

TEXAS BUSINESS REVIEW

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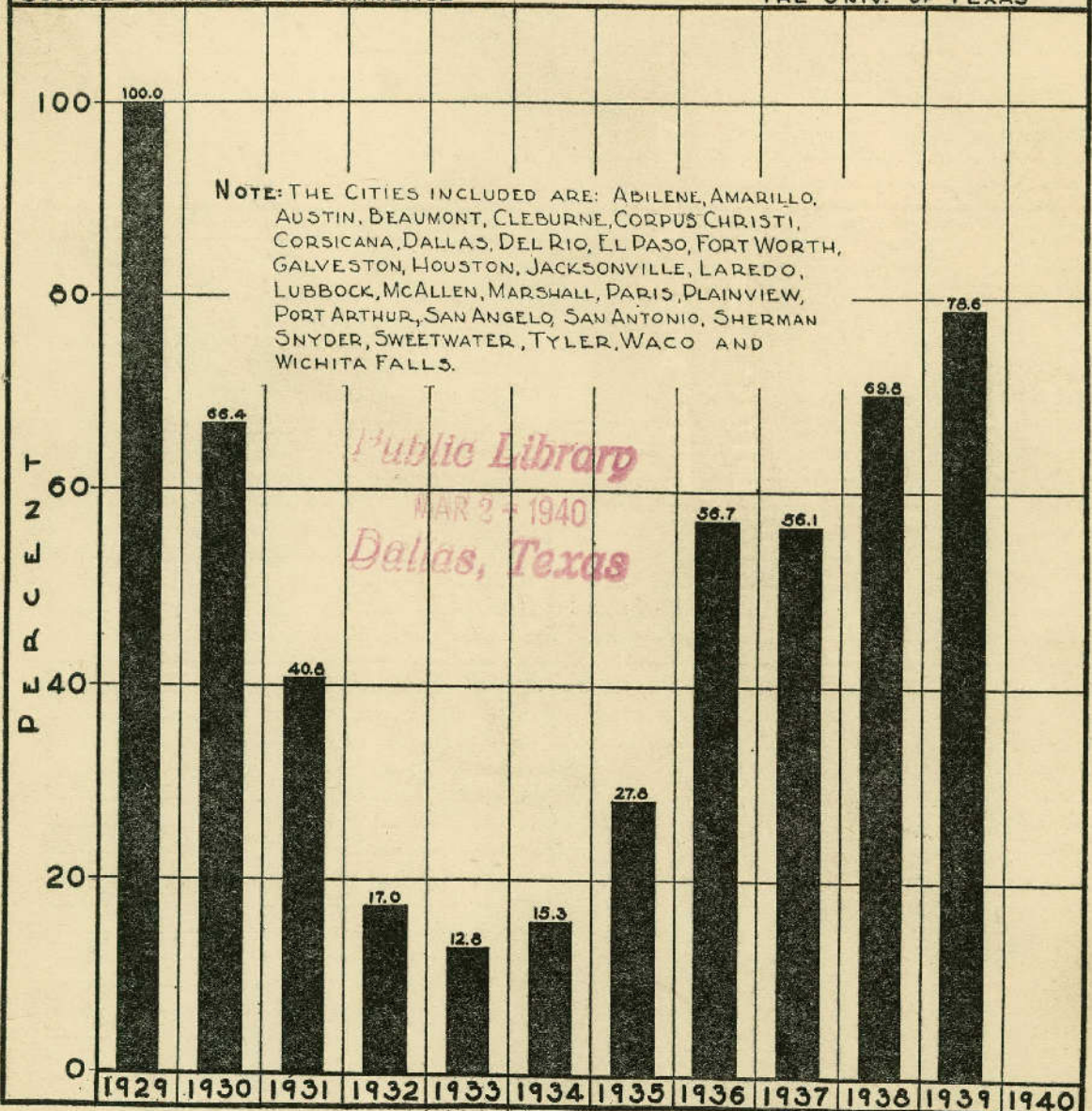
A Monthly Summary of Business and Economic Conditions in Texas and the Southwest
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INDEXES OF BUILDING PERMITS IN 29 TEXAS CITIES 1929-39

1929=100%

SOURCE: CHAMBERS OF COMMERCE

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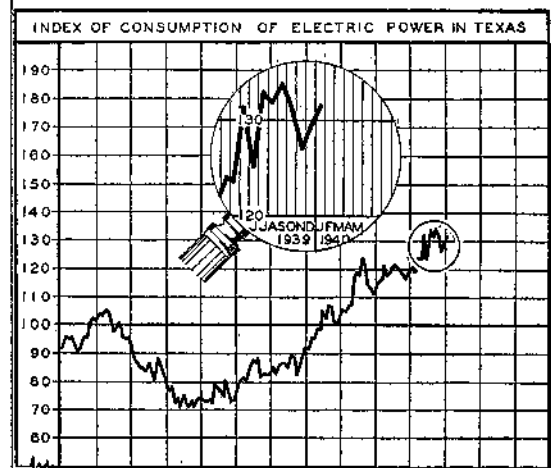
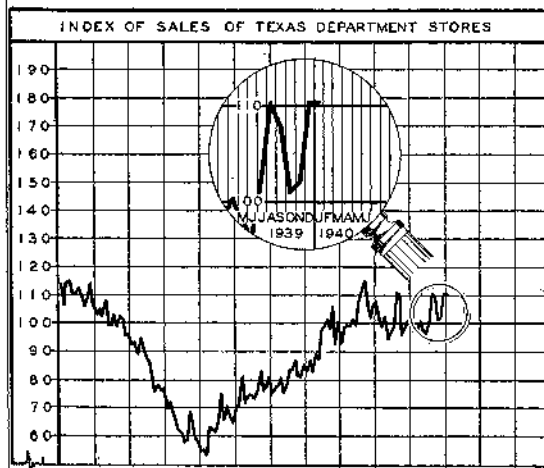
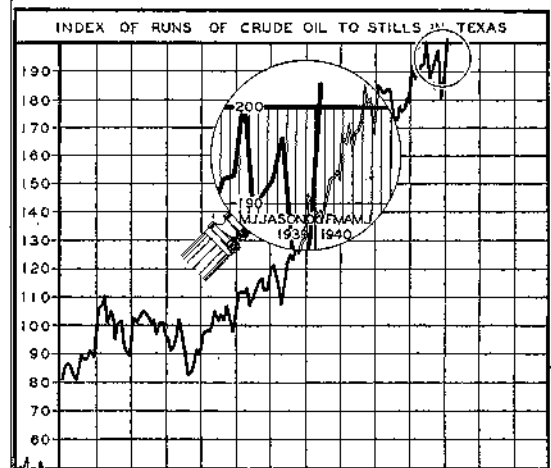
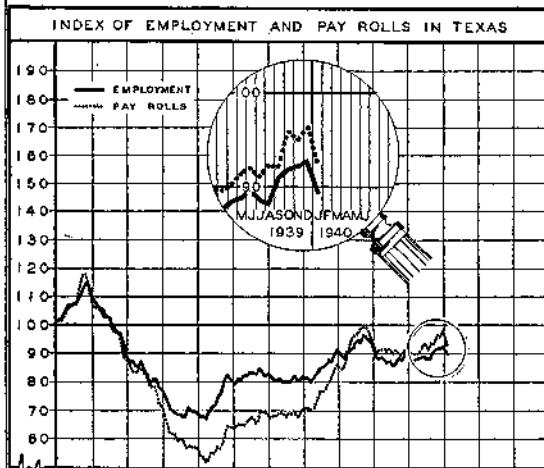
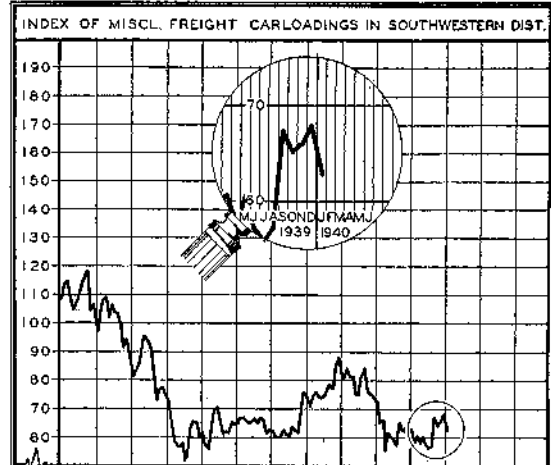
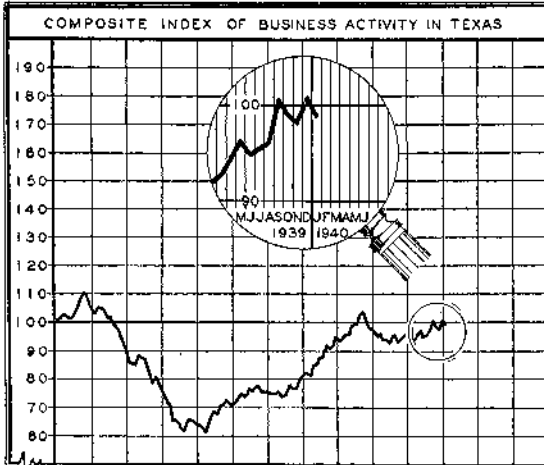
INDEXES OF BUSINESS ACTIVITY IN TEXAS

AVERAGE MONTH OF 1930 = 100 %

WEIGHT IN COMPOSITE INDEX
 EMPLOYMENT — 25%
 PAY ROLLS — 25%
 DEPARTMENT STORE SALES — 10%
 FREIGHT CARLOADINGS — 20%
 CRUDE OIL RUNS — 5%
 ELECTRIC POWER CONSUMPTION — 15%

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YEAR 1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939 1940 1941 1942

YEAR 1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939 1940 1941 1942

Business Review and Prospect

GENERAL BUSINESS

It was generally expected that the unprecedented rise in national business indexes during the last four months of 1939 would be followed by a recession (after adjustment for seasonal influences) during the first quarter of 1940; few, however, expected the sharp drop which has actually occurred during the past three weeks. Most of the decline is the result of the abrupt drop in steel activity, the factor, by the way, which was mainly responsible for last fall's sensational boom. Indications are that the national business indexes will continue their decline for at least a month or so longer, but at a more moderate rate than that of recent weeks.

Barron's index (adjusted for seasonal changes, long-time trend, and population growth), at 84.8 on February 10, was well above that of the corresponding date last year when the index stood at 74.7. Thus, industry and trade still enjoy a favorable margin of 13.5 per cent over last year; but this spread has been narrowing during the past few weeks. Should the business curve soon begin to level off as expected, the present margin of gain over last year might be maintained and later increased, temporarily at least, since the business curve continued downward until early June a year ago.

Among indicators of a probable nearby reversal of the recent downward business trend are, first, the firming of commodity prices, notably wheat and copper—the Dow-Jones commodity index is now twenty-six per cent above that of a year ago; second, retail sales, which are currently running substantially above the level of the corresponding period last year and should maintain this margin of improvement, at least, with better than even chances of widening the spread as spring approaches; and third, the inventory situation, which is considered less menacing now than it was last fall, and in any event, it is far less serious than it was three years ago. Inventories were piled up fastest by the manufacturers of heavy goods, additions to stocks being most marked in heavy machinery, automobiles, aircraft, iron and steel products, and textiles.

In the final analysis, however, it must be recognized that present calculations of business prospects are highly tentative, subject to all of the uncertainties induced by abnormal international conditions and the impending general elections.

TEXAS BUSINESS

The composite index of business activity in Texas declined almost two per cent from December to January, but remained more than four per cent above January, 1939. Of the six components which make up the composite business index, only two showed an increase—the indexes of oil refining activity and of electric power consumption. The index of department store sales declined only slightly, while the indexes of pay rolls,

employment, and miscellaneous freight carloadings declined substantially. The composite indexes for the comparable periods together with the indexes for each of the six components are as follows:

INDEXES OF BUSINESS ACTIVITY IN TEXAS

	Jan. 1940	Jan. 1939	Dec. 1939
Employment	89.87	87.16	92.97
Pay Rolls	92.75	89.87	96.76
Miscellaneous Freight Carload- ings (Southwest District).....	62.76	62.45	68.70
Crude Runs to Stills.....	202.42	199.50	186.31*
Department Store Sales.....	110.12	101.27	110.62
Electric Power Consumption.....	131.53	120.39	129.52*
COMPOSITE INDEX	99.07	94.91	100.74*

*Revised.

It is not likely that the Texas business index will reverse its downward tendency until after the national indexes of business activity indicate clearly that the upward trend has been resumed; but it is not expected that the total decline in this State will be nearly as drastic as it has already come to be in the nation at large.

On the cover page of this issue of the REVIEW is a chart showing the trend of building permits in Texas since 1929. The gain in permits since the low point of 1933 is impressive. However, it should be pointed out that building activity had already declined sharply by 1929, and a return to that level would still leave some distance to go before reaching the heights of the mid-twenties; and, although it is not intended to minimize the progress which has been made in the building industry during the past three years, it should be kept in mind that: first, favorable comparison with the extreme depression lows mean but little; second, the low average rate of building during the past ten years is associated with an increase of about 400,000 in the population of the State; and, third, in spite of the efforts of the federal government and the inducements of favorable financing which now prevail, building may still be said to lag. Can this failure of the building industry to respond more adequately to the excellent financing programs of government and private agencies be the result of failure of other segments of this industry to meet their share of the responsibility? Now that financing costs have been made attractive, would it not be well to seek ways for making the other cost factors of this industry equally attractive?

AGRICULTURE CASH INCOME

Income from agriculture in Texas during January, as computed by this Bureau, was \$16,878,000. For the corresponding month in 1939 the computed income was \$18,907,000. The index numbers were accordingly 72.1 for January 1940 and 82.4 for January 1939. This

For Other Texas Data, See Statistical Tables at the End of This Publication

decline of approximately 10 per cent in farm cash income from January last year is the result of a sharp decline in shipments of livestock. Since the total number of animal units on farms in Texas on January 1, 1940, as estimated by the United States Department of Agriculture, is approximately equal to that on the same date last year, it suggests that, other things being equal, unfavorable year to year comparisons in livestock shipments early in the year will be followed by favorable comparisons later. Present indications are that farm cash income, exclusive of government subsidies, during 1940 will exceed that of 1939.

In the following table are listed the index numbers of farm cash income during January, for the State as a whole and for the separate crop reporting districts.

The article which follows by Mr. Carroll E. Brown, graduate student in the University, gives a brief analysis of the seasonal shifts which have taken place in the farm cash income in Texas and the methods which have been used in adjusting for these shifts in computing our monthly index of farm cash income. The same method

INDEX OF AGRICULTURAL CASH INCOME IN TEXAS

Districts	Jan. 1940	Dec. 1939	Jan. 1939	Computed Cash Income	
				Jan. 1940	Jan. 1939
				(000 Omitted)	
1-N	53.5	71.9	78.7	\$ 1,638	\$ 2,397
1-S	84.9	68.6	95.7	1,743	1,966
2	52.5	61.2	45.7	1,353	1,215
3	94.4	74.5	106.9	957	1,080
4	71.3	81.7	66.5	2,232	2,045
5	40.7	42.5	50.9	427	524
6	136.8	101.2	214.8	1,632	2,562
7	143.7	59.0	121.6	1,434	1,201
8	99.0	79.9	109.5	1,139	1,254
9	105.6	112.6	100.2	1,227	1,118
10	136.6	156.7	178.5	519	682
10-A	138.4	162.7	153.5	2,577	2,863
STATE	72.1	80.6	82.4	\$ 16,878	\$ 18,907

which Mr. Brown describes in regard to computing the index for the State as a whole was applied to the individual crop reporting districts. From now on the monthly indexes of farm cash income will be adjusted for shift in seasonal as described in the article.

F. A. BUECHEL.

Seasonal Shifts in the Index of Agricultural Cash Income in Texas

The Index of Agricultural Cash Income in Texas, which has been published monthly by the Bureau of Business Research since October, 1936, for the State and for each of the agricultural reporting districts, has been based on the assumption that there was no significant shift in the income for a given month either for the State or for the component districts. On this basis a fixed index of seasonal variation for a given month for all of the years involved has been used, as illustrated by the horizontal dotted line in the accompanying charts. An assumption of this kind was necessary originally because of the short period during which these agricultural data were available. Since 1936, however, sufficient data have been made available for the Bureau to verify the original data as well as the assumption that there has been no significant shift in income.

By reference to Table I certain very definite changes can be seen to have occurred in the income from cotton, livestock, livestock products, fruits and vegetables, and

canning. Cotton, because of its long standing as the chief agricultural product of Texas, has brought about the major portion of the change. From its contribution of approximately 67 per cent of the income in 1927, cotton has gradually declined to the point of contributing only 35 per cent of the income in 1939. During the same period of time livestock has almost doubled its proportionate contribution, livestock products have trebled and fresh and canned fruits and vegetables have almost quadrupled. This shift in income from one major crop—cotton—to a number of smaller products has much wider significance than merely a change in the source of the farmers' income. The shift also means that the distribution of the income during the fall months, which has been the chief income producing season, has been supplanted by a more even distribution of income during the year since the marketing of livestock has peak seasons during the spring and during the fall. Livestock products, especially milk products, are more nearly year-

TABLE I

PER CENT OF THE TOTAL FARM CASH INCOME IN TEXAS CONTRIBUTED BY EACH OF THE SPECIFIED PRODUCTS FOR THE YEARS 1927 THROUGH 1939

	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
Cotton and Cottonseed.....	66.5	63.2	57.8	50.1	49.5	56.3	63.4	55.1	53.1	51.8	45.7	38.2	34.8
Livestock*.....	13.5	21.3	23.4	25.3	23.3	18.9	14.6	20.6	22.4	21.6	26.0	31.3	33.8
Livestock Products†.....	5.6	6.3	7.3	9.9	11.7	9.8	12.6	12.5	13.8	15.0	12.0	13.9	14.7
Grains‡.....	7.6	6.6	7.7	9.0	9.8	7.0	5.7	7.8	6.7	7.2	10.4	10.0	9.9
Fruits, Vegetables, and Canning§.....	1.8	2.6	3.8	5.7	5.7	8.0	3.7	4.0	4.0	4.4	5.9	6.6	6.8
TOTAL.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Includes Cattle, Calves, Hogs, Sheep, Lambs, Chickens, and Turkeys.

†Includes Wool, Mohair, Eggs, Milk Products.

‡Includes Oats, Wheat, Grain Sorghum, Rice, and Corn.

§Includes Citrus Fruits, Vegetable Truck Crops, and Products Canned.

Source: Computed from Official Monthly Production and Price Reports received by the Bureau of Business Research.

round income factors, and the fruit and vegetable crops are in season throughout the entire year in at least one of the twelve crop reporting districts.

The shift from cotton has also had its effect on the utilization of land and has caused a shift to the production of crops which were of relatively small importance prior to the depression years and the period of government regulation. The production of feed for livestock has brought the forage crops to a more important position in Texas farm cash income. The utilization of land for truck crops especially adapted to the localities or areas in the various districts, when combined with the uses to which land has been put, as described above, makes it probable that even though within the next few years complete freedom is allowed the cotton grower, to plant as he chooses, he will not return to his former production of cotton. Then, too, the world market which the Texas cotton producer formerly enjoyed has been partially taken away by Brazil and India. The substitution of other crops, the smaller market for American cotton, and a more even distribution of income throughout the year will all serve to check the return of cotton to its former position as the chief contributor of Texas farm cash income.

Naturally, such a marked decrease in the income from cotton and the corresponding relative increase from other agricultural products caused the Bureau to make a further study of the indexes of seasonal variation which are used in adjusting the indexes of farm cash income for seasonal variation. Accordingly, during the summer of 1939 a study of the monthly income was begun and it was found that for each district, as well as for the State as a whole, the farm cash income in some months showed a definite tendency to increase and in others to decrease over the thirteen year period from 1927-39 while still other months showed no shift. For example, the month of February, as shown on the accompanying chart for each of the years from 1928-38 when expressed as a percentage of the twelve-month moving average, shows a consistently upward trend; while the month of July shows fluctuations around the normal of 77.3 but no consistent increase or decrease. On the other hand, the month of September for the same period of years shows a consistently decreasing income.

In view of the fact that there is a shift in the seasonal index of Farm Cash Income during this thirteen-year period in nine months of the year and an absence of shift in the remaining three months, it can be seen that within a short time the index of income for the months in which there was either an increasing or decreasing trend would not indicate the true condition for the month considered, unless the index of seasonal variation takes this shift into account. For example, assume that the average monthly income for the State during the month of February for the base period was \$11,511,000.00 and that after adjusting for the shift in income for February, 1939, the expected income is approximately \$16,141,000.00, but that the actual income for the month of February, 1939, was \$15,096,000.00. If adjustment is not made for the shift in seasonal income, an index of

131.1 is obtained, but with adjustment for this factor an index of 93.5 is obtained. The reason the index of 93.5 is a better indication of the relative income for February, 1939, is that, as can be seen from the chart for February, there has been a consistent increase in the income for that month and though the actual income exceeded the income for the base period by three and one-half millions of dollars, it was below its tendency to increase by over one million dollars. Similar fluctuations for each month during 1938 and 1939 as shown in Table II further illustrate the need for considering seasonal shifts in monthly income. This tabulation further substantiates the statement that, unless the shifting seasonal which results from crop changes is recognized, the first six months of the year will be overstated and the last six months understated.

TABLE II

COMPARISON OF STATE INDEX OF FARM CASH INCOME WITH ADJUSTMENT FOR SHIFT AND WITHOUT ADJUSTMENT FOR SHIFT IN MONTHLY FARM CASH INCOME

	1938		1939	
	Adjusted for Shift	Unadjusted for Shift	Adjusted for Shift	Unadjusted for Shift
January	98.7	109.0	82.4	95.5
February	91.3	123.8	93.5	133.3
March	93.7	128.5	85.9	128.6
April	84.7	83.0	102.4	103.9
May	96.8	118.8	90.3	114.9
June	97.2	127.0	83.1	112.9
July	102.5	94.8	90.1	84.8
August	69.6	64.4	82.9	78.0
September	76.1	66.1	84.1	70.4
October	59.6	58.0	58.8	56.0
November	72.8	73.3	62.7	62.9
December	84.6	81.0	80.6	77.4

Source: Computed from Official Monthly Production and Price Reports received by the Bureau of Business Research.

As a result of the realization that there was a seasonal shift in the income for nine months of the year for each of the districts and for the State, the Bureau of Business Research computed indexes of seasonal variation in which the shift in income was eliminated from each month for each of the agricultural reporting districts and for the State total. The procedure for making this adjustment was as follows:

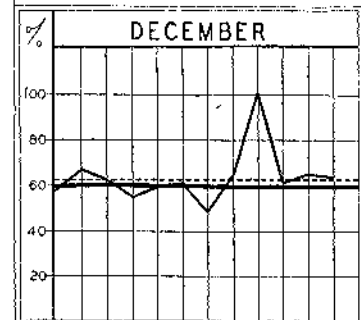
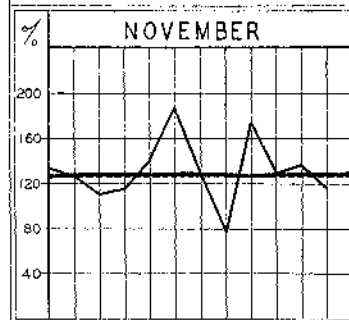
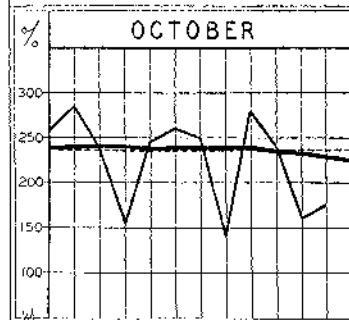
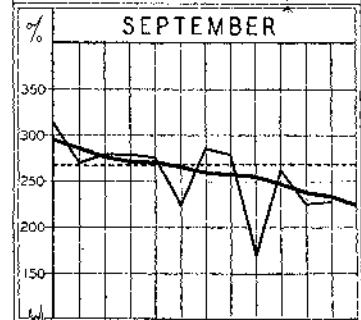
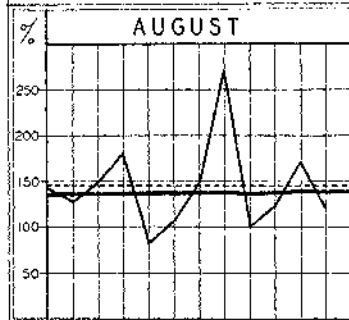
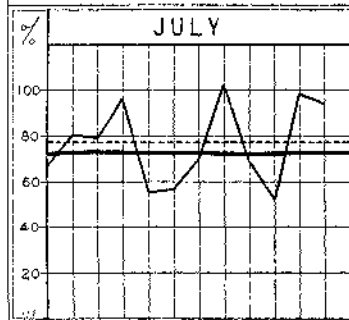
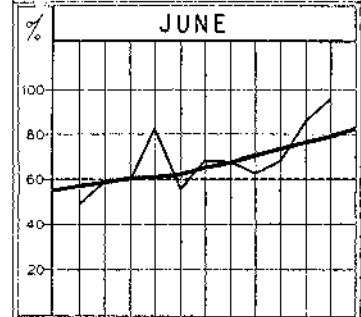
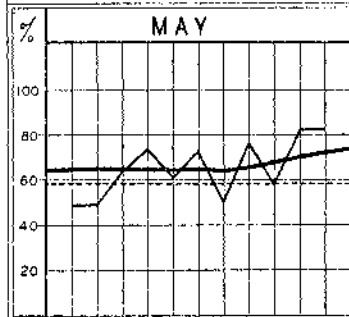
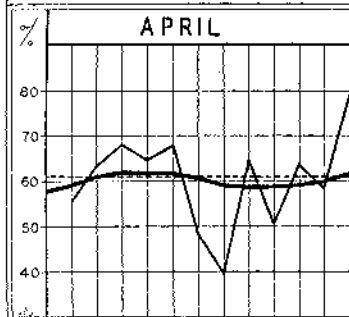
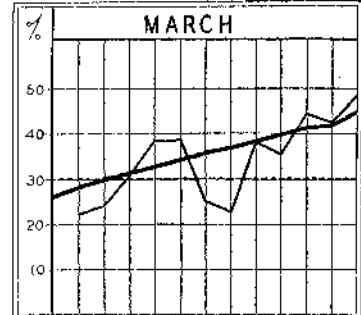
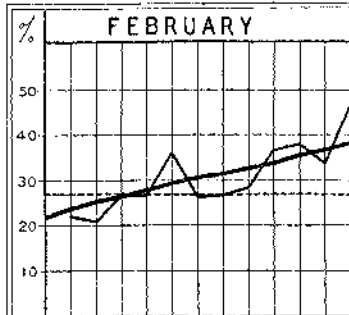
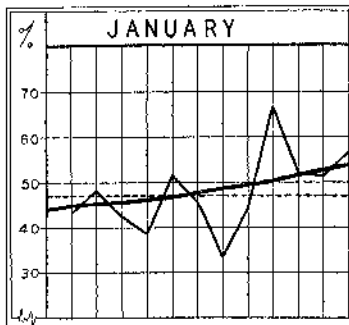
1. The twelve-month moving average centered on the seventh month of the year for each district was computed from the income expressed in dollars for the period from 1927 through 1938. This gave an estimate of the income that would have been received each month had there been no seasonal variation in the income.

2. The actual income for each month for each district was then divided by the twelve-month moving average computed as described above. This procedure gave the percentage each of the monthly income figures was of the moving average for the year and thereby eliminated the seasonal factor.

3. The percentage figures thus computed were plotted by districts and for the State as a whole (See Chart) for each of the twelve months in the year. For example, the twelve percentage figures for the month of July in the

TEXAS MONTHLY FARM CASH INCOME EXPRESSED AS A PERCENT OF THE
 TWELVE MONTH MOVING AVERAGE INCOME
 CENTERED ON THE SEVENTH MONTH
 AVERAGE MONTH OF 1928-32=100%

— SHIFT
 — PERCENT MONTH IS OF MOVING TOTAL
 - - - - - FIXED INDEX OF SEASONAL VARIATION



1927 1928 1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939

1927 1928 1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939

1927 1928 1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939

years from 1927-38 for the State income during that month are placed on one chart.

4. From the graphs prepared as described in 3 (above) and illustrated in the accompanying charts, any shift in the percentage of income for the State during July could readily be seen. A line was then drawn by inspection showing the shift in seasonal which took place during the thirteen-year period for the given month.

5. From the line thus fitted to the percentage figures as plotted on the chart, the index of seasonal variation was read from the point where the dotted line intersected the perpendicular line designating each year. When the indexes thus read from the charts for each month of the year for a given district were added they came within ten points of 1200 per cent. Since this deviation was due to slight errors in fitting the line by inspection, the deviation was then levelled to total correctly.

6. The indexes thus computed and levelled were applied to the average monthly income during the base

period from 1928-32 for each district in order to get the expected income for each month in each district. The income expected as thus computed contains neither seasonal variation nor shift.

7. The income expected each month was then divided into the actual income for each of the districts for the months from 1927-38 to get the Index of Agricultural Cash Income for each month in each district.

In the future in order to determine the Index of Seasonal Variation for each month, the actual income for the months will be plotted as described above and the shift line projected. The Index of Agricultural Cash Income will then be obtained after dividing the actual income by the product of the index of seasonal variation multiplied by the average monthly income. This same procedure will be followed for each of the agricultural reporting districts.

CARROLL BROWN.

Some Implications of Technologic Progress

This is one of a series of articles dealing with a perspective of the world we live in. In a former paper, "Some Implications of Industrialization," some of the broader aspects of industrialism as a great institutional force were dealt with briefly.

The obvious groupings in modern economic activity, agriculture, industry, and commerce are recognized, of course, by all. What is not so generally recognized is how agriculture and commerce have come to be under the aegis of industry. Furthermore, the economics of industry operate in a sphere quite different indeed from that of the economics of agriculture. And, though agriculture as we understand it in the Western World has long been under the aegis of industry, agriculture has not as yet been industrialized.

Agriculture has been pretty generally mechanized; its industrialization is something quite different, introducing into the picture a very different set of economic implications and social reactions from those that still obtain generally in agriculture. The agricultural revolution, so-called, has been the coming to terms of agriculture with an industrialized world. The industrialization of agriculture, if it comes, will have its economic reactions—reactions that will be in the limelight for perhaps a half-century, and possibly twice as long—but its social reactions, directly and indirectly, will be more important still.

I am using this brief introduction to emphasize the need for considering more deeply and in wider perspective the things about us in our work-a-day world.

On the one hand there are the hard facts of earth conditions and natural conditions, "and the history of peoples have been shaped thereby to a far greater extent than their historians have in general been wont to take into account."

The natural endowment, itself a dynamic feature in point of time, sets the limits to what man may do on this planet. Science and technology are ever extending these limits—but limits they remain. The natural endowment

not only sets limits; it presents possibilities, and even advantages, whose breadth and depth are ever being extended by the results of science and technology. Of the profound significance of the various natural environments of the world as more than just providing the material basis, but as contributing to the very warp and woof in human endeavor in the streams of history in our current activities and problems, we can see at least dimly the broader features of the comprehensive pattern. To carry out these studies dealing with the interactions in human geography, anthropology, history, economics, even in the arts and the sciences, in literature, music, the history of science, and the like, though lacking in the spectacular so much in current vogue, is none the less the basis for future intellectual progress, which in the wider perspective of history is seemingly the important thing.

Far removed from the natural environment, it would appear at first glance, is the other side of the shield, the social order and all that that concept implies. Between the natural environments and the social order exist a complex nexus of institutions which I would not presume to enumerate. One of these institutions, however, is technology in its wider sense, the concept recently briefly discussed by President Conant. Another is organization which obviously is of numerous forms. A possibly overstressed, but none the less jarring, statement concerning the implications of one sort of organization has been given by Bertrand Russell in his "Freedom versus Organization, 1814-1914" (published by W. W. Norton and Company, Inc.). The quotation is as follows:

"Two men have been supreme in creating the modern world: Rockefeller and Bismarck. One in economics, the other in politics, refuted the liberal dream of universal happiness through individual competition, substituting monopoly and the corporate state, or at least movements towards them. Rockefeller is important, not through his ideas, which were those of his contemporaries, but through his purely practical grasp of the

type of organization that would enable him to grow rich. Technique, working through him, produced a social revolution; but it cannot be said that he intended the social consequences of his actions."

Like all condensed brief statements, it says at once too much and too little, for objectively the positions of Rockefeller and Bismarck were set in institutional unfoldings of their period in modern history.

Another institutional force, I have stated, is industrialism, of whose inherent characteristics we know but little. The foundations of industrialism lie in combinations of natural resources brought together in certain patterns of interdependence; the dynamics of industrialism are the science and technology mutually growing out of the utilization, and in turn being applied back to natural resources in man's long-time attempts to become better adjusted to earth environments.

What I am here leading up to is this: that the social sciences, particularly, must give consideration anew to the whole problem of life in an industrialized world. Perhaps others can and will state the problem better and more explicitly. That there is such a problem and that it is of fundamental importance is being recognized in more or less crystallized expressions from a great variety of sources. That there are numerous points of approach to the problem is evident from an examination of writings and queries in a large number of fields of endeavor.

One approach is exceptionally well presented in a recent address of Karl Brandt, Professor of Economics, Food Research Institute of Stanford University. I shall quote extensively from this remarkable address, hoping that the author's concepts may not be distorted without presenting the paper in full. Among other things Brandt states:

"Glancing over the time-condensed examples that were cited, we recognize that all supposedly stable equilibria between production and wants as established and maintained by flexible prices are shifting and are basically unstable. They float on top of the existing and changing standards of applied technology. Technical progress is continually attacking the equilibrium, because the possibility of upsetting it temporarily and gaining thereby is the great motor for progress.

"Technological progress is responsible for a continuous process of destroying and depreciating capital, while at the same time it creates new capital. It renders machines, tools, houses, bridges, highways, and every sort of capital economically obsolete even though they are technically still useful, and forces their rapid and premature depreciation. This circle of creation and destruction is a vital principle for the satisfactory operation of our economic system. The power of competition keeps the process of scrapping alive. Monopoly in various forms is capable of preventing the competitive price economy from keeping technological progress and its capital-destroying and capital-creating function alive. If the competitive system is abolished, then technological progress must be kept alive by planning lest we suffer a state of stagnation and all its accompanying conditions. Technological progress in the enlargement and regeneration of human and physical resources constitutes the enzymes and bacteria that keep the body of an economic

system alive. It permits producing and consuming different things. It brings about change. Change is the essence of a living economy. Mechanization creates wealth. But it also creates rigidities and increases the danger of increasing violence of depressions. If mechanization is introduced too quickly at a time of gestation when the flow of investment is faltering already, it may produce the temporary phenomenon of technological unemployment. But this is exclusively a result of congestion. However, this is only a fraction of the truth. Since technological progress discards machines and rigidities, it is technological progress also that makes it possible to absorb the people who have been set free on the labor market into other useful occupations. Inventors do their part in attempts to save us from the vicious condition of the machines' running us instead of our running them.

"In speculating where they shall start their venture, inventors, engineers, and research scholars take a good deal of their stimulus and 'hunch' from the economic sphere. Here technicians can obtain most valuable coöperation from economists. But finally only those accomplishments become a reality in agriculture, industry, and commerce that mature economically into applicability." . . .

"After all, the wealth of nations depends on the volume and quality of production. To be familiar with the progress at that frontier of those who toil with their brains is something worthy of a good economist. How otherwise is it to be explained that in countries like Germany, Russia, and Italy, countries with a long and distinguished history of political economy, economics have been thrown on the scrap heap and engineering has been put into its place? It seems to be an imminent danger in other countries as well that the transfer of economics into a more or less static theory that does not suit the necessities of the life of a nation costs the loss of public endorsement. It is no accident that frequently the most utopian and cockeyed economic plans are drafted by engineers, architects, and chemists who are often the most brilliant technicians in their field. This international phenomenon seems to indicate that many of the most inventive brains in technology despise economics because it is too static, too skeptical, and too little aggressive. Many economists in turn disregard experimental technique and its problems entirely because it seems to them some sort of a lofty hobby that has little connection with the economic process. The same economists, however, do not hesitate to draft economic blue prints for economic planning. Many of these plans are just as cockeyed as those by engineers because they lack sufficient familiarity with technical problems." . . .

"Though we should not be swayed in our judgment by overstressing the effects of technical evolution, we should be familiar with the character and strength of its rejuvenating power, observe the rate of progress, and try to allow in our analysis, our interpretation, and our forecasts for its fermenting animation. To do so leads me to vigorous protest against certain tendencies in contemporary economic thought.

"During the last decade a new interpretation of the prolonged depression and widespread unemployment has

been conceived by some economists of distinguished reputation. In its essence it suggests that our present economic system has reached more or less its ultimate saturation point for three reasons: First, the growth of the population of the world is declining and approaching a point of stagnant population. Secondly, no inventions like the railroad and steamship are to be expected. Thirdly, the discovery and development of new territory and new resources like the development of the American continent are not likely to happen in the future.

"This latest emanation of historical materialism and determinism is usually not expressed in so comprehensive a picture and is not very bluntly stated. Yet it is frequently interwoven into the fabric of all sorts of diagnoses on the roots of the evil of unemployment. The validity of this pessimistic and deterministic economic philosophy surely warrants our sharpest attention. The whole thesis of saturation of our economic system is an economic parallel to Spengler's famous thesis on the "Decline of the West." Both assume that due to inherent laws of the aging of a civilization, its vigor and vitality are diminishing. Spengler assumes this supposedly natural process of maturing and decaying for a specific type of ethnographical and geographical civilization. The economists who proclaim the saturation of the capitalistic system do so for the realm of the competitive price economy usually in combination with an assumption that the liberal political doctrine is the concomitant environment. To be sure, this prophecy of finality and predestination is nothing new. It has any number of precedents. In 1908 a German economist, Julius Wolf, wrote a book on political economy as exact science in which he claimed that further investment in the traffic system of the world did not pay because costs had declined to an irreducible minimum.

"One of the best recent examples of the pessimistic interpretation of the present historical situation is to be found in Professor Alvin Hansen's presidential address delivered at the Fifty-first Annual Meeting of the American Economic Association at Detroit in December, 1938. In this remarkably wellbalanced and skeptical survey, Mr. Hansen points out that with reference to the growth of population Western Europe has 'already virtually reached a standstill.' He admits, however, that population is still growing in Eastern Europe notably in Russia, and in the Orient. He points out also by quoting from the book on *Limits of Land Settlement* that the frontier outlets for new investment are rapidly being closed. Then he rounds up his further conclusions by the following statements: 'The growth of modern industry has not come in terms of millions of small increments of change giving rise to a smooth and even development. Characteristically it has come by gigantic leaps and bounds.' . . . 'It is the *cessation of growth* which is disastrous.' . . . 'It is in connection with the growth, maturity, and decline of great industries that the principle of acceleration operates with peculiar force. And when giant new industries have spent their force, it *may* take a long time before something else of equal magnitude emerges. In fact nothing has emerged in the decade in which we are now living.'

"To me this economic pessimism that is so much in vogue now is hardly more than a philosophy *ex post* which offers a reflection upon our particular situation of these days. It is one interpretation of a certain selection of facts which happen to be shared more or less by all Marxian economists. But facts and even identical facts are open to very different interpretations. I doubt very much whether statistical data support this philosophy very well. As to the forecast on the future trend of population, it appears to exaggerate the opportunity for demarcating the scope of future happenings by statistics of the past."

And of economic "trends" and the problems and dangers of placing too much reliance upon certain ones, Brandt continues: "Why is it impossible that after an era of rapid concentration of industries and densest urbanization and after the experiment of one generation to live with high consumption but few or no children, people should tend in their majority again to another attitude? Metropolitan areas have ceased to increase in concentration and are already dispersing. Moreover, the city is changing in character. Our city of today is not what the city was 30 years ago when it meant a lot of congestion. It is—to be sure—not at all impossible that the population trend should make a turn. It is equally untrue that only the crude growth of population causes an increase in the capacity of the economic system to absorb and to yield revenues from investment. The economic capacity to produce goods is a function of inventiveness, education, technique, and last but not least a function of the will-power to toil instead of idling along. It is the capacity to produce that decides the capacity to consume. Indolence and lack of ambition are indeed a psychic barrier against any progress and prosperity and the only one that counts. I have, however, not seen in any country a race or group of people yet that was absolutely lacking the desire to improve their consumption, either in Mexico or among the negroes and poor whites of the South. At least there are varying degrees of ambition. Moreover, I suspect that poor physical conditions are responsible for a good deal of the inertia.

"As long as people are not so degenerate as to be content in poverty, I do not see any logical reason for a cessation of economic progress. We must not think exclusively of physical goods but also of the intangibles like all the services that are inseparable from the essence of becoming really civilized. Services to body, soul, and intellect are so innumerable that no reason is to be seen for any limitation.

It seems to be a result of the fatalism involved in thinking in terms of 'trends' or the unconscious raising of a graphic symbol like the 'trend' to the power of a totem pole. Trends are merely lines on paper which may deviate at any time from a previously regular direction.

"I cannot see more documentary proof either in behalf of the other components of Professor Hansen's economic pessimism. He says at one point in his paper: 'What we need is not a slowing down in the progress of science and technology, but rather an acceleration of that rate.' Yet

he reduces this recognition of the creative power behind technological progress to a negligible role because he assumes that only such progress as that of the railroads and the moving colonial frontiers can cause sufficient change and thereby opportunity of investment. Is that really borne out by the facts? I wonder whether this is not an illusion similar to that of Karl Marx about the general, necessary, and inescapable drift into concentration of production and distribution. We know now that this prophecy became reality neither for agriculture nor for the distributive field. If we try to summarize the tremendously widespread change that has been going on through more than five or six generations and all the immense depreciations of capital and regeneration of capital outside of the building of railroads and outside of the American frontier, it seems fairly safe to say that though the development of the railroads was a monumental single item that could easily be measured and grasped, hundreds of other changes have contributed as a whole more to the rising standard of living and employment than railroad construction in itself. Why should we belittle the construction of the worldwide electric empire with all its ramifications, the advent of the mobile combustion engine, the new widespread and diversified

chemical industry with nitrogen, rayon, dyes, and pharmaceuticals, the radio industry, the concrete industry, highway construction, and transcontinental and transoceanic airmail which all are absorbing capital in large amounts? Why should we forget the eternally basic investment industry: housing, as a potential large-scale employment opportunity for capital? Looking upon the housing conditions for labor and farmers in large parts of this continent, I see for a century sufficient tasks for immense improvement. Are we not forced perhaps to consider our houses as obsolete although they may offer satisfactory utility according to the standards of yesterday? Have not the heating engineers, through progress in gas, oil, electrical furnaces and ranges, through better insulation and new designing, changed our concept of usefulness of houses? Have not the architects and contractors, the lumber and building material industries done their best to render millions of houses obsolete at a faster rate than ever? Are they not the ones who are going to put idle man-power to work?—Whether we can afford to wreck them depends on the total amount of labor that is put into production.”

(To be continued next month)

ELMER H. JOHNSON.

Financial Situation

Perhaps the most encouraging development in the financial situation during the past month has been the attitude of congressional committees toward the budget recommendations submitted to the Congress on January 5th. In his budget message, President Roosevelt expressed the opinion that the recommendations submitted, which involved a reduction in expenditures of approximately \$675,000,000, represented the minimum amounts acceptable to the people of the country and added, "Therefore those who call for further cuts should have the courage and the honesty to specify where they should be made." Apparently, Congress and its committees have accepted the President's challenge, for, to date (February 19th), they have tentatively reduced the recommendations of the President by approximately \$300,000,000. Among the items cut were those so dear to the administration as national defense and agriculture.

Of course, there is no way of knowing, as yet, whether the economy drive will be strong enough to withstand the assaults of the supporters of Administration spending and subsidizing, and accomplish substantial economies. In fact, reactions in certain quarters to some of the proposed reductions indicate that, in spite of economy efforts, the final accounting for the fiscal year 1941 may reveal actual expenditures that equal or exceed the President's budget recommendations. Supplementary items and deficiency appropriation bills may provide the means of meeting additional demands by various groups for public funds, and the desire of government spenders to provide such largess. It is in this point of public and Administration attitude toward the use of public funds, rather than in mere budget figures that the fundamental budget problem lies.

In concentrating upon the figures, one is likely to overlook the fact that the budget merely reflects the

dollar and cents cost of the services which the people are willing to accept, or insist upon receiving, from the Government. In the first instance, as long as there is a willingness to accept government services, even though such services may be beyond the pale of a reasonable concept of the functions of government in a capitalistic society, the Government will not be likely to relinquish the political power inherent in such a system of mass subsidization. Secondly, once accustomed to the benefits of government gratuities (which, incidentally, must be dispensed at the expense of other groups in the country) the beneficiaries can be expected to resist strongly any change of policy which will cut off their access to public funds.

Reduce relief expenditures and the country is confronted with the spectacle of relief clients staging walk-outs and strikes; eliminate a politico-economic bureau or agency and many minor bureaucrats clamor for its re-establishment; propose a reduction in gratuities to agriculture—as the Committee on Appropriations of the House of Representatives did recently—and professional lobbyists for the farmer descend upon Washington to enter their protest, and (to quote the Commercial & Financial Chronicle, February 10th) "the President, . . . rushed before the spotlight to utter denunciations of the economics proposed by the committee and boldly hinted his support of restoration of the so-called 'parity-payments' against which, in the absence of special taxes to meet them, he has somewhat feebly and perfunctorily protested from their inception."

In spite of such difficulties, barring the way to restoration of a sound fiscal policy, it is encouraging to find that an increasing number of congressional leaders are willing to support a curtailment of those expenditures which are inconsistent with government economy. To

some extent, at least, this action of politicians reflects the attitude of their constituents and it may be that an enlightened public opinion is beginning to emerge from the confusion and financial legerdemain of the past decade. In the final analysis, it is this power of public opinion which will ultimately restore sound policies of government finance by delimiting the economic and social activities of the Government to essential services whose cost is within a manageable limit.

Although the President suggested in his budget message that Congress legislate new taxes to meet the proposed increase in national defense expenditures, it is questionable whether such action will be taken during the present session. In the first place, the obvious political reaction that would be aroused by an attempt to impose additional taxes during a pre-election session of Congress upon an already heavily taxed citizenry is a natural deterrent. Moreover, the Administration is strongly opposed to any increase in consumer-taxes, while congressional leaders appear to be hesitant to add new business taxes for fear of transforming a lagging recovery into a genuine recession.

But, if actual expenditures during the 1941 fiscal year are not kept within the budget recommendations, unwillingness to enact additional taxes will raise the issue of the national debt limitation for congressional action. Although there is considerable opposition in Congress toward an increase in the public debt, it would not be surprising if such legislation were enacted. Recently, the Secretary of the Treasury voiced the opinion that Congress should raise the debt limit to \$50,000,000,000,

adding that when the outstanding debt reached \$49,000,000,000 it would, then, be time to re-examine the situation. If it is to be assumed that the Administration is still bent upon spending in excess of income—and there is very little indication of a change in policy—then, undesirable as a further expansion of the public debt would be, it would probably be the lesser of two evils, for the debt limit is by no means an insurmountable barrier to deficit financing.

The powers of monetary manipulation granted to the Chief Executive by the Thomas Amendment in 1933—and, unfortunately, never repealed—provide a possible source of several billion dollars. The most dangerous provision of the Amendment permits the President to authorize the issue of \$3,000,000,000 in 'greenbacks.' In addition, by issuing silver certificates against silver on the basis of \$1.29 per ounce approximately \$1,500,000,000 would be made available, and if the monetary value of silver should be raised to its full statutory limit additional billions of dollars could be created. Still further, the Treasury has \$1,800,000,000 of unused gold profit, which, although allocated to the stabilization funds at present, could be diverted to other uses. In brief, if group pressure is sufficiently great, and the inclination to spend is still sufficiently strong, ample funds are available without raising the debt limit. Unless public sentiment overwhelmingly supports retrenchment and economy, Administration access to these alternative means of obtaining funds may be one determining factor in inducing Congress to permit additional use of the borrowing power of the Government.

WATROUS H. IRONS.

Manufacturing Developments in Texas During 1939

Additions in almost every line of industry already established in Texas are represented in the group of 289 new plants which comprise the list of manufacturers located in Texas during 1939. Included in this list are factories manufacturing paper, airplanes, machinery, petroleum products, foods, and many other types of goods for local, State, or national distribution.

Plants established to meet the needs of the building expansion in the State have increased in number and variety. Five new lumber and millwork plants and seven concerns manufacturing industrial equipment and machinery have been reported, besides more than thirty others producing materials used in the building industry and household furnishing. Building permits in Texas during 1939 totaled \$89,329,979, an increase of \$11,588,778 over the previous year.

More than forty plants in Texas now manufacture air-conditioning equipment. Ten of these factories making cooling and ventilating machinery were established during the past year; and although many of the plants in the State at present have only local distribution, the industry is becoming one of considerable importance in Texas.

According to a list received from the State offices, there are 128 petroleum refineries now in operation in Texas. This list prepared by the Oil and Gas Division

of the Railroad Commission does not show refineries closed during 1939, but includes those which have been added during the year and those which have been expanded or reopened.

The building of pipe lines and the extension of power lines, more especially for rural electrification, were important activities in Texas during 1939 and affected manufacturing in the State directly and indirectly.

The average number of wage-earners employed in Texas factories during 1939 was estimated at 128,259, an increase of 2.5 per cent over 1938. Estimated wages paid by Texas factories to wage-earners totaled \$129,456,710, which represented an increase of 1.9 per cent over the previous year. In making these estimates we do not account for decreases in employment caused by firms going out of business during the year, or increases caused by the establishment of new plants.

More than forty food-processing plants of all types were added to the list of Texas manufacturing plants during the year 1939. This number includes three cheese plants, besides the new factory of the Kraft Cheese Company under construction at Rusk, Texas, which expects to begin operation in March. Manufacturers of ice cream and creamery butter comprise a total of nine other new producers of dairy products in the State. Campbell-Taggart Associated Bakeries, Dallas, other

bakeries, canning plants, and frozen food plants are included in the food-processing group.

The clothing industry was increased by the establishment of sixteen new plants during the year, and by several plant expansions including that of the Sledge Manufacturing Company, Tyler, makers of men's clothing. Besides two new manufacturers of boots and shoes, H. J. Justin and Sons, Fort Worth, have built a large modern plant which greatly increases their facilities for the production of their well-known brands of boots and shoes.

New firms established during 1939, plants under construction, and factories which have been rebuilt or enlarged during the past year as reported to us through the chambers of commerce, the railroads, State offices, and other sources, are listed alphabetically by cities below. We do not, however, have sufficient information to indicate plants which have been closed since the Directory of Texas Manufacturers was published two years ago and which contained 8,280 names.

NEW PLANTS IN CITIES FROM "A" THROUGH "C"

Graves Overhead Doors, garage doors, Arlington; Kar Kooler Kompany, air conditioning units for automobiles, Arlington; Kraft Cheese Co., cheese plant, Athens; Dr. Pepper Bottling Co., Austin; Heffington Petroleum Co., refinery, Austin; Tribune Publishing Co., Austin; J. H. Richardson, cedar oil plant, operating part time, Bastrop; Jefferson Venetian Blind and Supply Co., Beaumont; Magnolia Petroleum Co., alkylation process unit, Beaumont; Thomas M. Royal & Co., Beaumont; Pure Oil Co., refinery, Beaumont; Pennsylvania Shipyards, Inc., Beaumont. The last three named Beaumont concerns reported plant expansions. Pay-Tex Oil Co., Benavides; Dickey and Reynolds Foundry, Bonham; John Moosberg Cheese Plant, Center; Col-Tex Refining Co., Corpus Christi, road-building material.

NEW DALLAS PLANTS

The following represent new plants or expansions in Dallas during the past year: Ace Printing Co., A-C Bedding Co., mattresses and bedding; A-Date-With-A-Nut Co., nut confection; A. and W. Brands Co., food products; Air-Thro., Inc., air conditioning equipment; American Furniture Mfg. Co.; A-L Cabinet Shop; Aircraft Poster Co., printing, signs and posters; Baker Sheet Metal Works; Ball-Harris Co., typesetting; B. & B. Mfg. Co., children's clothing; Jack Beason Sheet Metal Works; B. & G. Pants Co., men's and boys' clothing; Borden Co., ice cream; Butane Equipment Co., Inc.; California Tan Co., fur coats; Campbell-Taggart Associated Bakeries; Cedar Crest Hats; Century Furniture Studio; Milo E. Clark and Son, printers; Cook Mfg. Co., oil well equipment and supplies; Craft Cabinet Shop; Crispettes Potato Chip Co.; Dallas Art Embroidery Co., dress trimmings; Dallas Cast Marble Co., artificial building stone; Dallas Chenille Co., chenille bed spreads; Dallas Bean and Seed Cleaning Co.; Dallas Machine and Engine Works, machine work, heavy forgings, tanks; Dallas Parade, publishing; Dallas Table Pad Mfg. Co.; Dal-Sec Bakery; Day Mfg. Co., boxes; Delta Hat Co.; Dixie Ice Cream Co.; Eaves Printing Co.;

Eagle Printing Co., Eunice Gillette Co., uniforms and dresses; A. S. Foy Sheet Metal Works; Gar-Airco Engineering Co., air conditioning; General Office Supply Co., printing and publishing; G. & M. Body Works, auto and truck bodies; Grand Broom Works; Green-Way Mfg. Co., clothing; E. H. Harold Co., Venetian blinds; Hi-Stile Hat Mfg. Co.; Husley Cabinet Shop; Jeanette Mfg. Co., coats, suits and sport clothing; J. & J. Cigar Co.; Johnson Gilmore Mfg. Co., woodwork; C. C. Jones Sheet Metal Works; Jones-Warlick Refinishing & Upholstering Co., and Koon's Food Mfg. Co., food products. Longhorn Roofing Products is reported as under construction.

Other Dallas plants are: Mac's Old Plantation Cracking Co., food products; J. P. Mahon, color press; Marbrook Mfg. Co., women's dresses and suits; May & Lofland Corp., steel fabrication plant; Milco Novelty Co., Inc., artificial flowers, costume and novelty jewelry; Morgan Mfg. Co., dresses; Nardis Sportwear, Inc., women's ready-to-wear; National Pants Corp; Nuzon-Texas Corp; Old Gold Kitchens, chili; Oriental Transmission & Packing Co.; Original Printing Shop; Orogold Co., beverages; Peerless of America, Inc., refrigeration and air conditioning equipment; Pearl Coffee & Tea Co.; Lou Peters Uniform Mfg. Co., uniforms; Peters Mfg. Corp., sheet metal products; Pork Skin Chips Co., Inc., food products; Premier Publishing Co.; Quick Foods Co., prepared pastry and pie filling; Reflecto Mfg. Co.; Ross Machine Works; Safeway Bakery Co.; Edwin W. Smith Machine Works; Southern Garment Co., dress manufacturers; Southern Maid Donut Co.; Southwest Advertising & Display Service, Inc.; Snoair Co., air conditioning equipment; Superior Venetian Blind Co.; Superlite Co., experimental laboratories; Time Brewing, Inc.; Townsend Sign & Process Service; Treadwell Chili Factory; Trinity Mfg. Co., cabinet makers; Universal Mfg. Co., attic ventilating fans; J. C. Williams Hat Block Mfg. Co.; Woodcraft, Inc.; Wunderlick Pecan Co.; and Zum-berge Mfg. Co., underreamers for use in foundation work.

NEW PLANTS IN DENISON, DENTON AND EL PASO

Barker Dairy Co., ice cream, Denison; J. Holland Russell, rayon underwear, Denton; Universal Body & Mfg. Co., truck bodies, El Paso; agricultural implements and irrigation pumps manufactured in Floydada, firm name not given.

NEW PLANTS IN FORT WORTH

Fort Worth plans added during 1939 include: American Metal Products Co., air conditioning equipment; Baker Machine and Plating Co., window weights; Barnes Sanitary Bottle Rack Co.; Bennett Aircraft Corp., airplanes; Berg Laboratories, chemicals; Carpenter Belt & Pattern Works, industrial belts and wood patterns; Casebolt Biscuit Co.; Cozzens Dental Laboratory; Jack Dempsey Neon Service; Denton Mill & Elevator Co.; Di-Function Co., Inc., medicinal products; Duchess Laboratories, chemicals; Electric Pump Co.; Fort Worth Peanut Co.; Fortson Venetian Blind Co.; Garm-A-Form Specialty Mfg. Co., dry cleaning equipment machinery; Graphic Arts Agency, printing; H & S Shoe Co.; Industrial Machine Co.; Ingle Display Co.; H. J. Justin

& Sons, boots and Shoes, new plant; Latimer & Mathis Artificial Limb Co.; National Aircraft Corp., to be built; NYA Wood-Working Shop; Posey's Chemical Co., janitor's supplies; Premier Publishing Co.; Purcell-Turner; Regal Seal Co., food products; The Rike Co.; Spencer Smith Venetian Blinds; Southern Venetian Blind Co.; Southwestern Mfg. & Refining Co., refining of asphalt; Texas Offset Supply, Inc.; Texas Radio Mfg. Co.; Thermolizer System, steel cabinets for sterilizing bedding; Weir Foundry, aluminum and copper alloy; H. N. Whalin Co.; Wilson Foundry; and Worth Dispensing Machine Co., coin operated machines.

NEW PLANTS IN GAINESVILLE, GALVESTON, GLADEWATER, GONZALES AND HASKELL

Tydal Refining Co., Gainesville; Graughnard's Bakery, plant expansion, Galveston; Gulf Marine Ways, addition of machine shop, Galveston; Gladewater Refining Co., Gladewater; Gonzales Cotton Mill, Gonzales; Haskell Cheese Plant, Haskell.

NEW PLANTS IN HOUSTON

Acme Concrete Pipe Co.; Airline Valve and Machine Works; American Can Co., plant expansion; Armstrong Featherweight Decoy Co.; Art Shade and Drapery Co.; Atlas Engineering Works; Automatic Butane Gas and Equipment Co.; Better Built Bedding Co.; Big Three Welding Equipment Co.; Champion Paper & Fibre Co., plant expansion; Chip Steak Co. of Houston, meat processing; Clipper Mfg. Co., ventilating equipment; H. E. Cockburn, iron ore processing plant; Continental Box Co.; Continental Casket Corp of Texas; D. and P. Chemical Co., steam vaporizer; Debonair, Inc., shampoo; Douglas Sulphur Co., sulphur grinding; Eastman Kodak Co., laboratory; Electromatic Educational Service, electrical transcription equipment; Esko Mfg. Corp., attic ventilating fans; Francis Metal Door and Window Corp.; Fruehauf Trailer Co.; Fuel-Less Motor Corp., mechanical devices; Geophysical Machine Works, scientific machinery; Green and Green Mfg. Co., plant expansion; Gulf Drug Co., winery; Gulf Publishing Co.; Gulfspray Shower Doors; Hammond Exploration Co.; J. W. Harrington, billard equipment and attic ventilation; Hobbs Trailer Co.; Houston Tank and Welding Co., pressure vessels and butane gas systems; Houston Trailer Coach Co.; Hylco Co., Inc., cleaning compound; Jingle Bell Frozen Products, Inc.; Kay Mfg. Co., wire products; Kuhn Paint and Varnish Co.; Lone Star Bag and Bagging Co.; Marigold Products Co., cosmetics and barber supplies; Martha Ann Custom Garments Co., uniforms; Minamax Mfg. Co., refrigerator device; Modern Metalcraft Studios; National Mattress and Bedding Co.; North Texas Iron and Steel Co., under construction; North Texas Iron Works, fabricated steel products; Earle C. Parker Co.; Pavlu Mfg. Co., sheet metal products; Piggly-Wiggly Corp., coffee roasters; Phoenix Refining Co.; Pittsburgh Plate Glass Co.; Pollock Paper and Box Co., waxed wrapping and boxes; Red Rock Beverage Co.; Redi-Rice Co.; Russell Oil Co., refinery; Seaboard Rice Mill, Inc.; Siesta Mosaic Tile Co.

Shell Oil Co., alkylation plant at Deer Park Ref.; Sillcrest Chemical Co., metal polish; Southline Metal

Products Co., filing cases, fabricated steel cabinets; Specialty Mfg. Co., oil field equipment tools; Southern Plastic Co., seismograph supplies; Star Smelting and Refining Co., lead smelting; Texas Attic Fan Mfg. Co.; Texas Industrial Insulating Co., boiler insulation; Texas Venetian Blind Co.; Velvet-Air Mfg. Co., attic ventilation fans; Velva Ice Cream Co.; Vent-Master Co., attic ventilating grills; Vernor's Ginger Ale Co., and Wolf Pattern Works, metal castings, completes the Houston list.

NEW PLANTS FROM "J" THROUGH "R"

Industrial Iron Works, school bus bodies, plant under construction, Jacksonville; Motor Fuels Corp., refinery Lovelland; Southland Mills, Inc., paper, newsprint, Lufkin; Texas Foundries, Inc., Lufkin.

New Lubbock plants include: Ace Printing Co.; Betty Lou's Potato Chips; Blackwell Mattress Co.; Boldin Planing Mill; Brown's Pure Foods; Dean's Planing Mill; Gibson Printing Co.; Hobbs Trailer Co.; Home Fried Pies; Kitchen Maid Bakery; Lubbock Blue Print Co.; Lubbock Tent & Awning Co.; Martin Bros. Planing Mill; Panhandle Supply Co., air conditioning equipment; Pioneer Cookie Co.; Prairie Maid Foods Products; Pogue & Bigham Sheet Metal Works; Puritan Water Co.; Seven-Up Panhandle Co.; Tech Shoe Shop; Woodson Bakery; and E. E. Wright, floor sweep.

Madisonville Creamery, butter, Madisonville; plant for production of candelilla wax at Marathon (firm name not known); C. P. & L. vegetable freezing plant at Mercedes; DeWitt McDonald, frozen food plant, Midlothian; Box Factory of the Crazy Water Co., Mineral Wells; Chickasha Cotton Oil Co., Muleshoe; Phoenix Ref. Co., Pettus; Atlantic Refining Co., Port Arthur; Gulf Oil Corp., refinery under construction, Port Arthur; Venetian Blind Service Co., Port Arthur; Johnson and Steele Canning Plant, Powderly; Evergeen Farms Co., dehydration plant, Raymondville; Coronado Corp., recycling plant, Refugio; Kraft Cheese Co., plant under construction, Rusk.

NEW PLANTS FROM "S" THROUGH "Y"

San Antonio plants include: Acme Cover Co., auto seat covers; Alamo Broadcasting Co., broadcasting equipment; Alamo Products Co., food products; American National Aircraft Co.; Arsate Products Co., cattle dip, etc.; C. P. Mfg. Co., silver polish, dog remedies, veterinary supplies; Double Cola Co., Inc.; W. G. Duncan, containers; Hobbs Mfg. Co., auto truck bodies; J. E. Ingram Equipment Co., agricultural implements; Lone Star Brewing Co.; Lone Star Noodle Co.; Neo-Rite Co.; Standard File Exchange; and Superior Woodwork Co.

Delta Refining Co., Southerland City; Wheatley Mayonnaise Co., Terrell; Pan-American Ref. Corp., Texas City; Three Rivers Ref. Corp., Three Rivers; Canning Plant, Troup; Owens-Illinois Glass Co., plant to be constructed in Waco; Waxahachie Garment Co., Waxahachie; Rhodes Gasoline Co., Wichita Falls; Westex Boot and Shoe Co., Wichita Falls; Cotton Oil Mill, Wills Point; L. & G. Products Co., food products; Swift and Co., ice cream, Yoakum.

CLARA H. LEWIS.

Cotton

The increase in the demand for American cotton abroad during recent months has been rather spectacular. The exports of American cotton have nearly doubled over the corresponding period of the preceding year. Of course, this has been due to the fact that the foreign buyers have taken advantage of the export subsidy and have been encouraged to stock American cotton more freely.

The greater consumption of American cotton abroad is an important factor in the national economy of this country. It is evident that the production could not be placed on a purely domestic basis as it would be detri-

mental to the country's agricultural economy. The American cotton carryover amounted to 13,033,000 bales on last August first. This indicates the importance of foreign markets to the cotton farmers in this country and especially in Texas.

The improvement in cotton prices could not be brought about by any artificial program such as above market price loans. But what is desirable is to find constructive ways and means whereby the country could later increase the domestic and foreign consumption of American cotton.

M. R. THADANI.

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

	Carryover Aug. 1	Imports to Feb. 1*	Government	Consumption to Feb. 1	Exports to Feb. 1	Total	Balance Feb. 1
			Estimate as of Dec. 1				
1930-1931	4,530	30	14,243	18,803	2,460	4,479	6,989
1931-1932	6,369	47	16,918	23,334	2,626	4,957	7,583
1932-1933	9,682	59	12,727	22,468	2,812	5,040	7,852
1933-1934	8,176	68	13,177	21,421	2,923	4,919	7,842
1934-1935	7,746	56	9,731	17,533	2,685	2,866	5,550
1935-1936	7,138	56	10,734	17,923	3,014	4,004	7,018
1936-1937	5,397	72	12,407	17,876	3,435	3,848	7,283
1937-1938	4,498	46	18,746	23,290	3,078	3,832	6,910
1938-1939	11,533	77	12,008	23,618	3,397	2,192	5,589
1939-1940	13,033	66	11,792	24,881	4,042	4,161	8,203

*In 500-pound bales.

†The cotton year begins August 1.

Note: These figures have been revised in accordance with revisions made by the United States Bureau of the Census.

JANUARY CARLOAD MOVEMENT OF POULTRY AND EGGS

Shipments from Texas Stations

Destination*	Cars of Poultry								Cars of Eggs†	
	Live				Dressed				Jan. 1940	Jan. 1939
	Chickens	Turkeys	Chickens	Turkeys	Jan. 1940	Jan. 1939	Jan. 1940	Jan. 1939		
TOTAL	2	2	3	29	49	12	11	27.5	20.0	
Intrastate	1	1	1	1	1	2	2	4.0	4.0	
Interstate	2	1	3	29	49	10	9	23.5	16.0	
Origin	Receipts at Texas Stations									
TOTAL	1	1	1	1	1	2	2	15.5	15.5	
Intrastate	1	1	1	1	1	2	2	3.5	3.5	
Interstate	1	1	1	1	1	2	2	12.0	12.0	

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

†Powdered eggs and canned frozen eggs are converted to a shell egg equivalent.

Note: These data are furnished the United States Department of Agriculture by railroad officials through agents at all stations which originate and receive carload shipments of poultry and eggs. The data are compiled by the Bureau of Business Research.

CEMENT

(In Thousands of Barrels)

	Jan. 1940	Jan. 1939	Dec. 1939
Texas Plants:			
Production	445	673	547
Shipments	450	628	518
Stocks	906	826	911
United States:			
Production	6,205	5,301	9,488
Shipments	3,889	5,640	6,772
Stocks	25,765	23,615	23,495
Capacity Operated	28.5%	24.3%	43.3%

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

JANUARY PURCHASES OF SAVINGS BONDS

	Cost Price Jan. 1940	Cost Price Jan. 1939
Abilene	\$ 64,106	\$ 32,961
Amarillo	80,700*	†
Austin	113,119	74,700
Beaumont	134,663	74,063
Big Spring	28,425	21,638
Brownsville	13,988	4,575
Brownwood	21,056	14,475
Dallas	562,594	422,663
Denison	35,569	36,675
Denton	11,794	9,694
El Paso	214,369	174,619
Fort Worth	56,865	241,313
Galveston	84,675	110,569
Gladewater	51,413	35,944
Harlingen	12,900	15,113
Kenedy	7,500	1,931
Longview	53,025	53,494
Marshall	44,831	8,738
McAllen	11,531	5,156
Odessa	18,881*	†
Palestine	27,319	12,206
Pampa	7,913	1,144
Plainview	19,031	19,163
Port Arthur	59,531	29,756
San Angelo	46,050	37,181
San Antonio	469,275	213,394
San Benito	9,506	7,988
Sherman	24,000	10,163
Tyler	129,225	130,181
Waco	121,500	42,750
Wichita Falls	121,838	138,769
TOTAL	\$2,557,611	\$1,981,016

*Not included in total.

†Not available.

EMPLOYMENT AND PAY ROLLS IN TEXAS

JANUARY, 1940

	Estimated Number of Workers Employed	Percentage Change from Dec. 1939		Estimated Amount of Weekly Pay Roll	Percentage Change from Dec. 1939	
		from Jan. 1939	from Jan. 1939		from Jan. 1939	from Jan. 1939
<i>Manufacturing</i>						
All Manufacturing Industries.....	130,247	+ 0.1	+ 4.3	\$2,580,844	- 2.5	+ 7.6
<i>Food Products</i>						
Baking.....	6,740	- 3.7	+ 2.3	165,158	+ *	+ 14.9
Beverages, Carbonated.....	1,608	- 4.0	+ 11.3	29,284	- 7.4	+ 11.2
Confectionery.....	884	- 16.1	- 9.6	11,206	- 13.3	+ 13.2
Flour Milling.....	1,533	†	- 4.1	35,386	+ 0.5	+ 5.4
Ice Cream.....	447	- 3.5	- 0.9	8,919	- 5.3	- 13.8
Meat Packing.....	3,780	+ 2.0	+ 5.9	101,386	+ 5.9	+ 9.2
<i>Textiles</i>						
Cotton Textile Mills.....	4,045	+ 0.5	+ 11.3	71,357	+ 0.6	+ 32.1
Men's Work Clothing.....	2,905	- 4.0	- 13.2	23,329	+ 0.9	- 8.4
<i>Forest Products</i>						
Furniture.....	1,916	- 5.6	+ 15.5	34,082	- 12.1	+ 36.6
Planing Mills.....	2,498	- 4.1	- 0.3	34,325	- 10.9	+ 4.7
Saw Mills.....	12,225	+ 7.6	+ 17.1	156,010	+ 0.2	+ 25.9
Paper Products.....	345	- 2.8	+ 9.3	4,566	- 5.5	+ 4.5
<i>Printing and Publishing</i>						
Commercial Printing.....	1,881	- 0.6	- 6.8	49,634	- 4.3	- 8.6
Newspaper Publishing.....	4,257	- 7.2	+ 4.4	117,856	- 13.3	+ 3.2
<i>Chemical Products</i>						
Cotton Oil Mills.....	1,837	+ 11.8	- 11.4	27,532	+ 5.1	+ 12.9
Petroleum Refining.....	18,676	- 0.4	+ 3.0	674,291	- 3.9	- 1.6
<i>Stone and Clay Products</i>						
Brick and Tile.....	788	+ 1.1	- 13.1	10,164	- 14.8	- 22.8
Cement.....	1,349	+ 3.5	- 13.3	21,617	- 1.7	- 20.9
<i>Iron and Steel Products</i>						
Foundries and Machine Shops.....	10,098	+ 1.7	+ 6.2	311,964	+ 2.0	+ 20.9
Structural and Ornamental Iron.....	1,562	- 1.4	+ 21.7	31,959	- 1.1	+ 30.4

Employment		Pay Rolls	
Percentage Change	Percentage Change	Percentage Change	Percentage Change
Dec. 1939 to Jan. 1940	Jan. 1939 to Jan. 1940	Dec. 1939 to Jan. 1940	Jan. 1939 to Jan. 1940

Employment		Pay Rolls	
Percentage Change	Percentage Change	Percentage Change	Percentage Change
Dec. 1939 to Jan. 1940	Jan. 1939 to Jan. 1940	Dec. 1939 to Jan. 1940	Jan. 1939 to Jan. 1940

<i>Nonmanufacturing</i>				
Crude Petroleum Production.....	- 0.5	+ 0.8	- 1.2	- 2.5
Quarrying.....	+ 0.2	- 2.6	- 8.9	- 3.5
Public Utilities.....	- 0.8	+ 4.0	- 0.8	+ 6.3
Retail Trade.....	- 20.5	+ 5.7	- 18.9	+ 3.6
Wholesale Trade.....	- 3.8	+ 2.5	- 4.4	+ 2.8
Cotton Compresses.....	- 2.1	+ 46.2	+ 16.9	+ 83.3
Dyeing and Cleaning.....	- 4.0	- 2.5	- 11.0	- 1.3
Hotels.....	+ 2.5	- 0.4	+ 2.8	+ 3.6
Laundries.....	- 0.3	+ 1.2	+ 1.4	+ 5.8

<i>Cities</i>				
Abilene.....	- 18.9	- 19.3	- 5.2	- 12.5
Amarillo.....	- 2.4	+ 18.2	- 7.1	+ 29.2
Austin.....	- 5.4	- 7.6	- 8.2	- 1.1
Beaumont.....	- 3.8	+ 4.0	- 6.7	- 2.3
Dallas.....	- 9.2	- 1.3	- 9.5	- 2.3
El Paso.....	+ 3.0	+ 2.0	+ 3.1	+ 8.5
Fort Worth.....	- 1.3	- 2.2	- 1.7	- 0.2
Galveston.....	- 1.0	- 7.3	- 5.8	- 5.0
Houston.....	- 3.9	+ 9.4	- 3.9	+ 13.8
Port Arthur.....	†	+ 5.3	- 3.9	+ 2.1
San Antonio.....	- 10.9	- 5.1	- 6.9	+ 2.4
Sherman.....	+ 12.4	+ 6.4	+ 18.9	+ 8.2
Waco.....	- 4.6	+ 12.7	- 7.9	+ 15.0
Wichita Falls.....	- 6.3	- 3.3	- 2.1	+ 2.5
STATE.....	- 3.3	+ 3.3	- 4.1	+ 3.3

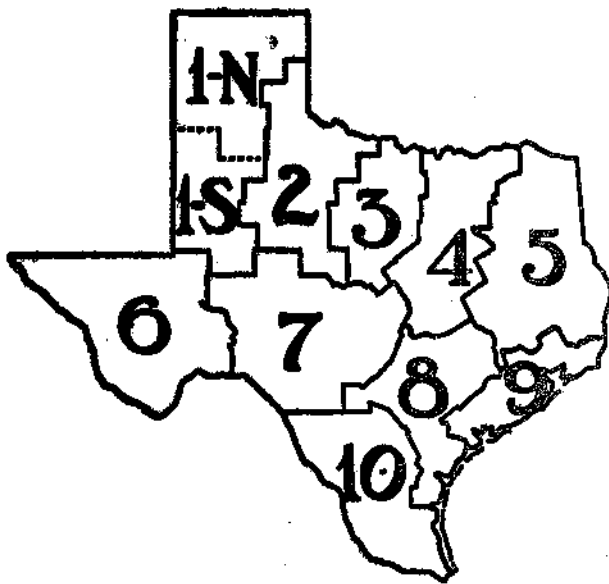
*Less than 1/20 of 1 per cent.

†No change.

Prepared from reports from representative Texas establishments to the Bureau of Business Research, cooperating with the United States Bureau of Labor Statistics.

JANUARY RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Total Number of Firms Re- porting	Percentage Change in Dollar Sales	
		Jan. 1940	Jan. 1940
		Jan. 1939	Dec. 1939
TOTAL TEXAS	1,060	+ 2.7	- 35.9
TEXAS STORES GROUPED BY PRODUCING AREAS:			
DISTRICT 1-N	68	+12.6	-24.9
Amarillo	12	+12.5	-35.1
Canyon	5	+ 8.4	-45.4
Pampa	11	+27.7	-22.0
Plainview	14	+24.2	-18.1
All Others	26	-16.5	-14.5
DISTRICT 1-S	20	+23.3	-26.4
Big Spring	7	+41.2	- 4.0
Lubbock	10	+13.9	-36.0
All Others	3	+76.3	+60.8
DISTRICT 2	89	- 1.9	-34.3
Abilene	12	- 8.0	-49.4
Sweetwater	5	+15.7	-44.7
Vernon	5	+ 4.5	-25.6
Wichita Falls	15	+ 3.7	-39.1
All Others	52	- 6.3	-23.5
DISTRICT 3	34	+ 0.8	-31.4
Brownwood	7	- 9.3	-51.3
Eastland	5	+ 9.3	-25.9



	Total Number of Firms Re- porting	Percentage Change in Dollar Sales	
		Jan. 1940	Jan. 1940
		Jan. 1939	Dec. 1939
Stephenville	5	- 2.9	-41.1
All Others	17	+ 2.1	-26.4
DISTRICT 4	253	- 0.5	-37.5
Cleburne	8	+ 3.1	-52.2
Commerce	6	-13.8	-45.5
Corsicana	7	-14.6	-48.0
Dallas	41	- 3.9	-32.8
Denison	6	+17.0	-31.4
Ennis	8	+ 1.5	-25.2
Fort Worth	42	+ 3.3	-47.6
Sherman	6	- 6.4	-42.0
Taylor	6	-30.6	-22.6
Temple	12	+ 3.5	-36.3
Waco	30	+23.4	-14.4
All Others	81	-16.4	-39.1
DISTRICT 5	108	+10.5	-33.0
Bryan	9	+ 7.3	-44.6
Longview	9	+ 9.7	- 8.7
Marshall	7	+15.8	-31.8
Tyler	16	+17.6	-40.3
All Others	67	+ 9.0	-31.4
DISTRICT 6	33	+11.7	-34.2
El Paso	20	+13.4	-35.6
All Others	13	- 4.6	-11.1
DISTRICT 7	51	+ 3.8	-35.2
Brady	8	+ 9.8	-34.6
San Angelo	11	+ 8.0	-34.8
All Others	32	- 1.8	-35.9
DISTRICT 8	190	- 5.3	-35.5
Austin	21	-11.1	-51.5
Beeville	5	-11.9	-15.3
Corpus Christi	14	- 2.5	-27.4
Cuero	5	- 8.4	-59.4
Lockhart	5	+ 6.6	-25.0
San Antonio	62	- 4.7	-33.5
San Marcos	7	- 2.9	-10.7
All Others	71	- 1.3	-24.5
DISTRICT 9	157	+ 3.4	-40.0
Bay City	5	-18.8	-50.6
Beaumont	18	+ 4.3	-51.9
Galveston	21	+ 2.4	-23.0
Houston	53	+ 3.2	-42.2
Port Arthur	16	- 1.2	-40.2
Victoria	9	+ 8.2	-26.8
All Others	35	+13.1	- 9.9
DISTRICT 10	57	+ 6.3	-23.6
Brownsville	13	+ 6.1	-39.5
Harlingen	8	+10.9	-27.4
Laredo	5	-10.1	-34.1
All Others	31	+13.5	- 5.9

NOTE: Prepared from reports from independent retail stores to the Bureau of Business Research, cooperating with the United States Department of Commerce.

JANUARY RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Number of Firms Reporting	January, 1940	
		Percentage from Jan. 1939	Change from Dec. 1939
TEXAS	1,060	+ 2.7	- 35.9
STORES GROUPED BY LINE OF GOODS CARRIED:			
APPAREL	120	+ 0.9	- 45.6
Family Clothing Stores.....	27	+ 8.4	- 56.7
Men's and Boys' Clothing Stores.....	42	+ 2.1	- 45.3
Shoe Stores.....	19	- 3.6	- 54.9
Women's Specialty Shops.....	32	- 0.7	- 41.8
AUTOMOTIVE	118	+ 13.9	- 11.2
Filling Stations.....	36	- 2.4	- 8.3
Motor Vehicle Dealers.....	82	+ 14.5	- 11.2
COUNTRY GENERAL AND FARMERS' SUPPLIES	92	+ 0.7	- 22.8
DEPARTMENT STORES	53	+ 2.3	- 53.4
DRDG STORES	123	+ 5.6	- 18.8
DRY GOODS AND GENERAL MERCHANDISE	12	+ 13.0	- 55.4
FLORISTS	32	+ 0.8	- 39.6
FOOD	141	+ 0.8	- 10.7
Grocery Stores.....	37	+ 3.6	- 8.2
Grocery and Meat Stores.....	104	- 0.1	- 11.4
FURNITURE AND HOUSEHOLD	54	+ 1.1	- 41.9
Furniture.....	49	+ 0.5	- 42.7
Household Appliance Stores.....	5	+ 9.3	- 29.4
JEWELRY	40	+ 30.6	- 68.5
LUMBER, BUILDING, AND HARDWARE	230	- 17.9	- 21.9
Farm Implement Dealers.....	11	+ 18.3	- 20.5
Hardware Stores.....	75	- 2.2	- 23.0
Lumber and Building Materials Dealers.....	144	- 24.8	- 21.6
RESTAURANTS	23	- 3.4	- 0.8
ALL OTHER STORES	22	- 7.7	- 47.6
TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:			
All Stores in Cities of—			
Over 100,000 Population.....	218	+ 1.6	- 39.3
50,000-100,000 Population.....	106	+ 4.4	- 37.9
2,500-50,000 Population.....	460	+ 4.9	- 33.6
Less than 2,500 Population.....	276	+ 1.2	- 18.7

Note: Prepared from reports of independent retail stores to the Bureau of Business Research, cooperating with the United States Department of Commerce.

PETROLEUM

Daily Average Production
(In Barrels)

	Jan. 1940	Jan. 1939	Dec. 1939
Coastal Texas*	226,610	212,200	251,200
East Central Texas.....	79,140	92,200	92,900
East Texas.....	394,490	372,150	469,000
North Texas.....	80,980	79,500	91,650
Panhandle.....	80,100	63,950	79,950
Southwest Texas.....	206,760	232,650	232,800
West Central Texas.....	31,770	30,050	31,950
West Texas.....	232,930	204,600	258,900
STATE.....	1,332,730	1,287,300	1,508,350
UNITED STATES.....	3,584,900	3,242,800	3,776,500
Imports.....	156,914	100,250	132,464

*Includes Conroe.

Note: From American Petroleum Institute.

See accompanying map showing the oil producing districts of Texas.

Gasoline sales as indicated by taxes collected by the State Comptroller were: December, 1939, 111,336,000 gallons; December, 1938, 104,798,000 gallons; November, 1939, 104,582,000 gallons.



JANUARY CREDIT RATIOS IN TEXAS RETAIL STORES

(Expressed in Per Cent)

	Number of Stores Reporting	Ratio of Credit Sales to Net Sales		Ratio of Collections to Outstandings		Ratio of Credit Salaries to Credit Sales	
		1940	1939	1940	1939	1940	1939
All Stores	68	67.1	66.0	39.9	39.1	1.3	1.5
Stores Grouped by Cities:							
Amarillo.....	3	61.3	59.4	51.2	46.7	1.8	2.2
Austin.....	7	61.8	58.8	45.5	44.4	1.5	1.5
Beaumont.....	3	73.8	69.7	44.6	43.8	1.6	1.3
Dallas.....	10	73.4	73.5	39.3	38.3	0.9	1.5
Fort Worth.....	6	66.3	65.5	36.4	36.3	1.5	1.5
Houston.....	8	67.3	66.0	41.9	41.5	1.6	1.5
San Antonio.....	5	50.9	46.3	46.1	45.6	1.3	0.6
Waco.....	5	66.8	65.5	33.5	31.3	1.7	1.7
All Others.....	21	59.2	58.5	39.2	38.5	1.9	2.0
Stores Grouped According to Type of Store:							
Department Stores (Annual Volume Over \$500,000).....	19	68.7	65.8	41.9	41.1	1.3	1.5
Department Stores (Annual Volume Under \$500,000).....	11	36.8	59.0	35.6	36.3	2.4	2.6
Dry Goods Apparel Stores.....	5	64.9	61.7	36.9	36.0	2.4	2.0
Women's Specialty Shops.....	15	68.7	65.5	35.5	34.3	0.8	1.0
Men's Clothing Stores.....	18	70.5	70.1	38.8	37.7	1.6	1.6
Stores Grouped According to Volume of Net Sales During 1939:							
Over \$2,500,000.....	8	67.1	70.1	40.9	40.8	1.1	1.3
\$2,500,000 down to \$1,000,000.....	11	63.3	61.6	41.8	41.3	1.4	1.5
\$1,000,000 down to \$500,000.....	9	60.4	60.0	42.5	40.6	1.8	1.5
\$500,000 down to \$100,000.....	30	63.1	59.4	38.9	37.3	2.0	2.5
Less than \$100,000.....	10	61.6	61.1	35.9	35.0	3.8	4.4

Note: The ratios shown for each year, in the order in which they appear from left to right, are obtained by the following computations: (1) Credit sales divided by net sales. (2) Collections during the month divided by the total accounts unpaid on the first of the month. (3) Salaries of the credit department divided by credit sales.

The data are reported to the Bureau of Business Research by Texas retail stores.

COMMODITY PRICES

	Jan. 1940	Jan. 1939	Dec. 1939
WHOLESALE PRICES:			
U. S. Bureau of Labor Statistics (1936 = 100).....	79.4	76.9	79.2
The Annalist (1926 = 100).....	82.0	79.2	81.7
FARM PRICES:			
U. S. Department of Agriculture (1910-14 = 100).....	99.0*	94.0	96.0
U. S. Bureau of Labor Statistics (1926 = 100).....	69.1	67.2	67.6
RETAIL PRICES:			
Food (U. S. Bureau of Labor Statistics, 1923-25 = 100).....	77.1	76.9	77.5
Department Stores (Fairchild's Publications, Jan. 1931 = 100).....	92.3	89.1	92.0

*Preliminary.

ELECTRIC POWER CONSUMPTION

(In Thousands of K.W.H.)

	Jan. 1940	Jan. 1939	Dec. 1939	Percentage Change Jan. 1940 from Jan. 1939	Percentage Change Jan. 1940 from Dec. 1939
Commercial.....	45,662	43,610	46,045	+ 4.7	- 0.8
Industrial.....	74,711	86,181	85,964	- 13.3	- 13.1
Residential.....	45,293	35,684	34,926	+ 26.9	+ 29.7
All Others.....	25,792	23,028	24,820	+ 12.0	+ 3.9
TOTAL.....	191,458	188,503	191,755	+ 1.6	- 0.2

Note: Prepared from reports from 13 electric power companies to the Bureau of Business Research.

JANUARY SHIPMENTS OF LIVE STOCK CONVERTED TO A RAIL-CAR BASIS§

	Cattle		Calves		Hogs		Sheep		Total	
	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939
Total Interstate Plus Fort Worth.¶	2,761	4,505	847	976	669	639	409	522	4,686	6,642
Total Intrastate Omitting Fort Worth.....	341	815	71	179	22	45	21	73	455	1,112
TOTAL SHIPMENTS.....	3,102	5,320	918	1,155	691	684	430	595	5,141	7,754

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

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

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

BUILDING PERMITS

POSTAL RECEIPTS

	Jan. 1940	Jan. 1939	Dec. 1939
Abilene	\$ 64,935	\$ 80,130	\$ 16,980
Amarillo	132,747	171,940	106,865
Austin	483,268	842,641	275,898
Beaumont	78,700	91,807	85,401
Big Spring	36,320	29,248	6,975
Brownsville	12,030*	1,361	33,902
Corpus Christi	1,311,810	178,697	178,204
Corsicana	10,825	27,115	11,035
Dallas	872,378	1,475,614	623,040
Del Rio	4,075	2,540	5,150
Denton	13,010	23,400	9,200
El Paso	135,717	240,699	161,205
Fort Worth	283,113	332,094	403,092
Galveston	335,590	134,772	107,071
Gladewater	5,500	290	0
Harlingen	20,190	4,630	26,599
Houston	3,665,705	2,040,375	1,940,045
Jacksonville	23,550	5,250	2,700
Longview	8,480	22,450	45,452
Lubbock	595,630	256,584	844,804
McAllen	41,780	14,835	1,910
Marshall	12,483*	33,581	16,666
Odessa	35,788†	‡	41,337†
Palestine	18,996	5,149	2,489
Pampa	23,975	14,000	29,975
Plainview	5,350	3,200	1,400
Port Arthur	65,258	138,325	69,821
San Angelo	44,254	25,117	10,905
San Antonio	437,082	628,194	461,898
Sherman	15,434	35,441	16,949
Sweetwater	9,805	7,365	9,950
Tyler	38,459	113,810	24,755
Waco	152,943	302,107	57,296
Wichita Falls	88,630	58,395	62,165
TOTAL	\$9,048,022	\$7,341,156	\$5,649,797

	Jan. 1940	Jan. 1939	Dec. 1939
Abilene	\$ 18,374	\$ 18,971	\$ 22,242
Amarillo	32,401	30,313	45,169
Austin	66,252	79,308	76,134
Beaumont	27,637	27,384	36,594
Big Spring	6,386	6,319	9,416
Brownsville	6,536	6,102	8,553
Brownwood	6,136	6,076	8,871
Childress	3,004	2,724	4,907
Corpus Christi	28,061	24,101	36,284
Corsicana	5,916	5,721	8,618
Dallas	378,901	367,184	469,400
Del Rio	5,624	4,425	5,393
Denison	6,223	5,563	8,566
Denton	6,264	7,743	9,672
El Paso	46,100	44,965	75,888
Fort Worth	142,478	135,108	197,123
Galveston	30,350	25,942	42,254
Gladewater	3,499	3,049	3,898
Graham	2,548	2,624	3,330
Harlingen	6,483	6,182	8,292
Houston	253,482	233,795	334,794
Jacksonville	3,477	3,480	4,099
Kenedy	1,495	1,455	1,562
Longview	10,059	9,937	10,619
Lubbock	20,091	18,747	23,435
Lufkin	5,146	4,360	6,060
McAllen	5,884	5,426	6,751
Marshall	6,452	6,705	8,639
Odessa	7,133	7,072	8,087
Palestine	6,663	5,475	6,726
Pampa	7,580	7,004	10,040
Plainview	4,931	4,782	5,237
Port Arthur	13,671	14,000	24,473
San Angelo	12,384	11,892	17,353
San Antonio	128,084*	120,825*	†
San Benito	2,690	2,549	3,268
Sherman	7,802	7,487	11,427
Snyder	1,831	1,665	1,901
Sweetwater	5,357	6,000	6,248
Tyler	16,047	15,942	20,559
Waco	32,233	35,966	41,910
Wichita Falls	23,561	25,450	32,468
TOTAL	\$1,277,162	\$1,288,993	\$1,666,260

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

*Does not include public works.

†Not available.

‡Not included in total.

LUMBER

(In Board Feet)

	Jan. 1940	Jan. 1939	Dec. 1939
Southern Pine Mills:			
Average Weekly Production per unit	243,272	271,204	285,566
Average Weekly Shipments per unit	221,914	260,779	251,321
Average Unfilled Orders per Unit, End of Month	693,178	675,425	619,613

Note: From Southern Pine Association.

TEXAS COMMERCIAL FAILURES

	Jan. 1940	Jan. 1939	Dec. 1939*
Number	25	31	17
Liabilities‡	\$254	\$858	\$462
Assets‡	126	386	163
Average Liabilities per Failure‡	10	28	27

*Revised.

‡In thousands.

Note: From Dun and Bradstreet, Inc.

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

*Not included in total.

†Not available.

TEXAS CHARTERS

	Jan. 1940	Jan. 1939	Dec. 1939
Domestic Corporations:			
Capitalization*	\$2,055	\$1,869	\$2,532
Number	143	127	114
Classification of new corporations			
Banking-Finance	4	3	6
Manufacturing	26	18	15
Merchandising	35	25	27
Oil	23	24	17
Public Service	2	0	0
Real Estates-Building	9	14	18
Transportation	9	7	5
All Others	35	36	26
Number capitalized at less than \$5,000	62	49	60
Number capitalized at \$100,000 or more	3	6	2
Foreign Corporations (Number)	27	34	23

*In thousands.

Note: Compiled from records of the Secretary of State.

BANKING STATISTICS

(In Millions of Dollars)

	January, 1940		January, 1939		December, 1939	
	Dallas District	United States	Dallas District	United States	Dallas District	United States
DEBITS to individual accounts.....	\$ 832	\$33,555	\$ 1,061*	\$42,773*	\$ 1,197*	\$48,940*
Condition of reporting member banks on—	January 31, 1940		February 1, 1939		January 3, 1940	
ASSETS:						
Loans and investments—total.....	540	23,174	510	21,442	548	23,087
Loans—total.....	277	8,499	244	8,233	288	8,674
Commercial, industrial, and agricultural loans.....	184	4,295	161	3,767	193	4,353
Open market paper.....	2	321	1	324	2	315
Loans to brokers and dealers in securities.....	3	614	3	792	3	700
Other loans for purchasing or carrying securities.....	14	485	14	535	14	504
Real estate loans.....	22	1,183	20	1,174	23	1,186
Loans to banks.....	—	54	—	99	—	50
Other loans.....	52	1,547	45	1,542	53	1,564
Treasury Bills.....	16	648	†	†	17	595
Treasury Notes.....	44	1,747	†	†	42	1,755
U.S. Bonds.....	93	6,482	†	†	95	6,353
Obligations fully guaranteed by U.S. Gov't.....	53	2,414	41	1,789	49	2,412
Other securities.....	57	3,384	59	3,247	57	3,298
Reserve with Federal Reserve Bank.....	136	10,258	108	7,521	138	9,831
Cash in vault.....	11	458	9	394	12	504
Balances with domestic banks.....	277	3,067	244	2,593	264	3,140
Other assets—net.....	29	1,247	25	1,241	29	1,193
LIABILITIES:						
Demand deposits—adjusted.....	471	19,199	434	16,048	448	18,566
Time deposits.....	136	5,257	134	5,183	137	5,276
U.S. Government deposits.....	31	573	34	631	33	586
Inter-bank deposits:						
Domestic banks.....	265	8,029	207	6,359	284	8,190
Foreign banks.....	1	738	—	576	—	740
Borrowings.....	—	1	—	—	—	—
Other liabilities.....	3	690	4	713	3	683
Capital account.....	86	3,717	83	3,681	86	3,714

*Five Weeks.

†Not available.

NOTE: From Federal Reserve Board.

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