

TEXAS BUSINESS REVIEW

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

Bureau of Business Research
The University of Texas

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THE MONTH

There were no developments during April which materially affected the business situation one way or the other. Some industries show expansion but gains in most cases are considerably less than seasonal. Many unfavorable influences are still present, but it is reassuring to note that conditions are not growing worse. As far as can be determined at this time, no more than a small seasonal gain in business can be expected over the next few months, and a sustained rise is not likely before late summer or fall.

Low money rates and abundance of credit continue to be the most important influences in the financial situation. Call rates on the New York Stock Exchange during most of April renewed at 3 per cent to 4 per cent, but they did not reach the low point of 2 per cent established in March. Bankers acceptances advanced and were quoted at 3 per cent to $3\frac{1}{2}$ per cent at the end of the month, while commercial paper held around $3\frac{3}{4}$ per cent to 4 per cent on most days. Time loans were available at 4 per cent. The rediscount rate at the Dallas Federal Reserve Bank remained at 4 per cent.

Checks cashed fell off sharply. Debits in this District for the four weeks ending April 30, according to the Dallas Federal Reserve Bank amounted to \$743,000,000 against \$844,000,000 in the same period of 1929, a decline of 12 per cent. Loans at member banks remained about unchanged over the month at \$352,000,000, while Government securities held by these banks declined to \$67,000,000. Both demand and time deposits increased again, the latter reaching \$150,000,000, a new high record for this District.

Labor and employment conditions in the State were less favorable. Fewer workers were employed and average wages declined, indicating more part time schedules. There was a decrease of 2.7 per cent in the number of workers on the pay rolls of 661 comparable Texas firms on April 15, compared with March 15. Average weekly wages per worker declined from \$27.13 in March to \$25.87 in April. Employment in April showed a loss of 1.7 per

cent compared to April, 1929, whereas each previous month this year has been above the same month last year.

Only 168 new corporations capitalized at \$3,637,000 were organized in April, the smallest number for any April since 1925. On the other hand, bankruptcies increased. There were 52 commercial failures having liabilities of \$1,795,000 reported in April against 37 defaults with liabilities of \$414,000 in April, 1929. Retail trade was better, due largely to Easter buying. Sales of 83 department stores in 24 cities of the State were \$5,727,000 in April compared with \$5,642,000 in April last year, a gain of 1.5 per cent. The smaller freight car loadings indicates that consumption of all commodities is on the decline.

Building permits in 35 cities totaled \$7,795,000, or about

unchanged from March. Cement plants made further expansion. In April, Texas mills turned out 757,000 barrels against 622,000 barrels in April, 1929. Shipments also were larger. Most of the improvement noted in the lumber industry in March was lost in April. Production increased while shipments and unfilled orders fell off. Textile mills were operating on reduced schedules. During the month, 21 mills used 5,889 bales of cotton, whereas the same mills consumed 9,015 bales in April a year ago. The petroleum situation improved slightly; production declined and markets were better.

Agriculture continues depressed. Farm prices are still pointed downward, although the rate of decline is smaller. Spring work in some districts is a little backward, due to wet fields. Crops generally look good. During the month, 8,178 cars of fruits and vegetables were shipped in Texas, against 5,712 cars in March and 9,689 cars in April a year ago.

The livestock industry made very little change. Ranges have been greatly benefitted since the drouth was broken, and animals are doing much better. Movement of cattle and sheep to market is on a much smaller scale than it was last year at this time and prices are considerably lower. Improvement in this industry is expected to be slow.

Business and industry are still lagging. The improvement noted in February has not carried over into April, and the usual spring pick-up has not materialized as was hoped for. Industrial activity, while about unchanged from March, is far below that of last year at this time. The farm situation shows little or no improvement and the outlook for the livestock industry is no more than fair. Retail trade in April was better due to Easter buying, but the volume of sales for the first third of the year is considerably under the same period of 1929. Low interest rates is the most favorable feature in the whole business picture, for it will encourage business recovery.

FINANCIAL

Low money rates and abundance of credit continue to be the most important influences in the financial situation. The firmer interest rates noticeable early in April proved to be only temporary and rates are now back to where they were before the rise. Since the turn of the year, a large part of the gold exported during 1927 and 1928 has been returned. Moreover, the Federal Reserve policy appears to be one of easy money in sympathy with a similar policy by central banks in Europe. It appears, therefore, that interest rates are likely to be low for some time to come.

After a small rise in the first part of April, interest rates trended slowly downward. Call rates on the New York Stock Exchange during the latter part of the month renewed mostly at 3% to 4%, but they did not touch the low point of 2% established in March. Bankers acceptance rates advanced from 2½% to 3% to 3½% while commercial paper held around 3¼% to 4% on most days. Time loans were available around 4% for all maturities. Since the beginning of May, rates have declined further and are near the low levels of the year. No further change was made in the rediscount rate of 4% at the Dallas Federal Reserve Bank.

The volume of checks cashed fell off sharply. Bank debits in the District for the four weeks ending April

30, according to the Dallas Federal Reserve Bank, amounted to \$743,000,000 against \$844,000,000 in the same period of 1929, a decline of 12%. This large decline is further evidence of the slowness of trade.

Total loans at member banks show a small seasonal decrease over the month. Loans in the Dallas Federal Reserve District for the week ending April 30 amounted to \$352,000,000 against \$355,000,000 in March and \$348,000,000 on the same date of 1929. Government securities held by member banks fell from \$72,000,000 in March to \$67,000,000 at the end of April. Last year on April 30, banks held \$94,000,000 in Governments. April is the first month since last December in which member banks have reduced their purchases of Government bonds.

Demand deposits totaled \$287,000,000 on April 30 compared with \$286,000,000 a month earlier and \$297,000,000 on the corresponding date of 1929. This makes the fourth consecutive month in which a gain has been recorded. Time accounts were also increased. At the end of April, these deposits totaled \$150,000,000, a new high record for this District. Member bank borrowings at the Dallas Federal Reserve Bank remained unchanged over the month at \$1,000,000. Last year at the end of April, member bank borrowings amounted to \$16,000,000. These loans are expected to remain small for some time to come.

FINANCIAL STATISTICS FOR THE DALLAS FEDERAL RESERVE DISTRICT*

	April 1930	March 1930	April 1929
Bank debits (4 weeks).....	\$743,000,000	\$792,000,000	\$844,000,000
Government securities owned, end of month.....	67,000,000	72,000,000	94,000,000
Member bank borrowings, end of month.....	1,000,000	1,000,000	16,000,000
Demand deposits, end of month.....	287,000,000	286,000,000	297,000,000
Time deposits, end of month.....	150,000,000	146,000,000	141,000,000

*From the Federal Reserve System.

TEXAS CHARTERS

New corporations receiving charters from the Secretary of State fell off sharply in April. This was to be expected in view of the fact that business generally continues slow and recovery has been checked. Moreover, a small seasonal decline from March to April is the normal trend. There were but 168 new corporations capitalized at \$3,637,000 organized in April. This is the fewest new enterprises organized in any April since 1925, while capitalization is the smallest in that month since 1918.

TEXAS CHARTERS

	April 1930	March 1930	April 1929
Number	168	237	262
Capitalization	\$3,637,000	\$5,788,000	\$24,471,000
Foreign Permits	22	40	9
Classification of new corporations:			
Oil	29	31	18
Public Service	5	4	13
Manufacturing	17	35	53
Banking-Finance	7	10	11
Real estate-bldg.	12	10	25
General	98	147	142

Last year in April, 262 corporations having capitalization of \$24,476,000 were chartered.

New oil companies fell from 31 in March to 29 in April, and new manufacturing enterprises declined from 35 to 17. There were but 7 financial institutions organized in April, compared with 10 in March. On the other hand, public service corporations gained from 4 in March to 5 in April, while real estate firms went up from 10 to 12. The general list showed a large decline.

Only 22 permits were granted to outside corporations, whereas 40 outside permits were granted in March.

WHOLESALE PRICES

The general level of wholesale prices was lower, although declines were fewer and of smaller proportions than has been the case in recent months. Livestock, meats, silk, wool, coal, iron, copper, and building materials were lower, while grains, butter, petroleum, and livestock feeds advanced. The Annalist index declined from 134.3 in the first week of April to 131.9 in the first week of May, and Fisher's index fell from 90.8 to 89.7 in the same period. Dun's fell to 177.7 and Bradstreet's stood at 10.94 on May 1, both at new low levels since 1921. The Bureau of Labor Statistics index declined .1 of a point, and averaged 90.7 in April.

STOCK PRICES

Stimulated by low money rates, the stock market moved sharply upward in April. While industrials and public utilities made very large gains, the rails moved into new high ground for the present recovery. The stock market, generally, has recovered a large part of last fall's loss, despite the fact that business has expanded but very little, and the outlook for further expansion over the next few months is not encouraging. The recent reaction, therefore, was the logical result.

Six of the industrials comprising the Bureau of Business Research index advanced, and one declined, resulting in an advance of 12 points in the index or from 267 in March to 279 in April. This is a new high record for this index. The rail index advanced also, but the gain was smaller. Four of the issues in this index were considerably higher, and 5 were slightly lower, resulting in

a gain of 5 points. The index averaged 206 in April, against 201 in March and 209 in April last year.

It is interesting to note that the industrial index is 8 points above the high of 1929, whereas the rail index is still 33 points below the peak reached in August last year. The industrial index has advanced 52 points since the break last fall, while the rail index has recovered but 11 points.

In constructing this index of rail and industrial stock prices, the Bureau of Business Research aimed to select companies which are representative of conditions in Texas and other Southern States and at the same time listed on the New York Stock Exchange where quotations are available for a number of years back. The average weekly high for the years 1923-24-25 is the base equal to 100. Included in the industrial stock index are Coca Cola, Freeport-Texas, Gulf States Steel, Tennessee Copper and Chemical, Texas Company, Texas Pacific Coal and Oil, and Texas Gulf Sulphur. The railroads used in the index are the Atchison, Topeka & Santa Fe; Chicago, Rock Island & Pacific; Gulf, Mobile & Northern; Missouri, Kansas & Texas; Missouri Pacific; New Orleans, Texas & Mexico; St. Louis & Southwestern; Southern Pacific; and Texas Pacific.

INDEX OF INDUSTRIAL STOCKS

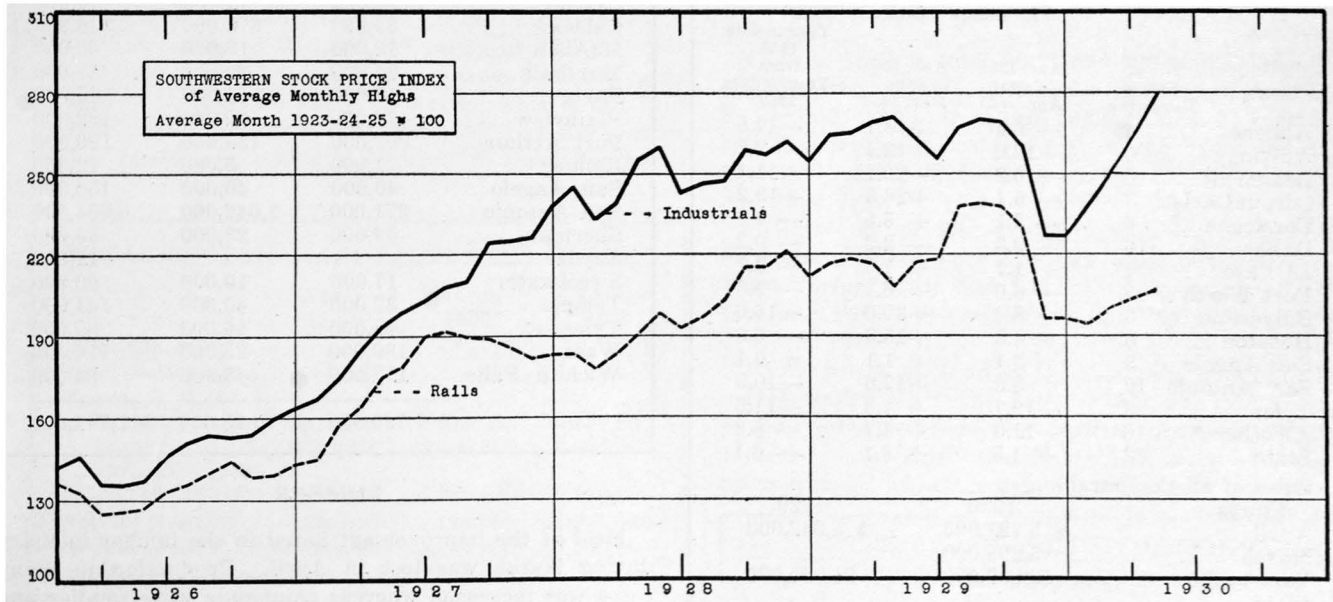
Average High 1923-24-25=100

	1930	1929	1928	1927	1926
January	237	264	245	167	142
February	251	265	233	174	146
March	267	269	239	184	136
April	279	271	255	194	135
May		263	260	199	137
June		256	243	203	146
July		267	246	208	151
August		270	247	210	154
September		269	259	224	153
October		261	257	225	154
November		227	262	226	159
December		227	255	238	164

INDEX OF RAILROAD STOCKS

Average High 1923-24-25=100

	1930	1929	1928	1927	1926
January	195	216	183	145	136
February	199	218	178	157	133
March	201	216	183	164	125
April	206	209	191	175	126
May		217	199	179	127
June		218	193	190	133
July		238	197	192	136
August		239	203	190	140
September		238	215	189	144
October		230	215	186	138
November		197	221	182	139
December		197	212	183	143



COMMERCIAL FAILURES

A rather large gain was recorded in the number of business failures in Texas during April. The increase is rather significant because it came at a time when a normal seasonal decline is to be expected. The upward trend is in sympathy with a similar movement for the entire United States.

During April, 52 failures with liabilities of \$1,795,000 were reported in the State. This is the largest number of defaults in any April since 1926 while liabilities are the highest since 1923. Last year in April, 37 bankruptcies having liabilities of \$414,000 were recorded. Moreover, failing companies were larger again, liabilities per insolvency averaging \$34,500 against \$14,000 in

March and \$11,200 in April, 1929. The fact that larger companies are failing is an unfavorable development.

Two bank failures occurred in April, making 5 so far this year. There were but 2 banks closed in the State in the first four months of 1929.

COMMERCIAL FAILURES*

	April 1930	March 1930	April 1929
Number	52	48	37
Liabilities	\$1,795,000	\$669,000	\$414,000
Assets	905,000	318,000	254,000
Bank Failures:			
Number	2	1	none
Liabilities	\$8,433,000		

*From R. G. Dun & Co.

DEPARTMENT STORE SALES

Trade at retail improved somewhat in April due to Easter buying, but the volume of wholesale business has not made the gains that were hoped for. Sales of 83 department stores located in 24 cities of the State were \$5,727,000 in April against \$5,642,000 in April, 1929, a gain of 1.5%. The increase over March amounted to 8.1%. In the first third of the year, sales are 6.1% under the volume reported in the same period last year.

Retail trade for the entire United States in April was 8% above that in April, 1929, according to the Federal Reserve System. All of the districts except two reported gains ranging from 1% to 12%.

APRIL TENDENCIES IN TEXAS DEPARTMENT STORE SALES

	No. of Stores Reporting	Percentage Change in Sales		
		Apr. 1930 from Apr. 1929	Apr. 1930 from Mar. 1930	Year to date 1930 from Year to date 1929
Abilene	4	- 5.4	+18.1	-17.5
Austin	6	+12.0	+13.4	- 2.5
Beaumont	6	- 0.2	+20.1	-11.1
Corpus Christi	3	- 5.1	+26.5	-13.2
Corsicana	3	- 2.1	+ 5.5	- 7.8
Dallas	6	+ 9.3	- 2.2	- 0.2
El Paso	4	+ 1.7	+ 7.3	- 3.7
Fort Worth	8	- 8.0	+ 6.1	- 9.3
Galveston	3	- 8.4	+39.0	-16.6
Houston	8	+ 4.3	+15.3	- 6.0
San Angelo	3	+ 3.1	+ 1.1	+ 0.1
San Antonio	10	+ 3.3	+17.6	-10.5
Tyler	3	-12.7	+ 4.3	-11.6
All others*	16	-11.0	+ 4.7	- 6.3
State	83	+ 1.5	+ 8.1	- 6.1

Sales of 83 Comparable
Stores:

	1930	1929
April	\$ 5,727,000	\$ 5,642,000
March	5,296,000	
Year-to-date	19,802,000	21,090,000

*All others includes Amarillo, Cleburne, Del Rio, Denison, Marshall, Paris, Temple, Texarkana, Waco, and Wichita Falls.

BUILDING

Very little change was noted in the building industry in Texas during April. Permits were slightly under those in March and considerably below the amount reported in April, 1929. However, permits in April last

year were unusually high due to several large projects in Houston and San Antonio. Comparison for the rest of the State is more favorable.

Building permits in 35 cities of the State totaled \$7,795,000 in April against \$7,915,000 in March and \$21,744,000 in April, 1929. Losses occurred in 25 cities, while gains were reported in but 10. The industry is expected to show a slow irregular recovery over the next few months.

Construction and engineering projects let in the State in April amounted to \$23,000,000, according to the F. W. Dodge Corporation, a gain of 5% over March and 21% over April, 1929. Contemplated work totaled \$26,000,000, a considerable drop from last month.

BUILDING PERMITS

	April 1930	March 1930	April 1929
Abilene	\$ 37,000	\$ 59,000	\$ 157,000
Amarillo	286,000	204,000	156,000
Austin	168,000	592,000	338,000
Beaumont	144,000	243,000	324,000
Brownsville	23,000	25,000	45,000
Brownwood	55,000	42,000	163,000
Cleburne	249,000	10,000	47,000
Corpus Christi	55,000	210,000	171,000
Corsicana	23,000	30,000	114,000
Dallas	270,000	796,000	1,294,000
Del Rio	76,000	12,000	205,000
Denison	5,000	8,000	4,000
Eastland	15,000	3,000	13,000
El Paso	525,000	320,000	120,000
Fort Worth	845,000	1,183,000	1,065,000
Galveston	86,000	134,000	166,000
Houston	2,801,000	1,334,000	8,456,000
Jacksonville	27,000	32,000	29,000
Laredo	18,000	11,000	14,000
Lubbock	89,000	678,000	936,000
McAllen	18,000	16,000	65,000
Marshall	24,000	20,000	33,000
Paris	18,000	11,000	45,000
Plainview	132,000	30,000	192,000
Port Arthur	902,000	154,000	196,000
Ranger	1,000	5,000	12,000
San Angelo	40,000	40,000	156,000
San Antonio	371,000	1,046,000	6,604,000
Sherman	69,000	23,000	30,000
Snyder			11,000
Sweetwater	17,000	10,000	90,000
Temple	32,000	40,000	144,000
Tyler	68,000	56,000	89,000
Waco	189,000	95,000	176,000
Wichita Falls	117,000	443,000	84,000
Total	\$ 7,795,000	\$ 7,915,000	\$21,744,000

LUMBER

Most of the improvement noted in the lumber industry during March was lost in April. Production in many cases was increased whereas shipments were smaller and stocks made further gains. Spring demand for lumber has not developed. Moreover, markets for most grades of lumber were poor with a tendency towards lower prices.

In the four-week period ending April 19, 34 Texas mills reporting to the Southern Pine Association produced 56,450,000 feet of lumber against 56,159,000 feet by 35 mills in the previous four weeks. Output averaged

1,660,000 feet, a gain of 3.4%, while shipments declined 6.3% and averaged 1,545,000 feet per mill. Stocks increased 4% or from an average of 5,735,000 feet in March to 5,956,000 feet in April and unfilled orders decreased sharply to an average of 940,000 feet. Bookings have been on the downward trend since February.

As a result, stocks were reduced slightly for the first time since June last year.

In April, Texas mills turned out 757,000 barrels compared to 694,000 barrels in March and 622,000 barrels in April, 1929. Shipments increased from 627,000 barrels in March to 775,000 barrels in April and compare with loadings of 625,000 barrels in April, 1929. Stocks on May 1 were 825,000 barrels, a reduction of 20,000 barrels from last month but nearly double the amount reported on May 1 a year ago.

Prices remained unchanged. The basic price on April 1, delivered f.o.b cars on the job was \$2.20* a barrel in Dallas and \$2.30* a barrel in Houston. Ten cents a barrel is allowed for cash and 40c for cloth sacks were returnable.

*Prices quoted through the courtesy of the Lone Star Cement Company Texas.

THE LUMBER SITUATION*
(In Thousands of Feet)

	Four Weeks		Per cent change from March 1930
	April 1930	March 1930	
Preliminary report of 146 mills in the Southwest—	142 Mills		
Av. production	1,513	1,504	+ .6
Av. shipments	1,379	1,412	— 2.4
Av. unfilled orders ..	1,072	1,165	— 8.0
Final report of 34 Texas mills—	35 Mills		
Av. production	1,660	1,605	+ 3.4
Av. shipments	1,545	1,649	— 6.3
Av. stocks	5,956	5,735	+ 4.0
Av. unfilled orders ..	940	1,154	—18.6

*From the Southern Pine Association.

THE CEMENT SITUATION*
(In Thousands of Barrels)

	April 1930	March 1930	April 1929
Production	757	694	622
Shipments	775	627	625
Stocks	825	845	443

*From the United States Department of Commerce.

COTTON MANUFACTURING

Textile mills are operating on a curtailed basis. A number of mills were working on a half-time schedule while others were on only five days a week. Four plants, however, maintained full-time schedules.

During April, 21 Texas mills consumed 5,889 bales of cotton and turned out 5,216,000 yards of cloth, whereas the same mills used 9,015 bales of cotton and produced 6,732,000 yards of cloth in April, 1929. Cloth sales for the month amounted to 4,580,000 yards, or 87.5 per cent of production. Unfilled orders gained from 6,688,000 yards in March to 6,800,000 yards in April. This is the first gain in unfilled orders in almost a year. At the present rate of production, bookings are equal to about five weeks run.

PETROLEUM

Production of crude petroleum declined again in Texas, indicating that the curtailment program adopted some time ago is having some effect. Output in the United States, however, made a gain over the month, showing that overproduction continues to threaten the industry.

During April, a total of 25,350,000 barrels was gathered in Texas against 26,381,000 barrels in March and 24,180,000 barrels in April, 1929. Daily flow averaged 845,000 barrels, a loss of 6,000 barrels from the month previous but considerably above the 806,000 barrels in April last year.

Field work was also a little less active in April than in March. There were 531 new wells completed in the State during April and 283 of them struck oil. This compares with 478 completions and 239 successful wells in April, 1929.

Crude prices were advanced about the middle of April in practically all Texas fields. This was the most important advance since the drastic cuts put into effect several months ago. Gasoline prices were also marked up as a result of better demand and firmer markets.

TEXAS COTTON MANUFACTURERS REPORT

	April 1930	March 1930	April 1929
Mills reporting ..	21	21	21
Bales cotton used ..	5,889	6,073	9,015
Yards of cloth—			
Produced	5,216,000	5,379,000	6,732,000
Sales	4,580,000	4,504,000	4,886,000
Unfilled orders (end of period)	6,800,000	6,688,000	17,119,000
Active spindles ..	174,000	173,000	205,000
Spindle hours ..	43,000,000	45,000,000	60,000,000

CEMENT

Cement production in Texas reflects further expansion. Normally, output should increase about ½% from March to April, whereas this year the gain between the two months was nearly 9%. Production in the entire United States was 1.7% under that in April, 1929. It should be noted, however, that shipments made the unusually large increase of 19% over loadings in March.

THE PETROLEUM SITUATION*
(Production in Thousands of Barrels)

	April 1930	March 1930	April 1929
Production—			
Total	25,350	26,381	24,180
Daily average	845	851	806
Wells completed	531	544	478
Producers	283	284	239

*From the Oil Weekly.

COTTON

Weather conditions during April were generally favorable to the growing cotton crop. Some sections of the State were suffering for lack of moisture up until the latter part of the month when beneficial rains broke the drouth. Since that time, additional moisture has fallen and complaints are heard of soils being too wet. In a few areas, fields are getting weedy. A large percentage of the chopping has already been completed.

During April, 533,000 bales were used in the United States compared with 509,000 bales in March and 632,000 bales in April last year. Prices moved within rather narrow limits over the month with a slightly higher tendency for the near future months and no change for the new crop months. July New York futures closed on May 15 at 16.26c against 15.86c a month earlier.

SPINNERS MARGIN

After remaining unchanged for two months, spinners margin declined six points in April. Yarn markets the past 12 or 15 months have been unsettled and weak. The situation over the past year has been unusual in that every time cotton declined in price, yarn showed a corresponding decrease; but on almost every recovery, cotton gained much more than yarn. As a result, spinners have been operating at a disadvantage. The decline in the spinners ratio is a bearish market factor as far as cotton is concerned.

American middling cotton in Liverpool averaged 8.68d and 32-twist cotton yarn averaged 12.85d in April com-

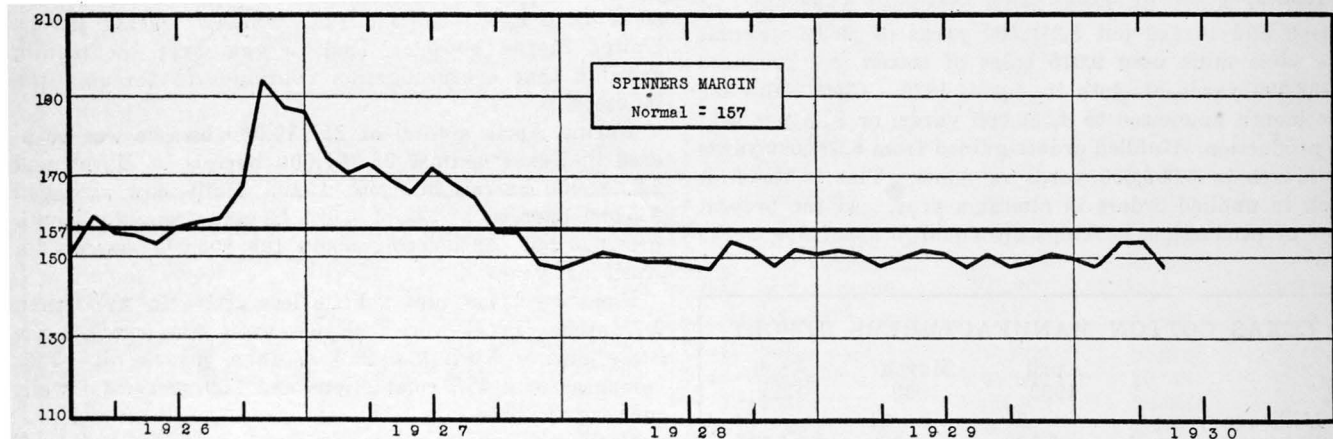
pared with 8.24d for cotton and 12.66d for yarn in March. Cotton advanced relatively more than yarn resulting in a drop in the spinners margin from 154 in March to 148 in April. This brings the ratio to the low level of last January, or about 9 points under normal. The decline was accompanied by a further weakening in textile mill shares.

Spinners Margin refers to the ratio between the price of American 32-twist cotton yarn in Manchester and the Liverpool price of middling American cotton. Normally, the price of 32-twist should be 60 per cent above the spot price of American middling cotton. If prices change so that the ratio increases, the spinners margin of profit is increased and thereby the demand for cotton is strengthened. On the other hand, when the ratio decreases, the spinners margin is also relatively decreased, and then the demand for cotton falls.

SPINNERS MARGIN

	1930	1929	1928	1927	1926
January	148	152	149	174	150
February	154	151	151	179	160
March	154	148	150	173	156
April	148	150	149	168	155
May	---	152	149	165	153
June	---	151	148	172	157
July	---	148	147	167	158
August	---	151	154	164	160
September	---	148	152	156	166
October	---	149	148	156	194
November	---	151	152	148	187
December	---	150	151	147	186

Normal = 157.



COTTON BALANCE SHEET

On May 1, the indicated supply of cotton in the United States was 6,463,000* bales compared with 4,846,000 bales on May 1, 1929 and a seven-year average on that date of 5,220,000 bales. This is the largest indicated supply on May 1 since the 1926-1927 cotton year. During April, 533,000 bales were used in the United States and 350,000 bales were exported, making a total reduction of 883,000 bales. Last year in April, disappearance amounted to 1,086,000 bales. The carryover on August 1 is likely to show a material increase this year, since total disappearance for the first nine months of the

*This balance is obtained by adding the sum of the Census carryover on August 1 and the imports since that time to the latest estimate of the United States Department of Agriculture, and subtracting the exports plus consumption. Linters are not included.

season is more than 1,500,000 bales under that of the year previous.

The indicated supply of cotton in the United States on May 1 was 1,617,000 bales larger than that on May 1 a year earlier. Changes in the supply on May 1 in the past seven years have amounted to 7,915,000 bales, while corresponding price changes have totaled 3,501 points, or a change of 44.2 points for each change of 100,000 bales in the supply. At the same ratio, with a change of 1,617,000 bales in the supply, there should be a decline of 712 points from last year's price. On this basis, New Orleans spots should be about 12.00c. This price is not corrected for the low spinners margin, and changes in the general price level. On a replacement basis and allowing for the lower general price level, New Orleans spots based on United States supplies alone

should be about 10.37c. However, last year's actual price was 3c a pound under our calculated price. When the 3c is added, the New Orleans spot price relative to United States supplies should be about 13.37c.

European stocks of American cotton are smaller this year so that the price should be somewhat higher. On May 1, stocks in and cotton afloat to Europe were 1,453,000 bales against 1,831,000 bales on the same date of 1929, a reduction of 378,000 bales. Applying the ratio of 44.2 points and allowing for price changes and low spinners margin, New Orleans spots on a world basis should be 14.79c, or about ¼c under present quotations (May 15).

April statistics released by the Cotton Textile Merchants of New York City were moderately bearish. Production totaled 257,000,000 yards, and sales were 223,000,000 yards, or only 86.8% of output. Shipments were 98.5% of production while stocks gained .9% and totaled 445,000,000 yards on May 1. Unfilled orders fell from 387,000,000 yards on April 1 to 357,000,000 yards on May 1, a decline of 7.8%.

Note: The reader is warned that because of certain cornering operations in the near months in American cotton futures markets, the whole cotton market structure has been thrown out of balance, and that real cotton values (not near month futures) are probably greater than those calculated on the usual supply and demand indices. For example, stocks of cotton in America are abnormally high because anything approximating what is known as contract cotton (cotton of a deliverable grade and ⅝-inch staple) is worth more to deliver on May and July contracts in American futures markets than it is to spin in any country. The cotton has stayed here and will continue to stay here as long as the squeeze is continued. These uneconomic premiums on near month futures have lowered the spinners margin on most types of cotton to a point where the mills must be operated at a loss if at all. On the other hand, the calculations based on world figures are more nearly correct.

These figures do not take the influence of the new crop into account because there are no official figures upon which to base calculations.

COTTON BALANCE SHEET AS OF MAY 1 IN THE UNITED STATES

(In Thousands of Running Bales)

Year	Carry-over August 1	Imports since August 1	Final Ginnings*	Total	Consumption since August 1	Exports since August 1	Total	Balance
1923-1924	2,325	257	10,128	12,710	4,570	4,927	9,497	3,213
1924-1925	1,556	270	13,628	15,454	4,683	7,286	11,969	3,485
1925-1926	1,610	276	16,104	17,990	4,954	6,946	11,900	6,090
1926-1927	3,543	310	17,911	21,764	5,338	9,575	14,913	6,851
1927-1928	3,762	278	12,950	16,990	5,306	6,101	11,407	5,583
1928-1929	2,532	368	14,450	17,350	5,314	7,190	12,504	4,846
1929-1930	2,313	306	14,821	17,440	4,857	6,120	10,977	6,463

The cotton year begins on August 1.

Imports in 500-pound bales.

FRUIT AND VEGETABLE SHIPMENTS

An unusually large gain is reflected in the volume of truck crops moved from Texas farms in April. While a normal seasonal increase of about 10% in the number of cars shipped from March to April is to be expected, the gain this year of 44% between the two months is by far the largest on record. Shipments, however, are considerably under those in April last year. During the month, 8,178 cars of fruits and vegetables were loaded in the State against 5,712 cars in March and 9,689 cars in April, 1929.

Shipments of onions accounted for a large part of the total, with loadings of 2,305 cars. Last year in April, 3,921 cars of onions were loaded. Potatoes were in second place with 1,789 cars, and mixed vegetables came third with shipments of 1,605 cars. A total of 502 cars of spinach went out, whereas there were but 139 cars in April, 1929, and 401 cars of string beans were shipped against 236 cars in April last year. On the other hand, shipments of cabbage, strawberries, cucumbers, and carrots were smaller. No grapefruit was loaded in April, whereas 60 cars were shipped in that month a year ago. New tomatoes and cucumbers moved in carlots for the first time this season.

Price movements were mixed, although declines were more common than advances. Cabbage, green peas, onions, spinach, string beans, and cucumbers all declined

in price, while celery, tomatoes, beets and peppers were slightly higher.

TEXAS FRUIT AND VEGETABLE SHIPMENTS*

(In carloads)

	April 1930	March 1930	April 1929
Mixed vegetables	1,605	1,668	1,584
Spinach	502	1,876	139
Cabbage	815	1,367	1,302
Sweet potatoes	10	66	45
Strawberries	90	1	226
Onions	2,305	4	3,921
Lettuce	1	23	—
Tomatoes	4	—	20
Oranges	—	4	—
Potatoes	1,789	47	1,179
String Beans	401	74	236
Cucumbers	83	—	134
Carrots	573	586	843
Grapefruit	—	—	60
Total	8,178	5,712	9,689

*From U. S. Department of Agriculture.

AGRICULTURE

Agriculture continues depressed. The downward trend of farm prices has not been checked, although it is reassuring to note that the rate of decline has been

somewhat less in recent weeks. In fact, prices appear to be stabilized in a few isolated cases. Farm commodities are moving into consumptive channels in fairly large amounts but world supplies of most agricultural products are above present needs so that prices are depressed.

The weather was generally favorable during April, and farm work made good progress. Most of the cotton has been planted, and the crop is up to an excellent stand. Chopping is fairly well completed in early planted fields. Some areas of the State were getting dry, but recent rains have relieved the situation and a spell of warm, clear weather would greatly benefit the growing crops.

Winter wheat deteriorated during the month due to drouth. As a result, the yield is expected to be under last year's harvest. The oat and potato crops look promising, but the peach crop is likely to be poor. Fruit and vegetable shipments are increasing.

LIVESTOCK

The livestock industry made very little change during the month. Prices fluctuated within very narrow limits, but it is reassuring to note that the downward trend has been checked temporarily at least. Moreover, the drouth, which had become serious in several districts of the State, was broken by general soaking rains. As a result, ranges were greatly improved, and animals are doing much better than they were a few weeks ago.

Due to the fact that the rains came late in April and during the first part of May, the range condition figure does not reflect the improvement. Cattle ranges on May 1 were rated at 77% of normal by the United States Department of Agriculture, a gain of 1 point from the month previous, but 13 points below the conditions last year on May 1. Since the drouth was broken, grass and weeds have grown rapidly so that pastures are likely to be good for some time to come. Cattle gained 3 points and were placed at 79% against 88% on May 1, 1929. After the rains, animals that had been on feed for several months were turned into pastures for the first time this year, and since the change they are doing much better. Loss of mature animals has been rather light but mortality among young calves is reported heavy in the dryer areas.

Sheep and goat ranges were placed at 69% compared with 72% on April 1 and 88% on May 1 last year.

Weeds and brush scarcely grew at all early in the month so that sheep and goats fared very poorly, but in recent weeks they have improved rapidly. Sheep were rated at 75%, a loss of 1 point in the month, and 15 points under their condition on May 1, a year ago. Goats remained unchanged at 77%. Last year on May 1, they were placed at 93%. Losses of lambs and kids have been rather large this year. Shearing of sheep is almost finished. Wool sales have been limited this spring, but the clips which have been sold went at 19c to 21c a pound. These prices are the lowest in a good many years.

No unusual changes were noted in the poultry and dairy industries. Markets were steady and prices in some cases advanced. This was contrary to expectations, since production was rather heavy and stocks in storage continue large. However, lower prices have stimulated consumption of butter, and it looks as though stocks may decrease from now on. Eggs and frozen poultry in storage increased again last month.

Livestock receipts at Fort Worth increased seasonally in April but were far under shipments in April, 1929. During the month, 149,700 animals were unloaded at this market, according to the Fort Worth Stock Yards Company, a decline of 43% from receipts in April last year.

Prices averaged a little higher in April than in March. Prime beef steers at Fort Worth for the week ending April 11 were bringing 10c against 9½c a month earlier and best calves went at 10c, a gain of ½c in the 30-days. The handy-weight class of hogs remained about unchanged at 9½c. Top lambs advanced ½c and cleared at 9c to 10c, while best muttons brought 6½c, up ½c for the month.

LIVESTOCK RECEIPTS AT FORT WORTH*

	April 1930	March 1930	April 1929
Cattle	54,034	46,473	97,067
Calves	16,948	12,683	19,809
Hogs	37,559	33,622	54,931
Sheep	41,159	42,495	93,861
Total	149,700	135,273	265,668

*From the Fort Worth Stock Yards Company.

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