

TEXAS BUSINESS REVIEW

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

Bureau of Business Research

The University of Texas

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THE MONTH

The business situation in Texas continued on the rather high level which has obtained over the past few months. Some few changes were noted but they were not of sufficient importance to change the generally favorable outlook. While it is true that interest rates are high and considerable speculation is taking place, financial conditions remain sound so that a financial crisis is unlikely at this time. Industry is showing some seasonal curtailment. Agriculture for the most part is favorable but the livestock situation is not as encouraging as might be.

Employment conditions in Texas are fairly good, although there is some unemployment, especially among the unskilled groups. A decrease of 1.6 per cent is shown in the number of workers employed by 511 firms in nine large centers of the State on November 15, as compared with October 15. The decline is due to seasonal factors. Wages were mostly unchanged.

Possibly the most important development in the financial situation during the month was the advance in call money rates to 12 per cent, or the highest rate since July, 1920. This unusual rate indicates that credit conditions are none too favorable. Bank debits in the District, according to the Dallas Federal Reserve Bank for the four weeks ending November 28 totaled \$909,000,000, compared to \$829,000,000 for the same period of 1927. Loans and discounts at member banks fell off seasonally and borrowings at the Reserve Bank were reduced. Interest rates hardened a little but there was no change in the rediscount rate of the Dallas District.

The stock market experienced one of the wildest bull movements in history; trading was in record volume and prices soared. There were a large number of new corporations organized and commercial failures were the fewest in eight years.

Freight car movement in this district is running about 4 per cent over last year's loadings, according to the

Southwest Shippers Advisory Board. Shipments of agricultural produce and forest products are especially heavy. Exports of cotton are ahead of shipments a year ago, but foreign loadings of grain are less. Coastal trade is satisfactory.

Agricultural conditions are encouraging. Crops in many cases are larger this year than last, but prices for some products have been lower. As a result, total farm income should be about the same. Harvesting of the major crops is about completed, and early planting of truck crops is nearly over. The decline in cattle prices and the deterioration of ranges were rather discouraging features of the livestock industry. Animals lost flesh and considerable feeding was necessary. Recent rains have materially improved ranges and animals are doing better.

General business conditions continue sound. The slight hesitancy in evidence before the election has been dispelled and holiday trade is going forward in large volume. While it is true that some industries are still having difficulty, most lines have made satisfactory progress. Even though interest rates are high and credit is somewhat extended, financial conditions in the country are sound and ample funds are available for all business needs. Agricultural conditions are rather promising and the outlook for the livestock industry is fair. Labor is fairly well employed at good wages. Business expansion this fall has been greater than that of last year and the prospects for the first part of 1929 are promising.

The petroleum industry changed very little from conditions obtaining in October. Daily average flow remained about the same, and field work was extended. Building was rather active and many construction and engineering projects were let. Production and shipments of cement fell off seasonally and stocks increased. The cotton textile industry had a good month and spinners margin advanced. Lumber mills curtailed somewhat.

Spinners margin advanced 4 points during November. This brings the ratio back to the September figure and to a level only about 8 points below normal.

The rather sharp gain in the margin indicates that the spinning industry is improving and that the demand side of cotton is gaining strength.

FINANCIAL

A rate of 12 per cent for call money was possibly the most important development in the financial situation during November. This is the highest rate for call money since July, 1920, and it was caused by a shortage of available funds for the December 1 payments. The high rate attracted money to New York City which quickly

relieved the stress. As a result, much lower rates were quoted a few days later. The gold movement is now slightly in favor of imports but no shipments large enough to cause price inflation are expected. The increased demand for holiday credit is likely to be taken care of by the Federal Reserve System through purchases of acceptances and Governments. If this proves to be the case, the credit strain should be slight.

Checks cashed in this district show a seasonal decline from October but were above those in November, 1927. Debits for the four weeks ending November 28, according to the Dallas Federal Reserve Bank, totaled \$909,000,000, compared to \$829,000,000 for the same four weeks last year. Loans and discounts at member banks fell from \$363,000,000 in October to \$336,000,000 in November, or

about in line with the usual seasonal drop. The amount of Governments owned by member banks decreased \$1,000,000 to \$82,000,000; last month, banks reduced their holdings by \$6,000,000. Demand deposits increased \$4,000,000 to \$317,000,000 and time deposits gained from \$131,000,000 in October to \$132,000,000 in November.

Interest rates were slightly firmer. Call rates renewed mostly at 7 to 7½ per cent until the month-end when a rate of 12 per cent was witnessed. Rates on bankers acceptances were mostly unchanged while time rates were advanced to 7¾ per cent compared to 7 per cent a month earlier. A downward trend in interest rates is expected after the first of the year. The rediscount rate of 4½ per cent remained in effect at the Dallas Federal Reserve Bank.

FINANCIAL STATISTICS FOR THE DALLAS FEDERAL RESERVE DISTRICT*

	November 1928	October 1928	November 1927
Bank Debits (four weeks).....	\$ 909,000,000	\$938,000,000	\$829,000,000
Government securities owned, end of month.....	82,000,000	83,000,000	68,000,000
Member bank borrowings, end of month.....	15,602,000	16,797,000	5,877,000
Demand deposits, end of month.....	317,000,000	313,000,000	306,000,000
Time deposits, end of month.....	132,000,000	131,000,000	113,000,000

*From the Federal Reserve System.

WHOLESALE PRICES

Wholesale price movements were mixed. Farm products, textiles, and metals advanced, while food products, fuel's, and livestock declined. The *Annalist* weekly index fell from 149 for the first week of November to 148.1 for the first week of December, and Professor Fisher's index declined .3 of a point to 97.3 in the same period. The index of the National Bank of Commerce of New York City declined from 88.7 in October to 87.7 on November 15. On the other hand, Dun's gained from 192.9 on November 1 to 193.5 on December 1, and Bradstreet's advanced from 13.01 to 13.15 in the 30-day period.

TEXAS CHARTERS

The number of new corporations organized during November declined about in line with the usual seasonal trend. A total of 176 companies capitalized at \$16,040,000 received charters from the Secretary of State, compared to 192 enterprises having capitalization of \$24,386,000

in October. Last year in November, 153 corporations with capital of \$7,574,000 were organized. With the exception of two building and loan associations capitalized at \$5,000,000 each and a third at \$1,000,000, most of the companies were small again this month. The tendency to organize small corporations has been in evidence for several months. Twenty-one companies increased their capital by \$589,000 and permits were granted to 36 outside enterprises.

There were 17 oil companies chartered against 24 in October, and only three public service corporations were formed. New manufacturing concerns increased from eight in October to 18 in November, while financial institutions gained from 12 to 17. Sixteen real estate firms were organized compared to 15 in October and 27 in November, 1927. The large number of new manufacturing companies being chartered reflects the industrial improvement which has taken place over the past year.

COMMERCIAL FAILURES

That the past year has been a profitable one for most commercial enterprises is indicated by the small number of bankruptcies. During November, only 24 insolvencies with liabilities of \$281,000 were reported in Texas, the smallest number for any November on record. This compares with 39 failures having liabilities of \$407,000 in October, and 58 defaults with liabilities involving \$944,000 in November, 1927. The large decrease in the number of failures from October to November this year is most encouraging when it is noted that an increase is the normal trend. Normally, August or September is the low month and January the high month.

Defaulting companies were a little larger. The average failure in November had liabilities amounting to \$11,700, compared to \$10,500 in October and \$16,300 in November

TEXAS CHARTERS

	November 1928	October 1928	November 1927
Number.....	176	192	153
Capitalization.....	\$16,040,000	\$24,386,000	\$ 7,574,000
Foreign permits.....	36	31	30
Classification of new corporations:			
Oil.....	17	24	14
Public service.....	3	8	4
Manufacturing.....	18	8	4
Banking — Finance.....	17	12	8
Real estate—			
Building.....	16	15	27
General.....	105	125	96

a year ago. No bank failures were reported for the month.

COMMERCIAL FAILURES*

	November 1928	October 1928	November 1927
Number	24	39	58
Liabilities	\$ 701,000	\$ 407,000	\$ 944,000
Assets	\$ 281,000	\$ 177,000

*From R. G. Dun & Co.

DEPARTMENT STORE SALES

Trade at wholesale and retail was good. The volume of wholesale sales fell off somewhat from that of October, as is to be expected. On the other hand, retail trade shows a seasonal expansion. Sales of 77 department stores located in 25 cities of the State totaled \$6,572,119 in November, compared to \$6,211,455 in November, 1927, a gain of 5.8 per cent. Sales of these same stores in October were \$6,413,874. Seventeen cities showed gains, six reported losses, and one remained unchanged in comparison with November last year. Retail trade in the United States in November fell .3 per cent below trade in November a year ago, according to the Federal Reserve System. Eight of the districts recorded losses, whereas only four reported gains.

NOVEMBER TENDENCIES IN DEPARTMENT STORE SALES

	Percentage change from	
	October 1928	November 1927
Abilene	+ 4.2	+ 3.5
Austin	+10.4	+17.9
Beaumont	+10.5	+ 1.7
Cleburne	- 9.7	+11.0
Dallas	- 4.5	+ 5.9
Del Rio	+ 4.3	- 3.8
El Paso	+ 5.0	+ 5.5
Fort Worth	- 0.5	+ 2.3
Galveston	+ 6.3	+ 7.1
Houston	+15.8	+11.1
Marshall	+ 4.9	-17.1
Paris	-16.2	+ 2.8
San Angelo	- 8.9	No change
San Antonio	- 4.1	+ 5.1
Tyler	+ 2.5	-12.1
Wichita Falls	+ 4.7	- 7.8
Others*	- 6.2	+ 7.5
State	+ 2.5	+ 5.8

	November 1928	October 1928	November 1927
Sales of 77 com- parable stores	\$ 6,572,119	\$ 6,413,874	\$ 6,211,455

*Others include Amarillo, Corpus Christi, Corsicana, Denison, Laredo, Port Arthur, Sherman, and Waco.

BUILDING

On the whole, the building industry in Texas made a satisfactory showing during November. However, most the activity was in the larger centers. Many of the smaller cities show sharp decline, whereas only a few recorded gains as compared with last year. Although the dollar value increased over that in October, the total for the month fell slightly below the volume reported in November last year.

The 33 cities of the State reporting to the Bureau of Business Research granted building permits amounting to \$9,496,060 in November, compared to \$8,323,271 in October and \$9,660,293 in November, 1927. Seventeen cities show gains compared to November last year, while 16

BUILDING PERMITS

	November 1928	October 1928	November 1927
Abilene	\$ 222,370	\$ 126,511	\$ 148,037
Amarillo	101,922	96,546	680,663
Austin	126,749	216,480	254,076
Beaumont	198,315	313,800	309,395
Brownsville	36,340	98,400	59,568
Brownwood	144,000	140,750	141,650
Cleburne	14,381	22,500	6,184
Corpus Christi	188,725	121,650	173,210
Corsicana	8,275	3,350	60,563
Dallas	717,617	556,334	524,932
Del Rio	77,143	84,940	17,438
Denison	8,750	3,560	9,600
El Paso	251,961	160,502	133,205
Fort Worth	515,935	851,001	1,659,796
Galveston	129,771	105,286	243,639
Houston	3,682,074	3,225,473	2,432,363
Laredo	28,000	30,000	14,000
Lubbock	151,000	174,550	425,878
McAllen	14,300	26,300	57,175
Marshall	9,247	18,416	177,755
Paris	54,779	10,075	8,389
Plainview	50,900	337,220	100,600
Port Arthur	63,854	51,189	79,912
Ranger	20,250	2,380	5,200
San Angelo	220,410	339,688	480,118
San Antonio	1,705,877	822,885	937,486
Sherman	14,075	19,435	22,510
Sweetwater	63,780	60,155	20,410
Snyder	5,600	16,300
Temple	137,740	142,400	56,650
Tyler	38,438	48,627	25,862
Waco	176,860	104,980	55,175
Wichita Falls	316,622	106,160	348,454
Total	\$ 9,496,060	\$ 8,323,271	\$ 9,660,293

show losses. Houston was far in the lead and San Antonio was second. Dallas, Del Rio, Paris, and Waco also show large gains. On the other hand, Amarillo, Austin, Corsicana, Fort Worth, Lubbock, and Marshall recorded large losses.

Contemplated construction and engineering projects reached \$19,181,000, a decline of 9 per cent from October, according to the F. W. Dodge Corporation. Construction projects actually started during the month totaled \$19,249,000, or an increase of 34 per cent over that of October. Building costs were fractionally higher.

STOCK PRICES

Possibly the greatest period of speculation ever known in stock exchange history was witnessed during the last three weeks of November. After the election, a flood of buying orders from all parts of the country poured into the markets, carrying stock prices to heights far beyond the hopes of even the wildest bull speculators. Stocks soared to new peaks almost daily and the volume of transactions was so great that the facilities of the exchanges were unable to keep abreast of the trading. Five million share-days were general and on several of

the biggest days, nearly seven million shares were traded in the five-hour period.

The industrial stock index of the Bureau of Business Research advanced 5 points to a new high record. The index averaged 262 in November, compared to 257 in October and 226 in November, 1927. Five of the issues comprising the index gained sharply, while two, Coca Cola and Freeport-Texas, declined. All of the nine rails making up the Bureau's rail index except one—Texas & Pacific—were higher so that this index also established a new high at 221 for November. In October, the index stood at 215 and in November a year ago it averaged 182 for the month.

During the last few days of November, and so far in December, the market has declined almost as vio-

lently as it advanced right after the election. This reaction is likely to be a sharp technical reaction rather than the beginning of a major bear market.

In constructing this index of rail and industrial stock prices, the Bureau of Business Research aimed to select companies which are representative of conditions in Texas and other Southern States and at the same time listed on the New York Stock Exchange where quotations are available for a number of years back. The average weekly high for the years 1923-24-25 is the base equal to 100. Included in the industrial stock index are Coca Cola, Freeport-Texas, Gulf States Steel, Tennessee Copper and Chemical, Texas Company, Texas Pacific Coal and Oil, and Texas Gulf Sulphur. The railroads used in the index are the Atchison, Topeka & Santa Fe; Chicago, Rock Island & Pacific; Gulf, Mobile & Northern; Missouri, Kansas & Texas; Missouri Pacific; New Orleans, Texas & Mexico; St. Louis & Southwestern; Southern Pacific; and Texas Pacific.

INDEX OF RAILROAD STOCKS

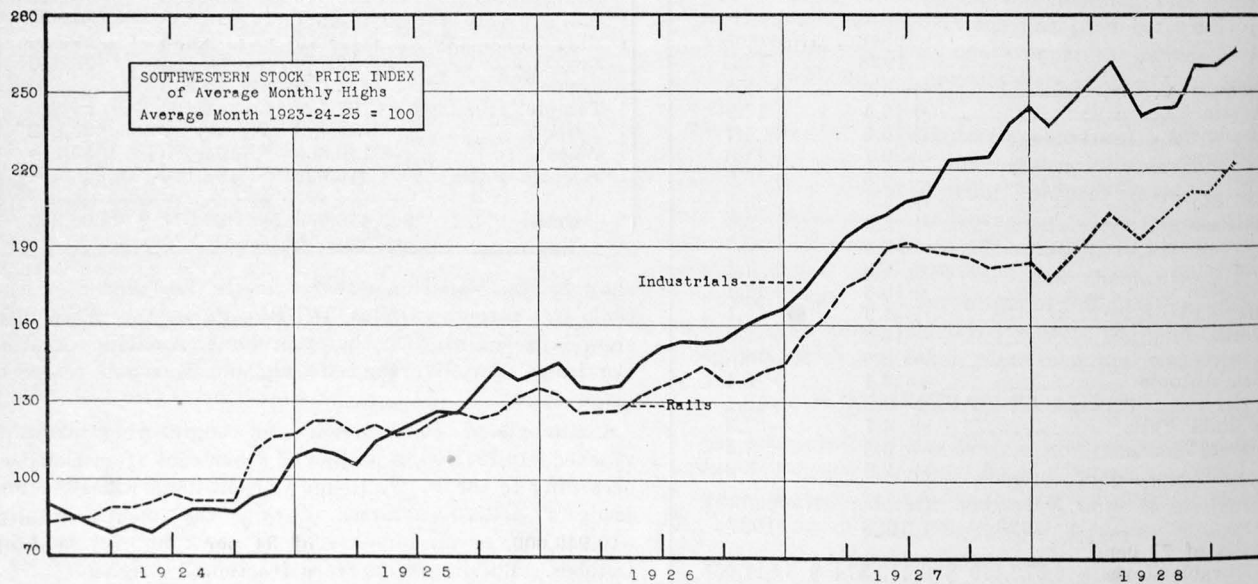
Average High 1923-24-25=100

	1928	1927	1926	1925	1924
January	183	145	136	118	83
February	178	157	133	123	85
March	183	164	125	123	85
April	191	175	126	118	89
May	199	179	127	122	89
June	193	190	133	117	91
July	197	192	136	119	95
August	203	190	140	125	97
September	215	189	144	126	97
October	215	186	138	124	97
November	221	182	139	126	111
December	183	143	133	117	

INDEX OF INDUSTRIAL STOCKS

Average High 1923-24-25=100

	1928	1927	1926	1925	1924
January	245	167	142	108	90
February	233	174	146	112	86
March	239	184	136	110	83
April	255	194	135	106	79
May	260	199	137	116	82
June	243	203	146	120	79
July	246	208	151	124	84
August	247	210	154	127	88
September	259	224	153	126	88
October	257	225	154	135	87
November	262	226	159	144	93
December	238	164	139	96	



CEMENT

Production of Portland cement fell off sharply in November. During the month, Texas mills manufactured 529,000 barrels, compared to 617,000 barrels in October and 525,000 barrels in November, 1927. While a decrease from October to November is the normal trend, the decline this year is greater than usual. Last year output dropped only 7,000 barrels between the two months, and in 1926 the decline amounted to 26,000 barrels. Shipments were also greatly reduced. In November, 451,000 barrels were

loaded against 543,000 barrels in November a year ago. Stocks increased from 346,000 barrels in October to 424,000 in November. This large increase is more than the seasonal gain. Last year in November, stocks were but 252,000 barrels.

Markets remained rather firm during the month but demand slackened somewhat as reflected by the decline in shipments. Prices were unchanged. The basic price on December 1 was \$2.25* per barrel in Dallas and \$2.35* at

*Prices quoted through the courtesy of the Texas Portland Cement Company.

Houston, 10 cents a barrel being allowed for cash and 40 cents for cloth sacks where returnable.

THE CEMENT SITUATION*

(In Thousands of Barrels)

	November 1928	October 1928	November 1927
Production	529	617	525
Shipments	451	552	543
Stocks	424	346	252

*From the United States Department of Commerce.

LUMBER

Production of lumber declined seasonally in November. In this connection, it is interesting to note that millmen are maintaining a better balance between production and consumption. Average output per mill declined 6.6 per cent which more than offset the decrease of 3.9 per cent in shipments. At the same time, stocks fell .2 per cent and unfilled orders show a gain of .8 per cent.

THE LUMBER SITUATION*

(In Thousands of Feet)

	Nov. 1928	Oct. 1928	Per Cent Change
Preliminary report of 147 mills in the Southwest—		148 Mills	
Av. production	1,421	1,464	—2.9 %
Av. shipments	1,529	1,677	— .8 %
Av. unfilled orders ..	1,254	1,338	— .6 %
Final report of 30 Texas Mills		34 Mills	
Av. production	2,002	2,144	—6.6 %
Av. shipments	2,196	2,285	—3.9 %
Av. stocks	5,011	5,020	—0.2 %
Av. unfilled orders ..	1,387	1,376	+0.8 %

*From the Southern Pine Association.

Thirty mills reporting to the Southern Pine Association produced an average of 2,002,000 feet of lumber in November, compared to an output of 2,144,000 feet in October. Shipments were 2,196,000 feet, against 2,285,000 feet the month previous. Average stocks fell from 5,020,000 feet in October to 5,011,000 feet in November, while unfilled orders went up from 1,376,000 feet in October to 1,387,000 feet in November.

Prices were unchanged to slightly higher. Markets are holding up fairly well in sympathy with the large volume of building and construction work going on.

PETROLEUM

There were few developments in the petroleum industry during November which materially changed the situation from that obtaining over the past two or three months. Daily production in the United States appears to be stabilized around the 2½ million-barrel mark, or just about enough to offset consumption. In this connection, it is interesting to note that the decline in old fields is made up by the output in new ones.

During November 21,619,000 barrels were gathered in Texas, compared to 22,600,000 barrels in October and 18,726,000 barrels in November last year. Daily average flow fell from 729,000 barrels in October to 721,000 in

November. The decrease in daily flow and the fact that November has but 30 days accounts for the decline in total output for the month.

Field work fell off somewhat. Of the 489 new wells completed in November, 257 were producers, whereas there were 351 successful wells among the 587 completions during October. Last year in November, 407 wells were completed, of which 213 were successful.

Crude prices in most cases were about unchanged, but gasoline prices were reduced, as is usual at this season of the year.

THE PETROLEUM SITUATION*

(Production in Thousands of Barrels)

	November 1928	October 1928	November 1927
Production—			
Total	21,619	22,600	18,726
Daily average	721	729	624
Wells completed	489	587	407
Producers	257	351	213

*From the Oil Weekly.

COTTON MANUFACTURING

The cotton textile industry of the State reflects further improvement during November; most mills were operating on about the same schedule as was maintained in October. While the manufacturing margin is not entirely satisfactory, mills are doing better than they were a few months ago.

A total of 8,129 bales of cotton were manufactured into 6,985,000 yards of goods in November, compared to the consumption of 8,706 bales of cotton and an output of 7,626,000 yards of cloth in November, 1927. Cotton goods sales amounted to 3,903,000 yards in November, compared to 6,645,000 yards in October. While unfilled orders fell from 10,375,000 yards in October to 7,582,000 yards in November, last year in November, forward business totaled 9,695,000 yards. At the present rate of production, unfilled orders are equal to about five weeks run.

TEXAS COTTON MANUFACTURERS REPORT

	November 1928	October 1928	November 1927
Mills reporting	21	21	18
Bales of cotton used	8,129	8,144	8,706
Yards of cloth—			
Produced	6,985,000	6,942,000	7,626,000
Sales	3,903,000	6,645,000	2,699,000
Unfiled orders (end of period) ..	7,582,000	10,375,000	9,695,000
Active spindles	201,000	197,000	176,000
Spindle hours	96,136,000	102,205,000	69,953,000

SPINNERS MARGIN

Spinners margin advanced 4 points during November. This brings the ratio back to the September figure and to a level only about 8 points below normal. The rather sharp gain in the margin indicates that the spinning industry is improving and that the demand side of cotton is gaining strength.

American middling cotton in Liverpool averaged 10.56d in November and 32-twist cotton yarn in Manchester averaged 16.08d, compared to 10.82d for cotton and 16.05d for yarn in October. The decline in cotton and the slight gain in yarn resulted in a gain of the ratio. The margin averaged 152 in November against 148 in October and 148 in November last year.

Yarn markets showed considerable improvement during November both in the United States and in Europe. Moreover, the gain in the spinners margin of profit as reflected in the higher ratio is an encouraging feature. At present quotations, yarn is still a little low in comparison to raw cotton.

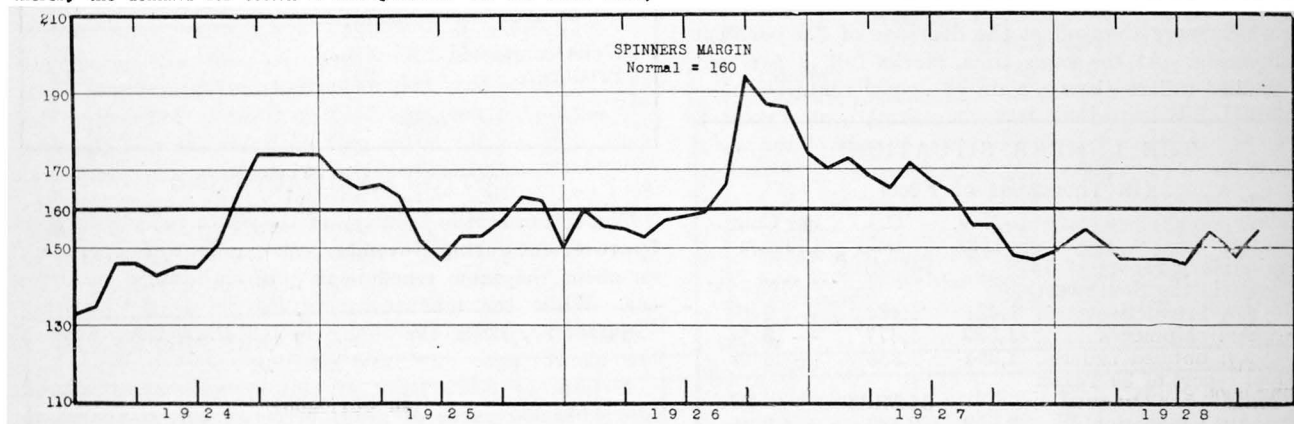
Spinners Margin refers to the ratio between the price of American 32-twist cotton yarn in Manchester and the Liverpool price of middling American cotton. Normally, the price of 32-twist should be 60% above the spot price of American middling cotton. If prices change so that the ratio increases, the spinners' margin of profit is increased and thereby the demand for cotton is strengthened. On the other hand,

when the ratio decreases, the spinners margin is also relatively decreased, and then the demand for cotton falls.

SPINNERS MARGIN

	1928	1927	1926	1925
January	149	174	150	174
February	151	179	160	168
March	150	173	156	165
April	149	168	155	166
May	149	165	153	163
June	148	172	157	152
July	147	167	158	147
August	154	164	160	153
September	152	156	166	153
October	148	156	194	157
November	152	148	187	163
December	—	147	186	162

Normal=160.



COTTON

A cotton crop of 14,373,000 bales is indicated for the United States by the United States Department of Agriculture in its final report for the season, compared to a production of 12,955,000 500-pound bales last year. The Texas crop is estimated at 5,150,000 bales against a harvest of 4,352,000 bales in 1927. The larger crop this year is just about offset by the decrease in carry-over and the increased exports so that the total supply is but slightly larger than that of a year ago. Most of the Texas crop has been gathered except in the western and northern parts of the State, where harvesting has been delayed because of wet weather. A total of 4,403,000 bales was ginned prior to December 1.

During November, 611,000 bales were used in the United States compared to 619,000 in October and 626,000 in November, 1927. The relatively high rate of consumption coupled with the large exports indicates that the carry-over next August is likely to be small.

Prices advanced steadily during the month. New York December futures closed on December 15 at 20.20 cents, compared to 19.56 cents a month earlier.

COTTON BALANCE SHEET

On December 1, the indicated supply of cotton in the United States amounted to 11,047,000 bales* compared to

*This balance is obtained by adding the sum of the Census carry-over on August 1 and the imports since that time to the final ginnings as reported by the Census Bureau, and subtracting the exports plus consumption. Linters are not included.

10,622,000 bales on December 1, 1927, and an average of 10,760,000 bales on that date for the past seven years. The increase in the December 1 estimates makes up part of the large decrease through exports and consumption.

The indicated supply on December 1 in the United States was 425,000 bales above that on December 1, 1927. Over the past seven years, changes in the supply have totaled 18,160,000 bales. In the same period, price changes have totaled 5,141 deflated points or a change of 28.31 points for each change of 100,000 bales in the supply. At the same ratio, with an increase of 425,000 bales in the indicated supply, there should be a decrease in the price of 120 deflated points. However, when the European supply of American cotton is considered, the increased supply is materially reduced and the price change should be in proportion. Stocks in and cotton afloat to Europe on December 1 were 1,966,000 bales, compared to 2,263,000 bales on December 1, 1927, or a decrease of 297,000 bales. When this decrease is subtracted from the 425,000 bales increase in the United States, the supply in Europe and the United States is only 128,000 bales larger than that of a year ago on December 1. Applying the ratio of 28.31 points to the increase of 128,000 bales, there should be a price change of but 36 points. Based on the supply in the United States and Europe, New Orleans spots should be about 18.90 cents a pound, or less than ½ cent under present quotations (December 14).

The cotton textile industry is somewhat more favorable than it was last year so that the indicated price is rather conservative. Statistics compiled by the Cotton

TEXAS BUSINESS REVIEW

Textile Merchants of New were favorable again for November. Production totaled 342,000,000 yards and sales were 375,000,000 yards, or 109.7 per cent of the output. Shipments were 101.8 per cent of production, resulting in

a slight reduction of stocks. Unfilled orders gained 5.5 per cent, or from 493,000,000 yards on November 1 to 520,000,000 yards on December 1. Bookings are equal to about six weeks output at the present rate of production.

COTTON BALANCE SHEET AS OF DECEMBER 1 IN THE UNITED STATES
(In Thousands of Running Bales)

Year	Carry-over August 1	Imports since August 1*	October Estimate	Total	Consumption since August 1	Exports since August 1	Total	Balance
1922-1923	3,085	97	9,964	13,146	2,133	2,286	4,419	8,727
1923-1924	2,286	35	10,081	12,402	2,054	2,457	4,511	7,891
1924-1925	1,770	50	13,153	14,973	1,824	3,239	5,063	9,910
1925-1926	1,807	63	15,603	17,473	2,018	3,674	5,692	11,781
1926-1927	2,637	94	18,618	21,349	2,225	4,008	6,233	15,116
1927-1928	3,295	104	12,789	16,188	2,500	3,066	5,566	10,622
1928-1929	2,532	111	14,373	17,016	2,249	3,720	5,869	11,047

*In 500-pound bales.

The cotton year begins on August 1.

AGRICULTURE

Agriculture generally is favorable. Crops in most cases are larger this year than last and farmers have experienced steady markets. Possibly the least encouraging feature has been rather low prices for some products. This has been the case especially with truck crops. On the other hand, cotton and most feed crops have brought good prices to producers. For the season as a whole, farm income is likely to equal or even surpass that of last year.

Practically all harvesting has been completed with the exception of a small part of the cotton crop in the western and northern districts of the State. Fall grains are making good growth since the recent rains and early truck crops in the Valley and Winter Garden sections are maturing rapidly. Shipments from these areas are expanding. Farm prices were about unchanged to higher. Cotton and many small vegetables were higher, while most grains held around the low points of the month previous.

DECEMBER 1 REPORT OF TEXAS CROPS*

(Production in Thousands)

Indicated 1928 Harvested 1927

Cotton bales	5,150	4,352
Winter Wheat, bushels	22,176	17,945
Corn, bushels	99,162	119,347
Oats, bushels	35,751	42,063
Alfalfa Hay, tons	208	164
Potatoes, bushels	2,691	2,310
Grapes, tons	1,374	1,260
Peaches, bushels	1,612	800
Sweet Potatoes, bushels	8,284	11,970
Peanuts, pounds	78,000	70,200
Apples, barrels	216	168
Rye, bushels	180	98
Rice, bushels	7,308	6,279
Barley, bushels	3,276	3,120
Tame Hay, tons	733	1,013
Pears, bushels	391	345
Grain Sorghums, bushels	69,000	55,734

*From the United States Department of Agriculture.

CARLOT SHIPMENTS

Even though shipments of fruits and vegetables in November were more than double those of October, the movement was small in comparison to loadings in November

last year. Markets have been so poor and prices for many products have held at such discouragingly low levels that producers have not been justified in harvesting the crops. During the latter part of November and the first part of December, however, markets show some improvement and prices generally worked a little higher. Prices for cabbage, potatoes, and sweet potatoes made good gains. Moreover, the market outlook for the winter months is somewhat brighter than it was a month or two ago.

TEXAS FRUIT AND VEGETABLE SHIPMENTS IN NOVEMBER

(In Carloads)

	November 1928	October 1928	November 1927
Mixed vegetables	94	2	176
Spinach	5		137
Cabbage	10		24
Grapefruit	237	102	278
Sweet Potatoes	63	71	141
Cauliflower			1
Onions		2	
Tomatoes	53	2	29
Oranges	6	11	6
Potatoes	1		1
String Beans	22		70
Mixed Citrus	35	24	27
Watermelons		1	
Peppers	1		18
Pears		10	
Eggplants			11
Deciduous Fruits			3
Carrots	2		4
Total	529	225	926

*From the United States Department of Agriculture.

A total of 529 cars of fruit and vegetables was loaded in Texas in November, compared to 225 cars in October and 926 cars in November, 1927. Shipments should show substantial increases over the next few months. Grapefruit, oranges, and mixed citrus made up a large part of the loading, while tomato shipments were nearly double those of a year ago. There were but five cars of spinach shipped against 137 cars in November last year. Shipments of sweet potatoes, string beans, and peppers were also sharply reduced.

LIVESTOCK

A rather discouraging feature of the livestock industry during November was the sharp decline in prices of cattle. Moreover, the marked falling off in demand for stocker and feeder cattle compared to what it was two months ago affected adversely the whole cattle market. Then, too, ranges deteriorated and animals lost flesh so that considerable feeding has been necessary. Since December 1, however, heavy rains have been general over the State and ranges have improved materially. Right now, a spell of warm weather would be very desirable. It must be remembered, in connection with the unfavorable factors, that the industry has enjoyed several prosperous years and a slight setback is not an unusual development.

Cattle ranges in Texas on December 1 were rated by the United States Department of Agriculture at 84 per cent of normal, or a decline of 2 points from the month previous. Ranges in the western sections are the best in years, while areas in the central and southern parts of the State are only fair. Cattle were placed at 86 per cent against 88 per cent on November 1 and 87 per cent on December 1, 1927. Sheep and goat ranges declined 3 points to 91 per cent; a year ago these ranges were rated but 83 per cent of normal. Sheep deteriorated 2 points to 92 per cent of normal, while goats fell off only 1 point to 95 per cent. Demand for breeding ewes on the range continues strong, indicating that expansion is still under way. The wool and mohair markets were much better in November than in October. Price declines appear to have been checked for the time being.

Poultry and dairy products experienced a fairly good November market. Eggs and butter prices were higher in line with seasonal influences. The advance was checked when high quotations brought some of these commodities out of cold storage. Turkey growers are finding a good holiday demand; best young toms are bringing 20 cents to 22 cents on local markets and larger birds somewhat lower prices.

Shipments of livestock to Fort Worth in November were 20 per cent below receipts in November, 1927, as a result

of the smaller loadings of cattle and sheep. During the month, receipts at this market as reported by the Fort Worth Stock Yards Company totaled 175,253 head, whereas 218,300 head were unloaded in November a year ago. Cattle and calves decreased 28 per cent and sheep 6 per cent. On the other hand, hog shipments were 40 per cent greater.

Prices were downward for cattle, while hogs and sheep advanced slightly. Prime beef steers on the Fort Worth market for the week ending December 15 were bringing 10 cents, down $\frac{1}{2}$ cent from the month previous, and calves brought mostly $10\frac{1}{2}$ cents, compared to 11 cents on November 15. Hogs sold for $8\frac{1}{2}$ for the handy-weight class, or a gain of $\frac{1}{2}$ cent for the month. Best lambs advanced $\frac{1}{2}$ cent and went mostly at $12\frac{1}{2}$ cents, and muttons sold for 8 cent against $7\frac{1}{2}$ cents a month earlier.

LIVESTOCK RECEIPTS AT FORT WORTH*

	November 1928	October 1928	November 1927
Cattle	79,507	91,211	120,406
Calves	48,344	46,894	57,659
Hogs	29,424	27,162	21,301
Sheep	17,978	41,643	18,994
Total	175,253	206,910	218,360

*From the Fort Worth Stock Yards Company.

SPECIAL ANNOUNCEMENT

There will be available for distribution soon after the first of the year two research monographs published by members of the Bureau of Business Research staff. These will be:

The Possibilities of Cotton Textile Manufacturing in Texas, by Rudolph Grossmann, Industrial Engineer of the Bureau of Business Research. A charge of 50 cents will be made for this study.

A Market Analysis of the Cattle Industry of Texas, by George M. Lewis. A charge of \$1.00 will be made for this study.

Those wishing the Texas Business Review regularly will receive it without charge upon application