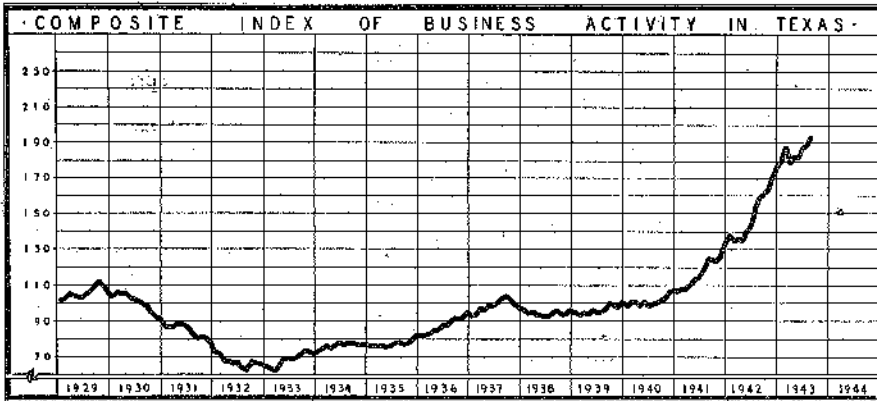




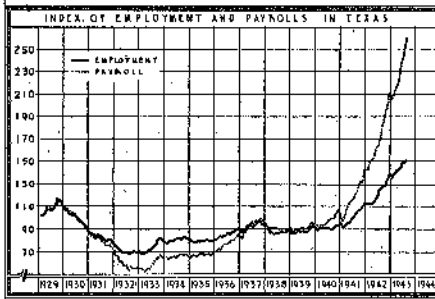
INDEXES OF BUSINESS ACTIVITY IN TEXAS

AVERAGE MONTH OF 1930 = 100%

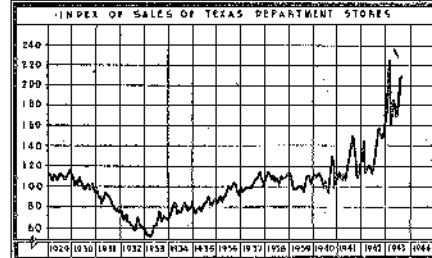
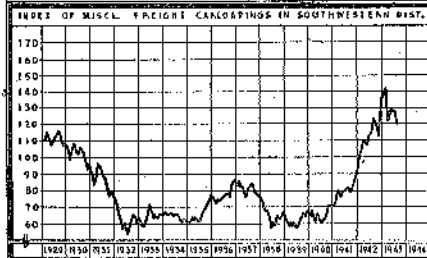
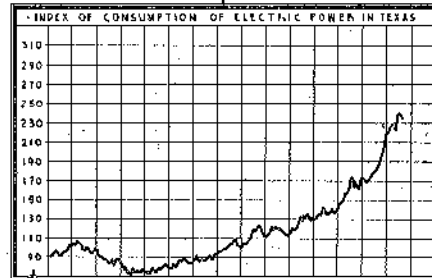
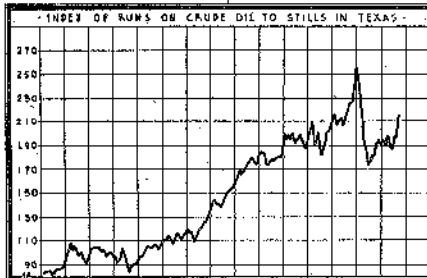
WEIGHTS IN COMPOSITE INDEX:  
 EMPLOYMENT 25%      MISCL. FREIGHT CARLOADINGS 10%  
 PAYROLLS 24%      CRUDE OIL RIGS 8%  
 DEPARTMENT STORE SALES 10%      ELECTRIC POWER CONSUMPTION 15%



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 TEXAS



## Business Review and Prospect

An article in the September 6, 1943, issue of Barron's titled, "Should We Fear Inflation—Or Deflation," by Julius Hirsch, relates to a subject which is certain to command increasing popular thought and attention. As the ultimate outcome of the military phases of the war comes more clearly into view during the months immediately ahead, the all-engrossing problem will become that of converting the materials, factors, and forces which the war has brought into clear perspective into channels most likely to attain the objectives for which the war is being fought and for which such enormous sacrifices are being made.

Mr. Hirsch concludes: "In the writer's opinion, the danger of undesirably low prices a couple of years after the war is greater than the danger of skyrocketing prices." A few excerpts from the article will suffice to show the basis for his conclusions:

"Although the threat of post-war inflation in this country is widely accepted as a probability, the unexpected, surprising fact is that growing supplies of various raw and manufactured commodities now promise to work in the direction of deflation.

"For some two years economic students generally have stressed the 'inflationary gap' as threatening higher prices. This is the gap between the amounts of money being poured into the pockets of citizens by the Government's expenditures and the quantity of goods or services available for them to spend the money on. Since a decrease in production of civilian goods was expected, there appeared to be only two ways to close the gap: *heavy taxation plus heavy sales of government bonds to everybody except the commercial banks.*

"What has happened, however, is that the gap has been closed by two unexpected developments:

"In the first place, production of civilian goods has been far higher than anyone thought possible; and in the second place, private savings are growing at the highest rate in history, and they have the same effect as the payment of taxes and the purchase of government bonds.

"In 1942 the savings totaled some \$40 billion, a sum equivalent to the whole national income in 1932. It is a good bet that the sum will be even higher this year, at the end of which, according to an estimate in the Department of Commerce monthly *Survey of Current Business* individuals and corporations in this country will own cash, bank deposits, and government bonds amounting to \$100 billion. . . .

"Now many students argue that these savings, so to speak, represent a kind of deferred inflation. They expect that this accumulation of cash or its equivalent will burst into the market like a torrent the day after the war ends. Since, according to this view the market will be depleted of goods, the price level will skyrocket. Adding to the force behind the explosion will be expenditures by corporations for reconversion and a heavy demand from abroad for American products.

"I doubt both underlying assumptions; neither will

the public spend its savings like a drunken sailor, nor will supplies be so short as many now believe. . . .

"When the first plans for an all-out war economy were drafted after Pearl Harbor, everyone was convinced that civilian consumption would have to be reduced drastically. That was when we were promised a standard of living no better than in the worst depression times, and we all accepted this forecast as inevitably correct. . . .

"What has happened is that while production of durable civilian goods—goods like automobiles—has shrunk very sharply; the loss had been more than made up by an enormous expansion of non-durable goods production and consumption. Inventories accumulated prior to the war could not possibly have been sufficient to permit expenditures on the present scale.

"Thus the available supply, both during and after the war, has been hitherto greatly underestimated. . . .

"Reports of department stores may be considered as representative of what will happen to things other than food. Already, in June before the Army wool deferment, they reported their suppliers much more willing and able to fill orders than two months earlier. Based on this fact and their available inventories, they flatly denied the probability of a twenty per cent reduction in civilian supply, saying that the most they expected was a decline of one or two per cent.

"As for food, the Department of Agriculture estimates total production to be five per cent higher in 1943 than in the bumper crop year of 1942. After deducting needs of the armed forces and lend lease, the per capita consumption in 1942 was reported to have been three or four per cent higher than in the pre-war normal year of 1939. It is now officially estimated that in 1943-44 consumption may fall by the same percentage below 1939."

Only in durable civilian goods such as automobiles, furniture, and materials for residential building construction is there a real shortage and one which is likely to continue for a considerable period of time according to the writer quoted above. But even with respect to these types of products, he believes it will not be long after the war is over until America can produce all that Americans are likely to want to buy, when several million men from the armed services become available and diversion is completed from the production of war material to the production of civilian goods.

While recognizing fully the anti-inflationary force of our enormous productive power, it may still be well to keep in mind the tremendous inflationary potentialities which have been developed in the past two years. It may be well to recall the unanimous declaration of the Federal Reserve Board and Advisory Council in January, 1941, that control (or regulation) of the general price level could be effected not by one or two measures, but only by a combination of non-inflationary borrowing, *severe* taxation of all the people, restriction of credit uses, reform of certain phases of monetary laws, and "prevention of industrial and labor bottlenecks."



## THE BASES OF PRODUCTIVE CAPACITY IN TEXAS

A more fundamental approach to the question of whether there will be post-war inflation or deflation is an analysis of the capacity of the nation to produce; and an analysis of the total productive power of the nation must of necessity be based upon an analysis of the major natural regions which compose it, together with the natural resources of these regions and the economic developments built thereon.

The Bureau of Business Research of The University of Texas is a pioneer in the work of scientific regional analyses, in the analysis of the natural resources associated with these regions, and in the study of industry developments based upon the utilization of these resources. In manuscript form the Bureau now has a study on *Industry Possibilities in Texas*; and well advanced is another study dealing with natural regions and natural resources of Texas. During the past several years articles have appeared in the REVIEW outlining some of the larger features of these fundamental research studies; and during the coming year a series of articles on the natural resources of Texas, based upon studies which are being carried on in the Bureau, will appear in the REVIEW. These articles will be followed by monographs dealing in greater detail with these subjects. Thus, this Bureau is prepared to make significant contributions to a constructive program for the solution of post-war economic problems if and when such a program is undertaken.

Along with these basic studies of regions, natural resources, and industry possibilities, the Bureau has well advanced in manuscript form quantitative economic studies on income by counties, costs of living in typical Texas communities, and a wide range of basic statistical data for all counties of the state from 1900 to 1940.

It remains for the leadership of the state to develop a comprehensive policy for dealing with post-war problems, a policy which will include a concrete program of action based upon the natural resources of the state in conjunction with such factors as technologic advancement and industrial and financial organizing ability essential to the most advantageous utilization of Texas natural resources. To the extent that Texas succeeds in mobilizing its vast potential productive power, to that extent will it contribute in a practical way toward preventing inflation and toward promoting the living conditions of the people of the State. If similar action is taken in other states and in other regions of the nation, a powerful deterrent will have been created, guarding not only against the immediate menace of inflation, but more basically against the depressing influence of a high public debt, the servicing of which must be counted upon to continue for decades to come. Only with a permanently much higher level of national income than that which prevailed during pre-war years can a standard of living be developed in keeping with the aspirations of our democracy. This national income must, of course, be represented not merely by a higher level of *dollar* income, but rather by a correspondingly higher level in the quantity of available goods.

## CURRENT BUSINESS ACTIVITY IN TEXAS

The trend of industry and trade in Texas is again sharply upward. Pay rolls rose sharply from July to August and are now approximately forty per cent above the high level of a year ago. Employment gained also, but only moderately, indicating that wage rates, longer hours, and extra pay for overtime are still the dominant factors in the rise in pay rolls.

## AUGUST INDEXES OF BUSINESS ACTIVITY IN TEXAS

Average month of 1930=100%

	August, 1943	August, 1943	July, 1943
Employment .....	151.7	127.4	149.3
Pay Rolls .....	260.7	187.1	244.1
Miscellaneous Freight Carloadings (Southwest District) .....	119.4	121.1	125.4
Runs of Crude Oil to Stills .....	215.3	182.5*	198.3*
Department Store Sales .....	210.8	156.8	207.7
Electric Power Consumption .....	235.2	186.9*	237.2
COMPOSITE .....	194.1	155.7*	189.7*

\*Revised.

Other factors in the business index such as department store sales, electric power consumption, and miscellaneous freight carloadings showed comparatively little change from July to August after adjustment for seasonal influences. Runs of crude oil to stills, however, showed the first substantial gain in some months.

## FARM CASH INCOME

Farm cash income in Texas during August totalled \$127,000,000 as computed by this Bureau, an increase over the \$80,000,000 during the corresponding month last year of more than seventy-one per cent. Aggregate cash income for the current year through August was \$590,000,000, an increase over the \$416,000,000 during the corresponding period last year of nearly forty-two per cent.

## INDEXES OF AGRICULTURAL CASH INCOME IN TEXAS

(Average month 1928-1932=100%)

Districts	August 1943	*July 1943	August* 1942	Computed Cash Income	
				January to September 1943	Cumulative 1942
1-N .....	138.4	202.0	178.6	72,220	57,695
1-S .....	314.5	368.8	334.0	42,227	29,118
2 .....	198.9	182.6	194.2	43,427	35,001
3 .....	331.4	208.5	314.2	26,503	23,721
4 .....	170.7	184.5	66.8	79,048	58,578
5 .....	153.3	494.4	45.8	39,843	18,602
6 .....	132.1	172.7	198.5	29,185	19,580
7 .....	248.9	246.1	227.3	45,271	41,463
8 .....	159.3	159.4	121.0	75,301	50,557
9 .....	261.0	156.7	147.3	45,015	30,708
10 .....	833.5	29.7	143.3	36,505	14,029
10-A .....	17.1	205.1	237.2	55,567	36,744
STATE .....	192.1	193.0	121.7	590,112	415,796

\*Revised.

Note: Farm cash income as computed by this Bureau understates actual farm cash income by from six to ten per cent. 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 throughout the State. This situation, however, does not impair the accuracy of the indexes to any appreciable extent.

The bulk of the huge increase in farm cash income over August last year is the result of the unusually large percentage of the year's cotton ginnings during August because of the rapid maturing of the crop—a condition brought about by the dry, hot weather throughout the month of August. Inasmuch as the hot, dry weather has continued during September, ginnings have continued high, and, therefore, a high level of farm cash income may be expected during the current month. As a consequence of the high rate of ginnings during the early part of the cotton marketing season this year, it follows that ginnings during the latter part of the season will fall off sharply compared with last year, since the estimated current crop is smaller than the crop harvested a year ago. Farm cash income from cotton during November and December will, therefore, be less than during those months last year, and it is doubtful if other sources of farm income will increase sufficiently to more than offset the decline in income from cotton. Farm prices for most products still show a substantial margin of gain over a year ago, however; and this fact will contribute to the maintenance of a higher level of income over last year, even if marketings fall to the level of a year ago.

TREND OF FARM CASH INCOME IN TEXAS

Farm cash income in Texas has shown marked variation during the years 1927 to 1942 inclusive, and the current year will show the greatest increase over the average in the history of the state.

In 1928, the total computed income for the state was approximately \$840,000,000; in 1932 it had decreased to \$296,000,000; and in 1942 it had risen to \$932,000,000. Our estimate for the current year is \$1,200,000,000. These figures are all the result of computations based on actual marketings and reported farm prices. These computations represent an understatement of approxi-

mately six per cent, since complete records of truck transportation to local markets are not obtainable. The figures listed, moreover, include only the cash income from marketings and do not include the subsidies which have been paid by the Federal Government beginning in 1933.

The following table contains a resumé of the computed farm cash income for the state as a whole and for each of the State's crop reporting districts. While the general pattern of a sharp decrease in farm cash income during the late '20's and early '30's occurred in the State and in each of the districts, followed by a slow and erratic upward tendency through 1940, significant changes are to be noted in the size of the cash income between the beginning and the end of the fifteen-year period among the various districts.

For example, the cash income in districts 2, 4, 5, and 8 was much greater during the late '20's than in the early '40's, while the reverse was true in varying degrees in the remaining districts. Decline in cash income occurred primarily in the older cotton areas of the State; whereas, rise in income occurred in districts where livestock are dominant and where new types of crops, fruits and vegetables have been growing in importance. As the old cotton districts develop livestock and new crop enterprises such as peanuts, fruits, vegetables, and the like, the unfavorable showing they have made during the past decade will tend gradually to disappear. Some of the best work now being done in agricultural rehabilitation is to be found in these older agricultural districts of the State and the results are becoming apparent in a large way. Much remains to be done and doubtless much will be done along this line in the years to come as concrete and practical educational programs are developed.

F. A. BUECHEL.

TREND OF FARM CASH INCOME IN TEXAS, 1927-1942

(In thousands of dollars)

District	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942
I-N	53,504	63,236	65,594	50,058	30,785	20,668	21,515	26,337	19,164	27,194	52,222	38,878	36,822	39,485	44,586	85,968
1-S	42,861	36,501	47,515	28,119	22,703	22,132	25,616	16,436	25,209	37,304	57,331	37,109	35,421	38,712	71,890	96,377
2	139,701	109,287	95,588	45,343	37,509	46,710	60,652	34,978	55,965	47,345	63,107	50,212	42,481	51,937	106,844	124,352
3	35,827	39,218	33,779	21,541	15,553	12,792	15,999	16,282	23,935	21,539	28,402	22,406	21,449	23,360	29,300	51,361
4	181,320	195,058	173,571	104,797	83,338	64,617	81,149	84,849	85,883	115,088	114,677	86,209	81,888	86,497	117,051	162,702
5	111,992	116,545	89,245	53,177	37,340	30,118	37,398	41,799	44,236	48,520	47,874	35,787	37,742	39,299	36,700	61,405
6	25,115	24,758	27,977	22,224	12,038	7,687	10,480	15,004	12,219	17,293	21,383	23,666	26,903	26,663	34,997	49,033
7	52,063	59,954	51,541	33,625	25,332	17,135	28,147	27,720	28,556	36,032	49,128	32,404	35,459	44,665	53,710	70,267
8	90,196	104,596	71,906	76,472	40,646	33,767	43,573	49,630	43,312	40,913	59,716	46,076	41,304	38,629	55,003	87,265
9	43,227	52,385	31,239	38,957	26,777	18,311	23,088	25,528	25,278	26,974	34,586	28,704	31,081	38,750	43,140	68,613
10	18,690	25,279	25,492	16,801	11,321	8,483	9,188	10,605	12,229	12,517	16,244	13,077	13,665	11,078	14,452	24,373
10-A	13,500	22,729	24,028	23,662	13,513	13,096	10,038	13,709	12,557	19,152	34,564	27,776	27,929	23,317	26,955	49,995
STATE	807,996	849,546	737,475	514,776	356,855	295,516	366,843	362,877	388,539	449,871	579,235	442,304	432,144	462,392	634,628	931,711

## Cotton Under Post-War Influence

Post-war factors and forces are rapidly becoming major causes of price movements in the cotton market. The discovery and interpretation of these forces in terms of prices are of major concern to those vitally affected by cotton price movements.

The pattern of cotton price movements during the closing months of the first World War and the period that followed were briefly as follows. The high of cotton prices prior to the Armistice on November 11, 1918, came in September, 1918, when the monthly average of New Orleans spot cotton prices for middling 7/8 inch was 33.22 cents. From November to April the trend of cotton prices was downward and reached an average for April, 1919, of 26.70 cents. From April, 1919, to April, 1920, the trend of cotton prices was rather sharply upward and reached a high in April, 1920, when New Orleans spot cotton averaged 41.41 cents. Finally from April, 1920, to June, 1921, there was a long precipitous decline in the price of cotton to an average for the latter month of 11.03 cents per pound. These data show that the pre-Armistice high price for cotton was reached two months before fighting ceased, and that the Armistice was followed by a continuous decline in the price of cotton in an adjustment period of five months, or through April, 1919. Beginning in May, 1919, the post-war boom carried the price of cotton upward for a year, or through April, 1920. The boom year was followed by a precipitous price decline in cotton which began in May, 1920, and ended in June, 1921, or in the middle of the first post-war depression year.

Is it probable that cotton prices just preceding and following the close of this war will take the same general pattern as outlined above? At least there will be many somewhat similar conditions and forces tending in that direction. (1) There will be great pent-up buying power in this country and in most neutral countries. (2) There is accumulating a correspondingly great shortage in civilian cotton goods the world over. (3) Even though government borrowings have been much greater than in the first World War, inflation has not reached anything like the heights attained during and following that war. (4) So far, during this war cotton prices have advanced more than the general level of wholesale prices but not at all in proportion to the advance over the general price level during and after the first World War. (5) World production of cotton has de-

clined about sixteen per cent as a result of this war; but during the first World War, the decline amounted to about twenty-five per cent. (6) The information to date is that comparatively little of the world's capacity to manufacture cotton has been destroyed.

In spite of the above more or less parallel conditions, the whole situation in relation to cotton and post-war cotton prices is vitally different from what it was at the close of the first World War. (1) Prices of United States grown cotton are now relatively much higher than foreign growths of cotton. (2) The policy of the Federal Government to support farm commodity prices such as cotton with loans is of tremendous importance. (3) Ceiling prices will undoubtedly be used to prevent important advances in cotton prices. (4) Foreign countries now produce about fifty-eight per cent of the world's supply of cotton whereas prior to the first World War they produced only about thirty per cent of it. (5) There is a relatively large carryover of world cotton predominantly low grade, short staple which will be urgently seeking markets. (6) The great improvement in the quality and world capacity to produce large quantities of synthetic fibers cheaply is a factor of major importance. (7) The business structure of the world has been much more greatly disturbed during this war than the first World War, and private trading will be much more difficult to develop on a world basis. (8) The use to be made of "lend-lease" or some other United States Government device to enable United States cotton to flow into foreign manufacturing countries will weigh heavily. (9) Price controls and rationing will probably be continued for some time after fighting ceases. (10) Finally, the sort of peace established will be especially important in determining the price movements of cotton for the long pull.

All of these facts and forces add up to a few sound conclusions: First, the future of cotton price movements is highly unpredictable; second, cotton now has relatively much higher debt paying ability than commodity buying power, thus an item bought on credit after 1929 can be paid for now with less than half the cotton required when it was bought. It is good business to pay as many debts as possible and buy as few commodities as possible.

A. B. Cox.

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF SEPTEMBER 1  
(In Thousands of Running Bales Except as Noted)

Year	Carryover Sept. 1	Import to Sept. 1*	Gov. estimate as of		Consumption to Sept. 1	Exports to Sept. 1	Total	Balance Sept. 1
			Sept. 1*	Total				
1934-1935	7,746	11	9,252	17,009	419	253	672	16,337
1935-1936	7,138	8	11,489	18,635	408	241	649	17,986
1936-1937	5,397	13	11,121	16,531	574	182	756	15,775
1937-1938	4,498	8	16,098	20,604	604	220	824	19,780
1938-1939	11,533	18	11,825	23,376	201	561	762	22,614
1939-1940	13,033	13	12,380	25,426	631	215	846	24,580
1940-1941	10,596	10	12,772	23,378	655	65	720	22,658
1941-1942	12,376	43	10,710	23,129	874	5	879	22,250
1942-1943	10,590	†	14,028	24,618	925	†	925	23,693
1943-1944	10,687	†	12,558	23,245	842	†	842	22,403

The cotton year begins August 1.

\*Figures are in 500-pound bales.

†Not available.

EMPLOYMENT AND PAY ROLLS IN TEXAS

August, 1943

	Estimated Number of Workers Employed*		Percentage Change		Estimated Amount of Weekly Pay Roll		Percentage Change	
	July, 1943 <sup>(1)</sup>	Aug., 1943 <sup>(2)</sup>	from July, 1943	from Aug., 1942	July, 1943 <sup>(3)</sup>	Aug., 1943 <sup>(3)</sup>	from July, 1943	from Aug., 1942
<b>MANUFACTURING</b>								
<b>All Manufacturing Industries</b>	165,322	165,673	+ 0.9	+ 2.8	\$5,159,220	\$5,218,437	+ 5.0	+ 27.9
<i>Food Products</i>								
Baking	7,942	7,865	- 1.0	+ 3.3	243,847	241,142	- 1.1	+ 26.2
Carbonated Beverages	4,026	4,191	+ 4.1	+ 44.1	114,044	120,669	+ 5.8	+ 43.1
Confectionery	1,031	1,196	+ 16.0	+ 19.1	11,777	14,582	+ 23.8	+ 40.9
Flour Milling	2,258	2,299	+ 1.8	+ 19.1	63,307 <sup>(4)</sup>	63,871	+ 0.9	+ 66.3
Ice Cream	1,520	1,551	+ 2.0	+ 2.0	36,872	40,406	+ 9.6	+ 25.2
Meat Packing	5,906	6,100	+ 3.3	- 4.5	193,873	212,863	+ 9.8	+ 18.1
<i>Textiles</i>								
Cotton Textile Mills	6,081	5,923	- 2.6	- 15.3	127,216	125,951	- 1.0	- 8.2
Men's Work Clothing	4,777	4,332	- 9.3	- 14.8	79,754	67,458	- 15.4	- 6.2
<i>Forest Products</i>								
Furniture	1,576	1,692	+ 7.4	- 15.3	36,105	38,024	+ 5.3	+ 18.9
Planing Mills	2,103	2,086	- 0.8	- 20.0	52,280	57,416	+ 9.8	- 22.1
Saw Mills	15,437	15,600	+ 1.1	- 7.5	263,317	291,415	+ 10.7	+ 18.9
Paper Boxes	910	969	+ 6.4	+ 63.3	18,330	21,207	+ 15.7	+ 96.2
<i>Printing and Publishing</i>								
Commercial Printing	2,389	2,344	- 1.9	- 4.7	73,918	73,718	- 0.3	+ 19.5
Newspaper Publishing	4,156	4,044	- 2.7	- 6.6	116,168	114,741	- 1.2	+ 5.6
<i>Chemical Products</i>								
Cotton Oil Mills	2,128	2,585	+ 21.5	- 1.2	29,002	38,157	+ 31.5	+ 27.7
Petroleum Refining	22,543	22,524	- 0.1	- 0.4	1,236,287	1,334,939	+ 8.0	+ 48.9
<i>Stone and Clay Products</i>								
Brick and Tile	1,629	1,562	- 4.2	- 24.8	26,836	26,279	- 2.1	- 18.8
Cement	1,156	1,146	- 0.9	- 14.9	43,339	40,206	- 7.2	- 19.0
<i>Iron and Steel Products</i>								
Structural and Ornamental Iron	2,853	2,865	+ 0.4	+ 2.2	80,200	85,729	+ 6.9	+ 25.2
<b>NONMANUFACTURING</b>								
Crude Petroleum Production	25,559	25,761	+ 0.8	- 3.3	1,277,079	1,296,368	+ 1.5	+ 29.5
Quarrying	(3)	(3)	- 0.7	- 18.5	(3)	(3)	+ 1.6	- 0.1
Public Utilities	(3)	(3)	+ 2.2	+ 8.3	(3)	(3)	+ 13.7	+ 28.5
Retail Trade	213,715	213,556	- 0.1	+ 15.2	4,486,840	4,572,188	+ 1.9	+ 22.2
Wholesale Trade	61,934	60,877	- 1.7	- 8.9	2,184,709	2,237,556	+ 2.4	+ 6.4
Dyeing and Cleaning	2,930	2,951	+ 0.7	+ 9.6	61,404	61,752	+ 0.5	+ 39.6
Hotels	18,491	19,411	+ 5.0	+ 21.6	296,242	309,613	+ 4.5	+ 52.8
Power Laundries	14,440	14,805	+ 2.5	+ 0.6	234,333	228,987	- 2.3	+ 11.4

CHANGES IN EMPLOYMENT AND PAY ROLLS IN SELECTED CITIES

	Employment		Percentage Change			Employment		Percentage Change	
	July, 1943	Aug., 1942	July, 1943	Aug., 1942		July, 1943	Aug., 1942	July, 1943	Aug., 1942
	to	to	to	to		to	to	to	to
	Aug., 1943	Aug., 1943	Aug., 1943	Aug., 1943		Aug., 1943	Aug., 1943	Aug., 1943	Aug., 1943
Abilene	+ 0.9	+ 22.7	+ 0.1	+ 22.6	Calveston	+ 12.9	+ 40.3	+ 33.9	+ 6.5
Amarillo	- 7.1	- 3.4	- 2.9	+ 6.4	Houston	+ 1.9	+ 16.6	+ 7.2	+ 31.9
Austin	± (4)	+ 2.8	+ 1.8	+ 25.6	Port Arthur	- 0.4	- 2.5	+ 8.1	+ 41.9
Beaumont	- 0.1	+ 17.2	+ 7.2	+ 45.7	San Antonio	+ 3.1	- 1.1	+ 4.1	+ 7.5
Dallas	+ 3.1	+ 18.0	+ 7.5	+ 43.4	Sherman	- 6.1	+ 17.6	- 2.4	+ 29.7
El Paso	- 1.6	- 0.6	+ 5.2	+ 15.7	Waco	- 0.5	+ 9.4	- 5.9	+ 14.0
Fort Worth	+ 1.5	+ 80.2	+ 5.4	+ 103.4	Wichita Falls	- 1.4	- 17.3	+ 2.9	+ 17.7
					STATE	+ 1.6	+ 19.0	+ 6.8	+ 39.4

ESTIMATED NUMBER OF EMPLOYEES IN NONAGRICULTURAL BUSINESS AND GOVERNMENT ESTABLISHMENTS<sup>(5)</sup>

	1941 <sup>(1)</sup>	1942 <sup>(1)</sup>	1943		1941 <sup>(1)</sup>	1942 <sup>(1)</sup>	1943
January	1,094,000	1,170,000	1,360,000 <sup>(2)</sup>	July	1,156,000	1,317,000	
February	1,120,000	1,199,000	1,367,000 <sup>(2)</sup>	August	1,176,000	1,352,000	
March	1,120,000	1,226,000	1,384,000 <sup>(3)</sup>	September	1,203,000	1,373,000	
April	1,114,000	1,222,000	1,402,000 <sup>(4)</sup>	October	1,219,000	1,384,000	
May	1,120,000	1,251,000	1,427,000 <sup>(4)</sup>	November	1,219,000	1,389,000	
June	1,134,000	1,291,000	1,448,000 <sup>(5)</sup>	December	1,222,000	1,413,700	

\*Does not include proprietors, firm members, officers of corporations, or other principal executives. Factory employment excludes also offices, sales, technical and professional personnel.

<sup>(1)</sup>Revised.

<sup>(2)</sup>Subject to revision.

<sup>(3)</sup>Not available.

<sup>(4)</sup>No change.

<sup>(5)</sup>Based on unweighted figures.

Not including self-employed persons, casual workers, or domestic servants, and exclusive of military and maritime personnel.

Prepared from reports from representative Texas establishments to the Bureau of Business Research cooperating with the Bureau of Labor Statistics. Due to the national emergency, publications of data for certain industries is being withheld until further notice.

## TEXAS BUSINESS REVIEW

## DAIRY PRODUCTS MANUFACTURED IN PLANTS IN TEXAS

Products and Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	TOTAL
<b>CREAMERY BUTTER</b> (1000 lb.)													
1943*	3,012	3,001	2,724	3,446	4,740	4,275	4,051	3,452					
1942*	2,341	2,076	2,131	3,311	4,396	4,353	3,937	3,684	3,640	3,343	2,659	2,241	38,066
1930-39 average	2,074	2,109	2,392	3,138	3,556	3,166	4,113	2,867	2,513	2,608	2,301	2,211	32,048
<b>ICE CREAM</b> (1000 gal.)													
1943*	1,554	1,218	1,408	1,823†	2,327†	2,391†	2,758†	2,763					
1942*	745	700	1,014	1,312	1,812	2,305	2,476	2,324	1,838	1,585	1,323	1,046	16,089
1930-39 average	1,215	1,262	434	570	752	893	904	846	686	460	259	205	6,486
<b>AMERICAN CHEESE</b> (1000 lb.)													
1943*	874	1,025	1,108	1,633	2,120	1,943	1,896	1,405					
1942*	1,308	1,302	1,644	2,204	2,756	2,674	2,580	2,048	1,649	1,184	713	735	20,717
1930-39 average	554	590	737	1,050	1,215	1,129	1,119	1,025	866	852	718	641	10,496
<b>MILK EQUIVALENT OF DAIRY PRODUCTS†</b> (1000 lb.)													
1943*	98,377	90,422	88,540	115,788	154,491	142,700	143,120	124,558					
1942*	75,435	77,913	83,621	105,047	148,707	145,064	145,868	131,841	119,279	104,273	83,502	72,806	1,237,136
1930-39 average	54,675	57,139	67,456	89,641	104,323	97,562	97,075	89,185	76,165	73,444	60,119	55,872	922,656

\*Estimates of production made by the Bureau of Business Research.

†Milk equivalent of dairy products was calculated from production data by the Bureau of Business Research.

‡Includes ice cream, sherberts, ices, etc.

Note: 10-Year Average production of creamery butter, ice cream and American Cheese based on data from the Division of Agricultural Statistics, B.A.E.

## AUGUST, 1943, CARLOAD MOVEMENTS OF POULTRY AND EGGS

Shipments from Texas Stations

*Destination	Cars of Poultry						Cars of Eggs					
	Chickens		Turkeys		Shell		Frozen		Dried		Shell Equivalent†	
	1943	1942	1943	1942	1943	1942	1943	1942	1943	1942	1943	1942
TOTAL	16	36	3	13	14	23	31	36	111	95	964	855
Intrastate	4	3	0	0	14	22	10	15	15	4	154	84
Interstate	12	33	3	13	0	1	21	21	96	91	810	771
Receipts at Texas Stations												
TOTAL	0	1	0	0	24	25	16	18	8	8	120	125
Intrastate	0	0	0	0	6	1	13	14	8	8	96	93
Interstate	0	1	0	0	18	24	3	4	0	0	24	32

## Carload Shipments of Poultry and Eggs to Out-of-State Points During the Month of August, 1941-43

	1943	1942	1941
<b>Carloads Shipped</b>			
Chickens	12	33	15
Turkeys	3	13	4
Total Poultry	15	46	19
<b>Eggs</b>			
Shell Eggs	0	1	47
Frozen Eggs	21	21	58
Dried Eggs	96	91	64
Shell Egg Equivalent	810	771	675

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

†Dried eggs and frozen eggs are converted to a shell-egg equivalent on the following basis: 1 rail carload of dried eggs=3 carloads of shell eggs, and 1 carload of frozen eggs=2 carloads of shell eggs.

Note: These data furnished to the Division of Agricultural Statistics, B.A.E., by railroad officials 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.

## AUGUST SHIPMENTS OF LIVE STOCK CONVERTED TO A RAIL-CAR BASIS\*

	Cattle		Calves		Hogs		Sheep		Total	
	1943	1942	1943	1942	1943	1942	1943	1942	1943	1942
Total Interstate Plus Fort Worth	4,365	5,382	1,163	1,512	1,326	948	2,242	1,619	9,096	9,461
Total Intrastate Omitting Fort Worth	306	543	130	82	57	23	190	146	683	794
TOTAL SHIPMENTS	4,671	5,925	1,293	1,594	1,383	971	2,432	1,765	9,779	10,255

## TEXAS CAR-LOT\* SHIPMENTS OF LIVE STOCK FOR YEAR 1943

	Cattle		Calves		Hogs		Sheep		Total	
	1943	1942	1943	1942	1943	1942	1943	1942	1943	1942
Total Interstate Plus Fort Worth	39,958	37,842	5,531	6,907	11,500	8,136	9,055	7,762	66,044	60,647
Total Intrastate Omitting Fort Worth	5,631	4,051	1,438	819	525	180	583	410	8,177	5,460
TOTAL SHIPMENTS	45,589	41,893	6,969	7,726	12,025	8,316	9,638	8,172	74,221	66,107

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

Fort Worth shipments are combined with interstate forwardings in order that the bulk of market disappearance for the month may be shown.

Note: These data are furnished the United States Bureau of Agricultural Economics by railway officials through more than 1,500 station agents, representing every live stock shipping point in the State. The data are compiled by the Bureau of Business Research.



AUGUST RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Number of Estab- lishments Reporting	Percentage Changes in Dollar Sales		
		Aug., 1943 from Aug., 1942	Aug., 1943 from July, 1943	Year 1943 from Year 1942
TOTAL TEXAS	959	+23.4	+ 7.6	+30.9
STORES GROUPED BY LINE OF GOODS CARRIED:				
APPAREL	110	+31.6	+12.8	+58.5
Family Clothing Stores	30	+28.3	+ 8.8	+54.4
Men's and Boys' Clothing Stores	33	+23.5	+ 6.8	+52.5
Shoe Stores	13	- 2.4	+ 6.0	+49.1
Women's Specialty Shops	34	+41.3	+18.5	+65.7
AUTOMOTIVE*	55	+ 9.1	+ 2.6	+16.0
Motor Vehicle Dealers	53	+10.5	+ 3.7	+18.1
COUNTRY GENERAL	90	+19.1	+ 0.7	+22.9
DEPARTMENT STORES	61	+35.3	+11.2	+44.5
DRUG STORES	121	+26.4	+ 1.0	+27.7
DRY GOODS AND GENERAL MERCHANDISE	24	+35.8	+ 5.1	+63.3
FILLING STATIONS	30	+26.1	+ 6.7	+21.3
FLORISTS	23	+53.3	- 4.1	+47.4
FOOD*	140	+12.4	- 3.9	+23.2
Grocery Stores	47	+10.9	- 5.1	+17.2
Grocery and Meat Stores	86	+13.3	- 3.0	+21.7
FURNITURE AND HOUSEHOLD*	73	+21.9	+ 1.9	+23.8
Furniture Stores	66	+22.9	+ 1.6	+26.4
JEWELRY	21	+27.8	+15.7	+39.1
LUMBER, BUILDING, AND HARDWARE*	176	-13.2	+ 4.5	-17.0
Farm Implement Dealers	13	- 6.2	- 2.2	- 9.3
Hardware Stores	56	+ 1.0	+ 1.1	- 4.0
Lumber and Building Material Dealers	105	-17.0	+ 6.0	-20.6
RESTAURANTS	20	+28.2	+ 7.8	+45.7
ALL OTHER STORES	5	+10.8	+ 4.0	+16.7
TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:				
All Stores in Cities of—				
Over 100,000 Population	161	+28.6	+ 9.9	+36.2
50,000-100,000 Population	103	+12.9	+ 6.1	+25.1
2,500-50,000 Population	465	+22.4	+ 5.2	+30.4
Less than 2,500 Population	230	+17.0	+ 3.4	+13.1

\*Group total includes kinds of business other than the classification listed.

Prepared from reports of independent retail stores to the Bureau of Business Research, cooperating with the U.S. Bureau of the Census.

AUGUST CREDIT RATIOS IN TEXAS DEPARTMENT AND APPAREL STORES

(Expressed in Per Cent)

	Number of Stores Reporting	Ratio of Credit Sales to Net Sales		Ratio of Collections to Outstandings		Ratio of Credit Salaries to Credit Sales	
		1943	1942	1943	1942	1943	1942
All Stores	56	47.8	54.0	61.0	53.1	1.2	1.2
Stores Grouped by Cities:							
Austin	6	41.4	48.0	72.3	61.0	1.3	1.7
Bryan	3	36.0	46.5	77.2	49.8	1.6	5.9
Dallas	8	58.7	64.0	61.3	55.8	0.9	0.8
El Paso	3	33.2	41.4	63.6	50.3	1.7	1.6
Fort Worth	5	44.5	54.4	53.9	50.3	1.3	1.3
Houston	8	45.3	58.4	56.7	48.3	1.7	1.6
San Antonio	4	35.9	38.8	64.7	57.0	1.7	2.1
Waco	5	49.8	51.0	58.7	46.5	1.2	1.1
All Others	14	44.4	48.9	70.4	56.3	1.1	1.5
Stores Grouped According to Type of Store:							
Department Stores (Annual Volume Over \$500,000)	20	46.4	54.3	62.2	54.5	1.3	1.3
Department Stores (Annual Volume under \$500,000)	8	42.5	41.0	58.4	50.8	1.6	1.9
Dry-Goods-Apparel Stores	2	41.2	48.6	66.1	54.9	2.1	2.1
Women's Specialty Shops	12	53.9	53.9	53.5	48.4	0.7	0.6
Men's Clothing Stores	14	47.5	57.2	63.8	53.6	1.7	1.6
Stores Grouped According to Volume of Net Sales During 1942:							
Over \$2,500,000	14	48.7	58.7	65.0	55.6	1.3	1.4
\$2,500,000 down to \$1,000,000	11	48.8	53.9	60.9	55.1	1.3	1.1
\$1,000,000 down to \$500,000	6	38.4	47.3	70.9	60.1	1.9	1.5
Less than \$500,000	25	36.2	41.7	66.0	55.0	3.2	3.4

Notes: The ratios shown for each year, in the order in which they appear from left to right are obtained by the following computations: (1) Credit Sales divided by Net Sales. (2) Collections during the month divided by the total accounts unpaid on the first of the month. (3) Salaries of the credit department divided by credit sales. The data are reported to the Bureau of Business Research by Texas retail stores.

**AUGUST RETAIL SALES OF INDEPENDENT STORES  
IN TEXAS**

(By Districts)

	Number of Establishments Reporting	Percentage Changes		
		Aug., 1943 from Aug., 1942	Aug., 1943 from July, 1943	Year 1943 from Year 1942
<b>TOTAL TEXAS</b>	959	+ 23	+ 8	+ 31
<b>TEXAS STORES GROUPED BY PRODUCING AREAS:</b>	828			
District 1-N	66	+ 8	+ 8	+ 31
Amarillo	23	- 10	+ 7	+ 40
Plainview	13	+ 23	+ 9	+ 26
All Others	30	+ 21	+ 9	+ 24
District 1-S	27	+ 32	+ 10	+ 43
Lubbock	13	+ 22	+ 4	+ 42
All Others	14	+ 57	+ 25	+ 48
District 2	78	+ 11	+ 3	+ 26
Abilene	13	+ 9	+ *	+ 40
Wichita Falls	12	- 1	+ 3	+ 19
All Others	54	+ 28	+ 6	+ 23
District 3	35	+ 24	+ 7	+ 24
District 4	223	+ 29	- 5	+ 39
Corsicana	10	+ 21	+ 1	+ 21
Dallas	36	+ 37	+ 12	+ 48
Fort Worth	24	+ 20	+ 6	+ 34
Sherman	11	+ 8	- 4	+ 13
Temple	15	+ 24	- 3	+ 32
Waco	21	+ 27	+ 8	+ 52
All Others	106	+ 26	+ 4	+ 29
District 5	100	+ 24	+ 7	+ 24
District 6	35	+ 21	+ 5	+ 26
El Paso	18	+ 21	+ 5	+ 25
All Others	17	+ 13	- 4	+ 33
District 7	51	+ 24	+ 7	+ 21
San Angelo	12	+ 31	+ 14	+ 29
All Others	39	+ 15	- 1	+ 19
District 8	159	+ 15	+ 14	+ 26
Austin	15	- 37	- 5	+ 17
San Antonio	49	+ 18	+ 3	+ 31
All Others	95	+ 45	+ 28	+ 18
District 9	113	+ 32	+ 13	+ 27
Beaumont	10	+ 37	+ 11	+ 46
Houston	51	+ 34	+ 15	+ 26
All Others	53	+ 23	+ 9	+ 26
District 10	27	+ 39	+ 5	+ 35
District 10-A	42	+ 12	- 2	+ 27
Brownsville	9	+ 24	- 2	+ 56
All Others	33	+ 8	- 3	+ 24

\*Change of less than .5%.

Note: Prepared from reports of independent retail stores to the Bureau of Business Research, cooperating with the U.S. Bureau of the Census.

**TEXAS COMMERCIAL FAILURES**

	August 1943	August 1942	July 1943
Number	0	8	0
Liabilities*	0	72	0
Assets*	0	52	0
Average liabilities per failure*	0	9	0

\*In thousands.

Note: From Dun and Bradstreet, Inc.

**PETROLEUM**

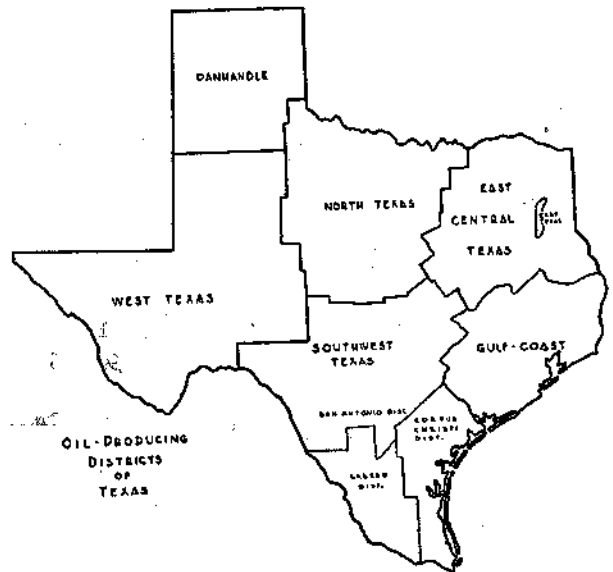
Daily Average Production (In Barrels)

	August, 1943	August, 1942	July, 1943
Coastal Texas*	474,350	300,050	412,900
East Central Texas	129,900	900,700	128,000
East Texas	371,000	375,850	371,000
North Texas	140,400	137,900	137,700
Panhandle	96,050	94,400	90,400
Southwest Texas	238,850	191,300	230,000
West Texas	258,400	230,200	245,600
<b>STATE</b>	<b>1,768,950</b>	<b>1,420,400</b>	<b>1,615,600</b>
<b>UNITED STATES</b>	<b>4,214,150</b>	<b>3,950,000</b>	<b>4,111,350</b>

Gasoline sales as indicated by taxes collected by the State Comptroller were: July, 1943, 113,474,525 gallons; July, 1942, 123,529,000 gallons; June, 1943, 119,626,772 gallons.

\*Includes Conroe.

Note: From American Petroleum Institute. See accompanying map showing the oil-producing districts of Texas.



**TEXAS CHARTERS**

August, 1943 August, 1942 July, 1943

	August, 1943	August, 1942	July, 1943
<b>Domestic Corporations:</b>			
Capitalization*	\$ 818	\$ 944	\$1,671
Number	42	34	66
<b>Classification of new corporations</b>			
Banking-Finance	2	0	9
Manufacturing	4	7	14
Merchandising	7	6	9
Oil	5	8	3
Public Service	0	0	0
Real Estate Building	11	7	25
Transportation	2	1	0
All Others	11	5	6
Number capitalized at less than \$5,000	16	15	26
Number capitalized at \$100,000 or more	2	4	2
<b>Foreign Corporations (Number)</b>	<b>9</b>	<b>9</b>	<b>14</b>

\*In thousands.

Note: Compiled from records of the Secretary of State.

BUILDING PERMITS

	August, 1943	August, 1942	July, 1943
Abilene	\$ 42,967	\$ 4,280	\$ 11,699
Amarillo	11,700	57,800	36,092
Austin	28,107	59,442	23,401
Beaumont	24,140	36,384	62,188
Brownsville	2,795	2,878	4,141
Corpus Christi	83,766	236,870	1,385,766
Dallas	755,350	206,324	634,918
Del Rio	12,207	9,475	12,695
Denton	150	535	825
Edinburg	470	338	510
El Paso	34,471	13,968	55,967
Fort Worth	677,690	794,882	453,514
Galveston	64,797	31,317	295,788
Gladewater	0	0	800
Graham	0	4,500	3,105
Harlingen	523	805	785
Houston	826,275	181,985	364,225
Jacksonville	1,850	700	0
Kenedy	1,000	0	450
Kerrville	883	500	0
Longview	2,705	1,825	51,210
Lubbock	35,716	15,095	31,427
McAllen	4,535	3,950	2,825
Marshall	7,193	8,085	6,245
Midland	5,075	950	800
New Braunfels	295	1,410	295
Palestine	1,170	1,086	3,535
Plainview	850	998	15,100
Port Arthur	8,503	7,391	16,351
San Antonio	256,593	291,874	320,913
Sherman	6,986	23,940	12,186
Sweetwater	4,500	870	1,580
Texarkana	10,522	524,014	3,665
Tyler	9,344	9,918	15,810
Waco	41,978	92,352	93,175
Wichita Falls	46,750	47,725	17,220
<b>TOTAL</b>	<b>\$3,011,856</b>	<b>\$2,674,466</b>	<b>\$3,939,206</b>

NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.

POSTAL RECEIPTS

	August, 1943	August, 1942	July, 1943
Abilene	\$ 36,555	\$ 26,173	\$ 37,487
Amarillo	52,649	40,214	51,347
Austin	93,087	84,316	96,681
Beaumont	41,049	32,868	43,627
Big Spring	9,798	7,556	9,768
Brownwood	22,456	11,826	27,302
Childress	4,289	3,238	4,875
Cleburne	4,924	3,962	4,881
Corpus Christi	58,463	41,848	57,183
Edinburg	2,829	3,501	3,731
Dallas	453,858	384,581	442,686
Del Rio	5,283	3,474	6,461
Denison	9,541	7,631	8,456
El Paso	87,010	58,366	81,330
Fort Worth	192,013	163,062	196,675
Galveston	45,123	34,729	43,235
Gladewater	3,013	2,470	3,860
Harlingen	10,375	7,146	10,225
Houston	318,909	272,258	314,663
Jacksonville	4,357	3,350	4,917
Kenedy	2,218	1,688	2,357
Kerrville	3,560	3,561	4,259
Longview	12,597	9,447	10,741
Lubbock	29,904	21,625	29,374
Lufkin	5,816	4,979	6,393
McAllen	5,270	4,480	6,357
Marshall	8,677	8,583	9,214
Palestine	7,405	6,374	6,519
Paris	19,136	9,193	18,481
Plainview	4,852	4,059	5,105
Port Arthur	23,280	16,907	22,900
San Angelo	17,841	14,501	19,430
San Antonio	216,218	170,066	233,728
Texarkana	25,048	19,045	22,011
Sherman	10,446	8,603	10,422
Snyder	1,846	1,687	2,046
Sweetwater	6,177	5,714	7,565
Temple	13,562	9,432	14,252
Tyler	24,268	16,401	23,933
Waco	45,383	37,995	43,762
Wichita Falls	40,336	30,535	44,150
<b>TOTAL</b>	<b>\$1,979,421</b>	<b>\$1,597,444</b>	<b>\$1,992,389</b>

NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.

CEMENT

(In Thousands of Barrels)

	July, 1943	July, 1942	June, 1943
<b>Texas Plants</b>			
Production	832	1,146	866
Shipments	778	1,324	865
Stocks	760	250	706
<b>United States</b>			
Production	11,880	16,833	11,895
Shipments	12,411	20,501	12,702
Stocks	21,536	18,941	22,084
Capacity Operated	56.0%	80.0%	58.0%

Note: From U.S. Department of Interior, Bureau of Mines.

COMMODITY PRICES

	Aug., 1943	Aug., 1942	July, 1943
<b>Wholesale Prices:</b>			
U.S. Bureau of Labor Statistics (1926=100%)	103.1	99.2	103.2
<b>Farm Prices:</b>			
U.S. Department of Agriculture (1910-1914=100%)	†	163.0	188.0*
U.S. Bureau of Labor Statistics (1926=100%)	123.5*	106.1	125.0
<b>Retail Prices</b>			
Food (U.S. Bureau of Labor Statistics (1935-1939=100%))	137.2	126.1	139.0
Dept. Stores (Fairchild's Publications January, 1931=100%)	113.1	113.1	113.0

\*Preliminary.  
†Not Available.



PERCENTAGE CHANGES IN CONSUMPTION  
OF ELECTRIC POWER

	August, 1943 from August, 1942	August, 1943 from July, 1943
Commercial .....	+ 14.0	+ 1.8
Industrial .....	+ 14.2	+ 4.6
Residential .....	+ 10.3	+ 3.4
All Others .....	+ 128.6	- 5.7
TOTAL .....	+ 27.4	+ 1.6

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

LUMBER  
(In Board Feet)

	August 1943	August 1942	July 1943
Southern Pine Mills:			
Average Weekly Production per unit .....	243,851	291,356	245,669
Average Weekly Shipments per unit .....	252,119	340,968	255,593
Average Unfilled Orders per unit, end of month .....	1,430,954	1,558,860	1,264,136

NOTE: From Southern Pine Association.

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