

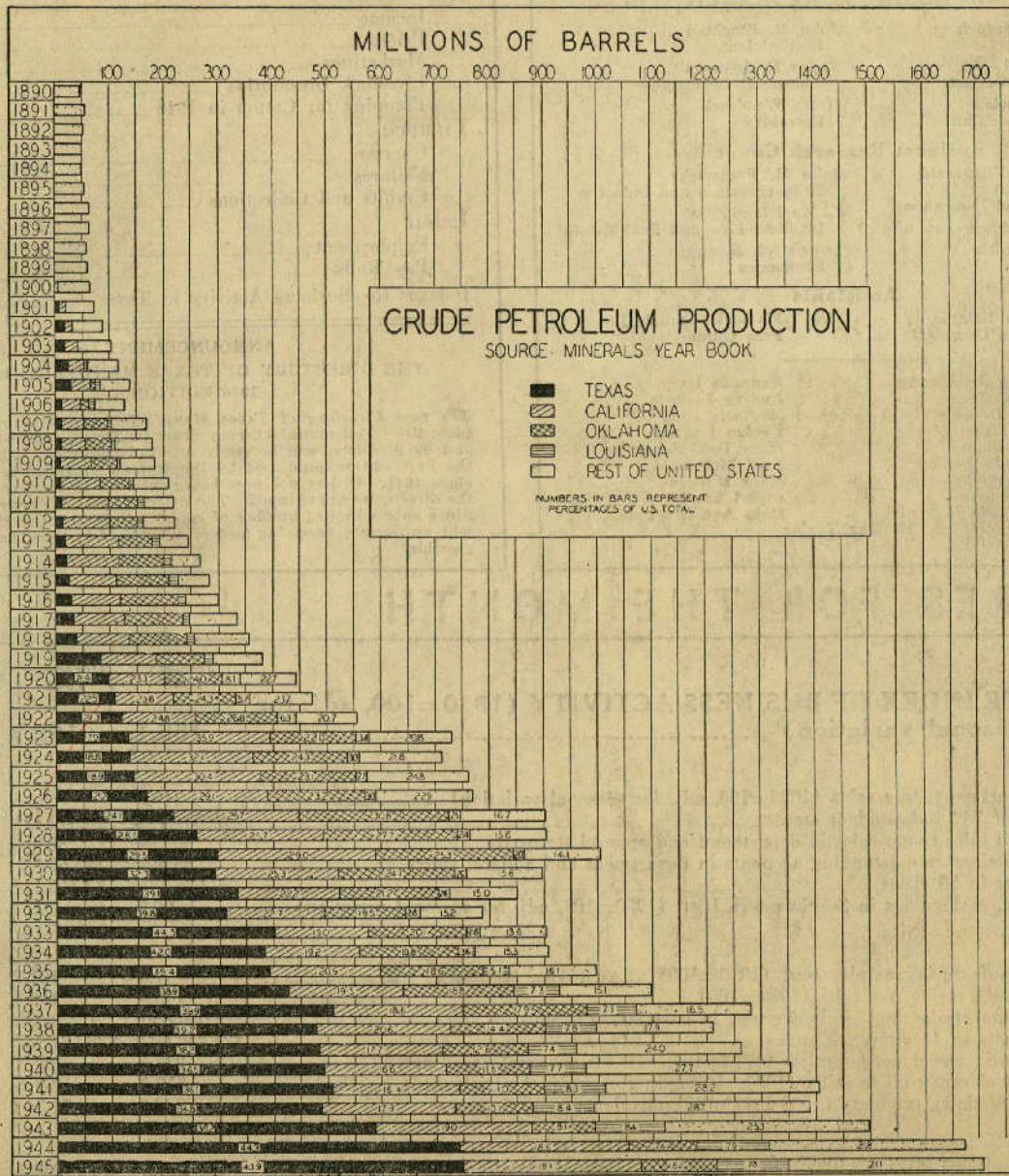
TEXAS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS AND ECONOMIC CONDITIONS IN TEXAS

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

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ANNOUNCEMENT

**THE DIRECTORY OF TEXAS MANUFACTURERS
1946 EDITION**

The new *Directory of Texas Manufacturers* containing a complete list of all manufacturing firms in Texas, indexed by cities and by products, will be ready about April, 1946. This will be the first edition published by the Bureau of Business Research since 1941. Orders are now being received to be invoiced when the directories are shipped. The price is \$2.50 per copy postpaid. Since only a limited number of copies will be printed, the Bureau will appreciate receiving orders for the *Directory* as early as possible.

FIGURES FOR THE MONTH

	January 1946	December 1945	January 1945
COMPOSITE INDEX OF BUSINESS ACTIVITY (1930=100, adj. for seasonal variation)	166.1	162.7	220.6
TRADE			
*Index of department store sales (1930=100, adj. for seasonal variation)	249.2	221.6	223.1
Retail sales of 742 independent stores	\$18,834,495	\$28,849,121	\$16,512,367
Ratio of credit sales to net sales in department and apparel stores	40.2%	38.9%	39.7%
Ratio of collections to outstanding accounts in department and apparel stores	65.6%	68.0%	66.3%
Postal receipts in 50 cities	\$2,685,138	\$3,460,141	\$2,858,892
*Index of misc. carloadings in Southwestern Dist. (1930=100, adj. for seasonal variation)	99.8	95.7	141.1
PRODUCTION			
*Index of manufacturing employment (1930=100)	97.6	101.7	147.7
*Index of manufacturing pay rolls (1930=100)	160.9	169.4	285.4
Crude petroleum production (daily average, in barrels)	2,036,850	1,920,650	2,127,750
Building permits in 44 cities	\$26,248,692	\$38,687,102	\$3,325,652
*Index of electric power consumption (1930=100, adj. for seasonal variation)	273.5	265.1	311.8
*Index of runs of crude oil to stills (1930=100, adj. for seasonal variation)	310.8	276.5	300.7
Manufacture of dairy products (1000 lbs. milk equivalent)	78,110	51,340	57,308
AGRICULTURE			
Index of agricultural income (1935-39=100, adj. for seasonal variation)	224.3	234.1	385.5
Shipments of livestock (carloads)	6,219	7,913	7,324
FINANCE			
Domestic corporation charters issued (number)	172	131	24
Business failures (Dun and Bradstreet, number)	1	1	1

*Included in the composite index of business activity.

The Business Situation in Texas

Business activity in Texas rose 2.1% in January over December, according to the *composite index* of business activity prepared by the Bureau of Business Research. January was thus the third successive month to show a rise in general business activity following the 1945 low in October. A year ago between December, 1944, and January, 1945, the index also rose about the same percentage (2.5%), but the level was decidedly higher. Texas business activity reached its all-time peak in January, 1945. Business activity this past January was 24.8% lower than it was a year earlier.

In a period of unsettled business conditions such as the present, it is well to look back and appraise the present position of business in this State in terms of the past. An examination of the chart showing the composite index of business activity in Texas on page 15 of the REVIEW indicates clearly (1) the State's recovery from the depression beginning in 1932 and extending through 1940, (2) the rapid advance in business from 1941 through 1943 because of the war, (3) the levelling-off of business activity at a point well over 100% above the prewar base (the average month of 1930) from the early part of 1944 through the end of the European war in May, 1945, (4) the gradual decline in business between V-E Day and V-J Day, (5) the sudden drop in September and October, and (6) the snapback and comparative stability of business activity during the past three months.

As every businessman is well aware, the steadiness of the State index at the present time is covering up the effects of labor troubles, reconversion, demobilization, shortages, and a wide variety of postwar readjustments. It would be a mistake therefore to assume that the present level of business is stable; the apparent stability of the index is the net result of many forces affecting business in this State and nation.

At the same time it should be remembered that business in Texas at present is very good measured by prewar standards. The level of activity in January, 1946, was still 66.1% above the base period (the average month of 1930). The question at present is whether postwar business can be measured with a prewar yardstick. At the moment there are indications that business is reaching out for a new base, but it is not yet clear what that base will be.

Of the six component indexes in the composite index of State business activity, four went up and two went down during January. The greatest increases over December, 1945, were in the seasonally-adjusted indexes of the runs of crude oil to stills and department store sales (both 12.4%), followed by advances of 4.3% and 3.2% in the seasonally-adjusted indexes of miscellaneous freight carloadings and electric power consumption. The decreases for January were in the manufacturing employment index (4%) and the manufacturing pay rolls index (5%).

Between December, 1944, and January, 1945, the movements of the several component indexes were similar. The seasonally-adjusted indexes for the runs of crude oil to stills, department store sales, miscellaneous freight carloadings, and electric power consumption all rose; the indexes of manufacturing employment and manufacturing pay rolls fell. The variations in the indexes, however, were different this year from last. Manufacturing employment declined 1.3% and pay rolls 0.1% according to their respective indexes. These decreases were much less than those for the first month of this year. On the other hand the gains of 4.1% in freight carloadings, 4.6% in the runs of crude oil to stills, and 7.1% in department store sales between December, 1945, and January, 1946, were all smaller than the corresponding gains in 1946. Only the 6.5% advance in electric power production during January last year exceeded this year's increase (3.2%).

All the component indexes except manufacturing employment and miscellaneous freight carloadings were substantially higher in January of this year than they were in the prewar period. Manufacturing pay rolls were up 60.9%, department store sales 149.2%, crude oil runs to stills 210.8%, and electric power consumption 173.5% over what they were in the average month of 1930. In the case of manufacturing employment and miscellaneous freight carloadings the differences between their January, 1946, levels and their prewar averages were

THIS MONTH

The Bureau of Business Research presents a number of new features in the TEXAS BUSINESS REVIEW designed to improve its readability and usefulness. First, all of the tables have been recast and most of them have been reduced to a single-column style by Dr. John R. Stockton, Statistician for the Bureau and Professor of Business Statistics in the College of Business Administration. Second, the entire REVIEW has been sectionalized to make it easier for the reader to pick out the information in which he is most interested. Third, reference from the tables to the text and vice versa is facilitated by italicizing in the text discussion of the tables the key words of the table titles. Fourth, the outstanding statistical facts of the Texas business situation are brought together in a special table on page 2 under the head of "Figures for the Month." Finally, everything in the REVIEW is related to current business and economic conditions in Texas.

From month to month the staff of the Bureau will continue its efforts to improve the REVIEW. Your reactions to the features introduced this month and your suggestions of further improvements will be appreciated.

small—manufacturing employment was off 2.3% and miscellaneous freight carloadings 0.2%.

The movements of all six major indexes of Texas business activity in recent years are significant not only for the light they shed on general business conditions but also for what they show about particular sectors of the State's economy. Furthermore, an analysis of these movements is necessary in any appraisal of current business and economic conditions.

The index of *sales of Texas department stores* presented on page 15 of the REVIEW shows a clear cyclical recovery from the depression year of 1932 to 1937. The 60 to 70% increase in sales during this period of five or six years was accompanied by a mild rise in prices. Since 1942 department store sales in Texas have gone up 150%. This advance was fairly steady up to last year after seasonal irregularities were removed. Last year saw a continuance of this upward trend in dollar sales but there were wider fluctuations in the figures reported from month to month. During the war period a sizable fraction of the increase in the seasonally-adjusted index of department store sales has been due to the inflation of prices. Sales in terms of physical volume have not risen nearly as rapidly as the index. Most analysts believe that developments in the price field will continue to be a determinant of department store sales in Texas and elsewhere for some time to come.

The index of *miscellaneous freight carloadings* in the Southwestern District followed a different course. Carloadings remained at their depression low from 1932 to 1935, recovered rapidly in 1936 and 1937 (a 40% increase), sank back again to depression levels in 1939 and 1940, and then began a sharp advance (a 142% gain) which extended into the early months of 1943. The next 30 months up to V-E Day the index showed fairly wide seasonal fluctuations but averaged more than 20% above the 1930 base period. Following the end of the war in Europe and Asia, carloadings dropped almost 50% and have hounded back in the past three months to their 1930 level. The future course of this index largely depends on what happens to business in this area in the next few months and years.

The least erratic of the six major indexes has been the *electric power consumption* index. Although it has not been directly affected by inflation, electric power consumption moved steadily upward from 1932 through 1941 and at a more rapid rate from 1942 through the early months of 1945. Since February of that year the seasonally-adjusted index has declined 14.7%. Like the upward movement in this index, the down-turn has been fairly smooth but decided.

The movement of the index of *runs of crude oil to stills* in Texas has also followed an even pattern. The increase in this index from 1932 through 1941 (190.4%) was more rapid than the rise in the index of electric power consumption (128.7%) during the same period. However, during the war years 1942-45 the index for crude oil runs advanced only 61.1%, as compared with a 94.5% increase in the electric power consumption index for the State. Since the break in the upward movement (February, 1945), the index of runs of crude oil in Texas eased off gradually (8.5%) at first, dropped suddenly

(23.5%) in September and October, 1945, and recovered by January of this year to a point fractionally higher than its previous all-time peak (February, 1945). The present position of this index is therefore highly favorable.

Fluctuations in the index for *manufacturing employment* in Texas are naturally more restricted than fluctuations in the other major indexes. The continuous index prepared by the Bureau indicates a gradual rise of 144.5% from the low point of the depression (March, 1933) to the wartime high (December, 1943.) From there the index moved slowly downward (22.9%) through August, 1945, when it suddenly fell 23.1% in a period of 60 days. Since that time the index has risen slightly despite strikes, reconversion, and demobilization.

From a percentage standpoint the greatest fluctuations among the major Texas business indexes have appeared in the index of *manufacturing pay rolls*. Starting from a depression low in 1932, the index rose more than 70% prior to the outbreak of World War II in Europe. The index then rose rapidly until the fall of 1943 when pay rolls were three times as large as they were in 1939. This level was maintained through the first quarter of 1945 when the index dropped to little more than half its wartime peak in seven months. Since that time pay rolls in Texas industry have gone up 10%. The resolution of the present wage-price controversy will have an important bearing on subsequent changes in this index.

Activity in the trading field has continued high throughout the winter months. *Retail sales* of independent stores experienced a seasonal decline of 34.7% between December, 1945, and January of this year, but the total was still 14.1% above the sales in January a year ago. *Credit sales* rose somewhat in January, 1946, over the previous month but represented only about 40% of the business done by department and apparel stores scattered over the State. The *ratio of collections to outstanding accounts* likewise stayed up around 66%. In January, 1946, *postal receipts*, another indicator of trade and general business activity, were down 21.3% seasonally and 6.1% for the 12-month period.

The several production series tell a somewhat different story. *Crude petroleum production* was up 6.1% for the month but down 4.3% from production in January a year ago. The value of *building permits* in 44 Texas cities in the first month of this year was \$26,248,692 as compared with \$38,687,102 in December, 1945, and \$3,325,652 in January, 1945. *Dairy production* over the State shot up 52.1% between the last month of 1945 and January, 1946. It was also 36.3% above the total for January of last year.

Agricultural activity showed declines in both the one-month and 12-month comparisons. January, 1946, *cash farm income* was off 4.2% for the month and 41.8% as compared with January, 1945. Corresponding decreases in *livestock shipments* were 21.4% and 15.1%.

In the financial field *business failures* remained negligible (one for January, 1946), while there was a rush of new *incorporations*. During the first month of 1946, 172 domestic corporations and eight foreign corporations were chartered in Texas, as against a total of 137 in December, 1945, and 44 in January, 1945.

TRADE

Retail Trade

The year 1946 opened with *retail sales* in Texas at record levels. Sales reported to the Bureau for the month of January by 742 establishments, representing virtually every kind of retail business in all parts of the State, were 14.1% above the sales reported by these same establishments in January a year ago. The January, 1946, sales volume was down 34.7% from December, 1945, the peak month of the retail year, whereas in 1945 the December-to-January decline was 38.1%. These decreases reflect the usual seasonal movement of sales at retail.

The principal gains in sales for January, 1946, over January, 1945, were registered in lines that have felt the effects of the close of the war—filling stations, up 117.2%; automotive products (including motor vehicles), up 33.6%; and furniture and household equipment, up 31.7%. Evidence of the current high income level and the large volume of money in circulation was the 33.2% increase in the sales of jewelry. Very substantial advances over last January were also reported by lumber, building material, and hardware dealers (20.4%), restaurants (16.6%), drug stores (16.2%), men's and boys' clothing stores (15.4%), florists (14.9%), and department stores (10.3%). The 18.4% jump in the sales of

food from January, 1945, to January, 1946, was somewhat surprising in view of the comparative stability of food prices during this period.

In contrast to these increases were the smaller gains in the sales of soft goods and the sales by country general stores in the January-to-January comparisons. The volume of dry goods and general merchandise sold in January this year was practically the same as a year ago; sales of the several types of apparel stores rose only 2.1%. In part this situation was undoubtedly due to a lack of merchandise to sell, the only sales decreases for the 12-month comparisons appearing in the cases of shoe stores (7.7%) and family clothing stores (-13.2%). The decline in the sales of country general stores from January, 1945, to January, 1946, was 3.3%.

Between December, 1945, and January, 1946, the percentage changes in sales were primarily influenced by seasonal factors and were generally downward. Exceptions were the gains in the sales of restaurants (5.1%), dealers in lumber, building materials, farm implements,

**RETAIL SALES OF INDEPENDENT STORES
BY DISTRICTS AND CITIES**

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

District and city	Number of establishments	Percent change	
		Jan. 1946 Jan. 1945	Jan. 1946 Dec. 1945
ALL ESTABLISHMENTS	742	+ 14.1	- 34.7
NORTHERN HIGH PLAINS (District 1-N)			
Amarillo	17	+ 14.1	- 28.4
Plainview	10	+ 34.6	- 22.3
Other	20	+ 29.3	+ 3.6
SOUTHERN HIGH PLAINS (District 1-S)			
Lubbock	11	+ 4.4	- 31.1
Other	5	+ 20.5	- 24.3
RED BED PLAINS (District 2)			
Ablene	12	+ 2.7	- 32.4
Other	49	+ 13.3	- 21.7
WESTERN CROSS TIMBERS (District 3)			
	31	+ 15.3	- 32.1
BLACK AND GRAND PRAIRIES (District 4)			
Dallas	22	+ 26.9	- 24.9
Fort Worth	23	+ 4.6	- 44.8
Waco	24	+ 7.4	- 36.7
Other	104	+ 20.2	- 22.7
EAST TEXAS TIMBERED PLAINS (District 5)			
	86	+ 18.9	- 40.6
TRANS-PECOS (District 6)			
	23	+ 4.6	- 36.3
EDWARDS PLATEAU (District 7)			
	41	+ 17.1	- 41.3
SOUTHERN TEXAS PRAIRIES (District 8)			
Austin	11	+ 15.2	- 49.4
Corpus Christi	23	+ 14.6	- 30.9
San Antonio	82	+ 19.8	- 37.9
Other	70	+ 44.6	- 8.1
COASTAL PRAIRIES (District 9)			
Beaumont	9	- 12.2	- 40.1
Houston	28	+ 11.6	- 43.4
Other	37	- 5.4	- 26.1
SOUTH TEXAS PLAINS (District 10)			
	22	+ 16.5	- 24.7
LOWER RIO GRANDE VALLEY (District 10-A)			
	32	+ 36.4	- 8.6

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

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

Business	Number of establishments	Percent change	
		Jan. 1946 Jan. 1945	Jan. 1946 Dec. 1945
ALL ESTABLISHMENTS*	742	+ 14.1	- 34.7
APPAREL			
Family clothing stores	22	- 13.2	- 49.0
Men's and boys' clothing stores	33	+ 15.4	- 48.5
Shoe stores	15	- 7.7	- 39.1
Women's specialty shops	25	+ 1.6	- 23.3
AUTOMOTIVE*			
Motor vehicle dealers	52	+ 33.0	+ 24.9
COUNTRY GENERAL			
	62	+ 3.3	- 25.7
DEPARTMENT STORES			
	47	+ 10.3	- 49.2
DRUG STORES			
	83	+ 16.2	- 29.0
DRY GOODS AND GENERAL MERCHANDISE			
	22	+ 0.04	- 52.0
FILLING STATIONS			
	18	+117.2	+ 43.9
FLORISTS			
	20	+ 14.9	- 42.2
FOOD*			
Grocery stores	25	+ 4.4	- 5.9
Grocery and meat stores	67	+ 21.5	- 3.4
FURNITURE AND HOUSEHOLD*			
	49	+ 31.7	- 13.5
Furniture stores	47	+ 31.4	- 13.3
JEWELRY			
	21	+ 33.2	- 72.3
LUMBER, BUILDING, AND HARDWARE*			
Farm implement dealers	15	+ 25.9	+ 25.2
Hardware stores	42	+ 22.2	- 12.0
Lumber and building material dealers	74	+ 19.7	+ 33.6
RESTAURANTS			
	31	+ 16.6	+ 5.1
ALL OTHER STORES			
	7	+ 31.6	+ 0.9

*Total includes kinds of business other than the classification listed.

and hardware (19.5%), dealers in automobiles and auto accessories (24.9%), and filling stations (48.9%.)

All districts in the State reported larger sales in January this year than a year ago with increases ranging from 3% in the Beaumont-Houston area to 36.4% in the Lower Rio Grande Valley. Gains for the several districts, however, tended to group in a range from 14 to 22%. Small increases were recorded for the Abilene area (9.7%), the Lubbock area (6.2%), and the Trans-Pecos area (4.6%), in addition to the Beaumont-Houston area.

Because of the seasonal downturn in retail sales all districts showed decreases in January compared with December. Eight of the 12 districts turned in declines of from 32 to 42% for the month. Smaller decreases were reported for the Abilene district (25.8%), the South Texas Plains district (24.7%), the Amarillo district (15.6%), and the Lower Rio Grande Valley (8.6%).

The largest retail sales gains for January, 1946, over January, 1945, were in Texas cities of less than 2,500 population. There the retail stores did 23.6% more business this past month than they did a year ago. Cities with a population of more than 100,000 registered an increase of 15.1%. Medium-sized cities reported average advances of 5 to 8% in sales. In the comparison of January, 1946, sales with December, 1945, sales the cities with more than 2,500 people showed decreases of from 37 to 39% on the average. The smaller cities (less than 2,500 population) in the State experienced only a 22.8% decline in sales for the month.

RETAIL SALES OF INDEPENDENT STORES BY SIZE OF CITY

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

Size of city	Number of establishments	Percent change	
		Jan. 1946 Jan. 1945	Jan. 1946 Dec. 1945
Over 100,000 population	105	+ 15.1	- 38.9
50,000-100,000 population	101	+ 5.4	- 37.1
2,500-50,000 population	53	+ 8.2	- 36.9
Less than 2,500 population	483	+ 23.6	- 22.8

Several significant tendencies have appeared in the *credit ratios* of Texas department and apparel stores in recent months. The ratio of credit to net sales which began to fall in October and broke sharply in December rose to 40.2% in January. This percentage was fractionally higher than the ratio for January, 1945. Dallas, Fort Worth, and Houston stores showed somewhat higher ratios than the average for the State. In general it was the larger department stores in Texas that accounted for the rise in this ratio.

The ratio of collections to accounts outstanding in department and specialty stores fell slightly in December and then dropped sharply in January to 65.6%. This decline put the ratio for January, 1946, slightly below the ratio of 66.3% for January, 1945. Stores in Bryan, El Paso, and San Antonio exerted a downward pull on the State ratio. Again it was the larger department stores of the State that led the decline.

For the third successive month there was a rise in the ratio of credit salaries to sales on credit. The ratio for

January, 1946, was 1.7% compared with a ratio of 1.5% for the same month a year ago. There was considerable variation in this ratio among stores in different parts of the State. Dallas department and apparel stores, for example, paid out credit salaries which amounted to only 1.2% of credit sales, while similar stores in Bryan showed a comparable ratio of 2.9%. Women's specialty shops recorded the lowest ratio (1.3%) on this basis and stores selling dry goods and apparel the highest (2.1%). As usual stores with the smallest volume of business (less than \$500,000 in 1943) paid out the largest amount of credit salaries in relation to credit sales.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES (in percent)

Classification	Number of stores	Ratio of credit sales to net sales*		Ratio of collections to outstanding†		Ratio of credit salaries to credit sales‡	
		Jan. 1946	Jan. 1945	Jan. 1946	Jan. 1945	Jan. 1946	Jan. 1945
ALL STORES	55	40.2	39.7	65.6	66.3	1.7	1.5
STORES GROUPED BY CITIES							
Austin	6	37.4	39.1	65.2	65.0	1.9	1.8
Bryan	3	41.5	43.1	58.7	55.2	2.9	2.4
Corpus Christi	4	37.9	38.4	75.1	73.7	2.4	2.7
Dallas	4	42.4	45.4	69.8	66.4	1.2	1.1
El Paso	3	33.3	37.3	57.8	60.0	1.9	1.5
Fort Worth	4	42.9	41.8	67.1	64.4	1.9	1.4
Houston	5	45.0	42.3	65.6	64.8	1.9	2.1
San Antonio	5	36.7	33.6	63.3	67.4	1.3	1.5
Waco	5	46.1	49.4	66.1	68.5	1.4	0.8
Other	16	37.6	38.0	72.6	76.7	1.3	1.2
STORES GROUPED BY TYPE OF STORE							
Department stores (annual sales over \$500,000)	14	41.6	41.7	63.8	64.4	1.3	1.5
Department stores (annual sales under \$500,000)	10	37.8	38.1	68.6	75.9	1.3	1.5
Dry goods-apparel stores	4	37.9	33.9	76.4	76.6	2.1	1.9
Women's specialty shops	14	41.3	35.8	69.7	71.0	1.3	1.4
Men's clothing stores	13	32.0	33.2	69.1	65.2	1.6	1.7
STORES GROUPED BY VOLUME OF NET SALES (1943)							
Over \$2,500,000	15	42.2	41.1	64.1	65.4	1.6	1.4
\$1,000,000-\$2,500,000	11	34.5	36.8	73.5	68.6	1.0	0.8
\$500,000-\$1,000,000	14	38.0	35.3	70.9	69.4	1.0	1.0
Less than \$500,000	15	33.9	35.3	66.9	59.8	2.6	2.9

*Credit sales divided by net sales.

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

‡Salaries of the credit department divided by credit sales.

Important changes in retail store operation were also revealed in reports on *employment and pay rolls* turned in to the Bureau this past month by 388 Texas stores. The number on the pay rolls of these stores was only 3.1% larger in January, 1946, than in the same month of 1945, but the amount of weekly pay roll averaged 13.2% higher. The number on pay rolls in these stores declined 17.4% in January from the previous month but the amount of pay roll decreased only 16.3%.

The national index of department store *prices* for January prepared by Fairchild's publications was almost

unchanged from the December index and from the index for January, 1945.

Gasoline sales as indicated by taxes collected by the State Comptroller were 129,900,938 gallons in December, 1945. Sales to the Federal Government during the month were 48,210,624 gallons, or 37.1% of the total, according to the reports of motor fuel distributors in the State. Total sales in December, 1945, were 1.3% lower than sales in the previous month and 23.6% above sales in December, 1944.

Another common indicator of retail trade and general business activity in Texas is *postal receipts*. The total receipts of the post offices in 50 Texas cities were 6.1%

POSTAL RECEIPTS

City	Jan. 1946	Dec. 1945	Jan. 1945	Percent change	
				Jan. 1946 Jan. 1945	Jan. 1946 Dec. 1945
TOTAL	2,685,128	3,460,141	2,358,392	- 6.1	- 21.3
Abilene	30,810	40,820	46,757	- 34.1	- 24.5
Amarillo	57,528	73,217	65,047	- 11.6	- 26.5
Austin	115,985	144,459	118,172	- 1.9	- 19.7
Beaumont	48,725	69,561	55,426	- 12.1	- 30.0
Big Spring	11,681	14,250	16,354	- 28.6	- 18.0
Brownsville	14,783	15,091	14,166	+ 4.4	- 2.1
Brownwood	14,983	27,472	34,759	- 56.9	- 45.5
Bryan	7,920	11,731	11,175	- 29.1	- 32.5
Childress	4,451	9,178	7,464	- 40.4	- 51.5
Cleburne	5,473	8,722	6,303	- 19.6	- 37.3
Coleman	4,415	5,123	5,347	- 17.4	- 13.8
Corpus Christi	73,913	93,887	80,081	- 7.7	- 21.3
Corsicana	10,566	12,388	12,094	- 12.6	- 13.0
Dallas	665,685	758,925	626,188	+ 6.3	- 12.3
Del Rio	5,942	6,456	8,159	- 27.2	- 8.0
Denslon	11,064	14,410	12,376	- 10.6	- 23.2
Denton	14,229	14,955	17,534	- 18.9	- 4.9
Edinburg	5,913	6,950	5,641	+ 4.3	- 14.9
El Paso	102,245	132,827	114,732	- 10.9	- 23.0
Fort Worth	280,524	332,401	300,130	- 6.5	- 15.6
Galveston	53,251	150,667	55,280	- 3.6	- 70.5
Gladewater	5,020	5,632	5,840	- 14.1	- 10.9
Graham	4,434	5,024	4,408	+ 0.6	- 11.8
Harlingen	16,236	18,633	13,220	- 10.9	- 12.9
Houston	436,955	558,812	443,109	- 2.5	- 21.8
Jacksonville	6,415	6,601	6,425	- 0.2	- 2.8
Kenedy	2,247	2,485	2,506	- 10.3	- 7.7
Kerrville	5,054	6,347	4,913	+ 2.9	- 26.2
Longview	14,937	13,024	17,415	- 14.2	- 17.1
Lubbock	35,708	44,262	44,483	- 19.7	- 19.3
Lufkin	7,965	9,319	9,592	- 19.5	- 13.9
McAllen	10,000	13,967	10,341	- 3.3	- 23.4
Marshall	11,263	14,039	13,703	- 17.3	- 19.8
Midland	15,867	22,708	15,859	+ 0.1	- 30.1
Palestine	8,508	10,529	10,152	- 16.2	- 19.2
Pampa	10,846	14,128	14,713	- 26.3	- 22.2
Paris	11,330	16,197	30,372	- 62.5	- 29.8
Plainview	6,799	9,050	7,164	- 5.1	- 24.9
Port Arthur	24,719	40,595	31,113	- 20.6	- 39.1
San Angelo	25,001	35,087	28,328	- 11.8	- 23.8
San Antonio	268,458	346,111	284,591	- 7.4	- 23.9
Seguin	5,245	5,734	4,552	+ 15.2	- 8.5
Sherman	13,395	19,546	15,159	- 11.6	- 31.5
Snyder	19,500	2,941	3,251	+431.9	+563.0
Sweetwater	8,704	14,568	8,379	+ 3.9	- 40.3
Temple	14,980	23,314	18,558	- 19.3	- 37.4
Texarkana	32,425	39,380	39,383	- 18.7	- 13.7
Tyler	25,808	38,152	33,502	- 23.0	- 32.4
Waco	56,320	76,111	62,524	- 9.9	- 26.0
Wichita Falls	45,914	61,315	50,321	- 9.7	- 25.7

less in January this year than in the same month a year ago. Only a few cities including Brownsville, Dallas, Graham, Kerrville, Midland, Seguin, and Snyder, registered increases for the 12-month interval. Between December of last year and January of this year the total postal receipts for the same 50 cities fell 21.3%. An increase for January over December was reported by Snyder; the remaining cities without exception reported decreases.

Miscellaneous freight carloadings increased 1.1% in January in comparison with December, but since there is normally a seasonal decline in January the adjusted index rose 3.2%. In comparison with a year ago the index of miscellaneous freight carloadings declined 29.2%.

Wholesale Trade

During January 140 Texas wholesalers reported a 1.9% increase in employment over January, 1945. The amount paid out by these same wholesalers in pay rolls was 12% more this past January than in the same month of last year. Between December, 1945, and January, 1946, there was little change in either the number on or the amount of pay rolls for Texas wholesalers. Employment declined 0.3% and pay rolls rose 1.9%.

PRODUCTION

Manufacturing

The average weekly production of lumber per unit for mills reporting to the Southern Pine Association rose 5.3% in January of this year over December, 1945, to bring the January, 1946, production up to 4.3% over January a year ago. Weekly shipments, however, fell 8.1% from December to January of this year when they were 4.9% under shipments recorded for January, 1945. Unfilled orders at the end of January, 1946, were one-third less than at the same time last year. There was almost no change in the volume of unfilled orders at the close of business this past month and at the end of December.

LUMBER PRODUCTION IN SOUTHERN PINE MILLS

(in board feet)

Source: Southern Pine Association

	Jan. 1946	Dec. 1945	Jan. 1945	Percent change	
				Jan. 1946 Jan. 1945	Jan. 1946 Dec. 1945
Average weekly production per unit...	159,689	151,700	153,172	+ 4.3	+ 5.3
Average weekly shipments per unit	147,054	159,927	154,644	- 4.9	- 8.1
Average unfilled orders per unit, end of month	1,044,876	1,043,215	1,577,775	-33.8	+ 0.2

The above data were compiled from reports received by the Southern Pine Association on the activities of pine mills in Texas and other southern states.

The total milk equivalent of *dairy products* manufactured in Texas during January was 78,110,000 pounds, or 52.1% more than the milk equivalent for December, 1945, production. Compared with January, 1945, this past month's dairy production was 36.3% larger in terms of milk. Creamery butter production was off 16.1% from December to January this year, but ice cream production was up 20.2% and American cheese production was up 17.9%. The production of ice cream during January, 1946, was also 17.7% greater than production in January, 1945, but 23.6% less butter and 39% less American cheese were produced in this State in the same period.

MANUFACTURE OF DAIRY PRODUCTS

Product	Jan. 1946	Dec. 1945	Jan. 1946	Percent change	
				Jan. 1945	Jan. 1946
TOTAL MILK EQUIVALENT* (1000 lbs.)	78,110	51,840	57,308	+36.3	+52.1
Creamery butter (1000 lbs.)	1,181	1,408	1,546	-23.6	-16.1
Ice cream† (1000 gal.)	1,425	1,188	1,209	+17.7	+20.2
American cheese (1000 lbs.)	475	403	779	-39.0	+17.9

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

†Includes sherbets and ices.

From the standpoint of *employment* 560 Texas manufacturing companies reported 3.4% fewer persons on their pay rolls in January than in the previous month and 3.1% fewer than in January of 1945. Excluded from the latter percentage change were five shipbuilding establishments that suffered a 63.6% decrease in employment from January of last year. Manufacturing *pay rolls* in general were also down 7.4% for the month and 5.5% for the 12-month comparison excluding the same five shipbuilding concerns. These firms showed a drop of 77% in their average weekly pay roll from January, 1945, to January, 1946. More detailed information on the shifts in employment and pay rolls in various types of Texas manufacturing establishments appears in the table on page 13.

Construction

Despite strikes and bottlenecks of one sort and another, the construction industry in Texas is enjoying boom times. The value of the *building permits* issued in 44 Texas cities during January totaled \$26,248,692. Compared with \$3,325,652 in January last year, this figure represented better than a seven-fold increase. Nevertheless the value of the building permits issued in January of this year was 31.9% lower than the total value of those issued in the preceding month.

The only one of the 44 cities to record a smaller dollar volume of building permits this January than in the same month a year ago was Denison. Increases and decreases were fairly well scattered among the various cities of the State in the December, 1945-January, 1946, comparisons, but the decreases in the values of permits issued by Houston and San Antonio brought down the State total

for the month. In Houston the value of building permits fell from \$17,516,291 in December to \$8,085,235 in January; in San Antonio the fall was from \$6,841,525 to \$2,605,085.

It must be remembered that the value of building permits customarily leads the series showing actual construction activity and is confined to permits to build within municipal limits.

BUILDING PERMITS

City	Jan. 1946	Dec. 1945	Jan. 1945
TOTAL	\$26,248,692	\$28,637,102	\$3,325,652
Abilene	626,415	185,530	12,935
Amarillo	694,490	632,163	151,738
Austin	1,897,612	1,028,183	164,223
Beaumont	229,270	157,632	74,867
Big Spring	104,910	48,615	21,815
Brownsville	38,605	55,130	14,952
Brownwood	24,000	34,100	2,350
Bryan	146,724	80,120	13,105
Childress	47,125	20,435	13,390
Cleburne	22,823	44,890	1,800
Coleman	75,150	14,600
Corpus Christi	751,153	425,336	177,632
Dallas	5,502,254	5,874,439	497,720
Denison	71,655	62,537	130,647
Denton	101,600	574,450	1,861
Edinburg	100,670	62,110	870
El Paso	405,756	530,410	100,469
Fort Worth	1,970,305	1,155,387	261,047
Galveston	156,000	192,933	53,192
Harlingen	132,100	213,150	15,844
Houston	8,065,235	17,516,291	622,503
Jacksonville	56,300	7,900	4,150
Kenedy	44,000	2,600
Kerrville	97,525	35,000	15,605
Lengview	29,015	45,627	2,275
Lubbock	425,349	1,125,240	146,128
McAllen	156,375	105,730	21,280
Marshall	411,741	15,765	43,072
Midland	224,200	494,650	32,113
New Braunfels	27,799	19,821	10,054
Palestine	52,773	50,832	9,270
Pampa	23,600	87,200	25,000
Paris	32,450	18,305	6,920
Plainview	80,000	24,925	11,141
Port Arthur	291,906	213,871	26,304
San Antonio	2,605,085	6,841,525	415,979
Seguin	38,350	50,670	1,925
Sherman	72,359	30,039	8,935
Sweetwater	74,440	41,000	4,175
Texarkana	39,723	49,639	23,210
Tyler	256,399	197,092	21,947
Victoria	13,100	49,000	2,450
Waco	212,346	140,500	37,139
Wichita Falls	359,390	141,600	24,600

Public Utilities

According to reports from nine leading power companies in the State of Texas, there was a 4.4% increase in the *consumption of electric power* from December, 1945, to January, 1946. Industrial use was down slightly (1.6%) for the month, but this decrease was overbalanced by a 3.9% advance in commercial use and gains of 12% and 17.6% for residential and all other purposes, respectively.

January, 1946, consumption was 11.2% under the figure reported for January, 1945, however. The 25.2% drop in industrial consumption offset respective increases of 1.7%, 17.1%, and 3.6% in commercial, residential and other consumption.

ELECTRIC POWER CONSUMPTION*

Use	Percent change	
	Jan. 1946 Jan. 1945	Jan. 1946 Dec. 1945
TOTAL	-11.2	+ 4.4
Commercial	+ 1.7	+ 3.9
Industrial	-25.2	- 1.6
Residential	+17.1	+12.0
Other	+ 3.6	+17.4

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

In the face of these figures it is significant that 155 utility companies in Texas reported a 7.7% rise in employment for January, 1946, over the preceding month and a 19.9% increase for January, 1946, over January, 1945. An upward trend in pay rolls was also reported by these same companies. The December-to-January advance in average weekly pay rolls was 2.4%, while the January-to-January gain was 28.5%.

Natural Resources

Crude petroleum production in Texas rose 6.1% in January over December on a daily average basis, bettering the national increase of 3.2% almost two to one. Texas production for January, however, was still 4.3% below daily average production in the same month a year earlier, whereas the nation's daily average production was off only 1.9%.

Every producing district in the State shared in the general rise in production during January over December, with the exception of the Panhandle where daily average production in January and December were equal. Percentage-wise and in absolute figures Coastal Texas showed the greatest gain for the month.

DAILY AVERAGE PRODUCTION OF CRUDE PETROLEUM

(in barrels)

Source: American Petroleum Institute

District	Jan. 1946	Dec. 1945	Jan. 1945	Percent change	
				Jan. 1946 Jan. 1945	Jan. 1946 Dec. 1945
UNITED STATES	4,626,300	4,484,800	4,715,500	- 1.9	+ 8.2
TEXAS	2,036,850	1,920,650	2,127,750	- 4.3	+ 6.1
Coastal Texas*	511,800	469,350	552,600	- 7.4	+ 3.9
East Central					
Texas	142,650	132,500	144,050	- 1.0	+ 7.4
East Texas	320,000	307,000	378,300	-15.4	+ 4.2
North Texas	152,200	149,650	143,150	+ 6.7	+ 2.1
Panhandle	81,000	81,000	88,700	- 8.7	0
Southwest Texas	338,000	314,550	342,350	- 1.3	+ 7.5
West Texas	490,600	465,800	478,600	+ 2.5	+ 5.3

*Includes Conroe.

Contrary to the over-all State decrease in crude petroleum production between January, 1945, and January, 1946, the daily average production of crude petroleum went up 2.5% in West Texas and 6.7% in North Texas during this period. Among the several districts the largest decrease in terms of gallons and percentage occurred in the East Texas district.

The 44 firms engaged in crude petroleum production and reporting to the Bureau registered a 2.1% increase in employment from December to January and a 13.5% increase from January of last year to January, 1946. Pay rolls in the industry were up about the same amounts -1.6% for the month and 11.4% for the 12-month period.

AGRICULTURE

Income

The computed cash income from agriculture during January was nearly \$58,000,000 compared with approximately \$98,000,000 during January, 1945, a drop of nearly 41%. The decline in cotton ginnings from 362,000 bales during January last year to 33,000 bales during the corresponding month of the current year, together with a similar decline in marketings of cottonseed accounted for practically all of the drop in income. Since cotton marketings normally are insignificant from February until the opening of the new cotton season in August, year-to-year cash income comparisons for the remainder of the current year are expected to be quite favorable.

The decline in the income from cotton and cottonseed is reflected in the State index of income which dropped from 386 in January, 1945, to 224 in January of the current year. The particularly abrupt drop in the in-

FARM CASH INCOME*

District	Indexes, 1935-1939=100 adjusted for seasonal variation			Actual cash income in thousands of dollars	
	Jan. 1946	Dec. 1945	Jan. 1945	Jan. 1946	Jan. 1945†
STATE	224.3	234.1	335.5	57,756	97,680
1-N	347.6	260.4	375.0	7,477	8,093
1-S	212.4	148.7	637.1	4,052	12,684
2	222.6	248.9	935.2	4,287	13,493
3	178.3	321.5	336.0	2,120	3,955
4	160.9	210.2	329.2	6,719	13,402
5	184.1	232.6	400.2	2,483	5,215
6	209.3	286.0	226.6	3,544	3,764
7	178.1	240.9	270.4	2,533	3,339
8	207.3	198.5	342.3	4,324	6,918
9	173.1	277.6	209.0	4,640	5,440
10	292.0	502.5	469.1	2,450	3,700
10-A	400.3	433.1	331.4	13,077	12,122

*Farm cash income as computed by the Bureau understates actual farm cash income by from six to ten percent. This situation results from the fact that means of securing complete local marketings, especially by truck, have not yet been fully developed. In addition, means have not yet been developed for computing cash income from all agricultural specialties of local importance in scattered areas. This situation does not impair the accuracy of the indexes.

†Changes made in the January, 1945, index and income figures are due to rice estimates as the actual marketing figures were not available at the time the report was prepared.

dexes from January last year in the Southern High Plains (district 1) and the Red Beds Plains (district 2) reflects the abnormally large percentage of ginnings during January, 1945, as a result of labor shortages during the cotton-picking season together with the smaller-than-normal ginnings during January of the current year, resulting from both a very short cotton crop and earlier harvesting. To a lesser extent the influence of a short cotton crop during the current season and an earlier harvesting of cotton is reflected in the indexes of income in other districts in which cotton is important.

Prices

Average farm prices during January showed no radical change from the corresponding month last year except for cabbage, which dropped from \$31.00 per ton to \$21.50. Cotton lint gained two cents per pound, while cottonseed was down \$1.00 per ton from a year ago. For the most part feed crops and livestock registered gains in prices, the increase for grain sorghums being most marked. Moderate gains were registered for grapefruit, carrots, and spinach, while the increase for oranges was quite sharp.

PRICES OF TEXAS FARM PRODUCTS

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

Commodity	Unit	Jan. 1946	Dec. 1945	Jan. 1945
Cotton	lb.	\$ 0.21	\$ 0.21	\$ 0.19
Cottonseed	ton.	53.79	53.25	54.77
Corn	bu.	1.25	1.24	1.22
Grain sorghums	bu.	1.20	1.20	0.86
Oats	bu.	0.77	0.76	0.79
Rice	bu.	1.86	1.84	1.88
Cattle	cwt.	11.50	11.32	10.72
Calves	cwt.	12.78	12.56	11.99
Hogs	cwt.	13.95	14.10	13.51
Sheep	cwt.	7.96	6.95	7.37
Wool	lb.	0.38	0.41	0.40
Mohair	lb.	0.62	0.55	0.60
Eggs	doz.	0.41	0.51	0.38
Butterfat	lb.	0.49	0.48	0.49
Grapefruit	crate	2.25	2.60	2.20
Oranges	crate	3.10	3.25	2.65
Beets	crate	2.36	2.26	2.73
Cabbage	ton	21.50	19.00	31.00
Carrots	crate	2.71	2.72	2.35
Spinach	bu.	1.11	1.06	0.95

INTERSTATE RECEIPTS OF EGGS BY RAIL AT TEXAS STATIONS*

(in carloads)

	Jan. 1946	Dec. 1945	Jan. 1945
TOTAL RECEIPTS—SHELL EQUIVALENT†			
Shell	18	49	89
Frozen	10	7	53
Dried	4	21	13
	0	0	0

*These data are furnished by railway officials to the Division of Agricultural Statistics, Bureau of Agricultural Economics, U.S. Department of Agriculture, through agents at all stations which originate and receive carload shipments of poultry and eggs. The data are compiled by the Bureau of Business Research.

†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

The sharp drop in cotton ginnings from January a year ago has already been mentioned. Declines also are to be noted in the following table in the forwardings of cattle, calves, hogs, and sheep; but the cash income from these products was well maintained since the decline in marketings was largely offset by the increases in prices. Moderate declines also occurred in the marketings of dairy products, poultry, and eggs during the month of January.

RAIL SHIPMENTS OF POULTRY AND EGGS FROM TEXAS STATIONS*

(in carloads)

	Jan. 1946	Dec. 1945	Jan. 1945
TOTAL SHIPMENTS			
Chickens	20	10	34
Turkeys	4	152	15
Eggs-Shell equivalent†	154	149	722
Shell	20	3	16
Frozen	7	33	25
Dried	15	10	32
INTRASTATE SHIPMENTS‡			
Chickens	0	0	5
Turkeys	1	3	2
Eggs-Shell equivalent†	7	66	167
Shell	7	0	3
Frozen	0	13	14
Dried	0	5	17
INTERSTATE SHIPMENTS‡			
Chickens	20	19	29
Turkeys	3	149	13
Eggs-Shell equivalent†	147	83	555
Shell	13	3	13
Frozen	7	20	11
Dried	15	5	65

*These data are furnished by railway officials to the Division of Agricultural Statistics, Bureau of Agricultural Economics, U.S. Department of Agriculture, through agents at all stations which originate and receive carload shipments of poultry and eggs. The data are compiled by the Bureau of Business Research.

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

‡The destination above is the first destination as shown by the original waybill. Changes in destination brought about by diversion factors are not shown.

More specifically the total shipments of livestock dropped from 7,913 cars in December, 1945, to 6,219 cars in January, 1946, a decrease of 21.4%. This decline was almost exactly as large as the drop in the shipments of cattle, its principal constituent, and in the shipments of sheep. The 39.1% fall in the shipments of calves was approximately offset by the 37.1% rise in hog shipments.

Compared with January of 1945, shipments of livestock in the corresponding month of 1946 were off 15.1%. Cattle shipments for this interval were down only 6.9%, but shipments of calves, hogs, and sheep declined 28.4%, 26.3% and 45% respectively.

Shipments of poultry and eggs reflected different tendencies during the first month of the year. Chicken shipments were up over December, 1945, turkey shipments were way down and the shipments of eggs (shell equivalent) were up slightly.

Measured against January, 1945, the shipments of chickens, turkeys, and eggs were down considerably.

Interstate receipts of eggs by rail at Texas stations fell from 89 cars in January, 1945, to 49 cars in December, 1945, and to 18 cars in January, 1946.

Livestock Inventories

The number of cattle in Texas on January 1, 1946, totaled 8,058,000 head compared with 7,900,000 head on the corresponding date last year, according to a recent report of the United States Department of Agriculture. For the entire country there was a decline from 81,909,000 to 79,791,000 head.

Inventories of milk cows, hogs, sheep, and goats in Texas as of January 1, 1946, were moderately below those of a year ago, while for the nation at large a decline was registered for milk cows and sheep but an increase for hogs. The figures released by the Department are as follows:

	Texas (Thousand head)		United States (Thousand head)	
Milk cows	1,641	1,575	27,674	26,785
Hogs	2,019	1,857	59,759	62,344
Sheep	10,116	9,868	47,780	44,241

Moderate increases in chickens in Texas (from 33,972,000 to 34,134,000) and of turkeys (from 856,000 to 959,000) took place between January 1, 1945, and January 1, 1946, while the number of horses and mules continued the downward trend that has long been under way.

For the United States the January 1, 1946, chicken inventory was 525,536,000 compared with 510,939,000

a year earlier. For turkeys on the corresponding dates the inventories were 8,734,000 and 7,323,000, respectively.

SHIPMENTS OF LIVESTOCK*
(in carloads)†

	Jan. 1946	Dec. 1945	Jan. 1945	Percent change	
				Jan. 1946 Jan. 1945	Jan. 1946 Dec. 1945
TOTAL SHIPMENTS	6,219	7,918	7,824	-35.1	-21.4
Cattle	4,641	5,924	4,984	-6.9	-21.7
Calves	698	1,146	974	-28.4	-39.1
Hogs	506	369	687	-26.3	+37.1
Sheep	374	474	679	-45.0	-21.1
INTERSTATE PLUS					
FORT WORTH	5,082	6,522	6,879	-20.8	-22.1
Cattle	3,715	4,784	4,297	-13.5	-22.3
Calves	557	963	845	-34.1	-42.2
Hogs	478	351	654	-27.0	+36.2
Sheep	332	424	583	-43.1	-21.7
INTRASTATE MINUS					
FORT WORTH:	1,137	1,891	945	+20.3	-18.3
Cattle	926	1,140	687	+34.8	-18.8
Calves	141	183	129	+9.3	-23.0
Hogs	28	18	33	-15.2	+55.6
Sheep	42	50	96	-56.3	-16.0

*These data are furnished by railway officials to the Bureau of Agricultural Economics, U.S. Department of Agriculture, through more than 1,500 station agents, representing every livestock shipping point in the State. The data are compiled by the Bureau of Business Research.

†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 in order that the bulk of market disappearance for the month may be shown.

Planning for Cotton in 1946

The dominant factor in the world cotton situation is the demand for cotton goods beyond the capacity of the world to manufacture owing to the destruction of manu-

COTTON BALANCE SHEET FOR THE UNITED STATES
(in thousands of running bales except as noted)

Year	Carryover August 1	Imports to February 1	Government estimate as of December 1†	Total	Consumption to February 1	Exports to February 1	Total	Balance as of February 1
1930-1931	4,530	30	14,243	18,503	2,460	4,479	6,939	11,564
1931-1932	6,369	47	16,918	23,334	2,626	4,957	7,583	15,751
1932-1933	9,682	59	12,727	22,468	2,812	5,040	7,852	14,616
1933-1934	8,176	68	18,177	21,421	2,923	4,919	7,842	13,579
1934-1935	7,746	56	9,731	17,533	2,635	2,865	5,500	11,983
1935-1936	7,138	56	10,734	17,928	3,014	4,004	7,018	10,910
1936-1937	5,897	72	12,407	17,876	3,435	3,848	7,283	10,593
1937-1938	4,498	46	18,746	23,290	3,078	3,832	6,910	16,380
1938-1939	11,533	77	12,008	23,618	3,397	2,192	5,589	18,029
1939-1940	13,033	66	11,792	24,891	4,042	4,170	8,212	16,679
1940-1941	10,596	58	12,686	23,340	4,423	654	5,077	18,263
1941-1942	12,367	†	10,976	23,343	5,391	793*	6,184	17,159
1942-1943	10,599	†	12,962	23,572	5,623	†	5,623	17,944
1943-1944	10,687	†	12,120	22,807	5,144	†	5,144	17,663
1944-1945	10,727	70*	12,369	23,156	4,877	850*	5,727	17,424
1945-1946	11,164	162*	9,195	20,521	4,407	1,100*	5,507	15,014

*Imports and exports to January 1 only, New York Cotton Exchange.

†Not available.

‡In 500 lb. bales.

facturing capacity in war areas and to the slowness in making plans whereby countries like Italy, Germany, Japan, and China can acquire cotton for the mills they have intact.

The important cotton manufacturing countries which produce little or no cotton are Great Britain, Japan, Italy, and some other European countries. These countries even now have over half the cotton spinning spindles of the world. If means can be found speedily to enable these countries to buy cotton, the surplus in the world would soon disappear and contribute greatly toward world rehabilitation in the process.

Since the loans contemplated are to be made by the United States, our surplus cotton in relation to demand would be the first to disappear. Judged on the basis of the present balance sheet for American cotton, its rapid consumption and greatly increased exports, the prospects are that the United States carryover August 1 this year will be the smallest since August, 1937.

The outlook for cotton as a crop for 1946 needs to be judged in the light of the above facts and also on the basis of a guarantee of non-recourse loans of 90% of parity which alone will make cotton the best paying crop for 1946 on land that promises good yields at low cost. A strong demand for cottonseed and a more abundant labor supply are other factors to be considered.

FINANCE

Charters

A total of 172 *new corporations* with a capitalization of \$6,978,000 was chartered by the Secretary of State during the month of January. This total represented a substantial increase over the last month of 1945 but completely overshadowed the 24 corporations with a capitalization of \$531,000 chartered during January a year ago. The principal classification for the new companies was merchandising, followed at a considerable distance by real estate, building, and manufacturing. Most (51 out of 172) were capitalized at less than \$5,000 and only 15 for more than \$100,000. Eight foreign corporations were chartered in January. Last year in the same month 20 foreign corporations received charters.

CORPORATION CHARTERS ISSUED BY CLASSIFICATIONS

Source: Secretary of State

Classification	Jan. 1946	Dec. 1945	Jan. 1945
DOMESTIC CORPORATIONS			
Capitalization (1000 dollars)	6,972	4,721	531
Number	172	131	24
Banking-finance	0	8	2
Manufacturing	13	15	3
Merchandising	72	36	4
Oil	5	2	4
Public service	0	0	1
Real estate building	22	23	6
Transportation	9	8	2
All others	51	39	2
FOREIGN CORPORATIONS			
Number	8	6	20

CORPORATION CHARTERS ISSUED BY CAPITALIZATION

Source: Secretary of State

Capitalization	Jan. 1946	Dec. 1945	Jan. 1945
Over \$100,000	15	12	0
\$5,000-\$100,000	106	88	16
Less than \$5,000	51	36	8

Failures

Only one *failure* representing liabilities of \$5,800 and assets of \$4,800 was reported by Dun and Bradstreet for Texas during the first month of 1946. January was the fourth consecutive month in which but one failure was reported for the State.

BUSINESS FAILURES

Source: Dun and Bradstreet, Inc.

	Jan. 1946	Dec. 1945	Jan. 1945
Number	1	1	1
Liabilities*	5.8	76.6	10.0
Assets*	4.8	110.0	9.0
Average liabilities per failure*	5.8	76.6	10.0

*In thousands of dollars.

Credits and Collections

The retail credit picture as reflected in the *credit ratios* of department and apparel stores reporting to the Bureau showed several changes during January. There was a rise in the ratio of credit sales to net sales up to 40.2%. The ratio of collections to outstanding accounts (65.6%) fell somewhat during the month but remained high. On the other hand the ratio of credit salaries to credit sales has risen in recent months. It was 1.7% in January of this year as compared with 1.5% a year ago. A more detailed analysis of the retail credit picture both in text and table is presented in the retail trade section.

LABOR

Employment

Employment in the 1,443 establishments from which reports were received decreased 4% for January in comparison with December, 1945, while employment in the 561 manufacturing establishments decreased 3.4%. These reports were collected by the Bureau of Business Research in co-operation with the Bureau of Labor Statistics, U.S. Department of Labor, and the percentage changes in employment were computed for identical establishments for the two months. The comparison of employment for January, 1946, with January, 1945, showed an increase of 0.4% for all establishments and a decrease of 3.1% for manufacturing establishments.

In a comparison of January with the same month a year ago, five shipbuilding establishments included in the comparison of January with December were omitted. These establishments employed 17,353 persons in January, 1945, but showed a decline in January, 1946, of 63.6% due to cutbacks in war contracts. Four govern-

ment-owned and contractor-operated ordnance plants that employed 13,889 persons in January, 1945, have ceased operations and were not included in either the comparison of January with December or with January, 1945. The omission of ordnance and shipbuilding establishments shows the change in employment due chiefly to factors other than the cancellation of war contracts.

Changes in employment are given separately for 19 industries employing 39,419 persons in January, 1946; the remaining 36,647 employees were not classified by industry. This miscellaneous group registered a decline of 15.2% in employment since January, 1945, and a decline of 7.1% from December, 1945. Of the 19 industries for which separate reports were tabulated, 14

had increases in employment over January, 1945. The manufacturers of building materials and furniture showed particularly impressive gains in employment. All groups of nonmanufacturing establishments except power laundries had increases over a year ago.

The changes from December, 1945, revealed considerable variation between the various industry groups, although some of these changes were purely seasonal. Retail trade and cotton oil mills are examples of industries with a seasonal decline in employment between December and January.

The index of employment in Texas, shown graphically on page 15 of the REVIEW, indicates that employment of production workers in factories in Texas declined from

PRELIMINARY COMPARISON OF EMPLOYMENT AND PAY ROLLS IN IDENTICAL ESTABLISHMENTS

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

Industrial group	Number of establishments	Number on pay roll*		Percent change		Amount of weekly pay roll		Percent change	
		Jan. 1946	Dec. 1945	Jan. 1946 Jan. 1945	Jan. 1946 Dec. 1945	Jan. 1946	Dec. 1945	Jan. 1946 Jan. 1945	Jan. 1946 Dec. 1945
ALL ESTABLISHMENTS	1,448	105,735	110,095	+ 0.4†	- 4.0	\$4,337,838	\$4,656,449	+ 0.1†	- 6.8
MANUFACTURING	560	76,066	78,705	- 3.1	- 3.4	3,208,684	3,565,943	- 5.5	- 7.4
Food products									
Baking	14	541	564	+ 4.0	- 4.1	22,279	24,417	+ 9.3	- 8.8
Carbonated beverages	42	489	522	- 9.2	- 6.8	15,957	16,285	- 1.0	- 2.0
Confectionery	7	168	197	- 27.0	- 14.7	3,689	4,289	- 2.5	- 14.0
Flour milling	14	1,133	1,121	+ 5.6	+ 1.1	43,333	42,553	+ 17.1	+ 1.1
Ice cream	13	468	471	+ 11.4	- 0.6	14,483	14,126	+ 3.8	+ 2.5
Meat packing	11	3,053	3,049	- 6.2	+ 0.1	124,065	124,775	+ 1.2	- 0.6
Textiles									
Cotton textile mills	17	4,887	4,855	+ 5.6	+ 0.7	155,548	152,941	+ 21.6	+ 1.7
Men's work clothing	5	608	629	+ 10.0	- 4.1	13,341	13,930	+ 7.3	- 4.2
Forest products									
Furniture	6	377	372	+ 13.0	+ 1.3	10,928	10,415	+ 32.6	+ 4.9
Planing mills	11	349	346	+ 22.9	+ 0.9	13,745	13,193	+ 30.7	+ 4.2
Saw mills	8	2,074	2,090	+ 0.6	- 0.8	56,053	57,704	+ 6.0	- 2.9
Paper boxes	5	556	607	- 7.2	- 8.4	18,886	21,513	- 3.0	- 14.5
Printing and publishing									
Commercial printing	20	290	286	+ 16.9	+ 1.4	13,909	12,981	+ 38.6	+ 7.1
Newspaper publishing	9	725	735	+ 9.4	- 1.4	37,150	42,129	+ 22.3	- 11.8
Chemical products									
Cotton oil mills	38	1,241	1,411	- 4.7	- 12.0	39,817	44,397	- 6.8	- 10.3
Petroleum refining	41	19,190	18,940	+ 4.3	+ 1.3	1,056,238	1,096,462	+ 4.6	- 3.7
Stone and clay products									
Brick and tile	11	599	570	+ 33.0	+ 5.1	14,309	14,621	+ 49.2	- 2.1
Cement	3	1,185	1,142	+ 33.6	+ 3.8	43,775	44,047	+ 84.6	- 0.6
Iron and steel products									
Structural and ornamental iron	10	1,491	1,364	+ 20.6	+ 9.3	64,388	58,944	+ 16.8	+ 9.2
Unclassified miscellaneous manufacturing	270	36,647	39,434	- 15.2†	- 7.1	1,542,291	1,755,921	- 25.3†	- 12.2
NONMANUFACTURING									
Crude petroleum production	44	2,889	2,330	+ 13.5	+ 2.1	154,555	152,163	+ 11.4	+ 1.6
Quarrying	16	1,520	1,521	+ 1.9	- 0.1	70,610	75,165	- 1.2	- 6.1
Public utilities	155	4,868	4,520	+ 19.9	+ 7.7	208,332	203,475	+ 28.5	+ 2.4
Retail trade	383	11,103	13,443	+ 3.1	- 17.4	308,529	363,449	+ 18.2	- 16.3
Wholesale trade	140	3,422	3,434	+ 1.9	- 0.3	135,044	132,590	+ 12.0	+ 1.9
Dyeing and cleaning	11	161	153	+ 16.2	- 1.3	4,975	4,853	+ 10.6	+ 2.5
Hotels	16	1,907	1,930	+ 0.2	- 1.2	40,547	41,695	+ 3.3	- 2.5
Power laundries	16	838	808	- 7.7	+ 3.7	17,126	16,374	- 3.8	+ 4.6
Miscellaneous nonmanufacturing	97	2,971	2,751	+ 30.3	+ 8.0	104,040	93,388	+ 37.8	+ 11.4

*Does not include proprietors, firm members, officers of corporations, or other principal executives. Manufacturing employment comprises production and related workers; nonmanufacturing employment comprises all employees.

†Excluding five shipbuilding establishments that declined 63.6% in employment and 77.1% in pay rolls from January, 1945.

101.7 in December to 97.6 in January. This index indicates that employment in Texas manufacturing industries dropped steadily from April, 1945, the last month before V-E Day, to November. November was the first month to show an increase over the preceding month. The greatest decline in one month was in September, which claimed more than half the decline from April to November.

The comparison of the index of employment in Texas with the index of wage earners in all manufacturing industries in the United States, prepared by the Bureau of Labor Statistics, indicates that employment in Texas paralleled that of the country as a whole. For the United States, employment declined from V-E day through October and rose slightly in November, with September showing the greatest decline of any month. The decline during this period was 31.1% for Texas and 22.6% for the United States.

Pay Rolls

The reports on employment collected by the Bureau of Business Research also give information on the amount

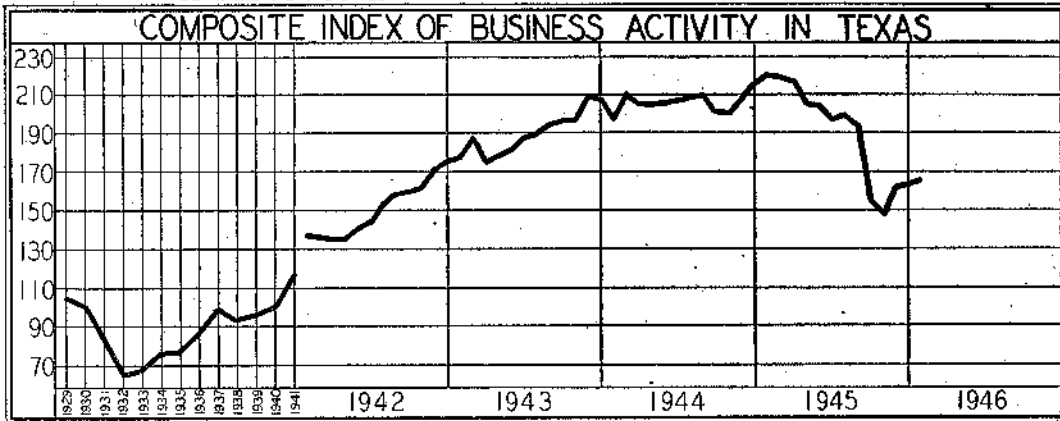
of the weekly *pay roll* for each establishment. The 1,443 establishments reported a decrease of 6.8% in pay rolls in comparison with December, and the 561 manufacturing establishments reported a decrease of 7.4%. January, 1946, pay rolls of all establishments were 0.1% greater than for January, 1945, and pay rolls of manufacturing establishments were 5.5% less than for the same month a year ago. In computing these percentages, the five shipbuilding establishments were not included; their total pay rolls showed a 77.1% decline from January, 1945, to January, 1946. The data on pay rolls are classified for the same industries as for employment.

The index of pay rolls for manufacturing establishments in Texas is shown on page 15 of the REVIEW on the same chart with the index of employment. This chart reveals the greater decline in pay rolls since V-E Day than in employment. The decline stopped in October, and November showed a slight rise in both the index of employment and pay rolls. The index of pay rolls of wage earners in all manufacturing industries prepared by the Bureau of Labor Statistics also declined through October, and more rapidly than the index of employment.

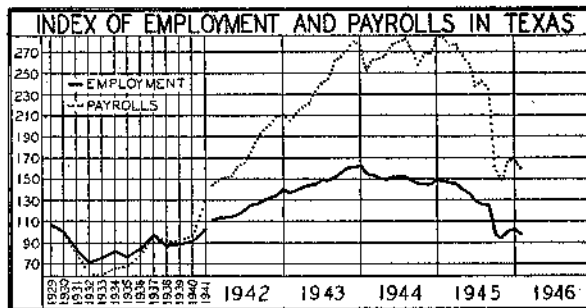
INDEXES OF BUSINESS ACTIVITY IN TEXAS

AVERAGE MONTH OF 1930 = 100
WEIGHTS IN COMPOSITE INDEX

EMPLOYMENT	25	MISCELLANEOUS FREIGHT CARLOADINGS	20
PAYROLLS	10	INDEX OF RUNS	15
DEPARTMENT STORE SALES	10	ELECTRIC POWER CONSUMPTION	15



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