

TEXAS BUSINESS REVIEW

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

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INTEREST is now focused upon Washington as the prime source of information on the probable future course of American trade and industry. Sentiment in the Nation's capitol has been briefly summarized by Standard Statistics Company in an interesting manner. This authority states:

"The business outlook is regarded as extremely difficult for the next four or six months, because of uncertainties relative to European financial and political developments, the railroads, the domestic banking situation, and the congressional legislative prospect. . . .

"It is obvious that Germany cannot pay both private debts and reparations. Most authorities look for the Hitlerites to take control of the German government within a few months. This will be bad for reparations and relatively good for private debts. The one-year moratorium will be approved by Congress, but only after agitation which will make difficult the future floating of foreign loans in the United States. . . .

"Congress will be distinctly disturbing to business in the next six months, but little drastic legislation is expected, due partly to the close division of authority between the two parties and the resulting deadlock; partly to the veto power of the President. Business probably will feel more alarmed than it actually should feel on the basis of the factual prospects for final legislation. . . .

"A new era of mergers is expected to start in 1932, the dominating force being necessity rather than allurements of fancy stock promotions as in former years. Adjustments which seem like dislocations will be going on continuously for at least five years, perhaps interminably. This is not bad, but good. It means the survival of the 'efficient units' whose contributions of service, whatever this is considered to be, will be greater than in the past. . . .

"In the long run, emphasis must be put a little more upon spending for immediate consumption requirements rather than upon saving. . . . It probably is accurate to say that most Washington authorities are looking with favor in the direction of credit inflation. It seems that some measure of it is inevitable. . . . Wages and possible inflation are closely related, of course. If there is credit inflation it will relieve the pressure for wage cuts. If there is further deflation, there must be further wage cuts."

The Texas situation is not devoid of signs of bettering conditions. All of the influences mentioned above with reference to national and world-wide business and economic conditions have an effect which is deep-rooted in the business structure of our own State. But some measure of optimism is to be found in the fact that the rate of decline in many of the important business indicators for the State slowed up during November.

November brought a sharp decline in the number and a decrease in the size of commercial failures in Texas. It was one of the three Novembers in the past fifteen years in which there was not a sharp drop from the previous month in the number of new firms which were granted charters by the Secretary of State. There were numerous signs of improvement in the banking situation.

Production of lumber and cement was curtailed in an effort to keep the amount produced within the market demand. The allowable in the East Texas field was cut during the month to 100 barrels per well daily. The slowing up in these industries resulted in that industrial power consumed in Texas during the month was 13 per cent less than in October and 3.8 per cent less than in November, 1930.

There are some indications of stabilization in wholesale prices.

The rate of decline in sales of new passenger cars was checked. In several cities, comparisons of total department store sales for the year-to-date made a better showing than they did last month, and collections remained at the same favorable levels which obtained in October.

FINANCIAL

From the national point of view, the most significant financial developments of the past month have been the rather definite improvement in the general banking situation and the surprising weakness displayed by the bond market as a whole. The improvement in the banking situation is indicated by the sharp drop in total reserve bank credit extended (\$331,000,000 from October 28 to December 9), the slight increase in total money in circulation (\$27,000,000 from October 28 to December 9), and the quite definite reversal of the October flow of gold. Short-term money rates in the New York market have not reacted noticeably as yet to these developments, remaining at about the same level throughout the month and reflecting the unchanged New York Federal Reserve Bank discount rate of $3\frac{1}{2}$ per cent.

The continued decline of high grade bond prices is somewhat puzzling, inasmuch as liquidation by commercial banks has undoubtedly slowed up greatly. The general uncertainty with respect to Government financing which occurred in mid-December probably had much to do with it and, possibly also, much of the selling can be attributed to the desire to establish losses for the forthcoming income tax returns. At the first signs of reviving confidence, these high grade securities can be expected to recover most of their recent losses.

The general condition of commercial banks in the Dallas Federal Reserve District apparently has improved somewhat in November, as is indicated by the data presented below. Total time deposits had increased by approximately \$2,000,000 over the October figure; borrowings from the Reserve Bank had declined about \$1,000,000; loans extended to customers had dropped off some \$7,000,000, reflecting liquidation of loan and discount portfolios; and the holdings of government bonds remained unchanged. The sharp drop in debits to individual accounts, the November figure representing five weeks, is somewhat surprising. The decline possibly reflects diminished cash withdrawals by depositors, which supposition is partly substantiated by the drop in federal reserve notes in circulation, amounting to \$1,742,000 from October 28 to December 9.

Significant items in the statement of reporting member banks to the Federal Reserve Board for the Eleventh Federal Reserve District were:

(In Millions of Dollars)

	Nov. 1931	Oct. 1931	Nov. 1930
Debits	\$670*	\$622	\$877*
Deposits (total)	390	388	430
Time	135	133	151
Demand	255	255	279
Borrowings from Federal Reserve	11	12	3
Loans (total)	290	297	334
On Securities	82	81	91
All Others	208	216	243
Government Securities Owned	74	74	67

*Five weeks.

TEXAS CHARTERS

That the number of new firms granted charters by the Secretary of State during November equalled that for the month previous may be looked upon as a hope-

ful sign. Since 1915, there have been only three instances in which the number of charters granted in November was greater than that in October.

Although the total capitalization of the new corporations totalled only \$3,104,000, or 15 per cent less than in October, the number of firms capitalized at less than \$5,000 dropped more than 25 per cent. Eight new companies were incorporated with capital stock of \$100,000 or more.

As compared with last year, the number of new incorporations is 7 per cent greater. Almost twice as many out-of-state companies were given permits to do business in Texas as in November, 1930.

Charters granted by the Secretary of State were:

	Nov. 1931	Oct. 1931	Nov. 1930
Capitalization (In Thousands of Dollars)	\$ 3,104	\$ 3,645	\$ 4,895
Number	147	147	137
Classification of new corporations:			
Oil	34	36	23
Public Service	0	2	4
Manufacturing	21	21	14
Banking-Finance	7	9	9
Real Estate-Building	19	9	12
General	66	70	75
Foreign Permits	25	32	17

COMMERCIAL FAILURES

For the first time in several months, the record for commercial failures in Texas showed improvement. Weekly reports from R. G. Dun and Co. direct to the Bureau show that 104 Texas firms went into bankruptcy during November, or 10 per cent less than in the month previous. When allowance is made for the fact that usually there is a seasonal increase of 15 per cent in the number of failures from October to November, this decline assumes greater significance.

No less interesting was the decline of 27 per cent in total liabilities of the firms which failed in November as compared with October. Total liabilities, at \$1,616,000, were also 16 per cent lower than in November of last year in spite of the fact that 63 per cent more concerns went into bankruptcy this year in November than in the corresponding month in 1930. Consequently, average liabilities per failure dropped to \$15,500, as compared with \$19,000 in October, and \$30,000 in November last year.

Failures as reported weekly to the Bureau by R. G. Dun and Company were as follows:

	Nov. 1931	Oct.* 1931	Nov. 1930
Number	104	116	64
Liabilities	\$1,616,000	\$2,218,000	\$1,931,000
Assets	\$808,000	\$996,000	\$462,000

*Five weeks.

In the United States, the situation as regards commercial failures was better than it has been in some time. Bradstreet's barometer of business failures dropped for six weeks in succession. *Dun's Review* shows that 2,195 firms failed in November, or 7 per cent less than in October, and only 8 per cent more than in November last year. Total liabilities, too, declined, dropping to \$60,660,000 in November, as against \$70,660,000 in the month previous.

STOCK PRICES

News of dividend reductions and omissions, and renewed uncertainty in the business situation, particularly as referring to the railroads, brought the stock market during the last two weeks of November below the October level and early December saw many issues at new lows for the year.

The index of 33 railroad stocks included in the Standard Indexes of the Security Market closed November at 39.3, based on the average for 1926 as equal to 100. *The Annalist* says that railroad stocks were lower in November than they have been at any time since early 1879, more than fifty years ago.

The Standard Indexes of the Stock Market:	Nov. 1931	Oct. 1931	Nov. 1930
404 Stocks	71.7	69.7	116.7
337 Industrials	67.5	64.8	108.5
33 Rails	46.0	48.4	102.1
34 Utilities	114.7	111.9	167.4

COMMODITY PRICES

Improvement in prices of agricultural products during November is reflected in the increases in *The Annalist* index of wholesale prices and the United States Bureau of Agricultural Economics farm price index, as indicated in the data presented below. Dun's index of wholesale commodity prices increased for the second consecutive month.

	Nov. 1931	Oct. 1931	Nov. 1930
Bureau of Labor Statistics	68.3	68.4	80.4
Farm Price Index*	71.0	68.0	103.0
Prices Farmers Pay*	123.0	126.0	142.0
The Annalist	102.0	100.5	121.7
Dun	\$140.40	\$140.37	\$163.00
Bradstreet	\$7.91	\$8.09	\$9.84

*United States Bureau of Agricultural Economics.

EMPLOYMENT

The number of workers on payrolls in November reported by 632 Texas firms to the Bureau of Business Research and the United States Bureau of Labor Statistics lost the gain made in October and dropped back to 71,996 employees. This figure is 2.8 per cent under the October total and is 15 per cent under that for November last year.

The report on employment by cities, as prepared by the Bureau of Business Research in cooperation with the United States Bureau of Labor Statistics, follows:

	Number of Firms	Workers			Percentage Change from	
		Nov. 1931	Oct. 1931	Nov. 1930	Oct. 1931	Nov. 1930
Austin	36	1,200	1,205	1,177	- 0.4	+ 2.0
Beaumont	32	4,731	4,879	6,012	- 3.0	-21.3
Dallas	126	15,309	15,432	16,516	- 0.8	- 7.3
El Paso	42	1,808	1,695	2,354	+ 6.7	-23.2
Fort Worth	45	5,481	5,528	5,845	- 0.9	- 6.2
Galveston	23	843	870	933	- 3.1	- 9.7
Houston	83	22,757	23,888	27,738	- 4.7	-18.0
San Antonio	73	7,066	7,240	8,802	- 2.4	-19.7
Waco	25	1,025	1,008	1,140	+ 1.7	-10.1
Wichita Falls	34	736	752	807	- 2.1	- 8.8
Miscellaneous	113	11,040	11,545	13,076	- 4.4	-15.6
STATE	632	71,996	74,042	84,400	- 2.8	-14.7

Purely seasonal influences brought increases in the number of employees over October in twelve of the employment groups, but all of the gains were small, both relatively and in point of actual workers involved. Cotton compresses, and plants manufacturing men's clothing and women's clothing were far ahead of last year; flour mills and ice factories also had more workers on payrolls than at the corresponding time in 1930.

Average weekly wages per worker dropped from \$25.87 in October to \$25.22 in November.

DEPARTMENT STORE SALES

Sales of 86 Texas department stores during November were 21 per cent under those for the corresponding month last year, with Tyler the only city in the State to show a gain. Although normally there is a decline from October to November of 5.6 per cent, the decline this year was 9.7 per cent.

Percentage changes in sales as reported to the Bureau by 86 stores were:

	Number of Stores Reporting	Nov. 1931 from 1930	Nov. 1931 from Oct., 1931	Year-to-date 1931 from Year-to-date 1930
Abilene	3	-24.2	-15.4	-22.3
Austin	6	-18.6	- 8.9	-14.4
Beaumont	5	-33.2	-16.8	-26.0
Corsicana	3	- 7.8	-16.2	-19.1
Dallas	6	-20.4	-20.7	-16.5
El Paso	4	-23.0	- 0.1	-20.8
Fort Worth	7	-17.8	- 8.0	-12.0
Galveston	4	-17.4	- 8.4	-10.6
Houston	9	-15.6	- 5.0	-13.7
Port Arthur	4	-11.4	- 9.4	-14.1
San Angelo	3	-23.5	+ 9.8	-24.2
San Antonio	10	-32.5	- 3.8	-14.2
Tyler	3	+26.3	- 9.7	+ 1.2
Waco	3	- 3.6	- 3.6	- 6.7
All Others	16	-23.7	-13.5	-22.9
STATE	86	-21.0	- 9.7	-15.6

Sales of 86 Comparable Stores:

	1931	1930
November	\$ 4,653,000	\$ 5,737,000
October	5,150,000	
Year-to-date	47,542,000	56,328,000

In Port Arthur, San Angelo, San Antonio, and Waco, the percentage decline in total sales for the year to date was smaller than it was in October, while the total for the first eleven months in Tyler increased by 1.2 per cent over that for the corresponding period in 1930. In the State as a whole, sales for the year so far are 16 per cent behind those for last year.

Collections, as indicated by reports from 65 stores, were maintained through November at practically the same level which obtained in the month previous.

Total sales for November in the United States were 15 per cent under those for the corresponding month last year, according to the Federal Reserve Board. The Kansas City and Philadelphia districts experienced the largest declines. For the first eleven months of the year sales in the United States are 11 per cent behind those for last year.

BUILDING PERMITS

Building in Texas as measured by building permits issued in thirty-five of the leading cities of the State followed the same downward trend as it did in the United States as a whole.

At \$2,905,000, November building permits were 19 per cent under those for the month previous, though normally there is a seasonal drop of only 0.8 per cent. Good showings, however, were made in Austin, Dallas, Galveston, Houston, San Antonio, and Waco, and it was the unusual showing in Fort Worth during October that caused the total building in the State in November to show such a large decline as compared with the previous month.

As compared with November last year, the total for the month in Texas was 29 per cent lower.

Building permits as reported to the Bureau were:

	Nov. 1931	Oct. 1931	Nov. 1930
Abilene	\$ 9,923	\$ 610	\$ 16,515
Amarillo	29,539	92,733	65,490
Austin	351,298	130,154	77,000
Beaumont	23,238	59,776	68,056
Brownsville	14,050	8,620	38,840
Brownwood	2,000	2,000	5,650
Cleburne	1,100	150	2,543
Corpus Christi	12,105	27,670	131,370
Corsicana	2,000	16,000	18,915
Dallas	325,608	257,972	883,879
Del Rio	1,235	2,375	7,130
Denison	2,700	2,015	7,000
Eastland	750	1,050	9,175
El Paso	22,049	33,031	248,599
Fort Worth	346,670	1,350,000	586,784
Galveston	341,509	258,507	66,009
Houston	876,873	774,270	1,182,850
Jacksonville	1,570	13,100	2,225
Laredo	60	600	1,500
Lubbock	8,940	7,300	276,550
McAllen	13,450	—	6,800
Marshall	15,130	18,880	7,026
Paris	6,561	4,610	10,440
Plainview	—	—	6,350
Port Arthur	11,249	27,743	20,000
Ranger	—	150	250
San Angelo	4,185	12,390	19,130
San Antonio	312,178	262,888	157,045
Sherman	18,280	37,728	5,288
Snyder	—	200	—
Sweetwater	650	2,155	3,238
Temple	6,400	25,600	51,090
Tyler	63,837	105,438	24,515
Waco	73,340	64,300	63,167
Wichita Falls	5,975	2,841	25,997
STATE	\$2,904,452	\$3,602,856	\$4,096,416

In the 37 Eastern States, there was a decline of 44 per cent in residential building and of 40 per cent in total construction, according to the F. W. Dodge Corporation. Contracts awarded for total construction in the 37 Eastern States amounted to \$151,196,000 in November as against \$253,574,000 in the corresponding month in 1930.

There has been no reversal of the downward trend in wholesale prices for building materials. The *Annalist* index of wholesale building material prices, based on 1913 as equal to 100, averaged 111.4 in November as against 112.9 in October and 131.1 in November last year.

LUMBER

November was not a good month for the southern pine lumber industry, as indicated by reports compiled by the Southern Pine Association. Not only did average weekly production per unit drop 2.8 per cent from the October figure to 192,000 feet, the lowest for several years, but average weekly shipments per unit also made a substantial drop and fell below production for the first time in 1931.

Production schedules continued well under those in the corresponding month last year, averaging 192,000 feet per unit a week as against 269,000 feet in 1930.

The end of the month found the mills with practically the same quantity of unfilled orders booked as they had on October 31. At 471,000 feet, average unfilled orders per unit were 27 per cent under those at the close of November last year.

Reports from mills in the southern pine area as received by the Southern Pine Association are summarized below:

	Nov. 1931	Oct. 1931	Nov. 1930
(In Board Feet)			
Average Weekly Production per Unit	192,000	197,500	269,200
Average Weekly Shipments per Unit	188,800	242,300	255,000
Average Unfilled Orders per Unit, End of Month	470,700	471,400	647,300

CEMENT

Further slowing up of activity in Texas cement mills occurred in November. Production declined 24 per cent as compared with the previous month, dropping to 459,000 barrels. This decline in production brought the total for November 8.6 per cent below that for the corresponding month last year.

Shipments dropped 35 per cent as compared with November. Since they were 80,000 barrels less than production, there was a gain of 15 per cent in the stocks of cement at Texas mills. Stocks at the close of November totalled 639,000 barrels, or 17 per cent less than the 769,000 barrels reported at the close of November last year.

In the United States, the Bureau of Mines reports that 8,161,000 barrels of cement were produced and 7,156,000 barrels were shipped from the mills and stocks at the end of the month were 22,223,000 barrels. Plants were operating at 37 per cent of capacity as against 47 per cent in October and 52 per cent in November last year.

	Nov. 1931	Oct. 1931	Nov. 1930
(In Barrels)			
Production	459,000	601,000	502,000
Shipments	378,000	583,000	453,000
Stocks	639,000	558,000	769,000

PETROLEUM

Professor T. E. Gregory of the London School of Economics has recently said: "One of the good—if unexpected—results of the present depression in America is that it has resulted in a less uncritical acceptance of the view that, if only the problem of economical production is

solved, the other problems of civilization may be left to look after themselves.”

This reaction applies most specifically to the oil industry at the present. It is becoming apparent that more and more oil men see clearly that the immediate problem of the oil industry is that of being able to adjust its output more closely to the limits of market demand.

Even if much remains to be done in the development of a constructive program, it must be emphasized that considerable has already been accomplished in the oil industry as a whole concerning stabilized production.

Since the beginning of the third week of October, 1931, daily average production of crude oil in the United States has been stabilized at an average of about 2,430,000 barrels. This amount is somewhat under the average of daily production which prevailed during the summer of 1931 from the first of May to the close of the third week of August. The average of this latter period is somewhat less than the average daily production which prevailed during the first half of 1930.

A cause of apprehension, however, lies in the fact that the daily average production of oil since the third week of October, 1931, has been somewhat higher than that which prevailed during the corresponding period of 1930 and during the first quarter of 1931.

Gasoline consumption in the United States for the first nine months of 1931 increased by four and a half million barrels over that of the corresponding period in 1930. However, there occurred a decline in the same period in 1931 of fifteen million barrels in our gasoline exports under those for the corresponding 1930 period; it has been asserted that this drop in our exports was due to the successful competition of an unexpected increased over-seas supply due to increased production and refining activities abroad. This decreased export is a factor in our accumulating refinery stocks.

Another factor to be reckoned with is the gradual growth of exploration activity in the United States and the consequent effects upon the extension of production. In Texas continued activity goes on in the Gulf Coast fields and some in West Texas. The East Texas Field had 3,407 wells December 17, but effective December 18, the East Texas allowable was cut from 125 to 100 barrels daily by executive order of Governor Sterling. Observance of this order will keep East Texas production slightly below 340,000 barrels daily.

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

	(In Barrels)		
	Nov. 1931	Oct. 1931	Nov. 1930
Panhandle	61,575	64,775	77,175
North Texas	57,075	56,375	63,587
West Central Texas	26,375	26,975	44,012
West Texas	199,475	197,562	268,900
East Central Texas	56,425	56,662	40,537
East Texas	397,475	411,012	
Southwest Texas	57,425	55,587	84,100
Coastal Texas	126,325	123,937	161,850
State	982,150	992,887	740,163
United States	2,448,587	2,353,050	2,287,387
Imports	199,071	241,357	267,178

New field developments in Texas, as reported by the *Oil Weekly*, were as follows:

	Nov. 1931	Oct. 1931	Nov. 1930
Permits for New Wells.....	793	790	412
Wells Completed	656	647	331
Producers:			
Oil Wells	546	569	160
Gas Wells	19	9	33
Initial Production (In Thousands of Barrels).....	4,170	4,357	126

The State Comptroller reported sales of gasoline in the State in October, the latest month for which these data are available, amounting to 70,948,000 gallons as compared with 69,486,000 gallons in September and 66,242,000 barrels in October, 1930.

COTTON MANUFACTURING IN TEXAS

A speeding up of production in some of the textile mills reporting to the Bureau of Business Research and the re-opening of another mill resulted in a gain of 30 per cent in the amount of cotton used in November as compared with the previous month.

Not only did the amount of cotton used increase from 3,248 bales in October to 4,232 bales in November, but there was also a gain of 8.5 per cent in the number of active spindles and a corresponding gain of 9.6 per cent in spindle hours as compared with the previous month. Practically the same amount of cotton was used in November this year as in the corresponding month last year, but the number of active spindles, at 137,030, was 2.1 per cent greater than in November, 1930.

This increased activity has not yet been reflected in the quantity of goods produced so that production declined from 4,548,000 yards in October to 3,923,000 yards in November, or practically 14 per cent. Sales for November were almost 400,000 yards less than production, and the month came to a close with total unfilled orders amounting to 4,470,000 yards, or 1.4 per cent less than at the end of October but 14 per cent higher than at the close of November, 1930.

Reports to the Bureau by the 21 mills may be summarized as follows:

	Nov. 1931	Oct. 1931	Nov. 1930
Bales Used	4,232	3,248	4,259
Yards of Cloth:			
Produced	3,923,000	4,548,000	3,794,000
Sold	3,549,000	5,453,000	3,969,000
Unfilled Orders	4,470,000	4,533,000	3,925,000
Active Spindles	137,030	126,338	134,249
Spindle Hours	32,460,000	29,611,000	26,149,000

COTTON BALANCE SHEET

Supply of cotton in the United States December 1 was 18,674,000 bales which was 2,652,000 bales more than the previous December 1 record high of 16,022,000 bales for 1926. The supply is 4,674,000 bales more than last year on this date. This is not a true representation of the world situation, for European port stocks of American cotton and afloat to Europe are 418,000 bales less than last year. Europe has not stocked American cotton

as freely as prices justify because of a lack of capital to do it with and partly for fear America will enact some sort of export debentures or sales tax law.

The mathematical calculation of a price based on the present demand-supply relationship is exceedingly difficult because of a lack of any precedent. The ratio of the percentage change in supply in America to the percentage change in price indicates a price of only about

5 cents for New Orleans spots. When the decrease of European port stocks of American cotton plus afloat to Europe is taken into account, however, the calculations based on percentages indicate a price for New Orleans spot of between 5.50 and 6 cents. The supply-price chart for December also places the price between 5.50 and 6 cents.

COTTON BALANCE SHEET IN THE UNITED STATES AS OF DECEMBER 1

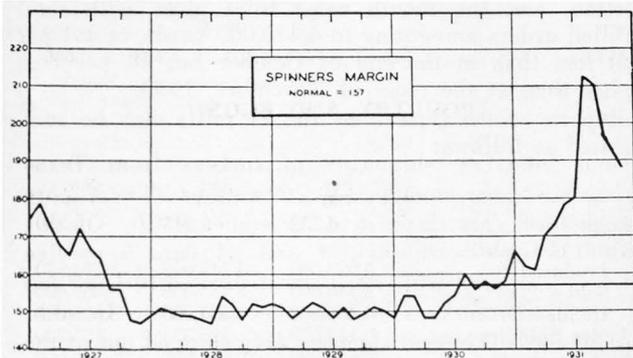
Year	(In Thousands of Running Bales)							
	Carry-over	Imports*	December 1 Estimate*	Total	Consumption	Exports	Total	Balance
1924-1925	1,556	49	13,153	14,758	1,824	3,237	5,061	9,697
1925-1926	1,610	64	15,603	17,277	2,022	3,673	5,695	11,582
1926-1927	3,543	96	18,618	22,257	2,223	4,008	6,231	16,026
1927-1928	3,762	104	12,789	16,655	2,503	3,039	5,542	11,113
1928-1929	2,536	112	14,373	17,021	2,246	3,731	5,977	11,044
1929-1930	2,313	104	14,919	17,336	2,286	3,252	5,538	11,798
1930-1931	4,530	14	14,243	18,787	1,606	3,181	4,787	14,000
1931-1932	6,369	16	16,918	23,309	1,781	2,854	4,635	18,674

*In 500-pound bales.

The cotton year begins on August 1.

SPINNERS MARGIN

Cotton yarn prices and cotton both declined in November, but yarn prices declined faster than raw cotton. The average spinners ratio margin during the month was 188 compared with 196 for October. During the first four weeks, 32's twist yarn at Manchester declined from 10d to 9.37d, or over 6 per cent, and Liverpool middling $\frac{7}{8}$ -inch spot cotton declined from 5.19d to 4.89d. During the last week, yarn declined further to 8.66d while cotton rose to 5.18d. Since the beginning of December there has been a sagging tendency in the cotton market because spinners were unable to advance yarn prices commensurate with the advance in cotton prices. The average absolute spinners margin for the month was 4.34d, whereas during the last week it declined to 3.49.



TEXTILE SITUATION

Cotton consumption in the United States for November was 429,000 bales, or 15,000 bales more than for November last year. In November, 1929, consumption was 541,153 bales. Consumption in the United States since August 1 was 1,781,000 bales. This is a gain of 173,000 bales over the same period last year or about 43,000 bales per month. It will be noted that November consumption was much below the average monthly increase for this year to date over last year. Consumption from August 1 to December 1 in 1929 was 2,289,000 bales.

Sales of carded cotton cloth in the United States in November as reported by the Associated Cotton Textile Merchants of New York and the Cotton Textile Institute were 224,207,000 yards, compared with 183,067,000 yards last year or an increase of 25 per cent. Stocks on hand increased from 255,833,000 yards on November 1 to 273,390,000 yards on November 3. On the other hand unfilled orders increased 3 per cent during the month to 354,957,000 yards. During November last year, unfilled orders decreased from 350,845,000 yards to 333,251,000 yards.

COTTON

United States cotton production for the year 1931-1932 is 16,918,000 bales of 478 pounds net, according to the final estimate of the Federal Crop Reporting Board made December 8. This is 2,675,000 bales more than was estimated for the crop of 1930-1931. The Texas crop was estimated at 5,270,000 bales this year as compared with 4,100,000 bales last year.

World cotton production this year is slightly above last year according to information furnished by the United States Department of Agriculture and Garside of the New York Cotton Exchange. Last year total world production of 478 pounds net weight bales was approximately 25,500,000 bales. This year, all information points to close to 26,000,000 bales. As has been pointed out above, the big increase in number of bales occurred in the United States, though Russia has apparently had a larger percentage increase than the United States. America's increase was due entirely to a yield per acre far above average; Russia's increase is due to increased acreage. Other countries with increased production this year over last are Brazil, Mexico, and Chosen; in each case it was due to increased yields.

While it is a little early to talk about 1932-1933 acreage, the cotton price and succeeding acreage relationship points to another substantial decrease in acreage. A decrease of from 10 to 12 per cent will give a world acreage not greatly in excess of that of 1914.

AGRICULTURE

Production of crops in Texas in 1931 was the largest since 1926, according to the United States Bureau of Agricultural Economics. Practically every crop of any importance shows a larger yield than last year, and every crop except peaches and pears shows a larger production than in either 1929 or 1930.

On the other hand, total value of crops produced in Texas is estimated at \$297,281,000, compared with \$402,002,000 last year and \$585,422,000 in 1929. The decrease in value is shared by practically all crops. Compared with 1929, cotton value has declined 54 per cent, wheat 50 per cent, corn 49 per cent, oats 27 per cent, and grain sorghums 43 per cent. The combined value of these five crops, comprising 94 per cent of the State's acreage, has declined 51 per cent.

The influence of the drastic decline in the dollar income received by the farmers of the State is modified, however, by the fact that the purchasing power of the dollar has increased and also by the fact that farmers have produced products on their own farms which formerly were purchased from the proceeds of their cash crops. Should the impetus which has been given to the "live at home" doctrine be carried on with the return of prosperity a permanent gain for Texas agriculture will have been attained.

Total acreage of all crops is 1.6 per cent larger than last year. The acreage of grains (corn, wheat, oats, barley, rice, grain sorghums) increased nearly 15 per cent; hay and forage crops about 17 per cent; food crops except grains about 12 per cent; commercial truck crops about 17 per cent; while cotton acreage decreased about 9 per cent. The decrease in cotton lacked only 2 per cent of offsetting the large increase in all other crops.

A similar decrease in crop value occurred for the United States, the estimated value being \$4,122,850,000 in 1931, compared with \$5,818,820,000 in 1930, and \$8,088,494,000 in 1929. The percentage of decline is rather uniform in all parts of the country except for the very heavy reduction in the Dakotas due to drouth this year. These reductions in value are due primarily to the decline in prices. In comparison with 1930, prices in 1931 are about 36 per cent lower and production of principal crops about 10.1 per cent greater. Exclusive of fruits, the acreage harvested in 1931 was 350,672,000 acres, a reduction of 9,255,000 acres, or 2.6 per cent below that of 1930.

FRUIT AND VEGETABLE SHIPMENTS

With the beginning of the movement of vegetables from the Rio Grande Valley, car loadings of fruits and vegetables from the State took a sharp jump, practically doubling the October shipments. That the November movement should be so much greater than that for the previous month is purely a seasonal development, but the November total this year of 1,364 cars was second only to the record movement in 1929. Unfortunately, the declining trend in prices of fruits and vegetables was not checked.

Grapefruit again made up the largest individual item, loadings totalling 563 cars during the month as against 622 cars in October and 486 cars in November last year. Mixed citrus and oranges gained sharply as compared with October, but in neither case did loadings reach the total for November last year.

The season for mixed vegetables opened up with the shipment of 177 cars, the highest for any November on record, and loadings of spinach and tomatoes amounted to 170 and 110 cars respectively. The cabbage deal was a little early, with loadings of 39 cars, the highest on record for November, while 141 carloads of beets were shipped.

Fruit and vegetable shipments as compiled from daily reports from the United States Department of Agriculture were:

	(In Carloads)		
	Nov. 1931	Nov. 1930	Oct. 1931
Mixed Vegetables	177	108	—
Spinach	170	354	—
Cabbage	39	2	—
Grapefruit	563	486	622
Sweet Potatoes	13	41	18
Cauliflower	—	1	—
Lettuce	—	6	—
Tomatoes	110	54	—
Oranges	27	31	11
Potatoes	1	—	—
String Beans	17	20	2
Mixed Citrus	61	62	23
Cucumbers	—	4	1
Watermelons	—	—	1
Cantaloupes	—	—	10
Celery	—	1	—
Peppers	5	6	—
Eggplant	5	2	1
Carrots	5	—	—
Beets	141	—	—
Greens	30	—	—
TOTAL	1,364	1,178	689

POULTRY AND EGGS

Total interstate shipments of turkeys from Texas during November amounted to 769 cars or 35 cars more than the 734 cars shipped in November, 1930. Of this total, 735 cars were dressed and 34 cars were live turkeys, compared with 707 cars of dressed turkeys and 27 cars of live turkeys in November last year. In addition, 50 cars of dressed chickens were shipped out of the State in November against 54 cars of dressed chickens and 4 cars of live chickens in November last year. Total interstate shipments of all classes of poultry amounted to 819 cars in November, 1931, or 27 cars more than the 792 cars shipped in November, 1930, or an increase of about 3.4 per cent.

Shipments of eggs out of Texas during November were very light amounting to only 14 cars. On the other hand receipts of eggs from other states were the largest for any month so far this year, totalling 52 cars, of

which 28 came from Kansas, 22 from Missouri, 1 from Oklahoma, and 1 from Nebraska.

NOVEMBER CARLOAD SHIPMENTS OF POULTRY & EGGS*

	Shipment from Texas Stations									
	Cars of Poultry									
	Live		Dressed		Chickens		Turkeys		Cars of Eggs	
	1931	1930	1931	1930	1931	1930	1931	1930	1931	1930
TOTAL	4	39	36	51	55	746	710	14	26	
Intrastate	—	5	9	1	1	11	3	10	17	
Interstate	4	34	27	50	54	735	707	4	9	
New York	1	18	11	12	12	232	255	—	—	
New Jersey	—	1	—	4	5	71	66	—	—	
Massachusetts	—	3	4	2	11	127	101	1	3	
Oklahoma	—	2	—	—	—	—	—	—	1	
Louisiana	2	—	2	3	1	6	4	—	—	
Michigan	—	1	4	—	—	14	24	—	—	
Illinois	—	2	—	7	10	92	75	—	1	
Dis. of Columbia	—	—	—	—	—	—	2	—	—	
Georgia	—	—	—	—	1	1	2	1	1	
Maine	—	—	—	—	—	10	5	—	—	
Wisconsin	—	—	—	—	—	2	1	—	—	
Florida	—	—	—	1	4	2	5	—	—	
Nebraska	—	—	—	—	—	14	2	—	—	
Tennessee	—	1	—	2	3	3	1	—	—	
Rhode Island	—	—	—	1	1	10	9	—	—	
Pennsylvania	—	5	2	9	3	71	49	1	1	
California	—	—	1	—	—	6	2	—	1	
Iowa	—	—	—	—	—	1	2	—	—	
Missouri	1	1	2	2	1	26	57	1	—	
Ohio	—	—	1	—	1	17	15	—	1	
New Hampshire	—	—	—	—	—	5	4	—	—	
Connecticut	—	—	—	3	1	22	25	—	—	
West Virginia	—	—	—	2	—	—	—	—	—	
Maryland	—	—	—	1	—	2	1	—	—	
Virginia	—	—	—	1	—	—	—	—	—	
Alabama	—	—	—	—	—	1	—	—	—	
Receipts at Texas Stations										
TOTAL	—	7	12	—	1	8	—	58	53	
Intrastate	—	7	12	—	—	8	—	6	9	
Interstate	—	—	—	—	1	—	—	52	44	
Kansas	—	—	—	—	—	—	—	28	22	
Nebraska	—	—	—	—	—	—	—	1	16	
Oklahoma	—	—	—	—	1	—	—	1	5	
Missouri	—	—	—	—	—	—	—	22	—	

*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 data are compiled by the Bureau of Business Research.

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

Origins of shipments show that turkey production is concentrated in the broken country along river bottoms

TEXAS CAR-LOT† SHIPMENTS OF LIVESTOCK DURING NOVEMBER*

	Cattle		Calves		Swine		Sheep		Total	
	1931	1930	1931	1930	1931	1930	1931	1930	1931	1930
Total Interstate Plus Fort Worth¶	2,311	2,746	1,364	1,372	42	84	308	208	4,025	4,410
Total Intrastate Omitting Fort Worth	1,339	2,125	609	709	15	40	333	280	2,296	3,154
Total Shipments	3,650	4,871	1,973	2,081	57	124	641	488	6,321	7,564

TEXAS CAR-LOT† RECEIPTS OF LIVESTOCK DURING NOVEMBER*

	Cattle		Calves		Swine		Sheep		Total	
	1931	1930	1931	1930	1931	1930	1931	1930	1931	1930
Total Interstate Plus Fort Worth‡	365	577	165	214	302	179	33	27	865	997
Total Intrastate Omitting Fort Worth§	1,271	1,772	545	663	16	36	311	267	2,143	2,738
Total Receipts	1,636	2,349	710	877	318	215	344	294	3,008	3,735

*These data are furnished the United States Bureau of Agricultural Economics by railway officials through more than 1,500 station agents, representing every live-stock shipping point in the State; the data are compiled by the Bureau of Business Research.

†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.

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

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