues. In spite of this, the fact that revenues exceeded expenses by over \$700,000 is regarded as encouraging.

The problem of selling air travel continues to claim the attention of the air lines. The latest effort of American Airlines consists of DC-6 dinner flights for special groups. The flights last for an hour and a half during which a steak dinner is served at a price of ten dollars.

Pioneer Air Lines has filed a request with the Civil Aeronautics Board to be allowed to serve 13 additional cities in Oklahoma and Texas. If the application is granted, Pioneer's route mileage will be increased by 1,359 miles to a total of 3,559 miles serving 38 cities in three states.

AIR EXPRESS SHIPMENTS

Source: Railway Express Agency

City	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL	20,038	27,278	31,215	- 7.0	+ 6.5
Abilene	203	186	226	- 10.2	+ 9.1
Amarillo	588	502	664	- 11.7	+ 16.7
Austin	563	518	665	- 15.3	+ 9.1
Beaumont	891	885	842	+ 14.3	+ 1.6
Big Spring	77	48	89	- 13.5	+ 79.1
Brownsville	428	487	1,751	- 75.6	- 2.1
Brownwood	42	43	18	+223.1	- 2.3
Bryan	37	17	28	+ 32.1	+117.6
Corpus Christi	556	547	697	- 20.2	+ 1.6
Dallas	10,747	9,927	9,930	+ 8.2	+ 8.3
Eagle Pass	13	26	*	.....	- 50.0
El Paso	1,501	1,494	1,724	- 12.9	+ 0.5
Fort Stockton	20	14	*	.....	+ 42.9
Fort Worth	1,795	1,573	1,956	- 8.2	+ 14.1
Galveston	837	359	453	- 25.6	- 6.1
Houston	5,632	5,171	5,647	- 0.3	+ 8.9
Laredo	260	247	253	+ 2.8	+ 5.3
Longview	214	182	149	+ 43.6	+ 17.6
Lubbock	360	386	372	- 3.2	- 6.7
Midland	231	225	205	+ 12.7	+ 2.7
Mineral Wells	21	14	22	- 4.5	+ 50.0
Odessa	206	212	156	+ 32.1	- 2.3
Palestine	15	9	16	- 6.3	+ 66.7
Paris	52	33	54	- 3.7	+ 67.6
Plainview	52	44	*	.....	+ 18.2
Port Arthur	202	190	214	- 5.6	+ 6.3
San Angelo	447	452	727	- 33.5	- 1.1
San Antonio	2,504	2,587	3,222	- 22.8	- 1.3
Sweetwater	16	30	45	- 64.4	- 46.7
Temple	70	66	81	- 13.6	+ 6.1
Texarkana	19	94	104	- 81.7	- 79.8
Tyler	437	401	918	- 52.4	+ 9.0
Victoria	36	26	*	.....	+ 38.5
Waco	265	237	211	+ 25.6	+ 11.3
Wichita Falls	877	365	281	+ 34.1	+ 3.3
Other	325	283	0	.....	+ 15.2

*Air express service originated at a later date.

First reports of the results from Capital Air Lines new air coach service indicate that it is popular with the public. At the end of the first week officials of the company are elated with the over-all 72% load factor. This is well above the system-wide load factor of 55%.

Texas air express shipments in October numbered 29,038. This represents an increase of 6.5% from September, but a decline of 7.0% from the month of October 1947.

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.)

The volume of goods handled through the Port of Houston in 1947 reached a total of 34,143,777 tons. It is as yet impossible to determine the port's comparative ranking with other ports since the army engineers will not release the figures until the end of the year. So far

EXPORT AND COASTAL CARS UNLOADED*

Source: Car Service Division, Association of American Railroads

Port	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL	16,878	15,149	14,886	+ 18.8	+ 11.4
Beaumont	468	256	575	- 18.6	+ 82.8
Port Arthur	1,252	1,164	916	+ 86.7	+ 7.6
Texas City	569	391	472	+ 18.6	+ 48.2
Houston	4,998	4,500	4,849	+ 3.1	+ 11.1
Galveston	9,204	8,411	7,913	+ 16.3	+ 9.4
Brownsville	391	427	161	+142.9	- 8.4

*Excluding coal.

this year tonnage is running nearly one-fifth greater than for the corresponding period last year. In the first nine months of 1948, 30,323,757 tons moved through the port. If this rate is maintained through the last quarter the total for the year will amount to over 40 million tons. Such a volume may rank Houston as the nation's second largest port, a position which it may have achieved last year. Most of the increased tonnage is due to increased grain exports.

Car unloadings totaled 16,873 cars at Texas ports during October. This represents an increase of 11.4% over the volume handled in September. Only the Port of Brownsville registered a decrease (8.4%) from September to October. At the same time Brownsville's 142.9% increase, October 1948 over October 1947, was the largest percentage increase of any Texas port.

WATER-BORNE COMMERCE AT TEXAS PORTS

(tons)

Port	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL	1,988,818	1,791,466	1,840,847	+ 5.1	+ 8.0
Beaumont	19,844	11,991	24,209	-18.0	+65.5
Brownsville	104,204	78,896	82,521	+26.8	+41.0
Corpus Christi	1,811,270	1,705,569	1,784,117	+ 4.4	+ 6.2

LABOR

Pay Rolls

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

Pay roll reports from 157 durable goods manufacturing concerns reveal a stable situation for October 1948 as compared with September. Nonferrous metals factories dropped pay rolls below September by 3.0%. Seasonal declines accounted for most of the 6.6% drop in pay rolls for stone, clay, and glass as well as for the 4.8% loss in "other" durable goods. All other durable goods manufacturing classifications showed rather strong gains for the month.

Nondurable goods manufacturing, according to 279 firms, paid out more money in pay rolls in October than in September in five of the eight classification. Food, paper, and petroleum refining dropped below September. The 9.4% rise in apparel was the largest single increase for the month of October in any of the classifications.

Pay roll figures from 750 nonmanufacturing establishments indicated a rather even employment situation with perhaps a more definite return of seasonal influences

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	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
MANUFACTURING			
Durable goods:			
Iron and steel	29	+17.6	+ 5.0
Machinery, except electrical	38	+20.4	+ 2.5
Nonferrous metals	10	+14.2	- 8.0
Lumber and timber	21	+10.4	+ 4.4
Furniture and finished lumber	23	- 2.5	+ 6.4
Stone, clay, and glass	33	+ 8.4	- 6.6
Other durable goods	8	+55.4	- 4.8
Nondurable goods:			
Textiles	18	+ 8.0	+ 1.5
Apparel	25	-12.8	+ 9.4
Food	98	+ 5.8	- 2.8
Paper	17	+25.4	- 2.1
Printing and publishing	34	+16.9	+ 0.1
Chemicals	56	+34.3	+ 4.2
Petroleum refining	28	+16.8	- 0.3
Other nondurable goods	8	- 8.6	+ 0.5
NONMANUFACTURING			
Crude petroleum production	88	+23.4	- 5.6
Hotels†	10	+10.3‡	+ 2.5‡
Insurance‡	90	+11.5	+ 0.4
Public utilities	198	+32.9	- 0.3
Quarrying	10	+25.4	- 2.0
Wholesale trade‡	118	+16.1	+ 4.6
Retail trade‡	286	+16.9	+ 6.2

†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.

*Preliminary.

than in the previous comparable periods since the end of hostilities. Crude petroleum producers paid out 5.6% less money in October for wages than they did in September. Quarrying and public utility pay rolls were also below last month. Wholesale and retail trade marked

strong respective gains of 4.6% and 6.2% over September.

Only in furniture and finished lumber and in "other" nondurable goods were the pay roll records for October 1948 below those for October 1947.

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	Oct.† 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 Sept. 1948
TOTAL	1,770.9	1,757.9	1,674.5	+ 5.8	+ 0.7
Manufacturing	852.4	851.4	889.9	+ 3.7	+ 0.8
Durable goods	149.1	150.4	138.4	+ 7.7	- 0.9
Nondurable goods	208.2	201.0	201.5	+ 0.8	+ 1.1
Nonmanufacturing	1,418.5	1,406.5	1,884.6	+ 6.3	+ 0.9
Iron and steel	20.5	20.3	19.8	+ 6.2	+ 1.0
Machinery, except electrical	83.2	32.9	29.7	+11.3	+ 0.9
Transportation equipment, except automobile	27.5	28.8	25.2	+ 9.1	- 4.5
Nonferrous metals	11.1	11.1	9.3	+19.4	0.9
Lumber and timber	33.5	33.3	30.3	+10.6	- 0.9
Furniture	10.6	10.5	11.7	- 9.4	+ 1.0
Stone, clay, and glass	9.5	9.7	9.5	0.0	- 2.1
Other durable goods	8.2	8.8	8.4	- 5.9	- 3.0
Textiles	10.0	10.1	9.4	+ 6.4	- 1.0
Apparel	28.9	26.1	26.4	+ 9.5	+10.7
Food	65.5	68.9	72.0	- 4.9	- 0.6
Paper and allied products	3.8	3.8	3.6	+ 5.6	0.0
Printing and publishing	19.8	20.3	20.1	- 1.5	- 2.5
Chemicals	28.2	25.5	22.6	+15.9	+ 2.7
Petroleum	88.9	89.2	87.9	+ 2.6	- 0.8
Other nondurable goods	7.1	7.1	9.5	-25.8	0.0
Mining	101.0	100.7	90.4	+11.7	+ 0.8
Crude petroleum and natural gas production	94.2	98.9	84.0	+12.1	+ 0.8
Other mining	6.7	6.8	6.4	+ 4.7	- 1.5
Transportation and public utilities	227.7	228.9	214.6	+ 6.1	- 0.5
Interstate railroads	65.8	65.2	67.2	- 2.1	+ 0.9
Telephone and telegraph	34.4	34.2	31.1	+10.6	+ 0.6
Other transportation and public utilities	127.5	129.5	116.3	+ 9.6	- 1.5
Trade	405.6	394.6	402.9	+ 0.7	+ 2.8
Wholesale	114.9	110.7	115.4	- 0.4	+ 3.8
Retail	290.7	283.9	287.5	+ 1.1	+ 2.4
General merchandise	65.2	59.0	62.3	+ 4.7	+10.5
Food and liquor	36.8	33.6	39.5	- 6.8	- 4.7
Automobile	23.7	24.0	24.3	- 2.5	- 1.2
Apparel	25.0	25.6	23.1	+12.8	+ 1.6
Other retail trade	139.0	136.7	138.3	+ 0.5	+ 1.7
Finance and service	806.8	802.9	282.8	+ 8.3	+ 1.1
Bank and trust companies	19.5	19.5	17.5	+11.4	0.0
Insurance	24.8	24.6	24.1	+ 2.9	+ 0.8
Real estate and other financial agencies	27.6	27.2	23.5	+17.4	+ 1.5
Hotels	24.2	23.3	24.6	- 1.6	+ 1.7
Other personal services	48.9	48.9	50.9	- 3.9	0.0
Medical services	88.0	88.4	29.3	+12.6	- 1.2
Other business and professional services	128.3	125.5	112.9	+13.6	+ 2.2
Government	257.8	253.9	242.8	+ 6.1	- 0.5

*Totals include classifications other than those listed.

†Preliminary.

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.)

Nonagricultural employment in Texas increased 0.7% or 13,000 persons in October 1948. There were 5.8% more people employed in October 1948 than there were in October 1947. National employment is at a new record, and Texas is closely following that pattern.

The employment of disabled persons has increased in the State. More women are being employed in nonagricultural jobs than were employed last month. Within the period from October to January of next year there are many indications that still higher employment records will be established. Retail establishments are encountering difficulty in many sections of the State in securing help for the Christmas season.

Employment in durable goods manufacturing dropped 0.9% for October. The seasonal slump in transportation equipment, except automobile, amounted to 4.5% for employment in October. Stone, clay, and glass industries employed 2.1% fewer people for the month, and lumber and timber employment levels declined 0.9%. The usual seasonal drop in construction activity may be expected to continue to affect employment in these two industries.

Nondurable goods manufacturing, up 1.1% for October, recorded most of the gains in the 10.7% rise in apparel employment and in the 2.7% increase in personnel for chemical manufacturing.

Mining employment showed little change in October as did transportation and public utilities. Trade employment was up for October and in most classifications can be expected to remain good until around the first of the year. Employment was up in finance and service establishments by 1.1%, while governmental employment dropped 0.5% for the month.

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 17 labor market areas of Texas served by the Texas Employment Commission was up 4.6% in October 1948 from September 1948, and up 7.3% over October 1947. The areas of major increases in activity are all in the northern part of the State: Amarillo (23.4%); Dallas (22.5%); and Wichita Falls (45.4%). This situation seems to indicate that the last

PLACEMENTS IN EMPLOYMENT

Source: Texas Employment Commission

Area	Oct. 1948	Sept. 1948	Oct. 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL	32,833	31,887	30,599	+ 7.3	+ 4.6
Ablene	488	530	534	- 8.6	- 7.9
Amarillo	1,878	1,117	1,040	+22.5	+23.4
Austin	1,232	1,209	1,020	+20.3	+ 1.9
Beaumont-Port Arthur	2,050	2,351	2,331	-12.1	-12.8
Corpus Christi	1,451	1,515	1,090	+33.1	- 4.2
Dallas	6,360	5,598	4,529	+51.5	+22.5
El Paso	1,109	1,302	989	+13.1	-14.8
Fort Worth	4,225	4,093	4,208	+ 0.4	+ 3.2
Galveston-Texas City	895	836	1,301	-33.5	+ 3.5
Houston-Baytown	5,797	5,673	6,431	- 9.9	+ 2.1
Longview	485	589	364	-43.9	-17.7
Lubbock	330	393	434	+71.5	- 7.1
San Angelo	531	520	402	+32.1	+ 2.1
San Antonio	3,224	3,205	3,495	- 7.3	+ 0.8
Texarkana	715	650	560	+27.7	+10.0
Waco	313	768	354	- 4.2	+ 6.5
Wichita Falls	775	533	517	+43.9	+45.4

of the harvest season left employables in that area seeking winter-months jobs. Total placements in October 1948 were 32,833 in Texas.

On a national scale, employment is still high, and job-hunters have decreased in numbers during the month.

A recent report of the Society for the Advancement of Management showed that a leading advertising agency has been able to predict with amazing accuracy the future

performance of new employees by using a specially designed aptitude-temperament test during the employment procedure. It should be noted, however, that even though such tests have excellent uses in some fields, certain limitations should be kept in mind: i.e., that the tests must be designed for specific application; that they must be given and scored by competent operators; and that the results of testing are tentative only and must be considered as a supplement to other hiring and placement practices.

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.)

Only 5 of the 15 industries in the manufacturing group reported a *work week* of less than 42 hours for the month of October 1948, while 3 of the 6 industries in the non-manufacturing group reported a work week of less than 42 hours. The average work week for the manufacturing group was 43.2 hours, while the average work week for the nonmanufacturing group was 41.3 hours.

Hourly earnings for October 1948 compared to October 1947 continued to show a strong upward trend, up 10.2% in manufacturing industries and 10.0% in nonmanufacturing industries. Whether or not the future holds a fourth-round wage increase demand will be an important factor in the coming months. Wage increases granted in recent labor contracts have averaged 9-10 cents per hour,

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 October 1948 from October 1947		
	Oct. 1948	Oct. 1947	Oct. 1948	Oct. 1947	Oct. 1948	Oct. 1947	Weekly hours	Hourly earnings	Weekly earnings
MANUFACTURING, TOTAL	43.2	43.3	124.7	119.2	53.87	49.02	- 0.2	+ 10.2	+ 9.9
Durable goods	43.8	43.7	124.5	110.9	54.53	48.46	+ 0.2	+ 12.3	+ 12.5
Iron and steel	42.2	42.0	130.3	122.7	54.99	51.53	+ 0.5	+ 6.2	+ 6.7
Machinery, except electrical	41.9	42.9	142.1	129.1	59.54	55.38	- 2.3	+ 10.1	+ 7.5
Nonferrous metals	41.4	43.9	153.9	115.6	63.71	50.75	- 5.7	+ 33.1	+ 25.5
Lumber and timber	45.1	43.9	92.9	83.1	42.33	40.64	- 5.7	+ 11.8	+ 5.4
Furniture and finished lumber	44.1	43.7	92.6	92.4	40.84	40.38	+ 0.9	+ 0.2	+ 1.1
Stone, clay, and glass	45.7	44.9	105.8	97.1	43.35	43.60	+ 1.8	+ 9.0	+ 10.9
Other durable goods	44.2	39.3	144.6	123.7	63.91	49.23	+ 11.1	+ 18.9	+ 29.3
Nondurable goods	42.3	43.0	124.9	114.8	53.46	49.36	- 0.5	+ 8.3	+ 8.3
Textiles	43.3	44.2	100.1	95.6	43.34	42.26	- 2.0	+ 4.7	+ 2.6
Apparel	37.5	38.0	74.2	73.5	27.88	27.97	- 1.3	+ 0.3	- 0.5
Food	45.1	47.5	104.5	94.2	47.13	44.73	- 5.1	+ 10.9	+ 5.3
Paper	45.4	44.7	124.0	109.6	56.30	48.99	+ 1.6	+ 13.1	+ 14.9
Printing and publishing	42.3	40.3	174.6	156.3	73.36	62.99	+ 5.0	+ 11.7	+ 17.3
Chemicals	47.3	44.0	125.2	126.4	59.35	55.62	+ 8.6	- 0.9	+ 7.6
Petroleum refining	39.3	39.0	133.5	152.0	73.03	63.13	+ 2.1	+ 13.3	+ 15.6
Other nondurable goods	41.3	42.0	96.0	93.4	33.65	41.33	- 1.7	- 2.4	- 4.1
NONMANUFACTURING									
Crude petroleum production†	39.5	39.3	135.4	160.2	73.23	63.76	- 0.8	+ 15.7	+ 14.9
Hotels	44.1	45.6	51.6	44.1	22.76	20.11	- 3.3	+ 17.0	+ 13.2
Public utilities	43.2	40.7	134.2	111.8	57.97	45.50	+ 6.1	+ 20.0	+ 27.4
Quarrying†	40.1	40.9	143.3	126.3	57.96	51.66	- 2.0	+ 13.9	+ 11.6
Retail trade	38.5	33.9	82.2	84.3	31.65	32.79	- 1.0	- 2.5	- 3.5
Wholesale trade	42.2	43.3	101.1	105.5	42.33	46.21	- 3.7	- 4.2	- 7.7

*Figures do not cover proprietors, firm members, officers of corporations, or other principal executives. Manufacturing data, revised in June 1948, cover production and related workers; nonmanufacturing data cover all employees except as noted.

†Preliminary.

‡Production workers only.

and most companies are reporting high earnings for the first nine months of the year. On the other hand, the American Federation of Labor has seemingly approved a stand which would seek to roll back prices rather than demand higher wages, and at the same time the union president has appealed to his members not to push demands based on the "overtime-on-overtime" decision of the United States Supreme Court.

Weekly take-home pay, coupled with the long work week and higher hourly earnings, was also up in October 1948 compared to October 1947. The reported percentage change, in the accompanying table, shows that weekly earnings were up 9.9% in the manufacturing industries and 9.3% in the nonmanufacturing industries. Another decision of the Federal courts on bargaining for merit increases in wages should be followed closely by managers of Texas industries. In *N.L.R.B. vs. J. H. Allison Co.*, the courts upheld the interpretation of the board that merit increases are an integral part of the wage structure and, as such, are subject to collective bargaining on union demand. Important implications of the decision, which the United States Supreme Court refused to re-hear, are that the employer may be required to bargain but he does not have to agree upon any proposal; that he may have to give information to the union on the names of employees given increases, how much they received, and what standards were applied; and that he should understand the effect of merit increases upon the wage structure for purposes of future wage negotiations.

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, both in the labor market areas of Texas and in the nation as a whole, continued to decrease during October 1948. Only 42,070 persons were reported

UNEMPLOYMENT

Source: Texas Employment Commission

Area	October 1948	September 1948	October 1947
TOTAL	42,070	43,415	56,396
Abilene	750	900	969
Amarillo	1,200	1,200	1,400
Austin	1,850	1,400	1,645
Beaumont-Port Arthur	4,500	4,350	5,320
Corpus Christi	1,200	1,400	3,500
Dallas	3,900	4,400	6,200
El Paso	1,800	2,000	2,300
Fort Worth	5,400	5,600	6,800
Galveston-Texas City	2,100	1,900	1,800
Houston-Baytown	7,000	7,000	8,000
Longview	1,400	1,400	1,800
Lubbock	575	575	500
San Angelo	575	550	975
San Antonio	3,750	4,000	8,700
Texarkana	3,000	3,000	3,000
Waco	2,500	2,700	3,200
Wichita Falls	1,070	1,040	1,287

as unemployed for the month, compared to 43,415 for September 1948 and 56,396 for October 1947.

Part of the decrease is due to the fact that many of the summer "employables" are back in school and can not be considered as unemployed. However, since early summer there have never been more than 2 million unemployed persons in the nation. In a work-force of over 60 million the 3.3% unemployed can be accounted for by those who are "between-jobs"; those who are still "employable" but who have retired; and by those who do not seek work.

The future for Texas workers continues to look bright as industry grows and new job opportunities become available. A safe prediction, based on the present size of the Texas labor market, and the ease with which employables find positions, is that unemployment should continue at a low level for many months to come.

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 in Texas manufacturing plants increased 1.3% from September to October, measured by *man-hours* worked. The largest increase, 13.6%, was in iron and steel plants. Furniture and finished lumber, chemicals, food, and apparel registered appreciable monthly gains. Other nondurable goods and stone, clay, and glass showed considerable decrease.

The yearly comparisons were more favorable as a total but showed wider fluctuations from industry to industry. Thus the total observes important changes in particular industries. "Other" durable goods registered a gain of 34.1%, while apparel was down 19.8% and "other" nondurable goods were down 15.8%.

MAN-HOURS WORKED IN 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	
		Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
TOTAL	404	+ 7.6	+ 1.3
Durable goods:			
Iron and steel	29	+11.4	+13.6
Machinery, except electrical	33	+ 8.6	+ 1.5
Nonferrous metals	9	- 2.0	0.0
Lumber and timber	21	+ 0.7	+ 1.2
Furniture and finished lumber	21	- 9.5	+ 6.4
Stone, clay, and glass	31	- 4.6	- 7.2
Other durable goods	7	+34.1	- 4.6
Nondurable goods:			
Textiles	11	+ 5.1	+ 0.2
Apparel	23	-19.8	+ 4.7
Food	36	- 3.9	+ 6.0
Paper and allied products	9	+18.8	- 2.7
Printing and publishing	32	+ 3.2	+ 0.1
Chemicals	55	+19.3	+ 6.7
Petroleum	29	+ 4.6	+ 1.2
Other nondurable goods	8	-15.8	-13.6

*Preliminary.

Industrial Relations

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

What happens at current C.I.O. and A.F. of L. conventions may influence congressional action on many social and political issues. More than usual attention attaches to this year's convention resolutions since the resolutions establish policies for which the new congress must feel some responsibility in view of the recent election.

The president of the Boilermaker's Union (A.F. of L.) spoke against a fourth round increase of wages and in favor of labor-management control over prices. The A.F. of L. thinks price control will breed black markets. The C.I.O. wants price control.

The question of whether foremen's unions will be legal if the Taft-Hartley law is repealed is prominent in current thinking. A.F. of L. and C.I.O. are likely to carry on vigorous recruiting drives. Management's best defense is to make foremen so management-minded they will resist the organizers. That is not easy. Management failed to do it once and took refuge in legislation. Some companies are doing these things: (1) supervisors do not have to punch time clocks, (2) they get a better rate of overtime pay, (3) they are being given a voice in formulating policies, (4) they get longer vacations, and (5) they are not required to wear gate badges, but carry management identification cards instead.

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 17 labor market areas increased 0.5% or 7,175 from September to October, according to information supplied by the Texas Employment Commission. Abilene, Beaumont-Port Arthur, and Texarkana registered the largest gains.

In the 17 areas combined, the labor force reached 1,368,420 as compared with 1,361,245 in September 1948 and 1,303,873 in October 1947.

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.)

Revenue collections of the federal government from Texas districts in October showed a slight decline. The decline resulted from a rather sharp drop in revenue from the First District (South Texas) while collections in the Second District (North Texas) rose very slightly. The decrease in the First District resulted primarily from a sharp drop in withholding taxes. Slight reductions in employment and "other" taxes contributed to the decrease, being offset only to a small degree by a slight increase in income taxes. In the Second District income taxes increased by one-third and "other" taxes increased somewhat. However, these gains were almost totally offset by a slight decline in employment taxes and a sizable decline in withholding taxes.

For the first four months of the current fiscal year revenue for the State as a whole increased substantially in all classifications except withholding. The same pattern held true for both the First and Second Districts; however, the over-all increase in the First District was considerably more than the increase in the Second District. The increase in revenue for the entire State for the first months of the fiscal year was 9.3%, as compared with a 7.2% increase for the same period the year previous. It is likely that the upward trend will continue for some time.

The indications are that despite all the economy drives, the 1949-50 budget will not be held below the current year's figure of \$42.2 billion. Although generally lower outlays in the fiscal year 1949-50 are being provided for 16 government agencies than were provided for them in the current fiscal year and Mr. Truman recently asked the Army, Navy, and Air Force to reduce their estimates by approximately one-third, it remains doubtful whether there will be a surplus or a deficit for the next fiscal year.

FEDERAL INTERNAL REVENUE COLLECTIONS

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

District	October			July 1-October 30		
	1948	1947	Percent change	1948-49	1947-48	Percent change
TEXAS	\$ 65,274,120	\$ 69,005,802	- 5.4	\$239,129,286	\$310,314,822	+ 9.3
Income	15,772,282	16,229,079	+ 15.2	166,879,653	141,037,956	+ 18.0
Employment	4,952,794	5,181,952	- 4.4	21,347,496	19,201,364	+ 11.2
Withholding	28,810,082	25,159,857	- 18.1	84,168,033	99,559,199	- 5.4
Other	12,789,012	12,864,914	+ 3.0	57,234,104	50,536,308	+ 13.3
FIRST DISTRICT	33,333,813	37,545,051	- 11.2	135,151,819	166,153,327	+ 11.4
Income	10,016,217	9,714,027	+ 3.1	94,872,416	76,949,543	+ 28.3
Employment	2,531,098	2,696,566	- 6.1	9,875,257	8,886,373	+ 9.5
Withholding	14,450,428	13,426,659	- 21.6	49,517,789	53,222,181	- 7.0
Other	6,841,072	6,708,789	- 5.5	31,065,908	27,145,230	+ 14.5
SECOND DISTRICT	31,936,305	31,460,751	+ 1.5	153,977,967	144,161,495	+ 6.8
Income	8,756,055	6,535,052	+ 33.0	71,507,237	64,088,413	+ 11.6
Employment	2,421,696	2,486,386	- 2.6	11,872,239	10,364,991	+ 12.6
Withholding	14,369,504	16,733,188	- 14.2	44,650,235	46,317,018	- 3.6
Other	6,397,940	5,856,125	+ 13.1	28,148,196	23,891,073	+ 11.8

State Finance

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

Total receipts of the State, as reported by the State Comptroller, for October were considerably above the receipts for last month; receipts for the first two months of the fiscal year were up 7.7% for the corresponding period last year.

In October 1948, collections amounted to \$45,075,769 compared with \$33,144,924 in September, and \$40,301,814 in October 1947.

In comparing the first two months of the fiscal year 1947 and 1948, it is noted that while revenue receipts have decreased considerably in the case of ad valorem taxes, unclassified receipts from county tax collectors, and federal aid-to-education, revenue receipts from all other sources have increased somewhat. Most significant is the 42.5% increase in revenue receipts from crude oil production taxes. The increase, along with the decrease of 52.6% in ad valorem taxes indicates the trend in taxes over the past several years. As the total amount of tax revenue received has increased, the amount contributed by the ad valorem tax has remained almost constant. The increased revenue has been obtained primarily by an expansion of the taxes on crude oil products and motor fuels.

Although a surplus was built up by the State during the war years, this has now been exhausted; thus the next legislature will likely be faced with the problem of raising additional revenue, either from one or more of the existing sources or by the use of additional sources. Whether they will continue the practice of securing additional income by heavier levies on petroleum products or will search for a new source of revenue such as the often-proposed sales tax will be interesting to note.

REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Item	September 1-October 31			Percent change
	October 1948	1948-49	1947-48	
TOTAL	\$ 45,075,769	\$78,220,698	\$72,608,405	+ 7.7
Ad valorem tax	162,125	165,751	349,841	- 52.8
Crude oil production tax	7,387,783	16,161,728	11,842,581	+ 42.5
Motor fuel tax (net)	6,981,142	12,144,287	11,410,826	+ 6.4
Cigarette tax and licenses	1,977,945	3,392,467	3,784,960	+ 2.8
Mineral leases, rentals, and bonuses	241,913	384,985	109,571	+251.4
Interest on securities owned	402,548	1,115,814	850,202	+ 31.2
Unclassified receipts from county tax collectors	3,110,322	3,187,085	5,512,360	- 45.2
Federal aid-highways	4,245,389	5,847,138	5,511,400	+ 6.1
Federal aid-public welfare	5,948,267	11,746,959	8,705,594	+ 84.9
Federal aid-public education	2,181,418	2,692,608	3,578,885	- 19.2
Unemployment compensation tax	2,504,380	2,669,627	2,584,891	+ 3.3
All other receipts	10,332,587	18,012,294	18,567,694	- 3.0

PRICES

Consumers' Prices

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

For the first time since March the Bureau of Labor Statistics index of consumers' prices in Houston showed a decline when compared with the figure for the previous month. In mid-October the index level was 0.4% below that attained in September.

The greatest drop was in apparel prices, which were off 6.8% from the previous month and only 0.9% above those of October 1947. Food prices were down 1.3% for the month but still remained 5.8% higher than they had been the previous year. Slight gains in prices of housefurnishings and miscellaneous items of 0.2% and 0.3%, respectively, did not offset the larger declines percentagewise in food and clothing prices.

Manufactured goods continue to cost more to the would-be purchaser. Announcement of a 20% increase in prices of 1949 models by one of the smaller automobile makers is taken by some to presage similar additional price rises by major motor car firms as they place new models on the market later in the year. Higher prices of appliances were helping to cause the "miscellaneous" group price index to rise. Labor leaders are advocating a fourth round of wage increases soon which would very probably result in still further price advances.

Although such conditions as these discourage prediction of a continued downward trend in the cost of living, consumers are indicating ever-increasing resistance to a further upward trend by switching their purchases to lower-priced lines in shoes and wearing apparel and by tapering off their purchases of luxury items subject to the excise tax.

So far, the lower meat prices have resulted only in increased consumption. One writer comments that this indicates a common practice among housewives of spending a fixed amount per week for meat—varying the quantity purchased as the price goes up or down. He goes on to predict that no startling decline in meat prices can be expected until unemployment reduces the over-all demand markedly. Too often in human impatience with higher prices the consumer forgets the attendant conditions of lower prices.

INDEXES OF CONSUMERS' PRICES IN HOUSTON

(1935-39 = 100)

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

Group	Percent change				
	Oct. 1948	Sept. 1948	Oct. 1947	Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
ALL ITEMS	174.7	175.4	163.4	+ 6.9	- 0.4
Food	220.8	223.7	208.7	+ 5.8	- 1.3
Apparel	198.8	213.2	197.0	+ 0.9	- 6.8
Rent	*	*	*	—	—
Fuel, electricity, and ice	99.6	99.6	94.4	+ 5.5	0.0
Housefurnishings	198.8	198.4	186.9	+ 6.4	+ 0.2
Miscellaneous	152.9	152.5	142.5	+ 7.3	+ 0.3

*Not surveyed.

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 downward trend of the *index of wholesale commodity prices* first noted last month continued during October. On October 30 the Bureau of Labor Statistics' index was 2.0% lower than it had been on October 2, but was still 4.1% higher than it was at the end of October 1947.

Considerable speculation exists among economists and business writers as to whether or not a real turning point has been reached. Factors indicating a leveling off or further decline include: refusal of other major oil companies to follow Phillips' lead in raising crude oil prices; rapid declines in demand for and price of lumber in leading markets due to less building; rising inventories of both hides and finished shoes in the face of buyers' resistance to high prices; bumper crops; and decreased receipts of excise taxes on liquor and other luxury goods.

On the other hand, the switch of military and ECA purchases from soft to hard lines seems to indicate continued firmness in prices of metals and machinery which may well counteract the decline in prices of farm products and textiles as far as the over-all price level is concerned.

INDEXES OF WHOLESALE PRICES IN THE UNITED STATES

(1926 = 100)

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

Group	Oct. 30 1948	Oct. 2 1948	Nov. 1 1947	Percent change	
				Oct. 1948 from Oct. 1947	Oct. 1948 from Sept. 1948
ALL COMMODITIES	163.8	167.1	157.4	+ 4.1	- 2.0
Farm products	180.7	186.4	187.7	- 8.7	- 8.1
Foods	174.8	188.9	178.8	+ 0.6	- 4.9
Hides and leather products	187.4	187.9	185.9	- 4.3	- 0.8
Textile products	145.7	146.5	142.7	+ 2.1	- 0.5
Building materials	208.5	208.1	185.2	+ 9.9	+ 0.2
All commodities other than farm products	160.0	162.8	150.8	+ 6.1	- 1.7
All commodities other than farm products and foods	158.4	158.4	140.9	+ 8.9	0.0

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J. Anderson Fitzgerald _____ Dean

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FIGURES FOR THE YEAR TO DATE

	January-October		Percent change
	1948	1947	
TRADE			
Estimated retail sales, total	\$4,258,273,000	\$3,747,918,000	+ 13.6
Durable goods, total	\$1,572,109,000	\$1,301,416,000	+ 20.8
Automotive stores	721,823,000	603,475,000	+ 19.6
Lumber, building materials, and hardware stores	669,779,000	534,266,000	+ 25.4
Furniture—household appliance stores	145,324,000	131,113,000	+ 10.8
Jewelry stores	35,183,000	32,562,000	+ 8.0
Nondurable goods, total	\$2,686,164,000	\$2,446,502,000	+ 9.8
Apparel	293,985,000	268,643,000	+ 9.4
Country general	61,081,000	61,399,000	- 0.5
Department stores	321,556,000	280,668,000	+ 14.6
Eating and drinking places	256,921,000	255,625,000	+ 0.5
Filling stations	307,522,000	257,172,000	+ 19.6
Food	819,885,000	771,480,000	+ 6.3
General merchandise	209,416,000	161,993,000	+ 29.3
Drug stores	198,343,000	191,438,000	+ 3.6
Other	217,455,000	198,084,000	+ 9.8
Ratio of credit sales to net sales in department and apparel stores	61.1	54.7	+ 11.7
Ratio of collections to outstandings in department and apparel stores	53.1	57.3	- 7.3
Postal receipts in reporting cities	\$ 30,887,826	\$ 27,276,630	+ 13.2
PRODUCTION			
Industrial electric power consumption for 10 companies (thousands of kilowatt hours)	3,139,057	2,791,729	+ 12.4
Man-hours worked in reporting manufacturing establishments	29,935,466	28,841,300	+ 3.8
Crude oil runs to stills (thousands of 42-gallon barrels)	502,694	431,469	+ 16.5
Cotton consumption (running bales)	133,368	144,204	- 7.5
Cotton linters consumed (running bales)	20,066	17,071	+ 17.5
Cottonseed crushed (tons)	966,269	543,901	+ 77.7
Manufacture of dairy products (thousand lbs. milk equivalent)	531,575	737,706	- 27.9
Lumber production in southern pine mills (weekly per unit average in board feet)	208,178	215,348	- 3.3
Construction contracts awarded	\$ 779,077,367	\$ 522,753,883	+ 46.2
Construction contracts awarded for residential building	\$ 290,856,112	\$ 229,305,351	+ 26.8
Building permits issued in reporting cities	\$ 368,316,297	\$ 268,245,352	+ 37.3
Number of loans made by savings and loan associations	18,010	19,158	- 6.0
Amount of loans made by savings and loan associations	\$ 71,248,070	\$ 72,703,411	- 2.0
Crude petroleum production (daily average in barrels)	2,434,584	2,204,275	+ 10.4
AGRICULTURE			
Farm cash income	\$1,371,609,000	\$1,501,361,000	- 8.6
Shipments of livestock (carloads)	81,041	109,545	- 26.0
Rail shipments of eggs (shell equivalent)	1,730	2,457	- 29.6
Interstate receipts of eggs at Texas stations (shell equivalent)	262	210	+ 24.8
Rail shipments of poultry (carloads)	68	148	- 54.1
FINANCE			
Bank debits in 20 cities (thousands of dollars)	\$ 35,323,162	\$ 29,207,498	+ 20.9
Corporation charters issued (number)	3,300	2,658	+ 24.2
Ordinary life insurance sales	\$ 491,013,801	\$ 489,434,854	+ 0.3
Business failures (number)	66	46	+ 43.5
TRANSPORTATION			
Revenue freight loaded in Southwestern District (carloads)	2,906,810	2,908,096	- 0.04
Export and coastal cars unloaded at Texas ports	168,614	179,287	- 6.0
Miscellaneous freight carloadings in Southwestern District	1,800,987	1,717,393	+ 4.9
Air express shipments (number)	260,974	251,471	+ 3.8
LABOR			
Total nonagricultural employment (monthly average)	1,709,790	1,633,710	+ 4.7
Manufacturing employment (monthly average)	346,278	332,068	+ 4.3
Nonmanufacturing employment (monthly average)	1,363,512	1,301,642	+ 4.8
GOVERNMENT			
Revenue receipts of State Comptroller*	\$ 78,220,693	\$ 72,608,405	+ 7.7
Federal internal revenue collections†	\$ 339,129,286	\$ 310,314,822	+ 9.3
PRICES			
Index of consumers prices in Houston (monthly average; 1935-39=100)	174.2	159.4	+ 9.3
Index of food prices in Houston (monthly average; 1935-39=100)	222.3	200.7	+ 10.8

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

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

BAROMETERS OF TEXAS BUSINESS

