TEXAS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS AND ECONOMIC CONDITIONS IN TEXAS

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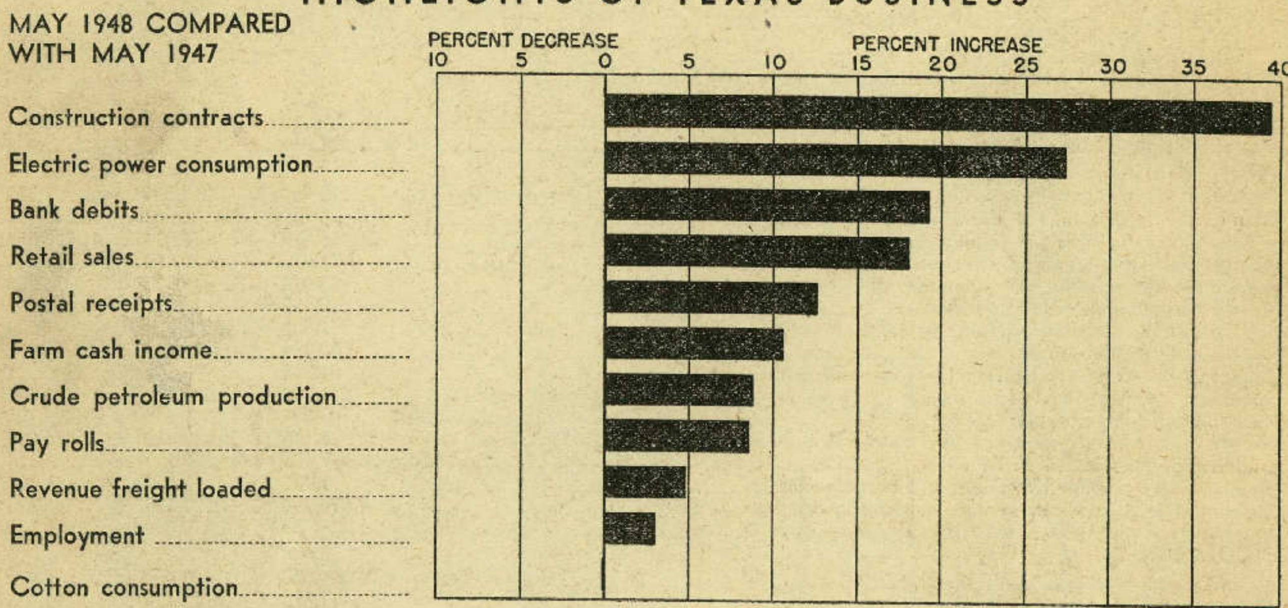
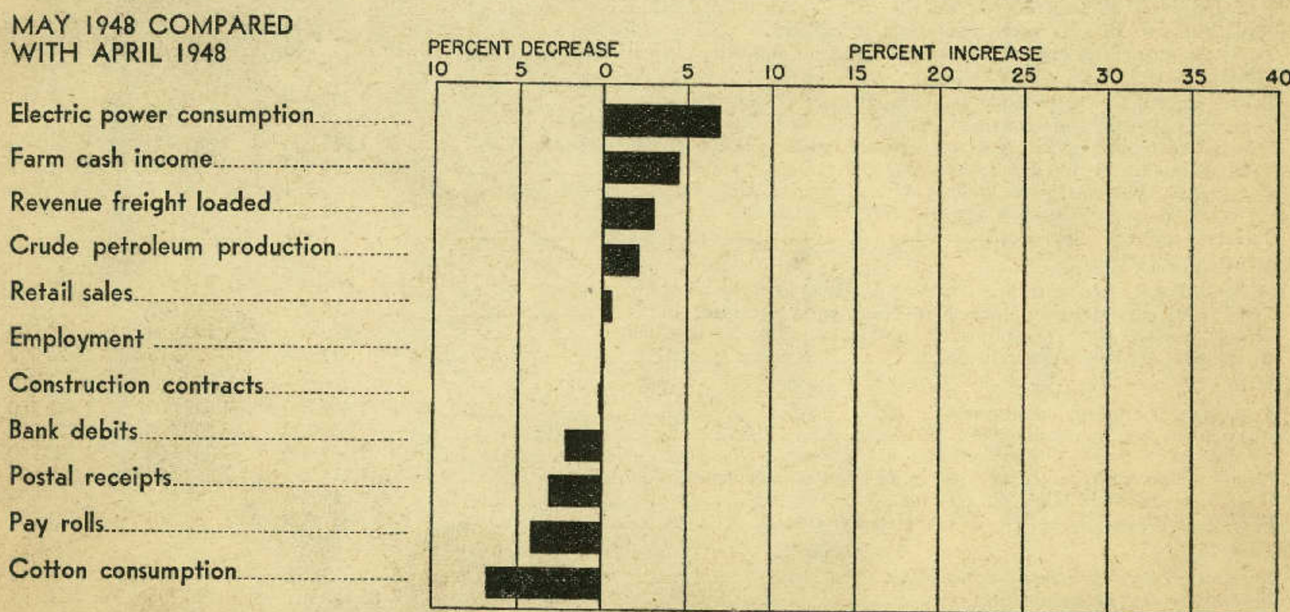
HIGHLIGHTS OF TEXAS BUSINESS





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FIGURES FOR THE MONTH

	May 1948	April 1948	May 1947
INDEX OF TEXAS BUSINESS ACTIVITY (1935–39=100)*	**208.5**	**215.8**	**187.3**
Index of department and apparel store sales (10)	328.6	354.9	284.1
Index of miscellaneous freight carloadings in Southwestern District (20)	149.1	161.5	143.0
Index of crude oil runs to stills (5)	184.2	181.3	145.3
Index of electric power consumption (15)	326.0	312.3	256.0
Index of employment (25)	121.8	123.5	119.3
Index of pay rolls (25)	228.8	244.6	219.2
TRADE			
Retail sales, total	$447,701,000	$448,286,000	$397,625,000
Durable goods stores	$161,508,000	$164,782,000	$137,209,000
Nondurable goods stores	$286,193,000	$283,504,000	$260,416,000
Ratio of credit sales to net sales in department and apparel stores	60.8	63.1	56.5
Ratio of collections to outstandings in department and apparel stores	53.7	52.4	57.6
Advertising linage in 32 newspapers	30,288,445	30,340,121	26,749,530
Postal receipts in 59 cities	$ 3,017,944	$ 3,151,311	$ 2,727,484
PRODUCTION			
Industrial electric power consumption for 10 companies (thousands of kilowatt hours)	279,966	263,506	227,325
Man-hours worked in 448 manufacturing establishments	3,438,779	3,281,628	3,248,431
Crude oil runs to stills (42-gallon barrels)	52,903,516	50,113,074	41,746,563
Gasoline stocks at refineries (thousands of barrels)	21,020	21,940	17,809
Fuel oil stocks at refineries (thousands of barrels)	13,942	13,822	14,206
Cotton consumption (running bales)	12,435	13,338	12,437
Cotton linters consumed (running bales)	1,321	1,784	1,034
Cottonseed crushed (tons)	52,484	70,473	6,602
Manufacture of dairy products (1,000 lbs. milk equivalent)	64,242	58,399	102,527
Lumber production in southern pine mills (weekly per unit average in board feet)	211,602	226,180	226,206
Construction contracts awarded	$ 73,794,894	$ 75,347,446	$ 52,898,189
Construction contracts awarded for residential building	$ 22,833,416	$ 26,038,350	$ 23,526,200
Building permits issued in 53 cities	$ 36,157,475	$ 43,639,529	$ 23,236,216
Number of loans made by savings and loan associations	1,937	1,952	1,984
Amount of loans made by savings and loan associations	$ 7,678,761	$ 7,927,315	$ 7,405,365
Crude petroleum production (daily average in barrels)	2,419,350	2,419,000	2,226,850
AGRICULTURE			
Farm cash income	$106,629,000	$103,492,000	$ 97,915,000
Shipments of livestock (carloads)	11,013	12,390	12,935
Rail shipments of fruits and vegetables (carloads)	9,979	11,658	13,311
Rail shipments of poultry (carloads)	6	0	28
Rail shipments of eggs (shell equivalent in carloads)	246	322	470
Interstate receipts of eggs at Texas stations (shell equivalent in carloads)	43	44	11
FINANCE			
Loans, reporting member banks in Dallas District (thousands)	$ 1,002,000	$ 1,018,000	$ 736,000
Loans and investments, reporting member banks in Dallas District (thousands)	$ 2,169,000	$ 2,188,000	$ 1,849,000
Demand deposits adjusted, reporting member banks in Dallas District (thousands)	$ 1,865,000	$ 1,867,000	$ 1,530,000
Bank debits in 20 cities (thousands)	$ 3,391,497	$ 3,496,691	$ 2,872,317
Corporation charters issued (number)	378	387	230
Ordinary life insurance sales (thousands)	$ 62,370	$ 64,804	$ 62,009
Business failures	4	5	2
TRANSPORTATION			
Revenue freight loaded in Southwestern District (carloads)	291,254	285,269	282,877
Export and coastal cars unloaded at Texas ports (carloads)	15,981	15,632	17,249
Miscellaneous freight carloadings in Southwestern District (carloads)	180,859	183,784	173,501
Air express shipments (number)	29,149	26,273	25,898
LABOR			
Total nonagricultural employment	1,692,700	1,685,000	1,613,500
Manufacturing employment	341,700	338,700	324,800
Nonmanufacturing employment	1,351,000	1,346,300	1,288,700
Nonagricultural civilian labor force in 15 labor market areas	1,244,973	1,239,442	1,212,663
Unemployment in 15 labor market areas	44,620	49,145	66,656
Placements in employment in 15 labor market areas	27,409	24,220	21,488
GOVERNMENT			
Revenue receipts of State Comptroller	$ 47,909,041	$ 52,968,486	$ 41,440,730
Federal internal revenue collections	$ 85,620,037	$ 91,290,705	$ 62,651,198
PRICES			
Index of consumers' prices in Houston (1935–39 = 100)	171.5	171.4	157.6
Index of food prices in Houston (1935–39 = 100)	218.1	219.3	197.1

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

The Business Situation in Texas

For the second consecutive month Texas business activity established a new high for the postwar period, as measured by the *composite index of business activity* compiled by the Bureau of Business Research. The May level of the index was 217.2, which was a rise of 0.6% from April. The April index of 215.8 had been the highest point reached since May 1945.

Although the rise was not reflected in all the components of the index, four increased while only two decreased. *Miscellaneous freight carloadings* dropped 7.7% from April, bringing the index to 149.1, while *department and apparel store sales* dropped 7.4% to 328.6. Since miscellaneous freight carloadings are considered a measure of the changes in distribution of goods, it appears that the only decline in the business situation occurred in trade. May was the lowest point reached in each series so far this year; both of the indexes have had the effect of seasonal variation removed. On the other hand, *pay rolls* rose 6.9% to carry the index up to 261.5, another new high since the end of the war. *Employment* eased upward 0.5% to a new high for 1948, but at 124.1 the index was below the December high of 125. *Electric power consumption* rose 4.4% to an index of 326.0, only a fraction of a point below the 1948 high registered in February. *Crude runs to stills* rose 1.6% to establish a new record for the index, but, in the face of the great demand for gasoline, this rise probably reflects the specific demand and supply factors in refinery operations more than it does the general business situation.

The trend in Texas business agrees in general with the trend in the rest of the country. For the country as a whole, the Office of Business Economics of the Department of Commerce reported that developments in May and early June reestablished for the time being, at least, the greater strength of demand factors relative to those governing supply. As a result of these developments consumer purchasing and construction increased, and commodity markets registered further general advances in prices. The National City Bank of New York made the following statement in its *Monthly Letter:* "The business news during May has strengthened expectations that activity in most lines will continue high in the months ahead, and that the industries as a whole will continue under pressure to meet the demands that are on hand or in sight."

With demand for goods supported by the European Recovery Program, the increase in expenditures for munitions, and the continued high level of corporate expenditures for plant and equipment, it appears that the immediate prospect for business is good. However, these factors cannot be depended upon to support the situation indefinitely. Industry and agriculture in Europe are beginning to show signs of substantial recovery. Even more important than the foreign demand for American goods have been the expenditures of business for new capital goods. When present needs for new capital have been met, a drop in capital formation can be expected, and if a decline in the demand for consumer goods occurs simultaneously, this drop in the demand for capital goods could be greatly accelerated.

The level of the composite index of Texas business in May was 16.0% above May of last year. Three series increased more than the average for the composite: electric power consumption was 27.3% above May 1947, crude runs to stills 26.8%, and pay rolls 19.3%. The other series increased less than the composite in comparison with a year ago: department and apparel store sales 15.7%, miscellaneous freight carloadings 4.3%, and employment 4.0%.

The index of *bank debits* did not confirm the rise in the composite index, but dropped 2.8% from April. This index is compiled by the Bureau of Business Research from original data collected by the Federal Reserve System, and measures total dollar-volume business transactions. A decline in bank debits, after adjustment for seasonal variation, means that less money was spent in Texas during May than in April. This measure is in effect a weighted composite measure of business transactions, since all kinds of expenditures are represented in bank debits. In comparison with May 1947, bank debits were up 18.1%, while the composite index of business activity increased 16.0% over the same period.

The index of *postal receipts* in Texas cities also declined between April and May. The Bureau's index,

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adjusted for seasonal variation, dropped 2.0%, but was still 11.2% above the level of May 1947. Since all kinds of business make use of the mails, this series is also a natural composite index of general business activity, and serves to support the story told by the index of bank debits.

The individual phases of the business situation show some variation from the composite, just as the components of the composite index show variations. *Sales* of Texas retail stores decreased 4.5% in May after adjustment for seasonal variation, with a larger decrease in durable goods store sales than in nondurable goods stores.

Industrial production in Texas made a better showing than retail trade. The Bureau's *index of industrial power consumption* was up 2.0% from April, and since the use of electric power is widely distributed throughout the industry of the State, it is a good measure of the rate of activity in this kind of business. In comparison with a year ago, industrial power consumption was up 23.2%. *Man-hours* worked in 448 manufacturing establishments increased 4.8% in May over April, and were 5.9% ahead of May 1947. The total *manufacturing employment* in Texas increased 0.9% in May over April, according to the reports received by the Bureau of Business Research cooperating with the United States Bureau of Labor Statistics. In comparison with a year ago, employment in manufacturing concerns was up 5.2%. Crude runs to stills, after adjustment for seasonal variation, increased 1.6%; but *crude petroleum production*, seasonally-adjusted, decreased 1.8%. The actual volume of crude petroleum production was practically unchanged for May in comparison with April, but since there is normally a seasonal increase between April and May which did not take place this year, the adjusted data declined. *Manufacture of dairy products* declined 7.6% and *production of southern pine* dropped 6.1%.

Farm cash income increased 4.8% to establish a new 1948 high for the Bureau's index, at 346.9% of the 1935–39 base period. In May, however, the index was only 7.6% above the year-ago level, when the index reached an extremely high level. Prices continued to rise during May, and marketings of farm products went on at a high rate.

Building permits failed to hold the high levels of April, and the Bureau's index declined 30.4% after adjustment for seasonal variation. This decline brought the index to 469.0% of the 1935–39 base, a point 62.2% above the level of May 1947.

Commodity *prices* have continued to rise, and the index of common stock prices has reached a new high level for the past two years.

This month the Bureau takes pleasure in announcing the publication of "A Selected and Annotated Bibliography of Literature on Public Relations," by Dr. William A. Nielander, Professor of Marketing and Public Relations in the College of Business Administration. Copies of the bibliography may be obtained free of charge upon request to the Bureau of Business Research.

TRADE

Retail Trade

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

Estimated *retail sales* in Texas totaled $447,701,000 for May, or 0.1% less than in April but 12.6% larger than in May 1947. Year-to-date sales were 15.7% higher in 1948. Durable goods lines continued to contribute the greater sales gains, 17.7% over May 1947 and 23.9% more for the five months, January–May. Nondurable goods sales increased 9.9% over last May, and 11.5% for five months of this year over last.

The *index of total retail sales* (adjusted for seasonal variation and based on the prewar years 1935–39) declined abruptly to 324.9 from its high point of 340.1 in April. Adjusted to remove the influence of price increases, the index of total retail sales also slipped down to 172.3 from April's 180.3, showing a tendency for unit sales as well as dollar sales to decrease, probably temporarily. The durable goods index also receded from 395.4 to 362.9, and the nondurable goods index from 311.0 to 303.9. The index for eating and drinking places reached a new high in May; but most of the retail indexes fell substantially, the more noticeable being for dealers in automotive goods, building materials, jewelers, and department stores.

ESTIMATES OF TOTAL RETAIL SALES

(in thousands of dollars)

Type of store	May 1948	Jan.-May 1948	Percent change: May 1948 from May 1947	May 1948 from Apr. 1948	Jan.-May 1948 from Jan.-May 1947
TOTAL	447,701	2,094,851	+12.6	— 0.1	+15.7
Durable goods stores	161,508	755,497	+17.7	— 2.0	+23.9
Nondurable goods stores	286,193	1,339,354	+ 9.9	+ 0.9	+11.5

By *kinds of business*, largest sales gains over May 1947 averaged 17.4% for lumber, building material, and hardware dealers and 16.7% for filling stations. Most other types of retailers had smaller gains, but apparel stores averaged a 1.5% decrease. For the five months, January–May, greatest sales increases were reported for building material dealers (18.0%), filling stations (13.2%), automotive dealers (12.3%), furniture and household goods stores (10.4%), and department stores (9.8%).

Sales increases over May 1948 were reported as largest (6.2%) for cities of 2,500 to 50,000 *population* and smallest (2.1%) for towns under 2,500. For the five

RETAIL SALES OF INDEPENDENT STORES BY KINDS OF BUSINESS

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

Business	Number of reporting establishments	Percent change		
		May 1948 from May 1947	May 1948 from April 1948	Jan.-May 1948 from Jan.-May 1947
Apparel stores	230	− 1.5	− 1.2	+ 2.6
Automotive	205	+ 5.3	− 4.8	+12.3
Building material, lumber and hardware	244	+17.4	− 2.1	+18.0
Country general	62	+ 0.6	+ 4.0	+ 3.6
Department stores	52	+ 0.9	− 2.2	+ 9.8
Drug stores	137	+ 1.7	+ 6.8	+ 1.5
Eating and drinking places	102	+ 1.2	+ 3.3	+ 1.4
Filling stations	62	+16.7	− 2.5	+13.2
Florists	50	+ 8.9	+27.3	− 2.0
Food	206	+ 4.3	+ 2.0	+ 7.3
Furniture and household	154	+ 6.7	+ 6.3	+10.4
General merchandise	54	+ 2.4	+ 1.4	+ 5.3
Jewelry stores	41	+ 0.3	+24.4	− 0.6
All other stores	111	+ 3.8	− 1.1	+ 9.5

months, January–May, the largest increases (10.9%) were found in the cities of from 2,500 to 50,000 and the smallest (7.8%) in cities of over 100,000.

Among individual *cities*, largest percentage sales gains were reported for Plainview (40.6%), Austin (15.1%), Lubbock (14.5%), and Temple (13.4%). Five cities had sales increases of 6 to 12%, 8 increased by 1 to 5%, and 6 had decreases in sales.

RETAIL SALES OF INDEPENDENT STORES BY CITY-SIZE GROUPS

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

Population	Number of reporting establishments	Percent change		
		May 1948 from May 1947	May 1948 from April 1948	Jan.-May 1948 from Jan.-May 1947
Over 100,000	625	+ 3.8	− 2.0	+ 7.8
50,000-100,000	207	+ 3.9	+ 1.5	+10.7
2,500-50,000	705	+ 6.2	− 0.1	+10.9
Under 2,500	173	+ 2.1	+ 1.9	+ 9.3

The *ratio of credit sales* to total net sales in 68 department and apparel stores stood in May at 60.8%, as compared with 56.5% a year earlier and 63.1% in April 1948. The average *collection ratio* declined from 57.6% in May 1947 to 53.7% in 1948. Merchants continue to be apprehensive concerning customers' increasing demands for both open book and instalment credit, accompanied by slower payments and a rising percentage of uncollectible accounts. As in earlier months, Dallas (68.4%), among cities, and women's specialty shops (64.4%), among types of retail stores, continued to handle the highest percentage of credit business. Austin (50.2%) and various smaller communities not separately identified in these reports had the lowest percentages. The best ratios of collections were made in Austin (64.2%) and in Corpus Christi (59.5%) and by the dry goods apparel stores (58.7%) and men's clothing stores (58.6%). By volume, stores selling over $2,500,000 yearly carried on the most credit business (63.6%), but stores with sales of $500,000 to $1,000,000 averaged the best credit ratios (6.5%).

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†	
		May 1948	May 1947	May 1948	May 1947
ALL STORES	68	60.8	56.5	53.7	57.6
BY CITIES:					
Austin	7	50.2	46.2	64.2	68.9
Beaumont	3	63.2	59.1	58.1	60.8
Corpus Christi	4	56.3	49.7	59.5	68.5
Dallas	13	68.4	68.9	53.5	56.1
El Paso	3	53.1	49.5	46.8	48.9
Fort Worth	3	59.6	56.6	56.5	58.8
Houston	7	59.0	55.4	49.9	56.7
San Antonio	4	55.1	49.5	51.9	59.9
Waco	5	56.4	54.1	58.7	58.9
All others	19	50.3	45.8	56.2	65.1
BY TYPE OF STORE:					
Department stores (annual sales over $500,000)	19	61.3	56.7	53.1	57.5
Department stores (annual sales under $500,000)	9	45.9	42.4	55.7	57.7
Dry goods-apparel stores	5	48.8	43.6	58.7	66.4
Women's specialty shops	21	64.4	57.3	54.0	55.8
Men's clothing stores	14	55.5	49.9	58.6	65.8
BY VOLUME OF NET SALES: (1947)					
Over $2,500,000	22	63.6	59.3	58.4	56.9
$1,000,000-$2,500,000	14	49.6	45.0	55.2	63.0
$500,000-$1,000,000	15	45.8	41.6	60.5	62.7
Less than $500,000	17	45.9	41.2	52.4	60.5

*Credit sales divided by net sales.

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

Markdowns and operating expenses show rising tendencies, and merchandise turnover is slowing. Many retailers face the necessity for absorbing higher costs of merchandise, narrowing their possible margin. Investments need to be controlled, whether in new buildings and equipment, stocks of merchandise, or customers' accounts. The days of planned and controlled merchandising are rapidly returning.

Sales of gasoline subject to tax totaled 191,453,235 gallons in April, an increase of 3.8% over March and of 13.9% over a year ago. Sales to the federal government fell 25.8% behind March, but were 207% over sales of April 1947. The index of gasoline sales advanced in April to a high point of 203.7.

Attendance records at *State parks* registered sharp seasonal advances from April to May, both in terms of number of cars (+34.2%) and number of persons (+40.0%). Notable exception to the over-all hike was the 11.6% reduction in the number of out-of-State cars counted. Altogether, 100,244 cars and 362,987 persons visited State parks in May 1948. Compared to May 1947, 10.9% more cars were registered and 13.4% more persons.

Advertising linage in 32 newspapers of leading Texas cities was 13.2% larger than in May 1947 but slipped below April by 0.2%. In 1947, linage had increased by 3.7% from April to May.

Postal receipts in 60 Texas cities turned downward 4.2%, reflecting a greater-than-seasonal decline from

April to May. After removal of the regular seasonal factors the indexes dipped 2.0% to 234.4% of the 1935–39 base period. With only 9 exceptions all of the 60 cities contributed to the April-to-May decrease. Postal receipts for May 1948 were still 10.6% above their year-earlier level, however.

POSTAL RECEIPTS

City	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
TOTAL	$3,017,944	$3,151,311	$2,727,484	+10.6	— 4.2
Abilene	32,579	34,561	30,359	+ 7.3	— 5.7
Amarillo	69,570	64,458	56,853	+22.4	+ 7.9
Austin	119,411	149,687	123,996	— 3.7	—20.2
Beaumont	50,465	52,468	45,632	+10.6	— 3.8
Big Spring	8,341	10,431	10,607	—21.4	—20.0
Borger	7,591	8,072	7,022	+ 8.1	— 6.0
Brownsville	12,412	13,574	11,313	+ 9.7	— 8.6
Brownwood	11,686	11,586	10,577	+10.5	+ 0.9
Childress	3,041	4,118	3,271	— 7.0	—26.2
Cleburne	5,531	6,071	4,815	+14.9	— 8.9
Coleman	3,830	4,410	3,910	— 2.0	—13.2
Corpus Christi	63,727	68,487	64,295	— 0.9	— 7.0
Corsicana	8,158	9,400	8,652	— 5.7	—13.2
Dallas	819,277	833,853	677,612	+20.9	— 1.7
Del Rio	5,089	6,453	5,684	—11.3	—21.9
Denison	9,578	10,173	9,433	+ 1.5	— 5.8
Denton	13,022	15,137	12,036	+ 8.2	—14.0
Edinburg	5,351	5,826	5,485	— 2.4	— 8.2
El Paso	94,336	103,906	79,979	+18.0	— 9.2
Fort Worth	313,382	308,837	296,766	+ 5.6	+ 1.5
Gainesville	5,190	6,537	5,475	— 5.2	—20.6
Galveston	50,057	51,177	48,109	+ 4.0	— 2.2
Gladewater	3,632	4,299	3,522	+ 3.1	—15.5
Greenville	11,733	12,914	9,194	+27.6	— 9.1
Harlingen	13,091	15,697	11,636	+12.5	—16.6
Houston	516,808	532,176	468,688	+10.3	— 2.9
Jacksonville	6,123	6,234	6,068	+ 0.9	— 1.8
Kenedy	2,502	2,081	2,081	+20.2	+20.2
Kerrville	5,321	5,213	4,562	+16.6	+ 2.1
Lamesa	4,966	4,626	5,065	— 2.0	+ 7.3
Laredo	16,529	16,948	15,137	+ 9.2	— 2.5
Lockhart	2,182	2,362	2,190	— 0.4	— 7.6
Longview	14,780	19,197	15,428	— 4.2	—23.0
Lubbock	43,998	47,049	44,058	— 0.1	— 6.5
Lufkin	8,343	8,921	7,754	+ 7.6	— 6.5
McAllen	10,422	11,222	9,626	+ 8.3	— 7.1
Marshall	12,150	11,902	10,297	+18.0	+ 2.1
Midland	14,874	17,135	13,977	+ 6.4	—13.2
Nacogdoches	5,969	6,244	5,787	+ 4.0	— 4.4
New Braunfels	5,587	5,807	4,540	+23.1	— 3.8
Orange	9,562	10,623	10,542	— 9.3	—10.0
Palestine	7,806	8,535	7,625	+ 2.4	— 8.5
Pampa	10,218	10,665	10,511	— 2.8	— 4.2
Paris	9,788	10,453	11,481	—14.7	— 6.4
Plainview	7,934	8,193	7,164	+10.7	— 3.2
Port Arthur	23,927	25,594	23,931	— 0.01	— 6.5
San Angelo	28,952	28,263	23,007	+25.8	+ 2.4
San Antonio	280,823	293,426	257,530	+ 8.9	— 4.5
Sherman	13,789	15,121	12,786	+ 7.8	— 8.8
Snyder	1,965	2,500	2,187	—10.2	—21.4
Sweetwater	8,926	9,891	9,229	— 3.3	— 9.8
Temple	13,345	13,483	11,735	+13.7	— 1.0
Texarkana	26,528	27,384	25,550	+ 3.8	— 3.1
Texas City	9,068	9,579	7,633	+18.8	— 5.3
Tyler	30,455	34,623	26,519	+14.8	—12.0
Vernon	6,099	7,546	5,574	+ 9.4	—19.2
Victoria	10,287	9,962	8,776	+17.2	+ 3.3
Waco	66,586	73,954	64,729	+ 2.9	—10.0
Wichita Falls	41,802	42,267	39,634	+ 5.7	— 1.1

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.)

The dollar *sales* of Texas wholesalers reporting to the Bureau of the Census for the month of April 1948 showed a modest increase of 4% over March 1948. The largest increase in sales was reported by the automotive supplies group, registering an increase of 28%, with the electrical group 13%, and groceries 5%. Declines were indicated for all other groups. The declines were modest, 8% for tobacco products, and 3% for machinery, equipment, and supplies except electrical. The other reporting groups had sales declines of only 1%.

A comparison with sales of April 1948 with the same month for 1947 shows an increase of 16% for all groups with machinery, equipment, and supplies except electrical leading with an increase of 39%, followed by the electrical groups 28%, groceries 19%, all other group 7%, and drugs and sundries 4%. Automotive supplies and tobacco sales for April 1948 were lower than sales in April 1947 by 17% and 8%, respectively.

Inventories for all reporting groups were up 1% for April 1948 compared to March 1948. The inventory values for automotive supplies were down 3%, as were stocks for the "all other" group, and drugs and sundries inventories were off 2%.

Inventories for April 1948 were up 14% over April 1947. Only the drugs and sundries group and the all other group showed inventories lower in April 1948 than in April 1947.

Department of Commerce figures for the nation reveal an increase of 10% in sales for April 1948 over the same month in 1947. The sales gain for wholesalers in Texas was much greater (16%), as indicated above.

Of special interest to wholesalers is the rise in accounts receivable over the nation. April accounts receivable were up 6% from March and 15% above the same period a year ago. This is not serious since the collection index dropped from 106 in April 1947 to 102 this April.

PERCENTAGE CHANGES IN WHOLESALERS' SALES AND INVENTORIES

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

Business	Sales: Apr. 1948 from Apr. 1947	Sales: Apr. 1948 from Mar. 1948	Inventories: Apr. 1948 from Apr. 1947	Inventories: Apr. 1948 from Mar. 1948
TOTAL	+16	+ 4	+14	+ 1
Automotive supplies	—17	+28	0	— 3
Electrical equipment	+28	+13	+40	+ 5
Hardware	+13	— 1	+20	+ 3
Machinery, equipment and supplies (except electrical)	+39	— 3	+23	+ 2
Drugs and sundries*	+ 4	— 1	— 8	— 2
Groceries	+19	+ 5	+ 8	— 3
Tobacco products	— 8	— 8	+17	+ 3
All other	+ 7	— 1	— 1	— 3

*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.)

Month-to-month developments in the foreign trade of the United States and Texas are among the most important factors in the current business picture. In April, the latest month for which figures are available, there was a sharp drop in imports and a slight decline in exports. The net effect of these changes was to widen the ominous gap between imports and exports and to continue an unbalance which sooner or later is going to require drastic readjustments in our State and national economies.

Imports for the nation in April totaled $527 million, the lowest volume since November 1947 and $139 million less than the record-breaking $666 million imported in March. Exports in April amounted to $1,122 million, or $19 million less than the March total of $1,141 million. The gap between United States exports and imports in a single month thus increased $158 million, a sizable figure when compared with total imports or total exports. It also widened the monthly difference in imports and exports to $595 million, which was well over the average monthly gap of $509 million for the first quarter of 1948.

Some progress had been made up to April in bringing exports and imports into line. Last year the export balance averaged $792 million per month. In recent months recovery in Europe and Asia has resulted in some increase in United States imports and some decrease in exports, but the American trade balance is still critical.

Perhaps the most significant feature of the current situation for business to watch during the next few months will be the effect of the European Recovery Program upon exports from this country. April was the first month in which goods were shipped under this program, but the amount was small ($9 million). When added in with the decreases in exports under the Army civilian supply program, interim aid, UNRRA, and lend lease and the increases under the Greek-Turkish aid program and the foreign relief program, there was a net fall of $24 million in noncommercial exports. How swiftly the transition will be made from the old program to the new and how large will be the sums involved are the key considerations for business, not only in Texas but throughout the country.

Of longer-run significance was the extension by Congress early in June of the Reciprocal Trade-Agreements Act for a period of one year. Although slight modifications were made in the Act by the Republican majorities, further reductions in the American tariff are still possible with a consequent stimulation to imports and a lessening of the gap between imports and exports.

Outbound tonnage from *Houston and Galveston* jumped 11.2% between March and April. However, April exports this year were 18.4% smaller than exports in April 1947. Wheat, flour, and sulphur exports were primarily responsible for the March–April gain. The tremendous drop in other grains exported from these two ports in April this year accounted for the over-all decrease in exports from April a year ago. During the first four months of 1948 exports from Houston and Galveston aggregated 2,247,159 tons, as compared with 2,605,113 tons during the same month of 1947 or a decline of 13.8%. Nevertheless Galveston ranked second among the country's ports in foreign freight shipments during April. The port of Galveston received 9,116 cars in the course of the month: New Orleans, 8,459 cars; Baltimore, 5,028 cars; San Francisco, 4,785 cars; and Houston 4,287 cars.

Some improvement in the State's export trade is to be expected, however, during the next several months. Late in May the Economic Cooperation Administration authorized the shipment of $27,871,000 worth of cotton to four European countries. This authorization was the first major financing of material for Europe's textile industry. Throughout the current cotton year exports have been held down by the shortage of dollars, the anticipation of ERP, and the large stocks of cotton built up in most of the countries of Western Europe by the large shipments in 1945–46 and 1946–47. Only the last factor will continue to be significant this season.

EXPORTS FROM GALVESTON AND HOUSTON

(In tons)

Source: Galveston and Houston Maritime Associations, Inc.

Port and product	Apr. 1948	Mar. 1948	Apr. 1947	Percent change: Apr. 1948 from Apr. 1947	Percent change: Apr. 1948 from Mar. 1948
TOTAL	587,075	527,814	719,259	— 18.4	+ 11.2
Galveston, total	405,808	353,171	525,936	— 22.9	+ 14.8
Cotton	12,777	24,055	20,109	— 36.5	— 46.9
Wheat	199,010	171,611	127,741	+ 55.8	+ 16.0
Other grain	13,049	28,727	155,951	— 91.6	— 54.6
Flour	50,307	31,593	58,556	— 14.1	+ 59.2
Sulphur	105,978	65,295	119,894	— 11.6	+ 62.3
Other	24,187	31,890	43,685	— 44.6	— 24.2
Houston, total	181,767	174,643	193,323	— 6.0	+ 4.1
Cotton and linters	24,276	15,411	15,098	+ 60.8	+ 57.5
Wheat	69,559	75,214	37,440	+ 85.8	— 7.5
Flour	15,466	10,282	64,164	— 75.9	+ 50.4
Rice and rice products	8,258	8,302	2,802	+194.7	— 0.5
Carbon black	8,960	9,910	7,855	+ 14.1	— 9.6
Other	55,248	55,524	65,964	— 16.2	— 0.5

FOREIGN TRADE OF TEXAS PORTS

(in millions of dollars)

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

Custom district	Mar. 1948	Feb. 1948	Mar. 1947	Percent change: Mar. 1948 from Mar. 1947	Percent change: Mar. 1948 from Feb. 1948
EXPORTS, TOTAL	113.8	114.3	155.5	— 27.1	— 0.9
El Paso	3.7	3.0	4.1	— 9.8	+ 23.3
Galveston	71.7	73.6	97.5	— 26.5	— 2.6
Laredo	27.3	21.8	40.6	— 32.8	+ 25.2
Sabine	10.6	15.9	13.3	— 20.3	— 33.3
IMPORTS, TOTAL	14.6	18.0	8.8	+ 65.9	— 18.9
El Paso	1.7	1.7	1.3	+ 30.8	0.0
Galveston	9.6	12.3	3.1	+209.7	— 22.0
Laredo	3.2	3.9	4.4	— 27.3	— 17.9
Sabine	0.1	0.1	*	——	0.0

*Less than $50,000.

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.)

In response to the increasing demands for petroleum products, *crude oil runs to stills* during May increased by more than 25% over May of last year. While gasoline stocks at Texas refineries in May fell 4.2% below April, they were ahead of May 1947 by 18.0%. Latest estimates indicate that the summer bulge in gasoline demands will not be serious.

REFINERY STOCKS*

(in thousands of barrels)

Source: *The Oil and Gas Journal*

Section and item	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
TEXAS					
Gasoline	21,020	21,940	17,809	+18.0	— 4.2
Distillate	5,581	5,737	6,329	—11.8	— 2.7
Residual	6,369	6,175	5,610	+13.5	+ 3.1
Kerosene	1,992	1,910	2,267	—12.1	+ 4.3
TEXAS GULF COAST					
Gasoline	17,572	18,119	14,056	+25.0	— 3.0
Distillate	5,152	5,359	5,996	—14.1	— 3.9
Residual	5,478	5,200	4,991	+ 9.8	+ 5.3
Kerosene	1,375	1,368	2,014	—31.7	+ 0.5
INLAND TEXAS					
Gasoline	3,448	3,821	3,753	— 8.1	— 9.8
Distillate	429	378	333	+28.8	+13.5
Residual	891	975	619	+43.9	— 8.6
Kerosene	617	542	253	+143.9	+13.8

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

The regular monthly report on *cotton manufacturing* prepared by the Bureau of the Census showed that Texas cotton consumption for May was 6.8% behind April, but less than 1.0% under May 1947. In comparison with the same month a year ago, May 1948 active *spindles* increased 7.9% and average spindle hours increased 24.2%.

Cottonseed received at mills in Texas during May was 23.3% under the April receipts, but many times over the corresponding month in 1947. The amount of cottonseed crushed during May was 25.5% below the previous month but considerably greater than May 1947.

While the total milk equivalent consumed in the *manufacture of dairy products* for May was 10.0% over April consumption, it was 37.3% below the figure for May 1947. Ice cream production increased by 20.5% over April, but it also was below the figure for May 1947. There was a 19.0% decrease in production of American cheese for May under April and a 45.0% decline from May 1947. Creamery butter registered a 14.5% increase in production over the April 1948 figure but a decrease of 42.6% under that of May 1947.

COTTON MANUFACTURING

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

Item	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
CONSUMPTION*					
Cotton	12,435	13,338	12,437	— 0.01	— 6.8
Linters	1,321	1,784	1,034	+ 27.8	— 26.0
SPINNING ACTIVITY					
Spindles in place	223,000	222,000	242,496	— 8.0	+ 0.5
Spindles active	216,000	214,000	200,274	+ 7.9	+ 0.9
Total spindle hours	87,000,000	91,000,000	76,200,390	+ 14.2	— 4.4
Average spindle hours	390	411	314	+ 24.2	— 5.1
COTTONSEED†					
Received at mills	4,235	5,521	206	+1955.8	— 23.3
Crushed	52,484	70,473	6,602	+695.0	— 25.5
Stocks at end of month	59,967	108,216	20,535	+192.0	— 44.6

*In running bales.
†In tons.

MANUFACTURE OF DAIRY PRODUCTS

Product	Unit	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
TOTAL MILK EQUIVALENT*	1,000 lbs.	64,242	58,399	102,527	—37.3	+10.0
Creamery butter	1,000 lbs.	1,320	1,153	2,298	—42.6	+14.5
Ice cream†	1,000 gals.	1,690	1,402	2,054	—17.7	+20.5
American cheese	1,000 lbs.	869	1,073	1,581	—45.0	—19.0
All others	1,000 lbs.	3,455	2,982	5,790	—40.3	+15.9

*Milk equivalent of dairy products was calculated from production data.
†Includes sherbets and ices.

A slight decrease in the *flour milling industry* for April very likely reflects volume of stocks on hand. Big bread bakers see mounting production costs cutting into profits, and resistance to high prices beginning to affect volume of trade.

Compared to April 1947, wheat grindings dropped 8.1% to 3,533,000 bushels in April 1948. The Bureau's seasonally-adjusted index of wheat grindings slipped 1.5% in April to 148.1% of the prewar base period.

WHEAT GRINDINGS AND FLOUR PRODUCTION

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

Item	Unit	Apr. 1948	Mar. 1948	Apr. 1947	Percent change: Apr. 1948 from Apr. 1947	Percent change: Apr. 1948 from Mar. 1948
Wheat ground	1,000 bu.	3,533	3,599	3,843	— 8.1	— 1.8
Wheat flour	1,000 sks.	1,567	1,596	1,640	— 4.5	— 1.8

The volume of *grapefruit juice canned* in Texas for the 1947–48 season (Nov. 1–May 29) was a little greater (8.5%) than for the 1946–47 season. Shipments, however, jumped by 38.2% over the previous season, while present stocks are 7.7% below last year.

Through May 29, total production was 8,938,250 cases, compared with 8,239,813 for the 1946–47 season.

GRAPEFRUIT JUICE CANNING

(in cases of 24/2's)

Source: Texas Canners Association

Item	1947–48 Season*	1946–47 Season	Percent change 1947–48 from 1946–47
Production	8,938,250	8,239,813	+ 8.5
Shipments	6,313,326	4,569,292	+38.2
Stocks	3,387,306	3,670,521	— 7.7

*Through May 29.

Cement production and shipments for Texas in April 1948 registered considerable gains over the corresponding figures for April 1947. Production increased 16.6% and shipments increased 21.1%. Stocks at the end of April 1948 were 35.6% above April 1947.

April shipments of cement rose 5.6% over April, but stocks fell 13.9% to 670,000 barrels. The Bureau's index of cement production advanced 5.3% to 213.0% of the prewar (1935–39) base period, after adjustment for seasonal variation.

CEMENT PRODUCTION

(in thousands of barrels)

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

Item	Apr. 1948	Mar. 1948	Apr. 1947	Percent change Apr. 1948 from Apr. 1947	Percent change Apr. 1948 from Mar. 1948
Production	1,181	1,044	1,013	+16.6	+13.1
Shipments	1,288	1,220	1,064	+21.1	+ 5.6
Stocks	670	778	494	+35.6	—13.9

Production of lumber decreased 6.4% during May in comparison with April, according to data compiled by the Southern Pine Association. Average weekly shipment per unit was 222,705 board feet in May and 209,865 board feet in April. Unfilled orders at the end of May were 749,150 board feet per unit, which was 3.3 times the May shipments.

The Bureau's seasonally-adjusted index of lumber production was 73.7% of the prewar base (1935–39), or 6.1% below May 1947.

LUMBER PRODUCTION IN SOUTHERN PINE MILLS

(in board feet)

Source: Southern Pine Association

Item	May 1948	Apr. 1948	May 1947	Percent change May 1948 from May 1947	Percent change May 1948 from Apr. 1948
Average weekly production per unit	211,602	226,180	226,206	— 6.5	— 6.4
Average weekly shipments per unit	222,705	209,865	212,428	+ 4.8	+ 6.1
Average unfilled orders per unit, end of month	749,150	756,702	772,658	— 3.0	— 3.3

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.)

At the end of May the value of *construction contracts* reported by Texas contractors was 2.1% below the value reported for April of this year, but was above that reported for May 1947 by 39.5%. Nonresidential

BUILDING PERMITS

City	May 1948	Apr. 1948	May 1947
TOTAL	$36,574,475	$48,639,529	$23,236,216
Abilene	378,270	789,180	249,835
Amarillo	1,280,715	627,145	646,055
Austin	1,833,850	8,211,825	1,413,750
Beaumont	733,019	1,166,317	447,706
Big Spring	215,880	120,685	62,905
Borger	96,950	1,992,200	36,950
Brownsville	122,694	389,893	85,730
Brownwood	216,950	99,940	247,372
Bryan	158,390	166,315	219,910
Childress	44,350	39,199	6,300
Coleman	19,500	73,000	221,650
Corpus Christi	909,405	1,392,321	751,842
Corsicana	72,225	65,245	13,600
Dallas	9,059,360	9,048,137	3,143,356
Del Rio	19,485	30,210	20,200
Denison	48,860	64,071	44,808
Denton	417,400	564,585	189,500
Edinburg	45,326	63,860	39,775
El Paso	1,076,035	1,094,080	587,345
Fort Worth	2,448,766	3,695,222	2,300,088
Gainesville	44,700	149,133	33,860
Galveston	221,144	430,855	231,515
Gladewater	54,115	44,768	2,375
Graham	23,500	15,750	17,810
Harlingen	157,043	301,253	207,925
Houston	7,966,350	7,707,340	5,248,821
Jacksonville	51,575	26,300	40,300
Kerrville	71,425	42,469	61,960
Lamesa	29,500	21,800	25,150
Lockhart	53,015	103,000	11,875
Longview	92,714	478,765	164,980
Lubbock	960,715	1,091,739	1,154,487
McAllen	20,454	69,040	48,698
Marshall	87,284	171,900	89,494
Midland	402,206	486,750	166,600
Nacgodoches	63,600	172,750	24,000
New Braunfels	155,699	120,874	57,590
Palestine	40,574	19,641	32,874
Pampa	248,760	224,350	75,800
Paris	273,885	53,500	28,375
Plainview	103,000	282,850	69,750
Port Arthur	207,401	244,835	161,390
San Antonio	3,357,615	2,974,566	2,729,406
Sherman	140,692	114,677	92,842
Snyder	4,950	5,750	0
Sweetwater	90,860	137,900	43,700
Temple	239,862	252,259	87,075
Texarkana	218,267	87,663	332,975
Texas City	78,770	1,181,125	338,290
Tyler	585,090	384,625	217,067
Victoria	65,804	149,387	82,575
Waco	743,316	874,580	563,325
Wichita Falls	161,660	574,955	114,655

contract values for May were 100.7% ahead of values of May 1947. There was a regrettable decrease in residential contracts. May 1948 was below April by 12.3% and 2.9% under May 1947.

The value of *building permits* issued in 53 Texas cities in May decreased 17.1% from the April level, but the May volume of $36,157,475 was above the May 1947 total by 55.6%.

After adjustment for seasonal variation, the Bureau's index of building permits was 469.0% of the prewar base (1935–39) period in May. The index stood at 673.9 in April 1948, and 289.1 in May 1947.

Building permits in Dallas totaled $9,069,360 for the greatest volume in May, thus holding its lead for the third consecutive month.

Although the majority of cities turned in decreases in dollar volume of permits between April and May, significant increases were reported for Paris, Texarkana, Brownwood, and Amarillo.

CONSTRUCTION CONTRACTS

Source: *Texas Contractor*

Type of building	May 1948	Apr. 1948	May 1947	Percent change May 1948 from May 1947	Percent change May 1948 from Apr. 1948
TOTAL	$78,794,894	$75,847,446	$52,898,189	+ 39.5	— 2.1
Engineering	15,517,360	11,648,895	11,709,118	+ 32.5	+ 33.2
Nonresidential	35,444,118	37,660,201	17,662,871	+100.7	— 5.9
Residential	22,833,416	26,038,350	23,526,200	— 2.9	— 12.3

The number of *loans* made by Texas building and loan associations in May 1948 was 2.4% under that loaned in May 1947 and decreased fractionally (0.8%) from April to May 1948. Loans both for purchase and refinance decreased through May but recondition loans for May were 5.1% above the number of April loans. The reported increased amount in dollars of most loans for May 1948 in comparison with May 1947 was the result of the increase in size of individual loans.

LOANS MADE BY SAVINGS AND LOAN ASSOCIATIONS*

Source: Federal Home Loan Bank of Little Rock

Type	May 1948	April 1948	May 1947	Percent change May 1948 from May 1947	Percent change May 1948 from Apr. 1948
NUMBER, TOTAL	1,937	1,952	1,984	— 2.4	— 0.8
Construction	507	558	578	—12.3	— 9.1
Purchase	804	810	851	— 5.5	— 0.7
Refinance	144	126	166	—13.3	+14.3
Recondition	225	214	220	+ 2.3	+ 5.1
Other	257	244	169	+52.1	+ 5.3
AMOUNT, TOTAL	$7,678,761	$7,927,315	$7,405,365	+ 3.7	— 3.1
Construction	2,529,831	2,707,698	2,529,103	+ 0.03	— 6.6
Purchase	3,550,790	3,511,628	3,331,334	+ 6.6	+ 1.1
Refinance	495,415	469,576	605,462	—18.2	+ 5.5
Recondition	369,810	349,921	245,383	+50.7	+ 5.7
Other	732,915	888,492	694,083	+ 5.6	—17.5

Public Utilities

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

Electric power consumption in Texas was 9.9% more in May 1948 than in April 1948 and increased 27.3% over May 1947. Use for industrial purposes caused the increases in both cases. Residential requirements for electricity in May were but 1.9% above April.

ELECTRIC POWER CONSUMPTION*

(in thousands of kilowatt hours)

Use	May 1948	Apr. 1948	May 1947	Percent change May 1948 from May 1947	Percent change May 1948 from Apr. 1948
TOTAL	597,153	543,315	469,066	+27.3	+ 9.9
Commercial	123,131	113,982	101,826	+20.9	+ 8.0
Industrial	279,966	263,506	227,325	+23.2	+ 6.2
Residential	89,887	88,191	76,359	+17.7	+ 1.9
Other	104,169	77,636	63,556	+63.9	+34.2

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

After adjustment for seasonal variation, the Bureau's index of total electric power consumption rose 4.4% to 326.0% of the prewar base (1935–39) period. The May index was only a fraction of a point below the February high.

The Bureau's seasonally-adjusted index of industrial power consumption gained 2.0% in May to 294.5, a 23.2% advance over May 1947.

According to the Federal Power Commission, the *production of electricity* for public use in Texas amounted to 727,843,000 kilowatt hours in April, an 18.3% increase over the 719,302,000 kilowatt hours produced in March 1948, and a gain of 18.3% over the 615,024,000 produced in April of last year. On the other hand, United States production of 22,296,353 kilowatt hours in April 1948 represented a 5.0% reduction under March 1948.

Power facilities in parts of the State began to feel the effects of unseasonably hot weather early in June, with its accompanying increase in demand for electricity. Heavy industrial users were asked to curtail their use of electricity when a shortage in the Fort Worth area resulted from operational difficulties and the lack of rainfall.

VALUE OF NATURAL RESOURCES PRODUCED

Source: State Comptroller of Public Accounts

Item	May 1948	Apr. 1948	May 1947	Percent change May 1948 from May 1947	Percent change May 1948 from Apr. 1948
Carbon black	$ 1,771,483	$ 5,310,686	$ 4,066,653	—56.4	—66.6
Crude oil	186,742,035	193,488,423	124,829,737	+49.6	— 3.5
Natural and casing-head gas	14,545,613	12,137,258	9,861,538	+47.5	+19.8

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.)

There was a jump of nearly 50% in *value of crude oil* produced in May 1948 over that produced in May 1947. For this period there was an 8.6% increase in *daily average production of crude.* The step-up in crude production is designed to match unprecedented refining schedules.

In the field of exploration this year (January through May) 4,505 *wells* have been completed as against 3,436 wells completed during the corresponding period of 1947.

WELL COMPLETIONS

Source: *The Oil and Gas Journal*

District	May 1948*				Jan.–May (all wells)	
	Total	Oil	Gas	Dry	1948	1947
TEXAS	946	582	25	339	4,505	3,436
North Central Texas	324	151	3	170	1,395	1,059
West Texas	254	216	3	35	1,202	820
Panhandle	42	32	5	5	240	174
Eastern Texas	25	17	1	7	207	201
Texas Gulf Coast	156	92	7	57	728	642
Southwest Texas	145	74	6	65	738	540

*For four weeks ending May 29, 1948.

North Central and West Texas led by far in the number of well completions for the year through May. It will be noted that Southwest Texas registered a significant increase over the comparable year-ago period. For the four weeks ending May 29, 1948, there were 946 well completions in all districts of the State. Oil drillings were most numerous in this total figure, with 582, followed by gas wells (339).

Value of *carbon black output* in May was only one-third as great as the April figure, and was 56.4% under last year's May production. On the other hand, *natural and casinghead production* in Texas was 19.8% above April 1948 and 47.5% over May 1947.

Dollar value of carbon black output in May was $1,771,483. Crude oil totaled $186,742,035 and natural and casinghead gas, $14,545,613.

The accompanying section on production will henceforth be prepared by Dr. Raymond K. Cassell, recently appointed Resources Specialist on the staff of the Bureau of Business Research. Also serving as associate professor of resources in the College of Business Administration, Dr. Cassell comes to the University with a background of teaching and research work in economic geography and other resource studies at the University of Michigan and Indiana University. For these reasons, the Bureau is especially happy to announce this newest addition to our faculty staff.

AGRICULTURE

Income

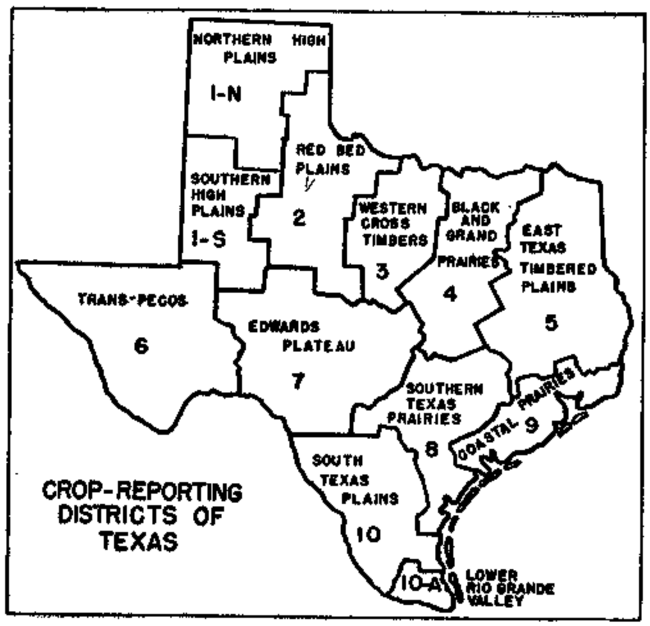
(The amount of income received by farmers is a composite measure of the prosperity of agriculture, taking into account both the volume of products sold and the prices received. Since the marketings of many products are concentrated in certain seasons of the year, it is important that the data be adjusted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

Texas farmers received an estimated $106,629,000 from the sale of crops and livestock during May, for a 3.0% increase over April 1948 and an 8.9% gain over May 1947. The monthly upturn was very slightly above the regular seasonal rise from April to May, and resulted from a varied pattern of gains and losses among the several crop-reporting districts. The seasonally-adjusted *index* rose to 346.9 (1935–39=100) in May for the State, a new 1948 high.

Cash *income* was greater in comparison with May 1947 for all districts except three. The best gains, however, were in the High Plains districts.

FARM CASH INCOME

District	Indexes, 1935–39 = 100, adjusted for seasonal variation			Amount, Jan.-May (in thousands of dollars)	
	May 1948	Apr. 1948	May 1947	1948	1947
TEXAS	346.9	331.1	322.3	$397,344	$386,205
1-N	712.4	506.4	469.1	42,986	56,822
1-S	443.9	371.6	384.1	47,258	31,503
2	459.0	500.5	409.1	36,082	34,597
3	423.3	567.8	405.3	21,573	21,270
4	218.1	194.5	207.7	41.959	40,528
5	360.0	251.8	348.9	17,641	17,424
6	196.7	248.6	227.1	14,262	12,210
7	303.3	388.6	279.3	35,784	30,918
8	430.6	280.9	417.4	37,617	36,940
9	591.8	457.7	464.7	27,112	28,713
10	738.0	605.8	560.0	37,240	27,824
10-A	306.4	400.5	404.3	37,885	53,961



For the first five months this year, farm cash income in Texas totaled $397,344,000, a 2.9% increase over the like 1947 period. Sizable increases in most districts were counterbalanced by sharp declines in the Northern High Plains and the Lower Rio Grande Valley, which last year were the districts of peak income.

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.)

Livestock shipments dropped 11.1% from April to May, and May shipments fell 14.9% under the comparable year-ago figure. The monthly decline resulted from a reduction in cattle and hog movements and a good (7.7%) advance in shipments of calves. In comparison with May 1947, shipments declined for all items except hogs.

SHIPMENTS OF LIVESTOCK

(in carloads)*

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

Classification	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
TOTAL SHIPMENTS	11,013	12,390	12,935	— 14.9	— 11.1
Cattle	7,422	10,001	8,974	— 17.3	— 25.8
Calves	808	755	999	— 19.1	+ 7.0
Hogs	936	1,049	701	+ 33.5	— 10.8
Sheep	1,842	585	2,261	— 18.5	+214.9
INTERSTATE PLUS FORT WORTH	10,222	11,678	11,733	— 12.9	— 12.4
Cattle	6,785	9,439	7,967	— 14.8	— 28.1
Calves	719	620	873	— 17.6	+ 16.0
Hogs	929	1,042	693	+ 34.1	— 10.8
Sheep	1,789	572	2,200	— 18.7	+212.8
INTRASTATE MINUS FORT WORTH†	791	717	1,202	— 34.2	+ 10.3
Cattle	637	562	1,007	— 36.7	+ 13.3
Calves	94	135	126	— 25.4	— 30.4
Hogs	7	7	8	— 12.5	0.0
Sheep	53	13	61	— 13.1	+307.7

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

†Intrastate truck shipments are not included. Fort Worth shipments are combined with interstate forwardings to show the bulk of market disappearance for the month 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	May 1948	Apr. 1948	May 1947
Chickens	2	0	9
Turkeys	4	0	19
Eggs—Shell equivalent*	246	322	470
Shell	2	2	16
Frozen	58	64	67
Dried	16	24	40

*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.

Marketings of *poultry and eggs* continued relatively weak, on the basis of station agent reports in Texas. Only 2 carloads of chickens and 4 of turkeys were reported, and the volume of eggs (246 shell-equivalent carloads) was just half as great as a year ago in May. *Interstate receipts of eggs* at Texas stations, however, indicated an increase in the Texas imports of eggs from other states in comparison with last year.

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	May 1948	Apr. 1948	May 1947
TOTAL RECEIPTS—SHELL EQUIVALENT*	48	44	11
Shell	5	4	5
Frozen	7	20	3
Dried	3	0	0

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

Marketings of *fruits and vegetables* turned downward rather sharply from April to May, as crops of onions, potatoes, and grapefruit dwindled off. New crops of corn, cucumbers, tomatoes, and watermelons helped to mitigate the end-of-season declines in other crops, however, so that the over-all reduction was 14.4% for the month. Shipments in May 1948 were just three-fourths as great as in May 1947, principally because of lagging shipments of onions and tomatoes.

RAIL SHIPMENTS OF FRUITS AND VEGETABLES*

(in carloads)

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

Item	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
TOTAL	9,979	11,658	13,311	— 25.0	— 14.4
Carrots	90	605	599	— 85.0	— 85.1
Corn	839	20	1,102	— 23.9	†
Cucumbers	187	0	268	— 30.2	†
Grapefruit	2,320	3,656	2,024	+ 14.6	— 36.5
Mixed citrus	115	172	90	+ 27.8	— 33.1
Onions	2,938	3,881	3,801	— 22.7	— 24.3
Oranges	752	814	261	+188.1	— 7.6
Potatoes	151	1,108	55	+174.5	— 86.4
Tomatoes	2,321	1	4,169	— 44.3	†
Watermelon	120	0	5	†	†
All other fruits and vegetables	146	1,401	937	— 84.4	— 89.6

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

†Percent meaningless.

Prices

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

Prices received by Texas farmers declined from April to May for 12 of 31 commodities listed separately in the accompanying table, increased for 16, and were unchanged for 3 items. In general, the decreases were mainly in grains and hay and dairy and poultry products, and advances were strong for most livestock items.

PRICES OF TEXAS FARM PRODUCTS

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

Commodity	Unit	May 15 1948	April 15 1948	May 15 1947
Wheat	bu.	$ 2.16	$ 2.28	$ 2.40
Corn	bu.	2.27	2.25	1.67
Oats	bu.	1.22	1.25	0.95
Barley	bu.	1.74	1.77	1.31
Grain sorghum	cwt.	3.60	3.55	2.70
Rice	bu.	3.40	3.30	2.29
Flaxseed	bu.	5.70	5.70	5.70
Potatoes	bu.	2.25	3.50	2.05
Sweet potatoes	bu.	2.90	2.70	2.55
Cotton lint	lb.	0.338	0.334	0.334
Cottonseed	ton	93.00	90.00	88.00
Cowpeas	bu.	5.20	5.70	4.50
Peanuts	lb.	0.103	0.098	0.093
Hogs	cwt.	21.10	21.00	22.60
Beef cattle	cwt.	22.10	21.60	16.20
Veal calves	cwt.	25.30	24.10	18.50
Sheep	cwt.	12.00	10.00	9.70
Lambs	cwt.	21.00	18.50	16.00
Milk cows	head	135.00	130.00	109.00
Chickens	lb.	0.263	0.263	0.263
Turkeys	lb.	0.295	0.305	0.235
Eggs	doz.	0.363	0.389	0.368
Butter	lb.	0.69	0.70	0.62
Butterfat	lb.	0.74	0.73	0.57
Milk, wholesale	cwt.	5.70	5.80	6.20
Wool	lb.	0.50	0.44	0.48
Milk, retail	qt.	0.193	0.193	0.177
All hay, loose	ton	24.50	26.00	17.10
Alfalfa hay, loose	ton	31.60	35.50	26.50
Oranges	box	1.78	1.88	2.79
Grapefruit	box	0.35	0.29	0.77

There were no changes in prices received for chickens, milk, and flaxseed. In comparison with May 1947, nearly all farm product prices were up substantially, with notable exceptions in wheat, hogs, and citrus fruits.

The over-all *index of prices received* by farmers for the United States as a whole declined less than 1% to 289% of its August 1909–14 average, or 6% above May 1947, according to the United States Department of Agriculture. At the same time the *index of prices paid* advanced slightly over April this year to a level 10% above a year ago.

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.)

July is the last trading month in the old cotton year, and October is the first active futures trading month for the new cotton year which begins August 1. This transition period is always a more or less critical time in cotton price-making because of the necessity of merging whatever old crop cotton there is on hand, the carryover, with the new crop. Problems involved are quite different in different years depending on whether there is a large carryover to be merged with a prospective small crop or a small carryover to be merged with a prospective larger crop. In the first instance, October futures contracts are usually higher than July futures and the problem of transferring old July hedge contracts to October becomes relatively simple. In the second instance old crop prices are higher than for the new crop and October, the first new crop hedge month, is lower than July, the last hedge month of the old crop. This situation generally leads mills to buy on a "hand-to-mouth" basis and makes the carrying of unpledged stocks of cotton an extremely risky business.

The present situation is like the second instance. July futures are now, July 1, about 2.5 cents a pound above October futures, and have been as much as 5 cents above.

In order to lessen the pressure for deliveries of spot cotton in June, July, and August before the new crop cotton gets into channels of trade in volume in September, the Government has been postponing as far as possible purchases of American cotton to ship to Europe under the recovery program, and mills as far as possible have been covering their sales of yarn and cloth with new crop purchases for forward delivery.

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

(In thousands of running bales except as noted)

Year	Carryover Aug. 1	Imports to June 1*	Final ginnings	Total	Consumption to June 1	Exports to June 1	Total	Balance as of June 1
1938–39	11,533	122	11,623	23,276	5,759	3,107	8,862	14,414
1939–40	13,033	137	11,481	24,651	6,591	5,931	12,522	12,129
1940–41	10,596	150	12,298	23,044	7,619	976	8,595	14,449
1941–42	12,367	256	10,495	23,118	9,208	969	10,177	12,941
1942–43	10,590	173	12,438	23,201	9,342	906	10,248	12,953
1943–44	10,687	131	11,129	21,947	8,414	1,002	9,414	12,533
1944–45	10,727	170	11,839	22,736	8,109	1,319	9,428	13,308
1945–46	11,164	305	8,813	20,282	7,641	2,776	10,417	9,865
1946–47	7,522	214	8,513	16,249	8,630	3,155	11,785	4,504
1947–48	2,521	225†	11,552	14,298	7,914	1,482†	9,396	4,902

The cotton year begins August 1.

*In 478 net weight bales.

†Nine months ending April 31.

LOCAL BUSINE

ABILENE:

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
Retail sales of independent stores		+ 1.8	+ 4.6
Department and apparel stores sales		— 3.0	+ 0.8
Postal receipts $	32,579	+ 7.3	— 5.7
Building permits $	378,270	+ 51.7	— 52.1
Bank debits to individual accounts (thousands) $	82,318	+ 21.9	— 4.8
End-of-month deposits (thousands)* $	40,973	+ 8.6	+ 1.6
Annual rate of deposit turnover	9.5	+ 10.5	— 5.0
Air express shipments	244	+ 61.6	+ 0.8
Unemployment	925	— 36.2	— 11.9
Placements in employment	536	— 3.8	+ 19.9
Nonagricultural civilian labor force	18,118	— 5.9	+ 1.5

AMARILLO:

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
Retail sales of independent stores		+ 8.1	+ 3.2
Department and apparel store sales		— 2.9	+ 1.8
Postal receipts $	69,570	+ 22.4	+ 7.9
Building permits $	1,280,715	+ 98.2	+104.1
Bank debits to individual accounts (thousands) $	91,860	+ 32.3	+ 6.3
End-of-month deposits (thousands)* $	82,220	+ 8.2	— 2.9
Annual rate of deposit turnover	13.2	+ 17.9	+ 6.5
Air express shipments	677	+ 62.7	+ 22.0
Unemployment	1,500	— 11.8	— 11.8
Placements in employment	939	+ 52.9	+ 5.5
Nonagricultural civilian labor force	35,615	+ 21.1	— 0.1

AUSTIN:

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
Retail sales of independent stores		+ 15.1	+ 4.8
Department and apparel store sales		+ 2.8	+ 1.8
Postal receipts $	119,411	— 3.7	— 20.2
Building permits $	1,833,850	+ 29.7	— 42.9
Bank debits to individual accounts (thousands) $	96,064	+ 7.5	— 14.1
End-of-month deposits (thousands)* $	103,755	+ 8.7	+ 0.6
Annual rate of deposit turnover	11.2	+ 1.8	— 14.5
Air express shipments	657	+ 23.7	+ 3.5
Unemployment	1,580	— 25.2	— 3.5
Placements in employment	1,195	+ 35.0	+ 14.0
Nonagricultural civilian labor force	44,640	+ 1.3	+ 0.2

BEAUMONT:

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
Retail sales of independent stores		+ 9.2	— 2.5
Department and apparel store sales		+ 7.4	+ 6.2
Postal receipts $	50,465	+ 10.6	— 3.8
Building permits $	733,019	+ 63.7	— 37.2
Bank debits to individual accounts (thousands) $	93,998	+ 32.9	— 0.1
End-of-month deposits (thousands)* $	93,193	+ 15.8	— 2.0
Annual rate of deposit turnover	12.0	+ 15.4	+ 0.8
Export and coastal cars unloaded	668	+ 21.9	— 1.9
Air express shipments	414	+ 56.2	+ 26.6

BROWNSVILLE:

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
Retail sales of independent stores		+ 8.2	+ 5.6
Postal receipts $	12,412	+ 9.7	— 8.6
Building permits $	122,694	+ 43.1	— 68.5
Export cars unloaded	139		— 21.0
Air express shipments	536	— 73.9	— 4.8
Coastal cars unloaded	25		— 76.2

BROWNWOOD:

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
Retail sales of independent stores		+ 1.4	— 9.9
Department and apparel store sales		+ 6.8	+ 0.4
Postal receipts $	11,686	+ 10.5	+ 0.9
Building permits $	216,950	— 12.3	+117.1
Air express shipments	56		+ 19.1

*Excludes deposits to credit of banks.

BRYAN:

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
Department and apparel store sales		— 4.1	+ 1.9
Building permits $	153,390	— 30.2	— 7.8
Air express shipments	47	+ 46.9	+ 38.2

CORPUS CHRISTI:

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
Retail sales of independent stores		+ 4.5	+ 0.2
Department and apparel store sales		— 6.0	+ 0.8
Postal receipts $	63,727	— 0.9	— 7.0
Building permits $	909,405	+ 21.0	— 34.7
Bank debits to individual accounts (thousands) $	77,749	+ 16.2	+ 1.8
End-of-month deposits (thousands)* $	71,239	+ 9.8	— 5.1
Annual rate of deposit turnover	12.7	+ 4.1	+ 1.6
Air express shipments	639	+ 1.4	+ 31.2
Unemployment	1,800	— 25.0	— 28.0
Placements in employment	1,253	+ 60.0	+ 21.8
Nonagricultural civilian labor force	47,066	— 6.6	— 0.8

CORSICANA:

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
Postal receipts $	8,158	— 5.7	— 13.2
Building permits $	72,225	+431.1	+ 10.7
Bank debits to individual accounts (thousands) $	9,130	+ 11.5	— 14.0
End-of-month deposits (thousands)* $	18,993	— 2.0	— 1.8
Annual rate of deposit turnover	5.8	+ 16.0	— 12.1

DALLAS:

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
Retail sales of independent stores		— 0.8	— 4.4
Apparel stores		— 1.7	— 2.7
Automotive stores		— 7.8	— 3.9
General merchandise		+ 2.9	— 7.8
Drug stores		— 2.6	+ 1.3
Filling stations		+ 31.9	+ 9.5
Florists		— 10.3	— 0.3
Food stores		— 0.3	— 1.6
Furniture and household stores		+ 17.7	+ 19.0
Lumber, building material, and hardware stores		+ 5.1	— 15.4
Eating and drinking places		— 0.6	— 11.6
All other stores		— 0.6	— 11.6
Department store sales		+ 0.1	— 5.6
Postal receipts $	819,277	+ 20.9	— 1.7
Building permits $	9,059,860	+188.2	+ 0.1
Bank debits to individual accounts (thousands) $	916,673	+ 11.7	— 7.6
End-of-month deposits $	699,989	+ 7.7	+ 0.3
Annual rate of deposit turnover	15.7	+ 4.0	— 8.7
Air express shipments	9,118	+ 16.0	+ 10.7
Unemployment	4,800	— 53.4	— 20.0
Placements in employment	5,849	+ 51.7	+ 16.7
Nonagricultural civilian labor force	228,730	+ 4.2	+ 0.3

GALVESTON:

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
Retail sales of independent stores		— 6.5	+ 3.6
Department and apparel store sales		— 2.1	+ 4.5
Postal receipts $	50,057	+ 4.0	— 2.2
Building permits $	221,144	— 4.5	— 48.7
Bank debits to individual accounts (thousands) $	66,620	+ 9.9	— 1.0
End-of-month deposits (thousands)* $	92,275	+ 2.5	+ 0.1
Annual rate of deposit turnover	8.6	+ 3.6	— 2.3
Export and coastal cars unloaded	9,386	— 15.3	+ 3.0
Air express shipments	463	+ 4.0	+ 19.3
Unemployment (area)	1,500	— 31.8	0.0
Placements in employment (area)	1,099	— 2.0	+ 10.1
Nonagricultural civilian labor force (area)	58,075	+ 8.8	+ 0.2

*Excludes deposits to credit of banks.

S CONDITIONS

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
FORT WORTH:			
Retail sales of independent stores		+ 3.4	− 1.9
Apparel stores		− 7.3	+ 2.2
Automotive stores		+ 0.1	− 14.8
Florists		+ 7.2	+ 40.0
Food stores		− 7.0	+ 8.3
Furniture and household stores		− 9.6	+ 12.0
Lumber, building material, and hardware stores		+ 34.7	+ 8.0
Eating and drinking places		+ 2.1	+ 8.7
All other stores		− 2.2	− 2.1
Department store sales		− 1.1	− 1.0
Postal receipts $	313,382	+ 5.6	+ 1.5
Building permits $	2,448,766	+ 6.5	− 83.7
Bank debits to individual accounts (thousands) $	311,582	+ 11.9	+ 3.8
End-of-month deposits (thousands)* $	274,797	− 0.1	+ 1.5
Annual rate of deposit turnover	13.7	+ 12.3	+ 2.2
Air express shipments	2,034	+ 19.2	+ 15.7
Unemployment	7,200	− 28.0	− 15.3
Placements in employment	4,074	+ 12.9	+ 16.2
Nonagricultural civilian labor force	133,295	+ 1.8	+ 0.2
EL PASO:			
Retail sales of independent stores		− 0.3	− 0.8
Department and apparel store sales		− 1.3	+ 8.3
Postal receipts $	94,336	+ 18.0	− 9.2
Building permits $	1,076,035	+ 83.2	− 1.6
Bank debits to individual accounts (thousands) $	114,345	+ 17.3	− 6.9
End-of-month deposits (thousands)* $	123,026	+ 18.1	+ 6.6
Annual rate of deposit turnover	11.5	+ 2.7	− 9.7
Air express shipments	1,423	+ 5.6	− 0.2
Unemployment	2,500	− 16.7	− 3.8
Placements in employment	1,139	+ 63.4	+ 18.9
Nonagricultural civilian labor force	51,574	+ 2.6	+ 0.4
Railroad carloadings:			
Inbound	697		− 3.3
Outbound	769		− 7.0
HOUSTON:			
Retail sales of independent stores		+ 6.6	− 0.8
Apparel stores		+ 0.4	− 2.1
Automotive stores		+ 12.6	− 5.3
General merchandise		+ 0.6	− 4.0
Drug stores		+ 3.0	+ 4.1
Filling stations		+ 3.4	+ 6.8
Food stores		+ 3.3	+ 4.0
Furniture and household stores		+ 14.1	+ 21.2
Lumber, building material, and hardware stores		+ 12.6	− 7.0
Eating and drinking places		+ 7.8	+ 4.8
All other stores		+ 11.9	+ 18.4
Department store sales		+ 0.4	− 2.1
Postal receipts $	516,808	+ 10.3	− 2.9
Building permits $	7,966,350	+ 51.7	+ 3.4
Bank debits to individual accounts (thousands) $	1,023,417	+ 29.9	− 0.8
End-of-month deposits (thousands)* $	846,276	+ 12.8	− 1.1
Annual rate of deposit turnover	14.4	+ 14.3	− 2.7
Export and coastal cars unloaded	4,117	− 13.1	− 3.5
Air express shipments	5,606	+ 13.3	+ 10.3
Unemployment (area)	7,600	− 30.9	0.0
Placements in employment (area)	5,686	+ 18.6	+ 10.1
Nonagricultural civilian labor force (area)	312,305	+ 3.7	+ 0.6

*Excludes deposits to credit of banks.

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
LAMESA:			
Retail sales of independent stores		− 6.6	− 4.2
Postal receipts $	4,966	− 2.0	+ 7.3
Building permits $	29,500	+ 17.3	+ 35.3
LAREDO:			
Department and apparel store sales		− 1.4	+ 5.2
Postal receipts $	16,529	+ 9.2	− 2.6
Bank debits to individual accounts (thousands) $	17,875	+ 7.2	− 6.7
End-of-month deposits (thousands)* $	28,228	+ 8.9	+ 0.2
Annual rate of deposit turnover	9.2	− 4.2	− 9.3
Air express shipments	302	− 6.8	+ 2.0
Electric power consumption (thousands of KWH)	2,956	+ 11.4	+ 23.4
Natural gas consumption	38,088	− 14.8	− 30.9
LOCKHART:			
Retail sales of independent stores		+ 5.2	+ 2.4
Department and apparel store sales		+ 18.0	+ 13.1
Postal receipts $	2,182	− 0.4	− 7.6
Building permits $	53,015	+364.4	− 48.5
Bank debits to individual accounts (thousands) $	2,487,731	+ 6.2	− 8.6
End-of-month deposits (thousands)* $	4,814,280	+ 15.3	− 0.2
LUBBOCK:			
Retail sales of independent stores		+ 14.5	− 2.5
Department and apparel store sales		+ 6.4	− 2.5
Postal receipts $	43,998	− 0.1	− 6.5
Building permits $	960,715	− 16.8	− 12.0
Bank debits to individual accounts (thousands) $	59,461	+ 22.4	− 11.6
End-of-month deposits (thousands)* $	68,226	+ 24.1	− 3.2
Annual rate of deposit turnover	10.3	− 2.8	− 10.4
Air express shipments	455	+ 69.1	+ 31.1
Unemployment	850	− 5.6	0.0
Placements in employment	675	+ 17.4	+ 4.0
Nonagricultural civilian labor force	25,921	+ 0.1	+ 0.4
MARSHALL:			
Department and apparel store sales		+ 2.6	+ 18.8
Postal receipts $	12,150	+ 18.0	+ 2.1
Building permits $	87,284	− 2.5	− 49.2
PLAINVIEW:			
Retail sales of independent stores		+ 40.6	+ 2.0
Department and apparel store sales		+ 8.2	+ 15.2
Postal receipts $	7,984	+ 10.7	− 3.2
Building permits $	103,000	+ 47.7	− 40.2
Air express shipments	90		+ 34.3
PORT ARTHUR:			
Retail sales of independent stores		+ 7.1	+ 1.8
Department and apparel store sales		− 9.6	+ 7.9
Postal receipts $	23,927	− 0.01	− 6.5
Building permits $	207,401	+ 28.5	− 15.3
Bank debits to individual accounts (thousands) $	35,027	+ 9.5	+ 2.5
End-of-month deposits (thousands)* $	33,922	+ 0.4	− 1.3
Annual rate of deposit turnover	10.7	+ 7.0	+ 2.9
Export cars unloaded	736	+ 70.8	+ 40.2
Air express shipments	221	+ 5.7	+ 18.8
Coastal cars unloaded	515	+ 15.5	+ 39.9

*Excludes deposits to credit of banks.

LOCAL BUSINESS CONDITIONS

(Continued)

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
SAN ANGELO:			
Retail sales of independent stores		+ 4.2	+ 1.8
Postal receipts $	28,952	+ 25.8	+ 2.4
Bank debits to individual accounts (thousands) $	31,149	+ 33.0	+ 1.6
End-of-month deposits (thousands)* $	39,240	+ 12.8	+ 5.4
Annual rate of deposit turnover	9.7	+ 16.9	— 1.0
Air express shipments	574	+ 75.5	— 4.2
SAN ANTONIO:			
Retail sales of independent stores		+ 2.2	— 4.5
Apparel stores		— 6.8	— 1.7
Automotive stores		+ 10.3	— 2.4
General merchandise stores		— 0.4	— 9.0
Drug stores		+ 0.8	+ 8.9
Filling stations		+ 20.3	+ 0.7
Food stores		+ 1.1	— 0.7
Furniture and household stores		— 7.0	— 6.0
Lumber, building material, and hardware stores		+ 12.1	— 3.2
Eating and drinking places		— 3.6	+ 1.4
All other stores		— 2.6	+ 8.4
Department store sales		— 2.5	— 8.2
Postal receipts $	280,323	+ 8.9	— 4.5
Building permits $	3,357,615	+ 23.0	+ 12.9
Bank debits to individual accounts (thousands) $	249,359	+ 7.0	+ 0.4
End-of-month deposits (thousands)* $	313,558	— 0.1	+ 0.02
Annual rate of deposit turnover	9.6	+ 7.9	+ 1.1
Air express shipments	2,874	— 2.8	+ 0.3
Unemployment	5,000	— 55.4	— 4.8
Placements in employment	3,043	+ 45.6	+ 10.5
Nonagricultural civilian labor force	156,411	— 1.8	+ 1.0
TEMPLE:			
Retail sales of independent stores		+ 13.4	— 4.3
Department and apparel store sales		+ 3.3	— 2.2
Postal receipts $	13,345	+ 13.7	— 1.0
Building permits $	239,862	+175.5	— 4.9
Air express shipments	88	+ 33.9	+ 23.9
TEXARKANA:			
Retail sales of independent stores		+ 4.2	— 0.2
Department and apparel store sales		— 5.5	+ 6.1
Postal receipts $	26,528	+ 3.8	— 3.1
Building permits $	218,267	— 34.4	+149.0
Bank debits to individual accounts (thousands) $	23,360	+ 7.4	— 8.2
End-of-month deposits (thousands)* $	21,659	— 0.7	— 1.7
Annual rate of deposit turnover	7.7	+ 5.5	— 6.1
Air express shipments	120	+ 44.6	+ 17.6
Unemployment	3,402	+ 0.7	— 3.5
Placements in employment	534	— 18.7	+ 5.3
Nonagricultural civilian labor force	32,930	+ 1.8	+ 2.0

*Excludes deposits to credit of banks.

City and item	May 1948	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
TEXAS CITY:			
Retail sales of independent stores		— 39.1	+ 4.7
Department and apparel store sales		+ 31.6	— 29.0
Postal receipts $	9,068	+ 18.8	— 5.3
Building permits $	78,770	— 76.7	— 93.3
Unemployment (area)	1,500	— 31.8	0.0
Placements in employment (area)	1,099	— 2.0	+ 10.1
Nonagricultural civilian labor force (area)	58,075	+ 8.8	+ 0.2
Coastal cars unloaded	395		+ 0.3
TYLER:			
Retail sales of independent stores		+ 5.9	+ 1.4
Department and apparel store sales		— 3.4	+ 0.6
Postal receipts $	30,455	+ 14.8	— 12.0
Building permits $	535,090	+146.5	+ 39.1
Bank debits to individual accounts (thousands) $	38,795	+ 9.2	— 9.2
End-of-month deposits (thousands)* $	52,108	+ 9.2	+ 2.7
Annual rate of deposit turnover	9.0	— 5.3	— 11.8
Air express shipments	476	+ 28.3	+155.9
WACO:			
Retail sales of independent stores		+ 3.9	+ 5.6
Department and apparel store sales		+ 5.3	+ 4.0
Postal receipts $	66,586	+ 2.9	— 10.0
Building permits $	743,316	+ 32.0	— 15.0
Bank debits to individual accounts (thousands) $	48,064	+ 16.0	+ 3.6
End-of-month deposits (thousands)* $	62,655	+ 2.4	+ 1.2
Annual rate of deposit turnover	9.2	+ 10.8	+ 2.2
Air express shipments	302	+ 69.7	+ 11.9
Unemployment	3,000	— 11.8	— 4.8
Placements in employment	687	+ 77.5	+ 17.0
Nonagricultural civilian labor force	46,050	+ 0.1	— 0.3
WICHITA FALLS:			
Retail sales of independent stores		— 3.2	— 5.7
Department and apparel store sales		— 7.0	+ 5.7
Postal receipts $	41,802	+ 5.7	— 1.1
Building permits $	161,660	+ 41.0	— 71.9
Bank debits to individual accounts (thousands) $	54,651	+ 23.9	+ 2.1
End-of-month deposits (thousands)* $	77,171	+ 18.5	+ 0.1
Annual rate of deposit turnover	8.5	+ 3.7	+ 1.2
Air express shipments	360	+ 30.4	+ 17.3
Unemployment	1,238	— 31.8	— 17.9
Placements in employment	594	+ 43.8	+ 12.5
Nonagricultural civilian labor force	31,165	+ 9.6	+ 0.2

*Excludes deposits to credit of banks.

The cotton balance sheet now indicates that the carry-over of cotton of all sorts in all hands in the United States will be between 2.5 and 3 million bales on August 1. This is not far different from what it was last year, but in view of Government and mill policies mentioned above a stronger market may be expected in the early season this fall than the last.

Cold Storage

(In both periods of shortages and surpluses, the storage holdings of perishable food products are important because of their effect on prices.)

Holdings of eggs and fluid cream in Texas cold storage plants increased sharply during May, as stocks of butter, poultry, cheese, and plastic cream were reduced.

FINANCE

Bank Credit

(Since bank credit is ssential to all business, the conditions of the commercial banks and the Federal Rserve Banks is a significan 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.)

Total loans and investments of *weekly reporting member banks in the 11th Federal Reserve District* declined further during May to reach the lowest point since September 1947. The total drop of 0.9% was composed of a $16 million fall in loans, a $2 million decrease in total United States Government securities held, and a $1 million decline in other securities, combining to make a total of $2,169 million outstanding at the end of May, as compared to $2,188 million for April. Primarily as a result of this recent slackening in credit extension, the reporting banks' reserves with the Federal Reserve Bank increased by 3.8% to $486 million, a figure 27.6% higher than for May a year ago. Stability was the keynote for deposit accounts, with no change in time deposits and a drop of only 0.1% in demand (and total) deposits.

According to the *summary statement of condition of the Federal Reserve Bank of Dallas,* total resources of the bank increased during the month by 1.3% or about $22 million. Federal Reserve credit outstanding, represented by United States Government securities owned and discounts and advances to member banks and others, increased by approximately $12 million to a total of $945 million for the month. Gold certificate reserves, which include those in the bank's vaults, those held by the Federal Reserve agent as collateral for Federal Reserve notes outstanding, and those owned by the Dallas bank in the two clearing funds in Washington, increased by 2.3% during May to $536 million. The 1.3% rise in total liabilities and capital accounts was made up primarily of a 1.3% increase in Federal Reserve notes outstanding (thereby reversing the recent downward trend), and the 2.0% or $17 million, rise in deposits. It should be noted that the increment in deposits closely parallels the increase in member bank reserve balances commented upon above. This is because member bank reserves far overshadow in importance the other deposits in the reserve bank, including those of the United States Government, foreign banks, nonmember banks, and certain government agencies.

CHANGES IN CONDITION OF WEEKLY REPORTING MEMBER BANKS

Source: Board of Governors of the Federal Reserve System

Item	Percent change		
	May 1948 from May 1947	May 1948 from Apr. 1948	May 1947 from Apr. 1947
ASSETS			
Loans and investments	+ 17.3	− 0.9	+ 1.4
Loans	+ 36.1	− 1.6	0.0
Total U.S. Government securities	− 6.2	+ 2.9	+ 2.3
Treasury bills	− 66.7	− 20.0	+ 60.0
Treasury certificates of indebtedness	− 20.6	+ 4.8	− 0.5
Treasury notes	− 18.0	0.0	+ 0.9
United States bonds	+ 19.6	− 0.8	+ 0.8
Other securities	+ 27.0	− 0.9	+ 8.5
Reserve with Federal Reserve Banks	+ 27.6	+ 3.8	− 2.3
Cash in vault	+ 14.8	− 11.4	+ 8.0
Balances with domestic banks	+ 24.6	+ 4.0	+ 2.7
LIABILITIES			
Total deposits (except interbank)	+ 21.4	− 0.1	+ 0.9
Demand deposits adjusted	+ 21.9	− 0.1	+ 1.8
Time deposits	+ 17.7	0.0	+ 1.5
United States Government deposits	+ 35.5	− 2.3	− 22.5
Interbank deposits:			
Domestic banks	+ 10.4	+ 1.8	+ 2.2
Foreign banks	+ 33.3	0.0	0.0
CAPITAL ACCOUNTS	+ 25.0	+ 0.5	+ 0.6

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

SUMMARY STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(in thousands of dollars)

Source: Board of Governors of the Federal Reserve System

Classification	May 28 1948	Apr. 28 1948	May 28 1947	Percent change	
				May 1948 from May 1947	May 1948 from Apr. 1948
ASSETS					
Gold certificate reserves	536,453	524,288	460,272	+ 16.6	+ 2.3
U.S. Government securities	937,341	926,317	885,794	+ 5.8	+ 1.2
Discounts and advances	7,270	6,507	1,219	+596.4	+11.7
Other cash	8,537	10,657	10,932	− 21.9	−19.9
Other assets	131,297	131,652	95,543	+ 37.4	− 0.3
TOTAL ASSETS	1,620,898	1,599,421	1,453,760	+ 11.5	+ 1.3
LIABILITIES					
Federal Reserve notes	594,973	587,602	571,468	+ 4.1	+ 1.3
Deposits	891,007	873,865	775,866	+ 14.8	+ 2.0
Other liabilities	108,383	110,448	82,098	+ 32.0	− 1.9
TOTAL LIABILITIES	1,594,363	1,571,915	1,429,432	+ 11.5	+ 1.4
Capital paid in	7,636	7,612	7,088	+ 7.7	+ 0.3
Surplus	15,418	15,418	15,084	+ 2.2	......
Other capital accounts	3,482	4,476	2,156	+ 61.5	−22.2
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	1,620,898	1,599,421	1,453,760	+ 11.5	+ 1.3

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 for the 20 reporting cities declined by 3.0% during May to $3,391 million, a figure 18.1% above that for the corresponding month in 1947. At the same time, the annual rate of deposit turnover dropped from 13.5 times per year to 12.9 times, a decline of some 4.4%. Only 8 of the reporting cities experienced increases during the month. Percentagewise, the largest increase was in Amarillo, with a 6.5% rise, while Austin led the decreases with a 14.5% decline. Total debits in Houston exceeded the $1 billion mark for the third successive month.

The *seasonally-adjusted index of bank debits* fell from the all-time high of 450.8% of the 1935–39 average set in April to an index of 438.1, a figure 18.1% above a year ago.

BANK DEBITS*

(in thousands of dollars)

Source: Board of Governors of the Federal Reserve System

City	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
TOTAL	$3,391,497	$3,496,691	$2,872,317	+18.1	— 3.0
Abilene	32,318	33,756	26,519	+21.9	— 4.3
Amarillo	91,860	86,452	69,432	+32.3	+ 6.3
Austin	96,064	111,769	89,362	+ 7.5	—14.1
Beaumont	93,998	94,137	70,747	+32.9	— 0.1
Corpus Christi	77,749	76,348	66,938	+16.2	+ 1.8
Corsicana	9,130	10,620	8,186	+11.5	—14.0
Dallas	916,673	992,183	820,466	+11.7	— 7.6
El Paso	114,345	122,819	97,440	+17.3	— 6.9
Fort Worth	311,582	301,754	278,422	+11.9	+ 3.3
Galveston	66,620	67,298	60,594	+ 9.9	— 1.0
Houston	1,023,417	1,031,937	787,727	+29.9	— 0.8
Laredo	17,875	19,150	16,678	+ 7.2	— 6.7
Lubbock	59,461	67,233	48,587	+22.4	—11.6
Port Arthur	35,027	34,181	31,996	+ 9.5	+ 2.5
San Angelo	31,149	30,645	23,413	+33.0	+ 1.6
San Antonio	249,359	248,327	233,002	+ 7.0	+ 0.4
Texarkana†	23,360	25,455	21,743	+ 7.4	— 8.2
Tyler	38,795	42,712	35,515	+ 9.2	— 9.2
Waco	48,064	46,407	41,428	+16.0	+ 3.6
Wichita Falls	54,651	53,513	44,122	+23.9	+ 2.1

*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.)

Texans purchased 3.8% less *ordinary life insurance* in May than in the preceding month, but sales in the nation as a whole declined by nearly twice as much, or 7.0%. Sales in Texas amounted to $62,370 thousand as compared to $64,804 thousand in April; national sales were $1,196 million in May as compared to $1,287 million in April. Compared to May a year ago, Texas sales were 0.6% higher while national sales declined by 2.7%.

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.)

Four businesses with average liabilities of $52,000 each were reported as failures during May by Dun and Bradstreet, Inc. The 5 that failed during April had total liabilities of only $117 thousand, or an average of $23,000 each, and in May 1947 only 2 failed with total liabilities of $34,000.

Business failures for the first five months of 1948 totaled 27, compared to 17 in the like period in 1947.

Failures began to fall in 1941, reaching a monthly low in December 1945 for the country as a whole. An upward movement of the trend in commercial and industrial failures, however, has been evident since the middle of 1946. Business fatalities are still considerably below the level of failures prior to World War II.

BUSINESS FAILURES

Source: Dun and Bradstreet, Inc.

	May 1948	Apr. 1948	May 1947	Apr. 1947
Number	4	5	2	5
Liabilities*	$206	$117	$ 34	$892
Average liabilities per failure*	$ 52	$ 23	$ 17	$178

*In thousands of dollars.

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 378 *domestic corporations* during the month, as compared to 387 in April and 230 in May 1947. Total capitalization of the new organizations declined from $9,390 thousand in April to $7,330 thousand in May. Classified according to nature of business, those organized for merchandising purposes led in number with 82, followed by real estate building with 48 and manufacturing with 38. A total of 52 foreign corporations also received charters.

Of those chartered, the smaller corporations were dominant, for only 10 were capitalized for amounts over $100,000, while 214 were chartered between $5,000 and $10,000 and 75 were chartered for less than $5,000.

CORPORATION CHARTERS ISSUED BY CLASSIFICATIONS

Source: Secretary of State

Classification	May 1948	Apr. 1948	May 1947
DOMESTIC CORPORATIONS			
Capitalization*	7,330	9,390	9,547
Number	378	387	230
Banking-finance	8	13	3
Construction	18	20	15
Manufacturing	38	39	22
Merchandising	82	85	48
Oil	12	26	14
Public service	6	2	9
Real estate building	48	47	34
Transportation	7	10	4
All others	90	71	49
No capital stock	69	74	32
FOREIGN CORPORATIONS			
Number	52	37	7

*In thousands of dollars.

CORPORATION CHARTERS ISSUED BY CAPITALIZATION

Source: Office of the Secretary of State

Capitalization	May 1948	Apr. 1948	May 1947
Over $100,000	10	14	26
$5,000-$100,000	214	223	125
Less than $5,000	75	69	43
No capital stock	69	74	32
Capitalization not specified	10	7	4

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.)

No unusual developments in transportation have taken place in the past two months. Certain trends in traffic rates and costs are still apparent. The railroads were unable to supply all the cars required recently to handle all of the grain crop of the Southwest, but considering the deluge of wheat, the space of time during which it was offered and the shortage of elevator space in many places, the carriers performed excellently in most cases and better than in some previous years.

The aforementioned trends, according to statistics issued by the Interstate Commerce Commission, are chiefly concerned with the steadily rising curves of cost and diminishing net revenues of the railroads. Despite the fact that total operating revenues of Class 1 railways for the 12 months ending in April 1948 were almost $1 billion more than in the comparable period a year ago, net income after the deduction of federal income taxes was almost exactly the same as the previous year. If much higher wages and costs of supplies, materials, and equipment are considered, the carriers may be said to be losing ground financially. They are also now facing an unsettled operating union wage and rules dispute, which keeps them technically under Army control, and a third round of wage increase demands from other unions. Inevitably such increases, if granted, will reflect in higher passenger and freight rates, which will in turn cause more business either to be diverted to other carriers or to diminish in movement. Already such results are being experienced particularly in passenger traffic that the point of diminishing returns from wage and rate increases appears close at hand if not actually passed.

REVENUE FREIGHT LOADED IN SOUTHWESTERN DISTRICT

(in carloads)

Source: Car Service Division, Association of American Railroads

Item	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
TOTAL	291,254	285,269	282,877	+ 3.0	+ 2.1
Grain and grain products	19,503	18,526	19,668	— 0.8	+ 5.3
Livestock	7,892	11,221	9,286	—15.0	—29.7
Coal	26,696	16,297	22,588	+18.2	+68.8
Coke	1,136	1,039	676	+68.0	+ 9.3
Forest products	22,932	22,892	23,748	— 3.4	+ 0.2
Ore	3,045	2,411	3,274	— 7.0	+26.3
Merchandise (l.c.l.)	29,191	29,097	30,136	— 3.1	+ 0.3
Miscellaneous	180,859	183,784	173,501	+ 4.2	— 1.6

According to the Interstate Commerce Commission, in 1946 percentages of inter-city freight-traffic in the United States were distributed as follows:

Railways, steam and electric	68.1%
Trucks, private and for-hire	7.5
Inland waterways, including Great Lakes	13.9
Oil pipelines	10.4
Airways, domestic, including mail, express	0.1
Total	100.0%

Inter-city passenger traffic for 1946 was divided:

Railways, steam and electric	18.72%
Highways, total	78.94
Commercial carriers	7.26
Private automobiles	71.68
Inland waterways	0.66
Airways	1.68
Total	100.00%

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.)

The present Congress has reached the final stages in passing a bill to provide air parcel post service for domestic commerce. The Senate has passed such a measure and the House Post Office and Civil Service Committee has unanimously approved a similar bill. Approval by the House is expected shortly.

The bill provides for air parcel post to be carried by the certificated domestic air lines. The independent air freight operators made a strong bid for the right to transport air parcel post, but the certificated carriers of passengers, mail, and property were able to demonstrate that the net cost to the Post Office Department would be less if air parcel post traffic were given to them. This new business will add to gross revenues and will reduce the amount of payment required for the present air mail service.

Estimates indicate that the 1947 average of 68 cents per ton-mile paid by the Post Office Department to the 16 domestic trunklines for air mail service will be reduced to 40 cents per ton-mile for the combined air postal service—airmail and air parcel post. The over-all savings for air service of the Post Office Department will be around $10 million annually.

Proposed changes to users of the air parcel post service vary from first zone rates of 55 cents for the first pound plus 4 cents for each additional pound to eighth zone rates of 80 cents for the first pound plus 11 cents for each additional pound. Surface parcel post rates for first zone are 9 cents for the first pound plus 1.1 cents for each additional pound to eighth zone rates of 16 cents for the first pound plus 11 cents for each additional pound.

Comparison of traffic data of the domestic airlines for the first half of 1948 with the same period for 1947 reveals that a leveling-off point has been reached in the development of new passenger traffic. This is in the face of a continuing upward trend in airline costs. With costs rising and passenger traffic no longer increasing, the prospect that the airlines will be able to operate at a profit is very slight. Losses were experienced in both 1946 and 1947. Relief must come either in the form of increased mail or passenger revenues or in the curtailment of expenses. Increased passenger fares at this time are not desirable. Increased fares now with two 10% advances during the past year would probably result in a reduction in total passenger traffic to the extent that gross passenger revenue would decline. Further increases in rates of mail pay will prompt opposition from an economy-minded Congress. The alternative seems to be the accomplishment of reductions in expenditures. Airline officials would do well to lend their support to a program of economy involving the consolidation of services at airports and the elimination of downtown ticket offices maintained principally for prestige factors rather than service.

Air express shipments in Texas during May 1948 were 10.6% above April.

AIR EXPRESS SHIPMENTS

Source: Railway Express Agency

Cities	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
TOTAL	29,149	26,273	25,898	+ 12.6	+ 10.9
Abilene	244	242	151	+ 61.6	+ 0.8
Amarillo	677	555	416	+ 62.7	+ 22.0
Austin	657	635	531	+ 23.7	+ 3.5
Beaumont	414	327	265	+ 56.2	+ 26.6
Big Spring	81	61	68	+ 19.1	+ 32.8
Brownsville	536	563	2,055	— 73.9	— 4.8
Brownwood	56	47	*	——	+ 19.1
Bryan	47	34	32	+ 46.9	+ 38.2
Corpus Christi	639	487	630	+ 1.4	+ 31.2
Dallas	9,113	8,233	7,855	+ 16.0	+ 10.7
Eagle Pass	55	30	*	——	+ 83.3
El Paso	1,428	1,426	1,348	+ 5.6	— 0.2
Fort Stockton	16	28	*	——	— 42.9
Fort Worth	2,034	1,758	1,706	+ 19.2	+ 15.7
Galveston	463	388	445	+ 4.0	+ 19.3
Houston	5,606	5,082	4,948	+ 13.3	+ 10.3
Laredo	302	296	324	— 6.8	+ 2.0
Longview	187	170	*	——	+ 10.0
Lubbock	455	347	269	+ 69.1	+ 31.1
Midland	278	292	135	+105.9	— 4.8
Mineral Wells	44	33	47	— 6.4	+ 33.3
Odessa	274	252	159	+ 72.3	+ 8.7
Palestine	22	16	*	——	+ 37.5
Paris	44	33	*	——	+ 33.3
Plainview	90	67	*	——	+ 34.3
Port Arthur	221	186	209	+ 5.7	+ 18.8
San Angelo	574	599	327	+ 75.5	— 4.2
San Antonio	2,874	2,866	2,957	— 2.8	+ 0.3
Sweetwater	51	40	51	0.0	+ 27.5
Temple	83	67	62	+ 33.9	+ 23.9
Texarkana	120	102	83	+ 44.6	+ 17.6
Tyler	476	186	371	+ 28.3	+155.9
Victoria	37	40	*	——	— 7.5
Waco	302	270	178	+ 69.7	+ 11.9
Wichita Falls	360	307	276	+ 30.4	+ 17.3
Other	294	208	*	——	+ 41.3

*Air express service originated at a later date.

LABOR

Employment

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

Estimates compiled by the Bureau of Business Research, in cooperation with the federal Bureau of Labor Statistics, reveal a continued upward trend in *employment* for May 1948. The total number of people employed in nonagricultural jobs was 0.5% above April and 4.9% above May of last year. Manufacturing employment was up 0.9%, and nonmanufacturing supported the trend with a 0.3% gain for the month. In manufacturing, the largest employment gain for May was 10.1% for transportation equipment, except automobile. The 6.3% decline for apparel was the greatest single drop in manufacturing for the same period.

Employment changes in mining and transportation and public utilities were relatively minor for May. The automobile industry, in the trade group, reduced worker requirements by 4.0%. The finance and service industries made minor employment gains over April.

Within the past six months 236 new industries in Texas have hired 3,900 new workers. Naturally the material demands of the new industries will also bolster employment in the established business patterns.

Apparently Texas will show comparatively minor employment changes directly as a result of the third round of wage increases now that the United Automotive Workers and General Motors have established a workable patteren. Those industries subject to the Fair Labor Standards Act should give some consideration to the recent Supreme Court decision which makes some changes in previous concepts of overtime pay and how to figure it. It is possible that the decision will reduce the use of overtime, and create more employment through strict adherence to the 40-hour week.

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 for May 1948 indicated some significant changes for durable goods manufacturing. Pay rolls for the lumber and timber group climbed 7.5%, while "other" durable goods jumped 24.2% above April. The only decrease for the group was the 2.6% for furniture and finished lumber. Nondurable manufacturers reported small pay roll decreases in apparel (0.6%) and "other" nondurable goods (3.5%). Remaining industries in the classification had pay roll increases for May over April, the highest of which was 10.4% for food.

Hours and Earnings

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

Average *hours* worked in the manufacturing industries for May 1948 amounted to approximately 43.0 per week, while the median work week for the nonmanufacturing industries was about 44.2 hours.

Hourly earnings were greatly increased during May 1948, due in part to the lengthened work week, and in part to the new pay-scale increases in labor agreements. The greatest percentage gains were reported in food manufacturing (41.6%), hotels (41.2%), printing and publishing (34.2%), and nonferrous metals industries (26.7%).

Weekly take-home pay was correspondingly increased because of the higher hourly rates and longer work week. Average pay checks in crude petroleum production were $77.75, a new all-time high, with petroleum refining and chemicals a close second and third.

CHANGES IN PRODUCTION WORKER PAY ROLLS IN SPECIFIED INDUSTRIES

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

Industry	Number of reporting establishments	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
MANUFACTURING			
Durable goods:			
Iron and steel	32	+13.1	+ 0.9
Machinery, except electrical	35	+17.9	+ 1.3
Nonferrous metals	13	+15.6	+ 1.7
Lumber and timber	15	+24.8	+ 7.5
Furniture and finished lumber	22	— 3.1	— 2.6
Stone, clay, and glass	36	+14.1	+ 4.8
Other durable goods	8	+25.0	+24.2
Nondurable goods:			
Textiles	15	+21.5	+ 0.4
Apparel	30	+ 1.5	— 0.6
Food	130	+32.6	+10.4
Paper	16	+10.6	+ 2.8
Printing and publishing	35	+33.9	+ 2.9
Chemicals	55	+34.1	+ 3.9
Petroleum refining	34	+16.9	+ 6.6
Other nondurable goods	7	— 0.2	— 3.5
NONMANUFACTURING			
National banks	3	+12.3	+ 1.9
Brokerage	4	+25.5	+20.6
Crude petroleum production	34	+31.8	+14.9
Dyeing and cleaning	7	+ 5.7	+ 8.3
Hotels*	8	+14.3†	+ 0.7†
Insurance	93	+14.4	+ 1.9
Cotton compresses	5	+49.1	—17.4
Laundries	8	+ 5.9	+ 2.8
Public utilities	172	+31.6	+ 2.7
Quarrying	12	+15.9	+ 2.1
Retail trade*	336	+ 9.6	+ 0.8
Wholesale trade*	122	+13.1	+ 0.4
Air transportation	7	+68.6	+ 8.6

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

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

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	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
TOTAL	1,692.7	1,685.0	1,613.5	+ 4.9	+ 0.5
Manufacturing	341.7	338.7	324.8	+ 5.2	+ 0.9
Durable goods	144.4	141.6	138.5	+ 4.3	+ 2.0
Nondurable goods	197.3	197.1	186.3	+ 5.9	+ 0.1
Nonmanufacturing	1,351.0	1,346.3	1,288.7	+ 4.8	+ 0.3
Iron and steel	19.4	19.7	17.3	+12.1	— 1.5
Machinery, except electrical	31.9	31.3	30.0	+ 6.3	+ 1.9
Transportation equipment, except automobile	25.1	22.8	27.1	— 7.4	+10.1
Nonferrous metals	11.2	11.3	9.8	+14.3	— 0.9
Lumber and timber	33.4	32.9	29.7	+12.5	+ 1.5
Furniture	10.7	10.6	11.3	— 5.3	+ 0.9
Stone, clay, and glass	9.6	9.8	9.8	— 2.0	— 2.0
Other durable goods	3.1	3.2	3.5	—11.4	— 3.1
Textiles	9.8	9.9	8.6	+14.0	— 1.0
Apparel	23.9	25.5	25.1	— 4.8	— 6.3
Food	69.6	68.3	64.7	+ 7.6	+ 1.9
Paper and allied products	3.6	3.6	3.5	+ 2.9	0.0
Printing and publishing	20.3	20.1	19.4	+ 4.6	+ 1.0
Chemicals	23.8	23.8	18.0	+32.2	0.0
Petroleum	38.6	38.3	38.6	0.0	+ 0.8
Other nondurable goods	7.7	7.6	8.4	— 8.3	+ 1.3
Mining	94.4	93.9	88.3	+ 6.9	+ 0.5
Crude petroleum and natural gas production	87.8	87.1	82.0	+ 7.1	+ 0.8
Other mining	6.6	6.8	6.3	+ 4.8	— 2.9
Transportation and public utilities	224.3	223.9	193.7	+15.8	+ 0.2
Interstate railroads	66.8	67.1	67.6	— 1.2	— 0.4
Telephone and telegraph	32.1	32.4	12.9	+148.8	— 0.9
Other transportation and public utilities	125.4	124.4*	113.2	+10.8	+ 0.8
Trade	391.4	393.7	399.3	— 2.0	— 0.6
Wholesale	105.9	105.8	111.4	— 4.9	+ 0.1
Retail	285.5	287.9	287.9	— 0.8	— 0.8
General merchandise	57.4	56.6	62.7	— 8.5	+ 1.4
Foods and liquors	39.4	40.5	45.5	—13.4	— 2.7
Automobile	24.1	25.1	24.4	— 1.2	— 4.0
Apparel	24.6	23.9	21.6	+13.9	+ 2.9
Other retail trade	140.0	141.8	133.7	+ 4.7	— 1.3
Finance and service	293.1	290.6*	271.9	+ 7.8	+ 0.9
Bank and trust companies	18.6	18.6	16.7	+11.4	0.0
Insurance	25.2	25.1	23.7	+ 6.3	+ 0.4
Real estate and other financial agencies	25.9	25.6	22.0	+17.7	+ 1.2
Hotels	24.2	24.1	25.0	— 3.2	+ 0.4
Other personal service	51.0	50.5	53.6	— 4.9	+ 1.0
Medical services	32.1	31.9	28.5	+12.6	+ 0.6
Other business and professional services	116.1	114.8	102.4	+13.4	+ 1.1
Contract construction	106.0	102.4	94.1	+12.6	+ 3.5
Government	241.8	241.8	241.4	+ 0.2	0.0

*Revised.

Three important developments vitally affect the national wage and hour picture: the escalator wage agreement signed by General Motors; the "overtime-on-overtime" decision of the United States Supreme Court in the longshoremen's test case; and the close of this session of Congress without action on the Fair Labor Standards Act amendments.

The escalator clause of the General Motors contract is nothing new, but its acceptance by a large international union and by a large manufacturer may be the beginning of a trend of tying wages, one of the largest operating expenses, to economic and business indexes. This close tie-in would allow for quick smoothing out of inequities to either the manufacturer or the laborer in times of quickly rising or falling price standards.

The "overtime-on-overtime" decision is still too new for definite future predictions. As it stands, all the pay a worker receives each week, at whatever the rate (even though part of it was so-called "overtime"), must be averaged out and then overtime must be paid at 1½ times the average. This may effect real back pay increases for at least the past two years (statute of limitations) if the decision is binding on all interstate industry.

The 80th Congress adjourned without amending either the present minimum wage (40 cents an hour in interstate commerce), or redefining "overtime" rates in the light of the longshoremen's case decision. Without the desired amendments, many businessmen must now cut down on all overtime work, and rewrite present labor agreements so that odd-hour and holiday work are understood to be wage differentials and not overtime rates of pay.

MAN-HOURS WORKED IN IDENTICAL MANUFACTURING ESTABLISHMENTS

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

Industry	Number of reporting establishments	Percent change May 1948 from May 1947	Percent change May 1948 from Apr. 1948
TOTAL	448	+ 5.9	+ 4.8
Durable goods:			
Iron and steel	32	+ 3.2	— 0.2
Machinery, except electrical	35	+ 3.1	+ 0.6
Nonferrous metals	12	+ 5.4	+ 1.9
Lumber and timber	15	+12.8	+ 5.9
Furniture and finished lumber	21	— 6.1	— 0.9
Stone, clay, and glass	34	— 0.3	+ 1.0
Other durable goods	7	+ 9.8	+18.1
Nondurable goods:			
Textiles	12	+ 8.7	— 0.1
Apparel	27	— 8.8	— 0.8
Food	117	+10.8	+ 5.1
Paper and allied products	8	— 7.4	— 2.8
Printing and publishing	33	+13.7	+ 2.6
Chemicals	54	+21.1	— 1.4
Petroleum	84	+ 3.1	+ 4.4
Other nondurable goods	7	+ 2.7	— 0.9

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 May 1948	Average weekly hours May 1947	Average hourly earnings (in cents) May 1948	Average hourly earnings (in cents) May 1947	Average weekly earnings (in dollars) May 1948	Average weekly earnings (in dollars) May 1947	Percent change May 1948 from May 1947: Weekly hours	Hourly earnings	Weekly earnings
MANUFACTURING									
Durable goods:									
Iron and steel	44.8	43.3	117.5	106.6	52.05	46.16	+ 2.3	+ 10.2	+ 12.8
Machinery (except electrical)	44.2	44.5	135.2	109.3	56.38	48.64	— 0.7	+ 23.7	+ 15.9
Nonferrous metals	41.9	46.3	149.0	117.6	62.43	54.45	— 9.5	+ 26.7	+ 14.7
Lumber and timber	45.9	48.1	100.2	88.2	45.99	42.42	— 4.6	+ 13.6	+ 8.4
Furniture and finished lumber	43.1	44.5	80.8	81.4	34.82	36.22	— 3.1	— 0.7	— 3.9
Stone, clay, and glass	45.1	43.9	103.4	88.0	46.63	38.63	+ 2.7	+ 17.5	+ 20.7
Other durable goods	44.0	38.5	144.9	123.5	63.76	47.55	+ 14.3	+ 17.3	+ 34.1
Nondurable goods:									
Textiles	42.1	39.7	105.8	93.8	44.21	37.24	+ 6.0	+ 12.8	+ 18.7
Apparel	39.2	36.1	72.8	75.1	28.54	27.11	+ 8.6	— 3.1	+ 5.2
Food	46.4	46.4	91.8	80.2	42.71	37.21	0.0	+ 14.5	+ 14.8
Paper	41.5	44.0	112.6	103.0	47.17	45.32	— 5.7	+ 9.3	+ 4.1
Printing and publishing	40.7	42.3	148.9	129.0	61.85	54.57	— 3.8	+ 15.4	+ 13.3
Chemicals	44.0	42.5	135.9	118.8	58.44	50.49	+ 3.5	+ 14.4	+ 15.7
Petroleum refining	41.8	40.9	171.2	150.3	71.56	61.47	+ 2.2	+ 13.9	+ 16.4
Other nondurable goods	42.2	51.6	81.7	88.6	34.48	45.72	— 18.2	— 7.8	— 24.6
NONMANUFACTURING									
Crude petroleum production†	42.3	40.9	183.8	151.0	77.75	61.76	+ 3.4	+ 21.7	+ 25.9
Dyeing and cleaning†	46.9	48.3	82.2	67.8	38.55	32.75	— 2.9	+ 21.2	+ 17.7
Hotels	46.4	51.0	50.7	35.9	23.52	18.31	— 9.0	+ 41.2	+ 28.5
Laundries†	48.0	48.3	47.7	46.4	22.90	22.41	— 0.6	+ 2.8	+ 2.2
Public utilities	45.2	43.9	115.9	109.8	52.34	48.20	+ 3.0	+ 5.5	+ 8.6
Quarrying†	40.8	42.4	139.1	123.8	56.75	52.49	— 3.8	+ 12.4	+ 8.1
Retail trade	40.9	41.4	84.4	78.7	34.52	32.58	— 1.2	+ 7.2	+ 6.0
Wholesale trade	42.7	42.9	95.7	93.8	40.86	40.24	— 0.5	+ 2.0	+ 1.5

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

†Figures cover production workers only.

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.)

Man-hours worked in 448 Texas manufacturing establishments moved up 4.8% from April to May 1948, and were 5.9% higher this May than in the corresponding month a year ago. Principal monthly gains were in durable goods with only lumber and iron and steel showing slight decreases. Nondurable goods showed a larger number of decreases than increases with the percentage changes being relatively small in all instances of decreases.

UNEMPLOYMENT

Source: Texas Employment Commission

Area	May 1948	Apr. 1948	May 1947
TOTAL	44,620	49,145	66,656
Abilene	925	1,050	1,450
Amarillo	1,500	1,700	1,700
Austin	1,580	1,638	2,111
Corpus Christi	1,800	2,500	2,400
Dallas	4,800	6,000	10,300
El Paso	2,500	2,600	3,000
Fort Worth	7,200	8,500	10,000
Galveston-Texas City	1,500	1,500	2,200
Houston-Baytown	7,600	7,600	11,000
Longview	1,725	1,775	1,800
Lubbock	850	850	900
San Antonio	5,000	5,250	11,200
Texarkana	3,402	3,525	3,380
Waco	3,000	3,150	3,400
Wichita Falls	1,238	1,507	1,815

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 reemployment.)

The high level of present business activity is further substantiated by the Texas Employment Commission report for May 1948, which shows a 9.2% decrease in *unemployment* from April 1948, and a 33.1% decrease from May 1947. At the end of May 1948, only 44,620 persons were unemployed in the 15 labor market areas of Texas.

Unemployment compensation *benefits* (excluding veterans claims) of $448,004 were paid to Texans in May 1948, a decline of approximately 16% from April 1948, which is in proportion to the increased placement and employment activity. Total collections deposited were $3,380,631, which left $186,046,593 available for benefits at the end of May 1948, as compared to the $183,118,040 available at the end of April.

The number of applications filed by veterans was again down substantially from preceding months. Only 1,413 claims were filed in May 1948, a decrease of 25.9% from the 1,910 filed in April 1948.

Allowances paid out in May 1948 totaled $1,290,492 to unemployed, and $606,854 to self-employed veterans.

An interesting outgrowth of the coal walkout in the national unemployment picture is that General Motors will lay off 200,000 men for 10 days. The company spokesman blamed the layoff on lack of steel, which is directly traceable to the coal walkout.

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 was again up substantially over the previous month, showing a 13.2% increase in May 1948 from April 1948. Comparison of May 1948 with May 1947 shows that placement activity was up 27.6%.

Only the Galveston-Texas City area (down 2.0%) and the Abilene area (down 3.8%) had less placement activity during May 1948 than in May 1947. Total placements for the month in the 15 labor market areas were 27,409, as compared to 24,220 for April 1948.

PLACEMENTS IN EMPLOYMENT

Source: Texas Employment Commission

Area	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
TOTAL	27,409	24,220	21,488	+ 27.6	+ 13.2
Abilene	536	447	557	— 3.8	+ 19.9
Amarillo	939	890	614	+ 52.9	+ 5.5
Austin	1,195	1,048	885	+ 35.0	+ 14.0
Corpus Christi	1,253	1,029	783	+ 60.0	+ 21.8
Dallas	5,349	4,584	3,525	+ 51.7	+ 16.7
El Paso	1,139	958	697	+ 63.4	+ 18.9
Fort Worth	4,074	3,505	3,609	+ 12.9	+ 16.2
Galveston-Texas City	1,099	998	1,122	— 2.0	+ 10.1
Houston-Baytown	5,686	5,166	4,794	+ 18.6	+ 10.1
Longview	606	570	780	— 22.3	+ 6.3
Lubbock	675	649	575	+ 17.4	+ 4.0
San Antonio	3,043	2,754	2,090	+ 45.6	+ 10.5
Texarkana	534	507	657	— 18.7	+ 5.3
Waco	687	587	387	+ 77.5	+ 17.0
Wichita Falls	594	528	413	+ 43.8	+ 12.5

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.)

There was only a slight change in *nonagricultural civilian labor force* in Texas from April to May, according to reports from the Texas Employment Commission covering 15 labor areas. There were 2.7% more people in the labor force than in May a year ago, however.

NONAGRICULTURAL CIVILIAN LABOR FORCE

Source: Texas Employment Commission

				Percent change	
Area	May 1948	Apr. 1948	May 1947	May 1948 from May 1947	May 1948 from Apr. 1948
TOTAL	1,244,973	1,239,442	1,212,663	+ 2.7	+ 0.4
Abilene	18,118	17,859	19,262	— 5.9	+ 1.5
Amarillo	35,615	35,653	29,400	+21.1	— 0.1
Austin	44,640	44,572	44,072	+ 1.3	+ 0.2
Corpus Christi	47,066	47,424	50,380	— 6.6	— 0.8
Dallas	228,730	228,080	219,490	+ 4.2	+ 0.3
El Paso	51,574	51,355	50,250	+ 2.6	+ 0.4
Fort Worth	133,295	133,002	130,887	+ 1.8	+ 0.2
Galveston-Texas City	58,075	57,948	53,366	+ 8.8	+ 0.2
Houston-Baytown	312,305	310,585	301,197	+ 3.7	+ 0.6
Longview	23,078	22,663	22,338	+ 3.3	+ 1.8
Lubbock	25,921	25,812	25,900	+ 0.1	+ 0.4
San Antonio	156,411	154,911	159,332	— 1.8	+ 1.0
Texarkana	32,930	32,295	32,363	+ 1.8	+ 2.0
Waco	46,050	46,181	45,995	+ 0.1	— 0.3
Wichita Falls	31,165	31,102	28,431	+ 9.6	+ 0.2

Industrial Relations

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

The "third wage round" continued to roll on during May and June. Agreements in the 11 cents-to-13 cents pattern continued to spread. The recent settlement by Firestone with the United Rubber Workers (C. I. O.) at 11 cents was interpreted as the probable price for new contracts, and labor peace, for the entire industry.

Among the major companies whose agreements are still unsigned are Alcoa, Ford, and Westinghouse.

In the automobile industry the Chrysler pattern of 13-cents-an-hour increase seemed to be attracting more of a following than the General Motors formula based on a cost-of-living standard. This is not too surprising since the General Motors plan is still quite new to have immediate acceptance in many other managements.

Kaiser-Frazer threw out their bonus plan of $5 a car and set up for the first time in the automotive industry a major social security plan financed entirely by management. The company will put 5 cents an hour into a new social security fund to be administered jointly by Kaiser-Frazer and the United Automobile Workers. It will be used to pay costs of hospitalization, sickness and accident insurance, prepaid medical service, life insurance, and other social security benefits. The U. A. W. praised the Kaiser-Frazer plan.

The United States Supreme Court jolted management with a new wage-hour decision. The decision raises a dark spectre of "overtime-on-overtime" liability. The decision came out of two overtime test suits filed by New York longshoremen, but the ramifications may disturb contract relations in at least a score of other industries. In a 5–3 decision the majority held that the "regular rate" on which overtime is to be figured must be determined by dividing total weekly compensation by the number of hours the man worked. The overtime then is computed at 1½ times the newly figured "regular rate" which actually gives "overtime-on-overtime."

GOVERNMENT

State Finance

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

Total *revenue receipts* of the State, as reported by the State Comptroller, were $47,909,041 for May and compared with $41,440,730 for May 1947. Collections for the nine months of the current fiscal year were $387,924,428, as compared with $284,448,678 for the corresponding period last year. This is an imposing increase of 36.4%. The re-levy of the ad valorem tax for general revenue purposes mainly accounts for the 83.1% increase in the receipts from that tax, and the fact that 1948 is a general election year is the chief explanation for the increase in poll tax collections.

The three natural resource taxes, on crude oil, sulphur, and natural and casinghead gas, yielded for the nine months of this year $71,915,477, or an increase of 55% over those of the corresponding period last year. If to these be added $29,771,558 of receipts due to the equity of the State in natural resources ($18,155,323 from mineral leases, rentals and bonuses; $10,381,991 from oil and gas royalties; $884,647 from land sales; and $349,647 from surface rights and sales of sand, shell and gravel); natural resources contributed directly $101,687,035 or 26% of the total receipts of the fiscal year to date. Some of the receipts of the ad valorem tax were from natural resources and if they were ascertainable and added they would make even larger the role which natural resources play in the finances of the State.

REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

		September 1–May 31		
Item	May 1948	1947–48	1946–47	Percent change
TOTAL	$ 47,909,041	$387,924,428	$284,448,678	+ 36.4
Ad valorem tax	88,134	27,246,522	14,884,216	+ 83.1
Crude oil production tax	7,837,650	62,894,290	39,726,597	+ 58.3
Motor fuel tax (net)	6,556,404	51,860,398	46,596,292	+ 11.3
Cigarette tax and license	1,946,760	16,690,817	15,351,324	+ 8.7
Alcoholic beverage taxes and licenses	899,025	11,927,963	11,462,774	+ 4.1
Mineral leases, rentals, and bonuses	18,551	18,155,323	4,877,833	+272.2
Interest on securities owned	121,717	4,144,889	3,893,893	+ 6.4
Unclassified receipts from county tax collectors*	78,573	273,795	477,612	— 42.7
Federal aid-highways	3,616,880	23,289,714	13,026,101	+ 78.8
Federal aid-public welfare	4,537,878	41,323,347	37,424,149	+ 10.4
Federal aid-public education	294,793	16,114,301	9,194,820	+ 75.3
Unemployment compensation taxes	3,888,207	17,568,568	14,568,642	+ 20.6
All other	18,182,615	96,982,091	73,924,649	+ 31.2

*Credit. Negative balance due to excess of clearance over receipts.

Selective sales taxes, or those on motor fuel, cigarettes, alcoholic beverages, automobiles, cosmetics, new radios, and playing cards, produced $88,345,813 of the receipts of the fiscal year to date. Federal aid has thus far amounted to $82,471,549. Natural resources, sales taxes, and federal aid together accounted for 70% of total revenue receipts.

Governmental cost expenditures in May were $36,691,505, and in the fiscal year to date $312,862,295, each being considerably below the receipts of its period.

The net cash balance in the general fund on May 31, 1948 was $62,024,507.

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.)

Large plus signs in most items mark federal government collections in Texas in May of 1948 over those of May a year ago, and the same is true of the collections for the 11 months of the current fiscal year.

Income taxes (payments and withholdings) have amounted so far this fiscal year to the awesome figure of $952 million. Such an amount means the continued swelling of money incomes of individuals and corporations in Texas, and it is to a considerable extent the product of both the inflationary trend of wages and prices and of taxes kept at near wartime level. The recent tax reductions will show their effect, if any, in the collections in subsequent months. The collection items when looked upon as indexes of business activity and employment indicate a favorable situation in both.

In May, collections in the Second District (North Texas) ran ahead of those in the First District (South Texas), whereas the reverse was true in the month of April and for the total collections for the 11 months of the current fiscal year.

Total collections in Texas for May reached $85,620,037, as compared with May 1947, collections of $62,651,198. Thus, in a year's time federal internal revenue collections have increased 36.7% in Texas.

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.)

The index of *consumers' prices* in Houston edged upward fractionally (0.1%) from April to May to 71.5% above the 1935–39 average. Higher apparel prices were the principal factor in the rise, with a 1.2% advance. Housefurnishings also moved up slightly, but food prices, the biggest items in the cost-of-living budget, eased downward 0.5%.

The all-items index in May 1948 was 8.8% above a year earlier. Food prices were up 10.7%, apparel 11.2%, housefurnishings 6.7%, and miscellaneous commodities and services up 7.3%. Only fuel, ice, and electricity prices remained unchanged.

The direction and extent of price changes in the coming months is by no means clear, and informed opinion varies. Those who predict a continued upward spiral of prices for the remainder of the year, however, have considerable evidence on their side. Government spending in foreign aid, veterans' benefits, public works, soil conservation, and the armed forces will channel additional millions into consumer pocketbooks. Consumer spending is still high, as pay rolls continue to rise, employment increases, and the level of unemployment remains low. The quantity of money and credit outstanding is great and further increases are seen in business and industrial loans. On the other side of the picture, there is evidence of consumer reluctance or inability to pay even the present prices for some items, especially in the durable goods line. How much longer the demand for new automobiles, for instance, can continue strong in the face of further upward price adjustments is questionable.

An extremely important factor to watch in studying the price situation is the pattern of wage increases among industries.

FEDERAL INTERNAL REVENUE COLLECTIONS

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

District	May 1948	May 1947	May Percent change	July 1–May 31 1947–48	July 1–May 31 1946–47	July 1–May 31 Percent change
TEXAS	$ 85,620,037	$ 62,651,198	+ 36.7	$1,162,992,439	$986,055,888	+ 17.9
Income	17,581,738	14,704,246	+ 19.6	662,454,880	566,637,251	+ 16.9
Employment	8,349,687	8,033,378	+ 3.9	59,087,846	50,867,372	+ 16.2
Withholding	45,505,873	28,664,798	+ 58.8	290,027,873	237,794,143	+ 22.0
Other	14,182,739	11,248,776	+ 26.1	151,421,840	130,757,073	+ 15.8
FIRST DISTRICT	40,751,699	32,774,504	+ 24.3	619,934,141	513,775,902	+ 20.7
Income	7,627,944	6,881,849	+ 10.8	350,476,410	295,836,604	+ 18.5
Employment	3,573,946	3,250,052	+ 10.0	26,909,493	23,360,573	+ 15.2
Withholding	22,148,822	16,466,528	+ 34.5	158,373,936	128,016,774	+ 23.7
Other	7,400,987	6,176,075	+ 19.8	84,174,302	66,561,951	+ 26.5
SECOND DISTRICT	44,868,338	29,876,694	+ 50.2	543,058,298	472,279,936	+ 15.0
Income	9,953,794	7,822,397	+ 27.2	311,978,470	270,800,647	+ 15.2
Employment	4,775,741	4,783,326	— 0.2	32,178,353	27,506,799	+ 17.0
Withholding	23,357,051	12,198,270	+ 91.5	131,653,937	109,777,369	+ 19.9
Other	6,781,752	5,072,701	+ 33.7	67,247,538	64,195,121	+ 4.8

INDEXES OF CONSUMERS' PRICES IN HOUSTON

(1935–39 = 100)

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

Group	May 1948	Apr. 1948	May 1947	Percent change: May 1948 from May 1947	Percent change: May 1948 from Apr. 1948
ALL ITEMS	171.5	171.4	157.5	+ 8.8	+ 0.1
Food	218.1	219.3	197.1	+10.7	— 0.5
Apparel	208.9	206.4	187.8	+11.2	+ 1.2
Rent	119.5	*	*	——	——
Fuel, electricity, and ice	94.3	94.3	94.3	0.0	0.0
Housefurnishings	195.4	194.6	183.1	+ 6.7	+ 0.4
Miscellaneous	149.2	149.5	139.1	+ 7.3	— 0.2

*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.)

Wholesale prices moved up to 1.4% in the four weeks ending June 5, 1948, and stood 11.0% above their year-earlier level. Farm product prices showed the strongest (4.6%) advance for the period, foods were up 1.8%, textiles 0.7%, building materials 0.4%, and hides and leather products down 0.6%.

INDEXES OF WHOLESALE PRICES IN THE UNITED STATES

(1926 = 100)

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

Group	June 5 1948	May 8 1948	June 7 1947	Percent change: June 5 1948 from June 7 1947	Percent change: June 5 1948 from May 8 1948
ALL COMMODITIES	164.2	161.9	147.9	+ 11.0	+ 1.4
Farm products	192.4	184.0	179.5	+ 7.2	+ 4.6
Foods	178.0	174.8	163.1	+ 9.1	+ 1.8
Hides and leather products	187.0	188.2	166.6	+ 12.2	— 0.6
Textile products	149.2	148.2	138.5	+ 7.7	+ 0.7
Building materials	196.6	195.9	177.5	+ 10.8	+ 0.4
All commodities other than farm products	158.0	156.9	141.0	+ 12.1	+ 0.7
All commodities other than farm products and foods	149.3	148.9	132.2	+ 12.9	+ 0.3

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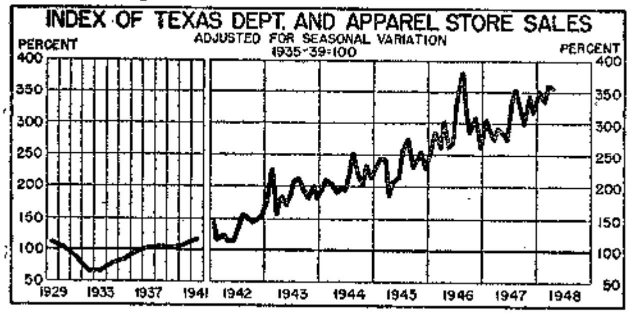
FIGURES FOR THE YEAR TO DATE

	January–May 1948	January–May 1947	Percent change
TRADE			
Estimated retail sales, total	$2,094,851,000	$1,811,018,000	+ 15.7
Durable goods, total	$ 755,497,000	$ 609,777,000	+ 23.9
Automotive stores	348,396,000	293,759,000	+ 18.6
Lumber, building materials, and hardware stores	322,804,000	237,194,000	+ 36.1
Furniture—household appliance stores	67,795,000	63,055,000	+ 7.5
Jewelry stores	16,502,000	15,769,000	+ 4.6
Nondurable goods, total	$1,339,354,000	$1,201,241,000	+ 11.5
Apparel	146,885,000	124,662,000	+ 17.9
Country general	30,148,000	29,990,000	+ 0.5
Department stores	156,936,000	139,563,000	+ 12.4
Eating and drinking places	125,777,000	127,368,000	— 1.2
Filling stations	149,650,000	123,463,000	+ 21.2
Food	420,132,000	389,518,000	+ 7.9
General merchandise	101,930,000	75,137,000	+ 35.7
Drug stores	99,471,000	94,281,000	+ 5.5
Other	108,425,000	97,259,000	+ 11.5
Ratio of credit sales to net sales in department and apparel stores	60.8	56.5	+ 7.6
Ratio of collections to outstandings in department and apparel stores	53.7	57.6	— 6.8
Postal receipts in reporting cities	$ 15,293,816	$ 13,573,877	+ 12.7
PRODUCTION			
Industrial electric power consumption for 10 companies (thousands of kilowatt hours)	1,288,222	1,141,035	+ 12.9
Man-hours worked in reporting manufacturing establishments	13,748,001	13,871,700	— 0.9
Crude oil runs to stills (thousands of 42-gallon barrels)	246,625	199,442	+ 23.7
Cotton consumption (running bales)	67,772	82,163	— 17.5
Cotton linters consumed (running bales)	9,327	7,328	+ 27.3
Cottonseed crushed (tons)	493,611	202,318	+144.0
Manufacture of dairy products (1,000 lbs. milk equivalent)	226,228	344,235	— 34.3
Lumber production in southern pine mills (weekly per unit average in board feet)	204,359	215,324	— 5.1
Construction contracts awarded	$ 369,757,995	$ 251,285,885	+ 47.1
Construction contracts awarded for residential building	$ 135,852,851	$ 93,802,622	+ 45.9
Building permits issued in reporting cities	$ 203,143,275	$ 112,221,259	+ 81.0
Number of loans made by savings and loan associations	8,859	9,356	— 5.3
Amount of loans made by savings and loan associations	$ 35,918,416	$ 34,822,263	+ 3.1
Crude petroleum production (daily average in barrels)	9,642,700	8,512,975	+ 13.3
AGRICULTURE			
Farm cash income	$ 397,344,000	$ 386,205,000	+ 2.9
Shipments of livestock (carloads)	40,635	61,922	— 34.4
Rail shipments of eggs (shell equivalent)	761	1,597	— 52.3
Interstate receipts of eggs at Texas stations (shell equivalent)	122	32	+281.3
Rail shipments of poultry (carloads)	35	71	— 50.7
FINANCE			
Bank debits in 20 cities (thousands of dollars)	$ 17,175,924	$ 13,909,414	+ 23.5
Corporation charters issued (number)	1,900	869	+118.6
Ordinary life insurance sales	$ 244,473,804	$ 239,463,467	+ 2.1
Business failures (number)	27	17	+ 58.8
TRANSPORTATION			
Revenue freight loaded in Southwestern District (carloads)	1,392,262	1,381,936	+ 0.7
Export and coastal cars unloaded at Texas ports	73,886	90,810	— 18.6
Miscellaneous freight carloadings in Southwestern District	876,619	812,093	+ 7.9
Air express shipments (number)	129,349	117,713	+ 9.9
LABOR			
Total nonagricultural employment (monthly average)	1,674,140	1,608,380	+ 4.1
Manufacturing employment	340,136	325,396	+ 4.5
Nonmanufacturing employment	1,334,004	1,282,984	+ 4.0
GOVERNMENT			
Revenue receipts of State Comptroller*	$ 387,924,428	$ 284,448,678	+ 36.4
Federal internal revenue collections†	$1,162,992,439	$ 986,055,836	+ 17.9
PRICES			
Index of consumers prices in Houston (monthly average; 1935-39=100)	171.5	157.6	+ 8.8
Index of food prices in Houston (monthly average; 1935-39=100)	218.1	197.1	+ 10.7

*State fiscal year to date—September 1–May 31.

†Federal fiscal year to date—July 1–May 31.

BAROMETERS OF TEXAS BUSINESS



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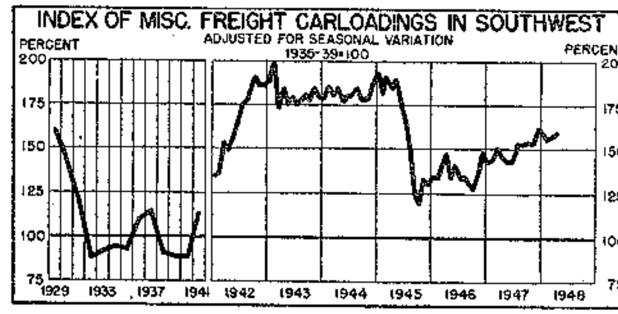

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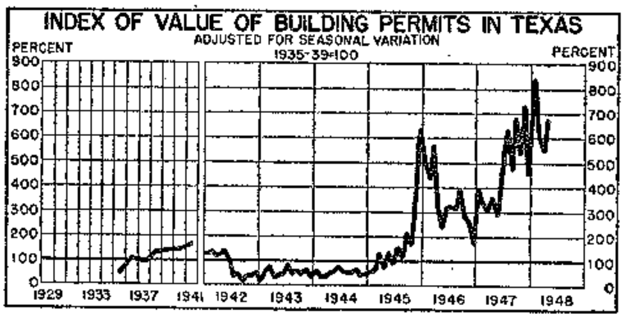

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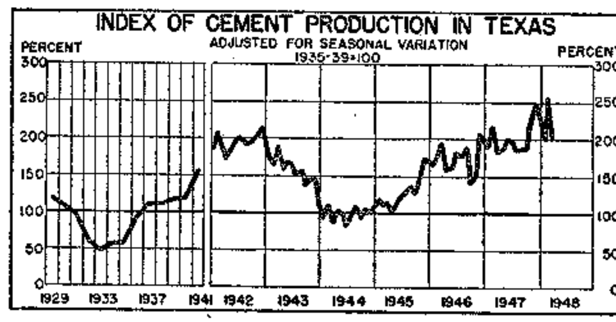

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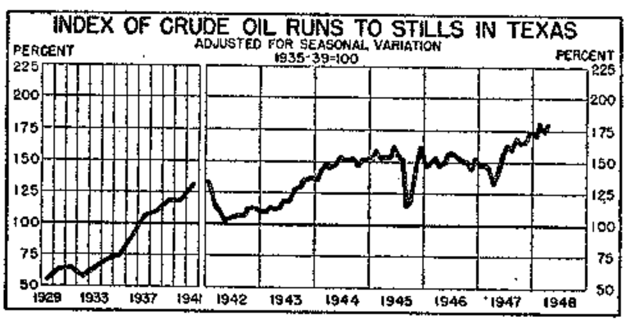

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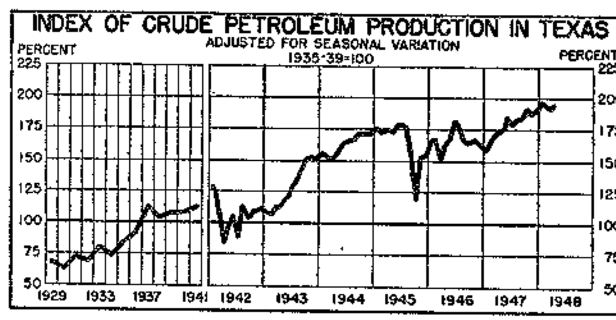

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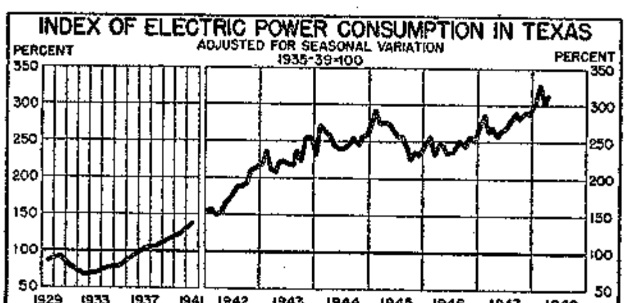

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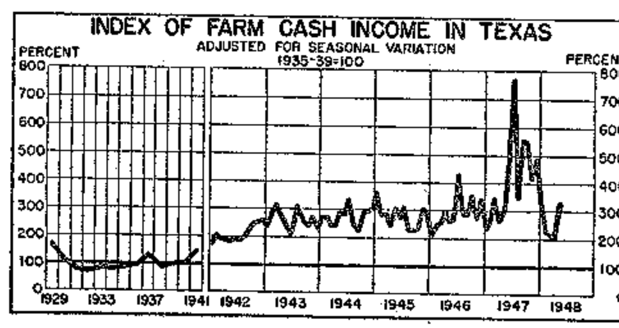

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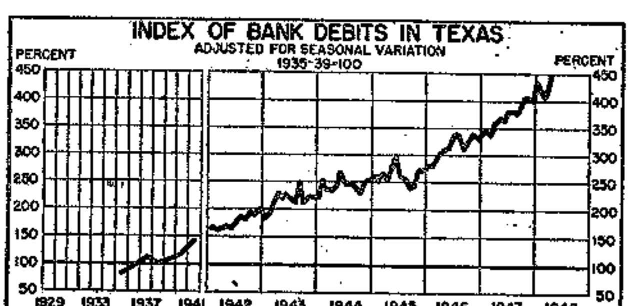

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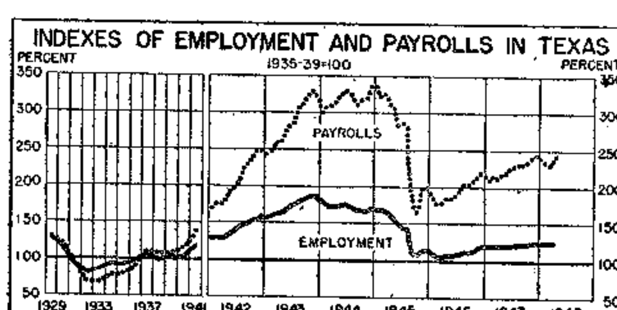

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