

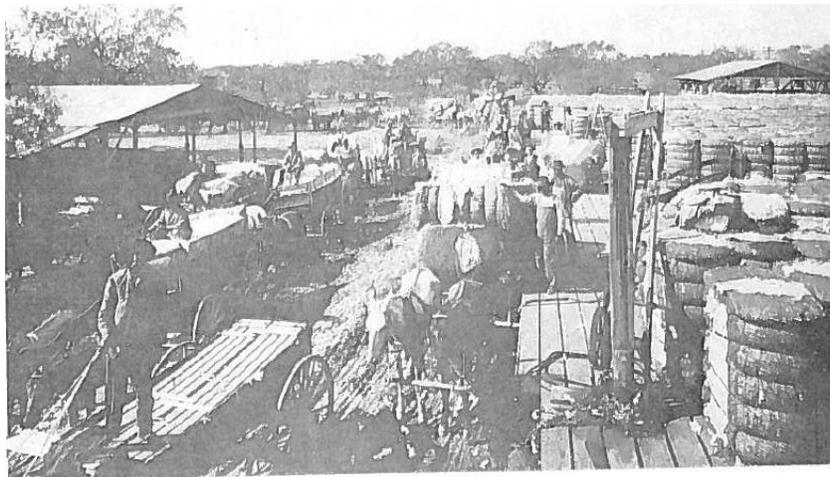
## A SHORT HISTORY OF THE COTTON INDUSTRY IN TRAVIS COUNTY

Texas has been a cotton-growing region since the earliest days of European colonization with the establishment of Spanish missions in the early 18<sup>th</sup> century and Anglo settlement beginning in 1821. Pioneers in Stephen F. Austin's colony came from cotton-growing areas of the Deep South, particularly Louisiana and Alabama, and brought cotton culture to Texas. Although many of Austin's colonists declared themselves as stock-growers in order to receive larger allotments of land, the primary cash crop of the new colony was cotton, and many colonists brought slaves to cultivate it. Austin's colony was centered on the land between the Brazos and Colorado rivers, where the fertile bottoms provided rich soil for cotton cultivation. In the vicinity of San Felipe de Austin, the capital of the colony, several large cotton plantations were established in the 1820s. Most of the early cotton in Texas was shipped south into the interior of Mexico.

The success of cotton cultivation depended on several factors, but transportation of the cotton to market was paramount. In the early days of Anglo settlement, the centers of agriculture and population were along the rivers, facilitating the movement of goods more readily than by wagons or other means of overland transportation. Cotton growers shipped their cotton off their farms on wagons to river ports, where it was then floated down the Brazos and Trinity rivers to Galveston warehouses to await export to markets on the east coast of the United States and Europe. However, cotton production in Texas was hindered by the isolation of many cotton farms, the lack of transportation, and a continuing threat of attack by Native American populations that kept cotton production confined to a relatively small area of east-central Texas before the Civil War. As late as 1852, Texas ranked 8<sup>th</sup> of the cotton-producing states. The Civil War halted most cotton production, and it was only during the period of Reconstruction that Texas became a major producer of cotton, rivaling the states of the Deep South.

At the time of the founding of the city of Austin as the capital of the Republic of Texas in 1839, the area that became Travis County was very sparsely populated, and settlers in this region grew sustenance, rather than cash crops. As Austin grew, the rural areas surrounding the new city experienced a rise in population as well, and more farmers moved in, especially to the fertile blackland prairie that characterized the eastern half of Travis County. It was not until the early 1870s, with the arrival of the railroad in Austin, that Travis County and central Texas really began to boom. In 1871, the Houston and Texas Central Railroad connected Austin with Houston and Galveston, allowing for the mass shipment of goods from central Texas to the ports on the Gulf of Mexico. The rail connection also opened Austin markets for goods from across the country, especially manufactured goods that had been a rarity in a city that was still very much an outpost before the arrival of the railroad. The railroad also brought immigrants into the region, attracted by the fertility of the prairie soils and the availability of land for cultivation. Large numbers of immigrants moved into central Texas from other areas of the former Confederacy, as well as from Europe, particularly from Sweden and Germany. Cotton was the principal cash crop of the Deep South, and was suited to planting in central Texas as well, especially with the innovation of plow blades that could break through the tough sod of the blackland prairies. Settlers who were able to afford to buy their own farms did so, and grew cotton and corn as their main crops; some also raised livestock. Others became tenant farmers or sharecroppers, establishing the system of debt peonage that took the better part of a century to overcome.

Cotton proved profitable for those who owned their land, but the rise in cotton cultivation also resulted in a higher percentage of tenant farmers and sharecroppers in central Texas. Although many African-Americans moved out of the rural areas of Travis County during and after Reconstruction in search of jobs and an escape from sharecropping, many still remained, particularly in places in the northern and eastern sections of Travis County near Manor, Montopolis, and Del Valle, where the land was the most fertile. The increasing number of tenant farmers in the area was a continuing cause for concern; newspaper articles of the 1890s and early 1900s noted with alarm the decrease in the number of owner-occupied farms and the poverty of the tenant farmers and sharecroppers, who generally ended up with little or nothing in their pockets after paying their debts and shares to the landlord at the end of the cotton harvest. In 1880, tenants accounted for just under 40% of all farmers in Texas; by 1930, that number had risen to over 60%. In 1930, tenants operated two thirds of the 3,642 farms in Travis County. African-American tenant farmers and sharecroppers were in a much worse condition than their white counterparts, as African-Americans had a higher level of illiteracy, leading to widespread abuse in determining what was left to them after their accounts were settled by their landlord. They were generally denied the rights accorded Anglos, and did not have the ability to sue their landowners for compensation. All tenant farmers and sharecroppers were beholden to their landowner, who controlled every aspect of their livelihood. Sharecroppers could leave one farm for another, but the situation was hardly any different, and most were bound to the land to pay off debts owed to the landlord for foodstuffs, clothes, medicines, and other necessities.



A COTTON YARD AT AUSTIN, TEXAS

Undated photograph of an Austin cotton yard

Technological advances also encouraged the expansion of the cotton empire into central Texas in the 1890s and later. Cotton gins were established in many communities in central Texas where the raw cotton fibers were separated from the seeds and cleaned. Cotton compresses, which had been largely at the warehouses and shipping points in Houston and Galveston, became more commonplace in the interior, allowing for the expedited shipping of bulk cotton on railroads. Cotton compresses in the interior also made for more localized markets, as buyers could purchase the cotton locally from the farmers, and ship it themselves on the rail lines. The ability of farmers to sell directly to buyers had its advantages, but was fragmented, resulting in a lack of organization in selling. Cotton exchanges and cotton bureaus were set up in various Texas towns and cities to operate as a central market for the region's cotton, and in 1905, local cotton buyer Will T. Caswell planned a warehouse for farmers to store cotton without charge, awaiting good prices for the crop (it does not appear that the warehouse was ever built). With

the increase in population and the technological advances in cultivating and processing the crop, acreage devoted to cotton in Travis County doubled between 1890 and 1900, from around 30% of the total improved agricultural acreage in the county to 56%. However, this also meant the cultivation of less fertile soils, and there was not the same attendant increase in cotton production over the years. In 1930, 143,000 acres in the county produced only 19,000 bales of cotton. In the earlier days of cultivation, it was said that the rich and non-depleted soils of eastern Travis County could produce one bale per acre.

The growth of the cotton industry is shown through changes in the economy of Austin and Travis County. Austin became the center of the region's cotton processing facilities. The Austin Daily Statesman of October 24, 1888 noted that cotton from Bastrop, Taylor, Round Rock, Georgetown, Lockhart, Kyle, and San Marcos was brought into Austin to be compressed and exported. Austin's first cotton compress was established in 1884 and could handle 1,000 bales a day. The compress was noted as being one of the largest in Texas (Austin Daily Statesman, November 22, 1895). That same edition of the Daily Statesman noted that Austin had the largest cottonseed oil manufacturing plant in the state, located in East Austin along the M-K-T Railroad tracks. Built in 1893, the cottonseed oil mill had a daily capacity of 75 tons, and employed 50 people. The article went on to note that cottonseed oil could be used for "most anything." Cotton seed meal was heralded as "the greatest feeding product yet discovered" for cattle and other livestock, and contained over 50% protein and 18% fat. One ton of cottonseed could produce 30 gallons of oil, 700 pounds of meal, 900 pounds of hulls, and 15 pounds of lint. Cottonseed meal from Austin was shipped throughout the United States, and exported to Germany. By 1900, Texas was producing 3.5 million bales of cotton from 7.1 million acres.

The 1889 Austin city directory shows 6 cotton buyers, including David T Iglehart, who would later figure as the secretary and treasurer of the Capital Compress Company and compresses in Elgin and San Marcos. The Capital Compress Company was located on the west side of West Avenue between 3<sup>rd</sup> and 4<sup>th</sup> Streets, and there was a cotton gin on San Marcos Street, between 3<sup>rd</sup> and 4<sup>th</sup> Streets. The Central Cotton Seed Oil Mill was on the north side of the Houston and Texas Central Railroad tracks at the east city limits. The 1895 Austin city directory again shows 6 cotton buyers, the Capital Compress and new listings for a cotton factor, wholesale grocer John Bremond, who expanded his already large business to include cotton transactions, the Austin Cotton Seed Oil Manufacturing Company (on the south side of E. 5<sup>th</sup> Street east of Comal Street), and the Travis County Farmers' Alliance cotton yard, on the south side of E. 5<sup>th</sup> Street between Trinity and Neches Streets. While the number of cotton buyers remained static from 1889 until 1895, the number of businesses devoted to processing cotton in Austin rose to include a cotton yard and a new cotton seed oil mill.

By 1905, according to the city directory of that year, Austin had an old and new compress operated by the Capital City Compress Company; the old compress on West Avenue was augmented by a new compress on East Avenue at 5<sup>th</sup> Street. Austin had 11 cotton buyers listed in the directory, a cotton yard on 5<sup>th</sup> Street between Trinity and Neches Streets, and a cotton gin and cottonseed oil mill at 5<sup>th</sup> and Chicon Streets. Business continued to grow. The 1912-13 Austin city directory shows 11 local cotton buyers, and notably, an agent of the Southern States Cotton Corporation of Atlanta, Georgia, indicating the localization of the cotton markets in Austin. Most of the cotton buyers had their offices in the Scarbrough or Littlefield buildings, and this directory shows the emergence of some of the barons of the industry: William T. Caswell, who ran a cotton gin at 410 Chicon Street; Robert G. Crosby, who was the president of the newly-formed Austin Cotton Exchange; and Edgar H. ("Commodore") Perry, a cotton exporter and an officer of the Capital Compress Company. The 1914 directory also lists 3 cotton gins, 3

cotton weighers, and a second cotton seed oil mill – the Farmers and Ginners Cotton Oil Company on E. 6<sup>th</sup> street between Chicon and Canadian Streets.

J. L. HUNTER, Pres. H. METTENHEIMER, Mgr. and Secy.

**FARMERS & GINNERS COTTON OIL CO.**

**Cotton Seed Products**

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A. B. C. 5th EDITION

AUSTIN, TEXAS

Advertisement for the Farmers and Ginners Cotton Oil Company – inside the front cover Morrison & Fourmy Directory of the City of Austin (1914)

Cotton processing businesses were very lucrative in Austin. Some of the most prominent businesspeople in the city derived their wealth from the cotton industry, and were also instrumental in the organization of banks, insurance companies, real estate ventures, including downtown office buildings, and other institutions of the local economy. Many of the cotton brokers began to intertwine their businesses - William T. Caswell was the president of Capital Compress Company and Edgar H. Perry was the vice-president when they built a new compress in 1924 at the east end of 6<sup>th</sup> Street on the main line of the Katy and Southern Pacific Railroads. These men also built palatial homes for themselves, reflecting the wealth associated with cotton in the Austin area. Daniel H. Caswell and his son, William T. Caswell, two of the first prominent cotton men, built their homes at the top of the bluff on West Avenue at the turn of the 20<sup>th</sup> century; Edgar Perry's first mansion was on Lavaca Street, but in the 1920s he built his estate on what was the outskirts of town in the early 1920s – the Perry Estate is now in the middle of the city at 41<sup>st</sup> and Red River streets. Malcolm H. Reed, a relative newcomer to Austin's cotton economy, built his mansion in the early 1920s at Windsor Road and Harris Boulevard. Vice-presidents and other officers of the cotton ginning, cotton compressing, and cotton exporting firms followed suit with mansions of their own. These mansions reflected high-style architecture, and brought a sizable degree of sophistication to the residential landscape of the city.

The core of Austin's cotton business community included:

*Daniel H. Caswell and his sons, D.H. Caswell, Jr. and William T. Caswell.* A native of Maine, Daniel H. Caswell moved south as a young man, and arrived in Austin from Nashville, Tennessee in 1893. He was the owner and manager of the Austin Oil Manufacturing Company at the time of his death in 1916. Caswell also built a cotton gin in 1899, the same year he contracted with local architect A.O. Watson to build his mansion on West Avenue (threatened with demolition in the 1970s for the construction of the proposed cross-town freeway, but rescued by the Austin Junior Forum). Two of his sons were also in the cotton business: D.H. Caswell, Jr. took over the cottonseed oil manufacturing plant, while William T. Caswell embarked on new ventures. Will Caswell operated the Austin cotton gin as well as the Capital

City Compress Company as well as the compresses in Elgin and San Marcos. He became one of the leading cotton exporters in the country, but was also at the helm of the Woodward Manufacturing Company, which built auto and truck bodies from its plant on South Congress Avenue. Caswell also had several real estate enterprises, built the old Austin Athletic Club in House Park, and was the first chair of Austin's Park Board. His house at 1504 West Avenue was built in 1904.

*Edgar H. ("Commodore") Perry.* Edgar H. Perry was born in Caldwell, Texas and came to Austin in 1904. His father was a cotton farmer, and Edgar's first job out of school was as a cotton grader and buyer for a firm in Taylor, Texas. He moved up in that firm, going to their office in Houston, and finally to Austin. In 1910, he branched out on his own and established E.H. Perry and Company, which grew to be one of the largest cotton exporters in the city. His partner in this enterprise was Dave Reed, the brother of Malcolm H. Reed (see below). E.H. Perry and Company exported central Texas cotton to Europe and Japan; when they closed the business in 1929, Perry went into real estate. In the 1950s, he opened the Perry-Brooks Office Building and the Commodore Perry Hotel, noted for its sumptuous accommodations and facilities. Perry was also involved in many philanthropic activities in the city; he was the first chair of the Austin Housing Authority and an organizer of the Austin Club. His first home on Lavaca Street (now demolished) was noted in the newspapers as one of the most lavish in the city; his later home at 41<sup>st</sup> and Red River Streets is rightfully known as the Perry Estate.

*Malcolm H. Reed.* Malcolm H. Reed was born in Williamson County, Texas, the oldest son of a school teacher who moved to Bertram, Texas and opened a general store while his children were still young. Malcolm worked for his father at the Bertram store for a few years, then went into business for himself in Marble Falls, where he was an organizer of the local bank. His first business was as a cedar timber dealer; he moved to Austin in 1908, and expanded his cedar business into cotton. M.H. Reed and Company became one of the largest cotton exporting firms in the state, and at one time in the 1920s, had offices in five foreign countries. Reed continued to be a wholesale merchant of cedar timber, and a buyer and seller of pecans. After the decline of the cotton business in central Texas in the early 1930s, Reed invested in real estate and oil lands. He was the president of the Austin Chamber of Commerce and of the Austin Country Club, as well as leadership in several other local civic and charitable organizations. His younger brother, David Cleveland Reed, was the long-time partner of E.H. Perry in the cotton trade, and later businesses. Malcolm Reed built a palatial residence designed by Dallas architect Hal Thompson in Pemberton Heights, but lost the house in the divorce from his first wife. He died in Austin in 1945.



M. H. REED  
Capitalist, Cotton Exporter and Wholesale Dealer in Cedar Timber  
Austin

Portrait of Malcom H. Reed from the Standard Blue Book (1920)

Other major players in Austin's cotton business include Alex Lassberg, a cotton broker; Bennett-Tarlton & Company, cotton exporters; Samuel L. Crawford, president of the Crawford-Gosho Company, exporters of central Texas cotton to Japan; Robert C. Crosby, a cotton buyer and president of the Austin Cotton Exchange in the 1920s; Fielding G. Smith, cotton broker; Gustave E. Spinnler & Company, cotton brokers; Thomas M. Miller, who in addition to hides, wool, and pecans, was an active cotton buyer; George E. Eklund, the proprietor of the Montopolis Gin; and Henry Wunderlich, the manager of the Farmers and Ginners Cotton Oil Company.

Cotton was the principal cash crop of central Texas through World War I, when demand was very high for the war economy. The harvest of 1920 was the biggest of the era, but prices began to drop after the war due to an over-supply. The Austin American noted in November, 1923, that Travis County ginned 36,242 bales in 1923, but that number was still short of the 1922 crop figure. Farmers continued to increase their acreage devoted to cotton, with disastrous results; in Texas, cotton acreage grew from 10 million acres to more than 18 million acres between 1919 and 1926, and production doubled from 3 million to 6 million bales. The Southern Pacific Railroad announced service to handle central Texas' cotton crop in 1924 with the institution of a special night train from Austin to Houston and Galveston, where the rail line also contracted with the Morgan Steamship Lines to ship Texas cotton to New York. Cotton prices dropped again in 1925 and 1926, with the Austin newspapers calling the 1925 crop a

“total failure in Travis County.” The newspaper began to urge cotton farmers to seek other means of making their income, including raising turkeys, and crop diversification. The cotton markets were better towards the end of the 1920s, with Williamson County being named the leading cotton county of Texas in 1927, but the bottom dropped out of the national cotton market during the Depression of the 1930s. Texas farmers began organizing to present a united front intent on stabilizing or raising cotton prices. Cotton growers in Travis County organized a cotton association in 1920, holding meetings at Elroy, Creedmoor, Manor, Pflugerville, and Austin. Low cotton prices led to the institution of federal programs such as the Agricultural Adjustment Act to limit cotton production, but many farmers saw this as another means to deprive them of income. Sharecroppers and tenant farmers began to move away in droves in search of work in towns and cities. In 1934, the Cotton Industries Employees Association met in Houston to enlist the aid of all workers in cotton industries, from farmers, pickers, truck drivers, railroads, to unite to “save the cotton industry from bankruptcy” as quoted in an Austin newspaper article of the period. However, there was more to saving Austin’s cotton economy than measures to stabilize prices.

Central Texas cotton crops were under a constant threat of boll weevil infestations after the insects migrated north from Mexico, starting in the 1890s, and also fell victim to capricious and adverse weather conditions. Many tenant farmers and sharecroppers were impoverished and left their farms in search of non-farm work in towns and cities in the 1920s and early 1930s. It was not until the Great Depression that some returned to farm work, but by that time, the cotton economy of central Texas was fading quickly. Many farmworkers left rural areas again during World War II in search of work at defense plants. After World War II, cotton farming became more mechanized, and the need for human cultivators and pickers diminished rapidly. The development of synthetic fibers also contributed to the demise of cotton in the region. However, cotton remained an essential, if not dominant, crop in central Texas well into the 1970s. By the late 1950s, cotton accounted for only 26% of the total cropland harvested in Travis County, and by 1980, it had fallen to only 8 percent. Cotton subsidies and allotments from the late 1930s on helped stabilize the price of cotton, but as the number of cotton farms dwindled, the need for cotton processing facilities also lessened. The gins, compresses, and oil mills of the 1920s went out of business as their owners began investing in other, more lucrative ventures, especially oil, gas, cattle lands, and real estate. A few new gins were built to replace old ones, such as the 1965 gin in Round Rock, but the reign of “King Cotton” in central Texas was over. Cotton remains a major crop in Texas, but the cotton lands are now near Lubbock or in the Rio Grande Valley, and the days of the small cotton farmers has been replaced with corporate cotton farms.

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