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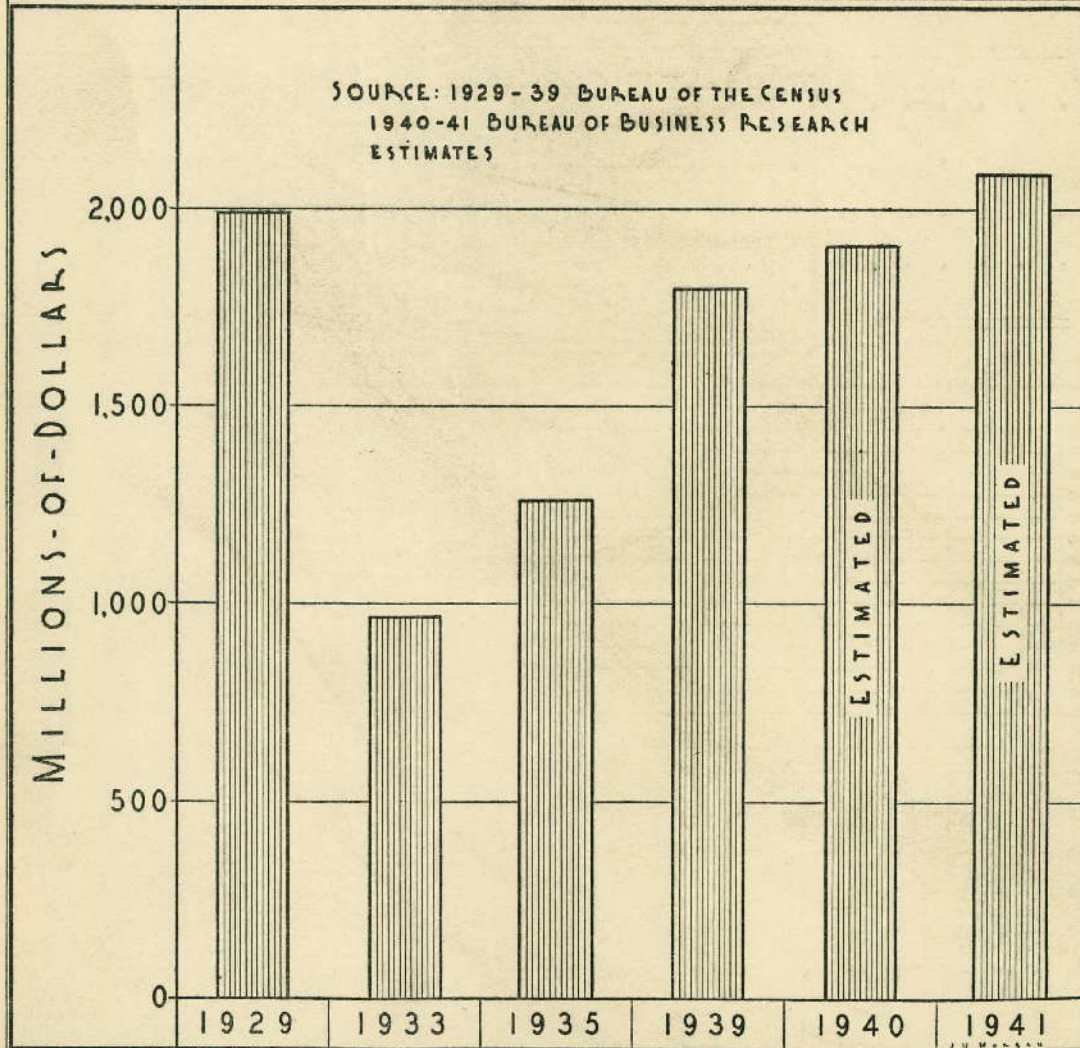
A Monthly Summary of Business and Economic Conditions in Texas and the Southwest  
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## TREND OF TEXAS RETAIL DOLLAR SALES

1929-41

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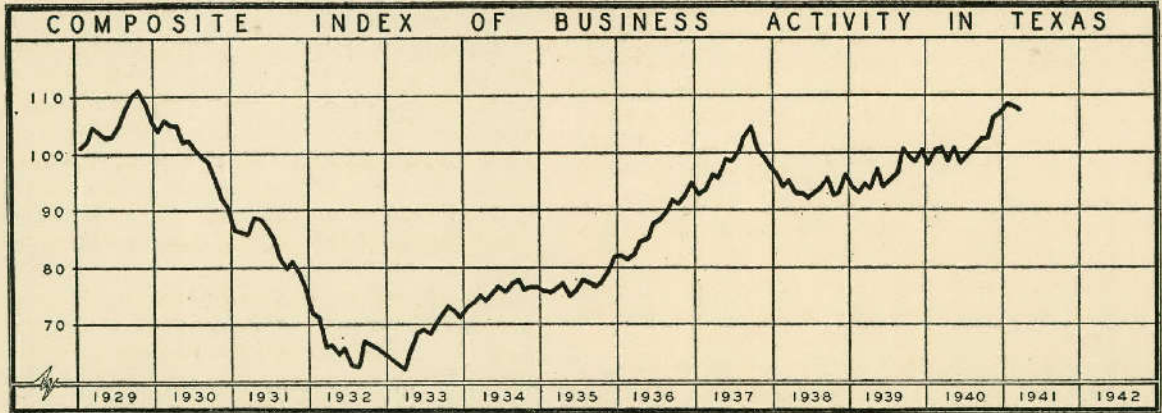
ONE DOLLAR PER YEAR

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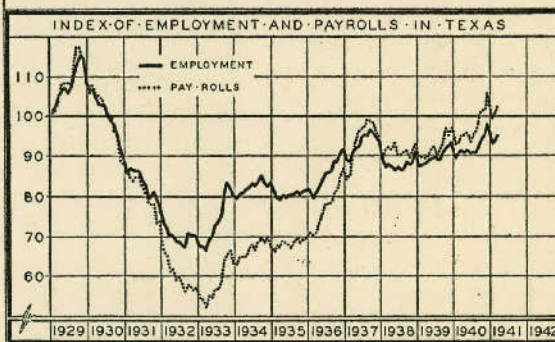
# INDEXES OF BUSINESS ACTIVITY IN TEXAS

AVERAGE MONTH OF 1930 = 100%

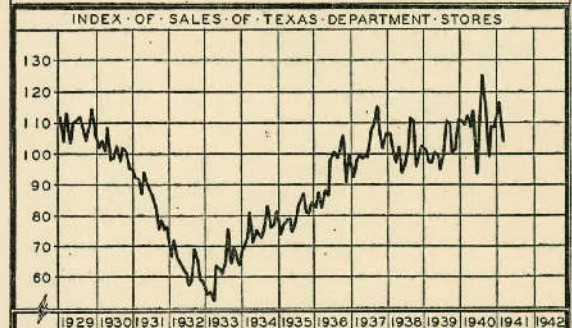
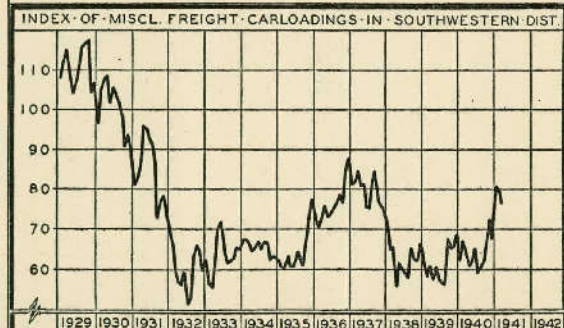
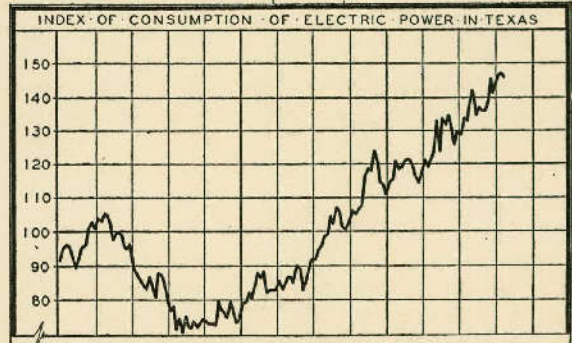
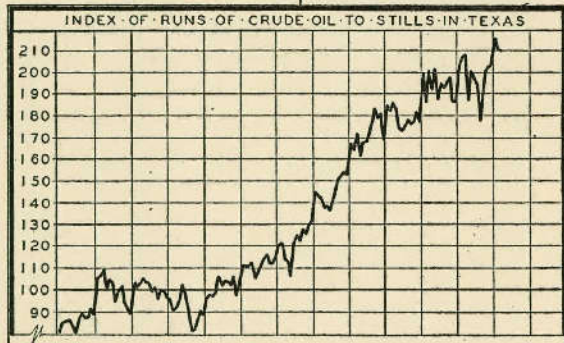
WEIGHT IN COMPOSITE INDEX	
EMPLOYMENT	25%
PAY ROLLS	25%
DEPARTMENT STORE SALES	10%
FREIGHT CARLOADINGS	20%
CRUDE OIL RUNS	5%
ELECTRIC POWER CONSUMPTION	15%



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# Business Review and Prospect

## GENERAL BUSINESS

With the recent announcement that the production of new passenger automobiles produced during the next model year will be reduced by twenty per cent of the current year's output, the question of the "imminence" of price inflation has been revived. Attention is called to the brief discussion of this subject in the November, 1940, issue of the REVIEW on page 3. Marriner S. Eccles is there quoted as having defined inflation as "a condition brought about when the means of payment in the hands of those who will spend them increase faster than the goods can be produced." Paced by the Federal Defense Program, industry is rapidly absorbing the unemployed and pay rolls are increasing in proportion. Should production of other types of durable consumer goods be similarly curtailed during coming months, as seems probable, while non-agricultural pay rolls and farm cash income continue to increase under the impulse of the defense program, the conditions for bringing on inflation mentioned by Mr. Eccles may be in process of development. In other words, we now are facing a decrease in the number of automobiles manufactured while the money available for purchasing automobiles is rapidly increasing. Will this situation cause a substantial increase in the price of passenger cars?

No appreciable change in the rate of industrial activity has taken place in the nation at large during recent weeks, but at 98.4 Barron's index is nearly thirty per cent above that of the corresponding date a year ago. In spite of the rise in business over last year at this time and the sharp increase in pay rolls, prices at retail, according to Fairchild Publications, have risen only about two per cent. Thus, up to the present time, most of the improvement in pay rolls has been translated into capacity to purchase an increased volume of goods and services and has not, as yet, been absorbed in higher prices for the necessities of life. What the future holds is impossible to predict, although many have decided opinions.

## TEXAS BUSINESS

Industry and trade in Texas during March proceeded at about the same rate as the month before, but at a considerably higher level than during the corresponding month last year. The composite business index of 107.6 was nearly seven points above a year ago, but a fraction

### INDEXES OF BUSINESS ACTIVITY IN TEXAS

	March 1941	March 1940	Feb. 1941
Employment .....	95.0	90.8	93.9
Pay Rolls .....	102.9	94.8	100.9
Miscellaneous Freight Carloadings (Southwest District) .....	76.6	64.4	79.7
Runs of Crude Oil to Stills .....	210.0	208.9	210.8
Department Store Sales .....	104.0	112.6	109.8
Consumption of Electric Power.....	146.0	132.8	147.3*
<b>COMPOSITE INDEX .....</b>	<b>107.6</b>	<b>100.9</b>	<b>108.3*</b>

\*Revised.

of a point below February. Of the various components entering into the index, employment and pay rolls alone showed an improvement over both the preceding month and a year ago.

The greatest decline in the components was shown by department store sales, a result of the fact that Easter came in March last year and in April this year. Sales in this type of retail establishment are affected more by the Easter holiday than are retail sales as a whole, as is evidenced by the fact that whereas department store sales declined from March last year, the combined sales of all retail establishments in the State increased by five per cent.

For the year to date, retail sales in Texas were twelve per cent above those of the corresponding period a year ago. If a margin of only ten per cent gain is maintained during the year, total sales at retail during 1941 is expected to exceed \$2,100,000,000. (See outside cover chart). If this estimate proves correct, it will be the greatest dollar volume of retail sales in the history of the State. Unless retail prices should increase later in the year much faster than is now expected, the increase in physical volume of sales at retail this year over 1929 will be materially greater than the increase in dollar sales over that year.

## FARM CASH INCOME

Indications continue to point to the maintenance of a wide margin of gain in farm cash income in Texas over a year ago during the remainder of the year. Although marketings of livestock were considerably below those of March last year, price increases were more than sufficient to offset the decline in volume marketed and the March income from livestock was greater than during March last year. Prices of such livestock products as wool, mohair, milk and eggs also were well above those of

### INDEX OF AGRICULTURAL CASH INCOME IN TEXAS

Districts	March 1941	Feb. 1941	March 1940	Cumulative Income	
				Jan.-March 1941	Jan.-March 1940
				(000 Omitted)	
1-N .....	82.8	76.1	95.2	5,306	5,376
1-S .....	278.2	168.1	208.0	6,283	4,614
2 .....	137.2	152.1	81.4	7,145	4,070
3 .....	111.0	136.6	98.3	3,071	2,584
4 .....	80.3	102.6	67.0	7,353	5,537
5 .....	50.7	78.6	40.0	1,912	1,155
6 .....	258.0	224.7	143.8	5,090	3,306
7 .....	113.0	136.6	129.7	3,588	3,687
8 .....	93.2	116.9	98.4	3,673	3,281
9 .....	145.4	138.0	109.9	5,488	3,865
10 .....	89.8	72.2	136.0	1,207	1,472
10-A .....	126.1	133.8	118.0	7,285	7,629
STATE .....	117.5	125.0	101.7	57,401	46,576

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.

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

a year ago and contributed substantially to the rise in income.

In view of the fact that inventories of cattle, sheep, and goats on Texas farms and ranches on January 1, 1941 were well above those of the corresponding date the year before, and the further consideration that condition of livestock and ranges is now well above normal, a gain in volume of shipments as compared with last year is almost certain to occur during the coming months. With the increased consumer demand resulting from rising pay rolls in the commercial and industrial sections of the North and East, the agricultural outlook in the

predominantly livestock producing districts of the State is quite bright.

Variations in the district indexes of farm cash income reflect the current favorable economic condition of the districts in which the main sources of income are livestock as contrasted with the districts whose main sources of agricultural income are crops. All present indications point toward a still greater relative improvement in the economic conditions of the specialized livestock regions in comparison with those areas devoted mainly to such crops as cotton and wheat.

F. A. BUECHEL

## Texas Economy in an Industrialized World

To attempt to convey in a brief article something of the scope of modern industry and its dependence upon the inherent qualities and characteristics of certain natural resources and the relations of modern industrialization to regional combinations of these resources is, of course, to attempt the almost impossible. In addition, the fundamental significance of modern technology must also be brought properly into the picture. Regional environments, the resource combinations of the region, and the use of an ever advancing technology—these are at once the material bases of modern economic development and the dominant factors in national affairs as well as in international relations, for these are the things upon which wealth-creating operations are based, the things comprising the foundation of the practical affairs of mankind. And, to present in proper perspective the problem of evaluating Texas economy in an industrialized nation, in an industrialized world, is even more difficult. It is rather a point of view that is desirable—an evaluation of the inherent characteristics of regional economics and the problem of proper integration of regional economy into the pattern of a better balanced national picture.

The cultural significance and implications of human adjustments to habitat regions through the evolving during long periods of time of a technology with which to better utilize natural resources must be passed over in this article, as must also the forms of economics and social organization man has used and is still using in his attempts to come to terms with his environment.

In recent months, however, we have been jarred into some realization at least of how important to us are our natural resources and our technology in the preservation of the cultural heritage that is the soul of America.

Of course, it may be held by some that to consider the bases of modern industry or the factors in regional shifts of industries is to deal with "theoretical" things, as against the intensely "practical" problems that exist on every side. It need hardly be pointed out, however, that such an intensely "practical" problem as the marketing of cotton—and a highly important problem it is, too—has been so shifted through the turn of events that in

the course of only a few years it poses practical questions of an almost wholly different kind from those of two decades ago. The fact is that marketing has to operate within an economic structure; when the basic factors of this structure change, the dependent or ancillary operations necessarily have to make adjustments, the abruptness of the adjustment varying with the basic changes. It was some 16 years ago that the late Dr. C. F. Marbut of the United States Department of Agriculture in the course of a lecture on the relationships of soils to cotton growing, observed that "the present price of cotton is one of extreme danger to the American cotton producer." At the same time he forecast the accentuated growth of cotton in certain countries outside the United States. Yet few people then were of a mind to realize just how critical the American cotton problem was to become within the next decade and a half. Now, due to the unfolding of events, few people expect cotton to occupy in the calculable future the high position it once did in Texas and the Southwest. And, who only a few years back, could have foreseen the tremendous commercial importance to Texas of the vast oil industry that has grown up within the confines of the State.

Many may consider the chemist a dreamer, a theoretical scientist; but it was a chemist, for example, who gave the world an effective "practical" means of making aluminum and thereby made possible a wholly new industry and profoundly modified numerous old industries. This particular chemist, just out of college a few months, who made possible the modern aluminum industry, was not only trained by a great teacher who knew metallurgy as well as chemistry, but had his attention directed to a means of producing aluminum by that teacher. Why Texas should be interested in tin or in explosives or in chlorine might have been considered theoretical questions a few years back, but today they have become highly practical problems in Texas industry. This list might be expanded almost indefinitely, but the above examples serve to illustrate some of the dynamic aspects of modern economy.

The most practical of all material problems have to do with wealth-creating operations, which in today's world necessitates an understanding of modern industry.

In commercial regions everywhere agriculture, forestry, mining, even fishing, struggle for their very existence in an industrialized world—in a world of machines, of electricity, and chemistry.

Owing to the fact that Texas is a storehouse of natural resources on such a diverse and magnificent scale, that it can supply economically and in large volume numerous raw materials required by modern industry, and further because some of these resources or operations will become more and more strategic in national welfare, this article seeks to outline something of the scope of problems that are becoming more and more significant and must be considered not only in the interpretation of our national development, but also in evaluating the prospects of Texas economy.

### SOME ECONOMIC FUNDAMENTALS

Recent events indicate that world developments already in view on the horizon will in the near future force into the consciousness of public opinion a widespread realization of the absolute significance of natural resources, not only in regional and national economic development, and therefore to public policy, but also in the fortunes and occupations and the daily lives of peoples everywhere.

World War I amply demonstrated the unqualified importance of natural resources to economic life and national power; and in the two decades following, a few people were keenly aware of the tremendous implications which the world struggle for natural resources and raw materials might have on the fortunes of mankind. Now, the problem of strategic minerals is coming into the foreground of public consciousness. In a radio address of December 27, 1940, on "Strategic Minerals in War and Peace," C. K. Leith emphasized among other things the items embodied in the following extracts:

The answer is, in brief, that modern war is a mechanized war, and all these materials are needed in the process of mechanization, and on a larger scale than ever before. Raw materials are required in intricate combinations. Alloys are playing an ever larger role. The absence of a single constituent, even though used in small quantity, may have far-reaching and disastrous effects on industrial operation. While only a few pounds of manganese go into a ton of steel, there are no satisfactory substitutes, and it is impossible to make this ton of steel by established metallurgical practice without the manganese. Everyone knows that the machinery of modern war requires steel in huge quantities.

The list of strategic minerals is not a fixed one, because, as the scale of preparation for war expands, shortages appear in other minerals. Already shortages are beginning to appear in certain minerals not on our strategic list, and, judging by the experience of the last war, still others will come . . .

Progress in acquiring stockpiles both from foreign and domestic sources is necessarily slow. Funds were made available too late. Trade channels were restricted before we started. But steady progress is being made. Fortunately, industrial inventories of several of the needed minerals are now large enough to tide us over present delays, and there is good reason to hope that, if the emergency eventually cuts this country off from outside supplies, enough reserve will have been accumulated from domestic and foreign sources to enable us to carry on. In the meantime,

special and local shortages will be met by the application of priorities.

So much for the problem of acquiring strategic minerals for our own emergency use. The strategic mineral problem, however, is much broader than this. Every other nation needs strategic minerals, although not the same list as ours. Certain nations have waged the unspectacular war of trade—the war of minerals—just as intensively as they have waged the war of bullets and tanks and planes. They have paid the closest attention to the other fellow's channels of supply. They have denied to their potential enemies certain minerals and mineral products they produce in excess. They have purchased large supplies of materials they do not need, to keep them from their enemies. They have bought to help friends. These are the tactics which must be studied closely in preparing for military conflict or in building up defenses to ward it off.

When military warfare begins, economic warfare of the type I have just described gives way to total embargo and blockade, and this also must be planned for, if a nation is to be completely prepared.

What is done about strategic minerals, both in defense and offense, will be a considerable factor in determining the outcome of a war so largely mechanized as this one. It is a question of how much metal can be brought to bear at the earliest date. Wars cannot be won by *potential* resources; resources must be used and used to the hilt. Germany has brought into action every ounce of available raw material, while its opponents, with overwhelmingly greater potential supplies, have yet to reach the peak of their use. Germany has also greatly improved her raw material position by occupation of Western Europe, but still lacks important minerals. Potentially the balance of raw material power is still with the English and even more so with the English-speaking people, including ourselves.

The key to the problem in its larger aspects is control of the sea. No nation, not even our own, richly supplied as we are, could long fight a mechanized war without access to foreign sources of mineral supplies. Whoever holds control of the sea dominates the strategic mineral situation. The huge scale of the movement of strategic minerals required by modern industry gives an unprecedented significance to the part played by control of the sea in waging modern war.

The roots of the matter go deeper than political repercussions may reflect. Today's economy, whether in peace or war, is an industry economy. It is dominated by the technologic mastery and efficient use of mass production operations. Mass production technology has to have an adequate and dependable supply of varied and diverse raw materials, some in large volume, some in relatively small amounts, but have them it must, if it is to operate effectively, or at all.

Although key raw materials are not confined to the mineral resources of the world, in the past three decades there has arisen a general consciousness of the dominant position minerals occupy in modern industry—a position that is becoming even more significant as events unfold.

There has been the more or less general belief that the United States has nothing to fear in the struggle for natural resources and raw materials that has been going on particularly in the past twenty years. This belief may be welcome in some quarters, and its diffusion may actually be encouraged in others. Only in one way can the matter be set straight: by getting the basic facts concerning natural resources on the one hand and the scale and variety of the absolute requirements of modern industry on the other.

The position of the United States with respect to minerals was aptly summarized by C. K. Leith in his Anniversary Day Address before the Geological Society

of America in December, 1938. Among other things Leith stated:

The United States is the world's largest producer, the largest consumer, and the largest distributor of minerals and their products. The frontiers of our mineral industries, including sources and markets, extend to nearly all parts of the world. It is part of our domain that is ultimately at stake in any struggle for the redistribution of mineral resources. Even the hazard involved in any attempt to maintain neutral shipping rights in this field may be enough to involve us in the struggle.

The self-sufficiency of the United States in raw materials is relative, not absolute. If all our imports were cut off, our industry would indeed return to the 'horse and buggy' days. We could build neither an automobile nor a battleship. Our deficiencies are mainly in the so-called ferro-alloy group of minerals used in the steel industry, including chromite, manganese, nickel, tin, and tungsten. There is also a lack of antimony, mercury, certain varieties of mica and graphite, as well as of other minerals. The ramifications of use of all these minerals are so complex in modern industry that the lack of a single one often has far-reaching consequences. It is not merely a question of relinquishing a small percentage of our world trade or of taking an egg from a basket in which there are many more of the same kind. It is more like taking a wheel from a watch or an automobile. Our standard of living is definitely affected, and we are likely to resist the change, even though recognizing the appeal of a policy of isolation as an alternative to war.

There also are general beliefs, in part based on our glorification of scientific achievements, to the effect that modern science can enable us to get along without certain of the raw materials we lack. To a certain extent, this is so, but the idea cannot be pushed too far without dire consequences. In the first place modern technology with all its wondrous accomplishments always has to have material substances on which to work and with which to produce. Modern technology has wrought wonders in substitutions or the interchangeability of one material for another, but the substituted material has to be available and the costs and relative usefulness of the "substitute" have to be considered. Unquestionably science and technology will go much farther than is today dreamed of in what can be done in modifying and reforming natural materials.

The end result of such developments, seen in the light of economic potentialities, is very likely to increase the desirability of economic and commercial control of certain groups of raw materials. In other words, the raw material problem is not being settled by modern technology; instead, it is becoming more complicated, and as an economic factor, it is due to reach even greater heights of importance.

As far as its strategic raw materials problem goes, in the light of demands of modern industry, the United States is well off only to the degree that the sea lanes of the world are open and that certain raw materials are free to enter these sea lanes. The raw materials problem is too serious to be brushed aside or otherwise excluded through the influence of "theorists" or special pleaders or propagandists; it is too fraught with difficulties for the future to be smothered by routine consideration of "more important things!"

To sum up: modern economy, in so far as wealth-creating activities are concerned, is dominated by in-

dustry economy, and industry economy is primarily a function of certain groups of natural resources on the one hand and the effective use of mass production technique on the other. Admittedly, other factors are concerned, but such factors must be seen in the larger perspective of mass production technology in relation to the entire field of natural resources.

Even to outline in large perspective the economics of modern industry would require a series of articles or monographs; the abbreviated discussion just presented seeks only to point out the essentialness of natural resources and modern technology in today's industry, and therefore in today's economy.

In the weeks and months of the near future we shall hear even more than in the recent past of strategic and critical raw materials and of epoch-making consequences of new technical developments—in fact, the two things will likely be shown as mutually related and all-important in the consideration given them.

Since World War I the world has been more and more concerned with these very problems, but not always with any widespread consciousness of just how absolutely essential they are. Because insufficient attention has been given to the underlying features of the raw materials problem and the economic consequences of modern technology, together with the economic, political, and social implications concerned, the larger perspective of the enormous potentialities of modern production is not as clear as it should be, nor has this perspective become crystallized in the public consciousness of economic affairs.

This, it must be emphasized, is the middle period of the 20th century—in no manner is it the 19th century. However hazy the outlook, however difficult the future appears, it is to the latter half of the 20th century that longer-time attention must be directed, if we are to evaluate properly many of the revolutionary changes that are even now upsetting in nightmarish fashion our world of today, or the world of only yesterday. Certainly, new perspectives will have to evolve and substantial means of coping with even more complex problems will have to be found—unless Occidental civilization is to commit suicide or be pushed back into the Dark Ages.

#### REGIONAL ENVIRONMENT AND ASSOCIATED NATURAL RESOURCES

The deeper significance of the inherent characteristics of the regional environment in the history of culture and of civilization—that is, in the growth of institutional factors and patterns—merits considerably more attention than thus far has been given it. Today, however, the larger significance of regional environment and associated natural resources has become so self-evident as to command attention in any survey of world or national affairs. The difficulty becomes that of knowing the region in its inherent properties and relationships—for these factors are so vastly important that no longer can they be taken merely for granted. Determination of the characteristics of a region is a scientific undertaking;

appraisal of the region's economic potentialities cannot be made without a thorough scientific knowledge of the characteristics of the region. More important still are the inter-relations and interdependence of regions, functionally bound together in a balanced economic integration. It is from such an angle that the economic potentialities of the United States must necessarily be analyzed, synthesized, and interpreted.

Two illustrations of problems of immediate concern may be noted. The environment and natural resources of the Texas Region in relation to a better balanced integration of the national economy becomes the all-important larger feature to be considered in evaluating the prospects of this region in the near future.

The same principles, though varying with the special situation concerned, apply to other sections of the world that continue to occupy a larger and larger place in the public eye—Latin America, for instance. That is, the physical environment and the pattern of natural resources in reference to the requirements of modern industry in this Machine Age, determine to a considerable degree the position the countries or groups of countries will occupy in the world of tomorrow.

To sum up: The pattern of natural resources combinations in their setting in the physical environment constitutes the basic features in regional or national economic development; the requirements of modern industry as reflected in the industrial production of the world's major industrial regions set the pattern of demand for raw materials which are obtainable only through natural resources.

To obtain these raw materials and to use them effectively requires the application of the most modern means of scientific technology—itsself a dominant institutional factor in today's world.

In evaluating the long-time strength of any national economy, however, it is necessary to consider the number and the nature of the diverse regions which together make up the national economy concerned. This is a factor, and fundamentally a dominant one, that has, indeed, received but little of the amount and kind of attention which it necessarily will require in the future. For in this set of conditions lie the bases of national strength and economic power.

Studies of the economics of major regions and of the integration of regional economies into the economic structure of nations will supply new concepts concerning the strength and deficiencies of national power; and such studies properly done will afford new methods not only of economic analysis but also of interpreting the basic features of economic development. Twentieth century economics must be concerned with economic factors and forces of the twentieth century.

#### INDUSTRY ECONOMICS

A perspective of economic development since the inception of the Industrial Revolution some 200 years ago demonstrates unmistakably the dominant position of

large utilization of mineral resources, aided by an ever-developing technology, in national development and in world affairs. Events in the past two years, for instance, should make the absolute importance of these two things—large utilization of mineral resources and the application of the most advanced technology—perfectly plain to everyone.

There seem to be misunderstandings or misconceptions, however, of the potentialities rendered possible by the application of available technology to the use of resources.

In the first place, the world has so long been dominated by concepts of economic scarcity that it is difficult to get rid of such beliefs—beliefs that are often reflected in defeatism in practical affairs or in philosophical pessimism. One aspect of this situation is considered in an impressionistic manner by J. Russell Smith in a recent book, *The Devil of the Machine Age*. Among other things Smith writes:

For ages, we worked to overcome scarcity, but now, forced by a new technology, we strive to plan scarcity . . . Abundance with its glutted market has become the devil of the machine age; relative scarcity its god.

Although Dr. Smith unhappily confuses two very different aspects of modern economy, his concluding statement sets the matter in clear perspective.<sup>1</sup>

Secondly, the inherent features of utilization and the characteristics of natural resources have been pretty well relegated to the background—i.e., they are taken for granted, or as given; instead, the economics of natural resources must be given not only positive consideration, but they must be recognized as the very basis of economic development. Then, too, there is a similar lack of appreciation of the larger significance of the economics of technology and of technical development as it relates to industrial development and superiority.

The overcoming of these difficulties is not an easy task; if it were, there would be little point in singling them out, but these obstacles must be overcome if we are to realize the tremendous potentialities rendered possible

<sup>1</sup>The wider import of this problem is indicated by a recent review of Dr. Smith's book by Mr. Keith Hutchison, in which he stated: "At the present time, the nation is trying to raise production to new heights under the stress of the war emergency, and, in certain directions, we find ourselves struggling once again with the problem of scarcity. But the question of how to turn potential abundance into a blessing instead of a curse will demand an answer even more insistently when the war ends. We shall have to find a way of organizing abundance so that all may work and the fruits of their labor be fully distributed.

"Have the business men of this country got a solution for this problem? Professor Smith is skeptical, but he insists that 'in the long run the resources of the country will be made to support its people,' and that if this cannot be achieved within the framework of private enterprise, it will be done by the government's taking over a substantial part of industry. Professor Smith is no admirer of state socialism, and business men, therefore, may pay attention to what he says even though he makes mincemeat of some of their most cherished prejudices. He writes with admirable common sense and he brings to the subject of economics the geographer's constant awareness of physical realities—an awareness which seems lacking in all too many economists."

by the application of an advancing technology to an ever widening base of the world's natural resources.

The late Dr. C. F. Marbut once observed: "We do not yet realize the tremendous potentialities of our agricultural resources in the United States." Numerous European observers have arrived at similar conclusions regarding our large and varied mineral resources. Dr. Marbut was perhaps the first student to point out that the agricultural potentialities of the United States are a function not just of rich agricultural resources, per se, but of the numerous regional combinations of different agricultural resources in the American physical environment, as expressed in the inherent characteristics of the Corn Belt, the Cotton Belt, the Wheat Belt, the Range regions, and the Dairy region. A similar point of view must be developed with reference to the inherent characteristics of major American regions in respect to their capacity to supply effectively the bases of modern industry—as regards regional combinations of such resources as fuel and energy sources—coal, oil, natural gas, water power; the materials of machinery, the various metals, ferrous and non-ferrous, and the highly important group of light metals; of the greatly varied chemical raw materials, the wide range of non-metallics, the hydrocarbon resources, and of forest and cellulosic products—for pulp, paper, pressed wood, plastics, etc.; of the very important group of vegetable oils, and so on.

Most of these materials, it may be emphasized, are strategic for more than one nation today—which is but another way of expressing their basic importance to modern industry. Increasing national concern over natural resources and raw materials reflects a growing realism in economic affairs.

#### ENERGY RESOURCES

The Machine Age has wrought a sharp differentiation in the relative importance of natural resources and differentiations just as sharp occur in the economics of natural resources utilization.

As the late Arthur D. Little aptly summed it up: "The rate of our economic progress is primarily a function of the abundance and cost of energy. The preparation and use of fuels and the generation and distribution of energy are basic industrial activities, which, in one way or another, vitally concern us all."

Foremost in importance in national development and in regional economy are the energy resources, for power has been the key factor in economy since the advent of the Industrial Revolution. The Mechanical Revolution which reigned supreme to about the turn of the century was oriented by the steam engine and the accessible coal fields of West-central Europe and East-central North America. One consequence was a high degree of concentration of industry and of urban population; the industrial map was a function of the short distance the power generated by the steam engine could be effectively transmitted.

With the rise of modern electricity and the increasing importance of chemistry, power became more and more

mobile, with the result that a substantial movement toward geographic dispersion of industry in the industrial regions came to be an established fact. This movement was greatly accentuated and more widely dispersed by the large use of new sources of fuel and energy materials—of oil and natural gas and hydroelectric power. The extension of this movement continues as one of the foremost in the public eye today, for it makes possible large industrial development in regions where coal cannot economically be obtained. This is a movement that by no means is confined to the United States; it is a movement that covers much of the world today, making possible, in some cases, the use of a vast labor supply as in portions of the Orient (which has already greatly modified the world's textile manufacturing operations) or of varied natural resources in other sections of the world. Unquestionably this movement toward geographic dispersion of industry has been made possible by technologic developments and at the same time it has wrought revolutionary changes in the functional aspects and economic problems of the world's natural resources. For the increasing mobility and versatility in the use of energy resources has been paralleled by a like mobility in the production and use of machine-material resources, as well as by a greatly extended vision and a newer realization of the importance of the "new world of chemistry" and of chemical industries in increasing the availability and versatility of materials. Industrial mobility has been achieved to a considerable extent; the next problem in this sequence of economic development concerns the degree of mobility that can be attained by major regions, of the United States, for instance, through the more balanced integration of regional economies.

#### THE SOUTHWEST AND REGIONAL SHIFTS OF INDUSTRY

The breadth in scope of the Southwest and its geographic setting in the North American continent is such that it is a strategic region, not so much with reference to Latin America directly as to matters of much larger import.

Anglo-American occupation of Texas and the rest of the Southwest was a part of the Westward Movement—a gigantic colonization which proceeded in a series of great wave-like advances on a vast zone-wise pattern. Prior to World War I a vast agricultural empire had been built in the Southwest, with Texas production of farm and range raw materials as its center. Agricultural expansion continued apace during the War and in the immediate post-War years particularly in the Western Plains.

As the Westward Movement was the dominant factor in the economic development of the United States during the 19th century, industrialization is the dominant factor of the 20th century. Agriculture itself has been brought under the aegis of industrialization, with all the attendant features so obvious on every hand. The Westward Movement had to do with the settling of a new continent and necessarily it served to direct national



policies toward the solution of certain internal problems and away from immediate concern in world affairs. The Westward Movement, a conquest of new regional environments and their associated natural resources, was a function of increasing mobility of commodities, made possible particularly by the rise of new methods of transportation, which in turn were supplied by the new industry that was growing up on or near the coal fields of West-central Europe and Northeastern United States. The new industry of the 19th century seemed to supply insatiable markets for the bulky agricultural commodities these new environments were so capable of producing. The demand for these commodities has grown through the present century, but due to several factors the means of agricultural production has grown so much faster that the surplus of agricultural products brought about an agrarian crisis in the 1920's, a condition which was accentuated in part by the increasing use of synthetics so amply provided by the expanding chemical industry.

Industrialization is based primarily on the large use of mineral resources; industrialization of the 20th century is a function of an ever-increasing mobility of energy, of the use of new sources of energy, and of a new phase of mobility and interchangeability of commodities made possible and effective particularly through the revolutionary advances in modern chemistry. Industrialization from every point of view is a world-wide movement and any industrial country today is inevitably drawn into the vortex of world affairs. Orientation of any industrial nation today is a world orientation. No nation or country can live unto itself. For raw materials exporting countries are likewise drawn into world affairs, but in a manner quite different from that of the industrial nations.

We have hardly had time to appraise what modern science has already done to the resources map of the world; present events will force a far more thorough consideration of the functional aspects of resources required by modern industry. As to further technologic advances, we may be sure that research in the future will open vistas undreamed of in the world of today. Furthermore, to stand in the vanguard of scientific advances will become established as integral sectors of national policy.

The industrial map of the 20th century is characterized by vast shifts of industry into new regions, and that in spite of the inertia of capital already established in older regions. These regional shifts are particularly prominent in the rise of important industries in the Southeast and the Southwest.

Owing in part to the breadth of scope of the Southwest and the diversity of natural resources included, it is difficult to secure an all-round perspective of what this region has and of how it can fit more effectively into the expanding national economy. It is even more difficult, of course, to get a picture of the potentialities of this region. Two things, however, are evident. The extensive shifts of American industry southward and southwestward reflect attempts to tap new resource reser-

voirs, and the shifts would hardly be in operation were these readjustments not profitable ones.

Numerous reasons account for the general lack of discriminative and positive appreciation of what the characteristics of natural resources—their location, combinations, volume, diversity, and so on—mean in modern life, of what they mean to the economic future of Texas. Even the tremendous potentialities of the resources most in the public eye in Texas, our great energy resources—oil and natural gas—are still generally taken merely for granted. Important though they are recognized to be, because they are energy and chemical resources, *par excellence*, their potential importance to Texas and to the nation transcends even their larger aspects that now certainly are appearing on the horizon.

Texas, for instance, has often been designated as an oil empire, and it is all of that; but Texas also is a reservoir in which Nature has placed a wide variety of natural resources in vast amounts—of resources required in large volume by modern industry. Chief of these, other than the wide extents of rich soils and diverse natural vegetation are minerals basic to the chemical industry.

One chemical writer pointed out a few years ago that "salt, lime, sulfur, coal-tar, and cellulose are the great industrial chemical raw materials." The statement applies equally well today except that hydrocarbon materials from oil or natural gas are now being used successfully in chemical operations which formerly were limited to products from coal. According to a recent statement a leading United States chemical company now produces more than 150 chemicals through synthesis from petroleum gas. Another, a subsidiary of a major oil company, not only makes alcohols, chlorides, and ketones from refinery gas, but also makes ammonia using a process starting with the cracking of natural gas. Actualities in the manufacture of toluol from refinery gas and the perhaps even greater potentialities of synthetic rubber from the same source have become generally known.

These materials, the oil and natural gas, the non-metallics, and the forest resources, are the bases of the more fundamental aspects of recent industrial development in Texas, and they provide in no uncertain terms the potentialities for a vastly expanded industrial development in the near future.

In an article on "Texas in Perspective" in *The South's Resources*, September, 1940, the matter is summed up as follows:

The status of economic activities in Texas and their potentialities are a function of the vast and diversified natural endowment of the State in combination with its geographic location and orientation. The diversity of its rich agricultural resources, its rapidly growing forests and its extensive grasslands, the diversity and the large reserves of its mineral resources, the key position occupied by its oil and natural gas reserves, and its great wealth in non-metallics present in a substantial manner the necessary bases on which the pattern of an economic empire of no small dimensions is being built in Texas.

ELMER H. JOHNSON.

## Cotton Situation

The world cotton situation is of immediate concern to Texas because the farmers are in the midst of the planting season, and choices of crops must be made now for this year, but even present choices should be made with the long-time outlook in view. Carryover of cotton in the United States August 1 this year will approximate, if not surpass, the all-time high of 13,033,000 bales carried over August 1, 1939.

During the current year, it is fairly certain that the price of cotton will be determined by either a Federal loan or a guaranteed price. All indications are that the Government loan price will be above the Government loan price of this year which is 9.40 cents gross at Houston and Galveston for Middling 15/16 inch.

The outlook for the years ahead are much more uncertain, but again largely dependent on Government policy. At the present time, American cotton is overvalued in the United States about three cents per pound, compared with prices of foreign growths of cotton in foreign markets. So far, production of cotton in foreign countries has been stimulated rather than curtailed; whereas, consumption in the major European consuming countries has been greatly curtailed, and the prospect is for still greater reductions if the war continues. In other words, the prosperity of the cotton industry in Texas in the years immediately ahead will be dependent largely on Federal money and subsidy policies.

A. B. Cox.

### COTTON BALANCE SHEET FOR THE UNITED STATES AS OF APRIL 1

(In Thousands of Running Bales Except as Noted)

	Carryover Aug. 1	Imports to Apr. 1*	Government Estimate as of April 1	Total	Consumption to April 1	Exports to April 1	Total	Balance April 1
1931-1932	6,369	66	16,629	23,064	3,566	6,852	10,418	12,646
1932-1933	9,682	88	12,710	22,480	3,749	6,085	9,834	12,646
1933-1934	8,176	100	12,664	20,940	3,945	6,098	10,043	10,897
1934-1935	7,746	74	9,472	17,292	3,034	3,573	6,607	10,685
1935-1936	7,138	90	10,420	17,648	4,081	4,814	8,895	8,753
1936-1937	5,397	139	12,130	17,666	5,298	4,389	9,687	7,979
1937-1938	4,498	80	18,242	22,820	4,017	4,657	8,674	14,146
1938-1939	11,533	95	11,621	23,249	4,609	2,786	7,395	15,854
1939-1940	13,033	112	11,477	24,622	5,331	5,350	10,681	13,941
1940-1941	10,596	100	12,287	22,983	6,075	811	6,886	16,097

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

### PETROLEUM

#### Daily Average Production

(In Barrels)

	March, 1941	March, 1940	Feb., 1941
Coastal Texas*	255,800	252,850	254,350
East Central Texas	76,150	89,050	72,550
East Texas	392,100	397,200	374,950
North Texas	101,650	106,100	100,950
Panhandle	74,000	81,000	71,300
Southwest Texas	209,500	262,000	203,450
West Central Texas	30,450	33,550	30,200
West Texas	239,750	273,050	236,050
STATE	1,379,400	1,494,800	1,343,800
UNITED STATES	3,680,850	3,857,850	3,629,400
Imports	308,964	207,857	258,107

\*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: February, 1941, 107,671,000 gallons; February, 1940, 98,466,000 gallons; January, 1941, 120,010,000 gallons.



EMPLOYMENT AND PAY ROLLS IN TEXAS

March, 1941

	Estimated Number of Workers Employed*		Percentage Change from		Estimated Amount of Weekly Pay Roll		Percentage Change from	
	February 1941 <sup>(1)</sup>	March 1941 <sup>(2)</sup>	February 1941	March 1940	February 1941 <sup>(3)</sup>	March 1941 <sup>(3)</sup>	February 1941	March 1940
<b>MANUFACTURING</b>								
<b>All Manufacturing Industries</b>	138,197	140,185	+ 1.4	+ 6.4	\$2,682,005	\$2,723,950	+ 1.6	+ 7.0
<i>Food Products</i>								
Baking	6,293	6,319	+ 0.4	+ 4.6	140,131	137,425	- 1.9	+ 4.3
Carbonated Beverages	2,675	2,758	+ 3.1	+ 2.8	63,426	65,022	+ 2.5	+ 10.1
Confectionery	796	831	+ 4.5	+ 3.7	8,116	8,431	+ 3.8	- 2.3
Flour Milling	1,843	1,825	- 1.0	+ 10.3	33,002	31,998	- 3.0	+ 7.8
Ice Cream	795	848	+ 6.7	+ 0.2	15,038	16,846	+ 5.0	+ 5.3
Meat Packing	4,431	4,709	+ 6.3	+ 17.4	90,977	98,049	+ 7.8	+ 14.6
<i>Textiles</i>								
Cotton Textile Mills	7,062	7,118	+ 0.8	+ 8.7	90,209	92,107	+ 2.1	+ 19.1
Men's Work Clothing	3,383	3,729	+ 10.2	+ 4.8	36,308	43,071	+ 18.6	+ 31.1
<i>Forest Products</i>								
Furniture	1,899	2,239	+ 17.9	+ 25.5	29,686	41,477	+ 39.7	+ 56.2
Planing Mills	2,341	2,294	- 2.0	+ 15.1	51,127	45,655	- 10.7	+ 43.0
Saw Mills	16,207	16,108	- 0.6	+ 6.6	204,178	203,643	- 0.2	+ 11.4
Paper Boxes	588	599	+ 1.9	+ 16.3	9,473	9,454	- 0.2	+ 18.7
<i>Printing and Publishing</i>								
Commercial Printing	2,280	2,261	- 0.8	- 6.1	50,635	50,969	+ 0.6	± <sup>(4)</sup>
Newspaper Publishing	4,847	4,858	+ 0.2	+ 1.7	121,230	123,956	+ 2.2	+ 5.2
<i>Chemical Products</i>								
Cotton Oil Mills	3,427	3,239	- 5.5	+ 48.5	29,804	30,071	+ 1.0	+ 42.0
Petroleum Refining	20,017	20,056	+ 0.2	- 0.1	641,232	647,529	+ 1.0	- 1.1
<i>Stone and Clay Products</i>								
Brick and Tile	2,082	2,222	+ 6.7	+ 23.9	25,618	26,349	+ 2.9	+ 23.9
Cement	923	917	- 0.6	- 2.5	26,409	26,936	+ 2.0	+ 8.8
<i>Iron and Steel Products</i>								
Foundries and Machine Shops	11,319	11,648	+ 2.9	+ 2.0	322,974	328,156	+ 1.6	+ 3.3
Structural and Ornamental Iron	2,399	2,361	- 1.6	+ 28.2	48,128	45,098	- 6.3	+ 38.5
<b>NONMANUFACTURING</b>								
Crude Petroleum Production	29,338	28,906	- 1.5	- 5.5	966,047	945,151	- 2.2	- 1.7
Quarrying	<sup>(4)</sup>	<sup>(4)</sup>	± <sup>(5)</sup>	+ 3.8	<sup>(4)</sup>	<sup>(4)</sup>	- 1.9	+ 12.0
Public Utilities	<sup>(4)</sup>	<sup>(4)</sup>	+ 0.3	+ 3.9	<sup>(4)</sup>	<sup>(4)</sup>	+ 4.8	+ 13.4
Retail Trade	177,538	181,044	+ 2.0	+ 4.8	3,272,467	3,348,061	+ 2.3	+ 5.9
Wholesale Trade	59,864	60,172	+ 0.5	+ 1.1	1,809,160	1,844,016	+ 1.9	+ 9.3
Dyeing and Cleaning	2,228	2,279	+ 2.3	- 2.1	30,876	31,258	+ 1.2	- 3.2
Hotels	15,582	15,704	+ 0.8	+ 2.9	192,308	190,971	- 0.7	+ 13.3
Power Laundries	10,574	10,756	+ 1.7	+ 14.2	132,224	133,026	+ 0.6	+ 17.1

CHANGES IN EMPLOYMENT AND PAY ROLLS IN SELECTED CITIES<sup>(6)</sup>

	Employment		Pay Rolls		Employment		Pay Rolls	
	Percentage Change		Percentage Change		Percentage Change		Percentage Change	
	Feb., 1941	March, 1940	Feb., 1941	March, 1940	Feb., 1941	March, 1940	Feb., 1941	March, 1940
Abilene	+ 4.6	- 5.6	+ 3.4	+ 6.3	+ 4.5	- 15.2	+ 5.9	- 3.2
Amarillo	+ 2.3	+ 14.2	+ 0.8	+ 16.9	+ 1.7	- 1.3	+ 3.7	+ 5.8
Austin	- 1.6	+ 7.4	- 0.5	+ 4.5	- 0.5	- 4.2	+ 0.1	- 1.1
Beaumont	- 0.1	+ 7.0	+ 1.0	+ 8.0	+ 1.9	+ 5.8	+ 3.4	+ 7.3
Dallas	+ 1.2	+ 15.4	+ 1.6	+ 20.9	+ 1.6	+ 6.3	+ 4.1	+ 21.7
El Paso	+ 0.6	+ 16.5	- 1.0	+ 20.2	+ 3.1	- 1.1	+ 0.6	+ 10.8
Fort Worth	+ 6.2	+ 7.8	+ 7.4	+ 10.3	+ 14.1	+ 14.1	+ 11.8	+ 16.0
Galveston	+ 4.5	- 15.2	+ 5.9	- 3.2	+ 1.2	+ 4.5	+ 2.0	+ 8.6
Houston	+ 1.7	- 1.3	+ 3.7	+ 5.8				
Port Arthur	- 0.5	- 4.2	+ 0.1	- 1.1				
San Antonio	+ 1.9	+ 5.8	+ 3.4	+ 7.3				
Sherman	+ 1.6	+ 6.3	+ 4.1	+ 21.7				
Waco	+ 3.1	- 1.1	+ 0.6	+ 10.8				
Wichita Falls	+ 14.1	+ 14.1	+ 11.8	+ 16.0				
STATE	+ 1.2	+ 4.5	+ 2.0	+ 8.6				

ESTIMATED NUMBER OF EMPLOYEES IN NONAGRICULTURAL BUSINESS AND GOVERNMENT ESTABLISHMENTS<sup>(7)</sup>

	1940 <sup>(1)</sup>	1941	1940 <sup>(1)</sup>
January	944,000	1,052,000	983,000
February	943,000	1,092,000 <sup>(2)</sup>	988,000
March	965,000	1,096,000 <sup>(2)</sup>	1,009,000
April	963,000		1,022,000
May	983,000		1,043,000
June	982,000		1,084,000
July			
August			
September			
October			
November			
December			

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

<sup>(1)</sup> Revised.

<sup>(2)</sup> Subject to revision.

<sup>(3)</sup> No change.

<sup>(4)</sup> Not available.

<sup>(5)</sup> Based on unweighted figures.

<sup>(6)</sup> 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 United States Bureau of Labor Statistics.

BUILDING PERMITS

	March, 1941	March, 1940	Feb., 1941	First Quarter 1941	First Quarter 1940
Abilene	119,117	44,387	55,753	249,730	135,482
Amarillo	175,697	263,305	197,525	547,182	533,843
Austin	441,444	1,107,825	769,188	1,602,790	2,341,322
Beaumont	151,556	120,522	88,453	547,319	327,710
Big Spring	17,670	45,092	7,245	37,545	88,012
Brownsville	13,526†	18,823†	20,891	48,497	51,775
Brownwood	76,075*				
Bryan	25,140*		30,535*	74,585*	
Coleman	41,800*		7,200*	69,240	133,895
Corpus Christi	925,880	574,762	1,455,958	3,584,302	3,292,514
Corsicana	10,650	18,543	8,475	50,675	43,000
Dallas	1,068,405	1,083,791	971,557	3,088,653	3,086,151
Del Rio	12,383	2,705	1,702	15,675	15,030
Denton	48,805	23,675	11,750	78,930	42,485
El Paso	208,395	212,561	285,782	717,209	522,000
Fort Worth	570,839	483,076	350,659	1,422,380	1,261,091
Galveston	591,997‡	222,882	96,795	799,822	711,552
Gladewater	1,700	2,685	3,800	5,500	8,709
Graham	4,904	4,655	1,924	22,930	16,835
Harlingen	13,215	60,175	27,100	54,115	109,700
Houston	2,854,000	1,865,680	1,116,640	5,974,715	6,853,855
Jacksonville	7,000	29,500	10,400	28,800	54,750
Kenedy	2,700†	1,700	2,850	5,850	4,200
Kilgore	19,800	32,450	13,200	63,700	80,710
Longview	18,275	16,050	11,800	34,025	37,230
Lubbock	225,071	264,409	380,263	817,305	1,172,508
Lufkin	86,166	41,582	23,513	133,945	100,827
McAllen	7,790	41,700	25,016	40,810	135,442
Midland	22,375*		50,715*	90,915*	
Pampa	27,505	326,425	16,500	75,755	370,700
Paris	6,710*		16,050*	30,235*	
Plainview	26,050	20,246	3,475	33,325	27,811
Port Arthur	74,823	143,084	106,428	265,667	295,877
San Angelo	69,490	44,410	56,057	191,547	126,910
San Antonio	476,384‡	716,280	379,362	1,938,832	1,585,733
Sherman	35,226	31,321	28,751	72,250	70,550
Sweetwater	20,145	11,015	18,140	49,270	29,205
Tyler	90,640	120,464	43,528	180,233	204,269
Waco	239,278	126,124	151,566	555,929	360,480
Wichita Falls	203,468	112,764	81,120	342,713	244,381
<b>TOTAL</b>	<b>8,859,994</b>	<b>8,234,668</b>	<b>6,823,166</b>	<b>23,747,165</b>	<b>24,476,544</b>

\*Not included in total.

†Does not include public works.

‡Includes \$100,000 Bank at Fort Sam Houston.

§Includes building at Fort Crockett of \$337,000 value.

||Not Available.

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

MARCH, 1941, CARLOAD MOVEMENT OF POULTRY AND EGGS

TEXAS COMMERCIAL FAILURES

Destination*	Shipments from Texas Stations								Cars of Eggs†	
	Live				Dressed					
	Chickens		Turkeys		Chickens		Turkeys			
Mar. 1941	Mar. 1940	Mar. 1941	Mar. 1940	Mar. 1941	Mar. 1940	Mar. 1941	Mar. 1940	Mar. 1941	Mar. 1940	
<b>TOTAL</b>	2	6	—	—	40	58	6	8	212	132
Intrastate	0	0	—	—	0	0	0	0	41	19
Interstate	2	6	—	—	40	58	6	8	171	113

Origin	Receipts at Texas Stations	
	Mar. 1941	Mar. 1940
<b>TOTAL</b>	33	30
Intrastate	—	—
Interstate	0	2

	March 1941	March 1940	February 1941*	First Quarter 1941	First Quarter 1940
Number	24	19	31	92	63
Liabilities†	\$771	\$202	\$382	\$1525	\$645
Assets†	650	71	222	1058	314
Average Liabilities per Failure†	32	11	12	55	31

\*Revised.

†In thousands.

Note: From Dun and Bradstreet, Inc.

LUMBER

(In Board Feet)

	March, 1941	March, 1940	Feb., 1941
<b>Southern Pine Mills:</b>			
Average Weekly Production per unit	329,689	307,340	319,633
Average Weekly Shipments per unit	294,667	300,146	336,450
Average Unfilled Orders per unit, end of month	1,091,433	664,499	1,031,150

Note: From Southern Pine Association.

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

†Powdered eggs and canned frozen eggs are converted to a shell egg equivalent on the following basis: 1 rail carload of powdered eggs equals 3 carloads of shell eggs, and 1 carload of frozen eggs equals 2 carloads of shell eggs.

‡Revised.

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.

POSTAL RECEIPTS

	March 1941	March 1940	Feb. 1941	First Quarter 1941	1940
Abilene	26,353	17,056	19,138	67,103	52,588
Amarillo	34,503	31,750	29,672	98,687	109,976
Austin	75,316	65,602	68,476	216,690	196,579
Beaumont	27,474	27,143	26,441	83,344	80,041
Big Spring	6,227	6,391	5,885	18,851	17,977
Brownsville	7,121	6,550	6,431	20,499	18,891
Brownwood	15,017*	5,948*	†	†	†
Bryan	5,471	5,023	4,777	15,463*	†
Childress	2,602	2,590	2,223	7,895	7,866
Coleman	2,669	2,240	2,685	7,492	6,592
Corpus Christi	32,708	26,698	28,675	98,026	80,875
Corsicana	5,437	5,322	5,840	17,259	16,458
Dallas	396,608	375,895	384,636	1,189,595	1,117,859
Del Rio	7,047	3,546	6,838	19,647	13,317
Denison	6,187	5,936	5,897	18,635	17,540
Denton	7,650	7,374	7,969	24,590	21,455
El Paso	60,712	40,956	54,461	176,385	128,012
Fort Worth	160,289	148,317	152,728	467,835	434,292
Galveston	33,663	31,860	31,395	97,412	93,528
Gladewater	3,143	2,755	2,532	†	8,789*
Graham	2,152	2,097	2,108	6,915	6,890
Harlingen	6,954	6,140	6,456	20,465	18,987
Houston	271,385	268,330	256,874	799,925	775,982
Jacksonville	3,040	3,060	3,061	9,788	9,641
Kenedy	1,222	1,104	1,178	4,147	3,837
Kilgore	5,753	5,752	5,559	18,340	18,012
Longview	10,029	9,202	8,644	29,037	27,808
Lubbock	19,726	17,995	19,463	60,866	56,098
Lufkin	4,266	4,755	4,474	13,984	14,566
McAllen	4,793	5,032	4,963	16,194	15,750
Pampa	6,799	6,882	6,089	19,674	21,371
Paris	7,472*	†	6,552*	20,730*	†
Plainview	3,910	3,888	4,032	12,183	12,588
Port Arthur	13,699	13,720	12,829	41,131	40,173
San Angelo	13,541	12,037	12,150	39,003	35,577
San Antonio	145,482	131,746	135,080	426,250	382,717
Sherman	7,553	7,345	7,311	22,950	22,396
Sweetwater	4,514	4,987	4,387	14,459	14,849
Temple	7,011	6,911	6,796	†	20,644*
Tyler	16,405	15,686	14,414	48,103	47,154
Waco	35,576	32,301	31,609	105,166	95,321
Wichita Falls	26,556	24,011	22,229	75,156	69,053
TOTAL	1,511,546	1,395,985	1,416,405	4,413,679	4,102,616

\*Not included in total.

†Not available.

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

MARCH 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	2,201	2,928	736	768	1,006	884	355	490	4,298	5,070
Total Intrastate Omitting Fort Worth	162	348	54	108	20	23	37	15	273	494
TOTAL SHIPMENTS	2,363	3,276	790	876	1,026	907	392	505	4,571	5,564

TEXAS CAR-LOT\* SHIPMENTS OF LIVE STOCK, JAN. 1—APRIL 1

	Cattle		Calves		Hogs		Sheep		Total	
	1941	1940	1941	1940	1941	1940	1941	1940	1941	1940
Total Interstate Plus Fort Worth	6,929	7,731	2,357	2,243	2,789	2,146	937	1,300	13,012	13,420
Total Intrastate Omitting Fort Worth	575	990	335	304	55	69	51	55	1,016	1,418
TOTAL SHIPMENTS	7,504	8,721	2,692	2,547	2,844	2,215	988	1,355	14,028	14,838

\*Rail-car Basis: Cattle, 30 head per car; calves, 60; hogs, 30; 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.

Notes: 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.

MARCH RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Number of Firms Reporting	Percentage Change in Dollar Sales		
		Mar. 1941 from Mar. 1940	Mar. 1941 from Feb. 1941	Year-to-date 1941 from Year-to-date 1940
TOTAL TEXAS	1,028	+ 5	+ 17	+ 12
TEXAS STORES GROUPED BY PRODUCING AREAS:				
District 1-N	48	- 9	+ 22	+ 7
Amarillo	7	- 7	+ 38	+ 5
Canyon	7	- 25	+ 33	- 10
Pampa	6	- 11	+ 9	- 1
Plainview	8	- 21	+ 7	+ 1
All Others	20	+ 1	+ 28	+ 29
District 1-S	20	+ 1	+ 26	- 6
District 2	80	- 2	+ 20	+ 3
Abilene	13	+ 20	+ 27	+ 32
Wichita Falls	14	- 9	+ 11	- 2
All Others	53	- 10	+ 20	- 7
District 3	38	+ 20	+ 8	+ 34
District 4	233	- 5	+ 16	+ 9
Cleburne	8	- 9	+ 19	+ 1
Corsicana	7	- 14	+ 19	+ 4
Dallas	44	- 5	+ 11	+ 7
Denison	7	+ 2	+ 31	+ 12
Fort Worth	37	- 1	+ 21	+ 11
Temple	7	- 7	+ 12	+ 2
Waco	27	- 3	+ 25	+ 5
All Others	96	+ 9	+ 15	+ 22
District 5	115	+ 3	+ 21	+ 12
Marshall	7	- 1	+ 15	+ 3
Palestine	6	- 9	+ 16	- 6
Texarkana	6	+ 33	+ 17	+ 20
Tyler	14	- 11	+ 12	+ 11
All Others	82	+ 4	+ 24	+ 13
District 6	33	+ 46	+ 19	+ 40
El Paso	20	+ 47	+ 19	+ 43
All Others	13	+ 11	+ 17	+ 2
District 7	56	+ 1	+ 18	+ 9
Brady	6	- 9	+ 23	- 3
Fredericksburg	9	+ 16	+ 25	+ 21
San Angelo	11	- 1	+ 20	+ 12
All Others	30	+ 2	+ 13	+ 5
District 8	193	+ 9	+ 19	+ 15
Austin	20	+ 1	+ 24	+ 16
Beeville	6	+ 15	- 7	+ 15
Corpus Christi	9	- 2	+ 9	+ 7
Lockhart	7	+ 28	+ 14	+ 24
San Antonio	55	+ 14	+ 21	+ 18
San Marcos	8	+ 14	+ 17	+ 15
All Others	88	- 2	+ 12	+ 5
District 9	150	- 2	+ 14	+ 8
Bay City	6	+ 12	+ 10	+ 50
Beaumont	21	- 6	+ 14	+ 3
Galveston	17	+ 26	+ 22	+ 25
Houston	49	- 6	+ 16	+ 6
Port Arthur	12	- 19	+ 3	+ 3
Victoria	6	+ 18	+ 19	+ 6
All Others	39	+ 4	+ 7	+ 7
District 10	30	+ 4	+ 23	- 3
District 10-A	31	+ 13	+ 24	- 2

(1) Change of less than .5%.

NOTE: Prepared from reports of independent retail stores to the Bureau of Business Research.

PURCHASES OF SAVINGS BONDS

	March, 1941	March, 1940	Year, 1941	Year 1940
Abilene	9,990	31,594	†	120,075*
Amarillo	17,269	19,950	157,106	135,019
Austin	19,463	56,419	261,976	222,657
Beaumont	38,569	69,619	196,231	264,242
Big Spring	1,556	4,013	27,619	56,663
Brownsville	20,738	10,031	†	33,994*
Brownwood	6,113	4,369	†	32,156*
Bryan	9,956*	†	†	†
Corpus Christi	5,775*	†	66,751*	†
Dallas	137,663	312,056	1,229,007	1,133,419
Del Rio	188	2,475	5,757	12,375
Denison	21,263	18,544	37,238	68,776
Denton	2,897*	†	18,536*	†
El Paso	63,956	78,169	351,075	384,638
Galveston	28,856	38,100	257,925	175,256
Gladewater	1,950	2,231	47,512	60,113
Harlingen	9,244	12,900	19,519	29,981
Kenedy	2,381	825	5,137	9,206
Kilgore	1,613	2,775	51,113	28,387
Longview	21,450	12,038	125,775	101,419
McAllen	12,188	6,075	32,738	28,387
Pampa	900	10,307	16,407	19,645
Paris	6,844*	†	28,294*	†
Plainview	169	10,500	8,737	30,431
Port Arthur	41,586	26,813	117,974	107,588
San Angelo	3,413	44,156	73,557	98,775
San Antonio	105,356	157,856	748,331	802,050
Sherman	5,381	2,419	20,029	35,963
Temple	1,838	5,250	22,312	28,313
Tyler	7,819	16,106	166,370	168,337
Waco	37,894	32,378	193,125	322,422
Wichita Falls	16,219	40,369	141,713	256,670
TOTAL	634,935	1,028,337	4,314,283	4,580,732

\*Not included in total.

†Not available.

NOTE: Prepared from reports from Texas chambers of commerce to the Bureau of Business Research.

TEXAS CHARTERS

	March 1941	March 1940	Feb. 1941	First Quarter 1941	First Quarter 1940
Domestic Corporations					
Capitalization*	\$1,358	\$1,847	\$1,316	\$3,632	\$6,912
Number	109	149	72	261	419
Classification of new corporations:					
Banking-Finance	5	10	5	16	17
Manufacturing	7	30	8	28	82
Merchandising	30	35	12	62	120
Oil	14	25	9	34	62
Public Service	0	1	1	1	3
Real Estate-Building	18	17	10	35	35
Transportation	2	6	3	9	18
All Others	33	25	24	76	81
Number capitalized at less than \$5,000	43	61	23	108	170
Number capitalized at \$100,000 or more	1	2	1	4	6
Foreign Corporations					
(Number)	23	26	9	53	68

\*In thousands.

NOTE: Compiled from records of the Secretary of State.

MARCH RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Number of Firms Reporting	Percentage Change Mar. 1941 from Mar. 1940	Change Mar. 1941 from Feb. 1941	Percentage Change Year-to-date 1941 from Year-to-date 1940
<b>TEXAS</b>	1,028	+ 5	+17	+ 12
<b>STORES GROUPED BY LINE OF GOODS CARRIED:</b>				
<b>APPAREL*</b>	106	- 9	+14	+ 2
Family Clothing Stores	26	-13	+27	+ 1
Men's and Boys' Clothing Stores	34	-20	+ 1	+ 1
Shoe Stores	18	-19	+43	- 1
Women's Specialty Shops	28	- 2	+14	+ 3
<b>AUTOMOTIVE*</b>	64	+20	+17	+26
Motor Vehicle Dealers	61	+20	+17	+26
<b>COUNTRY GENERAL</b>	109	+ 2	+14	+ 8
<b>DEPARTMENT STORES</b>	54	+ 2	+24	+ 7
<b>DRUG STORES</b>	136	+ 4	+ 8	+ 5
<b>DRY GOODS AND GENERAL MERCHANDISE</b>	19	-13	+18	- 4
<b>FILLING STATIONS</b>	40	+ 1	+17	+ 2
<b>FLORISTS</b>	21	-24	- 7	- 8
<b>FOOD*</b>	170	+ 6	+17	+ 2
Grocery Stores	52	+17	+31	+ 6
Grocery and Meat Stores	113	+ <sup>o</sup>	+11	+ 1
<b>FURNITURE AND HOUSEHOLD*</b>	55	+ 9	+13	+12
Furniture Stores	47	+12	+14	+13
<b>JEWELRY</b>	31	+19	+14	+29
<b>LUMBER, BUILDING, AND HARDWARE*</b>	184	- <sup>o</sup>	+ 9	+19
Farm Implement Dealers	12	+ 3	+ 8	+16
Hardware Stores	56	- 2	+11	+ 7
Lumber and Building Material Dealers	115	- 1	+ 6	+24
<b>RESTAURANTS</b>	25	+ 4	+ 9	+ 2
<b>ALL OTHER STORES</b>	14	+ 1	+ 9	+ 9
<b>TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:</b>				
All Stores in Cities of				
Over 100,000 Population	185	+ 1	+16	+10
50,000-100,000 Population	122	+17	+21	+22
2,500-50,000 Population	445	+ 4	+18	+10
Less than 2,500 Population	276	- 3	+13	+ 4

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

<sup>o</sup>Less than .5% change.

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

PERCENTAGE CHANGES IN CONSUMPTION OF ELECTRIC POWER

	March, 1941 from March, 1940	March, 1941 from Feb., 1941	First Quarter 1941 from First Quarter 1940
<b>Commercial</b>	+ 11.9	- 1.3	+12.6
<b>Industrial</b>	+ 5.7	+ 3.0	+ 9.8
<b>Residential</b>	+ 9.1	- 4.0	+ 7.9
<b>All Other</b>	- 5.1	+ 4.6	- 1.4
<b>TOTAL</b>	+ 6.1	+ 0.9	+ 8.6

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

CEMENT

(In thousands of Barrels)

	March 1941	March 1940	Feb., 1941	First Quarter 1941	First Quarter 1940
<b>Texas Plants</b>					
Production	742	589	637	2,033	1,511
Shipments	707	678	628	2,128	1,661
Stocks	808	761	773	—	—
<b>United States</b>					
Production	10,600	7,917	8,365	27,990	19,163
Shipments	10,056	7,715	7,458	25,500	16,509
Stocks	25,853	26,098	25,327	—	—
Capacity Operated	49.8%	36.3%	43.5%	—	—

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

COMMODITY PRICES

	March 1941	March 1940	Feb. 1941
<b>Wholesale Prices:</b>			
U.S. Bureau of Labor Statistics (1926=100%)	81.5	78.4	80.6
<b>Farm Prices:</b>			
U.S. Bureau of Labor Statistics (1926=100%)	71.6	67.9	70.3
<b>Retail Prices:</b>			
Food (U.S. Bureau of Labor Statistics 1935-39=100%)	98.4*	95.6	97.9
Department Stores (Fairchild's Publications, Jan. 1931=100%)	94.8	92.8	94.5

\*Preliminary.

## BANKING STATISTICS

(In Millions of Dollars)

	March, 1941		March, 1940		Feb., 1941	
	Dallas District	United States	Dallas District	United States	Dallas District	United States
DEBITS to individual accounts	\$1,215*	\$1,929*	\$1,067*	\$44,449*	\$ 945	\$35,612
Condition of reporting member banks on—	April 2, 1941		April 3, 1940		February 26, 1941	
ASSETS:						
Loans and investments—total	598	26,952	531	23,315	589	26,450
Loans—total	321	9,828	269	8,649	320	9,495
Commercial, industrial, and agricultural loans	219	5,465	177	4,414	221	5,227
Open market paper	2	347	2	337	1	319
Loans to brokers and dealers in securities	4	504	5	625	4	478
Other loans for purchasing or carrying securities	12	454	13	476	12	455
Real estate loans	24	1,228	22	1,185	23	1,232
Loans to banks	1	52	—	51	1	36
Other loans	59	1,778	50	1,561	58	1,748
Treasury Bills	30	742	18	509	30	727
Treasury Notes	36	2,183	42	1,821	40	2,555
U.S. Bonds	109	7,653	93	6,518	100	7,052
Obligations fully guaranteed by U.S. Gov't	39	2,753	50	2,380	38	2,766
Other securities	63	3,793	59	3,438	61	3,855
Reserve with Federal Reserve Bank	149	11,315	132	10,437	153	12,003
Cash in vault	12	491	11	452	14	530
Balances with domestic banks	294	3,588	289	3,299	300	3,473
Other assets—net	31	1,174	29	1,215	31	1,255
LIABILITIES:						
Demand deposits—adjusted	542	23,093	470	19,175	544	23,431
Time deposits	137	5,441	136	5,355	138	5,454
U.S. Government deposits	27	420	31	580	22	356
Inter-bank deposits:						
Domestic banks	284	9,343	263	8,424	289	9,253
Foreign banks	1	633	1	726	1	626
Borrowings	—	—	—	1	—	—
Other liabilities	4	751	4	725	4	755
Capital account	89	3,839	87	3,732	89	3,836

NOTE: From Federal Reserve Board.

\*Five weeks.

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