

# TEXAS BUSINESS REVIEW

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

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**G**REAT progress has been made in the last few weeks toward laying a sound basis for business recovery the world over. Only extreme pessimism and disappointment engendered by three years of depression, combined with normal midsummer lethargy, could have developed a public psychology so utterly oblivious of the constructive developments which have been taking place.

Reparations, which for nearly a decade and a half have stood as a dark cloud over Europe, obstructing normal economic relations between nations and constantly threatening even worse developments, are now definitely a matter of history. It is unfortunate, but not vital, that the great achievement at Lausanne should be marred by the dust which has been raised over the connection between the reparations agreement and the war debts. The United States still has to accept the inevitable, but with the countries of Europe in their present frame of mind and manifestly anxious to find a way for joining this country in a program of arms reduction, a similar compromise on our war claims is sure to follow.

Many hurdles remain to be crossed and some major explosion may force further delay, but the month of July started with every indication that the worst confusion that has ever hit the business exchanges of the world has settled toward a place where common sense meeting of men's minds will gradually shape the series of compromises which the nations of the world will have to make.

Further reassurance of progress toward normal international relations is found in the strong position of leadership which Great Britain is again assuming in world affairs. To her, largely, belongs credit for breaking the impasse at Lausanne and her growing strength at home is indicated by the recent steps taken to refund the national debt from a 5 per cent to a 3½ per cent basis, thus

saving \$150,000,000 interest charges annually on her national debt. Also the Imperial Economic Conference at Ottawa which began July 18 has tremendous possibilities for the promotion of world economic stability. Thus, world financial leadership, which was virtually thrust upon New York after the war, may now be slipping back to London because American financiers have proved themselves incapable of measuring up to the responsibilities involved.

Congress has adjourned. Much of the legislation it enacted is constructive and in time will contribute toward business improvement. The benefits may be delayed for several months, however, on account of the activities usually associated with a national election which this year may be magnified because of the present abnormal economic situation.

Certain commodity prices have shown considerable strength during the past few weeks. Especially is this true of livestock, sugar, and to a lesser extent rubber. Cold storage stocks of a number of other farm products, including butter, cheese, eggs, and poultry, are considerably below the July 1 five-year average and, should demand be fairly well maintained during the next few months, strengthening of prices in these commodities too may be expected.

While the past month has been notable for constructive developments of a basic character, it is not to be expected that there will be a sudden revival in either securities or in trade. The difficulties yet to be met are numerous and complex and the earnings statements coming in for the second quarter are not calculated to dissipate the gloom. Moreover, with the present low ebb of industry and trade, largely seasonal in character, earnings promise to continue low for several weeks more in spite of the drastic economies which have been introduced in all lines of industry.

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## FINANCIAL

The banking situation appears to have taken an unfortunate turn for the worse during the past month. It is true that the gold flow has reversed after a net loss of some \$503,000,000 between April 6 and June 15, but the net inflow since the latter date has been small and exchange rates on the leading gold standard countries continue at a substantial premium. Rates in the short term money market continue to rule at very low levels, the New York and Chicago Reserve Banks having lowered their rediscount rates to 2½ per cent on June 23 and June 25 respectively. The Reserve Board, apparently, has given up its open market buying campaign without having been able to induce member banks either to increase their local lending or to buy investment bonds in any volume. The bond market, however, has been improving slightly but steadily since the first of June.

The most ominous development of the month is the sharp increase in bank failures. Bank suspensions in June totaled 131, as compared with 80 in May, 75 in April, 53 in March, 128 in February, and 362 in January. Coincident with the rising trend of failures has come a sharp increase in the currency in circulation from \$5,473,000,000 on June 11 to \$5,703,000,000 on July 2. At the present figures, the volume of currency in circulation has risen practically to the high level of early January. This increase, as indicated by reserve notes in circulation, has appeared in practically all of the reserve districts, but the vast bulk of it has taken place in the Chicago District as a result of a second damaging wave of bank failures in Cook County. The reserve note circulation of the Chicago Federal Reserve Bank has increased from \$556,000,000 on June 8 to \$728,000,000 on July 6, a jump of some \$172,000,000.

It is now becoming apparent that the Reconstruction Finance Corporation has not permanently strengthened the commercial banking system; it has merely provided emergency funds to meet a temporary crisis. The crying need is for a thoroughgoing reform of the whole banking structure, involving the complete elimination of dual banking and the creation of nationwide branch banking systems under one supervision. Obviously, however, many more banks must suspend before sufficient public opinion can be mobilized to secure the enactment of really constructive legislation.

Banking trends for June in the Dallas Federal Reserve District continue almost unchanged from the preceding month. Average weekly debits to individual accounts were slightly under the May figures. Demand deposits and loans outstanding declined somewhat further. Indebtedness to the Reserve Bank, however, was reduced to \$1,000,000 and, yet more favorable, government securities owned increased quite substantially. The increase of \$3,250,000 in reserve note circulation probably was the result largely of the need for the finishing of crop production and for the harvesting of crops, especially wheat, and to a lesser extent cotton.

(In Millions of Dollars)

|                                       | June<br>1932 | May<br>1932 | June<br>1931 |
|---------------------------------------|--------------|-------------|--------------|
| Debits .....                          | \$414        | \$529*      | \$584        |
| Deposits (total) .....                | 354          | 356         | 418          |
| Time .....                            | 127          | 126         | 147          |
| Demand .....                          | 227          | 230         | 271          |
| Borrowings from Federal Reserve ..... | 1            | 2           | 0            |
| Loans (total) .....                   | 242          | 248         | 299          |
| On Securities .....                   | 75           | 76          | 94           |
| All Others .....                      | 167          | 172         | 205          |
| Government Securities Owned .....     | 89           | 80          | 77           |

\*Five weeks.

## STOCK PRICES

Ready absorption of about \$70,000,000 in new public utility issues during the middle of July was looked upon by the Standard Statistics Company as "an important break in the stagnation of the markets for fixed interest capital." New offerings have dwindled to the point where they have been almost conspicuous for their absence, but such lack of development is to be expected in view of the dullness which has characterized security markets.

The Standard Statistics Company's indexes of the security market made a further decline during June. The average price of utility shares, according to this index, was about a third that of June 1931, while railroad stocks are priced at about 20 per cent of the level in June a year ago.

|                                                 | June<br>1932 | May<br>1932 | June<br>1931 |
|-------------------------------------------------|--------------|-------------|--------------|
| The Standard Indexes of<br>the Security Market: |              |             |              |
| 421 Stocks Combined .....                       | 34.4         | 39.8        | 95.1         |
| 351 Industrials .....                           | 33.8         | 38.1        | 86.5         |
| 33 Rails .....                                  | 14.4         | 17.4        | 74.0         |
| 37 Utilities .....                              | 55.4         | 67.8        | 153.0        |

## COMMODITY PRICES

Bradstreet's index of wholesale commodity prices registered a gain of 0.7 per cent during June to reach \$6.73 on July 1, the first time this index has made a gain since this time last year. The Bureau of Labor Statistics all-commodity index of wholesale prices lost only 0.8 per cent during the month. The *Annalist* index averaged practically the same as in May; since the middle of June, however, this index has been making a steady gain and stood at 93.1 for the third week in July.

Farm prices continued to suffer further declines during June, although since the beginning of July prices of some agricultural products have shown improvement.

|                                     | June<br>1932 | May<br>1932 | June<br>1931 |
|-------------------------------------|--------------|-------------|--------------|
| Bureau of Labor<br>Statistics ..... | 63.9         | 64.4        | 72.1         |
| Farm Price Index* .....             | 52.0         | 56.0        | 80.0         |
| The Annalist .....                  | 88.6         | 88.8        | 101.3        |
| Dun's .....                         | \$125.32     | \$128.88    | \$146.60     |
| Bradstreet's .....                  | \$6.73       | \$6.68      | \$8.78       |

\*Bureau of Agricultural Economics.

## TEXAS CHARTERS

Businesses which received charters from the Secretary of State during June were somewhat larger in size than usual so far this year. The 174 new corporations had total authorized capital stock of \$6,461,000, which lacked only 0.3 per cent of equalling the authorized capital stock of the new corporations chartered in June last year.

Although last year there were 13 firms whose authorized capital stock was \$100,000 or more, this year there were only 6; of these 6, however, one was a livestock concern with paid-in capital stock of \$1,000,000, and another was a \$2,500,000 oil firm. The number of firms capitalized at \$5,000 or less, dropped from 66 in May to 64 in June; last year in June, only 35 firms had such a low capitalization.

Merchandising and oil firms, numbering 40 and 45 respectively, continued to head the list of new corporations in number, though both of these groups were smaller than in May; the manufacturing group, on the other hand, increased from 11 in May to 16 in June, and compared with 14 in June a year ago.

During the first six months of the year, 986 new corporations have received charters, with total authorized capital stock of \$23,428,000. This number is the lowest on record for the first half since 1925, and not since 1915 has capitalization been so small.

Twenty-seven out-of-State corporations were granted permits to operate in Texas during June; this total represents an increase of 10 over that for the previous month, but is 3 short of equalling that for June a year ago. During the first six months of the year, 170 foreign permits were granted as compared with 237 in the corresponding months in 1931.

|                                                      | June<br>1932 | May<br>1932 | June*<br>1931 | First<br>Half<br>1932 | First<br>Half<br>1931* |
|------------------------------------------------------|--------------|-------------|---------------|-----------------------|------------------------|
| Capitalization (In<br>Thousands of<br>Dollars) ..... | \$6,461      | \$2,270     | \$6,480       | \$23,428              | \$33,476               |
| Number .....                                         | 174          | 170         | 167           | 986                   | 1,136                  |
| Foreign Permits ..                                   | 27           | 17          | 30            | 170                   | 237                    |
| Classification of new corporations:                  |              |             |               |                       |                        |
| Oil .....                                            | 45           | 46          | 37            | 225                   | 245                    |
| Public Service ..                                    | 0            | 0           | 2             | 1                     | 7                      |
| Manufacturing ..                                     | 16           | 11          | 14            | 113                   | 151                    |
| Banking-Finance ..                                   | 8            | 10          | 10            | 42                    | 69                     |
| Real Estate-                                         |              |             |               |                       |                        |
| Building .....                                       | 18           | 24          | 17            | 105                   | 127                    |
| Transportation ..                                    | 0            | 5           | 2             | 16                    | 23                     |
| Merchandising ..                                     | 40           | 47          | 40            | 281                   | 274                    |
| General .....                                        | 47           | 27          | 45            | 203                   | 240                    |
| Number capitalized at<br>less than \$5,000 ..        | 64           | 66          | 35            | 327                   | 262                    |
| Number capitalized at<br>\$100,00 or more ..         | 6            | 4           | 13            | 39                    | 67                     |

\*Revised.

## COMMERCIAL FAILURES

Although the number of commercial failures in Texas declined by somewhat more than the usual seasonal amount during June, this favorable showing is dimmed by the fact that there was an increase of 39 per cent in average liabilities per failure. Fifty-nine firms were reported in bankruptcy during June by R. G. Dun and

Company, an average of about 15 a week; the total number for the month is 26 per cent below that for May, although the usual seasonal decline amounts to only about 4 per cent; last year in June, only 40 firms went into the hands of receivers.

The total liabilities of the failing concerns were \$1,550,000, an increase of 2.2 per cent over those for May, and more than three times those in June a year ago. Assets, on the other hand, dropped from \$936,000 in May to only \$554,000 in June. Of the firms which took bankruptcy in June, four had total liabilities of more than \$100,000 and three owed \$90,000 or more; one firm had total liabilities of about \$150,000 and listed assets of only \$5,000, leaving its creditors only a doubtful 3c on the dollar. Average liabilities per failure for the whole group of failures were \$26,271 in June as compared with \$11,450 in June a year ago.

There was a more even distribution by types of businesses in the failures record for June than has been the case in several months past. The largest individual group, groceries and meat markets, numbered only 7; women's wear shops were second, with 6 failures; and dry goods stores, drug stores, jewelry shops, and electrical and plumbing shops each had 4 insolvencies. Also included were three automobile dealers and three general stores; two each of men's wear shops, confectioneries, garages and tire shops, and hardware stores; and one department store, a restaurant, a filling station, a furniture store, a music shop, a fish market, a lumber dealer, a banking house, a wholesaler, and one gin.

During the first six months of the year, 532 firms with average liabilities of \$21,357 went into bankruptcy, as compared with 462 firms owing an average of \$19,428 in the same period last year. The number of failures in the first half for both of these years is high, but the record as a whole makes a substantially better showing both in number and in liabilities than that for the years 1921-1922.

|                                             | June<br>1932 | May*<br>1932 | June<br>1931 | First<br>Half<br>1932 | First<br>Half<br>1931 |
|---------------------------------------------|--------------|--------------|--------------|-----------------------|-----------------------|
| Number .....                                | 59           | 80           | 40           | 532                   | 462                   |
| Liabilities (In<br>Thousands of Dollars) \$ | 1,550        | 1,516        | 458          | \$11,362              | \$ 8,976              |
| Assets (In<br>Thousands of Dollars) \$      | 554          | 936          | 242          | \$ 5,345              | \$ 4,456              |
| Average Liabilities<br>per Failure .....    | \$26,271     | \$18,950     | \$11,450     | \$21,357              | \$19,428              |
| Average Weekly Number                       | 14¾          | 16           | 10           |                       |                       |

\*Revised.

Dun's Review reports 2,788 failures in the entire United States with liabilities of \$83,761,000 in June as compared with 2,816 failures owing \$101,069,000 in May and 2,248 insolvencies with total indebtedness of \$53,371,000 in June a year ago.

## DEPARTMENT STORE SALES

Midsummer quiet seems to have settled only too gently into the retail stores reporting to the Bureau of Business Research. Sales of the 95 stores reporting amounted to \$3,250,000 during June, a total 32.7 per cent short of

that for the corresponding month a year ago. As compared with May, sales made a decline of 17.7 per cent, which is somewhat more than the usual seasonal drop due at this time of the year. For the first half of the year, dollar sales were 28.5 per cent below those for the first six months last year.

Based on comparisons with May sales, stores in Abilene, Austin, Dallas, Fort Worth, Houston, San Angelo, and San Antonio made showings better than the average for the State as a whole.

Lubbock was the only city reporting in which the drop in sales for the first half as compared with the corresponding period last year was less than the estimated drop in retail prices since that time; the average drop in sales of stores in Austin, Corsicana, Dallas, Port Arthur, San Angelo, Tyler, and Waco, however, was less than the average decline for the State as a whole, with Austin stores making relatively the best showing.

In terms of sales for the year-to-date, small department stores (those with an annual volume of \$500,000 or under) held their own better than any of the other groups, with a drop of only 26 per cent, though women's specialty shops were a close second, with a drop of 26.6 per cent; sales in men's clothing stores lagged the furthest behind, with a decline of 31.2 per cent in total sales for the first six months as compared with the corresponding period last year.

|                                                   | Number of Stores Reporting | Percentage Change in Sales June 1932 from June 1931 | Percentage Change in Sales June 1932 from May 1932 | Year-to-date, 1932, from Year-to-date, 1931 |
|---------------------------------------------------|----------------------------|-----------------------------------------------------|----------------------------------------------------|---------------------------------------------|
| Abilene                                           | 3                          | -28.8                                               | -12.6                                              | -20.0                                       |
| Austin                                            | 6                          | -19.0                                               | -14.2                                              | -20.3                                       |
| Beaumont                                          | 7                          | -40.4                                               | -18.3                                              | -32.4                                       |
| Corsicana                                         | 3                          | -23.7                                               | -26.4                                              | -22.9                                       |
| Dallas                                            | 9                          | -27.7                                               | -12.5                                              | -23.5                                       |
| El Paso                                           | 4                          | -36.1                                               | -33.9                                              | -32.3                                       |
| Fort Worth                                        | 5                          | -32.2                                               | -17.0                                              | -28.3                                       |
| Galveston                                         | 5                          | -42.1                                               | -17.5                                              | -28.6                                       |
| Houston                                           | 11                         | -34.4                                               | -14.6                                              | -31.2                                       |
| Lubbock                                           | 3                          | -29.6                                               | -26.9                                              | -16.6                                       |
| Port Arthur                                       | 3                          | -31.9                                               | -18.5                                              | -25.5                                       |
| San Angelo                                        | 3                          | -29.9                                               | -3.7                                               | -33.6                                       |
| San Antonio                                       | 9                          | -35.8                                               | -15.3                                              | -34.7                                       |
| Tyler                                             | 3                          | -32.7                                               | -25.7                                              | -22.3                                       |
| Waco                                              | 3                          | -32.7                                               | -30.6                                              | -22.2                                       |
| All Others                                        | 18                         | -39.3                                               | -23.0                                              | -31.2                                       |
| STATE                                             | 95                         | -32.7                                               | -17.7                                              | -28.5                                       |
| Department Stores (Annual Volume over \$500,000)  | 18                         | -31.2                                               | -15.3                                              | -28.4                                       |
| Department Stores (Annual Volume under \$500,000) | 32                         | -36.4                                               | -20.6                                              | -26.0                                       |
| Dry Goods and Apparel Stores                      | 22                         | -37.7                                               | -21.0                                              | -30.2                                       |
| Women's Specialty Shops                           | 12                         | -29.8                                               | -27.5                                              | -26.6                                       |
| Men's Clothing Stores                             | 11                         | -39.3                                               | -15.6                                              | -31.2                                       |

June collections, too, were characterized by the same quiet which seems to be hovering over sales in these stores. Only in Beaumont and Port Arthur was the June ratio of collections to outstandings higher this year than in 1931, and the average for the 73 stores reporting this ratio shows that accounts are being carried approximately 13 per cent longer than they were at this time last year.

The Federal Reserve Board reports that department store sales in the entire United States during June were 26 per cent below those for June a year ago, while sales for the first six months were 23 per cent under those for the corresponding period in 1931.

#### BUILDING PERMITS

Reports from 34 Texas cities on building permits granted during June indicate that the seasonal decline from the previous month will not be so great as has been true during the preceding five years. The total amount of building permits issued during June was \$1,320,793; this total is less by about 13 per cent than that for May, although the average change between these two months during the past five years was 17 per cent. Building permits were 65 per cent below those for June a year ago.

|                | June 1932   | May 1932    | June 1931   | First Half 1932 | First Half 1931 |
|----------------|-------------|-------------|-------------|-----------------|-----------------|
| Abilene        | \$ 2,062    | \$ 1,385    | \$ 9,310    | \$ 69,693       | \$ 146,800      |
| Amarillo       | 17,344      | 63,255      | 148,284     | 219,499         | 1,798,300       |
| Austin         | 506,569     | 200,697     | 145,516     | 4,714,022       | 1,320,670       |
| Beaumont       | 18,372      | 38,278      | 44,910      | 211,190         | 792,730         |
| Brownsville    | 3,285       | 1,305       | 116,635     | 16,720          | 173,410         |
| Brownwood      | 10,600      | 1,500       | 45,500†     | 19,300          | 285,800         |
| Cleburne*      |             |             |             |                 |                 |
| Corpus Christi | 15,484      | 30,483      | 92,926      | 90,757          | 320,320         |
| Corsicana      | 11,825      | 9,725       | 3,800       | 47,109          | 66,780          |
| Dallas         | 111,716     | 187,410     | 338,500     | 1,416,237       | 4,607,790       |
| Del Rio        | 20,181      | 2,900       | 29,470      | 32,626          | 117,550         |
| Denison        | 6,465       | 1,750       | 150         | 14,765          | 20,120          |
| Eastland       | 250         | 20          | 650         | 2,490           | 15,920          |
| El Paso        | 19,674      | 14,013      | 73,910      | 140,665         | 692,200         |
| Fort Worth     | 168,754     | 86,262      | 310,425     | 826,450         | 2,699,240       |
| Galveston      | 23,884      | 72,893      | 878,824     | 335,447         | 1,658,180       |
| Houston        | 144,503     | 265,405     | 1,055,130   | 1,822,521       | 6,682,420       |
| Jacksonville   | 1,500       | 8,875       | 750         | 13,730          | 56,480          |
| Laredo         | 2,000       | 375         | 1,050       | 18,675          | 39,870          |
| Longview       | 85,014      | 294,794     | 101,260     | 1,322,807       | 1,075,640       |
| Lubbock        | 6,675       | 12,498      | 4,050       | 46,276          | 232,090         |
| McAllen        | 400         | 850         | 2,000       | 4,795           | 55,800          |
| Marshall       | 897         | 5,509       | 13,043      | 105,546         | 97,400          |
| Paris          | 8,700       | 5,900       | 5,922       | 53,800          | 166,780         |
| Plainview      |             |             |             | 38,000          | 37,100          |
| Port Arthur    | 4,696       | 6,710       | 31,203      | 58,167          | 566,230         |
| Ranger         |             | 1,500       |             | 1,550           | 15,020          |
| San Angelo     | 18,900      | 2,755       | 15,490      | 68,522          | 115,610         |
| San Antonio    | 47,627      | 80,479      | 130,797     | 1,078,044       | 1,434,280       |
| Sherman        | 6,581       | 6,596       | 4,635       | 43,755          | 132,900         |
| Snyder         | 500         |             | 150         | 3,200           | 12,340          |
| Sweetwater*    |             |             |             |                 |                 |
| Temple         | 4,430       | 19,900      | 27,700      | 70,380          | 296,710         |
| Tyler          | 19,844      | 53,585      | 29,672      | 477,530         | 1,351,420       |
| Waco           | 26,180      | 32,694      | 58,600      | 216,326         | 1,516,670       |
| Wichita Falls  | 5,881       | 2,982       | 9,272       | 573,100         | 56,710          |
| TOTAL          | \$1,320,793 | \$1,513,283 | \$3,729,534 | \$14,173,674    | \$28,657,400    |

\*No report.

†Corrected.

Austin, where a permit for a new highway building was issued for \$395,000, headed the list of cities with total new permits for June of \$506,569. Fort Worth was second with \$168,754, and Houston came third with permits valued at \$144,503. Austin was the only city in Texas and one of the 8 cities in the entire United States to make a substantial gain in permits as compared with a year ago, although Corsicana, Denison, Jacksonville, Laredo, Lubbock, Paris, San Angelo, Sherman, and



Snyder all showed increases as compared with last June.

For the first six months of the year, the 34 cities reported building permits issued amounting to \$14,170,068. Of this amount, \$4,714,022 was in Austin; San Antonio, Dallas, Houston, and Longview all had total building permits for the first half amounting to more than \$1,000,000. In the corresponding period last year, permits totaling \$28,657,403 were issued. Austin, Longview, Marshall, Snyder, and Wichita Falls showed gains for the first six months in 1932 as compared with the corresponding six months in 1931, while Dallas, Fort Worth, and Houston all made substantial declines, both relatively and in actual dollar value of permits.

In the United States, construction awards during the first half of 1932 totaled \$667,079,700, or 63 per cent less than the total for the corresponding period in 1931, according to the F. W. Dodge Corporation.

According to this same authority, total contracts awarded in Texas during the first six months of 1932 totaled only \$26,757,700, of which \$5,003,100 represented residential building, \$10,845,100 non-residential building, and \$10,910,000 public works and utilities. Residential building has been holding its own better than either of the other two groups. Last year during the first six months, contracts totaling \$112,563,700 were awarded.

There has been no change in the downward course of building costs. An index published by the F. W. Dodge Corporation shows that building materials are approximately 30 per cent below the average for 1926.

#### LUMBER

In line with seasonal influences and the inactivity in the building industry, the southern pine mills reporting to the Southern Pine Association had a quiet month in June. Average weekly production per unit totaled only 168,334 feet, or 9.1 per cent less than in May; this decline was of about the usual seasonal proportions. As compared with June a year ago, production was 27 per cent smaller.

(In Board Feet)

|                                                | June<br>1932 | May<br>1932 | June<br>1931 |
|------------------------------------------------|--------------|-------------|--------------|
| Average Weekly Production per Unit             | 168,334      | 185,197     | 232,052      |
| Average Weekly Shipments per Unit              | 182,716      | 188,695     | 252,214      |
| Average Unfilled Orders per Unit, End of Month | 427,176      | 523,220     | 658,580      |

Average weekly shipments per unit were maintained at nearly the rate in May; at 182,716 feet, shipments were about 8 per cent above production. Unfilled orders dropped to only 427,176 feet at the close of June, the smallest forward bookings since December 5, 1931. At the end of June last year, average unfilled orders per unit totaled 658,580 feet.

#### CEMENT

In their efforts to keep stocks from accumulating in the face of an utter lack of demand from the building industry, cement mills in Texas have kept production

well under control. There was no sharp jump in output following the mid-winter slump, and production schedules for May were slashed in order to bring about the usual reduction in stocks during the early summer which has normally been accomplished by spring building. According to the United States Bureau of Mines during the first six months of 1932, production has amounted to 1,862,000 barrels; shipments during the period were 1,892,000 barrels. Both production and shipments were slightly more than one-third below those for the first half last year.

Texas mills produced 335,000 barrels of Portland cement during June. While this is the smallest output reported for June since 1923, it represents an increase of 61 per cent over that for May as against an average seasonal decline on the basis of experience over the past 10 years of about 6 per cent. Production was 47 per cent under that for June a year ago. Shipments were practically the same as in May, or 324,000 barrels; and since they were only 11,000 barrels less than output, there was only a small change in stocks at mills, which amounted to 695,000 barrels at the end of June.

(In Thousands of Barrels)

|            | June<br>1932 | May<br>1932 | June<br>1931 | First<br>Half<br>1932 | First<br>Half<br>1931 |
|------------|--------------|-------------|--------------|-----------------------|-----------------------|
| Production | 335          | 208         | 634          | 1,862                 | 2,916                 |
| Shipments  | 324          | 323         | 693          | 1,892                 | 3,042                 |
| Stocks     | 695          | 685         | 675          |                       |                       |

In the United States, the Bureau of Mines reports total output of 7,921,000 barrels, as compared with 6,917,000 barrels in May and 14,118,000 barrels in June a year ago; shipments were 9,261,000 barrels as against 8,048,000 barrels in May and 16,077,000 barrels in June 1931. Stocks at mills dropped 5 per cent from 25,394,000 barrels at the close of May to 24,051,000 barrels at the end of June; last year at the end of June, stocks on hand totaled 27,602,000 barrels. This increase in production was reflected in an increase of capacity operated from 30.2 per cent in May to 35.7 per cent in June.

#### EMPLOYMENT

For the first time since last October, a gain was made in the number of workers employed by the 878 Texas establishments reporting payrolls to the Bureau of Business Research and the United States Bureau of Labor Statistics. On June 15, these establishments reported

|               | No. of<br>Estab-<br>lish-<br>ments | Workers      |             |              | Percentage Change   |                      |
|---------------|------------------------------------|--------------|-------------|--------------|---------------------|----------------------|
|               |                                    | June<br>1932 | May<br>1932 | June<br>1931 | from<br>May<br>1932 | from<br>June<br>1931 |
| Austin        | 26                                 | 529          | 559         | 677          | - 5.4               | -21.9                |
| Beaumont      | 44                                 | 3,269        | 3,238       | 4,424        | + 1.0               | -26.1                |
| Dallas        | 124                                | 10,240       | 10,142      | 11,302       | + 1.0               | - 9.4                |
| El Paso       | 45                                 | 1,559        | 1,291       | 1,728        | +20.8               | - 9.8                |
| Fort Worth    | 42                                 | 4,975        | 4,933       | 5,844        | + 0.8               | -14.9                |
| Galveston     | 20                                 | 973          | 983         | 944          | - 1.0               | + 3.1                |
| Houston       | 79                                 | 15,825       | 15,927      | 20,454       | - 0.7               | -22.6                |
| San Antonio   | 78                                 | 4,957        | 4,767       | 6,607        | + 4.0               | -25.0                |
| Waco          | 26                                 | 911          | 949         | 984          | - 4.0               | - 7.4                |
| Wichita Falls | 38                                 | 729          | 695         | 875          | + 4.9               | -16.7                |
| Mis-          |                                    |              |             |              |                     |                      |
| cellaneous    | 356                                | 15,948       | 15,989      | 18,878       | - 0.3               | -15.5                |
| STATE         | 878                                | 59,915       | 59,473      | 72,717       | + 0.7               | -17.6                |

59,915 employees as compared with 59,473 workers on the 15th of the previous month.

Average weekly wages per worker in the 878 establishments amounted to \$23.12 as compared with \$23.26 for the same workers a month ago.

#### PETROLEUM

Outstanding factors affecting the oil business during the summer are: (1) operations of the new tariff to decrease importation, (2) a continued decline in oil production in the Mid-Continent, in spite of a marked increase in drilling activity, (3) gain in number of new well completions, (4) and an increase in gasoline stocks due to unexpected low mid-summer demand for refined products.

Imports of oil into the United States for the week ending July 2, the first week after the tariff became effective, were down about 50 per cent, and gasoline decreased 100 per cent. It is too soon, however, to predict what effect this change will have on the Mid-Continent oil situation, because without doubt more oil will be shipped by tankers from California to make up for the lack of oil from Venezuela. Stocks of crude in California are on the increase, and a broader market is badly needed. Daily production July 1 for the first time since September, 1931, dropped below 2,100,000 barrels. One year ago the daily production was 2,450,000 barrels. The increase in productive wells in the Mid-Continent during the first quarter of the year and continuing during the summer has amounted to 55 per cent. However, more than half the new wells have been drilled in east Texas, so that the new production gained by the completions has been more than offset by the decline in the old fields since production in east Texas continues to be held down by proration rules to 333,000 barrels.

In connection with the proration rules there is evidence of increasing agitation on the part of independent companies for a revision upward of the allowable production per well. This feeling is engendered partly because of allowed increases in Oklahoma and because Van oil field, controlled by a few large companies, is permitted to produce over 100,000 barrels, or about 200 barrels per well, whereas east Texas was reduced to 46 barrels per well on July 16. The operators point out correctly that production in the rest of the State is not being controlled so well as in the big field.

American Petroleum Institute figures on refinery operations for the first week in July showed a decrease of 47,000 barrels in the total crude consumed. At the same time there was an increase of 275,000 barrels in stocks of gasoline at refineries, but this increase is not regarded as serious in view of the fact that Mid-Continent refiners have curtailed runs to stills by an average of more than 50,000 barrels since June 15, and it is thought that

prices will hold. Most encouraging of all are the figures of the United States Bureau of Mines issued for May, which indicate a very favorable balance between supply and demand factors. The barometer accompanying the report shows the weighed index of supply to be 97.4, whereas the weighed index of demand stood at 97.1.

New discoveries in undeveloped areas and new developments in old fields were notably meager. Perhaps it is the mid-summer heat, but it is also a fact that new pools are becoming rarer. Two extensions to the producing area were recorded in northern Duval County, a wildcat well drilled by Concord Oil Company in Colorado County encountered gas, and Texas & Pacific Coal and Oil Company completed the largest well yet drilled in southern Ward County, west Texas. In 19 hours the well produced 680 barrels of pipeline oil from a depth of 2,310 feet. No other features of sufficient importance to reach the headlines happened.

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

| (In Barrels)             |              |             |              |
|--------------------------|--------------|-------------|--------------|
|                          | 1932<br>June | May<br>1932 | June<br>1931 |
| Panhandle .....          | 53,790       | 51,788      | 59,062       |
| North Texas .....        | 50,450       | 50,150      | 57,462       |
| West-Central Texas ..... | 24,540       | 25,312      | 27,963       |
| West Texas .....         | 180,410      | 183,412     | 211,875      |
| East-Central Texas ..... | 57,100       | 56,750      | 59,350       |
| East Texas .....         | 334,420      | 336,950     | 352,887      |
| Southwest Texas .....    | 54,750       | 54,188      | 59,013       |
| Coastal Texas .....      | 115,410      | 112,712     | 145,438      |
| STATE .....              | 870,870      | 871,262     | 973,050      |
| UNITED STATES .....      | 2,164,630    | 2,221,012   | 2,465,587    |
| Imports .....            | 287,057      | 254,678     | 173,750      |

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

|                                                       | June*<br>1932 | May<br>1932 | June<br>1931 |
|-------------------------------------------------------|---------------|-------------|--------------|
| Permits for New Wells .....                           | 1,119         | 1,115       | 521          |
| Wells Completed .....                                 | 1,143         | 833         | 541          |
| Producers:                                            |               |             |              |
| Oil Wells .....                                       | 967           | 596         | 428          |
| Gas Wells .....                                       | 14            | 13          | 8            |
| Initial Production (In<br>Thousands of Barrels) ..... | 6,900         | 4,869       | 2,949        |

\*Five weeks.

Gasoline sales in Texas, as indicated by taxes collected by the State Comptroller, totaled 62,629,000 gallons in May, as compared with 61,476,000 gallons in April, and 73,090,000 gallons in May, 1931.

The international position and economic significance of oil as a source of mechanical energy is definitely reflected by the recent international conferences of men actively engaged in the oil industry. Even though these conferences do not at once result in the taking of measures that seem desirable to those best acquainted with the facts, as a possible basis for better understanding in the future their importance may be very great.

## COTTON

According to the United States Department of Agriculture, the area in cultivation in cotton in the United States, July 1, was 37,290,000 acres. This represents a decline of 9.5 per cent from the acres in cultivation on the same date last year. This is a greater reduction than comparative prices indicated. It was also a bigger decline than was indicated by private estimates. It is interesting to note that the area in cotton in the United States this year is less than the area planted to cotton in 1913, and only about a million acres more than the five-year, pre-war average.

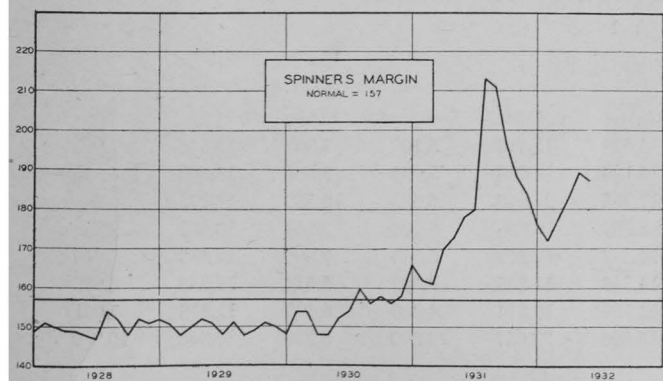
Unofficial reports from other cotton growing areas of the world indicate reductions in cotton acreage with perhaps the exception of Russia. If the rest of the world reduces acreage in cotton an average of 10 per cent, the world acreage will again be about in line with the growth of population as compared with pre-war conditions.

## SPINNERS MARGIN

Spinners margin declined from 189 in May to 187 in June. This decline represents actual pence margin which declined from 4.01d in May to 3.79d in June. The loss was brought about by an advance in the price of cotton in Liverpool from 4.18d to 4.49, whereas the price of 32's twist yarn advanced from 8d to 8.37d.

|           | 1932 | 1931 | 1930 | 1929 | 1928 |
|-----------|------|------|------|------|------|
| January   | 176  | 166  | 148  | 152  | 149  |
| February  | 172  | 162  | 154  | 151  | 151  |
| March     | 178  | 161  | 154  | 148  | 150  |
| April     | 183  | 170  | 148  | 150  | 149  |
| May       | 189  | 173  | 148  | 152  | 149  |
| June      | 187  | 178  | 152  | 151  | 148  |
| July      | ---  | 180  | 154  | 148  | 147  |
| August    | ---  | 213  | 160  | 151  | 154  |
| September | ---  | 211  | 156  | 148  | 152  |
| October   | ---  | 196  | 158  | 149  | 148  |
| November  | ---  | 188  | 156  | 151  | 152  |
| December  | ---  | 184  | 158  | 150  | 151  |

Normal = 157.



Spinners Margin refers to the ratio between the price of American 32-twist cotton yarn in Manchester and the Liverpool price of middling American cotton. Normally, the price of 32-twist should be 57 per cent above the spot price of American middling cotton. If prices change so that the ratio increases, the spinners margin of profit is increased and thereby the demand for cotton is strengthened. On the other hand, when the ratio increases, the spinners margin is also relatively decreased, and then the demand for cotton falls.

## COTTON TEXTILE SITUATION

In line with indications of forward sales of cotton cloth made from carded yarn as shown by the reports of the Association of Cotton Textile Merchants of New York, cotton manufacturers consumed the least amount of cotton for any month since the War. The June consumption in the United States as reported by the Bureau of the Census was only 321,000 bales. Consumption this June was 133,000 bales less than the consumption in June last year. The previous five-year average consumption for June is 520,000 bales.

Sales of Carded Cotton Cloth for five weeks in June, according to the Association of Cotton Textile Merchants of New York, were 188,158,000 yards compared with 145,756,000 yards in four weeks in May. This represents a weekly increase in sales of about a million yards only. Stocks of goods on hand decreased during the month from 315,448,000 yards on the first to 305,150,000 on June 30, or a decrease of 3.3 per cent. Unfilled orders on the other hand decreased from 193,637,000 yards to 170,910,000 yards, or 11.7 per cent.

## COTTON MANUFACTURING IN TEXAS

By far the most encouraging feature of the cotton manufacturing situation in Texas during June was the increase of 31 per cent in unfilled orders. At the end of June, unfilled orders totaled 3,952,000 yards as compared with 3,020,000 yards at the end of May and 5,840,000 yards at the close of June a year ago. Except for a small increase in March, this gain in unfilled orders was the first since last fall and was specially significant in view of the fact that the usual tendency is for a decline of about 16 per cent between May and June.

This extra seasonal gain in unfilled orders was reflected in a speeding up of production which also was not in line with the usual seasonal tendency. Cotton bales used increased from 3,253 bales in May to 3,460 bales in June, or only 10 per cent less than the amount consumed in June a year ago. Output, too, was only about 10 per cent less than that for June last year; at 3,284,000 yards, production during June was 27 per cent greater than that during May. Active spindles rose to 148,126, the highest since August last year, and were only 1.1 per cent under those for June a year ago.

Yards of goods sold were still well below production, but a substantial improvement was made during June. Sales increased almost a million yards during the month to reach 2,447,000 yards as compared with 1,578,000 yards in May. Compared with June a year ago, sales dropped 41 per cent.

During the first six months of the year, 21,970 bales of cotton have been used by Texas mills, and output has equaled 18,776,000 yards. During the corresponding period last year, 26,815 bales were used, with total production of 22,619,000 yards. Sales during the first half totaled 15,363,000 yards as compared with 20,005,000 in the first half of 1931.

|                            | June<br>1932 | May<br>1932 | June<br>1931 | First<br>Half<br>1932 | First<br>Half<br>1931 |
|----------------------------|--------------|-------------|--------------|-----------------------|-----------------------|
| Bales of Cotton Used ..... | 3,460        | 3,253       | 3,834        | 21,970                | 26,815                |
| Yards of Cloth:            |              |             |              |                       |                       |
| Produced .....             | 3,284,000    | 2,580,000   | 3,636,000    | 18,776,000            | 22,619,000            |
| Sold .....                 | 2,447,000    | 1,578,000   | 4,135,000    | 15,363,000            | 20,005,000            |
| Unfilled Orders .....      | 3,952,000    | 3,020,000   | 5,840,000    | .....                 | .....                 |
| Active Spindles .....      | 148,126      | 130,774     | 149,698      | .....                 | .....                 |
| Spindle Hours .....        | 34,113,000   | 25,443,000  | 32,392,000   | .....                 | .....                 |

#### A COTTON PROGRAM FOR TEXAS

"A Cotton Program for Texas," designed to meet the requirements of present day conditions, was the subject of the last meeting of the Texas Cotton Committee. The proceedings of this meeting are now available in mimeographed form and contain all of the papers read by men prominently associated with the various phases of the cotton industry in Texas, farmers, buyers, classers, merchants, ginnerers, exporters, and manufacturers. Ask for *Proceedings of the Texas Cotton Committee*, No. VI.

#### COTTON BALANCE SHEET

Supply of cotton on hand in the United States on July 1 was 10,239,000 bales compared with 7,061,000 bales on the same date last year, and is more than twice as much as the average for the previous five years. It must always be borne in mind that known figures have been discounted. They may be the cause or partly the cause of the existing level of prices, but they do not cause price changes. The big unknown factors in the situation now are prospects of business revival and

the developments concerning the new crop. Important changes in the outlook for either of these cause price changes.

The increased stocks of American cotton in the United States and in European ports and afloat to Europe amounted to 3,024,000 bales on July 1 this year as compared with the same stocks July 1 last year. This increase has produced the largest supply of cotton on hand on this date on record. Since the July 1 supply price curve is distinctly curvilinear, a calculated New Orleans spot price based on average supplies of all years makes a price too low, or a price of about 3 cents. If the calculations are based on the four years in the previous seven when the supply was above average, the calculated New Orleans spot price is 6.08 cents. When read from the Bureau supply-price chart the indicated New Orleans spot price is 6.71 cents. When the price is calculated on the basis of the ratio of the average percentage change in price resulting from the average percentage change in supply, the calculated New Orleans spot price is 6.47 cents.

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

(In Thousands of Running Bales)

| Year             | Carry-over | Imports* | Final Ginnings | Total  | Consumption | Exports | Total  | Balance |
|------------------|------------|----------|----------------|--------|-------------|---------|--------|---------|
| 1924-1925 .....  | 1,556      | 303      | 13,639         | 15,498 | 5,709       | 7,807   | 13,516 | 1,982   |
| 1925-1926 .....  | 1,610      | 313      | 16,123         | 18,046 | 5,994       | 7,696   | 13,690 | 4,356   |
| 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         | 23,087 | 4,590       | 8,258   | 12,848 | 10,239  |

\*In 500-pound bales.

†Preliminary.

The cotton year begins on August 1.



### AGRICULTURE

A 10 per cent reduction from last year as of July 1 in the cotton acreage of Texas is indicated in the recent report of the United States Bureau of Agricultural Economics. The acreage for Texas this year is estimated at 14,192,000 acres compared with 15,769,000 acres a year ago and an eight-year average (1923-1930) of 17,743,000 acres.

The greatest reduction occurred in the South and East districts, while the smallest is indicated in the north and northwest. With the exception of the west central district, which shows a decline of 9 per cent, the reduction for each of the remaining districts of the State is 10 per cent.

For the entire United States the estimated acreage is 37,290,000 acres compared with 41,189,000 acres a year ago, or a decline of 9.5 per cent.

The first Government estimate of condition will be made in August, at which time the indicated production for the season will be reported.

Feed crops are very good over most of the State, with prospects for a crop fully as large as a year ago.

### FRUIT AND VEGETABLE SHIPMENTS

Shipments of fruits and vegetables from Texas during June totaled 8,169 cars, according to daily reports of the United States Department of Agriculture compiled by the Bureau of Business Research. A sharply reduced tomato movement, short by over 2,000 cars of that for June a year ago, practically accounts for the decline in total loadings for the month as compared with the 10,224 cars loaded in June last year, although potato shipments were also well below those for the corresponding month last year.

(In Carloads)

|                                   | June<br>1932 | May<br>1932 | June<br>1931 |
|-----------------------------------|--------------|-------------|--------------|
| Mixed Vegetables .....            | 22           | 469         | 33           |
| Spinach .....                     | —            | 2           | —            |
| Cabbage .....                     | 27           | 543         | 12           |
| Sweet Potatoes .....              | 28           | 64          | —            |
| Onions .....                      | 1,827        | 3,672       | 896          |
| Lettuce .....                     | —            | 9           | —            |
| Tomatoes .....                    | 3,034        | 650         | 5,316        |
| Potatoes .....                    | 1,222        | 1,080       | 1,856        |
| Green Peas .....                  | —            | —           | 1            |
| String Beans, Snap and Lima ..... | 7            | 158         | 41           |
| Cucumbers .....                   | 30           | 626         | 43           |
| Watermelons .....                 | 1,528        | —           | 1,305        |
| Cantaloupes .....                 | 8            | —           | 7            |
| Peaches .....                     | —            | —           | 13           |
| Carrots .....                     | 33           | 228         | 27           |
| Beets .....                       | —            | 46          | —            |
| Greens .....                      | —            | 12          | —            |
| Green Corn .....                  | 403          | 74          | 674          |
| TOTAL .....                       | 8,169        | 7,633       | 10,224       |

Not all of the decline in tomato shipments, from 5,316 cars in June a year ago to only 3,034 cars in the month just past, may be attributed to damage done the crop by the March freeze: because of low prices, much of the crop has been abandoned in the fields. The onion crop was about harvested early in July: 1,827 cars were shipped during June, or almost 1,000 more than in June last year.

The first watermelons of the season were shipped during June, with a total of 1,528 cars being loaded. The watermelon crop this year is estimated at 8,175,000 melons by the United States Department of Agriculture, against a harvest of 8,525,000 melons last year. Eight carloads of cantaloupes, also the first of the season, were shipped, as compared with 7 last year.

Prices of fruits and vegetables as a class improved slightly during June, according to an index prepared for the whole country by the United States Department of Agriculture. This index stood at 82 during June as compared with 80 during the previous month. This index is based on the 5-year pre-war average as equal to 100.

### POULTRY AND EGGS

Interstate rail shipments of poultry and eggs combined during June amounted to 101 cars compared with 130 cars during the corresponding months last year, a decline of 22 per cent. A marked slump in interstate poultry shipments occurred during June as compared with the corresponding month last year, the figures being 64 cars and 95 cars respectively, a drop of 33 per cent. The shift in destination of poultry is worthy of note. In June 1931, 60 carloads of poultry were shipped to metropolitan New York, Illinois, and Massachusetts, and only 1 carload was shipped to Pennsylvania, while in June this year only 35 cars went to the former markets and 11 to the latter market.

Egg shipments during June of 37 cars to interstate markets were 6 per cent greater than the 35 during the same month last year. On the other hand, receipts of eggs from other states amounted to only 6 cars compared with 21 cars last year.

During the first six months of the current year, 1,254 cars of poultry and eggs were shipped out of the State by rail compared with 1,780 cars during the corresponding period last year, a decline of 29 per cent. Poultry made a relatively better showing than eggs since shipments of the former for the first six months of 1932 and 1931 amounted to 799 and 919 cars respectively, while the figures for eggs were 455 and 861 cars respectively.

It should be pointed out, however, that close to 100 cars of eggs were shipped by boat during the past six

months, while shipments by boat during the corresponding period last year appear to have been negligible.

The storage situation for eggs as of July 1 is much more favorable than on that date last year. Total case equivalent of shell and frozen eggs were 12,750,000 and 9,209,000 cases on July 1, 1931 and July 1, 1932 respectively, a decline of 28 per cent. Receipts at the four principal markets (New York, Chicago, Philadelphia, and Boston) of 6,992,670 cases from January to May represented a 20 per cent drop from the 8,615,153 cases during the corresponding period last year. The decreased marketings as represented both by decline in four market receipts and in United States cold storage holdings probably reflects increased rural consumption on the one hand and greater negligence on the part of farmers in the care of flocks on the other, due to the unsatisfactory price situation of the past few months. The current statistical situation of eggs in conjunction with the normal seasonal rise in egg prices should mean a material rise in prices from now on through November. This would be particularly true if business conditions were to show a strong seasonal upswing from about the middle of September.

#### JUNE CARLOAD MOVEMENT OF POULTRY AND EGGS\*

| Destination   | Shipments from Texas Stations |         |          |         |              |          |         |          |         |              |
|---------------|-------------------------------|---------|----------|---------|--------------|----------|---------|----------|---------|--------------|
|               | Live                          |         |          |         |              | Dressed  |         |          |         |              |
|               | Chickens                      | Turkeys | Chickens | Turkeys | Cars of Eggs | Chickens | Turkeys | Chickens | Turkeys | Cars of Eggs |
|               | 1932                          | 1931    | 1932     | 1931    | 1932         | 1931     | 1932    | 1931     | 1932    | 1931         |
| TOTAL         | 5                             | 16      | —        | —       | 60           | 76       | 2       | 5        | 44      | 71           |
| Intrastate    | 3                             | 2       | —        | —       | —            | —        | —       | —        | 7       | 36           |
| Interstate    | 2                             | 14      | —        | —       | 60           | 76       | 2       | 5        | 37      | 35           |
| New York      | 2                             | 10      | —        | —       | 29           | 31       | 1       | 4        | 1       | 1            |
| Illinois      | —                             | —       | —        | —       | 2            | 9        | 1       | —        | 8       | 3            |
| Massachusetts | —                             | —       | —        | —       | 2            | 10       | —       | —        | 1       | —            |
| New Jersey    | —                             | —       | —        | —       | 2            | 10       | —       | —        | —       | —            |
| Pennsylvania  | —                             | —       | —        | —       | 11           | 1        | —       | —        | 3       | 2            |
| Louisiana     | —                             | 4       | —        | —       | —            | —        | —       | —        | 10      | 16           |
| Connecticut   | —                             | —       | —        | —       | 4            | 10       | —       | —        | —       | —            |
| Missouri      | —                             | —       | —        | —       | 1            | 3        | —       | 1        | 6       | 3            |
| Georgia       | —                             | —       | —        | —       | 3            | —        | —       | —        | 3       | 1            |
| Michigan      | —                             | —       | —        | —       | —            | —        | —       | —        | —       | 1            |
| California    | —                             | —       | —        | —       | 3            | 1        | —       | —        | 1       | 3            |
| Alabama       | —                             | —       | —        | —       | —            | —        | —       | —        | 1       | —            |
| Florida       | —                             | —       | —        | —       | —            | —        | —       | —        | 1       | —            |
| Rhode Island  | —                             | —       | —        | —       | 3            | —        | —       | —        | —       | —            |
| Tennessee     | —                             | —       | —        | —       | —            | —        | —       | —        | 1       | —            |
| Maryland      | —                             | —       | —        | —       | —            | 1        | —       | —        | —       | —            |
| Mississippi   | —                             | —       | —        | —       | —            | —        | —       | —        | 1       | 1            |
| Oklahoma      | —                             | —       | —        | —       | —            | —        | —       | —        | 1       | 1            |
| Virginia      | —                             | —       | —        | —       | —            | —        | —       | —        | —       | 1            |
| Indiana       | —                             | —       | —        | —       | —            | —        | —       | —        | —       | 1            |
| Origin        | Receipts at Texas Stations    |         |          |         |              |          |         |          |         |              |
|               | 1932                          | 1931    | 1932     | 1931    | 1932         | 1931     | 1932    | 1931     | 1932    | 1931         |
| TOTAL         | 1                             | 1       | —        | —       | —            | —        | —       | —        | 9       | 44           |
| Intrastate    | 1                             | 1       | —        | —       | —            | —        | —       | —        | 3       | 23           |
| Interstate    | —                             | —       | —        | —       | —            | —        | —       | —        | 6       | 21           |
| Kansas        | —                             | —       | —        | —       | —            | —        | —       | —        | 2       | 15           |
| Missouri      | —                             | —       | —        | —       | —            | —        | —       | —        | 2       | 1            |
| Oklahoma      | —                             | —       | —        | —       | —            | —        | —       | —        | 1       | 5            |
| Tennessee     | —                             | —       | —        | —       | —            | —        | —       | —        | 1       | —            |

\*These data are furnished the U. S. Department of Agriculture, Division of Crop and Livestock Estimates, by railway officials through agents at all stations which originate and receive carload shipments of poultry and eggs. The data are compiled by the Bureau of Business Research.

#### LIVESTOCK CONDITION AND MOVEMENTS

The condition of cattle and sheep as of July 1 was reported favorable by the United States Bureau of Agricultural Economics, reflecting the good condition of Texas ranges, which is rated at 3 per cent above that of a year ago. Timely rains occurred during the latter part of June and early part of July which were especially beneficial to the ranges in South and East Texas.

The following tabulation by the Federal Department gives the condition of ranges and livestock as of July 1 with comparisons:

|                | Condition of Ranges |        |               | Condition of Livestock |        |               |
|----------------|---------------------|--------|---------------|------------------------|--------|---------------|
|                | Per Cent of Normal  | Cattle | Sheep & Goats | Per Cent of Normal     | Cattle | Sheep & Goats |
| July 1, 1932   | 85                  | 87     | 86            | 86                     | 87     | 86            |
| One Month Ago  | 86                  | 88     | 86            | 86                     | 87     | 87            |
| One Year Ago   | 82                  | 87     | 87            | 88                     | 88     | 88            |
| 5-year Average | 86.2                | 88.8   | 88.0          | 89.8                   | 90.4   | 90.4          |

Ranges in the Western Range States continued to improve during June and are now generally in good condition, and prospects are much better than a year ago. The condition was rated at 92 on July 1 compared with 89 per cent June 1, 79 per cent July 1 last year, and a five-year average of 87.9 per cent.

Total interstate (plus Fort Worth) rail shipments of all classes of Texas livestock during June were virtually the same as in the corresponding month last year, the figures being 3,080 and 3,130 cars respectively. The carloadings for each class of livestock during June of the current year compared with the same month last year were: cattle 1,073 and 2,158; calves 376 and 386; hogs 165 and 159; sheep 836 and 427. Shipments of cattle declined 21 per cent while those of sheep increased 93 per cent over June last year, while calves showed a slight decline and hogs a small increase.

Movements of all classes of livestock to the Los Angeles market were extremely heavy in comparison with last year. Cattle shipments to this market amounted to 150 cars compared with only 7 cars last year and 17 cars of calves against none in June last year. Hog shipments which are normally heavy to this market more than doubled in comparison with last June.

Other points receiving unusually large numbers of Texas cattle were Denver, Omaha, and other points in Nebraska.

Shipments of cattle to Fort Worth were 58 per cent less than in June last year, while shipments of sheep to this market were almost twice as great. Hogs destined for this market showed a small increase and calves a slight decrease.

During the six months of the current year total interstate (including Fort Worth) rail shipments of all classes of livestock aggregated 21,471 cars against 23,141 cars during the same period last year, a decline of 7.2 per cent. Of this total the carloadings of cattle for the first half of this year and the corresponding period last year were respectively 15,200 and 16,030; of calves 2,156 and 2,371; of hogs 926 and 1,043, and of sheep 3,189 and 3,694 cars.

## TEXAS SHIPMENTS OF LIVESTOCK FOR JUNE\*

(Number of Head)

| Destination                          | Cattle |        | Calves |        | Swine  |        | Sheep   |         |
|--------------------------------------|--------|--------|--------|--------|--------|--------|---------|---------|
|                                      | 1932   | 1931   | 1932   | 1931   | 1932   | 1931   | 1932    | 1931    |
| Fort Worth                           | 17,492 | 41,476 | 11,087 | 12,602 | 6,071  | 5,162  | 153,471 | 84,082  |
| Los Angeles                          | 4,502  | 198    | 1,032  | —      | 6,887  | 3,397  | 470     | —       |
| Other California Points              | —      | —      | —      | —      | —      | 167    | —       | —       |
| Denver                               | 2,840  | 156    | 125    | —      | —      | —      | —       | —       |
| Other Colorado Points                | 1,182  | 1,950  | 487    | 717    | —      | —      | 1,290   | —       |
| Chicago                              | 611    | 809    | —      | —      | —      | —      | 580     | —       |
| East St. Louis                       | 2,237  | 2,475  | 108    | 241    | —      | —      | 1,666   | 5,259   |
| Other Illinois Points                | 1,363  | 54     | 994    | 156    | —      | —      | —       | —       |
| Wichita                              | 855    | 389    | 526    | 274    | —      | 132    | 789     | —       |
| Other Kansas Points                  | 534    | 2,391  | 1,188  | —      | 82     | 75     | 3,105   | —       |
| New Orleans                          | 864    | 1,408  | 4,346  | 4,834  | —      | —      | —       | —       |
| Other Louisiana Points               | —      | 52     | 61     | 33     | —      | —      | —       | 129     |
| Kansas City                          | 8,903  | 8,050  | 621    | 1,585  | 81     | 81     | 22,754  | 10,282  |
| St. Joseph                           | 1,077  | 1,012  | —      | 40     | —      | —      | 233     | 982     |
| Other Missouri Points                | —      | 1,008  | 165    | 223    | —      | 443    | —       | —       |
| Omaha                                | 2,052  | —      | 37     | —      | —      | —      | —       | —       |
| Other Nebraska Points                | 2,285  | 98     | —      | —      | —      | 180    | —       | —       |
| Oklahoma City                        | 619    | 492    | 41     | 69     | —      | 966    | 18,798  | 5,141   |
| Other Oklahoma Points                | 1,008  | 861    | 149    | —      | —      | —      | 5,648   | —       |
| Arizona                              | 397    | 558    | 65     | 808    | —      | 95     | —       | 280     |
| Iowa                                 | 1,328  | 204    | 606    | 1,037  | —      | 9      | —       | —       |
| New Mexico                           | 762    | 903    | 175    | 466    | 96     | 1,229  | 250     | 604     |
| Other States                         | 190    | 186    | 743    | 60     | —      | 760    | —       | —       |
| Total Interstate Plus Fort Worth¶    | 51,101 | 64,730 | 22,556 | 23,145 | 13,217 | 12,696 | 209,054 | 106,759 |
| Total Intrastate Omitting Fort Worth | 16,303 | 22,499 | 11,621 | 9,640  | 1,995  | 5,162  | 15,409  | 10,740  |
| TOTAL SHIPMENTS                      | 67,404 | 87,229 | 34,177 | 32,785 | 15,212 | 17,858 | 224,463 | 117,499 |

## Shipments Converted to a Rail Car Basis†

|                                      | Cattle |       | Calves |      | Swine |      | Sheep |      | Total |       |
|--------------------------------------|--------|-------|--------|------|-------|------|-------|------|-------|-------|
|                                      | 1932   | 1931  | 1932   | 1931 | 1932  | 1931 | 1932  | 1931 | 1932  | 1931  |
| Total Interstate Plus Fort Worth¶    | 1,703  | 2,158 | 376    | 386  | 165   | 159  | 836   | 427  | 3,080 | 3,130 |
| Total Intrastate Omitting Fort Worth | 543    | 750   | 194    | 161  | 25    | 64   | 62    | 43   | 824   | 1,018 |
| TOTAL SHIPMENTS                      | 2,246  | 2,908 | 570    | 547  | 190   | 223  | 898   | 470  | 3,904 | 4,148 |

## TEXAS RECEIPTS OF LIVESTOCK FOR JUNE\*

Receipts Converted to a Rail Car Basis†

|                                       | Cattle |      | Calves |      | Swine |      | Sheep |      | Total |      |
|---------------------------------------|--------|------|--------|------|-------|------|-------|------|-------|------|
|                                       | 1932   | 1931 | 1932   | 1931 | 1932  | 1931 | 1932  | 1931 | 1932  | 1931 |
| Total Interstate Plus Fort Worth‡     | 93     | 141  | 5      | 10   | 60    | 75   | 2     | 12   | 160   | 238  |
| Total Intrastate Omitting Fort Worth§ | 379    | 535  | 160    | 108  | 25    | 60   | 45    | 18   | 609   | 721  |
| TOTAL RECEIPTS                        | 472    | 676  | 165    | 118  | 85    | 135  | 47    | 30   | 769   | 959  |

## TEXAS SHIPMENTS OF LIVESTOCK FOR THE FIRST HALF

January 1 to July 1

(Number of Head)

|                                      | Cattle  |         | Calves  |         | Swine  |         | Sheep   |         |
|--------------------------------------|---------|---------|---------|---------|--------|---------|---------|---------|
|                                      | 1932    | 1931    | 1932    | 1931    | 1932   | 1931    | 1932    | 1931    |
| Total Interstate Plus Fort Worth¶    | 456,007 | 480,887 | 129,344 | 142,417 | 74,092 | 83,429  | 797,368 | 923,469 |
| Total Intrastate Omitting Fort Worth | 90,283  | 133,524 | 70,804  | 75,788  | 14,416 | 39,326  | 140,224 | 76,298  |
| TOTAL SHIPMENTS                      | 546,290 | 614,411 | 200,148 | 218,205 | 88,508 | 122,755 | 937,592 | 999,767 |

## Shipments Converted to a Rail Car Basis†

|                                      | Cattle |        | Calves |       | Swine |       | Sheep |       | Total  |        |
|--------------------------------------|--------|--------|--------|-------|-------|-------|-------|-------|--------|--------|
|                                      | 1932   | 1931   | 1932   | 1931  | 1932  | 1931  | 1932  | 1931  | 1932   | 1931   |
| Total Interstate Plus Fort Worth¶    | 15,200 | 16,030 | 2,156  | 2,374 | 926   | 1,043 | 3,189 | 3,694 | 21,471 | 23,141 |
| Total Intrastate Omitting Fort Worth | 3,009  | 4,451  | 1,180  | 1,263 | 180   | 492   | 561   | 305   | 4,930  | 6,511  |
| TOTAL SHIPMENTS                      | 18,209 | 20,481 | 3,336  | 3,637 | 1,106 | 1,535 | 3,750 | 3,999 | 26,401 | 29,652 |

\*These data are furnished the United States Bureau of Agricultural Economics by railway officials through more than 1,500 station agents, representing every live-stock shipping point in the State; the data are compiled by the Bureau of Business Research.

†Rail-car basis: cattle, 30 head per car; calves, 60; swine, 80; and sheep, 250.

‡Includes receipts at "other" Texas points from Fort Worth.

§Represents all intrastate receipts, except those received at Fort Worth.

¶Fort Worth shipments are combined with interstate forwardings in order that the bulk of market disappearance for the month may be shown.

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