TEXAS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS AND ECONOMIC CONDITIONS IN TEXAS

BUREAU OF BUSINESS RESEARCH
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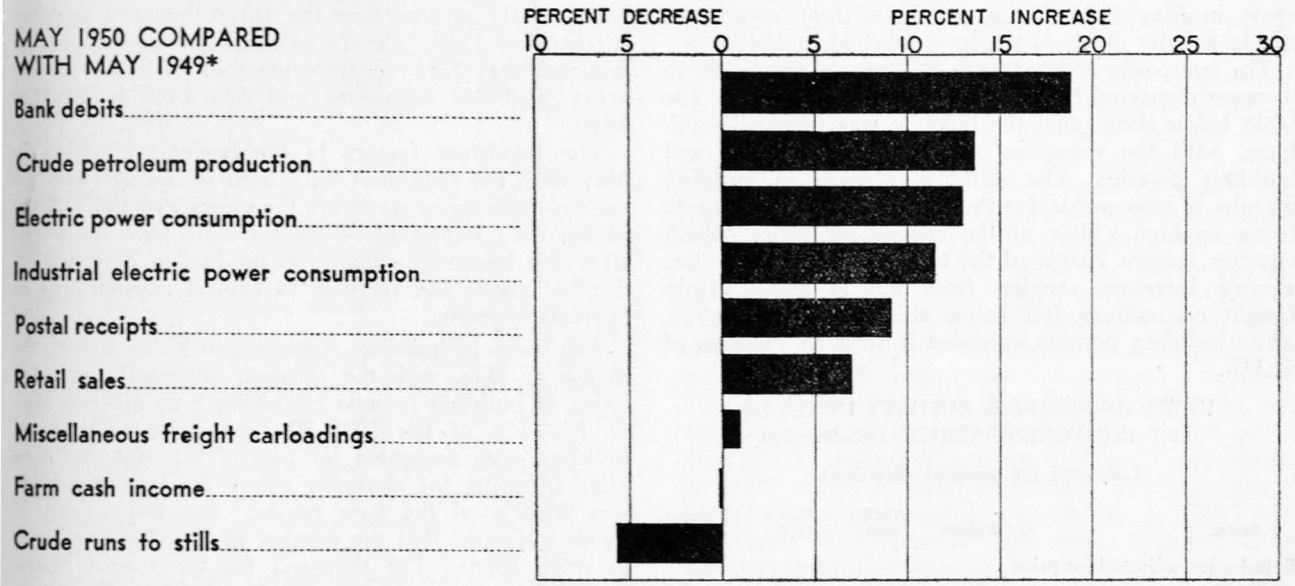
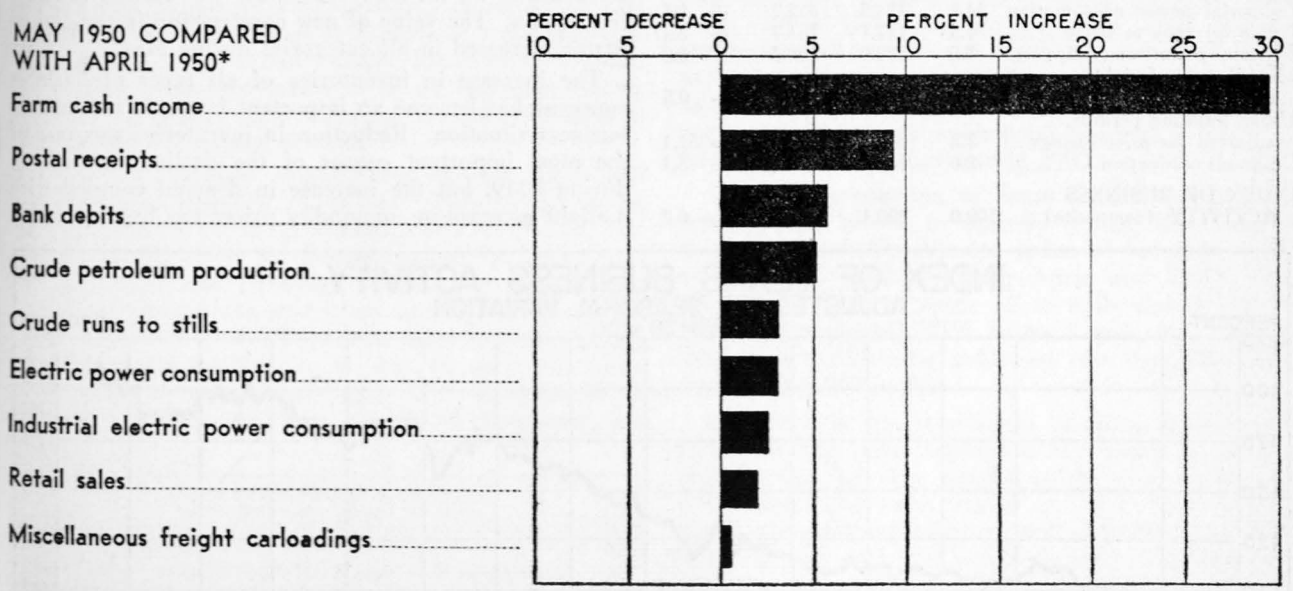
HIGHLIGHTS OF TEXAS BUSINESS





*All percent changes are obtained from seasonally adjusted indexes.

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The Business Situation in Texas

Business activity in Texas during May bore some resemblances to a boom, with the composite index compiled by the Bureau of Business Research carried to an all-time high of 212.5. The index of industrial production in the United States, compiled by the Federal Reserve Board, rose to 193, only two points below the all-time peak reached in 1948. At the end of May activity was still expanding, and every indication during the early part of June showed this trend to be continuing. The chart below shows the sharp upward spurt in May following a period of four months of steady activity at about the level reached in 1948.

The composite index rose 6.2% from April, with an increase registered in every one of the components. The table below shows that the increase was unusually uniform, with the exception of freight carloadings and building permits. The striking increase in building permits is responsible for the increase in the composite being so high. Four of the component series, which together receive 70.0% of the total weight in the index, showed increases ranging from 2.0 to 3.1%. Only freight carloadings fell below this range with 0.5%, while building permits exceeded it with an increase of 51.1%.

INDEX OF BUSINESS ACTIVITY IN TEXAS, AND COMPONENT SERIES, 1935–39=100

(adjusted for seasonal variation)

Series	Weight	April 1950	May 1950	Percent change
Retail sales, adjusted for price change	47.7	172.8	176.2	+ 2.0
Industrial power consumption	14.8	324.5	332.7	+ 2.5
Crude oil runs to stills	4.5	147.1	151.7	+ 3.1
Electric power consumption	3.0	379.0	390.3	+ 3.0
Miscellaneous freight carloadings	17.6	134.0	134.7	+ 0.5
Urban building permits, adjusted for price change	3.8	386.3	583.8	+ 51.1
Crude oil production	8.6	163.4	171.7	+ 5.1
INDEX OF BUSINESS ACTIVITY (composite)	100.0	200.1	212.5	+ 6.2

The strong rise in Texas business during May is part of the general increase in business activity for the country as a whole. Industrial production has continued to increase accompanied by a gradual rise in prices. Unemployment in the United States has decreased, with the number reported by the Bureau of the Census down to approximately three million in May. This is below the level of May 1949, the first time for many months that the current month has been below the same month a year ago. However, May unemployment was still substantially greater than the 1,642 thousand reported for October 1948. The Texas Employment Commission reported that May unemployment in 17 labor market areas continued downward and was 6.4% below May 1949.

The important factors in the business situation in May were the same that have been operating since the recovery movement started in the summer of 1949. Some of the most important of these factors have been construction, inventory expansion, production of consumer durable goods and increase in capital expenditures of business concerns.

The boom in building continued in Texas during the month of May, with the Bureau's seasonally adjusted index of building permits establishing an all-time high of 1098.1% of the 1935–39 base period. Increased building costs accounted for part of this rise, but even after adjusting for changing prices the Bureau's index was 583.8% of the base period. The Department of Labor estimated that the number of new housing starts in April totaled 126 thousand for the United States, establishing an all-time record for the second consecutive month. The value of new construction in the United States increased in all categories during May.

The increase in inventories of all types of business concerns has become an important factor in the current business situation. Reduction in inventories was one of the most important causes of the decline in business during 1949, but the increase in demand coupled with a slight increase in commodity prices has brought about

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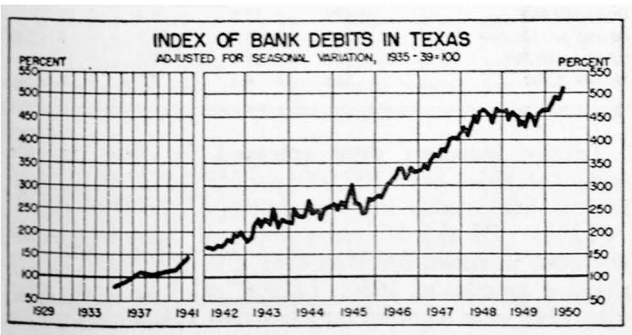
a change in the buying policy of business concerns. The Department of Commerce reports that the value of all business inventories at the end of April was 2.2% more than at the end of December 1949, while the December 1949 value was 8.4% less than a year earlier. The increase in inventories since the end of 1949 was greatest for retailers and least for manufacturers. It is significant that the inventories at the end of April were below the peak of 1948 but that sales had recovered to approximately the same level as in 1948. However, businessmen still are watching the level of inventories with a great deal of care, since in a period of rapid change in demand and prices, severe inventory losses are an ever present danger. The fact that businessmen may change their inventory position with considerable speed is an important factor in the changes in business, since the changes in inventories exert a powerful influence on the total business situation.

The sales of consumer durable goods continue to support the business situation. The Bureau's index of sales of durable goods stores rose 6.7% in May, bringing the index to a point 21.4% above the level of a year ago. Sales of automobiles, furniture, household appliances and building materials continued at record breaking levels. The output of cars and trucks in May was more than 700 thousand, a record for passenger cars although not for trucks. A study by the Department of Commerce indicates that, although the number of cars in use at the present time is about the number that would be expected from past relationships, the ratio of new cars to total registrations is still low in comparison with the prewar period. This factor has been augmenting the effect of the continuing high level of consumer income on the demand for automobiles and has resulted in record breaking output in the automobile industry. The Department of Commerce study indicates that the effect of deferred demand for household appliances has practically ceased to be an important factor, but the continuing high consumer income is enough to explain the high level of sales.

Plans for business expenditures on new plant and equipment have shown an increase since the beginning of the year over the programs originally scheduled. The survey conducted by the Department of Commerce and the Securities and Exchange Commission showed that plans for outlays for new plant and equipment in the second quarter were 6% greater than first anticipated, which brought the total to an amount only 3% lower than expenditures a year ago. The expenditures of business concerns for new plant and equipment are



extremely dynamic factors in the business situation and contribute strongly to the present upswing in business.

The index of bank debits in Texas cities rose 5.7% to establish another all-time high, at a level 18.8% above a year ago and 10.3% above the highest point reached during 1948. The level reached by the index of bank debits indicates that the boom in Texas business at the present time is greater than is shown by the composite index, and since bank debits reflect all kinds of expenditures, this index is a significant measure of total business activity.

Retail sales in Texas rose 1.9% in May from the level of April, after adjustment for seasonal variation, and stood 7.0% above the level of a year ago. The rise in retail sales continues the steady improvement in this phase of business that has been under way throughout 1950, and while it is less than the rise in other components of the index of business, it reflects the effect of the high level of consumer income of Texas business. No change in the relationship between durable and nondurable goods appeared in May, with the high level of sales of durable goods far above those of nondurable goods. The 1950 Survey of Consumer Finances just released by the Federal Reserve Board indicates that consumer incomes are still high, and that consumers in all income and occupational groups continued to hold substantial amounts of liquid assets. The spending plans of consumers for 1950 indicated a somewhat greater volume of purchases of durable goods than in 1949. About as many consumers indicated plans to buy new cars and household appliances in 1950 as had announced such plans in 1949. More planned to buy new houses in 1950 than in 1949, and more planned to buy used cars in 1950. Intentions to buy new radios were less in 1950 than in 1949, but about twice as many planned to buy new television sets during 1950 as reported similar intentions in 1949. With income and savings continuing at a high level, it appears that consumers will be in a financial position to carry out their planned purchases during 1950.

Industrial production in Texas showed the same pattern as other phases of business during May, with the Bureau's seasonally adjusted index of industrial power consumption up 2.5% from April and 11.5% from May 1949. Runs of crude oil to stills rose 3.1% over April but were still 5.7% below a year ago. Employment in manufacturing industries rose from 330,700 in April to 336,500 in May.

Income from the marketings of farm products rose 29.6% in May after adjustment for seasonal variation, and for the first five months of the year income was 6.9% above the same period of 1949. It is still too early to predict the relative level of 1950 farm income in comparison with 1949, since the bulk of farm products has yet to be marketed. The great reduction in the size of the wheat crop will be one factor that will tend to pull income for 1950 down. The prices received by Texas farmers showed a substantial increase in May, with the index rising 3 points from 274 to 277. The high level of consumer income can be expected to play an important part in holding up the price of farm products.

TRADE

Retail Trade

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

High-level retail business characterized May, supported largely by peak consumer incomes and customers' large-scale willingness to spend for automobiles, housing, household furnishings and major household appliances. Sales of durable goods have not yet experienced the weakening of demand which was forecast by many, but an easing off may occur in later 1950 after the usual mid-summer slowing of business. Meanwhile, textiles are experiencing renewed demand and firmer prices, and other lines of soft goods may face similar prospects.

Inventory building among manufacturers and wholesalers has spread slowly into retail channels. Substantial losses of possible sales because of inadequate stocks have helped to renew interest in the filling out of more convincing assortments and in patching up the too numerous gaps found even in staple and basic stock lines of many stores. Purchasing commitment periods are lengthening slowly, but this probably is to insure earlier receipt of goods because of uncertainty about availability of certain classes and about deliveries. Suppliers' overstocks in some lines threaten to become shortages.

Both wholesale and retail prices turned upward in May. For the first time in months, no major group of retail merchandise showed any price decline. Retail prices at June 1 (Fairchild Retail Price Index) were 1.2% lower than a year earlier and 3.3% below the 1948 high, but were still 9.8% above the July 1946 low.

In view of sharply diminished profits during the past 16 months, retailers are under two major pressures—for more effective promotional efforts and for further carefully selective expense reductions.

ESTIMATES OF TOTAL RETAIL SALES

(in thousands)

Type of store	May 1950	Jan.-May 1950	Percent change: May 1950 from May 1949	May 1950 from Apr. 1950	Jan.-May 1950 from Jan.-May 1949
TOTAL	$446,006	$2,045,497	+ 6.9	+ 7.3	+ 2.4
Durable goods	191,241	846,270	+ 21.0	+ 14.0	+ 16.7
Nondurable goods	254,765	1,199,227	— 1.6	+ 2.8	— 5.8

Aided by one more selling day, total retail sales for Texas in May increased 7.3% from April and 6.9% from May 1949. Loss in sales volume of nondurables, 1.6% for May and 5.8% for January-May, was masked by sales increases for durable goods, 21.0% for May and 16.7% for the five months.

The largest increases for May over 1949 were averaged by motor vehicle dealers (35.7%), office and school supply dealers (24.4%), lumber and building material dealers (21.4%), farm implement dealers (13.7%), florists (10.0%) and food stores (9.5%). Decreases appeared for country general (12.7%) and shoe (4.9%) stores and for filling stations (1.0%). After adjusting for the usual seasonal changes between months, furniture and household appliance stores averaged 10.0% better sales than might seasonally be expected, lumber, building material and hardware stores 7.2%, automotive stores 6.3% and total durable goods stores 6.7%. However, drug store sales were off seasonally by 4.2%, apparel stores 3.3%, and jewelry, general merchandise and country general stores and filling stations by 2 to 3%.

RETAIL SALES TRENDS BY KINDS OF BUSINESS

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

Business	Number of reporting establishments	Percent change: May 1950 from May 1949	May 1950 from Apr. 1950	Jan.-May 1950 from Jan.-May 1949
Apparel stores	261	+ 6.1	+ 2.7	— 0.7
Automotive stores	280	+ 38.7	+ 13.8	+ 29.1
Country general stores	59	— 12.7	— 0.5	— 7.0
Department stores	82	+ 7.9	+ 7.3	+ 2.3
Drug stores	198	+ 2.3	+ 1.9	+ 4.3
Eating and drinking places	103	+ 1.9	+ 2.5	— 1.0
Filling stations	691	— 1.0	+ 7.1	+ 6.9
Florists	53	+ 10.0	+ 1.0	— 2.8
Food stores	334	+ 9.5	+ 1.5	+ 6.1
Furniture and household	152	+ 1.1	+ 14.0	+ 9.0
General merchandise stores	65	+ 3.0	+ 0.4	— 5.9
Jewelry stores	40	+ 3.2	+ 29.2	0.0
Lumber, building material and hardware stores	304	+ 18.4	+ 13.7	+ 20.8
Office, store and school supply dealers	46	+ 24.4	+ 5.5	+ 8.8

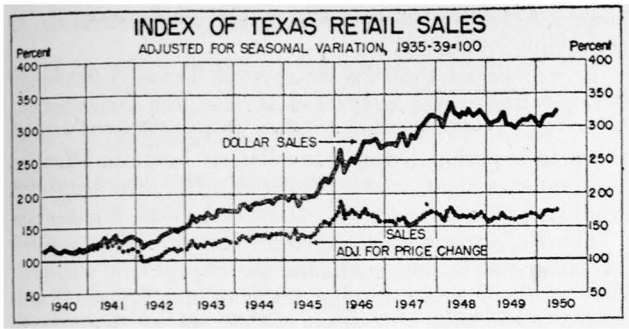
Eleven of the 12 Texas districts averaged sales increases for May over a year ago. With the exception of the Southern Texas Plains, all districts showed increases for the first five months of this year over a similar period in 1949. Leaders in May were the Northern (27.7%) and Southern (24.0%) High Plains, the Lower Rio Grande Valley (23.2%) and the Trans-Pecos (22.9%) districts.

RETAIL SALES TRENDS BY CITY-SIZE GROUPS

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

Population	Number of reporting establishments	Percent change: May 1950 from May 1949	May 1950 from Apr. 1950	Jan.-May 1950 from Jan.-May 1949
Over 100,000	1,477	+ 18.6	+ 8.4	+ 12.0
50,000 to 100,000	225	+ 6.8	+ 11.3	+ 4.1
2,500 to 50,000	922	+ 15.4	+ 7.8	+ 13.2
Under 2,500	158	+ 8.3	+ 6.9	+ 9.3

Largest increases were averaged for May by the group of cities over 100,000 population (18.6%) and for the five months in communities of 2,500 to 50,000 (13.2%). Of the 35 cities reported individually, 29 averaged increases for May over a year ago and 30 for the five months of 1950. Largest sales increases over May 1949 were reported for Plainview (51.2%), Browns-



ville (41.8%), Lubbock (38.5%), Fort Worth (35.9%), Denton (30.9%), Abilene (29.4%) and San Angelo (28.2%). The five leading cities for the first five months of 1950 were among these same cities—in different order—with increases ranging from 18.4 to 38.9%.

The index (324.4) of total retail sales (based on 1935–39 and adjusted for seasonal variation) touched a new high point in May, topping its earlier high of 323.0 reached in April 1949. Deflated to remove the effects of price changes, the adjusted total sales index at 176.9 stood above its earlier high points except February 1946 (188.8). The durable goods index (434.7) also attained a new high point, the earlier top being 419.4 in March. For nondurables, the index (270.6) topped January-March but remained below April 1950 and the 1949 average.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES
(in percent)

Classification	Number of reporting stores	Ratio of credit sales to net sales* May 1950	Ratio of credit sales to net sales* May 1949	Ratio of collections to outstandings† May 1950	Ratio of collections to outstandings† May 1949
ALL STORES	74	66.3	63.7	47.8	50.0
BY CITIES					
Austin	6	57.2	54.6	60.4	59.2
Beaumont	3	67.7	65.2	48.7	52.2
Bryan	3	49.7	48.0	44.9	49.5
Cleburne	3	42.7	38.4	49.0	47.0
Corpus Christi	3	61.5	58.1	52.3	55.5
Dallas	13	74.0	72.0	47.0	49.2
El Paso	3	57.9	55.3	36.7	43.1
Fort Worth	5	62.9	61.8	50.9	53.5
Houston	7	65.7	62.3	48.5	46.6
Lubbock	3	51.0	54.0	52.8	49.5
San Antonio	4	64.6	58.8	46.2	50.7
Waco	5	58.8	56.7	55.3	54.5
BY TYPE OF STORE					
Department stores (over $1 million)	24	68.6	65.9	46.0	48.8
Department stores (under $1 million)	10	53.4	51.1	48.1	52.8
Dry goods and apparel stores	6	70.9	68.8	59.7	58.4
Women's specialty shops	20	54.7	52.8	55.0	53.9
Men's clothing stores	14	61.1	59.9	59.1	58.1
BY VOLUME OF NET SALES (1949)					
Over $3,000,000	20	69.1	66.5	46.4	49.1
$3,000,000 down to $1,500,000	11	57.3	57.0	56.5	54.5
$1,500,000 down to $500,000	22	55.4	51.9	53.6	56.3
$500,000 down to $250,000	15	50.2	48.0	52.0	51.9
Less than $250,000	6	47.4	47.2	50.8	46.9

*Credit sales divided by net sales.
†Collections during the month divided by the total accounts unpaid on the first of the month.

Among individual lines, the sales indexes for automotive stores (464.3) and furniture stores (281.7) reached new highs, while lumber and building material (457.5) made its best showing since March 1949 and March 1950. For jewelers the index fell to the lowest point since April 1945. Indexes for soft goods lines, except department stores and eating and drinking places, fell below April registrations. May indexes stood below 1949 averages for general merchandise, country general and food stores, but remained above such averages for apparel, drug and department stores and filling stations.

Advertising linage in 34 Texas newspapers in May averaged 1.6% over April and 6.2% above a year ago. Of these papers only 19 reported increases from April 1950 but 26 were ahead of May 1949.

Sales of gasoline subject to tax totaled 210,353 thousand gallons in April, 6.2% under March but 10.4% above April 1949. Sales to the federal government amounted to 11,281 thousand gallons, or 31.0% up from March but 42.9% down from a year ago. The seasonally adjusted index of gasoline sales (1935–39=100) stood at 223.8 in April against 202.8 a year earlier.

Postal receipts of 69 cities averaged 7.0% over April 1950 and 9.8% above May 1949. Of these, 32 cities reported increases over April and 59 cities had increases over May 1949. The index of postal receipts stood at 303.5 against 278.3 a year ago.

POSTAL RECEIPTS

City	May 1950	Apr. 1950	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
TOTAL*	$3,929,837	$3,671,717	$3,580,589	+ 9.8	+ 7.0
Borger	10,497	7,812	8,679	+ 20.9	+ 34.4
Brady	3,648	3,844	3,344	+ 9.1	— 5.1
Brownfield	4,152	4,874	4,067	+ 2.1	— 14.8
Burnet	1,510	1,680	1,275	+ 18.4	— 10.1
Childress	4,574	4,489	4,057	+ 12.7	+ 1.9
Cleburne	7,369	7,780	6,174	+ 19.4	— 5.3
Coleman	4,601	4,530	4,445	+ 3.5	+ 1.6
Crystal City	2,372	2,150	1,763	+ 34.5	+ 10.3
Del Rio	6,159	6,462	5,667	+ 8.7	— 4.7
Gainesville	6,491	7,057	5,795	+ 12.0	— 8.0
Gladewater	4,399	3,499	4,295	+ 2.4	+ 25.7
Graham	4,036	3,951	3,528	+ 14.4	+ 2.2
Greenville	14,558	14,681	12,961	+ 12.3	— 0.8
Harlingen	16,330	16,268	15,481	+ 5.5	+ 0.4
Jacksonville	7,657	7,692	7,655	0.0	— 0.5
Kenedy	2,392	2,082	2,243	+ 6.6	+ 14.9
Kerrville	6,169	6,375	5,764	+ 7.0	— 3.2
Lamesa	6,811	5,781	5,626	+ 21.1	+ 17.8
Littlefield	4,016	3,704	3,747	+ 7.2	+ 8.4
Lubbock	61,098	61,569	54,277	+ 12.6	— 0.8
Lufkin	11,255	9,597	9,398	+ 19.8	+ 17.3
Luling	2,519	2,768	2,429	+ 3.7	— 9.0
McAllen	12,709	13,070	11,766	+ 8.0	— 2.8
Midland	24,973	21,893	20,528	+ 21.7	+ 14.1
Nacogdoches	7,536	6,879	7,064	+ 6.7	+ 9.6
New Braunfels	8,330	8,452	6,487	+ 28.4	— 1.4
Orange	10,468	11,669	10,570	— 1.0	— 10.3
Pampa	11,508	11,928	10,830	+ 6.3	— 3.5
Raymondville	4,396	4,924	4,087	+ 7.6	— 10.7
Seguin	5,497	6,008	6,018	— 8.7	— 8.5
Snyder	8,773	7,746	2,806	.....	+ 13.3
Uvalde	4,597	5,150	3,213	+ 43.1	— 10.7
Vernon	7,518	8,622	7,103	+ 5.8	— 12.8

*The total includes receipts for cities which are listed individually under "Local Business Conditions."

Foreign Trade

(Tonnage figures for export shipments from the principal ports of the State provide an accurate physical measure of the current volume of foreign export trade. Value figures for exports and imports, however, represent a more common measurement of foreign trade transactions, but they are subject to adjustment for price changes.)

United States exports in April fell to $808.1 million from $867.8 million in the preceding month, as compared with a monthly average of $795.6 million in the first quarter of 1950 and a monthly average of $1 billion in the first quarter of 1949. Total imports also declined from $664.4 million in March to $583.3 million in April. This compares with a monthly average for the first quarter of $629.2 million and an average of $552.0 million in 1949, and is about the same as the monthly average for 1948. This continues the trend toward declining exports from the postwar high and, despite the decline, imports are back to the level of 1948.

The following summary gives some indication of trends in foreign trade by commodity.

	1936–38	1947	1948	1949
EXPORTS (mil. of dol.)				
Wheat	*	240	909	836
Wheat flour	*	610	484	165
Coarse grains	*	416	154	329
Meats	*	156	57	52
Eggs	*	100	46	26
Crude petroleum	91	99	117	98
Petroleum products	253	543	540	463
Motor fuel and gasoline	82	135	134	146
Lubricating oils	79	195	198	169
Cotton, unmanufactured	313	420	503	868
EXPORTS (millions)				
Wheat, including flour (bu.)	62	495	502	415
Crude petroleum (bbl.)	65	46	40	33
Motor fuel and gasoline (bbl.)	31	37	27	28
Lubricating oils (bbl.)	10	14	14	11
Cotton, unmanufactured (lb.)	2,576	1,328	1,435	2,575
IMPORTS (mil. of dol.)				
Crude materials	760	1,766	2,147	1,855
Food stuffs	720	1,672	2,003	2,075
Semi-manufactured products	503	1,245	1,633	1,422
Finished manufactured products	478	983	1,309	1,246
Crude petroleum	21	162	283	341
Crude rubber	179	317	309	240
Wool, unmanufactured	57	209	308	222
IMPORTS (millions)				
Crude petroleum (bbl.)	29	99	129	155
Crude rubber (lb.)	1,116	1,587	1,646	1,480
Wool, unmanufactured (lb.)	229	644	761	441

*Not available.

An agreement has been announced whereby Standard Oil of New Jersey and Caltex are going to supply against payment in sterling about half the added gasoline needed to make ration-free gasoline possible in the United Kingdom. It is estimated that the two United States companies will supply about 43 thousand tons under this agreement. Similar agreements with other countries in the sterling area may be concluded later.

The Export-Import Bank in a somewhat unusual transaction has extended a credit of $125 million to a group of Argentine banks to facilitate the liquidation of Argentine commercial debts owed to United States exporters. It is hoped that the removal of these unpaid debts will improve the trade between the countries and enable Argentina to re-establish her credit standing in the United States.

It is believed that the Reciprocal Trade Agreements between the United States and Mexico may be canceled. This would mean, among other things, that after the six month period before cancellation becomes effective the import tax on crude petroleum other than untapped would rise from ¼ cent a gallon to ½ cent a gallon.

The Department of Commerce† has recently analyzed by commodities and countries the changes in composition of the postwar foreign trade of the United States. A few facts from this study which are of interest are quoted below.

INDEXES OF FOREIGN TRADE BY AREAS

	Exports			Imports		
	Quantity	Unit value	Value	Quantity	Unit value	Value
1936–38	100	100	100	100	100	100
1947	275	188	518	108	213	230
1949	220	185	406	120	224	268
1949—4th quarter	200	179	356	131	217	284

†*Foreign Commerce Weekly*, May 22, 1950.

WATER-BORNE FOREIGN TRADE AT TEXAS PORTS

(in millions of dollars)

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

Customs district	Feb. 1950	Jan. 1950	Feb. 1949	Percent change: Feb. 1950 from Feb. 1949	Percent change: Feb. 1950 from Jan. 1950
EXPORTS, TOTAL	99.9	92.8	128.4	— 22.2	+ 7.7
Galveston	92.7	82.2	116.4	— 20.4	+ 12.8
Laredo	0.2	0.3	0.5	— 60.0	— 33.3
Sabine	7.0	10.3	11.5	— 39.1	— 32.0
IMPORTS, TOTAL	12.8	18.8	20.1	— 36.3	— 31.9
Galveston	11.7	17.5	16.7	— 29.9	— 33.1
Laredo	0.7	0.5	0.5	+ 40.0	+ 40.0
Sabine	0.4	0.8	2.9	— 86.2	— 50.0

FOREIGN TRADE OF TEXAS PORTS

(in millions of dollars)

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

Customs district	Mar. 1950	Feb. 1950	Mar. 1949	Percent change: Mar. 1950 from Mar. 1949	Percent change: Mar. 1950 from Feb. 1950
EXPORTS, TOTAL	†	121.6	165.6	.....	.....
El Paso	2.3	2.4	4.0	— 42.5	— 4.2
Galveston*	†	92.7	114.7	.....	.....
Laredo	20.8	19.5	27.3	— 23.8	+ 6.7
Sabine*	†	7.0	19.6	.....	.....
IMPORTS, TOTAL	22.8	19.3	34.5	— 33.9	+ 18.1
El Paso	2.4	2.1	5.3	— 54.7	+ 14.3
Galveston	14.2	11.5	22.1	— 35.7	+ 23.5
Laredo	5.9	5.3	4.9	+ 20.4	+ 11.3
Sabine	0.3	0.4	2.2	— 86.4	— 25.0

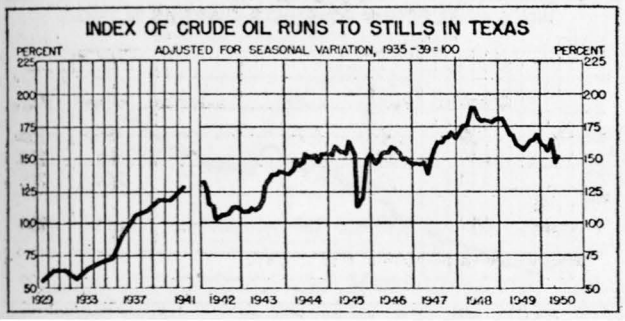
*Exports denote only water-borne shipments for Galveston and Sabine.
†Not available.

PRODUCTION

Manufacturing

(The volume of manufacturing activity in any industrial area, varying regularly with the seasons, is a sensitive measure of the changes in business activity.)

Production throughout the State showed an over-all rise during May. Crude runs to stills, a primary indicator of refining activity in the State, rose substantially after the plunge in April which resulted from the Port Arthur strike. The index of crude runs, adjusted for seasonal variation, stood at 151.7 for May, 3.1% above April's figure although still 5.7% below the index for May 1949.



MANUFACTURE OF DAIRY PRODUCTS

Product	Unit (000's)	May 1950	Apr. 1950	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
TOTAL MILK EQUIVALENT*	lbs.	86,576	77,596	88,352	— 2.0	+11.6
Creamery butter	lbs.	1,880	1,904	1,930	— 2.6	— 1.3
Ice cream†	gals.	2,675	1,994	2,590	+ 3.3	+34.2
American cheese	lbs.	720	655	770	— 6.5	+ 9.9
All other	lbs.	3,881	3,523	4,381	—12.6	+ 8.7

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

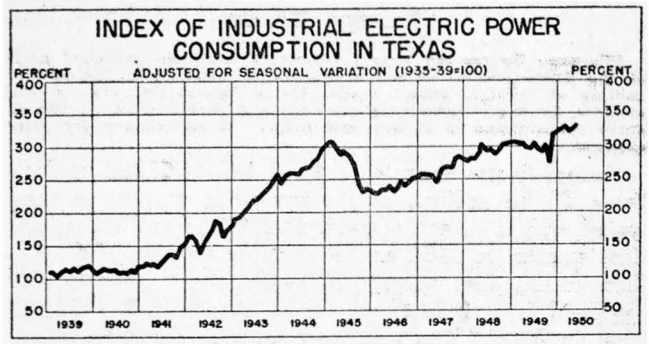
The seasonally adjusted index of the manufacture of dairy products in Texas showed a decline of 6.3% in May. The index at 79.1 stood 2.0% below the May 1949 index of 80.7. Creamery butter showed a 1.3% decline from the preceding month, while the manufacture of dairy cheese rose 9.9% during the same period. The manufacture of all dairy products in terms of total milk equivalent showed an April-to-May increase of 11.6%.

Grapefruit juice canning activity continued the downward trend which started last February. Production for the current season was down 45.8%, while shipments were off 40.7%. Stocks were 76.9% below the 1948–49 figure.

GRAPEFRUIT JUICE CANNING
(in cases of 24/2's)
Source: Texas Canners Association

Item	1949–50 season*	1948–49 season*	Percent change
Production	2,679,589	4,944,258	— 45.8
Shipments	2,384,099	4,018,723	— 40.7
Stocks	304,058	1,317,759	— 76.9

*As of week ending June 3.



REFINERY STOCKS*
(in thousands of barrels)
Source: *The Oil and Gas Journal*

Section and item	May 1950	Apr. 1950	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
TEXAS					
Gasoline	21,638	23,812	21,753	— 0.5	— 9.1
Distillate	7,074	6,386	9,736	— 27.3	+ 10.8
Residual	4,418	3,641	8,910	— 50.4	+ 21.3
Kerosene	3,148	1,999	3,193	— 1.4	+ 57.5
TEXAS GULF COAST					
Gasoline	18,233	20,194	17,153	+ 6.3	— 9.7
Distillate	6,215	5,639	9,026	— 31.1	+ 10.2
Residual	3,671	3,060	7,790	— 52.9	+ 20.0
Kerosene	2,807	1,748	2,675	+ 4.9	+ 60.6
INLAND TEXAS					
Gasoline	3,405	3,618	4,600	— 26.0	— 5.9
Distillate	859	747	710	+ 21.0	+ 15.0
Residual	747	581	1,120	— 33.3	+ 28.6
Kerosene	341	251	518	— 34.2	+ 35.9

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

Refinery stocks in May continued to reflect the Port Arthur refinery shutdown, standing well below the level of the same month a year ago. Distillate was down 27.3%, residual was off 50.4% and kerosene showed a 1.4% decrease from May 1949.

Cotton consumption by Texas mills in May rose 2.1% above April, while the consumption of linters dropped 7.0% during the same period. Spinning activity, as evidenced by active spindles, total spinning hours and average spindle hours, showed only slight gains during May.

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

Item	May 1950†	Apr. 1950	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
CONSUMPTION*					
Cotton	12,332	12,080	9,463	+30.3	+ 2.1
Linters	2,043	2,196	2,552	—19.9	— 7.0
SPINNING ACTIVITY					
Spindles in place (000's)	209	219	246	—15.0	— 4.6
Spindles active (000's)	200	197	197	+ 1.5	+ 1.5
Total spindle hours (000's)	83,000	81,000	61,000	+36.1	+ 2.5
Average spindle hours	397	370	249	+59.4	+ 7.3

*In running bales.
†For 4 weeks ending May 29, 1950.

Lumber production in April was 1.6% lower than in March, after adjustment for seasonal variation, and 14.4% greater than in the same period in 1949. The index of lumber shipments fell to 125 for April—4.6% below the March index but 7.8% above the index for April 1949. Gross stocks of lumber remained unchanged from April.

The production of cement remained relatively stable during April, showing only a slight increase (1.0%). The 1,445 thousand barrels produced in April was 14.6% higher than total production during the same month last year. Cement shipments declined 11.8% and stocks were up 10.7% from March.

Cottonseed crushed, as reflected by its index (1935–39=100), gained 64.0% in April over the March figure. However, cottonseed received at mills declined 10.4% from March and stocks were off 8.0%. Cottonseed received at mills in April totaled 114,611 tons, as compared to only 5,566 tons received during the same period in 1949. This great increase was the result of the unusually large cotton crop last fall. As a result, cottonseed is moving to the mills in much greater quantities much later in the year than heretofore.

Flour production declined in April, dropping 13.7% from March to a level 6.4% below that of last April. Wheat grindings also showed a 14.4% drop from March to April and a 5.4% decline from April 1949.

TEXAS INDUSTRIAL ACTIVITY

Sources: Southern Pine Association, Bureau of Mines, and Bureau of the Census.

Item	Apr. 1950	Mar. 1950	Apr. 1949	Percent change: Apr. 1950 from Apr. 1949	Percent change: Apr. 1950 from Mar. 1950
Lumber (million board feet)					
Production	758	766	661	+ 14.7	— 1.0
Shipments	746	785	691	+ 8.0	— 5.0
Gross stocks*	1,614	1,602	1,772	— 8.9	+ 0.7
Cement (1,000 barrels)					
Production	1,445	1,430	1,261	+ 14.6	+ 1.0
Shipments	1,384	1,569	1,220	+ 13.4	— 11.8
Stocks*	629	568	857	— 26.6	+ 10.7
Cottonseed (tons)					
Received at mills	114,611	127,975	5,566	.....	— 10.4
Crushed	144,819	171,138	44,640	.....	— 15.4
Stocks	345,746	375,954	64,173	.....	— 8.0
Wheat					
Ground (1,000 bushels)	2,397	2,799	2,535	— 5.4	— 14.4
Flour (1,000 sacks)	1,033	1,197	1,104	— 6.4	— 13.7

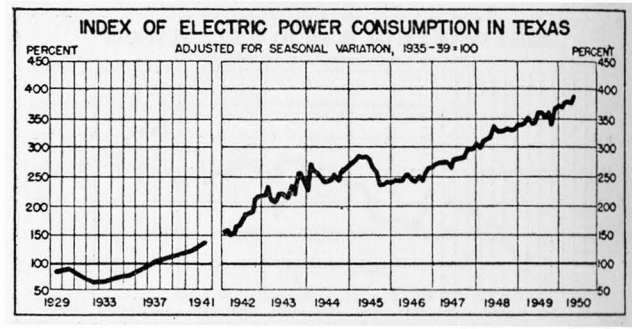
*End of month.

One of the most significant developments in manufacturing circles in the State during May was the transfer of the general offices of the $38 million Dresser Industries, Inc., from Cleveland to Dallas. Dresser Industries, whose 11 subsidiary manufacturing companies last year sold more than $80 million worth of equipment to the oil and gas industries, manufacture nearly every equipment item required in the production, storage and transmission of oil and gas. Their products also have applications in many other industries—chemical and processing plants, producers of synthetics, oxygen manufacturers, water and sewage systems, radio and television stations and airports.

Public Utilities

(The sales of public utilities fluctuate less than the average of all business but, because the industry requires an unusally large amount of fixed investment, it is a strategic factor in the business situation.)

The index of electric power consumption (1935–39=100), adjusted for seasonal variation, rose slightly during May. Total power consumption, as compiled from reports of 10 electric power companies to the Bureau, carried the index to 390.3 in May—3.0% above the April figure of 379.0 and 13.0% above the May 1949 index of 345.3. Of the four types of uses, commercial showed the greatest increase (10.3%) while residential registered the least gain (4.2%).



While the electric energy production of the United States declined 5.3% from March to April, production in Texas showed a gain of 0.2%. These comparisons are based on reports from the Federal Power Commission. Texas' production of electrical energy is now 16.1% above that of April 1949.

The number of telephones in service in the 40 major cities throughout the State rose slightly during May. There are now 1,217,905 telephones in service in these 40 cities—an increase of 11.8% over last year.

A total of 13 rural telephone cooperatives have been formed under the Texas law passed in February to borrow from the Rural Electrification Administration all funds necessary for the extension of telephone lines into new areas. The law does not allow the cooperatives to compete directly with the private telephone concerns, and it allows the private companies until October 28 to provide service to areas now without it. After October 28, however, the cooperatives will be allowed to go into the business of providing telephone service to rural areas which have not received service from private companies.

ELECTRIC POWER CONSUMPTION*

(in thousands of kilowatt hours)

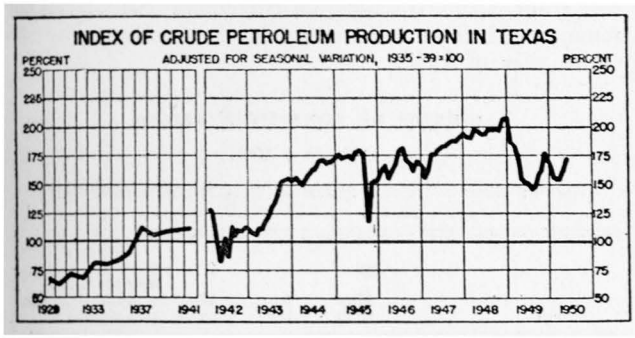
Use	May 1950	Apr. 1950	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
TOTAL	687,331	646,896	608,332	+ 13.0	+ 6.3
Commercial	152,895	138,563	135,657	+ 12.7	+ 10.3
Industrial	307,941	291,589	276,154	+ 11.5	+ 5.6
Residential	120,273	115,413	100,753	+ 19.4	+ 4.2
Other	106,222	101,331	95,768	+ 10.9	+ 4.8

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

Natural Resources

(The production of crude petroleum is a major industry in Texas, and the changes in the volume of production have a direct effect upon the income produced in the State. Figures on the number of well completions by districts indicate the extent to which new sources of oil and gas are being developed and the areas of the State in which drilling operations are in process.)

Daily average production of crude petroleum in Texas for the four weeks ending June 3 increased 6.1% over the preceding month. The 2,140,600 barrels produced daily in May was also 13.6% higher than during the same period last year.



Natural gas production for March, the latest month for which figures are available, was up 8.8% from February and 9.9% from March 1949 production. The index of natural gas production, adjusted for seasonal variation (1935–39=100), stood at 417.0, or 13.3% above the February index.

The value of carbon black production, which is more susceptible to erratic fluctuations than either oil or gas, was 177.8% above May 1949. However, the $5,562 thousand in carbon black produced in May was still 28.0% below April's production value of $7,724 thousand. The value of crude oil produced in May was 5.0% above April and 5.3% above May 1949, while the value of natural and casinghead gas produced was up 20.3% from April and 28.3% from May 1949.

A 140,500 barrel per day increase in Texas' daily crude oil allowable for June was ordered on May 17 by the Texas Railroad Commission. The boost, achieved by granting one additional producing day, was declared acceptable by national oil executives, but they added that it would not promote any reduction in crude imports.

A total of 19 producing days was ordered for June. This will mean a daily permissive flow of 2,366,276 barrels of crude as compared to 2,225,876 barrels per day during May.

WELL COMPLETIONS

Source: *The Oil and Gas Journal*

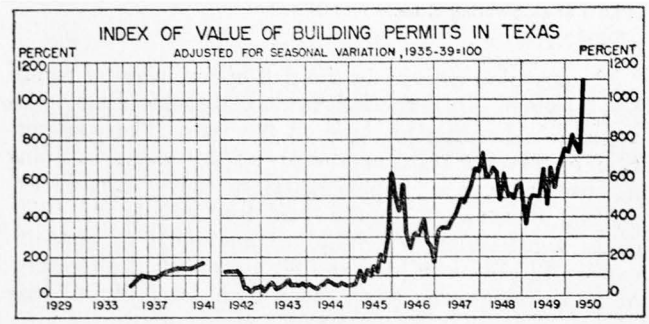
District	May 1950* Total	Oil	Gas	Dry
TEXAS	1,221	789	56	376
North Central Texas	365	189	5	171
West Texas	351	292	3	56
Panhandle	63	37	20	6
Eastern Texas	85	64	2	19
Texas Gulf Coast	182	110	11	61
Southwest Texas	175	97	15	63

*For 4 weeks ending May 27, 1950.

CONSTRUCTION

(Because of the accumulated deficiency of building in all sections of the State, data on the volume of construction work are an extremely important part of the business situation. Building permits and contracts awarded are both generally used to measure building activity.)

Estimates of building permits issued in Texas cities during May soared 94.7% above those for the same month of 1949 and were up 18.8% from April of this year. The index of building permits issued in Texas cities, adjusted for seasonal variation, jumped to 1098.1 in May (1935–39=100) as compared with 726.7 in the previous month and 508.4 for the same month last year.



This figure sets an all-time high for building permits issued in Texas. After adjustments for price changes, the May index of building permits stood at 583.8, a 112.3% increase from May 1949. Only three of the 48 reporting cities showed a May-to-May decline in permits issued, and increases were more than tenfold in the cities of Borger, Vernon and San Marcos.

Only one class of construction, nonhousekeeping residential, registered a decline (5.0%) in the year-to-year comparison, and all classifications marked up increases from April to May. Cities within the 50-to-100 thousand population group recorded the largest increases in dollar value of permits issued in both the year-to-year and the month-to-month comparisons.

Military construction programs totaling $596 million for six Army and Air Force bases in Texas and one in New Mexico were approved recently by a joint Senate and House committee. Texas bases included in the program are Biggs, Ellington, Gray, Kelly and Lackland Air Force Bases and Camp Hood.

PERCENTAGE CHANGE IN VALUE OF BUILDING PERMITS ISSUED BY TYPE OF CONSTRUCTION*

	May 1950 from May 1949	May 1950 from Apr. 1950
TOTAL	+ 94.7	+ 18.8
New construction	+108.9	+ 17.1
Residential	+104.4	+ 16.7
Housekeeping	+105.4	+ 16.6
Single family unit	+128.9	+ 14.0
Multiple family units	+ 18.1	+ 39.2
Nonhousekeeping	— 5.0	+ 35.1
Nonresidential	+121.2	+ 18.2
Additions, alterations and repairs	+ 23.0	+ 36.1

*Only building for which building permits were issued within the incorporated area of the city is included. Federal contracts are excluded. All percent changes are based on estimates for the State made from reports of cooperating cities.

PERCENTAGE CHANGE IN VALUE OF BUILDING PERMITS ISSUED BY CITY-SIZE GROUPS*

Population†	May 1950 from May 1949	May 1950 from Apr. 1950
TOTAL	+ 94.7	+ 18.8
Over 100,000	+ 94.3	+ 40.3
50,000–100,000	+165.6	+ 43.0
25,000–50,000	+113.4	— 22.9
Below 25,000	+ 48.5	— 7.4

*Only building for which building permits were issued within the incorporated area of the city is included. Federal contracts are excluded. All percent changes are based on estimates for the State made from reports of cooperating cities.

†1940 Census.

Construction activity in the nation continued at record levels which are expected to last through June, with a possible leveling off later in the year. The construction of private residences still led all other building activity, with new homes equal to more than $3,400 million constructed in the first five months of 1950. Total construction put in place amounted to approximately $2 billion in May and $8 billion for the January-May period of this year. This high level of building activity is being felt in many sections of the nation's economy. The rise in nonagricultural employment has been a primary result of booming construction activities in many areas. Production in many related industries, such as furniture, household appliance and lumber, has skyrocketed. The lumber industry for the most part has been unable to meet demands, and a rise in prices has been predicted for later this year when winter weather slows down production. However, latest indications are that lumber mills may be catching up with current demand.

An added impetus may be given building activity if savings and loan associations reduce interest rates and increase the number of "no down payment" loans for homes. According to one authority, Texas, North and South Carolina, Georgia and Florida are the leaders in the nation's housing picture. Businessmen in all fields related to construction activity should continue to watch the picture carefully, and builders should be especially cautious in selling too far in advance of construction in order to avoid losses arising from sudden price increases.

The number of loans by savings and loan associations increased 49.2% from May of last year with all categories showing advances. Dollar value of loans also increased with "construction" rising 98.1%.

CONSTRUCTION CONTRACTS

(value in thousands)

Source: *Texas Contractor*

Type of building	May 1950	Apr. 1950	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
TOTAL	$88,636	$61,920	$77,595	+ 14.2	+ 43.1
Engineering	17,178	6,232	10,374	+ 65.6	.....
Nonresidential	34,962	21,311	21,850	+ 60.0	+ 64.1
Residential	36,496	34,377	45,371	— 19.6	+ 6.2

PRICES

(Changes in the level of prices are as important to businessmen as changes in the volume of production and sales. The index of consumers' prices represents changes in prices at retail; the index of wholesale prices is a measure of changes in the prices of commodities in primary markets.)

The 1.1% rise in the index of consumer prices in Houston from 170.6 in May 1949 to 172.4 in May of this year can be attributed to increases in the cost of rent and miscellaneous items. The consumer price index for the United States showed only a fractional rise from April, reaching its November 1949 level but remaining below the average level prevailing for the entire year of 1949.

INDEXES OF CONSUMERS' PRICES

(1935–39 = 100)

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

Group	May 1950	Apr. 1950	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
HOUSTON, ALL ITEMS	172.4	171.9	170.6	+ 1.1	+ 0.3
Food	205.5	205.1	211.3	— 2.7	+ 0.2
Clothing	195.2	195.7	204.3	— 4.5	— 0.3
Rent	144.5	143.2	123.1	+17.4	+ 0.9
Fuel, electricity and ice	98.4	98.4	99.4	— 1.0	0.0
Housefurnishings	184.0	184.0	189.0	— 2.6	0.0
Miscellaneous	158.4	157.9	153.5	+ 3.2	+ 0.3
UNITED STATES, ALL ITEMS	168.6	167.3	169.2	— 0.4	+ 0.8

In the year-to-year comparison, clothing prices in Houston took the largest drop (4.5%), food and housefurnishings prices followed with declines of 2.7 and 2.6%, respectively, while fuel, electricity and ice recorded the smallest decrease (1.0%). With the exception of a very slight decline in clothing prices, all components of the Houston index remained stationary or recorded only fractional rises from April to May. Although a surplus of stored agricultural products was expected to prevent sharp rises in food prices, a recent survey indicates that food prices have crept to their highest point in 17 months, with little real relief in sight before fall.

In the retail price picture, the National Retail Dry Goods Association reported that prices of merchandise in department stores fell 4.8% in 1949 from 1948. This price decline was accompanied by a 6% drop in department store sales.

The weekly index of wholesale prices in the United States, compiled by the Bureau of Labor Statistics, continued the upward movement which began in the early part of April and stood at 156.8 (1926=100) on May 30, the highest point since April 23, 1949, and 1.5% more than the index on May 2 of this year. The index of grain prices at wholesale in May rose 14.7% from May 1949. Prices of farm products advanced further than other items at wholesale in the month-to-month picture. Farm products, foods, meats, chemical and allied products and textiles showed declines in the year-to-year comparisons with only grain and

LOCAL BUSINESS CONDITIONS

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
ABILENE:			
Retail sales		+ 29.4	+ 8.4
Department and apparel store sales		+ 20.3	+ 2.8
Postal receipts	$ 44,705	+ 11.1	+ 3.4
Building permits	$ 1,013,338	+ 14.9	— 10.6
Bank debits to individual accounts (thousands)	$ 44,494	+ 43.5	+ 9.1
End-of-month deposits (thousands)*	$ 45,042	+ 6.3	+ 4.3
Annual rate of deposit turnover	12.1	+ 36.0	+ 6.1
Air express shipments	300	+ 92.3	+ 42.2
Unemployment	800	— 44.8	— 11.1
Placements in employment	686	— 53.5	+ 25.6
Nonagricultural civilian labor force	19,850	+ 3.9	+ 1.8
AMARILLO:			
Retail sales		+ 26.7	+ 8.1
Apparel stores		+ 9.9	— 8.3
Automotive stores		+ 59.7	+ 14.6
Furniture and household stores		— 22.0	— 3.1
Lumber, building material and hardware stores		— 18.8	+ 7.3
Department and apparel store sales		+ 7.7	— 2.5
Postal receipts	$ 83,869	+ 5.4	— 2.0
Building permits	$ 1,564,753	+ 40.1	— 42.2
Air express shipments	643	+ 29.4	+ 14.6
Bank debits to individual accounts (thousands)	$ 100,089	+ 22.4	+ 2.4
End-of-month deposits (thousands)*	$ 95,326	+ 14.3	+ 3.6
Annual rate of deposit turnover	12.8	+ 7.6	+ 0.8
Unemployment	1,250	— 16.7	— 3.8
Placements in employment	1,199	— 2.3	— 1.2
Nonagricultural civilian labor force	36,800	+ 0.3	0.0
AUSTIN:			
Retail sales		+ 10.9	+ 4.6
Apparel stores		— 5.0	— 21.8
Automotive stores		+ 26.1	+ 12.0
Furniture and household stores		+ 6.8	+ 22.7
Lumber, building material and hardware stores		+ 13.5	+ 1.4
Department and apparel store sales		+ 2.8	— 0.2
Postal receipts	$ 178,784	+ 17.5	+ 42.1
Building permits	$ 6,062,692	+230.9	+141.0
Air express shipments	580	+ 40.8	+ 5.8
Bank debits to individual accounts (thousands)	$ 123,725	+ 18.8	+ 1.1
End-of-month deposits (thousands)*	$ 114,422	+ 8.6	+ 0.9
Annual rate of deposit turnover	13.1	+ 9.2	+ 2.3
Unemployment	1,560	— 11.9	— 4.0
Placements in employment	1,458	+ 31.4	+ 8.0
Nonagricultural civilian labor force	46,010	+ 1.7	+ 0.3
BROWNSVILLE:			
Retail sales		+ 41.8	+ 16.2
Department and apparel store sales		+ 11.1	— 15.9
Postal receipts	$ 16,863	+ 5.6	+ 2.5
Building permits	$ 553,267		+ 63.3
Air express shipments	396	+ 15.8	+ 33.8
Export cars unloaded	304	— 10.3	+ 2.0
Coastal cars unloaded	40	+ 11.1	— 28.6
Water-borne commerce (tons)	74,172	+ 64.1	— 11.2

*Excludes deposits to credit of banks.

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
BEAUMONT:			
Retail sales		+ 6.8	+ 11.8
Automotive stores		+ 19.5	+ 15.3
Furniture and household stores		— 26.7	+ 19.8
General merchandise stores		+ 0.8	+ 8.6
Lumber, building material and hardware stores		+ 14.6	+ 22.0
Department and apparel store sales		+ 1.0	+ 6.7
Postal receipts	$ 61,801	+ 2.4	+ 4.3
Building permits	$ 820,381	+ 35.7	— 44.4
Air express shipments	333	— 11.4	— 9.0
Bank debits to individual accounts (thousands)	$ 97,893	+ 9.4	+ 3.4
End-of-month deposits (thousands)*	$ 90,430	— 7.6	0.0
Annual rate of deposit turnover	13.0	+ 19.3	+ 3.2
Unemployment (area)	9,400	+ 34.3	+ 3.6
Placements in employment (area)	1,632	— 12.1	— 19.8
Nonagricultural civilian labor force (area)	76,600	0.0	+ 1.1
Export and coastal cars unloaded	122	+ 16.2	— 65.0
Water-borne commerce (tons)	12,274	+113.5	— 53.4
BIG SPRING:			
Retail sales		+ 16.6	+ 9.9
Department and apparel store sales		+ 14.1	— 4.5
Postal receipts	$ 12,219	+ 1.9	+ 15.6
Air express shipments	55	+ 22.2	— 8.3
BROWNWOOD:			
Retail sales		— 1.9	+ 14.5
Department and apparel store sales		+ 6.5	— 5.0
Postal receipts	$ 12,636	+ 8.0	— 1.7
Building permits	$ 397,353	+141.5	+187.0
Bank debits to individual accounts (thousands)	$ 11,814	+ 33.4	+ 22.5
End-of-month deposits (thousands)*	$ 13,523	+ 13.9	+ 2.2
Air express shipments	29	+ 45.0	— 12.1
BRYAN:			
Department and apparel store sales		— 4.4	+ 14.3
Postal receipts	$ 9,732	— 9.2	— 21.4
Building permits	$ 219,965	+ 89.2	+ 28.2
Air express shipments	27	— 20.6	+ 28.6
CISCO:			
Retail sales		— 6.6	— 0.5
Postal receipts	$ 3,154	— 9.1	— 5.1
Bank debits to individual accounts (thousands)	$ 1,989	+ 7.3	+ 12.0
End-of-month deposits (thousands)*	$ 3,463	+ 8.5	+ 7.0
CORSICANA:			
Department and apparel store sales		— 0.6	+ 8.1
Postal receipts	$ 9,292	— 1.3	— 10.4
Building permits	$ 113,645	+182.7	+ 39.9
Bank debits to individual accounts (thousands)	$ 9,861	+ 13.4	+ 3.9
End-of-month deposits (thousands)*	$ 20,760	+ 5.4	— 0.1
Annual rate of deposit turnover	5.6	+ 5.7	+ 3.7

*Excludes deposits to credit of banks.

LOCAL BUSINE

CORPUS CHRISTI:

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
Retail sales		+ 21.5	+ 15.5
Apparel stores		— 11.3	— 5.3
Automotive stores		+ 32.1	+ 22.9
General merchandise stores		+ 10.1	+ 6.9
Lumber, building material and hardware stores		+ 13.8	+ 23.5
Department and apparel store sales		+ 6.3	+ 4.5
Postal receipts	$ 87,657	+ 15.5	+ 7.9
Building permits	$ 3,743,373	+211.2	+ 73.9
Air express shipments	457	— 7.1	+ 20.6
Bank debits to individual accounts (thousands)	$ 94,272	+ 33.3	+ 6.5
End-of-month deposits (thousands)*	$ 90,248	+ 16.7	+ 1.7
Annual rate of deposit turnover	12.6	+ 16.7	+ 5.0
Unemployment	2,700	+ 42.1	+ 8.0
Placements in employment	2,024	+ 22.7	+ 31.3
Nonagricultural civilian labor force	54,300	+ 1.5	+ 0.6
Export and coastal cars unloaded	49	+ 63.3	— 62.3
Water connections	26,429	+ 9.6	+ 1.2
Electric connections	30,508	+ 9.3	+ 1.3
Water-borne commerce (tons)	1,535,654	— 2.6	+ 17.3

DALLAS:

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
Retail sales		+ 14.7	+ 9.5
Apparel stores		+ 9.5	+ 8.1
Automotive stores		+ 36.0	+ 13.0
Eating and drinking places		— 6.3	+ 2.0
Filling stations		+ 5.4	+ 6.0
Food stores		+ 5.4	+ 5.5
General merchandise stores		+ 9.1	+ 10.9
Lumber, building material and hardware stores		+ 40.0	+ 18.2
Office, store and school supply dealers		+ 15.9	+ 1.1
Department and apparel store sales		+ 9.4	+ 9.4
Postal receipts	$ 1,031,207	+ 10.9	+ 3.4
Building permits	$ 9,377,654	+144.7	+ 33.7
Air express shipments	8,268	+ 15.4	+ 17.8
Bank debits to individual accounts (thousands)	$ 1,144,087	+ 18.0	+ 5.2
End-of-month deposits (thousands)*	$ 820,083	+ 2.3	+ 4.3
Annual rate of deposit turnover	17.0	+ 12.6	+ 2.4
Unemployment	7,000	— 17.6	— 12.5
Placements in employment	4,732	+ 4.7	— 2.4
Nonagricultural civilian labor force	255,000	+ 4.5	+ 0.2

DENISON:

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
Retail sales		+ 10.1	0.0
Department and apparel store sales		— 6.7	— 4.8
Postal receipts	$ 9,491	— 6.3	— 8.8
Building permits	$ 191,623	+225.7	+176.9
Bank debits to individual accounts (thousands)	$ 7,954	— 7.2	+ 0.1
End-of-month deposits (thousands)*	$ 11,476	+ 11.6	+ 4.3

DENTON:

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
Retail sales		+ 30.9	+ 2.4
Department and apparel store sales		+ 18.3	+ 6.3
Postal receipts	$ 14,357	+ 2.3	— 14.1
Building permits	$ 439,050	+238.6	+ 94.4

*Excludes deposits to credit of banks.

EL PASO:

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
Retail sales		+ 24.4	+ 1.5
Automotive stores		+ 38.5	+ 9.1
General merchandise stores		+ 7.5	— 10.0
Lumber, building material and hardware stores		+ 46.4	+ 9.5
Office, store and school supply dealers		+ 87.4	+ 4.4
Department and apparel store sales		+ 4.9	— 24.4
Postal receipts	$ 136,921	+ 1.8	+ 3.4
Building permits	$ 2,183,923	+219.7	+136.2
Air express shipments	1,379	+ 10.6	+ 7.1
Bank debits to individual accounts (thousands)	$ 143,466	+ 17.8	+ 6.6
End-of-month deposits (thousands)*	$ 126,701	+ 6.7	— 1.5
Annual rate of deposit turnover	13.4	+ 7.2	+ 7.2
Unemployment	2,300	— 17.9	— 14.8
Placements in employment	1,518	+ 54.7	+ 8.0
Nonagricultural civilian labor force	54,100	+ 3.3	— 0.4
Railroad carloadings:			
Inbound	666	+ 16.0	+ 11.7
Outbound	712	+ 9.5	+ 16.3

FORT WORTH:

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
Retail sales		+ 35.9	+ 8.1
Apparel stores		+ 7.3	+ 5.8
Automotive stores		+193.0	+ 14.7
Eating and drinking places		+ 21.0	+ 3.3
Filling stations		— 20.4	+ 5.2
Food stores		+ 7.3	+ 2.1
General merchandise stores		+ 9.9	+ 9.5
Lumber, building material and hardware stores		+ 28.9	+ 28.1
Department and apparel store sales		+ 9.5	+ 8.8
Postal receipts	$ 389,117	+ 6.1	+ 10.8
Building permits	$ 6,550,184	+238.8	+149.3
Air express shipments	2,060	+ 29.0	+ 21.8
Bank debits to individual accounts (thousands)	$ 357,972	+ 23.7	+ 7.1
End-of-month deposits (thousands)*	$ 318,597	+ 8.1	+ 3.6
Annual rate of deposit turnover	13.7	+ 14.2	+ 4.6
Unemployment	7,000	— 17.6	— 5.4
Placements in employment	3,988	+ 32.5	+ 0.5
Nonagricultural civilian labor force	141,800	+ 3.5	+ 0.9

GALVESTON:

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
Retail sales		— 9.1	+ 6.3
Apparel stores		— 6.6	— 1.5
Automotive stores		— 16.1	+ 4.7
Food stores		— 3.9	— 0.4
Lumber, building material and hardware stores		— 2.3	+ 24.8
Department and apparel store sales		— 7.9	+ 1.2
Postal receipts	$ 61,665	+ 14.9	+ 20.4
Building permits	$ 1,063,051	+726.3	+ 53.4
Air express shipments	379	+ 40.9	+ 14.2
Bank debits to individual accounts (thousands)	$ 66,892	+ 3.1	+ 1.5
End-of-month deposits (thousands)*	$ 95,244	— 1.2	+ 2.4
Annual rate of deposit turnover	8.5	+ 3.7	+ 1.2
Unemployment (area)	3,050	+ 1.7	— 4.7
Placements in employment (area)	519	+ 0.8	+ 5.7
Nonagricultural civilian labor force (area)	51,300	— 2.8	— 0.5
Export and coastal cars unloaded	8,338	— 31.4	+ 9.1

*Excludes deposits to credit of banks.

CONDITIONS

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
HENDERSON:			
Postal receipts	$ 5,631	− 5.6	− 1.9
Building permits	$ 50,500	+ 48.5	.....
Bank debits to individual accounts (thousands)	$ 2,584	+ 24.2	+ 20.6
End-of-month deposits (thousands)*	$ 13,362	+ 0.8	− 4.7
HOUSTON:			
Retail sales	.....	+ 10.8	+ 7.2
Apparel stores	.....	+ 6.3	+ 9.3
Automotive stores	.....	+ 39.0	+ 14.5
Drug stores	.....	− 1.5	+ 0.7
Eating and drinking places	.....	+ 11.9	+ 6.0
Filling stations	.....	+ 4.4	+ 7.8
Food stores	.....	+ 13.7	+ 0.6
Furniture and household stores	.....	− 11.4	+ 8.0
General merchandise stores	.....	− 12.8	+ 2.9
Lumber, building material and hardware stores	.....	+ 7.7	+ 18.9
Department and apparel store sales	.....	+ 2.0	+ 9.0
Postal receipts	$ 671,747	+ 9.6	+ 10.2
Building permits	$14,164,391	+ 72.0	+ 29.1
Air express shipments	5,125	+ 12.1	+ 16.2
Bank debits to individual accounts (thousands)	$ 1,116,701	+ 13.4	+ 5.2
End-of-month deposits (thousands)*	$ 995,953	+ 9.2	+ 2.1
Annual rate of deposit turnover	13.6	+ 3.8	+ 3.0
Unemployment (area)	13,500	− 21.5	− 12.9
Placements in employment (area)	5,183	+ 9.0	+ 8.6
Nonagricultural civilian labor force (area)	335,800	+ 0.9	− 0.4
Export and coastal cars unloaded	2,938	− 57.8	+ 23.3
Manufacturing employment	69,825	− 0.2	+ 1.3
Nonmanufacturing employment	252,450	+ 2.7	− 0.1
LUBBOCK:			
Retail sales	.....	+ 38.5	+ 0.8
Apparel stores	.....	+ 2.3	− 22.0
Automotive stores	.....	+ 46.2	− 0.2
Furniture and household stores	.....	+ 50.2	− 6.6
General merchandise stores	.....	+ 7.5	+ 2.3
Lumber, building material and hardware stores	.....	+107.2	+ 27.0
Department and apparel store sales	.....	+ 6.9	− 11.6
Postal receipts	$ 61,098	+ 12.6	− 0.8
Building permits	$ 1,760,878	+105.8	− 50.1
Bank debits to individual accounts (thousands)	$ 80,575	+ 48.2	+ 13.4
End-of-month deposits (thousands)*	$ 86,121	+ 43.1	+ 6.1
Annual rate of deposit turnover	11.5	+ 7.5	+ 12.7
Unemployment	800	− 11.1	− 11.1
Placements in employment	1,166	+ 39.1	+ 19.6
Nonagricultural civilian labor force	27,600	+ 0.9	+ 0.7
MARSHALL:			
Retail sales	.....	+ 1.8	+ 7.1
Department and apparel store sales	.....	− 0.6	+ 6.5
Postal receipts	$ 14,653	+ 9.2	+ 8.0
Building permits	$ 72,707	+ 25.8	− 52.6
Bank debits to individual accounts (thousands)	$ 10,755	+ 14.5	+ 0.9
End-of-month deposits (thousands)*	$ 18,463	+ 7.4	+ 0.2

*Excludes deposits to credit of banks.

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
LAREDO:			
Department and apparel store sales	.....	+ 12.2	− 2.9
Postal receipts	$ 18,489	+ 2.4	− 0.7
Bank debits to individual accounts (thousands)	$ 18,585	+ 13.4	+ 16.4
End-of-month deposits (thousands)*	$ 23,385	+ 7.4	− 5.1
Annual rate of deposit turnover	9.2	+ 2.2	+ 12.2
Export cars unloaded	274	+ 3.0	+ 33.0
Electric power consumption (thous. k.w.h.)	3,806	+ 41.2	+ 25.8
Natural gas consumption (thous. cu. ft.)	35,940	− 14.0	− 19.3
Tourists entering Mexico	8,784	+ 32.7	+ 5.8
Tourist cars entering Mexico	2,485	+ 19.5	− 3.9
LOCKHART:			
Postal receipts	$ 2,364	+ 5.8	− 4.8
Building permits	$ 26,300	.....	+ 16.4
Bank debits to individual accounts (thousands)	$ 2,819	+ 13.7	+ 3.4
End-of-month deposits (thousands)*	$ 4,534	+ 6.8	− 0.3
ODESSA:			
Retail sales	.....	+ 14.8	+ 8.8
Department and apparel store sales	.....	+ 14.5	− 13.1
Postal receipts	$ 20,157	+ 0.2	− 10.0
Building permits	$ 813,165	+ 49.1	+ 2.2
Bank debits to individual accounts (thousands)	$ 23,802	+ 25.0	+ 4.4
End-of-month deposits (thousands)*	$ 22,711	+ 33.3	+ 5.5
Air express shipments	209	+ 29.8	+ 19.4
PARIS:			
Retail sales	.....	+ 6.8	+ 1.3
Department and apparel store sales	.....	+ 6.1	− 16.5
Postal receipts	$ 11,395	+ 15.0	.....
Building permits	$ 48,545	.....	+ 72.6
Bank debits to individual accounts (thousands)	$ 10,839	+ 12.3	− 0.8
End-of-month deposits (thousands)*	$ 14,841	+ 7.7	+ 1.0
Air express shipments	60	+233.3	+ 53.8
PORT ARTHUR:			
Retail sales	.....	− 9.3	+ 14.6
Apparel stores	.....	+ 22.0	− 4.7
Automotive stores	.....	+ 28.9	+ 23.5
Furniture and household stores	.....	− 43.0	+ 94.0
General merchandise stores	.....	− 30.4	+ 7.8
Department and apparel store sales	.....	− 15.6	+ 2.2
Postal receipts	$ 26,208	− 8.3	− 1.0
Building permits	$ 373,518	+ 2.8	− 6.2
Air express shipments	121	− 36.0	+ 28.7
Bank debits to individual accounts (thousands)	$ 29,317	− 11.9	− 1.2
End-of-month deposits (thousands)*	$ 40,739	+ 0.2	+ 6.1
Annual rate of deposit turnover	8.9	− 11.0	− 1.1
Unemployment	9,400	+ 34.3	+ 3.6
Placements in employment	1,632	− 12.1	− 19.8
Nonagricultural civilian labor force	76,600	0.0	+ 1.1
Export cars unloaded	6	− 99.6	− 94.8

*Excludes deposits to credit of banks.

LOCAL BUSINESS CONDITIONS

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
PLAINVIEW:			
Retail sales		+ 51.2	+ 3.0
Department and apparel store sales		+ 13.9	— 1.6
Postal receipts	$ 9,278	+ 15.0	— 5.4
Building permits	$ 121,800	+ 64.6	— 7.7
Bank debits to individual accounts (thousands)	$ 13,208	+ 31.8	— 2.9
End-of-month deposits (thousands)*	$ 17,580	+ 20.6	— 1.1
Air express shipments	61	+ 41.9	+ 38.6
SAN ANGELO:			
Retail sales		+ 28.2	+ 13.7
Department and apparel store sales		+ 13.0	+ 0.3
Postal receipts	$ 31,326	+ 5.1	— 5.5
Building permits	$ 1,018,258	+408.8	— 15.4
Bank debits to individual accounts (thousands)	$ 46,701	+ 77.1	+ 52.3
End-of-month deposits (thousands)*	$ 46,945	+ 21.6	+ 7.6
Annual rate of deposit turnover	12.4	+ 49.4	+ 47.6
Air express shipments	478	— 2.2	+ 25.8
Unemployment	1,000	+ 25.0	— 4.8
Placements in employment	561	+ 54.5	— 10.7
Nonagricultural civilian labor force	19,900	+ 12.7	+ 5.0
SAN ANTONIO:			
Retail sales		+ 12.4	+ 5.6
Apparel stores		— 0.7	— 4.3
Automotive stores		+ 34.3	+ 12.0
Drug stores		+ 4.4	+ 0.2
Eating and drinking places		— 1.4	— 1.6
Filling stations		— 3.0	+ 4.9
Food stores		+ 2.3	— 0.9
Furniture and household stores		+ 21.9	+ 18.0
General merchandise stores		+ 14.6	+ 7.3
Lumber, building material and hardware stores		+ 49.2	+ 24.8
Department and apparel store sales		+ 11.3	+ 5.2
Postal receipts	$ 377,896	+ 14.0	+ 15.1
Building permits	$ 3,894,050	+ 11.6	+ 8.0
Air express shipments	3,005	+ 21.8	+ 13.4
Bank debits to individual accounts (thousands)	$ 314,845	+ 27.2	+ 8.6
End-of-month deposits (thousands)*	$ 348,692	+ 10.6	+ 1.2
Annual rate of deposit turnover	10.9	+ 13.5	+ 7.9
Unemployment	6,000	+ 33.3	— 7.7
Placements in employment	2,948	+ 4.7	+ 13.0
Nonagricultural civilian labor force	157,500	— 0.6	— 0.1
SHERMAN:			
Retail sales		+ 17.2	+ 2.1
Department and apparel store sales		— 0.7	— 2.0
Postal receipts	$ 19,388	+ 12.3	+ 24.1
Building permits	$ 92,193	— 23.9	— 9.0
TYLER:			
Retail sales		+ 17.7	+ 16.0
Department and apparel store sales		+ 11.4	+ 8.4
Postal receipts	$ 37,158	+ 11.3	— 3.5
Building permits	$ 512,145	+ 40.9	+ 59.6
Bank debits to individual accounts (thousands)	$ 44,220	+ 22.1	+ 2.0
End-of-month deposits (thousands)*	$ 51,319	+ 1.3	+ 0.2
Annual rate of deposit turnover	10.3	+ 19.8	+ 2.0
Air express shipments	265	— 41.6	+ 62.6

*Excludes deposits to credit of banks.

City and item	May 1950	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
TEXARKANA:			
Retail sales		+ 7.3	+ 7.9
Department and apparel store sales		— 3.7	— 2.0
Postal receipts	$ 35,421	+ 5.6	+ 17.7
Bank debits to individual accounts (thousands)	$ 25,791	+ 14.1	— 2.4
End-of-month deposits (thousands)*	$ 22,836	+ 2.1	— 2.5
Annual rate of deposit turnover	7.9	+ 12.9	+ 1.3
Air express shipments	91	+ 42.2	— 10.8
Unemployment	3,000	— 16.7	— 25.0
Placements in employment	561	— 0.5	— 1.2
Nonagricultural civilian labor force	33,850	— 5.3	— 2.3
TEMPLE:			
Retail sales		+ 1.6	+ 1.8
Department and apparel store sales		+ 1.4	+ 3.5
Postal receipts	$ 16,621	+ 7.4	— 12.1
Building permits	$ 397,041	+ 87.8	+ 31.7
Air express shipments	67	+ 59.5	+ 59.5
TEXAS CITY:			
Postal receipts	$ 9,294	+ 15.6	— 0.6
Building permits	$ 77,044	— 31.0	— 62.5
Bank debits to individual accounts (thousands)	$ 12,607	— 7.4	+ 5.3
End-of-month deposits (thousands)*	$ 12,286	— 10.1	+ 2.4
Unemployment (area)	3,050	+ 1.7	— 4.7
Placements in employment (area)	519	+ 0.8	+ 5.7
Nonagricultural civilian labor force (area)	51,300	— 2.8	— 0.5
Coastal cars unloaded	681	+ 69.4	+ 11.6
WACO:			
Retail sales		+ 16.7	+ 17.7
Apparel stores		+ 8.2	— 2.1
Automotive stores		+ 29.5	+ 28.8
Department stores		+ 6.3	+ 9.3
Furniture and household stores		+ 7.3	+ 23.7
Department and apparel store sales		+ 6.7	+ 6.7
Postal receipts	$ 79,327	— 0.6	— 3.1
Building permits	$ 1,087,485	+ 66.1	— 0.2
Air express shipments	225	— 7.8	+ 9.2
Bank debits to individual accounts (thousands)	$ 59,437	+ 29.9	— 12.9
End-of-month deposits (thousands)*	$ 65,174	— 2.1	— 7.1
Annual rate of deposit turnover	10.6	+ 27.7	— 7.0
Unemployment	1,900	— 5.0	— 5.0
Placements in employment	617	— 9.4	+ 4.9
Nonagricultural civilian labor force	43,950	— 2.5	— 0.6
WICHITA FALLS:			
Retail sales		+ 10.6	+ 1.1
Department and apparel store sales		+ 6.3	+ 9.8
Postal receipts	$ 59,934	+ 30.1	+ 9.5
Building permits	$ 332,924	+ 11.5	— 66.9
Bank debits to individual accounts (thousands)	$ 62,498	+ 18.2	+ 1.7
End-of-month deposits (thousands)*	$ 91,157	+ 14.4	+ 1.8
Annual rate of deposit turnover	8.3	+ 3.8	+ 1.2
Air express shipments	221	+ 6.8	— 22.5
Unemployment	1,025	— 19.3	— 9.3
Placements in employment	827	+ 49.5	+ 31.3
Nonagricultural civilian labor force	34,875	+ 7.4	+ 0.7

*Excludes deposits to credit of banks.

INDEXES OF WHOLESALE PRICES IN THE UNITED STATES

(1926 = 100)

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

Group	May 30 1950	May 2 1950	May 31 1949	Percent change: May 30, 1950 from May 31, 1949	Percent change: May 30, 1950 from May 2, 1950
ALL COMMODITIES	156.8	154.5	156.2	+ 0.4	+ 1.5
Farm products	167.5	162.7	173.1	— 3.2	+ 3.0
Foods	161.5	158.8	165.8	— 2.6	+ 1.7
All commodities other than farm and food	147.6	146.7	146.0	+ 1.1	+ 0.6
Textile	135.6	135.4	138.8	— 2.3	+ 0.1
Fuel and lighting material	132.9	132.1	130.0	+ 2.2	+ 0.6
Metal and metal products	171.3	169.6	167.6	+ 2.2	+ 1.0
Building materials	199.3	194.5	192.0	+ 3.8	+ 2.5
Chemicals and allied products	116.1	116.7	118.3	— 1.9	— 0.5
Special indexes					
Grain	171.9	172.5	149.9	+14.7	— 0.3
Livestock	229.4	209.8	224.3	+ 2.3	+ 9.3
Meats	238.7	229.2	239.3	— 0.3	+ 4.1

chemical and allied products recording declines from the preceding month.

It is significant that the wholesale price index has turned up after its slump for the greater part of 1949 and the first three months of 1950. Increasing demand, despite continued high production, is serving as an impetus to the price advances of major raw materials. Following high levels of construction activity, building material prices have been on the upgrade since the August 1949 low, but lumber prices have shown the sharpest movement upward.

Rising prices in most fields can be expected as long as business activity continues at boom levels, and the Brookings Institute, in a study released last month, suggests that high income taxes are playing an important part in price increases. Federal farm price supports are holding up present price levels although large surpluses of agricultural products have been a counterbalancing factor. Other factors which have combined to reverse earlier downward price movements are the veterans' insurance refunds, strikes in major industries earlier in the year, farm subsidy programs, foreign aid programs of the United States and the critical international situation.

The situation in Korea, if it continues, will most probably serve as a motivating force for further price increases, but rises brought about entirely by this situation could not be expected to continue for long if the crisis is averted.

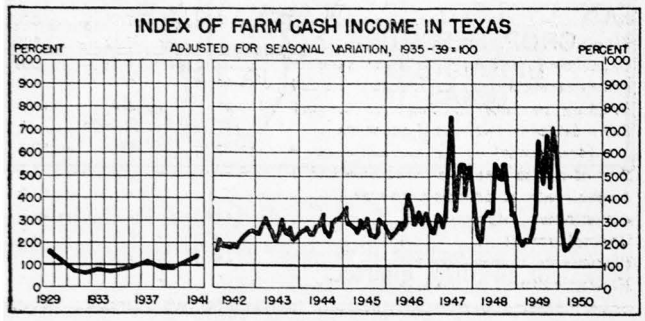
Indexes of consumer prices (1939=100) for Norway, Sweden, Canada, the United States and the United Kingdom, based on official figures, show a movement upward from 1939 in all countries, with a slight dip in all except Norway in 1946. In 1949 the indexes for all five countries were very close together, with the United Kingdom reporting the highest index of consumer prices and Norway the lowest.

AGRICULTURE

Income

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

Total farm cash income for the State in May was 23.5% above April and 1.0% above May of last year. The Edwards Plateau led the State in total income, followed closely by the Northern High Plains, the Red Bed Plains and the Southern Texas Prairies. The majority of this income was from cattle sales, with income from flaxseed having an additional effect in the Southern Texas Prairies.

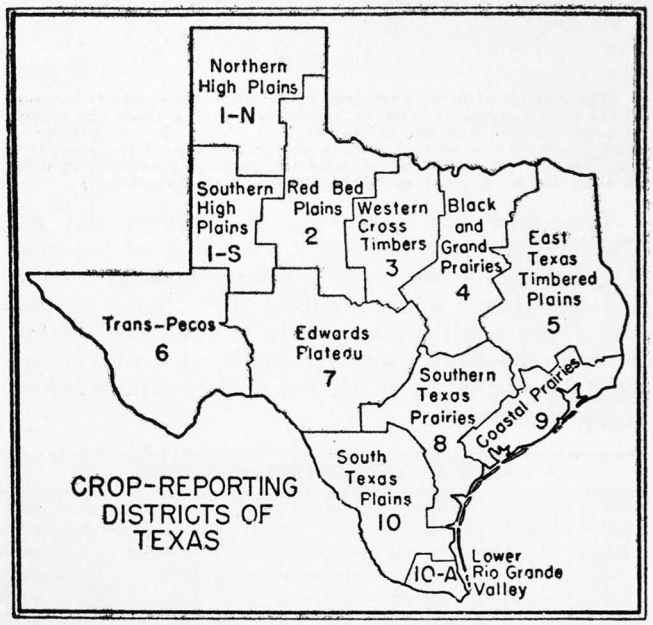


The increase in total State income for May over April was the continuation of an upward trend which began in March of this year. Some portion of this rising income can be attributed to the expected seasonal upturn that occurs in the spring of each year. However, even considering this seasonal swing, the first five months of 1950 were 6.9% above the corresponding period in 1949. This is exactly the reverse of the national picture. The Department of Agriculture expects 1950 cash income for the nation's farmers to be well under 1949 totals. Through the first three

FARM CASH INCOME*

District	Indexes, 1935–39 = 100, adjusted for seasonal variation: May 1950	April 1950	May 1949	Amount (in thousands) January-May 1950	1949
TEXAS	276.0	212.9	276.4	$334,184	$312,616
1-N	740.2	481.0	510.0	53,070	45,503
1-S	274.3	215.3	219.9	38,375	26,333
2	643.5	213.9	250.4	36,951	25,086
3	331.1	345.4	242.1	16,123	15,840
4	169.2	157.8	157.5	33,378	34,141
5	213.7	182.8	241.1	13,243	15,257
6	141.5	128.1	133.0	9,149	9,563
7	299.8	314.7	269.3	32,366	29,038
8	386.5	203.6	585.8	32,475	38,265
9	555.4	383.1	673.5	24,078	31,972
10	449.6	329.7	518.6	22,196	21,341
10-A	200.3	122.3	308.9	22,780	20,277

*Farm cash income as computed by the Bureau understates actual farm cash income by from 6 to 10%. 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 indexes.



months of this year Texas ranked third in the nation in farm income, with only Iowa and Illinois exceeding Texas for the first quarter.

Of the 12 crop-reporting districts of Texas, seven showed an increase in income for the total of the first five months as compared with the first five months of last year. The middle sector of the State from the Panhandle to the Valley carried the bulk of the increase. The Southern High Plains and the Red Bed Plains both showed increases of over 45%. The Coastal Prairies showed the largest deficit with a loss of 24.7% from last year for the year-to-date comparison.

The seasonally adjusted index of farm cash income for May 1950 reached 276.0, 29.6% above April of this year and nearly equal to May of last year when it stood at 276.4. The expected poor wheat crop, combined with decreasing prices received by farmers, will probably bring farm income down in the succeeding months. Although wheat prospects have improved somewhat in most parts of the State due to favorable rains during May, the wheat crop for the State as a whole is expected to be only one-fourth of normal. The yield per acre is forecast at 9.0 bushels compared with 14.5 bushels last year.

The index of prices for all farm products in Texas for May showed a slight gain over the preceding month but was down 3.1% from May 1949. Although about half of the farm prices dropped from April to May, wool, livestock, feed grain and other prices were up enough to carry the index of all prices up to 1.1% above April.

National farm prices advanced 2.5% between mid-April and mid-May. They are now at the highest level since September 1949. The Department of Agriculture said that higher prices for hogs, together with increases in prices of most other meat animals, cotton, wool, soy beans and corn, raised the general average. Prices paid by farmers for materials used in production and for general living expenses increased about 1.2%.

INDEXES OF PRICES RECEIVED BY FARMERS

(1909–14 = 100)

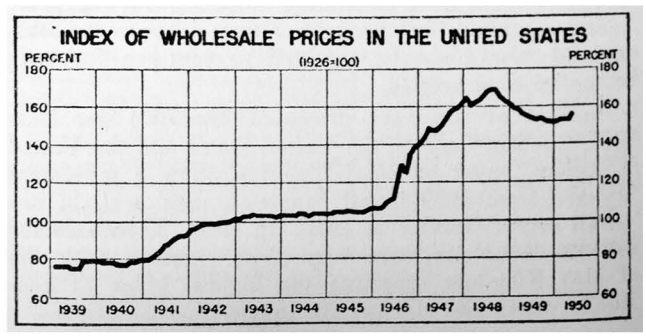
Source: Bureau of Agricultural Economics, U. S. Department of Agriculture

Indexes (unadjusted)	May 1950	Apr. 1950	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
ALL FARM PRODUCTS	277	274	286	— 3.1	+ 1.1
All crops	226	225	240	— 5.8	+ 0.4
Food grain	220	222	242	— 9.1	— 0.9
Feed grains and hay	167	163	179	— 6.7	+ 2.5
Potatoes and sweet potatoes	176	180	231	— 23.8	— 2.2
Fruit	179	179	28	.....	0.0
Truck crops	229	242	323	— 29.1	— 5.4
Cotton	235	233	248	— 5.2	+ 0.9
Oil-bearing crops	225	221	240	— 6.3	+ 1.8
Livestock and products	346	340	347	— 0.3	+ 1.8
Meat animals	442	428	415	+ 6.5	+ 3.3
Dairy products	218	229	244	— 10.7	— 4.8
Poultry and eggs	179	187	252	— 29.0	— 4.3
Wool	385	360	366	+ 5.2	+ 6.9

As generally happens in the Spring, meat prices have been rising. Prices paid farmers for meat animals were up 6.5% from last year and 3.3% from last month. Feed grains were 2.5% above April, thus making it less economical to feed livestock and consequently causing meat prices to rise.

The most outstanding jump in prices was that experienced by mohair. Late in the month adult mohair was up to 75 cents from April's 65 cents, while kid rose from 85 cents to $1.00 per pound. Wool prices showed a corresponding increase of 5.2% over last year and 6.9% over April.

The level of all commodity prices has turned upward with the increase in the demand for goods and services, and a certain amount of speculation on the prospects of inflation is appearing in the financial news. The sharp upturn in the wholesale price index of the Bureau of Labor Statistics measures in general the effect of these inflationary factors. The weekly price index rose steadily during May, and the estimate for the May monthly index is 156.1 compared to 152.9 for April. The prices of farm products contributed more to this increase than the prices of manufactured goods, but all lines shared in the rise. The consumer price index of the Bureau of Labor Statistics for Houston rose from 171.9 in April to 172.4 in May, while for the United States the consumer price index rose from 167.3 to 168.6. The retail price of foods accounted for a major portion of the increase.



The reversal of the downward trend of prices has been slow in occurring in comparison with the movement of the other major elements of the business situation. However, it now appears to be definitely under way, but probably represents merely a normal part of the high level of demand rather than the beginning of a period of runaway inflation.

Total shipments of livestock are increasing as would be expected with prices going up. May shipments were 31.7% above May 1949 and 6.7% above April of this year. Sheep shipments demonstrated the most outstanding gain over last month, while cattle shipments increased the most over last year. Total sheep shipments were up 155.7% from April with the majority of shipments being made out of the State. Cattle shipments showed a 44.2% increase over May 1949. The major portion of out-of-State shipments went to Colorado and Kansas country points where the cattle will be fattened for mid-summer sales.

SHIPMENTS OF LIVESTOCK

(in carloads)*

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

Classification	May 1950	Apr. 1950‡	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
TOTAL SHIPMENTS	9,959	9,330	7,561	+ 31.7	+ 6.7
Cattle	6,414	7,260	4,447	+ 44.2	— 11.7
Calves	561	461	512	+ 9.6	+ 21.7
Hogs	864	780	608	+ 42.1	+ 10.8
Sheep	2,120	829	1,994	+ 6.3	.....
INTERSTATE PLUS FORT WORTH	9,588	8,974	6,911	+ 38.7	+ 6.8
Cattle	6,107	7,001	3,926	+ 55.6	— 12.8
Calves	538	393	471	+ 14.2	+ 36.9
Hogs	856	775	600	+ 42.7	+ 10.5
Sheep	2,087	805	1,914	+ 9.0	.....
INTRASTATE MINUS FORT WORTH†	371	356	650	— 42.9	+ 4.2
Cattle	307	259	521	— 41.1	+ 18.5
Calves	23	68	41	— 43.9	— 66.2
Hogs	8	5	8	0.0	+ 60.0
Sheep	33	24	80	— 58.8	+ 37.5

*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.

‡Revised on the basis of corrected reports.

Meat supplies through September of this year are expected to be slightly larger than last year, with pork being the major factor of increase. Consumption of meat per capita in the United States is expected to be normal through September, but in the final quarter consumption of all meat may rise one pound or more over that of the comparable 1949 period.

Rail shipments of fruits and vegetables showed some increase over April but were substantially below those of May 1949. Total shipments for this month were 10.1% above last month and 24.3% below May of last year. This month-to-month increase was a continuation of a rising trend which began early in the year but whose rate of increase is falling off rapidly.

RAIL SHIPMENTS OF FRUIT AND VEGETABLES

(in carloads)

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

Item	May 1950	Apr. 1950	May 1949	Percent change: May 1950 from May 1949
TOTAL	6,762	6,141	8,934	— 24.3
Beets	21	60	17	+ 23.5
Beets and carrots	5	41	0	.....
Cabbage	7	70	10	— 30.0
Cantaloupes	145	0	64	.....
Carrots	315	873	723	— 56.4
Corn	592	260	1,075	— 44.9
Cucumbers	28	25	188	— 85.1
Mixed vegetables	178	598	143	+ 24.5
Onions	1,709	2,544	2,608	— 34.5
Parsley	32	40	11	.....
Potatoes	8	275	28	— 71.4
Tomatoes	3,628	1,210	3,967	— 8.5
Watermelon	88	0	98	— 10.2
All other	6	145	2	.....

Shipments of individual commodities fluctuated erratically both from last month and last year. This is to be expected because of the variable seasonal patterns that are so much a part of farm products. Corn and tomatoes exhibited large seasonal increases of nearly 200% from April levels. The tomato season generally begins in May in the Jacksonville region. Although some tomato areas suffered severe hail damage while a fungus disease has disturbed others, it is hoped that these areas can recover and receive high

COLD STORAGE HOLDINGS

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

Item	Unit (000's)	May 1950	Apr. 1950	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
Fresh vegetables	lbs.	2,452	1,805	1,753	+ 39.9	+ 35.8
Frozen vegetables	lbs.	4,113	4,527	2,227	+ 84.7	— 9.1
Dried and evaporated fruits	lbs.	301	272	425	— 29.2	+ 10.7
Frozen fruits	lbs.	3,665	3,462	3,484	+ 5.2	+ 5.9
Nuts	lbs.	19,234	19,226	15,662	+ 22.8	0.0
Dairy products	lbs.	8,856	8,560	3,574	.....	+ 3.5
Cream	lbs.	147	99	364	— 59.6	+ 48.5
Fluid	lbs.	138	90	173	— 20.2	+ 53.3
Plastic	lbs.	9	9	191	— 95.3	0.0
Creamery butter	lbs.	970	810	279	.....	+ 19.8
Evaporated and condensed milk	lbs.	117	81	604	— 80.6	+ 44.4
Cheese	lbs.	7,622	7,570	2,327	.....	+ 0.7
Eggs						
Shell	cases	60	32	32	+ 87.5	+ 87.5
Frozen	lbs.	14,818	9,955	7,364	.....	+ 48.8
Dried	lbs.	5,480	5,611	3,934	+ 39.3	— 2.3
Poultry (frozen)	lbs.	2,225	2,599	1,625	+ 36.9	— 14.4
Meat and meat products	lbs.	24,163	24,374	25,586	— 5.6	— 0.9
Hides and pelts	lbs.	1,050	1,089	900	+ 16.7	— 3.6

INTERSTATE RECEIPTS OF EGGS BY RAIL AT TEXAS STATIONS

(in carloads)

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

Type	May 1950	Apr. 1950	May 1949
TOTAL RECEIPTS—SHELL EQUIVALENT*	0	6	28
Shell	0	0	0
Frozen	0	3	10
Dried	0	0	1

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

RAIL SHIPMENTS OF POULTRY AND EGGS FROM TEXAS STATIONS

(in carloads)

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

Classification	May 1950	Apr. 1950	May 1949
Chickens	2	1.5	0
Turkeys	5	0.5	6
Eggs—shell equivalent*	286	105	180
Shell	0	3	0
Frozen	15	19	14
Dried	32	8	19

*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.

enough prices to make the season profitable. Production records were set in the Hallettsville area, but prices were lower there.

The melon crop this season is good, both from the standpoint of quality and yield. Rail shipments of watermelons in May were lagging behind last year's by 10.2%, but cantaloupes were up 126.6%. Some melon farms in the Falfurrias region suffered from severe hail damage during the month.

There were no interstate receipts of eggs during the month of May. The Texas chicken farmers were able to supply the entire demand of the State, in contrast to last year when 28 carloads of eggs were shipped into the State. In addition to supplying all local demand, 94 carloads of eggs were shipped out of the State for an increase of 62.1% over last year and nearly 200% over last month.

The number of laying hens on Texas farms was about 4% above that of a year ago. The rate of lay per hen was down slightly, but the increased number of hens compensated for this to such an extent that total egg production was 7 million above May 1949. Eggs produced during the year to date totaled 1,508 million compared with 1,433 million for the corresponding period last year.

Total chicken shipments were 33.3% over April's. Five carloads of turkeys were shipped in May compared with a half carload in April and six carloads in May of last year.

Cotton

(The cotton balance sheet shows the basic demand and supply factors affecting cotton which is an outstanding element in the farm income of the State.)

The cotton balance sheet indicates a carryover of about 7.5 million bales in the United States as of August 1, 1950. New crop prospects now are being estimated at about 12 million bales. This would mean a total supply for the crop year 1950–51, including imports, of slightly under 20 million bales. The total supply for the year closing August 1 has been nearly 21.5 million bales. This prospective decrease in supply has already been taken into account by the market.

New crop futures are now selling about 8 cents a pound higher than the price of October 1950 quoted in July a year ago. Part of this advance has been due to a rise in the general price level, from about 155 to 157, and to the much brighter business outlook now as compared with a year ago. Less than half of the advance in price may be attributed to prospective decreases in supply as indicated by averages of past years.

Long distance futures, that is October 1951, are again holding out caution signals in the form of lower prices.

Mill stocks are substantially higher than a year ago, even though they are now somewhat below the average of recent years. Prospects are that mills will not be as aggressive buyers of cotton as they were during the early part of the harvest season last year. Nevertheless, strong prospective demand for cotton goods and below average mill stocks of raw cotton promise a good market for raw cotton during the early fall.

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF JUNE 1, 1950

(in thousands of running bales except as noted)

Year	Carryover Aug. 1	Imports to June 1*	Final ginnings	Total	Consumption to June 1	Exports to June 1	Total	Balance as of June 1
1940–41	10,596	150	12,298	23,044	7,619	976	8,595	14,449
1941–42	12,367	256	10,495	23,118	9,208	969	10,177	12,941
1942–43	10,590	173	12,438	23,201	9,342	906	10,248	12,953
1943–44	10,687	131	11,129	21,947	8,412	1,002	9,414	12,533
1944–45	10,727	170	11,839	22,736	8,109	1,319	9,428	13,308
1945–46	11,164	305	8,813	20,282	7,641	2,776	10,417	9,865
1946–47	7,522	214	8,513	16,249	8,630	3,155	11,785	4,504
1947–48	2,521	233	11,552	14,306	7,914	1,681	9,595	4,711
1948–49	2,823	154†	14,540	17,517	6,742	3,550†	10,292	7,225
1949–50	5,283	249†	15,908	21,440	7,418	4,226†	11,644	9,796

The cotton year begins August 1.
*In 478 pound bales.
†To May 1 only.

FINANCE

Business Finance

(Since the condition of business is both reflected by and dependent upon financial conditions, various indicators of financial activity are essential for proper analysis of the business situation.)

The quantity of bank credit used by individuals and businessmen in the State during May increased from the amount in use at the end of April 1950 and also from that which was in use at this time in 1949. The general tendency has been toward an increase in both loans and investments, as the volume of practically all types of bank assets, with some minor exceptions in various classes of government securities, exceeded the levels of last month and of last year. The most significant increase was 15.0% for loans from May 1949, indicating that banks are willing to create more purchasing power after duly appraising business risks. During this same period the banks also increased the amount of funds extended in investment transactions, as their holdings of United States Government securities increased 9.9% and that of other securities 13.3%. That these banking transactions actually affected the quantity of purchasing power available is evidenced by a 6.6% increase in demand deposits and a 110.7% increase in government deposits. In total, Texas seems to be well supplied with bank credit at this time, with bankers showing a willingness to increase still further the amount outstanding.

Locally, the various cities seem to be faring as well as is the State as a whole. End-of-the-month deposits increased from May 1949 to May 1950 in 17 of the 20 reporting cities, and have increased or remained stable in 15 of the 20 since April 1950. Lubbock, with 43.1%, reported the largest increase from last year, while Beaumont reported the largest decrease (7.6%).

These larger deposits were being used at a faster rate, thus making for a larger volume of payments than that which existed last year or last month. This is substantiated by the increases in the rate of deposit turnover and in total bank debits. Of the 20 cities reporting, 19 showed increases in both deposit turnover and total bank debits from last year, while 18 reported increases in both from last month. The only city reporting decreases from both last year and last month was Port Arthur, whose major industry, oil refining, has been involved in a serious strike. As a result of the universal increase in deposits, rate of turnover and bank debits, the index of bank debits for Texas rose to its highest recorded level, 514.3% of the 1935–39 average.

The number of corporations issued new charters increased from 388 in April to 448 in May, compared to 321 new charters issued in May 1949. Merchandising ventures led the list of new starts with 92, closely

CHANGES IN CONDITION OF WEEKLY REPORTING MEMBER BANKS IN THE DALLAS DISTRICT*

Source: Board of Governors of the Federal Reserve System

Item	Percent change*		
	May 1950 from May 1949	May 1950 from Apr. 1950	May 1949 from Apr. 1949
ASSETS			
Loans and investments	+ 12.4	+ 0.7	+ 0.5
Loans	+ 15.0	+ 2.1	— 1.7
Total U. S. Government securities	+ 9.9	— 0.7	+ 2.7
Treasury bills	+100.0	— 11.4	+ 8.3
Treasury certificates of indebtedness	— 4.4	+ 2.8	+ 8.4
Treasury notes	+361.0	— 5.0	+ 2.5
United States bonds	— 9.5	+ 0.8	+ 0.4
Other securities	+ 13.3	+ 0.7	+ 0.8
Reserve with Federal Reserve Banks	— 10.2	+ 0.2	— 3.9
Cash in vault	+ 6.3	0.0	— 11.1
Balances with domestic banks	+ 17.2	— 4.0	+ 8.1
LIABILITIES			
Total deposits (except interbank)	+ 7.1	+ 1.8	— 0.5
Demand deposits adjusted	+ 6.6	+ 1.8	0.0
Time deposits	+ 2.7	0.0	— 0.2
United States Government deposits	+110.7	+ 18.0	— 30.0
Interbank deposits			
Domestic banks	+ 18.8	— 6.0	+ 6.1
Foreign banks	+ 60.0	0.0	0.0
CAPITAL ACCOUNTS	+ 6.5	0.0	0.0

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

BANK DEBITS*

(in thousands)

Source: Board of Governors of the Federal Reserve System

City	May 1950	Apr. 1950	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
TOTAL	$3,981,421	$3,774,024	$3,351,666	+18.8	+ 5.5
Abilene	44,494	40,775	31,017	+43.5	+ 9.1
Amarillo	100,089	97,698	81,769	+22.4	+ 2.4
Austin	123,725	122,392	104,186	+18.8	+ 1.1
Beaumont	97,893	94,647	89,491	+ 9.4	+ 3.4
Corpus Christi	94,272	88,490	70,686	+33.3	+ 6.5
Corsicana	9,861	9,492	8,696	+13.4	+ 3.9
Dallas	1,144,087	1,087,779	969,417	+18.0	+ 5.2
El Paso	143,466	134,593	121,813	+17.8	+ 6.6
Fort Worth	357,972	334,091	289,352	+23.7	+ 7.1
Galveston	66,892	65,875	64,850	+ 3.1	+ 1.5
Houston	1,116,701	1,061,537	984,994	+13.4	+ 5.2
Laredo	18,585	15,962	16,392	+13.4	+16.4
Lubbock	80,575	71,051	54,369	+48.2	+13.4
Port Arthur	29,317	29,659	33,272	—11.9	— 1.2
San Angelo	46,701	30,659	26,368	+77.1	+52.3
San Antonio	314,845	289,881	247,550	+27.2	+ 8.6
Texarkana†	25,791	26,435	22,595	+14.1	— 2.4
Tyler	44,220	43,346	36,205	+22.1	+ 2.0
Waco	59,437	68,231	45,772	+29.9	—12.9
Wichita Falls	62,498	61,431	52,872	+18.2	+ 1.7

*Debits to deposit accounts except interbank accounts.
†Includes two banks in Arkansas, Eighth District.

CORPORATION CHARTERS ISSUED BY CAPITALIZATION

Source: Secretary of State

Capitalization	May 1950*	Apr. 1950†	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
Over $100,000	16	10	20	— 20.0	+ 60.0
$5,000 to $100,000	208	200	145	+ 43.4	+ 4.0
Less than $5,000	149	109	78	+ 91.0	+ 36.7
No capital stock	72	69	76	— 5.3	+ 4.3
Capitalization not specified	3	0	2	+ 50.0	.....

*Preliminary.
†Revised.

CORPORATION CHARTERS ISSUED BY CLASSIFICATIONS

Source: Secretary of State

Classification	May 1950*	Apr. 1950†	May 1949
DOMESTIC CORPORATIONS			
Capitalization (thousands)	$8,803	$6,873	$7,059
Number	448	388	321
Banking-finance	24	17	9
Construction	32	24	21
Manufacturing	22	21	18
Merchandising	92	68	64
Oil	11	19	10
Real estate	80	76	43
Transportation	3	1	4
Nonprofit (no capital stock)	72	69	73
All others	112	93	79
FOREIGN CORPORATIONS			
Number	48	65	48

*Preliminary.
†Revised.

followed by real estate with 80. Construction charters numbered 32, while banking-finance charters amounted to 24. Included among these new corporations were 16 that had capitalizations of over $100,000, 208 with capitalizations between $5,000 and $100,000 and 149 with less than $5,000. All capitalization classifications except transportation and nonprofit groups showed increases over last month.

The number of business failures remained fairly stable during the month, increasing from 17 in April to 18 in May. These failures compared to 17 in April 1949 and 14 in May of last year.

During May, life insurance sales in Texas increased 25.2% over May 1949 and 11.5% over April 1950. For the United States as a whole the increases for similar periods were 16.7 and 8.1%, respectively. The sales of all classes of United States savings bonds decreased from last month. Total sales decreased 3.2%, with Series E sales falling off 4.1% and Series F 0.3%.

SALES OF UNITED STATES SAVINGS BONDS*

Source: Treasury Department, Office of State Director for Texas

Series	May 1950	April 1950	Percent change: May 1950 from Apr. 1950
TOTAL	$12,709,888	$13,132,518	— 3.2
Series E	9,629,266	10,043,923	— 4.1
Series F and G	3,080,622	3,088,595	— 0.3

*Due to the accounting procedure during the Opportunity Drive in 1949, the monthly figures from April 1 through July 18 of last year are not available.

Government Finance

(Federal and State tax collections vary directly with the level of business prosperity and consequently serve as an index of economic conditions.)

Total revenue receipts of the State Comptroller for the fiscal year-to-date continued ahead of those for the same period (September 1–May 31) of 1948–49. Ad valorem taxes recorded the largest increase (53.4%) from the previous year, while mineral leases, rentals and bonuses, unemployment compensation and crude oil production tax collections registered decreases in the first nine months of the current fiscal year from the same period in 1948–49.

REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Item	May 1950	September 1–May 31: 1949–50	1948–49	Percent change
TOTAL	$54,426,752	$418,335,717	$402,466,662	+ 3.9
Ad valorem taxes	199,459	30,035,775	19,580,029	+ 53.4
Crude oil production taxes	7,073,597	58,567,572	70,343,913	— 16.7
Motor fuel taxes (net)	7,055,372	63,218,438	55,313,283	+ 14.3
Cigarette tax and licenses	2,955,896	20,635,442	17,349,782	+ 18.9
Mineral leases, rentals and bonuses	259,381	3,820,883	9,356,450	— 59.2
Interest on securities owned	264,629	5,849,623	5,068,095	+ 15.4
Unclassified receipts from county tax collectors	119,763—	786,089—	324,963—	.....
Federal aid-highways	2,370,359	21,982,363	20,369,647	+ 7.9
Federal aid-public welfare	6,581,164	55,769,652	53,016,064	+ 5.2
Federal aid-public education	224,304	15,590,683	13,792,642	+ 13.0
Unemployment compensation tax	3,075,989	15,941,876	19,728,801	— 19.2
All other receipts	24,486,365	127,709,499	118,872,919	+ 7.4

In the federal tax picture, total collections in Texas were up 20.6% in May from the same month in 1949, but for the 11 months of the 1949–50 fiscal year collections had dropped 4.7%, although gains were recorded for employment and withholding tax collections. With the federal fiscal year drawing to a close, deficit estimates have been revised downward. Some experts feel that the deficit could fall as low as $4 billion with a possibility that the decreasing deficit could continue into the 1950–51 period. Decreased government expenditures and increased federal income contrary to expectations were important factors in the falling deficit. This unexpected downturn probably will result in increased agitation for excise tax cuts.

FEDERAL INTERNAL REVENUE COLLECTIONS

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

District	July 1–May 31: 1949–50	1948–49	Percent change
TEXAS	$1,173,751,095	$1,231,749,935	— 4.7
Income	696,961,112	741,966,176	— 6.1
Employment	71,765,383	66,151,602	+ 8.5
Withholding	273,139,744	265,861,591	+ 2.7
Other	131,884,856	157,770,566	— 16.4
FIRST DISTRICT	629,971,333	666,589,797	— 5.5
Income	384,416,252	408,977,893	— 6.0
Employment	32,217,730	30,204,923	+ 6.7
Withholding	145,150,973	143,379,560	+ 1.2
Other	68,186,378	84,027,421	— 18.9
SECOND DISTRICT	543,779,762	565,160,138	— 3.8
Income	312,544,860	332,988,283	— 6.1
Employment	39,547,653	35,946,679	+ 10.0
Withholding	127,988,771	122,482,031	+ 4.5
Other	63,698,478	73,743,145	— 13.6

LABOR

Employment

(Employment statistics include data on both the employed and unemployed portions of the labor force and on the number of placements made by the State Employment Service during the month. These data serve as measures of the demand for and the supply of workers.)

May estimates prepared by the Texas Employment Commission indicated a net increase of 5,800 persons employed in manufacturing activities in the State during the month. A gain of 4,800 employees over the April rolls was registered by nondurable goods producers, more than offsetting the 3,300 drop which occurred from March to April. The largest increase occurred in the food group which added 5,200 persons during May. Other changes ranged from a gain of 800 employees in lumber and wood products to a loss of 400 in the production of transportation equipment.

Nonmanufacturing employment generally declined during May. The greatest decrease occurred among government employees where 3,800 persons, most of whom had been hired temporarily to assist in the collection of census data, were dropped from the pay rolls. An increase of 3,100 persons employed by transportation and public utility companies was the only other significant change from April employment levels.

ESTIMATES OF EMPLOYMENT IN SELECTED INDUSTRIES IN TEXAS

(in thousands)

Source: Texas Employment Commission in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Industry	May 1950*	Apr. 1950	May 1949	Percent change: May 1950 from May 1949	Percent change: May 1950 from Apr. 1950
TOTAL MANUFACTURING	336.5	330.7	325.3	+ 3.4	+ 1.8
Durable goods	137.2	136.2	133.5	+ 2.8	+ 0.7
Primary metals	13.4	13.2	12.4	+ 8.1	+ 1.5
Machinery (except electrical)	23.7	23.2	24.9	— 4.8	+ 2.2
Transportation equipment	32.0	32.4	29.6	+ 8.1	— 1.2
Fabricated metal products	13.1	13.0	13.6	— 3.7	+ 0.8
Lumber and wood products	32.2	31.4	31.0	+ 3.9	+ 2.5
Furniture and fixtures	8.3	8.3	7.6	+ 9.2	0.0
Stone, clay and glass	12.5	12.8	12.2	+ 2.5	— 2.3
Other durable goods	2.0	1.9	2.2	— 9.1	+ 5.3
Nondurable goods	199.3	194.5	191.8	+ 3.9	+ 2.5
Textile mill products	9.2	9.1	7.8	+17.9	+ 1.1
Apparel	24.8	24.9	23.7	+ 4.6	— 0.4
Food	65.0	59.8	57.5	+13.0	+ 8.7
Paper and allied products	5.3	5.4	5.1	+ 3.9	— 1.9
Printing and publishing	22.2	22.3	21.8	+ 1.8	— 0.4
Chemicals and allied products	29.9	30.3	26.3	+13.7	— 1.3
Petroleum and coal	35.4	35.4	42.7	—17.1	0.0
Leather	2.3	2.2	1.8	+27.8	+ 4.5
Other nondurable goods	5.2	5.1	5.1	+ 2.0	+ 2.0
NONMANUFACTURING					
Mining	99.6	100.7	100.8	— 1.2	— 1.1
Crude petroleum and natural gas products	93.2	94.3	94.3	— 1.2	— 1.2
Metal, coal and other mining	6.4	6.4	6.5	— 1.5	0.0
Transportation and public utilities	224.1	221.0	214.1	+ 4.7	+ 1.4
Trade	503.2	505.3	493.6	+ 1.9	— 0.4
Wholesale trade	135.2	134.4	133.9	+ 1.0	+ 0.6
Retail trade	368.0	370.9	359.7	+ 2.3	— 0.8
Finance, service and miscellaneous	297.0	296.2	294.2	+ 1.0	+ 0.3
Government	267.5	271.3	266.6	+ 0.3	— 1.4

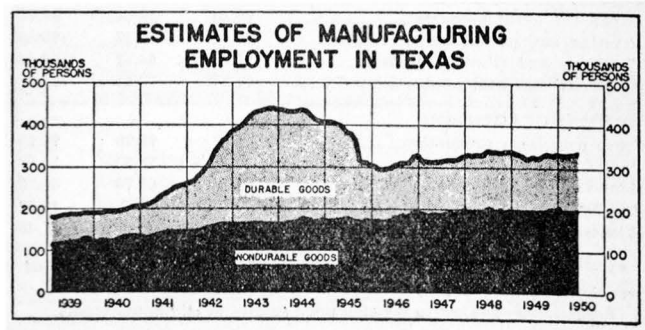
*Preliminary.

Reports from 17 labor market areas in Texas for May showed unemployment continuing the downward trend which started at about this time last year. In spite of several seasonal increases during the year, the general unemployment picture in the State has improved steadily, and at the end of May the number of persons unemployed stood 6.4% below the level of May 1949. In continuing this trend, Texas is following the lead of the national pattern. Unemployment on a nationwide basis has been estimated at 3.5 million, a drop of 1.5 million in the last two months. It has been predicted that, although the influx of June graduates into the labor force will cause temporary increases, unemployment will continue showing substantial declines throughout 1950.

An unemployment drop of 8.0% from April for the State was the composite result of substantial decreases in all but two of the 17 reporting areas. The Beaumont-Port Arthur area, which included 300 secondary strike lay-offs in their count, and the Corpus Christi area reported increases in idle workers of 3.6 and 8.0%, respectively. Decreases throughout the State ranged from 3.0% in Longview to 25.0% in Texarkana. Abilene, Dallas, El Paso, Houston-Baytown and Lubbock each reported decreases of more than 10%.

The nonagricultural civilian labor force in the 17 reporting areas continued to increase slowly. Approximately 22,600 persons have been added to the rolls of available manpower since May of last year, an increase of 1.6%. Although this increase was generally widespread, only two areas showed expansion of more than 5% in their labor force. San Angelo has added 2,250 persons to mark up a 12.7% increase from last May, while Wichita Falls showed a net gain of 2,405 employable persons during the year.

Placements made by the Texas Employment Commission during the month remained high in spite of the increased number of persons seeking employment. For the State as a whole placements were 14.2% above those of last May and 5.3% above April of this year. Except in isolated cases, such as Corpus Christi and San Angelo, increased placements have been more than sufficient to absorb the larger labor force and to reduce unemployment figures. Outstanding examples of this interaction were Wichita Falls, which showed a 49.5% increase over last May in the number of jobs filled, together with an



increase of 7.4% in the available labor force and a decrease of 19.3% in the number of persons unemployed, and Fort Worth, which absorbed a 3.5% larger labor force with 32.5% more placements to bring unemployment 17.6% below last year's level.

Hours and Earnings

(Average hourly earnings are computed by dividing the total pay rolls by the total man-hours worked in reporting establishments.)

The average number of working hours and average hourly earnings fell noticeably behind April levels for manufacturing firms in the State during May. Employees in the nondurable goods industries worked 0.6 hour less per week and received 1.5 cents per hour less for their work than in April. This compares with a corresponding 1.5 cent an hour wage drop for the same number of working hours recorded for the durable goods industries. The largest decrease in hourly pay (2.6 cents) was suffered by transportation equipment workers, closely followed (2.5 cents) by producers of lumber and wood products. Only four industries reported wage increases for the month; the largest of these was 3.9 cents per hour paid to persons engaged in the production of chemical and allied products.

In spite of these over-all decreases, hourly wages remained above those prevailing a year ago in most industries. Largest gains during the past 12 months have been made in the furniture and fixtures (19.1 cents), textile mill products (13.9 cents) and food (11.7 cents) industries. Losses occurred only among employees of producers of primary metals and fabricated metal products. Persons engaged in the manufacture of "hard" goods, with a 6.0 cents per hour wage boost over May 1949 levels, outstripped those in "soft" goods, who gained only 3.8 cents an hour during the year.

Among nonmanufacturing industries, employees of the petroleum industry continued to enjoy the highest wage scale although nonmetallic mining and wholesale trade firms reported the largest increases from last year's wage levels. Persons employed in the wholesale industries were receiving an average of $6.20 per week more and those in nonmetallic mining $4.70 per week more than in May 1949.

Industrial Relations

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

The oil workers' union has been involved in a labor dispute with the Texas Company since April 4. An attempt to reopen the Port Neches asphalt refinery has been followed by many conflicting reports on the success of the operation. This situation has resulted in a considerable decrease in business activity in the Port Arthur area, as the prolonged strike has kept large pay roll funds out of the local retail markets. Some necessary expenditures for food and clothing have continued, although at a greatly reduced rate, but many dealers in durable goods, such as automobile and household appliance merchants, have felt the full effects of the strike in greatly reduced sales.

HOURS AND EARNINGS IN TEXAS*

Source: Texas Employment Commission in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Industry	Average weekly earnings (in dollars)			Average weekly hours			Average hourly earnings (in cents)		
	May† 1950	Apr. 1950	May 1949	May† 1950	Apr. 1950	May 1949	May† 1950	Apr. 1950	May 1949
MANUFACTURING, TOTAL	54.52	55.59	52.96	41.4	41.8	41.7	131.7	133.0	127.0
Durable goods, total	54.95	55.60	51.15	43.2	43.2	42.2	127.2	128.7	121.2
Nondurable goods, total	54.20	55.50	54.52	40.0	40.6	41.4	135.5	136.7	131.7
Primary metals	62.48	62.65	60.38	42.1	41.6	39.7	148.4	150.6	152.1
Machinery (except electrical)	64.32	62.25	60.55	45.2	43.9	43.5	142.3	141.8	139.2
Transportation equipment	63.12	63.74	56.84	41.8	41.5	39.5	151.0	153.6	143.9
Fabricated metal products	51.94	52.71	53.90	40.2	40.8	41.4	129.2	129.2	130.2
Lumber and wood products	43.70	45.11	40.45	44.5	44.8	44.3	98.2	100.7	91.3
Furniture and fixtures	48.01	49.50	39.87	43.1	44.2	43.2	111.4	112.0	92.3
Stone, clay and glass	49.91	52.16	45.90	43.4	44.7	43.1	115.0	116.7	106.5
Textile mill products	43.94	41.82	37.39	41.1	39.6	40.2	106.9	105.6	93.0
Apparel	30.52	31.75	29.22	35.7	36.7	37.6	85.5	86.5	77.7
Food	46.83	48.22	44.83	40.3	40.9	42.9	116.2	117.9	104.5
Paper and allied products	60.30	58.74	57.73	43.6	42.2	43.7	138.2	139.2	132.1
Printing and publishing	77.98	76.47	75.85	40.7	40.1	41.7	191.6	190.7	181.9
Chemicals and allied products	65.05	64.51	62.94	43.6	44.4	43.2	149.2	145.3	145.7
Petroleum and coal products	71.97	76.36	74.91	38.3	40.4	40.8	187.9	189.0	183.6
NONMANUFACTURING									
Crude petroleum production	73.24	78.78	76.95	39.4	42.4	41.8	185.9	185.8	184.1
Public utilities	51.69	53.30	52.82	40.1	41.0	41.2	128.9	130.0	128.2
Nonmetallic mining	63.45	63.76	58.75	41.8	42.0	41.2	151.8	151.8	142.6
Retail trade	42.33	41.74	40.07	44.7	44.4	43.7	94.7	94.0	91.7
Wholesale trade	57.65	58.76	51.45	42.3	42.7	43.9	136.3	137.6	117.2

*Figures do not cover proprietors, firm members or other principal executives. All series were revised January 1950 and are not strictly comparable with previously published data.

†Preliminary—subject to revision upon receipt of additional reports.

PRELIMINARY CENSUS OF BUSINESS RELEASE

The Bureau of the Census has released preliminary figures on retail sales in Texas for 1948 from the Census of Business. The following table gives total sales for the State and sales for certain important kinds of business and for selected cities. A comparison with retail sales in 1939 emphasizes the increase that has occurred, but in making this comparison it is important to remember that a considerable portion of this increase in sales resulted from the rise in prices which has taken place during the past decade. Prices of consumer goods in 1948 were approximately 70% higher than in 1939.

RETAIL SALES IN TEXAS, 1948

Source: 1948 Census of Business—Preliminary

	Number of establishments	Sales and receipts (thous. dol.)	Percent change from 1939
STATE TOTAL	90,090	6,485,971	+260
Kind of business:			
Food group	24,128	1,433,067	+255
Eating and drinking places	17,023	382,687	+244
General merchandise group	4,445	901,730	+279
Apparel group	3,833	417,647	+283
Furniture—home furnishings—appliance group	4,031	336,757	+380
Automotive group	5,830	1,209,325	+285
Gasoline service stations	11,243	348,563	+132
Lumber—building material—hardware group	5,576	708,399	+340
Drug and proprietary stores	3,284	219,433	+155
All other retail stores	10,697	528,363	+351
Selected cities:			
Abilene	551	61,371	+328
Amarillo	1,001	109,034	+312
Austin	1,335	132,790	+235
Beaumont	1,285	114,005	+278
Big Spring	347	25,718	+182
Brownsville	426	28,041	+387
Brownwood	279	20,161	+194
Bryan	286	24,630	+253
Cisco	109	5,854	+236
Corsicana	297	22,216	+219
Corpus Christi	1,348	122,887	+285
Dallas	4,660	625,397	+262
Denison	227	20,963	+226
El Paso	1,471	141,920	+263
Fort Worth	3,127	369,189	+297
Galveston	981	82,404	+232
Houston	5,799	691,193	+256
Laredo	644	37,963	+295
Lockhart	119	8,470	+255
Longview	365	36,316	+319
Lubbock	762	103,644	+391
Marshall	315	23,266	+211
Odessa	359	40,138	+377
Paris	340	24,663	+227
Plainview	224	28,009	+412
Port Arthur	737	62,575	+206
San Angelo	617	57,509	+273
San Antonio	4,613	373,712	+263
Sherman	271	24,554	+203
Temple	366	29,966	+333
Texarkana†	362	25,312	+198
Texas City	207	18,991	+619
Tyler	538	55,169	+231
Waco	1,131	97,484	+294
Wichita Falls	725	73,304	+212

†Texas only.

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BAROMETERS OF TEXAS BUSINESS

	May 1950	April 1950	March 1950	Average Jan.-May 1950	Average month 1949
GENERAL BUSINESS ACTIVITY					
†Index of Texas Business Activity	212.5‡	200.1*	202.2	203.0	189.9
Index of bank debits in Texas cities	514.3	486.6	493.2	487.9	448.6
Income payments to individuals in the U.S. (billions—seasonally adjusted at annual rate)	.....	$ 216.9	$ 222.7	$ 219.2	$ 209.9
Index of wholesale prices in the U.S. (1926=100, unadjusted)	156.1‡	152.9*	152.7*	153.2	154.9
Index of consumers' prices in Houston (unadjusted)	172.4	171.9	172.9	172.4	171.3
Index of consumers' prices in the U.S. (unadjusted)	168.6	167.3	167.0	167.3	169.1
Index of postal receipts in Texas cities	303.5	277.4	303.9	292.8	286.2
†Index of miscellaneous freight carloadings in the Southwestern District (17.6)	134.7	134.0	137.0	135.6	131.4
Business corporation charters issued (number)	376‡	319*	309	310	250
Business failures (number)	18	17	18	19	17
TRADE					
†Index of total retail sales (adjusted for price changes) (47.7)	176.2‡	172.8*	173.4	171.6	164.2
Index of total retail sales	324.4	318.2	318.7	315.5	307.8
Durable goods stores	434.7	407.3	419.4	408.8	365.0
Automotive stores	464.3	436.6	423.7	425.1	363.5
Furniture and household appliance stores	281.7	256.1	271.2	268.1	251.7
Lumber, building material and hardware stores	457.5	426.7	486.9	448.4	420.7
Nondurable goods stores	270.6	274.1	269.3	269.5	278.2
Apparel stores	351.0	363.1	329.9	346.5	339.1
Country general stores	110.1	113.5	120.6	117.6	132.2
Department stores	315.1	310.2	292.5	302.7	304.3
Drug stores	319.8	333.9	341.6	334.3	317.9
Eating and drinking places	329.9	322.5	302.6	314.4	329.3
Food stores	226.5	228.5	228.4	224.4	241.5
General merchandise stores	247.8	254.9	267.2	257.8	319.6
Index of department store sales in the U.S.	289‡	292*	274	283	285
Ratio of credit sales to net sales in department and apparel stores	66.3	64.6	65.7	65.1	63.0*
Ratio of collections to outstandings in department and apparel stores	47.8	46.1	50.1	48.7	49.1
Index of gasoline sales	.....	223.8	232.2	226.0	208.9
PRODUCTION					
†Index of industrial electric power consumption (14.8)	332.7	324.5	324.1	327.9	302.1
†Index of crude runs to stills (4.5)	151.7	147.1	163.6	155.2	165.1
Index of wheat grindings	.....	100.5	116.9	106.1	117.7
Index of cottonseed crushed	.....	313.0	190.8	198.6	122.8
Index of Southern pine production	.....	127	129	122	119
Index of dairy product manufacturing	79.1	84.4	86.0	82.5	70.6
†Index of urban building permits, (adjusted for price changes) (3.8)	583.8	386.3*	405.4*	440.8	304.2*
Index of urban building permits	1,098.1	726.7*	762.6*	828.7	560.9*
Value of construction contracts awarded (thousands)	$ 88,636	$ 61,920	$ 77,205	$ 70,926	$ 78,282
†Index of crude petroleum production (8.6)	171.7	163.4	154.5	160.0	163.4
Index of natural gas production	.....	.....	417.0	397.6	379.1
†Index of total electric power consumption (3.0)	390.3	379.0	379.4	379.2	353.3
Index of industrial production in the U.S.	193‡	189*	187	187	176
Index of cement production	.....	260.7	277.1	269.9	243.2
AGRICULTURE					
Index of farm cash income	276.0	212.9	199.6	230.5	442.0
Index of prices received by farmers (unadjusted)	277	274	274	271	275
Index of prices paid by farmers in U.S. (parity index, unadjusted) (1910–14=100)	254	251	250	250	244
Parity ratio for Texas	109	109	110	108	112
Shipments of poultry and eggs (carloads)	54	33	31	25	54
Index of prices received by farmers—livestock (unadjusted)	346	340	339	336	332
Index of prices received by farmers—all crops (unadjusted)	226	225	224	223	228
FINANCE					
Loans, reporting member banks in Dallas district (millions)	$ 1,191	$ 1,166	$ 1,178	$ 1,183	$ 1,075
Loans and investments, reporting member banks in Dallas district (millions)	$ 2,506	$ 2,488	$ 2,495	$ 2,507	$ 2,335
Demand deposits adjusted, reporting member banks in Dallas district (millions)	$ 2,030	$ 1,995	$ 1,991	$ 1,998	$ 1,940
Bank debits in 20 cities (millions)	$ 3,981	$ 3,774	$ 4,066	$ 3,872	$ 3,625
Revenue receipts of State Comptroller (thousands)	$ 54,427	$ 55,170	$ 46,665	$ 49,731	$ 43,294
Federal internal revenue collections (thousands)	$ 99,565	$ 80,091	$136,817	$126,860	$118,465
LABOR					
Total manufacturing employment (thousands)	336.5‡	330.7*	331.9	332.3	331.1
Durable goods employment (thousands)	137.2‡	136.2*	134.1	134.5	134.4
Nondurable goods employment (thousands)	199.3‡	194.5*	197.8	197.8	196.7
Nonagricultural civilian labor force in 17 labor market areas (thousands)	1,412	1,410	1,402	1,407	1,393
Unemployment in 17 labor market areas	63,885	69,430	72,520	73,077	67,915
Placements in 17 labor market areas	30,155	28,650	22,922	24,467	24,278

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1935–39 except where indicated and are adjusted for seasonal variation (except annual indexes).

†The index of business activity is a weighted average of the indexes indicated by a dagger(†). The weight given each index in computing the composite is given in parenthesis.

‡Preliminary.

*Revised.