

TEXAS BUSINESS REVIEW

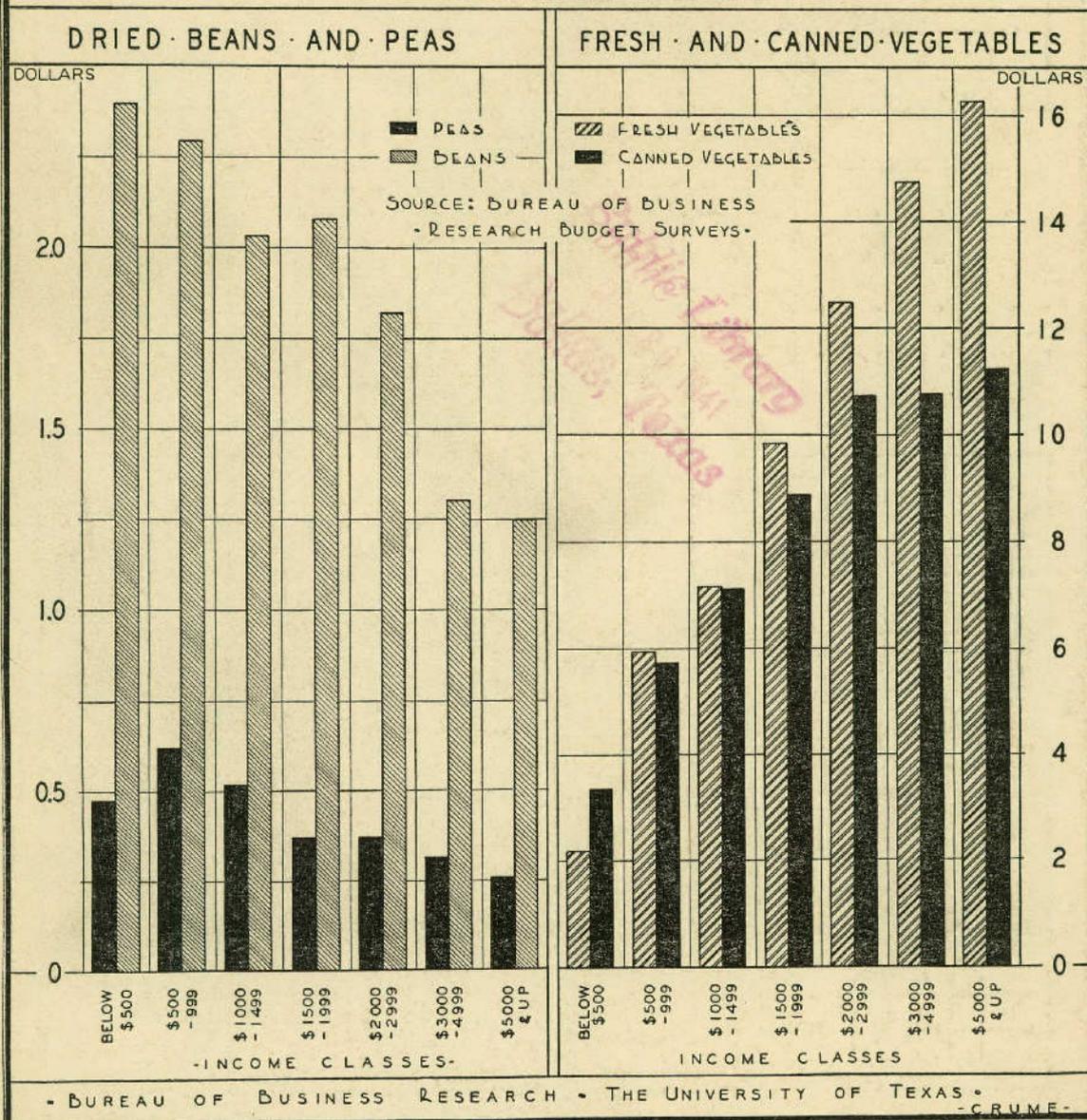
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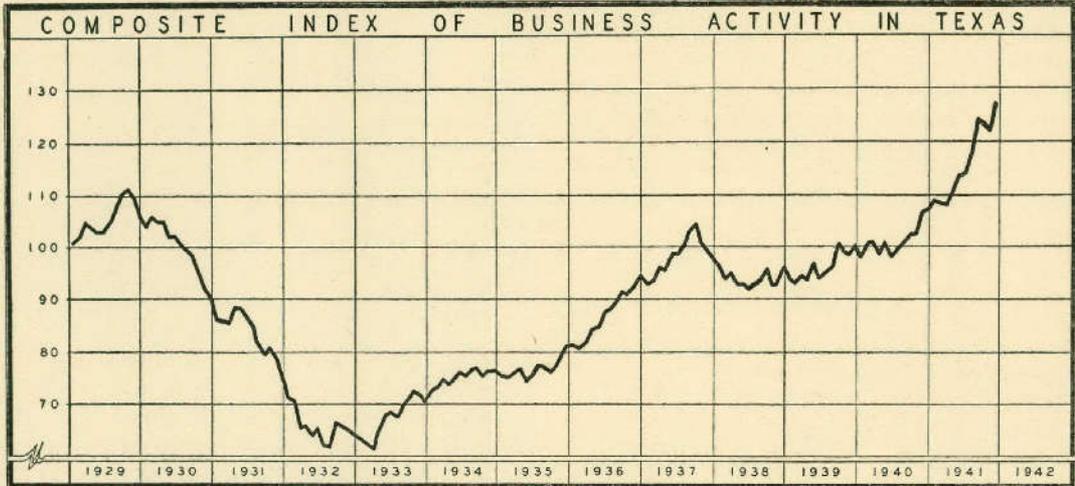
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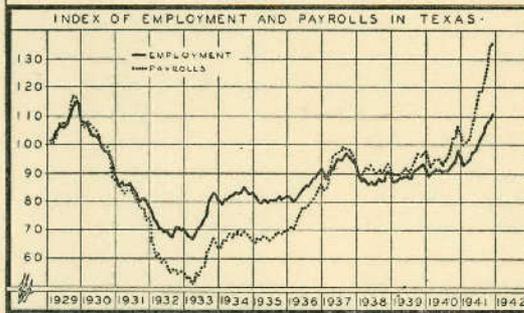
INDEXES OF BUSINESS ACTIVITY IN TEXAS

AVERAGE MONTH OF 1930 = 100 %

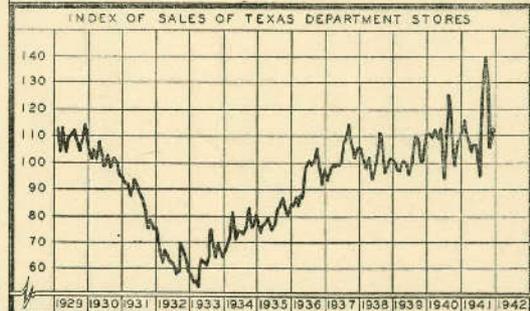
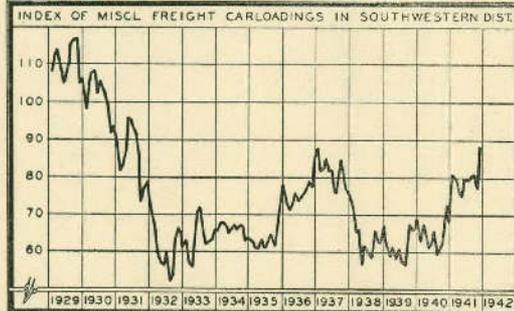
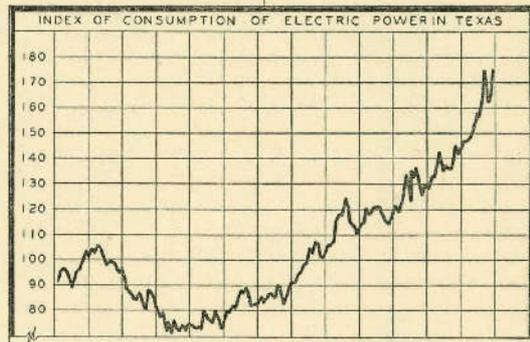
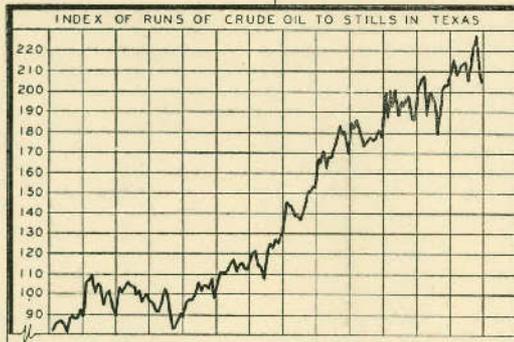
WEIGHT IN COMPOSITE INDEX -
 EMPLOYMENT — 25% MISCL. FREIGHT CARLOADINGS — 20%
 PAY ROLLS — 25% CRUDE OIL RUNS — 5%
 DEPARTMENT STORE SALES — 10% ELECTRIC POWER CONSUMPTION — 15%



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Business Review and Prospect

For a number of years keen students in the North and East of the trends in the commercial and industrial developments of this country have been conscious of the growing relative importance of the South in trade and industry. To take a current example, on pages 8 and 9 of the December 15, 1941, issue of *The Wall Street Journal* two pages are devoted to the subjects: "Industrialization of the South Spurred by War-time Demands; Entirely New Businesses Set Up in Past Year"; and "New Chemical Plants Below Mason and Dixon Line Total 500 Million Dollars, and Many Will Be Useful After the War." In the next day's issue, December 16, a leading editorial of this same paper commented on the facts previously presented as follows: "Yesterday's issue of *The Wall Street Journal* offered a really impressive array of facts and figures on the growth of industry in the southern states . . .

. . . Granted that the war produces more or less of mushroom growths; granted that the South must expect to share in the post-war readjustment, in some proportion to its war-made industrialization expansion, the fact remains that its new and enlarged old industries will then be less than ever dependent on a one-crop agriculture and manufactured products brought from a distance. All the states of the Union will have post-war problems enough, but the South as a region will not be one of them."

TEXAS BUSINESS

In this phenomenal growth of the chemical industry in the South, Texas has already participated to an important extent, and present plans of the leading chemical companies point to even more rapid development in the future. Sydney B. Self states in the article referred to above: "A year ago Dow (still our only quantity producer of magnesium) had a thirty million dollar plant account. Multiply this by four and you have an idea of what Dow has spent and is going to spend on magnesium in Texas alone"; and again: "a shell loading plant in Texas will cost forty-five million dollars." For more detailed discussions of the new developments of the chemical and allied industries in Texas the reader is referred to Elmer H. Johnson's articles in the REVIEW during the past year or two, and attention is called to his articles on this and related subjects which will appear in coming months.

When the huge plants now in process of building and those for which plans have been completed and which are about to be constructed come into actual production, marked increases in manufacturing employment and pay rolls may be expected. This situation will be reflected in retail and wholesale trade particularly, at first at least, in the areas in which the new plants are located, but with a widening influence as these developments proceed.

After a few months in which the indexes of Texas business have remained almost stationary, a sharp rise

occurred during the past month, bringing the composite index to the highest point thus far attained.

INDEXES OF BUSINESS ACTIVITY IN TEXAS

Average month 1929=100%

	Nov. 1941	Nov. 1940	Oct. 1941
Employment	110.8	95.2	109.6
Pay Rolls	135.3	101.6	134.7
Miscellaneous Freight Carloadings (Southwest District)	88.2	72.3	77.6
Runs of Crude Oil to Stills	205.2	201.5	209.9
Department Store Sales	113.0	108.9	105.6
Consumption of Electric Power	175.3	136.3	166.6*
COMPOSITE INDEX	127.0	106.6	122.6*

*Revised.

At 127.0, the composite index for November rose more than four points above the preceding month and is more than twenty points above November, 1940. All of the components of the index except runs of crude oil to stills showed an increase over October, and without exception over November, 1940.

FARM CASH INCOME

Cash income from agriculture in Texas during November as computed by this Bureau totalled nearly ninety million dollars, which was more than double the forty-four million of cash income received by Texas farmers during November, 1940. For the year to date, the computed farm cash income was nearly 527 million dollars, compared with approximately 401 million dollars during the corresponding period last year, an increase of more than thirty-one per cent.

INDEX OF AGRICULTURAL CASH INCOME IN TEXAS

Average month 1928-'32=100%

Districts	Nov. 1941	Oct.* 1941	Nov.* 1940	Cumulative Income	
				Jan.-Nov. 1941	Jan.-Nov. 1940
				(000 Omitted)	
1-N	96.0	96.3	104.0	44,390	36,349
1-S	249.6	123.4	79.8	50,055	33,566
2	215.6	154.1	53.9	85,634	45,212
3	119.8	102.1	84.5	26,579	21,109
4	113.6	100.6	60.8	98,585	73,682
5	86.1	67.0	78.7	31,237	34,338
6	202.2	182.3	143.2	28,567	22,132
7	135.8	123.4	102.3	52,085	42,681
8	105.1	122.1	64.6	45,374	32,190
9	226.6	126.4	161.4	29,568	30,326
10	91.1	66.5	59.1	12,596	9,667
10-A	234.9	318.2	245.8	22,245	20,239
STATE	167.4	116.5	82.2	526,915	401,491

*Revised.

NOTE: Farm cash income as computed by this Bureau understates actual farm cash income by from 6 to 10 per cent. This situation results from the fact that means of securing complete local marketings, especially by truck, have not yet been fully developed. In addition, means have not yet been developed for computing cash income from all agricultural specialties of local importance in scattered areas throughout the State. This situation, however, does not impair the accuracy of the indexes to any appreciable extent.

The major portion of the sharp increase in farm cash income is attributable to crop reporting District 1-S

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

(south high plains and District 2, which lies adjacent to the high plains of the Texas Panhandle to the east. The relatively large cotton crop in these districts, the late maturity and ginning of the crop causing an unusually large proportion of the crop to be marketed during the last two months of the year, and the relatively high prices of both lint and seed all contributed to the marked increase in income. The same general situation with respect to cotton and cottonseed prevailing in November carried over into December, justifying the expectation that December farm cash income will be more than double that of the corresponding

month in 1940. From known facts, it is estimated that farm cash income as computed by this Bureau will be approximately six hundred million dollars for the current year. Since the Bureau's figure is known to be an understatement of from six to ten per cent for reasons given in the footnote under the table above, actual farm cash income will be approximately 650 million dollars exclusive of government subsidies. If these subsidies approximately equal those of the past two years, total cash income to farmers during 1941 will be well above seven hundred million dollars.

F. A. BUECHEL.

Some Present-Day Problems

THE WORLD POWER BELT

That events in rapid succession during the past two decades have wrought changes of momentous import has become common knowledge, even if the implications of these great, even revolutionary, changes and their innumerable ramifications have not become fully apparent or understood. One of the concepts that should be fairly apparent, however, is that of the Power Belt of the World which lies somewhat centrally in the Northern Hemisphere and encircles the globe. In outstanding regions within this Belt nature has put the right combinations of natural resources and the advantageous physical conditions not only for the growth of large industrial regions, but also for a high-grade agricultural development, altogether conducive for growth of large populations and of distinctive cultural attributes. This Power Belt comprises the great coal reserves of the world to which iron ores and other metals are accessible, and it is characterized by the growth of great industrial centers, great regions of industrial activity marked particularly by aggregations of heavy industry. The various component parts of these great industrial regions are tied together by various means which reflect the forces of interdependence of modern large industry, together with its large-scale aspects and implications.

There were but three of these great industrial centers in the World's Power Belt in 1914-18: in England, in Germany, and in the United States, and at that time only in the United States had mass-production technique arrived. Nor was World War I a mechanized war in the sense the present war is. The first assembly line was installed in Germany only in 1931.

World War I was for years essentially a struggle between the English and the German industrial centers; it was the coming in of the third great industrial center, that of the United States, that turned the balance.

How far Germany through her industrialization, the hub of which is the Ruhr, had mastered the mechanization of war through applying a borrowed mass-production technique is witnessed by what has occurred in France and Belgium in the present war. How far a

new technique of mechanized warfare, the airplane, which is another American invention, has gone in revolutionizing military tactics, of offense and defense, is now quite apparent to all.

No one can question the fact that air power has come of age; that the bomber and the "fish" aerial torpedo are major factors in naval warfare. Again, this re-emphasizes the revolutionary effects of the internal combustion engine in mechanized war as shown by the vital qualities of the tank, the airplane, and mechanized transport on land. And this in turn re-emphasizes the vital significance of gasoline, which in turn reflects the strategic importance and the absolute necessity for adequate oil supplies. The vital necessity for oil, now that the Caucasus fields are safe for the present, may force Hitler to look directly to the great resources of Iraq.

And even the United States has only recently put the airplane industry on an assembly line basis. Moreover, it has been the rapid rise of industrial centers in Russia since 1914-18, capable of turning out the mechanized engines of war, that has now astounded the world. All honor to the bravery of the Russian defenders, all honor to the Russian generalship—but it has been Russian mechanized equipment in large amounts that has stopped the German war machine and turned it back. It is modern mechanized war equipment that Chiang Kai-shek has so sorely needed since 1937. Now, with the aid of the Russian winter, the next chapter of the 1000-mile war-front is being written.

But what of the situation in the Far East? Japan herself is poor in all natural resources save water-power. China is comparatively rich in resources, including coal, and China has iron ore and many of the metals.

China's mineral resources are in the interior, and they are scattered over a wide territory. Modern transportation can link these resources and permit the development of industry—but China lacks modern interior transportation, save in the lower portion of the Yang-Tse-Kiang. At that, however, the industrialization of China had begun, in part under Japanese tutelage. Japan, realizing the necessity of blocking industrial development in China under the aegis of the Chinese themselves, and

at the same time coveting these mainland resources to insure her place in the Pacific, embarked years back on the invasion of the Asiatic continent, with its attendant destruction, hoping to destroy the morale, even the culture and the heart and soul of the Chinese people. For unless Japan can command the resources and the people of the mainland, her industrialization cannot proceed. It would soon be eclipsed by that of China. Japan clearly saw how time and modern technology were working on the side of the Chinese. And, in order to command the resources of China, Japan must command the adjacent seas and the approaches thereto.

Stripped of qualifications and detail, the foregoing is in brief an outline of the high points of expanding industrialization in the World's Power Belt since World War I. These include the regions so actively engaged in the present conflict; from these regions must come the economic leadership for a world practically bankrupt at the close of the struggle.

An analysis of the literally world-wide forces affecting this industrialization, the interplay of political factors involved, the interflow of raw materials from all over the world, and which is not confined to minerals alone, even as strategic materials, cannot be attempted here.

Two items, however, stand out so prominently that they must be noted. One is that Germany now commands the resources of the European mainland east of Russia. The lean "minette" iron ores of France and the rich iron ores of Sweden are available to the great Ruhr industrial district based on the deposits of high-grade Westphalian coal. The Ruhr has been aptly termed Germany's greatest industrial asset. Then there are the subservient industries and food production which have been brought under the New Regimentation of Germany, including the highly strategic oil supplies, especially those of Rumania.

The other item concerns Japan. To destroy China as a military power was of immediate concern to Japan. To regiment the Asiatic mainland is a long-range affair, but Japan has immediate needs for nearly everything—foodstuffs, oil, metals. Japan's aim now is to take Singapore, one of the most strategic bases in the world, overrun the Dutch East Indies for their products, oil particularly, and at the same time take control of the entire Eastern Pacific in order to block off this entire sector of the globe. But Japan also has an immediate objective in taking Singapore; for this would mean the closing of the strategic and vital Burma Road. China is still a big factor in the Far Eastern conflict, but China would be greatly handicapped were her life-line, the Burma Road, closed.

Japan's control of Singapore would, of course, be a step toward access to the Indian Ocean, but control of the Philippines is also vital to Japan's aims, in order to have open sea-ways to Southeastern Asia and the Dutch East Indies.

Nor can attention be more than directed to industrialization outside this Power Belt, important though that industrialization may be from the point of view of local markets (the manufacture of consumers' goods)

or from that of armaments production. As to the latter, such production is carried on mainly in the shadow of the major great industrial centers, whether it be in Czecho-slovakia, Australia, or elsewhere. Nor can the industrial situation of France or Belgium be noticed here; mostly, these countries are deficient in mineral resources, and their industries before World War II were mainly of a specialized nature. They are in the great Power Belt of Europe, but their economic bases were too narrow to support large-scale, mass-production technique using industries. That the English Midlands, the Ruhr, and even the several Russian areas were capable of supporting these industries is now no longer in doubt.

AMERICA IN THE INTERNATIONAL SCENE

Industrial development and the growth of agriculture in the United States are themes that have been dealt with in numerous ways; but economic analyses of the attainments, of the bases on which these attainments are built are rather scarce. That these attainments rise out of industrial integration of the various major regions of the United States and the resultant large domestic market perhaps no one will question—but this is just a superficial statement of the case. We shall have to leave the realm of "theory" and proceed with facts and principles, if America is to be not only the "arsenal of Democracy" but also the "granary" of the free peoples of the world. The late Dr. C. F. Marbut, America's leading authority on the economics of agricultural resources, not only called attention from time to time to the desirability of analysing our agricultural resources from the standpoint of national interest, but at the time of his death had gone a long way in making these basic analyses possible. Dr. C. K. Leith, America's leading authority on the economics of mineral resources, a protégé of Van Hise, and a life-long student of the international aspects of minerals, has repeatedly called attention to the vital and dominant place minerals have assumed in the recent industrial development in the United States, in Germany, and the Far East. Particularly has he stressed the dominance of minerals in modern life, and the basic problems, national and international, engendered by their geographic distribution and geologic occurrence.

In one of his lectures years back, Dr. Leith stated that the longer one considers the statistics of the mineral industry the more one comes to see that the statistics of production and consumption are not the most significant, but rather, the statistics of flow—that is, the great arteries, the great highways of movement, disclose more to us than any other one type of statistical analysis. Consideration of what this statement means raises the policy of freedom-of-the-seas beyond mere academic discussion. Leith has envisaged the role of the mineral environment in modern affairs as no one else has, not just because he has seen the reflections of their economic importance, but more so because he understands the scientific bases of mineral resources as a significant part of man's environment. I stress the

work of these two scientists because of their grasp of the situation as a whole, their grasp of the part their own special fields play in modern economic life, and because of the necessity of reorienting our own views as to what American resources mean, of the strategic position of raw materials in modern industrialism, and the fundamental factors basic to even survival itself. The following quotation is a summing up of the salient points of an article by Dr. Leith on "The Mineral Position of the Nations" in *Foreign Affairs*, October, 1930. It is presented here simply as a brief perspective of the bigger facts.

1. The United States occupies a prominent position both as a consumer and producer of minerals from within its own boundaries and as an active agent in mineral exploration and production in other countries.

2. Second in importance is the United Kingdom. It holds its position not by virtue of the minerals within its boundaries, but by its wide financial control in other territories, particularly in the British Empire. United States and British capital together control fully three-fourths of the world's mineral resources.

3. Third stands western Europe, if we consider it as a unit. No single European country has an outstanding group of mineral resources.

4. No other countries or groups control mineral supplies adequate for industrial development on a corresponding scale, notwithstanding their possession of large supplies of particular minerals. Such minerals as they have are mostly controlled by capital of North Atlantic countries and serve in the main as feeders to the industries of those countries. South Africa, Russia and Australia are the only outlying regions which have minerals adequate to permit the growth of independent industries. Asia has a possibility for industrial development if its widely scattered resources could be operated under unit control.

5. Exploitation of the world's minerals emanates from the industrial centers of the North Atlantic. In regard to mineral supplies there is no such thing as equality of nations. In so far as such supplies have contributed to the political and financial dominance of the North Atlantic countries in the past, there is no marked change in sight for the future.

6. Finally, not even the most favored nation is entirely self-sustaining in minerals, nor can it be made so. The interdependence of the nations and specialization in mineral production have been determined once and for all by nature's distribution of minerals.

That the cataclysmic events of the past few days have stirred the United States as it has never been stirred before is obviously a trite observation now. That we need to have a better perspective of our position and bearings was never more urgent. One type of perspective is that of the current status of the United States as a national power. In this connection, attention should be called to a recent article by Peter Drucker in the December issue of *The Atlantic Monthly*. This article, "Trade in a New World," stresses among other things the economic leadership of the United States and the economic implications thereof. "Of course," states Drucker, "it is not news that the United States has become the strongest and most important economy . . . But, though we have had twenty years of increasing American predominance, very few people—either in this country or in Europe—have yet understood what this implies. The shift in international economic leadership across the Atlantic does not simply mean that New York or Washington start where London left off.

It means a profound and permanent change in the whole basis of international economic life."

Still another change, one of national psychology, is quite in evidence. Understandable as our isolation policies may have been in 1890, the events at Pearl Harbor demonstrated that this is 1941. From the smugness of Mid-Victorian times to Mid-Twentieth Century times may be a long leap for some—but it is being accomplished. The many implications of the changed American policy are legion, some of which will be considered in future articles.

We have heard much until just very recently about getting ready for the post-war problems and of what will be the shape of post-war readjustments. Events of the past few days reflect the fact that much of this talk was on the order of "back to normalcy" which was heard after World War I. In fact, a part of the difficulty arises from the lack of a full understanding of the momentous changes that have taken place since 1914-18. Nor is this all. Do we possess a clear-cut realization of the revolutionizing happenings that have been going on since the 1870's or of what these amazing developments mean in understanding today's affairs? Drucker in the article cited goes straight to the point when he says: "Obviously the shift in the centre of international economics requires a new set of basic principles, institutions, and instruments of international economic life. What these principles, institutions, and instruments should be we have so far not even tried to find out. The study of the new conditions arising out of the shift of the centre of economic gravity across the Atlantic, the preparation of workable economic institutions for the new conditions, and the analysis of the changes which have already occurred as consequence of this shift are the most important tasks to be done in preparation for a future post-war world reconstruction." And Drucker continues, "It will probably be a long time before such a study will yield concrete results—even if our best economic minds put themselves seriously to the task."

Drucker, however, adds this note of caution. "For the centre today is unquestionably the United States, as one glance at the newspaper headlines will show. And it is equally certain that this country will be even more the leading and central economic unit in any post-war international economic world—unless this international world itself should disappear as a consequence of a Hitler victory."

Perhaps the significance and the world-wide implications of the developments of the past twenty years are perceived outside the United States. Perhaps the Nazi leaders did perceive just this. In "The Myth of the Total State," New York, 1941, Guenther Reimann discusses in one of his chapters the "Lebensraum" slogan of Germany. In its generally accepted meaning Reimann shows this term itself to be a myth. He crystallizes the whole intent of the Nazis when he concludes: "The Nazi claim for 'Lebensraum' therefore means that the rest of the world has to produce what is deficient in Germany, and to pay a tribute to the Reich in the form of

supplies. . . . This has made it imperative for the Third Reich to pursue a continuous war policy. The concept of 'Lebensraum,' then, is not limited to the conquest of countries which will secure sources of supply for the mother country. It also means the extinction of all rival powers which may prevent the construction of the new empire or endanger the political security of the dictator. The Nazi State must justify its existence by compelling other countries to pay tribute."

TOWARD UNDERSTANDING THE BACKGROUND

Another sort of needed perspective is that of the succession of inter-related events leading into the present actual though grave situation.

There is sufficient evidence to show that the conditions leading to World War I and the inevitable changes consequent to that war were perceived in clear-cut fashion by some people, at least, for they occur in sharpest relief in the writings of Thorstein Veblen. Veblen considered the fundamental problem to be divergences in societal evolution, to which was added the matter of the transfer of the industrial arts, the latter resulting in the acute nature of the problem. In his chapter on "The Economic Policy of the Imperial State" in *Imperial Germany and the Industrial Revolution*, which was written in the spring of 1915, Veblen states:

Quite in accord with its cameralistic traditions and with the line of policy pursued with such eminent success by the long line of Prussian statesmen, the Hohenzollern rule in Imperial Germany has consistently made the requirements of the State, or the dynasty, the paramount object of its solicitude. It has guided the economic policy of the Empire with far-seeing wisdom and with uncompromising determination. But it has been dynastic wisdom, and consequently it has been substantially a mercantilist, or even cameralistic, policy. An aggressive dynastic policy necessarily means a policy directed to warlike success, and the Imperial policy has consistently made warlike power its first consideration.

The State, in the sense of a coercive war power, is held to be the first interest of the community, to which all other interests must bend just so far as may be expedient for the purposes of the State. Other interests than this politico-military interest are good and legitimate in so far as they subserve, or at most are in no degree disserviceable to, this abiding end of endeavor. The economic policy has accordingly been pursued with an eye single to the enhancement and husbanding of the resources of the State as a warlike power. It is true, this policy has been consistently coupled with professions of an undeviating determination to keep the peace at all costs. How far these professions have been of the nature of diplomatic platitude it is, of course, impossible, perhaps needless, to hazard a guess. They will perhaps best be interpreted, if there is need of interpretation, in the light of Prussian statecraft as it touches questions of war and peace, from its beginnings in the days of the Great Elector to the present.

This policy of militant statecraft is spoken of as "Prussian" by critics of the Empire. And such no doubt it is, in the sense that it runs in unbroken continuity from the earlier period of Prussian aggression down into the Imperial era. Such was also the view of it in the earlier days of the Empire, and in the times immediately preceding the formation of the Empire, as seen by men in the lesser, particularly the south-German States. Such is perhaps still the view held by many peaceable citizens, surreptitiously, in these States that came under the Prussian hegemony tardily and reluctantly; but if such is the case now it is not confidently discernible by an outsider. The Prussian spirit, in this respect, has apparently been so well infused in the

German people at large that there seems no arguable abatement to the claim of a "united Germany" today, and what Germany is united on is this Prussian ideal of a State.

But if a more modern date line is desired, or if one desires a summary of Veblen's book, an appraisal may be found in "The Social Relations of Science," 1941, The Macmillan Company, written by the Englishman, J. G. Crowther. Several chapters in this volume are worthy of note as they bear upon the present situation; the following quotation is taken from the chapter on "The Social Background of German Science":

The most illuminating analysis of the rise of German science and technology has, perhaps, been given by Veblen. . . .

The contrast between the descendants of the Germanic peoples in England and in Prussia had become marked by the beginning of the sixteenth century. Those in England were beginning to enjoy the safety of her island isolation, and were already reverting to the habits of freedom and technological borrowing of their Baltic neolithic ancestors. Those on the defenceless plains of Prussia were still as predatory and dynastic as ever, through their continual fighting with Slav neighbours.

The English technical borrowings in the Elizabethan period diverted interest to technology during a time when the nation could not engage in big offensive wars. As technology involves the study of impersonal forces, it tends to undermine respect for personal domination, so the Elizabethan imperialism that imported the technology was itself undermined by it. In the next century, the triumph of the new spirit was signified by the execution of Charles I and the deposition of James II, and the establishment of government for the service of trade and not of personal domination.

During the next two centuries, the English, with their partial reversion to the initiative of neolithic anarchism through continuous national safety and their establishment of a business society, were able to carry out the industrial revolution, creating modern technology and science as by-product.

Prussia and the German principalities were still substantially feudal at the beginning of the nineteenth century. Their productive system was still based on handicraft, and they were now beginning to feel the pressure of English economic supremacy severely. It was evident that Germany must unite, or she would be economically exploited by the more progressive society.

The threat of economic subjection made the German principalities unite. This was carried out under the leadership of Prussia. As she still had a feudal social structure, she accomplished this unification by feudal methods. She dominated the whole of Germany, and confirmed her leadership by successful wars, culminating in 1871.

Germany, with her feudal unity, now decided to acquire the technique laboriously worked out in England during two centuries. Technically, she had a fairly clean sheet. She could choose the methods that time had revealed as the best. Owing to the principle of domination, the population could be ordered to adopt these at once.

The adoption presented few difficulties. The fundamental ideas had been worked out. Feudal Germany was not short of trained scholars. Veblen was of the opinion that this was owing to the poverty of German feudal society. In England, men proved their social status by racing and sport. In Germany they could not afford this, so they acquired learning, which is the cheapest way of acquiring social prestige. They naturally applied their trained minds to meditation on the notions of feudal society and the ideas of personal relationship. They evolved the typical German philosophical systems from this set of ideas.

Veblen believed that German philosophy has no fundamental connection with science or with an industrial society, and has value only to those who accept the values of feudalism. He was careful to add that he did not suggest that industrialism was necessarily better than feudalism, or that modern science is better than classical German philosophy, but he contended that they must be assessed by different scales of value.

The new German industrialists had a large reserve of former philosophers accustomed to a very thrifty life. They made excellent managers, and ran industry more efficiently than the English, whose system was already old and hampered with obsolescence. The German workmen were literate and quickly learned machine methods, which were simpler than the handicrafts they had formerly practised. As members of a feudal state, they understood how to obey orders, for they had not, like English workmen, become troublesome by reverting to the free and lazy habits of their Baltic ancestors.

The industrialization of Germany advanced with tremendous success. The power of her society, with its feudal traditions, was correspondingly increased, and sought expansion. It came into collision with that of England, with her older industrial society. America and France, whose social forms are closer to England's, sided with her, and the expansion of Germany was temporarily halted. The feudal tradition did not die, and the rationalization of industry was continued, with a corresponding development of science of unparalleled magnitude. In 1933, four years after Veblen's death, the feudal German state recovered its normal mode of leadership and, in 1939, again attacked England and France.

Veblen forecast in 1915 that Germany must remain unstable as long as she attempted to combine a feudal social tradition with scientific industrialism. These are essentially antagonistic, and though feudalistic authoritarianism can learn technique quickly through its command of force, it is improbable that it will discover anything fundamentally new in science. Germany has not created modern science. She has only extended it, and it is not probable that she will invent the fundamentally new science of the future, because this will not be conceivable in terms of the sort of thought fostered in a society organized by personal domination.

He thought that Germany might subside into a second-rate power or might liquidate her feudalism, but she also might conquer the world, and that then society might decline to a lower level of civilization "by recourse to so drastic a reaction in their civil and political institutions as will offset, presently neutralize, and eventually dispel the effects wrought by habituation to the ways and means of modern industry and the exact sciences."

Veblen pointed out that the spread of pacifism in the interest of trade, and the decline of the prestige of social status in industrial society through attention to matter instead of persons, did not form a certain foundation for peace and democracy. "Temperamentally erratic individuals, however, and such as are schooled by special class tradition or predisposed by special class interest, will readily see the merits of warlike enterprise and keep alive the tradition of national animosity. Patriotism, piracy and prerogative converge to a common issue. Where it happens that an individual gifted with an extravagant congenital bias of this character is at the same time exposed to circumstances favouring the development of a truculent megalomania and is placed in such a position of irresponsible authority and authentic prerogative as will lend countenance to his idiosyncrasies, his bent may easily gather vogue, become fashionable, and with due persistence and shrewd management come so ubiquitously into habitual acceptance as in effect to throw the population at large into an enthusiastically bellicose frame of mind. Such is particularly apt to be the consequence in the case of a people whose historical traditions run in terms of dynastic strategy and whose workaday scheme of institutions is drawn on lines of coercion, prerogative and loyalty."

Nor did Veblen lose sight of the Japanese. In an article in *The New Republic* of June 30, 1917, he referred to the forces of Japanese aggrandizement as "these shrewdest, most callous, and most watchful of all adepts in unashamed statecraft." That Veblen clearly perceived the developing situation in the Pacific is abundantly illustrated in his article on "The Opportunity of Japan" in *The Journal of Race Development*, July, 1915. Here in bold outline Veblen strikes at the

vitals of the problem, and in conclusion makes a prediction the importance of which everyone can now see—a quarter of a century after it was penned. The paragraphs quoted below only show the general tenor of this vastly significant article. These words were written in 1915; but Veblen's writings hardly need a date line.

What is here intended by "the opportunity of Japan" is not so much an outlook of prospective gain for the Japanese people as of aggrandisement for the Japanese state. It will hold true in this instance as in so many others that the advantage of the country's population does not in any sensible degree coincide with that of its directorate, except it be in point of sentiment. For any modern people imbued with a sense of loyalty to their rulers—as is eminently the case with the Japanese people—the dynastic ambitions of their masters are necessarily an object of veneration, and any political success scored by their rulers is of course a source of gratification. . . .

In effect, the people at large are the government's chattels, to be bred, fed, trained, and consumed as the shrewd economy of dynastic politics may best require. All this is well enough known, though it is not commonly spoken of in such naive terms. . . .

It is in this unique combination of a high-wrought spirit of feudalistic fealty and chivalric honor with the material efficiency given by the modern technology that the strength of the Japanese nation lies. In this respect—in being able anachronistically to combine the use of modern technical ways and means with the medieval spirit of servile solidarity—the position of the Japanese government is not unique except in the eminent degree of its successful operation. The several governments of Europe are also, and with a varying measure of success, endeavoring similarly to exploit the modern state of the industrial arts by recourse to the servile patriotism of the common man, and for the purposes of a dynastic politics that is substantially of a medieval character; but in respect of the measure of success which this anachronistic enterprise meets with, these European powers, while differing greatly among themselves, each and several fall short of the Japanese pattern by a long interval.

With great, perhaps with exceptional facility, the Japanese have been taking over and assimilating the industrial ways and means offered by the technological knowledge and material sciences of the western peoples. But, except in the most superficial fashion, their habituation to these technological ways and means and to this matter-of-fact insight in the domain of the material sciences has not yet had its effect on the spiritual outlook and sentimental convictions of the people; nor have these borrowed achievements in the field of matter-of-fact seriously begun to dismantle and reshape those matters of imputation that make up the working specifications of the institutional fabric, the ethical (sentimental) values and conventional principles of conduct by force of which it holds true that "man lives not by bread alone." The Japanese people are learning to gain their "bread" (their fish and rice) by use of the modern, western state of the industrial arts, but they still conduct their life and spend their endeavor in the light of those principles and with an untroubled view to those values that have been handed down from a now obsolescent state of industry and economic organization in their own recent medieval past.

In a measure their case is paralleled by that of the German people, e.g., who have recently made an analogous but less immoderate and less precipitate move out of medievalism into the modern system of industry and science; and in the like analogous way the German people, carrying over much of the servile-aristocratic spirit of medievalism into their bureaucratic and irresponsible imperial present, have allowed their new-found technological efficiency to be turned to the service of dynastic politics; though herein, again, the rate and ratio of enhanced achievement on the part of the Germans fall short of the spectacular sweep of the Japanese. And by the way, it should be something more than a blind historical accident when the Japanese committee of bureaucrats have found it to their account to draw so largely as they have done from the example

of German bureaucratic imperialism, both in their constitutional reorganisation and in the excessively devious and irresponsible ways of their diplomacy.

But from the considerations set forth above it follows that if this new-found efficiency is to serve the turn for the dynastic aggrandisement of Japan, it must be turned to account before the cumulatively accelerating rate of institutional deterioration overtakes and neutralises the cumulatively declining rate of gain in material efficiency; which should, humanly speaking, mean that Japan must strike, if at all, within the effective lifetime of the generation that is now coming to maturity. For, facile as the Japanese people have shown themselves to be, there is no reason to doubt that the commercialisation of Japan should be passably complete within that period. It is, therefore, also contained in the premises that, in order to an (imperialistically) successful issue, the imperial government must throw all its available force, without reservation, into one headlong rush; since in the nature of the case no second opportunity of the kind is to be looked for.

CONCLUSION

No words of mine can convey a tribute to Thorstein Veblen. That lies "between the lines" of what Veblen himself wrote. Veblen's fame is growing, as the wisest of our economists, as the most profound student of the social sciences the country has produced. It would be quite unfair, however, in view of the extracts from Veblen used in this paper to assume that Veblen was

mainly concerned with the predatory activities of war lords, or dynastic dictators; for he was not. Veblen was searching for something deeper, for the mainsprings of action, for the "particular go" of things. In an article in *The Dial*, April 25, 1918, Veblen put forth one of his conclusions in the following language:

"The modern state of the industrial arts will not tolerate that degree of isolation on the part of any country, even in case of so large and diversified a country as the United States. The great war has demonstrated all that. Of course, it may be conceived to be conceivable that a modern civilised community should take thought and deliberately forgo the use of this modern state of the industrial arts which demands a draft on all the outlying regions of the earth for resources necessary to its carrying-on; and so should return to the archaic scheme of economic life that prevailed in the days before the Industrial Revolution; and so would be able to carry on its industrial life in a passable state of isolation, such as still floats before the vision of the commercialised statesmen. But all that line of fantastic speculation can have only a speculative interest. In point of practical fact, the nations of Christendom are here together, and they live and move and have their being within this modern state of the industrial arts, which binds them all in an endless web of give and take across all national frontiers and in spite of all the well-devised obstructive measures of the commercialised statesmen."

ELMER H. JOHNSON.

Cotton Situation

Entrance of the United States into the world war on December 15 scarcely produced a ripple in the cotton market in the United States, primarily because our export markets had already been closed for some time, and because the price of American cotton is sustained by a Government loan about 6½ to 7 cents a pound above world markets for comparable qualities of foreign growths. The price of cotton in the United States is tied to the general price level through legislation directing the Commodity Credit Corporation to advance eighty-five per cent of parity price on cotton; and since parity prices are advancing due to the rise in the general price level, the trend of cotton prices is expected to be up rather than down in the months ahead.

Cotton growers voted cotton quotas for next year at the December 13 election. The United States Department of Agriculture estimated accordingly that acreage

quotas would amount to about 27,000,000 acres, or about the same as last year; however, the Department estimates that the actual amount planted this year was only 23,250,000 acres.

The world cotton situation outside the United States has been greatly upset. India normally ships close to 2,000,000 bales of cotton to Japan and China. South American cotton exporting countries had likewise turned to Japan and China for a market when the European market was cut off in 1939. The loss of the Far Eastern market as a result of Japan's attacking the United States and Great Britain caused substantial declines of cotton prices in these countries and the lowest parity price with American on record. Carryovers in India and South American countries are destined to be excessive at the end of this cotton year.

A. B. Cox.

EMPLOYMENT AND PAY ROLLS IN TEXAS

November, 1941

	Estimated Number of Workers Employed*		Percentage Change from		Estimated Amount of Weekly Pay Roll		Percentage Change from	
	October 1941 ⁽¹⁾	November 1941 ⁽²⁾	October 1941	November 1940	October 1941 ⁽³⁾	November 1941 ⁽²⁾	October 1941	November 1940
MANUFACTURING								
All Manufacturing Industries	156,436	155,150	- 0.8	+ 11.0	3,508,566	3,486,360	- 0.6	+ 32.7
<i>Food Products</i>								
Baking	6,945	6,945	± ⁽³⁾	+ 9.9	158,732	160,987	+ 1.4	+ 19.9
Carbonated Beverages	3,269	3,109	- 4.9	+ 13.7	86,153	78,136	- 9.3	+ 28.7
Confectionery	1,067	1,115	+ 4.5	+ 19.4	10,276	11,176	+ 8.7	+ 24.2
Flour Milling	1,905	1,870	- 1.9	- 0.6	35,292	34,163	- 3.2	+ 4.3
Ice Cream	1,139	1,028	- 9.7	+ 27.7	22,702	20,094	- 11.5	+ 31.5
Meat Packing	5,565	5,489	- 1.4	+ 18.2	136,346	131,341	- 3.7	+ 33.5
<i>Textiles</i>								
Cotton Textile Mills	6,927	6,932	+ 0.1	+ 12.9	121,965	119,498	- 2.0	+ 44.1
Men's Work Clothing	3,970	3,973	+ 0.1	+ 7.9	55,333	53,557	- 3.2	+ 51.8
<i>Forest Products</i>								
Furniture	2,368	2,442	+ 3.1	+ 22.2	48,768	50,233	+ 3.0	+ 58.6
Planing Mills	2,354	2,213	- 6.0	- 2.8	59,817	54,488	- 8.9	+ 11.1
Saw Mills	17,829	17,239	- 3.3	+ 3.8	245,656	249,402	+ 1.5	+ 24.1
Paper Boxes	707	710	+ 0.4	+ 24.9	14,393	14,510	+ 0.8	+ 67.1
<i>Printing and Publishing</i>								
Commercial Printing	2,620	2,520	- 3.8	+ 2.7	63,110	55,839	- 11.5	+ 14.0
Newspaper Publishing	4,779	4,798	+ 0.4	- 2.4	116,039	118,505	+ 2.1	- 5.1
<i>Chemical Products</i>								
Cotton Oil Mills	4,319	4,126	- 4.5	+ 1.2	45,641	45,374	- 0.6	+ 23.7
Petroleum Refining	21,591	21,630	+ 0.2	+ 7.7	827,515	824,891	- 0.3	+ 26.1
<i>Stone and Clay Products</i>								
Brick and Tile	2,103	2,159	+ 2.7	+ 3.8	30,665	31,848	+ 3.9	+ 29.4
Cement	1,186	1,395	+ 17.7	+ 42.9	36,546	41,259	+ 12.9	+ 48.8
<i>Iron and Steel Products</i>								
Foundries and Machine Shops	15,050	15,244	+ 1.3	+ 35.4	491,586	498,495	+ 1.4	+ 79.5
Structural and Ornamental Iron	2,698	2,628	- 2.6	+ 20.4	57,821	55,814	- 3.5	+ 38.9
NONMANUFACTURING								
Crude Petroleum Production	30,435	30,492	+ 0.2	+ 1.9	1,122,769	1,131,610	+ 0.8	+ 18.4
Quarrying	(4)	(4)	+ 0.4	+ 33.0	(4)	(4)	- 7.2	+ 59.5
Public Utilities	(4)	(4)	- 0.3	+ 10.6	(4)	(4)	- 1.7	+ 14.8
Retail Trade	203,356	209,731	+ 3.1	+ 8.9	3,762,606	3,921,108	+ 4.2	+ 14.3
Wholesale Trade	65,635	69,907	+ 6.5	+ 11.9	2,005,930	2,098,130	+ 4.6	+ 11.6
Dyeing and Cleaning	2,913	2,792	- 4.2	+ 16.6	46,140	40,681	- 11.8	+ 21.4
Hotels	15,849	15,692	- 1.0	+ 4.8	195,590	194,374	- 0.6	+ 9.1
Power Laundries	12,461	11,923	- 4.3	+ 19.8	165,815	148,708	- 10.3	+ 21.4

CHANGES IN EMPLOYMENT AND PAYROLLS IN SELECTED CITIES⁽⁵⁾

	Employment		Pay Rolls			Employment		Pay Rolls	
	Percentage Change		Percentage Change			Percentage Change		Percentage Change	
	Oct. 1941	Nov. 1940	Oct. 1941	Nov. 1940		Oct. 1941	Nov. 1940	Oct. 1941	Nov. 1940
	Nov. 1941	Nov. 1941	Nov. 1941	Nov. 1941		Nov. 1941	Nov. 1941	Nov. 1941	Nov. 1941
Abilene	+ 10.4	+ 19.4	+ 13.0	+ 33.0	Galveston	- 10.2	- 10.0	- 8.4	+ 1.6
Amarillo	+ 4.0	+ 16.8	+ 8.2	+ 29.6	Houston	+ 2.0	+ 14.9	- 4.1	+ 25.7
Austin	- 8.2	+ 6.1	- 7.1	+ 11.7	Port Arthur	- 0.8	+ 2.9	- 1.3	+ 22.5
Beaumont	+ 5.1	+ 74.1	+ 6.2	+ 111.2	San Antonio	- 0.9	+ 6.8	- 1.9	+ 18.4
Dallas	- 1.6	+ 12.7	- 0.7	+ 24.0	Sherman	- 1.0	+ 5.7	- 0.1	+ 19.6
El Paso	+ 4.5	+ 21.7	+ 7.9	+ 31.7	Waco	- 1.0	+ 4.7	- 1.1	+ 16.2
Fort Worth	+ 3.1	+ 18.3	+ 2.9	+ 36.8	Wichita Falls	+ 1.0	+ 8.4	+ 1.6	+ 29.9
					STATE	+ 1.1	+ 16.3	+ 0.4	+ 32.8

ESTIMATED NUMBER OF EMPLOYEES IN NONAGRICULTURAL BUSINESS AND GOVERNMENT ESTABLISHMENTS⁽⁶⁾

	1940 ⁽¹⁾	1941 ⁽²⁾		1940 ⁽²⁾	1941
January	944,000	1,052,000	July	983,000	1,101,000 ⁽³⁾
February	943,000	1,092,000	August	983,000	1,113,000 ⁽³⁾
March	965,000	1,086,000	September	1,009,000	1,134,000 ⁽³⁾
April	963,000	1,097,000	October	1,022,000	1,136,000 ⁽³⁾
May	983,000	1,077,000	November	1,048,000	
June	982,000	1,084,000	December	1,084,000	

*Does not include proprietors, firm members, officers of corporations, or other principal executives. Factory employment excludes also office, sales, technical and professional personnel.

⁽¹⁾ Revised.

⁽²⁾ Subject to revision.

⁽³⁾ No change.

⁽⁴⁾ Not available.

⁽⁵⁾ Based on unweighted figures.

⁽⁶⁾ Not including self-employed persons, casual workers, or domestic servants, and exclusive of military and maritime personnel. These figures are furnished by the Bureau of Labor Statistics, U.S. Department of Labor.

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

POSTAL RECEIPTS

	November, 1941	November, 1940	October, 1941
Abilene	25,479	17,199	29,122
Amarillo	31,482	29,311	40,340
Austin	67,629	65,491	86,864
Beaumont	28,079	25,175	34,567
Big Spring	6,387	5,882	8,064
Brownsville	5,746	5,078	8,270
Brownwood	14,790	8,572	14,311
Childress	2,000	2,546	3,149
Coleman	2,485	2,319	3,266
Corpus Christi	38,340	29,655	43,354
Corsicana	6,328	6,851	7,092
Dallas	387,323	401,892	459,204
Del Rio	3,958	3,356	6,222
Denison	5,931	6,181	7,437
Denton	7,052	6,826	10,750
El Paso	60,508	49,492	65,946
Fort Worth	168,486	159,587	185,360
Galveston	33,520	27,682	38,897
Gladewater	2,608	2,494	3,241
Graham	2,163	2,150	2,454
Harlingen	6,274	6,263	7,508
Houston	267,455	250,850	304,381
Jacksonville	3,096	3,188	3,470
Kenedy	1,324	1,115	1,708
Longview	8,667	8,393	11,001
Lubbock	21,888	18,046	24,466
Lufkin	5,076	3,987	5,603
McAllen	4,834	4,426	5,563
Marshall	5,822	6,133	8,141
Palestine	5,764	4,690	6,015
Pampa	6,667	6,238	8,312
Paris	5,986	5,970	6,854
Plainview	3,735	4,096	4,590
Port Arthur	14,903	13,815	16,779
San Angelo	13,397	11,779	15,039
San Antonio	145,296	131,556	161,008
Sherman	7,418	6,703	8,759
Snyder	1,799	1,374	2,167
Sweetwater	4,615	4,888	6,268
Temple	6,793	6,698	7,988
Tyler	15,260	15,694	18,904
Waco	37,073	34,392	39,862
Wichita Falls	29,918	21,970	35,579
TOTAL	1,523,352	1,430,003	1,764,842

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

BUILDING PERMITS

	Nov., 1941	Nov., 1940	Oct., 1941
Abilene	218,876	37,425	104,630
Amarillo	281,140	165,820	237,685
Austin	433,637	737,343	340,042
Beaumont	134,611	163,152	205,977
Big Spring	11,181	36,520	13,080
Brownsville	3,742†	12,703*†	‡
Brownwood	140,990†	‡	26,580†
Coleman	9,750	9,750	4,300
Corpus Christi	302,119	280,746	564,344
Corsicana	3,500	18,975	8,475
Dallas	1,706,197	686,582	2,778,473
Del Rio	3,701	9,240	1,705
Denton	9,370	19,700	26,450
El Paso	204,142	131,899	458,124
Fort Worth	311,086	407,557	739,444
Galveston	901,161	231,314	656,482
Graham	3,730	3,510	33,413
Harlingen	18,005	56,220	77,245
Houston	1,178,341	1,083,580	1,645,065
Jacksonville	7,960	6,485	10,650
Kilgore	4,000†	‡	17,400*†
Longview	7,075	111,720	19,000
Lubbock	568,486	149,445	138,394
Lufkin	76,164†	‡	49,233†
McAllen	7,785	16,585	10,238
Marshall	23,172	18,219	26,285
Midland	41,250	15,775	65,200
New Braunfels	7,215†	‡	25,429†
Palestine	30,827	16,289	14,982
Pampa	33,175	19,100	17,150
Paris	89,050†	‡	39,375†
Plainview	12,074	900	400
Port Arthur	58,513	71,617	143,655
San Antonio	395,672	2,151,997	659,363
Sherman	21,201	37,255	70,738
Sweetwater	10,130	11,905	29,520
Tyler	54,918	33,261	146,426
Waco	107,093	102,713	156,812
Wichita Falls	127,425	74,130	160,059†
TOTAL	7,237,303	6,916,729	9,563,796

*Does not include public works.

†Not included in total.

‡Not available.

||Includes Victoria Courts, 81,842,600.

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

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF DECEMBER 1

(In Thousands of Running Bales Except as Noted)

	Carryover Aug. 1	Imports to Dec. 1†	Government		Consumption to Dec. 1	Exports to Dec. 1†		Balance Dec. 1
			Estimate as of Dec. 1*	Total		Total	Total	
1932-33	9,682	27	12,727	22,436	1,902	3,206	5,108	17,328
1933-34	8,176	46	13,177	21,399	2,068	3,360	5,428	15,971
1934-35	7,746	39	9,731	17,516	1,717	1,894	3,611	13,905
1935-36	7,138	30	10,734	17,902	1,924	2,575	4,499	13,403
1936-37	5,397	41	12,407	17,845	2,482	2,308	4,785	13,060
1937-38	4,498	31	18,746	23,275	2,212	2,434	4,652	18,623
1938-39	11,533	54	12,008	23,595	2,236	1,535	3,771	19,824
1939-40	13,033	48	11,792	24,873	2,660	2,328	4,988	19,885
1940-41	10,596	42	12,686	23,324	2,801	495	3,304	20,012
1941-42	12,367	---	10,976	23,343	3,553	---	3,553	19,790

*In 500-pound bales.

†Not available.

The cotton year begins August 1.

NOVEMBER RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Number of Firms Reporting	Percentage Change in Dollar Sales		
		Nov., 1941 from Nov., 1940	Nov., 1941 from Oct., 1941	Year 1941 from Year 1940
TEXAS	1,110	+ 7	+ 1	+ 17
STORES GROUPED BY LINE OF GOODS CARRIED:				
APPAREL	127	+16	- 3	+ 16
Family Clothing Stores	28	+36	+14	+ 21
Men's and Boys' Clothing Stores	41	+16	- 6	+ 14
Shoe Stores	24	+20	- 7	+ 16
Women's Specialty Shops	34	+12	- 5	+ 15
AUTOMOTIVE*	73	-18	+ 6	+ 21
Motor Vehicle Dealers	71	-19	+ 6	+ 21
COUNTRY GENERAL	108	+18	- 1	+ 14
DEPARTMENT STORES	57	+11	+ 3	+ 15
DRUG STORES	143	+16	- 2	+ 11
DRY GOODS AND GENERAL MERCHANDISE	23	+22	+ 7	+ 12
FILLING STATIONS	47	+16	+ 4	+ 13
FLORESTS	24	+13	+18	+ 4
FOOD*	169	+15	- 2	+ 10
Grocery Stores	56	+14	- 5	+ 12
Grocery and Meat Stores	109	+16	- 3	+ 9
FURNITURE AND HOUSEHOLD*	68	+ 7	+10	+ 17
Furniture Stores	58	+ 6	+ 8	+ 16
JEWELRY	33	+20	+14	+ 29
LUMBER, BUILDING, AND HARDWARE*	197	+13	-10	+24
Farm Implement Dealers	9	+ 4	-27	+ 27
Hardware Stores	63	+26	- 8	+ 23
Lumber and Building Material Dealers	120	+ 8	-10	+ 23
RESTAURANTS	27	+25	+ 2	+ 14
ALL OTHER STORES	14	+25	+10	+ 13
TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:				
All Stores in Cities of--				
Over 100,000 Population	188	+ 8	+ 3	+ 16
50,000-100,000 Population	127	+ 1	- 2	+ 23
2,500-50,000 Population	525	+ 8	- 1	+ 15
Less than 2,500 Population	270	+19	- 3	+ 15

*Group total includes kinds of business other than the classifications listed.

Change of less than .5%.

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

PETROLEUM

Daily Average Production

(In Barrels)

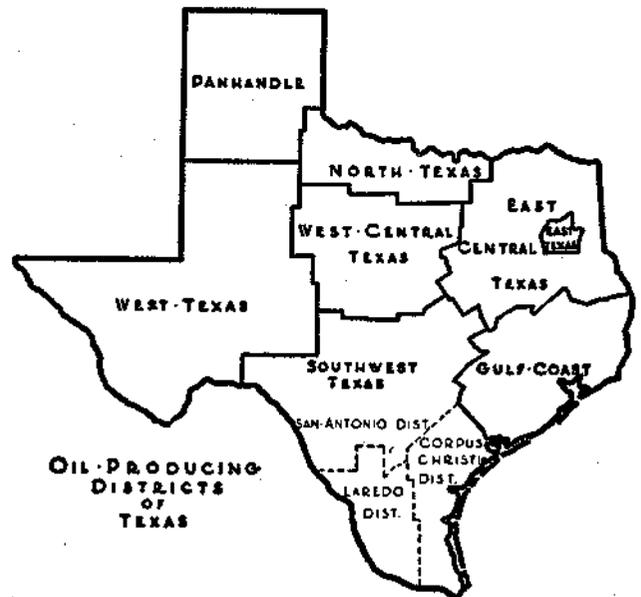
	Nov., 1941	Nov., 1940	Oct., 1941
Coastal Texas*	302,250	236,950	283,740
East Central Texas	86,700	77,500	84,040
East Texas	386,750	373,800	355,470
North Texas	108,550	110,800	104,030
Panhandle	84,900	65,100	79,170
Southwest Texas	226,200	200,200	211,540
West Central Texas	31,800	30,400	31,000
West Texas	297,200	217,750	272,670
STATE	1,525,050	1,312,500	1,421,660
UNITED STATES	4,151,600	3,565,450	4,042,450

*Includes Courree.

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: October, 1941, 130,895,000 gallons; October, 1940, 122,431,000 gallons; September, 1941, 136,311,000 gallons.



NOVEMBER RETAIL SALES OF INDEPENDENT STORES
IN TEXAS

	Number of Firms Reporting	Percentage Change in Dollar Sales	
		Nov., 1941 from Nov., 1940	Nov., 1941 from Oct., 1941
TOTAL TEXAS	1,110	+ 7	+ 1
TEXAS STORES GROUPED BY PRODUCING AREAS:			
District 1-N	53	- 4	- 6
Amarillo	10	-12	-19
All Others	43	+ 2	+ 4
District 1-S	21	+22	+18
District 2	75	+37	+ 1
Abilene	12	+48	- 7
Wichita Falls	11	+23	+ 7
All Others	52	+39	+ 4
District 3	40	+ 9	+ 2
District 4	271	+ 4	- 2
Dallas	40	+ 5	+ 1
Denison	12	+ 8	+ 9
Denton	17	- 7	- 8
Fort Worth	40	+ 7	- 1
Sherman	20	+ 1	-18
Waco	27	+ 2	- 5
All Others	115	+ 1	- 8
District 5	115	+ 4	- 3
Tyler	15	+ 3	- 4
All Others	100	+ 3	- 3
District 6	36	- 4	+ 4
El Paso	23	- 5	+ 5
All Others	13	+19	+ 3
District 7	52	+22	- 5
San Angelo	11	+20	- 8
All Others	41	+24	- 2
District 8	200	+ 9	+ ^{cc}
Austin	21	+ 3	- 6
Corpus Christi	12	+23	-12
San Antonio	54	+11	+ 4
All Others	113	+ 9	- 3
District 9	148	+ 9	+ 6
Beaumont	19	+14	+ 2
Galveston	15	- 2	- 1
Houston	54	+ 9	+10
All Others	60	+ 8	- 4
District 10	42	+19	+10
Laredo	13	+15	+10
All Others	29	+25	+ 8
District 10-A	56	+ 4	+ 3
Brownsville	15	+17	+ 1
All Others	41	+ 1	+ 4

PURCHASES OF SAVINGS BONDS

	Nov., 1941	Nov., 1940	Year 1941	Year 1940
Abilene	6,338	1,650	†	247,204*
Amarillo	24,150	5,325	280,801	356,325
Austin	16,856	24,300	469,600	615,318
Beaumont	29,700	23,606	320,263	483,330
Big Spring	2,813	1,613	80,869	96,676
Brownsville	2,119	788	†	83,195*
Brownwood	3,618	450	90,020*	†
Corpus Christi	13,068	11,362	†	†
Dallas	61,425	118,031	1,909,275	2,405,420
Del Rio	769	94	†	15,958*
Denison	3,356	12,881	87,132	129,708
Denton	1,730	492	67,507*	†
El Paso	32,531	57,000	†	1,142,083*
Fort Worth	333,000	34,425	1,101,826	893,397
Galveston	15,863	21,825	474,376	497,850
Gladewater	1,388	769	78,838	76,331
Harlingen	3,375	6,113	70,519	57,053
Kenedy	469	375	27,957*	†
Longview	17,475	40,125	294,994	273,545
McAllen	1,950	1,313	80,214	67,839
Marshall	3,581	169	141,936	155,944
Palestine	4,856	6,263	†	97,775*
Pampa	2,869	3,375	†	†
Paris	1,575*	†	70,954*	†
Port Arthur	75,750	12,206	325,786	278,219
San Angelo	1,950	750	†	154,856*
San Antonio	55,913	94,988	†	1,603,595*
San Benito	4,331	525	†	87,876*
Sherman	3,788	12,263	52,205	91,651
Temple	3,581	1,500	†	72,208*
Tyler	3,225	46,031	338,383	300,618
Waco	107,618	26,119	†	586,179*
Wichita Falls	4,406	10,481	238,106	433,165
TOTAL	843,861	577,207	6,345,123	7,212,389

*Not included in total.
†Not available.

TEXAS CHARTERS

	Nov., 1941	Nov., 1940	Oct., 1941
Domestic Corporations:			
Capitalization*	\$926	\$790	\$606
Number	77	64	59
Classification of new corporations:			
Banking-Finance	1	4	1
Manufacturing	9	10	8
Merchandising	14	12	14
Oil	8	5	7
Public Service	1	1	1
Real Estate Building	26	7	14
Transportation	0	4	1
All Others	18	21	13
Number capitalized at less than \$5,000	24	34	28
Number capitalized at \$100,000 or more	3	2	0
Foreign Corporations (Number)	33	24	16

*In thousands.
Note: Compiled from records of the Secretary of State.

PERCENTAGE CHANGES IN CONSUMPTION
OF ELECTRIC POWER

	Nov., 1941 from Nov., 1940	Nov., 1941 from Oct., 1941
Commercial	+14.9	-11.7
Industrial	+28.0	+ 5.5
Residential	+12.9	- 0.1
All Others	+18.2	- 1.1
Total	+21.0	- 0.8

Prepared from reports from 12 electric power companies to the Bureau of Business Research.

^{cc}Change of less than .5%.
Note: Prepared from reports of independent retail stores to the Bureau of Business Research, cooperating with the U.S. Bureau of the Census.

NOVEMBER CREDIT RATIOS IN TEXAS DEPARTMENT AND APPAREL 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	
		1941	1940	1941	1940	1941	1940
All Stores	64	63.3	66.8	43.0	43.7	1.0	0.9
Stores Grouped by Cities:							
Abilene	3	51.4	57.2	34.9	32.5	1.7	1.9
Austin	6	57.1	58.8	48.2	50.2	1.1	1.0
Beaumont	3	66.3	69.3	44.6	44.6	0.8	1.3
Bryan	3	53.2	56.1	38.3	39.8	3.1	2.3
Dallas	10	69.8	73.2	45.3	46.4	0.7	0.7
Fort Worth	6	63.0	67.2	30.7	37.8	1.1	1.1
Houston	7	63.5	65.3	41.3	42.3	1.2	1.2
San Antonio	4	52.5	58.1	43.7	51.0	1.3	1.0
Waco	5	58.1	62.8	35.6	33.6	1.3	1.3
All Others	17	57.6	59.9	42.3	43.2	1.4	1.5
Stores Grouped According to Type of Store:							
Department Stores (Annual Volume Over \$500,000)	20	63.4	66.7	41.7	44.2	1.0	0.9
Department Stores (Annual Volume under \$500,000)	11	52.6	56.9	39.6	37.1	1.7	1.9
Dry-Goods-Apparel Stores	4	58.9	60.9	42.8	43.4	1.7	1.6
Women's Specialty Shops	15	66.4	70.8	43.0	44.0	0.6	0.6
Men's Clothing Stores	14	64.4	68.1	43.0	43.2	1.2	1.3
Stores Grouped According to Volume of Net Sales During 1940:							
Over \$2,500,000	10	67.8	70.7	42.2	44.4	0.7	0.7
\$2,500,000 down to \$1,000,000	9	61.4	65.9	43.7	42.5	1.1	1.0
\$1,000,000 down to \$500,000	10	57.3	62.2	44.3	44.0	1.3	1.2
\$500,000 down to \$100,000	27	55.3	58.3	42.6	42.9	1.5	1.4
Less than \$100,000	8	54.3	65.0	41.8	41.6	2.6	2.5

NOTE: The ratios shown 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.

NOVEMBER SHIPMENTS OF LIVE STOCK CONVERTED TO A RAIL-CAR BASIS*

	Cattle		Calves		Hogs		Sheep		Total	
	1941	1940	1941	1940	1941	1940	1941	1940	1941	1940
Total Interstate Plus Fort Worth	4,189	5,594	1,414	1,423	521	643	275	468	6,399	8,128
Total Intrastate Omitting Fort Worth	1,106	741	176	165	8	18	28	63	1,318	987
TOTAL SHIPMENTS	5,295	6,335	1,590	1,588	529	661	303	531	7,717	9,115

TEXAS CAR-LOT* SHIPMENTS OF LIVE STOCK, JANUARY 1-DECEMBER 1

	Cattle		Calves		Hogs		Sheep		Total	
	1941	1940	1941	1940	1941	1940	1941	1940	1941	1940
Total Interstate Plus Fort Worth	39,770	44,706	11,571	12,779	8,774	7,651	8,783	11,270	68,898	76,406
Total Intrastate Omitting Fort Worth	5,590	4,826	1,491	1,054	176	217	1,081	977	8,338	7,074
TOTAL SHIPMENTS	45,360	49,532	13,062	13,833	8,950	7,868	9,864	12,247	77,236	83,480

*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 Agricultural Marketing Service, U.S.D.A., 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.

NOVEMBER, 1941, CARLOAD MOVEMENT OF POULTRY AND EGGS

Shipments from Texas Stations

Destination*	Cars of Poultry						Cars of Eggs							
	Live Turkeys		Dressed				Shell		Frozen		Dried		Shell Equivalent†	
	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940	Nov. 1941	Nov. 1940
TOTAL	19	11	27.0	20	386.0	602	17	5	45	46.5	68	2	651	114
Intrastate	0	0	3.0	0	6.0	14	6	0	1	4	14	0	120	8
Interstate	19	11	24.0	20	380.0	588	11	5	44	42.5	54	2	531	106

Receipts at Texas Stations

Origin	Nov. 1941	Nov. 1940												
TOTAL	0	0	6	1	5	9	295	19	5	10	9	1	377	47
Intrastate	0	0	4	1	1	9	1	1	1	3	7	0	59	7
Interstate	0	0	2	0	4	0	294	18	4	7	2	1	318	40

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

NOTE: These data are furnished to the Agricultural Marketing Service, U.S.D.A., 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.

COMMODITY PRICES

	Nov., 1941	Nov., 1940	Oct., 1941
Wholesale Prices:			
U.S. Bureau of Labor Statistics, (1926=100%)	92.5	79.6	92.4
Farm Prices:			
U.S. Dep't of Agriculture (1910-1914=100%)	135.0*	99.0	139.0
U.S. Bureau of Labor Statistics, (1926=100%)	90.6	67.3	90.9
Retail Prices:			
Food (U.S. Bureau of Labor Statistics, 1935-39=100%)	113.1	95.9	111.6
Department Stores (Fairchild's Publications, Jan., 1931=100%)	107.5	93.7	106.2

*Preliminary.

CEMENT

	Nov., 1941	Nov., 1940	Oct., 1941
(In Thousands of Barrels)			
Texas Plants			
Production	779	648	859
Shipments	850	563	782
Stocks	754	892	825
United States			
Production	14,931	12,689	16,688
Shipments	13,724	10,329	17,833
Stocks	17,624	20,369	16,416
Capacity Operated	72.7%	59.9%	78.6%

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

TEXAS COMMERCIAL FAILURES

	Nov., 1941†	Nov., 1940	Oct., 1941†
Number	14	26	14
Liabilities*	\$1,430	\$298	\$94
Assets*	691	290	43
Average Liabilities per Failure*	102	11	7

*In thousands of dollars.

†Revised.

Includes one firm with assets of \$567,366 and liabilities of \$1,204,076.

NOTE: From Dun and Bradstreet, Inc.

LUMBER

	Nov., 1941	Nov., 1940	Oct., 1941
(In Board Feet)			
Southern Pine Mills:			
Average weekly production, per unit	309,318	334,101	312,722
Average weekly shipments, per unit	308,746	388,423	353,607
Average unfilled orders, per unit, end of month	1,169,958	940,385	1,238,989

NOTE: From Southern Pine Association.

BANKING STATISTICS

(In Millions of Dollars)

	November, 1941		November, 1940		October, 1941	
	Dallas District	United States	Dallas District	United States	Dallas District	United States
DEBITS to individual accounts.....	\$1,511*	\$55,550*	\$ 916	\$36,117	\$ 1,216	\$44,670
Condition of reporting member banks on—	Dec. 3, 1941		Nov. 27, 1940		Oct. 29, 1941	
ASSETS:						
Loans and investments—total.....	678	29,691	580	24,902	660	29,582
Loans—total.....	362	11,259	304	9,128	358	11,203
Commercial, industrial, and agricultural loans.....	250	6,593	204	4,911	245	6,554
Open market paper.....	2	428	2	299	2	419
Loans to brokers and dealers in securities.....	5	548	3	467	5	531
Other loans for purchasing or carrying securities.....	14	427	14	460	14	431
Real estate loans.....	23	1,256	24	1,228	24	1,265
Loans to banks.....	—	38	1	39	—	37
Other loans.....	68	1,969	56	1,724	68	1,966
Treasury Bills.....	44	990	37	784	40	797
Treasury Notes.....	43	2,522	34	1,861	33	2,244
U.S. Bonds.....	126	8,348	101	6,898	122	8,277
Obligations fully guaranteed by U.S. Gov't.....	40	2,922	45	2,707	45	3,330
Other securities.....	63	3,650	59	3,524	61	3,731
Reserve with Federal Reserve Bank.....	194	10,575	142	12,138	169	10,215
Cash in vault.....	14	554	13	540	15	568
Balances with domestic banks.....	295	3,344	286	3,347	291	3,449
Other assets—net.....	32	1,214	31	1,249	32	1,247
LIABILITIES:						
Demand deposits—adjusted.....	620	24,324	516	22,189	609	24,258
Time deposits.....	134	5,390	135	5,375	133	5,440
U.S. Government deposits.....	32	846	32	531	20	672
Inter-bank deposits:						
Domestic banks.....	327	9,405	274	8,843	305	9,357
Foreign banks.....	1	655	1	671	1	640
Borrowings.....	—	3	—	1	—	2
Other liabilities.....	6	828	4	744	6	796
Capital account.....	93	3,927	90	3,822	93	3,896

*Five weeks.

NOTE: From Federal Reserve Board.

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