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ESTIMATED · NUMBER · OF · TEXAS CATTLE · AND · SHEEP · 1920-39

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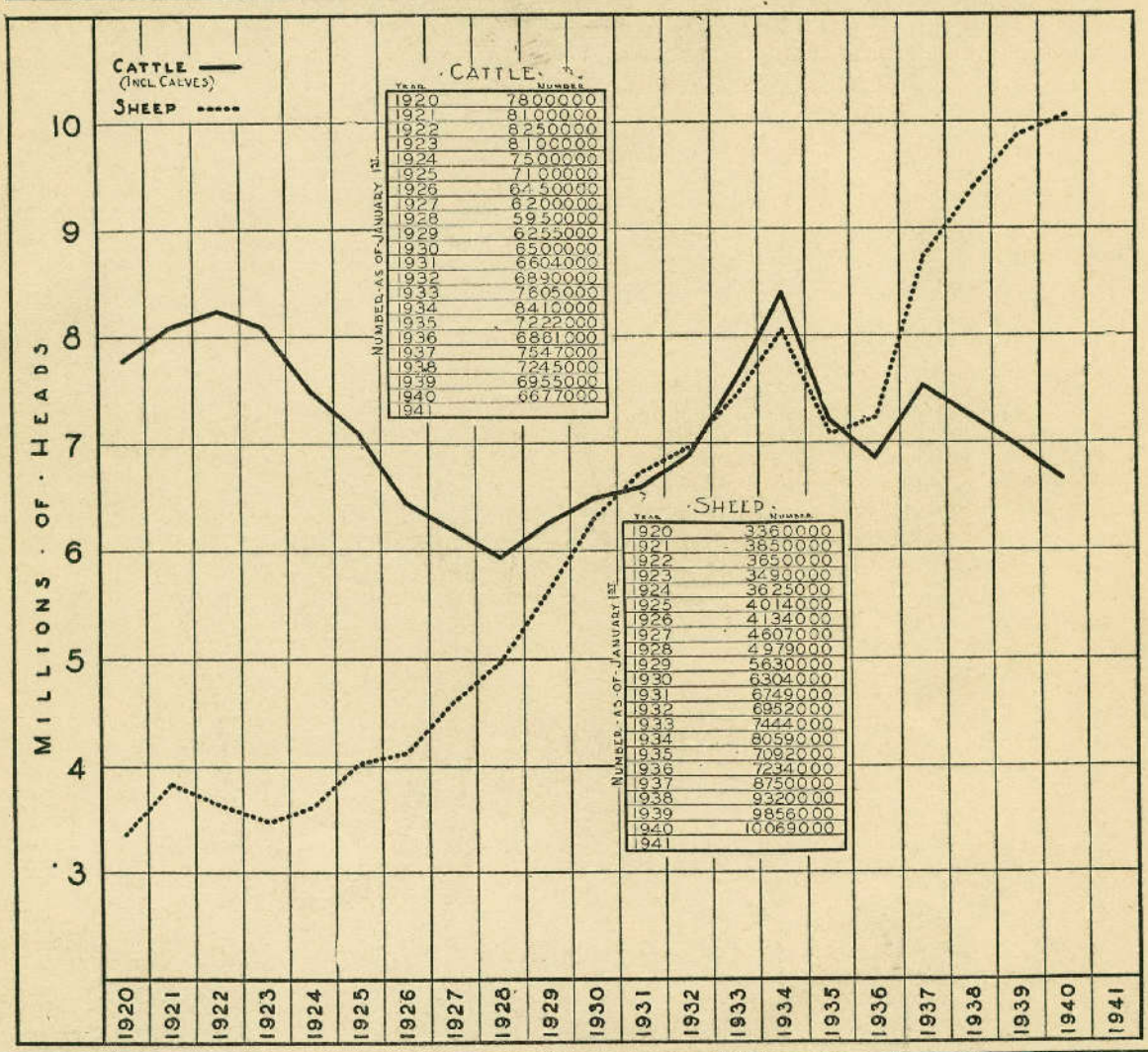

CATTLE

NUMBER AS OF JANUARY 1ST

YEAR	NUMBER
1920	7800000
1921	8100000
1922	8250000
1923	8100000
1924	7500000
1925	7100000
1926	6450000
1927	6200000
1928	5950000
1929	6255000
1930	6500000
1931	6604000
1932	6890000
1933	7605000
1934	8410000
1935	7222000
1936	6861000
1937	7547000
1938	7245000
1939	6955000
1940	6677000
1941	

SHEEP

NUMBER AS OF JANUARY 1ST

YEAR	NUMBER
1920	3360000
1921	3850000
1922	3650000
1923	3490000
1924	3625000
1925	4014000
1926	4134000
1927	4607000
1928	4979000
1929	5630000
1930	6304000
1931	6749000
1932	6952000
1933	7444000
1934	8059000
1935	7092000
1936	7234000
1937	8750000
1938	9320000
1939	9856000
1940	10069000
1941	

TEN CENTS PER COPY ONE DOLLAR PER YEAR

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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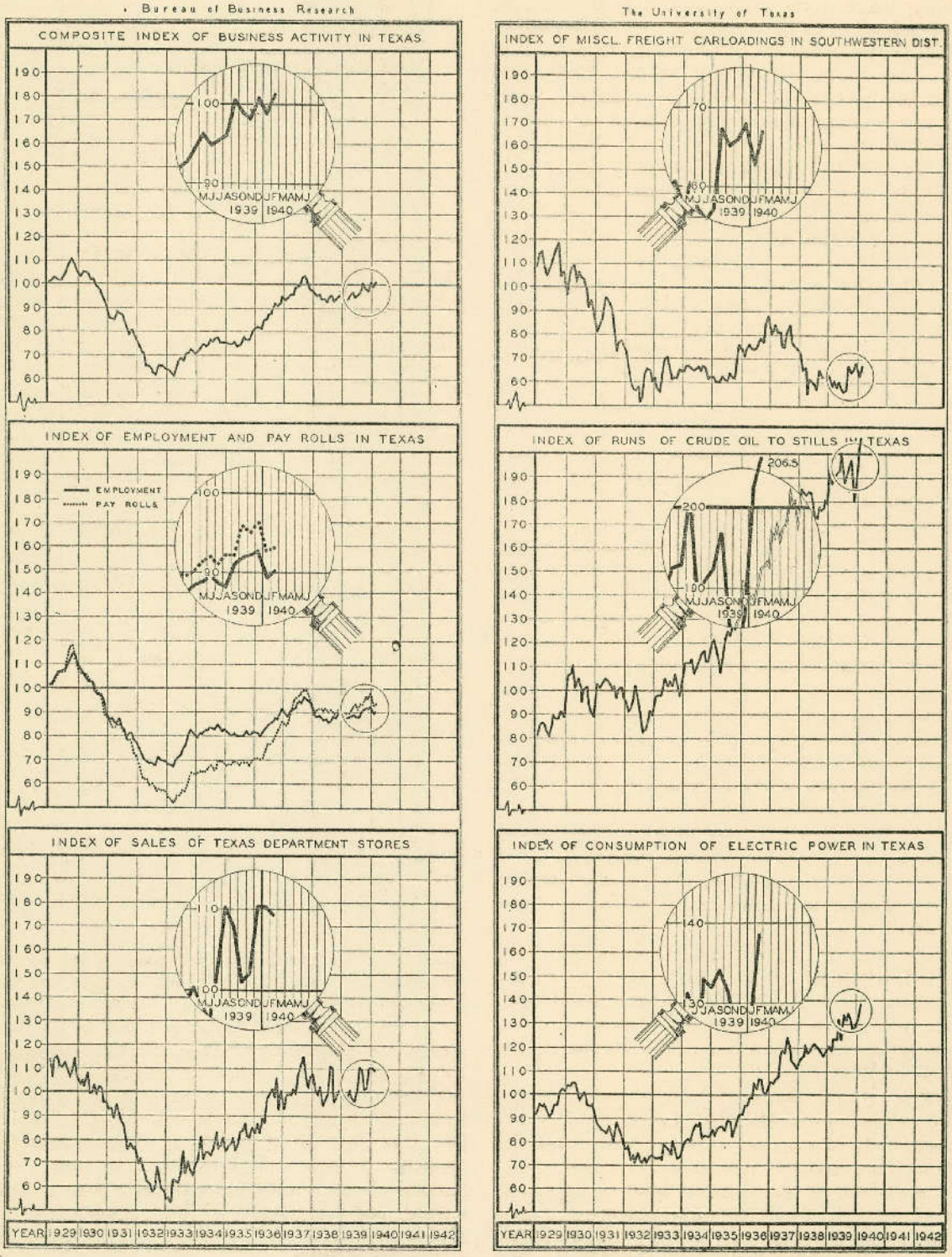


Business Review and Prospect

General Business

The sharp decline since early January in the national indexes of industrial activity (14 per cent, according to Barron's index, which allows not only for seasonal influences, but also for population growth and standard of living) itself suggests a potential contributing factor to further recession if the industrial slump is not checked within the next few weeks. One well-known analyst has conveyed the idea that the precipitous drop has already gone so far that unless some unusually stimulating event occurs soon, a major business relapse may be expected. Since historical analogy appears to be the principal basis for this conclusion, too much weight should perhaps not be given to it at this time. On the other hand, a number of factors point to an early termination of the current business decline. Among these are the rising trend of new orders in relation to industrial production together with the favorable level of retail sales.

Texas Business

Were it not for the uncertain national outlook, business prospects in Texas could be viewed with considerable optimism. The established industries of the State are even now more than holding their own in spite of the sharp drop in activity for the country as a whole; and in addition, new developments are occurring of sufficient magnitude to attract national attention. For example, the March 16 issue of the New York *Journal of Commerce* carries an editorial under the heading, "The Chemical Industry in the South," which reads, in part, as follows:

"The rapid growth of chemical manufacturing in the South has been one of the notable trends in that rapidly growing industry in recent years. The announcement of the Dow Chemical Company's plans to erect an extensive plant at Freeport, Texas, probably to produce brominated compounds, is the latest manifestation of the movement of the chemical industry into the South.

"An interesting example of how the construction of new chemical plants is encouraged by the development of other industries in the same area is furnished by the paper industry. . . .

"A similar trend is apparent in those branches of the chemical industry that utilize natural gas as a raw material. Thus, the Union Carbide and Carbon Company is planning to erect a large plant in Texas, close to natural gas fields and refineries there, to supplement its West Virginia plants.

"In the case of the chemical industry, the rapid expansion of producing facilities in the South does not involve a diversion of business or employment from the North. Rather, it represents the choice of Southern locations for new plants to supplement those in operation elsewhere, to serve a rapidly growing market. The fact that the market is growing more rapidly in the South than elsewhere for many chemicals makes it all the more logical to favor locations in that region."

INDEXES OF BUSINESS ACTIVITY IN TEXAS

	Feb. 1940	Feb. 1939	Jan. 1940
Employment	90.14	87.34	89.87
Pay Rolls	93.22	89.86	92.75
Miscellaneous Freight Carloadings (Southwest District)	67.03	58.68	62.76
Crude Runs to Stills	206.50	186.31	202.42
Department Store Sales	109.28	97.62	110.12
Electric Power Consumption	138.53	119.18	128.93*
COMPOSITE INDEX	100.28	92.99	98.68*

*Revised.

Farm Cash Income

Farm cash income in Texas during February declined less than the usual amount from the preceding month and as a result, the index rose substantially after adjustment for seasonal variation. There was a moderate decline in the index compared with February last year, however, a result primarily of the smaller marketings of cattle, lower prices for hogs, and somewhat smaller volume of fruits and vegetables. Computed farm cash income for the first two months of 1940 was about seven per cent below the corresponding period last year. In the following table are listed the indexes of farm cash income for the State and for each of the crop reporting districts and the cumulative total income as computed by this Bureau.

INDEX OF AGRICULTURAL CASH INCOME IN TEXAS

				(000 Omitted) Cumulative Income	
	Feb.	Jan.*	Feb.	Jan.-Feb.	Jan.-Feb.
Districts	1940	1940	1939	1940	1939
1-N	72.9	53.3	81.2	$ 3,002	$ 3,950
1-S	126.4	85.0	140.6	3,077	3,448
2	67.1	52.1	59.4	2,340	2,098
3	111.1	95.5	134.9	1,736	1,976
4	91.4	71.1	73.8	4,439	3,753
5	45.1	40.5	47.8	828	915
6	139.9	136.6	206.0	2,822	4,231
7	136.5	144.1	123.2	2,204	1,855
8	106.2	97.7	114.3	2,158	2,334
9	112.3	107.1	92.6	2,575	2,174
10	86.0	136.6	105.6	906	1,157
10-A	170.9	139.1	194.7	5,488	6,112
STATE	89.6	72.1	93.5	31,575	34,003

*Revised.

Two charts, one on the cover page of the Review, and the other accompanying this article, show the trends of livestock production in Texas during the past twenty years. The data given refer to livestock on farms and ranches on January 1 of each year as estimated by the United States Department of Agriculture. The charts and the data require only one word of explanation, viz.—figures on cattle and calves include dairy animals. It will be noted that there has been a downward trend in numbers of cattle and calves for some years. Since the number of dairy cattle has gradually been increasing, it follows that the number of beef animals has been declining even more rapidly than the total figures on cattle and calves indicate.

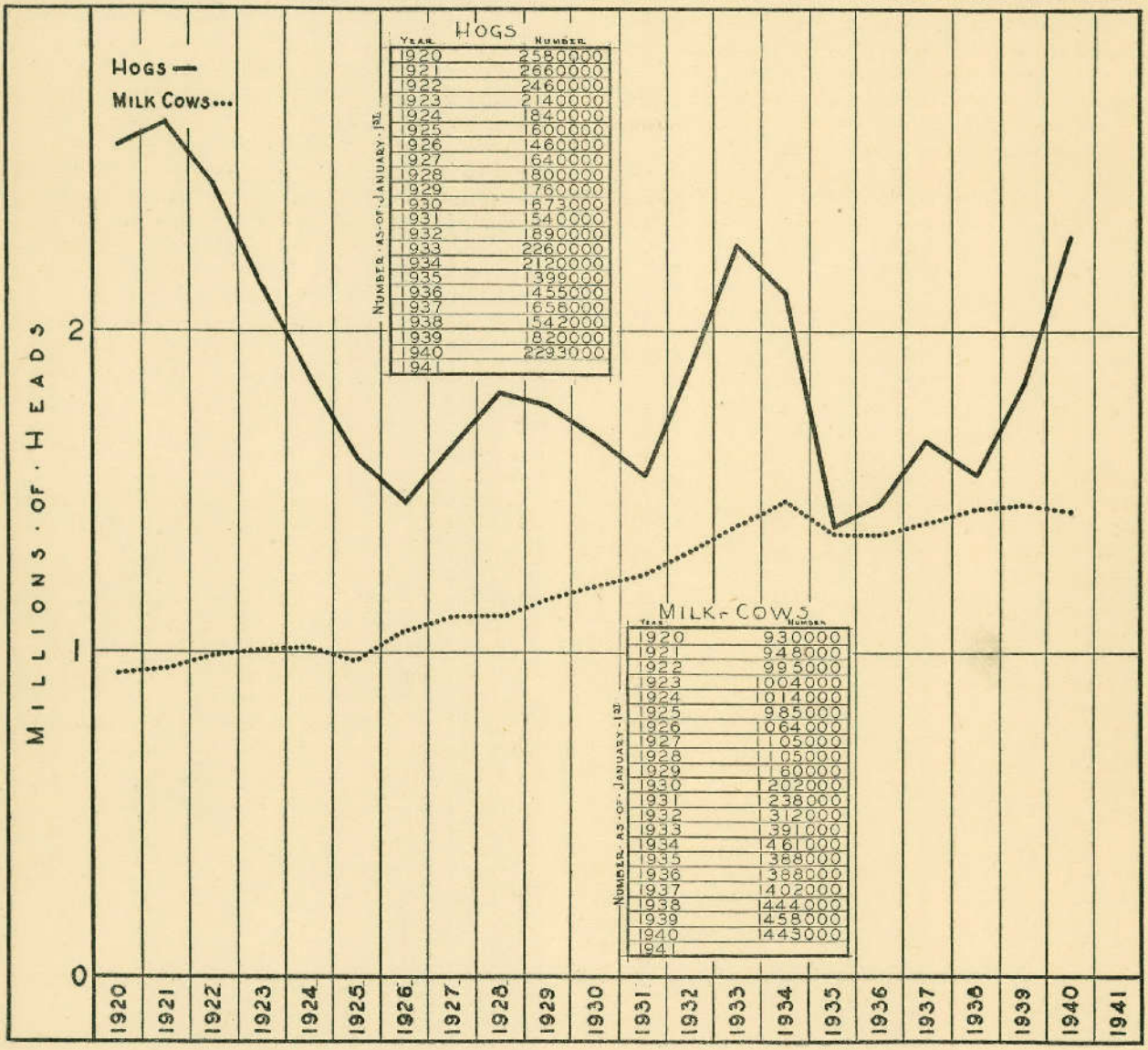
F. A. Buechel.

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

ESTIMATED NUMBER OF TEXAS HOGS AND MILK COWS 1920-39

SOURCE USDA
BUREAU OF AGRICULTURAL ECONOMICS

BUREAU OF BUSINESS RESEARCH
THE UNIVERSITY OF TEXAS



HOGS

YEAR	NUMBER
1920	2580000
1921	2660000
1922	2460000
1923	2140000
1924	1840000
1925	1600000
1926	1460000
1927	1640000
1928	1800000
1929	1760000
1930	1673000
1931	1540000
1932	1890000
1933	2260000
1934	2120000
1935	1399000
1936	1455000
1937	1658000
1938	1542000
1939	1820000
1940	2293000
1941	

NUMBER AS OF JANUARY 1ST

MILK COWS

YEAR	NUMBER
1920	930000
1921	948000
1922	995000
1923	1004000
1924	1014000
1925	985000
1926	1064000
1927	1105000
1928	1105000
1929	1180000
1930	1202000
1931	1238000
1932	1312000
1933	1391000
1934	1461000
1935	1388000
1936	1388000
1937	1402000
1938	1444000
1939	1458000
1940	1443000
1941	

NUMBER AS OF JANUARY 1ST

Some Implications of Technologic Progress

(Continued from last month)

Reasons for the extensive quotations from Karl Brandt have been given. Brandt's article in general is a protest against certain strong tendencies of mental attitudes that underlie much of "contemporary economic thought." As applied to an interpretation of the prolonged depression and its consequences, these tendencies of thought assume that the present economic system has reached a plane of ultimate saturation. This assumption is based primarily upon three groups of facts, which are

(1) The rate of growth of the world's population is declining, and in many instances, particularly in the Western World, the growth of population has approached or is approaching a level of stagnation;
(2) The economic impulses associated with the extension of the railway and the steamship have run their course; and
(3) The discovery of new territory and the consequent development of new natural resources on the scale of that exemplified in North America during the nineteenth century is not likely to happen in the future.

Obviously, such a philosophy which is necessarily pessimistic, which is negative by implication, becomes interwoven with the entire warp and woof of appraisals of and diagnoses for remedying the present economic situation and all its ramifications, including such problems as unemployment, the farm problem, foreign trade, and so on. It is as if economic thinking has pretty well absorbed the thesis of Spengler's "The Decline of the West." Both attitudes are based upon the assumption that a civilization inherently becomes aged, that it reaches a stage of maturity, and after that its vitality diminishes.

It has been, of course, readily easy for many American writers to accept the general thesis of saturation owing to "The Passing of the American Frontier," and the train of consequences resulting therefrom or closely associated therewith.

Also, there has come about a strong adherence to "trends" as bases of economic thinking, as guide posts projecting into the near future.

Professor Brandt calls further attention to these problems, stressing on the one hand the new frontiers of technology and the correlative factor of geographic dispersion of industry on the other. In order to present a thoroughgoing analysis of the mutualities concerned in the advance of technology and the spread of industry it would be necessary to outline the major developments in science and industry for a century prior to the Industrial Revolution and then to show how science and industry have proceeded mutually since the inception of the Industrial Revolution in the middle of the eighteenth century.

"In these very days of ours a most startling and overwhelming process is evolving, a process which changes almost every aspect of so-called economic trends. This process consists of nothing less than the decline of ultra-urbanism and the shaping of new forms of human and industrial settlement. The pyramid of the super-cities is flattening out. The great decentralizing forces in power supply, transportation, and communication are some of the material foundations for this new evolution, while psychic forces originate from hygiene, aesthetics, and other motives and set new social standards. Electricity, motor cars, telephones, and radios are great decentralizing influences that bring the conveniences of the city to the country. In strictly economic terms the validity of my observation on the return from ultra-urbanism can be measured in dollars and cents of city and suburban real estate values. My point against the thesis of Professor Hansen is that his reversal of the trend toward concentration of industries and dwelling is not yet in full swing in all industrial countries and that it opens entirely new fields for investment on an immense scale."

The colonial problem appears in many phases; that it has played, both economically and politically, a great part in the world's history in the past 400 years cannot be denied. That the colonial outlook played a highly important part in the inception of the Industrial Revolution is a factor generally overlooked; that it played a tremendous part in the growth of democracy in the American colonies has hardly been given the attention the problem merits. The economic aspects of colonies from the standpoint of the economics of the market has been given but little attention. And since the Great War the problem of colonies has taken on new aspects, as it becomes involved more and more with power economics.

Concerning the geographic limits not yet conquered by our economic development of today, Dr. Brandt discusses his point of view as follows:

"Professor Hansen is most skeptical about the end of colonial settlement. It was Rosa Luxemburg who added to Marxian prophecies the indeed brilliant thought that the decay of private capitalism could be postponed by the expansion under imperialism. Professor Hansen seems to conclude that the era of imperialism is at an end and that hence colonial development does not open many opportunities for paying investments. However, if the world were finally distributed between imperialistic powers, why should the prospects for investment be exhausted exactly in these years of our immediate present and future? The South and the East of Europe are in an early colonial state. Asia Minor, all of Russia, South and Central America, not to speak of the Orient, can easily stand a century of construction with all the possible aid from the industrialized parts of the world.

"Who could say whether in 1939 we are not on the eve of a large-scale application of a collection of many ripening inventions that call for an amount of capital investment that puts all the people to work!"

Brandt's article deals with a perspective; it endeavors to point out certain aspects which used in interpreting economic development, all too often, it is apparent now, have been adjudged wanting. He endeavors to point out that change is the law of life, economic or otherwise.

And in the broader interpretation Brandt is careful to point that the modern world is beset with difficulties and problems which are the result of vast movements, the impingements of tremendous forces. Of the causes of these difficulties Brandt concisely summarizes as follows:

"An analogy may be permitted to be inserted. The earnest argumentation of the imminent danger of food scarcity in the world still reverberates in my ears. For two decades up to 1928 the supposedly imminent effects of the Malthusion law of population was the scare of a majority of economists. Since then we have been bored by the talk about food surpluses. It is neither an inherent defect of our competitive price economy nor a process of aging that has created the temporary stop gap that some economists consider as a permanent condition. If we try to discover the causes exclusively in the economic sphere or in the technical apparatus of the economic system, we are like engineers who try to discover within a factory the stoppage of all machines while the lightning has struck the electric power plant a hundred miles away. In the complex of causes one of the most prominent reasons for the unsatisfactory employment of all our productive resources, human and physical ones, lies in the political disintegration of the world. We are living amidst the gigantic conflict of power economics versus welfare economics. If and when the present game of power politics and aggression arrives at a point where it does not pay any more, and if a rearrangement establishes a state of peace, it is quite imaginable to me that an era of worldwide prosperity as never experienced before may begin. If the fetters can be taken off international capital movement, if a certain psychology of political stablity induces capital to go to steady work, which means investment, all the arguments advanced in behalf of sophisticated pessimism shrink to insignificance.

"If I try to interpret the present prolonged business recession with all its social and economic discomfort correctly, it seems most logical to me that the time is used for the political preparation to bring about that condition which will permit the nations in the world to produce for civilian consumption. . . ."

"As long as the total volume of production is too small to employ the capacity to work, it is only natural that economic research is pushed into the subject of a more equal and socially just distribution. It seems to me that the much greater margin for raising the standard of living of the masses lies in taking off the brakes from production.

"What prevents us from attaining the technically available level of consumption is not essentially the maldistribution of wealth and income but the idleness of our present resources. All economists of any creed agree today that it is the flow of long term investment that controls the volume of production and thereby the income of the people. It appears to me as the result of misled and misleading economics that a great nation permits a large proportion of its productive forces to lie idle simply because the fallacy of calculating a laborer's income in a high hourly wage rate instead of an annual wage income stops investments. Wage rates and taxes together can destroy the presupposition of a normal flow of investment and thereby a satisfactory income.

"None of the reforms and adjustments aiming at a better distribution of income and wealth can achieve anything toward the general welfare as long as the real issue of a well-balanced utilization of all our productive resources is dodged.

"If the science of political economics becomes too sophisticated and neglects putting the necessary emphasis on the axiom that it is the physical volume of an output intelligently adjusted to the needs which creates wealth, it will eventually be pushed aside by people who do not understand a world of our refined and skeptical theories, but who have the willpower and the brutality to make the machine go, probably for non-economic purposes."

The purpose of presenting the extended quotations from Karl Brandt in this and the preceding article is to direct attention toward a realistic concept of economics. There should be at this stage no need to consider the shortcomings of either the so-called orthodox economists of classical bent or the Marxian influence with its multitudinous ramifications. Every age has its own problems to solve. The concept that history repeats itself is little more than sheer nonsense when taken at face value; even the concept of historical parallels has to be used discriminately and with caution. No one can deny our age has its full share of problems. To attack those problems realistically—the raw materials problem, the institutional factor of science and technology, the broader investment problem, the political control of natural resources or of markets or trade—calls for constructive thinking on the basis of the facts, for creative research dealing with the mainsprings of economic action.

ELMER H. JOHNSON.

Financial Situation

Since January 1934, when a devalued gold dollar became the monetary unit of the United States, this country's gold stock has increased from $6,829,000,000 to $17,931,000,000 at the end of January 1940. At the time of dollar devaluation, the United States held 35 per cent of the known monetary gold of the world; in January 1940, 69 per cent. As a result of increasing the price of gold from $20.67 per ounce to $35.00 per ounce the production of new gold has been greatly stimulated, with the result that annual gold production, which during the 1920's averaged around $400,000,000, has now come to exceed a billion dollars a year. From 1934 to 1939, inclusive, the estimated world production of gold—excluding Russia—amounted to $6,058,000,000. The increase in the gold stocks of the United States has exceeded the production of new gold by approximately 73 per cent, the excess having been drawn from the central banks of other nations and—indirectly—from the hoards of the so-called backward peoples of the world.

In the early stages of our gold accumulation, although it was realized that even the then existing mal-distribution of gold was economically unsound, a certain sense of security was engendered by the fact that the dollar was so strongly buttressed by the precious yellow metal. Gradually, however, this feeling of security has given way to uncertainty as to whether America's power to attract the world's gold will ultimately serve any more useful purpose than did the alchemic Midas-touch that was bestowed upon that Phrygian ruler centuries ago. But such increasing concern is confined largely to a comparatively small group, for, in the public mind, gold—at least in its monetary aspects—generally is held to be beyond the ken of the average citizen. Probably public complacency is to be expected on a matter so technical and complex as the monetary use of gold, but it in no way makes the issue less important. In view of the fact that the gold problem in its entirety must be solved as soon as some semblance of order has been restored to world conditions, and perhaps, in part, much sooner in the United States, a non-technical discussion of the problem may be of interest.

A logical first question might be "What has caused this enormous flow of gold to the United States?" In spite of the fact that the gold standard has been suspended by most countries for several years now, gold still serves as the principal means of payment between nations. As nations trade with each other in merchandise and other services, debit or credit balances are accumulated. As a result of its merchandise and service trade with other nations, the United States has enjoyed a credit balance on current account and, consequently, has been entitled consistently to receipts in excess of required payments. In other words, the demand for dollars by foreigners has been greater than the supply of dollars created by Americans who have been required to make payment abroad. Obviously, under such circumstances the price of dollars would rise in terms of foreign currencies.

In order to equate the dollar demand and supply without a rise in the price of dollars, under the conditions outlined in the preceding paragraph, American foreign lending—which would have supplied dollars to foreigners—should have approximated the amount of the country's credit balance on current account referred to above. But capital funds move to those countries (1) where they are safe and (2) where they can earn a profitable income. Due to the familiar combination of political and economic disturbances which have characterized recent years, the United States has offered the safest haven for capital, and European refugee funds have accumulated in our banks and have been invested in our securities. Again, as explained above in connection with trade in merchandise or services, the effect of this enormous influx of foreign capital has been greatly to increase the demand for dollars by foreigners. In brief, the flow of capital, instead of being of such nature as to equate the dollar demand and supply, has actually had a disequilibrating effect.

As foreigners continued to press their demand for dollars, foreign bankers purchased gold, shipped it to America thus creating deposit credits in our banks (at $35 less ¼ of 1 per cent per ounce) against which they simultaneously sold dollars to their customers. Even more important, at times, in the effect upon gold movements to the United States have been the operations of the various stabilization funds in their efforts to prevent an uncontrolled increase in the price of dollars in terms of their own currencies. To cite only one illustration, during the Sudeten German crisis the fear of war induced holders of sterling balances to convert to dollars. The desire for safety of capital created an enormous demand for dollars which was met by the English Equalization Account selling large amounts of dollars which it obtained by selling gold to the American stabilization fund, the latter subsequently importing the gold.

The net balance on current account resulting from trade in merchandise and services with foreign countries and inward capital movements have been responsible for the bulk of gold imports to this country during recent years. Furthermore, we may expect that as long as conditions prevail which are conducive to a continuation of these two factors ,and gold is accepted as an international medium of exchange, it will continue to move toward this country. In certain years during the period the net balance on current account has been the more important factor, *e.g.*, in 1938 when the net balance amounted to $1,026,000,000 and the capital influx to $330,000,000. In other years capital movements have dominated, *e.g.*, in 1939 when the net balance amounted to $727,000,000 and the capital influx $1,232,000,000.

A second question might be, "What effect has this enormous gold influx had upon our banking system?" To answer this question let us trace the course of a single shipment of the yellow metal, say $10,000,000, from a foreign banking institution to a New York commercial bank. The latter, upon receipt of the gold enters a deposit credit to the foreign shipper and forwards the gold to the New York Federal Reserve Bank where it receives a deposit credit for the amount of the shipment. The New York Federal Reserve Bank, in turn, transfers title to the gold to the United States Treasury, receiving in return gold certificates.

The foreign banking institution having initiated the gold export because of an active demand for dollars probably sells its dollar balance to its customers who may either invest the funds so acquired in this country or allow the deposit to lie idle. In any event, the New York commercial bank is required to keep a reserve of 22.75 per cent against the $10,000,000 deposit. But, since the commercial bank received a deposit credit with its Federal Reserve bank for the full amount of the gold import, 77.25 per cent, or $7,725,000, represents excess reserves—or loanable funds—to the New York commercial bank. In other words, this bank is in a position to make loans to its customers, if requested, to an amount approximately equal to its excess reserves. Furthermore, since the reserves lost as a result of the loans made by the initiating bank are gained by other banks in the system, the total potential credit expansion is a multiple (about 4 times) of the original excess reserves. In February 1940, excess reserves of the banking system amounted to $5,700,000,000, a very large part of which are the result of gold imports during the past several years.

The effect, to date, upon our banking system has been to increase deposits of the large commercial banks and swell the excess reserves of the banking system. Due to the prevailing attitude of caution among American businessmen, however, the actual effect upon our economic system has been slight, for the turnover of deposits and the demand for bank credit remain at very low levels. We have not made use of the tremendous credit power inherent in the financial system. But in view of the fact that the European war may cause a strong demand for American goods, thus providing a sharp stimulus to our industries, it is feared in some quarters that explosive powers exist that are beyond the effective control of our monetary authorities.

Therefore, there are two principal problems to be considered in connection with gold: (1) How can the American monetary authorities protect our economic system against the dangerous inflationary potentialities of our present gold stock? (2) How can the gold influx be checked, or reversed, in order that other nations, finding themselves without adequate gold supplies, will not be forced to demonetize gold?

WATROUS H. IRONS.

(To be continued)

Current Industrial Developments

Reports covering new manufacturing industries in Texas for the first two months of the present year reveal that at least forty-three new plants have been added since the beginning of this year. This number includes only factories which have actually begun operation since January first and does not include a number of important plants now under construction. Significant for the year so far are the numbers of expansions and reorganizations which have taken place and the addition of several large concerns already under construction or which have announced plans for establishing factories in Texas during 1940.

Among new plants reported during January and February is, the Sandahl Bottling Company of Austin.

Dallas plants for the month of January, only, include: A–V Screen Company, Ace Manufacturing Company, card tables; Acme Manufacturing and Sales Company; American Chenille Products Company, chenille spreads; Bowman and Company, Inc., egg processing plant, division of Standard Brands; Brownie New Method Potato Chip Company; Checkers Clothing Company, sportswear; Chip Steak Company of Dallas, affiliated with National Chip Steak Company of Los Angeles; Classic Sportwear Company, sportswear; Dallas Belt Company, ladies' belts; Golden Krisp Donut Company; Industrial Adhesive Company; Judith Hat Manufacturing Corp., millinery; Lone Star Foods Company; Longhorn Roofing Products, Inc., asphalt roofing; Sound Recording Studios, electrical transcription records; Texas Millinery Company; and Williamson Printing Company.

The following plants are reported established in Fort Worth during January: Latimer and Mathis Artificial Limb Company; McManus Candy Company, manufacturer and wholesaler of candy; Miller's Ezy Shave Manufacturing Corp., shaving lotion and hand lotion; and Poultry Profit Manufacturing Company, batteries designed for confined poultry raising.

Although some of the following Houston firms were mentioned in the 1939 resumé, they are reported as having begun actual operation since the first of the year: Geophysical Machine Works; National Bedding Company; Southern Plastic Company; Thos. G. Meeks Company, drugs; Specialty Manufacturing Company; and Standard Minerals Company, admixture for concrete.

Other new industries include the following: Texas Shade Company, Venetian blinds, Lockhart; Mineral Wells Chair Factory, upholstered chairs, Mineral Wells; Nacogdoches Cresote Works, Nacogdoches; and Nacogdoches Lumber Company, yellow pine lumber; Hansen Dress Manufacturing Company, ladies' dresses, New Braunfels; and Orange Consolidated Steel Corporation of Texas, structural steel, Orange. The Nacogdoches Lumber Company employs an average of 110 wage-earners and the Orange Consolidated Steel Corporation an average of 100 workers.

In San Antonio the Lone Star Breweries, formerly the Sabinas Brewery and later known as the Champion Brewing Company, has installed new and modern machinery.

The Cen-Tex Wool and Mohair Company now in operation at San Marcos is an important new industry for Texas, and is the only plant of this type now existing in the State.

Developments in Waco during the latter part of 1939, but not previously reported, include the Smith Furniture Manufacturing Company; the Delaware Punch Bottling Company; and the new plant of the Coca-Cola Bottling Company.

The following list of wholesale firms includes new firms reported for 1940 and others which were not received in time to include in the *Directory of Texas Wholesale Firms* published January first: Showers Lumber Company, Austin; Beeville Wholesale Grocery Company, and Groce-Parish Wholesale Grocery Company of Beeville.

New Dallas wholesale firms for January are: Acme Manufacturing and Sales Company; Advertising Accessories, Inc.; Air Conditioning Corporation of America; American Desk Mfg. Company; American Manufacturing Company; Barbara Grantz Cosmetics; Brunswick-Balke-Collender Company; Champion Pants Manufacturing Company; Craig Paper Specialty Company; First Aid Supply Company; I. Freedman & Sons; General Aniline & Film Corp.; Esmond P. Gue; Menasha Products Company; H. B. Miller; National Textile Corporation; Republic Office Supply Company; Shuron Optical Company; South Aerolux Distributing Company, Inc.; Southwest X-Ray Company; Texas Butane Gas Company; Vari-Typer Distributer; Williams and Nash Wholesale Florists; and Wishnick-Tumpeer, Inc.

Wholesale firms added in Fort Worth include: O. J. Johnston; Tasty Candies, Inc.; and Wald and Company. The last named company is one of the largest wholesalers of fireworks in the South.

Among recently established wholesale firms in Houston are: Auto Equipment & Supply Company; Best-Ever Products Company; Eastman Tag & Label Company;

Farrington Trailer Sales; Great Southern Electric Motor and Equipment Company; R. F. King Company; Lucia Sales Company; L. C. Smith & Corona Typewriters, Inc.; and Consolidated Hosiery Company.

Other wholesale firms not previously reported include: Jefferson Wholesale Grocery and Goldberg Feed and Grain Company of Jefferson; Ball Novelty Company, Mineral Wells; Independent Refining Company, Nacogdoches; Consumers Peanut Company, Elkins Rebuilt Sparkplug Company, Jones Novelty Company, and Triangle Cheese and Produce Company of Stephenville, and the Danek Packing Company of Taylor.

Wholesale distributors of petroleum products added since the first of the year will be included in a later issue of the REVIEW.

CLARA H. LEWIS.

Cotton Situation

Because of the great amount of data gathered and published, everyone interested knows that the South during the past ten years has lost a substantial portion of its foreign markets for cotton; but the effects of our policies and programs on cotton production in the different parts of the Cotton Belt itself have not been given the attention they deserve.

It is obvious to anyone at all familiar with the cotton producing regions of the United States that the conditions under which cotton is produced in different parts of the area vary widely both as to physical factors and human conditions. It is inevitable, therefore, that a uniform policy cannot be equally advantageous to all states involved.

In order to bring out more clearly the varying results of the government's policies on production in regions with wide differences in physical, economic, and human conditions, I have grouped the states to correspond most nearly to the four major divisions of the Cotton Belt. The first division is the Southeast, including Virginia, North Carolina, South Carolina, Georgia, Alabama, and Florida; second, the Mississippi Valley, including Missouri, Tennessee, Mississippi, Arkansas, and Louisiana; third, the Gulf Southwest, including Texas and Oklahoma; and fourth, the irrigated sections, including California, Arizona, and New Mexico.

State figures do not fully express the differences in these four major cotton producing regions, but they serve to bring out the major truths.

During the five years ending with 1928, the Southeast produced 28.3 per cent of the United States cotton crop, 29.1 per cent of it during the five years ending with 1938, and 26.7 per cent during 1939. The Mississippi Valley states produced an average of 27.7 per cent of the United States crop during the five years ending in 1928, 35.1 per cent of the crop during the five years ending in 1938, and 39.3 per cent of the crop of 1939.

The Southwestern states of Texas and Oklahoma produced an average of 41.8 per cent of the United States crop during the five years ending in 1928, only 30.0 per cent of the crop during the five years ending in 1938, and 28.4 per cent of the crop of 1939.

The irrigated section, not including that in Texas, produced an average of 2.1 per cent of the United States crop during the five years ending in 1928, 5.6 per cent of the crop during the five years ending in 1938, and 6.4 per cent of the 1939 crop.

What has caused these sharp shifts in areas of cotton production? The fact is that all three of the other areas have had an increase relative to Texas and Oklahoma; whereas, down to 1928, the trend of relative increase was definitely in Texas and Oklahoma.

An increase in cotton production may result from increased acreage, increased yield per acre, or both. Let us examine what has happened in these two respects.

The harvested cotton acreage in the Southeast during 1934–38 showed a 32.7 per cent decrease from harvested acreage in 1924–28. The allotted acreage of the Southeast for 1940 is 32.5 per cent less than the planted acreage for 1924–28.

In the Mississippi Valley states the harvested acreage for 1934–38 averaged 20.9 per cent less than the average harvested during 1924–28. The allotted acreage for these states for 1940 is 23.3 per cent less than the average planted acreage for 1924–28.

In Texas and Oklahoma the harvested acreage for 1934–38 averaged 38.8 per cent less than the average acreage harvested during 1924–28. The allotted acreage for these states for 1940 is 42.9 per cent less than the average planted acreage for 1924–28.

In the irrigated states, the harvested acreage for 1934–38 averaged 51.5 per cent more than the average acreage harvested during 1924–28. The allotted acreage for these states for 1940 is 58.4 per cent greater than the average planted acreage for 1924–28.

These startling shifts in acreage under the government cotton program tell only a part of the story. The yield per acre in the Southeast during 1934–38 averaged 29.3 per cent more than the average yield for 1924–28, or an increase from 194.3 pounds per acre to 251.3 pounds.

The yield per acre in the Mississippi Valley states during 1934–38 averaged 35.5 per cent more than the average yield for 1924–28, or an increase from 205.2 pounds per acre to 278 pounds. This increase in yield per acre more than offset their decrease in acreage.

The yield per acre in Texas and Oklahoma during 1934–38 averaged one per cent less than the average for 1924–28, or a decline from 141.6 pounds per acre to 140.2 pounds.

The yield per acre in the irrigated sections during 1934–38 averaged 53.7 per cent more than the average yield for 1924–28, or an increase from 335.4 pounds per acre in 1924–28 to 515.4 pounds in 1934–38.

Why these startling changes in the different areas of cotton production in the United States? This question deserves the most careful thought and analysis on the part, not only of the people directly involved, but of the entire nation. The following facts and conditions have been major causes of this change.

The Southeast is an area of relatively poor soils but with wide local variation in qualities of land due to the hilly topography of the cotton area; farms are small; and more important, it has a high rainfall of dependable occurrence. The government cotton program is ideally adapted to this region. It was possible for this region to abandon its less desirable land and apply the same or even more fertilizers and cultivate more intensively the allotted acreage and thus maintain its production. Moreover, the increasing rental and parity payments on these high yields by the government go a long way toward paying for the fertilizer used, especially in view of the fact that T.V.A. is forcing the price of fertilizer down.

The Mississippi Valley states, or that portion of them in the Valley proper, have very rich soil and an abundance of rainfall. This area is likewise adapted to intensive cultivation.

The irrigated sections are, of course, more adapted to intensive culture to obtain high yields per acre than any other region, and their yields per acre have increased the most.

The economics of cotton production in Texas and Oklahoma is radically different from that in the other regions in the Cotton Belt. Most of the cotton in these states is produced under sub-humid to slightly humid conditions. This precludes the use of appreciable amounts of commercial fertilizer and of gaining a great deal from intensive cultivation. The land in Texas and Oklahoma is in the main smooth to gently rolling, which combined with low rainfall has made large-scale operation with machinery the ideal set-up for cotton production in this region. Likewise, a program of drastically limiting cotton acreage in this region most effectively destroys its advantages in cotton production.

If the government had made allotments on a baleage basis rather than on the acreage basis, the story of cotton production under the control program would have been quite different, and such a program would have set up an incentive for lower cost of production and improvement of quality rather than the opposite.

In the next issue of the REVIEW, I shall analyze in more detail what has happened in the different regions of Texas.

A. B. Cox.

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF MARCH 1

(In Thousands of Running Bales Except as Noted)

	Carryover Aug. 1	Imports to Mar. 1*	Government Estimate as of Mar. 1	Total	Consumption to Mar. 1	Exports to Mar. 1	Total	Balance Mar. 1
1929–1930	2,313	215	14,548	17,076	3,809	5,293	9,102	7,974
1930–1931	4,530	41	13,756	18,327	2,894	4,912	7,806	10,521
1931–1932	6,369	56	16,629	23,054	3,077	5,925	9,002	14,052
1932–1933	9,682	75	12,710	22,467	3,253	5,597	8,850	13,617
1933–1934	8,176	81	12,664	20,921	3,400	5,548	8,948	11,973
1934–1935	7,746	65	9,472	17,280	3,255	3,165	6,420	10,860
1935–1936	7,138	74	10,420	17,632	3,530	4,410	7,940	9,692
1936–1937	5,397	94	12,130	17,621	4,521	3,921	8,442	9,179
1937–1938	4,498	65	18,242	22,805	3,505	4,231	7,736	15,069
1938–1939	11,533	86	11,621	23,240	3,959	2,456	6,415	16,825
1939–1940	13,033	103	11,792	24,928	4,705	4,917	9,622	15,306

*In 500-pound bales.
The cotton year begins August 1.

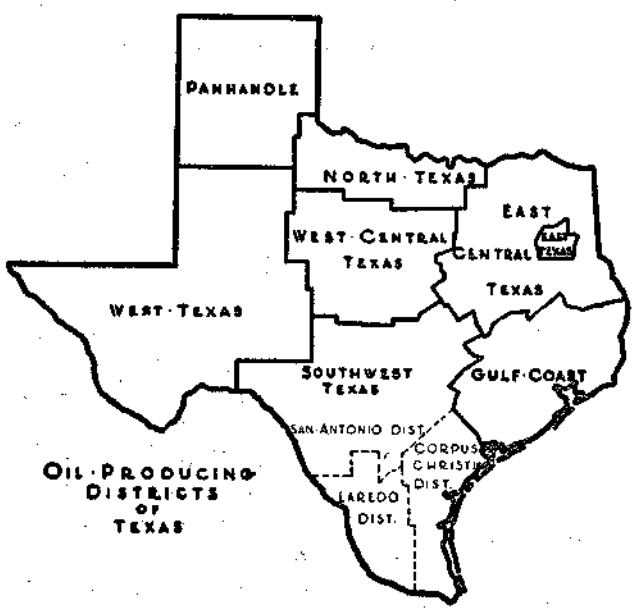
PETROLEUM

Daily Average Production

(In Barrels)

	Feb. 1940	Feb. 1939	Jan. 1940
Coastal Texas*	234,700	221,400	226,610
East Central Texas	79,000	94,850	79,140
East Texas	419,650	391,200	394,490
North Texas	101,100	81,450	80,980
Panhandle	76,350	63,700	80,100
Southwest Texas	222,900	255,000	206,760
West Central Texas	33,300	30,800	31,770
West Texas	235,700	214,850	232,930
STATE	1,403,700	1,353,250	1,332,780
UNITED STATES	3,734,100	3,344,700	3,584,900
Imports	224,586	136,107	156,914

*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: January, 1940, 102,495,000 gallons; January, 1939, 97,914,000 gallons; December, 1939, 111,336,000 gallons.

EMPLOYMENT AND PAY ROLLS IN TEXAS

FEBRUARY, 1940

	Estimated Number of Workers Employed*	Percentage Change from Jan. 1940	Percentage Change from Feb. 1939	Estimated Amount of Weekly Pay Roll	Percentage Change from Jan. 1940	Percentage Change from Feb. 1939
Manufacturing						
All Manufacturing Industries	131,650	+ 1.1	+ 4.4	$2,541,366	− 1.5	+ 5.3
Food Products						
Baking	6,935	+ 2.9	+ 6.3	167,300	+ 1.3	+16.8
Carbonated Beverages	1,663	+ 3.4	+14.5	30,541	+ 4.3	+15.4
Confectionery	938	+ 6.0	+ 9.1	9,361	−16.4	+ 7.8
Flour Milling	1,543	+ 0.7	+ 0.3	36,704	+ 3.7	+17.2
Ice Cream	455	+ 1.6	− 2.3	9,104	+ 2.0	− 7.4
Meat Packing	3,641	− 3.7	+ 3.8	93,361	− 7.9	+ 3.9
Textiles						
Cotton Textile Mills	4,105	+ 1.5	− 0.9	71,547	+ 0.3	+23.1
Men's Work Clothing	3,410	+17.4	− 9.0	26,676	+14.4	− 5.9
Forest Products						
Furniture	1,892	− 1.3	+13.6	34,814	+ 2.2	+38.2
Planing Mills	2,459	− 1.4	+ 2.3	33,893	− 1.3	+ 0.9
Saw Mills	12,192	− 0.3	+12.7	154,940	− 0.7	+14.2
Paper Products	366	+ 6.0	+11.7	4,818	+ 5.5	+ 1.9
Printing and Publishing						
Commercial Printing	1,869	− 0.6	−10.5	50,502	+ 1.8	−12.0
Newspaper Publishing	4,328	+ 1.7	+ 5.9	117,726	− 0.1	+ 3.4
Chemical Products						
Cotton Oil Mills	1,550	−15.5	−13.3	22,386	−18.6	− 0.3
Petroleum Refining	18,637	− 0.2	+ 3.8	677,439	+ 0.5	+ 0.2
Stone and Clay Products						
Brick and Tile	808	+ 2.6	−15.3	10,686	+ 5.0	−24.0
Cement	1,486	+10.1	− 3.7	22,038	+ 1.9	−15.7
Iron and Steel Products						
Foundries and Machine Shops	10,401	+ 3.0	+ 8.7	286,489	− 8.2	+ 8.8
Structural and Ornamental Iron	1,581	+ 1.2	+10.1	31,807	− 0.5	+19.0
Nonmanufacturing						
Crude Petroleum Production†	31,415	+ 1.0	+ 2.7	995,784	+ 3.1	− 0.5
Quarrying	‡	− 4.2	− 2.4	‡	+ 6.1	+ 8.7
Public Utilities	‡	+ 0.1	+ 4.4	‡	+ 0.8	+ 5.1
Retail Trade	176,263	− 0.5	+ 5.0	3,001,794	+ 1.9	+ 6.2
Wholesale Trade	56,913	− 0.4	+ 4.0	1,633,753	+ 2.3	+ 7.2
Dyeing and Cleaning	2,286	+ 0.2	− 3.5	32,684	+ 3.5	− 0.5
Hotels	14,880	+ 0.4	− 2.2	169,819§	+ 4.3	+ 2.2
Power Laundries	9,406	+ 2.7	+ 2.3	112,712	+ 0.4	+ 4.0

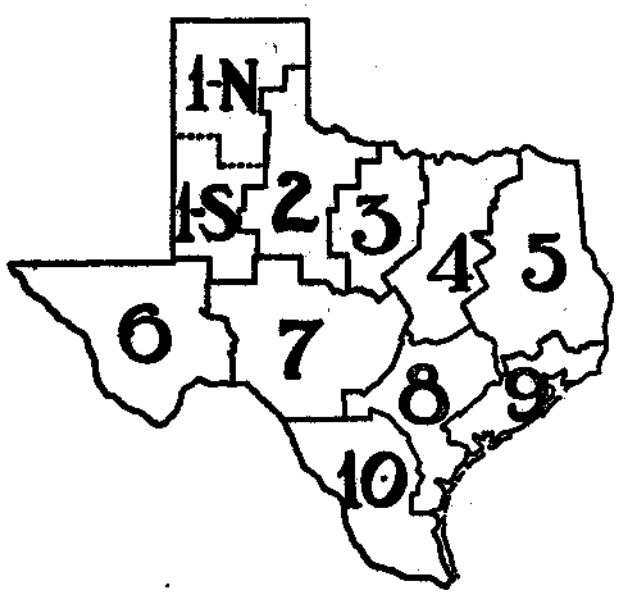
CHANGES IN EMPLOYMENT AND PAY ROLLS IN SELECTED CITIES AND FOR THE STATE

	Employment Percentage Change		Pay Rolls Percentage Change	
	Jan. 1940 to Feb. 1940	Feb. 1939 to Feb. 1940	Jan. 1940 to Feb. 1940	Feb. 1939 to Feb. 1940
Abilene	+ 4.0	−17.4	+ 5.2	− 9.3
Amarillo	+ 1.7	+24.1	+ 6.6	+40.2
Austin	+ 0.5	− 9.3	+ 3.1	− 0.7
Beaumont	+ 1.0	+ 4.3	+ 2.9	− 2.6
Dallas	+ 1.0	− 2.2	+ 1.9	− 1.5
El Paso	+ ‖	+ 6.0	+ 1.8	+16.3
Fort Worth	+ 1.8	+ 0.6	+ 0.6	+ 0.9
Galveston	− 9.6	−11.1	+ 0.4	+ 0.9
Houston	+ 0.5	+11.1	− 3.0	+11.3
Port Arthur	+ 1.0	+ 9.3	+ 1.3	+ 6.9
San Antonio	+ 0.4	− 5.3	− 1.3	+ 1.4
Sherman	+ 8.3	+10.6	+19.4	+24.4
Waco	+ ‖	+ 8.2	+ 2.3	+10.5
Wichita Falls	− 7.8	−12.3	− 7.0	−10.7
STATE	+ 0.3	+ 3.4	+ 0.5	+ 3.9

*Does not include proprietors, firm members, officers of corporations, or other principal executives. Factory employment excludes also office, sales, technical, and professional personnel.
†Includes natural gas and natural gasoline.
‡Not available.
§Includes cash payments only; the additional value of board, room, and tips can not be included.
‖Less than 1/20 of 1 per cent.
Prepared from reports from representative Texas establishments to the Bureau of Business Research, coöperating with the United States Bureau of Labor Statistics.

FEBRUARY RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Total Number of Firms Reporting	Percentage Change in Dollar Sales Feb. 1940 from Feb. 1939	Feb. 1940 from Jan. 1940
TOTAL TEXAS	1,108	+ 9.8	+ 2.1
TEXAS STORES GROUPED BY PRODUCING AREAS:			
DISTRICT 1–N	69	+17.2	+ 1.4
Amarillo	13	+10.2	− 0.3
Canyon	6	+ 4.9	+12.0
Pampa	10	+32.5	− 4.6
Plainview	15	+ 4.1	− 5.8
All Others	25	+19.5	+21.1
DISTRICT 1–S	22	+27.1	+ 2.9
Big Spring	6	+12.6	−14.9
Lubbock	8	+22.7	+ 5.5
All Others	8	+77.5	+20.7
DISTRICT 2	90	+ 8.2	+ 2.3
Abilene	15	+ 0.2	+ 1.3
Vernon	6	+17.4	− 2.0
Wichita Falls	16	+16.9	+ 4.2
All Others	53	+ 6.6	+ 2.4
DISTRICT 3	37	+12.5	− 1.0
Brownwood	7	− 5.0	− 2.7
Eastland	5	+12.9	− 5.0
Stephenville	5	+14.1	+ 5.8
All Others	20	+14.8	− 1.4
DISTRICT 4	260	+11.8	+ 4.2
Cleburne	9	+16.3	+10.7
Corsicana	7	− 7.7	+19.0
Dallas	48	+ 9.4	+ 2.0
Denison	9	+12.7	− 3.2
Ennis	7	+64.2	+18.3
Fort Worth	38	+13.3	+ 7.8
Sherman	6	+33.7	+11.9
Temple	11	+ 3.8	− 6.3
Waco	30	+18.2	+ 1.8
All Others	95	+18.4	+10.5
DISTRICT 5	115	+11.8	+ 1.7
Bryan	9	− 8.3	− 1.8
Longview	7	+17.5	+ 0.6
Marshall	8	− 0.2	− 8.3
Palestine	6	+18.4	− 5.2
Tyler	15	+ 7.2	+15.7
All Others	70	+15.9	+ 0.2
DISTRICT 6	30	+11.4	− 4.4
El Paso	18	+12.5	− 5.5
All Others	12	+ 3.3	+ 5.0
DISTRICT 7	58	+ 8.8	− 4.2
Brady	8	+40.8	+ 8.3
San Angelo	14	+ 5.4	−16.1
All Others	36	+ 7.6	+ 7.8
DISTRICT 8	200	+ 0.6	+ 4.6
Austin	21	− 7.2	+11.3
Corpus Christi	13	+ 1.8	+ 3.9
Cuero	6	+12.6	+13.0
Lockhart	7	−12.5	−14.8
San Antonio	62	+ 3.5	+ 2.3
San Marcos	7	+ 5.4	+10.1
All Others	84	+ 2.9	+ 4.2
DISTRICT 9	163	+ 6.7	− 0.3
Bay City	6	−12.2	+14.6
Beaumont	20	+18.1	+ 5.7
Galveston	20	+ 7.8	− 0.3
Houston	54	+ 0.5	− 5.6
Port Arthur	18	+17.4	+14.5
Victoria	9	+21.0	+22.8
All Others	36	+29.5	+ 9.3
DISTRICT 10	64	+19.1	+ 7.1
Brownsville	12	+ 9.3	+ 1.8
Harlingen	7	+27.1	+ 3.3
Laredo	5	− 4.3	+ 0.5
All Others	40	+29.7	+13.4



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

TEXAS COMMERCIAL FAILURES

	Feb. 1940	Feb. 1939	Jan. 1940*
Number	14	28	26
Liabilities†	$162	$301	$262
Assets†	$100	$196	$128
Average Liabilities per Failure†	12	11	10

*Revised.
†In thousands.
NOTE: From Dun and Bradstreet, Inc.

LUMBER

(In Board Feet)

	Feb. 1940	Feb. 1939	Jan. 1940
Southern Pine Mills:			
Average Weekly Production per unit	271,025	271,081	243,272
Average Weekly Shipments per unit	240,668	273,376	221,914
Average unfilled Orders per Unit, End of Month	673,697	637,241	693,178

NOTE: From Southern Pine Association.

FEBRUARY RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	February, 1940			Year, 1940	
	Number of Firms Reporting	Percentage Change Feb. 1940 from Feb. 1939	Percentage Change Feb. 1940 from Jan. 1940	Number of Firms Reporting	Percentage Change Year-to-Date 1940 from Year-to-Date 1939
TEXAS	1,108	+ 9.8	+ 2.1	1,074	+ 6.9
STORES GROUPED BY LINE OF GOODS CARRIED:					
APPAREL	119	+ 6.3	− 4.9	117	+ 3.3
Family Clothing Stores	28	− 0.7	−14.5	27	+ 2.0
Men's and Boys' Clothing Stores	43	− 4.0	−24.2	43	− 1.7
Shoe Stores	18	+ 1.2	+13.6	18	+ 0.3
Women's Specialty Shops	30	+13.6	+ 8.0	29	+ 6.8
AUTOMOTIVE	113	+16.7	+ 3.5	111	+17.5
Filling Stations	37	−12.4	− 8.8	36	− 7.2
Motor Vehicle Dealers	76	+19.9	+ 3.9	75	+18.4
COUNTRY GENERAL AND FARMERS' SUPPLIES	94	+12.2	+ 6.7	92	+ 6.1
DEPARTMENT STORES	56	+ 5.4	− 0.9	56	+ 4.6
DRUG STORES	124	+10.4	− 1.6	117	+ 8.3
DRY GOODS AND GENERAL MERCHANDISE	20	+ 8.8	− 3.2	20	+12.1
FLORISTS	31	+ 7.9	+15.8	31	+ 3.9
FOOD	179	+ 2.2	− 3.0	168	+ 1.8
Grocery Stores	67	+ 4.6	− 2.1	62	+ 5.5
Grocery and Meat Stores	112	+ 1.4	− 3.3	106	+ 0.4
FURNITURE AND HOUSEHOLD	58	+11.2	+ 3.8	58	+ 8.2
Furniture	44	+ 8.4	− 0.6	44	+ 5.9
Household Appliance Stores	9	+33.0	+27.8	9	+31.2
Radio Stores	5	− 0.1	+16.9	5	− 7.7
JEWELRY	43	+ 1.1	−14.6	43	− 0.1
LUMBER, BUILDING, AND HARDWARE	231	+ 9.9	+21.7	223	− 2.6
Farm Implement Dealers	13	+27.8	− 1.6	13	+21.5
Hardware Stores	71	+30.2	+12.8	69	+21.0
Lumber and Building Materials Dealers	147	+ 2.8	+27.5	141	−11.0
RESTAURANTS	24	− 2.2	− 3.2	23	− 3.9
ALL OTHER STORES	16	− 6.8	− 4.8	15	− 5.4
TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:					
All Stores in Cities of—					
Over 100,000 Population	220	+ 7.2	+ 0.1	213	+ 5.3
50,000–100,000 Population	109	+ 9.0	+ 6.3	107	+ 3.9
2,500–50,000 Population	477	+14.2	+ 4.5	462	+11.4
Less than 2,500 Population	302	+15.5	+ 4.6	292	+10.0

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

TEXAS CHARTERS

	Feb. 1940	Feb. 1939	Jan. 1940
Domestic Corporations:			
Capitalization*	$3,010	$1,000	$2,055
Number	126	101	143
Classification of new corporations:			
Banking-Finance	3	3	4
Manufacturing	26	14	26
Merchandising	50	30	35
Oil	14	17	23
Public Service	0	0	2
Real Estate-Building	9	11	9
Transportation	3	2	9
All Others	21	24	35
Number capitalized at less than $5,000	47	35	62
Number capitalized at $100,000 or more	1	0	3
Foreign Corporations (Number)	15	24	27

*In thousands.

NOTE: Compiled from records of the Secretary of State.

FEBRUARY CARLOAD MOVEMENT OF POULTRY AND EGGS

Shipments from Texas Stations

Destination*	Cars of Poultry: Live Chickens		Live Turkeys		Dressed Chickens		Dressed Turkeys		Cars of Eggs†	
	Feb. 1940	Feb. 1939	Feb. 1940	Feb. 1939	Feb. 1940	Feb. 1939	Feb. 1940	Feb. 1939	Feb. 1940	Feb. 1939
TOTAL	5	—	1	—	34	55	6	7	37.5	25.0
Intrastate	—	—	—	—	1	—	—	—	3.0	7.0
Interstate	5	—	1	—	33	55	6	7	34.5	18.0

Origin Receipts at Texas Stations

TOTAL	—	—	—	—	1	—	2	—	6.0	9.0
Intrastate	—	—	—	—	1	—	1	—	3.0	6.5
Interstate	—	—	—	—	—	—	1	—	3.0	2.5

*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.

POSTAL RECEIPTS

	Feb. 1940	Feb. 1939	Jan. 1940
Abilene	$ 17,158	$ 14,882	$ 18,374
Amarillo	45,825	28,243	32,401
Austin	64,725	64,587	66,252
Beaumont	25,261	24,661	27,637
Big Spring	5,200	5,002	6,386
Brownsville	5,805	5,739	6,536
Brownwood	5,348	5,209	6,136
Childress	2,272	2,238	3,004
Corpus Christi	26,096	23,351	28,081
Corsicana	5,220	5,013	5,916
Dallas	363,063	328,345	378,901
Del Rio	4,147	3,319	5,624
Denison	5,381	4,882	6,223
Denton	7,817	7,477	6,264
El Paso	40,956	39,433	46,100
Fort Worth	143,497	138,930	142,478
Gladewater	2,535	2,520	3,499
Graham	2,245	2,149	2,548
Harlingen	6,364	5,388	6,483
Houston	254,170	230,169	253,482
Jacksonville	3,104	2,874	3,477
Kenedy	1,238	1,205	1,495
Lubbock	18,012	16,532	20,091
Lufkin	4,665	4,036	5,146
McAllen	4,834	9,981	5,884
Marshall	5,952	5,711	6,452
Odessa	5,178	4,580	7,133
Palestine	5,254	7,595	6,663
Pampa	6,909	5,560	7,580
Plainview	3,769	3,708	4,931
Port Arthur	12,782	11,130	13,671
San Angelo	11,156	10,114	12,384
San Antonio	122,887	110,396	128,084
San Benito	2,563*	†	2,690*
Sherman	7,249	7,111	7,802
Snyder	1,456	1,231	1,831
Sweetwater	4,505	4,519	5,357
Tyler	15,421	16,000	16,047
Waco	30,787	31,254	32,233
Wichita Falls	21,481	20,563	23,561
TOTAL	$1,319,724	$1,215,637	$1,362,147

NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.
*Not included in total.
†Not available.

BUILDING PERMITS

	Feb. 1940	Feb. 1939	Jan. 1940
Abilene	$ 26,160	$ 11,990	$ 64,935
Amarillo	137,791	109,178	132,747
Austin	750,229	698,922	483,268
Beaumont	122,488	102,662	78,700
Big Spring	6,600*	48,900	36,320
Corpus Christi	1,405,942	161,525*	1,311,810
Corsicana	13,632	16,425	10,825
Dallas	1,129,982	1,272,984	872,378
Del Rio	8,250	9,025	4,075
Denton	5,800	20,400	13,010
El Paso	173,722	140,725	135,717
Fort Worth	494,902	1,139,205	283,113
Gladewater	524	12,141	5,500
Graham	4,450	3,690	7,730
Harlingen	29,335	12,276	20,190
Houston	1,322,470*	1,814,155	3,665,705
Jacksonville	1,700	20,000	23,550
Kenedy	2,500	2,150	0
Lubbock	312,469	209,999	595,630
McAllen	51,962	22,250	41,780
Marshall	11,725*	7,441	12,483*
New Braunfels	9,285†	20,385†	‡
Odessa	58,768†	‡	35,788†
Palestine	11,956	4,035	18,996
Pampa	20,300	13,395	23,975
Plainview	2,215	2,100	5,350
Port Arthur	87,535	47,159	65,258
San Angelo	38,246	20,070	44,254
San Antonio	432,371	338,949	437,082
Sherman	23,795	36,699	15,434
Sweetwater	8,385	7,805	9,805
Tyler	45,346	739,972	38,459
Waco	81,413	97,253	152,943
Wichita Falls	42,987	61,040	88,630
TOTAL	$6,813,182	$7,204,520	$8,699,652

NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.
*Does not include public works.
†Not included in total.
‡Not available.

FEBRUARY 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¶	2,028	2,691	628	600	591	699	400	331	3,647	4,321
Total Intrastate Omitting Fort Worth	298	579	123	124	25	49	20	18	466	770
TOTAL SHIPMENTS	2,326	3,270	751	724	616	748	420	349	4,113	5,091

TEXAS CAR-LOT§ SHIPMENTS OF LIVE STOCK, JANUARY 1–MARCH 1

	Cattle		Calves		Hogs		Sheep		Total	
	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939
Total Interstate Plus Fort Worth¶	4,791	7,196	1,476	1,576	1,260	1,338	810	853	8,337	10,963
Total Intrastate Omitting Fort Worth	639	1,394	194	302	47	94	41	92	921	1,882
TOTAL SHIPMENTS	5,430	8,590	1,670	1,878	1,307	1,432	851	945	9,258	12,845

§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 1,600 station agents, representing every live stock shipping point in the State. The data are compiled by the Bureau of Business Research.

FEBRUARY CREDIT RATIOS IN TEXAS RETAIL STORES

(Expressed in Per Cent)

	Number of Stores Reporting	Ratio of Credit Sales to Net Sales 1940	Ratio of Credit Sales to Net Sales 1939	Ratio of Collections to Outstandings 1940	Ratio of Collections to Outstandings 1939	Ratio of Credit Salaries to Credit Sales 1940	Ratio of Credit Salaries to Credit Sales 1939
All Stores	69	67.8	67.4	37.7	37.6	1.2	1.4
Stores Grouped by Cities:							
Abilene	3	65.2	64.3	31.1	27.7	2.3	2.7
Austin	6	60.1	59.1	44.8	44.2	1.5	1.3
Beaumont	3	73.2	67.9	37.5	36.5	1.5	1.8
Dallas	11	73.6	73.8	37.3	39.6	0.8	1.3
Fort Worth	6	66.6	66.3	35.8	31.8	1.3	1.4
Houston	8	66.7	64.8	39.5	39.7	1.8	1.7
San Antonio	6	63.6	61.1	44.9	44.3	1.1	1.0
Waco	4	63.9	63.8	27.6	27.1	1.8	1.8
All Others	22	59.3	61.7	36.2	35.0	1.9	2.0
Stores Grouped According to Type of Store:							
Department Stores (Annual Volume Over $500,000)	21	67.5	67.3	41.7	38.6	1.2	1.4
Department Stores (Annual Volume Under $500,000)	13	62.8	63.7	31.6	30.6	2.4	2.4
Dry Goods–Apparel Stores	6	64.4	62.2	39.4	35.8	2.2	2.0
Women's Specialty Shops	14	69.2	68.1	35.6	35.4	0.7	1.1
Men's Clothing Stores	16	69.8	68.8	39.3	39.0	2.0	2.1
Stores Grouped According to Volume of Net Sales During 1939:							
Over $2,500,000	10	71.5	68.8	38.7	41.4	1.1	1.2
$2,500,000 down to $1,000,000	11	62.3	62.2	40.4	37.7	1.4	1.5
$1,000,000 down to $500,000	9	62.4	60.5	39.5	40.3	1.9	1.8
$500,000 down to $100,000	29	62.5	61.5	37.3	36.5	2.4	2.6
Less than $100,000	10	63.3	63.8	33.9	32.5	4.7	4.6

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.

PURCHASES OF SAVINGS BONDS

	Feb. 1940	Feb. 1939	Jan. 1–Mar. 1 1940	Jan. 1–Mar. 1 1939
Abilene	$ 24,375	$ 5,531	$ 88,481	$ 38,492
Amarillo	34,369*	†	115,069*	†
Austin	53,119	5,850	166,238	80,550
Beaumont	59,860	31,519	193,623	105,582
Big Spring	24,225	4,125	52,650	25,763
Brownsville	9,975	10,200	23,963	14,775
Brownwood	6,731	4,013	27,787	18,488
Childress	6,375	525	†	†
Corpus Christi	55,631	31,913	†	59,194*
Dallas	258,769	162,881	821,363	585,544
Del Rio	2,306	131	9,900	919
Denison	14,663	8,175	50,232	44,850
Denton	983	825	12,777	10,519
El Paso	92,100	106,387	306,469	281,006
Gladewater	6,469	7,313	57,882	43,257
Harlingen	4,181	3,694	17,081	18,807
Kenedy	881	131	8,381	2,062
Marshall	58,106	2,719	102,937	11,457
McAllen	10,781	8,344	22,312	13,500
Odessa	2,644	9,506	21,525*	†
Palestine	6,900	18,506	34,219	30,712
Pampa	1,425	956	9,338	2,100
Plainview	900	1,275	19,931	20,438
Port Arthur	21,244	12,469	80,775	42,225
San Angelo	8,569	1,931	54,619	39,112
San Antonio	174,919	102,600	644,194	315,994
San Benito	488	1,744	9,994	9,732
Sherman	9,544	17,306	33,544	27,469
Tyler	23,006	12,244	152,231	142,425
Waco	168,544	16,181	290,044	58,931
Wichita Fallas	94,463	5,505	216,301	144,274
TOTAL	$1,202,176	$ 594,499	$3,507,266	$2,128,983

*Not included in total.
†Not available.

COMMODITY PRICES

	Feb. 1940	Feb. 1939	Jan. 1940
WHOLESALE PRICES:			
U. S. Bureau of Labor Statistics (1936 = 100)	78.7	76.9	79.4
The Annalist (1926 = 100)	81.6	79.1	82.0
FARM PRICES:			
U. S. Bureau of Labor Statistics (1926 = 100)	68.7	67.2	69.1
RETAIL PRICES:			
Food (U. S. Bureau of Labor Statistics, 1923–25 = 100)	78.1	76.8	77.1
Department Stores (Fairchild's Publications, Jan. 1931 = 100)	92.6	89.1	92.3

ELECTRIC POWER CONSUMPTION

(In Thousands of K.W.H.)

	Feb. 1940	Feb. 1939	Jan. 1940	Percentage Change Feb. 1940 from Feb. 1939	Percentage Change Feb. 1940 from Jan. 1940
Commercial	40,292	36,549	40,613	+10.2	− 0.8
Industrial	86,006	85,246	87,003	+ 0.9	− 1.2
Residential	30,833	28,818	35,382	+ 7.0	−12.9
All Others	24,482	20,237	24,046	+21.0	+ 1.8
TOTAL	181,613	170,850	187,044	+ 6.3	− 2.9

Prepared from reports from 15 electric power companies to the Bureau of Business Research.

BANKING STATISTICS

(In Millions of Dollars)

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	February, 1940		February, 1939		January, 1940	
	Dallas District	United States	Dallas District	United States	Dallas District	United States
DEBITS to individual accounts	$809	$30,698	$ 764	$29,989	$ 832	$33,555
Condition of reporting member banks on—	February 28, 1940		March 1, 1939		January 31, 1940	
ASSETS:						
Loans and investments—total	535	23,268	506	21,594	540	23,174
Loans—total	271	8,528	247	8,186	277	8,499
Commercial, industrial, and agricultural loans	180	4,324	163	3,773	184	4,295
Open market paper	2	332	1	313	2	321
Loans to brokers and dealers in securities	3	609	3	799	3	614
Other loans for purchasing or carrying securities	14	478	14	523	14	485
Real estate loans	22	1,185	20	1,136	22	1,183
Loans to banks	----	52	----	92	----	54
Other loans	50	1,548	46	1,550	52	1,547
Treasury Bills	19	647	11	416	16	648
Treasury Notes	44	1,735	74	2,531	44	1,747
U.S. Bonds	92	6,469	78	5,196	93	6,482
Obligations fully guaranteed by U.S. Gov't	51	2,421	42	2,019	53	2,414
Other securities	58	3,468	54	3,246	57	3,384
Reserve with Federal Reserve Bank	131	10,390	111	7,368	136	10,258
Cash in vault	12	480	9	389	11	458
Balances with domestic banks	292	3,104	236	2,558	277	3,067
Other assets—net	29	1,261	29	1,276	29	1,247
LIABILITIES:						
Demand deposits—adjusted	472	19,414	429	15,965	471	19,199
Time deposits	135	5,290	137	5,202	136	5,257
U.S. Government deposits	31	571	34	634	31	573
Inter-bank deposits:						
Domestic banks	269	8,085	203	6,414	265	8,029
Foreign banks	1	732	1	566	1	738
Borrowings	----	----	----	2	----	1
Other liabilities	4	692	4	715	3	690
Capital account	87	3,719	83	3,687	86	3,717

NOTE: From Federal Reserve Board.

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CONTENTS