

# 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 VI, NUMBER 1

February 27, 1932

**B**USINESS sentiment, which has been reflecting gradual though vascillating improvement since mid-autumn, received a marked stimulus in recent weeks through the publicity given a series of developments in Washington. First came the Reconstruction Finance Corporation Bill followed soon by the announcement of an anti-hoarding campaign designed to bring currency out of hiding and restore it to commercial channels. At the present time attention is focused upon the Glass-Steagall Bill relaxing the terms of eligibility for re-discount and making Government bonds owned outright by Federal Reserve banks eligible as collateral for Federal Reserve notes up to 60 per cent of the amount of such notes. Among the expected results of the Glass-Steagall bill are the gradual loosening of credit conditions in the country at large, the purchasing of gilt edged securities by banks thus strengthening the bond market and increasing by about \$800,000,000 the amount of free gold in the country. It is believed that these measures will lessen bank failures and thus restore confidence in banks throughout the country and minimize the danger of large foreign withdrawals of gold.

While there is not conclusive statistical evidence that the depression has run its full course, some symptoms of improvement are appearing in the business world. The number of bank suspensions has dropped to a small weekly total. Raw commodity prices exhibit greater steadiness, and in the case of cotton and wheat give signs of strengthening. Liquidation has at least been suspended if it has not actually been completed.

Moreover, the season is approaching when business normally shows a marked increase in activity, especially in the heavy industries such as automobile manufacturing, residential and industrial construction, and steel

production. The federal legislation already referred to should therefore be helpful in turning the tide of business, not only because of the intrinsic merit of the bills, but also because of the timeliness of their enactment and the vigor with which the legislation is being put into effect.

Although there are growing indications of better times ahead, the fact ought not to be overlooked, as a writer, recently pointed out, that:

"The momentum of a decline so long continued and so violent as that of the last two and one-half years will be slow in running out. The cumulative effect of many profitless months appears daily in the dividend announcements of all sorts of corporations. The (recent) suspension of payments on four copper company stocks removes from the dividend class nearly all the members of a wealthy corporation group which paid about \$175,000,000 to shareholders in 1929. Subsequently, the Southern Pacific Company omitted its dividend, joining that list of carriers including New York Central and Illinois Central which had been generous distributors of profits for many years and bringing the total of suspended railroad dividends to the annual figure of \$250,000,000."

Standard Statistics Company makes the following significant statement in its issue of February 15:

"Taking the current situation as a whole, we believe that the long range benefits of short range difficulties and losses are beginning to become evident to those willing to look far enough ahead. The coming spring and summer are likely to witness increasing financial and political strain in Europe with growing fiscal burden upon the government at home. But real progress is being made in adjusting prices, wages, credit and business practice to actual conditions."

## FINANCIAL

The month of January showed but little change in the position of the New York money market. Open market operations of the reserve banks were conspicuous by their absence. Short term money rates eased slightly toward the end of the month, call loan renewals dropping from 3½ per cent to 2½ per cent (reflecting the almost continuous decline in the volume of brokers loans), prime commercial paper rates holding steady at 3¾ per cent to 4 per cent, and 90 day banker's bill rates declining from 3 per cent to 2¾ per cent. The latter decline is the logical result of the slight reduction in the New York Reserve Bank's buying rate for bankers bills. The steady but orderly withdrawal of foreign balances from New York during the month has affected certain exchange rates adversely and occasioned a net loss of about \$28,000,000 in gold. Most of the gold shipments, a large part of which was earmarked, went to France; smaller amounts went to Holland and Switzerland. Total currency in circulation, adjusted for seasonal variations, continued to increase throughout January, but since February 1 the rate has been slower.

The most significant developments of the month were the emergency credit relief measures considered by Congress and the President. The Reconstruction Corporation Act, the President's Anti-Hoarding Drive, and the Glass-Steagall Bill are all directed, in part at least, toward relieving current pressure on the banking system. In general, the objects of these measures are to permit distressed banks to realize on their now frozen assets, and to bring hoarded currency back into the banking system. If these results are achieved and public confidence in the banking structure is restored, the banks will find themselves with unnecessarily large till money reserves. It is logical to suppose that these idle funds would be shortly invested in high grade bonds. Such a movement should result in a radical improvement in high grade bond values. Although the Reconstruction Corporation is now in operation it is too early, as yet, to predict the outcome of the various emergency credit measures.

With respect to banking conditions in the Eleventh District, very little change from the December position is to be noted. Average weekly debits to individual accounts were up slightly over December figures, as were borrowings from the reserve bank and holdings of government bonds. The decline in time deposits possibly reflects distress withdrawals but more likely a shift to postal savings accounts.

(In Millions of Dollars)

	Jan. 1932	Dec.* 1931	Jan. 1931
Debits .....	\$700	\$536	\$679
Deposits (total) .....	370	378	424
Time .....	125	133	150
Demand .....	245	245	274
Borrowings from Federal Reserve .....	5	3	—
Loans (total) .....	275	275	317
On Securities .....	81	81	92
All Others .....	194	194	225
Government Securities Owned .....	87	84	67

\*Five weeks.

## STOCK PRICES

The satisfactory solution of the railway wage question and help to the roads from the Reconstruction Finance Corporation, caused prices of railroad securities to rally during January resulting in a gain of 11 per cent in the Standard Statistics Company's index of 33 rails. The increase in the rail group was sufficient to bring the index of 421 stocks combined up 0.5 per cent to 58.0 for January as compared with 57.7 in December. The group of 351 industrials averaged 54.3 in January, the same as in December, while the 34 utilities included in the index declined 1.3 per cent to an average of 94.3 for January.

So far in February, the market has been responding readily to favorable news and during the middle two weeks of the month moved into new high territory for the year.

	Jan. 1932	Dec. 1931	Jan. 1931
The Standard Indexes of the Stock Market:			
421 Stocks .....	58.0	57.7	112.3
351 Industrials .....	54.3	54.3	103.4
33 Rails .....	36.7	33.0	100.4
34 Utilities .....	94.3	95.6	163.4

## COMMODITY PRICES

Slight declines in all of the commodity groups included in the United States Bureau of Labor Statistics index of wholesale prices resulted in a drop of 1.9 per cent in the index from 68.6 in December to 67.3 in January. The farm products and foods groups, however, experienced unusually large declines and accounted for a large share of the total drop in the index.

Dun's index of wholesale prices, which recently has been going up, fell back to \$140.34, a drop of 0.2 per cent from the previous month.

	Jan. 1932	Dec. 1931	Jan. 1931
Bureau of Labor Statistics .....	67.3	68.6	78.2
Farm Price Index* .....	63.0	66.0	94.0
Prices Farmers Pay* .....	121.0	123.0	138.0
The Annalist .....	94.0	97.6	114.8
Dun .....	\$140.34	\$140.68	\$156.04
Bradstreet .....	\$7.52	\$7.73	\$9.31

\*Bureau of Agricultural Economics.

## TEXAS CHARTERS

One-hundred and fifty-three business firms were granted charters during January by the Secretary of State at a total capitalization of \$2,834,000. While this number shows an increase of 16 per cent over that for December, it is rather small in comparison with the number for January in previous years. Not only is the number small, but total capitalization is also lower than usual: total capitalization was \$4,407,000 in December, and \$5,274,000 in January last year.

This decline in total capitalization is reflected in the scarcity of new firms capitalized at \$100,000 or more (which numbered only 4 in January as compared with 8 in December and 15 in January 1931), and the gain in the number of small firms from 36 in January 1931 to 43 in the month just past.

Permits to do business in Texas were granted to 30 out-of-state corporations; 32 were granted in December, and 9 in January last year.

Charters granted by the Secretary of State were:

	Jan. 1932	Dec. 1931	Jan. 1931
Capitalization .....	\$2,834,000	\$4,407,000	\$5,274,000
Number .....	153	132	185
Classification of new corporations:			
Oil .....	25	28	26
Public Service .....		2	3
Manufacturing .....	26	17	26
Banking-Finance .....	3	10	14
Real Estate-Building .....	14	21	15
Transportation .....	4	1	2
Merchandising .....	53	24	53
General .....	28	29	38
Foreign Permits .....	30	32	29

**COMMERCIAL FAILURES**

The business mortality rate in Texas took a turn for the worse in January which resulted in a jump to the highest figure since 1922 in the number of firms which went into bankruptcy during the month.

The improved conditions which obtained in November and December did not carry over into the new year. Not only were average liabilities per failure in Texas, at \$22,389, higher by 13 per cent than in December, and 33 per cent higher than in January last year, but the weekly rate jumped from 29 in January 1931 and 19 in December to 33 in January 1932.

January is normally the highest month in the year in business failures. The total number of firms which went into bankruptcy during the five weeks ending February 3 was 163, and total liabilities amounted to \$3,649,000.

Failures as reported weekly to the Bureau of Business Research by R. G. Dun & Co. were as follows:

	Jan. 1932*	Dec. 1931	Jan. 1931
Number .....	163	76	117
Liabilities .....	\$3,649,000	\$1,512,000	\$1,976,000
Assets .....	\$1,706,000	\$631,000	\$1,184,000

\*Five weeks.

In the United States, a total of 3,458 firms with total liabilities of \$96,860,000 failed during January 1932, as compared with 2,758 firms involving liabilities amounting to \$73,213,000 in December, and 3,316 firms owing \$94,610,000 in January 1931.

**EMPLOYMENT**

The number of workers on payrolls continued to decline in January. The 615 firms reporting to the Bureau of Business Research and the United States Bureau of Labor Statistics had only 66,020 persons on their forces on January 15, as compared with 70,308 on December 15, 1931, a decline of 6.1 per cent. Last year on January 15, the number of persons employed by these same firms totalled 77,651.

This reduction in the number of workers was accompanied by a cut from \$25.08 on December 15 to \$24.72 on January 15, or about 2 per cent in average weekly wages per worker. While it is true that there were wage increases in eleven of the 31 groups included in this

service, the fact that there were corresponding declines in the number of workers in these particular groups indicates that gains in average weekly wages were probably due to the elimination of less skilled workers. The eleven groups were bakeries, pure food products, ice factories, meat packing and slaughtering plants, cotton compresses, brick plants, foundries and machine shops, railroad car shops, paper box manufacturers, commercial printers, and retail stores.

The report on employment, by cities, follows:

	Number of Firms	Workers			Percentage Change from	
		Jan. 1932	Dec. 1931	Jan. 1931	Dec. 1931	Jan. 1931
Austin .....	34	884	894	995	- 1.1	-11.2
Beaumont .....	28	4,206	4,414	5,503	- 4.7	-23.6
Dallas .....	121	13,279	14,902	15,258	-10.9	-13.0
El Paso .....	45	2,220	2,347	2,791	- 5.4	-20.5
Fort Worth .....	52	5,863	6,088	6,683	- 3.7	-12.3
Galveston .....	22	620	669	699	- 7.3	-11.3
Houston .....	75	18,845	20,330	23,145	- 7.3	-18.6
San Antonio .....	70	6,416	6,519	7,503	- 1.6	-14.5
Waco .....	27	1,252	1,322	1,260	- 5.3	- 0.6
Wichita Falls .....	39	621	702	751	-11.5	-17.3
Miscellaneous .....	102	11,814	12,121	13,063	- 2.5	- 9.6
STATE .....	615	66,020	70,308	77,651	- 6.1	-15.0

**DEPARTMENT STORE SALES**

Relatively good showings in Lubbock, Port Arthur, Tyler, and Waco took some of the shock out of the rather unfortunate showing made during January by the 84 reporting Texas department stores. Total sales in the State during the month were 29 per cent under those in the corresponding month in 1931 and were 57 per cent below December. During the three years, 1927-1928-1929, the average decline from December to January was 47 per cent.

Percentage changes in sales as reported to the Bureau by 84 stores were:

	Number of Stores Reporting	Percentage Change in Sales	
		Jan. 1932 from Jan. 1931	Jan. 1932 from Dec. 1931
Abilene .....	3	-26.4	-48.4
Austin .....	6	-27.9	-61.9
Beaumont .....	3	-29.9	-53.8
Corsicana .....	3	-24.7	-63.3
Dallas .....	6	-23.3	-55.0
El Paso .....	4	-33.2	-57.2
Fort Worth .....	6	-24.8	-63.7
Galveston .....	4	-25.9	-58.3
Houston .....	8	-30.0	-59.7
Lubbock .....	3	-11.2	-44.1
Port Arthur .....	3	-17.8	-56.9
San Angelo .....	3	-33.5	-51.4
San Antonio .....	10	-38.2	-53.0
Tyler .....	3	-13.6	-63.8
Waco .....	3	-14.9	-59.7
All Others .....	16	-41.4	-57.9
STATE .....	84	-29.2	-57.6

Sales of 84 Comparable Stores:		1932	1931
January .....		\$ 2,845,000	\$ 3,923,000
December .....			\$ 6,716,000

The Federal Reserve Board reports a drop in department store sales in the entire United States amounting to 22 per cent during January as compared with the

same month a year ago. The Cleveland district was the farthest behind with a decline of 27 per cent, while the St. Louis district made the best showing with a decline of only 13 per cent.

### BUILDING PERMITS

Building permits in the 35 cities reporting to the Bureau of Business Research amounted to \$1,854,814 in January, as compared with \$3,645,046 in the corresponding month last year and \$2,706,669 in December 1931.

The January figures released by the F. W. Dodge Corporation for the Texas Territory show a drop of approximately 80 per cent in construction contracts awarded in January 1932 as compared with the corresponding month a year earlier; and the January total for the 37 Eastern States amounted to \$84,798,000 in 1932 as compared with \$227,956,000 in 1931, a drop of about 63 per cent. The most severe drop, both in the Texas Territory and in the 37 Eastern States, has been felt in the public works and utilities group, while residential building, although far from holding its own in comparison with previous months, makes the best showing.

Building permits as reported by Chambers of Commerce to the Bureau of Business Research were:

	Jan. 1932	Dec. 1931	Jan. 1931
Abilene	\$ 11,981	\$ 1,300	\$ 47,135
Amarillo	24,030	43,241	519,610
Austin	115,848	85,361	136,871
Beaumont	45,148	40,659	68,729
Brownsville	4,675	417,695	3,000
Brownwood	300	1,500	22,000
Cleburne	4,600	300	38,378
Corpus Christi	2,815	16,055	33,218
Corsicana	5,400	2,900	17,410
Dallas	278,819	363,657	551,000
Del Rio	4,050	1,480	1,000
Denison	1,400	2,935	8,650
Eastland	50	2,000	650
El Paso	19,592	17,425	86,248
Fort Worth	118,732	258,413	408,500
Galveston	60,877	28,036	39,661
Houston	359,093	354,000	1,053,783
Jacksonville	1,705	600	5,350
Laredo	200	4,750	2,625
Lubbock	1,075	250,428	24,000
McAllen	910	14,300	24,100
Marshall	3,284	20,270	4,500
Paris	9,234	5,915	12,625
Plainview	18,000	—	1,000
Port Arthur	18,255	6,112	54,000
Ranger	50	—	725
San Angelo	8,835	2,675	34,850
San Antonio	112,584	445,441	213,140
Sherman	1,570	4,550	5,265
Snyder	200	—	—
Sweetwater	1,150	2,005	—
Temple	2,400	22,970	50,640
Tyler	127,241	276,975	139,000
Waco	56,011	10,906	28,383
Wichita Falls	434,700	1,815	9,000
TOTAL	\$1,854,814	\$2,706,669	\$3,645,046

Building material prices, as measured by The *Annalist* index of wholesale commodity prices based on 1913 as equal to 100, dropped to 108.7 in January as compared with 129.4 in the corresponding month a year ago.

### LUMBER

In line with seasonal influences, there was a steady increase during January in the average unfilled orders per mill so that on January 30, reports to the Southern Pine Association showed a gain in bookings to 534,000 feet, or 22 per cent as compared with those at the close of the previous month. True, unfilled orders are now about 34 per cent lower than they were at the close of January last year, but the gain during the month this year compares very favorably with that made during January 1931.

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

	(In Board Feet)		
	Jan. 1932	1931 Dec.	Jan. 1931
Average Weekly Production per Unit	143,589	145,889	250,903
Average Weekly Shipments per Unit	172,291	146,960	275,337
Average Unfilled Orders per Unit, End of Month	533,658	438,065	805,497

Average weekly shipments per unit also gained sharply during January, reaching 172,000 feet as compared with 147,000 feet during the previous month. Production during the month declined slightly, so that average weekly production per unit dropped practically 30,000 feet below shipments.

### CEMENT

Although normally there is a decline in Portland cement production in Texas mills from December to January, this year there was a gain of 16 per cent in output, resulting in a total production for the month of 338,000 barrels.

Shipments increased 13 per cent over December, but at 241,000 barrels, were still considerably under production so that there was an accumulation of about 100,000 barrels in stocks. Last year in January, shipments amounted to 340,000 barrels.

Stocks at the close of January totalled 823,000 barrels, or 13 per cent more than at the close of the previous month. Last year, stocks at the close of January amounted to only 782,000 barrels.

The United States Bureau of Mines report for Texas mills is as follows:

	(In Barrels)		
	Jan. 1932	Dec. 1931	Jan. 1931
Production	338,000	291,000	322,000
Shipments	241,000	214,000	340,000
Stocks	823,000	726,000	782,000

In the United States, production of Portland cement declined 17 per cent during January to only 4,989,000 barrels. Shipments totalled 3,363,000 barrels, while stocks at the close of the month amounted to 25,568,000 barrels. The capacity operated was only 22 per cent as compared with 26 per cent during December and 30 per cent in January a year ago.

PETROLEUM

Daily average production of crude oil since the first of the year has been steadily declining; although crude oil production has been slightly higher since the first of the year than it was during the same period a year ago, yet at the close of the second week of February 1932, crude oil production registered at the same low mark of exactly a year ago. Daily crude runs to stills in the United States since the first of the year have been about the same amount as in the corresponding period of a year ago; however, gasoline stocks at refineries since the beginning of 1932 have been slightly below what they were for the same period of 1931.

The general tone of sentiment among representative persons associated with the oil industry, taking the country as a whole, has recently been fairly optimistic. Also, it has been apparent to the oil industry that up to the middle of February the factors of crude oil production, considering the complex circumstances involved, have been under good control. Consideration of the long-time features involved in the markets for petroleum and its products unmistakably points towards the economic necessity and importance of further conservation measures in the oil industry all along the line from the point of initiation of production, production and refining. Particularly encouraging are the trends and operations discernible in the Chicago district, which include new refinery expansion, pipe line extensions and preparations to produce higher class motor fuels.

Concerning production, East Texas continues to dominate the attention of the oil industry not only in Texas but in the country as a whole; by the middle of February, the total number of wells numbered 4,160; during the second week of February, 88 completions and 109 locations were made; the area of the Joiner field had been extended 1½ miles south; and preparations are being made for the pumping stage in production as indicated by the large amount of pumping equipment already on the ground but at present not being used. In addition to the oil problem, natural gas has been found in the Joiner area; the older of the gas wells is rated as a 60,000,000-foot gasser while the newer one tested last week was making more than 22,000,000 feet of dry gas. The immensity of the size of the East Texas oil fields has made this producing area one of the most noted in the history of the oil industry; further exploration and drilling substantiate the claim that this is the greatest oil field of all time; it has a proven productive area of around 100,000 acres and within the proven productive limits of the field it has a record of not a single dry well.

Elsewhere in Texas a steady pace of activity is in evidence. Considerable activity exists in Ward County; some thirty new locations were staked in the past week in the Wichita Falls district. In the Panhandle district, gas areas are the most active because of the necessity of the gas companies to drill for a larger and continuous supply of gas to meet the demands of the long-distance pipe-lines extending natural gas to cities of the Middle West.

A report of studies that have been made of the Yates Pool, in Pecos County, estimates that the pool would

flow fourteen more years, under orderly management as practiced in the past together with the aid of repressuring. Yates Pool, from October 1926, to January 1, 1932, has produced 137,000,000 barrels; the recent report estimates that during the next fourteen years the pool will flow an additional 312,000,000 barrels and pump 155,000,000 barrels; this would make the total recovery from this pool more than 600,000,000 barrels.

Activities in the southern part of the State include the opening up of a western extension of the Pettus Field, by plans for deeper drilling in Real County, by further drilling in the new Aransas Pool in San Patricio County, and by the shallow production of oil and gas in the new Los Olmos Pool in Starr County.

In other phases of the oil industry in Texas various activities are in evidence. Among these are included the topping unit of the Petroleum Refractionating Company's new plant at Longview to which added improvements are to be made at an early date, and the Gulf Production Company's natural gasoline plant which is soon to be completed near London in Rusk County. Statements have been issued to the effect that the Shell Petroleum Corporation plans to start construction before the first of March on the new Dubbs unit and auxiliary equipment which is to be installed at its refinery east of Houston—this installation is said to be but a part of an extensive program of expansion planned for the Houston plant.

Gasoline sales as indicated by taxes collected by the State Comptroller were 61,989,000 gallons in December 1931 as compared with 66,331,000 gallons in the corresponding month a year earlier and 68,550,000 gallons in November 1931.

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

	(In Barrels)		
	Jan. 1932	Dec.* 1931	Jan. 1931
Panhandle .....	51,525	51,950	57,175
North Texas .....	49,300	54,390	61,437
West Central Texas .....	25,225	25,740	25,925
West Texas .....	174,000	189,240	246,250
East Central Texas .....	50,637	54,330	39,975
East Texas .....	335,175	361,410	3,113
Southwest Texas .....	52,213	55,680	78,963
Coastal Texas .....	112,450	120,970	160,662
State .....	850,525	913,710	673,500
United States .....	2,189,987	2,366,960	2,093,862
Imports .....	216,857	217,000	249,750

\*Five weeks.

The *Oil Weekly* lists the following new field developments in Texas:

	Jan. 1932	Dec.* 1931	Jan. 1931
Permits for New Wells .....	360	628	317
Wells Completed .....	502	611	321
Producers: Oil Wells .....	409	512	145
Gas Wells .....	12	14	45
Initial Production (In Thousands of Barrels) .....	2,877	3,776	132

\*Five weeks.

Official figures on world petroleum for 1931 on the authority of *World Petroleum* show that production of

Russia and Sakhalin ranked second to that of the United States for the last year thus surpassing Venezuela which has ranked second to the United States for several years; these figures show, also, that world production in 1931 was somewhat less than for 1930; this has taken place in spite of an increase of some 30,000,000 barrels in the output of Russia and Rumania; the other important producing countries show a decrease. For 1931 the United States produced nearly 63 per cent of the world's output; Europe more than 15 per cent; South America, 13 per cent; Asia less than 7 per cent. In 1931 Texas produced about 24 per cent of the total oil output of the world for that year; California produced nearly 14 per cent; Oklahoma somewhat more than 13 per cent.

#### COTTON BALANCE SHEET

Raw cotton supplies in the United States on February 1, 1932 were 15,749,000 bales, compared with 11,858,000 bales on February 1 last year. This tremendous increase this year is due both to a crop above an average and a rate of disappearance less than average. Total disappearance since August 1 this year is 7,586,000 bales and, with the exception of that for last year which was only 7,037,000 bales, is the smallest since 1923-1924.

On February 1 the indicated increase in supply of cotton in the United States over the same date last year was 3,891,000 bales. The total changes in the supply during the previous seven years equal 14,759,000 bales, and the corresponding changes in price equal 3,071 points, or 20.7 points per 100,000 bales change in supply. Therefore the calculated index price based on average

ratio of change in price to change in supply is 5.60 cents based on the supply in the United States. Supplies in European ports and afloat to Europe are 408,000 bales less than for January 29 last year. When the index price is adjusted to this decrease in stocks and afloat to Europe, it is raised to 6.45 cents. When this price is adjusted by the spinners margin and converted to actual price basis by using the Bureau of Labor Statistics all-commodity wholesale price index, it makes a price of slightly under 5 cents. It has been pointed out in previous issues of this publication that in years when the supply is above average, the points change per 100,000 bales is below average. If the price is calculated by applying the average points change per 100,000 bales when the supply is above the average for the past seven years, it makes a calculated New Orleans spot price of 7.20 cents. When the price is read from the February supply-price curve, it indicates a price of between 6.50 cents and 7 cents.

World's production and supply of cotton outside the United States is quite bullish according to figures recently published by Garside of the New York Cotton Exchange. Total production of foreign growths for 1931-1932 is estimated at only 9,346,000 bales of 478 pounds net. This is the lowest since 1923-1924. It represents a decline of 1,664,000 bales from his earlier estimate of 11,010,000 bales. The big decline is due to decreased estimates for India, China, Russia and Brazil.

Statistically, cotton is working itself into a stronger position and should respond readily to decreasing values of money or unfavorable crop news.

#### COTTON BALANCE SHEET IN THE UNITED STATES AS OF FEBRUARY 1

(In Thousands of Running Bales)

Year	Carry-over	Imports*	December 1 Estimate*	Total	Consumption	Exports	Total	Balance
1924-1925	1,556	153	13,153	14,862	2,952	5,342	8,294	6,568
1925-1926	1,610	160	15,603	17,373	3,180	5,382	8,562	8,811
1926-1927	3,543	192	18,618	22,353	3,429	6,586	10,015	12,338
1927-1928	3,762	187	12,789	16,738	3,628	4,496	8,124	8,614
1928-1929	2,536	206	14,373	17,115	3,448	5,577	9,025	8,090
1929-1930	2,313	192	14,919	17,424	3,314	4,891	8,205	9,219
1930-1931	4,530	30	14,243	18,803	2,466	4,479	6,945	11,858
1931-1932	6,369	47	16,918	23,334	2,631	4,954	7,585	15,749

\*In 500-pound bales.

The cotton year begins on August 1.

#### TEXTILE SITUATION

In the United States, cotton consumption in January 1932 was 435,000 bales. This was 20,000 bales more than in December, but 15,000 bales less than in January 1931. Consumption in the United States since August 1, the beginning of the cotton year, has been 2,631,000 bales; this is 171,000 bales more than for the same period last year. Average consumption per month this year to date in the United States is running nearly 100,000 bales per month less than the previous five-year average.

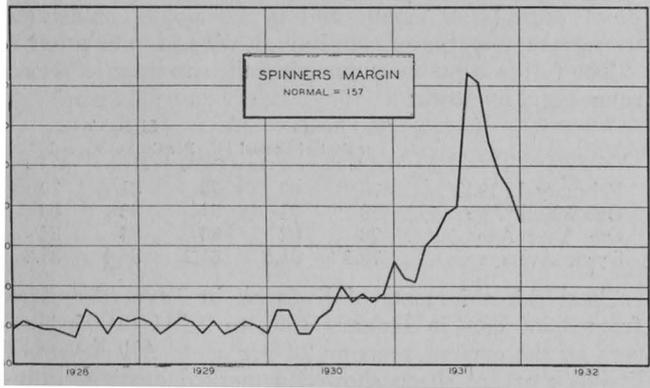
Reports from the Associated Cotton Textile Merchants of New York indicate increased activity in cotton manufacturing. Sales of cloth during January amounted to 338,000,000 yards as compared with 255,000,000 in

December and 239,000,000 for January 1931. In terms of percentage, this year's sales represent an increase over last year of 41 per cent. Unfilled orders, the next most significant figure, represents an increase this year over last of 23 per cent. In actual yardage, the unfilled orders on February 1 were 391,000,000 compared with 322,000,000 on January 1 this year and 318,000,000 on February 1 last year.

#### SPINNERS MARGIN

Both cotton yarn and raw cotton prices moved up slightly during January. On January 7, middling  $\frac{7}{8}$  inch staple in Liverpool was 5.39 d, and on January 28 it was 5.49 d. The average price of 32's twist yarn was 9.50 d and 9.75 d on the same dates. The average weekly

atio spinners margin averaged 176, down 8 points from December. The pence margin during January was less by a few points than it was in December, but the margin at the end of January was wider than at the beginning.



COTTON MANUFACTURING IN TEXAS

Texas cotton mill activity kept up rather well during January. There was a slight gain of 1.3 per cent in the number of active spindles during the month, so that 145,224 spindles were active. Last year in January, only 113,000 spindles were active.

The amount of cotton used totalled 4,280 bales, only 0.3 per cent less than in December, and 5.2 per cent more than the 4,069 bales consumed during January a year ago. Production, at 3,129,000 yards, lacked 23 per cent of reaching the 4,060,000 yards produced in December, and compared with the 3,315,000 yards produced in January 1931.

Reports from the 21 mills may be summarized as follows:

	Jan. 1932	Dec. 1931	Jan. 1931
Bales of Cotton Used	4,280	4,294	4,069
Yards of Cloth:			
Produced	3,129,000	4,060,000	3,315,000
Sold	3,742,000	3,082,000	2,483,000
Unfilled Orders	3,815,000	3,909,000	4,577,000
Active Spindles	145,224	143,394	113,000
Spindle Hours	36,081,000	35,372,000	32,931,000

Six mills are still closed.

Sales were more than 600,000 yards greater than production, a favorable development, and unfilled orders, at present operating schedules, are slightly more than one month's run.

FRUIT AND VEGETABLE SHIPMENTS

Carload shipments of Texas fruits and vegetables jumped to the highest figure on record for January with loadings amounting to 6,347 cars being reported during the month. The total for the month was 13 per cent over that for January a year ago, the previous high.

Cabbage loadings, amounting to 1,569 cars, made up the largest individual item, while spinach and mixed vegetables added 1,560 cars and 1,438 cars to the total; and grapefruit shipments showed the largest gain over January a year ago with a total movement of 976 cars.

Two hundred and eighty cars of greens were shipped during the month, and substantial quantities of sweet potatoes, cauliflower, potatoes, mixed citrus, carrots, and beets were also included in the total for January.

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

	(In Carloads)		
	Jan. 1932	Dec. 1931	Jan. 1931
Mixed Vegetables	1,438	770	1,483
Spinach	1,560	816	1,447
Cabbage	1,569	584	1,457
Grapefruit	976	445	471
Sweet Potatoes	69	46	138
Cauliflower	71	8	8
Lettuce	2	—	9
Tomatoes	2	120	9
Oranges	24	29	4
Potatoes	51	25	54
Green Peas	15	—	—
Beans—Snap, Lima, String	9	1	—
Mixed Citrus	87	73	7
Peppers	—	1	1
Eggplant	—	1	—
Carrots	95	73	102
Beets	99	108	207
Turnips and Rutabagas	—	—	75
Greens	280	146	125
TOTAL	6,347	3,246	5,597

On the whole, weather may be said to have been favorable in the truck crop sections during January and crops showed improvement.

The index of fruit and vegetable prices of the United States Bureau of Agricultural Economics made a 2 point gain during the month to 70 for January.

POULTRY AND EGG MOVEMENTS

Total interstate rail shipments of poultry and eggs during January amounted to 157 cars compared with 269 cars in January 1931, a decline of 42 per cent.

Interstate poultry shipments decreased from 197 cars in January 1931 to 109 cars in January of the current year; egg shipments decreased from 72 cars in January 1931 to 48 cars in January 1932. No poultry was shipped into the State, but 21 cars of eggs were brought in from Kansas, Missouri, and Oklahoma during January this year compared with 10 cars from the same states in January 1931.

Net interstate shipments of eggs amounted to 27 cars in January, compared with 62 cars in January 1931. The dominating factors of the Eastern egg market during January, according to the U. S. Department of Agriculture, were increasing receipts of fresh eggs, large stocks of storage eggs still unsold, exceptionally cautious buying, and a decidedly lower price trend.

Poultry receipts at the central markets were lighter than in January a year ago, which fact together with larger withdrawals from storage developed a more favorable statistical position for poultry as the month advanced with a consequent strengthening of poultry prices.

JANUARY CARLOAD MOVEMENT OF POULTRY & EGGS\*

	Shipments from Texas Stations									
	Cars of Poultry									
	Live		Dressed		Live		Dressed		Cars of Eggs	
	Chickens	Turkeys	Chickens	Turkeys	Chickens	Turkeys	Chickens	Turkeys	1931	1932
TOTAL	55	17	3	1	114	52	29	41	77	51
Intrastate	3	1	—	—	1	—	—	1	5	3
Interstate	52	16	3	1	113	52	29	40	72	48
New York	47	14	3	—	49	19	18	10	19	6
Illinois	—	—	—	—	19	7	4	8	11	6
Massachusetts	—	—	—	—	14	5	5	4	6	4
New Jersey	—	—	—	—	11	3	1	—	2	—
Pennsylvania	—	—	—	—	5	4	—	8	6	2
Louisiana	1	—	—	—	2	—	—	—	7	15
Connecticut	1	—	—	—	6	4	—	1	1	1
Missouri	—	—	—	—	2	4	1	9	—	—
Georgia	—	—	—	—	—	—	—	—	7	6
Michigan	—	—	—	—	1	2	—	—	2	6
California	2	2	—	1	1	—	—	—	—	—
Alabama	—	—	—	—	—	—	—	—	5	—
Florida	—	—	—	—	2	—	—	—	—	1
Rhode Island	—	—	—	—	1	4	—	—	—	1
Ohio	—	—	—	—	—	—	—	—	1	—
Tennessee	—	—	—	—	—	—	—	—	3	—
Maryland	—	—	—	—	—	—	—	—	—	—
Mississippi	—	—	—	—	—	—	—	—	1	—
Oklahoma	1	—	—	—	—	—	—	—	—	—
North Carolina	—	—	—	—	—	—	—	—	1	—
Receipts at Texas Stations										
TOTAL	—	—	—	—	—	—	—	—	16	21
Intrastate	—	—	—	—	—	—	—	—	6	—
Interstate	—	—	—	—	—	—	—	—	10	21
Kansas	—	—	—	—	—	—	—	—	2	12
Missouri	—	—	—	—	—	—	—	—	7	8
Oklahoma	—	—	—	—	—	—	—	—	1	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.

LIVESTOCK CONDITION AND MOVEMENTS

Condition of Texas cattle ranges, at 78 per cent of normal, shows no change from a month before, according to the February 1 report of the United States Bureau of Agricultural Economics, although the normal decline for the month is 3 points. The five-year average is 79.4.

Range cattle are coming through the winter in an unusually strong condition and are expected to fatten early and rapidly after spring grass comes.

Condition of sheep and goat ranges at 80 declined 1 point during the month and is 1.6 points below the 5-year average. Sheep condition declined 2 points to 81.

The following table summarizes the condition of Texas ranges and livestock:

	Ranges		Livestock		
	Per Cent of Normal Cattle	Per Cent of Normal Sheep & Goats	Per Cent of Normal Cattle	Per Cent of Normal Sheep	Per Cent of Normal Goats
February 1, 1932	78	80	79	81	79
One Month Ago	78	81	81	83	80
One Year Ago	78	82	80	84	84
5-year Average	79.4	81.6	81.2	85.4	85.8

Total rail shipments of livestock in Texas decreased from 3,560 cars in January 1931 to 2,744 cars in January of the current year, or 22 per cent. All classes of livestock except sheep showed a marked decline. Shipments of sheep, however, increased from 260 cars in January last year to 461 cars in the same month of the present year or 85 per cent. Shipments of cattle declined 27 per cent, calves 30 per cent and hogs 63 per cent.

Combined shipments of all classes of livestock to other states plus those to Fort Worth decreased about 21 per cent from January last year. Interstate hog shipments showed the sharpest percentage decline, followed by smaller percentage declines in calves and cattle, while shipments of sheep to other states increased more than 64 per cent.

Receipts of hogs into Texas from other states during January increased 33 per cent in comparison with January 1931 while interstate receipts of other classes of livestock declined. Total receipts of hogs from other states amounted to 24,255 head in January 1932 against 18,282 head in the same month a year ago. Of these receipts 16,987 head came from the two states of Iowa and Missouri in January of the current year compared with 12,621 head in the corresponding month a year ago.

TEXAS CAR-LOT† SHIPMENTS OF LIVESTOCK DURING JANUARY\*

	Cattle		Calves		Swine		Sheep		Total	
	1931	1932	1931	1932	1931	1932	1931	1932	1931	1932
Total Interstate Plus Fort Worth¶	1,790	1,360	324	225	217	91	202	333	2,533	2,009
Total Intrastate Omitting Fort Worth	666	439	195	137	108	31	58	128	1,027	735
TOTAL SHIPMENTS	2,456	1,799	519	362	325	122	260	461	3,560	2,744

TEXAS CAR-LOT RECEIPTS OF LIVESTOCK DURING JANUARY\*

	Cattle		Calves		Swine		Sheep		Total	
	1931	1932	1931	1932	1931	1932	1931	1932	1931	1932
Total Interstate Plus Fort Worth‡	253	202	56	22	228	303	15	15	552	542
Total Intrastate Omitting Fort Worth§	640	412	171	107	81	33	47	79	939	631
TOTAL RECEIPTS	893	614	227	129	309	336	62	94	1,491	1,173

\*These data are furnished the United States Bureau of Agricultural Economics by railway officials through more than 1,500 station agents, representing every livestock 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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Entered as second-class matter on May 7, 1928, at the postoffice at Austin, Texas, under the Act of August 24, 1912.