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 VIII, Number 1 | Entered as second-class matter on May 7, 1928, at the post office at Austin, Texas, under the Act of August 24, 1912. | February 28, 1934

Business Review and Prospect

INDUSTRIAL recovery has proceeded with quickened pace during the past two weeks and now appears to have gained sufficient headway to insure continued expansion during the next few months by its own momentum unless some totally unforeseen emergency arises.

"Fortified by expanding volumes in virtually every industry and in every section of the country," says a recent report of Standard Statistics Co., "both producers and consumers are in a position to accept with relative complaisance each new policy formulated by the Government.

. . . "The steady encroachment of Government in business which these developments (recent steps in the Administration's reform-recovery program) signify, would at one time have had an extremely adverse effect on sentiment and, prior to 1933, undoubtedly would have placed an immediate damper on all forward business plans. Even as recently as last year, the initial imposition of N. R. A. codes played a large part in halting the first stage in recovery.

"During the process of priming industry through Government action, it has been evident that conservative business thought has been forced to concede (1) that private industry was prevented by the depression from regimenting its resources to initiate recovery and (2) that the Government, in placing increased consumer-purchasing power before initial profits, is at least creating the basis for greater trade volumes.

"The firmness of this foundation is being evinced in increasing degree by the expansion in employment, the steady rise since the first of the year in production, the well maintained volume of retail trade and the unprecedented improvement in the position of the agricultural districts.

"During the next several weeks business should continue to feel the stimulus of the early Easter and the equally important influence of increased future buying as the result of strength in raw material prices."

Although such disconcerting prospects as possible labor disturbances and a relapse of business with cessation of Government spending under the C. W. A. cannot be ignored, ameliorating circumstances are already visible. Strengthened Governmental powers for arbitrating disputes and the probability of a more coöperative attitude among responsible labor leaders should greatly moderate labor troubles: and the normal spring pick up in industry, together with the merging of C. W. A. activities with the more permanent structure of the P. W. A., should greatly improve the employment situation.

Moreover, the bulk of the funds provided by the Federal Emergency budget remains to be spent and, in addition, farm bonus payments scheduled for disbursement during 1934 approximate one billion dollars.

Business prospects, therefore, on the basis of existing facts for the first six months of the year, are the brightest they have been since the depression began. From the longer-term point of view, however, not much can be said until the Government's policy on fundamental problems is more fully matured. There still remains to be developed a sounder banking system, a more closely articulated transportation system, a comprehensive program of agricultural readjustments, and an international policy which will open foreign markets for our agricultural and industrial products. It may reasonably be expected that these problems will be considerably clarified during the next six months and that, as a result, the more distant outlook from the new point of vantage thus created may be less hazy than it is at present.

The future danger lies in the possibility that the impending sharply-rising business trend may be credited entirely to the emergency measures which have been adopted, whereas much of the business improvement would doubtless have taken place had no such radical measures been adopted. In evidence of this fact we need only to inspect the curves of industrial activity in the leading commercial countries of Europe where the low point in the depression was reached in the summer of 1932.

Although Texas and the Southwest are doubtless reaping immediate benefits from the Administration's policy of production control as it relates to oil, and of both production control and bonuses in connection with cotton, it shuld be recognized that the measures so far

adopted and now under consideration are of an emergency character and that a long-time program for this region remains to be developed.

Current statistics of Texas business are making an increasingly better showing in comparison with those of a year ago. Commercial failures are 67 per cent fewer in number, and liabilities of failed firms, 79 per cent less in amount than a year ago; lumber production, according to reports from the Southern Pine Association, increased 10 per cent; retail sales in 86 Texas department stores and specialty shops increased 28 per cent; and collections were 6 per cent better than a year ago. Cotton manufacturing plants in Texas showed marked increases in operation as reflected in bales of cotton used, cloth produced and sold, and in unfilled orders at the end of the month; building permits increased 16 per cent.

Employment as reported by 1,165 Texas establishments for the week ended February 17 showed a decrease from January 1934 of 2.4 per cent but an increase of 16.6 per cent from February 1933. The payroll for the same period increased 13.3 per cent over last year, but declined .7 per cent from last month. These figures do not include workers on the federal emergency program.

F. A. BUECHEL.

For complete data, see statistical tables at the end of this publication.

Financial

The enactment of the "Gold Reserve Act of 1934" and the subsequent return of the United States to the gold standard constituted the most important financial developments of the month. The Administration money bill was enacted with comparatively little opposition and approximately in its original form. In brief, it provided for: (1) the confiscation of the reserve bank gold holdings by the Treasury, (2) the prohibition of future gold coinage, (3) a minimum gold dollar devaluation of 40 per cent, (4) the creation of a two billion dollar stabilization fund out of the profits resulting from devaluation, and (5) the granting of broad powers to the Secretary of the Treasury in handling the stabilization fund and the Federal Government debt.

On January 31, President Roosevelt by proclamation set the weight of the gold dollar at 15 5/21 grains of gold 9/10 fine, thus debasing the standard money unit by 40.94 per cent. At this weight, the mint price for fine gold was raised to $35.00 per ounce from the old figure of $20.67. Effective with the presidential proclamation, therefore, the country was on what might be called a gold bullion reserve standard and the dollar was given a fixed value in terms of gold bullion. It should be pointed out, however, that the President has specifically reserved the right to change the weight of the dollar within existing statutory limits whenever he feels that such action is warranted. The present statutory limits provide for a minimum devaluation of 40 per cent and a maximum devaluation of 50 per cent, thus giving the President a 10 per cent range within which he can fix the weight of the dollar at will. It is entirely possible that he plans to use this flexibility in putting into effect his original stabilized dollar program.

The sudden return to the gold standard at a 41 per cent devaluation threw the foreign exchange market into confusion, from which it is only now emerging. A considerable flow of capital funds from Europe, largely foreign owned, together with a frantic covering of dollar short positions and the serious political crisis in France, resulted in a sharp drop in the sterling and franc rates. At one time on February 5, the franc rate overvalued the new dollar parity by 8.42 per cent. To a lesser extent the sterling exchange rate ruled under the parity indicated by the London gold price. The unusual depreciation of the foreign exchange rates made possible handsome profits on gold arbitrage transactions and has resulted in a tremendous flow of gold into New York, thus intensifying the existing mal-distribution of monetary gold stock. Up to February 16, the movement of gold to the United States aggregated at least $350,000,000, no less than $90,000,000 arriving in one day.

The gold arbitrage transactions tend to raise the exchange rates as it is necessary to buy foreign exchange with which to pay for the gold abroad. The resulting demand for exchange enhances the values of foreign currencies and raises the rates. Until the rates rise above the American gold import points, however, it can be expected that gold imports will continue. Apparently the Administration is relying upon gold arbitrage transactions to depreciate the dollar to its new foreign exchange parities. It is possible, of course, that the new stabilization fund is being utilized to purchase foreign currencies, but no positive evidence to that effect is forthcoming.

Banking statistics indicate some little change in the commercial banking system. Total demand deposits of the reporting member banks increased from $10,866,000,000 on December 27, to $11,125,000,000 on February 7. Much of this increase of $260,000,000 can be attributed to the new Federal Deposit Insurance Corporation, which, on January 1, had a membership of 13,423 state and national banks. But 828 unrestricted state banks had failed to join on that date. There is every indication that the Corporation will operate definitely to unify the banking system, both by causing a shift from state to national banks and by inducing state banks to join the Federal Reserve System.

Total loans of the reporting member banks declined slightly from $8,402,000,000 on December 27, to $8,300,000,000 on February 7. Over the same period, holdings

of "other securities" showed but little change, while holdings of government securities increased from $5,267,000,000 to $5,847,000,000. The monetary gold stock of the country jumped from $4,323,000,000 on January 3, to $7,089,000,000 on February 14, reflecting chiefly the revaluation of the dollar. Currency in circulation (unadjusted) continued to decline, dropping from $5,791,000,000 on January 3, to $5,321,000,000 on February 14; most of this decline, however, resulted from writing off the treasury books some $300,000,000 of gold coin and certificates still nominally in circulation.

The failure of bank loans to expand has brought about much unwarranted criticism of commercial bank lending policies from the Administration, culminating several weeks ago in an address by Jesse Jones warning that if the banks did not extend loans freely, the Government would. Contrary to general public belief, bankers are now not only willing but very desirous of extending sound commercial loans. With huge cash reserves, which are idle and producing no revenue, it is probable that bankers are refusing few sound loan applications. The difficulty, rather, is a dearth of would-be borrowers. Whether the brain trust likes it or not, it is a well established fact that expansion of bank credit follows rather than precedes rising business activity.

The striking rise in bond prices deserves special comment. From November 22 to February 16, the Dow-Jones average of 40 high grade bonds rose from 78.62 to 92.39. This gain of some 14 points reflects restoration of confidence on the part of American investors and a substantial foreign demand for dollar bonds. The stock market, after rising steadily for some weeks, suffered substantial relapses with the announcement of the drastic Administration bill looking toward stock market regulation.

J. C. DOLLEY.

With the exception of demand deposits and holdings of government securities, the condition of the reporting banks in the Eleventh District showed but little change during the past month. Demand deposits of the reporting banks on January 31 stood at $277,000,000, 7.4 per cent above the level on January 3 and 24.2 per cent above the level one year before. Total loans outstanding declined slightly during the month, but holdings of government bonds increased sharply, rising to $165,000,000, a gain of 75.5 per cent over the level of one year ago.

Petroleum

Public interest in the oil problem as a whole and the close relationship of oil to so many important current problems, governmental and economic, serve at least to emphasize the fundamental place which the petroleum industry has attained in our modern economic structure. These current problems range from those of State allowables and "hot oil," and taxes on oil products, to those of international relations concerned in international trade in these commodities and those of competition with other fuels. All of these problems are closely tied in with governmental policies. It is obvious that such problems are of importance to all, as citizens on the one hand and as consumers on the other.

THE OIL INDUSTRY AND INDUSTRIAL PROGRESS

The problems of the oil industry are, in a large sense, those of modern industry and are therefore intimately related to business recovery. Considered from a broad point of view, industrial progress in the past has been characterized by the production of more goods, new goods, and better adapted goods, which have been produced with increasing economies in their manufacture. Though numerous exceptions may be cited, the above generalization serves to emphasize the principle that increased industrialization is made possible through greater specialization, and that lower prices enable the industry to sell in wider markets.

GASOLINE

The most important petroleum product, in terms of money values, is gasoline. The recent history of gasoline illustrates in a significant sense some of the principles mentioned in the preceding paragraph. In 1926 the domestic consumption of gasoline in the United States was 261,813,000 barrels; this figure increased gradually in the following years, reaching a peak of 401,011,000 barrels in 1931. In 1932 there was a decrease to 368,574,000 barrels, but for 1933 the estimated production of gasoline shows an increase to 372,010,000 barrels. In 1926 the retail cost of the 261,813,000 barrels of gasoline amounted to $2,560,000,000, and the average filling station price in 50 cities of the United States was 23.26 cents a gallon; in that year federal and state taxes on gasoline amounted to $253,000,000. In 1933 the retail cost of the estimated 372,010,000 barrels of gasoline was $2,830,000,000 and the average filling station price in 50 cities was 18.17 cents a gallon; in 1933, however, federal and state taxes on gasoline alone amounted to $843,000,000, the largest in the history of the gasoline industry. Thus in 1926 the cost to the public (taxes deducted) of 261,813,000 barrels of gasoline was $2,307,000,000; in 1933 the cost of 372,010,000 barrels was $1,987,000,000. In the same period, the quality of gasoline sold was materially improved. It is also of importance to note that technical improvements in refining are increasing very materially the quantity of gasoline which can be derived from crude oil. For instance, the actual crude runs to stills in 1930 amounted to 927,447,000 barrels; it has been stated that for 1930 without improved refining methods the industry would have required the vast amount of 1,806,474,000 barrels of crude to yield the gasoline produced in that

year. This is, obviously, a conservation factor of major importance.

THE OIL INDUSTRY AND BUSINESS RECOVERY

Unquestionably a feeling of hopefulness pervades the oil industry as a whole. Technical men are being added to the staffs of the larger companies. Scientific exploration is being carried on, with rather firm competition for acreage in various sections of the State. Recorded production in Texas for January 1934 was slightly under that for December 1933; but there was a considerable drop in East Texas production, whereas every other part of the State except North Texas and Coastal Texas registered a material percentage increase. It is of interest also to note that permits for new wells in Texas in January 1934 amounted to 817, a 44 per cent increase over December 1933, and a 63 per cent increase over January a year ago.

ELMER H. JOHNSON.

Cotton

The United States is in sore need of a comprehensive cotton policy. If increased Federal control is to be permanent, as it now seems inevitable, due recognition of the interrelationship of different phases of the industry is essential. Scientific analysis must determine policies and not political propaganda; otherwise the efficiency of the less powerful divisions in the industry will be crippled and the industry as a whole made to suffer. Cotton ginning and cotton seed crushing are two sections of the industry which may be seriously harmed through political control.

This is the last of a series of five articles published in the TEXAS BUSINESS REVIEW, dealing with a cotton policy for the United States. This article will deal with the principles governing a policy toward ginning and cotton seed crushing.

As pointed out in the October issue, "Cotton ginning is a service performed for hire. It is a mechanical process, and farmers are unable to judge correctly the quality of the service. Poor equipment and gins improperly set and operated do great damage to the lint cotton. A policy with reference to cotton gins in the interest of the cotton industry as a whole must permit a charge sufficient to maintain a first class ginning system with minimum service standards adequately enforced."

The cotton gin is essential to a community growing cotton. While the income earned from the gin is dependent upon the price charged for its services and the profit on materials sold, such as bagging and ties, it is, in a real sense, a community enterprise. The policy of the community as to cotton growing cannot be altered without affecting the welfare of the cotton gin, and not much improvement can be made without the coöperation of the ginner. As a rule, the cotton ginner is the community leader in matters relating to cotton, and if he is not, he should be. The ginner's importance is increasing because he is being called upon to perform more and more services. He is a leading factor in cotton improvement; he usually buys the farmer's cotton seed, and is rapidly becoming the local cotton buyer. These are in fact his logical duties if the proper system is worked out for handling the business, for these services can be performed most economically in this way.

The value of cotton for spinning purposes depends to a large extent on the quality of the ginning service. The ginner cannot add to the length of staple or the evenness of it, but there are many ways he can shorten it, add to its irregularity or damage its spinning qualities. These facts give the cotton merchants and spinners a genuine interest in the ginning business. Any policy of control in the cotton industry cannot leave ginning out, for if the volume of ginning is reduced and charges not raised in proportion, the lowering of the quality of the gin service is eventually inevitable. The farmers and spinners cannot afford to have this happen. The reduction of cotton production to 10,000,000 bales means a large surplus of gins. Should the Government lease a sufficient number of these or otherwise take steps to prevent disaster in the ginning business?

Cotton Seed Using Industries

Briefly stated, a national policy toward cotton seed and cotton seed using industries must be built with the full recognition that "Cotton seed production and the cotton seed processing industries are of tremendous value to the South, the value of cotton seed alone being about one-seventh that of the lint. On the other hand, cotton seed crushing and cotton seed oil refining and manufacture constitute one of the most important groups of industries in the country. A policy to permit the cotton seed crushing industry to eliminate wasteful competition, to preserve the industry on an efficient basis, and to develop local sideline enterprises which in the long run will bring the greatest net gain to the farmer and the community is of prime importance."

Probably the National Government has made least progress in analyzing the cotton seed industries with the idea of working out a truly scientific policy toward them than it has for any other phase of the cotton industry. Many reasons have contributed to this. Cotton seed are a by-product, and their products come into direct competition with livestock products, especially lard and butter. These conflicting interests have involved cotton seed industries in regional politics. Competition of vegetable oils from abroad have raised forcibly the tariff policy which again forced consideration of the industry from the standpoint of politics.

The first step in forming a policy dealing with this branch of the cotton industry is to make a thorough analysis of the cotton seed using industries themselves

and their relations to other industries. In most communities of the South the farmers are in sore need of supplementary farm enterprises to preserve soil productivity and secure better use of their time. The proper distribution and utilization of the products of cotton seed crushing plants may be made to go a long way in the solution of these problems.

The cotton seed crushing industry requires a large fixed capital investment. Its operations are highly seasonal. These conditions are conducive to cut-throat competition. Likewise, they are also very dependent on the volume of cotton produced. Some sort of control seems inevitable if the industry is to save itself, for on an average very large losses have occurred during recent years. This control may be secured by voluntary agreements or by some sort of uniform competitive conditions set up and enforced by Federal officials through codes and marketing agreements.

COTTON SITUATION

Cotton is now beset with a high degree of artificiality throughout all its phases from the farm to the ultimate consumer of the cotton goods. The cotton acreage reduction sign-up campaign conducted by the U. S. Department of Agriculture to reduce the 1934 cotton acreage to 25,000,000 has been strenuous but, according to preliminary reports, has been a success. The threat of the passage of the Bankhead Bill to limit cotton ginning for the 1934–35 season to 10,000,000 bales helped to force some farmers into the agreement. The Bill has the approval of President Roosevelt and may yet be enacted. If production control is to continue as a permanent policy, compulsion will be necessary.

The all-absorbing question confronting those interested in the welfare of the South is, *has the cotton grower's competitive position been improved by the Government's method of control?* Foreign cotton growers are in a stronger position in that they have expanded their acreage and obtained a higher price due to curtailment in the United States. Their increased volume and freely competitive supply have increased the favor of world markets for their cotton. In other words, America has stronger competition in world markets now than two years ago.

The processing tax backed by compensatory tariffs to provide the funds to induce farmers to keep their acreage down will invite strong competition from other textile materials—especially rayon, wool, and silk—and thus reduce the demand for cotton. This, in turn, may require higher taxes to get money to drive the acreage down to hold up the price.

A. B. Cox.

COTTON BALANCE SHEET

Total supplies of cotton in the United States February 1 were 13,579,000 bales compared with 14,617,000 last year, 15,749,000 two years ago, and 11,858,000 three years ago. Normal supply at this time of year is about 10,000,000 bales. The net decline in the world market supply of American cotton from this time last year is 976,000 bales.

Calculated price changes based on the average demand-supply-price relations prevailing during the past seven years as of February 1 indicate that the index price should be about 132 points above the price on this date last year, disregarding the spinners margin and the devalued dollar. The calculated price of M 7/8 New Orleans spot cotton, based on changes in supply and the spinners margin, is 8.69 cents. The Bureau supply-price chart indicates 8.67 cents. The percentage method of calculation indicates a price of about a cent less, or 7.65 cents. These figures do not take into account the devaluation of the dollar. Incidentally, if the percentage devaluation of the dollar is added to 8.69 cents, it makes 12.20 cents, almost exactly the same as New Orleans M 7/8 spot cotton on February 13, the price used for comparison purposes. The buying power of cotton in terms of all commodities is the highest it has been since 1929 and considerably higher than it was in 1926.

SPINNERS MARGIN

Prices of both cotton and cotton yarn advanced during January, though cotton advanced a little more relatively than yarn so that the spinners margin declined during January from 177 to an average of 169. Liverpool M 7/8 spot cotton averaged 5.92 d during January, and 32's twist yarn, 10.00 d. The average pence margin declined very slightly, that is, from 4.09 d in December to 4.08 d in January.

Livestock and Poultry

TEXAS LIVESTOCK SHIPMENTS

Shipments of Texas livestock to Fort Worth and interstate points totalled 3,615 cars in January compared with 3,113 cars during January last year, an increase of 16 per cent. Comparable figures for the various classes of livestock were as follows: cattle, 2,094 and 1,706 cars; calves, 741 and 618 cars; hogs, 233 and 290 cars; and sheep, 547 and 499 cars.

It will be noted that of the various classes of livestock a decline in shipments occurred only in the case of hogs. The drop amounted to 20 per cent. On the other hand, receipts of hogs into Texas from other states amounted to 324 cars against only 193 cars in January last year, an increase of 70 per cent. The excess of receipts of hogs from other states over shipments out of the State was 91 cars. The greatest increase in receipts occurred from

the states of Kansas, Iowa, Missouri, and Nebraska, and the large markets—Kansas City and Omaha.

A sharp decline occurred in the number of sheep shipped to the Fort Worth market, amounting to less than half that in January 1933. On the other hand, marked increases in shipments of sheep were made to Colorado, Illinois, Missouri, Oklahoma, Iowa, and Ohio, and to the market at St. Joseph. The Kansas City market received only about half as many Texas sheep as in January last year.

Marked increases in shipments of cattle, calves, and sheep occurred from the Trans-Pecos district. There was also a sharp increase in numbers of sheep sent into this district from sections in which grazing conditions were less favorable.

Other districts in Texas showed marked increases in numbers of livestock shipped in comparison with January last year. The North Plains, especially, showed a marked increase in shipments of sheep; and the South Plains, in cattle and calves.

POULTRY AND EGGS A sharp drop occurred in shipments of poultry and eggs from Texas to interstate points during January in comparison with the corresponding month last year. Total interstate shipments of chickens, turkeys, and eggs amounted to only 117 cars against 219 cars in January last year, a decline of 47 per cent. Of these totals 59 cars consisted of chickens against 99 cars last year; turkeys 45 and 70 cars respectively; and eggs 13 cars compared with 53 cars.

Receipts of eggs from other states totalled 15 cars against 2 cars a year ago. Origin of these receipts were: Kansas, 1; Missouri, 7; and Illinois, 7. The two cars last year were shipped in from Kansas.

PETROLEUM

Daily Average Production

(In Barrels)

	Jan. 1934	Dec. 1933	Jan. 1933
Panhandle	42,260	41,850	44,325
North Texas	55,990	57,350	46,775
West Central Texas	24,500	23,950	24,388
West Texas	124,050	120,450	158,350
East Central Texas	43,210	43,200	48,575
East Texas	393,540	402,150	223,750
Southwest Texas	44,470	42,550	50,925
Coastal Texas	159,850	159,500	131,975
STATE	887,870	891,000	729,063
UNITED STATES	2,223,240	2,275,100	1,953,125
Imports	117,114	122,643	120,607

NOTE: From American Petroleum Institute.

New Development in Texas

	Jan.* 1934	Dec. 1933	Jan. 1933
Permits for new wells	817	568	501
Wells completed	706	728	533
Oil wells	442	544	367
Gas wells	19	24	14
Initial Production (In thousands of barrels)	2,542	2,696	1,877

*Five weeks.
NOTE: From *The Oil Weekly*.

Gasoline sales, as indicated by taxes collected by the State Comptroller: December 1933, 69,232,000 gallons; November 1933, 57,499,000 gallons; December 1932, 55,231,000 gallons.

JANUARY CARLOAD MOVEMENT OF POULTRY & EGGS

Shipments from Texas Stations

	Cars of Poultry								Cars of Eggs	
	Live				Dressed					
	Chickens		Turkeys		Chickens		Turkeys			
	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933
TOTAL	20	30	7	7	39	66	38	63	14	55
Intrastate	—	—	—	—	—	—	—	—	1	2
Interstate	20	30	7	7	39	66	38	63	13	53
Interstate Shipments Classified										
New York	11	25	1	2	13	27	15	31	4	28
Illinois	—	3	4	—	5	5	3	12	2	2
Massachusetts	—	—	1	2	7	7	6	8	1	11
New Jersey	—	—	—	—	6	5	—	—	1	2
Pennsylvania	1	—	—	2	5	13	4	3	1	1
Louisiana	2	—	—	—	—	1	—	1	—	3
Connecticut	—	—	1	—	1	1	—	1	—	1
Missouri	—	—	—	—	—	1	2	6	—	1
Georgia	—	—	—	—	—	—	—	—	1	—
California	6	2	—	—	1	3	1	—	—	—
Alabama	—	—	—	—	—	1	—	—	—	—
Florida	—	—	—	—	—	1	—	—	1	—
Rhode Island	—	—	—	—	—	1	—	—	—	2
Tennessee	—	—	—	1	—	—	—	—	—	—
Maryland	—	—	—	—	—	—	2	—	—	1
Nebraska	—	—	—	—	1	—	4	—	—	—
D. of Columbia	—	—	—	—	—	1	1	—	1	—
North Carolina	—	—	—	—	—	—	—	—	1	—
South Carolina	—	—	—	—	—	—	—	—	—	1
Receipts at Texas Stations										
TOTAL	—	—	—	1	1	—	—	—	19	4
Intrastate	—	—	—	1	1	—	—	—	4	2
Interstate	—	—	—	—	—	—	—	—	15	2
Interstate Receipts Classified										
Kansas	—	—	—	—	—	—	—	—	1	2
Missouri	—	—	—	—	—	—	—	—	7	—
Illinois	—	—	—	—	—	—	—	—	7	—

NOTE: 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.

COTTON MANUFACTURING IN TEXAS

	Jan. 1934	Dec. 1933	Jan. 1933
Bales of cotton used	5,860	3,514	4,170
Yards of cloth:			
Produced	5,945,000	4,195,000	4,385,000
Sold	9,476,000	5,381,000	4,029,000
Unfilled orders	17,503,000	10,930,000	8,613,000
Active spindles	177,753	151,053	144,424
Spindle hours	51,051,000	29,166,000	40,340,000

NOTE: Reported to the Bureau of Business Research by Texas Cotton Mills.

TEXAS COMMERCIAL FAILURES

	Jan. 1934	Dec.* 1933	Jan.* 1933
Number	26	25	78
Liabilities	$ 291,000	$ 403,000	$1,386,000
Assets	$ 96,000	$ 245,000	$ 656,000
Average Liabilities per Failure	$ 11,192	$ 16,120	$ 17,769
Average Weekly Number	7	5	16

*Five weeks.

NOTE: From Dun & Bradstreet, Inc.

FEBRUARY EMPLOYMENT IN TEXAS CLASSIFIED BY CITIES

	No. of Establishments	Workers Feb. 1934	Workers Jan. 1934	Workers Feb. 1933	Percentage Change from Jan. 1934	Percentage Change from Feb. 1933
Amarillo	25	663	646	586	+ 2.6	+ 13.1
Austin	28	690	685	641	+ 0.7	+ 7.6
Beaumont	27	3,557	3,159	2,635	+ 12.6	+ 35.0
Dallas	165	13,024	12,427	11,054	+ 4.8	+ 17.8
El Paso	52	2,411	2,273	1,961	+ 6.1	+ 22.9
Fort Worth	70	7,187	7,576	6,052	− 5.1	+ 18.8
Galveston	24	1,273	1,288	1,220	− 1.2	+ 4.3
Houston	126	17,492	20,081	16,659	− 12.9	+ 5.0
Port Arthur	14	7,821	7,782	4,562	+ 0.5	+ 71.4
San Angelo	7	142	145	116	− 2.1	+ 22.4
San Antonio	158	4,435	4,578	4,533	− 3.1	− 2.2
Waco	22	957	1,123	977	− 14.8	− 2.0
Wichita Falls	30	706	704	697	+ 0.3	+ 1.3
Miscellaneous	417	21,742	21,653	18,700	+ 0.4	+ 16.3
STATE	1,165	82,100	84,120	70,393	− 2.4	+ 16.6
Payroll	1,165	$1,763,367	$1,775,996	$1,556,526	− 0.7	+ 13.3

BANKING STATISTICS DALLAS RESERVE DISTRICT

(In Millions of Dollars)

	Jan. 1934	Dec. 1933	Jan. 1933
Debits to individual accounts	$499	$656*	$583*
Condition of reporting member banks on	Jan. 31, 1934	Jan. 3, 1934	Feb. 1, 1933
Deposits (total)	401	380	353
Time	124	122	130
Demand	277	258	223
Loans (total)	197	204	222
On securities	58	59	69
All other	139	145	153
Government securities owned	165	135	94

*Five weeks.

NOTE: From Federal Reserve Board.

TEXAS RETAIL DEPARTMENT STORE SALES*

	Number of Stores Reporting	Percentage Change in Dollar Sales Jan. 1934 from Dec. 1933	Percentage Change in Dollar Sales Jan. 1934 from Jan. 1933
Austin	5	− 59.0	+ 28.2
Beaumont	5	− 54.3	+ 19.0
Corsicana	3	− 57.5	+ 5.0
Dallas	8	− 48.0	+ 23.4
El Paso	3	− 49.2	+ 36.6
Fort Worth	6	− 58.0	+ 25.6
Galveston	5	− 54.2	+ 8.6
Houston	9	− 53.4	+ 35.0
Port Arthur	4	− 41.9	+ 69.2
San Angelo	3	− 51.8	+ 24.8
San Antonio	4	− 49.9	+ 20.5
Temple	3	− 61.2	− 3.6
Tyler	3	− 46.2	+ 64.1
Waco	4	− 53.0	+ 37.5
Wichita Falls	3	− 42.6	+ 27.5
All Others	18	− 52.8	+ 35.7
STATE	86	− 51.8	+ 28.0
Department Stores (Annual volume over $500,00)	16	− 54.0	+ 29.1
Department Stores (Annual volume under $500,00)	31	− 51.9	+ 33.4
Dry Goods and Apparel Stores	12	− 55.8	+ 16.9
Women's Specialty Shops	12	− 42.6	+ 18.0
Men's Clothing Stores	15	− 44.1	+ 31.0

*The classification by towns includes all of the stores reporting as indicated in the classification by types of stores.

NOTE: Reported to the Bureau of Business Research by Texas Department Stores.

BUILDING PERMITS

	Jan. 1934	Dec. 1933	Jan. 1933
Abilene	$ 35,795	$ 2,195	$ 945
Amarillo	62,854	4,521	15,511
Austin	30,788	27,356	50,624
Beaumont	10,550	90,661	9,278
Brownsville	24,707	6,764	455
Cleburne	425	—	1,800
Corpus Christi	62,924	7,710	3,800
Corsicana	16,750	1,700	10,175
Dallas	251,880	150,899	170,006
Del Rio	1,542	2,500	1,130
Denison	2,200	1,500	—
El Paso	23,136	48,498	10,269
Fort Worth	52,420	70,184	85,400
Galveston	20,872	74,086	20,130
Harlingen	3,830	32,575	1,190
Houston	160,425	281,722	258,547
Jacksonville	2,000	300	1,115
Laredo	—	1,600	1,000
Longview	30,800	27,190	30,980
Lubbock	6,709	10,762	14,129
McAllen	1,590	12,350	200
Marshall	2,080	2,140	4,738
Paris	2,700	2,450	34,060
Plainview	13,200	6,500	5,000
Port Arthur	9,814	9,643	4,905
San Angelo	4,075	16,372	1,420
San Antonio	69,447	32,775	48,841
Sherman	1,475	3,805	2,799
Snyder	1,900	600	—
Sweetwater	3,170	3,870	600
Texarkana	3,620	4,360	9,053
Tyler	41,689	11,271	43,623
Waco	26,147	13,967	25,366
Wichita Falls	23,325	1,500	1,945
TOTAL	$1,004,839	$ 964,326	$ 869,034

NOTE: Reported by Texas Chambers of Commerce.

LUMBER

(In Board Feet)

	Jan. 1934	Dec. 1933	Jan. 1933
Southern Pine Mills:			
Average Weekly Production per Unit	181,717	182,950	164,718
Average Weekly Shipments per Unit	154,714	153,465	161,569
Average Unfilled Orders per Unit, End of Month	580,718	442,233	494,629

NOTE: From Southern Pine Association.

CEMENT

(In Barrels)

	Jan. 1934	Dec. 1933	Jan. 1933
Texas Mills			
Production	195,000	151,000	255,000
Shipments	264,000	222,000	285,000
Stocks	484,000	553,000	646,000
United States			
Production	3,779,000	3,526,000	2,953,000
Shipments	3,778,000	3,738,000	2,502,000
Stocks	19,541,000	19,541,000	20,624,000
Capacity Operated	16.6%	15.5%	12.9%

NOTE: From U. S. Department of Commerce, Bureau of Mines.

STOCK PRICES

	1934 Jan.	Dec. 1933	Jan. 1933
Standard Indexes of the Securities Markets			
421 Stocks Combined	75.6	70.4	49.1
351 Industrials	84.0	78.8	46.2
33 Rails	45.5	40.3	27.6
37 Utilities	73.2	67.3	81.8

NOTE: From Standard Statistics Co., Inc.

TEXAS CHARTERS

	Jan. 1934	Dec. 1933	Jan. 1933
Capitalization	$2,581,000	$1,005,000	$2,829,000
Number	146	94	140
Classification of New Corporations:			
Oil	27	14	28
Public Service	3	—	1
Manufacturing	16	15	16
Banking-Finance	8	8	8
Real Estate-Building	19	14	11
Transportation	1	2	2
Merchandising	34	25	42
General	38	16	32
Foreign Permits	31	18	23
Number capitalized at less than $5,000	55	38	33
Number capitalized at $100,000 or more	6	1	9

NOTE: Compiled from records of the Secretary of State.

COMMODITY PRICES

	Jan. 1934	Dec. 1933	Jan. 1933
Wholesale Prices:			
U. S. Bureau of Labor Statistics (1926 = 100)	72.2	70.8	61.0
The Annalist (1913 = 100)	103.5	101.6	82.4
	65.0*	64.7*	—
Dun's	$164.53	$162.31	$128.43
Bradstreet's	$ 9.01	$ 8.83	$ 6.53
Farm Prices:			
U. S. Department of Agriculture (1910–1914 = 100)	70.0	68.0	51.0
U. S. Bureau of Labor Statistics (1926 = 100)	58.7	55.5	42.6
Retail Prices:			
Food (U. S. Bureau of Labor Statistics) (1913 = 100)	105.2	103.9	94.8
Department Stores (Fairchild's Publications) (Jan. 1931=100)	88.5	88.0	71.1

*On gold basis based on exchange quotations for France, Switzerland, Holland, and Belgium.

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF FEBRUARY 1

(In Thousands of Running Bales Except as Noted)

	Carryover Aug. 1	Imports to Feb. 1*	Government Estimate as of Feb. 1*	Total	Consumption to Feb. 1	Exports to Feb. 1	Total	Balance Feb. 1
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	2,460	4,479	6,945	11,858
1931–1932	6,369	47	16,918	23,334	2,631	4,954	7,585	15,749
1932–1933	9,682	59	12,727	22,468	2,811	5,040	7,851	14,617
1933–1934	8,176	69	13,177	21,422	2,924	4,919	7,843	13,579

*In 500-pound bales.

The cotton year begins August 1.

JANUARY SHIPMENTS OF LIVESTOCK CONVERTED TO A RAIL-CAR BASIS‡

	Cattle		Calves		Hogs		Sheep		Total	
	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933
Total Interstate Plus Fort Worth†	2,094	1,706	741	618	233	290	547	499	3,615	3,113
Total Intrastate Omitting Fort Worth	312	319	209	183	12	66	164	115	697	683
TOTAL SHIPMENTS	2,406	2,025	950	801	245	356	711	614	4,312	3,796

†Fort Worth shipments are combined with interstate forwardings in order that the bulk of market disappearance for the month may be shown.
‡Rail-Car Basis: Cattle, 30 head per car; calves, 60; hogs, 80; and sheep, 250.
NOTE: 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,