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SOUTHERN NEWSPRINT EDITION

THE LUFKIN DAILY NEWS

SOUTHERN NEWSPRINT EDITION

LUFKIN, TEXAS — HOME OF THE WORLD'S FIRST PINE PULP NEWSPRINT MILL — PART E

Tax Revision Wanted Says Texas Paper

The whole nation feels the necessity of a revision of the present federal tax structure, according to a recent article in the Texas Tax Journal, which is as follows:

Industry and capital, hampered by the ever growing burden of taxation, local, state and national, and unable to approximate the effects of the expanding tax burden, finds it difficult and often impossible to develop its program of future operations, expansion and new development. Recognizing the uncertainties and inequities in the present federal tax structure, congress enacted House Resolution No. 277 on July 27, 1939, authorizing the committee on ways and means to sit, act and hold hearings in connection with the consideration and preparation of a bill or bills relating to internal revenue taxes, and Hon. J. W. Hanes, under-secretary of the treasury, issued an invitation to industry to present its program for tax revision.

In response to the secretary's invitation, the American Institute of Accountants presented a very comprehensive recommendation on federal tax revision, expressing in detail objections to existing provisions and uncertainties of the present law and making recommendations for changes and reform. Industry has responded to the secretary's invitation, and through many spokesmen has presented recommendations. The U. S. chamber of commerce has presented its program, and the California State chamber of commerce, acting on the recommendation of a special committee on federal tax revision, has adopted a program which is generally believed to set out and make recommendations concerning the most urgent current needs.

The tax revision program of the American Institute of Accountants is so complete and goes so extensively into the intricate operations of sepcific provisions of the federal income tax law that it is of interest primarily to specialists in income tax accounting and federal tax law, and on account of its length is not reproduced here. Its.recommendations have been discussed with the treasury department and presented to the congressional committee by a very capable committee of the A. I. A.

The program of the United States chamber of commerce, more streamlined in form, has been presented by a committee of that organization.

The recommendations of the California State chamber of commerce, covering as they do the most urgent needs of the average business man, are being given widespread endorsement by chambers of commerce and business organizations throughout the United States, and are here presented as representing a reasonable program for the next session of congress.

Like the sands of the deserts with the changing winds, rates and provisions of the federal tax structure have been changed by congress 15 times during the 26 years following enactment of the income tax law in 1913. It is therefore proper that the first recommendation in any tax revision program should be a stabilized and permanent tax structure, established with fixed principles of taxation and devoid of principles of social reform. The five basic recommendations for federal tax revision submitted by the California State chamber of commerce for the consideration, endorsement and active support of all organizations interested in the improvement of government and the development of industry, are as follows:

1. Stabilized and Permanent Tax Structure. As a fundamental requirement, it is recommended that a permanent tax structure be established with fixed principles of taxation, subject to changes in rates to meet varying requirements for the federal requirements of the federal government.

Frequent revision of tax laws, often on a basis of political expediency and social reform, is a major cause of hesitancy and uncertainty on the part of businessmen and taxpayers generally. Fixed principles of taxation are required to give taxpayers confidence.

Business firms which can adjust their program of operations and expansion to meet the effect of changing rates, stagger under the impact of frequent changes in the general scheme of taxation which provide new, uncertain and confusing tax problems each year. This is particularly true of smaller business operations which lack the financial resources to secure highly trained, technical tax advisors.

Considerable official recognition has already been given to the necessity of formulating a permanent and consistent policy of federal taxation. Resolutions have been introduced in congress providing for a non-partisan tax commission to undertake such a program. Federad treasury officials, including the secretary of treasury, made similar suggestions to congress early in 1939. Many national organizations, such as the American Institute of Accountants and other similar groups, have consistently recommended this basic reform.

There is a strong sentiment

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Houston Chamber Of Commerce Directors For 1940



Next Great Industry

Iron Ore Project Promises Next Big Texas Progress

Texas' next great industry is on its way. The recently organized Madaras Steel Corporation of Texas has insured a smelter for the reduction of East Texas iron ore by the use of natural gas.

For many years the existence of large deposits of iron ore in East Texas has been known. Estimate of the U. S. bureau of mines places this deposit at more than 200,000,000 tons of high grade ore, and this is considered by many students as conservative. Other estimates run as high as a billion tons.

As early as 1885 smelting operations were carried on in this section. Charcoal was used at first, then coke. The last operation at Rusk was discontinued about 1909.

A flourishing mining town grew around the smelter and a considerable quantity of iron was mined. Had there been some less expensive method of smelting than was in use this industry would have continued without cessation. After that time several reports have been made, one by the Texas Power & Light Co., begun in 1926 and brought up to date in 1937, and another by the U. S. department of the interior, geological survey, in 1938.

Attracts Texans' Interest

This revival of interest in Texas' iron ore deposits attracted the attention of a group of East Texans and the East Texas chamber of commerce. An investigating committee was appointed to discover what could be done in the way of securing a fuel for smelting the ore other than coke or charcoal.

The committee visited the Surface Combustion Corporation at Toledo, Ohio, in May, where they were allowed to study the Madaras process for smelting iron ore with natural gas.

A thorough examination of this method was made and the committee held numerous conferences with Mr. Madaras and his associates, and it was their unanimous opinion that the process is feasible, practicable and sound from a metallurgical and chemical standpoint.

Iron can be made from East Texas ore much cheaper by the Madaras process than by the blast furnace process, and probably for a fuel cost of about one-fourth and a plant investment of about one-eighth, compared with blast furnace method now in use.

Test Made For C-C

The Surface Combustion corporation of Toledo, whose engineers and executives built the laboratory plant and tested the Madaras process, is one of the outstanding companies of America in the field of gas heating equipment.

A test was made for the East Texas chamber of commerce committee and an analysis of the result of an East Texas ore reduced in the apparatus used in the Surface Combustion corporation's laboratory showed a 99.83 per cent complete reduction.

The Madaras process is very simple and requires little time.

E. G. de Coriolis, chief of research of Surface Combustion corportion, and Dr. Ralph L. Dowdell, professor of metallurgy and head of the school of mining and metallurgy of the University of Minnesota, held extensive discussions with the committee concerning the process. Dr. Dowdell stated that he could see no reason why the Madaras process would not work on an industrial scale and there should be no difficulties in building and operating a commercial plant.

He also stated that he had received several samples of iron made from Texas ores and made very good grades of iron and steel from it. He emphasized that from the iron made from Texas ores by the Madaras process he could make as good or better grade steel and iron as now made in Sweden.

East Texans Get Busy

After having determined that the Madaras process could be applied to the Texas situation, the chamber of commerce committee then made their report and interested business men in East Texas began to check patents, gas supply and life of wells, cost of gas, cost of ore and mining, cost of transportation from mines to plant, market survey for sale of powered iron or fabricated iron products in the southwest, and production costs.

Less than a year was consumed in the investigations and the organization of the Madaras Steel Corporation of Texas. Equipment for the corporation's first mill is being built in Toledo, Ohio, and officials of the new company expect that all organizations details will be finished and construction started early in 1940.

O. H. Grissom of Longview is president of the Madaras Corporation of Texas, and members of the board are: John R. Alford, Henderson; H. P. McGaughy, Gilmer; Mike Harvey, Tyler; L. N. Crim, Kilgore; Justin Querbes, Shreveport; and Nat D. Heaton, Jefferson.

The East Texas chamber of commerce committee which worked on the project were: O. H. Grissom, Longview, chairman; H.

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Variety of Weather Is Texas' Boast

So you're a newcomer to Texas! Then you had better learn a few facts about Texas weather—just enough facts to learn that you will never know very much about it.

The Texas climate varies from middle temperature to subtropical and rainfall ranges from humid to arid. The highest mean annual temperature recorded by the weather bureau is 74 degrees at Rio Grande and at Mission, both in South Texas; the lowest is 54.2 degrees at Dalhart in Dallam county. The greatest average precipitation record at a government weather station is that of Bon Weir, Newton county in East Texas, which is 55.31 inches; the lowest is that of El Paso, which is 9.16 inches. There is a wide variety of climatic conditions between the two extremities from north to south in Texas, and almost uncanny behavior of rainfall in the vast area between the east and west borders.

With such a variety of climatic conditions, it is easy to see why Texas has such a diversity of crops and livestock products. In the Rio Grande valley, filling the warm, moist air with their romantic fragrance, are the orange and grapefruit groves; while in the Panhandle grows the bread of life—the hard wheat crops. Cotton, the indigenous crop of Texans, grows practically in every climate in the state, but it is interesting to note that the farmers of the southern tip of Texas are sometimes planting their new cotton crop before the farmers of the northern extremity of the state have finished picking their last year's crop; again the farmers of South Texas sometimes begin picking the season's cotton crop before the farmers of the northern part have finished planting.

Variety is the outstanding characteristic of Texas, and this is true of the weather as well as the topography of the state. Texas is shaped so that it ranges through 10 degrees of latitude from north to south, and extends from east to west through 773 miles. It rises from below sea level to 4,000 feet, with a few mountain elevations reaching upward of 8,000 feet. Texas lies at a point where the great coastal plain, the lower and high western plains, and the Rocky mountains converge.

In the Panhandle snowfall reaches a maximum of about 25 inches, the average on the lower plains of North Texas being about

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Raw Materials Give Texas Bright Future For Manufacturing

Undoubtedly the establishment of the paper mill in Lufkin will have as marked effect on the economic development of Texas through other natural resources as it will on the lumbering industry.

It is evident that Texas has not made the most of her opportunities, when it is considered that this state contributes only two per cent of the nation's total net value of manufactures, and nine per cent of the total annual production of raw material. With the recent trend of chemical development in the manufacturing industry, there are great potentialities for economic progress through the quantity and variety of crops grown in the state.

First, cotton—the very crop for which Texas is known—is not utilized to its fullest capacity. There are very few cotton mills operating in the state today. The weaving industry is as old in Texas as the cotton growing industry itself. Spindles and looms were brought into the state with the Spanish missionaries, and the Indians were taught at the missions how to turn the first cotton crops into cloth. John F. Torry is credited with being the first man in Texas to establish a cotton mill, which was built on the Comal river at New Braunfels about 1850 and operated by water power. The oldest mill in operation today is one in Dallas which was built in 1888. There has been much agitation for the building of mills and several have been established, but they have never proven successful, due, perhaps to faulty management.

The adaptability of cotton to shipping and the amount of skilled labor required in handling the mills are probably the reason for the slow progress of the textile industry.

Textile Mills Needed

Texas has grown, over a period of years, about 30 per cent of the nation's cotton crop, yet it has only one per cent of the nation's cotton spindles. Most of the Texas cotton goes to foreign mills. With foreign conditions as they are, it is probable that some effort will be made to utilize Texas cotton at home.

There are no woolen mills, and yet sheep raising in the western part of the state is one of Texas' leading industries. The wool is shipped to the east without even being scrubbed, and hundreds of people make their livings in the north and east by merely scrubbing wool. If there were factories in Texas, they would furnish employment to many of those now on relief. The investment required to initiate a woolen mill has been a drawback to the manufacturing of woolen articles in Texas, yet that should easily be remedied when the mills proved successful. Twenty per cent of the nation's wool and 80 per cent of its mohair is produced in Texas, which should make this state an inviting field for the establishment of manufacturing plants.

There is a field for Texas in the manufacture of rayon and synthetic fibers, utilizing cotton and wood cellulose. With all of the properties essential to manufacturing activities in the textile industry, manufacturing woolen, cotton and synthetic fabrics will be developed in the near future.

The production of flour and grist and feedstuff has expanded with the development of the hard wheat on the Panhandle plains. Today Texas flour mills consume about 26,000,000 bushels of wheat annually, balancing approximately Texas production. Freight rates in the northeastern part of the United States, prohibiting access to Texas-made flour, should be readjusted and the Texas flour industry would be able to utilize a good deal more wheat that is shipped to mills in this area.

Although Texas has long since been a leading livestock growing state, it has produced mainly grass-fed animals. The increase of the livestock industry, the dairy and poultry expansions are rapidly increasing a demand for feedstuffs.

With a rapid development of truck crops, which has expanded about 300 per cent during the last 20 years, there has been a tendency to develop the canning industry. Because Texas mild climate gives its vegetable products access to the winter and early spring markets most of the truck growing industry of Texas in the past has been developed for the production of table stock which brings a higher price than manufacture stock. In recent years there has been a tendency to develop the canning industry to take care of the surplus.

The census of 1930 showed 42 canning and pickling plants in Texas employing 827 people. The census of 1935 showed 55 plants employing 1,234 wage earners, and an unofficial census of 1938 gives an estimate of about 80 canneries. Particularly in the Rio Grande valley has canning developed, and there is quite a large industry of canning grapefruit juice.

Aside from the opportunities offered by the textile and food crops of Texas for expansion of old and well established manufacturing industries, there are resources for diversified production of cellulose, vegetable oils and other vegetable products which present a great opportunity for development of the newer chemical industries. The rapid increase in the manufacture and use of plastics open a wide opportunity for industrial development in the state which has limitless resources with cellulose, lignin and protein content.

Notable among the large expansions in use of vegetable oils in the chemical industries is the demand for its use in the manufacture of paints, lacquers and varnishes. The cottonseed oil industry of Texas has been brought to a higher stage of development as the result of chemical research, but it now appears that only the beginning of vegetable oil production in Texas has been made by cotton seed. The state is well adapted to the production of tung, perilla, sesame, flaxseed, castor bean and other types of vegetable oils, and there is now experimentation in the growing of all these plants.

The chemical industries are widening the market for many other materials that may be produced by Texas soils and climate. It is probable that Texas first starch factory will be built during 1940 The demand for starch now greatly exceeds domestic supply and it has been discovered that southern soil and climate are adaptable to the production of a variety of yams (sweet potatoes) suitable for starch manufacturing.

Meat packing plants and dairy manufacturing companies are springing up all over Texas, in order to take care of the surplus products and to keep these industries in the state. Cheese has never been manufactured in Texas until 1928, and in 1938 the production of Texas cheese was over 19,646,000 pounds. Now there are 85 factories.

Although Texas has no pig iron of its own, it has developed in recent years a large foundry and machinery manufacturing business. The largest branch of this is the oil well machinery and supply manufacturing industry with some of the largest plants of this kind in the world located in Texas.

Texans are not very sentimental about patronizing their own products, but they do show a tendency to patronize a product when the manufacturer has shown that he can supply the market. Today Texas imports from other states and foreign countries vastly more of manufactures than it produces for both home and outside market. This deficit in the trade balance is made up through the sale of Texas' tremendous agricultural and mineral surpluses. Texas manufactures, however, are making headway selling their products in other markets in the United States and abroad.

Still another development of relatively recent years has been the growing of abundance and availability of power-producing resources. Today Texas has its own fuel supply, its own lights and power, and a tremendous gas system.

Labor supply was another handicap to industrial development. Most native Texans were trained for little else but the farm and ranch work. The growing urban population has given Texas needed skilled labor. Many tenant farmers have been eliminated by the urbanization movement; therefore, Texas will have to expand industry to take care of the available labor.

Texas has accumulated, in the past few years, sufficient surplus of capital for investment to make possible appreciable development of home industrial enterprise, and this, added to the natural resources which it possesses, makes a firm basis for the expansion which has been evident during the past few years, and will continue in the future.

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Iron Ore—

CONTINUED FROM PAGE 1

A. King, Atlanta; John R. Alford, Henderson; W. S. Gober, Jacksonville; J. K. Wadley, Texarkana; H. P. McGaughy, Gilmer; Joe E. Lawther, Dallas; James I. Perkins, Rusk; E. M. Decker, Jr., Alto; George Clark, Nacogdoches; B. F. Phillips, Gladewater; G. W. DeBerry, Ore City; H. A. Perstein, Beaumont; Nat D. Heaton, Jefferson; Chas. Cobb, III, Marshall; W. S. Hanley, Tyler; J. O. Klein, Lufkin; Walter N. Ford, Houston; W. J. McIntyre, Shreveport; J. J. Jenkins, Kilgore; F. J. Harlow, Bartlesville, Okla.; John W. Carpenter, Dallas, and J. E. Rittersbacher, Corsicana.

Those who made the trip to the Toledo plant of the Surface Combustion corporation were: O. H. Grissom, Hubert M. Harrison, general manager of the East Texas chamber of commerce; Walter N. Ford, Houston industrial commissioner, United Gas Co.; Allan Johnston, Longview, industrial engineer with United Gas Pipeline Co.; W. S. Henley, Tyler, chief engineer, Cotton Belt railroad; J. W. Stockham, Dallas, industrial engineer, Texas Power & Light Co.; W. J. McIntyre, Shreveport, division manager, Arkansas-Louisiana Gas Co.; F. J. Harlow, Bartlesville, Phillips Petroleum Co.; W. M. McVeigh, Dallas, industrial commissioner, Texas & Pacific railway; Nat D. Heaton, Jefferson, attorney; B. B. Orr, Gilmer, oil; Dr. F. E. Giesecke, director engineering experiment station, Texas A. & M. college; E. R. Mertz, metallurgist, Texas A. & M.; and Samuel W. Fordyce, III, Kansas City Southern railway.

THEY LIVE LONG IN LLANO COUNTY

Citizens of Llano county are long lived. The annual report of Justice J. B. Mays, vital statistician, shows that 39 deaths occurred in the county in 1939, which, based on the number and ages of the descendents, revealed the average span of life in this hill country to be a little more than 67 years.

The report revealed also that no deaths were recorded in May and in some other months the number of persons dying did not exceed three. Births for the year numbered 113.

WHAT? AGAIN?

BERLIN (AP) — The war has given stimulus in Germany to campaigns against alcohol and tobacco. It is a German's duty to be as healthy and fit as possible, the Reich's health and medical leader, Dr. Leonardo Conti, reminded the population. Moderation in the use of alcohol and tobacco, or better still, total abstention, is a blow against the enemy, he asserted.

The discovery of Newfoundland is generally credited to the Italian, Giovanni Caboto, who became known as John Cabot. He found it in 1497.

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Bank System of Texas on Sound Basis

Texas has come a long way in financing operation since the days when the settlers traded bright beads to the Indians for land. Until recent years the principal financing operation in Texas was the supplying of credit needs of the agricultural industries — crop growing and livestock raising—and the transportation and distribution interests that, in turn, depended largely on agriculture for their economic existence.

Late in 1938, according to Texas Almanac, there were 449 national banks and 406 state banks operating in Texas. Up until 1905, there was no state banking system, the Constitution of 1876 having forbidden chartering state banks. In 1904, however, section 16 of articles XVI was amended to permit chartering of state banking institutions, and a state banking system came into existence the next year.

At the end of 1938, the combined resources of national banks in Texas and those of state banks amounted to $1,577,662,622. Deposits were $1,377,167,989. Both of these figures were near the all-time high record.

There has been a decline in number of banks in recent years. The largest number of national banks was shown by the call of June 30, 1926, when there were 662. The state banks reached their peak with 1,036 on Feb. 21, 1921. At that time total resources of state banks were $381,682.00 Total resources of state banks as of Dec. 31, 1938 were $217,943,622.08. Resources of national bank $969,499,000 in 1926 when the number of banks was greatest, as compared with $1,359,719,000 on Sept. 28, 1938.

The Federal Reserve Bank of the eleventh district is located in Dallas, with branches at Houston, San Antonio, and El Paso. Waco, Fort Worth, and Galveston are other reserve cities. J. H. Merritt of McKinney is federal reservent agent and chairman of the board. R. A. McKinney is president. The eleventh federal reserve district includes all of Texas, the northwest corner of Louisiana, southeast corner of Oklahoma, approximate southern half of New Mexico, and approximate southern fourth of Arizona.

The Federal Reserve Bank opened in Dallas on Nov. 6, 1914, and it marked the beginning of a new era in financing for Texas.

Texas was particularly susceptible in 1914 to financial difficulties which the Federal Reserve system eliminated. With the discovery of Spindletop, the need for a better system of handling state financial operations began. Then other new industries developed in the line of utilities and manufacturing, as well as agricultural lines. Part of the financing of these industries has been done out of Texas, however.

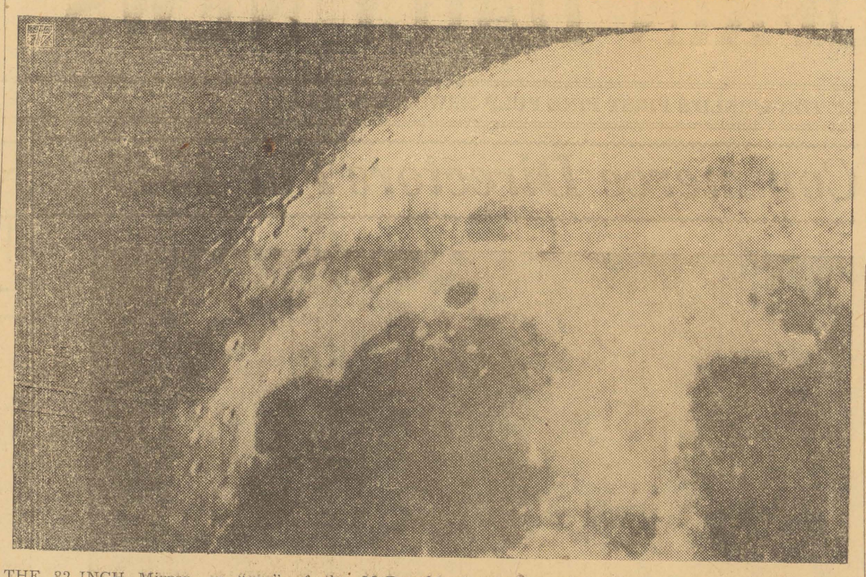
There is no stock exchange in Texas, though there is an appreciable market for securities in the larger cities — Houston, Dallas, Fort Worth, and San Antonio. The only outstanding development in financing in Texas in recent years, in common with all other parts of the country, has been the establishment of credit agencies of the federal government for financing agricultural, industrial and construction activities, such as F. H. A., etc.

The insurance business has grown rapidly in Texas in recent years. At the end of 1937, the report of the State Insurance Commission showed a total of $1,369,913,458 of life insurance in force in the state in Texas companies alone. There were 865 insurance companies doing business in Texas during that calendar year. There were 366 companies having home offices in Texas, and 439 companies having home offices in other states, and even 60 companies with home offices in foreign countries.

In 1906, the year before the Robertson law went into effect, there was a total of $268,818,591 of insurance in force. The withdrawal of a number of large out-of-state companies for the next year make comparisons unreliable for the following decade or more. However, in 1919 the amount was $628,901,504 and in 1925 it had climbed to $1,777,897,390. At the close of 1934 it totaled $2,926,124,928, and at the close of 1937 it was $3,350,659,936.

There are 13 types of insurance organizations operating in Texas at present: namely, stock fire, mutual fire, county mutual fire, reciprocal, Lloyds, Casualty and surety, assessment health and accident, title and guaranty, stock life, mutual life, fraternal, statewide mutual assessment, and local mutual aid.

Texas Observatory Shoots the Moon



THE 82-INCH Mirror, or "eye" of the McDonald observatory atop Mount Lock in the Big Bend recently, was placed within the great telescope recently and the first thing the astronomers did was to take a view of the moon. Ordinarily the earth's satellite is 240,000 miles distant, but the huge instrument "pulled" it to a mere 1,800 miles from earth for this closeup, the first astronomical photograph taken at the observatory. The spots on the surface are mountains and volcanic craters. The underside of the planet is north, the dark edge, west. Just below the huge crater, Plato, the dark ribbon across the moon's surface is called the Mare Frigoric (Cold sea).

Texas Girl Makes Good in Gotham



PRETTY SUSIE Virginia Odem of Corpus Christi, 19, says she is not amazed that Broadway accepted her. She began dancing at five and when 17 tackled New York. She did not attempt to crash the big time but continued studying professional routine, especially ballet. After six months the swanky entertainment spots welcomed her readily. She hopes to open a dancing studio at Corpus Christi some day.

Texas Seen As A Future Mining Area

Mining engineers and geologists are of the opinion that the future of Texas mineral development lies in the fuels and nonmetallic minerals rather than the metallic. Texas, however, with its vast petroleum resources, was the leading state in the production of minerals in 1938, Pennsylvania, with its coal production, ranking second.

Indications are that metals exist in abundance in Texas, and if these metals can be developed, industry will thrive expectations in the future for this large state. There are extensive iron ore deposits in East Texas, and appreciable amounts apparently in the Burnet-Llano area. Silver is found extensively in the Trans-Pecos area, where it has been produced for many years. Quicksilver is also produced in the Big Bend area and the Burnet-Llano areas.

In Burnet, Llano and Gillespie counties in central Texas, and in two or three places in the Trans-Pecos area, gold is found in small quanties. Statistics, according to Texas Almanac, show that in 1937 the production of 562 fine ounces of gold were valuated at $19,670.

The most consistent of any mineral other than lignite, has been silver, which has been mined steadily for more than half a century, excepting the depression years, from 1930 to 1932. Most of this production has come from a single mine at Shafter in the Chinati mountains, Presidio county. Silver has been produced in small amounts near Van Horn in Brewster county, and there is evidence of deposits in some of the regions of the Trans-Pecos area.

Iron Ore Leads

The most prolific mining seems to have been done in the iron ore field. The principal iron ore deposits are found in strata forming the cap rocks at the top of low mountain ranges in Cherokee, Harrison, Cass, Upshur, Gregg, Henderson, Houston, Marion, Morris, Nacogdoches, Panola, Titus, Rusk and certain other East Texas counties.

As long as the production of pig iron from charcoal furnaces was profitable, there was considerable production from the East Texas deposits, but during recent years there has been no production because of the lack of a supply of coal adaptable to the manufacture of coke, which is now universally used as fuel for iron furnaces. If the fuel in the form of oil and gas, which so abundantly flows through East Texas, could be used in iron furnaces, no doubt a great iron industry would spring up in this region.

Before the Civil war, there was production from furnaces at Kellyville, near Jefferson, and production continued in various parts of East Texas until 1909. There was at New Birmingham a furnace known as "Old Alcalde," which was put in blast in February, 1884, but that has long since been abandoned, and New Birmingham is nothing more than a "ghost town" today. There has been no production of pig iron since that time.

Used In Road Building

Iron ore is valuable to Texas because of its value in constructing roads. Because of its weight it cannot be shipped at a cost low enough to justify an industry of that sort, and so it has been utilized by the state highway department in the extensive highway program which has been in progress for the past few years.

With iron ore are other materials significant to the economic future of Texas because of their value in relation to road building. Limestone, maris, and shales suitable for manufacturing Portland cement are found throughout a wide area in the limestone region of Texas. There are two cement plants each at Dallas, Houston and San Antonio, and one cement plant each at Fort Worth and El Paso. There is no surface limestone in the coastal belt, but the two cement companies operating in Houston utilize shell that is dredged from the shallow bays of the Gulf in great quantities. Something like 2,000,000 cubic yards are dredged from the bays annually and carried by barge lines to Gulf Coast points.

Stone is found in Texas in endless varieties, and is adaptable to all sorts of construction purposes. Sandstone is found in some sections of Texas, as is granite.

Variety Of Valuable Stone

An investigation made by the bureau of economic geology several years ago revealed several hundred kinds of commercially valuable stone in the area west of Austin, including Travis, Burnet, Llano, Mason, Lampasas, Gillespie, and San Saba counties.

Sand and gravel are found in commercial quantities in many parts of Texas, the most notable being the uncovering and development of great gravel pits in several places in the Panhandle. Among the leading producing counties are Live Oak, Fort Bend, Eastland, Harrison, Wichita, Tarrant, Dallas, Victoria and Wise.

Clay, another material used extensively in the building of roads, and also suitable for the manufacture of brick, is found abundantly in Texas. Some of the principal brick manufacturing towns in the state are Palmer and Ferris in Ellis county, Mineral Wells and Bennetts in Palo Pinto county, Elgin and McDade in Bastrop county, Abilene in Taylor county, and Coleman in Coleman county. Pottery is also manufactured from clay in Athens, Dallas, Fort Worth and San Antonio.

Rock asphalt, or bituminous limestone, is found in several localities in southwest, east and north central Texas, but the chief formation is found in Uvalde and Kinney counties. There is also production of petroleum asphalt in Texas. The production of Texas native or rock asphalt for 1937 was valued at $300,531, but was probably much greater in the last two years, due to the state highway department's large construction program.

Gypsum is another Texas product, with plants operating at Quanah, Rotan, Roby, Hamlin and Sweetwater. Building materials, such as sheetrock, wallboard, and plaster, are made from this mineral. The principal deposits of gypsum are found in the narrow belt extending from Hardeman county on the Red river to Nolan county, in central west Texas.

Approximately 72 per cent of the deer harvested in Texas are taken in 13 counties on the Edwards Plateau.

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To those far-sighted business leaders who, through vision and perseverence have brought to East Texas this great new industry, we send our sincere congratulations and best wishes.

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To all Texas and the entire Southwest we say—Let's Help Justify the Foresight and Courage of Those Who Are Responsible For This Great Venture by Our Whole-Hearted Support and Patronage.

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HOUSTON TEXAS

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TEXAS STILL HAS CHARGE OF RELIEF

While the job of caring for needy persons throughout the nation has been passed back to the local governments, all but 16 of the states retain a definite measure of control, the council of state governments says.

Those 16 states in which local governments are responsible, with little or no state supervision, are: Connecticut, Florida, Idaho, Indiana, Kentucky, Maine, Massachusetts, Mississippi, Nebraska, North Carolina, Ohio, South Dakota, Tennessee, New Hampshire, Vermont, and Texas. While generally only local funds are used for relief in most of these, cities in some of them do look to state sources for part of their relief budgets. Some others depend on state legislative authority for their taxing powers. The independence is in the supervision of the relief expenditures.

On the other hand five states, Arizona, New Mexico, Pennsylvania, Oklahoma, and Delaware have assumed complete responsibility for administering general relief, usually through branch offices of a state agency. Delaware, however, administers the entire state general relief program through one central bureau.

In California, Nevada and Rhode Island, administrative responsibility is divided. For example, in California the state relief administration supervises and administers through local branch offices all general relief to employable persons, with payments made through one central office, while county boards of relief exercise complete authority over relief to unemployables.

Local governmental agencies administer general relief under state supervision in 24 states. This is exercised usually through check-ups by representatives of the state welfare department. Personnel and relief standards established by law assist in state control of local administration. In some states, local agencies may not receive the state's contribution to the cost of relief unless they comply with state standards.

County departments of public welfare administer general relief under supervision of the state department of public welfare in Wyoming, with supervision exercised through visits of field representatives. These review cases four times a year to determine compliance with state standards. The field representatives suggest improvements in case work methods.

STILL IN STONE AGE

Other maps, besides Europe's, are being altered. The paleolithic map, used by archeologists to place the earliest evidences of human culture, has been changed, now that Stone Age culture has been discovered in Southern Albania. Paleolithic peoples are those who use rough, unpolished stone implements. They don't use metals. And don't think they've entirely disappeared from the earth. Many primitive tribes are still in their own stone age.

STATE EMPLOYES FACING NEW TAX

The advent of 1940 dumped a bucket of grief into the laps of some 20,000 of the 45,000 people on Texas public payrolls.

These folks will have to grapple with the intricacies of the federal income tax for the first time in history.

But just how deep Uncle Sam will reach into the pockets of these Texans — including thousands of school teachers, city, county, district and state employes, from garbage collectors to college presidents and supreme court justices —is something of a mystery.

Experts assert there's no way of figuring just how much taxes from the eligibles will swell federal treasury coffers. However, those rash enough to guess have mentioned totals ranging from less than $200,000 to more than half a million.

The bad news came last spring in the form of a supreme court decision—so those lucky citizens who've escaped contributing to the upkeep of the federal government via the income tax route have had time to prepare for the showdown hitting them before March 16.

The court ruling, which congress later decided should not go back beyond 1939, said, in effect: "State governmental employes are not excused from paying federal income taxes and federal governmental employes are not exempt from state income taxes."

While federal workers have been kicking in regularly on federal income taxes, state employes have not—simply because an old ruling implied they were not liable. Since Texas has no state income tax, federal workers, as well as state, don't have to worry about paying two income taxes as is the case in many other states.

Internal revenue agents in Austin estimate between 18,000 and 20,000 will have to pay the levy, but point out only those single persons making over $1,000 a year and heads of families whose income is more than $2,500 are required to file returns.

Thousands of persons on the public payrolls will be exempt from paying the tax due to the fact they're not making enough salary to put them in the eligible class. Then, too, taxes down to those on gasoline, many types of interest and all charity donations to organizations are deductible.

The Texas state government payroll last year ran to about $21,000,000 but officials believe less than half those workers eligible for the income levy.

Consensus among experts is that only after the taxes are paid will it be possible to ascertain how much revenue the federal government will receive from state and municipal government workers—and maybe not then.

It would take a lot of bookkeeping and the internal revenue department has lots more important things with which to occupy its time—such as running down the "tax dodgers."

MAGAZINE TELLS ALL ABOUT TEXAS

Texas is gaining rapidly the past few weeks as a subject for outstanding nationally circulated periodicals, with the January edition of Town and Country, a slick paper class magazine edited for 35,524 of the wealthier American homes (according to Standard Rate and Data Service) being the latest to join the ranks of those telling the world of the Lone Star state.

"Fortune," the dollar-a-copy magazine which charges up to $2,520 per page for ads to reach its 137,865 subscribers (circulation as of April, 1939, edition) a few weeks back devoted several pages to panoramic story of Texas with several pages of wash drawings and photographs. Then a Collier's writer turned out a sensational type story on Texas, drawing a telegraphic correction from Manager Hubert M. Harrison of the East Texas chamber of commerce as to the state's bonded indebtedness, which appeared as more than slightly exaggerated.

Now author William B. Powell writes in the Town and Country issue fresh on the newsstands some seven pages, expensively illustrated, about "Texas — From Longhorns to Horns of Plenty,"

"When I think of the magnificent way those Texans entertain strangers within their gates, I am put to shame by the niggardly manner of New Yorkers toward landers who turn up with 'a note from,'" Powell writes. Mr. Powell then swings into a glowing count of the square dances, the garden parties and the ranch parties with which Texans entertain themselves and their guests.

The magazine praises the combination of "the warm hospitality of the south with the comaraderie of the west."

HOUSTON EXPORTS A MILLION BALES

The million-bale mark in cotton exports for the 1939-40 season was reached by Port Houston this past week when the Greek freighter Polyktor sailed from Long Reach.

Houston is the first American port to export 1,000,000 bales of cotton this season.

The Polyktor took 6,000 bales of cotton which added to the 998,685 bales already exported this season, put the total up to 1,004,585.

Up to this point last season Houston had exported only 522,457 bales. In the 1937-38 season up to this point, 704,782 bales had been exported.

Houston cotton receipts also are above those of last year and two years ago. Tuesday they were given at 1,500,244 bales as compared with 889,052 for the same time last year and 1,484,995 for the corresponding period two years ago. The exceptionally high figure of two years ago was due to an 18,000,000-bale crop, cotton men said.

Style

Styles are changed each season and new late ideas are used. Style magazines are searched for new designs.

All styles are tried on living models to insure perfect fitting.

The best materials that have been Color Tested by the Better Fabrics Bureau are bought direct from the mills. This means uniforms can be sold at a low price made in the finest materials.

Buttons and thread are also tested for long wearing qualities.

Uniforms are shipped to every state in the Union. A large number of smart cafeterias, hotels and dining rooms in the Southwest use and endorse Fuller Uniforms.

FULLER UNIFORM CO.

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If it's "Fuller Made" it won't shrink or fade.

Greetings from the Stephen F. Austin

State Teachers College

As President of the College, I am pleased to extend greetings from an East Texas educational institution to Lufkin and to all of Texas because of the consummation of a great business enterprise, the result of vision, of faith, of intelligence and cooperation. The completion of the paper mill is outstanding in the annals of Texas and of the Southwest. It, of course, will be of immediate benefit to East Texas. It will provide a market for East Texas timber products and employment for hundreds of people. Many of them will come from other sections, perhaps, to make their home in this beautiful part of the Southwest. Others will be native. The years that lie ahead are full of promise. Economic competency that shall come as a result of this great enterprise will lay the foundations for social and cultural development. The College Among the Pines is ambitious to have a part in the development of this great section. Thousands of young people have already passed through its portals. We hope that they have gone out to the various communities of this state with additional information, pronounced habits of study, with genuine love for the history and traditions of our common country, and, therefore, with the preparation necessary for constructive citizenship.

We take off our hats to the vision of the business leaders of Lufkin and the enterprise of that fine community.

Very sincerely,
A. W. BIRDWELL,
President.

This Advertisement made possible by a number of Nacogdoches business men.

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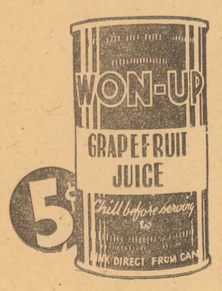
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Opha Grissom

EAST TEXAS DISTRIBUTOR

Longview, Texas

Let's Clear The Fog For 1940, Suggests Thorpe

Note: Merle Thorpe, editor of Nation's Business, official magazine of the United States Chamber of Commerce, writes in the January issue, the following signed editorial. The article is reproduced here as a means of bringing to the readers of this page "what others are thinking" in the business world about 1940:

Ten years ago the nation, going forward at breakneck speed, stumbled. If the mishap had not occurred at a time when, for 40 years, goods had been produced in quantities as never before and distributed so widely among the people, the bump would not have been so painful. Boom times and depressions have always been the rule since Time began. Each individual has his own days of exuberance followed by let-down; each wild night has its morning after. Groups of these same individuals make up a state, which likewise experiences mental and spiritual ups and downs. Both recover from the dumps sooner or later and respond with energy and enthusiasm to the beckoning finger of Hope. The climb starts again, slowly and with caution, becomes faster until judgment is once more thrown to the winds, and another boom is on. Then the inevitable tumble.

It had occurred 18 times before to the people of the United States. But always they had tightened their belts, paid the price of misguided enthusiasm in sacrifice and hard work and had come back. This time, after ten years—the longest period in our existence—we are no better off, and there are those who believe we shall never again regain the prosperity we once enjoyed.

What does a sober analysis show of the course we have pursued?

Denied our two chickens in every pot and two cars in every garage, we became angry and looked for some one or other than ourselves to blame. The political "outs" were quick to indict the "ins" as the villian; this has always been good hokum; politics takes the credit for prosperity; politics should take the blame for depression.

The "outs" convinced us as to what should be done. They promised: "an immediate and drastic reduction of governmental expenses . . . of not less than 25 per cent"; a federal budget annaully balanced; a sound currency; the "removal of government from all private enterprise."

We went to the polls and overwhelmingly approved this platform; we chose the hard, traditional American way.

We declared at the same time that we would have none of the plan of another party and its candidate, Mr. Thomas: "a federal appropriation of $5,000,000,000 for immediate relief," "another $5,000,000,000 for public works . . . slum clearance, decent homes for workers," "a shorter day and week with reduction of wages," "free employment agencies," "minimum wage laws," and so on. We repudiated the easy way.

The two roads are not parallel. As Mr. Bernard Baruch says, we cannot progress while we are neither one thing nor the other. We flounder, half-clinging to self-reliance, half-clinging upon political guidance and sustenance, half-voluntary and half-compulsory.

The traditional free method of exchanging products of hand and brain has been amended until political boards control almost every step of industrial and commercial operation. Change, "reform," uncertainty of future changes, have slowed down the machinery of trade. Thousands of new rules are promulgated daily; 153,000,000 reports were required of business men last year; thousands of federal agents scour the country; uncertainty is the only certain rule.

We may hope and pray for a speeding up of our trading machinery to a point where it will again produce an $80,000,000,000 income. We can't have it if political control continues to deprive management of freedom of decision and action. We enjoy the sadistic pleasure of seeing managers on the rack and at the same time enjoy the harvest of management's accomplishment. Either one or the other. It is the people's choice.

If we expect speed and hill-climbing again, we'd better check the road map, choose the route, and make sure the brakes aren't set too hard.

PLATINUM METALS MARKET IS STEADY

World production of platinum metals in 1939 will approximate 500,000 ounces and world consumption appears to be proceeding at a rate which will about equal production.

The principal market for platinum metals continued to be the United States, where, it is indicated, imports for the year will exceed 250,000 ounces. The countries from which the United States imported the major portion of the platinum metals were Great Britain, Russia and Colombia, in the order of their listing.

Exports from the United States, which were largely made to France, Germany and Japan, will probably not exceed normal, and it is to be noted that since the outbreak of the war such export deliveries have diminished, particularly to Germany.

As was the case in other commodity markets, with the beginning of the war the market for platinum metals was somewhat disorganized. Governmental regulations as well as governmental requirements for platinum metals found the United States and other neutral countries with inadequate supplies. A demand soon developed which forced the price of platinum from $35 to $42 per ounce. Iridium rose from $65 to $175 per ounce. The price of ruthenium also increased from $35 to $39, but palladium and rhodium prices held steady throughout.

Despite the heavy buying of the past few months, it is apparent that the requirements of platinum metals for industrial and other purposes throughout the world are not yet satisfied. The continuance of the war should bring home to many of the neutrals the necessity for greater reserves of platinum metals.

It is well known that the gold supplies of many countries are limited. Naturally these countries are desirous of conserving whatever gold they have. Suitable substitutes for gold must be found for dental and other scientific purposes. This situation has resulted in an increasing demand for platinum metals, and particularly palladium, which has become an essential in dental alloys used in these countries. Some have employed palladium as a substitute for gold in fountain pen points, watchcases, rings, spectacle frames and similar articles with marked success, for the reason that one ounce of palladium will replace two ounces of gold when considering both price and specific gravity. Moreover, it was found that the lower karat golds are made more tarnish-resistant by the addition of small percentages of palladium.

As to prices during the year, all of the platinum metals held steadier than might have been expected in view of disturbed conditions of the last few months. Platinum opened the year at $34-$35 per ounce and remained at this level until late August, when it advanced to $38, and later to $42 on the movement referred to above. It then leveled off to $40 and remained at about that figure at the year-end.

Palladium was stable at $24 all year, as was rhodium at $125. Ruthenium prices varied during the year from $35 to $40, and osmium from $39 to $60. Iridium opened the year at $65 per ounce rose to $75 per ounce by late August, and thereafter in September to $125, and later to $175 per ounce.

The development of industrial uses for the platinum metals was one of the important activities of the year. The commercial production of thin claddings of platinum or palladium on large sheets of base metal is one example, and platinum clad tubing is another. The interest of the research and operating divisions of the chemical industry in this type of material has necessitated further investigations of the resistance of platinum and its alloys to corrosion from many acids and compounds. Broader experience has been gained in the fabrication of platinum clad equipment. Equipment made of this material should assist in the creation of purer and more perfect chemical products.

In connection with the development of platinum clad, there was distributed in the chemical industry a publication, "Platinum Metals and the Chemical Industry," showing the possibilities of this material for equipment in chemical, drug, glass, food and similar types of plant operations.

Japan has been the largest buyer of scrap metal in the United States every year for 10 years except 1931. That year, Canada headed the list.

These Brothers Cut Themselves a Living

Could you make a living with a pair of scissors?

Adolph Budd-Jack, 32, one of five brothers who are engaged in cutting silhouettes, says he averages $150 a week with a tiny pair of scissors and black paper.

The brothers, sons of immigrants from Finland, divide up the United States and each works a section.

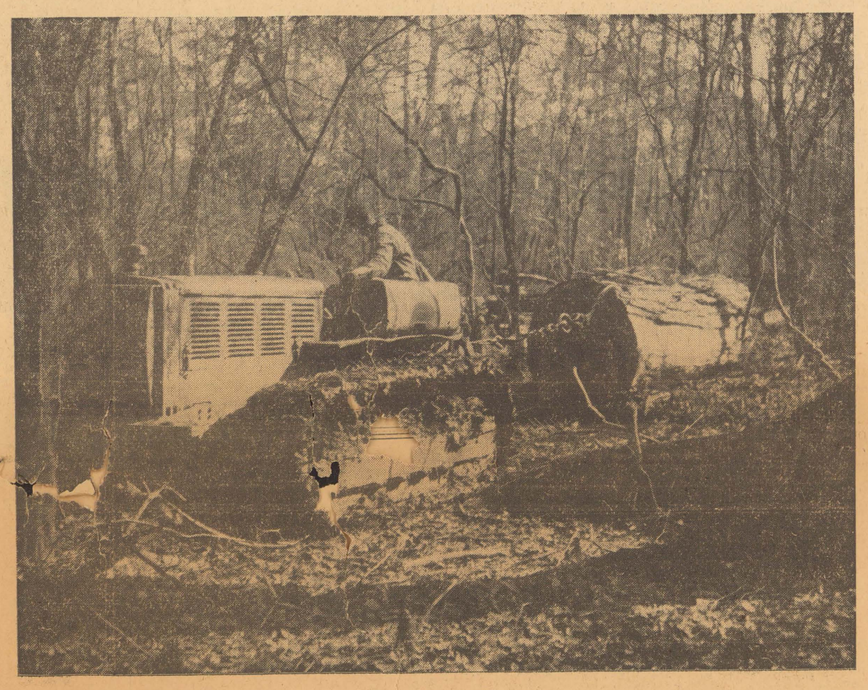
Adolph said he learned the art from his mother who took it up after the death of their father, a sculptor.

The nineteenth century was sterile of new ideas in art, but it saw a great increase in the comfort of the average home. Machines began to take the place of individual workmen. By the end of the Victorian era even the homes of poor people contained a variety of objects of use and somewhat doubtful beauty that would have constituted wealth one hundred years before.

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Caterpillar Equipment on Logging Operation in East Texas. Lumbermen know that in Ground Skidding Operations, Caterpillars Make for Speed and Economy. You Can Log Anywhere With a Caterpillar and Get the Job Done.

TRACK-TYPE TRACTORS

"Caterpillar" track-type Tractors are built in a complete range of sizes—a size to fit every job. They have earned a reputation all over the world for dependable, low-cost operation on a variety of tasks in construction, roadwork, logging, industry and agriculture.

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"Caterpillar" Road Machines form a complete line of equipment to meet the needs of road building, maintenance, earth moving, construction work and terracing. They are built in sizes and weights to properly match the various sizes of "Caterpillar" track-type Tractors. These balanced combinations assure greatest efficiency and maximum results from both machines.

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"Caterpillar" Diesel Engines are being used today to provide economical, dependable power on a wide variety of portable, semi-portable and stationary jobs. Their successful and economical operation and the persistent demands for equipment powered by "Caterpillar" Diesel Engines has led more than one hundred leading manufacturers of heavy-duty machinery to use them for powering their products.

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FDR'S New Program May End Borrowing

President Roosevelt's new fiscal program, calling for a deep slash in the federal deficit, suggests a possible wind-up of huge open-market borrowings by the treasury.

Financial circles directed immediate attention to this angle of the administration's budget figures last week because of the overwhelming weight exerted by government operations in the money market since 1932.

Assuming congress goes along on the budget proposals, including the levying of $460,000,000 additional taxes, the treasury presumably could meet the remaining deficit in the 1941 fiscal year with little or no call for more cash from the open market.

Counting the extra taxes, the budget estimates figure a deficit of $1,716,000,000 in the fiscal year ending June 30, 1941, contrasted with $3,933,000,000 in the federal bookkeeping period ending next June.

A shortage of that size, it was pointed out, conceivably may be covered by receipts of cash from other than open-market sales of securities, notably from social security reserves and "baby bonds."

* * *

"Baby Bonds" Are Sold

The treasury, in fact, partly has been able the last three years to cut loose from the open market by relying upon increasing receipts from sale of "baby bonds" to small investors and the inflow of cash from social security to pay roll taxes.

Wall street students of federal finances interpose some important "ifs" in the outlook for ending treasury use of bank credit through market borrowings.

Budget estimates, they note, aside from the question of congressional approval of the tax boost, are dependent upon:

1. Sustained business recovery to produce a higher yield from existing taxes.

2. Advancement of war or other emergency expenditures beyond budget estimates.

Banking circles recall the administration's first attempt to shift from "deficit financing" in the open market in 1937 went awry as business slumped badly. The business decline led to another "spend-lend" drive in 1938, followed by mounting outlay for arms and for long-term "investment" projects, such as ship building and housing.

The money community's interest in open-market borrowing by the treasury is wrapped in a haze of much-debated theory about government use of bank credit to "prime the pump," raise price levels and put men and machines back to work.

Opinions differ as to how the debate, accompanied by clouds of "inflation" talk a few years back, has been substantiated by facts. Tangible factors visible to money quarters are billions in federal direct and guaranteed debt carried in the banking structure as result of the extensive open-marker borrowings under the new deal "pump-priming" drives.

The "pump-priming" theory assumed this outstanding bank credit, in the fat years of the business cycle, would be retired from a treasury revenue excess and from social security and "baby bond" sales.

* * *

Federal Bonds Advance

The latest budget figures headed for a federal direct debt close to the statutory limit of $45,000,000,000. Despite this brain-trying figure, United States government bonds last week held the bond market spotlight by advancing closer to the peak 1939 levels established before the September war break in high-grade bonds.

Moreover, the accumulation of idle bank funds characteristic of the "pump-priming" years took another new year upturn, partly as a result of a continued inflow of gold from abroad and from treasury payments of borrowed funds back into the open market.

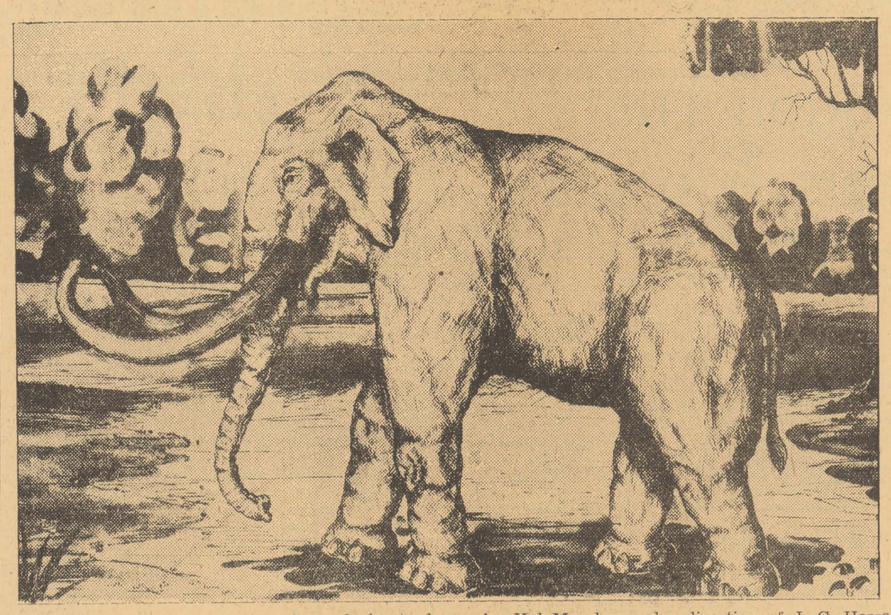
The $9,000,000,000 gold inflow since 1924, mostly from war-frightened Europe, has formed an extraordinary backdrop for the new deal's financing operations. Some money experts credit the success of treasury offerings and the seven-year advance in government security prices in large measure to the addition of this gold to the nation's credit base. The effect, they noted, has been to expand bank funds and move banks to purchase treasury issues for employment of idle cash.

Meanwhile, the treasury's revenue outlook was favored by the highest new year business level in a decade. Latest trade data indicated industry began 1940 with little letdown from the peak autumn levels. Stocks, on the other hand, continued to drift in a narrow range, rallying after the new year recess but slipping in dealings in the final half of the week.

LOCAL ANESTHESIA

Local anesthesia, long regarded as useless in major operations, will have much greater utility under the system of a Russian scientist. Instead of just "deadening" a hand or a foot with novacaine, he renders large areas of the body insensitive to pain. Local anesthesia is comparatively new and still very much in the experimental stage. Instead of the commonly used drugs to produce [illegible] with ether, the nerve-paralyzing [illegible] even t[illegible] freezing [illegible] spot to be cut. Ether evaporates so fast it draws all the heat from [illegible]

The Brazos River Elephant—As He Probably Looked



THIS SKETCH Of the Brazos river elephant, drawn by Hal Moseley under direction of J. C. Hesse, assistant curator at A. & M. college museum, represents the pre-historic pachyderm as it appeared roaming the shores of the river eons ago. Skulls, teeth and leg and thigh bones of the monsters have been recovered in the gravel banks of the river near College Station and are being restored by the museum staff.

TO HIKE ATHENS' TOMATO ACREAGE

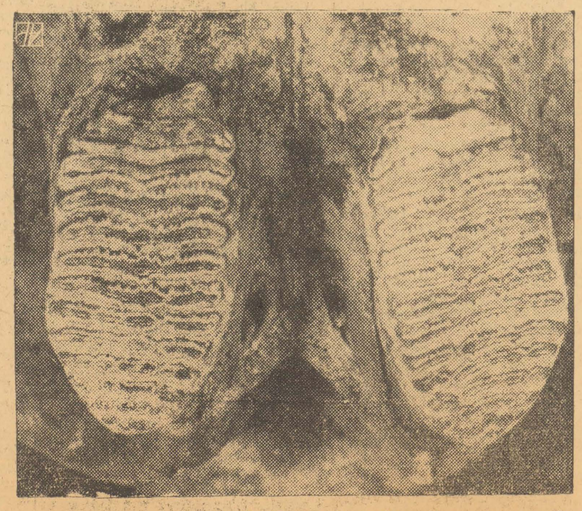
Sufficient acreage in the immediate vicinity of Athens has been secured to assure the building of a tomato loading shed there this season. In the past years, only towns in the east end of the county had loading sheds for this product.

Jess Miller, well known Athens tomato grower and buyer, who operated sheds last year at La-Rue and Frankston, has announced that he will operate a shed in Athens if as much as 200 acres was planted in this vicinity. At a meeting held at Athens more than 60 farmers pledged their support in the move. The meeting was presided over by County Agent Ray Morgan. Henry Tanner, farmer and tomato buyer, who hasbee n canvassing the Athens farmers, has advised that more than 200 acres have been signed.

CAPTIVATING OFFER

Wanna buy a jail? The 79-year-old county jail at Bowling Green, Ky., "together with all fixtures and equipment thereto attached" has been offered for sale by the fiscal court. The rub is [illegible] buyer will have to take [illegible]he mitt him. The court [illegible]e lot on which the old [illegible] stands

They Chewed Pre-Historic Vegetation



THIS FOSSIL, Now at the Texas A. & M. college museum, is a full set of upper teeth of the Brazos river elephant, discovered in the gravel banks of the river seven miles west of College Station. These large, flat teeth were part of the grinding mechanism of the huge animal. The elephants fed on leaves and twigs of trees and shrubs. This coarse fare had to be cut and crushed into digestible food.

Weather—

CONTINUED FROM PAGE 1

10 inches. In the lower Rio Grande valley and in the coastal regions, snow is practically unknown—but it could snow there!

The midsummer months are warm throughout Texas, but the region along the coast finds relief from the sea breezes, while the plains country feels the cooling effect of high altitude. Fortunately the two relatively dry seasons throughout most of Texas come in midsummer and midwinter, tempering both the heat of the summer and the cold of the winter.

Texas west of the 100th meridian is frequently represented as arid on commercial maps, but some of the most productive cotton, wheat, corn and grain sorghum lands of the state lie in that region. While rainfall in this area is only 20 inches annually, its normal distribution is such that it is of maximum benefit to growing crops.

Texas, because of its variation in weather, has received an undeserved reputation for destructive hurricanes, floods, droughts, tornadoes, sandstorms, and northers. Texas properties do suffer occasionally from several types of meteorological disturbances, but a statistical comparison will show that the state is no worse than average. The worst storms in Texas history have been the tropical hurricanes of the Gulf coast which sweep in from the sea occasionally, as they do along the entire Gulf and Atlantic seaboard of tropical and North America. Most of the loss of property and lives in the past has been due to the defenseless position of some of the cities of the coast. These have been protected, however, by the erection of seawalls and breakwaters.

Part of Texas also lies within the tornado belt of the Mississippi and Gulf region. The "blue northers" for which Texas has become famous are seldom of sufficient intensity to do much damage, although they sometimes bring unexpected frost and freezing weather. The weather bureau warnings have done much to avert damage from northers by forecasting the coming temperatures. Farmers can have time to light their smudge pots and take their livestock to shelter.

The northers are anticyclonic gales which come down with areas of high atmospheric pressure out of Rocky mountain regions and spread over the Texas plains, sometimes reaching as far south as the Gulf coast.

Texas has had quite a reputation for its sandstorms in the past, due to the publicity given through literature. These sandstorms were caused by overstocking and overcultivation. New methods of planting are expected to do much to prevent recurrence of the dust storms that became prevalent in the western and northern part of the state in 1934.

Our Best Wishes

Go to the people of Lufkin and those far-sighted men who are responsible for bringing the

Southland Paper Mills

to East Texas

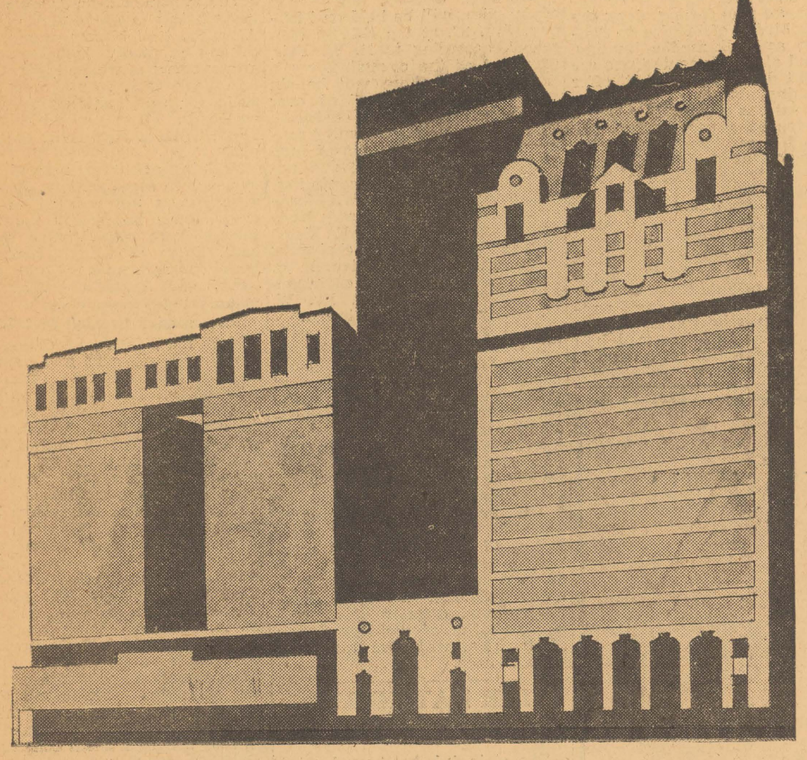
We are proud to salute any new industry that makes for greater prosperity among the people of Texas.

Graham Brown Shoe Co.

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A TEXAS INSTITUTION

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As a nationally renowned Texas Hotel that has kept pace with the progress of Texas since 1912, Hotel Adolphus joins other Texans in tribute to Ernest L. Kurth and his associates. The new SOUTHLAND PAPER MILLS, INCORPORATED, is opening the way to greater industrialization of Texas; a further development of Texas' vast, unexploited resources. Newsprint from Southern Pine marks a milestone in the ***Greater Texas*** yet to come.

To our host of friends in Lufkin and East Texas we send greetings and congratulations. East Texans always find a cheery welcome at Dallas' largest and finest hotel.

HOTEL ADOLPHUS
DALLAS
OTTO SCHUBERT, JR., MANAGER
NATIONAL HOTEL MANAGEMENT COMPANY, INC.
RALPH HITZ, PRESIDENT

THE CENTURY ROOM PRESENTS
THE VOICE AND MUSIC OF
JOSEPH SUDY & HIS ORCHESTRA
Opening January 25
HERBIE HOLMES & HIS ORCHESTRA

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House Committee Hears of Chemurgy Progress

Officials Hold Conference on Crop Uses

By Victor H. Schoffelmayer
Agricultural Editor, Dallas News

Industrial utilization of crops from farm and forest as a more direct solution of the agricultural problem than those attempted in the past was advanced at the conference of a special farm chemurgic subcommittee of the house of representatives in Washington a few days ago. It was shown that perhaps 50,000,000 acres of land retired from production in the last seven years could be returned to profitable raising of raw materials for paper mills, starch plants, plastics and vegetable oil processing mills all over the nation, giving farmers new sources of cash income and opening new markets.

Congressman Roy O. Woodruff of Michigan, as chairman of the special committee, outlined the aim of the inquiry, which, though Republican in character, is destined to bring to the surface some facts which in the past have remained buried.

Endorsed by Wolvering

Unqualified endorsement of the chemurgic movement was given by Dean Ernest L. Anthony of the University of Michigan's agricultural school and experiment station. The dean saw every reason why the research of the nation, both in government institutions as well as in private industry, should be given every support to find enlarged outlets for farm products which are now largely imported from abroad such as wood, pulp and paper, vegetable oils and starches, resins and insecticides which can be grown in commercial quantities in various parts of the country.

Dean Anthony paid tribute to Henry Ford for his pioneering efforts to use the soybeans as plastic material for his automobiles. Later during the session experts from Chrysler Corporation told of recent tests of plastics made from cellulose which had greater strength than steel in actual resistance to impact. That this will open the door probably for untold quantities of cellulose from pine, oak, beach and spruce forests goes without saying. The Iowa delegation at once asked how about their rapid growth of poplar as raw material and were told that practically any wood would do if properly treated.

Depression Forces Research

The depression has forced a new kind of research on the part of industries to hold old and to capture new markets which were once preempted by metals, principally steel. All this is changing rapidly, the committee was shown. Dean Anthony answered directly to a question that he is not in favor of any agricultural program which was based on a doctrine of creating scarcity in order to force up prices. He showed how the soybean at first would not grow in Michigan but today grows far up into the northern part of the state, all because of selection of adapted strains and fixing of desirable characteristics to suit local needs. He sees a great possibility in developing new industries based on the protein of alfalfa, also its carotene as a source of vitamin A. He sees a great future for these two crops.

George W. Priest, research chemist for Woburn Industries of Harrison, N. J., told of the steady progress made with developing largely in Texas of special types of castor plants which yield high cellulose content, rapid drying oil and insecticide in the form of recin. The Lower Rio Grande Valley experiments and those in the lower Trinity Bay region are the most promising till now and are likely to lead to the establishing of a new processing industry in South Texas which will make possible American competition with Chinese tung oil, now no longer flowing into the country and creating great distress among manufacturers of paints, varnishes and lacquers because of Japanese restrictions placed upon exports.

Texas Work Described

A. G. H. Reimold, president of Woburn Industries, told in retail of the company's plans to replace not only imported tung oil but perhaps $80,000,000 worth of imported cellulose fibers. It was brought out that there was much opposition to the chemurgic program because it interferred to some extent with reciprocal trade agreements by which such rapid drying oils are admitted reciprocally. Reimold announced that his company's campaign in South Texas this year was responsible for an indicated shipment from there to their Harrison (N. J.) plant of 30 tons of castor beans between Feb. 1 and March 1, which would help greatly to overcome the shortage because of the Japanese-Chinese war. He predicted a great future for a Texas castor industry when the whole plant is finally successfully processed.

American Corn Products Laboratory, New York, gave detailed reports of the annual industrial utilization of 70,000,000 bushels of domestic corn developed under direction of Dr. Morris Sayre and his staff of fifty scientists. Dr. Sayre said the four regional federal research laboratories will be very helpful to private industry by developing much fundamental information which industries have

Interest In Paper Mill

The writer was called on to present the picture of chemurgic progress in Texas and had to answer frequent questions as to the vastness of operations and possible developments there. Keen interest was shown in the natioh's first pine newsprint paper mill at Lufkin, also in the dehydration experiments of Gilbert C. Wilson at Denton's North Texas State Teachers Colloge which will make possible a yam starch plant that can operate 12 months a year.

Several congressmen had visited Texas in recent years and were cognizant of the great possibilities in the development of chemurgic industries, using its cotton, yams, hides, wool, mohair, pine, oak and cedar pulp combined with sulphur, lime, salt and such other vast assets as cheap gas and petrcleum as well as proximity to water transportation at the Gulf ports. Several said they would visit this great state of Texas at their first opportunity and see what is happening.

MEXICO HIGHWAY WORK IS PUSHED

Prospects of a record inflow of American tourists into Mexico this season has resulted in a general revival of interest in the Matamoros-Victoria highway. Gov. Marte R. Gomez of the state of Tamaulipas, Mexico, said in a letter to Col. W. E. Talbot, manager of the Brownsville chamber of commerce, he would push the work with a view to opening the highway as a fair weather road by the end of 1940, and hasten paving work so that completion of the road might be expected soon afterward.

Work on the highway is being done at present from the Victoria end. Grading, small structures and some surfacing are being done and preliminary work will reach San Fernando early in 1940, according to Gov. Gomez's letter. Bridges over three rivers between Brownsville and Victoria will come later. At present three streams are forded, with ferries employed during high water. The new highway will shorten the mileage from the middle west and east, and cut the distance from Houston to Mexico City by 174 miles after completion of the Kenedy county highway.

The Matamoros-Victoria highway will traverse a section of the fertile coast and make more accessible the fine fishing along the Laguna Madre of Mexico to Americans, as well as the hunting, while all along the route there are beautiful little rivers that offer fine outing places.

The road is expected to prove a big tourist attraction for this area and is considered one of the most important factors in Brownsville's steady growth as a tourist center.

ARKANSAS CITY, Kas. (AP)—A young Arkansas City couple who feared their six-year-old son might be unhappy if his playmates wised him up about Santa Claus told him themselves. The next day he returned from school and proudly announced he had informed half the class and would get around to the others shortly.

SMILEY TAKES UP POULTRY RAISING

Lloyd Bell, of Smiley, Gonzales county, pioneered in farm diversification and as a result this small community markets more than 4,000,000 chickens a year.

It began back in 1916, but today it has become a big industry. Bell, returning from a visit to California with 72 white leghorn hens, promptly abandoned cotton farming and took up poultry raising.

Before long his neighbors had adopted the same idea, until farming was a thing of the past in Smiley and white leghorns became the major cash crop.

Smiley's soil and climate are well adapted to poultry raising. As a consequence, each resident has from a half to a dozen to three dozen poultry houses adjacent to his own home. In 1928 Bell had established a hatchery with a capacity of 52,000 eggs, and was quickly followed by the other residents of the community. Today restaurant chains as well as numerous jobbers are depending entirely on the Smiley production center for metropolitan supplies. One raiser, for example, supplies a restaurant chain with 2,500 broilers a week.

In 1938 the Smiley community bought 472 carloads of feed for its chickens, which regularly number nearly 2,000,000 head. Although the white leghorn is one of the most popular standard breeds, many growers have developed a hybrid stock, or a mixture of the leghorn and some heavier strain. The latter development has been effected under the premise that birds of such ancestry develop weight faster.

The broilers raised at Smiley usually average two pounds at the age of 11 weeks. Most eggs are used for hatching new stock for Smiley.

In addition to the 4,000,000 chickens marketed from the tiny community, called by its residents "The world's largest poultry center," approximately 300,000 turkeys are raised at Smiley each year.

DONLEY SHERIFF WON'T RUN AGAIN

Guy Pierce, who on Jan. 1 began his tenth year as sheriff of Donley county and who during that time has established an outstanding law enforcement record, will not be a candiate for re-election.

Pierce's long tenure has been equalled only once in the history of the county, and in almost all election campaigns he has been nominated by overwhelming majorities.

One of his principal reasons for withdrawing from politics is his wife. Mrs. Pierce, who has won nationwide acclaim for her bravery and daring in quelling jailbreaks while serving as unofficial jailer, needs and deserves a rest, he declared. She became county warden at the age of 16 and for 10 years has been almost solely responsible for the prisoners.

Mrs. Pierce has been honored for engaging in a gun fight with fleeing prisoners, which resulted in their capture, stopping a knife fight in a cell block and halting several breaks by hearing "sawing" or gouging of mortar from the jail walls.

ETEX COUNCIL OF SCOUTS TO MEET

The annual meeting of the east Texas area council, Boy Scouts of America, will be held on Monday, Jan. 22, at the Kilgore high school, according to R. W. Fair, president of the council.

At 5 p. m. there will be six group discussions, presided over by council committee chairmen. These cover the advancement program, Rev. E. P. Bartlam of Lufkin, chairman; camping and activities, A. T. Mast, Nacogdoches, chairman; finance, C. W. Meadows of Longview, chairman; leadership training, Rev. J. E. Montgomery of Longview, chairman; organization and extension, R. E. Price of Nacogdoches, chairman, and health and safety, Dr. W. M. Bailey of Tyler, chairman.

At 6 o'clock the council meeting will be presided over by W. Dewey Lawrence of Tyler, chairman of the board. The council meeting will feature brief reports by the group discussion chairmen; annual report of Scout Executive J. C. Underwood; election of officers for 1940, and a review of the annual council charter application.

The annual council banquet, open to all scouters and their ladies, of the 16 counties comprising the east Texas area will be held at 7 p. m. in the high school cafeteria. Stanley A. Harris, national director of interracial activities of the Boy Scouts of America, will give the principal address.

TYLER HATCHERY TAKES 3RD PLACE

The state fish hatchery located near Tyler produced 642,210 fish in 1939, according to its report filed in Austin. The hatchery ranked third in production among the 10 hatcheries maintained by the Texas game, fish and oyster commission.

Production of the ten state hatcheries increased nearly 2,000,000 during the year over the 1938 crop of fingerlings, the hatchery superintendents reported. The total production for 1939 was 5,212,288 as compared with 3,306,996 in 1938.

Twelve species of fish were raised in the state hatcheries in 1939. They were channel cat, largemouth bass, spotted or Kentucky bass, red ear bream, warmouth bass, rock bass, green sunfish, bluegills, long-eared bream, white crappie and black crappie.

Wagon Trails of 80 Years Ago Give Way To Modern Highway

By MARVIN BRAU
Associated Press Staff

A little more than four score years ago Robert E. Lee, then a lieutenant engineer in the United States army, stood on a wind-swept Texas prairie, crisscrossed only by wagon trails, "listening to the footsteps of the coming millions."

The millions came and today travel in comfort through a busy, rich and vast domain of more than a quarter million square miles—a tribute to one of the best highway systems in the United States.

Its construction is a sort of metamorphosis. Mountains had to be conquered, treacherous streams bridged and shifting sands anchored, yet after little more than a decade of intense activity the commonwealth is well connected with all-weather roads.

Stretched out in one lane, the mileage of improved highways in the system would fall but 3,000 miles short of reaching around the world. In 1911 it totaled hardly 5,000 miles — mostly dusty, gravel sections.

Called '3-20-1' Highways

Like the romantic Old Spanish Trail and other famed early-day travel paths, the first hard-surfaced stretches probably will be recalled for years to come. Some of these early "paved" roads were facetiously termed "3-20-1" highways—three years to build, 20 years to pay for, one year to wear out.

In 1917 the "highway" between Temple and Belton, about nine miles, was the rage of Texas motordom. Traces of the four brick runners (similar to present-day street-to-garage runners) remain. One pair of runners was for southbound travelers. Tourists, after bouncing over miles of dusty, rutted roads, revelled as they hit these runners much as a small boy would with a new scooter on a glass-like downgrade sidewalk.

Another famed highway which ushered out the horse-and-buggy age was the 50-mile stretch between Houston and Galveston. Almost a straightaway, this flat, shell-covered thoroughfare was truly one of Texas' first comforts in motoring.

Still another pioneer highway building venture was at Greenville. This experiment was the pouring of concrete slab a[illegible] 10 feet wide in the middle [illegible] right-of-way. It afford[illegible] smooth sailing for one mot[illegible] and good traction for at least one drive wheel on automobiles passing each other.

Oxen Used To Build Roads

Building of Texas roads has been the topic of many a campfire and fireside chat. Decades were required for the trail blazing, but invention in recent years gave builders their greatest momentum.

Less than 15 years ago the system was a poorly patched-up affair. No two sections were connected with an unbroken, hard-surfaced thoroughfare. In rainy seasons motorists were marooned for days because of numerous bogs.

The system had an humble but nevertheless picturesque origin. After the trail blazers passed, the settlers gradually joined in the improvement of wagon roads. Certain days each month were set aside for early citizens to work on roads. Those not wishing to labor, donated equipment or supplies.

As late as 1910 this method was in vogue in some sections. In that year it was not unusual to see oxen slowly but surely tug tree stumps from south Texas roadbeds. Some of today's thoroughfares follow routes of old cow trails, with quite a bit of the meandering eliminated.

Commission Created In 1917

Next, the individual counties became road conscious and experimented with different types of construction. Not much thought, however, was given to making the systems fit in with each other. The first big step toward unified system came in 1917 with passage of a law setting up the Texas highway commission.

A correlation of the system began in earnest in 1925 when the state highway commission was given power to take over from counties the supervision of state-dominated highways. The era of all-weather roads was on the march.

A recent highway commission report revealed some interesting figures. It showed the state was maintaining 21,466 miles of highway, not including city mileage. For two years ending Aug. 31, last, the department constructed 8,842 miles of road at an average cost of $6,527 a mile, not counting bridge and grade crossing expenditures. The maintenance cost was nearly $400 a year per mile.

Straight Highways Stressed

At present work of eliminating sharp curves and bad grade crossings is being concentrated upon. Highways as straight as the crow flies are being stressed.

One such a stretch, highway No. 1 between Dallas and Fort Worth, the busiest 30 miles in the state, several years ago was completed into a four-lane thoroughfare, making the two cities only 40 minutes apart. In 1920, it took nearly two hours to negotiate the winding, dusty trip of about 40 miles.

The Panhandle is now connected with all-weather roads, where- as six or seven years ago numerous unsurfaced sections caused much inconvenience during the rainy seasons.

Motorists of the Longview-Tyler area and the Dallas sections three years ago visited each other on rainy days for the first time when highway workers finally conquered the mud around Forney, for years a scourge to hundreds of travelers.

And so the concrete mixer and the steamroller have chugged to all the outlying posts—Texarkana-El Paso-Amarillo-Brownsville — to the tune of approximately $400,000,000 in the past 11 years.

Undoubtedly, the next decade will see a much greater system. Already traffic problems are being scrutinized with tomorrow's super-highways in mind.

Woman Tells Of Early-Day Texas Life

Back in the days when mother didn't hold a psychology book in one hand and bring up the children with the other, Mrs. Hettie Smith was a pioneer child out in Titus county.

Mrs. Smith lives in Austin now and is 70 years old, but she vividly recalls her childhood days. She didn't have beautiful dolls with long curls and eyes that shut and opened. She didn't get taken to school in the family automobile. But she did help with the housework, the cleaning and the cooking and aided her family in planting the seed from which the food was grown.

Swing the Thing

"There were no such things as bought toys and play [illegible]s," she related. "Things we had were made at home. We had a swing suspended from a high limb of a tree and we could swing each other a hundred times then wait for the cat to die, then another would swing."

The children also enjoyed building cob houses with cob fences around them. "We could get plenty of corn cobs," Mrs. Smith remembered, "because father always raised a great deal of corn and the horses and hogs always ate the corn and left the cobs." But the favorite play hours were spent in horseback riding. There was always the sense of conquest in riding an unruly pony or a young calf, and the fun of riding in a small home-made wagon behind a couple of calves.

The children didn't have to jump from the paths of automobiles on their way to school in those days but there were other hazards. "The country was sparsely settled and cattle, hogs and wild animals roamed around at their own will," this pioneer related. "Many wild cats, panthers, deer and wild turkey were often seen. The school house was made of planks—only one room with home-made benches with no backs. School was taught two months in the summer and three months in the winter."

Black Bear Looms

One day two of the children were walking through the woods to school. At a spring branch there were six large deer. On a limb of an old bent down tree sat a sleepy owl at which the childrens' dog barked. Suddenly in front of them about 50 yards stood a big black bear. The children were horrified and stood glued in their tracks, but the little dog began barking furiously. The bear dropped to all four feet and ran off.

Farther down the way they came upon a herd of cattle. "Some bulls were fighting, some were bellowing and pawing up the ground. The little girl turned to her brother. 'Ben let us pray,' and they dropped down on their knees. 'Please, Lord, you delivered us from the bear, please save us from the cows,' she said. And when the children reached school they told the teacher they were late because the bear and the cows got in the way."

Sometimes the pioneer child would go deer hunting with her father. "He called it fire hunting at night. I held the fire pan, when he shined the deer's eyes, while he shot. Most every time he fired his old long barreled rifle down came a deer. Then we would tie the deer on his horse and go home—unless our horse was very good natured and used to this kind of hunting, we would have trouble making him carry the load."

Another important and enjoyable occasion Mrs. Smith remembered, was a special, every-week house cleaning. "The pine floors were scrubbed with a big shuck mop until they were really white and sleek. The beds were taken out and sunned and aired. The walls of the rooms were swept, the knives and forks and spoons were scoured, also the tin pans and the cedar water bucket."

Spring Scrubbing

The chairs were taken down to the spring branch where there was plenty of water and scrubbed with lye soap and white sand. The seat in the chairs was made of rawhide.

The family made its own wearing apparel. It was a long process. After the wool from the sheep was washed and taken to the carding machine and made into rolls about eight feet long, the mother would spin them into thread and weave it into cloth. "Having no sewing machines, We girls were taught early in life to sew our own clothes. In summers we wore cotton clothes which were made in the same way. We knitted all of our hose with the thread mother spun."

Mrs. Smith recalled that there wasn't much sickness except malaria in the summer and pneumonia in the winter. "People thought malaria was caused from poisonous atmosphere arising from the decaying timber and the swamps. We had little medicine —only quinine, calomel and chloral. When a person died, they were buried in a home-made coffin covered with black velveteen and lined inside with white domestic. The head rested on a cotton pillow with a case trimmed with lace."

Raised Own Food

Of course, everyone in those days raised their own food products. There was little else to ornament the table other than a generous supply of food raised by the farmer. He planted the seed, worked the crop with a shovel, bull tongue plow and an old hoe. But the land was fresh and fertile, and the corn, peas, cotton and all sorts of vegetables grew.

"We planted corn in February," Mrs. Smith said, "planted it in checks so it could be plowed both ways, and just before it was laid by, father planted black stock peas between every hill of corn. He would saw off the end of o gourd handle so as to hold about a dozen peas, and we children would drop, humble full as we called it, in each place. Once we got tired and buried a bucketful at the end of the row. We forget that they'd come up and then father would know of our laziness."

The big cabbage, turnips, sugar cane and sweet potatoes contributed to the table. The turnips were pulled up and put in a mound of dirt, supported by corn stalks, just like sweet potatoes were hilled up, and the yound tender greens would soon sprout out. They were cooked with a nice ham bone. And there was lye hominy with ham gravy.

And so without the help of a psychology book, but with the competent coaching of the family, the pioneer child grew up to be well fitted for the life of the day.

Taxes—

CONTINUED FI[illegible]

among industrialists in favor of a permanent and consistent tax policy, with the feeling that development of such policy would create a condition making subsequent lower rates feasible and practical, because of resultant actual yield of greater total revenues.

2. Reduction of High Surtax Rates on Individual Incomes and Consideration of Taxation of Exempt Securities: We recommend sufficient reductions in surtax rates on individual incomes to limit the deterrent effects of such rates. Examination of rates in effect prior to 1934 will serve as a guide to desirable levels.

Surtax rates on individual incomes have been so high in the upper brackets as to drive capital away from its normal function of financing industrial development, with attendant business enlargement and expansion of employment opportunities. Risk investment, so far as persons with large incomes are concerned, is practically prohibited through the fact that excessive taxes permit the investor to benefit by too small a part of the prospective profit to compensate for the burden of all possible loss.

Because of somewhat similar economic efforts, it is also recommended that further consideration be given to taxation of future issues of those classes of securities which under the present law are classed as exempt.

3. Segregation of Capital Gains and Losses, with Optional Flat Rate or Normal and Surtax Rate Tax: It is recommended that capital and gain losses of individuals should be segregated from other income and loss; and that net capital gains should be fully taxed independently at a flat rate, not over 12 per cent, or at the normal surtax rates, at the option of the taxpayer, with no distinction between short term and long term holdings, and with a carry-over of net capital losses against capital gains for a period of at least two years.

It is further recommended that the same treatment be accorded capital gains and losses of corporations, but their case, capital assets as defined for purposes of this provision, should exclude property used in or acquired as an incident of carrying on the business. Losses or gains sustained or realized on sale of such latter assets should be treated as ordinary loss or gain.

It is felt that such a complete segregation of capital gains and losses from other income will not only greatly improve the tax system, but additional revenue should result from the consequent encouragement to increased risk activities.

4. Filing of Consolidated Income Tax Returns: It is recommended that filing of consolidated returns in a manner generally as provided prior to the Revenue Act of 1934 be permitted or required. It should follow that if consolidated returns were permitted or required, the taxation of intercorporate dividends between members of a consolidated group should be eliminated. In the 1934 Act, congress set aside long established practices, universally approved in the field of financial reporting, which required consolidated statements as essential to the correct presentation of the affairs of corporations constituting an integrated business unit.

Normally, subsidiary companies are organized largely for purposes of complying with state requirements, to minimize risks in opening up new territory, to facilitate financing, to simplify establishment of new lines of business, etc., and for practical purposes merely branches or departments of one enterprise.

By requiring separate statements of income from each corporate unit of an enterprise, non-existent paper income is often taxed, and the enterprise may be subject to a tax the amount of which is grossly disproportionate to its true income. The financial position and earnings of a parent company and its subsidiaries, or of affiliated companies, can only be presented fairly by means of consolidated statements wherein the entire group is treated as a single unit, with inter-company transactions eliminated. The filing of consolidated returns would simplify preparation and auditing of returns, and prevent taxation of artificial non-existent income.

5. New Declaration of Capital Stock Values Each Year: It is recommended that if the capital stock tax on the present basis of declared values is to be continued there should be opportunity for annual declarations.

Outright repeal of the capital stock tax and the related excess profits tax has been consistently recommended to congress by a number of national groups. As a matter of fact, their repeal was recommended in 1939 by the federal treasury department, with the objection that the major defect is the taxpayers' inability to forecast profits for a three-year period as a basis for tax liablity. The privilege of revising declared values upward for 1939 and 1940 was granted in the 1939 act, while the internal revenue code allows a new declared value in 1941, and should be continued annually thereafter.

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Texas Taking Top Rank In The Industrial Fields

East Texas' timbered lands quite naturally have become an important factor in the state's industrial life and early lumbering was a flourishing business. Prior to the railroad era lumber was hauled long distances by wagon into the prairie lands of Central Texas and with the coming of the railroads a wide market for lumber was quickly established as the productive but timberless prairies and plains were settled. The forests of the Lake States had been pretty thoroughly cut over by 1890 and the lumber industry in the form of large scale enterprises migrated southward and into the northwest. This migration accentuated the already established southern lumber industry, particularly in Texas, Arkansas and Louisiana.

The heaviest production of timber had been achieved in Texas before 1910. Since that time the output of lumber production in the state has steadily declined. However, there has now occurred a substanial migration of the pulp and paper industry into the Gulf states. Wood products other than lumber have been developed in several places to a position of more than local importance—such as the manufacture of furniture, the making of cross ties, telegraph and telephone poles, piling materials and similar products. A substantial development of the creosoting industry has sprung up in connection with the production of ties, poles and piling. This industry has centered along the Gulf coast, especially at Houston and Beaumont.

Still another wood products industry has to do with the utilization of the extensive cedar woodlands which characterize the broken limestone hill country of the eastern portions of the Edwards Plateau from Uvalde to Austin. There is also a northward extension from the Colorado to the Palo Pinto country. For years these cedar brakes have supplied vast numbers of fence posts for the ranches of Western Texas. There has been a time in the past when the production of charcoal was important. Cedar oil can be produced from these trees. Texas has one of the largest, if not the largest, continuous areas of cedar woodland in the United States.

Since Beginning of Century

Occupying a peculiar place in the development of Kraft paper in the South is the history of the pulp and paper industry in Texas. About 1903 an unsuccessful attempt to make paper from southern pine was begun at Pansacola, Fla.; later the equipment of this plant which used the soda pulp process was moved to Orange. Here in 1911 Edward H Mayo first successfully made pulp and Kraft paper from Southern pine by use of the sulphate pulp process; from these modest beginnings, the realization grew that a sound commercial product could be made from southern pine. As is usual in such cases financing was difficult. When the second mill for using southern pine was established at Moss Point, Miss., it had to be financed largely from England.

Not long since the Champion Paper and Fibre Co. has established a pulp plant at Pasadena on the Houston Ship Channel, which is making bleached sulphate pulp from southern pine and bleached soda pulp from hardwoods. The pulp developed by the Champion organization is entirely suitable for a fine high grade white paper. This has been one of the greatest achievements in this field for the past two or three decades.

By 1900 Texas had become the premier cotton state and cotton at that time was grown chiefly on the rich Black Prairies and in the northeastern quarter of Texas; and by 1900 Texas was also the leading range cattle state. It was an important wool and sheep producer. Since that date Texas agricultural production, both of old and new crop products, has grown rapidly and an important line of new industries involving the processing of agricultural and range products has been developed.

A very different line of industries which have virtually transformed the economic life of the state have come into prominence since 1900 and these have to do with the exploration for and the production, transportation and refining of oil as well as the production, transportation and use of natural gas. By reason of its size and the large areas producing these natural products Texas has come to be the premier state as to rank in reserves of both these resources.

In 1930 Texas attained first rank in petroleum refining. Local in proportions when it was first begun in Texas it has expanded until it now has reached national and inter-national importance. The substantial production of a wide range of chemicals from petroleum products, gases and residue may be considered as only just begun in the state. Also, petroleum refining is unquestionably the state's leading line in manufacturing.

Natural gas is important as household fuel and Texas has also a helium plant which is one of the most important in the country. Gas is rapdily coming to the front as an industrial fuel. The zinc smelter at Amarillo and the one near Dumas were so located because of the availability of natural gas for fuel. Natural gas is also used for fuel in the large El Paso Smelting Works of the American Smelting and Refining Co. and the Nichols' copper refinery at El Paso. Laredo boasts the only antimony smelter in the Western Hemisphere which began operation in 1931. It usese ore brought from Bolivia, Mexico and Peru. Another industry based upon the refining of imported raw materials is the manufacture of sugar. Sugar refined in Texas, however, is practically all consumed within the state.

The generation of electric power is a manufacturing industry of vast proportions, and obviously this industry is of great significance in Texas.

Texas has also witnessed the extensive beginnings in the use of its non-metallic resources of which the state has large reserves of limestone, clays, gypsum, sulphur, salt and others.

Representative of one group of these nonmetallic using enterprises are the gypsum and cement industries. Representative of another group are the chemical industries producing besides sulphuric acid a number of less important products, and more recently the initiation of the heavy alkali industry with the establishment of the large plant of Southern Alkali Corporation at Corpus Christi. Within the past year or so Southern Alkali has begun the large scale production of chlorine. There are a number of other enterprises making use of non-metallics: the lime industry, building stone, rock-asphalt from the Uvalde district, and Darco made from Texas lignite at the Darco plant at Marshall. There are also Fuller's earth plants operating in the state and the potash industry is still another of the non-metallics which bids fair to attain real importance in Texas.

The wide range of non-metallic resources in the state, in conjunction with the ever-widening uses and growing demand for products made from these resources, and supported by the extensive fuel resources of the state promise in the future utilization of these materials a chief means of Texas industrial expansion in years to come.

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Two hundred and thirty nine residences, worth $587,000 were built in Port Arthur in 1939, compared with 210, worth $499,000 in 1938. Building permits passed $1,000,000 valuation for the third time in the decade.

State Growth Boosted By Many Harbors

Man-made harbors along the Texas coast, though dilatory in their construction, are proving very valuable in the state's economic progress. While the coastline of Texas has the appearance of one affording splendid natural harbor facilities, this is not true. Ages of deposit of silt by the numerous rivers make excavation necessary, and most of the present ports along the coast have been devised and constructed by human labor at a tremendous cost.

The ports have proven worth their cost of construction, even in this early stage of the economic expansion program. In 1937 a total of 14,421,418 tons of merchandise was exported through Texas ports, being valued at $415,697,032, while for the same year the tonnage of imports was only 1,005,047, valued at $42,130,110. Texas usually ranks second among the states in volume of exports, but much lower as an import state.

Much of the volume of movement through Texas ports is contributed by the shipping between Texas and the industrial area of the Atlantic seaboard. In 1937 the shipments in coastwise trade amounted to 64,584,030 tons, and receipts were 8,174,266, making a total movement of 72,758,296 tons. Intracoastal shipping, including movement through the Intracoastal Canal connecting the Galveston-Houston area with the Mississippi River amounted to 4,732,615 tons of receipts and 1,576,987 tons of shipments, a total of 6,319,602 tons. The total local movement amounted to 2,859,710 tons, making a grand total of 97,364,073 tons moved through the Texas ports during the year.

Today there are 14 deepwater ports on the Texas Gulf coast; namely, Houston, Galveston, Texas City, Beaumont, Port Arthur, Port Neches, Sabine Pass, Orange, Freeport, Corpus Christi, Port Aransas, Ingleside, Brownsville, and Port Isabel. Houston takes credit for having the largest tonnage both in tonnage and in value, and Port Arthur ranks second in tonnage, while Galveston rates second in value. There is a diversity of movement through the Houston and Galveston ports, but the movement through the Port Arthur and Beaumont ports comes largely from the movement of petroleum and refinery products. Petroleum and its products supply most of the total Texas tonnage. In 1937, petroleum and products accounted for 11,094,966 tons, or 76 per cent of the total export tonnage. All of the major oil companies operating in Texas maintain foreign warehouses on every continent of the universe, and, therefore, shipment must go through Texas ports largely. Oil well machinery is also an export which adds largely to the tonnage shipped through Texas ports.

These ports have proven valuable in the cotton market, Texas leading product. They have enabled Texas to grow cotton in competition with the eastern states though much farther from domestic mills. It has been through these deep water ports that most of the Texas surplus commodities have gone to market, either foreign or domestic.

The Texas coastline is the third largest among the states. There are within its borders headquarters for four customs districts—Sabine district, with headquarters at Port Arthur; Galveston district, headquarters being at Galveston; the San Antonio district, and the El Paso district. The Sabine district business is done through the ports of Beaumont, Orange, Port Neches, and Port Arthur. The Galveston district includes Houston, Texas City, Galveston, and Feeport. The San Antonio district includes the ports of Corpus Christi, Port Aransas, Brownsville, and the lower Mexican border points, including Laredo and Eagle Pass. The upper Rio Grande border is included in the El Paso district.

The Galveston port has been in existence since the days of Luis Aury and Jean LaFitte, privateers, who were the first to sail their vessels from this port. It has played a large part in the development of Texas history, and has been referred to innumerably by Texas historians as well as fiction writers of colonial days. Galveston is an export for cotton, chiefly although vegetables, animal products, wheat and flour, crude sulphur, ores, metals, scrap iron and steel, carbon black, and miscellaneous other commodities are moved through its ports. It does an extensive coastwise, as well as foreign trade.

Houston ranks among the first three ports of the United States in tonnage. This port is man-made, and one of the greatest engineering fetes in Texas. The shallow tidewater streams, Buffalo Bayou, San Jacinto river, and Galveston Bay were dredged for a distance of 55 miles from the outer bar, and great vessels from all parts of the world now sail through the coastal plain to the Houston turning basin. This port is one of the factors that contributed so largely to Houston's rapid growth in population.

The port at Houston has an enormous coastwise business, both outbound and inbound, as Houston, Galveston and Texas City are connected with the Intracoastal Canal, giving inland waterway connection with the Mississippi. Houston is a major export point for crude petroleum and petroleum products, cotton, animal products, vegetables, wheat, rice, cottonseed oil, lumber and its products, metal and ores, scrap iron and steel, chemicals and machinery.

Port Arthur, Port Neches, Beaumont and Orange have their ports on the Sabine-Neches waterway, which is similar to the Houston ship channel in its extension into the coastal plain. Crude oil and its products, rice, scrap iron and steel are the principal exports of these ports.

Texas City exports mostly petroleum and its products, however it does a large import business in raw sugar, for there is a large sugar refinery located in that city. Freeport exports are sulphur mostly, this being the center of the largest sulphur industry in the world. Corpus Christi sends to foreign markets cotton, sulphur, lead, zinc, and miscellaneous products, while Port Aransas exports mostly petroleum products. Orange exports chiefly timber products.

Brownsville and Port Isabel, the newest ports in Texas, ship metals brought in from northern Mexico and Rio Grande Valley produce. There is an extensive grapefruit and citrus market in the valley.

The development of these ports will expand commercial relations for Texas, in the future, not only with other states in the nation, but with foreign nations as well.

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AMERICANS USE MOST PETROLEUM

The people of the United States consume 55 per cent of the total of petroleum products consumed in the world, E. E. Townes, Humble company official, said in a recent address at the annual convention of the Petroleum Electric Power association.

"The total consumption in 1938 was 2,050,000,000 barrels," Mr. Townes said.

"The United States produced 61 per cent of the total world production of crude. Twenty-two states of the Union now produce oil.

"The industry has invested $14,500,000,000 in the various branches of its business. In 1938 the sales value of petroleum products in the United States was approximately $7,000,000,000 which is over 10 per cent of the total income of the nation.

"When we remember that 40 years ago the oil industry was so small, and with such an insignificant amount of capital invested in it, that is could hardly be called an industry, these figures demonstrate an amazing effort that the oil people have made in increasing their investment and their output to meet the ever-increasing demands of the public.

"The people have not in this period at any time suffered from a shortage of oil products, nor, apparently, is any shortage in the near future threatened."

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Marion county in 1939 registered 82 births and 69 deaths, and issued 328 marriage licenses. Ninety of the latter were issued in December. Sixty-five divorces represented the debit side of the record.

—o—

Insects destroy from one-fifth to one-tenth of all crops planted in the United States.

—o—

East Texas is one of the few places in the United States where eastern wild turkey still are found.

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That rare courage and indomitable spirit of the trail blazers who charted a wilderness have been bequeathd to a select few of our own generation. Today's heirs of those traits find outlet in new business horizons, in blazing industrial trails.

It is fitting that now we pay tribute to our compatriots, the pioneers of the paper industry in the Southland, and in particular to their leader, Mr. Ernest L. Kurth.

We omit reference to his suave culture, his Chesterfieldean manners or his diplomatic talents; we slip by his benevolencies, his charities or his ardor for those less privileged in order that we might spotlight another of his attributes, his pioneer spirit.

As the wheels of a new industry start turning to gather soon, we hope, such momentum that their hum shall develop into a musical accompaniment of a song of a new prosperity for East Texas, we pause to congratulate a man whom we admire as a friend as much as we respect as a competitor. For his courage, his inspiring leadership, for his industrial pioneering, we offer

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Modern Dormitories at Stephen F. Austin





TOP PHOTO Shows the men's cormitory and in lower picture is the Elanor H. Gibbs dormitory for women, at Stephen F. Austin State Teachers college in Nacogdoches.

VETERAN TO HEAD HEREFORD DISPLAY

Jack Turner has ascended from herdsman's helper to livestock specialist since he was a youth in knee breeches a quarter of a century ago in Hillsboro.

Now at the age of 36, he is a veteran and yet one of the younger men in the livestock industry. He will carry that experience to the Southwestern Exposition and Fat Stock Show in Fort Worth, March 8-17, when he assumes the duties of superintendent of the Hereford department.

A son of John O. Turner, for many years a farm implement dealer in Hillsboro, Turner graduated from the Hillsboro high school and took his B. S. degree at Texas A. & M.

While in the teen age Turner was introduced to purebred cattle on the farm of Frank Scofield, veteran Shorthorn breeder, at Hillsboro. He fed the animals and cleaned out the stables but all the while he was learning about cattle. He got his experience from the ground up.

Turner became interested in 4-H club work in high school and was a member of the 4-H club livestock judging team that represented Texas at a national contest in Atlanta, Ga. in 1920. From Atlanta the team of three boys went on a three-months trip to the English Royal Livestock Exposition in Derby, England.

His interest in livestock judging contests had only started when Turner entered Texas A. & M. college. He was a member there of the freshman, junior and senior teams. In 1925 his junior team won at the Fort Worth stock show and at the Oklahoma City show. Again that fall the team won at the American Royal Livestock Show in Kansas City.

Turner became a feeder for Harrisdale Farm, Fort Worth, in 1926. The following psring he exhibited the grand champion steer at the Fort Worth show. Later he became livestock specialist for the Missouri Pacific Railway and in 1929 returned to Harridale Farm as a manager. Since 1933 he has been manager of Ellison Estate's Silver Creek Farm at Fort Worth. He was secretary of the Texas Hereford Association from 1934 to 1939.

Turner predicts that the best show in many years will be held in Fort Worth this year because improvements were evident in livestock last fall.

New York subway workers rarely glimpse the sun while on the job, yet are accounted quite healthy.

The Seventh Day Adventists observe as the Sabbath the period from sunset Friday to sunset Saturday.

SFA College Has Steady Growth and Wide Recognition

The Stephen F. Austin State Teachers college, a co-educational, state-supported institution in the heart of the piney woods at Nacogdoches, opened its doors to the public on Sept 18, 1923. At that time it ranked practically as a junior college with more than half its students of sub-college classification. It set forth immediately on a growth that has been both steady and substantial, a growth which has been revealed in increased enrollments, enlarged plant and wider recognition among the institutions of the south.

Starting with a mere handful of college students, it now has an enrollment in the regular session of approximately 1,000 students of undergraduate and graduate rank, and a summer enrollment of 1,200. The healthy state of this growth is shown in the annual increase of 10 to 15 per cent in student body, and a corresponding growth in teaching staff. Furthermore, the development of the curriculum and of the scholarship of the faculty has kept pace with the growth of the student body and the standards set forth for a college of the first class. For the four-year course leading to the degree of bachelor of arts or bachelor of science, the student may offer a major in education and in addition a major in any of the following fields: English and speech, art, music, French, Spanish, mathematics, biology, chemistry, physical education (for men or women), economics, sociology, geography, history and government, agriculture, home economics. Moreover, students who hold the bachelor's degree from this or other standard institutions may earn the master's degree with a major in biology, education, English or the social sciences.

The graduating class of 1925, the first class, consisted of one member who received the degree of bachelor of science. During the 12-month period ending May 30, 1939, the college conferred 60 bachelor of arts degrees, 222 bachelor of science and one master of arts. Since its beginning the college has conferred 1,764 degrees, of which four were master of arts.

The growth of the plant has made reasonable progress along with the growth in students, curriculum and faculties. In addition to the campus proper, which consists of a beautiful pine and oak grove of 40 odd acres, the college has a farm of more than 200 acres, with a sizable quantity of high-grade stock and poultry. It has nine buildings, includ-business. It is on the record of adequate, for administration, offices and classrooms, library, demonstration school, laboratories in biology, chemistry, physics, general science, agriculture, home economics and business administration; two gymnasiums, one for men and one for women; two brick and concrete dormitories, one accommodating 70 men and the other accommodating 140 women; museum and power plant. In addition it has athletic fields for football, tennis and various kinds of intramural sports.

When the college was instituted in 1923, it had the rank practically of a junior college, but by the beginning of its second year it was recognized by the state department of education as a senior college of the first class. Soon thereafter it secured full membership in the American Association of Teachers Colleges and the Southern Association of Colleges and Secondary Schools, and regional membership in the American Association of University Women.

The college has all the while been proud of the academic attainments of its student body, made up largely of native and vigorous Anglo-Saxon stock, of the achievements of its athletic teams, its faculty and its position among the colleges of the south. But after all, an institution is rightly judged by its completed products. Graduates have taken their places of honorable leadership as teachers in almost every city, village and community in east Texas. Its students in the colleges of medicine have made and are now making enviable records. It has contributed its share of successful graduate students in the universities of Texas and the south, and many of its students have entered the ministry, law, engineering and private business. It is onth e record of these products that the Stephen F. Austin State Teachers college invites the patronage of fathers and mothers of this section who have ambitious sons and daughters to educate.

DEATHS LAID TO FIREWORKS DROP

Better control of the sale of fireworks was advocated recently by the American Medical association, which reported 13 fatalities were due directly to the 1939 Fourth of July celebration—five fewer than in 1938.

The association's annual survey revealed that the total number of injuries attributed to fireworks and other explosives dropped from 7,933 in 1938 to 5,560 last year.

The two principal causes as in 1937 and 1938 were mutilations received by boys or men from homemade explosives and burns suffered by little girls whose dresses caught fire from sparklers or firecrackers.

A new statewide law banning fireworks in Pennsylvania was given credit for much of the reduction in both fatalities and injuries. Although six fireworks fatalities and 1,702 injuries were recorded in the state in 1938, no fatalities and only 85 injuries were reported last year.

The effect of adequate laws satisfactorily enforced was shown also, the report said, by records of Utah and West Virginia. Following a new Utah law injuries dropped from 18 in 1938 to five. No casualties at all were reported from West Virginia, which had 41 injuries and one fatality in 1938 before passing new legislation.

"Another area of striking improvement," it said, "is St. Louis, which in 1938 recorded 295 injuries and in 1939—with the enactment of an ordinance against fireworks—only 76.

"This may be contrasted with the record of Kansas City, in the same state and with less than half the population of St. Louis, which had 243 injuries in 1939."

The movement to obtain "safe and sensible control" of the sale of fireworks recently received added impetus, an A. M. A. Journal editorial said, when 25 public officials urged the council of state governments to draft a "model law."

It commented that one state alone is "relatively helpless," and that, for example, the effect of a prohibition of the sale of fireworks in New York City was "nullified by the sale in adjacent communities."

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