

# TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas and the Southwest

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## Business Review and Prospect

ALTHOUGH industrial activity is slowly tapering off as a result of seasonal influences and is expected to continue to do so until August or September, the decline to date is considerably less than the average of preceding years. There has actually been an increase of operations in the steel industry causing an increase of nearly 4 per cent in the *Iron Age* Index of Steel Production during the week of June 18th. Part of this favorable current showing of the steel industry is attributed to forward buying by steel consumers in anticipation of the higher price scale for certain types of steel products, which is to go into effect on July 1. Hence a sharp drop may occur in mid-summer, but the rate of activity is expected to remain well above last year. The capital goods index as a whole is still up to the level of a month ago, the improvement in steel having been offset by declines in construction, automobile, and Pittsburg industrial production. The index is 32 per cent higher than at this time last year.

Retail trade during May was quite favorable. For the country at large, department store sales were up 12 per cent from a year ago. For Texas, the increase was nearly 17 per cent. It is expected that the favorable year-to-year comparison will be fully maintained during June as a result of the bonus payments, farm subsidies, improved employment situation and favorable farm incomes in the leading agricultural areas. Automobile, mail order, and farm implement sales are reported to be far in excess of last year.

Building in May was 8 per cent below that of the preceding month, but was still 70 per cent above the corresponding month last year. Since building began its rapid pick-up during June last year, gaining momentum during the last half of 1935, it is believed that year-to-year comparisons will become less and less favorable during the remainder of the year. The continued disparity between building costs and individual income appears to be an important deterrant to more active residential construction; and the cloudy political out-

look, with its tendency to restrain forward planning, seems temporarily at least to be holding back private commercial, and industrial construction. Meanwhile, the huge pent up demand for building which has already accumulated continues to grow. It is reasonable to expect that at some future time this demand will be given full expression. Since the influence of the building trades reaches every section of the country and every class of citizen, when this industry gets into full stride, unemployment may be expected rapidly to vanish.

Of the various geographical divisions of the country, the Gulf Southwest stands near the top in current conditions and in prospects for further improvement in trade and industry. The breaking up of the drouth in May and the opening up of the Centennial Exposition have contributed materially to this situation.

Texas is enjoying its full share of this regional improvement, and with the favorable price tendencies of its principal crops and live stock products, together with large prospective volume of marketings dur-

ing coming months, farm income should continue definitely on the up grade. Another factor of great significance to Texas is the gradual improvement which is taking place in international trade. Imports into this country have now reached a rate almost equal to the 1925-1928 average, and exports are only about 15 per cent below the 1929 peak. Since Texas exports about 90 per cent of its cotton to foreign countries, this accumulation of dollar exchange by foreign countries points to a still further increase in the shipment of Texas cotton abroad. For this improvement in international trade much credit is due to the trade agreement program by Secretary Hull.

Last month was the fifth in a row in which the value of this country's foreign trade was ahead of that of the same month of 1935. The value of exports in May, a time when they usually show a slight seasonal drop, was 4 per cent ahead of April. The value of May imports dropped 6 per cent from April.

F. A. BUECHEL.

"THE DIRECTORY OF TEXAS MANUFACTURERS" is on exhibit at the Texas Centennial in the Varied Industries Building at the Steck Company booth. Orders will be received by this company or may be sent direct to the Bureau of Business Research, The University of Texas.

For Texas Data, See Statistical Tables at the End of this Publication.

## Financial

The conventions of the major political parties have so dominated the news during the past month as to obscure largely the underlying business and financial trends. From the financial viewpoint, however, three significant developments of the past four weeks deserve comment: the temporary easing of the latest French monetary crisis, the last minute enactment of the highly controversial corporation taxation bill, and the actual payment of the soldiers' bonus.

The development of the latest run on the French franc has been described briefly in earlier issues of the TEXAS BUSINESS REVIEW. Despite the assurance given by the new French premier, Leon Blum, that his government would oppose vigorously any devaluation of the franc, the foreign exchange market continued to be very apprehensive and the flight of capital from France proceeded steadily during the first three weeks of June. Evidence of the severity of the French financial crisis is afforded by the following statistics. Gold holdings of the Bank of France have declined from 62,488,000,000 francs on April 17 to 54,562,000,000 francs on June 12, a loss of 7,926,000,000 francs. Of this gold, some \$325,000,000 has been exported to New York and most of the remainder has been acquired by England. A considerable sum, however, has been hoarded away by private individuals. All told, it is estimated that private hoards in France aggregate some 6,000,000,000 francs in gold, 30,000,000,000 francs in Bank of France notes, and an undetermined amount of foreign currencies.

Temporary easing of pressure on the franc developed following the address of Finance Minister Auriol on June 19 in which he outlined the government's plan for meeting the crisis. Among other things he proposed a plan for financing the most pressing financial needs of the Treasury and for compelling all French nationals to disclose their holdings of gold and foreign exchange abroad. By implication at least, such holdings may be requisitioned by government order. The underlying maladjustments, however, continue in the form of further price deflation, a badly unbalanced treasury budget, and an unfavorable trade balance. Unless a pronounced business recovery develops, it is believed that pressure on the franc will shortly be renewed leading eventually to debasement or departure from the free gold standard.

In the closing hours of Congress the 1936 tax bill was enacted into law. Although radically different from the President's original request, it carries into effect a part at least of his "reform" program by imposing a graduated tax of 7 per cent to 27 per cent on undistributed corporate income. At the same time taxes on inter-corporate dividends were materially increased and levies on corporate taxable income were substantially lowered. A great deal of confusion must inevitably result as corporations adjust themselves to the new tax schedules, and many fine legal distinctions must be drawn as to when, in individual cases, undistributed income is taxable.

The effect of tax levies on undistributed income or corporate dividend policies is difficult to estimate. In general it would be expected that less income would be carried to surplus and more paid out in dividends, future corporate expansion being financed more from the outside through stock and bond issues than has been the case in the past. It is expected that the new levies, including the subjection of cash dividends to normal income taxation, will yield a substantial increase in tax revenues. The new legislation, however, makes little more than a gesture toward balancing the federal budget.

On June 1, the Treasury offered for subscription some \$600,000,000 in 15-18 year  $2\frac{3}{4}$  per cent bonds and \$400,000,000 in 5 year  $1\frac{3}{8}$  per cent notes, both issues being heavily over-subscribed. The new securities were issued to build up Treasury cash balances in anticipation of cashing the soldiers' bonus bonds. The issuance of these latter bonds on June 15 carried the federal debt to a new record high of approximately \$34,500,000,000. At this level, the debt in round numbers is \$10,000,000,000 greater than at the end of the World War financing period and the prospect is for a further sharp increase in this differential during the coming fiscal year.

It will be remembered that the soldiers' bonus bonds are cashable by the receivers on demand. It is this feature of the bonds which compels and will continue to compel the Treasury to carry enormous cash balances to meet possible demands for redemption. No one can estimate accurately the volume of these bonds which will be converted immediately into cash. Estimates range from \$500,000,000 to \$1,000,000,000. As the bonds are cashed, it is expected that the quantity of money in circulation will increase markedly and commercial bank deposits will grow. Eventually most of the cash paid out for bonds will be reflected in increased excess reserve balances of member banks as the extra currency in circulation will prove to be redundant. Some little stimulation of retail trade can be expected from the bonus payment but commodity prices should be virtually unaffected.

Banking statistics indicate a continued expansion of commercial bank lending and a further growth in demand deposits. Total loans on collateral security of the reporting member banks increased from \$3,315,000,000 on May 6 to \$3,421,000,000 on June 10, indicating an increased use of bank credit to finance security speculation. Incidentally, the average of common stock prices has recently reached the highest level of the year. "Other loans" of the reporting member banks, chiefly used to finance working capital needs of business, have expanded from \$3,509,000,000 to \$3,583,000,000. This latter figure compares with \$3,401,000,000 on December 31 last.

Somewhat less satisfactory is the continued growth in commercial bank holdings of federal government obligations. On December 31, the total government obligations held by the reporting member banks aggregated \$9,594,000,000; on May 6, the figure was \$10,125,000,000,

and on June 10, it was \$10,278,000,000. In other words, on the latter date 70 per cent of the reporting member bank demand deposits was represented by government bonds. The dangers inherent in using the banking system to finance the fixed capital needs of the Treasury should be obvious. It is worthy of mention also to note the undesirable expansion of real estate lending by commercial banks. The expansion in this direction thus far has not been great, but the trend is significant. Extensive financing of real estate is one of the easiest and most certain methods of freezing a bank's assets.

Adjusted demand deposits of the reporting member banks have continued to expand. On December 31 they aggregated \$13,888,000,000, on May 6, \$14,260,000,000 and on June 10, \$14,677,000,000. Further rapid expansion as a result of government spending seems certain, especially during the next few weeks as soldiers bonus money is spent. Excess reserve balances of the member

banks have grown steadily since mid-March, reaching a total of \$2,950,000,000 on June 10. One week later this aggregate had dropped to \$2,040,000,000 as a result of new Treasury borrowing and a sharp increase in the volume of currency in circulation. Within a week after the soldiers bonus payment, the quantity of money in circulation increased by \$111,000,000 to a grand total slightly in excess of \$6,100,000,000.

It is expected that member bank excess reserve balances will be built up rapidly during the summer as the Treasury expands its funds and as currency returns from circulation. As excess reserves again approach the three billion level, it is quite possible that the Federal Reserve Board may attempt to cut them down by increasing the legal reserve requirements of member banks by some 20 to 25 per cent. Such a step should have been taken long since.

JAMES C. DOLLEY.

## Oil and Natural Gas and Texas Development in the Next 25 Years

From the point of view of productive undertakings basic to the economic life of Texas, agriculture (chiefly cotton production) and ranching were by far the dominant enterprises in the State until after 1900.

The turn of the century not only marked a turning point in the economic life of the nation as a whole but was of particular importance in the trends which have virtually transformed the economic structure of Texas within the past three decades.

Since 1900 agricultural and ranching readjustments have proceeded on a state-wide scale. Not only do the rich and extensive soils and native grasses, if given reasonable care, assure the maintenance of the high levels attained in crop and live stock production in the State, but the potentialities of these natural resources, when more fully utilized, promise an even larger productivity and a greater variety of important products from the soil.

Since 1900, however, it has been particularly the vast development of the oil industry in Texas (and other Southwestern states) which has so deeply influenced the economic outlook of the State and which has crystallized the attention of the nation upon the actualities and potentialities of the Empire of the Southwest.

Texas and the other states of the Southwest have to an uncommon degree centered their attention upon the production of the large oil resources which characterize this section of the nation; a vast amount of wealth from this industry has been diffused throughout the Southwest, influencing to an extraordinary degree urban growth, highways, commercial services, educational opportunities, and other appurtenances of our modern industrial civilization. The accentuated growth of urban centers has been of vital importance in expanding the home market in Texas and the Southwest. Since the oil industry has played such a vital part in Texas during

the past thirty years, it is necessary that careful consideration be given to the future of the oil industry in the State during the next quarter of a century. The question is precisely: how long will Texas oil reserves be available in quantities necessary to supply the demand on the State for petroleum products?

During the past decade, particularly, a new fuel resource has been attracting nation-wide interest to Texas and the Southwest. Prior to around 1925, the supply of natural gas was regarded generally as only a fleeting resource. It had been of great importance locally in various parts of northeastern United States. But the discovery of vast reserves of this preferred fuel in the Southwest introduced an entirely different reaction as to its widespread economic significance. Because of the vast reserves of natural gas in Texas and its extensive potentialities, a most important economic problem to Texas in the next 25 years is: how can the State benefit most from these vast supplies of this preferred fuel?

Particularly since the War period, Texas has witnessed the growth of industries dealing with the State's vast supplies of non-metallic resources—especially sulphur, cement materials, gypsum deposits; in more recent years the utilization of non-metallics—especially salt—has been attracting an extensive heavy chemicals industry to the Southwest—to Corpus Christi, Texas, and to Lake Charles and Baton Rouge, Louisiana. These heavy chemicals, producing mainly soda ash and caustic soda, have been governed in their location not only by the presence of adequate supplies of raw materials, but also by facilities of water transportation and adequate supplies of low-cost fuels—natural gas at Corpus Christi and Lake Charles. There can hardly be any question of the economic feasibility of further developments in the chemical industry in the Southwest during the next quarter of a century. But in the light of current conditions

and recent trends, is it not reasonable to expect that industries utilizing other Texas raw materials, its chemical products, and the like, should find it desirable to build plants in Texas?

At this point attention might be directed to the pulp and paper industry which undoubtedly is migrating into the Gulf States. The lumber cut reached its peak production prior to 1910—at almost precisely the same time that the lumber cut for the nation as a whole reached its peak production. Since 1922 the kraft paper industry has been expanding in the South; and, in the light of technologic advances, those in position to know expect a substantial development of the newsprint paper industry in the South. The pulp and paper industry also uses large quantities of fuel, water, and various chemicals. Other industries of this type which could utilize Texas

raw materials, chemicals, and which would employ Texas labor include glass making, fertilizer manufacture, synthetic fibers, and ceramics.

Continued maintenance of agricultural production, a further widening in the variety of agricultural products, continued growth of urban populations, further utilization of Texas fuels, and the expansion of industries utilizing non-metallics—all of these features so important to Texas in the next quarter of a century may be considered as basic to the expansion of the Texas and Southwestern market, which in turn is fundamental to the growth of a host of widely diversified industries utilizing Texas materials, capital, and labor to supply that market most economically.

ELMER H. JOHNSON.

## Cotton

Evidence continues to pile up to confirm the fact that cotton is the most important key to agricultural adjustment in the United States. During the past four months the world markets for cotton have absorbed over a million and a half bales of Government controlled cotton, and the price for American cotton is now higher than it was on February 12, when the marketing began. Two very important lessons are to be learned from this experience. The first is that the sale of cotton has come to be a matter of relative price, which means we can recapture foreign markets for our cotton if we are willing to sell it on a competitive base. The second is that it is the disappearance of the cotton and not the holding of it which puts up the price. Holding accumulates supplies and accumulation of supplies breaks prices, and it makes little difference who does the accumulating.

What does all this have to do with the agricultural situation in the United States? Very much indeed, as will be seen from the following important facts: (1) United States agriculture is on an export basis by a wide margin on the products for which it is best adapted; (2) restriction of production in this country to raise prices of farm products, a large per cent of which are exported, has proven to be unworkable; (3) the United States program of restriction of production to raise price has aggravated the agricultural problem because it has stimulated production abroad, especially of cotton; (4) unless markets are increased, the soil conservation program bids fair to complicate further rather than solve the farm problem; (5) normally, cotton represents about 40 per cent of all the exports of agricultural products from the United States; (6) most cotton exported from the United States goes to non-cotton-growing countries, and most cotton manufacturing countries export some cotton manufactures.

What does all this mean? It means that cotton is the one major agricultural enterprise in the United States that can get its export markets back through some form of subsidy to equalize tariff benefits. Cotton manufacturing countries want to buy their cotton as cheaply as possible to expand manufacturing and to increase em-

ployment, and they have no home cotton-growing industry to protect. It means that if cotton growers in the South were given a subsidy sufficient to equalize tariff benefits there would tend to be full employment in the South and in the New England textile mills; and this increased specialized employment would be sufficient to absorb or cause to be absorbed a large part, if not all, of the surplus agricultural products from other regions. In other words, increased cotton production for export is the easiest and surest way of starting the spiral of increased production, which would readily expand from one enterprise to another.

At this juncture it is extremely important that those responsible for shaping the agricultural policy of the United States understand the complex inter-regional inter-dependence of commercial agriculture in the United States and the extremely important place cotton production for export occupies in the whole scheme. In view of the facts just cited, is it not probable that a comparatively small sum spent wisely to restore foreign markets for cotton may not be a much more important factor in restoring permanent employment than two billion spent on more or less "make work projects?"

No time should be lost in inaugurating a policy to regain foreign markets, because the beneficial effects of dollar devaluation on the price of cotton have not been entirely dissipated. Moreover, it must always be understood and remembered that the Federal Government's policy of restriction of cotton production and marketing was largely responsible for the loss of foreign markets and, in addition, cost the cotton growers millions of dollars in the sale of cotton they were not permitted to produce. That being the case, should not the Federal Government and not the poor cotton farmers be charged with the responsibility of restoring these markets?

A. B. Cox.

COTTON BALANCE SHEET

Largely because of the very heavy consumption of cotton during this year, world supplies of all cotton bid fair to be reduced by over a million bales, even though world production this year was nearly three million bales

greater than production last year. Moreover, the world supply of American cotton August 1, the beginning of the new crop year, will be about seven million bales, a reduction from last year of about two million bales. The August carryover of cotton in the United States will be nearly 2,000,000 bales less than last year.

Supplies of cotton in the United States on June 1 in all hands were 6,978,000 bales; a year ago the supply was 8,568,000 bales; and it was 9,216,000 bales two years ago. The reduction in supply in the United States from this time last year has been 1,590,000 bales. There has been an increase in stock of American cotton in European ports and afloat to Europe from 786,000 bales to 887,000 bales, or 101,000 bales.

There has thus been a net decline in these items of supply of cotton of 1,489,000 bales. Based on average relations between changes in supply and resulting index

prices over the past seven years on this date, calculations show that the decline in supply this year from last should raise the index price of cotton 345 points over the index price in June last year. When this is converted to present price levels and adjusted to the spinners margin, the indicated price of New Orleans spot cotton is 15.16 cents. Calculations based on average percentage changes indicate a price of 14.36 cents. These figures indicate that the price of cotton is too low.

**SPINNERS MARGIN** The spinners ratio margin increased slightly during May from 163 in April to 164 in May. This was attained in spite of a small advance in the price of cotton. The pence margin for May averaged 4.16 d compared with 4.16 d for April and 3.93 d for May last year. These figures indicate that cotton is in a strong position and that consumption will be well maintained.

## Current Manufacturing Developments

Increased building and construction in most sections of the State have given impetus to a revival of the limestone mining industry in Texas. Although more than fifty companies were reported as being in operation during the early part of 1936, the supply of limestone in Texas is said to be practically inexhaustible and the present exploitation negligible in comparison to the State's vast resources. One of the best limestone sections now being developed is in McLennan County, near the town of Crawford. Tests show lime in this area 99 per cent pure, and the stone reaches to a depth of approximately 400 feet.

In Moore County, in the Panhandle region, the Illinois Zinc Company is planning construction of a new smelter to be located near Dumas, the county seat. It is announced that the plant will be completed at a cost of \$300,000 and will provide employment for at least one hundred fifty men. The largest smelter in this territory at present is that of the American Smelting and Refining Company at Amarillo.

With nearly 600 new business firms of all types opening in Dallas during the first half of the year, 1936 shows an all-time high in number of new establishments for this city. Although several of these are inspired by the Centennial, it is of special interest to note the number of manufacturers which are expected to be permanent. For example, the Rhodes Cabinet Shop has opened a new planing mill and will produce furniture and various types of cabinet work. Other new firms beginning operation recently are Motor Machine Works, Cain Machine Shop, J. and S. Carburetor Company, and the McLaughlin Manufacturing Company, which produces leather goods. Nafra Products, Inc., manufactures cleaning preparations for upholstery fabrics. Two new printing companies are Melton Printing Company and Farmer Printing and Publishing Company. New firms producing foods or beverages include Fallis Brothers, the Fresh Orange Juice Company, and a milk and dairy products plant known as "Oak Farms."

In Houston, the Becker Cheese Company, independently owned, is manufacturing American cheese. The Syfo Water Company is producing carbonated water; the Heim Packing Company manufactures sausage; and the Charles P. Shearn Feed Company is now marketing various types of stock feed. Oliver Armature Works, Hobbs Manufacturing Company producing trailers, and the Southern Detector Company, manufacturers and distributors of the "Detector" analysis machine, are among the Houston factories opening recently.

The city of Greenville with a population of 12,500 continues its development as an industrial center. The Haggart Pant Manufacturing Company, which has already a large establishment in Dallas, is opening a branch in Greenville, making a total of five clothing manufacturers for this city. Forty-one manufacturing plants of all types listed under Greenville in the *Directory of Texas Manufacturers* are evidence of the favorable transportation facilities, labor conditions, and other necessary factors which make Greenville attractive as a factory location.

With the completion of the \$250,000 plant of the Aransas Compress Company, Brownsville is prepared this season to assume again the position of an important port of export for cotton produced in the lower Rio Grande Valley. The Valley is expected to produce between 75,000 and 100,000 bales, and shipping lines are already making arrangements to move a large part of this cotton through the Port of Brownsville.

The canning of fruits and vegetables is a rapidly growing industry in Texas, although as yet only a small fraction of the fruits and vegetables produced and sold is processed by Texas factories. Farmers in the East Texas counties of Henderson and Van Zandt expect to grow 2,000,000 pounds of black-eye peas this summer. These peas will be canned by the Thrift Packing Company of Dallas and will be shipped largely to eastern markets. The canning of green black-eye peas is almost a new industry in Texas and this will undoubtedly prove

to be the largest crop ever gathered in East Texas as green peas.

The canning of tomatoes begins with the close of the green wrap tomato shipping season and continues for several weeks. In this way farmers are able to dispose of thousands of bushels of tomatoes which were allowed to go to waste before the establishment of canning factories in the Valley.

For several years the Valley Experiment Station laboratory near Weslaco has studied the possibilities of citrus fruits for various uses. Its work has led to the successful canning of citrus fruits, the manufacture of marmalades, and the successful marketing of other citrus fruit by-products. For the purpose of further developing the market for Texas citrus fruit, this laboratory has devoted a considerable amount of time to the problem of producing wine from citrus fruits. Based on the work of the Valley Experiment Station, a new company,

known as the Valley Distilleries, expects to place on the market during the early fall a wine made from grapefruit juice. Should liquors manufactured from grapefruit become popular, it is expected that the demand for such products will be reflected in the general expansion of the grapefruit industry in the Valley.

The Shary Products Company of Mission and Val Verde, through the operation of their plants and through research work, have made outstanding contributions to the development of the citrus fruit industry by producing ways and means of preparing citrus fruits products for the market. Their most recent development has been a grapefruit vinegar of a delicate green color and considered of high grade. This vinegar is produced from fruit which would otherwise have been destroyed and bids fair to become a highly profitable product.

CLARA H. LEWIS.

## Retail Trade and Credit

In Coöperation with the Associated Retail Credit Men of Texas

### ANALYSIS OF TEXAS RETAIL SALES FOR MAY 1936

The increase in Texas retail sales for May 1936 was not at all unexpected. With the exception of that for February, the increase for May was the largest which any month of 1936 has shown over the corresponding month of 1935.

Percentage changes in Texas retail sales during 1936 are presented in the following table:

	Percentage Change in Dollar Sales	
	Texas Department Stores	Other Texas Independent Stores
January 1936 from January 1935	+ 11.1	+ 14.0
February 1936 from February 1935	+ 14.9	+ 19.1
March 1936 from March 1935	+ 7.7	+ 16.0
April 1936 from April 1935	+ 10.0	+ 13.1
May 1936 from May 1935	+ 16.8	+ 18.2

Saturday is the day of heavy purchasing in the retail world. Therefore, account must be taken of the fact that there were five Saturdays in May 1936, while there were only four in May 1935. That Decoration Day, a national holiday, fell on one of the Saturdays of May 1936 further accounts for the improved condition. Few retail stores close for Decoration Day. Because there was one more working day in May 1935 than in May 1936 however, the influences already mentioned are offset to a considerable extent.

In general, the same factors may be considered in interpreting that part of the sales report which shows the change in sales from April 1936. While both April and May had 26 working days, April had only four Saturdays. There was a holiday in each month, that of April being San Jacinto Day, which fell on a Tuesday.

The detailed May report will be found in the tables on pages seven and eight of this issue.

### Comment on Analysis by Districts

An array of the producing districts of Texas according to percentage changes in dollar sales, May 1936 from May 1935, shows them to be ranked as follows:

District	Percentage Change May 1936 from May 1935
1-S	+ 40.4
5	+ 23.2
4	+ 22.7
2	+ 20.2
ENTIRE STATE	+ 18.2
9	+ 16.3
6	+ 15.7
8	+ 15.5
7	+ 15.4
10	+ 12.9
1-N	+ 0.9
3	- 10.2

### Comment on Analysis by Types of Stores

The only groups showing decreases from May 1935 were country general stores and restaurants. Substantial improvement over the April showing was registered by most of the other types of stores shown.

Whether you approve of the Government bonus payments or not, it must be realized that they are going to mean a great deal to retailers. Because automobile sales should be decreasing seasonally, the increase from April 1936 in automobile sales can be explained in part at least by advance purchases in anticipation of those payments. There have been a great many estimates of where that money will go. It is probable, to say the least, that most of it which is spent immediately will be put into the purchase of durable goods and the payment of debts.

The complement of improvement on the durable goods side of retailing should be a corresponding one on the

“semi-durable” and “non-durable” side, brought about by the Centennial. Witness the gains shown by apparel and department stores. A great part of the Texas old age pension payments will find its way into the same channels, although it is expected that most of them will be spent for staples.

Rural sales for the entire United States continue ahead of those of Texas country general stores, showing an increase of 21.5 per cent from May 1935. Texas food stores, however, reported sales ahead of those of United States chain grocery stores, the latter showing a decrease

of 2.0 per cent. For the same period, United States variety stores showed a gain of 15.0 per cent.

STERLING WILLIAMS.

Population Analysis by Districts

Because of the importance of cities as centers of retail distribution, it is of interest to observe the population of the various districts and the percentage of the population that lives in cities of 2500 or more people.

(Census of 1930)

District	Total Population	Population in Cities Over 2500	Per Cent Population in Cities Over 2500
1-N	197,928	81,737	41
1-S	161,594	49,561	30
2	441,198	152,932	34
3	287,228	64,333	22
4	1,441,723	691,324	48
5	967,227	149,911	16
6	189,767	119,787	63
7	203,350	56,990	28
8	870,777	387,794	44
9	734,391	491,375	67
10	327,512	136,964	42
STATE	5,824,715	2,385,344	41

RETAIL SALES OF TEXAS DEPARTMENT STORES

	Number of Stores Reporting	Percentage Change in Dollar Sales		
		May 1936 from May 1935	May 1936 from April 1936	Year-to-Date 1936 from Year-to-Date 1935
Abilene	3	+21.0	- 6.2	+19.0
Austin	3	+11.9	+ 0.4	+ 9.6
Beaumont	4	+17.6	- 3.6	+16.1
Dallas	3	+27.9	+18.9	+16.1
Fort Worth	5	+19.4	+16.3	+16.3
Houston	5	+13.9	- 1.1	+ 9.1
All Others	23	+12.0	+ 0.3	+ 9.5
STATE	46	+16.8	+ 5.3	+12.0

NOTE: Prepared from reports from Texas department stores to the Bureau of Business Research.

RETAIL SALES OF INDEPENDENT STORES<sup>†</sup> IN NEW MEXICO, OKLAHOMA, AND TEXAS

	Number of Firms Reporting Change in Sales						Total Number of Firms Reporting	Percentage Change in Dollar Sales	
	From May 1935		From April 1936		From April 1936			May 1936 from May 1935	May 1936 from Apr. 1936
	Increase	Decrease	Less Than 1% Change	Increase	Decrease	Less Than 1% Change			
TOTAL (New Mexico, Oklahoma, and Texas Combined)	636	276	31	564	323	56	943	+17.8	+ 4.3
NEW MEXICO	32	22	2	33	18	5	56	+16.5	+ 5.6
OKLAHOMA	172	49	8	136	84	9	229	+16.1	+ 5.8
TEXAS	432	205	21	395	221	42	658	+18.2	+ 3.9
TEXAS STORES GROUPED BY LINE OF GOODS CARRIED:									
APPAREL	70	17	---	31	53	3	87	+17.9	- 0.5
Family Clothing Stores	18	3	---	7	13	1	21	+20.4	- 7.7
Men's and Boys' Clothing Stores	28	7	---	16	18	1	35	+18.9	+ 2.6
Shoe Stores	6	---	---	---	6	---	6	+14.3	-18.6
Women's Specialty Shops	18	7	---	8	16	1	25	+17.0	+ 3.8
AUTOMOTIVE	65	28	1	62	27	5	94	+22.2	+ 7.0
Filling Stations	18	8	1	20	5	2	27	+13.9	+16.3
Motor Vehicle Dealers	47	20	---	42	22	3	67	+22.6	+ 6.7
COUNTRY GENERAL AND FARMERS' SUPPLIES	46	45	5	60	31	5	96	- 0.3	+ 2.0
DRUG STORES	108	42	6	95	45	16	156	+10.6	+ 2.5
FOOD	74	45	5	93	21	10	124	+ 3.6	+ 6.1
Grocery Stores	19	14	1	26	6	2	34	- 2.3	+ 5.9
Grocery-and-Meat Stores	55	31	4	67	15	8	90	+ 5.6	+ 6.2
FURNITURE AND HOUSEHOLD	25	6	2	17	15	1	33	+30.4	+ 2.4
Furniture Stores	17	1	1	13	6	---	19	+42.2	+12.6
Household Appliance Stores	3	3	1	1	5	1	7	-10.0	-26.5
Other Home Furnishings Stores	5	2	---	3	4	---	7	+32.1	-14.4
JEWELRY STORES	9	2	---	11	---	---	11	+19.7	+81.4
LUMBER, BUILDING, AND HARDWARE	26	12	2	17	21	2	40	+41.5	- 0.8
Hardware Stores	12	8	---	8	10	2	20	+13.1	- 4.6
Lumber and Building Material Dealers	14	4	2	9	11	---	20	+60.8	+ 1.2
RESTAURANTS	7	7	---	8	6	---	14	- 1.9	- 0.3
ALL OTHER STORES	2	1	---	1	2	---	3	-11.7	-27.3
TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:									
All Stores in Cities of—									
OVER 100,000 POPULATION	120	22	5	90	52	5	147	+26.6	+ 4.1
50,000-100,000 POPULATION	29	21	2	30	21	1	52	- 1.2	- 2.0
2,500-50,000 POPULATION	184	90	7	165	90	26	281	+16.8	+ 5.9
LESS THAN 2,500 POPULATION	99	72	7	110	58	10	178	+ 5.8	+ 1.2

<sup>†</sup>Retail sales other than those of department stores.

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

The eleven districts of Texas were established after much research on the basis of common geographic and economic characteristics which indicate that each has a certain unity for economic development and income production. This analysis is an effort to discover what the population and distribution patterns are.

A study of the eleven districts indicates that Texas is changing from an agricultural to an industrial state. Although the wealth of Texas originally came from its natural resources and agricultural products, the processing and marketing of these resources and products have developed industrial areas and built up its larger cities.

That retail sales increase in proportion to the industrial expansion of an area is illustrated by the table prepared by the *Census of American Business*, and which appeared in the May issue of the REVIEW. This table points out that District 4, which includes Dallas and Fort Worth, accounted for 25.9 per cent, or \$249,623,000 of the total retail sales of the State during the year 1933.

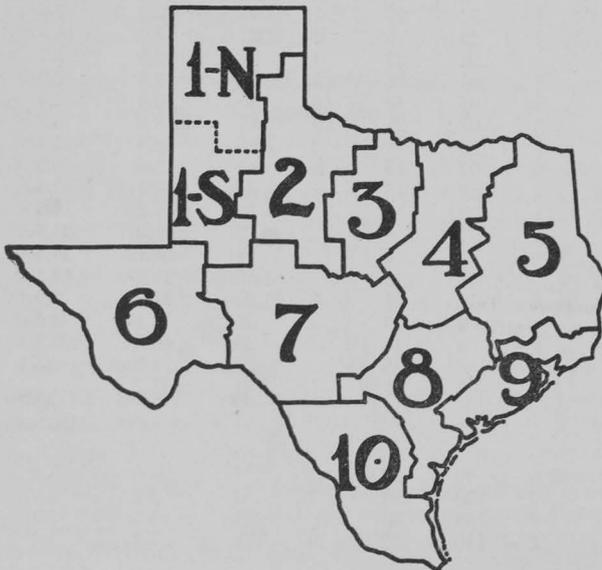
District 9 with Houston and Beaumont ranked second with 18.7 per cent, or \$180,032,000; and District 8 with San Antonio and Austin had 15.1 per cent or \$145,999,000 of the total retail sales volume for the same period.

In 1890 industry represented only 8.9 per cent of the gainfully employed in Texas; by 1930 this figure had risen to 17.5 per cent. In 1890, for example, Districts 5 and 9 were both largely agricultural. At present District 5 is still agricultural with only 16 per cent of the total population living in towns of more than 2,500. District 9, of less than half the area, has developed industrially and more than 67 per cent of its population live in cities of over 2,500.

These two districts serve as an illustration of the relation of retail sales to the density of population. Although District 5 with 12.0 per cent of the total retail sales volume for the year 1933 ranks as one of the four high sales areas for the year, retail sales in District 9 amounted to 18.7 per cent for the same period, a difference of 5.7

#### RETAIL SALES OF INDEPENDENT STORES<sup>1</sup> IN TEXAS

	Total Number of Firms Reporting	Percentage Change in Dollar Sales		Total Number of Firms Reporting	Percentage Change in Dollar Sales	Change from May 1936 to Apr. 1936
		May 1936 from May 1935	May 1936 from Apr. 1936			
TOTAL TEXAS.....	658	+ 18.2	+ 3.9			
TEXAS STORES GROUPED BY PRODUCING AREAS:						
DISTRICT 1-N.....	39	+ 0.9	- 0.7	DISTRICT 3.....	18	- 10.2 + 3.3
Amarillo.....	7	+ 14.3	- 1.8	Brownwood.....	3	- 25.7 - 4.1
Pampa.....	4	- 11.6	+ 0.2	All Others.....	15	- 0.7 + 7.1
Plainview.....	8	- 8.3	- 8.9	DISTRICT 4.....	160	+ 22.7 + 5.9
All Others.....	20	+ 6.9	+ 9.3	Cleburne.....	9	+ 11.9 + 0.9
DISTRICT 1-S.....	19	+ 40.4	+ 21.8	Corsicana.....	5	+ 7.0 + 14.2
Big Spring.....	5	+ 67.6	+ 35.4	Dallas.....	36	+ 39.4 + 9.0
Lubbock.....	11	+ 32.5	+ 13.9	Fort Worth.....	18	+ 17.8 - 0.2
All Others.....	3	- 13.4	+ 12.4	Greenville.....	5	+ 2.6 + 5.1
DISTRICT 2.....	55	+ 20.2	+ 14.5	Paris.....	4	+ 34.9 - 4.0
Abilene.....	5	+ 0.7	+ 4.3	Temple.....	6	+ 6.8 - 6.1
Wichita Falls.....	9	+ 22.3	+ 18.0	Waco.....	12	- 20.0 + 5.0
All Others.....	41	+ 21.0	+ 13.6	All Others.....	65	+ 5.7 + 7.8
				DISTRICT 5.....	79	+ 23.2 + 0.3
				Longview.....	5	- 16.5 + 12.5
				Marshall.....	6	+ 25.0 + 12.5
				Tyler.....	6	+ 32.4 - 13.7
				All Others.....	62	+ 24.4 + 3.6
				DISTRICT 6.....	29	+ 15.7 + 9.2
				El Paso.....	22	+ 17.0 + 10.7
				All Others.....	7	+ 11.6 + 4.8
				DISTRICT 7.....	26	+ 15.4 + 10.7
				San Angelo.....	14	+ 20.3 + 12.3
				All Others.....	12	- 3.2 + 3.6
				DISTRICT 8.....	108	+ 15.5 - 2.0
				Austin.....	17	+ 6.8 - 5.2
				Corpus Christi.....	9	+ 31.6 + 0.4
				San Antonio.....	27	+ 20.8 - 1.7
				All Others.....	55	+ 4.9 - 2.1
				DISTRICT 9.....	92	+ 16.3 + 0.2
				Beaumont.....	4	+ 8.2 - 7.5
				Galveston.....	6	+ 2.1 + 5.3
				Houston.....	44	+ 21.9 + 2.7
				Port Arthur.....	12	+ 6.9 - 4.6
				All Others.....	26	+ 5.6 - 8.8
				DISTRICT 10.....	33	+ 12.9 + 15.6
				Brownsville.....	4	+ 6.2 + 9.5
				Harlingen.....	3	- 3.8 + 1.5
				All Others.....	26	+ 15.5 + 17.9



<sup>1</sup>Retail sales other than those of department stores.

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

per cent in favor of District 9. District 5 comprises 43 counties with a population of 967,227, an average of 22,491 per county, and District 9 with 13 counties averages 56,491 for each county.

Not only does the concentration of population correlate with retail sales volume, but it is also shown by comparison of the total amount of sales in districts 4, 9, 8, and 5 (areas of greater density of population) with districts 2, 1-N, 10, 3, 6, 7, and 1-S (rural sections) that the sales per capita for the former group are larger than for the less densely populated areas. In other words, the

growth of retail sales volume is largely dependable on the increase of per capita wealth, and per capita wealth increases as industrial expansion makes necessary and profitable the concentration of population. Part of the disparity between sales per capita in rural and urban areas may be explained, however, by the fact that the rural populations produce on the farm much of what they consume, especially food products, and the further fact, that a portion of rural purchases, particularly of luxury goods, are made in the larger cities.

E. G. SMITH.

APRIL 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	
	1936	1935	1936	1935	1936	1935	1936	1935
All Stores .....	56	55	61.8	60.2	39.3	37.9	1.2	1.4
Stores Grouped by Cities:								
Abilene .....	4	4	57.3	54.3	36.9	29.9	1.6	1.9
Austin .....	3	3	57.3	55.9	41.6	44.1	1.1	1.2
Beaumont .....	3	3	61.9	60.6	43.0	41.1	1.4	1.8
Dallas .....	8	8	67.9	66.5	37.2	35.9	1.1	1.4
Fort Worth .....	6	6	59.5	57.9	36.3	32.2	1.2	1.3
Galveston .....	3	¶	72.3	¶	43.2	¶	1.5	¶
Houston .....	7	7	60.6	61.0	44.7	42.3	1.4	1.6
San Antonio .....	3	3	58.2	54.2	40.0	43.7	0.7	1.0
Waco .....	4	4	58.3	58.7	35.5	33.3	1.6	1.4
All Others .....	15	17	57.9	56.6	39.5	38.7	1.6	1.8
Stores Grouped According to Type of Store:								
Department Stores (Annual Volume Over \$500,000) .....	17	17	61.8	59.7	39.8	38.7	1.1	1.4
Department Stores (Annual Volume Under \$500,000) .....	14	14	59.2	58.9	37.7	32.7	1.3	2.0
Dry Goods-Apparel Stores .....	4	4	59.0	58.0	30.6	32.7	1.9	1.9
Women's Specialty Shops .....	9	9	60.0	60.2	37.0	36.2	1.0	1.1
Men's Clothing Stores .....	12	11	67.4	65.8	41.8	40.8	1.5	1.6
Stores grouped according to Volume of Net Sales during 1935:								
\$3,750,000 down to \$2,250,000 .....	7	7	65.0	61.2	41.3	41.3	1.0	1.1
\$2,250,000 down to \$1,000,000 .....	10	10	60.5	59.0	38.0	38.8	1.2	1.2
\$1,000,000 down to \$275,000 .....	16	16	55.7	54.3	43.4	40.8	1.4	1.6
Less than \$275,000 .....	23	22	61.3	60.2	41.6	44.9	2.1	2.4

¶Less than three (3) stores reporting; included in "All Others."

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 of 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.

STOCK PRICES

Standard Indexes of the Securities	May 1936	May 1935	April 1936
Markets:			
419 Stocks Combined .....	101.0	73.1	108.9
347 Industrials .....	116.2	85.7	125.3
32 Rails .....	45.0	30.9	48.9
40 Utilities .....	94.7	63.7	101.5

Note: From Standard Statistics Co., Inc.

PETROLEUM

Daily Average Production

(In Barrels)

	May 1936	May 1935	April 1936
Coastal Texas¶ .....	254,600	179,260	247,000
East Central Texas .....	53,150	48,240	50,450
East Texas .....	445,200	448,860	446,900
North Texas .....	59,700	58,490	59,300
Panhandle .....	61,900	61,190	62,250
Southwest Texas .....	81,250	60,450	78,600
West Central Texas .....	25,250	25,260	25,050
West Texas .....	183,450	151,020	180,450
STATE .....	1,164,500	1,032,770	1,150,000
UNITED STATES .....	2,980,200	2,589,080	2,919,100
Imports .....	165,036	152,734	165,500

¶Includes Conroe.

Note: From American Petroleum Institute.

Gasoline sales as indicated by taxes collected by the State Comptroller were: April 1936, 84,214,000 gallons; April 1935, 73,639,000 gallons; March 1936, 87,233,000 gallons

CONSUMPTION OF ELECTRIC POWER IN TEXAS¶

	Power Consumed (In Thousands of K.W.H.)			Percentage Change	
	May 1936	May 1935	April 1936	May 1935 from May 1936	April 1936 from May 1936
Commercial .....	30,036	26,154	28,463	+14.8	+5.5
Industrial .....	70,043	60,516	68,190	+15.7	+2.7
Residential .....	19,967	17,423	19,247	+14.6	+3.7
TOTAL .....	120,046	104,093	115,900	+15.3	+3.6

¶The data presented in this table include only that electric power which was consumed by the three groups shown. A miscellaneous group, which will include all other power consumed, will be shown in tables appearing in future issues of the Review.

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

COTTON MANUFACTURING IN TEXAS

	May 1936	May 1935	April 1936
Bales of Cotton Used.....	3,128	1,413	3,337
Yards of Cloth:			
Produced .....	3,729,419	1,636,759	3,499,548
Sold .....	2,773,457	1,801,718	3,470,652
Unfilled Orders .....	4,468,509	3,457,810	4,505,675
Active Spindles .....	99,240	74,338	100,442
Spindle Hours   .....	25,492	12,295	28,212

||In thousands.  
NOTE: Reported to the Bureau of Business Research by 12 Texas cotton mills.

MAY CARLOAD MOVEMENT OF POULTRY AND EGGS

Shipments from Texas Stations

	Cars of Poultry				Cars of Eggs			
	Live		Dressed		Chickens		Turkeys	
	1936	1935	1936	1935	1936	1935	1936	1935
TOTAL .....	2	7	44	50	1	4	80	64
Intrastate .....	1	---	---	---	---	---	46	21
Interstate .....	2	6	44	50	1	4	34	43

Interstate Shipments Classified

New York.....	1	---	15	21	1	---	3	3
Illinois.....	1	---	2	4	---	---	7	6
Massachusetts.....	---	---	6	2	---	---	1	2
Pennsylvania.....	---	---	3	4	---	---	4	3
New Jersey.....	---	---	10	5	---	1	---	1
Louisiana.....	---	---	---	---	---	---	4	5
Connecticut.....	5	---	3	6	---	1	---	---
Missouri.....	---	---	---	---	---	---	---	3
Georgia.....	---	---	---	---	---	---	1	1
Michigan.....	---	---	1	---	---	---	---	---
California.....	1	---	---	---	---	---	1	3
Alabama.....	---	---	---	---	---	---	2	1
Florida.....	---	---	---	---	---	---	5	3
Rhode Island.....	---	---	2	6	---	---	---	1
Tennessee.....	---	---	---	---	---	---	3	1
Oklahoma.....	---	---	2	---	---	---	---	1
Missouri.....	---	---	---	1	---	---	---	---
Nebraska.....	---	---	---	1	---	1	---	---
Maine.....	---	---	---	---	---	---	---	1

Receipts at Texas Stations

TOTAL .....	---	---	---	---	---	---	48	60
Intrastate .....	---	---	---	---	---	---	30	19
Interstate .....	---	---	---	---	---	---	18	41

Interstate Receipts Classified

Kansas.....	---	---	---	---	---	---	18	36
Missouri.....	---	---	---	---	---	---	---	1
Nebraska.....	---	---	---	---	---	---	---	3
Illinois.....	---	---	---	---	---	---	---	1

NOTE: These data are furnished the U. S. Department of Agriculture, Division of Crop and Livestock Estimates, by railway officials through agents at all stations which originate and receive carload shipments of poultry and eggs. The data are compiled by the Bureau of Business Research.

CEMENT

(In Thousands of Barrels)

	May 1936	May 1935	April 1936
Texas Plants—			
Production .....	458	355	655
Shipments .....	458	340	583†
Stocks .....	636	688†	635†
United States—			
Production .....	10,985	8,222	8,519
Shipments .....	11,121	7,428	9,089
Stocks .....	20,435	21,991†	20,571†
Capacity Operated .....	48.9%	36.1%	39.2%

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

BUILDING PERMITS

	May 1936	May 1935	April 1936
Abilene.....	\$ 19,242	\$ 11,735	\$ 92,985
Amarillo.....	13,666	25,211	144,471
Austin.....	392,272	658,030	342,107
Beaumont.....	92,072	61,843	69,663
Big Spring.....	17,915	7,685	11,870
Brownsville.....	8,415	16,205	14,630
Brownwood.....	3,275	5,150¶	350
Cleburne.....	4,950	6,393	3,220
Corpus Christi.....	148,750	72,275	161,005
Corsicana.....	7,730	35,985	14,897
Dallas.....	1,002,830	437,459	1,494,861
Del Rio.....	6,245	10,230	7,690
El Paso.....	107,561	24,747	117,370
Fort Worth.....	1,391,474	115,200	584,610
Galveston.....	37,670	43,811	69,805
Harlingen.....	2,600	1,385	4,570
Houston.....	832,525	644,974	1,240,205
Jacksonville.....	5,500	---	3,600
Laredo.....	7,940	6,665	22,080
Longview.....	98,700	195,456	49,485
Lubbock.....	30,275	15,503	19,686
McAllen.....	4,750	3,050	49,850
Marshall.....	10,308¶	8,768	13,143
Palestine.....	18,568	6,535	18,313
Pampa.....	73,200	71,700	18,450
Paris.....	8,068	20,510	8,905
Port Arthur.....	98,609	29,057	78,847
San Angelo.....	30,385	4,505	5,530
San Antonio.....	357,591¶	201,991	299,951
Sherman.....	12,567	35,975	18,502
Tyler.....	106,389	150,730	180,011
Waco.....	101,320	38,567	31,269
Wichita Falls.....	29,525	19,717	53,020
TOTAL .....	\$5,082,887	\$2,987,047	\$5,244,951

¶Does not include public works.  
NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.

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		Consumption To May 1§	Exports to May 1§	Total	Balance June 1
			Report March 20§	Total				
1928-1929.....	2,536	410	14,297	17,243	5,974	7,507	13,481	3,762
1929-1930.....	2,313	364	14,548	17,225	5,322	6,329	11,651	5,574
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	5,180	5,519	10,699	6,978

The cotton year begins August 1.      †In 500-pound bales.      §Running bales, counting round bales as half bales.  
NOTE: The figures have been revised in accordance with the revisions made by the United States Bureau of the Census.

LUMBER

(In Board Feet)

	May 1936	May 1935	April 1936†
Southern Pine Mills:			
Average Weekly Production per Unit	318,373	241,516	310,990
Average Weekly Shipments per Unit	332,399	324,643	344,635
Average Unfilled Orders per Unit, End of Month	723,910	863,098	792,500

†Revised.  
NOTE: From Southern Pine Association.

TEXAS CHARTERS

	May 1936	May 1935	April 1936†
Domestic Corporations:			
Capitalization	\$1,978	\$2,813	\$1,357
Number	162	156	140
Classification of new corporations:			
Banking-Finance	7	5	4
Manufacturing	22	27	16
Merchandising	44	34	36
Oil	28	36	26
Public Service	3	3	1
Real Estate-Building	17	11	19
Transportation	3	5	7
All Others	38	35	31
Number capitalized at less than \$5,000	68	51	60
Number capitalized at \$100,000 or more	4	6	2
Foreign Corporations (Number)	34	25	29

†Revised.  
||In thousands.  
NOTE: Compiled from records of the Secretary of State.

COMMODITY PRICES

	May 1936	May 1935	April 1936
WHOLESALE PRICES:			
U. S. Bureau of Labor Statistics 1926 = 100)	78.6	80.2	79.7
The Annalist (1913 = 100)	{ 120.4	{ 126.0	{ 123.8†
Dun's	{ 71.6†	{ 75.0†	{ 73.4†
Bradstreet's	\$ 9.74	\$ 9.91	\$ 9.82
FARM PRICES:			
U. S. Department of Agriculture (1910-1914 = 100)	103.3	108.0	105.0
U. S. Bureau of Labor Statistics (1926 = 100)	75.2	80.6	76.9
RETAIL PRICES:			
Food (U. S. Bureau of Labor Statistics, (1923-25 = 100)	79.9	81.4	79.7
Department Stores (Fairchild's Publications, Jan. 1931 = 100)	88.1	86.1	88.1

†Revised.  
†On gold basis based on exchange quotations for France, Switzerland, and Holland.

TEXAS COMMERCIAL FAILURES

	May 1936*	May 1935	April 1936§
Number	16	22	14
Average Weekly Number	3	6	4
Liabilities	\$115	\$231	\$463
Assets	\$ 40	\$ 95	\$317
Average Liabilities per Failure	\$ 7	\$ 11	\$ 33

\*Five weeks.  
||In thousands.  
§The unusually large liabilities and assets are attributable to the failure of one large firm.  
NOTE: From Dun and Bradstreet, Inc.

BANKING STATISTICS

(In Millions of Dollars)

	May 1936		May 1935		April 1936	
	Dallas District	United States	Dallas District	United States	Dallas District	United States
DEBITS to individual accounts	788*	42,982*	546	29,463	637	33,865
Condition of reporting member banks on—	June 3, 1936	May 29, 1935	April 29, 1936			
ASSETS:						
Loans and investments—total	446	22,148	427	19,787	442	21,795
Loans to brokers and dealers:						
In New York City	—	1,154	—	864	—	1,032
Outside New York City	2	238	1	176	2	209
Loans on securities to others (except banks)	42	2,094	‡	2,116	41	2,063
Acceptances and commercial paper bought	2	315	3	375	2	346
Loans on real estate	22	1,147	25	1,157	22	1,141
Loans to banks	1	92	‡	162	1	67
Other loans	129	3,586	‡	3,261	123	3,485
U. S. Government direct obligations	166	8,909	167	7,778	167	8,802
Obligations fully guaranteed by U. S. Government	33	1,305	38	791	37	1,281
Other securities	49	3,308	42	3,107	47	3,369
Reserve with Federal Reserve Banks	75	4,594	64	3,879	83	4,416
Cash in vault	9	369	9	314	10	382
Due from Domestic banks	176	2,363	‡	1,999	170	2,252
Other assets—net	27	1,389	‡	1,494	27	1,393
LIABILITIES:						
Demand deposits—adjusted	336	14,580	‡	12,556	337	14,258
Time deposits	119	5,035	‡	4,935	118	5,047
U. S. Government deposits	27	746	33	777	27	752
Inter-bank deposits:						
Domestic banks	169	5,584	‡	4,672	169	5,431
Foreign banks	—	408	‡	290	—	353
Borrowings	—	—	‡	4	—	—
Other liabilities	5	959	‡	730	4	865
Capital account	77	3,551	‡	3,509	77	3,532

\*Five weeks.  
‡Not available.  
NOTE: From Federal Reserve Board.

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

	Cattle		Calves		Hogs		Sheep		Total	
	1936	1935	1936	1935	1936	1935	1936	1935	1936	1935
Total Interstate Plus Fort Worth¶	4,048	5,758	555	644	523	276	778	736	5,904	7,414
Total Intrastate Omitting Fort Worth	750	1,754	138	176	34	18	47	36	969	1,984
TOTAL SHIPMENTS	4,798	7,512	693	820	557	294	825	772	6,873	9,398

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

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

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

## JUNE EMPLOYMENT AND PAY ROLLS IN TEXAS CLASSIFIED BY CITIES AND EMPLOYMENT GROUPS

## Pay Rolls Ending Nearest Fifteenth of Month

	No. of Estab- lish- ments	Workers			Percentage Change		Average Weekly Wage per Worker			
		June 1936	June 1935	May 1936	June 1935	May 1936	June 1936	June 1935	May 1936	
										from June 1935
Abilene	11	145	131	145	+ 10.7	+ 0.0				
Amarillo	12	350	320	331	+ 9.4	+ 5.7				
Austin	13	411	423	419	- 2.8	- 1.9				
Beaumont	19	2,672	2,943	2,670	- 9.2	+ 0.1				
Dallas	79	5,870	6,109	5,826	- 3.9	+ 0.8				
Denison	5	704	574	694	+ 22.6	+ 1.4				
El Paso	35	814	722	809	+ 12.7	+ 0.6				
Fort Worth	39	1,591	1,393	1,686	+ 14.2	- 5.6				
Galveston	10	410	386	403	+ 6.2	+ 1.7				
Houston	89	5,062	4,646	4,959	+ 9.0	+ 2.1				
Laredo	7	67	61	65	+ 9.8	+ 3.1				
Port Arthur	7	3,447	3,065	3,440	+ 12.5	+ 0.2				
San Antonio	70	1,550	1,492	1,511	+ 3.9	+ 2.6				
Sherman	9	540	518	529	+ 4.2	+ 2.1				
Waco	22	936	881	903	+ 6.2	+ 3.7				
Wichita Falls	20	608	562	571	+ 8.2	+ 6.5				
All Other Cities	438	14,873	13,915	14,799	+ 6.9	+ 0.5				
STATE	885	40,050	38,141	39,760	+ 5.0	+ 0.7				
BUILDING MATERIALS	58	4,957	4,128	5,039	+ 20.1	- 1.6	\$19.81	\$15.67	\$19.70	
Brick, Tile, Terra Cotta	7	334	186	297	+ 79.6	+ 12.5	12.10	8.70	11.82	
Cement	5	631	565	711	+ 11.7	- 11.3	16.66	17.56	21.25	
Foundries, Machine Shops	22	1,832	1,350	1,725	+ 35.7	+ 6.2	27.54	21.79	27.31	
Millwork	15	438	398	467	+ 10.1	- 6.2	19.15	15.66	18.11	
Saw Mills	9	1,722	1,629	1,839	+ 5.7	- 6.4	14.41	10.73	13.64	
CHEMICALS¶	8	227	246	233	- 7.7	- 2.6	23.26	17.95	23.19	
CLOTHING AND TEXTILES	21	2,344	2,122	2,327	+ 10.5	+ 0.7	10.99	11.23	11.05	
Cotton Textile Mills	5	771	624	772	+ 23.6	- 0.1	12.12	11.15	12.46	
Men's Clothing Manufacturing	11	1,208	1,132	1,208	+ 6.7	0.0	10.02	10.93	9.53	
Women's Clothing Manufacturing	5	365	366	347	- 0.3	+ 5.2	11.78	12.28	13.22	
COTTON OIL MILLS	13	138	152	165	- 9.2	- 16.4	14.15	14.22	12.67	
DISTRIBUTION	266	4,777	4,436	4,763	+ 7.7	+ 0.3	24.55	23.05	24.21	
Retail Trade	115	1,493	1,387	1,473	+ 7.6	+ 1.4	20.57	19.14	20.32	
Wholesale Trade	151	3,284	3,049	3,290	+ 7.7	- 0.2	26.36	24.82	25.96	
FOOD PRODUCTS	35	1,020	1,049	1,000	- 2.8	+ 2.0	16.94	16.49	17.04	
Bakeries	10	289	280	286	+ 3.2	+ 1.0	17.74	16.20	16.85	
Confectioneries	6	115	117	113	- 1.7	+ 1.8	9.24	9.52	11.96	
Flour Mills	6	330	378	322	- 12.7	+ 2.5	19.33	19.45	19.29	
All Other Food Products	13	286	274	279	+ 4.4	+ 2.5	16.47	15.68	16.70	
FOREST PRODUCTS	5	189	193	186	- 2.1	+ 1.6	14.74	13.39	14.01	
FURNITURE MANUFACTURING	6	175	339	153	- 48.4	+ 14.4	21.00	14.89	18.94	
PETROLEUM REFINING	25	10,587	9,853	10,421	+ 7.4	+ 1.6	27.43	24.21	26.72	
PRINTING AND PUBLISHING	35	1,395	1,305	1,403	+ 6.9	- 0.6	32.05	31.14	32.25	
Commercial Printing	18	370	334	367	+ 10.8	+ 0.8	23.28	24.35	26.02	
Newspaper Publishing	17	1,025	971	1,036	+ 5.6	- 1.1	35.22	33.47	34.45	
PUBLIC UTILITIES	316	9,023	8,576	8,937	+ 5.2	+ 1.0	25.90	24.35	26.11	
Electric Railway Car Shops	7	148	140	146	+ 5.7	+ 1.4	25.98	23.52	25.44	
Electric Railway and Motor Bus Maintenance and Operation	9	1,344	1,208	1,343	+ 11.3	+ 0.1	25.12	21.85	22.29	
Natural Gas	36	1,487	1,786	1,396	- 16.7	+ 6.5	22.13	20.22	24.65	
Power and Light	255	4,554	4,236	4,554	+ 7.5	0.0	27.43	27.10	27.80	
Steam Railroad Car Shops	9	1,490	1,206	1,498	+ 23.5	- 0.5	25.56	23.39	25.83	
SERVICE	34	1,784	1,700	1,753	+ 4.9	+ 1.8	12.39	12.26	12.39	
Business and Personal Service	14	242	254	244	- 4.7	- 0.4	22.63	20.56	21.28	
Hotels	20	1,542	1,446	1,509	+ 6.6	+ 2.2	10.79	10.80	10.95	
ALL OTHER INDUSTRIES	63	3,434	4,042	3,380	- 15.0	+ 1.6	22.02	21.58	23.91	
STATE	885	40,050	38,141	39,760	+ 5.0	+ 0.7	\$23.44	\$21.45	\$23.39	
TOTAL WEEKLY PAY ROLL¶			\$939	\$818	\$930	+ 14.8	+ 1.0			

¶In Thousands.

¶Chemical and Allied Industries not elsewhere classified.

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