

TEXAS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS AND ECONOMIC CONDITIONS IN TEXAS

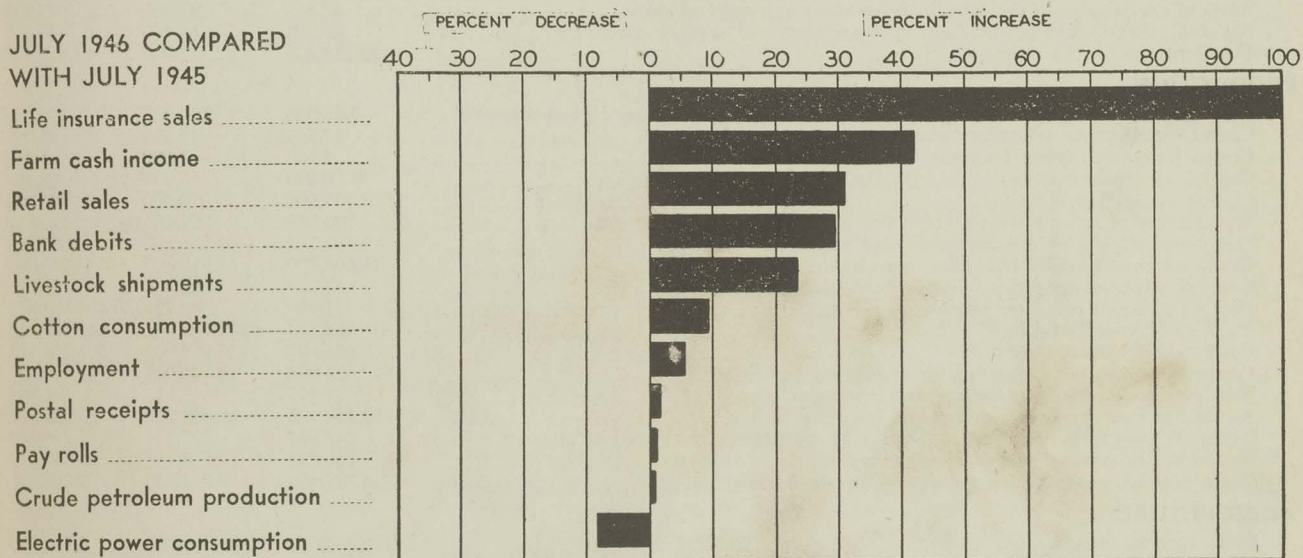
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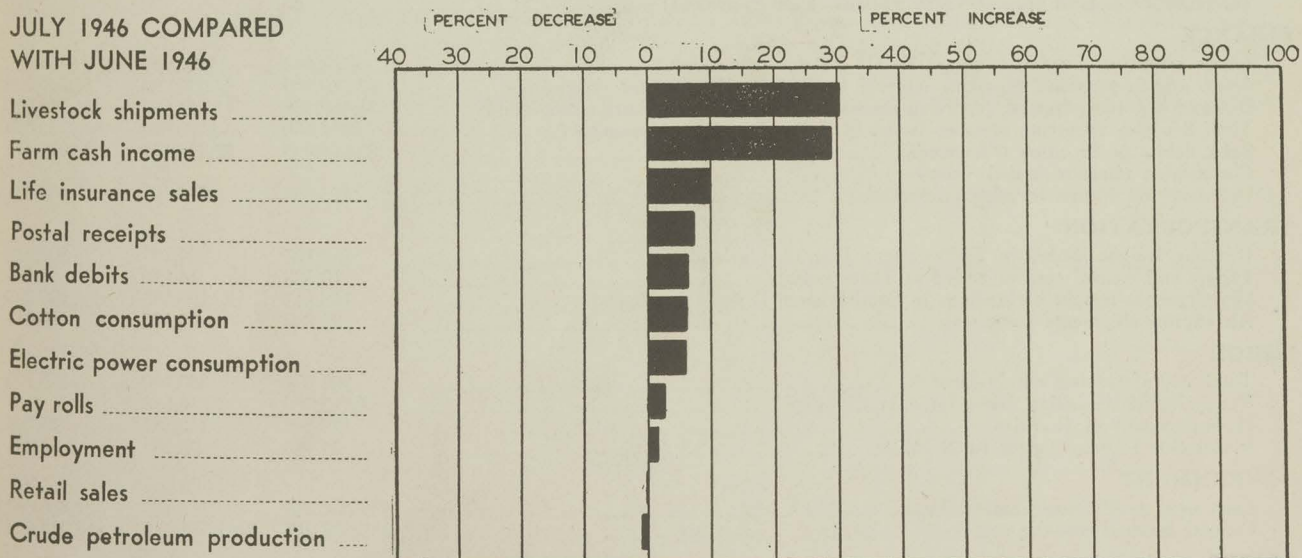
August 1946

HIGHLIGHTS OF TEXAS BUSINESS

JULY 1946 COMPARED
WITH JULY 1945



JULY 1946 COMPARED
WITH JUNE 1946



TEN CENTS PER COPY

ONE DOLLAR PER YEAR

FIGURES FOR THE MONTH

	July 1946	June 1946	July 1945
INDEX OF TEXAS BUSINESS ACTIVITY (1935-39=100)*.....	189.3	181.0	216.9
Index of department and apparel store sales (10).....	339.7	269.1	261.1
Index of miscellaneous freight carloadings in Southwestern District (20).....	140.1	147.7	170.3
Index of crude oil runs to stills (5).....	180.2	174.8	179.7
Index of electric power consumption (15).....	243.8	244.2	254.0
Index of employment (25).....	111.7	110.1	144.8
Index of pay rolls (25).....	193.2	188.1	286.0
TRADE			
Retail sales of 950 independent stores.....	\$26,481,002	\$26,523,812	\$20,201,098
Ratio of credit sales to net sales in department and apparel stores.....	48.5%	47.9%	39.1%
Ratio of collections to outstandings in department and apparel stores.....	64.8%	64.1%	65.5%
Postal receipts in 56 cities.....	\$2,614,859	\$2,447,047	\$2,577,745
PRODUCTION			
Lumber production in Southern pine mills (weekly per unit average in board feet).....	189,489	196,930	190,485
Cotton consumption (running bales).....	17,567	16,559	16,060
Cotton linters consumed (running bales).....	2,502	1,890	1,742
Cottonseed crushed (tons).....	8,996	8,239	28,365
Cement production (barrels).....	977,000	970,000	726,000
Manufacture of dairy products (1000 lbs. milk equivalent).....	106,346	97,482	120,627
Man-hours worked in 524 manufacturing establishments.....	3,287,089	3,236,275	4,824,262
Crude oil runs to stills (42-gallon barrels).....	45,604,000	43,813,000	45,325,000
Gasoline stocks at refineries (thousands of barrels).....	67,277	68,264	71,772
Fuel oil stocks at refineries (thousands of barrels).....	51,188	49,326	51,813
Building permits issued in 49 cities.....	\$16,264,424	\$19,706,862	\$7,401,445
Construction contracts awarded.....	\$55,464,997	\$38,955,302	\$21,205,143
Construction contracts awarded for residential building.....	\$22,423,800	\$8,930,903	\$1,768,500
Number of loans made by savings and loan associations.....	2,309	2,114	1,356
Amount of loans made by savings and loan associations.....	\$8,848,908	\$8,005,905	\$3,943,990
Industrial electric power consumption for 10 companies (thousands of kilowatt hours).....	243,506	229,394	290,213
Telephones in service (end of month).....	746,043	738,561	662,272
Crude petroleum production (daily average in barrels).....	2,227,450	2,251,700	2,209,400
AGRICULTURE			
Farm cash income.....	\$127,447,000	\$98,818,000	\$89,762,000
Shipments of livestock (carloads).....	11,897	9,138	9,631
Rail shipments of poultry (carloads).....	41	53	8
Rail shipments of eggs (shell equivalent).....	432	589	691
Interstate receipts of eggs at Texas stations (shell-equivalent).....	46	99	119
FINANCE			
Loans, reporting member banks in Dallas District (thousands).....	\$684,000	\$673,000	\$459,000
Loans and investments, reporting member banks in Dallas District (thousands).....	\$2,020,000	\$2,038,000	\$1,889,000
Demand deposits adjusted, reporting member banks in Dallas District (thousands).....	\$1,469,000	\$1,443,000	\$1,253,000
Time deposits, reporting member banks in Dallas District (thousands).....	\$311,000	\$310,000	\$254,000
Bank debits in 20 cities (thousands).....	\$2,685,006	\$2,529,139	\$2,070,871
Corporation charters issued (number).....	276	270	58
Ordinary life insurance sales (thousands).....	\$75,268	\$68,491	\$35,262
TRANSPORTATION			
Revenue freight loaded in Southwestern District (carloads).....	262,187	289,105	307,332
Export and coastal cars unloaded at Texas ports.....	13,588	16,218	11,478
Miscellaneous freight carloadings in Southwestern District (carloads).....	158,143	165,523	195,897
Air express shipments (number).....	20,230	20,185	12,011
LABOR			
Total manufacturing employment.....	308,300	305,100	378,100
Nonagricultural civilian labor force in 21 cities.....	1,312,966	1,310,512	.....
Unemployment in 21 cities.....	103,849	112,537	25,305
Placements in employment in 21 cities.....	24,438	23,668	41,807
GOVERNMENT			
Cash receipts of State Comptroller.....	\$34,851,338	\$23,413,731	\$21,836,267
Federal internal revenue collections.....	\$52,638,017	\$101,561,332	\$68,343,608
PRICES			
Index of consumers' prices in Houston (1935-39=100).....	136.0	130.5	127.4
Index of food prices in Houston (1935-39=100).....	160.4	144.0	141.6

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

The Business Situation in Texas

Business activity in Texas during July was very good. While some phases of business showed substantial increases over June and others registered small decreases, the Bureau's *index of business activity*, adjusted for seasonal variation, stood at 189.3, the highest point in 1946 and 89.3% above the prewar level. This was a rise of 4.6% over June 1946. In spite of small breaks downward in March and May of this year, the index has been climbing since October 1945, the low point of the reconversion period when it was 162.7. The high for the war period was 241.9 in February 1945. The July 1946 index was 21.7% below the wartime high and 16.3% above the reconversion low.

The *index of bank debits* also indicates that business in Texas was good during July. This index, adjusted for seasonal variation, stood at 339.5% of the prewar base period of 1935-39. It has been rising since September 1945, when it hit a low one month earlier than the index of business activity. The July index was 6.8% higher than June, compared with a 4.2% rise in the index of business activity. Since the index of bank debits measures changes in the dollar volume of business transactions, it is influenced by the rise in prices more than the index of business activity. (The rise in prices was an important element in the business situation in July, but this factor will be discussed below.)

The *index of miscellaneous freight carloadings* in the Southwestern District declined 5.1% from June after adjustment for seasonal variation. Carloadings of miscellaneous freight represent a good barometer of business conditions, since the movement of goods inevitably reflects the condition of industrial production, wholesale trade, and retail trade. The chief weakness of this measure of business activity is that the freight carloadings are not available for Texas alone, and it is necessary to use loadings in the Southwestern District. Since this district is composed of the railroads operating in the southwest out of St. Louis and Memphis, the number

of cars of miscellaneous freight loaded may be used to represent changes in Texas business without serious error.

An important advantage of freight carloadings as a measure of business is the fact that they are not affected by rising prices, as are bank debits, and therefore measure the physical volume of business activity instead of dollar volume. This index showed the same decline following V-J Day shown by the composite index of business, reached a postwar low in October, and has been rising since that date. This rise has been slightly irregular, just as with the index of business activity, but in July it stood at 140.1% of the 1935-39 base. This means that miscellaneous freight carloadings are 40.1% above the prewar level, and 34.3% above the October 1945 low point. Since this index is not affected by the rise in prices, it is much lower in comparison with the prewar period than bank debits. The index of business activity reflects some increase due to higher prices, and it stands between the level of the bank debits and the carloadings indexes.

The basic pattern of Texas business for the last year has varied considerably for the various components that make up the total business picture. Retail trade has increased spectacularly, both because prices of the goods sold have risen and because the volume of goods sold has increased. Manufacturing activity has declined in those categories that were strictly war industries such as shipbuilding, aircraft, and ordnance. Many civilian industries have increased their output, and any decreases have been small. The components of the index of business activity have behaved in accordance with the degree to which they were influenced by these different factors. *Department and apparel store sales* stood 30.1% above July 1945, and *crude oil runs to stills* were up very slightly (0.3%), while the other components were down, as follows: *employment* 22.9%, *pay rolls* 32.4%, *electric power consumption* 4.0%, and *freight carloadings* 17.7%.



In comparison with the preceding month, the July components of the composite index of business showed the following increases: department and apparel store sales 26.2%, crude oil runs to stills 3.1%, employment 1.5%, and pay rolls 2.7%. The remaining components of the index decreased as follows: miscellaneous freight carloadings in the Southwestern District 5.1%, and electric power consumption 0.2%.

The six components of the index of business activity were selected as representative of the most important phases of Texas business, but a complete picture of the business situation requires some discussion of specific phases of business and their relation to the level of general business.

A more detailed analysis of the level of retail trade in Texas reveals that consumer buying is still increasing in spite of the fact that sales were already far above the prewar level. The biggest percentage increases in *retail sales* have been occurring in stores handling durable goods, such as automobiles, furniture and household appliances, lumber, and hardware. However, since the volume of business in these lines was severely curtailed during the war, the level of business has been below the soft lines, and a relatively small increase might represent a large percentage increase. In the consumer non-durable goods the volume increased all during the war, and has continued steadily upward since the end of the war. The fact that department and apparel store sales are now nearly three and one-half times the prewar volume gives an indication of the extent of the expansion of retail trade.

The volume of consumer buying has been so great that retailers are still operating on inventories that are small in comparison with the volume of business being transacted. In the scarcest lines of consumer durable goods, retailers have been unable to build up inventories, but there is considerable evidence that the pipelines of trade are beginning to fill up with many types of goods. Manufacturers' stocks, including raw materials, goods in process, and finished products have been rising gradually since the reconversion low of December 1945. The index of manufacturers' stocks compiled by the United States Department of Commerce reached an all-time high in July, exceeding the wartime peak reached in November 1943. The published data on the size of inventories have needed careful analysis, since in the early stages of reconversion the increase in business inventories was in the form of materials and semi-finished goods. But now inventories of finished consumer goods are showing increases, and it is wise for retailers to begin to exercise more care in the control of their stocks of goods on hand.

During the war and for the year since its end, there has been little need for tight control of inventories, since the problem was to get goods to sell, and almost anything could be sold at a profit. It is inevitable that under such conditions the systems of stock control used by retailers should deteriorate. But with the supply of goods increasing substantially it is vital that retailers exercise the utmost care in the months to come. Memories of 1919 and 1920 are aroused by the large volume of duplicate orders that have been placed by many stores. If manufacturers should suddenly begin to fill

orders promptly and in full, a great many stores would find themselves overstocked. The present time is probably not too soon for retailers to start exercising more careful control over their stocks.

The level of industrial activity in comparison with last year shows the effect of the reduction in strictly war industries, but when compared with the prewar period shows a substantial gain. Over the short term, industrial activity has been improving. *Industrial power consumption* in Texas is a measure of the changing volume of manufacturing activity, since power is widely used by manufacturing concerns. A decline of 16.1% from July 1945 shows the effect of the closing of war plants, and the increase of 6.2% over June 1946 reflects the present upward trend of industrial activity.

Total *manufacturing employment* in the State was 18.5% below July 1945, but showed an increase of 1.0% over June 1946. Total *man-hours* worked in the manufacturing concerns that report to the Bureau of Business Research increased 1.6% over the preceding month.

The two above series measure changes in total manufacturing activity in the State, but the record for individual industries is similar. *Runs of crude oil to stills* for July were 4.1% ahead of June, although this is less than the usual seasonal increase in refinery operations in July. The fact that petroleum refining has recovered all its loss during the fall of 1945 is seen in the fact that crude runs in July 1946 were 0.6% above July 1945. *Crude petroleum production* for July was 1.1% below June and 0.8% above July of last year.

Cotton consumption for July was up 6.1% over June and was 9.4% above July 1945. *Cotton linters consumption* was up 32.4% from June.

Cottonseed crushed in July was up 177.7% from June, but was 68.3% below July 1945. The volume of cottonseed crushed throughout the seven months of 1946 has been 45.6% below the first seven months of 1945.

Manufacture of dairy products in July was up 9.1% from June, and was 11.8% below the July 1945 level. Like the cotton oil mills, the volume of dairy manufacture has been down all through 1946 in comparison with last year.

Building activity continues at the maximum volume possible with the existing volume of materials and labor. For this reason, it is possible that the data on volume of output in building materials are more significant than the analysis of the data on building permits and contracts awarded. The accumulated demand for housing, commercial, and industrial building is so great and so well recognized that it can be accepted as a fact that the volume of building is as large as the supply of building materials and labor makes possible. The shortage of scarce items continues to delay the completion of houses that are nearly ready for occupancy. This situation has been the cause for the suggestion in one city that no new building be started until some of the houses in process of construction have been completed.

The value of *building permits* issued in 49 Texas cities during July was 119.7% larger than for July 1945, although it was 17.5% below June 1946. The value of *construction contracts* awarded for July was 161.6% greater than for the same month a year ago, and 42.4%

greater than for June 1946. Since the present emphasis is being placed on residential construction, it is not surprising that the value of contracts awarded for residential construction in July were over eleven times greater than the value of contracts awarded in July of last year. For the seven months of 1946 the value of residential contracts awarded were nearly eight times the volume for the same period of last year.

The number of *loans* made by savings and loans associations in July was 9.2% larger than in June 1946, and the amount of loans was 10.5% greater. Compared with July 1945, the number of loans was up 70.3% and the amount of loans was 124.4% greater.

The income of farmers continues high, in spite of the fact that *cash income* from marketings is somewhat below the peak level of the first half of 1945. The index of farm cash income for July was 333.7% of the prewar level, 1935-39, and after adjustment for seasonal variation was 25.7% above June. Monthly indexes of farm income vary somewhat erratically from month to month, since a great many farm products can be marketed or held off the market at the discretion of the farmers. This means that monthly data may vary considerably from one period to another without any real significance being attached to the variations.

The most significant fact to be found from these data is that the income of farmers continues at nearly three times the prewar level. In spite of the erratic variations from month to month, it appears that income has been increasing throughout 1946. Shipments of *livestock* were 30.2% greater in July than in June, shipments of *poultry* were 22.6% less, and shipments of *eggs* were 26.7% less.

The amount of farm products marketed varies considerably over a period of time, but the *prices* received by farmers have been increasing steadily. In July livestock prices reached all-time highs, and forecasts of forty-cent cotton are circulating widely. One of the erratic elements in measuring income from farm marketings is the fact that when prices are rising or higher prices are forecast, there is a tendency for farmers to hold back their products until prices have advanced. This may result in lower income from marketings for a period, although it means larger income in the long run.

With the O.P.A. expiring on June 30, prices rose sharply during July. The index of *wholesale prices* of the Bureau of Labor Statistics (1926=100) rose from 111.8 on June 15 to 124.2 on July 20, a gain of 10.9%. The index of *consumers' prices* in Houston rose 4.2% from June 15 to July 15, with a rise of only 6.8% between July 15, 1945 and July 15, 1946. Houston food prices showed almost three times as great an increase as all items, with an 11.4% increase from June 15 to July 15. During the preceding twelve months all consumers' items in Houston increased 13.3%.

The expansion of business, particularly the increase in inventories, can be seen in the banking figures. *Loans* of reporting member banks in the Dallas Federal Reserve District increased 1.6% over June, and were 49.0% above July 1945. Over the same two periods *demand deposits* increased 1.8% and 17.2%. The expansion of bank loans appears to be following the increase in the size of business inventories, since bank credit is an ac-

cepted method of financing inventory expansion. The expansion of deposits is related to the expansion of loans since for the banking system deposits grow out of loans (or investments).

Time deposits of reporting member banks in the Dallas district have increased 22.4% over July 1945, and *life insurance sales* in July increased 100% over last July. Life insurance sales in July were 10% greater than in June. The incorporation of new businesses continues to run far ahead of last year, with 276 new charters issued in July to make a total of 1,916 to date this year. For the first seven months of 1945, 429 new corporations had been chartered. The only phase of the financial markets that has not been favorable has been the stock market. The sharp decline in security prices in July raised some doubt as to whether business will continue to expand. The market's behavior in August has not yet given any clear answer to the question.

TRADE

Retail Trade

(The record of the movement of goods into the hands of the ultimate 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. It must be remembered, particularly in a period of rising prices, such as the present, that an increase in sales may result from a rise in prices as well as from an increase in the amount of business.)

The index of department and apparel store sales for July increased 26.2% over June after adjustment for

RETAIL SALES OF INDEPENDENT STORES BY KINDS OF BUSINESS

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

Business	Number of reporting establishments	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
TOTAL	950	+31.1	- 0.2
APPAREL	118	+ 22.0	- 9.3
Family clothing stores	43	+ 32.9	- 16.3
Men's and boys' clothing stores	27	+ 18.0	- 3.5
Shoe stores	17	+ 30.3	- 11.8
Women's specialty shops	31	+ 11.7	- 1.9
AUTOMOTIVE*	87	+ 98.5	+ 19.0
Motor vehicle dealers	79	+102.7	+ 20.9
COUNTRY GENERAL	79	+ 11.0	- 1.5
DEPARTMENT STORES	50	+ 17.2	- 4.8
DRUG STORES	96	+ 13.6	- 0.7
GENERAL MERCHANDISE	38	+ 8.4	- 3.4
FILLING STATIONS	20	+ 16.3	+ 1.0
FLORISTS	20	+ 11.9	- 9.7
FOOD*	123	+ 24.0	+ 9.0
Grocery stores	28	+ 38.4	+ 27.8
Grocery and meat stores	87	+ 18.2	+ 2.2
FURNITURE AND HOUSEHOLD*	73	+ 46.2	+ 1.1
Furniture stores	67	+ 44.0	+ 1.3
JEWELRY	27	+ 21.6	- 8.5
LUMBER, BUILDING MATERIALS, AND HARDWARE	150	+ 54.3	- 1.3
Farm implement dealers	19	+ 60.4	+ 7.9
Hardware stores	46	+ 35.6	+ 1.7
Lumber and building material dealers	83	+ 57.5	- 3.6
RESTAURANTS	40	+ 8.7	+ 3.2
ALL OTHER STORES	17	+ 24.2	+ 9.1

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

seasonal variation. The normal behavior of July sales is to decline in relation to June by about 23%, but this year July sales declined only 3.2%. When allowance is made for the normal seasonal decline, the adjusted index shows the unusually large increase of 26.2% over June. This increase carried the index to 339.7 to establish a new high. The base period for the index is the five-year average 1935-39, which means that the volume of department and apparel store sales is now nearly three and one-half times the level of the prewar period.

Sales of all independent retail stores for July remained at their high level in comparison with last year by decreasing only 0.2% from June. Sales were 31.1% above July 1945, while June 1946 was 27.9% above the same month a year ago, and May 1946 was 31.0% above May 1945.

Sales of every *kind of business* in July were substantially ahead of the sales for July 1945, showing a pattern almost identical with that of June. Sales of durable goods stores were still far ahead of other types of stores. The largest increase was registered in sales of motor vehicle dealers, with 102.7%. Farm implement dealer sales increased 60.4%, lumber and building material dealers 57.5%, furniture stores 44.0%, hardware stores 35.6%, and jewelry stores 21.6%.

Sales of nondurable goods stores were generally below the average for all stores. Sales of apparel stores for July were above the same month last year by 22.0% and showed a less-than-seasonal decline of 9.3% from June. Family clothing stores were 32.9% above a year ago, shoe stores 30.3%, men's and boys' clothing stores 18.0%, and women's specialty shops 11.7%. All of the groups of apparel stores showed some decrease from June. Department store sales for July were 17.2% above July 1945, and only 4.8% below June 1946, although the seasonal decline is usually much greater. General merchandise store sales for July were 8.4% above July 1945, and 3.4% below June 1946.

Food store sales for July were 24.0% above July 1945, and 9.0% above June 1946. The spectacular rise

in food prices during July was reflected in the rise in sales of food stores. The Bureau of Labor Statistics reported that the retail price of food increased 13.8% between June 15 and July 15, the greatest one-month jump in United States history. The sales of restaurants increased 8.7% from July 1945, and 3.2% from June 1946. The wholesale price of food products increased 24.1% between June 29 and July 27, but there is no information available on changes in prices charged by restaurants.

Sales of drug stores were 13.6% above July 1945, but 0.7% below the level of June 1946. Sales of florists were 11.9% above July 1945, but 9.7% below June 1946.

Every crop-reporting *district* in the State showed an increase over July 1945, ranging from 58.7% in District 1-S (Southern High Plains) to 24.0% in District 7 (Edwards Plateau). Four districts registered decreases in comparison with June 1946: District 1-N (Northern High Plains) 0.3%, District 6 (Trans-Pecos) 11.4%, District 7 (Edwards Plateau) 6.0%, and District 9 (Coastal Prairies) 4.5%. In all other districts July 1946 was better than June 1946, the largest increase, 10.7%, occurring in District 1-S (Southern High Plains), and the smallest increase, 0.1%, in District 4 (Black and Grand Prairies).

In every *city* in the State for which separate retail sales tabulations were made, July 1946 was better than July 1945. The largest increase over July of last year was in El Paso, with 46.7%; in June 1946 El Paso also showed the greatest increase over last year. The smallest increase over the same month last year was in Temple, which was up only 8.2%. Last month Temple

RETAIL SALES OF INDEPENDENT STORES BY DISTRICTS

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

District	Number of reporting establishments	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
TOTAL	950	+ 31.1	- 0.2
Northern High Plains (District 1-N)	54	+ 26.5	- 0.3
Southern High Plains (District 1-S)	24	+ 58.7	+ 10.7
Red Bed Plains (District 2)	75	+ 29.0	+ 7.5
Western Cross Timbers (District 3)	35	+ 23.6	+ 1.0
Black and Grand Prairies (District 4)	250	+ 23.8	+ 0.1
East Texas Timbered Plains (District 5)	98	+ 35.0	+ 0.3
Trans-Pecos (District 6)	23	+ 45.1	- 11.4
Edwards Plateau (District 7)	51	+ 24.0	- 6.0
Southern Texas Prairies (District 8)	134	+ 36.3	+ 2.9
Coastal Prairies (District 9)	144	+ 31.4	- 4.5
Southern Texas Plains (District 10)	24	+ 25.7	+ 2.4
Lower Rio Grande Valley (District 10-A)	38	+ 44.2	+ 10.0

RETAIL SALES OF INDEPENDENT STORES BY CITY-SIZE GROUPS AND CITIES

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

City-size group and city	Number of reporting establishments	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
TOTAL	950	+ 31.1	- 0.2
OVER 100,000 POPULATION	173	+ 29.5	- 0.5
Dallas	21	+ 31.3	+ 0.6
Fort Worth	82	+ 21.2	- 1.5
Houston	36	+ 45.7	- 7.3
San Antonio	34	+ 31.5	+ 5.3
50,000-100,000 POPULATION	120	+ 34.8	- 5.1
Amarillo	18	+ 30.5	- 4.8
Austin	15	+ 53.6	- 8.9
Beaumont	28	+ 13.4	- 1.2
Corpus Christi	19	+ 40.9	+ 8.9
El Paso	10	+ 46.7	- 12.0
Galveston	10	+ 29.3	+ 2.2
Waco	20	+ 24.1	- 1.6
2,500-50,000 POPULATION	461	+ 33.1	+ 2.8
Abilene	19	+ 37.3	+ 7.1
Jacksonville	10	+ 26.7	- 15.8
Port Arthur	31	+ 20.3	- 11.2
Plainview	11	+ 13.4	+ 19.0
San Angelo	9	+ 25.9	- 11.6
Temple	15	+ 8.2	- 2.0
Tyler	12	+ 50.5	+ 4.7
Wichita Falls	10	+ 23.0	+ 22.5
Other	344	+ 36.2	+ 6.7
UNDER 2,500 POPULATION	196	+ 25.7	+ 10.6

also showed the smallest increase of any city reported. The four largest cities in the State continued to show large, consistent increases over last year. Houston was again ahead with an increase of 45.7%. San Antonio barely moved into second place with an increase of 31.5%, followed by Dallas with 31.3%. Last month Dallas was second in this group and San Antonio third. Sales in Fort Worth increased 21.2% over last July.

The ratio of credit sales to net sales for July 1946 was 48.5%, compared to a ratio of 47.9% for June 1946 and a ratio of 39.1% for July 1945. July is the seventh consecutive month that this ratio has increased. The ratio of collections to total accounts unpaid on the first of the month was 64.8% for July 1946, 64.1% for June 1946, and 65.5% for July 1945. This means that not only have credit sales been increasing faster than cash sales, but collections have been slowing down. Both of these factors tend to increase the volume of accounts receivable outstanding. The ratio of credit salaries to credit sales decreased from last July, standing at 1.3% in July 1946 compared to 1.6% in July 1945. The ratio for June 1945 was 1.4%.

Dallas and Waco were again highest in the ratio of credit sales to net sales, and the ratios in both cities were higher than for last month. The ratio for Dallas in July was 56.6% and in June was 55.9%. For Waco

the ratio in July was 52.3% and in June was 51.2%. In July 1945 the ratio for Dallas was 48.1% and for Waco was 44.6%. The ratio of collections to accounts outstanding was highest in Austin (72.0%) and was lowest in San Antonio (56.6%).

Gasoline sales for June 1946 totaled 162,234,139 gallons to tax-paying users and 21,012,511 gallons to the federal government, according to the tax collections report of the State Comptroller. This represents an increase of 27.5% in nongovernment sales and a decrease of 92.2% in sales to the federal government. In June

POSTAL RECEIPTS

City	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
TOTAL	\$2,614,859	\$2,447,047	\$2,577,745	+ 1.4	+ 6.9
Abilene	30,009	25,949	30,987	- 3.2	+15.6
Amarillo	56,561	55,416	61,989	- 8.8	+ 2.1
Austin	118,940	112,456	100,853	+17.9	+ 5.8
Beaumont	49,673	45,832	49,332	+ 0.7	+ 8.4
Big Spring	8,750	7,298	13,204	-33.7	+19.9
Borger	7,622	6,142	8,509	-10.4	+24.1
Brownsville	12,264	10,439	13,276	- 7.6	+17.5
Brownwood	11,946	9,996	17,215	-30.6	+19.5
Bryan	8,062	8,010	9,921	-18.7	+ 0.6
Childress	3,563	3,053	6,885	-48.2	+16.7
Cleburne	5,656	4,568	6,064	- 6.7	+23.8
Coleman	3,745	3,368	4,692	-20.2	+11.2
Corpus Christi	64,156	61,784	75,107	-14.6	+ 3.8
Corsicana	13,514	12,272	9,980	+35.4	+10.1
Dallas	642,969	609,135	550,571	+16.8	+ 5.6
Del Rio	5,452	4,432	7,173	-24.0	+23.0
Denison	9,114	8,555	11,037	-17.4	+ 6.5
Denton	11,330	9,163	12,055	- 6.0	+23.6
Eddinburg	5,692	5,274	4,937	+15.3	+ 7.9
El Paso	94,547	86,319	96,602	- 2.1	+ 9.5
Fort Worth	262,571	250,052	248,996	+ 5.5	+ 5.0
Gainesville	5,904	4,880	12,552	-53.0	+21.0
Galveston	53,399	50,872	52,171	+ 2.4	+ 5.0
Gladewater	4,076	3,612	5,529	-26.3	+12.8
Graham	4,111	2,997	4,249	- 3.2	+37.2
Greenville	11,500	10,117	11,368	+ 1.2	+13.7
Harlingen	12,603	10,472	17,827	-29.3	+20.3
Houston	417,774	417,304	402,380	+ 3.8	+ 0.1
Jacksonville	6,169	5,842	6,544	- 5.7	+ 5.6
Kerrville	4,919	5,032	5,820	-15.5	- 2.2
Laredo	16,210	15,104	25,931	-37.5	+ 7.3
Longview	16,028	11,749	15,549	+ 3.1	+36.4
Lubbock	34,649	28,554	32,068	+ 8.0	+21.3
Lufkin	8,188	7,116	7,961	+ 2.9	+15.1
McAllen	9,075	9,085	8,323	+ 9.0	- 0.1
Marshall	11,123	8,600	12,382	-10.2	+29.3
Midland	12,447	10,377	14,791	-15.8	+19.9
Orange	13,430	12,174	18,470	-27.3	+10.3
Palestine	8,124	7,058	8,474	- 4.1	+15.1
Paris	10,432	8,175	19,339	-46.1	+27.6
Plainview	5,876	5,976	7,165	-18.0	- 1.7
Port Arthur	24,213	22,669	28,157	-14.0	+ 6.8
San Angelo	23,912	23,118	26,762	-10.6	+ 3.4
San Antonio	260,427	232,031	256,273	+ 1.6	+12.2
Seguin	4,707	3,923	4,991	- 5.7	+20.0
Sherman	11,776	11,222	14,925	-21.1	+ 4.9
Snyder	2,225	1,842	2,290	- 2.8	+20.8
Sweetwater	7,298	9,021	7,578	- 3.7	-19.1
Temple	12,695	10,483	16,637	-23.7	+21.1
Texarkana	26,982	27,387	26,478	+ 1.9	- 1.5
Texas City	8,259	6,445	7,463	+10.7	+28.1
Tyler	25,567	21,215	30,655	-16.6	+20.5
Vernon	7,491	5,130	8,049	- 6.9	+46.0
Victoria	8,352	7,597	13,149	-36.5	+ 9.9
Waco	59,590	53,240	56,083	+ 6.3	+11.9
Wichita Falls	39,193	37,115	49,977	-21.6	+ 5.6

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†		Ratio of credit salaries to credit sales‡	
		July 1946	July 1945	July 1946	July 1945	July 1946	July 1945
ALL STORES	59	48.5	39.1	64.8	65.5	1.3	1.6
BY CITIES:							
Austin	7	40.1	37.5	72.0	69.6	1.9	1.7
Bryan	3	44.5	43.1	52.1	64.9	3.1	2.6
Corpus Christi	4	41.3	34.8	79.5	84.5	1.9	2.0
Dallas	5	56.6	48.1	68.8	68.1	1.0	1.2
El Paso	3	44.6	34.1	57.8	56.9	1.9	1.9
Fort Worth	4	50.3	40.0	66.1	65.7	1.3	2.0
Houston	7	39.1	33.5	63.9	60.2	1.8	2.2
San Antonio	5	39.4	35.8	56.6	64.4	1.3	1.4
Waco	4	52.3	44.6	62.1	63.5	1.3	1.6
Other	17	41.3	35.6	70.4	69.1	1.3	1.5
BY TYPE OF STORE:							
Department stores (annual sales over \$500,000)	15	48.7	40.8	45.6	64.7	1.3	1.5
Department stores (annual sales under \$500,000)	10	41.7	37.4	68.5	64.8	1.7	1.6
Dry goods - apparel stores	4	35.8	33.6	69.3	72.2	2.5	2.2
Women's specialty shops	17	41.5	37.2	66.8	67.8	1.5	1.4
Men's clothing stores	13	39.8	33.3	68.9	66.5	1.6	2.2
BY VOLUME OF NET SALES (1945):							
Over \$2,500,000	15	47.0	42.0	64.5	64.5	1.3	1.4
\$1,000,000-\$2,500,000	13	39.1	32.3	66.5	68.8	1.3	1.8
\$500,000-\$1,000,000	15	37.2	34.1	71.2	67.9	1.7	1.7
Less than \$500,000	16	29.7	25.2	69.9	64.8	5.1	4.1

*Credit sales divided by net sales.

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

‡Salaries of the credit department divided by credit sales.

1945 sales to the federal government totaled 270,875,893 gallons and other sales totaled 127,275,831 gallons.

Sales, exclusive of government sales, in June 1946 were 2.3% greater than for the previous month, when 158,611,482 gallons were sold. Government sales for June 1946 were 46.9% less than in the previous month, when sales were 39,549,457 gallons.

Postal receipts for 56 cities increased 6.9% in July over June, and increased 1.4% over July 1945. Receipts were larger than for June in 51 cities and smaller in 5. In comparison with July 1945, receipts were up in 18 cities, but this group included the largest cities of the State. Dallas receipts were up 16.8%, Fort Worth 5.5%, Houston 3.8%, and San Antonio 1.6%.

Wholesale Trade

(Wholesale sales represent movement of goods to retailers, and when compared with the changes in retail sales indicate whether stocks in the hands of retailers are being maintained at a constant level or are being allowed to increase or decrease. The information on inventories of wholesalers gives an indication of the availability of goods to retailers, which in this period of shortages is a significant factor in the business situation.)

Wholesale sales for June 1946 were 29% greater than for June 1945, and 6% smaller than for May 1946, according to reports from 103 establishments reporting to the Bureau of the Census. Again this month every line of business activity showed an increase. The largest increase was in sales of the machinery, equipment, and supplies group, which rose 61%. Automotive supplies (47%), hardware (46%), and electrical goods (42%) were the other durable goods classifications. Groceries and food sales increased 22%, drugs and sundries increased 16%, and liquor departments of other trades increased 20%. All lines of business showed a seasonal decrease from May 1946, except machinery, equipment, and supplies, which increased 25%.

WHOLESALESAERS' INVENTORIES

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

Business	Percent change	
	June 1946 from June 1945	June 1946 from May 1946
TOTAL	+ 22	+ 3
Automotive supplies	+ 9	—
Drugs and sundries (liquor excluded)	—	+10
Liquor department of other trades*	— 6	— 1
Electrical goods	+109	+19
Groceries and food (except farm products)	+ 16	— 7
Total hardware group	+ 21	+ 6
Machinery, equipment, and supplies (except electrical)	+ 17	— 4
All other	+ 46	+ 5

*Chiefly of the wholesale drug trade.

Wholesalers' inventories in June 1946 were 22% above June 1945, and 3% over May 1946. Increases over June of last year were registered in every line of business except drugs and sundries, and the liquor departments of other trades. The former showed no change, and the latter decreased 6%. Inventories of electrical goods increased 109%, hardware 21%, machinery, equipment, and supplies 17%, groceries and food 16%, and automotive supplies 9%. Decreases from May 1946 were

shown in groceries and food (7%), machinery, equipment, and supplies (4%), and liquor departments (1%). Inventories of automotive supply concerns remained unchanged in comparison with May 1946.

WHOLESALESALESALES

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

Business	Number of reporting firms	Percent change	
		June 1946 from June 1945	June 1946 from May 1946
TOTAL	103	+29	- 6
Automotive supplies	9	+47	- 8
Drugs and sundries, excluding liquor ..	8	+16	-12
Liquor department of other trades* ..	7	+20	- 8
Electrical goods	24	+42	- 3
Groceries and food, except farm products	22	+22	- 7
Total hardware group	14	+46	- 2
Machinery, equipment, and supplies (except electrical)	6	+61	+25
All other	13	+ 8	-21

*Chiefly of the wholesale drug trade.

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.)

Imports of general merchandise through the four Texas customs districts, valued at \$11,007,000 in May, were down 26.2% from April. This over-all decrease was caused by declines of 29.5% in the El Paso district, 37.0% in the Galveston district, and 14.6% in the Laredo district. Although a 4.7% gain was reported for the Sabine district (Port Arthur) the volume of imports there was too small to affect the over-all percentage decline. Compared with May 1945, imports in May this year were down 22.2%, with declines reported for all districts except Galveston, where the value of imports was 5.1% greater than a year earlier.

IMPORTS OF GENERAL MERCHANDISE BY CUSTOMS DISTRICTS

(in thousands of dollars)

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

Customs district	May 1946	April 1946	May 1945	Percent change	
				May 1946 from May 1945	May 1946 from April 1946
TOTAL	\$11,007	\$14,906	\$14,152	-22.2	-26.2
El Paso	1,534	2,176	1,603	- 4.3	-29.5
Galveston	4,044	6,422	3,847	+ 5.1	-37.0
Laredo	5,186	6,076	8,232	-37.0	-14.6
Sabine	243	232	470	-48.3	+ 4.7

Exports from Texas customs districts increased from \$83,885,000 in April to \$94,539,000 in May 1946, registering a gain of 12.7%. Sabine was the only customs district where export activity was less in May than during the preceding month. All districts, however, showed large percentage increases over May 1945, and the overall gain was 78.0%.

EXPORTS OF DOMESTIC AND FOREIGN MERCHANDISE (in thousands of dollars)

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

Customs district	May 1946	April 1946	May 1945	Percent change	
				May 1946 from May 1945	May 1946 from April 1946
TOTAL	\$94,539	\$83,885	\$53,124	+78.0	+12.7
El Paso	2,872	2,678	1,925	+49.2	+ 7.2
Galveston	57,202	51,104	30,565	+87.1	+11.9
Laredo	26,255	21,149	17,596	+49.2	+24.1
Sabine	8,210	8,954	3,038	+170.2	- 8.3

IMPORTS OF GENERAL MERCHANDISE BY AIR

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

District and port of unloading	May 1946	April 1946	Percent change	
			May 1946 from April 1946	
TOTAL	\$216,143	\$390,621	- 44.7	
Galveston	55,526	92,611	- 40.0	
Dallas	49,894	40,624	+ 22.8	
Fort Worth	5,632	51,987	- 89.2	
Laredo	144,971	265,179	- 45.3	
Brownsville	34,875	187,036	- 81.4	
Laredo	6,543	9,764	- 33.0	
San Antonio	103,553	68,379	+ 51.4	
El Paso	15,646	32,831	- 52.3	
El Paso	15,646	32,831	- 52.3	

Imports of general merchandise by air at Texas customs districts fell sharply in May from their April level. All ports of unloading except Dallas and San Antonio contributed to the over-all decline of 44.7%.

On the other hand, air exports from Texas districts rose 6.1%, from \$1,756,723 in April to \$1,864,047 in May. El Paso was the only district to show a decline.

Commodities of greatest importance (in terms of value) in air export through Texas districts were fur and manufactures, jewelry, medicinal preparations, fabrics and clothing, and vehicles and machinery. Altogether these items made up nearly 80% of the total value of air export trade, and among them fur and manufactures and jewelry were of prime importance.

Air imports included a wider variety of items, of which fabrics and clothing, jewelry, leather products, diamonds, and rare and precious metals figured most heavily in the total.

EXPORTS OF MERCHANDISE BY AIR

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

District and port	May 1946	April 1946	Percent change	
			May 1946 from April 1946	
TOTAL	\$1,864,047	\$1,756,723	+ 6.1	
Galveston	295,635	246,550	+ 19.9	
Fort Worth	295,635	246,550	+ 19.9	
Laredo	1,505,911	1,413,097	+ 6.6	
Brownsville	1,206,648	1,163,136	+ 3.7	
Laredo	57,114	46,694	+ 22.3	
San Antonio	242,149	203,267	+ 19.1	
El Paso	62,501	97,076	- 35.6	
El Paso	62,501	97,076	- 35.6	

PRODUCTION

Manufacturing

(The volume of manufacturing activity in any industrial area is a sensitive measure of the changes in business activity. The volume of durable goods manufactured tends to fluctuate more violently than the volume of nondurable goods such as foods, and may serve to indicate changes in the business situation at an early date. Since many manufacturing industries vary regularly with the seasons, this factor must be taken into consideration in interpreting the changes from month to month.)

The average weekly production of *lumber* per unit of mills reporting to the Southern Pine Association for July 1946 was 3.8% below the corresponding figure for June 1946, and the average weekly shipments were 4.9% under their June level. Average weekly production per unit was almost equal the figure for July 1945; however, the shipments were 6.2% below the figure for July 1945. Average unfilled orders per unit at the end of July 1946 were 7.0% below the figure for June 1946 and 30.7% below that for July 1945.

The *index of lumber production* in southern pine mills declined 3.8% in July from June. Based on the 1935-39 average, this index stood at 65.9 in July, almost unchanged from the July 1945 index of 66.0.

LUMBER PRODUCTION IN SOUTHERN PINE MILLS

(in board feet)

Source: Southern Pine Association

Item	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
Average weekly production per unit	189,489	196,930	190,485	- 0.5	- 3.8
Average weekly shipments per unit	193,999	203,988	206,871	- 6.2	- 4.9
Average unfilled orders per unit, end of month	978,756	1,051,899	1,411,625	-30.7	- 7.0

The consumption of both *cotton* and *linters* at Texas mills during July was considerably above the levels of June 1946 and July 1945. July cotton consumption of 17,567 running bales represented a 6.1% gain over June, whereas the consumption of linters (2,502 bales) jumped 32.4% from the previous month's figure. Compared with July 1945, cotton consumption was up 9.4% this July, and the consumption of linters was up 43.6%. A year ago between June and July cotton consumption declined slightly (0.5%), while linters showed an increase (30.6%) similar to that reported this year.

CONSUMPTION OF COTTON AND COTTON LINTERS

(in running bales)

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

Commodity	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
Cotton	17,567	16,559	16,060	+ 9.4	+ 6.1
Linters	2,502	1,890	1,742	+43.6	+32.4

Cottonseed received at mills in Texas during July 1946 was more than 40 times as much as the June 1946 figure and was 25.0% more than the corresponding figure for July 1945. The amount of cottonseed crushed in Texas during July 1946 was 177.7% greater than the June 1946 amount, but 68.3% below July 1945. Stocks at the end of July 1946 were 392.9% above the June 1946 figure; however, they were 31.9% less than the year-ago level. Between June and July 1945 there were also increases in all three series, although the gains were smaller: cottonseed received at mills rose 498.3%; crushings gained 11.3%; and stocks rose 22.3%.

COTTONSEED PRODUCTION (in tons)

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

Item	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July from June 1946
Received at mills	54,683	1,206	43,732	+25.0	+4434.2
Crushed	8,996	3,239	28,365	-68.3	+ 177.7
Stocks at end of month	57,314	11,627	84,199	-81.9	+ 392.9

Wheat grindings at Texas mills totaled 3,171,000 bushels during June 1946, to register a 15.1% increase over the preceding month. The June 1946 figure, was, however 16.6% greater than that of 3,802,000 bushels ground in June 1945. A similar gain over May was shown in wheat flour production (up 15.5%), with a somewhat smaller (6.3%) drop from June 1945. Between May and June 1945 wheat grindings in Texas dropped off 5.1% and flour production 6.3%.

WHEAT GRINDINGS AND FLOUR PRODUCTION

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

Item	Unit	June 1946	May 1946	June 1945	Percent change	
					June 1946 from June 1945	June from May 1946
Wheat ground	1,000 bu.	3,171	2,754	3,802	-16.6	+15.1
Wheat flour	1,000 sks.	1,497	1,296	1,598	- 6.3	+15.5

Production of cement in Texas during July 1946 totaled 977,000 barrels and was 34.6% more than July 1945 production of 726,000 barrels. Shipments during the month (993,000 barrels) were also far above (31.0%) last year's shipments, but end-of-month stocks were off 41.9% from last July. Compared with June 1946, production in July 1946 was up 0.7%, shipments were up 1.8%, and end-of-month stocks were down 3.7%.

CEMENT PRODUCTION (in thousands of barrels)

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

Item	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July from June 1946
Production	977	970	726	+34.6	+ 0.7
Shipments	993	975	758	+31.0	+ 1.8
Stocks	421	437	724	-41.9	- 3.7

The *index of cement production* compiled by the Bureau of Business Research dropped 3.4% between June and July, after adjustment for seasonal variation. In July it was 78.4% above its prewar (1935-39) base. Since actual production rose 0.7%, the decline in the index resulted from the failure of cement production in Texas to measure up to seasonal expectations, which indicate a 4.3% advance for July over June.

The Bureau's *index of crude oil runs to stills* rose 3.1% in July from its June level, after adjustments for seasonal variation. It was also slightly (0.3%) above the July 1945 index. In July 1946, however, the index of crude oil runs to stills was 66.5% above the 1935-39 average month.

Refinery stocks of gasoline in Texas at the end of July 1946 were slightly less (1.5%) than at the end of June 1946; distillate stocks registered an increase of 16.2%; but residual stocks were down 9.0%. These monthly changes are in contrast to the movement in stocks between June and July a year ago when all three types of refinery stocks moved upward: gasoline stocks, 5.3%; distillate stocks, 7.8% (less than this year's gain); and residual stocks, 3.1%.

In comparison with year-ago figures, gasoline stocks were 6.3% lower this July and residual stocks 16.7% lower than on July 31, 1945, whereas stocks of distillate were up 15.0%.

Detailed data for the Texas Gulf Coast and Inland Texas are shown in the accompanying table.

REFINERY STOCKS*

(in thousands of barrels)

Source: The Oil and Gas Journal

Section and item	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July from June 1946
TEXAS					
Gasoline	67,277	68,264	71,772	— 6.3	— 1.5
Distillate	29,076	25,027	25,282	+15.0	+16.2
Residual	22,112	24,299	26,531	—16.7	— 9.0
TEXAS GULF COAST					
Gasoline	56,023	56,341	60,397	— 7.3	— 0.6
Distillate	27,308	23,620	23,336	+17.0	+15.6
Residual	19,239	21,548	22,821	—15.7	—10.7
INLAND TEXAS					
Gasoline	11,254	11,923	11,375	— 1.1	— 5.6
Distillate	1,768	1,407	1,946	— 9.2	+25.7
Residual	2,873	2,751	3,710	—22.6	+ 4.4

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

The total milk equivalent consumed in the *manufacture of dairy products* in Texas during July 1946 was 9.1% above the June 1946 figure and was 11.8% below the figure for July 1945. Creamery butter production for July 1946 was 9.9% above that for June 1946, but was 29.6% below the July 1945 figure. Ice cream production in July 1946 was 3.4% above the June 1946 figure, and it was 28.6% above the July 1945 output. American cheese output for July 1946 was slightly above the June 1946 figure, but was 47.1% below the July 1945 output.

MANUFACTURE OF DAIRY PRODUCTS

Product	Unit	July 1946	June 1946	July 1945	Percent change	
					July 1946 from July 1945	July 1946 from June 1946
TOTAL MILK						
EQUIVALENT*	1,000 lbs.	106,346	97,482	120,627	-11.8	+ 9.1
Creamery butter.....	1,000 lbs.	1,889	1,719	2,684	-29.6	+ 9.9
Ice cream†	1,000 gal.	3,468	3,354	2,697	+28.6	+ 3.4
American cheese.....	1,000 lbs.	910	888	1,721	-47.1	+ 2.5

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

†Includes sherbets and ices.

Construction

(Because of the accumulated deficiency of building in all sections of the State, data on the volume of construction work are an extremely important part of the business situation. Building permits or contracts awarded are generally used to measure building activity, but it must be kept in mind that data on both permits and contracts reflect the value of new work begun, rather than the volume of actual construction activity in a particular month.)

Construction contracts for Texas during July 1946 were 42.4% above the June 1946 level and were 161.6% above the figure for July 1945. According to the *Texas Contractor*, the source of these data, this year's July figure marks an all-time high for construction in Texas.

All types of contracts except those for engineering construction registered increases over June 1946, and all types were well above July 1945. Residential building contracts, now claiming the heaviest awards, rose 151.1% between June and July, and were more than 10 times as great as in July 1945. The value of contracts awarded for nonresidential construction was up 17.4% over June and 522.9% over July 1945. Although engineering contract awards in July were nearly 3½ times as great as a year earlier, they were 11.2% below their June 1946 volume.

In July 1945 contracts for war construction, which have now disappeared from the construction picture, made up over four-fifths of the total value of contracts awarded. Contracts for peacetime building have therefore increased considerably more than the 161.6% gain indicated in the accompanying table for total contract awards.

CONSTRUCTION CONTRACTS

Source: *Texas Contractor*

Type of building	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
TOTAL	\$55,464,997	\$38,955,802	\$21,205,143	+161.6	+ 42.4
Engineering ..	6,864,607	7,728,705	1,924,906	+256.6	- 11.2
Nonresidential	26,176,590	22,295,694	4,202,576	+522.9	+ 17.4
Residential ..	22,423,800	8,930,903	1,768,500	+1168.0	+151.1
War construction			13,309,161		

The value of building permits issued in 49 Texas cities fell back sharply (17.5%) in July from June; however, the July amount was more than twice the size of the July 1945 figure for permits issued. Dallas led the State last month, with total permits of \$2,899,377, followed by Austin, Fort Worth, San Antonio, and Houston—all of which issued permits in excess of \$1,000,000 during July.

Compared with the 1935-39 average, the volume of permits issued in July was more than three times as great. The seasonally-adjusted index (1935-39=100) stood at 324.6 last month, up 2.3% from its June level. Although the dollar value of permits dropped 17.5% from June to July, the seasonal index indicates a still larger decline of 19.3%; hence the adjusted index moved upward.

BUILDING PERMITS

City	July 1946	June 1946	July 1945
TOTAL	\$16,254,424	\$19,796,862	\$ 7,401,445
Abilene	160,315	304,813	120,322
Amarillo	691,490	451,640	159,629
Austin	1,875,193	1,326,123	226,808
Beaumont	320,989	217,505	135,169
Big Spring	90,900	74,900	106,835
Borger	25,900	34,000	22,200
Brownsville	79,855	65,393	30,646
Brownwood	14,500	8,750	23,250
Bryan	209,239	190,839	59,600
Childress	28,900	14,665	10,455
Cleburne	55,530	28,570	4,295
Coleman	21,300	51,750	0
Corpus Christi	760,699	1,084,897	320,765
Corsicana	20,050	12,896	36,400
Dallas	2,899,377	2,710,248	1,451,209
Denison	59,698	80,009	19,864
Denton	77,450	142,150	34,275
Edinburg	39,375	24,300	22,725
El Paso	230,262	216,804	106,757
Fort Worth	1,431,091	1,564,919	630,628
Gainesville	38,265	37,935	15,028
Galveston	301,447	191,357	82,593
Gladewater	12,411	26,600	29,000
Graham	64,500	6,600	275
Harlingen	310,700	96,892	64,100
Houston	1,153,055	2,400,957	1,840,059
Jacksonville	49,650	10,000	8,100
Kerrville	91,710	71,530	31,563
Longview	97,070	101,960	175,228
Lubbock	791,401	3,776,808	301,391
Lufkin	101,040	109,550	16,050
McAllen	110,265	159,625	13,510
Marshall	304,618	134,877	32,664
Midland	127,325	135,800	111,350
New Braunfels	62,226	19,260	24,785
Pampa	72,790	376,175	8,200
Paris	25,585	87,200	30,560
Plainview	81,600	94,150	64,300
Port Arthur	157,563	261,920	58,440
San Antonio	1,400,433	1,748,291	467,909
Seguin	25,625	38,409	7,775
Sherman	80,126	73,259	161,425
Sweetwater	58,730	35,100	11,465
Texarkana	105,970	70,370	17,820
Texas City	48,200	45,960	20,150
Tyler	355,825	395,150	81,639
Victoria	24,190	38,000	12,225
Waco	915,486	404,866	155,963
Wichita Falls	204,455	153,090	36,046

The number of *loans* made by the 119 insured savings and loan associations in Texas during July 1946 showed an increase of 9.2% above the June 1946 figure and were 70.3% above the figure for July 1945. The gain for construction loans was 29.8%, and recondition loans showed an increase of 38.8%. Loans for purchase and refinance both showed small percentage decreases. The amount of loans for July 1946 was 10.5% above the June 1946 figure, and, of the several categories, refinance loans alone registered a decrease (14.3%).

LOANS MADE BY SAVINGS AND LOAN ASSOCIATIONS*

Source: Federal Home Loan Bank of Little Rock

Type	July 1946	June 1946	Percent change		
			July 1946 from July 1945	July 1946 from June 1946	
NUMBER, TOTAL	2,309	2,114	1,356	+ 70.3	+ 9.2
Construction	583	449	122	+377.9	+29.8
Purchase	1,240	1,257	878	+ 41.2	- 1.4
Refinance	141	148	111	+ 27.0	- 4.7
Recondition	168	121	148	+ 13.5	+38.8
Other	177	139	97	+ 82.5	+27.3
AMOUNT, TOTAL	\$8,848,908	\$8,005,905	\$8,943,990	+124.4	+10.5
Construction	2,497,457	1,804,845	436,359	+472.3	+38.4
Purchase	5,312,685	5,211,330	2,720,455	+ 95.3	+ 1.9
Refinance	446,116	520,464	302,611	+ 47.4	-14.3
Recondition	188,552	143,633	217,077	- 13.2	+31.3
Other	404,098	325,633	267,488	+ 51.1	+24.1

*There are 119 insured associations in Texas.

Public Utilities

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

Electric power consumption in Texas for July 1946 was 5.8% above that for June 1946, but it was 8.3% below the July 1945 figure. The largest category as to use—industrial power—showed an increase of 6.2% over the June 1946 figure, but was 16.1% under that

ELECTRIC POWER CONSUMPTION*

(in thousands of kilowatt hours)

Use	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
TOTAL	482,898	456,524	526,701	- 8.3	+ 5.8
Commercial	102,057	95,411	96,225	+ 6.1	+ 7.0
Industrial	243,506	229,394	290,213	-16.1	+ 6.2
Residential	70,864	66,378	61,992	+14.3	+ 6.8
Other	66,471	65,341	78,271	-15.1	+ 1.7

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

for July 1945. Both commercial and residential power consumption were up more than 6% from the June 1946 and the July 1945 figures.

The Bureau's *index of electric power consumption* in July dropped slightly (0.2%) from June after seasonal adjustment, since July consumption did not come up to seasonal expectations. The index in July 1946 stood at 243.8% of the 1935-39 average.

The total production of *electric energy* for public use in Texas amounted to 624,000 kilowatt hours in June 1946. At this figure, power production was 2.2% above the June 1945 level, but was 10.8% under May 1946. A similar decline (7.5%) occurred between May and June 1945.

The number of *telephones in service* in 40 Texas cities at the end of July was 1.0% higher than a month earlier and 12.6% above July 1945. During the last month 7,482 new telephones were installed, bringing total installations in the past 12 months to 83,771. With few exceptions more telephones were in use in all cities

TELEPHONES IN SERVICE*

Source: Southwestern Bell Telephone Company

City	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
TOTAL	746,043	738,561	662,272	+12.6	+ 1.0
Abilene	9,941	9,871	8,663	+14.8	+ 0.7
Amarillo	19,010	19,109	17,995	+ 5.6	- 0.5
Austin	31,993	31,708	28,314	+13.0	+ 0.9
Beaumont	21,132	21,050	19,276	+ 9.6	+ 0.4
Big Spring	3,486	3,468	3,385	+ 3.0	+ 0.5
Borger	3,749	3,649	2,536	+47.8	+ 2.7
Brownsville	3,647	3,548	3,316	+10.0	+ 2.8
Cleburne	2,723	2,710	2,273	+19.8	+ 0.5
Corpus Christi	24,001	23,801	21,552	+11.4	+ 0.8
Corsicana	4,005	3,952	3,315	+20.8	+ 1.3
Dallas	141,486	140,214	126,101	+12.2	+ 0.9
Denison	5,195	5,092	4,469	+16.2	+ 2.0
Edinburg	1,413	1,391	1,127	+25.4	+ 1.6
Fort Worth	70,998	70,396	62,575	+13.5	+ 0.9
Gainesville	2,688	2,653	2,841	- 5.4	+ 1.3
Galveston	20,617	20,555	18,897	+ 9.1	+ 0.3
Harlingen	3,754	3,645	3,643	+ 3.0	+ 3.0
Houston	165,272	163,706	144,150	+14.7	+ 1.0
Kingsville	2,114	2,051	1,956	+ 8.1	+ 3.1
Laredo	4,988	4,833	4,687	+ 6.4	+ 3.2
Longview	5,578	5,545	4,945	+12.8	+ 0.6
Lubbock	12,633	12,463	10,551	+19.7	+ 1.4
Marshall	4,273	4,259	3,665	+16.6	+ 0.3
McAllen	2,907	2,873	2,447	+18.8	+ 1.2
McKinney	2,301	2,222	1,943	+18.4	+ 3.6
Midland	4,299	4,188	3,644	+18.0	+ 2.7
Mineral Wells	2,790	2,759	2,960	- 5.8	+ 1.1
Orange	4,018	3,949	3,526	+14.0	+ 1.7
Pampa	4,465	4,463	3,780	+18.1	+ 0.04
Paris	4,880	4,783	4,755	+ 2.6	+ 2.0
Port Arthur	15,257	15,049	13,046	+16.9	+ 1.4
San Antonio	81,464	80,212	72,584	+12.2	+ 1.6
San Benito	1,337	1,315	1,095	+22.1	+ 1.7
Sweetwater	2,199	2,192	2,122	+ 3.6	+ 0.3
Temple	4,420	4,389	3,977	+11.1	+ 0.7
Tyler	9,877	9,719	8,300	+19.0	+ 1.6
Vernon	2,499	2,485	2,185	+14.4	+ 0.6
Victoria	4,282	4,131	4,184	+ 2.3	+ 3.7
Waco	18,021	16,436	15,799	+14.1	+ 9.6
Wichita Falls	16,331	17,727	15,693	+ 4.1	- 7.9

*Figures shown for the end of the month.

on July 31 than a year earlier, or in the preceding month. Amarillo and Wichita Falls reported the only declines from June of 0.5% and 7.9%, respectively, whereas Gainesville (-5.4%) and Mineral Wells (-5.8%) showed a reduction in the number of instruments used in July as compared with July 1945.

Natural Resources

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

Daily average production of *crude petroleum* in Texas for July 1946 registered a decrease of 1.1% under the June 1946 figure and was only 0.8% above the July 1945 level. The *index of crude petroleum production* stood at 179.4% of the 1935-39 average in July.

Of Texas *well completions* in July 1946, 349 were oil wells, 47 gas wells, and 201 dry holes. North Central Texas led in number of completions, as well as in number of dry holes. Both West Texas and Texas Gulf Coast stood relatively high in total number of completions and in oil wells completed. The Texas Gulf Coast, Eastern Texas, and the Panhandle all stood relatively high in number of gas wells. Districts of greatest activity as to number of completions in the first seven months this year included North Central Texas, the Texas Gulf Coast, and West Texas.

WELL COMPLETIONS
Source: *The Oil and Gas Journal*

District	July*				Jan.-July (all wells)	
	Total	Oil	Gas	Dry	1946	1945
TEXAS	597	349	47	201	4,554	4,125
North Central Texas	225	117	5	103	1,645	1,232
West Texas	131	107	0	24	954	1,066
Panhandle	20	5	11	4	193	316
Eastern Texas	37	18	11	8	405	189
Texas Gulf Coast	129	83	16	25	1,013	934
Southwest Texas	55	14	4	37	344	388

*For four weeks ending July 27.

AGRICULTURE

Income

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

Texas farmers received 29% more money from the sale of their products during July than they did during June, thus receiving the highest monthly *farm cash income* since November 1945, according to estimates made by the Bureau of Business Research. July cash income was 42% higher than during July 1945.

The \$127,447,000 received by Texas farmers during July brought their income for the year thus far to within

1.3% of the total income for the first seven months of 1945. By July 31 farmers had received \$555,114,000 for their 1946 crops, as compared with \$562,655,000 at the same time last year.

The *index of farm cash income*, based on the 1935-39 period, stood at 333.7 in July, as compared with 265.4 in June 1946 and 235.0 in July 1945.

Largely accounting for the exceptionally large income during July were the increases in prices of the more important farm commodities and the exceptionally large wheat crop harvested in West Texas. Overshadowing the second smallest crop of cotton in over five decades was the sharp (16.5%) rise in the price of cotton, which was particularly significant in increasing the cash income of the Rio Grande Valley and the coastal bend areas.

With a bumper crop of wheat threshed in the Panhandle and a 5.2% rise in wheat prices in Texas, cash income in West Texas was considerably higher than in June and was well above the July 1945 level. Live-stock price increases ranged from 10 to 13% and were significant in adding to the money income of Texas farmers.

With the exception of the income from wheat marketings, the high cash receipts during July resulted primarily from rapidly rising prices during the first month of uncontrolled markets.

CASH FARM INCOME*

District	Indexes, 1935-39=100, adjusted for seasonal variation			Amount, Jan.-July (in thousands of dollars)	
	July 1946	June† 1946	July 1945	1946	1945
TEXAS	333.7	265.4	235.0	555,114	562,655
1-N	412.2	231.2	261.1	72,029	67,628
1-S	603.7	317.2	407.4	34,913	45,278
2	319.9	539.5	219.4	53,658	59,104
3	386.1	311.4	223.5	32,040	29,119
4	219.7	218.8	155.1	60,170	63,219
5	651.0	232.1	556.2	29,994	39,484
6	258.5	203.4	188.8	25,637	22,716
7	399.9	207.0	309.0	54,989	51,252
8	128.8	278.3	99.1	46,043	45,331
9	202.1	261.7	163.7	23,783	25,611
10	118.5	157.6	92.8	23,901	23,992
10-A	791.7	203.2	576.0	97,957	89,471

*Farm cash income as computed by the Bureau understates actual farm cash income by from 6 to 10%. This situation does not impair the accuracy of the indexes.

†Revised.

Prices

(One of the elements that bring about changes in the level of farm income is the price received for products. Changes in prices are of primary concern to the farmer and all businesses relying on the farm market.)

Prices of agricultural commodities in Texas increased sharply during July as compared with June 1946, and were considerably above prices reported during the same period in 1945, according to a survey of farm prices throughout the State made by the Bureau of Agricultural Economics of the United States Department of Agriculture.

LOCAL BUSINESS

ABILENE	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores	.....	+ 37.3	+ 7.1
Department and apparel store sales	.....	+ 9.6	- 16.0
Postal receipts	\$ 30,009	- 3.2	+ 15.6
Building permits	\$ 160,315	+ 33.2	- 47.4
Telephones in service	9,941	+ 14.8	+ 0.7
Air express shipments	98	+113.0	- 4.9
Bank debits to individual accounts (thousands)	\$ 23,898	+ 42.2	+ 2.2
Placements in employment	418	- 17.4	- 35.9
Unemployment	1,426	+338.8	- 15.9

AMARILLO	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores	.....	+ 30.5	- 4.8
Postal receipts	\$ 56,561	- 8.8	+ 2.1
Building permits	\$ 691,490	+333.2	+ 53.1
Telephones in service	19,010	+ 5.6	- 0.5
Air express shipments	300	+ 69.5	- 11.5
Bank debits to individual accounts (thousands)	\$ 71,660	+ 40.7	+ 21.1
Placements in employment	837	+ 16.7	+ 0.5
Unemployment	1,400	+1259.2	+ 40.0

AUSTIN	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores	.....	+ 53.6	- 8.9
Department and apparel store sales	.....	+ 33.6	- 9.3
Postal receipts	\$ 118,940	+ 17.9	+ 5.8
Building permits	\$1,875,193	+726.8	+ 41.4
Telephones in service	31,993	+ 13.0	+ 0.9
Air express shipments	439	+139.9	- 17.8
Bank debits to individual accounts (thousands)	\$ 79,653	+ 13.7	- 17.3
Placements in employment	902	+ 17.3	+ 11.6
Unemployment	2,851	+186.2	+ 0.7

BEAUMONT	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores	.....	+ 13.4	- 1.2
Postal receipts	\$ 49,673	+ 0.7	+ 8.4
Building permits	\$ 320,989	+137.5	+ 47.6
Telephones in service	21,132	+ 9.6	+ 0.4
Air express shipments	222	+ 37.9	+ 1.4
Bank debits to individual accounts (thousands)	\$ 62,743	+ 5.4	+ 9.4
Placements in employment	2,273	- 54.3	+ 3.3
Unemployment	10,200	+1940.0	- 6.4

CORPUS CHRISTI	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores	.....	+ 40.9	+ 8.9
Department and apparel store sales	.....	+ 44.5	+ 4.6
Postal receipts	\$ 64,156	- 14.6	+ 3.8
Building permits	\$ 760,699	+137.2	- 29.9
Telephones in service	24,001	+ 11.4	+ 0.8
Air express shipments	466	+ 27.7	- 7.5
Bank debits to individual accounts (thousands)	\$ 65,143	+ 9.8	+ 0.2
Placements in employment	674	- 8.0	+ 1.4
Unemployment	3,100	+342.9	.....

CORSICANA	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Postal receipts	\$ 13,514	+ 35.4	+ 10.1
Building permits	\$ 20,050	- 44.9	+ 55.5
Telephones in service	4,005	+ 20.8	+ 1.3
Bank debits to individual accounts (thousands)	\$ 6,782	+ 6.9	+ 3.9

DALLAS	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores	.....	+ 31.3	+ 0.6
Department and apparel store sales	.....	+ 31.6	- 5.0
Postal receipts	\$ 642,969	+ 16.8	+ 5.6
Building permits	\$2,899,377	+ 99.8	+ 7.0
Telephones in service	141,486	+ 12.2	+ 0.9
Air express shipments	5,865	+ 55.2	+ 1.6
Bank debits to individual accounts (thousands)	\$ 752,827	+ 31.5	+ 5.6
Placements in employment	4,134	- 38.9	+ 8.4
Unemployment	15,900	+342.9	- 15.4

EL PASO	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores	.....	+ 46.7	- 12.0
Department and apparel store sales	.....	+ 16.5	- 3.6
Postal receipts	\$ 94,547	- 2.1	+ 9.5
Building permits	\$230,262	+115.7	+ 6.2
Air express shipments	1,076	+ 68.4	- 3.4
Bank debits to individual accounts (thousands)	\$ 85,245	+ 47.3	+ 2.4
Placements in employment	581	- 51.2	+ 18.3
Unemployment	2,995	+274.4	- 15.6

FORT WORTH	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores	.....	+ 21.2	- 1.5
Department and apparel store sales	.....	+ 21.1	- 5.9
Postal receipts	\$ 262,571	+ 5.5	+ 5.0
Building permits	\$1,431,091	+126.9	- 8.6
Telephones in service	70,998	+ 13.5	+ 0.9
Air express shipments	2,192	+ 53.6	- 0.6
Bank debits to individual accounts (thousands)	\$ 305,746	+ 43.7	+ 20.2
Placements in employment	3,135	- 24.3	+ 3.3
Unemployment	10,300	+106.0	- 9.6

GALVESTON	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores	.....	+ 29.3	+ 2.2
Postal receipts	\$ 53,399	+ 2.4	+ 5.0
Building permits	\$ 301,447	+265.0	+ 57.5
Telephones in service	20,617	+ 9.1	+ 0.3
Air express shipments	279	+ 39.5	- 14.7
Bank debits to individual accounts (thousands)	\$ 57,202	+ 19.6	+ 5.9
Placements in employment	1,204	- 60.9	+ 56.4
Unemployment	2,400	+1100.0	- 17.2

CONDITIONS

HOUSTON	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores..		+ 45.7	- 7.3
Department and apparel store sales ..		+ 22.6	- 9.2
Postal receipts	\$ 417,774	+ 3.8	+ 0.1
Building permits	\$1,153,055	- 37.3	- 52.0
Telephones in service	165,272	+ 14.7	+ 1.0
Air express shipments	3,096	+ 84.9	+ 1.0
Bank debits to individual accounts (thousands)	\$ 719,665	+ 25.6	+ 7.0
Placements in employment	4,154	- 60.1	- 4.8
Unemployment	18,500	+306.6	- 5.1

JACKSONVILLE	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores..		+ 26.7	- 15.8
Postal receipts	6,169	- 5.7	+ 5.6
Building permits	\$ 49,650	+513.0	+396.5

LUBBOCK	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Postal receipts	\$ 34,649	+ 8.0	+ 21.3
Building permits	\$ 791,401	+162.6	- 79.1
Telephones in service	12,633	+ 19.7	+ 1.4
Air express shipments	179	+297.8	+ 1.1
Bank debits to individual accounts (thousands)	\$ 38,399	+ 34.7	- 6.9
Placements in employment	510	+ 17.5	+ 25.6
Unemployment	1,400	+1300.0	- 12.5

PLAINVIEW	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores..		+ 13.4	+ 19.0
Postal receipts	\$ 5,876	- 18.0	- 1.7
Building permits	\$ 81,600	+ 26.9	- 13.3

PORT ARTHUR	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores..		+ 20.3	- 11.2
Postal receipts	\$ 24,213	- 14.0	+ 6.8
Building permits	\$ 157,563	+169.6	- 39.9
Telephones in service	15,257	+ 16.9	+ 1.4
Air express shipments	184	+ 82.2	+ 22.7
Bank debits to individual accounts (thousands)	\$ 25,980	+ 21.5	+ 1.8

SAN ANGELO	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores..		+ 25.9	- 11.6
Postal receipts	\$ 23,912	- 10.6	+ 3.4
Air express shipments	221	+108.5	+ 4.2
Bank debits to individual accounts (thousands)	\$ 26,270	+ 39.3	+ 5.6

SAN ANTONIO	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores..		+ 31.5	+ 5.3
Department and apparel store sales ..		+ 27.1	+ 9.4
Postal receipts	\$ 260,427	+ 1.6	+ 12.2
Building permits	\$1,400,483	+199.3	- 19.9
Telephones in service	81,464	+ 12.2	+ 1.6
Air express shipments	1,559	+ 46.2	- 9.8
Bank debits to individual accounts (thousands)	\$ 218,192	+ 34.5	+ 4.5
Placements in employment	2,664	- 32.6	+ 8.8
Unemployment	16,200	+710.0	- 5.3

TYLER	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores..		+ 50.5	+ 4.7
Postal receipts	\$ 25,567	- 16.6	+ 20.5
Building permits	\$ 355,825	+335.9	- 10.0
Telephones in service	9,877	+ 19.0	+ 1.6
Air express shipments	328		+ 28.6
Bank debits to individual accounts (thousands)	\$ 30,246	+ 22.9	+ 2.3

WACO	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores..		+ 24.1	- 1.6
Department and apparel store sales ..		+ 17.0	- 3.0
Postal receipts	\$ 59,590	+ 6.3	+ 11.9
Building permits	\$ 915,486	+487.0	+126.1
Telephones in service	18,021	+ 14.1	+ 9.6
Air express shipments	160	+ 56.9	- 17.9
Bank debits to individual accounts (thousands)	\$ 42,367	+ 61.7	+ 7.1
Placements in employment	1,118	+ 14.0	+ 0.6
Unemployment	4,000	+166.7	- 11.1

WICHITA FALLS	July 1946	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
Retail sales of independent stores..		+ 23.0	+ 22.5
Postal receipts	\$ 39,193	- 21.6	+ 5.6
Building permits	\$ 204,455	+467.2	+ 33.6
Telephones in service	16,331	+ 4.1	- 7.9
Air express shipments	237	+ 60.1	+ 25.4
Bank debits to individual accounts (thousands)	\$ 237,131	+ 14.7	- 4.9
Placements in employment	476	- 33.9	+ 0.6
Unemployment	1,802	+202.3	+ 10.5

Largest price gains were reported in butterfat, which jumped 24.0%, cotton 16.5%, and in sweet potatoes, 20.0%. Most significant was the sharp jump in cotton prices. With 40- and 45-cent cotton talked of freely by farmers, and 36-cent cotton a reality in the higher grades and longer staples, cotton farmers, despite an unusually small crop, were optimistic about cotton income during 1946.

Grains showed sharp to moderate rises over prices during June. Largest price rises were reported for corn, which increased 13.7%, grain sorghums 11.7%, and oats 10.2%. Barley prices were 9.5% above June prices, with wheat up 5.2% and rice up 2.7%. The increased wheat prices coupled with a near record crop, brought Texas farmers one of their best grain years in several decades.

Livestock prices in Texas increased substantially, with rises reported of between 10 and 13% in beef cattle, veal calves, hogs, and sheep. With the exception of the increase in the price of sheep, which was approximately the same as was experienced between June and July of 1945, the increases in livestock prices were due to the return of uncontrolled marketing of livestock. The only decrease reported was a 1.9% decline in the price of horses.

Market quotations during July 1946 were well above prices prevailing in July 1945 in the more important agricultural products of Texas. Exceptional increases were evident in cotton, 44.8% above last year; grain sorghum up 165.2%; corn, 41.5%; oats, 49.2%; and barley, 48.4%.

Moderate to large gains over last year's price level were reported in cottonseed, wheat, beef cattle, veal calves, hogs, and butterfat, while only slight gains were shown in eggs and rice. Decreases were reported in potatoes, turkeys, chickens, wool, mules, and horses.

PRICES OF TEXAS FARM PRODUCTS

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

Commodity	Unit	July 1946	June 1946	July 1945
Cotton	lb.	\$ 0.304	\$ 0.261	\$ 0.210
Cottonseed	ton	60.00	57.00	55.09
Corn	bu.	1.74	1.53	1.23
Grain sorghum	cwt.	3.05	2.60	1.15
Oats	bu.	.97	.88	.65
Rice	bu.	1.90	1.85	1.89
Wheat	bu.	1.81	1.72	1.43
Barley	bu.	1.38	1.26	.93
Potatoes	bu.	1.20	1.10	2.72
Sweet potatoes	bu.	3.00	2.50	2.41
Beef cattle	cwt.	14.80	13.10	11.60
Milk cows	head	96.00	92.00	82.42
Veal calves	cwt.	16.10	14.60	12.95
Hogs	cwt.	16.40	14.10	13.81
Sheep	cwt.	8.70	7.90	8.04
Horses	head	53.00	54.00	59.93
Mules	head	81.00	79.00	83.57
Wool	lb.	.420	.420	.428
Eggs	doz.	.342	.310	.335
Butterfat	lb.	.620	.500	.483
Chickens	lb.	.258	.240	.265
Turkeys	lb.	.268	.263	.298

Marketings

(The level of farm income is affected not only by changes in prices, but by the volume of products farmers send to market in a given month. Data on shipments of farm products must also be used to explain the changes in the level of farm income from month to month.)

Shipments of Texas livestock during July were substantially above both shipments last month and in July 1945, while movements of poultry and eggs from Texas stations were moderately below shipments in June, according to reports by station agents at Texas shipping points.

Shipments of livestock by rail were 30.2% above shipments during June, with major increases reported in the movement of cattle and sheep to stockyards. Cattle shipments increased by 1,482 carloads (28.2%), while calf shipments increased by 573 carloads (87.6%), hogs by 38 carloads (23.2%), and sheep by 666 carloads (21.7%).

The increase in shipments was primarily in rail movements to out-of-state markets, since total intrastate shipments decreased by 193 carloads during July. In comparison with July 1945, interstate shipments of livestock by rail during July were up 28.8%, while shipments between Texas stations dropped 27.3%.

Influenced by a rapid rise in prices of livestock, and the progressively poorer range conditions, livestock shipments in July were well above the movements reported during the same period last year. Total shipments increased 23.5%, while carloadings of cattle increased by 1,948 cars, calves by 179 cars, and sheep by 325 cars. Hogs showed a drop of 186 carloads in shipments during July 1946 as compared with July 1945.

Shipments of poultry and eggs by rail decreased moderately from June with the greatest decline reported in the movement of frozen eggs from Texas rail sta-

SHIPMENTS OF LIVESTOCK

(in carloads)*

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

Classification	July 1946	June 1946	July 1945
TOTAL SHIPMENTS	11,897	9,138	9,631
Cattle	6,731	5,249	4,783
Calves	1,227	654	1,048
Hogs	202	164	388
Sheep	3,737	3,071	3,412
INTERSTATE PLUS FORT WORTH	11,239	8,287	8,726
Cattle	6,328	4,652	4,285
Calves	1,160	576	974
Hogs	199	162	352
Sheep	3,552	2,897	3,115
INTRASTATE MINUS FORT WORTH†	658	851	905
Cattle	403	597	498
Calves	67	78	74
Hogs	3	2	36
Sheep	185	174	297

*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.

RAIL SHIPMENTS OF POULTRY AND EGGS FROM TEXAS STATIONS

(in carloads)

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

Classification	July 1946	June 1946	July 1945
TOTAL SHIPMENTS			
Chickens	38	38	5
Turkeys	3	15	3
Eggs—shell equivalent*	432	589	691
Shell	20	43	99
Frozen	22	73	96
Dried	46	50	50
INTRASTATE SHIPMENTS			
Chickens	4	10	0
Turkeys	—	1	2
Eggs—shell equivalent*	77	75	76
Shell	17	27	26
Frozen	2	24	17
Dried	7	—	2
INTERSTATE SHIPMENTS†			
Chickens	34	28	5
Turkeys	3	14	1
Eggs—shell equivalent*	355	514	615
Shell	3	16	73
Frozen	20	49	79
Dried	39	50	48

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

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

tions. Chicken shipments remained the same as in June, but turkeys and eggs showed decreases ranging from 4 to 49 carloads.

Poultry and egg shipments during July were considerably below shipments during the corresponding period last year, except in the movements of chickens, which increased by 33 carloads and turkeys, which remained at 3 carloads. The shell-egg equivalent of egg shipments decreased by 259 carloads, with the greatest drop reported in the movement of shell and frozen eggs.

Receipts of eggs by rail at Texas stations were also considerably below last month's receipts and those of July 1945. The decline was caused by the drop in dried egg shipments from 11 carloads (equivalent to 88 car-

loads of shell eggs) in July 1945 to none in June and July 1946. Shell eggs received during the month were five carloads above July 1945 but still five carloads short of June's receipts. Receipts of frozen eggs from out-of-state shipping points were 24 carloads below last month's receipts, but 5 carloads above July 1945.

Cold Storage

(In both periods of shortages and surpluses, the storage holdings of perishable food products are important because of their effect on prices. The seasonal nature of farm production is in part offset by the accumulation of stocks in periods of peak production to be drawn in periods of low production. Deviations from the normal levels of holdings will exert pressure on the price structure.)

Cold storage space occupied in public and private warehouses was approximately the same on August 1 as it was at the beginning of July. Occupancy was considerably above that reported at the beginning of August 1945 in public and private warehouses, but was down from last year in cold storage space operated by meat-packing establishments.

While 82% of the net piling space in public coolers was occupied on August 1, 1945, 88% of the available space was utilized at the beginning of August 1946. Utilization of net piling space in private and semi-private coolers increased from 75% on August 1, 1945, to capacity at the beginning of August this year.

COLD STORAGE SPACE

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

Type	Net piling space* (1,000 cu. ft.)	Percent of space occupied		
		Aug. 1 1946	July 1 1946	Aug. 1 1945
Public cold storage warehouses				
Cooler	4,553	88	87	82
Freezer	3,965	83	80	82
Private and semiprivate ware- houses				
Cooler	312	100	100	75
Freezer	71	---	---	---
Meat-packing establishments				
Cooler	2,453	13	12	98
Freezer	1,039	84	82	94

*Space survey October 1, 1943.

INTERSTATE RECEIPTS OF EGGS BY RAIL AT TEXAS STATIONS

(in carloads)

Source: Bureau of Business Research in co-operation with the Division of Agricultural Statistics, Bureau of Agricultural Economics, U. S. Department of Agriculture

Type	July 1946	June 1946	July 1945
TOTAL RECEIPTS—SHELL EQUIVALENT*			
Shell	46	99	119
Frozen	30	35	25
Dried	8	32	3
Dried	—	—	11

*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.

COLD STORAGE HOLDINGS

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

Item	Unit	Percent change					
		Aug. 1 1946	July 1 1946	Aug. 1 1945	Aug. 1 1946	Aug. 1 1946	
					from Aug. 1 1945	from July 1 1946	
Cream:							
Fluid	1,000 lbs.	608	326	319	+ 90.6	+86.5	
Plastic	1,000 lbs.	1,101	1,080	151	+629.1	+ 1.9	
Creamery butter	1,000 lbs.	1,699	1,378	2,965	- 42.7	+23.3	
American cheese	1,000 lbs.	4,682	4,446	5,056	- 7.4	+ 5.3	
Shell eggs	1,000 cases	228	231	173	+ 31.8	- 1.3	
Frozen eggs	1,000 lbs.	12,592	14,081	20,157	- 37.5	-10.6	
Total poultry	1,000 lbs.	3,712	2,937	1,178	+215.1	+26.4	

Cold storage holdings of fluid cream, creamery butter, and poultry increased substantially during July, while minor increases in holdings were reported in plastic cream and American cheese. Holdings of shell eggs and frozen eggs were reported to have decreased during July. Fluid and plastic cream holdings on August 1 were well above holdings at the same time last year, with increased holdings also reported in shell eggs and poultry. Smaller holdings than on August 1 last year were reported in creamery butter, American cheese, and frozen eggs.

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 new cotton year which began August 1 finds cotton in a very strong position as indicated by the cotton balance sheet. The year begins with the smallest prospective yearly supply for any year since August 1, 1925, when the carryover plus Government estimate was 15,176,000 bales, compared with 16,812,000 bales now. Should the present rate of cotton consumption in the United States be maintained for the entire year, it will about equal production, and that means that all exports or their equivalents will have to be taken from this year's carryover.

The history of the prices of short crops should be of some value in the present situation. The high price for the very short crop of 1921 was reached in September; for the short crop of 1922 the highest price was not reached until early in March; for the short crop of 1923 the highest price was reached in December; and for the crop of 1927 the highest price was reached in September.

Why do not the highest prices of a short crop come late in the next following spring and summer when supplies of physical cotton are actually the shortest? The answer is that by that time a new set of supply and demand forces dominate the market such as prospective increases in cotton acreage resulting from the higher prices, consumer resistance to higher prices of cotton goods, decreased mill consumption, and the prospective loss of moving hedges from the current year to the new crop year. This is expressed in the cotton trade by the

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF AUGUST 1 1946

(in thousands of running bales)

Year	Carryover Aug. 1	Government estimate as of Aug. 1	Balance as of Aug. 1
1937-38	4,498	15,593	20,091
1938-39	11,593	11,988	23,581
1939-40	18,033	11,412	24,445
1940-41	10,596	11,429	22,025
1941-42	12,376	10,817	23,193
1942-43	10,590	13,085	23,675
1943-44	10,687	12,558	23,133
1944-45	10,727	11,022	21,749
1945-46	10,335*	10,134	20,469
1946-47	7,522	9,290	16,812

*Preliminary, does not include cotton elsewhere.

saying, "it is dangerous to bull the tail end of a small crop."

It is important then to realize that for the next two months we will have a weather market. The Government's September 9 estimate will be especially important in determining price trends for the fall months. After January it is normal to expect the appearance of bearish factors on the cotton market.

FINANCE

Bank Credit

(Since bank credit is essential to all business, the condition of the commercial banks and the Federal Reserve Banks is a significant indicator of the state of business. Changes in the volume of credit the banks have outstanding reflect the state of business. The condition of the Federal Reserve Banks in like manner reflects the condition of credit available to commercial banks.)

Loans of weekly reporting member banks of the Dallas Federal Reserve District continued their upward trend during July and at the end of the month were approximately 50% above the volume outstanding a year earlier. Holdings of United States Government securities showed little change during the month except for a decline of \$29 million in holdings of Treasury notes, and this decline may have reflected in part the retirement of about \$2 billions of Treasury notes maturing July 1. On the other hand, holdings of non-governmental securities rose \$4,000,000 during July to a total of \$71,000,000 at the end of the month. Demand deposits of weekly reporting member banks continued to rise moderately during July, amounting to \$1,469,000,000 at the end of the month, an increase of 17.2% over the year. United States Government deposits declined further during the month and stood at \$212,000,000 on July 31.

CONDITION OF WEEKLY REPORTING MEMBER BANKS

Source: Board of Governors of the Federal Reserve System

Item	Percent change		
	July 31 1946 from Aug. 1 1945	July 31 1946 from June 26 1946	Aug. 1 1945 from June 27 1945
ASSETS			
Loans and investments	+ 6.9	- 0.9	+ 2.0
Loans	+49.0	+ 1.6	- 2.6
Treasury bills	-29.6	+ 6.4	+ 6.0
Treasury certificates of indebtedness	- 5.6	- 1.5	+ 3.0
Treasury notes	-33.1	-13.7	+ 2.3
United States bonds	+ 3.5	- 0.2	+ 3.8
Other securities	+34.0	+ 6.0	+ 8.2
Reserve with Federal Reserve Banks	+ 8.4	- 1.8	- 0.8
Cash in vault	+ 9.1	- 7.7	-12.0
Balances with domestic banks	+ 4.5	+ 9.4	-18.1
LIABILITIES			
Demand deposits adjusted	+17.2	+ 1.8	+ 2.8
Time deposits	+22.4	+ 0.3	+ 2.0
United States Government deposits	-37.1	-18.5	-10.8
Interbank deposits:			
Domestic banks	+ 1.7	+ 3.0	- 2.7
Foreign banks	-25.0	.....	.....
CAPITAL ACCOUNTS	+18.5	.....	- 0.8

At the end of July holdings of United States Government securities by the Federal Reserve Bank of Dallas amounted to \$908 million, a rise of 4.4% during the year. Discounts and advances, although substantially above those of last year, decreased slightly during July. Federal Reserve notes of that Bank in actual circulation stood at \$601 million at the end of July, an increase of 1.4% since the end of July 1945.

SUMMARY STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

(in thousands of dollars)

Source: Board of Governors of the Federal Reserve System

Classification	July 31 1946	June 26 1946	Aug. 1 1945	Percent change	
				July 31 1946 from Aug. 1 1945	July 31 1946 from June 26 1946
				Aug. 1 1945	June 26 1946
ASSETS					
Gold certificate reserves	483,879	494,110	454,079	+ 6.6	- 2.1
U.S. Government securities	907,667	899,453	869,008	+ 4.4	+ 0.9
Discounts and advances	3,840	3,984	875	+338.9	- 3.6
Other cash	11,012	9,710	8,821	+24.8	+13.4
Other assets	99,404	97,096	69,768	+42.5	+ 2.4
TOTAL ASSETS	1,505,802	1,504,353	1,402,551	+ 7.4	+ 0.1
LIABILITIES					
Federal Reserve notes	601,479	593,755	593,435	+ 1.4	+ 1.3
Deposits	799,668	809,345	742,784	+ 7.7	- 1.2
Other liabilities	82,320	79,189	48,412	+70.0	+ 4.0
TOTAL LIABILITIES	1,483,467	1,482,289	1,384,631	+ 7.1	+ 0.1
Capital paid in	6,699	6,615	5,786	+15.8	+ 1.3
Surplus	11,977	11,977	7,332	+63.4	—
Other capital accounts	3,659	3,472	4,802	-23.8	+ 5.4
TOTAL LIABILITIES AND CAPITAL AC- COUNTS	1,505,802	1,504,353	1,402,551	+ 7.4	+ 0.1

Bank Debits

(Since the bulk of business transactions are settled by check, changes in bank debits to individual accounts represent changes in the volume of transactions and are a basic measure of business activity.)

In contrast with the usual seasonal decline at this time of the year, *bank debits* in Texas rose 6.2% from June to July and were 29.7% above those in July 1945. As a result of the sharply upward trend, which began in September 1945, this Bureau's seasonally-adjusted *index of bank debits* rose to 339.5% of the 1935-39 average, as compared with the wartime peak of 302%. Reports from banks in 20 of the larger cities in all sections of the State indicate that debits during July averaged 30% above those a year earlier. Each of the 20 reporting cities registered gains over the same month last year, the percentage increases ranging from 5.4% in Austin to 61.7% in Waco.

BANK DEBITS*

(in thousands of dollars)

Source: Board of Governors of the Federal Reserve System

City	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
TOTAL	2,685,006	2,529,139	2,070,871	+29.7	+ 6.2
Abilene	23,898	23,394	16,810	+42.2	+ 2.2
Amarillo	71,660	59,186	50,938	+40.7	+21.1
Austin	79,653	96,296	70,051	+13.7	-17.3
Beaumont	62,743	57,355	59,536	+ 5.4	+ 9.4
Corpus Christi	65,143	65,035	59,351	+ 9.8	+ 0.2
Corsicana	6,782	6,528	6,346	+ 6.9	+ 3.9
Dallas	752,827	713,020	572,407	+31.5	+ 5.6
El Paso	85,245	83,275	57,886	+47.3	+ 2.4
Fort Worth	305,746	254,332	212,810	+43.7	+20.2
Galveston	57,202	54,007	47,843	+19.6	+ 5.9
Houston	719,665	672,717	572,881	+25.6	+ 7.0
Laredo	14,827	15,140	12,753	+16.3	- 2.1
Lubbock	38,399	41,251	28,511	+34.7	- 6.9
Port Arthur	25,980	25,522	21,378	+21.5	+ 1.8
San Angelo	26,270	24,872	18,857	+39.3	+ 5.6
San Antonio	218,192	208,826	162,198	+34.5	+ 4.5
Texarkana†	21,030	20,251	17,143	+22.7	+ 3.8
Tyler	30,246	29,562	24,606	+22.9	+ 2.3
Waco	42,367	39,544	26,207	+61.7	+ 7.1
Wichita Falls	37,131	39,026	32,359	+14.7	- 4.9

*Debits to deposit accounts except interbank accounts.

†Includes two banks in Arkansas, Eighth District.

Failures

(The number of failures and the amount of liabilities vary inversely with the prosperity of business and reflect in a simple and direct manner what is happening to business.)

According to data furnished by Dun and Bradstreet, Inc., there were two business failures in Texas during July. Total liabilities of the two firms amounted to \$148,000. During the first seven months of the current year only four business failures have been reported in the State.

Corporations

(The issue of corporation charters measures the additions to the business population and reflects the state of optimism or pessimism of businessmen.)

The number of new *corporation charters* issued in July showed little change from June, but the capitalization of the corporations chartered during July was nearly twice the size of the June figure. Total capitalization of the 276 corporations formed was \$12,862,000, compared with \$6,563,000 for 270 corporations in June. Merchandising businesses continued to lead in number organized, with 81 new companies in July, followed by manufacturing, with 39 new businesses.

CORPORATION CHARTERS ISSUED BY CAPITALIZATION

Source: Secretary of State

Capitalization	July 1946	June 1946	July 1945
Over \$100,000	18	16	3
\$5,000-\$100,000	162	155	38
Less than \$5,000	55	61	17
Capitalization not specified	3	5	—
No capital stock	38	33	—

On the basis of capitalization, the majority of the new corporations were in the \$5,000-\$100,000 size group. There were 18 with capitalization in excess of \$100,000, and 55 with less than \$5,000.

CORPORATION CHARTERS ISSUED BY CLASSIFICATION

Source: Secretary of State

Classification	July 1946	June 1946	July 1945
DOMESTIC CORPORATIONS			
Capitalization (1,000 dollars).....	12,862	6,563	1,266
Number	276	270	58
Banking-finance	4	5	4
Construction	12	16	*
Manufacturing	39	35	8
Merchandising	81	70	18
Oil	8	7	2
Public service	4	2	0
Real estate	19	30	7
Transportation	10	8	2
All others	61	80	17
No capital stock	38	33	*
FOREIGN CORPORATIONS			
Number	29	22	33

*Not tabulated separately.

Life Insurance Sales

(Since the sales of life insurance are relatively sensitive to the changes in consumer income, they may be used as a measure of the consumer market.)

Sales of ordinary *life insurance* in Texas amounted to approximately \$75,000,000 during July. This amount was twice as large as that sold in July 1945 and 10% above sales in June this year.

Credits and Collections

(Expansion of retail sales depends to a considerable degree upon the expansion of credit, but the soundness of the sales expansion is related to the soundness of the extension of credit. Changes in the ratios of credit sales to total sales and collections to outstanding accounts indicate what is happening to this phase of business activity.)

The tendency of customers at department and apparel stores in Texas toward somewhat greater reliance on charge accounts was evident during July. Reports from 59 stores in various parts of the State reveal that cash sales accounted for only 51.5% of total sales during July as compared with 60.9% in the same month last year. Credit sales, viewed as a percentage of total sales, varied from 39.1% in Houston to 56.6% in Dallas, but in all major reporting centers credit sales accounted for a larger proportion of total sales during July this year than in the same month of 1945.

The ratio of collections during the month to total accounts outstanding at the beginning of the month showed little change during July, but was somewhat below the figure for July 1945, indicating that customers this year are not quite so prompt in paying for their credit purchases as they were a year ago. This tendency is noticeable especially among the larger department stores of the State (those with annual sales in excess of \$500,000), where the ratio of collections

to accounts outstanding declined from 64.7% in July 1945 to 45.6% in July this year.

The ratio of credit salaries to credit sales amounted to 1.3% during July as compared with 1.6% in the same month last year.

TRANSPORTATION

Rail

(The movement of goods by rail is fundamental to all business operations, and changes in the number of freight cars loaded reflect basic changes in the volume of business. The commodity groups are significant for the information they give on specific industries. The miscellaneous group includes manufactured goods, and is generally considered a measure of the volume of trade. Merchandise *i.e.* shipments include the same type of goods shipped in smaller lots. Cars unloaded for export reflect the changes in the volume of exports.)

July *revenue freight carloadings* in the Southwestern District moved downward by 9.3% compared with June. Carloadings were also 14.7% less than during the same month a year ago. On the whole, gains and losses among the individual items reported were of small significance, except for livestock. The 29.6% increase in shipments of this commodity were stimulated by higher prices offered with the removal of price ceilings on meats. In general, the July figures seem to be indicative of the unsettled business conditions which currently prevail.

The revised *index of miscellaneous freight carloadings* in the Southwestern District places carloadings for July 1946 at 134.3 (1935-39=100), which is 5.0% below June and 19.2% under the July 1945 figure.

REVENUE FREIGHT LOADED IN SOUTHWESTERN DISTRICT (in carloads)

Source: Car Service Division, Association of American Railroads

Commodity	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
TOTAL	262,187	289,105	307,332	-14.7	-9.3
Grain and grain products.....	33,928	31,505	37,170	+8.7	+7.7
Livestock	11,745	9,063	8,388	+40.0	+29.6
Coal	24,647	24,025	24,875	-0.9	+2.6
Coke	635	633	685	-7.4	+0.3
Forest products	20,379	22,132	19,780	+3.0	-7.9
Ore	1,717	2,029	2,529	-32.1	-15.4
Merchandise, <i>i.e.</i>	33,972	34,195	29,049	+16.9	-0.7
Miscellaneous	158,143	165,523	195,897	-19.3	-4.5

Unloadings of *export coastal freight* at Texas ports in July 1946 fell off from June by 2,630 carloads, or 16.2%. The only bright spot for the month was the continued activity at a high level at Beaumont, the only port which showed an increase over the preceding month. Losses at other ports ranged from 15.6% to 32.6%. Factors which may have contributed to the decline during July were the chronic freight car shortage faced by the Southwest and the nation at large, as well as the fact that the bulk of deliveries of this year's grain crop were made during June.

At Port Arthur, the only port where coastal freight was unloaded, cars handled in July totaled 344, compared with 409 for June 1946, a decrease of 15.9%.

EXPORT AND COASTAL CARLOADS UNLOADED*

Source: Car Service Division, Association of American Railroads

Port and type	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
TOTAL	13,588	16,218	11,478	+ 18.4	- 16.2
Beaumont	750	538	64	+1071.9	+ 39.4
Galveston	7,057	8,594	6,097	+ 15.7	- 17.9
Houston	4,215	4,992	4,178	+ 0.9	- 15.6
Port Arthur	691	924	548	+ 26.1	- 25.2
Texas City	875	1,170	591	+ 48.1	- 25.2
EXPORT, TOTAL	13,244	15,809	11,391	+ 16.3	- 16.2
Beaumont	750	538	64	+1071.9	+ 39.4
Galveston	7,057	8,594	6,097	+ 15.7	- 17.9
Houston	4,215	4,992	4,178	+ 0.9	- 15.6
Port Arthur	347	515	469	- 26.0	- 32.6
Texas City	875	1,170	591	+ 48.1	- 25.2
COASTAL	344	409	79	+335.4	- 15.9
Port Arthur	344	409	79	+335.4	- 15.9

*Excluding coal.

Air Express

(The total volume of commodities shipped by air express is only a very small percentage of all commodities moved, but the rapid increase in the use of this type of transportation makes its growth of general interest to business.)

The total number of *air express shipments* for July 1946 remained virtually unchanged from June, with only three cities—Port Arthur, Tyler, and Wichita Falls—registering significant increases in shipments over the previous month. Although the absolute number of

AIR EXPRESS SHIPMENTS

(in number of shipments)

Source: Railway Express Agency

Cities	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
TOTAL	20,230	20,185	12,011	+ 68.4	+ 0.2
Abilene	98	103	46	+113.0	- 4.9
Amarillo	300	339	177	+ 69.5	- 11.5
Austin	439	534	183	+139.9	- 17.8
Beaumont	222	219	161	+ 37.9	+ 1.4
Big Spring	52	50	28	+ 85.7	+ 4.0
Brownsville	2,826	2,590	1,529	+ 84.8	+ 9.1
Corpus Christi	466	504	365	+ 27.7	- 7.5
Dallas	5,865	5,770	3,778	+ 55.2	+ 1.6
El Paso	1,076	1,114	639	+ 68.4	- 3.4
Fort Worth	2,192	2,206	1,427	+ 53.6	- 0.6
Galveston	279	327	200	+ 39.5	- 14.7
Houston	3,096	3,064	1,674	+ 84.9	+ 1.0
Laredo	284	302	174	+ 63.2	- 6.0
Lubbock	179	177	45	+297.8	+ 1.1
Midland	97	95	24	+304.2	+ 2.1
Port Arthur	184	150	101	+ 82.2	+ 22.7
San Angelo	221	212	106	+108.5	+ 4.2
San Antonio	1,559	1,728	1,066	+ 46.2	- 9.8
Texarkana	70	62	38	+ 84.2	+ 12.9
Tyler	328	255	*	*	+ 28.6
Waco	160	195	102	+ 56.9	- 17.9
Wichita Falls	237	189	148	+ 60.1	+ 25.4

*Airport opened February 1946.

shipments was up 68.4% over July 1945, the indications are that air express movements are leveling off and will remain relatively static until the holiday season. The kinds of goods which move by air express in peacetime make that type of shipping service susceptible to the seasonal variations of the businesses which use air express.

LABOR

Employment

(Employment statistics are among the most important indicators of Texas business and economic activity. The estimates of total employment in Texas manufacturing industries include all employees, both production workers and others. The Bureau's statistics of nonmanufacturing industries also comprise all employees. However, the statistics of manufacturing employment and manufacturing pay rolls are based on production and related workers only. Proprietors, officers of corporations, and other principal executives are excluded from all the series.)

The *employment index* for Texas continued its upward trend, increasing 1.5% in July, according to reports collected from 1,803 employers by the Bureau of Business Research in co-operation with the Bureau of Labor Statistics, United States Department of Labor. There was a 2.0% increase in June, a decrease of only 0.4% in May, and an increase of 2.9% in April, indicating that the downward trend from December 1945 through March 1946 has been checked.

ESTIMATES OF TOTAL MANUFACTURING EMPLOYMENT IN TEXAS

(in thousands)

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

Industrial group	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
TOTAL	308.3	305.1	378.1	-18.5	+ 1.0
Food	62.6	61.7	59.1	+ 5.9	+ 1.5
Textile mill products and other fiber manufacturers	8.4	8.4	7.7	+ 9.1	0.0
Apparel and other finished textile products	22.2	22.0	22.7	- 2.2	+ 0.9
Furniture and finished lumber products	10.8	11.1	10.4	+ 3.8	- 2.7
Lumber and timber basic products	27.2	26.7	25.9	+ 5.0	+ 1.9
Paper and allied products	3.8	3.8	3.5	+ 8.6	0.0
Printing, publishing, and allied industries	17.6	17.4	14.6	+20.5	+ 1.1
Chemicals and allied products	17.5	17.1	20.5	-14.6	+ 2.3
Products of petroleum and coal	39.3	38.8	39.5	- 0.5	+ 1.3
Stone, clay, and glass products	9.9	9.7	7.3	+35.6	+ 2.1
Iron and steel and their products	17.0	16.4	26.5	-35.8	+ 3.7
Transportation equipment, except automobiles	22.5	22.1	87.6	-74.3	+ 1.8
Nonferrous metals and their products	9.5	9.7	9.4	+ 1.1	- 2.1
Machinery, except electrical	29.1	29.5	34.8	-16.4	- 1.4
Miscellaneous industries	3.8	3.6	3.2	+18.8	+ 5.6
All others	7.1	7.1	5.4	+31.5	0.0

PRELIMINARY COMPARISON OF EMPLOYMENT AND PAY ROLLS IN IDENTICAL ESTABLISHMENTS
Source: Bureau of Business Research in co-operation with the Bureau of Labor Statistics, U.S. Department of Labor

Industrial group	EMPLOYMENT					PAY ROLLS			
	Number of reporting establishments	Number of wage earners*		Percent change		Amount (weekly)		Percent change	
		July 1946	June 1946	July 1946 from July 1945	July 1946 from June 1946	July 1946	June 1946	July 1946 from July 1945	July 1946 from June 1946
TOTAL	1,803	134,634	132,686	+ 5.5†	+ 1.5	\$5,737,622	\$5,587,075	+ 0.9†	+ 2.7
MANUFACTURING									
Food products	177	11,212	11,308	— 9.4	— 0.8	465,353	415,943	+ 3.6	+ 11.9
Textiles	19	4,688	4,677	+ 7.4	+ 0.2	156,572	156,947	+ 27.6	— 0.2
Apparel	38	3,310	3,277	— 4.4	+ 1.0	82,412	80,107	+ 4.0	+ 2.9
Finished lumber products	29	2,202	2,243	+ 1.6	— 1.8	73,825	73,235	+ 15.4	+ 0.8
Forest products	22	3,095	3,020	+ 6.4	+ 2.5	97,084	96,066	+ 11.8	+ 1.1
Paper products	9	1,441	1,414	+ 10.4	+ 1.9	62,235	58,852	+ 30.3	+ 5.7
Printing and publishing	37	1,414	1,394	+ 27.8	+ 1.4	72,283	69,707	+ 36.8	+ 3.7
Commercial products	79	4,878	4,759	— 3.7	+ 2.5	243,168	236,440	— 7.6	+ 2.8
Petroleum refining	47	27,072	26,745	+ 6.1	+ 1.2	1,506,368	1,452,299	— 3.5	+ 3.7
Stone and clay products	37	3,487	3,409	+ 52.0	+ 2.3	117,376	116,242	+ 40.3	+ 1.0
Iron and steel products	38	6,324	6,047	— 4.9	+ 4.6	256,228	258,241	— 14.3	— 0.8
Nonferrous metal products	10	1,702	1,737	— 21.8	— 2.0	81,611	80,718	— 27.4	+ 1.1
Machinery (except electrical)	49	9,659	9,925	— 19.1	— 2.7	416,397	474,841	— 30.8	— 12.3
Other manufacturing	19	12,005	10,859	— 62.5	+ 10.6	571,224	507,546	— 69.1	+ 12.5
NONMANUFACTURING									
Dyeing and cleaning	8	126	122	+ 11.0	+ 3.3	4,256	4,320	+ 22.9	— 1.5
Hotels	20	2,855	2,846	+ 1.2	+ 0.3	65,660‡	65,641‡	+ 11.9	—
Insurance	136	2,961	2,927	+ 17.8	+ 1.2	134,179	127,749	+ 32.3	+ 5.0
Laundries	11	591	582	— 2.1	+ 1.5	13,396	13,124	+ 2.6	+ 2.1
Public utilities	230	7,188	7,097	+ 26.8	+ 1.3	314,424	309,031	+ 29.4	+ 1.7
Quarrying	14	1,660	1,580	+ 15.5	+ 5.1	79,307	75,060	+ 2.8	+ 5.7
Retail trade	547	15,599	15,517	+ 13.2	+ 0.5	418,332	416,336	+ 24.1	+ 0.5
Wholesale trade	148	4,078	4,035	+ 18.3	+ 1.1	167,028	164,179	+ 27.0	+ 1.7

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

†Excluding 7 aircraft and shipbuilding establishments that declined 67.1% in employment and 71.7% in pay rolls from July 1945.

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

From June to July 1946, all groups increased, except for small decreases in food products, finished lumber products, nonferrous metal products, and machinery (except electrical). The largest increases in employment were in the "other manufacturing" group and the quarrying group, both of which also made comparable increases the previous month.

Compared with July 1945, employment was 5.5% higher in July this year; however, excluded from this comparison are 7 aircraft and shipbuilding establishments that declined 67.1% in employment. When comparisons of individual industrial groups are made, the differences between wartime industry of July 1945 and industry of July 1946 are obvious. For example, the stone and clay products industrial group increased 52.0% in employment, and the printing and publishing group increased 27.8% from July 1945 to July 1946. During the same period the other manufacturing group decreased 62.5% and the nonferrous metal products group decreased 21.8%. Fifteen of the 23 industrial groups showed increases ranging from 1.2% to 52.0% over July a year ago.

Total manufacturing employment in Texas in June was estimated at 308,300 by the Bureau of Business Research, in co-operation with the Bureau of Labor Statistics, United States Department of Labor. This represents an increase of 3,200 persons (1.0%) since June 1946, and an increase of 8,700 persons since May 1946.

Manufacturing employment in July 1946 was 18.5% less than a year ago, when it was 378,100. The largest manufacturing groups are food processing (62,600 persons), products of petroleum and coal (39,300), and machinery, except electrical (29,100), and the change

NONAGRICULTURAL CIVILIAN LABOR FORCE

Source: U. S. Employment Service

Area	July 1946	June 1946	Percent change
			July 1946 from June 1946
TOTAL	1,312,966	1,310,512	+ 0.2
Abilene	18,191	18,193	0.0
Amarillo	27,400	27,500	— 0.4
Austin	42,959	42,652	+ 0.7
Beaumont-Port Arthur-Orange	85,357	84,315	+ 1.2
Brownsville	13,245	13,491	— 1.8
Corpus Christi	53,500	53,500	0.0
Dallas	206,630	205,815	+ 0.4
El Paso	49,225	49,225	0.0
Fort Worth	117,600	116,900	+ 0.6
Galveston-Texas City	52,494	52,494	0.0
Houston-Baytown	303,835	303,735	0.0
Longview	24,800	24,550	+ 1.0
Lubbock	24,928	25,011	— 0.3
San Antonio	172,000	171,500	+ 0.3
Texarkana	41,500	41,500	0.0
Waco	46,500	47,000	— 1.1
Wichita Falls	32,802	33,131	— 1.0

from July 1945 to July 1946 was not large in these groups (+5.9%, -0.5%, and -16.4%, respectively). The largest decrease from a year ago was in the transportation equipment group (22,500 persons now employed, a decrease of 74.3%). The largest percentage increase was in stone, clay, and glass products (9,900 persons now employed, an increase of 35.6%).

According to the United States Employment Service, the *nonagricultural civilian labor force* in 17 major Texas districts increased very slightly (0.2%) between June and July of this year. In spite of the slight overall increase, Amarillo, Brownsville, Lubbock, Waco, and Wichita Falls showed slight decreases in labor force. For July 1946, the nonagricultural civilian labor force totaled 1,312,966 in the 17 labor market areas. It was 1,310,512 in June, and 1,303,651 in May, indicating a steady upswing.

Pay Rolls

(Pay roll figures are generally recognized as significant indicators of income and purchasing power by both economists and businessmen. Emphasis on the maintenance of purchasing power as a goal for the country's postwar economy gives particular importance to these figures at this time.)

Pay rolls in Texas rose 2.7% from June to July 1946, exceeding the 1.5% rise in employment during the same period, according to reports collected from 1,803 employers by the Bureau of Business Research in co-operation with the Bureau of Labor Statistics, United States Department of Labor. There was also a pay-roll increase of 1.9% from May to June 1946.

From June to July 1946, the only significant decrease was in machinery, except electrical (12.3%). The "other manufacturing group" increased its pay rolls 12.5% and the food products group increased 11.9%, although its employment declined 0.8% during the same period. Changes either upward or downward in other groups were comparatively small.

Compared with July 1945, pay rolls in July 1946 were 0.9% higher, excluding 7 aircraft and shipbuilding establishments that declined 71.7%. Sixteen of the 23 industrial groups exhibited pay roll increases ranging from 2.6% for laundries to 40.3% for stone and clay products; however, large decreases in the other seven groups brought the average down to the mere 0.9% mentioned above.

Hours and Earnings

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

Average weekly *hours* worked in manufacturing establishments remained approximately the same in July as in June, with half of the industrial groups still working more than 42 hours and half of the groups less. The longest work week (48.5 hours) was reported for the food products industry. Petroleum refining, printing and publishing, and miscellaneous manufacturing groups reported the shortest week of 39.5 hours or less. In com-

HOURS AND EARNINGS*

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

Industrial group	Average weekly hours		Average hourly earnings (in cents)		Average weekly earnings (in dollars)		Percent change July 1946 from July 1945		
	July 1946	July 1945	July 1946	July 1945	July 1946	July 1945	Weekly hours	Hourly earnings	Weekly earnings
MANUFACTURING									
Food products	48.5	49.3	74.4	67.1	36.08	33.08	- 1.6	+ 10.9	+ 9.1
Textiles	40.3	41.4	81.5	67.4	32.84	27.90	- 2.7	+ 20.9	+ 17.7
Apparel	40.0	36.1	63.1	61.8	25.24	22.31	+ 10.8	+ 2.1	+ 13.1
Finished lumber products	45.1	44.7	73.3	69.5	33.06	31.07	+ 0.9	+ 5.5	+ 6.4
Forest products	43.9	49.8	74.9	63.7	32.88	31.72	- 11.8	+ 17.6	+ 3.7
Paper products	45.8	44.9	92.6	79.6	42.41	35.74	+ 2.0	+ 16.3	+ 18.7
Printing and publishing	39.5	43.4	115.3	106.5	45.54	46.22	- 9.0	+ 8.3	- 1.5
Commercial products	44.3	48.6	105.3	96.8	46.65	47.04	- 8.8	+ 8.8	- 0.8
Petroleum refining	39.4	48.4	140.4	126.3	55.32	61.13	- 18.6	+ 11.2	- 9.5
Stone and clay products	41.9	48.5	79.8	72.9	33.44	35.36	- 13.6	+ 9.5	- 5.4
Iron and steel products	41.1	45.4	104.1	97.7	42.79	44.36	- 9.5	+ 6.6	- 3.5
Nonferrous metal products	45.4	48.4	105.8	93.2	48.03	45.11	- 6.2	+ 13.5	+ 6.5
Machinery (except electrical)	40.9	48.8	109.6	104.2	44.83	50.85	- 16.2	+ 5.2	- 11.8
Other manufacturing	37.8	49.8	126.0	125.6	47.63	62.55	- 24.1	+ 0.3	- 23.9
NONMANUFACTURING									
Dyeing and cleaning	48.7	47.8	68.1	58.8	33.16	28.11	+ 1.9	+ 15.8	+ 18.0
Hotels	43.6	49.3	39.7	32.8	17.31	16.17	- 11.6	+ 21.0	+ 7.1
Laundries	49.2	44.8	43.4	44.4	21.35	19.89	+ 9.8	- 2.3	+ 7.3
Public utilities	40.6	42.2	109.2	85.4	44.34	36.04	- 3.8	+ 27.9	+ 23.0
Quarrying	40.0	48.6	119.5	110.4	47.80	53.65	- 17.7	+ 8.2	- 10.9
Retail trade	43.6	45.1	70.3	63.5	30.65	28.64	- 3.3	+ 10.7	+ 7.0
Wholesale trade	44.2	45.2	90.3	83.6	39.91	37.79	- 2.2	+ 8.0	+ 5.6

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

parison with July 1945 the average number of weekly hours in all industries had been cut down, with the greatest declines in the forest products (11.8%), petroleum refining (18.6%), stone and clay products (13.6%), and machinery, except electrical, industries (16.2%).

In five of the nonmanufacturing industries reporting to the Bureau, the average work week in July 1946 was shorter than in July 1945; however, in two nonmanufacturing groups—dyeing and cleaning, and hotels—the length of the work week was lengthened in the 12 months. From June to July 1946, four groups extended the length of their work week, while three averaged fewer hours.

Hourly earnings went up in all manufacturing industries between July 1945 and July 1946, by amounts ranging from 0.3% and 2.1% in miscellaneous manufacturing and apparel manufacturing to a high of 20.9% in the textile industry. In the majority of manufacturing industries, average hourly earnings also moved up from June to July 1946. In the nonmanufacturing field, laundries was the only type of business to report lower hourly earnings this year than last for the month of July. Other nonmanufacturing industries were paying from 8.0% (wholesale trade) to 27.9% (quarrying) more per hour.

The *weekly take-home pay* in most industries continued to be above last year's levels. This means, of course, that reductions in the length of the work week have been counterbalanced by wage rate increases. Increased weekly earnings over July 1945 were especially noticeable in laundries (23.0%), dyeing and cleaning (18.0%), paper products manufacturing (18.7%), textile manufacturing (17.7%), and apparel manufacturing (13.1%). On the other hand, employees in the petroleum refining, stone and clay, iron and steel, machinery, and miscellaneous manufacturing industries and in quarrying received lower weekly pay in July 1946 than a year earlier.

Man-hours

(The reports which the Bureau receives on employment include every employee who worked any part of the week. This means that changes in the number of employees in an industry do not always measure the changes in the volume of output. Changes in the number of man-hours worked, however, are closely associated with the rate of manufacturing activity, and may be used as a measure of the volume of production.)

Total *man-hours* worked in 524 manufacturing establishments rose 1.6% in July 1946 from June, but remained 31.9% below the level of July 1945.

Substantial gains over June were reported for food manufacturing plants (6.7%), apparel (7.5%), paper (6.7%) commercial products (4.1%), and petroleum refining (3.4%). The number of man-hours worked in five industries, on the other hand, declined between June and July, with a severe drop (13.8%) in the machinery, except electrical, group.

Changes in man-hours worked by industries between July 1945 and July 1946 show the effects of the shift from wartime to peacetime production. The sharpest reductions have been in commercial products (including the chemical industries), iron and steel, nonferrous metal, machinery, petroleum refining, and miscellaneous manufacturing (including the aircraft and shipbuilding industries), whereas hours worked in the textile,

apparel, lumber, paper, printing and publishing, and stone and clay products industries have increased. Detailed percentage changes in all industrial groups are shown in the accompanying table.

MAN-HOURS WORKED IN IDENTICAL MANUFACTURING ESTABLISHMENTS

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

Industrial group	Number of reporting establishments	Percent change	
		July 1946 from July 1945	July 1946 from June 1946
TOTAL	524	-31.9	+ 1.6
Food products	141	-11.9	+ 6.7
Textiles	15	+ 3.2	- 1.4
Apparel	26	+ 3.3	+ 7.5
Finished lumber products	25	+ 1.2	+ 1.0
Forest products	20	- 6.5	+ 2.0
Paper products	9	+14.4	+ 6.7
Printing and publishing	32	+25.6	- 1.0
Commercial products	76	-15.4	+ 4.1
Petroleum refining	39	-13.5	+ 3.4
Stone and clay products	33	+28.3	- 0.2
Iron and steel products	37	-21.0	- 2.1
Nonferrous metal products	9	-29.7	+ 2.3
Machinery (except electrical)	44	-37.2	-13.8
Other manufacturing	18	-70.4	+ 6.1

Industrial Relations

(Although no statistical data are available on industrial disputes in Texas, a knowledge of current developments in industrial relations is necessary to an understanding of the State's labor picture.)

Work on more than \$50,000,000 of commercial construction in Houston remained at a standstill throughout July as all attempts to settle the strike failed. Between 500 and 700 employees of the Houston Navigation District were idle for several days when work stopped on the city docks in a dispute over a 15-cent wage increase. The National Labor Relations Board certified a collective bargaining agent at a Houston plant, and dismissed union petitions affecting plants at Midland and Marshall. Milk deliveries of a dairy in Dallas were almost completely stopped by a strike of the newly organized drivers of the company. Strike threats were made by Dallas garbage workers after a garbage truck driver was discharged. Violence flared at a textile mill strike.

Unemployment

(Estimates of unemployment in various areas of the State are currently made by the district supervisors of the United States Employment Service. Data on the payment of unemployment benefits also provide a rough measure of unemployment in Texas, although only employees in establishments employing 8 or more workers for 20 or more weeks per year are covered. Veterans' claim actions and disbursements are less inclusive, but throw light on the important problem of veteran re-employment. The number of placements reported by the United States Employment Service indicates the relationship of the supply of and the demand for jobs in various parts of the State.)

Unemployment in the 17 Texas labor market areas declined 7.7% from June to July, as estimated by the United States Employment Service. July unemployment in these centers was estimated at 103,849, as com-

pared with 112,537 in June 1946 and with only 25,305 in July 1945. It may be noted, however, that between June and July 1945 unemployment rose 56.8%.

With only two exceptions all of the areas showed either decreases (ranging from 9.7% to 17.2%) or no change from June 1946. In Amarillo, however, there was a 40.0% increase in number of unemployed, and in Wichita Falls a 10.5% gain.

All 17 labor market areas showed marked increases in the number unemployed this July compared to July 1945.

UNEMPLOYMENT

Source: U. S. Employment Service

Area	July 1946	June 1946	July 1945
TOTAL	103,849	112,537	25,305
Abilene	1,426	1,696	325
Amarillo	1,400	1,000	103
Austin	2,851	2,871	996
Beaumont-Port Arthur-Orange	10,200	10,900	500
Brownsville	1,525	1,889	155
Corpus Christi	3,100	3,100	700
Dallas	15,900	18,800	3,590
El Paso	2,995	3,550	800
Fort Worth	10,300	11,400	5,000
Galveston-Texas City	2,400	2,900	200
Houston-Baytown	18,500	19,500	4,550
Longview	2,850	3,100	295
Lubbock	1,400	1,600	100
San Antonio	16,200	17,100	2,000
Texarkana	7,000	7,000	3,895
Waco	4,000	4,500	1,500
Wichita Falls	1,802	1,631	596

The amount of *benefits* paid out by the Texas Unemployment Compensation declined in July for the second consecutive month. July payments of \$1,152,077 were 15.0% less than June payments and 50.9% under the record \$2,262,966 paid out in May. During July

employers' contributions to the Unemployment Trust Fund amounted to \$1,962,538, and exceeded disbursements by 70.3%. The balance in the Fund at the end of July was \$154,257,400.

Placements in employment in the 17 labor market areas measured by the United States Employment Service advanced 3.3% in July from June. The Galveston-Texas City area and the Lubbock area were the centers for which the greatest percentage gains in placements showed up. On the other hand, declines were reported for Abilene, Brownsville, Houston-Baytown, and Texarkana.

Although the placements in the 17 areas were 41.5% lower in July 1946 than a year earlier, five of the labor market areas showed substantial increases.

GOVERNMENT

Federal Finance

(Federal collections of income, pay roll, and excise taxes vary directly with the level of business prosperity. During the war period federal taxation has likewise become an important determinant of general business activity.)

Total *internal revenue collections* by the federal government in Texas amounted to \$52,638,017 in July, the first month of the current fiscal year. This figure was 23.0% under collections in July of last year. There were large declines in revenue from Social Security taxes (20.1%), withholding taxes (44.5%), and miscellaneous revenues (27.3%), although income taxes (excluding amounts withheld from pay checks) were up 47.0% over July 1945.

The First (or South Texas) District reported the greater drop in collections. July revenue in that district of \$23,349,830 was 31.4% below last July's collections. In comparison the Second (or North Texas) District reported July 1946 collections of \$29,288,187, only 14.6% under the July 1945 figure.

PLACEMENTS IN EMPLOYMENT

Source: U. S. Employment Service

Area	July 1946	June 1946	July 1945	Percent change	
				July 1946 from July 1945	July 1946 from June 1946
TOTAL	24,438	23,668	41,807	-41.5	+ 3.3
Abilene	418	652	506	-17.4	-35.9
Amarillo	837	833	718	+16.7	+ 0.5
Austin	902	808	769	+17.3	+11.6
Beaumont-Port Arthur-Orange	2,273	2,201	4,972	-54.3	+ 3.3
Brownsville	143	164	1,014	-85.9	-12.8
Corpus Christi	674	665	733	- 8.0	+ 1.4
Dallas	4,134	3,813	6,769	-38.9	+ 8.4
El Paso	581	491	1,190	-51.2	+18.3
Fort Worth	3,135	3,035	4,144	-24.3	+ 3.3
Galveston-Texas City	1,204	770	3,076	-60.9	+56.4
Houston-Baytown	4,154	4,364	10,423	-60.1	- 4.8
Longview	709	642	348	+103.7	+10.4
Lubbock	510	406	434	+17.5	+25.6
San Antonio	2,664	2,448	3,954	-32.6	+ 8.8
Texarkana	506	792	1,056	-52.1	-36.1
Waco	1,118	1,111	981	+14.0	+ 0.6
Wichita Falls	476	473	720	-33.9	+ 0.6

FEDERAL INTERNAL REVENUE COLLECTIONS

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

District	July		Percent change
	1946	1945	
TOTAL	\$52,638,017	\$68,343,608	- 23.0
Income	17,486,422	11,893,673	+ 47.0
Employment	3,817,531	4,778,718	- 20.1
Withholding	20,067,351	36,168,422	- 44.5
Other	11,266,713	15,502,795	- 27.3
FIRST DISTRICT	23,349,830	34,042,834	- 31.4
Income	6,065,068	6,771,518	- 10.4
Employment	2,527,858	2,405,073	+ 5.1
Withholding	9,373,245	17,541,816	- 46.6
Other	5,383,659	7,324,427	- 26.5
SECOND DISTRICT	29,288,187	34,300,774	- 14.6
Income	11,421,354	5,122,155	+123.0
Employment	1,289,673	2,373,645	- 45.7
Withholding	10,694,106	18,626,606	- 42.6
Other	5,883,054	8,178,368	- 28.1

Whereas withholding and miscellaneous taxes were consistently under last year's levels in both districts, income and employment taxes showed somewhat erratic fluctuations.

Income and withholding taxes accounted for about 70% of the total collections of federal internal revenue in Texas in July.

State Finance

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

Cash receipts of the State Comptroller were \$34,851,338 in July, up 36.1% from July a year ago and 48.8% from the June 1946 collections. The July increase brought the total collections in the first eleven months of the current fiscal year to \$314,890,643, which was 22.6% greater than the sum collected in the comparable period of 1944-45.

Receipts from all sources of State revenue were higher in the 1945-1946 fiscal year to date than last year, with total revenue receipts up 18.4%. Income from public lands and buildings showed the greatest percentage gain (63.0). The 45.1% gain from collections of ad valorem, inheritance, and poll taxes added nearly \$10 million more to the State's revenue this year than was received from such taxes in the same period of 1944-45. Similarly, use and sales tax collections rose 34.4% and license fees and maintenance taxes 13.4%, while interest on deposits, securities, land sales, etc., gained 4.6%. Smaller increases of 1.4% and 0.6% occurred in the receipts from contributions and aid and occupation, gross receipts, and production taxes.

Nonrevenue receipts were also substantially higher in the first 11 months of the current fiscal year than a year earlier. The most important factor in the 65.7% gain in total nonrevenue receipts was the nearly \$13 million increase in receipts from the redemption of securities held by the State.

CASH RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Item	July 1946	Sept. 1-July 31		
		1945-46	1944-45	Percent change
TOTAL CASH RECEIPTS	\$34,851,338	\$314,890,643	\$256,846,413	+22.6
TOTAL REVENUE RECEIPTS	27,036,364	277,262,222	234,136,830	+18.4
Ad valorem, inheritance, and poll taxes	533,813	30,735,846	21,175,782	+45.1
Occupation, gross receipts, and production taxes	6,146,274	54,268,857	53,951,769	+ 0.6
Use and sales tax	9,153,481	86,729,690	64,517,348	+34.4
License fees and maintenance taxes	310,122	9,783,839	8,626,178	+13.4
Income from public lands and buildings	1,228,304	15,898,977	9,753,262	+63.0
Interest	234,110	7,786,964	7,445,332	+ 4.6
Miscellaneous revenues	531,491	15,158,001	12,562,728	+20.7
Contributions and aid	8,898,769	56,900,048	56,104,431	+ 1.4
NONREVENUE RECEIPTS	7,814,974	37,628,421	22,709,583	+65.7

PRICES

Consumers' Prices

(All income figures must be used in connection with a measure of changes in consumers' prices, since the purchasing power of income is more significant than the aggregate amount in dollars. The increasing cost of living, as measured by indexes of consumers' prices, is of vital importance to all businessmen and consumers. The Bureau of Labor Statistics warns users of the index that it shows only partially the wartime effects of changes in the quality and availability of consumer goods.)

The consumers' price index for Houston moved up 1.6% between May 15 and June 15, reaching a point 30.5% above the 1935-39 average, according to the United States Bureau of Labor Statistics. This index rose 3.0% in the twelve months ending on June 15, 1946.

The greatest monthly gain (3.1%) was in food costs, bringing the index of food prices up to 144.0% of its 1935-39 average. Clothing prices advanced 1.5%, house-furnishings 2.6%, and miscellaneous items 0.2%, whereas the cost of fuel, electricity, and ice as measured by the index showed no change between May and June.

In the yearly comparison, the cost of house furnishings showed the greatest percentage gain (7.0%), followed closely by clothing (up 6.4%). Food costs rose 3.2% and miscellaneous commodities and services 2.7%. On the other hand, fuel, electricity, and ice costs dropped 2.6% between June 15, 1945 and June 15, 1946.

Changes in prices which immediately followed the lapse of price control have somewhat obscured the above figures. Information just released by the Bureau of Labor Statistics shows that food prices in Houston as measured by the index jumped 11.4% between June 15 and July 15 and that the index on July 15 stood 60.4% above the 1935-39 monthly average. It should be noted, however, that this index does not purport to measure prices outside legitimate markets; and therefore the actual price rise between June 15 and July 15 may be exaggerated to the extent that black market prices were in effect on June 15.

The over-all index of consumers' prices in Houston moved up to 136.0 on July 15, 4.2% higher than a month earlier. Indexes for the other components of the index are not available at this time.

INDEXES OF CONSUMERS' PRICES IN HOUSTON

(1935-39=100)

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

Group	June 1946	May 1946	June 1945	Percent change	
				June 1946 from June 1945	June 1946 from May 1946
ALL ITEMS	130.5	128.5	126.7	+ 3.0	+ 1.6
Food	144.0	139.7	139.5	+ 3.2	+ 3.1
Clothing	149.6	147.4	140.6	+ 6.4	+ 1.5
Fuel, electricity, and ice	88.7	88.7	91.1	- 2.6	0.0
Housefurnishing	154.2	150.3	144.1	+ 7.0	+ 2.6
Miscellaneous	127.2	127.0	123.8	+ 2.7	+ 0.2

Wholesale Prices

(Changes in the prices of commodities are of fundamental importance to businessmen, since the level of prices has an important effect on profits. The index of wholesale prices compiled by the United States Bureau of Labor Statistics is the most comprehensive measure of price changes published in the United States.)

The index of wholesale prices compiled by the Bureau of Labor Statistics for the United States rose 1.7% between May and June to a point 12.9% above its 1926 level. Of the selected components shown in the accompanying table, lumber prices advanced by the greatest percentage (2.0) during the month of June, with most of the other groups showing similar though slightly smaller gains.

In the twelve-month period (June 1945 to June 1946) gains in wholesale prices of the several groups ranged from 3.2% (cement) to 13.6% (lumber). Textile products, up 9.6%, farm products, up 7.4%, and foods, up 5.0% also brought considerably higher prices at wholesale than in June 1945.

In comparison with the base year 1926, the index of lumber prices in June 1946 registered the greatest gain of 76.0% and brought the index for all building materials up 29.9% from its 1926 level. Prices of farm products, as measured by the index, were 40.1% higher than in 1926; prices of hides and leather were up 22.4%; foods 12.9%; and textile products 9.2%. Excluding farm products, wholesale prices were only 6.7% higher than in 1926. If both farm products and foods are excluded, the price rise was only 5.6%.

The weekly index of wholesale prices compiled by the Bureau of Labor Statistics shows further changes that resulted from the loosening of price controls after June 30. Between June 15 and July 20 the index for all commodities at wholesale moved up 11%, farm product prices 14%, foods 27%, and all other items 3%. By August 3 "other" items and farm products leveled off somewhat, but food prices continued upward and raised the over-all index to a new high. On August 3 the index of all commodities at wholesale was 25.0% higher than in the base year 1926; farm product prices were up 56.5%; food prices were up 42.3%; and prices of all other commodities were 9.2% above their 1926 level.

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

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

Group	Percent change				
	June 1946	May 1946	June 1945	June 1946 from June 1945	June 1946 from May 1946
ALL COMMODITIES	112.9	111.0	106.1	+ 6.4	+ 1.7
Farm products	140.1	137.5	130.4	+ 7.4	+ 1.9
Foods	112.9	111.5	107.5	+ 5.0	+ 1.3
Hides and leather products	122.4	120.4	118.0	+ 3.7	+ 1.7
Textile products	109.2	108.8	99.6	+ 9.6	+ 0.4
Building materials	129.9	127.8	117.4	+10.6	+ 1.6
Cement	102.6	102.6	99.4	+ 3.2	—
Lumber	176.0	172.5	154.9	+13.6	+ 2.0
All commodities other than farm products	106.7	105.1	100.7	+ 6.0	+ 1.5
All commodities other than farm products and foods	105.6	103.9	99.6	+ 6.0	+ 1.6

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BAROMETERS OF TEXAS BUSINESS

