

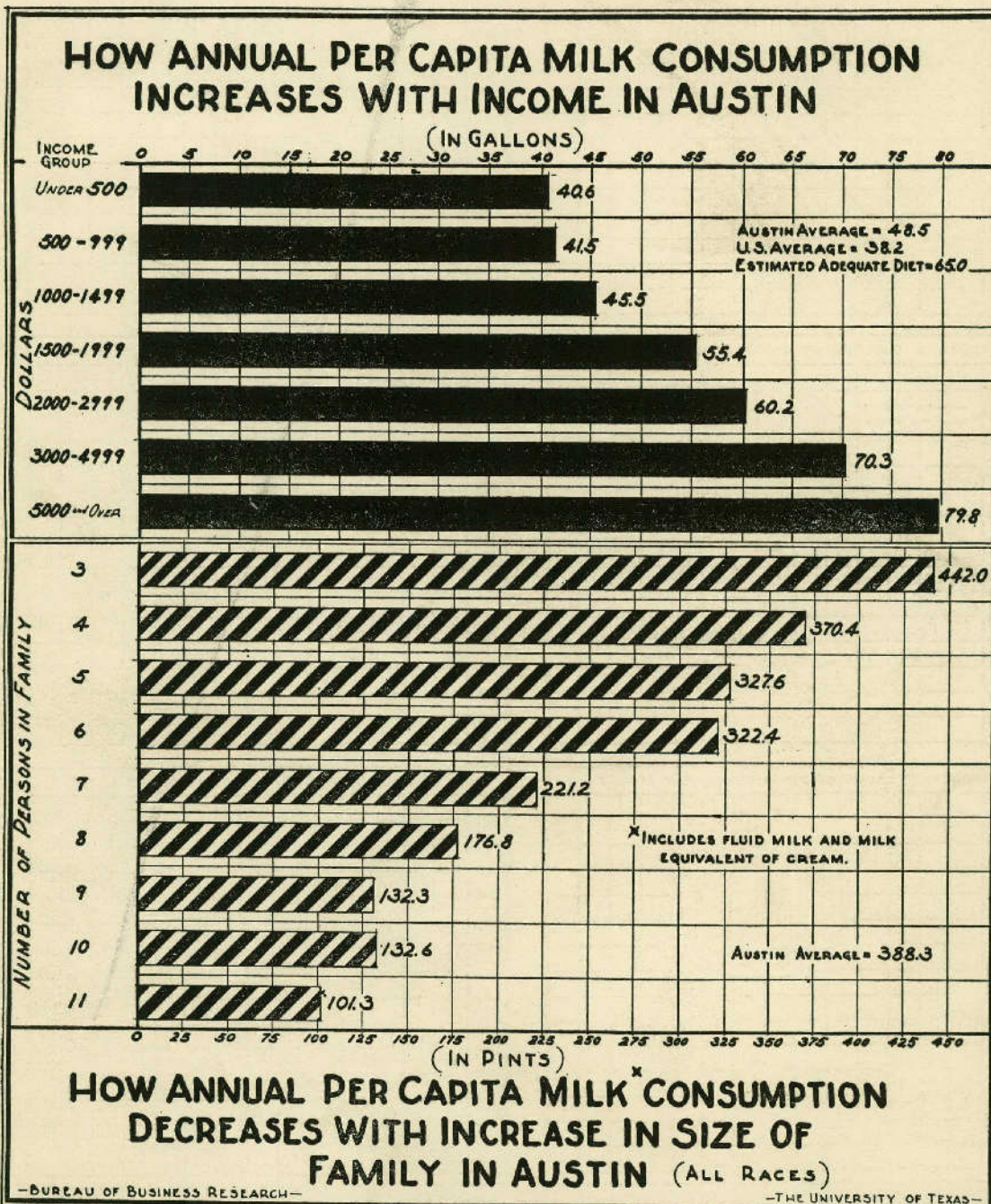
TEXAS BUSINESS REVIEW

Bureau of Business Research
The University of Texas

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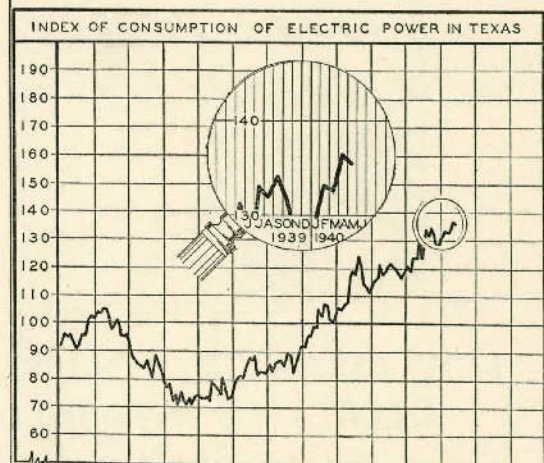
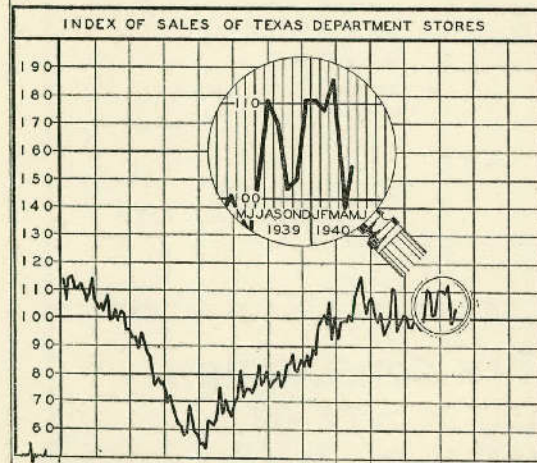
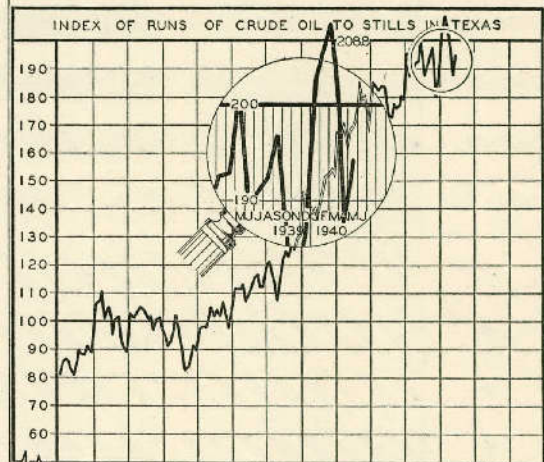
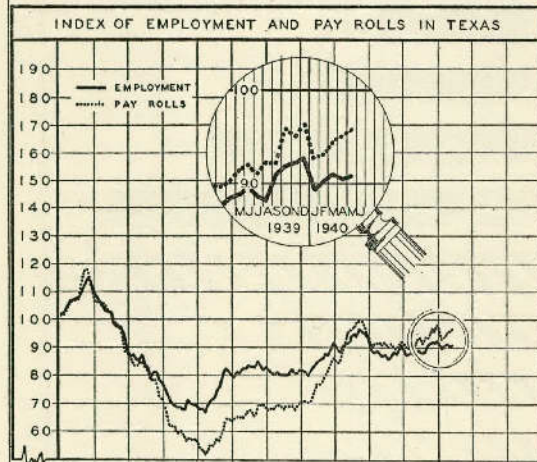
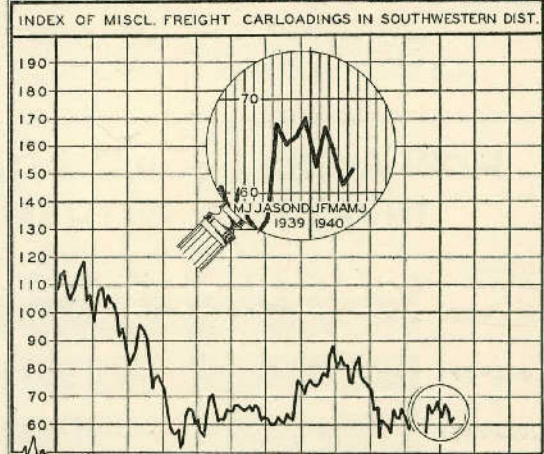
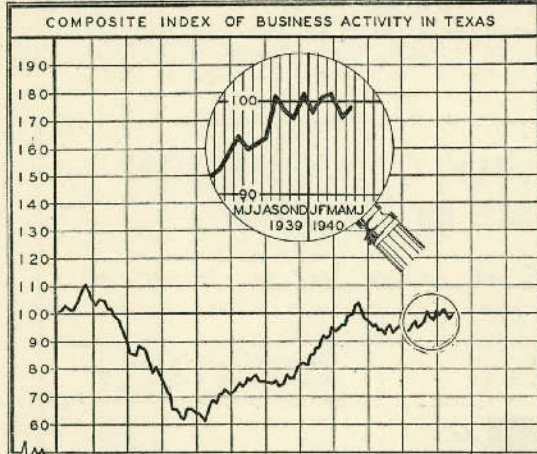
INDEXES OF BUSINESS ACTIVITY IN TEXAS

AVERAGE MONTH OF 1930 = 100 %

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

Bureau of Business Research

The University of Texas



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

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

Business Review and Prospect

GENERAL BUSINESS

Business activity in the industrial and commercial North and East is rising sharply. Barron's index (adjusted for seasonal variation and long-time trend) jumped 2.5 points during the week ended June 8, the seventh weekly increase since April, to 82.8, a gain of more than 17 per cent over the corresponding week last year. The industrial stimulus centered mainly on machinery and machine tools, aircraft, shipbuilding, wood pulp, chemicals, and the steel industry.

Military factors are responsible either directly or indirectly for the marked increase in activity. Foreign buying of war supplies covering a wide range of articles; unprecedented appropriations for national preparedness which are being promptly reflected in government purchases; and industrial buying in anticipation of higher prices of materials because of war purchases are all contributing to the marked upward surge. The present adjusted business index is still 11 points below the peak reached in December, 1939, but at the present rate of increase, a new high will be reached by early fall.

TEXAS INDUSTRY

Under the heading, "Texas Rapidly Coming to the Fore as a Leading Chemical State," a leading New York financial journal in its issue of June 6 has this to say:

"Texas, once thought of as a cattle state, then as an oil state, will before long be considered one of our leading chemical states.

"Two of the biggest current chemical projects, Dow's new magnesium plant using sea water as a raw material and Union Carbide's new synthetic chemical plant using refinery gases are both being built in Texas. Both will eventually run to an expenditure of \$5,000,000 to \$10,000,000 and in time are likely to become two of the country's major chemical operations.

"Every coast state has sea water, but Texas has abundant supplies of cheap natural gas for fuel and chemical production, as well as refineries supplying petroleum gases to be chemical producers."

LIVESTOCK STILL A MAJOR INDUSTRY IN TEXAS

In view of the prominence which Texas is now attaining in the chemical industry, and its recognized pre-eminence as an oil state, we may lose sight of the fact that livestock production is still a major industry in Texas and promises to expand indefinitely. Two reports recently published by the Bureau of Business Research, and now available for distribution, furnish numerical evidence of this fact.

The two reports referred to are branches or extensions of The University of Texas Bulletin No. 3311, published in 1933, *Eight Years of Livestock Shipments in Texas, 1925-1932, Part I: Cattle and Calves*. One of

the recent publications is a supplement of this publication, bringing the data through 1939; and the other, Part II of the series, presents similar data for hogs and sheep during the entire period from 1925-1939. The May issue of the REVIEW carried a brief description of the supplement. A more detailed description of Part II will appear in a later issue of the REVIEW.

In the original bulletin it was stated: "Coöperation between the railroads of the State, the Fort Worth Stock Yards Company, the United States Department of Agriculture, and the Bureau of Business Research made this report possible. To the many employees of those organizations . . . the author extends sincere thanks." The same statement applies to the two recent "branches" of this bulletin; moreover, it applies to the current monthly reports on this subject and to the annual summary which will appear at the end of each year, thus keeping the detailed statistics on livestock movements in Texas up to date.

Among the significant figures revealed in the reports are the following: shipments of cattle from Texas to the feeding areas of the United States increased from 102,000 head in 1925 to 545,000 head in 1939; of calves, 40,000 in 1925 to 346,000 in 1939; and of sheep, 227,000 head in 1925 to 1,350,000 head in 1939.

The questions which the foregoing figures suggest are: Can Texas increase the carrying capacity of its grazing lands and the production of feed on its crop lands so that an increasing proportion of cattle and sheep now being shipped to feeding and grazing states may be fattened in Texas? And, can this livestock be processed within the State? The answers to these questions will have an important bearing on the welfare not only on the agricultural producers of the State, but also upon consumers, urban workers, and business generally.

TEXAS BUSINESS

The following table indicates a slight improvement in Texas business during May over the preceding month and a narrow margin of improvement over May, 1939.

INDEXES OF BUSINESS ACTIVITY IN TEXAS

	May 1940	May 1939	April 1940
Employment	90.7	88.9	90.4
Pay Rolls	95.7	91.9	95.1
Miscellaneous Freight Carload- ings (Southwest District)	62.5	60.4	60.9
Crude Runs to Stills	194.7	201.0	187.4*
Department Store Sales	103.6	99.6	98.5
Electric Power Consumption	135.4	132.6	136.4*
COMPOSITE INDEX	99.5	97.2	98.2*

*Revised.

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

FARM CASH INCOME

Cash income from agriculture in Texas during May increased more than the usual seasonal amount over the preceding month and was well above the corresponding month last year. Better prices rather than increase in volume of products marketed caused the improvement. Income for the first five months of the year is still considerably below that of the corresponding period last year as is evidenced by the following table:

INDEX OF AGRICULTURAL CASH INCOME IN TEXAS

Districts	May 1940	April* 1940	May 1939	Cumulative Income	
				Jan.-May 1940	Jan.-May 1939
1-N	73.9	80.5	61.9	\$ 8,608	\$ 9,411
1-S	153.4	130.9	112.0	8,947	7,713
2	125.3	82.5	116.1	9,183	8,241
3	139.8	90.4	186.4	5,737	6,933
4	93.4	91.2	85.4	11,773	10,347
5	53.3	43.0	63.6	2,062	2,436
6	153.3	183.1	119.5	7,933	10,047
7	135.6	133.8	102.4	14,427	11,517
8	61.3	85.1	76.2	7,066	8,265
9	163.4	105.2	159.4	7,464	7,289
10	69.5	86.1	36.7	6,901	8,396
10-A	29.6	106.2	199.9	10,092	15,064
STATE	102.1	100.8	100.5	\$100,193	\$105,659

*Revised.

F. A. BUECHEL.

Economic Geography Notes

NYLON

The big market for silk in this country is for hosiery and the United States is the world's largest silk consumer. Nylon, a synthetic product, is after years of research by du Pont about ready to meet the demands for mass consumption. Nylon apparently can also meet two military requirements which have had to have real silk: these are for parachutes and ammunition bags. Union Carbide and Carbon Corporation apparently will soon have Vinyon, another synthetic fiber, on the market.

The United States, largest consumer of real silk, has long obtained its supply of raw silk from Japan. This demand for the Japanese product is not likely to fade away rapidly; but that our own synthetic silks will come to occupy a larger and larger place in our home consumption no one will deny, and least of all, the Japanese.

Japan, however, has been for years a large buyer of raw cotton from the United States, exchange for this buying coming largely from sales of raw silk to this country.

During and following World War I came a stupendous shift of cotton textile manufacturing to the Orient with its tremendous supply of low-cost labor. Now, among numerous other rapid-fire changes on the economic horizon, we are witnessing the beginning of another great shift—the rise of a great synthetic silk industry in the United States. This epoch-making advance is a function of American technology applied to those natural resources we have in abundance, in combination with the influence of our vast domestic market. What repercussions these developments will have directly and indirectly upon cotton and wool remain to be seen. Du Pont is already giving no little attention to the production of a synthetic wool.

What the future of American cotton is in today's chaotic world no one can foresee, save that it is in for most difficult times. Cotton's statistical position is not being improved by the most imposing sets of data, nor is its economic status being bettered by the extravagant claims of the chemurgists.

CHEMICAL SELF-SUFFICIENCY IN THE UNITED STATES

Thanks to the rapid extension of technology in the United States, aided by research and scientific advances and based upon our vast natural resources of diverse sorts, the United States today finds itself in a far different situation than was the case a quarter of a century ago during the period of World War I. This is particularly true with regard to chemicals and especially synthetic organic chemicals. Scientific developments in the United States have indeed wrought a veritable revolution, a revolution which is just getting in its stride.

In weighing the import and self-sufficiency in the United States, in chemical or other lines, it is necessary first of all to take stock of the natural resources of this country and of their economic implications as modified or extended by epoch-making scientific advances. To no section of the nation is this more important than to Texas with its vast reserves of oil, gas, and chemical resources—all of which will be of tremendous significance in the near future.

UNION CARBIDE PLANT AT TEXAS CITY

Carbide and Carbon Chemicals Corporation, a unit of Union Carbide and Carbon Corporation, has begun a new chemical plant at Texas City. On a tract of 200 acres lying between property owned by the Southern Pacific Railroad and the Pan-American Refining Corporation, the new plant will in time involve, it is reported, an expenditure of from \$5,000,000 to \$10,000,000. It is to be a major project of Union Carbide; it is to manufacture synthetic organic chemicals from oil refinery gases, the latter to be obtained from the Pan-American refinery.

Union Carbide is a major producer of synthetic organic chemicals from hydro-carbon gases and oil refinery gases. The Texas City undertaking reflects two outstanding developments: (a) the inter-relation of industry, whereby raw materials in significant volume are furnished by another industry; and (b) the growing significance of oil and gases thereof as raw materials for

certain groups of synthetic organic chemicals. In industrial importance, chemicals from oil are rapidly approaching coal tar chemicals—a fact obviously with tremendous implications for Texas.

Initiated on a large scale by Southern Alkali at Corpus Christi with its large production of soda ash, caustic soda, and chlorine, and now with its two new major chemical plants, Dow's magnesium plant at Freeport and Union Carbide's plant at Texas City, the Texas chemical industry bids fair to take its place as a very important phase in the State's economy. As in cattle in the past and more recently in oil, the eyes of the nation are now

turning to the great potentials of Texas industrial development.

CHAMPION'S NEW PAPER PLANT

On the Houston Ship Channel at Pasadena, Texas, Champion's new paper plant, a \$3,500,000 addition to their pulp plant, has recently gone into operation. This plant will make fine papers of the type used in *Time* and *Life* from Texas woods, from its pines and hardwoods.

ELMER H. JOHNSON.

Cotton Situation*

The cotton problem as we know it today is a problem not merely of cotton, but of a cotton economy; it is also the central problem of the textile industry as a whole and has been more than a century and a half in the making. Its modern phases are products of the Industrial Revolution originating mainly in England in the latter half of the 18th Century, the spear-head of which was the mechanical inventions for the manufacture of raw cotton by machine methods.

The steady advance of the Industrial Revolution which centered largely around cotton as the activating force spread in two directions: it gradually brought into its orbit a wide range of textile materials and industries such as wool, linen, silk, jute, and more recently synthetic fibers, and the special industries and trades related to each; and on the other hand, while the Industrial Revolution started in England, it spread areally first into Western Europe, then North America, Eastern and Southern Europe, India, and more recently into the Orient—especially Japan and China, and is now establishing itself in Latin America, Australia, and is even making a beginning in Africa. Thus, the dynamic forces of these two phases of the Industrial Revolution as they pertain to the textile industry have encircled the globe, created textile products and manufacturing industries whose size and ramifications of influence are vital to every country and province in the world. No other industry or group of industries is comparable with it either in size or extent of distribution.

Textile materials have three broad fields of use—clothing, household furnishings, and agricultural and industrial equipment. Although each textile material has special characteristics and most appropriate uses, each is used extensively in at least two of the major fields. Indeed, the areas of overlapping uses of the various textile materials are so broad as to constitute a unified industry in which relative price is the major factor in determining volume of use of any particular raw material. To understand cotton problems, then, it is necessary to understand that the cotton industry is interwoven into a complex world textile industry. The ramifications of the world textile industry into the

political, economic, and social life of the world are so vital as to decree that the welfare of those depending on cotton shall be determined to a large extent by a wide range of world forces.

INTER-RELATIONS AND SIZE OF THE WORLD TEXTILE INDUSTRY

There are two major phases of the great textile industry: (1) the production of raw materials such as cotton, wool, linen, and silk; and (2) their manufacture, including such processes as spinning, weaving and dyeing, and finishing. In the main, the areas of textile raw material production are widely separated from the areas of manufacture, and both from the areas of consumption of finished goods. The textile industry is thus characterized by a high degree of interdependence as between the different countries and regions of the world.

The wide range of world coverage of the textile industry, including raw material production and its complex inter-relations and ramifications, can best be indicated by giving first a brief description of its location, and, second, some indication of its size.

Japan produces about 75 per cent of the raw silk of the world, and the United States produces none; and yet the United States manufactures and consumes about 75 per cent of the world's silk production, most of the rest being manufactured in Great Britain, France, Italy, and Japan.

India produces almost 100 per cent of the jute of the world. The great manufacturing centers of it are Europe, United States, Japan, and India. The products of jute, mainly bags and wrapping, are used throughout the world, but more than 90 per cent outside India, the land of its production.

Wool is produced on a large scale in sixty countries, though Australia, Argentina, the Union of South Africa, New Zealand, and Uruguay, all in the southern hemisphere, supply about 85 per cent of the wool that enters world trade. Most of this wool is manufactured in the northern hemisphere, especially the United States, Great Britain, and other western European countries, and more recently, Japan. These together, except the United States, supply most of the woollen textiles that enter into world trade.

*NOTE: This is the first of a series of articles dealing with the broader aspects of cotton and cotton economy. The next will appear in the September number of the REVIEW.

Flax, the raw material for the linen textile industry, is produced chiefly in Russia, and Russia with other countries on the Baltic and Belgium produce 100 per cent of it; but most all of it which enters world trade comes from Russia. More than half of that which enters world trade goes to the United Kingdom, and the rest to France, Germany, Czechoslovakia, and Japan.

The general structure of the cotton industry follows the same pattern as that of other natural fibers and textile industries; that is, the production of raw materials tends to be separated from the major centers of manufacture. There are two notable exceptions to this—the United States and India. Six countries—the United States, India, Russia, Egypt, Brazil, and China—produce about 95 per cent of the world's cotton crop. Twelve countries—the United States in North America, Brazil in South America, Japan, India, and China in Asia, and Great Britain, Germany, France, Russia, Italy, Belgium, and Czechoslovakia in Europe—manufacture about 90 per cent of the world's cotton production, though some thirty or more other countries manufacture some cotton. Cotton enters more extensively into world trade than any other of the textiles.

Synthetic fibers are produced in about twenty countries; yet, six countries—Japan, Germany, United States, Italy, Great Britain, and France—produce about 90 per cent of it. In the main, rayon yarn is manufactured for domestic uses; less than one-fifth of it enters world trade. The raw materials base for above 90 per cent of synthetic fibers is wood pulp and cotton linters, though a wide range of other materials is being used,

ranging from casein to coal and natural gas. North America and Europe produce more than 90 per cent of the wood pulp. Five countries—the United States, Canada, Sweden, Germany, and Finland—produce over 70 per cent of it.

The size and importance of the world textile industry is indicated by the number of workers engaged in it, the value of its output, and the volume of it entering foreign trade. It is estimated by the International Labor Office that there are at least 14 million people engaged in textile manufacturing alone, or more than 3 per cent of all people in gainful occupations in the world; and the number engaged in the production of the raw materials like cotton, wool, and silk is even much larger than is that for those engaged in manufacturing. The value of raw textile materials constitutes more than 6 per cent of the value of all primary commodities. Exports of all textile goods constitute nearly 20 per cent of world exports of all kinds. In 1935, exports of textiles constituted 56 per cent of all exports from Japan, 38.8 per cent from Australia, 34.6 per cent from India, 30.6 per cent from Italy, 27.1 per cent from United Kingdom, and 20.3 per cent from the United States.

So far, I have tried to picture to you the enormous size of the world textile industry and to point out the interdependence of the various countries of the world upon each other either as sources of raw materials and markets for raw materials, or as markets for and sources of supplies of finished and semi-finished manufactures.

A. B. COX.

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF JUNE 1

(In Thousands of Running Bales Except as Noted)

	Carryover Aug. 1	Imports to June 1*	Final Ginnings	Total	Consump- tion to June 1	Exports to June 1	Total	Balance June 1
1930-1931	4,530	84	13,756	18,370	4,358	6,245	10,603	7,767
1931-1932	6,369	104	16,629	23,102	4,265	7,898	12,163	10,939
1932-1933	9,682	104	12,710	22,496	4,839	7,113	11,952	10,544
1933-1934	8,176	127	12,664	20,967	4,977	6,769	11,746	9,221
1934-1935	7,746	94	9,472	17,312	4,586	4,174	8,760	8,552
1935-1936	7,138	122	10,417	17,677	5,189	5,519	10,708	6,969
1936-1937	5,397	198	12,130	17,725	6,680	5,086	11,766	5,959
1937-1938	4,498	119	18,242	22,859	4,856	5,227	10,083	12,776
1938-1939	11,533	122	11,621	23,276	5,759	3,107	8,866	14,410
1939-1940	13,033	137	11,477	24,647	6,591	5,931	12,522	12,125

*In 500-pound Bales.

The Cotton Year Begins August 1.

LUMBER

(In Board Feet)

	May 1940	May 1939	April 1940
Southern Pine Mills:			
Average Weekly Production per unit	291,902	298,416	288,782
Average Weekly Shipments per unit	324,905	308,783	298,510
Average Unfilled Orders per Unit, End of Month	597,904	743,944	673,844

NOTE: From Southern Pine Association.

PERCENTAGE CHANGES IN CONSUMPTION OF ELECTRIC POWER

	Percentage Changes	
	May 1940 from May 1939	May 1940 from April 1940
Commercial	+ 8.9	+ 5.4
Industrial	- 5.2	+ 5.2
Residential	+ 8.4	+ 3.2
All Others	+ 9.0	+ 5.2
TOTAL	+ 2.3	+ 5.4

NOTE: Prepared from reports of 16 electric power companies to the Bureau of Business Research.

EMPLOYMENT AND PAY ROLLS IN TEXAS

MAY, 1940

	Estimated Number of Workers Employed*	Percentage Change from April 1940		Estimated Amount of Weekly Pay Roll	Percentage Change from April 1940	
		from April 1940	from May 1939		from April 1940	from May 1939
<i>Manufacturing</i>						
All Manufacturing Industries	133,988	+ 0.6	+ 5.3	\$2,657,332	+ 1.5	+ 7.4
<i>Food Products</i>						
Baking	6,596	- 0.7	+ 8.4	146,106	+ 0.9	+ 18.3
Carbonated Beverages	3,210	+ 4.0	+ 16.2	73,210	+ 4.5	+ 23.4
Confectionery	509	- 29.3	+ 15.6	4,756	- 29.5	- 2.5
Flour Milling	1,640	+ 0.1	+ 7.3	35,418	+ 0.3	+ 12.1
Ice Cream	1,054	+ 13.3	+ 18.3	18,360	+ 10.4	+ 15.4
Meat Packing	4,208	+ 7.1	+ 2.3	95,188	+ 7.7	+ 1.3
<i>Textiles</i>						
Cotton Textile Mills	6,118	- 1.7	+ 4.1	81,099	+ 0.9	+ 14.3
Men's Work Clothing	3,454	- 9.6	- 11.8	32,380	- 10.6	- 15.8
<i>Forest Products</i>						
Furniture	1,615	- 3.3	+ 6.5	34,814	- 7.5	+ 20.5
Planing Mills	1,882	+ 3.0	+ 1.5	31,589	+ 4.4	- 4.9
Saw Mills	16,059	+ 2.4	+ 15.3	199,094	+ 4.9	+ 21.0
Paper Products	557	- 3.3	+ 8.2	8,437	+ 3.9†	+ 7.9
<i>Printing and Publishing</i>						
Commercial Printing	2,273	+ 0.2	- 5.4	56,639	- 1.7	- 1.2
Newspaper Publishing	4,544	+ 0.8	+ 4.2	120,841	+ 0.7	+ 3.9
<i>Chemical Products</i>						
Cotton Oil Mills	1,805	- 0.9	+ 0.5	16,974	- 5.3	- 7.3
Petroleum Refining	20,270	- 0.2	+ 1.4	667,469	+ 0.1	+ 3.2
<i>Stone and Clay Products</i>						
Brick and Tile	2,058	+ 5.8	+ 9.3	26,767	+ 14.5	+ 6.7
Cement	1,163	+ 16.2	‡	29,569	+ 17.5	+ 1.2
<i>Iron and Steel Products</i>						
Foundries and Machine Shops	11,504	+ 0.4	+ 7.3	303,544	+ 2.2	+ 9.2
Structural and Ornamental Iron	1,879	+ 0.4	‡	37,525	- 0.7	+ 11.6
<i>Nonmanufacturing</i>						
Crude Petroleum Production	31,329	+ §	+ 1.0	982,925	- 0.8	- 1.5
Quarrying		- 0.8	+ 6.4		- §	+ 8.5
Public Utilities		+ 0.8	+ 3.5		+ 0.2	+ 4.7
Retail Trade	187,897	+ 2.2	+ 5.2	3,150,542	+ 0.6	+ 6.3
Wholesale Trade	59,159	- 0.3	+ 3.2	1,687,724	- 0.6	+ 8.4
Dyeing and Cleaning	2,415	+ 4.3	- 7.4	35,604	+ 6.2	- 1.3
Hotels	14,092	- 6.2	- 5.6	166,294	- 4.9	+ 4.3
Power Laundries	9,704	+ 2.3	+ 3.3	118,770	+ 2.7	+ 3.1

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

	Employment Percentage Change		Pay Rolls Percentage Change	
	April 1940 to May 1940	May 1939 to May 1940	April 1940 to May 1940	May 1939 to May 1940
Abilene	‡	+ 3.3	+ 2.0	+ 4.8
Amarillo	+ 0.3	+ 32.7	+ 2.0	+ 43.3
Austin	- 2.9	- 11.0	- 1.6	- 2.8
Beaumont	+ 1.6	+ 3.1	- 2.4	+ 3.9
Dallas	+ 1.3	- 0.9	+ 0.2	- 0.8
El Paso	- 0.7	+ 5.7	+ 0.4	+ 11.0
Fort Worth	+ 0.7	+ 1.1	+ 1.1	+ 1.4
Galveston	- 2.7	- 15.9	- 5.3	- 7.6
Houston	- 0.5	+ 8.1	+ 0.7	+ 11.8
Port Arthur	- 3.7	+ 0.5	+ 0.1	+ 7.0
San Antonio	+ 0.5	- 3.5	+ 1.2	+ 0.9
Sherman	- 0.3	+ 7.5	+ 4.6	+ 21.8
Waco	+ 0.8	+ 3.2	+ 0.6	+ 1.2
Wichita Falls	+ 9.7	- 4.1	+ 11.2	+ 5.1
STATE	+ 0.4	+ 2.3	+ 0.6	+ 4.2

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

†Estimated April Payroll revised.

‡No change.

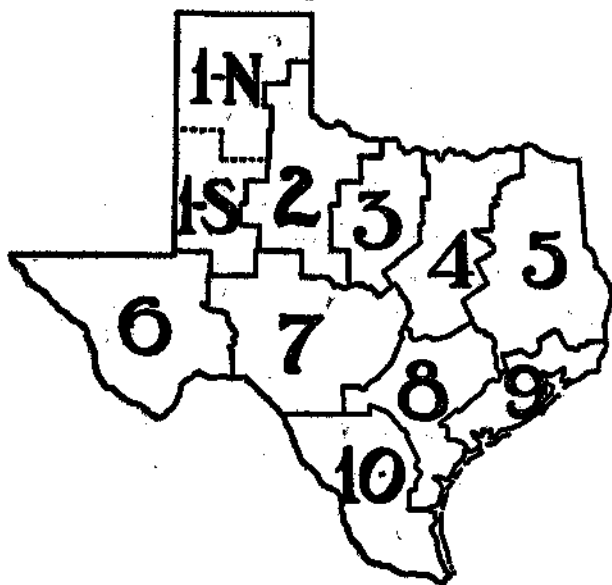
§Less than 1/20 of one per cent.

||Not available.

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

MAY RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Number of Firms Reporting	Percentage Change in Dollar Sales		Number of Firms Reporting	Percentage Change in Dollar Sales	
		May, 1940 from May, 1939	May, 1940 from April, 1940		May, 1940 from May, 1939	May, 1940 from April, 1940
TOTAL TEXAS	1,122	- 0.5	+ 4.4			
TEXAS STORES GROUPED BY PRODUCING AREAS:						
DISTRICT 1-N	67	+ 0.2	+ 3.5	DISTRICT 4	262	- 1.1 + 5.2
Amarillo	14	+ 1.2	+ 9.5	Cleburne	8	- 2.7 + 13.0
Pampa	11	+ 1.9	+ 4.7	Corsicana	8	+ 14.8 + 9.0
Plainview	13	+ 19.7	- 6.9	Dallas	41	- 1.3 + 4.9
All Others	29	- 14.1	+ 0.9	Denison	8	+ 0.9 + 12.2
DISTRICT 1-S	24	+ 0.5	- 5.5	Ennis	6	+ 16.9 + 5.1
Big Spring	5	+ 8.9	+ 8.8	Fort Worth	45	+ 0.8 + 4.0
Lamesa	7	+ 5.4	- 4.6	Sherman	6	+ 11.4 + 19.8
Lubbock	9	+ 0.2	- 6.5	Taylor	5	- 38.7 - 17.2
All Others	3	- 7.6	- 4.1	Temple	11	+ 11.9 + 15.9
DISTRICT 2	86	- 5.2	+ 6.1	Waco	26	- 1.7 + 18.1
Abilene	13	- 9.5	+ 11.0	All Others	98	- 5.4 - 0.3
Vernon	5	- 15.6	+ 1.3	DISTRICT 5	112	+ 1.3 + 0.3
Wichita Falls	15	+ 0.8	+ 3.3	Clarksville	5	+ 9.3 - 1.7
All Others	53	- 4.1	+ 5.8	Henderson	5	+ 7.5 - 0.3
DISTRICT 3	37	- 1.8	+ 8.9	Longview	5	+ 33.4 + 9.2
Breckenridge	6	- 0.6	+ 26.2	Marshall	8	+ 10.7 + 17.3
Brownwood	6	- 11.3	+ 12.4	Palestine	6	+ 5.4 - 3.6
All Others	25	- 0.8	+ 7.1	Tyler	15	+ 4.0 - 0.5
				All Others	68	- 2.9 - 0.6
				DISTRICT 6	38	- 3.8 - 8.2
				El Paso	22	- 3.6 - 9.6
				All Others	16	- 5.3 + 5.0
				DISTRICT 7	57	- 0.4 + 11.3
				Brady	8	- 5.3 + 12.1
				San Angelo	15	- 2.8 + 10.0
				All Others	34	+ 4.1 + 12.6
				DISTRICT 8	215	- 1.9 + 3.1
				Austin	22	- 3.0 + 12.3
				Corpus Christi	12	+ 6.1 + 5.4
				Cuero	6	- 4.4 + 35.9
				Lockhart	7	- 29.2 + 1.5
				San Antonio	68	- 1.6 - 0.1
				San Marcos	8	- 2.6 + 4.2
				All Others	92	- 1.2 + 3.5
				DISTRICT 9	152	+ 4.8 + 11.1
				Bay City	5	+ 30.1 + 7.1
				Beaumont	19	+ 4.4 + 22.8
				Galveston	21	+ 4.1 + 16.2
				Houston	47	+ 3.4 + 9.3
				Port Arthur	17	+ 13.4 + 19.7
				Victoria	7	+ 0.02 + 15.1
				All Others	36	+ 0.2 - 10.3
				DISTRICT 10	72	- 8.9 + 0.1
				Brownsville	11	- 10.5 - 11.9
				Harlingen	8	- 24.3 + 7.0
				Laredo	6	- 14.0 + 6.3
				All Others	47	+ 2.6 - 0.5



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

MAY 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	4,630	5,358	1,173	1,089	824	902	2,025	1,578	8,652	8,927
Total Intrastate Omitting Fort Worth	523	835	115	155	22	61	50	119	710	1,170
TOTAL SHIPMENTS	5,153	6,193	1,288	1,244	846	963	2,075	1,697	9,362	10,097

TEXAS CAR-LOT'S SHIPMENTS OF LIVE STOCK, JANUARY 1-JUNE 1

	Cattle		Calves		Hogs		Sheep		Total	
	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939
Total Interstate Plus Fort Worth	19,312	25,701	4,251	4,420	3,701	3,993	4,123	3,640	31,387	37,754
Total Intrastate Omitting Fort Worth	2,065	4,033	501	764	118	284	126	266	2,810	5,347
TOTAL SHIPMENTS	21,377	29,734	4,752	5,184	3,819	4,277	4,249	3,906	34,197	43,101

§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 Agricultural Marketing Service 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.

MAY RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	May, 1940		Year, 1940		
	Number of Firms Reporting	Percentage Change May, 1940 from May, 1939	Number of Firms Reporting	Percentage Change Year 1940 from Year 1939	
TEXAS	1,122	- 0.5	+ 4.4	1,086	+ 5.1
STORES GROUPED BY LINE OF GOODS CARRIED:					
APPAREL	108	- 0.4	+ 16.6	105	+ 2.5
Family Clothing Stores	26	- 3.7	+ 20.0	26	+ 2.3
Men's and Boys' Clothing Stores	36	- 1.7	+ 25.8	34	- 0.4
Shoe Stores	20	+ 3.9	+ 9.3	20	+ 0.7
Women's Specialty Shops	26	+ 0.9	+ 10.0	25	+ 5.1
AUTOMOTIVE	125	+ 0.3	- 5.5	119	+ 11.8
Filling Stations	44	+ 7.6	+ 9.9	42	- 3.9
Motor Vehicle Dealers	81	+ 0.7	- 6.1	77	+ 12.5
COUNTRY GENERAL AND FARMERS' SUPPLIES	134	+ 2.8	+ 4.7	131	+ 3.7
DEPARTMENT STORES	55	+ 0.1	+ 9.0	54	+ 3.4
DRUG STORES	123	- 2.0	+ 4.1	119	+ 3.1
DRY GOODS AND GENERAL MERCHANDISE	22	- 2.4	+ 4.5	20	+ 23.6
FLORISTS	25	- 0.2	+ 15.4	24	+ 4.1
FOOD*	172	- 1.1	+ 2.4	165	- 0.7
Grocery Stores	60	+ 0.3	+ 1.6	58	+ 2.9
Grocery and Meat Stores	103	- 1.6	+ 3.0	98	- 2.2
FURNITURE AND HOUSEHOLD*	58	- 1.0	+ 0.6	57	+ 9.3
Furniture	46	- 3.2	+ 0.2	45	+ 9.2
Household Appliance Stores	7	+ 16.2	+ 5.5	7	+ 18.4
JEWELRY	42	+ 5.9	+ 34.3	41	+ 9.6
LUMBER, BUILDING, AND HARDWARE	219	- 3.8	+ 1.4	213	+ 1.1
Farm Implement Dealers	10	+ 5.0	+ 8.0	10	+ 17.8
Hardware Stores	68	- 4.3	+ 0.4	66	+ 13.4
Lumber and Building Materials Dealers	141	- 4.0	+ 1.5	137	- 3.2
RESTAURANTS	27	- 1.9	+ 0.8	26	- 1.9
ALL OTHER STORES	12	+ 4.1	+ 0.1	12	+ 12.7
TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:					
All Stores in Cities of—					
Over 100,000 Population	223	- 0.3	+ 3.0	218	+ 5.4
50,000-100,000 Population	105	+ 2.7	+ 17.3	102	+ 3.3
2,500-50,000 Population	457	- 2.9	+ 3.4	447	+ 4.7
Less than 2,500 Population	327	+ 1.3	+ 0.4	319	+ 6.8

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

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

PETROLEUM

Daily Average Production

(In Barrels)

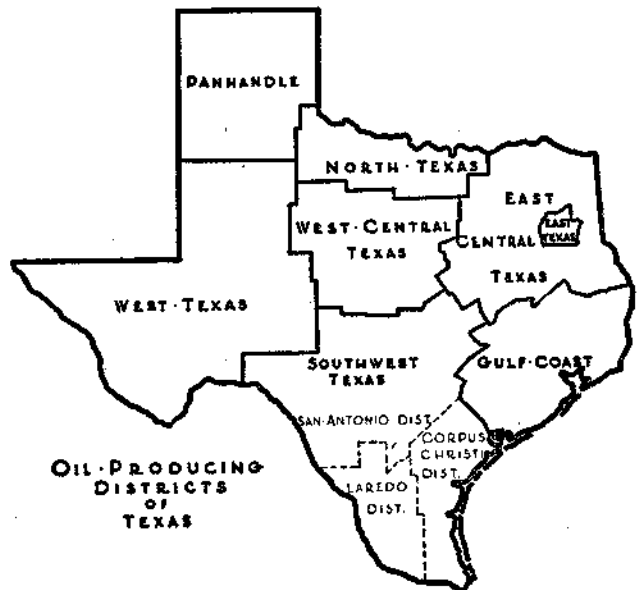
	May 1940	May 1939	April 1940
Coastal Texas*	240,390	225,490	253,150
East Central Texas	84,630	96,550	86,200
East Texas	395,530	416,980	396,800
North Texas	107,380	83,260	102,650
Panhandle	73,460	73,340	79,200
Southwest Texas	235,240	244,760	254,750
West Central Texas	33,560	31,240	33,700
West Texas	251,510	218,710	272,350
STATE	1,422,700	1,390,330	1,478,800
UNITED STATES	3,784,860	3,513,170	3,825,650
Imports	218,786	211,968	186,607

*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: April, 1940, 111,613,000 gallons; April, 1939, 104,564,000 gallons; March, 1940, 116,513,000 gallons.



POSTAL RECEIPTS

	May 1940	May 1939	April 1940
Abilene	\$ 17,342	\$ 17,378	\$ 18,677
Amarillo	31,884	31,664	34,465
Austin	72,339	71,894	69,481
Beaumont	28,162	26,219	27,217
Big Spring	6,012	5,873	7,080
Brownsville	5,837	6,068	6,163
Brownwood	5,942	5,876	6,311
Childress	2,466	2,791	2,687
Coleman	2,200	2,108	2,311
Corpus Christi	28,606	23,665	28,538
Corsicana	5,333	5,446	5,936
Dallas	374,476	352,515	359,817
Del Rio	4,457	3,552	4,091
Denison	5,827	5,157	5,639
Denton	8,181	7,239	9,265
El Paso	46,916	48,215	49,106
Fort Worth	149,423	148,300	144,723
Galveston	30,006	31,488	31,185
Gladewater	2,701	2,692	2,828
Graham	2,497	2,075	2,572
Harlingen	5,594	6,169	6,984
Houston	263,817	243,285	252,254
Jacksonville	3,868	3,970	1,698
Kilgore	6,325	6,183	6,338
Lufkin	5,091	5,263	4,205
Longview	9,801	9,141	10,019
Lubbock	19,333	17,439	19,606
McAllen	9,295	3,862	5,021
Marshall	6,353	5,950	6,654
New Braunfels	5,502	5,933	7,072
Odessa	6,733	5,126	7,422
Palestine	4,772	5,070	5,098
Pampa	6,544	6,505	7,988
Paris	6,488†	6,223†	*
Plainview	4,222	3,800	3,833
Port Arthur	13,798	13,014	15,574
San Angelo	12,524	11,496	12,318
San Antonio	132,153	127,756	133,595
San Benito	2,576	2,581	2,427
Sherman	7,509	7,424	8,082
Sweetwater	4,867	4,418	5,617
Temple	6,807	7,163	6,975
Tyler	15,989	15,221	16,454
Waco	35,140	35,974	35,920
Wichita Falls	24,623	21,502	26,173
TOTAL	\$1,443,843	\$1,374,460	\$1,425,329

*Not available.

†Not included in total.

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

COMMODITY PRICES

	May 1940	May 1939	April 1940
WHOLESALE PRICES:			
U. S. Bureau of Labor			
Statistics (1936 = 100)	78.4	76.2	78.6
The Annalist (1926 = 100)	80.9	76.7	81.6
FARM PRICES:			
U. S. Department of Agriculture (1910-14 = 100)			
.....	98.0*	90.0	98.0
U. S. Bureau of Labor			
Statistics (1926 = 100)	67.9	63.7	69.4
RETAIL PRICES:			
Department Stores (Fairchild's Publications, Jan. 1931 = 100)			
.....	92.8	89.1	92.8

*Preliminary.

BUILDING PERMITS

	May 1940	May 1939	April 1940
Abilene	\$ 38,593	\$ 54,956	\$ 56,345*
Amarillo	387,642*	384,426	240,085
Austin	1,007,033	637,872	549,067
Beaumont	147,973	123,347	122,094
Big Spring	26,360	28,375	36,135
Brownsville	52,427	25,295	16,523*
Coleman	8,435†	†	23,650†
Corpus Christi	228,556	323,836	327,930
Corsicana	16,598	17,125	21,041
Dallas	1,235,706	991,424	1,234,524
Del Rio	5,031	15,612	13,510
Denton	21,950	24,225	32,525
El Paso	248,132	146,913	356,402
Fort Worth	444,544	538,024	449,457
Galveston	85,024	133,546	133,850
Gladewater	12,750	2,765	455
Graham	5,790	15,600	14,846*
Harlingen	16,073	28,284	37,675
Houston	1,608,270	2,359,565	1,704,330
Jacksonville	17,832	6,500	6,250
Longview	55,935	58,548	21,250
Lubbock	362,238	275,744	415,250
McAllen	70,696	36,600	17,110
Marshall	32,605	239,099*	46,271
Midland	93,275	52,258	71,075
Odessa	84,178	20,700	85,275
Palestine	11,304	10,057	14,573
Pampa	51,575	44,000	18,000
Paris	22,256*	7,320	12,655
Plainview	5,200	10,444	5,375
Port Arthur	106,621	74,922	119,113
San Angelo	66,224	68,720	45,251
San Antonio	527,976	384,554	585,192
Sherman	42,909	23,273	40,952
Sweetwater	23,835	15,980*	18,190
Tyler	56,963	45,662	38,485*
Waco	119,893	173,693	105,699
Wichita Falls	63,395	115,835	179,496
TOTAL	\$7,403,362	\$7,515,099	\$7,242,256

*Does not include public works.

†Not included in total.

‡Not available.

TEXAS CHARTERS

	May 1940	May 1939	April 1940
Domestic Corporations:			
Capitalization*	\$2,403	\$2,982	\$2,609
Number	123	145	128
Classification of new corporations:			
Banking-Finance	1	2	4
Manufacturing	26	32	21
Merchandising	29	23	32
Oil	18	28	18
Public Service	4	3	1
Real Estate-Building	13	15	8
Transportation	3	8	12
All Others	29	34	32
Number capitalized at less than \$5,000	56	61	50
Number capitalized at \$100,000 or more	4	5	6
Foreign Corporations (Number)	20	33	16

*In thousands.

Notes: Compiled from records of the Secretary of State.

MAY CREDIT RATIOS IN TEXAS RETAIL STORES
(Expressed in Per Cent)

	Number of Stores Reporting	Ratio of Credit Sales to Net Sales		Ratio of Collections to Outstandings		Ratio of Credit Salaries to Credit Sales	
		1940	1939	1940	1939	1940	1939
All Stores	66	67.0	66.0	40.3	40.3	1.0	1.1
Stores Grouped by Cities:							
Abilene	4	60.0	58.8	32.9	32.5	2.0	2.0
Austin	6	58.1	57.8	49.4	49.4	1.1	1.0
Beaumont	3	69.2	68.1	42.6	43.1	1.2	1.2
Dallas	10	72.6	72.6	40.6	39.4	0.8	1.1
Fort Worth	5	65.7	58.6	38.3	37.9	1.0	1.1
Houston	7	65.4	64.5	41.2	42.5	1.5	1.3
San Antonio	5	65.2	65.1	47.5	46.3	1.0	0.9
Waco	5	62.9	61.6	29.5	30.5	1.3	1.2
All Others	21	61.8	61.7	37.7	39.7	1.3	1.3
Stores Grouped According to Type of Store:							
Department Stores (Annual Volume Over \$500,000)	20	66.3	65.3	41.6	42.0	1.0	1.1
Department Stores (Annual Volume Under \$500,000)	13	60.4	60.5	35.2	36.5	1.8	1.7
Dry Goods-Apparel Stores	5	62.2	60.3	40.0	41.7	1.8	1.4
Women's Specialty Shops	14	69.6	68.1	37.7	35.6	0.7	0.9
Men's Clothing Stores	14	71.3	70.9	40.8	41.1	1.3	1.3
Stores Grouped According to Volume of Net Sales During 1939:							
Over \$2,500,000	10	68.7	67.8	41.5	43.5	1.0	1.0
\$2,500,000 down to \$1,000,000	9	63.5	62.0	45.1	39.1	1.0	1.0
\$1,000,000 down to \$500,000	10	62.1	60.9	41.7	41.8	1.2	1.2
\$500,000 down to \$100,000	27	61.1	60.3	38.9	40.2	1.4	1.6
Less than \$100,000	10	56.3	60.1	36.3	39.6	3.5	2.7

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

	May 1940	May 1939	Jan. 1-June 1 1940	Jan. 1-June 1 1939
Abilene	\$ 11,756	\$ 1,144	\$ 151,200	\$ 70,180
Amarillo	28,706*	†	196,350*	†
Austin	60,506	32,306	338,419	170,212
Beaumont	57,019	40,856	348,949	246,526
Big Spring	2,006	15,600	60,638	49,182
Brownsville	6,544	7,744	55,201	59,325
Brownwood	4,613	1,594	37,969	38,645
Corpus Christi	17,869	8,981	†	†
Dallas	182,700	141,000	1,489,107	1,058,156
Del Rio	188	1,256	12,826	2,569
Denison	4,763	3,113	84,395	69,244
El Paso	75,638	65,531	550,876	448,706
Fort Worth	91,594	65,925	504,165	431,188
Galveston	34,500	14,475	273,881	177,488
Gladewater	1,256	1,163	62,625	51,152
Harlingen	1,357	3,356	33,851	27,601
Kilgore	22,050	2,494	62,306	48,638
Longview	52,763	17,775	174,113	125,439
McAllen	9,413	4,350	46,875	26,851
Odessa	11,662	35,981	†	†
Palestine	7,331	13,388	63,862	88,275
Pampa	1,706	1,725	27,764	13,182
Paris	11,662	35,981	†	†
Plainview	450	5,438	32,944	28,895
Port Arthur	48,881	34,613	205,350	104,363
San Angelo	2,756	2,869	107,587	72,637
San Antonio	139,406	98,644	1,037,194	638,326
San Benito	3,600	469	26,832	10,988
Sherman	8,813	713	50,495	47,645
Temple	8,344	9,263	42,020	32,476
Tyler	14,813	18,844	191,606	183,169
Waco	44,888	51,881	383,885	215,718
Wichita Falls	26,382	23,813	308,683	196,250
TOTAL	\$ 955,567	\$ 726,304	\$6,765,618	\$4,733,026

*Not included in total.
†Not available.

MAY, 1940, CARLOAD MOVEMENT OF POULTRY AND EGGS

Destination*	Cars of Poultry								Cars of Eggs†		
	Live				Dressed						
	Chickens	Turkeys	Chickens	Turkeys	Chickens	Turkeys	Chickens	Turkeys	May 1940	May 1939	
TOTAL	4	1	72	65	17	9	197.5	141.5			
Intrastate	0	0	6	0	0	0	76.0	53.0			
Interstate	4	1	66	65	17	9	121.5	88.5			
Origin	Receipts at Texas Stations										
	Live				Dressed						
	Chickens	Turkeys	Chickens	Turkeys	Chickens	Turkeys	Chickens	Turkeys	May 1940	May 1939	
TOTAL	—	—	4	2	—	—	1	43.0	68.0		
Intrastate	—	—	1	2	—	—	1	36.5	52.0		
Interstate	—	—	3	0	—	—	0	6.5	16.0		

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

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

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

TEXAS COMMERCIAL FAILURES

	May 1940	May 1939	April 1940
Number	20	21	17
Liabilities†	\$347	\$213	\$161
Assets†	169	157	111
Average Liabilities per Failure†	17	10	9

†In thousands.

Note: From Dun and Bradstreet, Inc.

BANKING STATISTICS

(In Millions of Dollars)

	May, 1940		May, 1939		April, 1940	
	Dallas District	United States	Dallas District	United States	Dallas District	United States
DEBITS to individual accounts.....	\$ 848	\$34,297	\$ 723	\$30,010	\$ 828	\$34,079
Condition of reporting member banks on—						
ASSETS:	May 29, 1940		May 31, 1939		May 1, 1940	
Loans and investments—total.....	522	23,524	509	21,680	527	23,542
Loans—total.....	266	8,475	252	8,126	269	8,661
Commercial, industrial, and agricultural loans.....	176	4,367	167	3,822	175	4,409
Open market paper.....	2	322	1	308	2	326
Loans to brokers and dealers in securities.....	3	478	3	721	5	626
Other loans for purchasing or carrying securities.....	13	481	14	539	13	474
Real estate loans.....	22	1,189	21	1,156	22	1,187
Loans to banks.....	1	46	—	59	1	52
Other loans.....	49	1,592	46	1,521	51	1,587
Treasury Bills.....	27	627	27	333	21	593
Treasury Notes.....	40	1,926	42	2,053	40	1,871
U.S. Bonds.....	84	6,528	84	5,851	89	6,496
Obligations fully guaranteed by U.S. Gov't.....	47	2,399	50	2,055	49	2,427
Other securities.....	58	3,569	54	3,262	59	3,494
Reserve with Federal Reserve Bank.....	139	11,203	115	8,449	136	10,859
Cash in vault.....	11	488	10	427	10	447
Balances with domestic banks.....	299	3,285	243	2,702	297	3,177
Other assets—net.....	30	1,305	30	1,300	29	1,224
LIABILITIES:						
Demand deposits—adjusted.....	481	20,287	444	16,965	479	19,696
Time deposits.....	136	5,312	136	5,235	136	5,305
U.S. Government deposits.....	31	581	34	559	30	578
Inter-bank deposits:						
Domestic banks.....	260	8,431	203	6,675	261	8,460
Foreign banks.....	1	707	—	635	1	720
Borrowings.....	—	1	—	3	—	1
Other liabilities.....	4	739	5	767	4	741
Capital account.....	88	3,747	85	3,719	88	3,748

Note: From Federal Reserve Board.

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