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 10 — Entered as second-class matter on May 7, 1928, at the post office at Austin, Texas, under the Act of August 24, 1912. — November 28, 1934

Business Review and Prospect

BUSINESS SENTIMENT appears to have improved substantially during recent weeks as a result of conferences of bankers and industrial leaders with government officials. The outlook with respect to public utilities and railroads is still clouded, however, and the attitude of organized labor toward these newer developments remains uncertain. As a result, business statistics have recently shown a reversal from the downward trend which began in June, and the trend at present appears to be definitely upward although until now the improvement has been at only a very moderate rate. Moreover, no sharp rise is expected until early spring at best since several months must elapse before the new relationship between government and business can be more fully clarified and confidence developed.

Recent press reports of proposed changes in the N. R. A. by Donald Richberg, Executive Secretary of the National Emergency Council, indicate a genuine effort to separate the chaff from the wheat as a result of the experiments of the past eighteen months and to reconstruct the N. R. A. upon a few principles which reason and experience have found to be sound. Regarding changes in the anti-trust laws, Mr. Richberg is reported to have made the following significant statement in New York on November 21: "Certain activities could be legalized by statute and others forbidden with provisions that in the twilight zone of interpretation a national code administration would be empowered to authorize or prohibit concerted action. Its decisions should be made reviewable not by an ordinary lawsuit but by a court of competent jurisdiction."

Encouraging reports also continue to come from the National Housing Administration, which is attempting to bring costs of residential building to the point where the average man can undertake to build a house. It is becoming apparent to an increasing number of people that our economic plight is not the result of superabundance but rather of scarcity; that the solution lies not in higher hourly or daily wages for labor, but in higher annual incomes expressed in goods. Business management on its part will have to seek its profit not on a wide unit margin of profit on a restricted output but on a narrow margin per unit on a large output. Only in this way can real wealth in terms of goods and services be created and the wants of the people more fully satisfied. One has only casually to look about to see how inadequately even the ordinary needs of modern life in a large percentage of homes are satisfied. Too often this situation is vaguely and inaccurately attributed to inequitable distribution of wealth, implying that if existing wealth and income were properly distributed there would be an abundance of goods for everyone. It is true that maladjustments exist in the portions of the national income that go to various economic groups. For example, and speaking broadly, since the close of the War the agricultural population has, perhaps, been at the greatest disadvantage whereas during and before the War salaried workers were in the less favorable position. After recognizing fully the need and urgency of correcting these obvious maladjustments in distributing what is produced, the greatest economic problem remains that of increasing productive efficiency and making goods more plentiful and available for all.

Statistical series along many lines indicate clearly that goods are being used up more rapidly than they are being produced; that is to say we are in a sense "living on our marrow." In the July number of the REVIEW figures were given showing the decline in residential building since 1929. In a recent issue of the *Iron Age* the following data were presented on orders for railroad equipment:

	Locomotives	*Freight Cars*	*Passenger Cars*
1934	96	23,075	374
1933	49	1,892	6
1932	14	2,546	39
1931	265	14,838	43
1930	555	49,496	885
1929	1,395	124,140	2,458

The foregoing are but two instances of many which show the low ebb to which industrial activity has fallen in the "heavy" industries. As a result there has until recently been growing unemployment, decline in demand for goods and "apparent surpluses" both in consumption and capital goods. A reversal of this downward trend is obviously in progress, and it is hoped that it may soon gain such momentum as rapidly to absorb a substantial number of those now on government relief.

F. A. BUECHEL.

For Texas Data, See Statistical Tables at the End of this Publication.

Financial

Monetary and banking conditions were but little changed during the past month. Perhaps the most important changes recorded were: a slight contraction of bank commercial lending, a further modest expansion of bank deposits, and a resumption of the gold flow into the United States.

The aggregate of the reporting member bank loans on securities declined from $3,083,000,000 on October 17 to $3,010,000,000 on November 7, a drop of $73,000,000. Of more significance, however, was the decrease in "other loans" during this period. After expanding steadily for 13 consecutive weeks, this type of lending, largely for seasonal business needs, has contracted slightly since October 17, the net decline amounting to some $33,000,000. It is yet too early to state that the previous trend has definitely been reversed but the check suggests that a rapid expansion of commercial lending is unlikely in the near future.

The decrease in short-term lending during the month was somewhat more than offset by increased purchases of U. S. Government obligations. The reporting member banks' holdings of these securities increased from $7,096,000,000 on October 17 to $7,233,000,000 on November 7, the expansion of $137,000,000 indicating continued commercial bank coöperation with the financial program of the Administration.

The period under survey also witnessed a further increase in net demand deposits of the reporting banks from $13,365,000,000 on October 17 to $13,447,000,000 on November 7. Excess reserve balances of all member banks continue to be enormous, being estimated at $1,870,000,000 on November 15. Clearly there will be no shortage of short-term loanable funds for some time to come.

The quantity of money in circulation (adjusted) increased slightly from $5,390,000,000 on October 24 to $5,402,000,000 on November 14. There is no evidence, however, of any renewal of currency hoarding. Partly as a result of the recent governmental crisis in France and continued European war scares, and partly because of growing confidence in the dollar, the foreign exchange rates on gold standard countries have moved definitely in favor of the dollar and gold imports into the United States have been resumed. Net imports of gold from October 17 to November 14 amounted to $30,905,000, bringing the total monetary gold stock of the country to $8,030,000,000 on the latter date. At this figure, the country's monetary gold stock is approaching the all-time high point reached in September 1931.

No change has been noted in Federal Reserve Bank policy. As of November 14, total loans of the reserve banks to member banks amounted to $9,142,000 only, the lowest figure since the early days of the central banking system, and indicating that the member banks are virtually out of debt to the reserve banks. Direct industrial advances of the Federal Reserve Banks have continued to grow very slowly, reaching a total of $7,753,000 on November 14. Most of these advances probably represent loans of two years or more.

Security markets have improved moderately during the month. After a slight reaction in late October, both government and high grade corporate bond prices strengthened noticeably during the first half of November but are still somewhat below the high levels of mid-summer. The stock market, however, has been definitely bullish in recent weeks, especially with reference to industrials, reflecting partly the slight improvement in business activity and partly increased confidence in the Administration. Utility stocks, on the other hand, have dropped sharply as the result of federal threats to force lower rates for service and to go further into government ownership of the light and power industry. If this threat of socialization is not taken seriously, many of these stocks are now in a most attractive buying zone.

At the political front, recent developments continue to suggest a leaning toward conservatism for the near future. Apparently the Administration is placing less confidence in price inflation as an economic cure-all and still less confidence in monetary manipulation as a price raising agent. The silver purchasing campaign has been prosecuted less vigorously in recent weeks. Little buying has been effected in London and, as a result, the price of silver has declined moderately. The dollar stabilization fund has again been used to steady foreign exchange rates, this time to support the Belgian belga during a recent political crisis.

Of much greater significance perhaps was the announcement of the Treasury some ten days ago that all restrictions upon American purchases of foreign exchange had been lifted. This move suggests that the Administration has no further fear of a flight from the dollar, which implies that no new move is now contemplated which might shake confidence in the dollar. Following this announcement, the return flow of American capital, which had been in evidence for some time, increased noticeably. Unless interrupted by some unforeseen development, this repatriation of American capital should continue steadily for many months, serving to strengthen dollar exchange rates, encourage gold imports, keep money market interest rates low, and perhaps to improve security prices.

On the other hand, the President's appointment of Mr. Marriner Eccles to serve as Governor of the Federal Reserve Board has inspired some foreboding. Mr. Eccles favors a restoration of commodity prices, not so much through an expansion of currency as through a rapid expansion of bank credit and its velocity of circulation. To accomplish this end, he favors heavy public works expenditures by the government and a substantial federal subsidy to encourage private home construction. He does not favor the curtailment of government expenditures at present nor the imposition of new taxes looking toward a balanced budget. He would, in short, have the country spend its way out of the depression. As to rigid stabilization of the dollar, he regards that as both unnecessary and unwise.

From this it can be seen that Mr. Eccles is by no means afflicted with the prejudices and conservative doc-

trines of the orthodox banker. The significance of his appointment, if any there be, lies in the prospect of closer coöperation between the Federal Reserve System and the United States Government. Already the Federal Reserve Board has lost much of its independence. In the future, perhaps, it will be little more than an agency of the federal government. Should this situation develop, Federal Reserve policies will be dictated primarily by the financial needs of the Treasury rather than in the best interests of business in general. That the domination of the central banking system by political agencies has long been regarded as very undesirable and very bad banking is perhaps beside the issue.

J. C. DOLLEY.

The Mineral Industries of Texas and the Southwest

THE SOUTHWEST IN MINERAL PRODUCTION

In 1909 the states of the Gulf Southwest (Texas, Oklahoma, Arkansas, Louisiana, and New Mexico) furnished only 4 per cent of the total value of the products of mines and quarries of the nation (in that year the value of minerals produced in Oklahoma was two and a half times that for Texas); in 1932 these states furnished 29.5 per cent of the total value of the mineral products of the United States. In 1932 the Middle Atlantic States furnished 29.8 per cent of the total national mineral production. In 1932 the total value of Pennsylvania's mineral products amounted to 425 million dollars as compared with 390 million dollars for Texas. (All figures from U. S. Bureau of Mines.)

These data illustrate in a broad sense the spectacular growth of the oil industry in Texas and the other states of the Gulf Southwest. It should be pointed out, too, that minerals in the Middle Atlantic states are produced literally at the front door of the greatest market in this country, and, as far as minerals are concerned, the greatest market in the world; on the other hand, such minerals as are marketed in northeastern United States from the Southwest have to be transported long distances and at considerable cost. In spite of this handicap, however, the production of minerals in the southwestern states has risen rapidly, and especially has this been true since the War.

Since the Southwest bulks so large in value of its mineral production, it is no wonder that this section is commanding considerable national attention. And since oil makes up such a large proportion of the value of minerals produced in the Southwest, it is not difficult to understand the attention that the oil industry is receiving.

Furthermore, due to the place oil and its products occupy in the economic activities of the United States—most of which has been a rapid development—it may be said that as a nation we are becoming "oil-minded."

WORLD ASPECTS

"Oil-mindedness," however, is not by any means limited to the United States. World coal production, interrupted in 1914, did not take a definite turn upward above the 1914 level until about 1926. In the United States coal production has had a slightly declining trend since 1912; in the United Kingdom coal production has hardly held its own since 1909; in Germany only, of the three major coal producing countries of the world, has coal production definitely risen above the pre-War leevl, and that did not occur until 1925.

In the case of oil production, however, reflections of no such vicissitudes are encountered. It is true that Russian oil production decreased during the War and in the immediate post-War period, but this decrease was more than counteracted by the rapid rise of Mexican oil production which continued to rise until 1922; in 1931 Russian oil production had risen above its pre-War level. Also, Venezuela has had a rapid rise in oil production since 1925, and Persia a more gradual one, dating back to about 1915.

World oil production suffered no levelling off during the War or in the post-War years; from 1923 to 1929 world oil production was not far above its pre-War level; it had attained its pre-War *trend* of production. The yearly increase of world oil production for several decades averaged 8.4 per cent! And during these several decades, at least since 1890, the period of doubling production is 8.6 years! During the 10-year period ending with 1933 the world had actually produced more oil than in all preceding history. Moreover, according to an eminent European authority on mineral economics, "A sharp rise of the production curve (of oil production) is to be expected when the economic situation of the world improves."

TRENDS IN WORLD POWER PRODUCTION

Until about 1913 the bulk of the world's power production had been contributed from the utilization of coal; from 1913 to 1922 the trend in the amount of coal for world power production was definitely downward—while that of oil for this purpose was very definitely upward. Since 1922 the trend of coal used in world power production, though upward, is much less so than in the pre-War years; since 1922 the trend of world power production has practically paralleled the trend of pre-War years. In fact, world power production held its own from 1913 to 1922, whereas, as already noted, world coal production decreased considerably. In 1929 world power production had attained the highest mark in history—but in 1929 and since a very considerable share was contributed from the utilization of oil and water power.

The striking fact illustrated by these trends is the rapid rise of oil and the fact that oil production suffered no set-back during the War or in the immediate post-War years; the relative importance of coal for power production is declining; that of oil is rising rather rapidly—so much so that it is substantially gaining on world coal production. The coal industry is coming to regard coal as a raw material for chemical industries and from which a multitude of products are being produced: particularly is this true in Germany.

The above mentioned facts and trends have been pointed out previously. Because of the high position Texas

and the Gulf Southwest have attained in the mineral production of the nation and particularly on account of the vast reserves of oil Texas possesses, a reiteration of these things in brief outline may not be out of place in helping make the people of Texas more "oil-minded"—in the sense they will come to appreciate the great economic importance of Texas oil reserves.

Is it any wonder that oil companies from far and near are literally scrambling over themselves for Texas acreage?

ELMER H. JOHNSON.

Cotton

AN EMERGENCY COTTON PROGRAM

The cotton industry of the South is facing an emergency, and drastic measures will be necessary to avoid serious impairment of standards of living of practically the entire population. The emergency cotton program must: (1) provide means for restoring export markets for American cotton; (2) eliminate the processing tax to restore the domestic market for cotton goods on a basis of fair competition with other textiles; (3) relieve the unbearable tariff burden now being carried by cotton growers; (4) restore hundreds of thousands of farm families to homes on farms with a prospect of making a decent living; (5) bring about better farm management practices on cotton farms to prevent overproduction and provide additional cash enterprises.

RESTORATION OF FOREIGN MARKETS

Restoration of foreign markets for American cotton on a satisfactory basis will be no small task. It will be necessary to lower the price of American cotton relative to competing growths of foreign cotton, and to do that it will be necessary: (1) to lower the costs of producing the cotton and the price of the things the farmers buy. This can be accomplished through better farm management practice and the gradual lowering of tariffs pointed out elsewhere in this program. (2) To improve the quality of American cotton. Scientific data are already available in the experiment stations to accomplish this. The enforced approval of farm management programs by agricultural colleges as provided elsewhere in this program will also aid. (3) To improve the marketing system, especially in the local markets to enable each farmer to sell each bale of cotton on its merits. This can be accomplished by standardizing production in terms of varieties of cotton and by providing local classification such as would be provided under the Buchanan Bill introduced in the last Congress. (4) To stop government interference with the free movement and marketing of cotton whether by some price-fixing scheme or the acquiring and holding of cotton. (5) To encourage rather than restrict cotton production.

ELIMINATION OF THE PROCESSING TAX

Cotton growers and manufacturers need expanding markets. Elimination of the processing tax will expand the market for cotton goods. The cotton processing tax should be eliminated because it is the worst form of a sales tax in that it is levied on the raw material and must be pyramided through the various stages of manufacture as well as through commission selling, wholesaling, and retailing. It is heaviest on those least able to bear it. It is based on weight so that it falls heaviest on the coarse heavy goods and these are the ones the poor people buy. Durable goods industries buy very large quantities of heavy cotton goods and yarn. The cotton processing tax is a tax on their recovery, and their recovery is essential to national recovery.

COTTON GROWERS MUST BE RELIEVED OF UNBEARABLE TARIFF BURDENS

Tariff burdens must be equalized. This should be done by taking sufficient cash from current tariff revenues to pay cotton farmers a bonus sufficient to give cotton a buying power comparable at least with the 1909–14 level. Reduction in benefit payments should be made over a period of from three to five years and tariff duties should be reduced proportionately over the same time to a revenue only basis.

Ultimately, the tariff burdens of a country fall on the citizens who sell commodities and services in world markets and buy in the protected market. These protected industries in the United States are now short circuiting the cotton producers through frequently absorbing available foreign exchange by dumping surpluses abroad to maintain prices in the United States. The cotton farmers can carry the burden no longer without becoming enslaved. Cotton growers have virtually paid tribute to tariff protected industries, organized labor protected by strict immigration laws, and the Federal Government in the form of tariff revenues for many years. The time has now arrived when it will be necessary to lower the tariff and the costs of manufacturing through lower labor and capital costs or return to the cotton growers in the form of a bonus a fair proportion of the tribute they are paying. Cotton growers are willing to face world competition and base their standard of living on their efficiency. Given a reasonable period of adjustment, tariff protected industries and organized labor should be willing to do the same thing.

RESTORE FARM FAMILIES TO HOMES ON FARMS

Make no mistake, removing hundreds of thousands of rural families now on relief rolls, many of whom have already moved to towns and cities, and restoring them to homes on farms in a satisfactory condition will be a task of the first magnitude. In order to do this it will be necessary:

1. To restore cotton production to normal levels in order to insure employment in the South both on farms and in towns and cities.

2. To equalize the buying power and social opportunities of the farmers with residents of towns and cities so that people will be content to stay on farms.

3. To give cotton growers supplementary payments over an emergency period of from three to five years.

Allotments on which benefit payments are based must be made to cotton growers whether land-owners, operators, share tenants, or croppers. For example, farm tenants who have had experience in growing cotton within

the past five years would be given conditional allotments based on the size of their labor force, equipment, and the approved farm practices in the region where they live. Land-owners not operating their farms would not be given allotments. Thus, in the case of a farm operated by a tenant, this provision would necessitate the owner of the land and the tenant with the conditional allotment making mutually satisfactory arrangements as between each other and securing the approval of a farm program by the college authorities in order to be eligible to receive benefit payments. Nothing in this plan would prevent the free choice of a landlord in selecting a tenant or the tenant making the best choice possible of farms available to him. Stated in a concise way, allotments for benefit payments will be made to farmers instead of farms. Allotments, it must be understood, are made to provide an equitable basis for making benefit payments and not to restrict production.

BETTER FARM MANAGEMENT PRACTICE MUST BE ADOPTED

Objectives of this part of the program are:

1. To provide control of cotton acreage by more diversified and better farm practices.

2. To develop more cash enterprises to raise the standard of living of farmers by eliminating the one-crop system.

3. To prevent erosion and build up soil fertility.

4. To increase efficiency of production to secure farm profits by lower costs compared with foreign producers.

Considered from the standpoint of a long-time policy, this is the most important part of the emergency relief program. In order to accomplish the desired results, it will be necessary:

1. To make approval of allotments and benefit payments conditional on the adoption of a farm management program on each farm acceptable to the agricultural college.

2. To work out a more flexible and permanent contractual relationship between landlords and tenants.

The operation of this phase of the program will be the biggest educational program ever undertaken in the South. It will be doing for the whole region what a few forward-looking life insurance companies are doing for their farmers and farms. Compliance with this program should be optional. If a cotton grower did not wish to comply with the rules, he could ignore the whole proposition, but in so doing he would deprive himself of all rights to benefit payments.

A. B. Cox.

SPINNERS MARGIN

Spinners weekly ratio margin for October averaged 157, exactly normal, compared with 158 in September and 171 in October last year. The pence margin for October was 3.93 d compared with 4.09 d for September and 3.89 d for October 1933.

COTTON BALANCE SHEET

November 1 the indicated supply of cotton in the United States was 14,810,000 bales, a decline of 2,457,000 bales from last year. Stocks in European ports and afloat to Europe are also 886,000 bales less than last year, making a total decrease of 3,343,000 bales. Average change in price per 100,000 bales during the last seven years equals 15.02 points. Based on these relationships and changes in the Bureau of Labor Statistics index, the price of cotton should be 14.15 cents. Calculations based on percentage change equal a price of 13.41 cents. On the other hand, the Bureau supply-price chart indicates a price of only 11.50 cents.

Livestock Shipments

Government activity in the purchasing of cattle and calves was again reflected in Texas shipments during October, although to a much smaller extent than in the two previous months. Total shipments to Fort Worth and interstate points of all classes of livestock were 6,829 cars against 4,703 cars during October last year, a gain of 45 per cent, but a decline of 27 per cent from the 9,333 cars shipped in September of the current year. During the first 10 months of the year shipments aggregated 65,791 cars against 45,156 cars during the corresponding period last year. Cattle shipments of 3,802 cars represented an increase of 81 per cent over October last year; calves, 1,562 cars, an increase of 45 per cent; hogs, 223 cars, a drop of 12 per cent; sheep, 1,242 cars, a decline of 7 per cent.

Sharp increases over last year occurred in cattle shipments to a number of the large markets, notably Fort Worth, Los Angeles, Wichita, Oklahoma City, Kansas City and to the feeding areas in Illinois, Iowa, and Indiana. Markets receiving a large increase in Texas sheep were Fort Worth, Kansas City, East St. Louis, Wichita, St. Joseph, and Oklahoma City; and feeding areas in Illinois, Oklahoma, and Iowa. On the other hand, shipments to California, Colorado, and New Mexico fell off sharply.

The hog situation in Texas continues to reflect the government hog reduction campaign begun in the summer of 1933 and also the drouth. Shipments of hogs to out-of-State points were only 39 cars compared with 67 cars in October last year; while receipts from other states were 180 cars against only 112 cars during October last year. The excess of receipts over shipments this year was 141 cars while last year it was only 45 cars, a difference of 96 cars. No authentic figures are available showing the quantity of dressed pork brought into Texas, but it is known that the amount is large. These huge net receipts together with sharply rising pork prices are rapidly augmenting the flow of money out of the State for a product which should be produced here.

The statistical position of all classes of livestock in the United States and particularly of hogs is the best it has been in many years. For the country as a whole livestock on farms as of January 1 during the past several years was as follows:

(000 Omitted)

	Cattle and Calves*	Hogs	Sheep
1935†	33,500	42,000	46,000
1934	41,200	55,976	51,374
1933	40,275	61,320	51,736
1932	38,181	58,988	53,155
1931	38,181	54,399	52,599
1926–30 average	37,310	56,683	45,448

*Milk cows excluded.
†Estimated.

With numbers of livestock so drastically reduced and consumer buying power definitely on the increase, the outlook for livestock raisers appears relatively bright. Full advantage of the situation cannot be realized, however, until another crop year because of the current shortage and high price of feed.

BANKING STATISTICS DALLAS RESERVE DISTRICT

(In Millions of Dollars)

	Oct. 1934	Sept. 1934	Oct. 1933
Debits	$697*	$546	$643*
Condition of reporting member banks on	Oct. 31, 1934	Sept. 26, 1934	Nov. 1, 1933
Deposits (total)	428	411	358
Time	121	122	121
Demand	307	289	237
Borrowings from Federal Reserve	----	----	----
Loans (total)	196	192	217
On securities	49	50	60
All other	147	142	157
Government Securities Owned	176	179	123

*Five weeks.

TEXAS COMMERCIAL FAILURES

	Oct. 1934*	Sept. 1934	Oct. 1933*
Number	19	8	34
Liabilities	$ 164,000	$ 57,000	$3,193,000
Assets	$ 72,000	$ 24,000	$ 173,000
Average Liabilities per Failure	$ 8,632	$ 7,125	$ 93,912
Average Weekly Number	4	2	7

*Five weeks.
NOTE: From Dun & Bradstreet, Inc.

STOCK PRICES

	Oct. 1934	Sept. 1934	Oct. 1933
Standard Indexes of the Securities Markets:			
421 Stocks Combined	67.3	67.0	69.5
351 Industrials	76.4	75.7	75.5
33 Rails	35.6	35.1	40.3
37 Utilities	62.9	63.7	75.0

NOTE: From Standard Statistics Co., Inc.

COTTON MANUFACTURING IN TEXAS

	Oct. 1934	Sept. 1934	Oct. 1933
Bales of cotton used	1,934	3,470	4,919
Yards of cloth:			
Produced	3,684,000	4,119,000	4,682,000
Sold	2,406,000	3,444,000	3,584,000
Unfilled orders	6,485,000	6,773,000	8,204,000
Active spindles	122,766	147,949	165,326
Spindle hours	21,533,000	30,322,000	46,867,000

NOTE: Reported to the Bureau of Business Research by Texas cotton mills.

CEMENT

(In Barrels)

	Oct. 1934	Sept. 1934	Oct. 1933
Texas Mills			
Production	164,000	324,000	113,000
Shipments	297,000	250,000	205,000
Stocks	545,000	678,000	714,000
United States			
Production	6,675,000	7,680,000	5,037,000
Shipments	8,439,000	7,388,000	6,750,000
Stocks	19,969,000	21,734,000*	19,502,000
Capacity Operated	29.3%	34.8%	22.1%

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

COMMODITY PRICES

	Oct. 1934	Sept. 1934	Oct. 1933
Wholesale Prices:			
U. S. Bureau of Labor Statistics (1926 = 100)	76.5	77.6	71.2
The Annalist (1913 = 100)	116.3	120.3	106.2†
	68.7*	70.5*	69.0*
Dun's	$168.01	$170.03	$160.43
Bradstreet's	$ 9.28	$ 9.46	$ 8.85
Farm Prices:			
U. S. Department of Agriculture (1910–1914 = 100)	100.0	103.0†	78.0†
U. S. Bureau of Labor Statistics (1926 = 100)	70.6	73.4	55.7
Retail Prices:			
Food (U. S. Bureau of Labor Statistics) (1913 = 100)	115.6	116.8	107.3
Department Stores (Fairchild's Publications) (Jan. 1931 = 100)	87.4	87.7	87.1

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

PETROLEUM

Daily Average Production

(In Barrels)

	Oct. 1934	Sept. 1934	Oct. 1933
Panhandle	58,150	57,950	46,200
North Texas	57,410	60,300	55,150
West Central Texas	27,600	27,600	23,100
West Texas	140,910	155,450	125,850
East Central Texas	44,750	52,400	45,250
East Texas	408,020	423,300	475,900
Southwest Texas	58,390	57,850	47,700
Coastal Texas	166,080	177,800	185,550
STATE	961,310	1,012,650	1,004,700
UNITED STATES	2,360,540	2,435,650	2,402,800
Imports	142,713	131,857	93,214

NOTE: From American Petroleum Institute.

New Development in Texas

	Oct. 1934*	Sept. 1934	Oct. 1933*
Permits for new wells	927	665	722
Wells completed	915	730	701
Oil wells	670	514	555
Gas wells	23	25	12
Initial Production (In Thousands of Barrels)	2,449	1,904	2,619

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

Gasoline sales as indicuated by taxes collected by the State Comptroller were: September, 1934, 78,918,000 gallons; August, 1934, 77,454,000 gallons; September, 1933, 68,504,000 gallons.

TEXAS CHARTERS

	Oct. 1934	Sept. 1934	Oct. 1933
Capitalization	$1,180*	$1,841*	$2,099*
Number	111	100†	108
Classification of new corporations:			
Oil	36	29	25
Public Service	----	----	1
Manufacturing	10	11	15
Banking-Finance	3	6	7
Real Estate-Building	6	6	7
Transportation	2	----	5
Merchandising	26	26†	28
General	28	22	20
Foreign Permits	32	36	22
Number capitalized at less than $5,000	49	36	36
Number capitalized at $100,000 or more	2	4	6

*In thousands of dollars.
†Revised.
NOTE: Compiled from records of the Secretary of State.

TEXAS RETAIL SALES*

	Number of Stores Reporting	Percentage Change in Dollar Sales: Oct., 1934 from Sept., 1934	Oct., 1934 from Oct., 1933	Year-to-date 1934 from Year-to-date 1933
Abilene	3	−10.5	−20.5	+19.8
Austin	9	+ 4.3	+10.7	+14.6
Beaumont	5	+22.1	+16.7	+29.7
Corsicana	3	+ 0.1	−11.2	+21.6
Dallas	10	+ 7.6	+ 9.2	+21.4
El Paso	3	+ 9.1	+25.6	+25.7
Fort Worth	7	− 0.7	+ 2.0	+15.0
Galveston	4	− 0.3	+ 4.5	+17.5
Houston	9	− 5.8	+ 3.5	+24.6
Lubbock	3	+ 9.6	−20.8	+30.0
Port Arthur	3	+ 5.5	+ 6.8	+24.9
San Angelo	3	− 0.8	− 9.2	+11.3
San Antonio	4	+ 1.0	+18.2	+22.2
Temple	3	−13.2	− 5.6	+17.4
Tyler	3	+18.9	+ 8.5	+38.0
Waco	4	+ 0.8	− 2.9	+25.1
Wichita Falls	3	− 0.3	−23.5	+16.4
All Others	16	− 8.1	+ 5.9	+32.6
STATE	95	+ 2.4	+ 6.7	+22.1
Department Stores (Annual Volume over $500,000)	18	+ 2.7	+ 9.0	+20.0
Department Stores (Annual Volume under $500,000)	33	+ 1.7	− 4.5	+25.2
Dry Goods and Apparel Stores	12	+ 1.1	− 4.9	+20.2
Women's Specialty Shops	15	+ 3.9	+11.5	+23.5
Men's Clothing Stores	17	− 0.2	+ 8.6	+31.7

*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 retail stores.

LUMBER

(In Board Feet)

	Oct. 1934	Sept. 1934	Oct. 1933
Southern Pine Mills:			
Average Weekly Production per Unit	177,993	196,444	203,111
Average Weekly Shipments per Unit	203,285	207,165	176,023
Average Unfilled Orders per Unit, End of Month	560,955	546,176	470,709

NOTE: From Southern Pine Association.

BUILDING PERMITS

	Oct. 1934	Sept. 1934	Oct. 1933
Abilene	$ 2,892	$ 3,940	$ 5,199
Amarillo	23,922‡	28,160	11,442
Austin	113,471	58,886	33,074
Beaumont	34,050	14,142	28,320
Big Spring	19,078†	1,207†	*
Brownsville	2,175	2,175	1,575‡
Brownwood	9,885	1,150	1,850
Cleburne	2,125	2,055	11,511
Corpus Christi	11,506	71,717	11,215
Corsicana	2,875	2,425	1,270
Dallas	281,489	199,333	174,090
Del Rio	6,095	3,225	1,100
Denison	965	1,330	10,500
El Paso	22,222	23,411	15,869
Fort Worth	113,309	85,700	74,406
Galveston	33,602	55,142	45,141
Harlingen	3,817	4,447	93,339
Houston	715,625	319,795	246,357
Jacksonville	1,500	----	400
Laredo	7,370	500	500
Longview	104,500	85,301	21,500
Lubbock	33,829	9,920	7,955
McAllen	3,700	8,925	500
Palestine	16,121	8,811	14,182
Pampa	6,900†	15,100†	*
Paris	18,420	7,410	3,934
Plainview	47,500	----	7,500
Port Arthur	75,723	11,615	13,273
Ranger	1,500	----	----
San Angelo	2,080	5,025	10,000
San Antonio	211,733	58,340	77,174
Sherman	6,112	24,255	7,623
Snyder	1,750	----	350
Sweetwater	3,910	2,150	175
Tyler	90,706	83,833	72,708
Waco	28,234	14,513	19,992
Wichita Falls	15,541	17,241	7,345
TOTAL	$2,050,254	$1,214,872	$1,031,369

*Not available.
†Not included in total.
‡Does not include Government Project.
NOTE: Reported by Texas chambers of commerce.

COTTON BALANCE SHEET FOR THE UNITED STATES
AS OF NOVEMBER 1

(In Thousands of Running Bales Except as Noted)

	Carryover Aug. 1	Imports to Nov. 1*	Government Estimate as of Nov. 1*	Total	Consumption to Nov. 1	Exports to Nov. 1	Total	Balance Nov. 1
1927–1928	3,762	76	12,842	16,680	1,876	2,055	3,931	12,749
1928–1929	2,536	72	14,133	16,741	1,635	2,303	3,938	12,803
1929–1930	2,313	69	15,009	17,391	1,744	2,203	3,947	13,444
1930–1931	4,530	11	14,438	18,979	1,189	2,273	3,464	15,515
1931–1932	6,369	15	16,903	23,287	1,352	1,783	3,135	20,152
1932–1933	9,682	18	11,947	21,647	1,397	2,194	3,561	18,086
1933–1934	8,176	29	13,100	21,305	1,592	2,446	4,038	17,267
1934–1935	7,746	30	9,634	17,410	1,237	1,363	2,600	14,810

The cotton year begins August 1.
*In 500-pound bales.

OCTOBER 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†	3,802	2,041	1,562	1,076	223	254	1,242	1,332	6,829	4,703
Total Intrastate Omitting Fort Worth	4,380	1,264	396	393	25	6	303	473	5,104	2,136
TOTAL SHIPMENTS	8,182	3,305	1,958	1,469	248	260	1,545	1,805	11,933	6,839

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

	Cattle		Calves		Hogs		Sheep		Total	
	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933
Total Interstate Plus Fort Worth†	46,785	25,908	9,504	6,393	3,391	6,397	6,111	6,458	65,791	45,156
Total Intrastate Omitting Fort Worth	14,201	6,462	2,348	2,001	101	369	1,186	1,341	17,836	10,173
TOTAL SHIPMENTS	60,986	32,370	11,852	8,394	3,492	6,766	7,297	7,799	83,627	55,329

†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.

NOVEMBER EMPLOYMENT AND PAYROLLS IN TEXAS CLASSIFIED BY CITIES AND EMPLOYMENT GROUPS

	No. of Establishments	Workers			Percentage Change from		Average Weekly Wage Per Worker		
		Nov. 1934	Oct. 1934	Nov. 1933	Oct. 1934	Nov. 1933	Nov. 1934	Oct. 1934	Nov. 1933
Abilene	35	1,514	1,460	1,367	+ 3.7	+ 10.8			
Amarillo	31	787	830	859	− 5.2	− 8.4			
Austin	38	932	917	852	+ 1.6	+ 9.4			
Beaumont	80	5,131	5,543	4,728	− 7.4	+ 8.5			
Dallas	284	13,831	14,081	12,826	− 1.8	+ 7.8			
Denison	10	518	510	399	+ 1.6	+ 29.8			
El Paso	63	2,209	2,093	1,870	+ 5.5	+ 18.1			
Fort Worth	131	8,233	8,601	7,953	− 4.3	+ 3.5			
Galveston	25	1,040	1,034	1,044	+ 0.6	− 0.4			
Houston	217	15,326	15,860	14,942	− 3.4	+ 2.6			
Laredo	14	227	243	243	− 6.6	− 6.6			
Port Arthur	15	7,303	7,396	7,851	− 1.3	− 7.0			
San Angelo	10	233	235	202	− 0.9	+ 15.3			
San Antonio	202	6,523	6,537	6,324	− 0.2	+ 3.1			
Sherman	27	849	819	880	+ 3.7	− 3.5			
Waco	47	1,421	1,461	1,645	− 2.7	− 13.6			
Wichita Falls	54	1,139	1,163	1,098	− 2.1	+ 3.7			
Miscellaneous	415	16,041	16,819	17,633	− 4.6	− 9.0			
STATE	1,698	83,257	85,602	82,716	− 2.7	+ 0.7			
Bakeries	23	1,371	1,452	1,374	− 5.6	− 0.2	$17.85	$17.74	$17.11
Confectioneries	11	395	428	408	− 7.7	− 3.2	13.37	13.93	12.99
Ice Cream Factories	14	315	342	332	− 7.9	− 5.1	19.08	18.71	19.64
Beverages	15	187	191	149	− 2.1	+ 25.5	25.09	25.76	24.24
Flour Mills	11	701	707	605	− 0.8	+ 15.9	18.67	18.39	18.37
Ice Factories	85	1,032	1,052	944	− 1.9	+ 9.3	22.56	23.34	21.30
Laundries, Dry Cleaning	28	1,604	1,664	1,558	− 3.6	+ 3.0	13.46	13.27	12.83
Meat Packing, Slaughtering	8	3,630	4,118	2,779	− 11.9	+ 30.6	21.10	20.30	17.20
Cotton Oil Mills	17	771	747	897	+ 3.2	− 14.0	12.03	14.01	11.98
Cotton Compresses	5	1,393	1,006	1,680	+ 38.5	− 17.1	13.22	13.08	12.60
Men's Clothing Manufacturing	15	1,526	1,584	1,624	− 3.7	− 6.0	9.67	11.02	10.02
Women's Clothing Manufacturing	11	473	493	433	− 4.1	+ 9.2	11.20	11.66	10.17
Brick, Tile, Terra Cotta	10	236	226	276	+ 4.4	− 14.5	7.63	7.58	9.06
Foundries, Machine Shops	47	1,823	1,997	1,434	− 8.7	+ 27.1	18.68	19.15	18.45
Structural Iron Works	13	536	558	458	− 3.9	+ 17.0	16.76	17.49	16.02
Railroad Car Shops	23	1,985	1,999	2,009	− 0.7	− 1.2	25.45	25.23	24.61
Electric Railway Car Shops	8	288	291	268	− 1.0	+ 7.5	23.31	22.71	22.64
Petroleum Refining	18	11,871	12,216	12,899	− 2.8	− 8.0	27.62	25.85	25.43
Saw Mills	18	3,065	3,122	3,016	− 1.8	+ 1.6	9.60	8.76	12.41
Lumber Mills	19	383	407	416	− 6.0	− 7.9	16.19	16.99	15.38
Paper Box Manufacturing	8	436	435	414	+ 0.2	+ 5.3	16.25	16.60	15.67
Furniture Manufacturing	8	580	580	570	0.0	+ 1.8	15.45	16.08	12.43
Cotton Textile Mills	10	1,553	1,584	2,234	− 2.0	− 30.5	10.43	10.77	11.07
Cement Plants	9	769	648	470	+ 18.7	+ 63.6	17.22	20.81	15.89
Commercial Printing	30	566	592	553	− 4.4	+ 2.4	23.50	23.53	22.10
Newspaper Publishing	16	1,854	1,934	1,932	− 4.1	− 4.0	33.05	31.11	28.47
Quarrying	21	879	982	416	− 10.5	+ 111.3	20.35	23.98	20.81
Public Utilities	375	8,750	9,202	8,339	− 4.9	+ 4.9	26.81	25.73	26.18
Retail Stores	321	11,320	11,647	10,842	− 2.8	+ 4.4	18.14	17.59	17.59
Wholesale Stores	183	4,513	4,484	4,145	+ 0.6	+ 8.9	24.94	24.73	23.99
Hotels	41	3,111	3,141	2,868	− 1.0	+ 8.5	13.17	13.32	12.70
Real Estate	9	132	132	127	0.0	+ 3.9	17.37	17.64	19.28
Crude Petroleum Production	14	7,675	8,043	8,957	− 4.6	− 14.3	33.29	33.95	33.22
Miscellaneous	254	7,534	7,598	7,290	− 0.8	+ 3.3	20.63	20.65	19.77
STATE	1,698	83,257	85,602	82,716	− 2.7	+ 0.7	$20.26	$20.08	$19.52
Total Payroll*		$1,833	$1,861	$1,765	− 1.5	+ 3.9			

*000 omitted.