

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 6

Entered as second-class matter on May 7, 1928, at the post office at Austin,
Texas, under the Act of August 24, 1912.

July 28, 1934

Business Review and Prospect

CONFUSING as the immediate business outlook is at present, some encouragement may be derived from the fact that in the face of serious labor crises, a tense European situation, and the most destructive drouth in the history of the country, industrial recession during the summer probably will not exceed normal expectancy by more than about 5 per cent. Moreover, there are indications that this seasonal dip may be followed by a fall upturn of favorable proportions.

False economic philosophies frequently lead to crises, and these crises often crystallize public opinion into a demand for a new line of departure. There are, accordingly, indications that wiser councils are about to prevail in organized labor, and we may be permitted to hope that the extreme nationalism of the past few years will gradually be displaced by a policy of international coöperation. As for the drouth, it has effectually banished the agricultural "surplus," hitherto apparently regarded as the central problem of the A. A. A.

From now on a new course must be charted in labor-management relations, in international affairs, and in agricultural policy. Some weeks ago the N. R. A. adopted a radical change of policy with a view to promoting self-government in industry with federal officials as impartial referees.

At the core of any policy looking toward sustained improvement in commerce and industry, however, taking the economic structure of the country as it is, there must be recognition of the legitimacy of reasonable private profits under efficient management. If costs of production are increased artificially by the Government, or if taxes tend to absorb a growing proportion of business profits, the essential motive for private initiative venturing into new fields is lacking and business stagnates.

Especially is this true of the industries engaged in the production of capital goods. It has been recognized for many months by leading economists and industrialists that the capital goods industries must be revived if re-employment on a large scale is to take place. Among the industries which were expected to increase greatly their demands for capital goods were the railroads. The need

exists, and the railroads are eager to make large expenditures for new and improved rolling stock, for maintenance of way and for better terminal facilities. Yet those with funds to invest will hesitate about putting them in railroad securities in the light of the poor earnings record of railroads during the past four years and the recent increase in costs due to pay roll increases and pension legislation for railroad employees without railroads having first been placed in the position where they can meet these additional costs. The same principle holds true with respect to other public utilities and in varying degrees to other industries.

For the past several months it has been growing increasingly clear that the greatest retarding influence to business recovery is the fear on the part of investors that profits in industry may dwindle because of high operating costs and increasing taxes. Thus except for the highest grade of bonds it is feared that interest will be uncertain and dividend payments highly speculative.

There is apparently a growing recognition on the part of the Administration of the danger presented by the foregoing situation. Perhaps the most constructive measure yet taken to meet the problem is the Housing Act passed at the recent session of Congress. The purposes of this Act are to reduce unemployment through stimulation of the capital goods industries, and by making homes more generally available to promote a better and more contented citizenship.

That there is a great potential demand for homes is evidenced by the sharp drop in the dollar volume of home building during the past five years as reported by F. W. Dodge Corporation. The decline may be seen from the following figures:

1929	\$1,915,727,500
1930	1,101,312,500
1931	811,388,700
1932	280,067,900
1933	249,262,100

The National Association of Real Estate Boards, active sponsors of the law, states that the legislation does first of all these two things:

1. By setting up a system for Federal insurance of conservative long-term, amortized home mortgages paid for by those insured, it puts a bottom under mortgage values, home values, and the real estate mortgage market.

2. By establishing a system of Federally controlled but privately initiated national mortgage associations to discount home mortgages of existing financing institutions in the same way in which Federal Reserve Banks discount commercial paper, the new act provides a system which has scope enough genuinely to stabilize the flow of private capital into real estate financing, particularly the financing of home ownership at all times and from ordinary normal sources.

The details of organization have not yet been completed. It is safe to predict, however, that every effort will be made to expedite the work as the housing program is expected to make some contribution to the revival of business this fall. If properly administered and if not oversold, the Housing Act should lay the basis for an institution of great permanent value.

Turning to the business situation in Texas, reports to this Bureau indicate that current activity is holding up better than in the country at large. Retail dollar sales in various groups of Texas stores made a favorable showing in comparison with the similar month last year. Reports from 93 retail establishments covering all sections of the State show an average increase of 24 per cent in dollar sales in comparison with June last year; and for the first half of the year, average sales were 28.4 per cent above the corresponding period in 1933. The seasonal decline from May to June was about equal to the average of the preceding seven years, or nearly 16 per cent.

Automobile registrations during June reached a new high for the year. Contrary to the seasonal trend in the past several years when there has been an average

decline of 3 per cent from May to June, registrations during June this year in the 15 most populous counties, representing all sections of the State, totalled 5,794 against 5,339 in May, a rise of 8.5 per cent. Compared with the June 1933 registrations of 4,111 cars, the increase was 41 per cent; while total registrations for the first half of the year were 26,443 against 16,742 during the corresponding period last year, a gain of 58 per cent.

Checks cashed during June by member banks reporting to the Federal Reserve Bank of Dallas increased 14 per cent over May and 24.2 per cent over June 1933.

The Texas cement industry showed a marked increase over June 1933. Production was up 9 per cent, and shipments increased 14 per cent while inventories were 18 per cent lower.

Commercial failures totalled only 17, a decline of 39 per cent from June 1933. Reports from 2,298 Texas establishments show a slight decrease in the number of workers employed in July as compared with June but a substantial increase of 13.1 per cent over July 1933. Payrolls in these establishments increased 2.1 per cent over June and 16.5 per cent above July 1933.

The only adverse factors in the month's statistics in comparison with June last year were a decline in the number and capitalization of new Texas charters and a decline in shipments of Texas livestock, poultry, and eggs. The Texas cotton textile industry suffered a severe decline during June both in comparison with May and with June 1933.

Although production of staple farm products during the current season promises to be lower than last year, farm purchasing power is expected to be above that of last year because of higher prices and the various benefit payments to be distributed by the Government.

F. A. BUECHEL

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

Financial

The past month has produced little in the way of new financial developments. Since the adjournment of Congress and the departure of the President from Washington, the Administration has devoted itself largely to setting up the machinery for carrying into effect the newly authorized regulation of the stock exchanges, the R. F. C. and Federal Reserve Bank direct lending to industry, and the latest silver purchase law. The expected renewal of political pressure to tinker further with the currency in the interests of price inflation has made its appearance. From all surface indications, however, the President appears to have lost some of his sublime faith in rising commodity prices as a restorative for prosperity, and in currency tinkering as a means of raising prices. Unless an unexpectedly sharp price decline sets in between now and the coming general elections, it is generally believed that the President will attempt no further monetary manipulation in the immediate future.

General banking and currency trends showed little change during the month. The aggregate loans and discounts of the reporting member banks continued their slow decline, dropping from \$8,089,000,000 on June 13 to \$8,006,000,000 on July 11. Total security holdings of these banks, however, increased considerably over this period, rising from \$9,281,000,000 to \$9,745,000,000, practically all of the increase representing new purchases of government bonds and notes. More and more the commercial banks appear to be evolving into investment trust institutions.

Net demand deposits of the reporting banks changed but little during the month. Excess reserve balances, however, continue to be enormous, thus providing the basis for a rapid expansion of bank credit whenever business borrowing develops. It is interesting to note that many commercial banks in recent months have been refusing to accept postal savings deposits from the post office because

they were unable to earn enough on such funds to offset their cost. In April, May, and June of this year, \$187,908,000 of postal savings were turned back to the post office, although there is some indication now of a shift in the trend.

From June 13 to July 18, the monetary gold stock of the country increased by \$77,000,000, reaching a level of \$7,897,000,000 on the latter date. Recent weakness of the French franc, occasioned by political difficulties in Paris, suggests the probability of gold being imported from France in small quantities during the next several weeks. Total currency in circulation, adjusted for seasonal variation, increased slightly from \$5,383,000,000 on June 13 to \$5,400,000,000 on July 11. Although the quantity of money in circulation has changed but little in recent months, the kinds of money in circulation have shown significant trends. Federal reserve bank notes, the "emergency" currency of 1933, continue to decline each week, having dropped from \$208,191,000 on last December 31 to \$38,560,000 on July 18. Apparently, the Reserve Banks intend to retire all of this currency at an early date. Similarly, many national banks are retiring their national bank notes because of inability to earn a satisfactory profit on such circulation. To offset these declines, federal reserve notes in circulation have been expanded somewhat. It is interesting to note that, despite recent Treasury purchases of silver, silver certificates in circulation have decreased by some \$6,000,000 from December 31, 1933, to June 30. Evidently the Treasury is not yet using its right to issue such certificates against its newly acquired silver bullion.

Security markets during recent weeks have exhibited mixed trends. The high-grade bond market has been rather consistently strong since the first of the year, the Dow-Jones average of 40 bond prices having risen from 92.56 on February 17 to 95.48 on July 14. The relatively high and generally rising bond prices reflect the existing oversupply of capital funds seeking investment and the prevailing shortage of new high-grade issues. Barring unforeseen developments which might weaken the confidence of investors in the goodness of the dollar, it could be expected that high-grade bond prices would continue to advance for some time.

DYNAMIC ASPECTS OF THE OIL INDUSTRY

industry as does oil. These changes have to do with exploration and discovery of new oil fields or of new (deeper) oil-bearing horizons in proven fields; they have to do with improved technique in refining the increasing variety of consumable products; they have to do with improved methods of utilizing these products. But these widespread changes also have influences on and represent the action of forces not usually associated with

Perhaps no other single commodity illustrates so well the actualities concerned with revolutionary changes in modern

Prices of common stocks, however, have tended irregularly downward since February, breaking rather sharply during the week of July 18-24 to the lowest average levels of the year. Numerous factors have contributed to stock market pessimism, among the more important of which are the following: the sharp rise in labor costs resulting from the N. R. A. codes, the rapid rise in raw material costs, the wave of strikes and labor troubles which has engulfed the country and which is largely to be attributed to the N. R. A., the prospect for further industrial reform legislation to be financed out of corporate earnings, uncertainty as to the Administration monetary policy, and uncertainty as to the effect on security trading of the new Stock Exchange Control Act.

Most of these factors have been bearish in that they have increased corporate operating expenses without providing anything like a proportionate increase in corporation earnings. The newly enacted Railroad Pension Bill serves as an excellent illustration. This Bill requires the railroads to set aside substantial sums to provide pensions for retired employees and thus increases materially rail operating costs. Few people will criticize the humanitarian effort to protect retired workers, but few can deny the difficulty of the railroads in meeting this added financial burden at the present time. The Stock Exchange Control Bill thus far seems to have operated to discourage professional trading. At any rate the daily trading volume throughout June and the early part of July has shrunk to the lowest levels in recent years. Apparently the bulk of the buying during this period has come from investors seeking to employ idle funds in dividend-paying stocks. In the immediate future, stock prices will probably reflect closely the general level of business activity. Should the normal autumn season upturn develop, the stock market probably will be able to forge ahead but not in any spectacular fashion.

Some seasonal upturn can reasonably be expected, if for no other reason than through the expenditure of huge federal appropriations which would result in a further artificial stimulus to business activity. It is unlikely that the Administration would, if such is within its power, permit a pronounced business recession to develop prior to the forthcoming general elections.

J. C. DOLLEY.

Petroleum

oil. For instance, the location and growth of modern refineries in Venezuela, in England, in France, in Russia, and elsewhere illustrate the working of a principle of modern industry that is worldwide in its applications: that of geographical decentralization of manufacturing industry. In addition, the oil industry (together with natural gas in the United States) has become a significant competitor with coal in domestic markets as well as on the sea—a form of competition which is not only very disturbing to the coal industry but, what is more important, is also forcing economies and new means of utilization into what has been regarded as a rather

conservative industry. It is no play upon words to state that the oil industry is a dynamic one. Furthermore, oil itself is a most important factor in that modern economic shift toward industrial decentralization.

IN PAST, OIL RESERVES GREATLY UNDERESTIMATED

Modern oil finding and the changes in estimates of oil reserves are no less revolutionary than what is occurring in other phases of the industry. In 1913 the United States produced 248,446,000 barrels of crude oil; in 1900 our production had been only 63,621,000 barrels. A book published in 1913 by professors in The University of Chicago stated that should the current rate of production continue, "the supply, so far as it can be estimated in known fields, would be exhausted by about 1935." The same authors state: that "In view of the probable early exhaustion of the supply, petroleum should be used only for those purposes for which it is best adapted." These views are quoted not only as representative of ideas concerning our oil reserves in the pre-war period but also because these views were, for the time, very conservatively stated.

In 1920 David White, then of the U. S. Geological Survey, in what was regarded as a conservative estimate,

stated that 40 per cent of the United States oil reserves were then exhausted. Yet in the 10 years from 1921-1930 inclusive the United States produced more oil than it had in all its history prior to 1921.

TEXAS AND PROVEN OIL RESERVES

In regard to modern concepts as to oil reserves, Mr. Alexander Deussen, a competent geologist and student of oil conditions, presents in the July 16, 1934, issue of *The Oil Weekly*, some current data as to proven oil reserves in the United States. Mr. Deussen gives the volume of proven oil reserves in this country as 10 billion barrels; of this amount Texas has 45 per cent; California 35 per cent; and Oklahoma 7.5 per cent. These data apply only to oil actually in sight or to what may reasonably be recovered from present proven fields.

Furthermore, it should be emphasized, such data are not concerned with oil in fields yet to be discovered, or to oil in horizons below the limit of practical drilling at present. In this respect, it is of interest to note that Mr. Deussen states with reference to the Gulf Coast that, "There is virtually no bottom to our section from the standpoint of productive oil horizons."

ELMER H. JOHNSON.

Cotton

THE COTTON SITUATION Since the last issue of this REVIEW one important point in the cotton situation has been cleared up, and that is the acreage planted to cotton in the United States. According to the Crop Reporting Board the number of acres in cotton June 1 was 28,024,000. As already pointed out, this is the smallest acreage planted to cotton in the United States since 1905.

The big *if* in the cotton situation now is, what will the Government's estimate of yield be August 8? Consensus of opinion now is that the crop will be under ten million bales and some place it as low as 8½ million. The prospective low yield is due partly to excessive moisture in some eastern states, especially North Carolina and Alabama, but more especially to one of the severest droughts and periods of high temperatures in Texas and Oklahoma in the history of these states.

All information coming in from foreign countries confirms earlier indications that foreign cotton-producing countries are taking advantages of United States forced reduction of acreage to increase their acreage. As a result, world acreage will be increased this year over last.

Prospective shorter supplies of American cotton continue to widen the parity between American middling and No. 1 Oomro. Two years ago the price of No. 1 Oomro was about 90 per cent of the price of American middling in Liverpool. Last year it declined to about 80 per cent, and now it is about 70 per cent. This increasing spread between the price of American cotton and foreign growths, especially Indian and Egyptian, is causing widespread substitution of other growths for

American cotton. This is especially true in the Orient where Indian is taking the place of American cotton.

In other words, "Uncle Sam" again finds himself playing Santa Claus to the other countries of the world because other growths of cotton can be substituted for American. In 1929-30 he held millions of bales off the market and enabled foreign countries to dispose of their cotton at good prices. Last year and this he has assumed full responsibility for reducing the world's supply of cotton, and in the process has given the rest of the world an opportunity to sell greatly increased supplies at advancing prices. It is generally admitted that the 1929-30 program proved a boomerang to the cotton growers. The burning question now is, Can the United States prevent the American cotton farmers from paying dearly for the temporary relief in the way of some price advance and rental payments gained through forced reduction of cotton production? To date no cotton policy has been advanced to accomplish this most desired objective.

COTTON BALANCE SHEET	July 1 the Cotton Balance Sheet showed 8,403,000 bales of cotton in the United States compared with 9,216,000 June 1; 9,241,000 July 1 last year; and 10,239,000 bales two years ago. European port stocks and afloat to Europe of American cotton was 1,273,000 bales on June 29 this year compared with 1,643,000 a year ago, or a decline of 370,000 bales.
-----------------------------	--

There has thus been a decline in the balance of cotton in the United States plus declines in American cotton

in and afloat to European ports of 1,208,000 bales since July 1 last year.

Based on average relations between changes in supply and index prices, this decrease in the supply should cause an advance in the index price of about 345 points over the price last year. When the index price is converted to present price levels and corrected for the spinners margin, the indicated price for New Orleans Middling spot cotton is above 15 cents. The price cal-

culations based on percentage change indicate a price of 14.41 cents.

SPINNERS MARGIN Spinners ratio margin declined three points from 164 in May to 161 during June. The decline in the ratio margin was due to the general rise in prices, for the pence margin increased from 3.94 d in May to 4.01 d in June. During June 1933 the ratio margin averaged 160, and the pence margin 3.67 d. These figures indicate a relatively strong position for spinners.

A. B. Cox.

Livestock and Poultry

LIVESTOCK SHIPMENTS Livestock shipments from Texas during June to Fort Worth and interstate points were slightly below the similar month last year. A total of 4,164 cars was shipped against 4,255 cars during June a year ago, a decline of 2 per cent. Comparative shipments during June 1934 with June 1933 of the different classes of livestock were as follows: cattle, 2,844 versus 2,406 cars, an increase of 18 per cent; calves, 504 versus 448 cars, an increase of 13 per cent; hogs, 367 versus 796 cars, a decrease of 54 per cent; sheep, 449 and 605 cars, a decrease of 33 per cent.

During the first six months shipments aggregated 28,228 against 30,014 cars during the corresponding period last year. These totals were composed of: cattle, 19,730 versus 18,806 cars; calves, 3,367 versus 3,691; hogs, 2,090 versus 3,749 cars; and sheep, 3,041 versus 3,769 cars.

The decline in shipments probably reflects Government activity in the purchase of cattle for destruction and for relief purposes, for such cattle are not included in the above totals.

Hog shipments during the month deserve special notice. In June 1933, shipments of Texas hogs to out-of-state points exceeded receipts from interstate points by 175 cars. During June of the current year receipts from out-of-state points exceeded shipments to interstate points by 86 cars. This situation probably reflects the Government's hog-reduction program and has an important bearing upon a balanced farming system in Texas which farm leaders have been trying to attain for many years.

Shipments to individual markets in June showed important changes from June 1933. Thus the Fort Worth market experienced a sharp increase in receipts of cattle and calves and an equally marked decline in receipts of hogs and sheep. Shipments of all classes of livestock to Los Angeles fell off sharply. Increased shipments of cattle to East St. Louis, Kansas City, and Omaha, and of sheep to California points (outside of Los Angeles), Colorado points, Arizona, and Kansas City, are disclosed in the month's statistics.

During the current month (July) and coming months a considerable number of Texas cattle is expected to be purchased by the Government either for destruction or for relief purposes because of the severe drouth. This

situation may be expected to have an important bearing upon livestock shipments through the regular channels in future months.

POULTRY AND EGGS Shipments of poultry and eggs from Texas to interstate points during June were considerably below those of the similar month last year: total shipments amounted to 87 cars only against 131 cars in June 1933, a drop of 34 per cent. Poultry shipments totalled 51 cars compared with 84 last year, and egg shipments, 36 versus 47 cars respectively for the two periods.

Receipts of eggs from outside states totalled 28 cars compared with 18 cars in June last year. The origin of these receipts for this June were: Kansas, 25 cars; and Missouri, Nebraska, and Iowa each one. In June last year 17 cars were brought in from Kansas and one from Oklahoma.

CATTLE PRICES It is expected that there will be a progressive reduction in the supply of fed cattle during the next few months and that this will tend to support the price of such cattle, but in view of the high level for prices for such cattle in relation to other kinds of meat animals, it does not seem that any appreciable increase over the June high point is likely unless the prices of other meat animals also advance. As long as cattle supplies come in volume comparable to that of June, there is not much chance for prices of low-grade cattle to make any recovery, but the scale of government prices will tend to establish minimum market prices for such cattle.

Slaughter cattle prices continued to strengthen during most of June and the advance carried the prices of the better grades to the highest point reached since the fall of 1932. Prices of stocker and feeder cattle on the other hand, declined during June, reflecting the poor pasturage and unfavorable prospects for feed crop production. Prices of low-grade cows advanced during the first half of June, but most of this advance was lost before the end of the month. The average price of native beef steers at Chicago for June was \$7.34, compared with \$6.91 in May and \$5.79 in June 1933. The June 15 farm price of beef cattle was \$4.00 this year, compared with \$4.13 for May and \$4.04 for June 1933. The lower farm price in June compared with these other two months probably reflected the much larger proportion of low-grade cattle in the supply, since prices of most grades of slaughter cattle were higher in June than in either of the other months.

LIST OF PUBLICATIONS

of the

Bureau of Business Research, The University of Texas
Austin, Texas

<i>Methods for the Study of Retail Relationships</i> , William J. Reilly, Ph.D.	1.00
<i>A System of Accounting Procedure for Livestock Ranches</i> , Frederick W. Woodridge.	1.00
<i>An Analysis of Credit Extensions in Twenty-three Texas Department Stores by Occupational Groups</i> , Arthur H. Hert.	1.00
<i>The Natural Regions of Texas</i> , Elmer H. Johnson.	1.00
<i>Directory of Texas Manufacturers</i> , F. A. Buechel and Martha Ann Zivley.	1.00
<i>Eight Years of Livestock Shipments in Texas, 1925-32, Part I, Cattle and Calves</i> , F. A. Buechel.	1.00
<i>The Basis of the Commercial and Industrial Development of Texas</i> , Elmer H. Johnson.	2.00
<i>A Balance Sheet Analysis of Texas State Banks as of December 31, 1929</i> , Herschel C. Walling, C.P.A. and J. E. Russell (Mimeographed).	.50
<i>Graphic and Statistical Summary of Hog Movements in Texas</i> , F. A. Buechel (Mimeographed).	.50
<i>The Dairy Manufacturing Industry in Texas</i> , F. A. Buechel (Mimeographed)	.50

COTTON MANUFACTURING IN TEXAS*

	June 1934	May 1934	June 1933
Bales of cotton used	3,771	6,099	7,616
Yards of cloth:			
Produced	3,927,000	6,118,000	7,028,000
Sold	1,885,000	3,593,000	7,800,000
Unfilled orders	8,608,000	12,873,000	12,068,000
Active spindles	167,000	164,000	152,000
Spindle hours	35,688,000	44,840,000	55,091,000

*Data not comparable with other previous months as figures for one mill are omitted.

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

BANKING STATISTICS DALLAS RESERVE DISTRICT

(In Millions of Dollars)

	June 1934	May 1934	June 1933
Debits	\$523	\$460	\$421
Condition of reporting member banks on	June 27, 1934	May 30, 1934	June 28, 1933
Deposits (total)	393	394	337
Time	122	121	125
Demand	271	273	212
Borrowings from Federal Reserve			1
Loans (total)	184	187	207
On securities	60	61	64
All other	124	126	143
Government Securities Owned	179	146	108

NOTE: From Federal Reserve Board.

**Subscription to the
TEXAS BUSINESS REVIEW
\$1.00 per year**

JULY EMPLOYMENT IN TEXAS
CLASSIFIED BY CITIES*
(Week ending July 14)

No. of Establishments	Workers			Percentage Change	
	July 1934	June 1934	July 1933	from June 1934	from July 1933
Abilene	46	1,594	1,577	1,458	+ 1.1 + 9.3
Amarillo	45	1,077	1,029	904	+ 4.7 + 19.1
Austin	29	821	810	666	+ 1.4 + 23.3
Beaumont	71	4,682	5,008	4,045	- 6.5 + 15.7
Dallas	285	14,474	15,549	11,925	- 6.9 + 21.4
Denison	13	759	852	832	- 10.9 - 8.8
El Paso	115	3,623	3,555	2,989	+ 1.9 + 21.2
Fort Worth	164	9,519	9,342	9,149	+ 1.9 + 4.0
Galveston	22	1,150	1,118	1,082	+ 2.9 + 6.3
Houston	300	16,666	16,761	13,376	- 0.6 + 24.6
Laredo	18	234	253	249	- 7.5 - 6.0
Port Arthur	17	7,277	6,867	5,897	+ 6.0 + 23.4
San Angelo	17	257	268	204	- 4.1 + 26.0
San Antonio	297	6,602	7,118	6,222	- 7.2 + 6.1
Sherman	29	631	668	564	- 5.5 + 11.9
Waco	64	1,832	1,969	2,040	- 7.0 - 10.2
Wichita Falls	59	1,335	1,374	1,082	- 2.8 + 23.4
Miscellaneous	707	27,706	26,773	25,911	+ 3.5 + 6.9
STATE	2,298	100,239	100,891	88,595	- 0.6 + 13.1
Total Payroll	\$2,160,006	\$2,115,011	\$1,853,547	+ 2.1	+ 16.5

*These figures do not include workers on the Federal Emergency Program.

TEXAS RETAIL DEPARTMENT STORE SALES*

Number of Stores Reporting	Percentage Change in Dollar Sales			Year-to-date 1934 from 1933
	June, 1934	from May, 1934	from June, 1933	
	June, 1934	from May, 1934	June, 1933	
Abilene	3	- 11.8	+ 37.7	+ 31.5
Austin	9	- 19.2	+ 13.7	+ 14.7
Beaumont	5	- 16.1	+ 41.6	+ 30.1
Corsicana	3	- 25.7	+ 38.3	+ 34.6
Dallas	10	- 16.9	+ 18.5	+ 27.8
El Paso	3	- 0.4	+ 26.0	+ 26.7
Fort Worth	7	- 24.5	+ 13.4	+ 21.9
Galveston	4	- 11.1	+ 13.0	+ 15.0
Houston	9	- 10.6	+ 34.4	+ 32.7
Port Arthur	3	+ 2.9	+ 32.3	+ 28.3
San Angelo	3	- 24.0	+ 11.2	+ 18.0
San Antonio	4	- 12.4	+ 20.2	+ 28.0
Temple	3	- 23.6	+ 33.8	+ 32.7
Tyler	3	- 23.8	+ 40.8	+ 52.5
Waco	4	- 28.3	+ 22.4	+ 36.2
Wichita Falls	3	- 19.0	+ 30.1	+ 35.0
All Others	17	- 15.0	+ 46.7	+ 42.8
STATE	93	- 15.6	+ 24.0	+ 28.4
Department Stores (Annual volume over \$500,000)	18	- 15.4	+ 20.3	+ 26.2
Department Stores (Annual volume under \$500,000)	32	- 16.4	+ 32.3	+ 32.7
Dry Goods and Apparel Stores	12	- 13.8	+ 27.9	+ 24.2
Women's Specialty Shops	14	- 18.1	+ 23.0	+ 30.2
Men's Clothing Stores	17	- 13.0	+ 39.5	+ 37.4

*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.

LUMBER

(In Board Feet)

	June 1934	May 1934	June* 1933
Southern Pine Mills:			
Average Weekly Production per Unit	202,835	205,575	244,949
Average Weekly Shipments per Unit	214,392	217,459	323,373
Average Unfilled Orders per Unit, End of Month	646,822	723,807	795,090

*Revised.

NOTE: From Southern Pine Association.

STOCK PRICES

	June 1934	May 1934	June 1933
Standard Indexes of the Securities Markets:			
421 Stocks Combined	73.5	71.8	74.9
351 Industrials	81.4	79.6	77.3
33 Rails	44.1	43.3	44.0
37 Utilities	71.9	69.8	96.9

NOTE: From Standard Statistics Co., Inc.

BUILDING PERMITS

	June 1934	May 1934	June 1933	First Half 1934	1933
Abilene	\$ 7,601	\$ 2,920	\$ 1,975	\$ 56,926	\$ 12,427
Amarillo	23,575	13,918	5,972	166,605	76,186
Austin	65,697	58,335	157,684	336,642	900,833
Beaumont	19,889	46,911	11,984	120,608	71,756
Big Spring	1,662†	12,497†	*	22,090†	*
Brownsville	2,190	9,110	784	59,133	6,479
Brownwood	1,000	425	1,467	3,080	2,682
Cleburne	—	2,040	450	7,470	7,265
Corpus Christi	28,361	16,590	17,299	160,215	86,222
Corsicana	75,405	6,050	15,000	126,985	54,725
Dallas	294,973	325,486	247,244	1,741,742	1,312,910
Del Rio	1,075	935	1,045	33,840	13,541
Denison	1,600	600	20,600	21,300	37,725
Eastland	—	—	—	—	30,000
El Paso	9,281	28,413	10,580	129,810	95,690
Ft. Worth	84,770	76,250	796,110	395,840	1,848,089
Galveston	133,938	28,292	39,443	311,256	205,821
Harlingen	3,690	4,613	2,319	31,616	87,289
Houston	368,745	1,263,190	273,420	2,609,540	1,176,078
Jacksonville	—	100	2,400	14,475	6,730
Laredo	1,000	1,675	700	5,575	4,600
Longview	163,465	142,627	22,526	506,412	285,607
Lubbock	10,189	568,654	9,020	606,012	35,555
McAllen	625	2,300	2,500	6,550	13,325
Marshall	1,346	8,117	10,726	24,286	47,357
Palestine	26,650	16,088	11,030	90,960	36,777
Pampa	6,900†	2,900†	*	39,825†	*
Paris	37,361	7,435	10,685	68,210	70,982
Plainview	25,000	33,200	6,500	113,850	71,800
Pt. Arthur	9,741	14,340	9,227	72,109	38,139
San Angelo	57,852	5,485	3,165	90,798	13,677
San Antonio	82,923	55,956	117,214	391,719	574,305
San Benito	510	1,444	4,450	29,673†	*
Sherman	17,717	5,305	4,817	50,142	20,195
Snyder	300	—	—	3,050	1,850
Sweetwater	21,400	890	1,587	27,820	7,717
Tyler	92,895	38,322	33,505	297,442	481,769
Waco	11,287	33,440	35,772	175,235	173,286
Wichita Falls	16,829	31,067	11,102	87,485	46,215
TOTAL	\$1,698,880	\$2,850,523	\$1,900,302	\$8,944,738	\$7,955,604

*Not available.

†Not included in total.

NOTE: Reported by Texas Chambers of Commerce.

JUNE CARLOAD MOVEMENT OF POULTRY AND EGGS

Shipments from Texas Stations

	Cars of Poultry							
	Live Chickens		Turkeys		Dressed Chickens		Turkeys	
	1934	1933	1934	1933	1934	1933	1934	1933
TOTAL	2	2	—	1	46	78	4	8
Intrastate	—	—	—	—	1	5	—	3
Interstate	2	2	—	1	45	73	4	36

Interstate Shipments Classified

New York	2	2	—	18	41	—	3	10	2
Illinois	—	—	—	1	5	5	1	2	5
Massachusetts	—	—	—	2	3	—	2	—	1
New Jersey	—	—	—	2	1	2	—	3	4
Pennsylvania	—	—	—	12	10	—	—	3	1
Louisiana	—	—	—	—	—	—	—	4	12
Connecticut	—	—	—	2	—	—	—	—	—
Missouri	—	—	—	1	5	1	1	1	1
Georgia	—	—	—	2	—	—	—	—	—
Michigan	—	—	—	—	1	—	—	—	—
California	—	—	—	1	4	—	2	3	—
Alabama	—	—	—	—	—	—	1	—	1
Florida	—	—	—	—	—	—	—	2	—
Rhode Island	—	—	—	1	—	—	1	—	5
Ohio	—	—	—	—	—	—	—	2	3
Tennessee	—	—	—	—	—	—	—	1	—
Dist. of Col.	—	—	—	—	1	—	2	1	—
W. Virginia	—	—	—	—	—	—	—	—	1
Montana	—	—	—	—	—	—	—	—	1
N. Carolina	—	—	—	—	—	—	—	—	3
Nebraska	—	—	—	1	—	—	—	—	—
Iowa	—	—	—	—	—	—	—	1	—

Receipts at Texas Stations

TOTAL	—	—	—	—	2	32	32
Intrastate	—	—	—	—	2	4	14
Interstate	—	—	—	—	—	28	18

Interstate Receipts Classified

Kansas	—	—	—	—	—	—	25	17
Missouri	—	—	—	—	—	—	1	—
Oklahoma	—	—	—	—	—	—	—	1
Nebraska	—	—	—	—	—	—	1	—
Iowa	—	—	—	—	—	—	1	—

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.

PETROLEUM

Daily Average Production

(In Barrels)

	June 1934	May 1934	June 1933
Panhandle	58,000	58,230	44,650
North Texas	57,300	56,140	47,300
West Central Texas	27,100	26,990	18,950
West Texas	145,000	143,480	157,350
East Central Texas	53,300	50,510	58,450
East Texas	502,250	472,360	683,500
Southwest Texas	48,450	47,950	50,750
Coastal Texas	169,800	171,920	180,700
STATE	1,061,200	1,027,580	1,241,650
UNITED STATES	2,593,750	2,482,480	2,609,200
Imports	161,179	140,228	86,571

NOTE: From American Petroleum Institute.

Gasoline sales as indicated by taxes collected by the State Comptroller: May, 1934, 74,451,000 gallons; April, 1934, 66,834,000 gallons; May, 1933, 63,058,000 gallons.

TEXAS BUSINESS REVIEW

CEMENT				TEXAS COMMERCIAL FAILURES					
(In Barrels)				Number	June* 1934	May 1934	June† 1933	First 1934††	Half 1933††
	June 1934	May 1934	June 1933	Average Weekly	17	15	28	130	321
Texas Mills				Number	3.4	3.75	7	5	12.35
Production	377,000	297,000	347,000	Liabilities	\$194,000	\$142,000	\$460,000	\$1,777,000	\$5,464,000
Shipments	339,000	356,000	298,000	Assets	\$ 58,000	\$ 69,000	\$194,000	\$ 918,000	\$2,250,000
Stocks	595,000	557,000	728,000	Average Liabilities per Failure	\$ 11,412	\$ 9,467	\$ 16,429	\$ 13,669	\$ 17,022
United States				*Five weeks.					
Production	8,786,000	8,554,000	7,804,000	†Revised to include the El Paso area.					
Shipments	8,539,000	8,731,000	7,979,000	†Twenty-six weeks.					
Stocks	21,547,000	21,345,000	19,936,000	Note: From Dun & Bradstreet, Inc.					
Capacity Operated	39.8%	37.5%	35.2%						

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

TEXAS CHARTERS

(In Thousands of Dollars)					
	June 1934	May 1934	June 1933	First 1934	Half 1933
Capitalization	\$ 1,890	\$ 1,259	\$ 2,732	\$ 9,615	\$15,729
Number	130	120	187	777	885
Classifications of new corporations:					
Oil	35	30	49	196	217
Public Service	1	1	2	7	5
Manufacturing	19	21	29	107	130
Banking-Finance	5	6	11	35	50
Real Estate:					
Building	5	6	18	57	76
Transportation	6	2	5	17	15
Merchandising	33	34	44	208	222
General	26	20	29	150	170
Foreign Permits	25	35	24	192	151
Number capitalized at less than \$5,000	52	52	66	330	316
Number capitalized at \$100,000 or more	6	2	6	17	34

NOTE: Compiled from records of the Secretary of State.

COMMODITY PRICES

	June 1934	May 1934	June 1933
Wholesale Prices:			
U. S. Bureau of Labor Statistics (1926 = 100)	74.6	73.7	65.0
The Annalist (1913 = 100)	{ 114.3	110.8	94.5
	67.8*	65.6*	77.2*
Dun's	\$167.16	\$163.99	\$149.18
Bradstreet's	\$ 9.24	\$ 9.14	\$ 8.34
Farm Prices:			
U. S. Department of Agriculture (1910-1914 = 100)	77.0	74.0	64.0
U. S. Bureau of Labor Statistics (1926 = 100)	63.3	59.6	53.2
Retail Prices:			
Food (U. S. Bureau of Labor Statistics) (1913 = 100)	109.6	108.4	96.7
Department Stores (Fairchild's Publications) (Jan. 1931 = 100)	88.2	88.6†	72.3

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

†Revised.

COTTON BALANCE SHEET FOR THE UNITED STATES

AS OF JULY 1

(In Thousands of Running Bales Except as Noted)

	Carryover Aug. 1	Imports to July 1*	Final Ginnings			Consumption to July 1	Exports to July 1	Total	Balance July 1
			Report Mar. 20†	Total					
1926-1927	3,543	370	17,755	21,668	6,620	10,555	17,175	4,493	
1927-1928	3,762	320	12,783	16,865	6,394	7,208	13,602	3,263	
1928-1929	2,536	436	14,297	17,269	6,544	7,806	14,350	2,919	
1929-1930	2,313	374	14,548	17,235	5,729	6,514	12,243	4,992	
1930-1931	4,530	88	13,756	18,374	4,820	6,493	11,313	7,061	
1931-1932	6,369	123	16,595	23,088	4,590	8,258	12,848	10,240	
1932-1933	9,682	118	12,703	22,503	5,535	7,727	13,262	9,241	
1933-1934	8,176	137	12,660	20,973	5,341	7,229	12,570	8,403	

The cotton year begins August 1.

*In 500-pound bales.

†Gin-run bales, counting round bales as half bales.

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

	Cattle	Calves	Hogs	Sheep	Total				
	1934	1933	1934	1933	1934	1933	1934	1933	
Total Interstate Plus Fort Worth†	2,844	2,406	504	448	367	796	449	605	4,164
Total Intrastate Omitting Fort Worth	821	953	225	216	5	35	59	103	1,110
TOTAL SHIPMENTS	3,665	3,359	729	664	372	831	508	708	5,274
									5,562

TEXAS CAR-LOT‡ SHIPMENTS OF LIVESTOCK JANUARY 1 TO JULY 1

	Cattle	Calves	Hogs	Sheep	Total				
	1934	1933	1934	1933	1934	1933	1934	1933	
Total Interstate Plus Fort Worth†	19,730	18,806	3,367	3,691	2,090	3,749	3,041	3,768	28,228
Total Intrastate Omitting Fort Worth	3,562	3,529	1,369	1,126	35	239	534	418	5,500
TOTAL SHIPMENTS	23,292	22,335	4,736	4,817	2,125	3,988	3,575	4,186	33,728
									35,326

†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.