

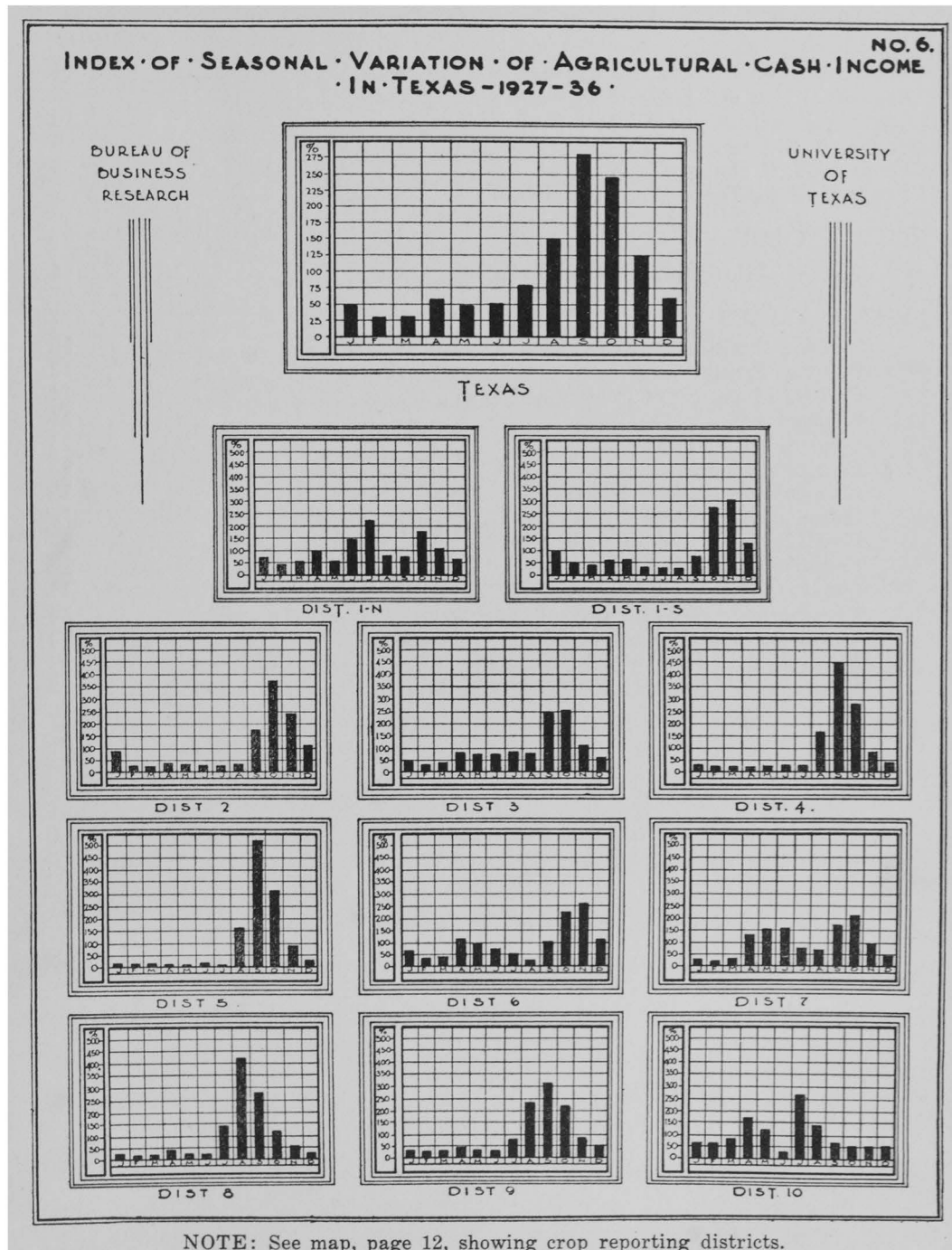
# TEXAS BUSINESS REVIEW

Bureau of Business Research

The University of Texas

Vol. XI, No. 4

May 28, 1937



TEN CENTS PER COPY

ONE DOLLAR PER YEAR

## TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas and the Southwest  
Bureau of Business Research, The University of Texas, Austin, Texas

Entered as second class matter on May 7, 1928, at the post office at Austin, Texas, under Act of August 24, 1912

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## Business Review and Prospect

Industry and trade for the Nation as a whole suffered a set-back from March to April, *Barron's* monthly index having dropped from 86.6 to 83.4. The weekly index of 86.9 shown in the May 17 issue of *Barron's* indicates, however, that the loss has now been fully cancelled. Comparing the April, 1936, index, 74.4, with that of April in the current year, 83.4, there has been an improvement of nearly 17 per cent over last year. To bring the index up to the normal trend line will require an increase of 15 per cent. An improvement of more than 30 per cent from present levels is still required, however, to bring industry and trade for the Nation up to the 1929 level if the trend in per capita production and the increase in population are taken as the basis of comparison, which should be done.

The principal deterrent to full emergence from the depression is the continued subnormal activity in the building industry. Recent statistics indicate that public and private construction combined is still only about half that of 1928, although there has been a material increase in population since that year, and during much of the intervening period construction has been almost at a standstill. It is probable that the recent sharp rise in building costs will tend still further adversely to affect the building industry and may result in less favorable year to year comparisons than have prevailed so far this year.

### *Texas Business*

Texas business continued through April the definite improvement which with but few interruptions has characterized industry and trade in the State for almost two years. The Bureau's composite index of business activity is now, in fact, only 8 points lower than it was in April, 1930, and in no intervening April since then has the index been as high as it was last month. It should be pointed out, however, that this index takes into account neither the increase in population of the State since 1930 (approximately 400,000) nor the long-time trend in per capita production, both of which factors if considered would tend to make the comparison with 1930 somewhat less favorable than the index actually shows.

The composite index rose from 96.4 (revised) in March to 97.1 (preliminary) in April. The indexes of employment, pay rolls, and electric power consumption increased from March to April while those of department store sales, runs of crude oil to stills, and freight car loadings decreased. The most significant increase was that of pay rolls. Compared with April, 1936, the composite index rose from 84.5 to 97.1, an increase of 12.6 points or nearly 15 per cent.

### *Farm Cash Income*

Farm cash income in Texas continues to make favorable year to year comparisons. Since the major portion of this improvement comes from live stock and livestock products, and these commodities are quite broadly distributed over the State, the index of all but one of the crop reporting districts (district 5) shows an improvement over April, 1936.

District	April 1937	March 1937	April 1936
1-N .....	62.2	112.6	50.9
1-S .....	172.5	133.4	80.9
2 .....	111.8	119.3	71.1
3 .....	118.1	180.1	81.5
4 .....	153.1	131.3	113.2
5 .....	135.6	113.1	143.2
6 .....	90.0	96.6	68.4
7 .....	116.1	142.6	58.3
8 .....	79.5	119.3	76.0
9 .....	126.9	121.1	95.0
10 .....	156.6	227.2	83.6
10-A* .....	123.0	250.7	81.6
State .....	105.2	136.5	67.6

\*Included in district 10.

NOTE: See maps, pages 5 and 6 of the issue of March 27, 1937, showing the crop reporting districts.

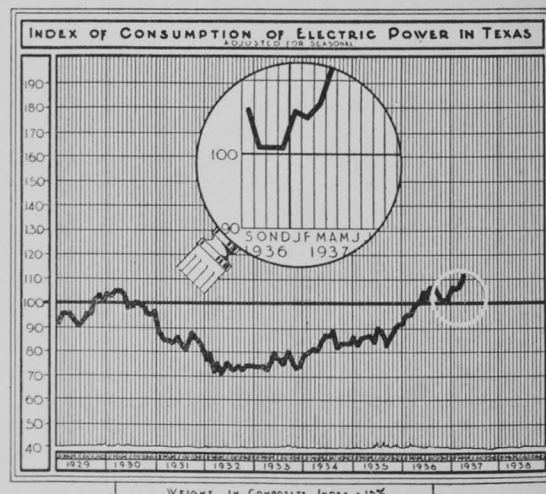
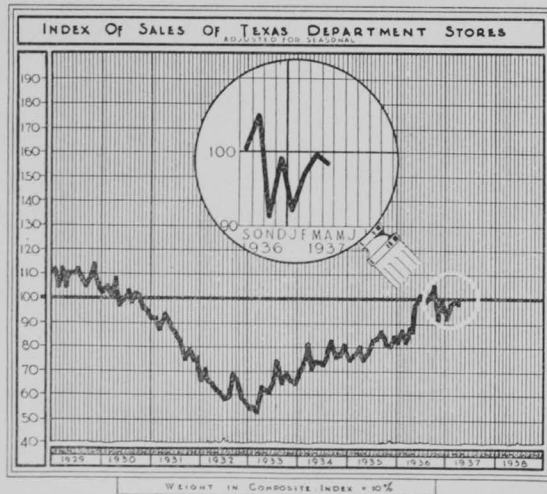
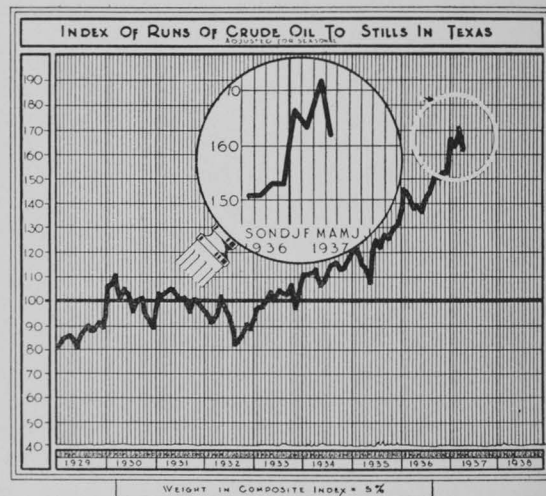
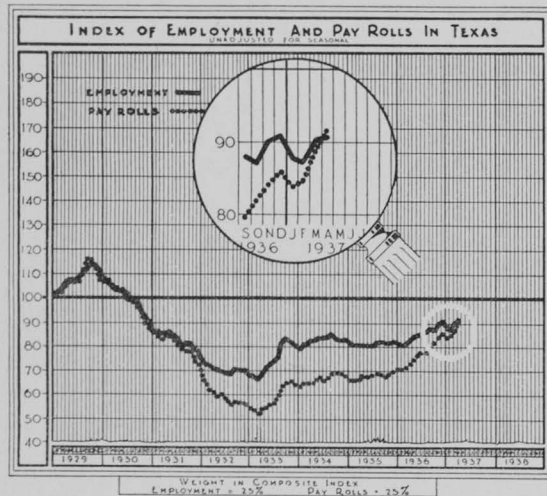
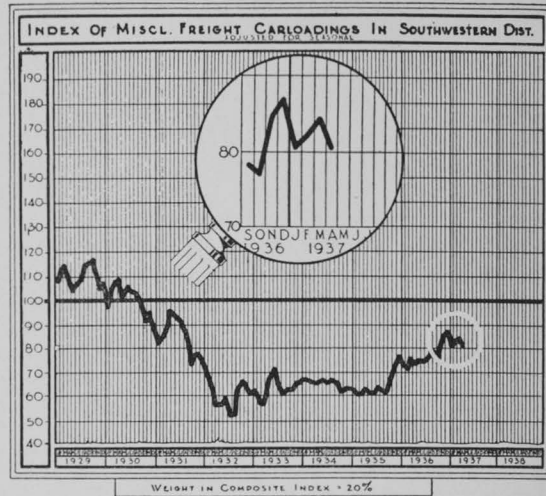
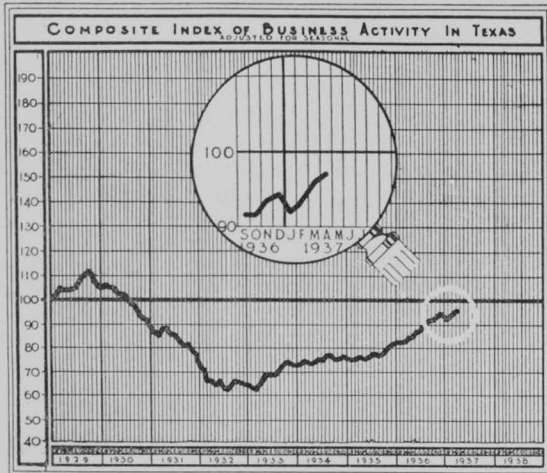
The *computed* farm cash income for Texas during April, excluding government benefit payments, totalled \$27,475,000 compared with a comparable figure of \$17,648,000 during April last year, an increase of more than 58 per cent. The districts in which sheep, wool, and cattle constitute the major sources of income made relatively the most favorable showing. The lower Rio Grande Valley continues to maintain a wide margin of improvement over last year but the gain was not so great in April as it was in March.

Barring abnormal weather conditions during the remainder of the current crop season, present indications point to further improvement in Texas farm cash income during coming months. Because of the high degree of specialization which prevails in the various natural regions of the State, however, these distinctive regions will not share equally in such gains as are expected to occur. Regions in which live stock and livestock products constitute the most important sources of income are expected on the whole to continue the favorable showing of recent months. The specialized wheat areas of the State will benefit both from larger production and higher prices than have prevailed for several years.

F. A. BUECHEL.

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

# INDEXES OF BUSINESS ACTIVITY IN TEXAS



AVERAGE MONTH OF 1930=100%

BUREAU OF BUSINESS RESEARCH

THE UNIVERSITY OF TEXAS



## Financial

On May 1 the last half of the increase in member bank reserve requirements became effective. It will be recalled that on January 30 the Federal Reserve Board ordered a general increase of 33 1/3 per cent in such requirements, one-half of which was to go into effect on March 1 and the remainder on May 1. With this last increase the recently granted power of the Board to raise reserve ratios has been exhausted, these ratios having been increased the full 100 per cent allowed by law since August 1 of last year. Unless further authority in this direction is granted by Congress, this particular check on bank credit expansion is no longer available.

Despite the doubling of reserve requirements within a period of nine months, member bank excess reserve balances continue to be huge. Such excess reserves on April 28 were estimated at \$1,640,000,000, having increased by some \$340,000,000 since March 1 largely as a result of Treasury expenditures and some open market buying by the Federal Reserve Banks. After giving effect to the May 1 increase in reserve requirements, excess reserve balances of the member banks approximated \$850,000,000, a figure sufficiently high to guarantee easy money market conditions for some time to come.

Most member banks found their reserve balances sufficiently high to cover easily the May 1 increase in reserve requirements. A considerable number, however, located chiefly in New York and Chicago, were compelled to build up their balances in order to comply with the law. Such readjustment was accomplished for the most part through sales of government obligations, although there was some selling of "other securities" and a slight increase in borrowing from the Federal Reserve Banks. For the period January 6 to April 21, the holdings of government obligations of the reporting member banks declined approximately \$860,000,000, and it was this selling which was largely responsible for the weakness in the government bond market during early April.

The general trends in commercial banking with respect to deposit growth and loan expansion have continued unchanged. Adjusted demand deposits of the reporting member banks aggregated \$15,349,000,000 on May 5, an increase of \$182,000,000 since April 7 and of \$1,089,000,000 since May 6, 1936. Major factors responsible for this continuing expansion of deposits include further Treasury deficit financing, a substantial increase in commercial lending, and, until last December, gold imports. Since the adoption of the Treasury's "inactive gold fund" policy in December, gold importations have been sterilized and have had no effect either on deposits or excess reserve balances. Had this policy not been adopted, both of these latter two accounts would stand some \$650,000,000 higher than present levels.

Utilization of loanable funds by commercial banks continues to improve. The reporting member banks'

aggregate of "other loans," representing largely working capital financing, reached a level of \$1,472,000,000 on May 5, an increase of \$65,000,000 since April 7 and of \$963,000,000 during the preceding twelve months. The rate of expansion, which has tapered off somewhat in recent weeks, is expected to gain momentum with the autumn seasonal pick-up in general business activity. Some further increase in the use of bank credit to finance security speculation can be noted. The reporting member banks' total of loans collateralized by stocks and bonds has increased slightly during the month as compared with a year ago, reaching a level of \$3,395,000,000 on May 5. Similarly, brokers loans by New York City member banks show an expansion of \$42,000,000 during April and of \$110,000,000 during the past year.

Money market interest rates and bond prices firmed somewhat during the latter part of April following member bank readjustment to the higher legal reserve ratios. The discount rate on 90 day bankers' acceptances declined during the first week of May from 9 16 to 1 2 per cent, other short term market rates remaining unchanged. Bond prices recovered somewhat from the severe decline of March and early April; the Dow-Jones average of 40 high grade bond prices rising from 100.79 on April 28 to 101.79 on May 7. Treasury bond prices have shown similar improvement and apparently without much artificial support from Treasury trust funds.

The stock market has continued to decline during the month on a relatively moderate trading volume. The Dow-Jones average of 70 stock prices dropped from 66.95 on March 20 to 63.40 on May 8, the lowest level of the year, the greatest declines being in the industrial list. The weakness of stock prices in view of the rather general improvement in sales volume during the first quarter of the year is somewhat mystifying. One possible explanation has been advanced by the National City Bank of New York in its monthly review of business conditions.

According to this publication, the profit margin of many manufacturing companies is beginning to narrow because of rising operating costs, chiefly raw materials and wages. During 1935 and 1936, increasing operating costs were offset by rapidly expanding output which distributed fixed overhead expenses over a greater volume of production and lowered such costs per unit of output. This process, of course, can be continued only up to the limit of present plant installation, after which new plants must be constructed with a consequent sharp increase in overhead expenses. There are some indications that the expansion of production volume is no longer keeping pace with the rise in operating costs. Should this situation develop, the increased production costs per unit of output must either be passed on to the public in the form of higher prices or else result in narrowing corporate profit margins.

J. C. DOLLEY.

## Cotton

The cotton situation is approaching another important stage in its development. In 1929 the Farm Board sought unsuccessfully to solve the cotton problem by a holding movement. The accumulated cotton resulting from that program, plus the depression, created an emergency situation that called for even more drastic action which resulted in the passage of the A.A.A. in 1933, the Bankhead Act in 1934, and finally the Soil Conservation Act in 1935. The primary object of the three acts just named was to raise the farmers' income by raising cotton prices by restricting supply, and by making rentals and benefit payments.

As a result of the cotton production restriction program and increased consumption because of improving business conditions, the supply of cotton in the United States has been reduced from an all-time high for any May from 11,742,000 bales in May, 1933, to 6,921,000 bales on May 1 this year, or a reduction of 4,821,000 bales. In other words, to the extent that reduction of supply was the objective of the above program, it has had a measure of success. The long run cost of the program is another matter. Official estimates indicate the Government kept out of production a little over 18,000,000 bales of American cotton during the four years of its operation, and, that plus increased world consumption as the result of improving business conditions, secured a net reduction of supplies in the United States of only 4,821,000 bales of cotton. Why has the net reduction been relatively so small?

According to figures published by the United States Department of Agriculture, foreign cotton-growing countries have increased their production during the same four years to 18,470,000 bales, based on the 1932-33 production. The net result has been that at the beginning of this cotton year the world supply of all cotton, counting carryover plus this year's production, exceeded the preceding all-time high by over a half million bales, or a world's supply of over 43,000,000 bales. The net result has been that our reductions were offset by increased production abroad; but more important to us than that is the fact that foreign producers now have nearly 60 per cent of world production of, and markets for, cotton.

In 1932 the cotton growers had finally to face a large crop plus the unwieldy carryover accumulated by the Government as a result of the Farm Board policy. The policies adopted in 1933 to meet that emergency have helped to create another potential emergency in 1937-38. This time the pending emergency is a product not of accumulated supplies in the United States but of vastly stimulated production abroad which is robbing us of our foreign markets. Are not the potential cotton problems far more complicated now than in 1929, or even in 1933, because of the drastic decline in the relative importance of our production and changed economic relations? Thus in 1937, a year following the greatest world production on record, and when these same foreign countries are increasing acreage, cotton growers in the United States feel impelled to increase their acreage also about 15 per cent. This means first of all that American cotton growers are not willing to give up foreign markets even at present prices, because the great

mass of them have not as yet discovered an adequate substitute to replace cotton in their farm production programs. In the second place, it means that the cotton growers probably face relatively lower prices if they persist in their efforts to regain these markets. Unfavorable weather in the United States and abroad and/or still greater world cotton consumption may postpone the day of reckoning until next year or the year after, but sooner or later cotton growers will be confronted with an unusually large world production and a relatively lower price. When that time arrives, some momentous cotton problems will have to be met. It cannot be too strongly emphasized that the fundamental cotton problem, the loss of markets, is a result of our national and nationalistic policies and that the Nation itself must pay the price of its solution. Whether it shall be done wisely as a result of a comprehensive, sympathetic understanding of the significance of the cotton industry in our national economic life, especially in relation to the significance of cotton production in our system of specialized regional production of agricultural products or not, remains to be seen. Unfortunately, the Nation as a whole lacks fundamental information to enable it to understand the full import of the impending situation and for the formulation of a comprehensive program to meet it.

A. B. Cox.

**COTTON BALANCE SHEET** Total supplies of cotton in the United States May 1 were 6,921,000 bales as compared with 7,841,000 bales last year, 9,305,000 bales two years ago, and an all-time high of 11,742,000 bales in May, 1933. The total decrease in supplies of cotton in the United States and of American cotton in European ports and afloat to Europe during the past twelve months was 930,000 bales.

Calculated changes in the index price of cotton based on these changes in supply indicate an advance in the index price of middling  $\frac{7}{8}$ -inch in New Orleans of 154 points from the price at this time last year. The index price last year May 14 was 14.59 cents; this year it was 14.67 cents. When changes in the Bureau of Labor Statistics wholesale index is taken into account the calculated price for middling  $\frac{7}{8}$ -inch spot cotton at New Orleans becomes 14.19 cents. When the price is calculated on the basis of average percentage changes in supply and price it is 14.67 cents.

The major reasons for the actual price being lower than the calculated price are the large supplies of foreign growths of cotton, most of which are now relatively cheaper than American, and the potential increase in production for 1937-38.

**SPINNERS MARGIN** Spinners ratio margins widened during April to 194 compared with 182 in March and 163 in April last year.

The pence margin in Manchester averaged 7.11d during April compared with 6.45d in March and only 4.16d in April last year.

The above margins indicate an exceptional demand for cotton in England. To the extent it represents demand for war materials in England it may not be typical of world conditions.

# The Outlook for Texas

Perhaps but few will question the significance in its broader scope of the query: What is the outlook for Texas? Perhaps, however, some would question the advisability of the query: What's the matter with Texas? There can be, however, no doubt that the current problems and the immense possibilities and potentialities of Texas present a challenge to the citizenship of the State which merits the open-minded consideration of all concerned. So close are the commonplace details of life and work in a large and rapidly changing region, such as Texas is, that the inhabitants find it difficult to grasp in the larger perspective the most distinctive aspects of such a region.

Perhaps that more or less intangible but none the less very distinctive characteristic of Texas—the “spirit of Texas”—is most readily grasped by observing people from outside the State, or, even better, by visitors from Europe who express in no uncertain terms the distinctive impressions they get of the land and the people that comprise Texas. One may find in New York City or Boston those who have a keener appreciation of the promise of Texas than has become vocal generally within our own State. The writer recalls the statement of the late Dr. Marbut that: “From the standpoint of natural resources, Texas is, undoubtedly, the richest State in the Union.”

But what does Texas mean to you? Obviously, answers would be highly diverse; but the query is important if it can serve to crystallize the necessity for observing and studying Texas from the point of view of wider interests. It is also obvious that close attention must be given to the nature and direction of those broader trends and probabilities which are dominant in determining the character of the sum-total of the specific circumstances which will comprise the Texas of tomorrow.

Obviously economic aspects of life or “economic factors in civilization” do not constitute the whole of life and civilization, and yet the very fabric of the various world cultures is an inter-weaving of the varied fibers of the population, the material environment, and of the technologic development of the period.

And it is in the larger picture of the inter-relationships of peoples, of natural environment and earth resources, and of technologic advances that the larger setting of Texas is inexorably placed; and the trends determining the future of Texas will inevitably be laid out on the basis of these fundamental relationships.

## *The Economic Development of Texas*

The economic development of Texas, like that of the United States as a whole, has proceeded through a series of dramatic, wave-like movements—movements of peoples, movements of economic activities such as farming and ranch occupations, the oil industry, and more recently the manufacturing industry.

The characteristic feature of Texas production, again like that of the Nation as a whole, is large production in the various lines of economic activity, whether of

cotton or live stock, oil or natural gas, or oil refining, or in the substantial beginnings that have already been made in the chemical industry in Texas.

Another characteristic of Texas economic development concerns the dynamic features which are readily illustrated by the vast sweep of the various regional shifts—shifts which have reflected the distinctiveness of the different regions as they were occupied. Historically, these shifts of primary concern to Texas are best seen in the geographic extension of cotton growing, of live-stock production, and of the oil industry. The current shifts centering primarily in the migration of industries into the South and Southwest, and particularly into Texas may well become as significant to Texas in the future as were the shifts in raw materials production in cotton and live stock and oil, which have characterized the economic development of Texas in the past.

Through the mobility of progressive economic adjustments involved in these shifts is expressed the factors and forces of interdependence of regions and of industries—as, for instance, each economic enterprise, each industrial plant, becomes a more or less widely diversified market for the products of other industries and of other regions. Texas and the Southwest have been considered almost entirely as a surplus producing region; but as the varied economic activities have expanded, as population has grown, there has come the gradual crystallization of the importance of Texas and the Southwest as a major consuming section of the Nation. Unquestionably the economic importance of the Southwest as a consuming region—comprising as it does more than 10 per cent of the population of the United States—will command increased attention in the future alignment of industries and economic activities, not only from the standpoint of Texas but of the Nation as well.

## *The Setting of Texas in the National Picture*

The dominant position of the United States, at once the leading world producing and consuming unit, is a function of the interdependence of the various major regions and of the quantity and variety of natural resources characteristic of these regions. Of primary importance is the fact that the potentials of production in the United States as a whole are as yet but dimly realized.

Each of these major regions of the Nation is characterized by large production in one or more lines of commodity groups—which inevitably means that economically each of these sections is characterized by a regional surplus or surpluses—surpluses which reflect the distinctive features of the consequences of regional specialization. Furthermore, each of these major regions is a deficit region for a wide line of commodities. Regions, like individuals, specialize in production; but regions, also like individuals, consume a wide diversity of commodities.

The United States comprises the widest assemblage of distinctively different producing regions of any country in the world; these regions each characterized by its distinctive types of specialization, each characterized by



its distinctive regional surpluses, are tied together by trade activities, and as a consequence the United States comprises a vast internal market unhampered by tariff walls, which is at once the object of wonder and perhaps of envy of observers from other countries.

The central fact in the phenomenal growth of the United States has been the economic development of these major regions, each one of which is distinctive, owing to its environment and natural resources; in this development there has grown up an interdependence of regions which in its breadth and depth is not to be found elsewhere in the world today.

The central problem in the future of the United States in an economic sense is how to make possible and effective the production of goods in the areas which possess the best facilities for the production of those commodities that are in demand—which inevitably means the continued enlargement of local and regional specialization.

During the past 100 years Texas economic development has been dependent upon the production of surpluses of commodities which have by and large had a ready sale in outside markets. The leading position of Texas as a raw materials producing State has become commonplace knowledge. Historically, the economic growth of Texas has been characterized not only by the progressive enlargement of raw materials output, but also by the continuous widening of the lines of raw material production, of agricultural and range output, of timber products, of oil and natural gas, and more recently of the large-scale utilization of the non-metallics.

The position Texas has attained in mineral production in the Nation is reflected in the rank and volume of the value of Texas mineral products during 1932 and 1933; in 1933, the last year for which comparative data are available from the Bureau of Mines, Texas ranked second only to Pennsylvania in the value of mineral products. The official figures for 1933 give to Texas mineral production a value of slightly less than three hundred sixty-six million dollars—an amount considerably in excess of that of any other high ranking mineral-producing State, excepting Pennsylvania.

The preliminary official figures of the value of mineral production in Texas for 1935 are slightly more than four hundred forty-four million dollars while unofficial estimates place the sum of excess of five hundred million dollars. The value of products of the petroleum refining industry in Texas in 1935 amounted to nearly four hundred thirty-eight million dollars; this industry paid out in wages (not including salaried officers and employees) in that year the sum of nearly twenty-four million dollars, the costs of materials, containers, fuel and electric energy amounted to more than three hundred fifty-nine million dollars, while the value added by manufacture was nearly seventy-nine million dollars.

#### *Raw Materials Problems*

It is quite apparent to students of the situation that Texas occupies a key position in the progressively enlarging demands of the modern world for larger and

larger supplies of raw materials of diverse types and kinds.

From either a national or a world point of view the problem of raw materials has become one of the basic questions of the modern world. The wide significance of raw materials became crystallized during the World War, and it is no exaggeration to say that the raw materials problem almost broke the back of the world in 1914.

Important though raw materials had become during the first decade of the twentieth century the problem was one of relative simplicity as contrasted with the complexities of economic structure at the present time. For the twentieth century has been marked by the development of a whole series of new industries and by the more or less complete transformation of most of the old ones.

The raw materials problems of the nineteenth century had centered about the enlargement of production of such foodstuffs as wheat and livestock products, of the heavy metal industries dependent upon coal and iron and, less so, of copper, and of the industrial fibers of cotton and wool.

The transformations wrought in the twentieth century have centered particularly about the chemical industry, the large development of the electrical industry, the rise of oil as a new source of power, and the consequent reactions of these upon the economic structure as a whole, not only upon the United States but upon the entire commercial world. The result has been by and large the enlargement of the scope of economic activity and an accentuation of demand for a whole new series of commodities, and which consequently has brought into large commercial production a vast assemblage of raw materials which were practically unused or wholly unknown at the turn of the century.

It is not necessary to catalog the various "new" industries that are literally a product of the twentieth century. The aluminum industry, however, is one, and most of the raw material of the aluminum industry—bauxite—mined in the United States is supplied by Arkansas from its deposits near Little Rock. Hydrogenation successfully applied to vegetable oils during the past three decades has created new demands for vegetable oil raw materials.

Although the United States is a large importer of vegetable oils, yet in Texas and the rest of the Cotton Belt the great significance, actual and potential, of cottonseed oil is too little appreciated. The Cotton Belt, as well as the United States as a whole, has taken too much for granted in regard to the possibilities and importance of vegetable oils. The European situation with respect to this group of commodities serves to bring out in perspective their economic and strategic significance; for Europe as a whole, and particularly Western Europe, is a deficit fats and oils producing territory. Dependent upon imports, the fats and oils situation in Germany particularly has come to a head more than once since the war period when it first appeared as a strategic factor of critical importance. Military strategists are of the opinion that if outside sources of fats and oils were shut off entirely in case

of a war involving western European countries, that those nations would be brought to their knees within a few months from their lack of fats and oils alone.

Of still other new sources of raw materials that have been characteristic of the present century is that of sulphur from salt dome accumulations of the Gulf Coast country of Texas and Louisiana; of chemical industries which are being developed to utilize the tremendous salt reserves of these domes, and of the potash reserves which have been found in southern portions of the Permian Basin in western Texas and southeastern New Mexico.

Still another trend in the utilization of raw materials is the progressive growth in the use of cellulose as a chemical raw material, and the resultant new industries it is creating, comparable to those based on coal tar products during the latter part of the last century.

#### *National Integration of Industry*

American economic growth has been marked by an integration of industries and economic activities—and particularly by the integration of the economic activities of the various major regions comprising the United States. This integration, however, has not been characterized by a full degree of mobility in regard to the basic factors concerned. The migration of peoples westward, and, of manufacturing industries south and west, has been due to the strong pull of the inherent economic advantages possessed by the western and southern regions rather than to the deliberate pushing out of established enterprises characterizing the older sections of the country.

Cotton growing moved into the Southwest not through any deliberations of the cotton growing industry of the Southeast, or the old Cotton Belt, but because the prairies and the arable plains of the Southwest offered, with the extension of railways and the availability of agricultural machinery, such opportunities for cotton growing as the world had never before or since witnessed; in consequence, obstacles were overcome and the Southwest became the premier cotton growing section of the Cotton Belt. In the same manner the range livestock industry in the Western Plains rose to a position second to no other region in this phase of the livestock industry.

The centering in the Southwest of petroleum production and of natural gas and of the industries directly associated with these resources is but another illustration of the pull of inherent forces based upon the natural conditions and advantages of a major region.

The recent migration of the Kraft paper industry into the Southwest and into eastern areas of the forested portions of the humid Southwest apparently constitutes the advance movement of a much broader trend which embraces not only white paper but also chemicals, vegetable oils, and besides a host of industries using natural gas as a preferred fuel.

What all this means is that industrial production is inevitably becoming more widely diffused geographically, and furthermore, since this dispersion of plants has to overcome or counteract strong obstacles of various sorts, it means that this dispersion movement is due mainly to the powerful pull of the inherent economic advantages possessed by the new locations.

Furthermore, community consciousness of the need for local industries is beginning to crystallize throughout Texas and the Southwest. This awakening consciousness reflects a situation which is becoming generally recognized throughout the Nation—that further economic expansion is possible only through the further building up of industrial enterprises.

Another trend of basic importance in the effective furthering of industry dispersion is that of the electric industry. Inter-connection of power systems and central stations serve to diversify the distribution of electric current and thereby provide throughout large regions those advantages of electric power which formerly were available only to compact metropolitan districts. Just as the industrial map of 1900 was mostly oriented by the steam engine, with the inevitable consequence of industrial concentration, the industrial map of tomorrow will be oriented by the widening spread of available electric energy and the consequent reactions upon the widespread movement of the decentralization of industry.

One of the many clear-cut examples, of the attainments of what in Texas are usually regarded as local industries, is that of the manufacture of foods and kindred products. In 1935 the value of these products (excluding all plants whose annual production was less than \$5,000) totalled nearly two hundred eighty-two million dollars; and in that year these industries expended for materials, containers, fuel, and purchased energy the sum of two hundred seven million dollars and paid out in wages (not including salaried officers and employees) a sum of nearly eighteen million dollars.

#### *Natural Gas and the Key to the Future of Texas Industry*

Historically, the periods of large expansion in the economic development of Texas have centered about, and have thus been determined by, the rapid growth to large proportions of particular lines of enterprises. In the two decades following 1865 it was the expansion of the cattle industry that reflected the pace of Texas growth. Beginning in the 1880's with the extension of railways into and through the Black Prairies cotton growing became the spearhead of advance, and this geographic spread of cotton continued down to 1929: by that time but little of arable lands of Texas suitable for cotton remained untouched by the plow. In fact, owing in part to the acceleration of agricultural advance engendered by the War, both cotton and wheat growing had advanced in many areas into lands not adapted naturally to arable uses, but which should have been left to remain in native grasses.

Since 1900 the tempo of Texas economic development has largely been set by the growth and extension of the oil industry: during the past decade, especially, the nation-wide attention of the oil industry has turned more and more to Texas oil production. This movement has been engendered particularly by the high position of Texas in oil reserves—a position which stands out in sharp contrast to the situation wrought by the rapid depletion of oil reserves in other sections of the Nation.

But where does Texas go from here? Texas potentialities for the growing of cotton and cottonseed, for the effective production of diverse livestock products, for fruits and vegetables, for the growing of timber prod-



ucts, and for wheat production insure the continued production of a wide range of raw materials of these types. Within the coming decade oil activities in various parts of Texas will be still more highly concentrated and it is apparent that vast sums will be spent in exploration and production of oil in the State.

It has been often stated that further large expansion in economic activities in Texas will necessarily be in the field of industrialization, and particularly in the manufacture of those raw materials which the natural resources of the State afford or can yield in abundant quantities. There is unquestionably a widespread tendency for raw materials of many sorts to be processed at locations near their production; this movement in itself though important is of limited application because of the combinations of raw materials that are required in modern industry. To a considerable degree, Texas has the advantage of having available a wide combination of various types of raw materials.

Furthermore, owing to the advantages of the Gulf of Mexico for transportation and the ready access to the vast markets of the Atlantic Seaboard, it is a reasonable

expectation that enterprises usually classed as market-oriented industries can be developed in a substantial manner along the Gulf Coast, and such industries would in addition have the advantages of proximity to Texas raw materials. The operation of this factor is illustrative of the determining influence of transportation facilities upon the development of modern industry. Further consideration of the reaction of modern industry to modern transportation would involve discussion of the necessity of interior portions of Texas being allowed such adjustments of transportation rates as are in accordance with the capacity of these areas for the production and consumption of goods.

Neither of these groups of factors—of raw materials and available transportation—can or will function in full without adequate fuel and power supplies. Happily, Texas has vast supplies of fuel resources in the form of natural gas; and it is apparent that the future expansion of industrial manufacturing in Texas is dependent more upon natural gas and its *conservation* than upon any other factor.

ELMER H. JOHNSON.

## Clothing Manufacturing in Texas

(Continued from March, 1937, issue)

Clothing manufacturing in the United States has made substantial increases in all branches of the industry since 1932. The increased production is evident throughout the country in general, although production in clothing as well as in nearly all other industries is still below normal when measured by the trend lines established prior to 1930. It is reported that in the 14 Southern states, however, that the \$8,000,000,000 worth of manufactured goods produced by all factories during 1936, represents more physical product than the \$8,700,000,000 worth of goods produced by the same group of states in 1929.

Of eighteen industries studied by the National Industrial Conference Board, only four had a greater output per capita of population in the first nine months of 1936 than in 1929, according to their report. Of this group the boot and shoe industry showed an increase of 6.1 per cent over the 1929 per capital production.

The United States Census of Manufacturers for 1929 listed nine plants in Texas manufacturing leather boots and shoes. The total wage earners at that time numbered 151, and value of products amounted to \$676,650. Of a total of 1,341 shoe factories in the United States, 436 were located in Massachusetts and employed 55,093 wage earners. Fourteen firms reported the manufacture of boots and shoes in Texas during 1936. These factories were engaged in the production of men's boots and shoes. In most instances, the plants are small, producing custom-made products for distribution locally or throughout the Southwest. The 1935 Census report indicates that four plants in Texas manufacturing boots and shoes produce goods valued at \$5,000 or more annually. The total number of shoe manufacturers for 1935 was 1,024 and the total value of products amounted to \$643,872,470.

Six factories reported the manufacture of leather belts in Texas during 1935 and about the same number manufactured leather sports jackets. Census reports state that the manufacture of miscellaneous leather goods of all types in the United States for 1935 amounted to \$26,385,352, which exceeded the 1933 value by 43.2 per cent. The production of leather belts numbered 48,935,618 in 1935, and were valued at \$9,129,936. Ten plants reported tanning of leather in Texas during 1935 and more than fifty firms produced articles manufactured from leather, including clothing, such as belts, jackets and gloves.

Among the smaller industries in Texas producing men's furnishings are nine plants manufacturing ties, which employ from 18 to 45 workers in each plant. Two of these plants produce their own materials on hand looms using original designs and patterns. Five factories produce men's and women's handkerchiefs, and employ from 20 to 50 wage earners each. A total of 12 plants report the manufacture of men's and boys' hats and caps. One manufacturer of straw hats employs an average of 175 wage earners and distributes its products nationally. Men's hats manufactured in Texas during 1935 were valued at \$890,887 according to the report of the Bureau.

Wage increases in practically all branches of the textile and clothing industry, particularly in the larger establishments, have been announced since April first of this year. It is claimed that the piece work basis as paid by Texas manufacturers is no lower than that paid by Eastern manufacturers. The following weekly wages were in effect during December, 1936, in the larger manufacturing centers of the country, but do not include increases which have gone into effect recently:

	Average Weekly Earnings
Hats, fur-felt.....	\$26.18
Knit Goods.....	18.01
Wearing Apparel.....	17.91
Men's Furnishings.....	14.94
Millinery.....	18.15
Shirts and Collars.....	13.79

Source: *Business Week*.

As a factor in solving the problems of distribution, as well as of production, for many industries located in the North and East, branch plants of several large industries are being established in the Southwest. These branch factories are located at points where transportation facilities make them convenient to their marketing territories, where proximity to sources of the raw materials lowers production costs, or where other favorable conditions exist. Abundant water supply, economical power rates, suitable climatic conditions, and the availability of labor supply are all determining factors in choosing factory sites. The establishment of branch plants in Texas not only lowers the cost of products manufactured and distributed, but also increases employment and adds to the income of the State. The development of a greater number of manufacturing plants of a like type is gradually resulting in an adequate supply of skilled labor, and, consequently, greater productivity per worker.

The clothing manufacturing industry in Texas is firmly established; and, although a large part of the industry produces more or less specifically for Southwest trade, the distribution territories for Texas-made products are expanding rapidly. The steady increase in consumer demand for all types of ready-made clothing offers encouragement for the enlargement of present producing factories and for the establishment of new plants. Greater demand for all types of clothing continued during 1936, and although prices have advanced, increased income of the manufacturer is due rather to the greater number of units sold.

The use of more cotton and mixed fabrics in the manufacture of women's and children's wash clothing is reflected in an increased consumption of cotton materials. The amount of Texas manufactured textiles in the clothing factories of the State is limited by the variety of goods produced by Texas textile mills. Constant changes in types and styles of clothing, and the general acceptance of products from factories of the Southwest on their own merits are important in the building and expansion of the clothing industry in Texas.

CLARA H. LEWIS.

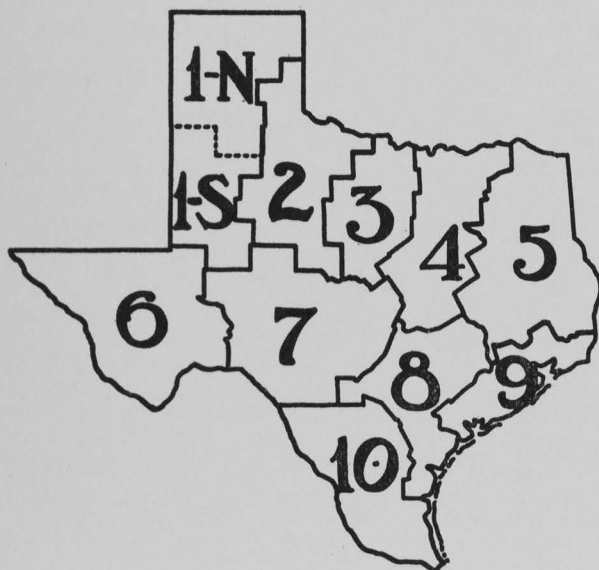
#### RETAIL SALES OF INDEPENDENT STORES IN NEW MEXICO, OKLAHOMA, AND TEXAS

	April 1937				Year-to-date 1937		
	Number of Firms Reporting	Dollar Sales	Percentage Change in Dollar Sales from April 1936 to March 1937		Number of Firms Reporting	Dollar Sales	Percentage Change in Dollar Sales from Year-to-Date 1936
TOTAL (New Mexico, Oklahoma, and Texas Combined)	1,088	17,363,372	+ 9.9	- 3.9	928	57,760,123	+ 7.7
NEW MEXICO	61	63,569	+ 17.3	+ 1.6	53	2,224,900	+ 13.2
OKLAHOMA	247	2,475,172	+ 5.1	- 2.9	210	7,901,943	+ 1.3
TEXAS	780	14,224,631	+ 10.5	- 4.4	665	47,633,280	+ 8.6
TEXAS STORES GROUPED BY LINE OF GOODS							
CARRIED:							
APPAREL	107	2,087,273	+ 5.2	- 4.9	96	6,893,920	+ 15.6
Family Clothing Stores	27	363,518	- 2.1	- 6.7	24	1,085,616	+ 7.5
Men's and Boys' Clothing Stores	41	730,952	+ 3.5	+ 7.7	38	2,497,945	+ 15.5
Shoe Stores	14	133,030	- 3.5	- 10.4	11	414,894	+ 9.4
Women's Specialty Shops	25	859,773	+ 11.7	- 12.2	23	2,895,465	+ 20.1
AUTOMOTIVE	111	3,786,418	+ 10.1	- 15.5	97	12,883,842	+ 0.7
Filling Stations	26	113,820	+ 20.8	+ 2.5	22	345,683	+ 14.4
Motor Vehicle Dealers	85	3,672,598	+ 9.8	- 16.0	75	12,538,159	+ 0.4
COUNTRY GENERAL AND FARMERS' SUPPLIES	87	587,117	+ 21.4	+ 2.2	82	1,989,048	+ 15.3
DEPARTMENT STORES	47	4,709,420	+ 9.7	- 1.2	46	16,623,827	+ 11.4
DRUG STORES	145	458,018	+ 4.3	- 1.3	134	1,665,356	+ 4.1
FOOD	121	795,974	+ 12.7	- 0.1	110	2,839,211	+ 8.9
Grocery Stores	34	187,311	+ 13.6	- 1.7	30	659,951	+ 9.1
Grocery and Meat Stores	87	608,663	+ 12.4	+ 0.4	80	2,179,260	+ 8.9
FURNITURE AND HOUSEHOLD	35	653,382	+ 7.3	+ 11.5	28	1,602,310	+ 5.0
Furniture Stores	26	551,073	+ 6.9	+ 11.0	19	1,276,069	+ 4.8
Household Appliance Stores	4	72,728	+ 25.0	+ 48.4	4	191,175	+ 8.9
Other Home Furnishings Stores	5	29,581	- 15.6	- 27.1	5	135,066	+ 1.4
JEWELRY	53	176,653	+ 34.1	+ 20.4	8	189,119	+ 23.0
LUMBER, BUILDING, AND HARDWARE	51	851,860	+ 25.7	+ 14.3	44	2,505,566	+ 16.7
Hardware Stores	25	337,308	+ 23.3	+ 9.3	21	1,159,892	+ 18.9
Lumber and Building Material Dealers	26	514,552	+ 27.3	+ 17.7	23	1,345,674	+ 14.9
RESTAURANTS	16	70,464	+ 12.0	- 5.8	14	262,281	+ 5.3
ALL OTHER STORES	7	48,052	+ 0.6	+ 8.4	6	178,800	+ 7.3
TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:							
All Stores in Cities of—							
OVER 100,000 POPULATION	189	8,137,875	+ 8.3	- 5.2	159	27,959,734	+ 10.4
50,000-100,000 POPULATION	63	1,157,307	+ 10.3	+ 1.4	58	3,728,273	+ 11.2
25,000-50,000 POPULATION	350	3,795,463	+ 13.3	- 5.7	291	12,374,257	+ 5.3
LESS THAN 25,000 POPULATION	178	1,133,986	+ 17.5	+ 1.1	157	3,571,016	+ 4.3

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

## APRIL RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Total Number of Firms Re- porting	Percentage Change in Dollar Sales	
		Apr. 1937 from Apr. 1936	Apr. 1937 from Mar. 1937
TOTAL TEXAS	780	+ 10.5	- 4.4
TEXAS STORES GROUPED BY PRODUCING AREAS:			
DISTRICT 1-N	40	+ 24.9	- 1.9
Amarillo	10	+ 18.7	- 4.1
Pampa	3	+ 31.9	- 1.9
Plainview	7	+ 30.9	- 2.7
All Others	20	+ 26.2	+ 3.3
DISTRICT 1-S	21	+ 48.3	- 6.0
Big Spring	5	+ 41.1	- 8.4
Lubbock	9	+ 52.9	- 3.6
All Others	7	+ 42.4	- 14.1
DISTRICT 2	72	+ 13.4	- 7.1
Abilene	9	+ 4.2	- 0.2
Vernon	5	+ 1.3	+ 5.8
Wichita Falls	7	+ 18.2	- 15.7
All Others	51	+ 16.2	- 6.8
DISTRICT 3	18	+ 7.4	- 11.7
Breckenridge	4	+ 3.2	+ 1.6



	Total Number of Firms Re- porting	Percentage Change in Dollar Sales	
		Apr. 1937 from Apr. 1936	Apr. 1937 from Mar. 1937
Brownwood	4	+ 15.8	- 23.7
All Others	10	+ 3.5	- 5.3
DISTRICT 4	193	+ 6.3	- 6.0
Cleburne	8	+ 0.3	- 1.9
Corsicana	10	+ 10.0	- 12.0
Dallas	50	+ 8.5	- 4.9
Denison	4	+ 12.0	- 9.7
Fort Worth	26	+ 0.7	- 7.7
Greenville	3	+ 8.6	- 5.5
Paris	4	+ 37.2	- 17.8
Sherman	6	+ 23.7	+ 6.2
Taylor	10	+ 1.0	- 24.9
Temple	8	- 4.1	+ 1.6
Waco	14	+ 3.6	+ 2.2
All Others	50	+ 1.7	- 6.1
DISTRICT 5	80	+ 0.3	- 0.2
Bryan	9	+ 9.6	- 5.2
Longview	5	- 17.1	+ 1.7
Marshall	5	+ 4.5	+ 19.1
Nacogdoches	5	+ 12.6	+ 12.3
Tyler	10	- 0.4	- 2.3
All Others	46	- 0.3	- 3.8
DISTRICT 6	43	+ 18.9	- 3.1
El Paso	30	+ 18.0	- 3.0
All Others	13	+ 27.1	- 4.1
DISTRICT 7	29	+ 8.7	- 0.7
San Angelo	18	+ 8.5	- 2.1
All Others	11	+ 10.2	+ 6.9
DISTRICT 8	124	+ 10.2	- 3.8
Austin	16	+ 11.0	+ 3.9
Corpus Christi	8	+ 23.7	- 15.6
Lockhart	5	- 4.5	- 9.1
San Antonio	34	+ 11.5	- 2.8
All Others	61	+ 4.0	- 6.3
DISTRICT 9	107	+ 7.7	- 4.8
Beaumont	8	+ 6.9	- 5.5
Galveston	13	+ 4.6	+ 2.9
Houston	49	+ 6.2	- 6.9
Port Arthur	12	+ 30.7	+ 1.2
All Others	25	+ 7.2	+ 4.3
DISTRICT 10	53	+ 43.8	+ 7.5
Brownsville	16	+ 20.8	+ 12.7
Harlingen	11	+ 31.9	+ 7.1
All Others	26	+ 61.6	+ 5.6

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

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

	Cattle		Calves		Hogs		Sheep		Total	
	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936
Total Interstate Plus Fort Worth¶	9,003	7,434	663	586	835	775	1,520	574	12,021	9,369
Total Intrastate Omitting Fort Worth	884	534	162	134	68	45	42	29	1,156	742
TOTAL SHIPMENTS	9,887	7,968	825	720	903	820	1,562	603	13,177	10,111

## TEXAS CAR-LOT§ SHIPMENTS OF LIVE STOCK, JANUARY 1 TO MAY 1

	Cattle		Calves		Hogs		Sheep		Total	
	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936
Total Interstate Plus Fort Worth¶	18,252	16,260	2,406	2,165	3,272	2,886	2,666	1,202	26,596	22,513
Total Intrastate Omitting Fort Worth	2,284	2,440	575	480	237	105	189	96	3,285	3,121
TOTAL SHIPMENTS	20,536	18,700	2,981	2,645	3,509	2,991	2,855	1,298	29,881	25,634

§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 livestock shipping point in the State. The data are compiled by the Bureau of Business Research.

## 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	
		1937	1936	1937	1936	1937	1936
All Stores	63	65.5	63.8	38.7	38.9	1.2	1.2
Stores Grouped by Cities:							
Abilene	3	60.4	61.1	34.7	35.4	1.7	1.6
Austin	4	59.3	58.9	45.3	42.1	1.0	1.0
Dallas	10	71.9	69.7	41.3	40.8	1.2	1.2
Fort Worth	6	60.3	59.3	32.2	35.0	1.1	1.3
Galveston	3	71.0	73.6	41.9	43.6	2.4	1.3
Houston	8	65.6	63.2	43.5	42.2	1.4	1.5
San Antonio	5	61.9	59.6	31.2	34.9	0.8	0.8
Waco	4	62.3	61.9	37.4	37.5	1.3	1.1
All Others	20	58.7	57.5	40.5	37.5	1.5	1.6
Stores Grouped According to Type of Store:							
Department Stores (Annual Volume Over \$500,000)	17	65.6	63.4	38.6	39.7	1.1	1.2
Department Stores (Annual Volume Under \$500,000)	14	58.7	58.2	36.7	35.6	1.8	1.7
Dry Goods-Apparel Stores	5	59.8	60.4	33.2	32.0	2.3	1.9
Women's Specialty Shops	11	67.2	67.1	39.5	37.4	1.0	1.0
Men's Clothing Stores	16	67.4	65.2	40.0	39.4	1.8	1.5
Stores Grouped According to Volume of Net Sales During 1936:							
Over \$2,500,000	9	67.3	65.3	43.5	42.9	1.0	1.0
\$2,500,000 down to \$1,000,000	9	60.6	59.4	37.7	38.5	1.1	1.2
\$1,000,000 down to \$300,000	16	59.0	58.4	40.7	42.4	1.6	1.6
Less than \$300,000	29	59.4	61.8	39.2	42.1	2.1	2.0

NOTE: The ratios shown for each year, in the order in which they appear from left to right, are obtained by the following computations: (1) Credit sales divided by net sales. (2) Collections during the month divided by the total accounts unpaid on the first of the month. (3) Salaries of the credit department divided by credit sales.

The data are reported to the Bureau of Business Research by Texas retail stores.

## BUILDING PERMITS

	April 1937	April 1936	March 1937
Abilene	\$ 92,372	\$ 92,985	\$ 29,380
Amarillo	109,445	144,471	59,957
Austin	653,946	342,107	290,292
Beaumont	97,543	69,663	181,039
Big Spring	13,685	11,870	22,360
Brownsville	45,845	14,630	1,275
Brownwood	5,925	350	2,465
Corpus Christi	346,575	161,005	208,560
Corsicana	24,165	14,897	14,010
Dallas	1,310,267	1,494,861	1,501,058
Del Rio	23,980	7,690	5,065
Denison	6,785	750	3,033
El Paso	119,682	117,370	78,774
Fort Worth	1,232,191	584,610	1,642,244
Galveston	111,147	69,805	77,651
Graham	10,600	4,920	25,275
Harlingen	13,742	4,570	55,245
Houston	1,410,055	1,240,205	1,628,865
Jacksonville	17,798	3,600	7,325
Laredo	3,900	22,080	29,450
Lubbock	122,094	19,686	91,602
McAllen	28,900	49,850	32,650
Marshall	44,212	13,143	33,126
Palestine	25,448	18,313	22,133
Pampa	13,400	18,450	19,850
Paris	8,290	8,905	10,440
Plainview	5,014	4,300	15,720
Port Arthur	129,284	78,847	107,093
San Angelo	11,336	5,530	30,890
San Antonio	267,868	299,951	507,497
Sherman	16,120	18,502	10,777
Snyder	2,500		
Sweetwater	38,160	6,210	23,025
Tyler	225,843	180,011	98,752
Waco	146,725	31,269	113,420
Wichita Falls	51,665	53,020	18,734
TOTAL	\$6,786,507	\$5,208,426	\$6,999,032

## POSTAL RECEIPTS

	April 1937	April 1936	March 1937
Abilene	\$ 17,650	\$ 16,219	\$ 16,857
Amarillo	28,438	26,044	29,953
Austin	54,750	42,805	66,801
Beaumont	24,152	22,085	24,874
Big Spring	5,809	4,850	5,892
Brownsville	5,607	5,713	8,211
Brownwood	6,028	5,514	5,151
Corpus Christi	20,507	15,309	21,241
Dallas	356,236	327,961	385,263
Del Rio	5,057	4,686	4,283
Denison	4,765	4,698	4,777
El Paso	43,511	40,420	47,224
Fort Worth	135,635	124,732	157,228
Galveston	25,238	25,982	28,542
Graham	2,230	1,939	2,124
Harlingen	5,045	4,820	5,883
Houston	227,982	207,882	235,555
Jacksonville	4,197	3,879	3,182
Longview	10,044	9,560	9,729
Lubbock	14,103	12,196	13,857
McAllen	4,329	4,105	4,857
Marshall	5,805	5,352	5,248
Palestine	4,493	4,850	4,873
Pampa	6,946	6,510	5,912
Paris	5,133	6,023	6,312
Plainview	3,913	3,198	4,056
Port Arthur	12,775	9,911	11,519
San Angelo	11,059	10,113	10,938
San Antonio	117,043	109,651	125,953
Sherman	7,205	6,779	7,303
Snyder	1,186	1,228	1,377
Sweetwater	4,780	4,458	4,807
Tyler	16,513	16,152	17,072
Waco	31,356	30,323	34,468
Wichita Falls	20,493	19,507	21,565
TOTAL	\$1,250,013	\$1,145,454	\$1,342,887

†Does not include public works.

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

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



### APRIL CARLOAD MOVEMENT OF POULTRY AND EGGS

	Cars of Poultry				Cars of Eggs			
	Live		Dressed					
	Chickens	Turkeys	Chickens	Turkeys	1937	1936	1937	1936
Shipments from Texas Stations	1937	1936	1937	1936	1937	1936	1937	1936
TOTAL	12	7	87	65	3	1	96	91
Intrastate	4	2					48	32
Interstate	8	5	87	65	3	1	48	59

Interstate Shipments Classified								
New York	1	2	28	15				2
Illinois	5		4	5	1	1	18	13
Massachusetts	1	1	10	8	1			
New Jersey		1	20	7	1			1
Pennsylvania			17	14			2	
Louisiana							10	22
Connecticut			2	6				
Missouri							2	
Georgia			1				1	4
Michigan				1				
California	1						5	5
Alabama								3
Florida			2				1	5
Rhode Island		1		3				
Tennessee			1				3	1
Maryland				3				
Oklahoma							1	2
D. of Columbia			2	3				1
N. Carolina							1	
Nebraska							4	

Receipts at Texas Stations								
TOTAL							45	52
Intrastate							30	28
Interstate							15	24

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.

### ANNOUNCEMENTS

Convention dates have been announced for the following organizations:

Texas State Manufacturers Association, June 16, San Antonio.

Southwestern Association of Nurserymen, June 16, San Antonio.

### TEXAS COMMERCIAL FAILURES

	April 1937	April 1936†	March 1937
Number	17	15	7
Liabilities	\$364	\$449	\$101
Assets	\$147	\$296	\$ 32
Average Liabilities per Failure	\$ 21	\$ 30	\$ 14

†Revised.

||In thousands.

NOTE: From Dun and Bradstreet, Inc.

### LUMBER

(In Board Feet)

	April 1937	April 1936	March 1937
Southern Pine Mills:			
Average Weekly Production per Unit	343,315	310,990	324,536
Average Weekly Shipments per Unit	316,309	344,635	308,977
Average Unfilled Orders per Unit, End of Month	785,130	792,500	834,970

NOTE: From Southern Pine Association.

### PETROLEUM

Daily Average Production

(In Barrels)

	April 1937	April 1936†	March 1937
East Central Texas	116,650	50,000	119,710
East Texas	458,000	446,270	454,310
Gulf Coast	199,100	244,820	206,940
North Texas	70,700	59,040	67,840
Panhandle	75,800	61,930	76,380
Southwest Texas	225,750	77,870	228,070
West Central Texas	33,050	25,050	32,550
West Texas	199,400	179,800	206,120
STATE	1,378,450	1,144,780	1,391,920
UNITED STATES	3,471,250	2,910,060	3,394,690
Imports	177,821	155,286	168,972

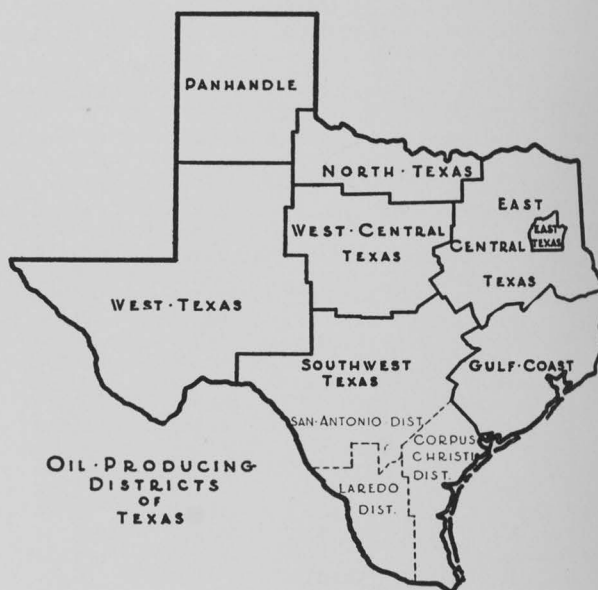
†Revised.

||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: March 1937, 94,771,000 gallons; March 1936, 87,233,000 gallons; February 1937, 84,611,000 gallons.



### TEXAS CHARTERS

	April 1937	April 1936	March 1937
Domestic Corporations:			
Capitalization	\$2,297	\$1,357	\$2,048
Number	141	140	143
Classification of new corporations:			
Banking-Finance	4	4	9
Manufacturing	24	16	12
Merchandising	36	36	33
Oil	31	26	36
Public Service		1	5
Real Estate-Building	11	19	15
Transportation	3	7	2
All Others	32	31	31
Number capitalized at less than \$5,000	60	60	51
Number capitalized at \$100,000 or more	5	2	4
Foreign corporations (number)	43	29	27

||In thousands.

NOTE: Compiled from records of the Secretary of State.



## COMMODITY PRICES

	April 1937	April 1936	March 1937
<b>WHOLESALE PRICES:</b>			
U. S. Bureau of Labor Statistics (1926 = 100).....	88.0	79.7	87.8
The Annalist (1913 = 100).....	144.4 85.3¶	123.8 73.4¶	143.5 84.8¶
<b>FARM PRICES:</b>			
U. S. Department of Agricul- ture (1910-14 = 100).....	130.0	105.0	128.0
U. S. Bureau of Labor Statistics (1926 = 100).....	92.2	76.9	94.1
<b>RETAIL PRICES:</b>			
Food (U. S. Bureau of Labor Statistics, 1923-25 = 100).....	85.6	79.7	85.4
Department Stores (Fairchild's Publications, Jan. 1931 = 100)	95.2	88.1	94.5

¶Based on old gold dollar.

## STOCK PRICES

	April 1937	April 1936	March 1937
<b>Standard Indexes of the Securities Markets:</b>			
419 Stocks Combined.....	124.5	108.9	129.9
347 Industrials.....	146.5	125.3	152.6
32 Rails.....	60.1	48.9	62.8
40 Utilities.....	100.7	101.5	105.7

NOTE: From Standard Statistics Co., Inc.

## CONSUMPTION OF ELECTRIC POWER IN TEXAS

	Power Consumed (In Thousands of K.W.H.)			Percentage Change	
	April 1937	April 1936	March 1937	April 1937 from April 1936	April 1937 from March 1937
Commercial.....	37,461	31,854	36,190	+ 17.6	+ 3.5
Industrial.....	99,802	86,231	90,939	+ 15.7	+ 9.7
Residential.....	28,022	23,904	26,935	+ 17.2	+ 4.0
All Other.....	24,221	23,135	22,753	+ 4.7	+ 6.5
<b>TOTAL.....</b>	<b>189,506</b>	<b>165,124</b>	<b>176,817</b>	<b>+ 14.8</b>	<b>+ 7.2</b>

NOTE: Prepared from reports from 18 electric power companies to the Bureau of Business Research.

## COTTON BALANCE SHEET IN THE UNITED STATES AS OF MAY 1

(In Thousands of Bales)

	Carryover Aug. 1§	Imports to May 1¶	Final Gin- nings Report March 20	Total	Consumption to May 1§	Exports to May 1§	Total	Balance May 1
1929-1930.....	2,313	311	14,548	17,172	4,848	6,121	10,969	6,203
1930-1931.....	4,530	69	13,756	18,355	3,893	5,910	9,803	8,552
1931-1932.....	6,369	82	16,629	23,080	3,932	7,397	11,329	11,751
1932-1933.....	9,682	96	12,710	24,488	4,219	6,521	10,740	13,748
1933-1934.....	8,176	112	12,664	20,952	4,458	6,485	10,943	10,009
1934-1935.....	7,746	83	9,472	17,301	4,116	3,986	8,102	9,199
1935-1936.....	7,138	102	10,417	17,657	4,658	5,167	9,825	7,832
1936-1937.....	5,397	167	12,130	17,694	6,011	4,762	10,773	6,921

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

## BANKING STATISTICS

(In Millions of Dollars)

	April 1937		April 1936		March 1937	
	Dallas District	United States	Dallas District	United States	Dallas District	United States
<b>DEBITS to individual accounts.....</b>	<b>798</b>	<b>36,927</b>	<b>637</b>	<b>33,865</b>	<b>808</b>	<b>39,754</b>
Condition of reporting member banks on—	April 28, 1937		April 29, 1936		March 31, 1937	
<b>ASSETS:</b>						
Loans and investments—total.....	482	22,202	442	21,795	490	22,273
Loans to brokers and dealers:						
In New York City.....	—	1,075	—	1,032	—	1,064
Outside New York City.....	3	222	2	209	3	241
Loans on securities to others (except banks).....	43	2,040	41	2,063	43	2,051
Acceptances and commercial paper bought.....	1	393	2	346	2	410
Loans on real estate.....	22	1,156	22	1,141	23	1,157
Loans to banks.....	—	84	1	67	—	81
Other loans.....	145	4,458	123	3,485	146	4,362
U. S. Government direct obligations.....	186	8,370	167	8,802	185	8,396
Obligations fully guaranteed by U. S. Government.....	27	1,175	37	1,281	30	1,199
Other securities.....	55	3,229	47	3,369	58	3,312
Reserve with Federal Reserve Banks.....	104	5,425	83	4,416	103	5,173
Cash in vault.....	11	354	10	382	9	346
Due from domestic banks.....	160	1,964	170	2,252	154	1,886
Other assets—net.....	28	1,345	27	1,393	29	1,350
<b>LIABILITIES:</b>						
Demand deposits—adjusted.....	389	15,388	337	14,258	392	15,126
Time deposits.....	120	5,158	118	5,047	120	5,144
U. S. Government deposits.....	9	272	27	752	12	353
Inter-bank deposits:						
Domestic banks.....	179	5,437	169	5,431	176	5,462
Foreign banks.....	1	507	—	353	—	453
Borrowings.....	1	3	—	—	—	6
Other liabilities.....	7	944	4	865	6	903
Capital account.....	79	3,581	77	3,532	79	3,581

NOTE: From Federal Reserve Board.

## APRIL 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			Pay Roll			Average Weekly Wage per Worker		
		Number	Percentage from April 1936	Change from Mar. 1937	Dollars	Percentage from April 1936	Change from Mar. 1937	April 1937	April 1936	Mar. 1937
Abilene	17	237	+ 10.2	+ 2.6	\$ 4,722	+ 11.1	+ 0.5			
Amarillo	43	701	+ 6.1	- 2.8	17,695	+ 15.9	+ 1.7			
Austin	22	659	+ 2.6	+ 3.8	13,819	- 4.9	+ 7.6			
Beaumont	35	3,136	- 3.3	- 0.8	88,119	+ 18.8	+ 10.0			
Corpus Christi	6	288	+ 29.1	+ 1.4	4,199	+ 44.7	+ 8.1			
Dallas	190	11,230	+ 6.8	- 2.0	246,533	+ 13.6	0.0			
Denison	9	934	+ 5.9	- 1.1	13,992	+ 2.2	+ 2.5			
El Paso	76	2,032	+ 13.1	+ 1.7	42,108	+ 15.0	+ 1.1			
Fort Worth	100	6,590	+ 10.8	+ 2.9	150,282	+ 26.6	+ 2.2			
Galveston	20	743	+ 20.8	+ 2.8	19,118	+ 21.3	+ 2.7			
Houston	166	11,343	+ 16.0	+ 0.4	269,621	+ 20.0	+ 2.6			
Laredo	12	204	+ 19.3	+ 3.6	2,829	+ 9.8	+ 3.9			
Longview	5	122	+ 40.2	- 10.3	3,307	+ 61.8	+ 10.1			
Lubbock	7	322	+ 21.1	+ 10.3	4,633	+ 52.8	+ 14.7			
Port Arthur	9	7,988	+ 4.2	+ 2.5	245,011	+ 29.1	+ 13.2			
San Angelo	8	143	- 2.1	+ 2.1	2,268	+ 4.5	- 1.9			
San Antonio	130	4,576	+ 6.7	+ 0.4	98,962	+ 13.2	+ 2.6			
Sherman	15	741	+ 9.3	+ 6.3	13,411	+ 21.9	+ 14.9			
Waco	40	1,922	+ 15.2	+ 2.6	32,672	+ 21.0	+ 1.2			
Wichita Falls	33	886	+ 12.3	+ 8.0	20,785	+ 26.8	+ 13.7			
All Other Cities	691	31,140	+ 9.1	+ 1.3	839,973	+ 20.2	+ 2.7			
STATE	1,634	85,937	+ 9.0	+ 1.0	2,134,059	+ 20.0	+ 3.9	\$24.83	\$22.56	\$24.14
BUILDING MATERIALS	101	8,918	+ 16.2	+ 4.2	176,563	+ 21.7	+ 8.6	19.80	18.89	18.99
Brick, Tile, Terra Cotta	10	441	+ 2.8	+ 11.6	5,644	- 2.4	+ 20.6	12.80	13.48	11.85
Cement	8	1,544	+ 29.4	+ 6.9	26,769	+ 9.2	+ 5.8	17.34	20.54	17.51
Foundries, Machine Shops	29	2,239	+ 30.3	+ 7.2	60,283	+ 24.7	+ 10.1	26.92	28.13	26.21
Millwork	16	616	+ 33.0	- 3.3	11,967	+ 31.9	- 1.9	19.43	19.60	19.15
Saw Mills	16	3,222	+ 3.1	+ 0.1	51,019	+ 21.1	+ 3.9	15.83	13.49	15.25
Structural Iron Works	10	745	+ 16.8	+ 11.5	18,301	+ 39.5	+ 28.9	24.57	20.56	21.25
All Other Building Materials	12	111	- 1.8	+ 3.7	2,580	+ 23.0	+ 11.8	23.24	18.57	21.56
CHEMICALS	30	709	+ 13.4	- 5.5	14,779	+ 23.0	+ 2.5	20.84	19.22	19.23
CLOTHING AND TEXTILES	36	4,517	+ 23.0	+ 3.5	58,909	+ 43.5	+ 5.3	13.04	11.19	12.82
Cotton Textile Mills	7	2,432	+ 30.3	+ 8.1	33,704	+ 57.6	+ 8.6	13.86	11.46	13.80
Men's Work Clothing Manufacturing	14	1,459	+ 6.4	- 3.2	16,435	+ 20.7	- 0.5	11.26	9.93	10.96
Women's Clothing Manufacturing	5	129	+ 16.2	- 11.7	1,553	+ 16.9	- 7.3	12.04	11.96	11.47
Other Clothing and Textile Manufacturing	10	497	+ 54.3	+ 7.6	7,217	+ 52.4	+ 7.8	14.52	14.71	14.49
COTTON	36	1,121	+ 1.3	- 18.6	18,680	+ 2.6	- 17.1	16.66	16.44	16.36
Cotton Compresses	6	717	+ 12.4	- 3.9	12,715	+ 11.7	- 5.3	17.73	17.85	18.00
Cotton Oil Mills	30	404	- 13.9	- 36.0	5,965	- 12.5	- 34.5	14.76	14.53	14.43
DISTRIBUTION	557	16,814	+ 7.3	+ 0.8	378,421	+ 11.8	+ 0.8	22.51	21.60	22.51
Retail Trade	316	11,078	+ 7.0	+ 0.7	225,903	+ 11.1	+ 1.8	20.39	19.65	20.17
Wholesale Trade	241	5,736	+ 7.9	+ 1.1	152,518	+ 13.0	- 0.6	26.59	25.40	27.04
FOOD PRODUCTS	111	7,102	+ 9.8	- 2.4	155,975	+ 27.4	- 0.9	21.96	18.94	21.63
Bakeries	23	722	+ 14.1	+ 2.8	14,334	+ 23.1	+ 1.5	19.85	18.40	20.12
Beverages	13	211	+ 3.9	+ 11.6	4,868	+ 12.2	+ 10.9	23.07	21.38	23.23
Confectioneries	9	235	- 4.9	- 7.1	3,169	+ 2.6	- 5.0	13.49	12.51	13.19
Flour Mills	8	568	+ 7.2	- 1.2	12,407	+ 26.5	+ 7.0	21.84	18.51	20.17
Ice Cream Factories	6	302	+ 17.1	+ 15.3	5,709	+ 11.4	+ 8.1	18.90	19.87	20.16
Meat Packing, Slaughtering	10	3,439	+ 11.9	- 1.9	89,231	+ 37.5	0.0	25.95	21.13	25.45
All Other Food Products	42	1,625	+ 6.7	- 9.1	26,257	+ 11.5	- 10.6	16.16	15.46	16.43
FOREST PRODUCTS	21	876	+ 4.3	+ 0.2	15,547	+ 17.6	+ 4.0	17.75	15.73	17.10
FURNITURE MANUFACTURING	7	477	+ 6.7	- 4.0	9,131	+ 17.4	- 4.6	19.14	17.39	19.25
PETROLEUM	60	22,458	+ 8.9	+ 1.1	739,213	+ 30.0	+ 8.5	32.92	27.57	30.69
Crude Petroleum Producing	26	5,116	+ 6.5	+ 1.1	181,664	+ 15.8	- 0.6	35.51	32.65	36.10
Petroleum Refining	34	17,342	+ 9.6	+ 1.1	557,549	+ 35.4	+ 11.7	32.15	26.02	29.10
PRINTING AND PUBLISHING	54	1,759	+ 7.0	+ 0.6	57,136	+ 10.2	- 0.3	32.48	31.53	32.77
Commercial Printing	36	591	+ 6.7	- 2.2	14,960	+ 10.9	- 4.1	25.31	24.36	25.83
Newspaper Publishing	18	1,168	+ 7.2	+ 2.0	42,176	+ 10.0	+ 1.1	36.11	35.18	36.43
PUBLIC UTILITIES	373	12,668	+ 7.1	+ 1.6	342,809	+ 11.5	- 1.4	27.06	26.00	27.90
Power and Light	291	7,292	+ 10.1	+ 1.6	203,176	+ 14.9	- 2.4	27.86	26.69	29.00
Steam Railroad Car Shops	19	2,582	- 1.9	+ 3.1	71,156	+ 2.0	+ 5.5	27.56	26.52	26.93
All Other Public Utilities	63	2,794	+ 8.5	+ 0.4	68,477	+ 12.4	- 5.2	24.51	23.65	25.96
QUARRYING & NON-METALLIC MINING	30	1,737	- 14.0	+ 1.8	49,357	- 3.2	+ 16.2	28.42	25.24	24.89
SERVICE	121	4,584	+ 8.4	+ 2.3	68,591	+ 13.6	+ 4.3	14.96	14.29	14.68
Business and Personal Service	22	418	+ 21.2	+ 8.0	10,268	+ 30.0	+ 6.3	24.56	22.89	24.95
Hotels	28	2,420	+ 13.0	+ 0.8	30,957	+ 17.7	+ 2.7	12.79	12.29	12.56
Ice	46	680	+ 0.4	+ 6.6	12,573	+ 4.6	+ 11.8	18.49	17.75	17.62
Laundries, Dyeing and Cleaning	25	1,066	+ 0.2	+ 0.9	14,793	+ 4.4	+ 0.5	13.88	13.32	13.94
ALL OTHER INDUSTRIES	97	2,197	+ 12.0	+ 3.4	48,948	+ 22.4	+ 5.2	22.28	20.40	21.90

†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.