

TEXAS BUSINESS REVIEW

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

Bureau of Business Research
The University of Texas

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THE *Iron Age* of March 17 states: "The world financial panic has subsided but business has thus far shown few tangible evidences of betterment. Among heartening domestic developments are an upturn in the reserve balances of member banks of the Federal Reserve system and a decline in rediscounts. These changes, while small in amount, are significant because they represent a reversal of trend.

"The pace of business improvement, if it actually gets under way, will be conditioned by various uncertainties. These include the reaction of the world to the Kreuger suicide, the outcome of the Lausanne Conference, the turn of events in agriculture, and the progress of Great Britain in coping with its monetary and trade problems. The rise of pound sterling, encouraging as it is, has not altered the fundamental economic factors impeding British recovery.

"In Europe and this country alike, relief from financial tension has opened the door for constructive action, but actual gains in business activity may be slow."

In the same issue (March 17), this publication makes the following observation: "It is now two weeks since Mr. Ford made the noteworthy announcement to the public concerning his new plans for production and the effect that their carrying out might have in aiding business recovery and the stimulation of production.

"We hope that there will not be too long a delay between the announcement and the receipt of tangible evidence that these plans are at least under way. Public sentiment at the present time is such that both promises and prophecies are quickly discounted if there is a long wait for signs of performance.

"Motor cars on the large scale that Mr. Ford intends to make them in 1932, cannot be made without first placing orders for materials with which to build them. As yet the steel industry has no particular evidence of such orders.

"Some weeks, at best, must elapse between the firing of the starting gun, in the form of material orders, and the availability of the new models. Mr. Ford owes it to his competitors, as well as to the public, to cut this elapsed time to a minimum. Otherwise his announcement may serve the opposite purpose intended and delay, rather than expedite, recovery. For many prospective buyers of low-priced cars are undoubtedly waiting to see what the new Ford looks like."

Standard Statistics offers this ray of hope in connection with the failure of the usual spring upturn in business to make its appearance: "Inasmuch as we have arrived at the latter half of March with no indications of a general revival of business activity, the prospect of such a revival, in the familiar form, has grown dim. It is worth pointing out, however, that failure of business to gain ground in the early spring has not invariably postponed recovery until the following autumn, nor has a short, abortive spring rise always had that result.

"Our index of industrial production began to decline in January, 1919, and continued downward until early summer; thereupon it moved sharply upward, carrying well above the normal line, with the result that activity in July and August was at the highest level of the year.

"At the beginning of 1921, also, the production curve was falling and continued to fall until May, when it turned abruptly and continued to advance, with slight interruptions, for two years. A minor advance in activity was under way early in 1924, but a sharp recession ensued, touching bottom in mid-summer. At that point the production curve turned up, inaugurating the high level of business activity which save for the slump in the fall of 1927, was well sustained to its peak in 1929."

In connection with the restoration of confidence in the banking system through the activities of the Reconstruction Finance Corporation during the past four weeks,

Standard Statistics states in its March 23 issue: "There is no need . . . for intelligent men to overlook the fact that the Reconstruction scheme is merely a relief measure for the *emergency* phases of banking difficulties. Banks have been helped temporarily. The blaze has been put out, but the fire hazard has not been removed, and the inherent weaknesses in the banking structure have not been removed by the Reconstruction plan. These weaknesses include: faulty management in the past, too many small banks, lack of strict public supervision, impediments to branch banking in certain areas where it seems economically inevitable, and multiplicity of state and national banking systems."

FINANCIAL

The meagre data thus far available seem to indicate that the emergency banking relief measures have materially relieved the tension in banking circles and brought about a more optimistic attitude. Bank failures in the United States declined, according to Bradstreet's, only 109 being recorded for the four weeks ending February 25 as against 225 for the preceding 28 days. The average amount of money in daily circulation (adjusted) declined by \$103,000,000 during the month from February 6 to March 5. Much of this impressive decline can be credited to the "anti-hoarding drive," but most of it probably represents a reduction in the till money reserves of commercial banks. During the same period, member bank borrowings from the reserve banks fell off slightly. The steady outflow of gold apparently is being checked also, a net gain of some \$11,000,000 in gold being registered for the week ending March 9, the first weekly gain since December 23. The reversal of the gold flow appears to be the result of a marked weakening in the French, Belgian, and Dutch exchange rates, accompanied by a phenomenal rise in sterling quotations, the latter rate reaching \$3.72 on March 8.

All of these developments suggest a marked improvement in the general banking situation. The mere existence of the Reconstruction Corporation as a source of emergency loans appears to have had a powerful psychological effect on commercial bankers. It would be expected, therefore, that an increasing amount of new bank credit would be made available which should bring about a general decline in short term money rates and the long expected improvement in the high grade bond market. This trend should be materially assisted by the reduction in the New York Reserve Bank's discount rate from 3½ per cent to 3 per cent (effective February 26), and by the apparent resumption since the first of March of reserve bank open market buying.

The banking situation in the Eleventh Federal Reserve District, although showing but little change over January figures, apparently does not yet reflect this general improvement. Total debits to individual accounts are down markedly; time deposits have grown somewhat at the expense of demand deposits; borrowings from the Reserve Bank have increased slightly; and loans extended

and government bonds held have shrunk to some extent. The probable explanation of these trends is that the Reconstruction Corporation was not able to organize its machinery in the Southwest in time to make itself felt in February. If this assumption is correct, a distinct improvement in Eleventh District banking data can be anticipated for the present month. The reports for February are included in the tabulations presented below which are taken from weekly reports from the Federal Reserve Board:

(In Millions of Dollars)			
	Feb. 1932	Jan.* 1932	Feb. 1931
Debits to Individual Accounts	\$457	\$700	\$630
Deposits (total)	373	370	422
Time	129	125	150
Demand	244	245	272
Borrowings from Federal Reserve	6	5	1
Loans (total)	270	275	316
On Securities	80	81	91
All Others	190	194	225
Government Securities Owned	86	87	67

*Five weeks.

STOCK PRICES

Although mid-February saw a sharp advance in stock prices and a good share of the rise was maintained during the rest of the month, the market apparently was not ready for a major upswing and prices slumped off early in March with the worst loss being felt by the railroad stocks.

The Standard Statistics Company's index of 421 stocks combined averaged 56.4 in February, 2.8 per cent under the average for the previous month. The utilities group index lost only 1.6 per cent, while the group including 33 rails fell 6.8 per cent.

	Feb. 1932	Jan. 1932	Feb. 1931
The Standard Indexes of the Stock Market:			
421 Stocks Combined	56.4	58.0	119.8
351 Industrials	52.9	54.3	110.3
33 Rails	34.2	36.7	104.7
37 Utilities	92.8	94.3	177.9

WHOLESALE PRICES

Lower prices of farm products and foods were reflected in the continued decline in all of the indexes listed below. The Farm Price Index prepared by the United States Bureau of Agricultural Economics lost 4.3 per cent during February, and stood at 60 as compared with 90 in February a year ago. The United States Bureau of Labor Statistics index including 784 commodities dropped from 67.3 in January to 66.3 for February; last year in February, this index stood at 76.8.

	Feb. 1932	Jan. 1932	Feb. 1931
Bureau of Labor Statistics	66.3	67.3	76.8
Farm Price Index*	60.0	63.0	90.0
The Annalist	92.3	94.0	111.2
Dun	\$139.53	\$140.34	\$153.55
Bradstreet	\$7.32	\$7.52	\$9.17

*Bureau of Agricultural Economics.

Dun's index of wholesale prices has remained fairly steady during the past five months and lost only 0.6 per cent during February, to equal \$139.53. Bradstreet's index, on the other hand, dropped 2.7 per cent to \$7.32 for February as compared with \$9.17 for the corresponding month in 1931.

TEXAS CHARTERS

A quickening of interest, due probably to improved business sentiment during February, marked the record of new incorporations in Texas during the month. The number of firms granted charters by the Secretary of State increased over the previous month by 9.2 per cent; since 1920, there are only two other instances in which the number of new firms incorporated during February exceeded that for the previous month.

Charters granted by the Secretary of State were as follows:

	Feb. 1932	Jan. 1932	Feb.* 1931
Capital Stock	\$5,315,000	\$2,834,000	\$4,081,000
Number	167	153	176
Classification of New Corporations:			
Oil	36	25	27
Public Service			
Manufacturing	18	26	23
Banking-Finance	8	3	13
Real Estate-Building	23	14	22
Transportation	2	4	7
Merchandising	45	53	49
General	35	28	35
Foreign Permits	35	30	38

*Revised.

The authorized capital stock of the firms which received charters during February showed up well, increasing 88 per cent from the \$2,834,000 total for January to \$5,315,000 for February. This total exceeds that for February a year ago by 30 per cent. Although there was a rather substantial increase in the number of firms capitalized at less than \$5,000, the gain in total capitalization is reflected in the jump in the number of corporations capitalized at more than \$100,000 from 4 in January to 11 in the month just passed. As compared with February a year ago, both of these size groups increased by about 10 per cent.

COMMERCIAL FAILURES

Recovering from the severe jolt experienced in January when 163 Texas business houses were forced to close their doors, the record of commercial failures in Texas during February fell in line with the improved trend which obtained during the last quarter of 1931.

Only 82 firms went into bankruptcy during the month, as compared with 91 in the corresponding month a year previous. While normally there is a decline of 17 per cent in the number of commercial failures from January to February, this year, due primarily to the unusually high total for January, the decline was practically 50 per cent.

Furthermore, the average liabilities per failure were also smaller in February, amounting to \$21,146 in February as compared with \$22,389 in the previous

month and \$22,154 in February a year ago. This decline is reflected in the drop in total liabilities; total liabilities in February were \$1,734,000, slightly less than half the total of \$3,649,000 reported in the previous month and 14 per cent under the total for February 1931.

Dry goods and clothing stores made up the largest individual group with 17 failures, while grocery stores and meat markets accounted for 10 of the insolvencies. Seven drug stores, six furniture stores, five men's clothing stores, four each of women's wear shops and jewelry stores were also included in the total number of bankruptcies during the month.

Commercial failures in Texas, as reported weekly to the Bureau by R. G. Dun and Company, were:

	Feb. 1932	Jan.* 1932	Feb. 1931
Number	82	163	91
Liabilities	\$1,734,000	\$3,649,000	\$2,016,000
Assets	\$745,000	\$1,706,000	\$919,000
Average Liabilities per Failure	\$21,146	\$22,389	\$22,154
Average Weekly Number	21	33	23

*Five weeks.

R. G. Dun and Company reports that there were 2,732 commercial failures in the entire United States during February with total liabilities of \$84,900,000; during January, 3,458 firms owing \$96,860,000 went into bankruptcy, while in February 1931 there were 2,563 insolvencies with total indebtedness of \$59,610,000. Average liabilities per failure in the entire United States were higher by 11 per cent than in January and 34 per cent than in February 1931.

DEPARTMENT STORE SALES

While it is true that in none of the cities from which department stores report to the Bureau of Business Research were February sales equal in dollar value to those for the corresponding month in 1931, Lubbock and Waco stores made an unusually good showing, and percentage declines in Corsicana, Galveston, Houston, and Port Arthur were approximately equivalent to the decline in retail prices since last year. Total sales of the 84 stores reporting to the Bureau amounted to \$3,164,000, or 22.4 per cent less than sales for the same stores in February last year.

In spite of the warm weather which prevailed in February and lessened the movement of late winter goods, total sales for the month were 7.5 per cent above those for January. Last year there was a decline in sales from January to February, and the average gain between the two months during the years 1927-1928-1929 amounted to only 1.3 per cent. The unusual cold spell early in March, while it may have delayed the sale of Easter clothes, probably helped merchants to dispose of winter goods which otherwise would have been carried over to next season.

February collections slowed up a little as compared with both January, and February 1931; however, collections in Dallas, Galveston, Houston, Lubbock, and San Antonio were better than the average for the State.

Percentage changes in department store sales as reported by 84 stores direct to the Bureau were as follows:

	Number of Stores Reporting	Percentage Change from Feb. 1931	Percentage Change from Jan. 1932	Change in Sales Year-to-date, 1932, from Year-to-date, 1931
Abilene	3	-41.1	+ 2.7	-34.6
Austin	6	-25.5	+ 5.9	-26.7
Beaumont	3	-27.3	+ 5.4	-28.6
Corsicana	3	-17.2	+24.7	-20.8
Dallas	6	-19.3	+23.4	-21.1
El Paso	4	-27.7	- 7.4	-30.6
Fort Worth	5	-22.2	+ 8.1	-23.5
Galveston	4	-18.3	-16.3	-22.6
Houston	8	-17.4	+11.3	-24.1
Lubbock	3	- 5.6	- 7.7	-17.5
Port Arthur	3	-17.5	- 4.8	-17.7
San Angelo	3	-24.7	-11.3	-29.6
San Antonio	9	-29.4	+ 1.8	-36.0
Tyler	3	-21.1	+31.1	-18.0
Waco	3	- 7.4	+ 0.7	-11.3
All Others	18	-26.1	- 5.6	-33.6
STATE	84	-22.4	+ 7.5	-26.2

Sales of 84 Comparable Stores:

	1932	1931
February	\$ 3,164,000	\$ 4,075,000
January	2,943,000	—
Year-to-date*	5,896,000	7,991,000

*Only those stores for which our records are complete for both years are included in this total.

The Federal Reserve Board reports that department store sales during February in the United States were 16 per cent below those for the corresponding month last year, while there was a decrease from January to February of about the estimated seasonal amount.

EMPLOYMENT

In line with seasonal influences, the number of workers employed by the 619 firms reporting to the Bureau of Business Research and the United States Bureau of Labor Statistics dropped slightly so that the number of employees as of February 15 stood at 64,919 as against 67,234 on the corresponding date in the previous month. Average weekly wages per worker amounted to \$24.83 in February and \$24.82 in January.

Comparisons with February a year ago show the effect of the unseasonal gain in factory employment in February 1931. The number of workers on payrolls on February 15 was 15.1 per cent less than on the corresponding date a year ago, whereas the decline last month as compared with the previous year was only 15 per cent.

Only two groups, men's clothing manufacturers and paper box plants, enlarged their forces on February 15 as compared with the corresponding date both a month ago and a year ago, but these increases in number of workers were accompanied by substantial drops in average weekly wages per worker. Seventeen of the 32 employment groups showed higher weekly wages per worker in February than in January, but with only one exception these gains were made simultaneously with reductions in the number of workers. As compared with January 15, auto and body works, bakeries, flour mills, men's clothing manufacturers, paper box mills, commercial printers and wholesale stores showed gains,

whereas only cotton compresses, men's and women's clothing manufacturers, and paper box mills employed more workers than they did on February 15, 1931.

	Number of Firms	Workers			Percentage Change from Jan. 1932	Change from Feb. 1931
		Feb. 1932	Jan. 1932	Feb. 1931		
Austin	33	983	1,057	1,205	- 7.0	-18.4
Beaumont	27	4,090	4,204	5,418	- 2.7	-24.5
Dallas	125	13,594	14,397	15,657	- 5.6	-13.2
El Paso	43	2,136	2,254	2,704	- 5.2	-21.0
Fort Worth	49	5,151	5,270	5,621	- 2.3	- 8.4
Galveston	23	1,050	755	942	+39.1	+11.5
Houston	75	19,195	19,990	22,696	- 4.0	-15.4
San Antonio	73	6,993	7,049	8,340	- 0.8	-16.2
Waco	24	622	645	699	- 3.6	-11.0
Wichita Falls	42	861	846	922	+ 1.8	- 6.6
Miscellaneous	105	10,244	10,767	12,289	- 4.9	-16.6
STATE	619	64,919	67,234	76,493	- 3.4	-15.1

BUILDING

The inauguration of the huge building project at the University and a continuance of the record building activity in Longview exerted sufficient influence on the summary of building permits for 36 of the leading cities of the State to bring the total for the State 24 per cent above that for the month of January. Austin and Longview together made up more than half of the total volume of building permits for the month.

Building permits as reported direct to the Bureau of Business Research were as follows:

	Feb. 1932	Jan. 1932	Feb. 1931
Abilene	\$ 42,525	\$ 11,981	\$ 52,790
Amarillo	35,082	24,030	371,174
Austin	636,577	115,848	524,061
Beaumont	23,123	45,148	68,199
Brownsville	3,415	4,675	5,560
Brownwood	5,600	300	16,500
Cleburne	12,625	4,600	2,850
Corpus Christi	16,250	2,815	18,830
Corsicana	2,400	5,400	16,750
Dallas	142,491	278,819	2,282,956
Del Rio	3,300	4,050	14,900
Denison	3,250	1,400	1,825
Eastland	400	50	200
El Paso	16,439	19,592	102,910
Fort Worth	191,725	118,732	318,110
Galveston	54,001	60,877	76,117
Houston	290,587	359,093	1,327,767
Jacksonville	—	1,705	2,275
Laredo	2,700	200	5,250
Longview	564,000	46,654	*
Lubbock	2,430	1,075	7,700
McAllen	1,825	910	8,800
Marshall	46,914	3,284	11,695
Paris	15,921	9,234	27,130
Plainview	—	18,000	5,000
Port Arthur	4,337	18,255	54,923
Ranger	—	50	50
San Angelo	5,950	8,835	13,100
San Antonio	18,033	112,584	243,343
Sherman	5,531	1,570	12,225
Snyder	1,000	200	1,825
Sweetwater	75	1,150	2,650
Temple	10,700	2,400	32,350
Tyler	93,125	127,241	284,222
Waco	36,302	56,011	69,594
Wichita Falls	2,630	434,700	5,290
TOTAL	\$2,354,263	\$1,901,468	\$5,988,921

*The 1931 figures for Longview were not available.

Seventeen of the cities included in the total reported more building permits in February than in the previous month, and large gains were made in Abilene, Amarillo, and Fort Worth. The total for the month amounted to \$2,354,263 as compared with \$1,901,468 in January. As compared with a year ago, building activity was carried on at a very low rate.

Because of a substantial gain in non-residential building, the F. W. Dodge Corporation's report on contracts awarded in February for Texas compared more favorably with the previous month than did the record for the states east of the Rocky Mountains. Whereas the value of contracts awarded in Texas during February more than doubled the January figure and reached \$7,078,000, the total for the states east of the Rocky Mountains was \$89,045,800, as against \$84,798,400 in January, a gain of only 5 per cent.

Building material prices continued on the downward trend during February, as indicated by the index on building material included in *The Annalist* index of wholesale commodity prices. The average for February was 107.8 as compared with 108.7 in the previous month and 126.2 in February 1931.

CEMENT

Although the normal seasonal development in Texas Portland cement production between January and February is for output to remain practically the same for the two months, this year February production was less by 17 per cent than that for the previous month.

At 256,000 barrels, shipments during February increased by 6 per cent over the previous month but were still about 25,000 barrels less than output. The curtailment in building activity as compared with a year ago is reflected in the fact that shipments for February were 22 per cent under those for the corresponding month in 1931, while stocks of cement at Texas mills were 15 per cent greater than at the corresponding time last year.

Stocks on hand at the close of February amounted to 847,000 barrels, the highest amount on record for Texas mills.

Activity in Texas Portland cement mills according to the United States Bureau of Mines may be summarized as follows:

(In Barrels)			
	Feb. 1932	Jan. 1932	Feb. 1931
Production	280,000	338,000	286,000
Shipments	256,000	241,000	328,000
Stocks	847,000	823,000	740,000

In the United States, production dropped from 5,026,000 barrels in January to 3,971,000 barrels in February, or 21 per cent. Shipments also declined, totalling only 3,118,000 barrels as compared with 3,393,000 barrels in the previous month. Since output exceeded shipments by about 850,000 barrels, there was a gain of 3.3 per cent in stocks on hand; at 26,631,000 barrels, stocks compare with 25,778,000 barrels at the close of January and 28,612,000 at the end of February 1931. Cement mills in the United States were operating at 18.7 per cent of capacity as against 29.4 a year ago.

LUMBER

That average weekly shipments per unit in lumber mills reporting to the Southern Pine Association increased 14 per cent during February as compared with the previous month, may be looked upon as a favorable development, particularly because this increase was accompanied by a gain (even though in this case it was only 1.6 per cent) in average unfilled orders.

At 197,046 feet, average weekly shipments per unit during February were almost 50,000 feet above average weekly output, so that even with the gain of 3.5 per cent in production during the month there was a net decline in stocks.

The Southern Pine Association reports activity in its member mills as follows:

(In Board Feet)			
	Feb. 1932	Jan. 1932	Feb. 1931
Average Weekly Production per Unit	148,666	143,589	267,851
Average Weekly Shipments per Unit	197,046	172,291	286,154
Average Unfilled Orders per Unit, End of Month	542,449	533,658	808,560

Average unfilled orders per unit have been on the increase since the first week of January, and bookings at the end of February, though not quite up to one month's run, are the highest recorded for the year so far and are about one-third below those at the close of February last year.

PETROLEUM

More and more it is becoming apparent that the problem of the oil industry as a whole is based primarily upon the ability of that widely extended industry to obtain a better balance between production of oil products and consumption requirements. Although the output of crude oil has been drastically restricted, the difficulty of keeping production under control may be judged from the facts that while the average production of crude oil in the first two weeks of March ranged about 2,142,000 barrels daily, the current shut-in production has been conservatively estimated at 3,000,000 barrels a day.

Although the refiners of the United States in the twelve months ending March 12, operated on a weekly average of around 60 per cent of capacity, yet gasoline stocks during 1932 have closely paralleled those for the corresponding period of 1931.

For the year 1931, total volume of exports of crude and refined oil products from the United States amounted to 44 per cent more than the imports of these products, yet the trend of total exports of oil products has been rather sharply downward since 1929.

For the week ending March 12, Oklahoma's daily crude oil production was nearly 18 per cent below that of the same period in 1931; Kansas production likewise was less than that of a year ago. In most Texas districts, production is less than a year ago—in several districts considerably less; East Texas, however, produced in

the week ending March 12 at the daily average rate of 323,600 barrels in contrast to the daily average rate of 82,700 barrels a year ago.

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

	(In Barrels)		
	Feb. 1932	Jan. 1932	Feb. 1931
Panhandle	49,037	51,525	54,337
North Texas	48,100	49,300	59,888
West Central Texas	24,150	25,225	24,425
West Texas	176,163	174,000	244,712
East Central Texas	52,438	50,637	42,650
East Texas	315,137	335,175	19,675
Southwest Texas	51,875	52,213	78,038
Coastal Texas	112,412	112,450	158,737
STATE	829,312	850,525	682,462
UNITED STATES	2,143,275	2,189,987	2,127,587
Imports	237,750	216,857	259,178

New field developments, according to the *Oil Weekly*, were as follows:

	Feb. 1932	Jan. 1932	Feb. 1931
Permits for New Wells	508	360	333
Wells Completed	499	502	288
Oil Wells	401	409	141
Gas Wells	13	12	23
Initial Production (In Thousands of Barrels)	3,017	2,877	151

Gasoline sales in Texas, as indicated by taxes collected by the State Comptroller, totalled 55,289,000 gallons, as compared with 61,939,000 gallons in December, and 61,059,000 gallons in January 1931.

COTTON MANUFACTURING IN TEXAS

Texas cotton mills reporting to the Bureau of Business Research turned out 3,360,000 yards of goods during February, a total exceeding by 7.4 per cent the output for the previous month. Last year in February, these same mills produced 3,474,000 yards of cloth.

February production exceeded sales by about 300,000 yards, resulting in an accumulation of goods on hand. Sales totalled only 3,067,000 yards as compared with 3,742,000 yards in January, and 3,419,000 yards in February a year ago. Unfilled orders dropped from 3,815,000 yards at the close of January to 3,633,000 yards at the end of February, a decline of 4.8 per cent; at this level bookings were 23 per cent under those at the close of February a year ago and are scarcely a month's run at present operating schedules.

Reports from 21 cotton mills direct to the Bureau may be summarized as follows:

	Feb. 1932	Jan. 1932	Feb. 1931
Bales of Cotton Used	3,702	4,280	4,547
Yards of Cloth:			
Produced	3,360,000	3,129,000	3,474,000
Sold	3,067,000	3,742,000	3,419,000
Unfilled Orders	3,633,000	3,815,000	4,739,000
Active Spindles	143,426	145,224	160,993
Spindle Hours	34,401,000	36,081,000	40,165,000

The number of active spindles, at 143,426, dropped only 1.2 per cent from the previous month as against a drop in bales of cotton used from 4,280 to 3,702, or

about 14 per cent. Spindle hours reflect this seasonal decline in manufacturing activity by a loss of 4.7 per cent from the total for January and, at 34,401,000 hours, are 14 per cent below those reported in February, 1931.

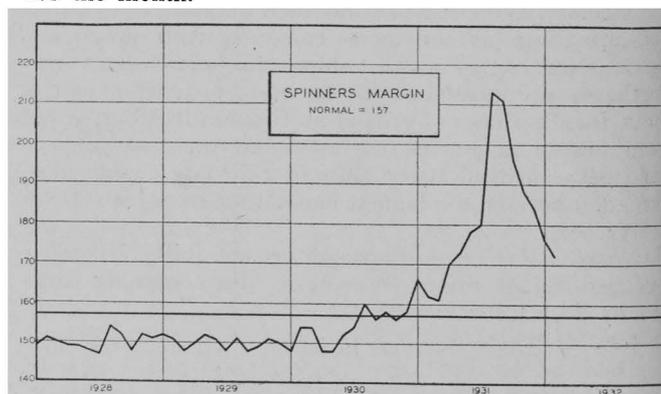
TEXTILE SITUATION

Cotton consumption in the United States during February was 450,000 bales as compared with 434,000 bales consumed in January and 433,000 bales consumed in February 1931. This is an increase of about 4 per cent as compared with January of this year as well as with February of last year.

According to the Association of Cotton Textile Merchants of New York, February suffered a severe setback from the favorable showing made in January of this year. Cloth sales during February amounted to 245,600,000 yards as compared with 338,000,000 yards in January. This represents a decrease of 27 per cent. The decline in cloth sales from February 1931, to February 1932, is 25 per cent. Unfilled orders declined from 391,000,000 yards at the end of January 1932, to 378,000,000 yards at the end of February 1932, or about 3 per cent. The percentage decline from February 1931, to February 1932, is 4 per cent.

SPINNERS MARGIN

Prices of raw cotton and the prices of 32-twist yarn advanced during February, but the price of raw cotton advanced more sharply than the price of 32-twist yarn. Accordingly, the spinners margin declined from 176 in January to 172 in February. This is a loss of 4 points for the month.



COTTON BALANCE SHEET

Supply of raw cotton in the United States on March 1 was 14,337,000 bales as compared with 11,010,000 bales on the same date last year,—an increase of 3,327,000 bales. This is a new, all-time, high record for March 1. The 10-year average is 7,560,000 bales.

During the past seven years, changes in the supply of cotton in the United States have been 14,017,000 bales. Corresponding changes in the deflated price of cotton during the same period have been 2,774 points, or a change of 19.79 points per 100,000 bales. On the basis of this ratio, the increase of 3,327,000 bales in the supply indicates a decline of 6.58 cents in the deflated price of

cotton as compared with last year, or a deflated price of 7.21 cents.

Stocks of cotton in European ports and cotton afloat to Europe were 385,000 bales smaller on March 1, 1932 than on March 1, 1931. Applying the above supply-price ratio to this decrease, the deflated price is 7.97 cents. When this price is adjusted by the latest wholesale price index number (66.3) of the United States Bureau of Labor Statistics, the adjusted price is 5.28 cents. The March 1 spinners margin is 172. When the price of 5.28 cents is adjusted for this demand factor, the final calculated price on this basis is 5.79 cents.

If the March 1 price is calculated by applying percentage changes in the supply during the past seven years to percentage changes in the deflated price during

the same time, the indicated price, after having been adjusted by the Bureau of Labor Statistics index number of wholesale prices, is 7.12 cents, while the actual price of New Orleans middling spots on March 14 was 6.80 cents. When the price is read from the March supply-price curve, the indicated price is between 6.25 cents and 6.75 cents.

Inasmuch as the new crop is beginning to be a market factor and since the February textile figures, issued by the Association of Cotton Textile Merchants of New York, are not encouraging, for any bullish enthusiasm to develop, it would probably have to come from the inflationary measures recently enacted into law and from unfavorable weather as the growing season gets under way.

COTTON BALANCE SHEET IN THE UNITED STATES
AS OF MARCH 1

(In Thousands of Running Bales)

Year	Carry-over	Imports*	December 1 Estimate*	Total	Consumption	Exports	Total	Balance
1924-1925	1,556	213	13,153	14,922	3,503	6,134	9,737	5,185
1925-1926	1,610	199	15,603	17,412	3,746	5,927	9,673	7,739
1926-1927	3,543	232	18,618	22,393	4,019	7,565	11,584	10,809
1927-1928	3,762	226	12,789	16,777	4,201	5,122	9,323	7,454
1928-1929	2,536	246	14,373	17,155	4,042	6,190	10,232	6,923
1929-1930	2,313	215	14,919	17,447	3,809	5,293	9,102	8,345
1930-1931	4,530	41	14,243	18,814	2,900	4,904	7,804	11,010
1931-1932	6,369	56	16,918	23,343	3,081	5,925	9,006	14,337

*In 500-pound bales.

The cotton year begins on August 1.

FRUIT AND VEGETABLE SHIPMENTS

A belated spell of winter in March, coming after weeks of spring weather had given fruit and vegetable crops a good start, played havoc with Texas truck farms and orchards and caused severe losses to producers all the way from Dallas to the Valley. The East Texas peach and tomato crops suffered great damage. Cucumbers and beans in the Corpus Christi and Valley areas were killed, and onion plants were also hurt. The strawberry deal, which was beginning to get under way, was set back about two weeks. Citrus trees in the Valley escaped injury. Reports on fruit and vegetable shipments in the next few months will give a more accurate picture of the extent of the damage done by the freeze.

Loadings for February totalled 6,805 cars and were exceeded only by the record of 7,256 carloads set in February last year. The bulk of the loadings consisted of mixed vegetables, spinach, and cabbage. Grapefruit shipments in February totalled 1,211 carloads as compared with 976 cars in January and 361 cars in February 1931.

The first carload of strawberries for the season moved out in February and loadings of beans jumped from 9 in January to 55 in the month just passed. Also included in the total shipments for the month were 75 cars of sweet potatoes, 4 cars of cauliflower, 1 car of lettuce, 1 of tomatoes, 27 of oranges, 25 of potatoes, 2 of green peas, 116 of mixed citrus, 278 of carrots, 158 of beets, and 147 of greens.

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

(In Carloads)

	Feb. 1932	Jan. 1932	Feb. 1931
Mixed Vegetables	1,683	1,438	1,845
Spinach	1,590	1,560	2,077
Cabbage	1,431	1,569	1,980
Grapefruit	1,211	976	361
Sweet Potatoes	75	69	129
Cauliflower	4	71	—
Strawberries	1	—	—
Lettuce	1	2	20
Tomatoes	1	2	—
Oranges	27	24	40
Potatoes	25	51	19
Green Peas	2	15	1
Beans—Snap, Lima, String	55	9	2
Mixed Citrus	116	87	14
Peppers	—	—	1
Carrots	278	95	366
Beets	158	99	236
Greens	147	280	119
Turnips and Rutabagas	—	—	46
TOTAL	6,805	6,347	7,256

POULTRY AND EGGS

Total interstate rail shipments of poultry and eggs combined during February amounted to 307 cars, a decline of 6 per cent from the 326 cars shipped out of the State during February last year. The drop occurred in the poultry shipments, which fell from 179 cars to

148 cars, or 17 per cent. Egg shipments to other states amounted to 159 cars compared with 147 cars a year ago. One carload of eggs was received in Texas from Georgia.

The Lubbock, Abilene, and Fort Worth-Dallas areas stand out as the large shipping points of chickens in Texas, while the Cuero-Yoakum and the Dallas-Fort Worth sections originate the bulk of the eggs.

FEBRUARY CARLOAD MOVEMENT OF POULTRY & EGGS*

	Shipments from Texas Stations									
	Cars of Poultry									
	Live		Dressed		Chickens		Turkeys		Cars of Eggs	
	1931	1932	1931	1932	1931	1932	1931	1932	1931	1932
TOTAL	64	44	---	1	112	93	8	12	191	160
Intrastate	5	2	---	---	---	---	---	---	44	1
Interstate	59	42	---	1	112	93	8	12	147	159
New York	46	41	---	---	1	48	35	3	2	19
Illinois	4	---	---	---	6	9	2	3	11	50
Massachusetts	---	---	---	---	19	7	2	2	7	21
New Jersey†	---	---	---	---	12	7	---	---	4	2
Pennsylvania	2	---	---	---	11	21	---	1	7	4
Louisiana	3	---	---	---	1	1	---	---	47	9
Connecticut	---	---	---	---	5	4	---	1	2	---
Missouri	---	---	---	---	5	2	1	2	5	3
Georgia	---	---	---	---	---	3	---	---	9	10
Michigan	1	---	---	---	1	2	---	---	10	13
California	3	1	---	---	3	1	---	---	---	---
Alabama	---	---	---	---	---	---	---	---	8	---
Florida	---	---	---	---	---	---	---	---	11	6
Rhode Island	---	---	---	---	---	---	---	---	1	2
Tennessee	---	---	---	---	---	---	---	---	4	2
Maryland	---	---	---	---	---	---	---	1	1	---
Dist. of Col.	---	---	---	---	---	1	---	---	---	---
West Virginia	---	---	---	---	1	---	---	---	---	1
South Carolina	---	---	---	---	---	---	---	---	1	---
Receipts at Texas Stations										
TOTAL	2	---	---	---	---	---	---	---	36	1
Intrastate	2	---	---	---	---	---	---	---	35	---
Interstate	---	---	---	---	---	---	---	---	1	1
Missouri	---	---	---	---	---	---	---	---	---	1
Georgia	---	---	---	---	---	---	---	---	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 data are compiled by the Bureau of Business Research.

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

LIVESTOCK CONDITION AND MOVEMENTS

Condition of Texas ranges improved 4 points to 82 during February, according to the March 1 report of the United States Bureau of Agricultural Economics and prospects for grazing during the coming season were said to be better than on the same date a year ago.

Cattle suffered somewhat from the frequent cold rains which prevailed during February so that their condition was 2 points below the 5 year average on March 1. Further deterioration may have occurred during the unseasonably cold weather the early part of March. Indications are that there will be a large supply of grass fat cattle available for market, but unless the market improves, no heavy runs to market are expected.

Sheep were in excellent condition on March 1, but some losses of young lambs and newly-sheared goats occurred during the extreme cold spell early in March.

The livestock condition report of the United States Department of Agriculture for Texas as of March 1 is as follows:

	Condition of Ranges			Condition of 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	
March 1, 1932	82	85	80	83	81	
One Month Ago	78	80	79	81	79	
One Year Ago	86	89	84	88	87	
5-year Average	81.4	82.0	82.0	83.8	84.2	

Total rail shipments both intra-State and inter-State of all classes of livestock amounted to 2,241 cars in February, as compared with the 2,675 cars during the corresponding month a year ago. Hogs showed the sharpest decline with a drop of 62 per cent, while cattle and calves were off 15 and 25 per cent respectively. Movement of sheep gained 38 per cent over the same month a year ago, thus maintaining the high rate of shipments which has prevailed for a number of months.

Cattle shipments out of the State by rail amounted to 1,719 cars, compared with 1,880 cars in February 1931, a decline of 8 per cent. Shipments of hogs declined 49 per cent, calves 44 per cent, and cattle 8 per cent.

TEXAS CAR-LOT† SHIPMENTS OF LIVESTOCK DURING FEBRUARY*

	Cattle		Calves		Swine		Sheep		Total	
	1932	1931	1932	1931	1932	1931	1932	1931	1932	1931
Total Interstate Plus Fort Worth¶	1,196	1,292	142	256	85	168	296	164	1,719	1,880
Total Intrastate Omitting Fort Worth	311	485	140	121	17	99	54	90	522	795
TOTAL SHIPMENTS	1,507	1,777	282	377	102	267	350	254	2,241	2,675

TEXAS CAR-LOT† RECEIPTS OF LIVESTOCK DURING FEBRUARY*

	Cattle		Calves		Swine		Sheep		Total	
	1932	1931	1932	1931	1932	1931	1932	1931	1932	1931
Total Interstate Plus Fort Worth‡	81	145	12	60	365	178	7	2	465	385
Total Intrastate Omitting Fort Worth§	311	380	132	115	20	88	51	63	514	646
TOTAL RECEIPTS	392	525	144	175	385	266	58	65	979	1,031

*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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