The Social and Economic Consequences of the Discovery of Oil in Titus County

Morris Blachard

Follow this and additional works at: https://scholarworks.sfasu.edu/ethj

Part of the United States History Commons

Tell us how this article helped you.

Recommended Citation
Available at: https://scholarworks.sfasu.edu/ethj/vol2/iss2/9

This Article is brought to you for free and open access by the History at SFA ScholarWorks. It has been accepted for inclusion in East Texas Historical Journal by an authorized editor of SFA ScholarWorks. For more information, please contact cdsscholarworks@sfasu.edu.
THE SOCIAL AND ECONOMIC CONSEQUENCES OF
THE DISCOVERY OF OIL IN TITUS COUNTY

MORRIS BLACHARD

The worst days of the depression were past by 1936 and few Titus County people went hungry or wore tattered clothing; but the great majority still could afford little more than the bare necessities of life. People hoped for better times, but it had begun to seem that only a miracle could make any great improvement in their lot. A miracle had happened a few years before when the discovery of the East Texas oil field had brought wealth to many struggling farmers. The hopes of Titus County land owners for a similar miracle had soared from time to time as oil companies leased large acreages, only to be dashed when a test well proved dry or leased acreage was released without a test having been made. After a time a new leasing flurry no longer caused much excitement. Few people were expecting it, therefore, when on a chill February day with the wind of a blue norther sweeping across the countryside, Titus County got its miracle. Oil was discovered at Talco and soon all of Titus County was in the midst of more excitement than anyone had thought possible.

In a matter of hours after word of the discovery was passed to oil company friends of the promoters, oil speculators began pouring into the area. This was to be expected. Booms are the rule when a wildcat oil well comes in in virgin territory. No one should have been surprised that the Talco discovery created quite a stir. But this boom seems to have been somewhat out of the ordinary. On February 11, 1936, the Dallas Morning News gave an idea of what was taking place:

The biggest crowds ever seen in this section thronged the towns and the biggest business ever known was transacted. Maps of the county were in big demand and every country road was alive with oil men.

On February 15 the News continued:

Even the most pessimistic, who discount the show because of the heavy oil found and because of the little gas reported must admit the show has occasioned more of a quick play than any other strike they remember. Trading climbed to fever pitch the day news of the strike leaked out and has been hot ever since. Acreage prices jumped immediately to prices general in semi-proven areas but seldom found in such a wildcat territory on the showing of a single well. Talco has been the greatest excitement the traditionally excitable oil business has had in a long time.

There were several reasons for this. The fact that the discovery was sixty miles from any other production and that it was made in the Paluxy, a hitherto non-productive zone, were probably of most importance; but the feeling that this might be the mother pool of the huge East Texas field no doubt contributed to the excitement.
Before long the oil strike was almost the sole topic of conversation in all of Titus County:

Frenzied oil promoters turned this quiet little farming community into a wildly booming mushroom town Thursday as they excitedly awaited confirmation of their hopes that another rich oil field had been discovered.

... In Talco the citizens are running in circles. The town has no hotel and there are insufficient spare rooms in private homes to accommodate the hundreds of oil men, speculators and fortune hunters rushing in.

Talco's State Bank, with more money on hand than it had ever dreamed of seeing, has abandoned the thought of maintaining regular banking hours or holidays. Long after the regular closing time each day the bank is jammed with customers.

Two sacks of pedigreed cotton seed lay forgotten beside the money-crammed vault. There was a dozen or so cans of ribbon cane syrup on the floor near the door, which some farmer had exchanged for an extension on his note a few days ago. The object of most of the oil men in coming to Talco was to buy leases or mineral rights and they soon contacted every land owner in the area. For a week hardly any of the older Talco schoolboys showed up for classes: they were making what seemed to them fabulous sums of money acting as guides for oil company land men and speculators hoping to contact land owners who had not yet signed an agreement.

Along with the oil men from outside the county huge crowds of local people came to look. According to the Mt. Pleasant Times Review, hundreds stayed up all night watching the proceedings. Some of these people were land owners who had good reason to be concerned, but most were merely farmers or small-town people who welcomed the break in their normally not very exciting existences.

If it was Talco that attracted the lease-hounds and the curiosity-seekers, it was Mount Pleasant that soon became headquarters for most of the oil men. Mount Pleasant was larger; it had hotels and tourist courts; it had better banking and communication facilities. Most important of all perhaps was that it was the county seat and thus the place where one had to go to check a title or register a transaction. Twenty-four hours after word of the discovery had been announced, around the courthouse and in the vicinity of the hotels the Cadillacs seemed to outnumber the Fords. The aroma of expensive cigars floated in the air, overriding that of Prince Albert and Bull Durham.

As in Talco, many Mount Pleasant agencies had difficulty coping with the sudden avalanche of business. The regular force at the telephone office could not handle all the calls placed by speculators, and it was necessary for the day force to remain and assist with the night load. A tax survey, which had been started by the tax collector's office a few weeks previously, had to be discontinued because of so much activity at the
courthouse. Because of the oil boom the records were in use all of the
time; furthermore, the employees had obtained better-paying jobs.6

One agency that proved adequate to the increased demands placed upon
it was the Mount Pleasant Police Force. The Paris News on March 9 re­
ferred to it as most capable and said, “Chief Ard and his force took
care of the situation in fine shape, and there has been but little pilfering.”7
Three oil men who were kidnapped in their automobile, robbed of five
dollars, and dumped five miles out of town by two prisoners escaping from
the county jail might not have agreed with this evaluation; but theirs was
an isolated case.8

Trading in leases and royalties took place in the lobbies of the banks
and hotels, with the Jefferson Hotel—located diagonally across the street
from the courthouse and the larger of the town’s two hotels—being the
most important center of such activities. One newspaper account men­
tioned the “seething, milling crowd” there and stated that the whole town
was “humming like a beehive.”9

Quite literally, fortunes were made or lost in a single day. The Paris
News carried the report that one broker, through outside connections,
reaped over $75,000 in commissions—a very tidy sum in those days.10
Claude McDonald, a veteran oil operator and at that time owner of the
Jefferson Hotel, was quoted as saying that on the Sunday following the
discovery half a million dollars changed hands.11

The curious native residents who were privileged to observe many of
these transactions quickly learned that the world of oil was very different
from the world they knew. It would be difficult to say which impressed
them most, the casualness with which huge hums of money were ex­
changed or what seemed to them the utter unscrupulousness of some of
the traders. If most of the local people had to squeeze their pennies, they
had also put great value on their honesty, and among the free-spending
oilmen all that seemed to matter was what would hold up in court.12

This hectic activity could not continue for very long considering that
the number of properties which seemed likely to lie in the zone of produc­
tion was rather limited. After three or four days most land owners who
were willing to lease had leased, and the leases acquired by speculators
had been disposed of at the best possible price. After a week or ten days
conditions at Mount Pleasant were approaching normal while the setting
of the casing and the bringing in of the well were awaited. Some people
were optimistic enough about the outcome that they went ahead with plans
for making the most of the expected boom. The Mt. Pleasant Times Re­
view reported on February 1413 that the Jefferson Hotel would be enlarged
to the extent of a forty-six room addition; a contract had been let for the
building of a twenty-room hospital for Drs. W. A. and William Taylor;
and many new homes were being planned. In Talco, dozens of small
homes and stores were springing up; and a weekly newspaper, the Talco
Times, was established just one week after the discovery was announced.14

The local residents’ feeling of optimism was sustained somewhat during
more than a month of waiting by the faith the oil industry was demon-
strating by going ahead with new wells without waiting for the bringing in of the discovery well.\textsuperscript{15}

But not everyone felt so optimistic about the outcome. John B. Stephens told the writer that when he and his associates attempted to borrow money from a bank to pay for the drilling of a second well, they were told that the money would be forthcoming only on presentation of a favorable report from a firm of professional appraisers. With considerable difficulty the partners managed to scrape up the five hundred dollars necessary to pay for the appraisal; and then, much to their chagrin, the appraiser’s estimate called for only a five well field with none of the wells being on the acreage held by Stephens and associates.\textsuperscript{16}

The people who discovered the oil may have been having their troubles, but many others in the county were doing well. Long before receipts from the sale of oil began to flow into the county, the economy of the county was feeling the effects of the boom. Only a rather small number of families—possibly three dozen—owned land in the fairly limited area that later saw production; but, as no one knew then what this area would be, leasing and the sale of royalties took place over a much larger area.\textsuperscript{17} A high proportion of the money obtained in this way soon found its way into circulation. When this was added to the money paid out by the free-spending oil crowd for goods and services, business was noticeably stimulated—so much so that the \textit{Mt. Pleasant Times Review} was moved to say that “even if the oil does not materialize, hundreds of thousands of dollars have already been poured into the county and the public will benefit in a big way.”\textsuperscript{18} The \textit{Paris News}, in a similar vein, referred to an estimate that over two millions of dollars had been paid out for leases and royalties and said that this money had “found its way through the arteries of trade and has greatly stimulated business.”\textsuperscript{19}

Proof of the accuracy of these statements was not long in coming. On February 21, 1936, the \textit{Mt. Pleasant Times Review} reported that long-overdue back taxes were being paid\textsuperscript{20} and on March 20 it reported that the banks of the city had shown a big gain in deposits.\textsuperscript{21}

Concerning the ways Mount Pleasant business men reacted to this sudden onslaught of prosperity, there are conflicting reports. The \textit{Mt. Pleasant Times Review} in mid-February chided certain unnamed citizens of the city for charging high prices for rooms and various other services, warning them that if prices were too high, people would go to other places to trade and would always have a bad feeling about the town. It concluded with the plea, “Let’s don’t kill the goose that laid the golden egg.”\textsuperscript{22} This would certainly seem to indicate that some people were taking advantage of the chance to make a little extra profit, but in an article written by special correspondent Ed Coleman and published in the \textit{Paris News}, the Mount Pleasant hotels were given a good report. Said Coleman:

\textit{The report sent out after the first rush, that hotel rates were out of reason, $9 per day for a room, has proven false. At the Jefferson Hotel, where so many oil men live, prices have not been increased, and the only difference is that additional beds have been placed in the rooms, and that more for accommodation than anything else.}
At the Main Hotel, long known as "the home of the traveling man," J. O. Clayton, the genial proprietor, has not advanced his rooms one cent for the traveling man.\textsuperscript{23}

In general Mount Pleasant was much better prepared to take the discovery in stride than was Talco. Talco remained in the center of the activity as new wells were spudded in. Because of its small size, the increase in population and activity was quite apparent while the effect on Mount Pleasant was hardly noticeable after the first few days. But when the casing had been set, the titles had been cleared, and the crew began preparations to drill the plug and bring the well in, excitement again rose to fever pitch in all parts of the county. An estimated 2,000 persons were watching the operations at the discovery well at one time.\textsuperscript{24} There were several days of painful uncertainty during the period when unsuccessful efforts were being made to produce a flow of oil, despite assurances by Housh and Peveto that the well was a producer; and there was a concerted sigh of relief when it was finally announced that the well was on the pump and producing 552 barrels a day.\textsuperscript{25}

As the site of the discovery well and the center of the later activity, Talco was the place most drastically affected by the coming of oil to Titus County. Every part of the county was affected by the oil boom, but in no other part of the county did oil assume anything like the importance to the typical resident that it did in the Talco region; in no other place did it become so much a part of every person's daily life. For this reason, Talco will be the subject of the major part of the remainder of our discussion.

The boom which had gotten underway with such excitement did not let up for many years.\textsuperscript{26} When the post-discovery leasing and trading activity began to slacken off after a week or so, Mount Pleasant and most of the county returned to a state approaching normal, but not so Talco. The little town grew at a fantastic rate which caused it to double in population and then double again and then still another time in less than two years. From a village of about 350 people before the strike,\textsuperscript{27} Talco soon grew into a town of 3,000 to 5,000, depending upon whose estimate is accepted.\textsuperscript{28} It is assumed that these estimates included all newcomers living in the vicinity of Talco, because, due to the shortage of building sites and paved streets inside Talco, most of the construction took place outside the township limits.

A considerable part of the construction took place in the camps which the Magnolia and Humble oil companies established. These camps were primarily residential, with playgrounds, tennis courts, and other recreational facilities for the benefit of company personnel; but they also housed company executive offices. Despite the fact that they were located some distance from Talco proper and had their own utilities, they were commonly thought of as being part of Talco. Many of the people of these camps were active in affairs of the community. According to the Talco Times, "Employees living in these comfortable homes are just as interested in Talco as those who live in town."\textsuperscript{29}

Otherwise, the major part of the new construction, both business and
residential, spilled out along the only hard surface available, the public highway. On June 9, 1936, the Mt. Pleasant Times Review reported that construction had reached Meadow’s Curve, a point nearly three miles out on the road to Mount Pleasant. The new enterprises established to supply the needs of the field and of the men doing the work were, as a rule, housed in rather cheaply constructed wooden structures. A high percentage of the proprietors had been through other booms and were not inclined to take chances on getting caught with a heavy investment in immobile real estate.

Among the most conspicuous of the new businesses were those which provided food, drink, and entertainment for the oil field workers. Although the appellation “roughneck” was not meant to convey its literal meaning when applied to oil field workers, it was not altogether inappropriate when applied to the considerable number who were inclined to hard drinking and fast living. Establishments which catered to the needs of this group proliferated and, in general, prospered. Often a foreman needing to round up his crew knew just which honky-tongs to check.

There was, as might have been expected, an increase in brawling and minor disorders; and newspapers of the day mentioned an occasional knife or shooting. But Titus County had always had a considerable amount of this sort of thing and considering the circumstances the increase was not great. The police forces were able to keep things under control and there was never anything that could be called a “crime wave,” as far as newspaper accounts show.

Perhaps the most vexing problem was that of the roads. The only paved road in the vicinity was the state highway running north and south through Talco from Mount Pleasant to Paris, and the paved area in the town of Talco other than that of the highway was small. The tremendous load of traffic, much of it huge trucks loaded with heavy oil field equipment, soon turned the unpaved roads into mire; and even the highway began to break down before long. Out in the field it was not unusual for a vehicle to remain stuck all night, and some got stuck on the main street of Talco. The oil field crews were accustomed to this and knew how to manage so that it was never necessary to suspend operations because of bad roads, but operations were slowed to a considerable degree.

While these developments were taking place, the oil field was growing rapidly in number of wells and in the amount of oil being produced; and nowhere was this growth more visible than inside the Talco limits. The fact that—within this comparatively small area—land was owned by a great many different people made it possible for several different oil companies to lease at least a small area, and each company started drilling feverishly in order to get its share or a little more of the oil below. The result was that the Talco townsite soon became a veritable forest of derricks.

Outside Talco leases were in larger blocks and drilling proceeded more leisurely—entirely too leisurely for those whose land lay some miles from the discovery well, and who waited anxiously to see if they were to be among the blessed. And not everyone had leased his land at once. Prices offered for leases varied with the distance from the discovery well or the
predictions of the geologists; so many land owners had the painful choice of accepting a comparatively small sum for their acreage at once, or waiting to let fate decide whether they would receive a princely sum or nothing at all. Most chose not to gamble because they, like most Titus County farmers at that time, had a pressing need for ready cash. They also felt that if the oil production reached their property, the royalties would make them well off; and if it did not, they would be ahead by the amount of the lease money.

After the initial bonanza which came from the sale of leases and mineral rights, the wealth flowed in more slowly than had been expected. The price of oil (especially Talco oil) was low, the allowable production was not great, and the oil companies did not appear in any particular hurry to get the oil out of the ground. Of course, the general state of the economy was greatly improved, as could be seen in the example of the post office, and most people benefited indirectly because of improvements. According to the Talco Times:

When oil was discovered at Talco the post office was of fourth class, and the postmaster's salary less than $1,000 a year. . . . The office was advanced from fourth to third class, and last July to second class, and the postmaster's salary nearly tripled. Another source mentions that the amount of mail received with each delivery increased from one hundred and fifty or two hundred pieces to ten or fifteen thousand. To take care of this increase, a new post office building was constructed, and two clerks were added.

And the Post Office Department was not the only agency forced to take notice of the needs of an expanding community. At the same time, the trustees of the Talco Independent School District were providing for the increased school enrollment. Completed in 1939 and built at a cost of $185,000, Talco's new school building was one of the finest and most modern in the state. One of the most talked-about features was an intercommunications system which permitted the superintendent to monitor the proceedings in any classroom without leaving his office.

In its School and Oil Anniversary Edition put out on March 5, 1939, to celebrate the opening of the new school and the third anniversary of the oil strike, the Talco Times explained at some length how Talco was able to afford such an expensive school plant. The essential points are given below:

In neighboring towns, dependent almost entirely upon agriculture, livestock, and dairying, where school bonds run 20, 30 and 40 years at high rates of four and five per cent interest, they cannot understand how a city no larger than Talco can handle such an investment as we have here. They have not reckoned with the immense value of oil.

. . . Talco school district is only 32 miles square, but its assessed valuation for tax purposes is greater than the entire county of Titus before oil was discovered. Last year it was seven and a half million dollars, and will be greater this year due to new wells drilled.
That the above was not idle boasting was demonstrated when the school plant was completely paid for in just ten years.\[36\]

But if the school district with its thirty-two square miles and its 600 wells, three of them on school property, had smooth sailing all the way, the same was not true for the City of Talco. When it became obvious that something would have to be done to meet the need for such things as paved streets and sewage disposal, the logical first step seemed to be incorporation. There was considerable resistance to this move, however, and when the issue was voted on May 25, 1936, it carried by only forty-four to thirty-three. On the same date that Talco voted to incorporate, it chose its city officials, a mayor and two city commissioners; and the new administration immediately set about securing the things that a real city must have. The sum of $200,000 was expended for a water and sewage program, $125,000 went to pay for paving streets, and a city hall cost $25,000.\[37\]

In later years the city administration received a considerable amount of criticism because of its handling of these matters—and not just from its own residents. The Mt. Pleasant Times Review, on October 29, 1948, warned of the danger of bankruptcy if an agency went beyond its means and then said:

This is actually what took place in Talco. The city launched a huge paving program, it built a beautiful municipal building, installed a water system and made other modern improvements. The community was crowded, future prospects were rosy and money was free. But today, years after the discovery of oil, Talco is still trying to pay the bill.\[38\]

Although the area within the limits of the city was increased to more than two times its former size, it still was rather small; and a high proportion of the new construction in the area was not within its bounds. Apparently the revenue to be collected from oil wells within the city limits was expected to pay for most of the improvements, and this is where the city got into difficulties. As mentioned earlier, the wells were closely spaced within the city limits. This meant that oil was extracted at a rapid rate; and, although the city coffers benefited accordingly at first, in time, as the Talco Times explained, this caused trouble:

Due to density of wells in the townsite, some of these which were also drilled too deep, are troubled with salt water, while a few have been abandoned, and plugged. Out in the field where reasonable spacing was observed very little of this trouble has been encountered.\[39\]

Complicating factors were the closing down of the two small refineries, which had not been able to compete with the large modern refinery at Mount Pleasant, and the fact that much fewer personnel were required to operate the pumping equipment than had been needed to drill the wells and lay the pipelines. As the drilling slowed down after three or four years, the city suffered a sharp drop in population, which means a further loss of tax revenue.
The upshot was that eventually the City of Talco found itself unable to meet its financial obligations; and in 1955 some warrants were refunded at 75c on the dollar with the approval of the bondholders.40

Even today it is difficult to see how the city fathers could have done otherwise than take steps to meet the needs of a rapidly growing city; but it seems clear that they erred in their estimate of the amount of revenue that would be forthcoming and in committing the city to such a heavy load of indebtedness. This was a rather understandable error considering that the city officials had had little previous experience in such matters and that not even the experts were able to predict how much oil production could be expected.

Considering Talco’s tremendous growth in the period immediately following the discovery of oil, it is rather surprising to find that its 1940 population was only 912.41 But by that time the frenzied boom that came with the discovery and continued through the early days of development was ended. In the words of a 1940 visitor:

Talco . . . has the appearance of a community that is resting after a hectic oil boom—it’s many small frame shacks mushroom out from an older business area. . . . Today, Talco is a quiet town, almost exclusively engaged in business hinging upon the nearby oil field.42

The population was apparently quite stable by 1940 because there was very little change in the next ten years, the 1950 population being 917.43 The 1960 population figure of 1,02444 represents a fairly substantial gain which seems to have been due mainly to the discovery of the new oil fields in the vicinity and to renewed activity in the Talco field.

By mid-1963 the oil well pumps were running on electricity, which meant that fewer personnel were needed to operate a given number of wells. Nevertheless, according to an estimate by a long-time resident of Talco, Felix Jones, about 200 people living in Talco were involved in work directly connected with the oil industry; and the industry was indisputably the mainstay of the economy of Talco and the surrounding area.45 Vocational agriculture was taught in the Talco High School in 1962 for the first time since 1936; but that did not mean, said Jones, that the economy of the area was again becoming dependent upon agriculture. Agriculture was still very definitely secondary to oil.46

Talco, in 1963, had been little affected by the industrialization that was taking place in Mount Pleasant and other parts of East Texas. Its only noteworthy industrial acquisition was the Whitten Sawmill and Lumber Company, which was located there in the mid-1950’s. This was a hardwood mill, which turned out oil rig and bridge timbers for the most part.47

One of the requirements of industry which Talco had in abundance was good water. Although ground water was plentiful in Titus County, it had proved difficult to obtain any considerable supply of usable water in most areas. Because of the lignite beds and iron ore deposits in the Wilcox formation, water drawn from that group was likely to be foul-
smelling and bad-tasting. A plentiful supply of artesian water was available from below the Midway, but this had proved to be salty. Strangely enough, this same zone on the north side of the Mexia-Talco fault, which ran roughly along the northern boundary of Titus County, yielded a plentiful supply of pure water.\textsuperscript{48} This proved to be the solution to Talco's water problems. A well drilled in Red River County three and one-half miles northeast of Talco in 1937 pumped 500 gallons a minute from a depth of 408 feet, and the water was so pure it required no treatment.\textsuperscript{49} Then, in December, 1963, the Humble Oil Company presented its $87,000 water system, consisting of 3 wells and a 65 acre reservoir, all located in Red River County, to the City of Talco. The Humble system had provided water for the Humble camp near Talco and for drilling operations. There were 175 customers on the system at the time of its donation to Talco, and it extended for seven miles to the east and seven miles to the west of the town.\textsuperscript{50}

Talco's chances of developing into an industrial center were no doubt seriously damaged by another development—the Paris and Mount Pleasant Railroad stopped running. This railroad had derived much of its revenue from the transportation of timber for the Hoffman Heading and Stave Company and, in the first year or so after the discovery of oil, from the transportation of oil. But pipe lines were soon built to carry the oil; and when the Hoffman Heading and Stave Company closed in 1950, that source of revenue was also lost. In 1956 it was decided that the railroad could no longer be operated profitably and its operation was discontinued.\textsuperscript{51}

On the other hand, the construction of a well-paved farm-to-market road from Talco east across the northern part of the county to Morris County no doubt was of considerable benefit in enlarging the trade area served by the town.

It would not have been correct to have said in 1964 that Talco had slipped back into the obscurity of its prewar days, but certainly it had dropped out of the limelight. There was no longer any trace of the honky-tonks and the ugly shacks of the boom days. It was once again a pleasant little town where things moved at a leisurely pace and everybody knew everybody else. As Richard L. Jurney said, "It is not the town it once was, but it is still a good little town."\textsuperscript{52}

One might expect that many people would oppose something which changed their lives to the extent that the oil strike changed the lives of most Talco residents; but if such people exist, they are a small minority who keep their views to themselves. The writer, in discussing the matter with people of Talco and elsewhere in the county, found some who spoke of evils or even tragedies that had resulted from the discovery of oil, but none who felt that these came near to outweighing the benefits it had brought.

The impact of the discovery of oil and the subsequent development of the oil industry was not as concentrated in any other part of the county as it was in the Talco area, but all of the county was affected to some degree. Looked at from a purely economic viewpoint, oil soon became the county's most important industry. In 1938, a serious depression year for most of the United States, the production of oil in Titus County was
7,342,497 barrels which, at the approximately one dollar a barrel for which Talco crude was selling at that time, would have meant more than $7,000,000 paid for Titus County oil. Not every year was as good as 1938 in regard to either production or price: the value of the 1940 production was only about $5,000,000; but even this dwarfed the $1,179,453 which was the value of all farm products in 1939. It is true that the land owner’s share of the return from oil sold was only one-eighth, and that some land owners had sold all or part of their mineral rights. But the sale of mineral rights was partly offset by the holding of some Titus County residents who were involved in the production end of the operation; and even one-eighth of eight million dollars was a lot of money.

It is also true that most of this sum went to some three dozen families who had happened to own the land where the oil was found, but a much larger number received benefits from the oil production in other ways. Census figures show that from 1935 to 1937 the number of manufacturing establishments in Titus County increased from eight to eleven, the number of wage-earners in such establishments increased from 133 to 260, and the value of wages paid increased from $87,683 to $181,873. Also, the value of products manufactured increased from $680,745 to $1,568,711, and the value added by manufacturing increased from $257,408 to $689,075. The economic importance of manufacturing had more than doubled in just two years. Nearly all these increases would seem to have been the result of the construction of three oil refineries in the county. Unfortunatly, figures showing the amount of wages paid to those engaged in oil production are not available; but it is known that 291 of the 298 persons engaged in mining in 1940 were engaged in the production of crude petroleum. These are the direct economic benefits; indirectly, hundreds of other people benefited as the money brought into the county by oil filtered down through the channels of trade.

A study of the economy of Titus County as it was in the late 1950’s and early 1960’s revealed that the oil industry was as important as ever and that its benefits for Titus County had been very great throughout this period. In 1958 the mineral industry payroll in Titus County amounted to $1,359,000. In the same year, the 614 employees of manufacturing establishments received $2,483,000 in salaries. Census reports do not break this down to individual plants; but, on the basis of a 1956 newspaper report stating that the refinery at Mount Pleasant then employed “about 300” people, we would probably be safe in adding $1,000,000 of the manufacturing payroll to the mineral industry payroll for a total of approximately $2,359,000. Admittedly this is a very rough approximation but it is close enough to enable us to determine that the mining of oil and the refining of oil combined were far more important than manufacturing exclusive of oil refining as far as payroll was concerned. This seems to be about the only meaningful comparison that can be made; but, for whatever it may be worth, in 1960 the value of shipments and receipts of the mineral (actually petroleum, in this case) industry, $9,059,000, far outstripped the value added by manufactures, $6,682,000, for the same year, or the value of all farm products, $1,963,000, for 1959. A major portion of the value added by manufactures, of course, came from the refining of oil.
Among the other important benefits of the petroleum industry to Titus County was the support given to businesses in the county by oil industry payrolls and other expenditures. Another way in which oil contributed to the county, in this case to almost everyone in the county, was by the payment of taxes. A look at school tax valuations will give us an idea of the importance of oil wells for tax purposes. In 1962 six rural school districts of Titus County with an average attendance of 397 had an assessed valuation of $927,194. Wilkinson, also a rural school district but with an average daily attendance of only forty-eight, had an assessed valuation of $986,490.64 The difference, of course, is that Wilkinson had oil while the others did not.

One more or less accidental benefit which the oil industry brought to Titus County was the betterment of the unpaved rural roads, a benefit which the farmers, the rural mail-carriers, and the school bus drivers particularly appreciated. When oil is pumped from the wells, a portion of it comes out contaminated with salt water and other substances in such a way that it is not feasible to refine it, and it therefore has no commercial value. The oil companies were happy to make this oil available to the county gratis; and the county made good use of it and of additional quantities which were purchased by mixing it with the top few inches of soil on dirt roads to make what amounted to a low quality pavement. By 1963 every unpaved road in the county had been so treated, and one could drive nearly everywhere without stirring up a cloud of dust in dry weather or getting stuck in a "mud-hole" in wet weather. The dust had been an annoyance and had made driving more hazardous, while muddy, slippery, sticky roads had sometimes added hours to the mail-carriers' routes, made school buses late for school, and kept farm people isolated from the towns.65

John B. Stephens mentioned another benefit which he felt had resulted in large part from the discovery of oil—the coming of industrialization to Titus County. Certainly it brought the refinery, by far the most important of Titus County's industrial plants, and it possibly brought men who had knowledge of such matters, and contacts which helped to speed the process. Also of great importance, it supplied some Titus County persons with the financial resources which they used to finance various manufacturing ventures. The foremost of these was Stephens himself, who built the E-Tex Packing plant and the Mount Pleasant Rendering plant and assisted in a number of other ventures.66

In March, 1964, twenty-eight years after the discovery of oil at Talco, the turbulence and the excitement were no more than a distant memory for those who had lived through that period. The derricks were still there, scattered all across the northern part of the county; and the pumps still brought up their daily quotas from hundreds of wells; but the atmosphere was quiet, prosaic, that of a small country town—hardly more riotous than in the days when the people of this area derived their sustenance from what grew on top of the ground rather than what was brought up from beneath it. The difference was that now the people were living better, not only there but all over the county, than they had at the beginning of 1936. They had better homes, they drove better automobiles on better
roads, their children went to better schools, and they ate better food while wearing better clothes. Many factors had combined to make this possible, but the discovery and production of oil was by far the most important.

FOOTNOTES

1 *Dallas Morning News*, February 11, 1936.
2 Ibid., February 15, 1936.
3 Ibid., February 14, 1936.
5 Ibid.
6 Ibid.
7 *Paris News*, March 9, 1936.
8 Ibid., February 21, 1936.
9 Ibid.
10 Ibid., February 14, 1936.
11 Ibid.
12 Ibid.
13 Ibid.
14 Ibid., February 14, 1936.
15 Ibid., February 14, 1936.
16 Ibid.
17 Ibid.
18 Ibid.
19 Ibid., February 21, 1936.
20 Ibid., March 20, 1936.
21 Ibid., February 14, 1936.
22 Ibid., March 6, 1936.
23 Ibid., March 15, 1936.
25 *The Talco Times, Anniversary Edition*, March 3, 1939, gave the impression that the boom was still going strong on the fourth anniversary of the discovery. However, the 1940 census showed a population of only


31Reed, tape-recorded interview, June, 1963.

32ibid.


36Personal interview with Felix and Jerry Jones, Talco, Texas, June, 1963. Felix Jones was President of the Talco Bank at the time of the oil discovery. His son, Jerry, had succeeded him as president of the bank and was also Mayor of Talco in 1963.


38ibid.

39ibid.

40Felix and Jerry Jones, personal interview, June, 1963.


45Jerry and Felix Jones, personal interview, June, 1963.

46ibid.


48Personal interview with Matthew E. Broom, Mount Pleasant, Texas, March, 1964. Mr. Broom, a U. S. Geological Survey geologist, was at that time working on a study of the ground water resources of Franklin, Titus, Morris, and Camp Counties. His study, which he expected to complete in the summer of 1964, was to be published as a Texas Water Commission Bulletin.


52Ibid., 92.


54Texas Almanac: 1941-1942, 230.


59Ibid., 377.


61County and City Data Book, 1962, 380.

62Ibid., 377.

63Ibid., 381.


65Personal interview with Jerry Jones, June, 1963; Personal interview, Alford Flannagan, March, 1963, Mount Pleasant, Texas.