

TEXAS BUSINESS REVIEW

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

Bureau of Business Research
The University of Texas

VOLUME V, NUMBER 6

July 25, 1931

THE Central European financial situation has for several weeks completely overshadowed domestic developments. It is now apparent that the Hoover debt moratorium proposal for the rehabilitation of the financial system of Germany was but a palliative and not a cure for the deeper economic ills of the world. However, the moratorium will have warranted the enthusiasm with which it was received throughout the world if future events show that it was the prelude to the regeneration of European economics and politics and the forerunner of more thoughtful participation on the part of the United States in international economic affairs. The buoyant response of the stock and commodity markets to Mr. Hoover's announcement indicates the close inter-relationship among modern nations and suggests the impetus which will be given American business once the international situation gives definite promise of sustained improvement.

In spite of the complicated international situation it is probable that business in this country is making a better showing than is indicated by the business barometers generally used. Business barometers are usually developed from such series of data as freight car-loadings, percentage of steel mill capacity operated, volume of bank debits, and amount of electric power produced. Although all of these commonly-used indicators of business have shown quite unfavorable comparisons with a year ago, during most of 1931 to date a number of important industries have actually been more active than in 1930. For example, the *Journal of Commerce* says wool consumption and silk deliveries to mills have increased 13 per cent and 40 per cent respectively, and during the past three months, shoe production has been substantially larger than in the corresponding months a year ago. Tire shipments and gasoline consumption have shown similar upward trends in recent months. Cigarette sales have been somewhat larger this year,

while sales of electric refrigerators have shown enormous increases.

In Texas the huge current production of such basic commodities as petroleum, wheat, and livestock is largely neutralized by the abnormally low prices for these products, thus greatly reducing the buying power of these commodities. This situation in turn is reflected in a relatively low rate of business activity.

Retail department store sales in Texas during June declined 16 per cent from May levels, whereas the three-year-average decline is only 13 per cent. Total dollar value of sales during the first six months of the year was 11 per cent less than for the corresponding period of 1930, but this fact should be considered in relation to an estimated decline in retail prices of 18 to 20 per cent.

Most of the monthly indices of wholesale prices showed further declines during June, the United States Bureau of Labor Statistics index dropping 1.3 points to 70, which was 19 per cent below the figure for the corresponding month last year.

Compared with June, 1930, Texas registered substantial declines in bank debits to individual accounts, employment, building permits, cement production, cotton manufacturing, registrations of new automobiles, and carloadings.

The number of charters granted to new Texas corporations during the first half of 1931 was approximately the same as during the corresponding period in 1930, but the capitalization of the 1931 charters represented an increase in capital of 83 per cent over that of a year ago.

Daily average production of petroleum in Texas during the first half of 1931 represented a decrease of 3 per cent from that of 1930, while in the United States the decrease was 12 per cent. Each of the seven sections of Texas showed a decline as compared with 1930

except East Central Texas, where production during the first half of the present year was approximately seven times that of the corresponding period last year.

A substantial decline in Texas cotton acreage and a corresponding increase in acreage devoted to food and feed crops is indicated by recent reports of the United States Department of Agriculture.

Forwardings of livestock from Texas were somewhat less during the first six months of 1931 than in the corresponding period last year, shipments of sheep being the notable exception to the general decline. Total shipments of all classes of livestock during June were 34 per cent greater than in June of last year. Shipments of fruits and vegetables during the first half of the year also exceeded those of the corresponding period last year by 27 per cent, but June movements were less than those of May.

Cotton manufacturing in June was at a lower rate than in May. However, sales during June amounted to 137 per cent of production. Spinners margin reached 178 in June, the highest for any month since February, 1927.

Commercial failures in Texas during the first half of 1931 totaled 447, an increase of 43 per cent over the number recorded during the corresponding period in 1930. Indebtedness of defaulting companies of \$8,855,000 was an increase of 25 per cent over the \$7,061,000 reported during the first half of 1930.

FINANCIAL

Although bank debits in Texas during June were 2.8 per cent less than in May, the amount of money on deposit to individual accounts declined less than 1 per cent. Compared to June of last year, debits were off 22 per cent and deposits only 3 per cent. Debits increased during June as compared to May last year.

Significant items in the statement of reporting member banks to the Federal Reserve Board were as follows:

(In Millions of Dollars)

	June, 1931	May, 1931	June, 1930
Debits	\$ 576	\$ 593	\$ 734
Deposits (Total)	412	416	425
Time	148	147	151
Demand	264	269	274
Borrowings from Federal Reserve.....	1	1	2
Loans (Total)	299	301	330
On Securities	94	92	102
All Other	205	209	228
Government Securities Owned	79	71	69

DEPARTMENT STORE SALES

Sales of retail department stores in Texas during June declined 16 per cent from May levels, leaving total dollar value of sales during the first six months of the year 11 per cent less than during the corresponding period of 1930. If estimates frequently made in trade

circles that retail prices have declined 18 to 20 per cent are correct, the actual volume of goods handled by the stores included in this list was greater during the first half of the current year than during the corresponding period of 1930.

The decline from May to June of 16 per cent compares with a three-year-average decline of 13 per cent during this period in Texas.

Preliminary figures on dollar value of department store sales in the entire United States released by the Federal Reserve Board show a decline of 6 per cent from May to June. While this national decline was smaller than the decrease in Texas, it was greater than the usual seasonal shrinkage.

Percentage changes in department store sales in Texas cities as reported to the Bureau of Business Research were as follows:

TEXAS DEPARTMENT STORE SALES

	Number of Stores Report- ing	Percentage Change in Sales		
		June, 1931 from June, 1930	June, 1931 from May, 1931	Year-to-date 1931 from Year-to-date 1930
Abilene	3	-26.1	-19.6	-18.6
Austin	6	-17.4	-20.4	-10.9
Beaumont	5	-27.5	-19.6	-23.2
Corpus Christi	3	-0.7	-29.6	+ 7.5
Dallas	6	-11.7	-12.4	-14.5
El Paso	4	-33.2	-30.1	-16.6
Fort Worth	7	-1.1	-15.0	- 5.0
Galveston	4	+ 6.4	+ 4.8	- 5.4
Houston	8	- 9.1	-13.9	-11.0
Port Arthur	3	-13.8	-22.9	-12.3
San Angelo	3	-15.4	-23.4	-20.9
San Antonio	7	+ 0.1	-11.0	- 0.6
Tyler	3	+12.6	-21.2	- 9.7
Waco	3	- 1.8	-26.8	- 8.4
Yoakum	3	- 4.9	-19.5	-16.0
STATE	84	-11.3	-16.3	-11.2

Sales of 84 Comparable Stores:

	1931	1930
June	\$ 4,289,000	\$ 4,836,000
May	5,127,000	
Year-to-date	27,110,000	30,528,000

COMMODITY PRICES

Commodity prices declined during June by 1.8 per cent as indicated by the Bureau of Labor Statistics Index, falling from 71.3 in May to 70.0 in June. At this level they were 19 per cent below the corresponding date of 1930.

Farm prices dropped even more sharply, with a decline from 86 to 80, or 7 per cent. The index of farm prices is calculated by the Bureau of Agricultural Economics on the basis of the average from 1910 to 1914 as equal to 100. Prices which farmers pay, calculated on the same basis, declined less than 1 per cent from 131 to 130. Prices which farmers receive were 35 per cent less and prices which they pay only 13 per cent less than in June of last year.

Monthly price indexes were as follows:

	June, 1931	May, 1931	June, 1930
Bureau of Labor Statistics.....	70.0	71.3	86.8
Dun's	\$146.60	\$145.90	\$171.60
Bradstreet's	\$ 8.78	\$ 8.64	\$ 10.56
Farm Price Index, Bureau of Agricultural Economics	80	86	123
Index of Prices Farmers Pay, Bureau of Agricultural Economics	130	131	149

CHARTERS

Though the number of 1,229 charters granted to Texas corporations during the first half of 1931 was approximately the same as the 1,231 granted during the corresponding period of 1930, capital represented by these charters amounted to \$58,669,000 this year, as against \$32,138,000 in 1930, an increase of 83 per cent. Permits to out-of-state corporations totaled 244 the first six months of 1931 compared to 207 during the corresponding period of 1930.

June records fell below the previous month in both number and total capitalization with 179 charters granted compared to 226 in May and a total capitalization of \$9,867,000 compared to \$17,417,000 in May. The June list included 18 corporations of \$100,000 or more capital stock and 36 of \$5,000 or less.

The total number for June was the smallest monthly figure in the current year and the smallest June figure in 10 years.

Increased activity in Texas oil fields was reflected in the number of charters granted to new oil companies. Of the total of 1,229 charters granted in the first half of the current year, 258 or 21 per cent were to companies directly engaged in some phase of the petroleum industry, while the total of 1,231 during the first half of 1930, 127 or 10 per cent were to companies engaged in the oil business.

Charters granted during June and comparable periods were as follows:

	June, 1931	May, 1931	June, 1930	Year-to-date 1931 1930	
Capitalization In Thousands of Dollars	\$ 9,867	\$14,417	\$ 5,124	\$58,669	\$32,138
Number	179	226	176	1,229	1,231
Classification of New Corporations:					
Oil	37	64	19	258	127
Public Service	4	9	1	23	20
Manufacturing	14	23	21	125	132
Banking- Finance	10	4	7	73	50
Real Estate and Building	13	14	18	93	94
General	101	112	116	657	811
Foreign Permits	33	41	37	244	207

COMMERCIAL FAILURES

June failures fell off sharply to 32 from 58 in May. This decline of 45 per cent in number compares with a usual seasonal decrease of 4.3 per cent. This sharp decline brought June failures 32 per cent below last year in number and 76 per cent lower in liabilities. June is the first month during the present year in which the number of defaults has fallen below those in the corresponding month of 1930, though total liabilities in April were slightly less than in April of the preceding year.

Commercial failures in Texas during June as reported by R. G. Dun & Co. were as follows:

	June, 1931	May, 1931	June, 1930	Year-to-date 1931 1930	
Number	32	58	47	447	312
Liabilities	\$364,000	\$1,610,000	\$1,509,000	\$8,855,000	\$7,061,000
Assets	\$232,000	\$ 896,000	\$ 362,000	\$4,436,000	\$3,363,000

Defaults in the entire United States during the first half of the year were the highest for any six months period on record. National totals as reported by Dun were 15,107 failures with liabilities of \$370,497,369 this year and 13,771 failures with liabilities of \$337,089,083 in 1930.

EMPLOYMENT

The number of employed workers in Texas during June declined 1.8 per cent as compared to May, and fell 17.4 per cent below the corresponding month of 1930. Average weekly wage per worker was \$26.32 compared to \$26.81 during May.

Increases in the number of workers from May to June were reported in auto and body works, pure food products, flour mills, ice factories, meat packing and slaughtering, men's clothing manufacturing, structural iron works, railroad car shops, electric railway car shops, saw mills, furniture manufacturing, paper box manufacturing, and quarrying. Cotton oil mills, women's clothing manufacturing and men's clothing manufacturing were the only lines which reported a greater number of workers on the payroll than in the corresponding month last year.

Employment by cities was as follows:

	Num- ber of Firms	Workers			Per Cent Change from from	
		June, 1931	May, 1931	June, 1930	May, 1931	June, 1930
Austin	31	757	789	819	- 4.1	- 7.6
Beaumont	38	5,489	5,496	6,376	- 0.1	-13.9
Dallas	128	14,217	14,715	16,365	- 3.4	-13.1
El Paso	53	2,771	2,986	3,794	- 4.0	-27.0
Fort Worth	51	6,315	6,276	6,886	+ 0.6	- 8.3
Galveston	22	806	765	833	+ 5.4	- 3.3
Houston	84	23,553	23,666	29,107	- 0.5	-19.1
San Antonio	79	8,172	8,264	9,184	- 1.1	-11.0
Waco	27	967	947	1,011	+ 2.1	- 4.4
Wichita Falls	39	1,089	1,260	1,456	-13.6	-25.2
Miscellaneous Towns	117	13,973	14,364	18,743	- 2.7	-25.4
State	669	78,109	79,528	94,574	- 1.8	-17.4

STOCKS

Although the June rally in the stock market carried prices of stocks included in the Bureau of Business Research list of industrials to an average for the month of 176, which was 1 point above May, rails continued to decline, falling from 111 in May to 106 in June. On this basis rails were at the lowest point since November, 1924, and industrials were at the lowest point since February, 1927.

INDEX OF INDUSTRIAL STOCKS

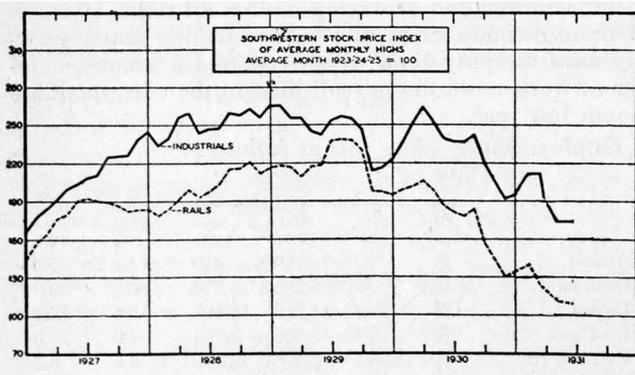
Average High 1923-24-25 = 100

	1931	1930	1929	1928	1927
January	195	225	264	245	167
February	211	236	265	233	174
March	211	252	255	239	184
April	191	264	256	255	194
May	175	254	245	260	199
June	176	239	242	243	203
July	.....	237	253	246	208
August	.....	236	256	247	210
September	.....	242	255	259	224
October	.....	220	247	257	225
November	.....	206	213	262	226
December	.....	192	217	255	238

INDEX OF RAILROAD STOCKS

Average High 1923-24-25 = 100

	1931	1930	1929	1928	1927
January	134	195	216	183	145
February	143	199	218	178	157
March	137	201	216	183	164
April	117	206	209	191	175
May	111	199	217	199	179
June	106	185	218	193	190
July	.....	180	238	197	192
August	.....	178	239	203	190
September	.....	184	238	215	189
October	.....	157	230	215	186
November	.....	144	197	221	182
December	.....	131	197	212	183



BUILDING

Building in Texas during the first half of 1931, as indicated by permits granted in 35 cities, represented a value of \$27,809,000 compared to \$39,307,000 during the first six months of the previous year. This decline

of 29 per cent was less than the decrease of 31 per cent reported by the F. W. Dodge Corporation in the value of new construction in the United States.

The decline from May to June in Texas of 27 per cent from \$5,386,000 to \$3,956,000 was slightly greater than the three-year average decreases during this period of 23 per cent. Compared to June, 1930, building was off 25 per cent in Texas and almost 45 per cent in the United States. National figures for June of last year were unusually high, however, pipe line and power plant construction contributing to a total which was well in excess of that for the corresponding month of 1929.

Permits granted in Texas by cities were as follows:

(In Thousands of Dollars)

	June, 1931	May, 1931	June, 1930	Year-to-date 1931	
Abilene	\$ 9	\$ 9	\$ 42	\$ 147	\$ 306
Amarillo	148	293	179	1,598	1,287
Austin	146	153	241	1,321	2,309
Beaumont	45	347	145	793	1,263
Brownsville	117	19	101	174	281
Brownwood	285	38	10	526	685
Cleburne	1	9	9	54	317
Corpus Christi	93	78	78	321	822
Corsicana	4	12	7	67	207
Dallas	339	349	665	4,608	3,426
Del Rio	29	57	188	118	312
Denison	1	4	7	22	45
Eastland	1	2	8	16	45
El Paso	74	97	179	692	1,838
Fort Worth	310	942	718	2,699	4,624
Galveston	879	186	109	1,658	760
Houston	1,055	777	1,281	6,710	8,859
Jacksonville	1	43	13	56	143
Laredo	1	11	7	40	108
Lubbock	4	7	105	232	1,241
McAllen	2	2	21	56	109
Marshall	13	14	17	98	103
Paris	6	6	12	167	86
Plainview	.....	20	27	8	264
Port Arthur	31	51	240	565	1,689
Ranger	.....	7	1	16	12
San Angelo	15	6	70	115	331
San Antonio	131	116	442	1,434	4,998
Sherman	5	3	6	133	162
Snyder	1	4	8	14	17
Sweetwater	84	2	12	119	216
Temple	28	33	85	297	344
Tyler	30	429	81	1,351	592
Waco	59	1,253	72	1,497	692
Wichita Falls	9	7	67	57	816
Total	\$3,956	\$5,386	\$5,254	\$27,809	\$39,307

CARLOADINGS

Railroad carloadings in the southwestern district of the American Railway Association during the first 26 weeks of 1931 totaled 1,595,394 cars compared to 1,884,702 cars during the first half of 1930. This decline of 15 per cent was less than the 18 per cent decline from 23,200,576 to 18,979,984 cars which occurred in the United States as a whole.

AUTOMOBILES

Registrations of new automobiles in nine Texas counties during the first half of 1931 amounted to 18,721 compared to 25,244 during the corresponding period of the preceding year.

Most of this total decrease of 26 per cent was in the low priced group, of which 12,995 cars were registered this year as compared to 17,642 in 1930. The highest percentage loss was in the price range just above the lowest, which showed a decrease of 44 per cent, but this group represented only 1,817 cars out of the total of 25,244 registered during the first half of last year.

June registrations for all makes of 3,269 cars represented a decrease of 20 per cent from the June, 1930, total of 4,061 cars.

Registrations by price groups were as follows:

	June, 1931	May, 1931	June, 1930	Year-to-date 1931 1930	
Group I	2,272	2,549	2,962	12,995	17,642
Group II	223	163	205	1,017	1,817
Group III	691	725	756	4,196	5,068
Group IV	83	85	138	513	717
Total	3,269	3,522	4,061	18,721	25,244

Registrations of 47 makes of cars in Bexar, Dallas, El Paso, Galveston, Harris, McClellan, Nueces, Tarrant, and Travis Counties are included in this summary. These makes have been grouped into four classes on a price and horse power basis: Group I includes cars in the lowest price range; Group II, light sixes; Group III, the medium priced cars; and Group IV, the high priced cars.

CEMENT

Both production and shipments of cement declined 15 per cent during the first half of 1931 as compared to the corresponding period of 1930, leaving stocks at the close of June 1.9 per cent smaller than on the corresponding date last year. Shipments of 3,018,000 barrels during the first six months of the year were slightly in excess of production, which totaled 2,916,000 barrels. In spite of the reduction in stocks indicated by this difference, total supplies on hand at the end of June were second only to the record stocks in June, 1930.

Both production and shipments increased during June contrary to a seasonal tendency to fall off. Production of 634,000 barrels as compared to 600,000 in May was an increase of 5.6 per cent, while the usual tendency is for a decline of 5 per cent. Shipments increased even more sharply from 620,000 barrels to 693,000. This increase of 12 per cent is in contrast to a usual decrease of 5.4 per cent.

Though the June increase in shipments was greater than the increase in production, total shipments during the month fell 18 per cent below the corresponding month of last year, while production was 14 per cent greater than in June, 1930.

Production in the entire United States up to July 1 represented 55 per cent of the total mill capacity com-

pared to 66 per cent during the corresponding period last year.

Cement statistics for Texas as reported by the Bureau of Mines were as follows:

(In Thousands of Barrels)					
	June, 1931	May, 1931	June, 1930	Year-to-date 1931 1930	
Production	634	600	558	2,916	3,442
Shipments	693	620	706	3,018	3,566
Stocks	675	734	688	675	688

LUMBER

Average production of 232,052 feet of lumber per unit in the southern pine area during June was off less than 1 per cent from May, but 29 per cent below June of last year. Shipments fell off 11 per cent from 284,575 feet per unit in May to 252,214 in June, but remained 20,000 feet above production. Shipments during June of last year were more than 35,000 feet below production. The decrease of 30 per cent in unfilled orders, as compared to June, 1930, however, more than offsets the comparatively favorable ratio of shipments to production, since combined shipments and unfilled orders of June of this year do not equal unfilled orders alone of June, 1930.

Lumber mill statistics per unit as reported by the Southern Pine Association are as follows:

(In Board Feet)			
	June, 1931	May, 1931	June, 1930
Production	232,052	233,058	324,953
Shipments	252,214	284,575	288,698
Unfilled Orders	658,580	689,593	939,130

PETROLEUM

Daily average production of 808,879 barrels of petroleum in Texas during the first half of 1931 represented a decrease of 3 per cent from the 834,210 average for the first six months of 1930. Daily average production in the entire United States declined 12 per cent during the same period. Imports were 15 per cent less than during the first half of 1930, amounting to 10.1 per cent of daily average production this year and 10.4 per cent last year.

Each of the seven sections of Texas showed a decline as compared to 1930 except East Central Texas, where production during the first half of the present year was approximately seven times that of the corresponding period last year. These figures include the East Texas area recently designated by the American Petroleum Institute as a separate section.

Production increased in all sections of the State except the Panhandle and Coastal divisions during June, but the increase in East Central Texas was the greatest

both in percentage and in actual amount. East Central Texas was the only section which did not show a decrease as compared to June of last year, but the increase of more than 900 per cent in what at that time was the least productive area was sufficient to make total output for the State during June of this year 14 per cent greater than during the corresponding month of 1930.

Trade reports during recent weeks have shown a substantial increase in consumption of gasoline. The Bureau of Mines report for May, the latest available, indicates that stocks on hand at the end of May represented a 37 days' supply as compared with a 39 days' supply the previous month and a 40 days' supply on the corresponding date of 1930. Retail sales of gasoline in Texas in May were 73,090,148 gallons compared to 66,549,579 in May and 67,857,122 in May, 1930.

Daily average production by sections as reported by the American Petroleum Institute was as follows:

	(Barrels)				
	June, 1931	May, 1931	June, 1930	Year-to-date	
				1931	1930
Panhandle ..	59,062	59,500	107,975	56,817	96,604
North Texas	57,462	56,700	81,838	58,399	81,553
West Central					
Texas	27,962	25,875	61,000	26,041	55,977
West Texas..	211,875	210,438	300,775	228,417	323,018
East Central					
Texas	412,237	350,162	40,275	216,174	30,318
Southwest					
Texas	59,012	60,050	75,575	68,337	68,962
Coastal					
Texas	145,437	155,387	185,100	154,694	177,778
State	973,047	918,112	852,538	808,879	834,210
United States ..	2,465,587	2,448,700	2,592,337	2,288,974	2,604,516
Imports	199,919	204,250	280,964	232,791	272,685

A sharp curtailment of drilling is indicated by a decline in permits for new wells from 737 in May to 421 in June. The number of new production oil wells brought in and their initial production was greater in June than in the preceding month, however. New development activities in Texas, as compiled from the *Oil Weekly*, are as follows:

	June, 1931	May, 1931	June, 1930	Year-to-date	
				1931	1930
Permits for New Wells	421	737	748	2,954	4,163
Wells Completed	541	509	596	2,437	3,052
Producers	428	374	320	1,540	1,964
Initial Production (Barrels)	734,239	618,597			

COTTON TEXTILE SITUATION

Cotton manufacturing in June was at a lower rate than in May. The yardage production figures of the Association of Cotton Textile Merchants of New York showed a weekly production of 52,033,000 yards, or a

total of 260,163,000 yards for five weeks, compared with an average of 55,160,000 yards per week in May, or a total of 275,801,000 yards. According to the same authority, sales during June amounted to 355,902,000 yards, or 137 per cent of production. Stocks on hand decreased 4.5 per cent from 301,943,000 yards, and unfilled orders increased 33 per cent from 248,544,000 yards. These figures are in line with the better spinners margin which prevailed during a considerable part of June.

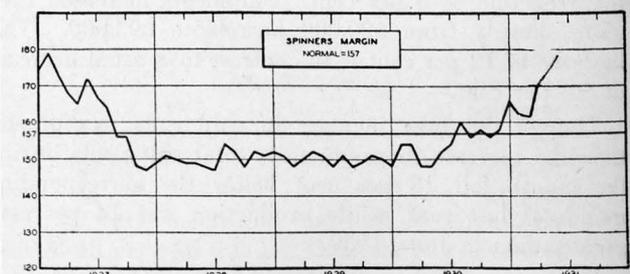
SPINNERS MARGIN

Spinners margin for June at 178 averaged the highest for any month since February, 1927. The price of cotton advanced from the low of 4.56 d on June 8 to a high of 5.53 d on June 27. On June 3, the spinners margin was 165, and advanced to 180 on June 22, even though cotton also advanced from 4.56 d to 5.22 d. Yarn was not able to follow the advance made by cotton as a result of President Hoover's intergovernmental debt moratorium proposal on June 27. Accordingly, cotton has declined to 4.79 d on July 18. Reactions of the spinners seem to indicate that with cotton prices around 5 d, it is necessary to have a margin of 165 or better.

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.

	1931	1930	1929	1928	1927
January	166	148	152	149	174
February	162	154	151	151	179
March	161	154	148	150	173
April	170	148	150	149	168
May	173	148	152	149	165
June	178	152	151	148	172
July		154	148	147	167
August		160	151	154	164
September		156	148	152	156
October		158	149	148	156
November		156	151	152	148
December		158	150	151	147

Normal = 157.



COTTON MANUFACTURING

Production of cotton goods in Texas during the first half of 1931 totaled 22,169,000 yards, a decrease of 29 per cent from the 31,153,000 yards produced during the corresponding period of 1930. Sales fell off only 23 per cent from 25,340,000 yards in 1930 to 19,587,000 yards in 1931, with unfilled orders at the close of the first six months 28 per cent greater this year than last.

Sales during June exceeded production for the first month this year, and were above the corresponding month of 1930 for the second successive month. Production was the smallest for any June since Bureau of Business Research records began in 1926, falling 14 per cent below June of last year. Sales exceeded those of June, 1930, by 26 per cent, reaching the highest figure since October, 1930.

Cotton mill activity during June was as follows:

	June, 1931	May, 1931	June, 1930	Year-to-date 1931	1930
Bales of Cotton Used	3,834	4,174	4,854	26,279	35,811
Yards of Cloth:					
Produced	3,513,000	3,573,000	4,089,000	22,169,000	31,153,000
Sold	4,020,000	3,045,000	3,186,000	19,587,000	25,340,000
Unfilled Orders	5,328,000	5,791,000	4,164,000		
Active Spindles	150,000	146,000	164,000		
Spindle Hours	29,763,600	28,574,000	35,475,000		

COTTON BALANCE SHEET

According to balance sheet calculations, the supply of cotton in the United States on July 1 was 7,061,000 bales, the greatest on record at this date except July 1, 1921, when the supply was 7,431,000 bales. The average supply on this date during the period 1923-30 was 3,429,000 bales. Reduction in the cotton supply in the United States in June amounted to 707,000 bales, compared with 786,000 bales in May, and 590,000 bales in June of last year.

As was expected, consumption in June exceeded consumption in June, 1930. This is the first month during the eleven months of this cotton year that consumption exceeded consumption in the corresponding month of last year. Total American consumption for the previous 11 months was 4,820,000 bales, compared with 5,727,000 bales for the same period last year, and a seven-year average of 6,046,000 bales. Exports to date have been 6,493,000 bales, or only 21,000 bales less than for the same period last year, and compare with an average for the corresponding period in the previous seven years of 7,577,000 bales.

On June 1, the supply of cotton in the United States was 2,063,000 bales more than on June 1, 1930. Changes in supply during the previous seven years on this date amounted to 6,258,000 bales, and the corresponding changes in the index price amounted to 2,614 points, or about 41 points to each change of 100,000 bales in supply. If this rate of change should apply now, the index price should be about 6.55 cents. As already pointed out, the supply-price curve for cotton is curvilinear, and supplies above the average cause less than average change in price, and supplies less than average cause more than average change in the price. During the past seven years, supplies more than average caused an average change in price of 18.7 points for each 100,000 bales. When this rate is applied to the very large supply this year, it indicates an index price of 11.15 cents. When this price is adjusted by the Bureau of Labor Statistics wholesale price index, it indicates an actual New Orleans spot price of 7.82 cents based on changes in supply and price level in this country. Calculations based on the relationship between percent-

COTTON BALANCE SHEET AS OF JULY 1 IN THE UNITED STATES

(In Thousands of Running Bales)

Year	Carry-over Aug. 1	Imports since Aug. 1*	Final Ginnings*	Total	Consumption since Aug. 1	Exports since Aug. 1	Total	Balance
1923-1924	2,325	286	10,171	12,782	5,334	5,452	10,786	1,996
1924-1925	1,556	303	13,639	15,498	5,709	7,811	13,520	1,978
1925-1926	1,610	313	16,123	18,046	5,994	7,696	13,690	4,356
1926-1927	3,543	370	17,755	21,668	6,620	10,555	17,175	4,493
1927-1928	3,762	320	12,783	16,865	6,394	7,208	13,602	3,263
1928-1929	2,536	436	14,297	17,269	6,544	7,806	14,350	2,919
1929-1930	2,313	374	14,548	17,239	5,727	6,514	12,241	4,998
1930-1931	4,530	88	13,756	18,374	4,820	6,493	11,313	7,061

*In 500-pound bales.

The cotton year begins on August 1.

age changes in supply and price in the balance sheet indicate a New Orleans spot price of 8.45 cents.

When this price is adjusted for demand through the favorable spinners margin of 178, the New Orleans calculated spot price based on the supply in the United States, the declining price level, and the spinners margin ranges between 8.86 cents and 9.57 cents.

European port stocks of American cotton and supplies afloat to Europe were 902,000 bales on June 26 compared with 660,000 bales on the same date last year. When the price is adjusted for this increase of 242,000 bales on the percentage change basis, it indicates a price of 9.20 cents, and if based on points change of supplies above the average, a price of 8.50 cents.

COTTON

Acreage in cotton on June 25 in the United States was 41,491,000, as estimated by the United States Department of Agriculture, or a reduction of 10 per cent. If we may judge by the market reaction, the acreage was slightly larger than was expected. The price of New York, December, declined from 9.95 cents to 9.55 cents on July 8, the time the report was issued.

The first official estimate of the crop is not due until August 8. In the meantime, private reports indicate the crop is still a few days late, that the plants are small but well rooted, and are fruiting satisfactorily. Weather, on the whole, is favorable, crops are clean, and insect damage to date less than average. Very few reliable reports are yet available concerning foreign cotton crops. In India, the monsoon rains are less than normal, though to July moisture was ample in most sections. Russia, according to the International Institute of Agriculture, has increased her acreage this year 61 per cent, or to 6,178,000 acres—8.7 per cent ahead of the five-year plan.

AGRICULTURE

A substantial decline in Texas cotton acreage and a corresponding increase in acreage devoted to food and feed crops are among the significant facts as of July 1 included in recent reports of the United States Bureau of Agricultural Economics. Although the average reduction in cotton acreage for the State was 8 per cent, the reduction varied considerably in the different districts. In West Central, Northwest, and Northern Texas, the estimated reduction is 11, 12, and 13 per cent respectively, and in Southeast and Central Texas, 0 and 2 per cent respectively. In the remaining districts estimated reductions are about equal to the State average.

Estimated acreages and condition of important crops as of July 1 are given by the United States Bureau of Agricultural Economics as follows:

JULY 1 CROP REPORT

TEXAS

	Acreage (In Thousands)		Condition, July 1 Per Cent	
	Revised 1930	1931	10-Yr. Av. 1920-29	1931
Cotton	17,528	16,126	—	—
Corn	4,687	5,343	76.	72.
Wheat	3,058	3,670	12.2*	16.0*
Oats	1,455	1,819	25.8*	42.0*
Barley	193	232	21.9*	29.5*
Sweet Sorghum, sirup	11	13	79.	71.
All Tame Hay	507	553	81.†	75.
Wild Hay	204	204	80.‡	69.
Cowpeas, alone	148	192	80.‡	80.
Irish Potatoes	57	67	72.	76.
Sweet Potatoes	51	69	81.	68.
Rice	186	197	89.§	82.
Peanuts	158	161	80.	76.
Apples, total	—	—	53.	42.
Peaches, total	—	—	48.	43.
Pears, total	—	—	55.	40.

UNITED STATES

	Acreage (In Thousands)		Condition, July 1 Per Cent	
	Revised 1930	1931	10-Yr. Av. 1920-29	1931
Cotton	46,078	41,491	—	—
Corn	101,413	105,557	80.8	83.7
Winter Wheat	39,514	40,692	14.9*	17.5*
Durum Wheat	4,763	3,543	12.4*	9.1*
Other Spring Wheat	16,243	13,434	12.8||	9.2||
Oats	40,125	41,248	31.1*	31.7*
Barley	12,901	12,771	25.2*	20.9*
Sweet Sorghum, sirup	201	273	79.1§	75.3
All Tame Hay	54,080	54,591	79.9§	73.6
Wild Hay	13,810	13,283	78.5§	61.0
Cowpeas, alone	1,450	1,883	76.1§	75.3
Irish Potatoes	3,167	3,506	85.1	83.5
Sweet Potatoes	722	871	81.5	68.1
Rice|| .....	959	958	87.9	84.1
Peanuts	1,391	1,683	80.9	70.8
Apples, total	—	—	59.6	69.5
Peaches, total	—	—	61.3	76.3
Pears, total	—	—	60.9	60.2

Total production is in bushels excepting Tame and Wild Hay, which are in tons, Grain Sorghum in gallons and Cotton in bales.

*Yield; †7-Year Average; ‡6-Year Average; §Short Time Average; ||Yield All Spring; and ¶5 States.

FRUITS AND VEGETABLES

Shipments of fruits and vegetables from Texas during the first half of the year amounted to 46,620 cars, an increase of 27 per cent from the total for the corresponding half of 1930. Heavier movement of cabbage, tomatoes, and mixed vegetables accounted for most of the increase, as grapefruit, onions, and potatoes fell well under the 1930 records. Watermelons, also, had failed to reach last year's levels at the close of June, with only 1,307 cars shipped compared to 2,142 up to the corresponding date of 1930.

June movement fell off to 9,509 cars from the May total of 10,126. This decline of 6.1 per cent was con-

trary to the three-year average increase of 13 per cent during this period.

Shipments by commodities, as reported by the United States Department of Agriculture, were:

	(In Carloads)				
	June, 1931	May, 1931	June, 1930	Year-to-date 1931 1930	
Mixed Vegetables	33	567	58	7,378	6,349
Spinach	—	—	—	5,471	5,049
Cabbage	12	328	27	8,326	5,000
Grapefruit	—	—	—	870	1,181
Sweet Potatoes	—	—	—	386	326
Cauliflower	—	—	—	8	36
Strawberries	—	—	—	61	101
Onions	896	3,184	538	5,454	6,248
Lettuce	—	—	—	42	61
Tomatoes	5,316	2,673	3,823	8,037	6,659
Oranges	—	—	—	46	73
Potatoes	1,856	2,015	786	4,869	5,267
Green Peas	1	—	—	8	1
String Beans	—	198	5	521	567
Mixed Citrus	—	—	—	21	190
Cucumbers	43	563	56	614	842
Watermelons	1,305	2	2,130	1,307	2,142
Cantaloupes	7	—	24	7	40
Peaches	13	—	3	13	3
Peppers	—	—	—	2	—
Apples	—	—	—	1	—
Deciduous Fruits	—	—	—	—	6
Carrots	27	195	43	1,161	2,074
Beets	—	37	—	1,130	—
Turnips	—	—	—	185	—
Greens	—	2	—	340	—
Green Corn	—	360	—	360	—
Plums and Prunes	—	2	—	2	—
Total	9,509	10,126	7,493	46,620	42,215

Watermelon shipments promised to be unusually heavy in July this year, with the South Texas crop delayed and total production estimated at 4 per cent greater than last year. Total plantings of watermelons in Texas are estimated at 34,100 acres compared to 34,800 acres last year, but because of heavier yields per acre total production is expected to be 8,525,000 melons compared to 8,178,000 in 1930.

The North Texas Bermuda onion crop, which goes to market in July, is expected to be 356,000 bushels, according to Government estimates, compared to 279,000 bushels in 1930.

POULTRY AND EGGS

Total rail shipments of Texas poultry and eggs during June amounted to only 166 cars compared with 330 cars in May, or a decline of 65 per cent. The decline was much more drastic in eggs than in poultry. For the first six months of the year shipments of poultry and eggs combined aggregated 2,157 cars, of which 396 cars were intrastate and 1,761 interstate shipments. Egg shipments alone during the first half of the current year

amounted to 1,230 cars, intrastate shipments accounting for 384 cars and interstate shipments 846 cars.

Total rail receipts of eggs declined from 139 cars in May to 44 in June. Receipts from points outside of Texas were 21 in June compared with 34 in May, while receipts at Texas markets from points within the State decreased from 105 cars in May to 23 cars in June.

Cold storage holdings of shell eggs in the United States as of July 1 were nearly 12 per cent below those of the corresponding date last year, while holdings of frozen eggs also showed a decline of about 1.5 per cent, according to the July 13 release of the United States Bureau of Agricultural Economics. Compared with the five-year average storage holdings on July 1, the decline for the current year is 3 per cent.

JUNE CARLOAD MOVEMENT OF POULTRY AND EGGS*

	Shipments from Texas Stations			
	Cars of Poultry		Cars of Eggs	
	Live Chickens	Dressed Turkeys		
TOTAL	16	76	5	70
Intrastate	2	—	—	33
Interstate	14	75	5	37

INTERSTATE SHIPMENTS CLASSIFIED

State	Shipped to	State Shown in	Margin
New York	10	29	4
New Jersey†	—	12	—
Massachusetts	—	10	—
Louisiana	4	—	13
Illinois	—	8	8
Georgia	—	—	1
Michigan	—	—	1
Mississippi	—	—	1
Maryland	—	1	—
Tennessee	—	—	1
Indiana	—	—	1
Pennsylvania	—	1	2
Virginia	—	—	1
California	—	1	3
Connecticut	—	10	—
Missouri	—	3	1
Oklahoma	—	—	1

*These data are furnished the U. S. Department of Agriculture, Division of Crop and Livestock Estimates, by railway officials through agents at all stations which originate and receive carload shipments of poultry and eggs.

†The New York terminals of the Erie, Pennsylvania, and Lackawanna Railroads are in New Jersey.

LIVESTOCK CONDITIONS AND MOVEMENTS

Deterioration in Texas ranges from 90 per cent on June 1 to 82 per cent on July 1 was announced by the United States Bureau of Agricultural Economics in a report released July 14. Moreover, condition on July 1 was reported as 4 points below a year ago, and 7.2 points below the five-year average. Precipitation during June was much below normal over the entire State, but beneficial rains fell over a large part of the range country during the latter part of June and the first few days

of July. Heavy general rains during the middle of July suggest a marked improvement in range condition since issuance of the report.

In the 17 western states, range conditions continued to decline, showing the lowest condition on July 1 for that date in the nine years that range reports have been issued.

The United States Bureau of Agricultural Economics reported condition of range animals and ranges as of July 1 as follows:

	Range Condition		Livestock Condition		
	Per Cent of Normal		Per Cent of Normal		
	Cattle	Sheep-Goats	Cattle	Sheep	Goats
July 1, 1930	82.0	87.0	87.0	88.0	88.0
One Month Ago	90.0	90.0	91.0	91.0	90.0
One Year Ago	86.0	88.0	86.0	87.0	88.0
5-Year Average	89.2	91.0	90.0	90.2	92.2

Total forwardings of all classes of livestock during June were 34 per cent greater than in the same month last year. Larger shipments occurred among most classes of livestock with sheep increasing 92 per cent, cattle 37 per cent, calves 13 per cent, while hogs decreased 13 per cent. For the first six months of the year, however, total forwardings were 8.5 per cent less than for the like period in 1930. Hog shipments declined 48 per cent, cattle 16 per cent, and calves 1.4 per cent. On the other hand, shipments of sheep were 197 per cent greater during the period than during the corresponding six months last year.

Compared with the preceding month, June shipments of sheep declined 66 per cent, cattle 37 per cent, calves 31 per cent, and hogs 6.4 per cent.

TEXAS SHIPMENTS OF LIVESTOCK FOR JUNE, 1931*

DESTINATION	(Number of Head)							
	Cattle		Calves		Swine		Sheep	
	1931	1930	1931	1930	1931	1930	1931	1930
Fort Worth	40,508	30,465	12,191	11,838	5,162	8,845	77,994	34,838
Los Angeles	198	-----	-----	65	3,239	4,592	-----	-----
Other California Points	-----	78	-----	5	167	-----	-----	-----
Denver	156	439	-----	-----	-----	-----	-----	-----
Other Colorado Points	1,950	610	717	353	-----	-----	-----	1,248
Chicago	809	-----	-----	-----	-----	80	-----	-----
East St. Louis	2,475	887	241	-----	-----	-----	5,259	-----
Other Illinois Points	54	99	156	340	-----	-----	-----	-----
Wichita	389	577	274	42	132	1,406	-----	-----
Other Kansas Points	2,391	876	-----	339	75	-----	-----	-----
New Orleans	1,374	564	4,425	3,010	-----	5	-----	-----
Other Louisiana Points	27	160	18	74	-----	41	129	-----
Kansas City	8,050	3,503	1,585	198	81	-----	10,282	5,728
St. Joseph	1,012	69	40	-----	-----	-----	982	-----
Other Missouri Points	1,008	144	223	-----	443	-----	-----	-----
Other Nebraska Points	98	99	-----	-----	180	201	-----	-----
Oklahoma City	492	1,828	69	35	104	139	5,141	633
Other Oklahoma Points	861	777	-----	13	-----	-----	-----	-----
Arizona	558	561	808	3	95	160	280	-----
Iowa	204	491	1,037	152	9	-----	-----	-----
New Mexico	830	1,166	466	335	1,229	-----	604	922
Other States	142	435	60	229	760	-----	-----	-----
Total Interstate, plus Fort Worth†	63,586	43,828	22,310	17,031	11,676	15,469	100,671	43,369
Total Intrastate, omitting Fort Worth	22,306	18,806	9,640	11,271	4,854	3,690	10,740	14,641
Total Shipments	85,892	62,634	31,950	28,302	16,530	19,159	111,411	58,010

(June Shipments Converted to Car-Lots†)

	Cattle		Calves		Swine		Sheep		Total	
	1931	1930	1931	1930	1931	1930	1931	1930	1931	1930
Total Interstate Plus Fort Worth†	2,120	1,461	371	284	146	193	403	173	3,040	2,111
Total Intrastate Omitting Fort Worth	743	627	161	188	61	46	43	59	1,008	920
Total Shipments	2,863	2,088	532	472	207	239	446	232	4,048	3,031

*These statistics are furnished the U. S. Department of Agriculture, Division of Crop and Livestock Estimates, by railway officials through approximately 1,500 agents representing every livestock shipping point in the State.

†Rail-car basis: cattle, 30 head per car; calves, 60; swine, 80; and sheep, 250.

‡Fort Worth shipments are combined with interstate forwardings in order that the bulk of market disappearance for the month may be shown.

TEXAS RECEIPTS OF LIVESTOCK FOR JUNE, 1931*

ORIGIN	(Number of Head)									
	Cattle		Calves		Swine		Sheep			
	1931	1930	1931	1930	1931	1930	1931	1930	1931	1930
Fort Worth	1,279	2,073	377	821	-----	959	2,594	1,821	-----	-----
Wichita	363	177	-----	-----	221	319	-----	-----	-----	-----
Other Kansas Points	71	30	60	-----	283	385	-----	1,130	-----	-----
Other Louisiana Points	125	34	-----	130	374	-----	136	-----	-----	-----
Kansas City	410	208	-----	-----	1,237	2,416	-----	-----	-----	-----
St. Joseph	-----	180	-----	-----	788	672	-----	-----	-----	-----
Other Missouri Points	-----	-----	-----	-----	130	-----	-----	-----	-----	-----
Other Nebraska Points	-----	-----	-----	-----	379	170	-----	-----	-----	-----
Oklahoma City	-----	47	-----	-----	90	125	-----	-----	-----	-----
Other Oklahoma Points	213	870	-----	332	845	2,604	-----	-----	-----	-----
Arizona	-----	1,576	-----	130	-----	-----	-----	-----	-----	-----
Iowa	60	-----	-----	-----	1,529	-----	230	-----	-----	-----
New Mexico	1,667	2,269	171	970	1,122	591	93	7	-----	-----
Other States	35	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Interstate, plus Fort Worth†	4,223	7,464	608	2,383	6,998	8,241	3,053	2,958	-----	-----
Total Intrastate, omitting Fort Worth§	15,903	16,789	6,493	10,058	4,719	4,163	4,511	17,567	-----	-----
Total Receipts	20,126	24,253	7,101	12,441	11,717	12,404	7,564	20,525	-----	-----

	(June Receipts Converted to Car-Lots†)									
	Cattle		Calves		Swine		Sheep		Total	
	1931	1930	1931	1930	1931	1930	1931	1930	1931	1930
Total Interstate Plus Fort Worth†	141	249	10	40	87	103	12	12	250	404
Total Intrastate Omitting Fort Worth§	530	559	108	167	59	52	18	70	715	848
Total Receipts	671	808	118	207	146	155	30	82	965	1,252

*These statistics are furnished the U. S. Department of Agriculture, Division of Crop and Livestock Estimates, by railway officials through approximately 1,500 agents representing every livestock shipping point in the State.

†Rail-car basis: cattle, 30 head per car; calves, 60; swine, 80; and sheep, 250.

‡Includes receipts at "other" Texas points from Fort Worth.

§Represents all intrastate receipts, except those received at Fort Worth.

PUBLICATIONS OF THE BUREAU OF BUSINESS RESEARCH

NEW PUBLICATIONS

That the predominance of agriculture is gradually being reduced by the growing importance of mining and manufacturing in the economic life of Texas is pointed out in a bulletin just released by the Bureau of Business Research of The University of Texas. This study, *The Economic Importance of Manufacturing and of Its Leading Lines in Texas*, by Rudolph Grossmann, Industrial Engineer in the Bureau, contrasts several lines of manufacturing in Texas and gives a description of the character of manufacturing in the State.

MIMEOGRAPHED STUDIES

"*Economic Importance of Manufacturing and of Its Leading Lines in Texas*," by Rudolph Grossmann. Price, 50c.

"*Graphic and Statistical Summary of Hog Movements to and from Texas, 1923-1930*," by F. A. Buechel and John Clack.

RESEARCH MONOGRAPHS

No. 1. "*The Possibilities of Cotton Manufacturing in Texas*," by Rudolph Grossmann. Price, 50c.

No. 2. "*A Market Analysis of the Cattle Industry of Texas*," by George M. Lewis. Price, \$1.

No. 3. "*What Place Has the Advertising Agency in Market Research?*" by William J. Reilly, Ph.D. Price, \$1.

No. 4. "*Methods for the Study of Retail Relationships*," by William J. Reilly, Ph.D. Price, \$1.

No. 5. "*A System of Accounting Procedure for Livestock Ranches*," by Frederick W. Woodbridge. Price, \$1.50.

No. 6. "*An Analysis of Credit Extensions in Twenty-three Texas Department Stores by Occupational Groups*," by Arthur H. Hertl. Price, \$1.

No. 7. "*An Analysis of Shipments of Texas Sheep and Goats*," by George M. Lewis. Price, \$1.

No. 8. "*The Natural Regions of Texas*," by Elmer H. Johnson. Price, \$1.