

TEXAS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS AND ECONOMIC CONDITIONS IN TEXAS

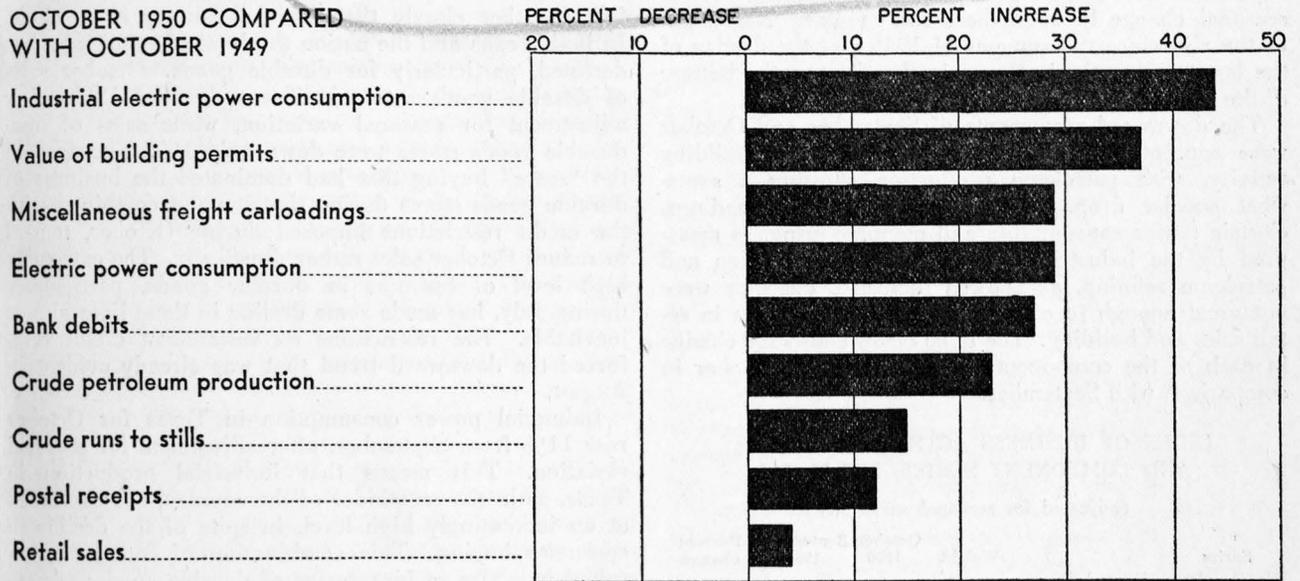
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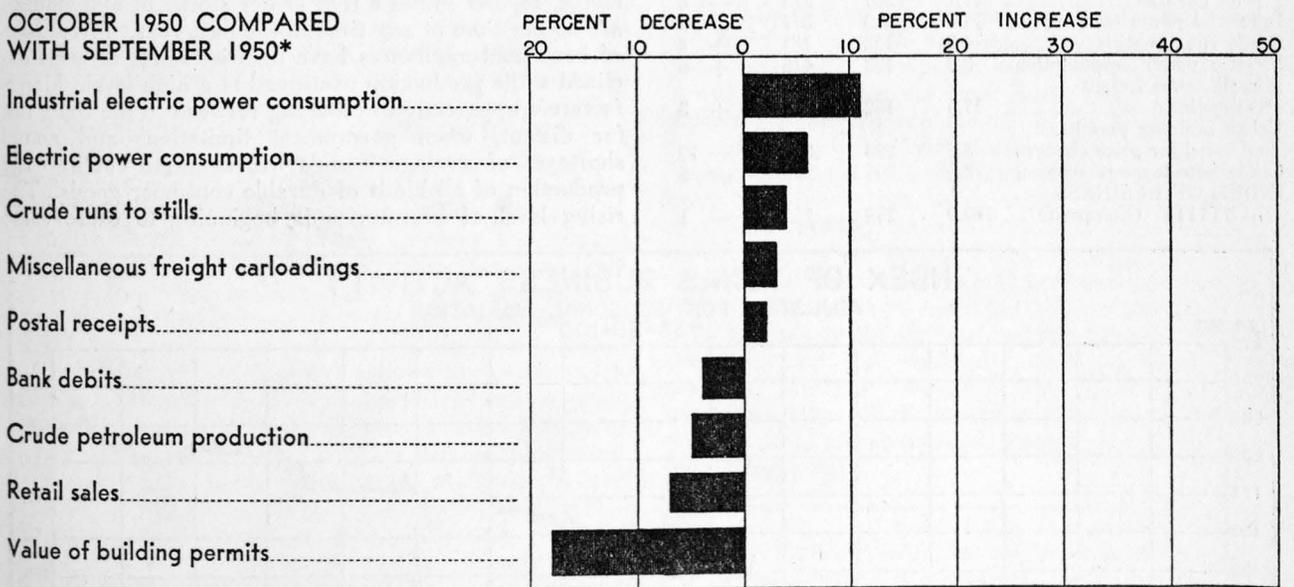
NOVEMBER 1950

HIGHLIGHTS OF TEXAS BUSINESS

OCTOBER 1950 COMPARED
WITH OCTOBER 1949



OCTOBER 1950 COMPARED
WITH SEPTEMBER 1950*



*All percent changes are obtained from seasonally adjusted indexes.

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The Business Situation in Texas

The level of business activity in Texas showed a slight decline in October, following a similar movement in September. For the decline appearing in the September barometers to be continued into October seems to establish August as the peak of the upswing that started in the summer of 1949 and was pushed to all-time highs by the buying spree that followed the start of the Korean war. The index of business activity in Texas compiled by the Bureau of Business Research fell 1% between September and October, after allowing for the normal seasonal change between these two months. The extent of the rise since the summer of 1949 and the decline of the last two months is shown in the chart at the bottom of the page.

The downward movements of September and October were concentrated in consumer spending and building activity, with petroleum production showing a somewhat smaller drop. Miscellaneous freight carloadings, electric power consumption and manufacturing, as measured by the industrial electric power consumption and petroleum refining, all showed increases, but they were not great enough to offset the substantial declines in retail sales and building. The table below shows the change in each of the components of the index for October in comparison with September.

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

(adjusted for seasonal variation)

Series	Weight	October 1950	September 1950	Percent change
Retail sales, adjusted for price changes	47.7	207	224	- 8
Industrial power consumption	14.8	398	357	+ 11
Crude runs to stills	4.5	188	181	+ 4
Electric power consumption	3.0	438	415	+ 6
Miscellaneous freight carloadings	17.6	152	147	+ 3
Urban building permits, adjusted for price changes	3.8	228	279	- 19
Crude petroleum production	8.6	205	215	- 5
INDEX OF BUSINESS ACTIVITY (Composite)	100.0	232	235	- 1

It can be seen from the chart of the index of business activity at the bottom of the page that the October level is substantially above a year ago, but it is also significant to note that all of the component indexes are above a year ago, ranging from 4% for retail sales to 44% for industrial power consumption. The composite was 17% above October 1949, and this percentage may be taken as a measure of the increase in total economic activity in Texas during the past twelve months.

The pattern of Texas business in October seems to follow rather closely that for the country as a whole. In both Texas and the nation the level of retail sales has declined, particularly for durable goods. October sales of durable goods stores in Texas dropped 12%, after adjustment for seasonal variation, while sales of non-durable goods stores were down only 1%. The drop in the "scare" buying that had dominated the business of durable goods stores during the summer, combined with the credit restrictions imposed during October, tended to reduce October sales rather drastically. The extremely high level of business in durable goods, particularly during July, has made some decline in these lines almost inevitable. The restrictions on installment credit reinforced the downward trend that was already evident in August.

Industrial power consumption in Texas for October rose 11% from September, after adjustment for seasonal variation. This means that industrial production in Texas, as in the remainder of the country, has continued at an increasingly high level, in spite of the decline in consumer buying. This combination of forces has resulted in a rise in inventories of durable goods; for example, reports indicate that dealer stocks of automobiles are higher than at any time in the past year. Inventories of household appliances have likewise risen, as sales declined while production continued at a high level. Manufacturers apparently are looking forward to the time, not far distant, when government limitations and actual shortages of strategic metals will begin to cut into the production of all kinds of durable consumer goods. The rising level of inventories is beginning to cause some



concern among retailers, although they know that before very long shortages of these same goods will probably develop.

It appears likely that the present is the beginning of a transition from the peacetime boom to the time when government outlays will be the most dynamic element in the business situation. During the time that stocks of strategic metals are being accumulated for defense production, the production of consumer durable goods will be gradually cut down. This decline in industrial activity will likely be accompanied by an increase in unemployment and possibly by some reduction in consumer income. This trend will not persist long and may not even appear at all, if the increased defense spending creates more purchasing power fast enough. With the total supply of consumer goods declining at the same time the rise in production of munitions increases consumer incomes, prices appear certain to move upward unless some form of control is instituted. Increased taxes may be expected to absorb some of the rising income, while credit restrictions will reduce the amount of purchasing power in this form. However, in spite of these measures, it is being freely predicted that price controls will be necessary to prevent an undue rise in prices. That rationing will be instituted at the same time seems somewhat unlikely, since many persons still seem to think that prices can be controlled without providing at the same time a method of distributing the limited supply of goods available.

Building activity declined again in October, with the index of building permits in Texas down 18% from September, after adjustment for seasonal variation. The total value of permits issued in October in Texas cities was estimated to be \$63,635 thousand. Total contracts awarded in Texas, as reported by the F. W. Dodge Corporation, totalled \$90,971 thousand, a drop of 8% from September but still 53% above October 1949. For the first ten months of 1950 the Dodge figures for contracts awarded were 58% greater than for the same period of 1949; for the first ten months of 1950 the Bureau's total estimate for building permits issued was 70% above the first ten months of 1949. These data emphasize the fact that has been increasingly apparent throughout 1950; namely, that the boom in Texas business has resulted from the expansion of building more than any other single factor. Since building has been such an important factor in the current boom, it is equally likely that a reduction in the volume of building will result in a decline in the volume of total business activity in the state. The purpose of Regulation X, imposing restrictions on credit for building, was to curb the growing inflation in housing and to release needed materials for defense production. To the extent that these objectives are achieved, the level of business will be reduced, at least up to the time that the production of munitions gets under way to such a degree that it absorbs the productive capacity that is released by the restrictions on building. A similar effect is expected on the production of consumer goods, such as automobiles and appliances, where the restriction of consumer demand through credit controls will soon be combined with restrictions on manufacturers with regard to the use of strategic materials.

The flow of personal income during the third quarter of 1950 increased sharply, with both wages and salaries

as well as business profits showing gains. Taxes rose much less than income, with the result that disposable income was greatly augmented. The increase in consumer expenditures, however, was greater than the increase in disposable income. Savings by individuals declined sharply during the quarter and consumer debt increased, mostly in the form of installment debt used to buy new cars and household appliances. All of these factors have contributed to the rise in consumer spending since the beginning of the Korean war; the data for Texas business agrees with the data for the country as a whole in reflecting this great increase in retail sales.



A final check on the trend of business is given by the index of bank debits in Texas cities, compiled by the Bureau of Business Research from data collected by the Federal Reserve Bank of Dallas. The chart above shows this index since 1935, adjusted for seasonal variation. The resemblance between the fluctuations in bank debits and the composite index of business activity on the preceding page is used as a check on the business activity index. Since the dollar volume of checks debited to the accounts of individuals may be expected to vary with changes in total business activity, these data become, in effect, a composite index of business activity. It will be noted that the bank debits index has declined slightly for the past two months in the same manner as the composite index, and thus supports the thesis that August may have been the peak of the present business boom, which may not be exceeded until the full effect of government defense spending begins to be felt. It should also be noted that if prices should rise rapidly, the index of bank debits would increase due to this influence. The index of business activity, however, represents changes in the physical volume of goods and services produced and sold, and does not reflect price changes. While a forecast of the future of prices is hazardous, it is well to remember that wars and preparation for wars are always inflationary, and prices do not fall during a war.

The Bureau has published the preliminary April 1, 1950 population estimates, which were recently released by the Bureau of the Census. This alphabetical listing of all counties and cities in Texas also includes 1940 population figures and the percentage change during the ten-year period.

Copies of this tabulation may be obtained without charge from the Bureau.

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.)

Merchants' plans have again been undergoing readjustment because of continuing inflationary forces active before the Korean outbreak, panic buying and hoarding of the summer months, customers' attempts to obtain durable goods before the reimposition of Regulation W, and some consumers' slowed-down buying because of a realization of their over-extended use of credit. Excessive retail stocks of early 1950 became inadequate during the summer's panic buying and led to heavy replacement orders and contention for early deliveries, with price often secondary. Now attempts to postpone deliveries or cancel orders and to apply heavier sales promotions are evident. In some lines at least there is possible danger of stock readjustments in early 1951 resembling those of early 1949. Christmas business may be good, since the full impact of increased costs for material and labor and of increasing controls and tax drains will not be felt before the early spring months.

ESTIMATES OF TOTAL RETAIL SALES (in millions)

Type of store	Oct. 1950	Jan.-Oct. 1950	Percent change		
			Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950	Jan.-Oct. 1950 from Jan.-Oct. 1949
TOTAL	\$554.7	\$5,450.5	+ 3	- 4	+ 7
Durable goods	226.5	2,342.3	+ 10	- 7	+ 22
Nondurable goods	328.2	3,108.2	- 1	- 1	- 1

In Texas, reduced sales of durable goods (-7%) in October overshadowed the 1% decline from September for nondurables, following 2% total declines in August and September. But October sales remained 3% over October 1949, due in part to price increases. Cumulative total sales for the ten months of 1950 were 7% above the same period of 1949, with durable goods still up 22%.

All but apparel, country general and department stores contributed to the sales increase over October 1949. The largest gains were recorded for lumber and building material dealers (33%), farm implement dealers (32%), and office supply and liquor stores (each 21%). Cumulative

RETAIL SALES TRENDS BY CITY-SIZE GROUPS

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

Population*	Number of reporting establishments	Percent change		
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950	Jan.-Oct. 1950 from Jan.-Oct. 1949
Over 100,000	1,548	+ 5	- 5	+ 17
50,000 to 100,000	205	+ 6	- 6	+ 10
2,500 to 50,000	983	+ 3	- 5	+ 17
Under 2,500	147	+ 6	- 2	+ 13

*1940 Census.

RETAIL SALES TRENDS BY KINDS OF BUSINESS

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

Business	Number of reporting establishments	Percent change		
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950	Jan.-Oct. 1950 from Jan.-Oct. 1949
Apparel stores	269	- 1	- 5	+ 4
Automotive stores	297	+ 5	- 7	+ 31
Country general stores	55	- 7	- 4	- 5
Department stores	89	- 4	- 6	+ 7
Drug stores	193	+ 7	+ 1	+ 5
Eating and drinking places	135	+ 5	+ 1	+ 2
Filling stations	776	+ 5	+ 2	+ 8
Florists	51	+ 1	+ 9	x
Food stores	236	+ 11	- 1	+ 11
Furniture and household	183	x	- 15	+ 16
General merchandise stores	72	x	+ 8	x
Jewelry stores	40	+ 5	+ 9	+ 5
Liquor stores	25	+ 21	+ 7	+ 12
Lumber, building material and hardware stores	280	+ 29	- 6	+ 30
Office, store and school supply dealers	45	+ 21	- 1	+ 14

xChange is less than one-half of one percent.

lative sales for the ten months increased most over the same period of 1949 for lumber and building material dealers (36%), automotive stores (31%), farm implement dealers (17%) and furniture stores (16%).

Of the 35 cities reported individually, only Big Spring and McAllen bettered their total sales of September. However, 21 cities topped their sales of October 1949 and 34 increased for the ten months of 1950 over 1949. Largest sales increases over October 1949 were reported for Lubbock (26%), Odessa (24%), Houston (16%), Galveston (15%), Amarillo (13%) and Big Spring (10%). The leading cities for the ten months were Lubbock (41%), Odessa (31%), San Angelo (27%), Austin (25%), Wichita Falls (24%), and Abilene and Plainview (each 22%).

Currently revised to reflect the data furnished by the preliminary 1948 Census of Business, the newly estimated index (399) of total retail sales (based on 1935-39 and adjusted for seasonal variation) fell further from the high points of September (431), August (441) and July (438). It was above the level (397) maintained in February through April 1950 and almost reached the average (400) for 1948, staying well above the average (384) for 1949 and annual averages (79 to 325) for 1935 through 1947. Deflated to remove the effect of price changes, the adjusted total sales index at 207 fell below



the indexes (215 to 232) for February through September 1950 but equaled the annual index for 1949 (207) and above other annual indexes (81 to 204) for 1935 through 1949.

The durable goods index (545) plunged heavily from the indexes of September (617) and July (656) to the lowest point since April but stood well above all annual average indexes (77 to 462) for 1935 through 1949. For nondurables, the index at 334 compared with the 356 registered in August and fell below other monthly indexes for 1950 (337 to 347) except January and was lower than annual indexes for 1948 (374) and 1949 (349). Revised indexes for individual lines are not yet available.

The ratio of credit sales to total net sales in October for 73 Texas department and apparel stores stood at 65.7, off from the high point of 69.1 attained in September. Earlier October averages were: 1949, 65.2%; 1948, 60.6%; 1947, 59.3%; 1946, 55.4%. Largest percentages were in Dallas (70.4%), Beaumont (68.9%), Houston (66.8%) and Fort Worth (66.4%), and, by types, among the dry goods and apparel stores (68.3%) and the larger department stores (67.6%). The average collection ratios for October were: 1950, 45.5%; 1949, 49.3%; 1948, 47.6%; 1947, 56.2%; 1946, 64.9%. Largest reported collection ratios were in Austin (56.1%), Waco (53.9%) and Lubbock (52.6%) with the smallest in El Paso (35.1%). By types, dry goods and apparel

stores (58.5%) and men's clothing stores (55.3%) made the best showing. Only Lubbock improved its collection ratio over 1949.

Advertising linage in 35 Texas newspapers in October averaged 10% above September and 8% over a year ago. This was the twelfth consecutive month of advertising linage increases over the same month of the year preceding. Of these papers, only one reported a decrease from September and nine from October 1949.

Sales of gasoline subject to tax totaled 225,029 thousand gallons in September, 7% below August but 10% over September 1949. Sales to the federal government amounted to 19,647 thousand gallons, or 16% under August and 27% down from September 1949. The seasonally adjusted index of gasoline sales (1935-39=100) stood at 229 in September against 208 a year earlier.

Postal receipts of 73 Texas cities averaged a 12% increase both from September and from October 1949. Of these cities, only two reported decreases from September and only eleven from October 1949. The index of postal receipts registered 308 in October against 276 a year earlier.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

(in percent)

Classification	Number of reporting stores	Ratio of credit sales to net sales*		Ratio of collections to outstandings†	
		Oct. 1950	Oct. 1949	Oct. 1950	Oct. 1949
		ALL STORES	73	65.7	65.2
BY CITIES					
Austin	7	60.1	55.0	56.1	58.9
Beaumont	3	68.9	68.8	47.7	51.7
Bryan	3	45.5	44.5	47.0	52.0
Corpus Christi	3	61.9	66.8	41.1	51.7
Dallas	12	70.4	74.0	44.9	48.5
El Paso	3	58.3	57.9	35.1	39.5
Fort Worth	5	66.4	58.8	48.8	52.8
Houston	7	66.8	63.8	45.3	45.8
Lubbock	3	52.4	50.1	52.6	51.6
San Antonio	3	62.7	58.1	47.8	52.7
Waco	5	58.2	57.1	53.9	55.2
BY TYPE OF STORE					
Department stores (over \$1 million)	23	67.6	67.6	44.0	47.8
Department stores (under \$1 million)	9	53.4	50.1	47.3	50.5
Dry goods and apparel stores	6	68.3	65.9	58.5	58.6
Women's specialty shops	21	59.9	58.9	49.4	53.8
Men's clothing stores	14	62.2	59.8	55.3	56.2
BY VOLUME OF NET SALES (1949)					
Over \$3,000,000	20	68.2	68.3	44.2	48.2
\$1,500,000 to \$3,000,000	11	60.1	58.4	54.6	55.5
\$500,000 to \$1,500,000	20	56.4	52.9	51.1	53.8
\$250,000 to \$500,000	14	47.1	48.6	49.8	57.4
Less than \$250,000	8	46.6	43.7	41.7	49.2

*Credit sales divided by net sales.

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

POSTAL RECEIPTS

City	Oct. 1950	Sept. 1950	Oct. 1949	Percent change	
				Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
				TOTAL*	\$4,377,838
Berger	12,667	9,017	10,324	+ 23	+ 40
Brady	4,350	3,537	3,831	+ 14	+ 23
Brownfield	4,920	4,091	4,683	+ 5	+ 20
Bryan	12,703	10,184	11,235	+ 13	+ 25
Burnet	1,404	1,402	1,525	- 8	x
Childress	5,597	3,816	4,579	+ 22	+ 47
Cleburne	7,988	7,642	7,260	+ 10	+ 5
Coleman	5,466	3,790	5,170	+ 6	+ 44
Crystal City	2,960	1,740	2,379	+ 24	+ 70
Cuero	4,061	3,429	3,489	+ 16	+ 18
Del Rio	8,969	5,837	7,278	+ 23	+ 54
Edinburg	8,520	6,120	6,971	+ 22	+ 39
Gainesville	7,643	6,741	7,075	+ 8	+ 13
Gladewater	4,611	4,329	3,795	+ 22	+ 7
Granbury	1,052	804	987	+ 7	+ 31
Greenville	13,665	12,543	13,895	- 2	+ 9
Harlingen	21,224	15,230	17,438	+ 22	+ 39
Jacksonville	8,878	6,978	9,434	- 6	+ 27
Kenedy	2,232	2,164	2,585	- 14	+ 3
Kerrville	7,479	5,652	6,881	+ 9	+ 32
Lamesa	7,586	7,049	7,876	- 4	+ 8
Littlefield	4,677	3,481	4,777	- 2	+ 34
Luling	2,792	2,895	2,498	+ 12	+ 17
McAllen	15,070	11,471	12,629	+ 19	+ 31
Midland	27,572	22,022	22,066	+ 25	+ 25
Mission	7,185	4,917	6,114	+ 18	+ 46
Nacogdoches	8,532	6,139	7,635	+ 12	+ 39
New Braunfels	8,301	9,011	9,400	- 12	- 8
Pampa	12,909	10,487	12,057	+ 7	+ 23
Raymondville	4,903	3,836	4,750	+ 3	+ 28
San Marcos	6,356	5,291	6,735	- 6	+ 20
Seguin	6,876	5,502	6,694	+ 3	+ 25
Snyder	10,343	9,543	5,337	+ 94	+ 8
Sweetwater	12,923	10,325	12,326	+ 5	+ 25
Uvalde	4,967	3,643	4,663	+ 7	+ 36
Vernon	9,184	7,692	9,000	+ 2	+ 19
Victoria	13,919	13,065	12,361	+ 13	+ 7

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

xChange is less than one-half of one percent.

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.)

During the month of September United States exports rose to \$910.4 million from \$761.4 million in the preceding month. This increase was distributed among all commodity groups except edible animals and animal products. This was the highest monthly figure of the year—12% above the monthly average for the first six months of this year—and about equal to the figure for September 1949, undoubtedly reflecting increased purchases from abroad as a result of the rearmament program and buying in anticipation of shortages.

United States imports continued to rise, reaching \$857.7 million and surpassing the record level of \$819.1 million of the preceding month. This was about 62% more than the value of imports in September 1949 and about 29% above the average for the first six months of 1950. Textile fibers and manufacturers showed the largest increase in imports from the preceding month, rising from \$96.6 million to \$117.6 million in September as a result of an increase in imports of unmanufactured cotton. Sawmill products and newsprint also increased, while imports of sugar decreased.

Thus, the export surplus during the third quarter was reduced to about \$60 million, compared to about \$580 million in the second quarter, \$510 million in the first quarter of 1950 and a quarterly average of \$450 million in 1949.

Now that most figures for trade through Texas ports are available for the first six months of 1950, a comparison of the national trend with that of Texas is possible.

	Monthly average (thousands of dollars)		Percent change
	1949	1950†	
EXPORTS			
United States	1,003,500	814,500	- 19
Sabine*	13,275	7,517	- 43
Galveston*	84,983	86,550	+ 2
Laredo	24,392	21,733	- 11
El Paso	2,592	2,350	- 9
IMPORTS			
United States	551,900	635,800	+ 15
Sabine	2,617	350	- 87
Galveston	17,117	12,717	- 26
Laredo	5,392	6,583	+ 22
El Paso	2,417	2,417	0

*Exports denote only water-borne shipments for Sabine and Galveston.
†January-June.

It should be noted that exports nationally decreased 19%, but exports through the Galveston district increased slightly. Exports through Laredo and El Paso decreased less than the national average, but exports through Sabine decreased more. National imports, on the other hand, rose 15%, while imports through Texas ports, except Laredo, declined. In general this area has become more important nationally for handling exports, but less important for imports.

On November 1 Secretary Snyder announced an important change in import procedures which should go a long way in overcoming one of the main obstacles to importation: *i.e.*, the uncertainty of rates of import

FOREIGN TRADE OF TEXAS PORTS

(in millions of dollars)

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

Customs district	Aug. 1950	July 1950	Aug. 1949	Percent change	
				Aug. 1950 from Aug. 1949	Aug. 1950 from July 1950
EXPORTS, TOTAL	†	†	81.8	---	---
El Paso	2.3	2.2	1.9	+ 21	+ 5
Galveston*	†	†	40.3	---	---
Laredo	24.3	21.4	30.5	- 20	+ 14
Sabine*	†	†	9.1	---	---
IMPORTS, TOTAL	38.9	23.9	23.7	+ 64	+ 63
El Paso	2.8	2.1	1.6	+ 75	+ 33
Galveston	29.4	16.1	14.2	---	+ 83
Laredo	6.6	5.6	5.5	+ 20	+ 18
Sabine	0.1	0.1	2.4	- 96	0

*Exports denote water-borne shipments only for Sabine and Galveston.

†Not available.

duty applicable to a particular shipment of goods. "Prospective importers or foreign exporters may apply in writing to the Commissioner of Customs for a ruling as to the tariff classification of an article. If they furnish all information necessary to a decision, such as specification, component materials, chief use, etc., or if the information is otherwise available to customs authorities, a decision as to the tariff classification of the article will be made, even in advance of its importation. Where practicable, a representative sample should be submitted with the application."

EXPORT AND COASTAL CARS UNLOADED*

Source: Car Service Division, Association of American Railroads

Port	Oct. 1950	Sept. 1950	Oct. 1949	Percent change	
				Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
TOTAL	15,155	15,393	14,241	+ 6	- 2
Beaumont	256	198	247	+ 4	+ 29
Port Arthur	465	408	837	- 44	+ 14
Texas City	600	677	567	+ 6	- 11
Houston	5,501	3,623	3,902	+ 41	+ 52
Galveston	7,928	9,635	7,605	+ 4	- 18
Brownsville	312	727	861	- 64	- 57
Corpus Christi	93	125	222	- 58	- 26

*Excluding coal.

WATER-BORNE FOREIGN TRADE AT TEXAS PORTS

(in millions of dollars)

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

Customs district	June 1950*	May 1950	June 1949	Percent change	
				June 1950 from June 1949	June 1950 from May 1950
EXPORTS, TOTAL	121.1	76.0	102.7	+ 18	+ 59
Galveston	113.5	69.2	89.6	+ 27	+ 64
Laredo	0.7	0.1	0.3	---	---
Sabine	6.9	6.7	12.8	- 46	+ 3
IMPORTS, TOTAL	13.8	11.1	17.8	- 22	+ 24
Galveston	12.3	10.0	14.7	- 16	+ 23
Laredo	1.2	1.0	0.7	+ 71	+ 20
Sabine	0.3	0.1	2.4	- 88	---

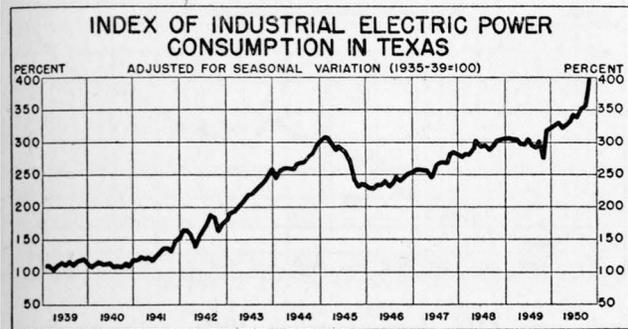
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PRODUCTION

Manufacturing

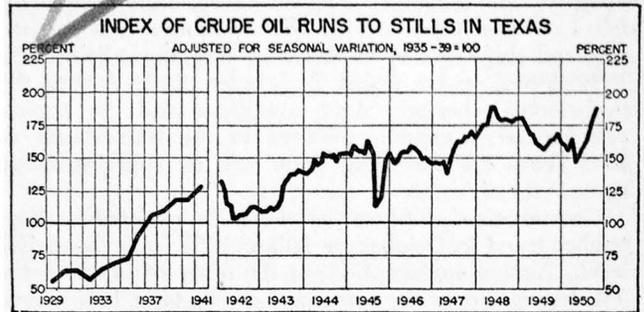
(The volume of manufacturing activity in any industrial area, varying regularly with the seasons, is a sensitive measure of the changes in business activity.)

Manufacturing activity in October rose fractionally above the September level. Industrial electric power consumption was again on the increase during the month, bringing the seasonally adjusted index to 398% of the 1935-39 base. This represented an unadjusted increase of 3% over September and 44% over October 1949 consumption.



With the situation in Korea showing little sign of brightening and the military demand for aviation gasoline on the increase, crude runs to stills during October picked up at a greater rate than they did in September. An increase of 2,793 thousand barrels over the total for the preceding month raised the seasonally adjusted index seven points to stand at 188% of the 1935-39 base. This figure was 24% above October 1949. A recent fire in the Danoho Refinery at Pettus which destroyed two 1,000-barrel and two 10,000-barrel crude oil tanks should slow the increase in crude runs to stills for the month of November.

Although crude runs to stills were definitely on the increase, stocks of gasoline and kerosene, both of which are used extensively as aviation fuel, barely maintained



their September levels. However, these stocks were substantially more than they were in October of last year. Stocks of distillate and residuals showed increases over September of 11 and 5%, respectively, but both showed decreases from supplies available during October 1949.

The new Defense Petroleum Administration expansion program calling for an increase of 25 thousand barrels of aviation gasoline per day, together with a statement of federal policy to refiners that they will be paid for "all supported extraordinary costs," should bring a step-up in gasoline stocks in the near future. The government is also interested in increasing the availability of synthetic rubber, as evidenced by the modernization of a Port Neches plant with an expected annual capacity of 72 thousand long tons of general purpose synthetic rubber.

MANUFACTURE OF DAIRY PRODUCTS

Product	Unit (000's)	Oct. 1950	Sept. 1950	Oct. 1949†	Percent change	
					Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
TOTAL MILK EQUIVALENT*						
	lbs.	47,577	59,423	50,622	- 6	- 20
Creamery butter	lbs.	753	1,034	1,004	- 25	- 27
Ice cream†	gals.	1,859	2,258	1,675	+ 11	- 18
American cheese	lbs.	320	373	340	- 6	- 14
All others	lbs.	2,445	2,932	2,414	+ 1	- 17

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

†Includes sherbets and ices.

With the coming of winter, the general decrease in the manufacture of dairy products became more evident. The seasonally adjusted index of dairy product manufacturing, standing at 70 for October, was three points below the September level, a possible indication of higher prices in dairy products over the state in the near future.

During September lumber production in southern pine mills, which includes production by Texas mills,

LUMBER PRODUCTION IN SOUTHERN PINE MILLS (in millions of board feet)

Source: Southern Pine Association

Item	Sept. 1950	Aug. 1950	Sept. 1949	Percent change	
				Sept. 1950 from Sept. 1949	Sept. 1950 from Aug. 1950
Production	790	831	782	+ 1	- 5
Shipments	834	932	810	+ 3	- 11
Gross stocks*	1,276	1,320	1,628	- 22	- 3

*End of month.

REFINERY STOCKS*

(in thousands of barrels)

Source: The Oil and Gas Journal

Item	Oct. 1950	Sept. 1950	Oct. 1949	Percent change	
				Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
TEXAS					
Gasoline	19,767	19,792	18,360	+ 8	x
Distillate	14,301	12,917	16,076	- 11	+ 11
Residual	6,920	6,579	9,806	- 29	+ 5
Kerosene	5,171	5,193	4,438	+ 17	x
TEXAS GULF COAST					
Gasoline	16,606	16,531	14,710	+ 13	x
Distillate	12,840	11,550	15,099	- 15	+ 11
Residual	6,272	5,850	8,274	- 24	+ 7
Kerosene	4,589	4,697	5,510	+ 31	- 2
INLAND TEXAS					
Gasoline	3,161	3,261	3,650	- 13	- 3
Distillate	1,461	1,367	977	+ 50	+ 7
Residual	648	729	1,532	- 58	- 11
Kerosene	582	496	938	- 37	+ 17

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

xChange is less than one-half of one percent.

dropped 5% from the August figure, while shipments fell 11% and gross stocks 3%. Although both production and shipments of lumber were still above September 1949 levels, gross stocks had fallen 22% during the twelve-month period. Arid conditions and the accompanying large number of fires in the timberlands of East Texas are destroying some and endangering many more acres of forest.

Consumption of cotton by the mills reversed its September trend in October by falling 13% from the earlier level. Linters consumption on the other hand showed a 7% increase over the same period, climbing 10% above the October 1949 figure.

COTTON MANUFACTURING

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

Item	Oct. 1950†	Sept. 1950	Oct. 1949	Percent change	
				Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
CONSUMPTION*					
Cotton	12,682	14,624	13,574	- 7	- 13
Linters	2,957	2,770	2,680	+ 10	+ 7
SPINNING ACTIVITY					
Spindles in place (000's)					
	214	214	224	- 4	0
Spindles active (000's)					
	210	210	195	+ 8	0
Total spindle hours (000's)					
	93,000	105,000	73,000	+ 27	- 11
Average spindle hours					
	435	491	326	+ 33	- 11

*In running bales.

†For four weeks ending October 28.

Cement production, shipments and stocks all decreased slightly in September. However, these levels were above the September 1949 standings except for an 11% drop in stocks. The new cement plant at Maryneal will probably bring increases in all three classifications shortly.

The passing of the peak of the comparatively small 1950 cotton crop gave added emphasis to last year's record production. Cottonseed received at mills in September, although 6% above August receipts, was 63% below that of September 1949, and stocks on hand awaiting processing stood 51% below last year's levels. The seasonally adjusted index of cottonseed crushed, following a decline of 35% from August, stood at 127% of the 1935-39 base, 19% below the 157% registered in September 1949.

TEXAS INDUSTRIAL ACTIVITY

Source: Bureau of Mines and Bureau of the Census

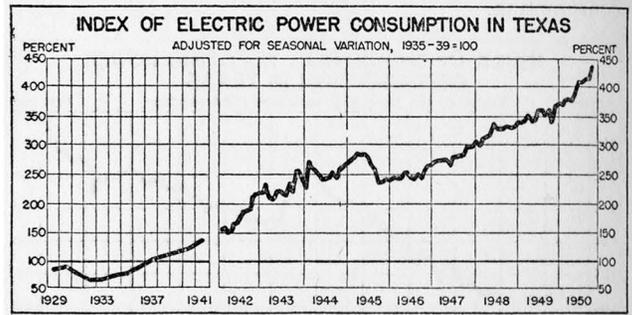
Item	Sept. 1950	Aug. 1950	Sept. 1949	Percent change	
				Sept. 1950 from Sept. 1949	Sept. 1950 from Aug. 1950
Cement (1,000 barrels)					
Production	1,487	1,521	1,315	+ 13	- 2
Shipments	1,517	1,625	1,426	+ 6	- 7
Stocks*	481	511	539	- 11	- 6
Cottonseed (tons)					
Received at mills	138,382	130,171	371,203	- 63	+ 6
Crushed	131,578	143,662	163,120	- 19	- 8
Stocks*	201,104	194,300	407,044	- 51	+ 4
Wheat					
Ground (1,000 bushels)	2,629	2,871	2,970	- 11	- 8
Flour (1,000 sacks)	1,120	1,230	1,270	- 12	- 9

*End of month.

Public Utilities

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

Consumption of electric power in Texas declined almost 5% in October from the previous month. However, the seasonally adjusted index of total electric power consumption showed a 6% increase for the same period and a 29% increase over October 1949. Industrial electric power consumption registered the largest



gain, up 44% from October 1949, with residential showing a 28% increase. From September 1949 to September 1950, the last month for which figures are available, production of electric energy in Texas increased 13%, slightly less than the 15% increase marked up for the nation.

The Houston Transit Company strike, which had crippled the city for more than two weeks, ended at noon on Friday, November 24. The city granted the company an emergency fare increase from 10 to 15 cents until a study of this problem could be made. A new two-year contract was signed granting employees an 8 cents an hour raise for the first year and an additional 7 cents an hour increase for the second year.

Substantial telephone rate increases for San Antonio subscribers were approved last month by the city council. Southwestern Bell Telephone Company officials and city councilmen agreed on a general 29% rate increase for all services. The rate schedule adopted is the same as new rates in Dallas, although lower than the schedule of increases up to 59% which were sought by the company. Billing on the new rate will begin on November 1.

The number of telephones in service in 40 Texas cities increased 1% from September to reach a level 10% above those in operation in October 1949.

ELECTRIC POWER CONSUMPTION*

(in thousands of kilowatt hours)

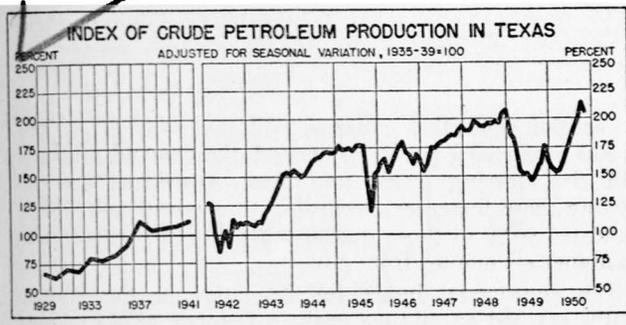
Use	Oct. 1950	Sept. 1950	Oct. 1949	Percent change	
				Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
TOTAL	818,682	858,532	635,818	+ 29	- 5
Commercial	180,165	198,117	160,398	+ 12	- 9
Industrial	383,020	371,753	266,256	+ 44	+ 3
Residential	136,169	154,746	106,695	+ 28	- 12
Other	119,323	133,916	102,469	+ 16	- 11

*Prepared from reports of 10 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.)

The seasonally adjusted index of crude petroleum production in Texas for October was 205, almost 5% below the figure for September but still 23% above October 1949.



The value of carbon black produced decreased 77% from \$3,267 thousand in September to \$749 thousand in October. It is likely that part of this decrease in carbon black production can be explained by an increase in demand for natural gas heating during the month of October. The limitation imposed on new rubber consumption may also have had some effect, but most of the teeth have been taken out of this order because so many exceptions have been allowed.

Crude oil sales by producers totaled \$173,211 thousand for October, a decrease of more than 3% from September, while sales of natural and casinghead gas increased over 16% to \$16,655 thousand during the same period.

Natural gas production for September, the latest month for which data are available, was 332,157 million cubic feet, a 2% decrease from August. The seasonally adjusted index of natural gas production (446) for September was 3% below the previous month but 21% above September 1949.

PROVED RECOVERABLE RESERVES OF MINERAL FUELS IN TEXAS, 1949

	Recoverable reserves	Percent of U.S. Total
Crude oil (barrels)	13,509,732,000	55
Natural gas (M.C.F.)	99,170,403,000	55
Natural gas liquids (barrels)	2,143,711,000	57
Lignite (thousands of tons)	11,500,000	2.4
Bituminous coal (thousands of tons)	4,000,000	0.6

Sources: American Gas Association and Bituminous Coal Institute.

According to estimates presented by Lyon F. Terry at the annual meeting of the American Gas Association, the future recoverable reserves of natural gas in this country will exceed 500 trillion cubic feet. On the basis of the figures presented in his paper the future recoverable reserves of crude oil in this country will exceed 75 billion barrels. At current production rates these figures indicate a 42-year supply of crude oil and an 85-year supply of natural gas. While it is recognized that a large margin of error exists in these figures, they do demonstrate that our petroleum supply is exhaustible.

VALUE OF NATURAL RESOURCES

(in thousands)

Source: State Comptroller of Public Accounts

Item	Oct. 1950	Sept. 1950	Oct. 1949	Percent change	
				Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
Carbon black production	\$ 749	\$ 3,267	\$ 1,923	- 61	- 77
Crude oil sales	173,211	179,152	150,735	+ 15	- 3
Natural and casinghead gas sales	16,655	14,314	13,047	+ 28	+ 16

The vast deposits of lignite in the Dakotas, Montana and Texas are regarded as a potential source of water gas by the Bureau of Mines. Recent experiments with gasification of lignite have shown that 45 thousand cubic feet of gas can be produced per ton of material. The new gas has many uses besides burning. It can be converted into gasoline; it will run a diesel engine; it can make alcohol, ammonia, waxes, dyes and fats—including fats that can be used for human consumption. If the time should come when the natural gas reserves of Texas are depleted, lignite may become an important source of fuel. Raw lignite is already burned by North Dakota power plants.

Timber cut from the four national forests in Texas between July 1 and September 30 increased 41% over the same period last year, the Forest Service reported. The yield from Texas forests increased even more than the national average which set an all-time record. More timber was cut from national forests during the July-September period than in any other quarter on record, officials said. About one-half billion board feet of timber were taken from the national forests, a 39% increase over the same period in 1949.

Last month a \$9 million program to harness the Sulphur River at Cooper, Texas was detailed by Army engineers. The program would protect from flood damage some 50 thousand acres of rich river bottom land along the main channel and north and south forks of the river above the new Texarkana reservoir now being built.

Ways and means of getting authorization for the \$85 million Canadian River dam project were studied this month by key backers of the proposal. New Mexico's opposition to the bill may be removed by adoption of three amendments which would safeguard that state's water rights in connection with the project. If the bill is not approved this year, it will have to begin the long path of legislative travel all over again.

WELL COMPLETIONS

Source: The Oil and Gas Journal

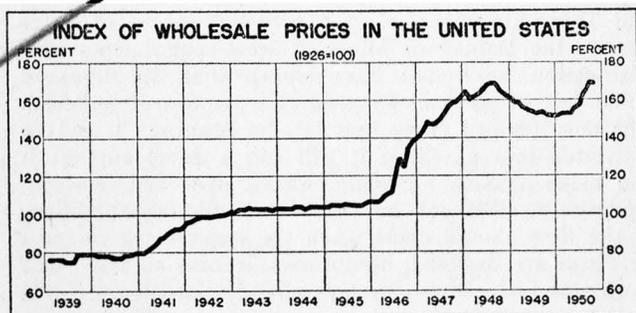
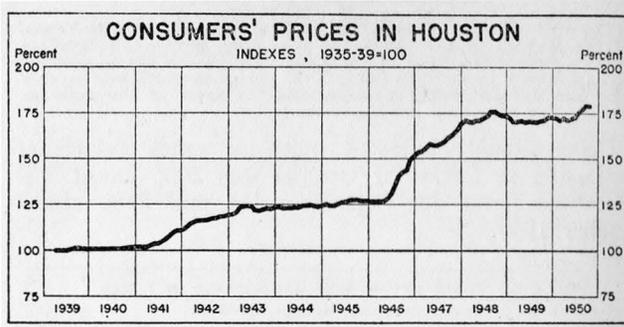
District	October 1950*				Year-to-date	
	Total	Oil	Gas	Dry	1950	1949
TEXAS	1,328	814	58	456	13,560	10,910
North Central Texas	406	199	8	199	4,101	3,667
West Texas	400	321	2	77	4,085	2,663
Panhandle	73	43	22	8	762	797
Eastern Texas	86	57	2	27	946	601
Texas Gulf Coast	195	102	14	79	1,914	1,613
Southwest Texas	168	92	10	66	1,752	1,569

*For four weeks ending October 28.

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.)

Despite continued talk about the dangers of inflation, the Bureau of Labor Statistics' commodity price index inched upward by an amount less than one-half of one percent during October. Apparently the economy has absorbed the effect of the Korean crisis and has not yet begun to reflect the effects of the expanding defense program.



Most of the price rises during October were concentrated in manufactured and industrial raw materials, with chemicals increasing 3% during the month, metals 1% and textiles 1%. The decline of 1% in the price index for building materials can be attributed to the credit restrictions which have greatly reduced the volume of new residential construction.

The lower farm prices have resulted in slightly lower food prices in many retail markets, but this relief to the consumer is expected to be brief. As the defense program swings into high gear pay rolls will be higher, while consumer durables and even some nondurables will become scarce. Since it is highly unlikely that even

a coalition-controlled congress will tax away all of the excess purchasing power so created, the demand for food will rise, forcing prices up. Most Americans are expecting these increases, according to a recent poll which indicated 67% of those questioned believed prices would be higher six months from now.

The consumers' index for 34 cities in the United States reached an all-time peak in October (174.8) compared with the previous peak in August and September of 174.5. The index for Houston, however, had reached a new peak in August 1950, when it went to 177.9 compared with 175.4 in September 1948. The value of the index for October 1950 was 179.9, another all-time high.

Price and wage stabilization measures depend upon the movement of government indexes—of which the consumer price index is one of the more important. Also, a very large number of employees have their wages tied to the consumer price index, and more contracts of this type are being written. It is becoming increasingly important, therefore, that these indexes be as accurate as possible. The Bureau of Labor Statistics has announced plans for the immediate revision of its consumer price index to reflect present buying habits, instead of waiting for the completion of the general overhauling that is now underway. Immediate changes will include: (1) items hitherto unpriced, such as television sets, home permanents and frozen foods, (2) rental fees charged for postwar rent houses and (3) allowance for population shifts reported by the 1950 census. When these changes are made the index will be adjusted backward so that a clearer picture of the true trend can be obtained.

INDEXES OF WHOLESALE PRICES IN THE UNITED STATES
(1926 = 100)

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

Group	Percent change				
	Oct. 31 1950*	Oct. 3 1950	Nov. 1 1949	Oct. 31 1950 from Nov. 1 1949	Oct. 31 1950 from Oct. 3 1950
ALL COMMODITIES	169.4	168.8	151.5	+ 12	x
Farm products	179.7	179.1	156.4	+ 15	x
Grains	167.0	167.4	153.4	+ 9	x
Livestock	223.9	224.6	193.8	+ 16	x
Foods	174.0	175.3	158.3	+ 10	- 1
Meats	239.8	246.7	216.9	+ 11	- 3
All commodities other than farm and foods	161.6	160.0	144.7	+ 12	+ 1
Textiles	163.1	161.7	137.2	+ 19	+ 1
Fuel and lighting material	135.5	134.9	130.2	+ 4	x
Metals and metal products	178.5	177.1	166.9	+ 7	+ 1
Building materials	219.0	222.0	188.9	+ 16	- 1
Chemicals and allied products	133.2	129.9	115.5	+ 15	+ 3

*Preliminary.

xChange is less than one-half of one percent.

INDEXES OF CONSUMERS' PRICES

(1935-39 = 100)

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

Group	Percent change				
	Oct. 1950	Sept. 1950	Oct. 1949	Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
HOUSTON, ALL ITEMS	179.9	179.8	172.0	+ 5	x
Food	220.2	220.7	212.4	+ 4	x
Clothing	209.6	207.8	199.9	+ 5	+ 1
Rent	*	*	130.6	—	—
Fuel, electricity and ice	98.4	98.4	98.1	x	0
Housefurnishings	189.2	188.4	185.7	+ 2	x
Miscellaneous	160.8	160.6	155.6	+ 3	x
UNITED STATES, ALL ITEMS	174.8	173.8	168.5	+ 4	+ 1

*Not surveyed.

LOCAL BUSINESS CONDITIONS

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
ABILENE:			
Retail sales	-----	- 2	- 15
Department and apparel store sales	-----	- 3	- 15
Postal receipts	\$ 51,737	+ 18	+ 16
Building permits	\$ 1,098,564	+110	- 27
Bank debits to individual accounts (thousands)	\$ 57,245	+ 36	+ 11
End-of-month deposits (thousands)*	\$ 49,701	+ 20	+ 4
Annual rate of deposit turnover	14.0	+ 15	+ 8
Air express shipments	254	+ 21	+ 23
Unemployment	700	- 22	0
Placements in employment	750	+ 39	+ 3
Nonagricultural civilian labor force	21,100	+ 16	+ 1
Percent of labor force unemployed	3.3	- 33	- 8

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
AMARILLO:			
Retail sales	-----	+ 13	- 10
Apparel stores	-----	- 8	- 13
Automotive stores	-----	+ 27	- 11
Office, store and school supply dealers	-----	+ 25	- 16
Department and apparel store sales	-----	- 9	- 12
Postal receipts	\$ 99,010	+ 21	+ 12
Building permits	\$ 2,963,091	+112	+ 55
Air express shipments	533	- 13	+ 8
Bank debits to individual accounts (thousands)	\$ 122,780	+ 24	+ 14
End-of-month deposits (thousands)*	\$ 96,813	+ 7	+ 4
Annual rate of deposit turnover	15.6	+ 16	+ 13
Unemployment	1,250	- 4	0
Placements in employment	1,638	+ 4	+ 19
Nonagricultural civilian labor force	37,800	+ 2	x
Percent of labor force unemployed	3.3	- 6	0

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
AUSTIN:			
Retail sales	-----	+ 1	- 11
Apparel stores	-----	- 3	- 2
Eating and drinking places	-----	- 7	- 2
Food stores	-----	- 5	+ 3
Furniture and household stores	-----	- 9	- 17
Lumber, building material and hardware stores	-----	+ 20	- 26
Department and apparel store sales	-----	- 11	- 5
Postal receipts	\$ 155,306	+ 3	- 10
Building permits	\$ 3,585,320	+ 56	+ 21
Air express shipments	488	- 2	- 6
Bank debits to individual accounts (thousands)	\$ 117,242	+ 4	- 24
End-of-month deposits (thousands)*	\$ 116,199	+ 2	+ 6
Annual rate of deposit turnover	12.5	+ 1	- 26
Unemployment	1,490	+ 30	- 2
Placements in employment	1,845	+ 83	+ 15
Nonagricultural civilian labor force	46,890	+ 4	x
Percent of labor force unemployed	3.2	+ 23	- 3

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
BIG SPRING:			
Retail sales	-----	+ 10	+ 17
Department and apparel store sales	-----	- 7	- 11
Postal receipts	\$ 15,958	+ 26	+ 33
Building permits	\$ 179,900	+ 71	- 23
Air express shipments	63	- 28	- 6

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
BEAUMONT:			
Retail sales	-----	+ 8	- 4
Automotive stores	-----	+ 27	- 4
Department stores	-----	- 3	- 4
Eating and drinking places	-----	+ 4	x
Furniture and household stores	-----	- 50	+ 1
Department and apparel store sales	-----	- 2	- 5
Postal receipts	\$ 66,630	+ 8	+ 10
Building permits	\$ 381,618	- 66	- 14
Air express shipments	340	+ 1	+ 7
Bank debits to individual accounts (thousands)	\$ 114,240	+ 24	x
End-of-month deposits (thousands)*	\$ 93,932	+ 3	+ 6
Annual rate of deposit turnover	15.0	+ 23	- 1
Unemployment (area)	7,050	- 16	- 6
Placements in employment (area)	1,750	+ 1	- 27
Nonagricultural civilian labor force (area)	75,950	x	- 1
Percent of labor force unemployed (area)	9.3	- 16	- 5
Export cars unloaded	256	+ 4	+ 29
Water-borne commerce (tons)	29,629	+ 64	+ 28

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
BROWNSVILLE:			
Retail sales	-----	- 14	- 11
Department and apparel store sales	-----	- 22	+ 3
Postal receipts	\$ 18,702	+ 3	+ 24
Building permits	\$ 101,540	- 2	- 81
Air express shipments	296	- 24	- 14
Export cars unloaded	267	- 67	- 61
Coastal cars unloaded	45	+ 7	+ 22
Water-borne commerce (tons)	108,146	+ 9	+ 11

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
BROWNWOOD:			
Retail sales	-----	- 22	- 30
Department and apparel stores sales	-----	- 8	- 11
Postal receipts	\$ 14,141	+ 16	+ 12
Building permits	\$ 34,445	+530	- 61
Bank debits to individual accounts (thousands)	\$ 13,456	+ 25	+ 4
End-of-month deposits (thousands)*	\$ 13,749	+ 15	+ 2
Air express shipments	29	- 22	+ 4

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
CORPUS CHRISTI:			
Retail sales	-----	+ 3	- 4
Apparel stores	-----	+ 34	+ 61
Automotive stores	-----	- 1	- 14
Department stores†	-----	+ 4	+ 18
Food stores	-----	- 3	- 21
Lumber, building material and hardware stores	-----	x	- 39
Postal receipts	\$ 89,982	+ 7	+ 17
Building permits	\$ 3,487,665	+417	+480
Air express shipments	470	- 13	+ 8
Bank debits to individual accounts (thousands)	\$ 106,749	+ 34	- 4
End-of-month deposits (thousands)*	\$ 93,857	+ 19	+ 3
Annual rate of deposit turnover	13.8	+ 14	- 5
Unemployment	1,800	- 14	- 10
Placements in employment	2,026	+ 13	- 2
Nonagricultural civilian labor force	55,600	+ 3	x
Percent of labor force unemployed	3.2	- 18	- 11
Export cars unloaded	93	- 58	- 26
Water connections	27,843	+ 12	+ 1
Electric connections	31,991	+ 11	+ 1
Water-borne commerce (tons)	1,896,305	+ 25	+ 6

*Excludes deposits to credit of banks.
xChange is less than one-half of one percent.

*Excludes deposits to credit of banks.
xChange is less than one-half of one percent.
†Reported by the Federal Reserve Bank of Dallas.
‡Estimated from incomplete September report.

LOCAL BUSINESS

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
CORSICANA:			
Department and apparel store sales		- 16	- 11
Building permits	\$ 80,850	+ 95	+ 24
Bank debits to individual accounts (thousands)	\$ 16,795	+ 29	+ 17
End-of-month deposits (thousands)*	\$ 21,307	+ 5	+ 5
Annual rate of deposit turnover	9.7	+ 24	+ 14

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
DALLAS:			
Retail sales		+ 5	- 2
Apparel stores		+ 2	- 11
Automotive stores		x	- 14
Department stores†		+ 3	- 13
Eating and drinking places		- 2	+ 8
Filling stations		+ 8	+ 5
Food stores		+ 5	+ 9
Furniture and household stores		+ 5	- 29
General merchandise stores		- 1	- 7
Lumber, building material and hardware stores		+ 43	+ 4
Postal receipts	\$ 1,172,442	+ 14	+ 7
Building permits	\$ 8,636,621	+ 86	- 28
Air express shipments	10,731	+ 7	+ 17
Bank debits to individual accounts (thousands)	\$ 1,345,542	+ 27	+ 1
End-of-month deposits (thousands)*	\$ 875,726	+ 11	x
Annual rate of deposit turnover	18.5	+ 14	+ 1
Unemployment	4,000	- 43	- 11
Placements in employment	8,205	+ 19	+ 32
Nonagricultural civilian labor force	268,600	+ 8	+ 1
Percent of labor force unemployed	1.5	- 46	- 12

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
DENISON:			
Retail sales		+ 7	- 4
Department and apparel store sales		- 14	- 18
Postal receipts	\$ 11,144	+ 13	+ 23
Building permits	\$ 72,408	- 11	- 12
Bank debits to individual accounts (thousands)	\$ 8,243	- 3	+ 3
End-of-month deposits (thousands)*	\$ 11,433	+ 3	+ 2

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
EL PASO:			
Retail sales		+ 1	- 5
Apparel stores		+ 8	+ 15
Automotive stores		+ 5	- 3
Drug stores		+ 4	+ 7
Furniture and household stores		- 3	- 14
General merchandise stores		- 7	- 12
Lumber, building material and hardware stores		+ 27	- 15
Office, store and school supply dealers		+ 18	- 5
Department and apparel store sales		- 4	- 16
Postal receipts	\$ 142,768	+ 6	+ 11
Building permits	\$ 2,062,061	- 22	+ 15
Air express shipments	1,434	- 4	+ 2
Bank debits to individual accounts (thousands)	\$ 186,956	+ 81	+ 32
End-of-month deposits (thousands)*	\$ 129,103	+ 9	+ 2
Annual rate of deposit turnover	17.5	+ 21	+ 32
Unemployment	1,900	- 28	0
Placements in employment	1,835	+ 38	+ 2
Nonagricultural civilian labor force	61,100	+ 16	+ 1
Percent of labor force unemployed	3.1	- 38	0

*Excludes deposits to credit of banks.
 xChange is less than one-half of one percent.
 †Reported by the Federal Reserve Bank of Dallas.

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
FORT WORTH:			
Retail sales		+ 6	- 4
Apparel stores		- 21	+ 8
Automotive stores		+ 5	- 3
Department stores†		x	- 11
Eating and drinking places		+ 10	+ 2
Filling stations		+ 2	+ 5
Food stores		+ 8	- 6
General merchandise stores		- 1	- 15
Lumber, building material and hardware stores		+ 48	+ 8
Postal receipts	\$ 450,769	+ 7	+ 20
Building permits	\$ 2,355,888	+ 23	- 36
Air express shipments	2,225	+ 10	+ 16
Bank debits to individual accounts (thousands)	\$ 413,527	+ 25	+ 1
End-of-month deposits (thousands)	\$ 326,420	+ 7	x
Annual rate of deposit turnover	15.2	+ 16	+ 1
Unemployment	5,600	- 18	- 15
Placements in employment	6,171	+ 62	+ 2
Nonagricultural civilian labor force	146,300	+ 6	+ 1
Percent of labor force unemployed	3.8	- 22	- 16

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
GALVESTON:			
Retail sales		+ 15	x
Apparel stores		x	+ 11
Eating and drinking places		+ 13	- 3
Food stores		- 7	- 5
Lumber, building material and hardware stores		+ 127	+ 3
Department and apparel store sales		- 4	+ 9
Postal receipts	\$ 62,517	+ 14	+ 26
Building permits	\$ 1,119,859	+ 270	+ 355
Air express shipments	385	+ 24	+ 5
Bank debits to individual accounts (thousands)	\$ 75,408	- 1	- 3
End-of-month deposits (thousands)*	\$ 98,064	+ 3	+ 2
Annual rate of deposit turnover	9.4	- 2	- 2
Unemployment (area)	2,000	- 31	- 5
Placements in employment (area)	744	+ 28	+ 8
Nonagricultural civilian labor force (area)	49,600	- 6	- 1
Percent of labor force unemployed (area)	4.0	- 27	- 5
Export cars unloaded	5,371	+ 9	- 13
Coastal cars unloaded	2,557	- 4	- 26

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
HARLINGEN:			
Retail sales		+ 10	- 12
Postal receipts	\$ 21,224	+ 22	+ 39
Building permits	\$ 172,000	+ 80	- 18
Bank debits to individual accounts (thousands)	\$ 23,517	+ 13	- 12
End-of-month deposits (thousands)*	\$ 22,295	- 1	- 9
Air express shipments	89	+ 56	+ 16

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
HENDERSON:			
Department and apparel store sales		- 11	- 6
Postal receipts	\$ 7,285	+ 4	+ 19
Building permits	\$ 515,750	+ 1666	+ 1819
Bank debits to individual accounts (thousands)	\$ 2,747	+ 9	+ 7
End-of-month deposits (thousands)*	\$ 13,805	- 4	+ 6

*Excludes deposits to credit of banks.
 xChange is less than one-half of one percent.
 †Reported by the Federal Reserve Bank of Dallas.

CONDITIONS

City and item	Percent change		
	October 1950	Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
HOUSTON:			
Retail sales		+ 16	x
Apparel stores		+ 1	+ 7
Automotive stores		+ 7	- 10
Department stores†		+ 8	- 15
Eating and drinking places.....		+ 24	x
Filling stations		+ 17	+ 3
Food stores		+ 23	+ 4
Furniture and household stores		+ 13	- 12
General merchandise stores		- 2	+ 1
Lumber, building material and hardware stores		+ 35	- 7
Postal receipts	\$ 712,038	+ 14	+ 11
Building permits‡	\$12,806,081	+ 18	+ 7
Air express shipments	5,074	+ 4	+ 6
Bank debits to individual accounts (thousands)	\$ 1,347,703	+ 31	+ 3
End-of-month deposits (thousands)*	\$ 1,037,528	+ 12	+ 1
Annual rate of deposit turnover	15.6	+ 17	+ 1
Unemployment (area)	9,500	- 50	- 10
Placements in employment (area)	6,854	+ 41	+ 2
Nonagricultural civilian labor force (area)	339,800	+ 1	x
Percent of labor force unemployed (area)	2.8	- 51	- 10
Export cars unloaded	5,468	+ 42	+ 52
Coastal cars unloaded	33	- 87	+ 50

LAREDO:			
Department and apparel store sales		+ 9	- 7
Postal receipts	\$ 19,208	+ 11	+ 13
Building permits	\$ 43,860	+ 9	+ 37
Bank debits to individual accounts (thousands)	\$ 18,580	+ 26	+ 6
End-of-month deposits (thousands)*	\$ 21,683	+ 3	x
Annual rate of deposit turnover	10.3	+ 21	+ 7
Air express shipments	204	- 13	- 9
Electric power consumption (thou. k.w.h.)	4,193	+ 10	- 9
Natural gas consumption (thou. cu. ft.)	34,460	+ 2	- 3
Tourists entering Mexico	7,441	+ 4	- 35
Tourist cars entering Mexico	2,550	+ 5	- 31

LONGVIEW:			
Department and apparel store sales		- 13	- 14
Postal receipts	\$ 19,949	- 1	+ 44
Building permits	\$ 311,580	+ 5	- 56
Air express shipments	205	+ 80	+ 43
Unemployment	1,350	- 13	- 4
Placements in employment	701	+ 26	+ 21
Nonagricultural civilian labor force	22,800	+ 2	x
Percent of labor force unemployed	5.9	- 14	- 5

LUFKIN:			
Postal receipts	\$ 11,772	+ 9	+ 23
Building permits	\$ 84,550	+ 14	- 18
Bank debits to individual accounts (thousands)	\$ 14,813	+ 25	- 8
End-of-month deposits (thousands)*	\$ 17,695	+ 6	+ 1
Air express shipments	46	- 8	+ 2

*Excludes deposits to credit of banks.

xChange is less than one-half of one percent.

†Reported by the Federal Reserve Bank of Dallas.

‡1950 building permits for Houston include recently annexed areas for which permits were not issued in 1949. The number of permits issued in the 1949 area in October 1950 decreased 13% from the number issued in October 1949.

City and item	Percent change		
	October 1950	Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
LUBBOCK:			
Retail sales		+ 26	- 2
Apparel stores		- 5	- 19
Automotive stores		+ 50	+ 7
Department stores		+ 13	- 8
Furniture and household stores		+ 4	- 25
Lumber, building material and hardware stores		+ 69	+ 11
Department and apparel store sales		+ 6	- 12
Postal receipts	\$ 75,465	+ 12	+ 19
Building permits	\$ 2,921,259	+134	+ 88
Air express shipments	441	+ 2	+ 11
Bank debits to individual accounts (thousands)	\$ 96,611	+ 38	+ 17
End-of-month deposits (thousands)*	\$ 84,613	+ 30	+ 5
Annual rate of deposit turnover	14.0	+ 6	+ 15
Unemployment	600	0	0
Placements in employment	1,404	+ 61	+ 13
Nonagricultural civilian labor force	29,300	+ 13	+ 2
Percent of labor force unemployed	2.0	- 13	- 5

MARSHALL:			
Retail sales		- 13	- 10
Department and apparel store sales		- 16	- 3
Postal receipts	\$ 15,058	+ 9	+ 11
Building permits	\$ 64,931	+193	- 83
Bank debits to individual accounts (thousands)	\$ 12,715	+ 22	+ 3
End-of-month deposits (thousands)*	\$ 19,146	+ 11	x

ODESSA:			
Retail sales		+ 24	- 14
Department and apparel store sales		+ 7	x
Postal receipts	\$ 25,251	+ 16	+ 8
Building permits	\$ 743,601	+ 43	- 16
Bank debits to individual accounts (thousands)	\$ 26,345	+ 32	- 2
End-of-month deposits (thousands)*	\$ 23,315	+ 47	+ 34
Air express shipments	236	+ 40	+ 16

PLAINVIEW:			
Retail sales		- 2	- 1
Department and apparel store sales		- 21	- 14
Postal receipts	\$ 10,520	+ 3	+ 10
Building permits	\$ 163,000	- 55	- 60
Bank debits to individual accounts (thousands)	\$ 14,439	+ 22	+ 16
End-of-month deposits (thousands)*	\$ 15,724	+ 10	+ 2
Air express shipments	34	- 36	- 31

SAN ANGELO:			
Retail sales		+ 7	- 5
Department and apparel store sales		+ 7	- 10
Postal receipts	\$ 38,254	+ 15	+ 10
Building permits	\$ 944,392	+145	+ 58
Bank debits to individual accounts (thousands)	\$ 44,405	+ 33	+ 2
End-of-month deposits (thousands)*	\$ 49,325	+ 23	+ 3
Annual rate of deposit turnover	10.9	+ 7	0
Air express shipments	388	- 9	+ 1
Unemployment	650	- 19	- 19
Placements in employment	631	+ 46	+ 4
Nonagricultural civilian labor force	20,400	+ 15	x
Percent of labor force unemployed	3.2	- 29	- 18

*Excludes deposits to credit of banks.

xChange is less than one-half of one percent.

†Reported by the Federal Reserve Bank of Dallas.

LOCAL BUSINESS CONDITIONS

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
PORT ARTHUR:			
Retail sales		+ 2	- 1
Apparel stores		- 20	+ 9
Food stores		- 13	- 6
Furniture and household stores		- 9	- 32
Lumber, building material and hardware stores		+ 28	- 7
Department and apparel store sales		- 12	+ 8
Postal receipts	\$ 28,402	+ 3	+ 5
Building permits	\$ 342,920	+ 50	- 6
Air express shipments	182	- 2	- 3
Bank debits to individual accounts (thousands)	\$ 38,179	+ 11	+ 6
End-of-month deposits (thousands)*	\$ 40,410	+ 5	+ 6
Annual rate of deposit turnover	11.6	+ 7	+ 4
Unemployment (area)	7,050	- 16	- 6
Placements in employment (area)	1,750	+ 1	- 27
Nonagricultural civilian labor force (area)	75,950	x	- 1
Percent of labor force unemployed (area)	9.3	- 16	- 5
Export cars unloaded	45	- 89	- 52
Coastal cars unloaded	420	x	+ 33

SAN ANTONIO:			
Retail sales		+ 5	x
Apparel stores		- 5	- 7
Automotive stores		+ 1	- 11
Department stores†		- 7	- 14
Drug stores		+ 9	+ 2
Eating and drinking places		+ 2	- 3
Filling stations		+ 6	+ 1
Food stores		- 6	- 1
Furniture and household stores		+ 15	- 4
General merchandise stores		+ 3	+ 11
Lumber, building material and hardware stores		+ 44	+ 7
Postal receipts	\$ 413,089	+ 14	+ 14
Building permits	\$ 3,707,041	- 1	- 25
Air express shipments	2,996	+ 15	+ 15
Bank debits to individual accounts (thousands)	\$ 331,149	+ 29	- 1
End-of-month deposits (thousands)*	\$ 363,348	+ 15	+ 1
Annual rate of deposit turnover	11.0	+ 12	- 3
Unemployment	4,250	- 23	- 11
Placements in employment	3,423	+ 17	+ 1
Nonagricultural civilian labor force	162,050	+ 1	x
Percent of labor force unemployed	2.6	- 24	- 10

TEMPLE:			
Retail sales		- 4	- 10
Department and apparel store sales		- 8	x
Postal receipts	\$ 20,310	+ 9	+ 8
Building permits	\$ 355,197	- 38	+ 95
Air express shipments	56	+ 4	+ 27

TYLER:			
Retail sales		+ 3	- 13
Department and apparel store sales		- 9	- 14
Postal receipts	\$ 43,682	- 3	+ 16
Building permits	\$ 1,080,038	+161	+143
Bank debits to individual accounts (thousands)	\$ 49,360	+ 19	+ 2
End-of-month deposits (thousands)*	\$ 49,587	- 1	- 2
Annual rate of deposit turnover	11.9	+ 19	+ 3
Air express shipments	331	- 56	- 6

*Excludes deposits to credit of banks.
xChange is less than one-half of one percent.
†Reported by the Federal Reserve Bank of Dallas.

City and item	October 1950	Percent change	
		Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
TEXARKANA:			
Retail sales		- 2	- 12
Department and apparel store sales		- 11	- 17
Postal receipts	\$ 43,330	+ 20	+ 28
Bank debits to individual accounts (thousands)	\$ 32,361	+ 18	+ 4
End-of-month deposits (thousands)*	\$ 23,057	+ 2	+ 2
Annual rate of deposit turnover	10.2	+ 19	- 1
Air express shipments	89	- 3	0
Unemployment	2,600	- 26	0
Placements in employment	1,037	+ 54	- 17
Nonagricultural civilian labor force	36,750	+ 2	+ 3
Percent of labor force unemployed	7.1	- 27	- 3

TEXAS CITY:			
Retail sales		+ 8	- 7
Department and apparel store sales		+ 17	- 2
Postal receipts	\$ 11,160	+ 27	+ 21
Building permits	\$ 207,675	+190	+ 47
Bank debits to individual accounts (thousands)	\$ 16,129	+ 14	+ 5
End-of-month deposits (thousands)*	\$ 14,770	+ 1	- 11
Unemployment (area)	2,000	- 31	- 5
Placements in employment (area)	744	+ 28	+ 8
Nonagricultural civilian labor force (area)	49,600	- 6	- 1
Percent of labor force unemployed	4.0	- 27	- 5
Coastal cars unloaded	600	+ 6	- 11

WACO:			
Retail sales		+ 1	- 10
Apparel stores		- 15	- 13
Automotive stores		+ 11	- 9
Department stores		- 11	- 10
Furniture and household stores		- 24	- 29
Lumber, building material and hardware stores		+ 61	- 6
Department and apparel store sales		- 12	- 11
Postal receipts	\$ 92,155	+ 9	+ 17
Building permits	\$ 2,370,450	+103	+209
Air express shipments	178	- 32	- 19
Bank debits to individual accounts (thousands)	\$ 72,061	+ 39	- 5
End-of-month deposits (thousands)*	\$ 80,700	+ 15	+ 3
Annual rate of deposit turnover	10.9	+ 22	- 6
Unemployment	1,400	- 7	+ 6
Placements in employment	934	+ 59	- 7
Nonagricultural civilian labor force	44,250	x	x
Percent of labor force unemployed	3.2	- 6	+ 7

WICHITA FALLS:			
Retail sales		- 1	- 8
Department and apparel store sales		- 8	- 13
Postal receipts	\$ 72,224	+ 25	+ 16
Building permits	\$ 325,665	+ 10	+ 15
Bank debits to individual accounts (thousands)	\$ 68,964	+ 24	+ 3
End-of-month deposits (thousands)*	\$ 94,170	+ 13	+ 3
Annual rate of deposit turnover	8.9	+ 11	+ 3
Air express shipments	301	+ 26	+ 13
Unemployment	1,000	- 3	0
Placements in employment	929	+ 65	+ 3
Nonagricultural civilian labor force	36,800	+ 12	+ 1
Percent of labor force unemployed	2.7	- 13	0

*Excludes deposits to credit of banks.
xChange is less than one-half of one percent.

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.)

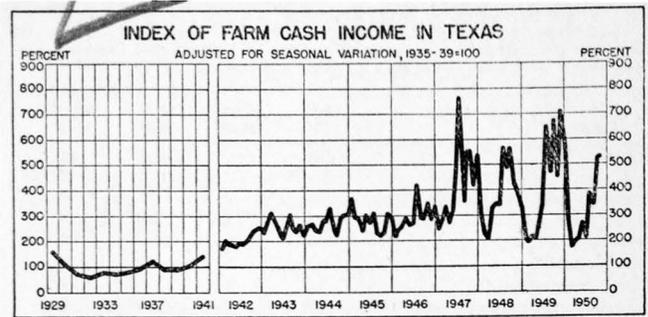
The general prospect for agriculture during the coming year was reviewed by Department of Agriculture officials and experts at the 28th Annual Agricultural Outlook Conference held in Washington the first week in November. The nation's farmers can look forward to virtually unrestricted production, increased taxes, higher prices, rising costs and greater net incomes in 1951. The reasons the experts give for a rather favorable demand outlook are expected high level of domestic demand, increased military purchases and strong export markets.

Stimulated by the defense program, business activity is expected to remain at a high level, providing jobs for all and some increases in wages and profits. Thus, consumers will buy beef, milk, fresh vegetables, fruit and other farm products at about the same rate as, or higher than, in 1950. In addition, more food, cotton and wool will be required to meet the demands of our fighting forces, and substantial quantities of farm products will be needed to satisfy the requirements of the export trade and of various foreign aid programs.

Government experts predict farm income to be slightly above \$30 billion in 1951, an increase of approximately 10% over the \$27.6 billion for this year. Since costs of production are expected to increase at a lesser rate in 1951, the net cash income of farmers should amount to almost \$11 billion, or 20% above the \$9 billion for 1950.

However, this increase will not be all gain to the farmer, since the marked increases expected in the costs of goods and services used in family living are expected to wipe out most, if not all, of these gains, leaving them with little more real purchasing power than they had in 1950.

A mixture of rain and drought continued throughout Texas, helping some farmers while hurting others. Light



rains in central and northeastern counties temporarily delayed field work but supplied needed surface moisture for germination of small grain, winter legumes and fall pasture grass. In extreme southern and coastal counties surface moisture continued critically deficient. Most of the acreage cannot be suitably prepared for vegetables until after good rains.

Harvest of cotton, grain sorghums and peanuts in the north and northwest and rice in the southwest went well during October. Wheat seeding in the northwest was practically completed with drilling of the limited remaining acreage probably to be postponed until more surface moisture develops.

The 24 degree cold snap in early November made Tyler rose growers gloomy over the prospects of losing a large portion of the 1949-50 rose crop. Estimates of the loss ran as high as 80%, although no accurate estimate of the damage could be made.

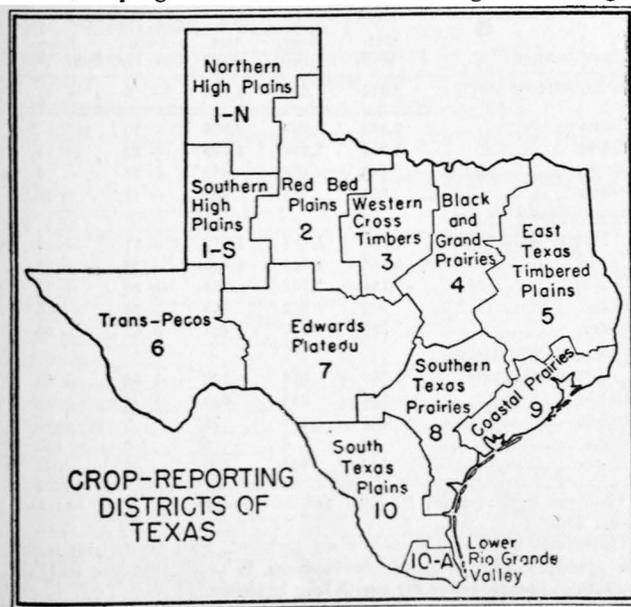
The estimate of unadjusted farm cash income for Texas during October was 13% above October 1949 and exceeded last month by 72%. Of the twelve crop reporting districts only the Northern High Plains, the Southern Texas Prairies and the South Texas Plains showed a decline from October of last year. The Southern Texas Prairies and the South Texas Plains also were down from September 1950.

FARM CASH INCOME*

District	Indexes, 1935-39=100, adjusted for seasonal variation			Amount (in thousands)	
	Oct. 1950	Sept. 1950	Oct. 1949	January-October 1950	January-October 1949
TEXAS	529	526	355	\$1,156,859	\$1,348,031
1-N	518	242	533	92,343	183,338
1-S	689	270	669	106,025	102,438
2	501	274	453	140,696	156,066
3	290	257	274	56,859	59,792
4	406	569	306	200,273	229,677
5	261	542	251	59,800	80,780
6	793	544	626	43,898	39,783
7	372	304	278	86,664	70,354
8	440	394	452	125,944	156,315
9	597	1327	419	113,610	108,095
10	241	678	438	39,307	41,107
10-A	222	†	179	91,440	120,286

*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 the indexes.

†Complete data not available.



RAIL SHIPMENTS OF FRUIT AND VEGETABLES

(in carloads)

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

Item	Oct. 1950	Sept. 1950	Oct. 1949	Sept. 1949
TOTAL	1,818	21	1,082	76
Eggplant	5	0	4	0
Grapefruit*	614	2	636†	0
Lettuce	430	0	170	2
Mixed citrus*	25	1	7†	0
Mixed vegetables	9	0	4	0
Oranges*	697	2	212†	0
Peppers	21	0	19	2
Sweet potatoes	9	5	3	3
Tomatoes	13	6	23	0
Other	2	5	4	69

*Figures include both truck and rail shipments.

†Revised.

Prices received by Texas farmers had dropped more than 1% at mid-October from the record level reached in September. The decline was the first since last December and was accounted for primarily by lower prices for cotton, hogs, beef cattle and veal calves. The index showed slight advances for most dairy and poultry products and moderate increases in prices of sheep, lambs, rice and cottonseed.

The Valley citrus crop has begun to move to market, as evidenced by the increased income of farmers in the Lower Rio Grande Valley. District 10-A income was up 333% from last month and demonstrated an increase of 25% from October 1949.

Year-to-date income is still below the same period last year. The good citrus crop has not yet overbalanced the exceedingly poor showing of the Panhandle wheat crop. Income for January through October for the state was 14% below last year, with only four of the twelve districts showing an increase above last year.

The seasonally adjusted index of cash farm income for Texas for October was 49% above October 1949 and 1% above last month. The fine grain sorghum crop in the Panhandle has helped this area recover from the effect of the drought-ruined wheat crop. The seasonally adjusted

INDEXES OF PRICES RECEIVED BY FARMERS

(1909-14 = 100)

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

Indexes (unadjusted)	Oct. 1950	Sept. 1950	Oct. 1949	Percent change	
				Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
ALL FARM PRODUCTS	340	344	258	+ 32	- 1
All crops	300	306	210	+ 43	- 2
Food grain	232	225	209	+ 11	+ 3
Feed grains and hay	153	152	143	+ 7	+ 1
Potatoes and sweet potatoes	117	140	159	- 26	- 16
Fruit	168	179	28	—	- 6
Truck crops	328	324	239	+ 37	+ 1
Cotton	312	326	226	+ 38	- 4
Oil-bearing crops	407	389	199	+105	+ 5
Livestock and products	394	393	322	+ 22	0
Meat animals	483	491	357	+ 35	- 2
Dairy products	245	240	254	- 4	+ 2
Poultry and eggs	252	245	300	- 16	+ 3
Wool	491	453	323	+ 52	+ 8

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	Oct. 1950	Sept. 1950	Oct. 1949	Sept. 1949
Chickens	1	0	0	3
Turkeys	17	6	29	7
Eggs—shell equivalent*	6	88	48	24
Shell	0	0	0	0
Frozen	3	8*	8	4
Dried	0	9	4	2

*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.

index for the Northern High Plains was 114% above September, while the Southern High Plains showed an increase of 155% for the month.

Cotton dropped 1.8 cents from mid-September to 37.7 cents per pound, hogs declined \$2.80 to average \$19.40 per hundred pounds, beef cattle slipped 20 cents to \$23.30 and calves fell \$1.10 per hundred pounds to \$26.20. Peanuts, grain sorghums and chickens were down slightly, while turkeys were up. Wool advanced 6 cents to average 79 cents per pound, the highest price level on record.

The farm price index for the nation also showed a decrease of 1.4% from September to October. This drop was attributed to sharp declines in hog prices, along with more moderate declines in prices of most crops. Index of prices received by farmers, based on 1910-14, dropped from 272 in September to 268.

SHIPMENTS OF LIVESTOCK

(in carloads)

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

Classification	Oct. 1950	Sept. 1950	Oct. 1949	Percent change	
				Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
TOTAL SHIPMENTS	8,046	5,464	8,505	- 5	+ 47
Cattle	5,683	2,753	6,336	- 10	—
Calves	1,393	1,254	1,059	+ 32	+ 11
Hogs	649	676	478	+ 36	- 4
Sheep	321	781	632	- 49	- 59
INTERSTATE PLUS					
FORT WORTH	6,780	4,781	7,577	- 11	+ 42
Cattle	4,761	2,509	5,688	- 16	+ 90
Calves	1,178	1,063	984	+ 20	+ 11
Hogs	649	672	478	+ 36	- 3
Sheep	192	537	427	- 55	- 64
INTRASTATE MINUS					
FORT WORTH†	1,266	683	928	+ 36	+ 85
Cattle	922	244	648	+ 42	—
Calves	215	191	75	—	+ 13
Hogs	0	4	0	0	—
Sheep	129	244	205	- 37	- 47

*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.

COLD STORAGE HOLDINGS*

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

Item	Unit (000's)	Oct. 1950	Sept. 1950	Oct. 1949	Percent change	
					Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
Fresh vegetables	lbs.	3,129	2,542	2,083	+ 50	+ 23
Frozen vegetables	lbs.	4,338	3,889	3,139	+ 38	+ 12
Dried and evaporated fruits	lbs.	527	856	467	+ 13	- 38
Frozen fruits	lbs.	8,382	7,542	4,161	—	+ 11
Nuts	lbs.	1,426	2,161	2,176	- 34	- 34
Dairy products	lbs.	22,156	23,430	7,328	—	- 5
Cream	lbs.	78	56	165	- 53	+ 39
Fluid	lbs.	59	51	108	- 45	+ 16
Plastic	lbs.	19	5	57	- 67	—
Creamery butter	lbs.	6,064	6,376	1,407	—	- 5
Evaporated and condensed milk	lbs.	1,901	1,938	1,110	+ 71	- 2
Cheese	lbs.	14,113	15,060	4,646	—	- 6
Eggs						
Shell	cases	24	35	29	- 17	- 31
Frozen	lbs.	8,054	9,481	6,889	+ 17	- 15
Dried	lbs.	4,847	4,997	6,083	- 20	- 3
Poultry (frozen)	lbs.	4,269	2,332	2,027	—	+ 83
Meat and meat products	lbs.	13,153	13,717	11,534	+ 14	- 4
Hides and pelts	lbs.	2,240	2,448	1,716	+ 31	- 8

*End of month.

Prices paid by farmers for goods needed on the farm rose two points during the month ended October 15 to 253% of the 1910-14 average. This is the highest October index in the monthly record, which goes back 13 years. The index went up 7% from a year earlier and now is less than 1% below the record high of July 1943. The parity index was 103 as compared with 104 a month earlier and the record high of 122 in October 1944.

Total shipments of livestock in October were 5% below October 1949 and 47% greater than last month. Shipments of hogs and sheep both dropped from last month, but enough cattle and calves were shipped to counteract the deficit. Shipments of cattle were up 106%; interstate shipments were 42% above September while intrastate had increased 85%.

Citrus fruit was moving to market in quantity during October. Grapefruit shipments were down slightly from September, but oranges increased 212 carloads to a total of 697 carloads. Citrus production during this first full

growing season since the January 1949 freeze disaster should be double that of last. Estimated production is 12 million boxes of grapefruit and 3.5 million boxes of oranges.

Texas farm and ranch prices in 1949 hit the highest point on record, figures just released by the Texas Agricultural Experiment Station show. The prices were 2½ times those paid in 1935 and well ahead of the prewar top set in 1926.

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 situation tightened measurably during the latter part of October and the first half of November. The government's crop estimate as of November 1, as shown in the balance sheet, was increased by 81 thousand bales over the October 1 estimate.

On November 9 the Secretary of Agriculture raised the export quota for cotton by 1,350 thousand bales. The export allowable now is 3,496 thousand bales. The over-emphasis on the reduced supply of cotton in the United States occasioned by the government's drastically reducing exports has caused increased speculation in cotton. The result is that, when the first export quota was announced, cotton prices were around the 40 cent level. The increase of export quotas on November 9 touched off a wave of price advances which reached beyond the 44 cent level.

Do world supplies justify present prices? Last year it was presumed there was a surplus of cotton. The world supply at that time, according to the International Cotton Advisory Committee, was 45.9 million bales. This same source estimates the supply for this year at about 43.8 million bales, a reduction of only 2.1 million bales (approximately 5%). The supply in the United States is down about 4.3 million bales, which means that foreign supplies are more than 2 million bales above last year's.

Prices of cotton are now about 40% over those prevailing at this time last year. Part of this advance is due to current inflation and the fear of more to come, while part is due to heavy consumption, especially in the United States. High prices of cotton will most certainly stimulate increased cotton production over the world and reduce consumption.

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

(in thousands of running bales except as noted)

Year	Carryover Aug. 1	Imports to Nov. 1*	Government estimate Nov. 1*	Total	Consumption to Nov. 1	Exports to Nov. 1	Total	Balance as of Nov. 1
1941-42	12,376	107	11,020	23,503	2,703	429	3,132	20,371
1942-43	10,590	91	13,329	23,720	2,858	434	3,290	20,430
1943-44	10,687	44	11,442	22,173	2,562	564	3,126	19,047
1944-45	10,727	55	12,320	23,102	2,425	257	2,682	20,420
1945-46	11,160	101	9,368	20,629	2,199	627	2,826	17,803
1946-47	7,522	59	8,487	16,068	2,605	653	3,258	12,810
1947-48	2,521	198	11,505	14,224	2,264	264	2,528	11,696
1948-49	2,823	113†	15,166	18,102	2,164	286†	2,450	15,652
1949-50	5,283	61†	15,524	20,868	2,100	379†	2,479	18,389
1950-51	6,846	27†	9,945	16,818	2,611	728†	3,339	13,479

The cotton year begins August 1.

*In 500 pound bales.

†To October 1 only.

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.)

According to the National Production Authority and two industry advisory committees, a decline in private construction in 1951 is expected to leave the year's total below 1950, but public construction will run approximately 10% ahead of the current year. Private residential construction is expected to fall 46% below the current year with total nonresidential off only 4%. Estimates of farm and public utility construction place both ahead of 1950 activity, with the largest increase in farm construction seen for service buildings and in public utilities for pipelines, gas, and electric light and power utilities.

Preliminary estimates of building permits issued in Texas cities in October fell to \$63,635 thousand, 7% below the September level. Nonhousekeeping residential construction reported the largest drop (39%), with only additions, alterations and repairs recording an increase. For the first ten months of 1950 total urban construction

ESTIMATES OF BUILDING PERMITS ISSUED BY TYPE OF CONSTRUCTION

(in thousands)

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

Type	Oct. 1950*	Percent change	
		Oct. 1950 from Sept. 1950	Jan.-Oct. 1950 from Jan.-Oct. 1949
TOTAL	\$63,635	- 7	+ 70
New construction	56,773	- 9	+ 77
Residential	33,998	- 12	+101
Housekeeping	33,312	- 11	+101
Single family units	29,934	- 9	+108
Multiple family units	3,378	- 23	+ 58
Nonhousekeeping	686	- 39	+ 78
Nonresidential	22,775	- 5	+ 41
Additions, alterations and repairs	6,862	+ 12	+ 22

Only building for which building permits were issued within the incorporated area of the city is included. Federal contracts are excluded.

*Preliminary.

ESTIMATES OF BUILDING PERMITS ISSUED BY CITY-SIZE GROUPS

(in thousands)

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

Population†	Oct. 1950*	Percent change	
		Oct. 1950 from Sept. 1950	Jan.-Oct. 1950 from Jan.-Oct. 1949
Over 100,000	\$27,514	- 16	+ 79
50,000 to 100,000	15,961	+ 68	+ 46
25,000 to 50,000	6,757	+ 41	+104
Less than 25,000	13,403	- 38	+ 64

Only building for which building permits were issued within the incorporated area of the city is included. Federal contracts are excluded.

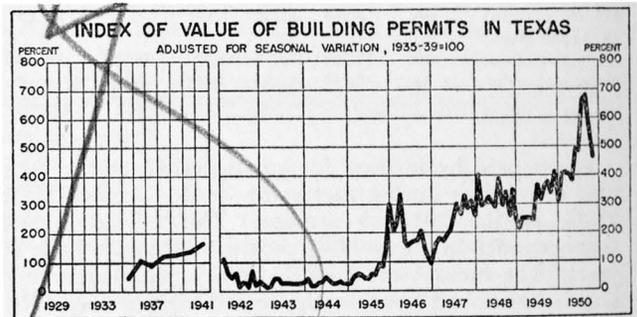
*Preliminary.

†1940 Census.

authorized in the state exceeded the same period for 1949 by 70%; all classes showed increases, with largest gains reported for residential construction. In the year-to-year comparison additions, alterations and repairs reported the smallest increase.

Advances from September by city-size groups were reported in the 50-to-100 thousand population class (68%) and in the 25-to-50 thousand class (41%). All classes reported substantial increases in the January-October 1950 period over January-October 1949.

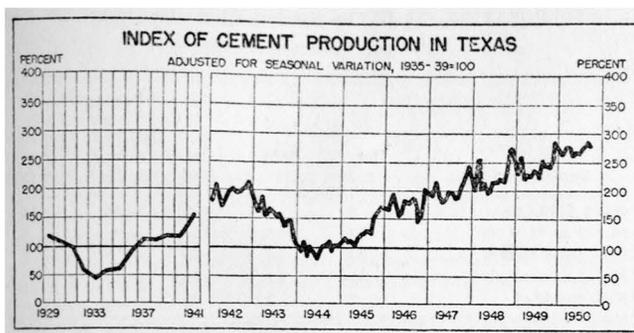
The index of building permits issued has been revised on the basis of estimates of the total value of building permits issued for the state rather than on reports from a selected number of cities only. The revised index shows less pronounced fluctuations, although the general pattern remains the same. After adjustment for seasonal variation the new index fell from 561 in September to 461 in October, as compared with 337 in October a year ago. After adjustment for price changes, the index of building permits issued stood at 228 for October, 280 for September and 179 for October of 1949.



A Department of Labor survey of new housing started in 15 large metropolitan areas of the nation during the five postwar years is of interest. It was found that there has been a shift to one-floor plans in the northeast section of the nation, with the row house declining in importance in the Washington and Philadelphia areas. Exterior construction is largely frame, with the materials of 20 years ago maintaining the same popularity. It was noted, of course, that new materials and equipment were being more generally accepted.

Through a special agreement with the Dodge Statistical Research Service (F. W. Dodge Corporation), the Bureau has obtained permission to publish data on construction contracts awarded in Texas as compiled by that agency. The value of construction contracts awarded for all building rose almost \$1 million from September to October; total residential was up over \$7 million, but nonresidential was off somewhat more than \$6 million. When public works and utilities construction are included, contracts awarded for total construction were down approximately \$8 million from September. In the first ten months of 1950 the number of projects and total valuation gained substantially over the same period of 1949, with the largest dollar increase in residential construction. With the exception of manufacturing building, all contracts awarded for nonresidential buildings were up over the January-October period of 1949.

New nonfarm dwelling units started in October reached 103 thousand, a 10% decline from September



but close to the 104,300 units of October 1949, according to preliminary estimates of the Bureau of Labor Statistics. October is the first month this year in which the number of dwelling units started has fallen below the corresponding month of 1949. For the first ten months of 1950 estimates place dwelling units under construction 42% above the 851,300 of the same period of 1949. Public housing in the January-October 1950 picture was 30% under the comparable period in 1949.

Estimates of the Bureau of Labor Statistics for the first seven months of 1950 show a drop from 23% in 1949 to 17% in the proportion of rental-type housing started and a rise in the proportion of housing starts in urban places.

Everything points to a much slower year for construction in 1951. These expectations are substantiated by recently increased credit regulations, higher wages for construction workers, the international situation and, in some instances, shortages of building materials. Although there is no strong trend as yet, there is a decided movement in some areas of construction labor, both skilled and unskilled, to other industries, particularly defense. This movement is presently attributed to current regulations affecting building activity. One labor leader has expressed the opinion that the credit curb will throw a mass of unemployed on the labor market before defense production reaches a stage at which these workers could be absorbed.

A survey by the Bureau of Labor Statistics of nine metropolitan areas shows that of the new homes (one-family) purchased about 40% of those financed by mortgages were bought with no down payment and that half of the veterans, composing 75% of the buyers, made no down payments. This is indicative of conditions only in metropolitan areas.

Of 59 Texas cities reporting the value of building permits issued during October, only 25 showed increases over September while 45 registered gains over October 1949. Henderson had the largest percentage gain in both comparisons, jumping to \$515,750 from \$26,875 in September and \$29,200 in October of last year.

The number of loans by savings and loan associations rose 25% from October 1949 to October 1950, while the amount of loans was up 45%. All classes of loans reported increases in both number and amount in the year-to-year picture. However, only construction loans recorded gains over September, while the total number and amount of loans were down 5 and 1%, respectively.

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 volume of bank credit in use and its velocity of use did not change radically from the levels of last month, but the quantity used and its rate of turnover were substantially higher than they were last year. The statement above is drawn from the fact that total loans and investments increased only 1% from last month for the reporting member banks in the 11th Federal Reserve District, while this same total was 8% higher than it was on November 2, 1949. The greatest increases were again recorded in bank loans, as they rose 28% from last year and 6% from last month, while investments, primarily in government securities, decreased.

The holding of bank credit, indicated by bank deposits, usually moves in the same direction as does the creation of bank credit. Following loan increases, demand deposits also increased 7% over last year but decreased 1% from last month.

Bank debits, the total of checks written, in 20 Texas cities increased 27% over October 1949 and 2% over September 1950. The increase over last year was universally spread over the state, as 19 of the reporting cities indicated gains. Waco, with an increase of 39%, led all cities, while Galveston reported the only decrease (1%). When October 1950 is compared with September 1950, the reports vary between an increase of 32% at

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

Source: Board of Governors of the Federal Reserve System

Item	Percent change*		
	Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950	Oct. 1949 from Sept. 1949
ASSETS			
Loans and investments	+ 8	+ 1	+ 3
Loans	+ 28	+ 6	+ 4
Total U. S. Government securities....	- 11	- 4	+ 1
Treasury bills	- 12	- 12	- 3
Treasury certificates of indebtedness	- 84	- 5	+ 5
Treasury notes	+625	- 6	0
United States bonds	- 13	- 1	x
Other securities	+ 20	+ 1	+ 2
Reserve with Federal Reserve			
Banks	+ 5	+ 7	+ 11
Cash in vault	+ 9	- 10	- 11
Balances with domestic banks	x	- 2	+ 11
LIABILITIES			
Total deposits (except interbank)....	+ 6	- 2	+ 1
Demand deposits adjusted	+ 7	- 1	+ 3
Time deposits	x	x	- 4
United States Government deposits	+ 9	- 26	- 8
Interbank deposits			
Domestic banks	+ 8	+ 16	+ 19
Foreign banks	+ 22	+ 22	0
CAPITAL ACCOUNTS	+ 11	+ 1	+ 1

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

xChange is less than one-half of one percent.

BANK DEBITS*

(in thousands)

Source: Board of Governors of the Federal Reserve System

City	Oct. 1950	Sept. 1950	Oct. 1949	Percent change	
				Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
TOTAL	\$4,655,857	\$4,561,440	\$3,661,542	+ 27	+ 2
Abilene	57,245	51,708	42,125	+ 36	+ 11
Amarillo	122,780	107,743	99,193	+ 24	+ 14
Austin	117,242	153,699	112,395	+ 4	- 24
Beaumont	114,240	114,809	92,043	+ 24	x
Corpus Christi	106,749	111,728	79,791	+ 34	- 4
Corsicana	16,795	14,314	13,028	+ 29	+ 17
Dallas	1,345,542	1,328,295	1,059,657	+ 27	+ 1
El Paso	186,956	141,368	142,515	+ 31	+ 32
Fort Worth	413,527	409,289	331,546	+ 25	+ 1
Galveston	75,408	77,778	76,020	- 1	- 3
Houston	1,347,703	1,314,381	1,026,979	+ 31	+ 3
Laredo	18,580	17,521	14,795	+ 26	+ 6
Lubbock	96,611	82,835	69,919	+ 38	+ 17
Port Arthur	37,179	35,849	34,367	+ 11	+ 6
San Angelo	44,405	43,662	33,329	+ 33	+ 2
San Antonio	331,149	334,212	257,576	+ 29	- 1
Texarkana†	32,361	31,177	27,508	+ 18	+ 4
Tyler	49,360	48,488	41,494	+ 19	+ 2
Waco	72,061	75,715	51,768	+ 39	- 5
Wichita Falls	68,964	66,869	55,494	+ 24	+ 3

*Debits to deposit accounts except interbank accounts.

†Includes two banks in Arkansas, Eighth District.

xChange is less than one-half of one percent.

El Paso and a decrease of 24% in Austin, thus bringing about the small net change in debits noted above.

Volume of deposits and their rate of turnover indicated a behavior similar to that of bank debits. End-of-month deposits increased 11% over last year in the 20 reporting cities, while the rate of deposit turnover increased 15% during the same period; from September both increased 1%. All cities except Galveston reported an increase in deposit turnover from last October, ranging from 22% in Waco to 1% in Austin. Over the past year, end-of-month deposits increased in all of the 20 cities except Tyler; the greatest increase (30%) occurred in Lubbock. Between September and October 1950 the changes in both deposit turnover and end-of-month deposits were so slight that they are mentioned only to note their stability.

CORPORATION CHARTERS ISSUED BY CLASSIFICATION

Source: Secretary of State

Classification	Oct. 1950*	Sept. 1950	Oct. 1949
DOMESTIC CORPORATIONS			
Capitalization (thousands)	\$ 3,711	\$ 3,658	\$ 6,879
Number	272	271	302
Banking-finance	12	13	8
Construction	19	7	9
Manufacturing	24	27	24
Merchandising	68	53	57
Oil	12	7	16
Real estate	40	50	40
Transportation	7	1	9
Nonprofit (no capital stock)	65	61	51
All other	25	52	88
FOREIGN CORPORATIONS			
Number	31	20	42

*Preliminary.

CORPORATION CHARTERS ISSUED BY CAPITALIZATION

Source: Secretary of State

Capitalization	Oct. 1950*	Sept. 1950	Oct. 1949	Percent change	
				Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
Over \$100,000	4	3	9	- 56	+ 33
\$5,000 to \$100,000	110	116	154	- 29	- 5
Less than \$5,000	86	88	85	+ 1	- 2
No capital stock	65	61	51	+ 27	+ 7
Not specified	7	3	3	-----	-----

*Preliminary.

New business starts in October (272), as indicated by corporation charters granted, have declined from a year ago when 302 charters were issued, a decrease of 10%. In September of this year 271 new charters were issued. Merchandising corporations with 68 and real estate with 40 are the current leaders. As is usual in Texas, most of these new corporations were capitalized at figures ranging between \$5 thousand and \$100 thousand, with four chartered in the "over \$100,000" classification.

The volume of life insurance sales to Texans showed no appreciable change from September to October 1950 but rose 33% above October 1949. Texas returned to its recent habit of showing a greater increase than the nation as a whole for which the change from last October was 18%.

A recent analysis of investments made by life insurance companies in the United States indicated an investment rate in excess of \$1 billion a month. A breakdown of the program shows that insurance funds are being directed primarily into three main channels—real estate, corporate securities and government bonds.

BUSINESS FAILURES

Source: Dun and Bradstreet, Inc.

	Oct. 1950	Sept. 1950	Oct. 1949	Sept. 1949
Number	15	15	18	21
Liabilities*	\$ 303	\$ 728	\$ 529	\$ 785
Average liabilities per failure*	\$ 20	\$ 49	\$ 41	\$ 37

*In thousands.

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 tax receipts by the State Comptroller of Public Accounts during the first two months of the current fiscal year rose 12% from 1949-50. Greatest increases were reported from mineral leases, rentals and bonuses (62%) and from cigarette tax and licenses (3%), while ad valorem tax receipts were 99% below the similar period of the last fiscal year.

The state's Board of Control budget office has been busy editing and tallying the appropriation requests which are being filed in anticipation of the meeting of the legislature in January. By the middle of October these requests were already some \$53 million ahead of the last biennial budget, and many state agencies still had not turned in estimates of their prospective financial

REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Item	September 1-October 31			Percent change
	Oct. 1950	1950	1949	
TOTAL	\$46,012,095	\$85,296,698	\$75,968,709	+ 12
Ad valorem taxes	8,648	8,549	721,714	- 99
Crude oil production taxes	7,985,457	16,245,042	12,467,247	+ 30
Motor fuel taxes (net)	7,477,659	15,707,490	13,742,010	+ 14
Cigarette tax and licenses	2,913,917	5,473,502	4,018,265	+ 36
Mineral leases, rentals and bonuses	165,441	251,006	155,394	+ 62
Interest on securities owned	478,691	1,231,700	1,265,904	- 3
Unclassified receipts from county tax collectors	5,426,730	5,504,081	4,846,578	+ 14
Federal aid-highways	342,208	3,039,150	4,421,088	- 31
Federal aid-public welfare	6,553,989	11,974,546	12,108,410	- 1
Federal aid-public education	2,416,480	2,928,594	2,641,231	+ 11
Unemployment compensation tax	1,564,987	1,847,097	2,054,708	- 10
All other receipts	10,682,893	21,085,941	17,526,165	+ 20

requirements. Although these requests are traditionally greater than the final appropriations, it will take many millions in new revenue to keep the state operating at current levels for another biennium. These millions will necessitate new taxes if the state is not to begin operating on a deficit economy.

During October 1950 federal tax collections rose 28% over October 1949, bringing the total for the fiscal year-to-date 6% above that for the last fiscal year. Employment tax increases were reported over October a year ago (66%) and over the last fiscal year (55%). Recent increases in federal tax rates are responsible for portions of the increases reported in various classifications. Income tax receipts were up 42% over October 1949 but remained 2% below those of the last fiscal year.

FEDERAL INTERNAL REVENUE COLLECTIONS

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

District	July 1-October 31		Percent change
	1950	1949	
TEXAS	\$ 379,869,584	\$ 357,224,697	+ 6
Income	182,594,161	186,452,848	- 2
Employment	34,498,740	22,323,288	+ 55
Withholding	111,556,948	99,784,621	+ 12
Other	51,219,735	48,663,940	+ 5
FIRST DISTRICT	195,925,464	205,107,249	- 4
Income	91,491,258	111,557,588	- 18
Employment	16,954,845	10,615,284	+ 60
Withholding	60,497,666	57,708,856	+ 5
Other	26,981,695	25,225,021	+ 7
SECOND DISTRICT	183,944,120	152,117,448	+ 21
Income	91,102,903	74,895,260	+ 22
Employment	17,543,895	11,708,004	+ 50
Withholding	51,059,282	42,075,765	+ 21
Other	24,238,040	23,438,419	+ 8

LABOR

Employment

(Employment statistics include data on both the employed and unemployed portions of the labor force and 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.)

Manufacturing employment in Texas for the pay period ending nearest the middle of October was 1% higher than for the same period in September, according to estimates by the United States Bureau of Labor Statistics in cooperation with the Texas Employment Commission. All of this increase came from the durable goods industries, with total employment in nondurable goods industries showing no change. Transportation equipment registered a 10% rise with an addition of four thousand workers to the pay rolls. Primary metals and fabricated metal products both registered a 1% rise, while machinery rose 2%. Although the total employment in all nondurable goods industries showed no

ESTIMATES OF EMPLOYMENT IN SELECTED INDUSTRIES IN TEXAS

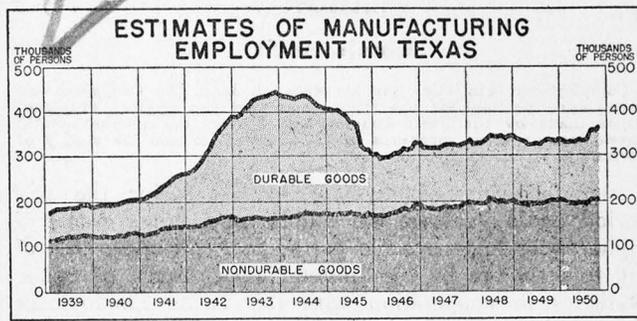
(in thousands)

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

Industry	Percent change			Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
	Oct. 1950*	Sept. 1950	Oct. 1949		
TOTAL MANUFACTURING	363.2	358.9	333.9	+ 9	+ 1
Durable goods	156.7	152.4	131.5	+ 19	+ 3
Primary metals	14.3	14.1	9.7	+ 47	+ 1
Machinery (except electrical)	26.2	25.7	21.5	+ 22	+ 2
Transportation equipment	43.9	39.9	32.2	+ 36	+ 10
Fabricated metal products	15.1	15.0	13.8	+ 9	+ 1
Lumber and wood products	32.3	32.7	31.5	+ 3	- 1
Furniture and fixtures	9.1	9.2	8.4	+ 8	- 1
Stone, clay and glass	13.5	13.4	12.0	+ 13	+ 1
Other durable goods	2.3	2.4	2.4	- 4	- 4
Nondurable goods	206.5	206.5	202.4	+ 2	0
Textile mill products	9.8	9.7	8.7	+ 13	+ 1
Apparel	26.8	27.2	26.1	+ 3	- 1
Food	60.2	60.6	60.3	x	- 1
Paper and allied products	5.8	5.7	5.4	+ 7	+ 2
Printing and publishing	22.3	22.4	21.8	+ 2	x
Chemicals and allied products	32.9	32.2	30.6	+ 8	+ 2
Petroleum and coal products	40.2	40.3	42.1	- 5	x
Leather	2.4	2.4	2.0	+ 20	0
Other nondurable goods	6.1	6.0	5.4	+ 13	+ 2
NONMANUFACTURING					
Mining	102.1	103.6	99.1	+ 3	- 1
Crude petroleum and natural gas products	95.4	96.8	92.9	+ 3	- 1
Metal, coal and other mining	6.7	6.8	6.2	+ 8	- 1
Transportation and public utilities	229.0	230.7	221.3	+ 3	- 1
Trade	524.6	523.4	503.5	+ 4	x
Wholesale trade	140.6	140.2	135.0	+ 4	x
Retail trade	384.0	383.2	368.5	+ 4	x
Finance, service and miscellaneous	305.2	306.7	298.4	+ 2	x
Government	277.7	276.4	269.0	+ 3	x

*Preliminary.

xChange is less than one-half of one percent.



change, some changes were registered in the individual industries. Paper, chemicals, textile mill products and the miscellaneous group reported increases in employment, while apparel and food manufacturers reported decreases.

Employment in comparison with a year ago was substantially higher in all durable goods industries and somewhat higher in practically all nondurable goods industries. Employment in primary metals was up 47% over October 1949, transportation equipment 36% and machinery 22%. The average increase for all durable goods industries was 19%. For all nondurable goods industries employment was up an average of 2%. Leather showed increased employment of 20%, textile mill products 13% and the miscellaneous group 13%. However, food manufacturing (the largest employer of labor among nondurable manufacturing industries) showed a decrease of less than one-half of one percent, and petroleum (the next largest employer in the nondurable group) decreased 5%.

LABOR IN TEXAS

Source: Texas Employment Commission

Classification	Oct. 1950	Sept. 1950	Oct. 1949	Percent change	
				Oct. 1950 from Oct. 1949	Oct. 1950 from Sept. 1950
Nonagricultural civilian labor force	1,455,090	1,447,195	1,397,910	+ 4	+ 1
Placements	40,877	38,609	30,456	+ 34	+ 6
Unemployment force	47,140	51,045	66,710	- 29	- 8
Percent of labor force unemployed	3.2	3.5	4.8	- 33	- 9

According to the Texas Employment Commission the nonagricultural labor force in 17 areas increased 1% in October in comparison with September to bring the total to a point 4% higher than a year ago. Unemployment declined 8% in October, as the labor market absorbed all of the increase in the labor force and some of the unemployed. Placements by the Commission were 40,877 in October, an increase of 6% over September and 34% over October 1949. The total number of unemployed in October was down to 3.2% of the labor force compared to 3.5% in September and 4.8% in October 1949.

Hours and Earnings

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

Average weekly earnings of manufacturing employees in Texas decreased slightly in October, after showing a substantial rise in September. August average weekly

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)		
	Oct. 1950†	Sept. 1950	Oct. 1949	Oct. 1950†	Sept. 1950	Oct. 1949	Oct. 1950†	Sept. 1950	Oct. 1949
MANUFACTURING, TOTAL	59.29	59.81	54.23	42.9	43.5	42.6	138.2	137.5	127.3
Durable goods, total	59.18	60.16	51.97	44.2	45.3	42.7	133.9	132.8	121.7
Nondurable goods, total	59.40	59.66	55.85	41.8	42.1	42.5	142.1	141.7	131.4
Primary metals	66.69	63.46	61.56	43.5	42.0	42.9	153.3	151.1	143.5
Machinery (except electrical)	68.34	65.64	58.08	44.9	45.3	41.4	152.2	144.9	140.3
Transportation equipment	65.59	72.39	59.59	42.4	45.7	41.7	154.7	158.4	142.9
Fabricated metal products	57.71	59.99	55.74	43.1	44.6	41.6	133.9	134.5	134.0
Lumber and wood products	45.87	46.52	40.46	46.1	46.8	43.6	99.5	99.4	92.8
Furniture and fixtures	50.08	49.14	46.26	44.4	45.0	44.7	112.8	109.2	103.5
Stone, clay and glass	57.52	54.10	47.91	46.2	43.7	44.4	124.5	123.8	107.9
Textile mill products	46.22	45.07	42.57	43.2	42.6	42.7	107.0	105.8	99.7
Apparel and fabric products	35.04	36.66	31.27	38.8	40.2	40.3	90.3	91.2	77.6
Food	52.32	51.83	49.17	42.4	41.9	43.9	123.4	123.7	112.0
Paper and allied products	61.42	61.42	58.90	43.5	44.0	45.2	141.2	139.6	130.3
Printing and publishing	77.14	78.59	73.82	39.5	40.3	40.1	195.3	195.0	184.1
Chemicals and allied products	67.35	68.02	63.46	44.6	44.9	46.9	151.0	151.5	135.3
Petroleum and coal products	79.91	80.23	75.69	41.0	41.7	39.9	194.9	192.4	189.7
NONMANUFACTURING									
Crude petroleum production	81.67	76.48	78.53	43.1	42.0	42.2	189.5	182.1	186.1
Nonmetallic mining	67.69	63.97	65.73	43.9	42.0	43.1	154.2	152.3	152.5
Public utilities	51.94	53.36	54.57	40.2	40.3	41.4	129.2	132.4	131.8
Retail trade	41.29	42.15	40.81	44.4	44.6	44.6	93.0	94.5	91.5
Wholesale trade	59.86	59.41	56.17	43.6	43.3	44.3	137.3	137.2	126.8

*Figures do not cover proprietors, firm members, or other principal executives. All series were revised January 1949 and are not strictly comparable with previously published data.

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

earnings were \$57.48, September was \$59.81, and the preliminary figure for October was \$59.29. Earnings in both durable goods and nondurable goods industries showed rather large increases. In the primary metals industry average weekly earnings rose from \$63.46 to \$66.69 and in machinery from \$65.64 to \$68.34. The most noticeable drop in the durable goods category was in transportation equipment, which declined from \$72.39 to \$65.59. Reference to the table on employment shows that the number of employees in this industry increased substantially. This fact, combined with the decline in weekly earnings and a similar decline in the average number of hours worked each week, is ample evidence of the tendency of manufacturing concerns toward expansion of their working force in anticipation of increased armament production. The decline in average hourly earnings, which also occurred during October, suggests that employment expansion has been in the less skilled categories which draw a lower rate of pay than regular employees were receiving.

The number of hours worked in factories where durable goods are manufactured was considerably higher than in plants making nondurable goods (44.2 and 41.8). This represents a striking difference from the situation a year ago when the average hours worked were practically the same (42.7 and 42.5). The hours of employees in durable goods plants have increased substantially, while for nondurable goods they have decreased. The hours worked in paper mills and in chemical plants are the highest in the durable goods group, reflecting the high level of demand for these products.

Industrial Relations

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

Texas labor disputes continued high in October, although most strikes were of short duration. The primary cause of the strikes was wage demands based on increased living costs. This trend may be expected to continue through the winter, since other union groups will likely seek pay and benefit increases similar to those now being granted. Representative hourly wage increases granted in October went to Houston construction workers (12½ cents), Neuhoff Brothers packers (11 cents) and employees of the Texas Engineering and Manufacturing Company (10 cents). Chance-Vought Aircraft granted a 9 cent increase, plus a 4 cent annual productivity improvement factor and a quarterly cost-of-living adjustment.

Several difficult-to-settle public utility strikes began in October and early November. In times of rising wages and other costs, public utility strikes for wages become difficult to settle because the company finds itself in a squeeze between rising costs on the one hand and a stable rate on the other. In a bus strike in Houston the management claimed it could not pay more without rate increase and, to back up its contention, at one time offered its facilities for sale at tax value. During a city bus strike in Beaumont the City Council instructed the City Attorney to work with the Texas League of Municipalities in getting the Texas Legislature to outlaw city bus strikes. In Waco the Mayor endeavored to mediate a Waco Transit strike.

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BAROMETERS OF TEXAS BUSINESS

	October 1950	September 1950	August 1950	Average month Year-to-date	
				1950	1949
GENERAL BUSINESS ACTIVITY					
†Index of Texas Business Activity*.....	232	235	238	224	204
Index of bank debits in Texas cities.....	548	570	594	525	449
Income payments to individuals in the U.S. (billions—seasonally adjusted at annual rate).....	—	\$ 228.3†	\$ 225.4	\$ 218.8	\$ 209.9
Index of wholesale prices in the U.S. (1926=100, unadjusted).....	168.8†	169.5†	166.3	159.1	154.9
Index of consumers' prices in Houston (unadjusted).....	179.9	179.8	177.9	174.8	171.3
Index of consumers' prices in the U.S. (unadjusted).....	174.8	173.8	173.0	170.1	169.1
Index of postal receipts in Texas cities.....	308	303	328	300	286
†Index of miscellaneous freight carloadings in the Southwestern Dis- trict (17.6).....	152	147	142	140	131
Business corporation charters issued (number).....	207	210	235	281	250
Business failures (number).....	15	15	10	17	17
TRADE					
†Index of total retail sales (adjusted for price changes) (47.7)*.....	207†	224	232	218	205
Index of total retail sales.....	399	431	441	409	384
Durable goods stores.....	545	617	630	561	462
Nondurable goods stores.....	334	347	356	341	349
Index of department store sales in the U.S.....	294†	320	335	303	285
Ratio of credit sales to net sales in department and apparel stores.....	65.7	69.1	68.4	65.8	62.5
Ratio of collections to outstandings in department and apparel stores.....	45.5	44.0	45.2	46.3	49.1
Index of gasoline sales.....	—	229	235	230	209
PRODUCTION					
†Index of industrial electric power consumption (14.8).....	398	357	351	343	302
†Index of crude runs to stills (4.5).....	188	181	172	164	165
Index of wheat grindings.....	—	105	118	111	118
Index of cottonseed crushed.....	—	127	194	272	123
Index of southern pine production.....	—	133	140	128	119
Index of dairy product manufacturing.....	70	73	71	78	71
†Index of urban building permits (adjusted for price changes) (3.8)*.....	228	279	345	257	166
Index of urban building permits*.....	461	561	687	497	306
†Index of crude petroleum production (8.6).....	205	215	202	180	163
Index of natural gas production.....	—	446	459	425	379
†Index of total electric power consumption (3.0).....	438	415	412	398	353
Index of industrial production in the U.S.....	213†	211	208	196	176
Index of cement production.....	—	277	285	272	243
AGRICULTURE					
Index of farm cash income.....	529	526	353	317	442
Index of prices received by farmers (unadjusted).....	340	344	326	296	275
Index of prices paid by farmers in the U.S. (parity index, unadjusted) (1910-14=100).....	261	261*	258	254	244
Parity ratio for Texas.....	130	133	126	117	113
Shipments of poultry and eggs (carloads).....	21	23	5	25	54
Index of prices received by farmers—livestock (unadjusted).....	394	393	375	356	334
Index of prices received by farmers—all crops (unadjusted).....	300	306	289	251	230
FINANCE					
Loans, reporting member banks in Dallas district (millions).....	\$ 1,405	\$ 1,328	\$ 1,276	\$ 1,236	\$ 1,075
Loans and investments, reporting member banks in Dallas district (millions).....	\$ 2,666	\$ 2,629	\$ 2,604	\$ 2,554	\$ 2,335
Demand deposits adjusted, reporting member banks in Dallas district (millions).....	\$ 2,099	\$ 2,128	\$ 2,101	\$ 2,045	\$ 1,940
Bank debits in 20 cities (millions).....	\$ 4,656	\$ 4,561	\$ 4,494	\$ 4,181	\$ 3,625
Revenue receipts of the State Comptroller (thousands).....	\$ 46,012	\$ 46,585	\$ 45,661	\$ 47,976	\$ 43,294
Federal internal revenue collections (thousands).....	\$ 81,151	\$ 128,678	\$ 103,754	\$ 114,118	\$ 118,465
LABOR					
Total manufacturing employment (thousands).....	363.2†	358.9	357.9	342.0	331.1
Durable goods employment (thousands).....	156.7†	152.4	152.3	141.8	134.4
Nondurable goods employment (thousands).....	206.5†	206.5	205.6	200.1	196.7
Nonagricultural civilian labor force in 17 labor market areas (thousands).....	1,445	1,447	1,431	1,422	1,393
Unemployment in 17 labor market areas.....	47,140	51,045	57,875	65,949	67,915
Placements in 17 labor market areas.....	40,877	38,609	38,127	29,820	24,278
Percent of labor force unemployed in 17 labor market areas.....	3.2	3.5	4.0	4.6	4.9

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 parentheses.

†Preliminary.

*Revised.

Retail sales indexes have been tentatively revised on the basis of preliminary 1948 Census of Business reports.

Building permit indexes have been revised from January 1935 on the basis of estimates of the total valuation of permits issued in the state made by the Bureau of Labor Statistics and the Bureau of Business Research.