Business Conditions

Report of the Federal Reserve Bank

of Philadelphia

March 1, 1920.

THE current industrial situation is marked by a brisk demand for manufactures of all kinds. In certain lines the danger of a runaway market is recognized, and, while a full volume of business is desirable, unchecked demand and increasing prices can work much harm. This tendency is particularly serious when the demands for credit and bank accommodation are at such high evels as they are at present.

There cannot be any long continuation of price advances combined with increased purchasing unless production can at the same time be made larger. While admitting the need for many commodities, the plea is made for the use of sound common sense and business judgment in filling only the more urgent needs at this time. The year 1919 was marked by a readjustment of industry to a peace basis, uncertainty early in the year, and many labor troubles which combined to hold back production. Our industries can produce a very fair supply for all, but they cannot be expected to overcome immediately the shortages due to war and extravagant purchasing.

The bearing of the foreign trade situation on domestic commodity prices, which was mentioned in our last report, is being felt in a very practical way. The prices of certain commodities which formed a large portion of our exports have shown weakness following the drop of sterling and exchanges on other countries to low levels. The probabilities that new credits will be granted on a large scale to European nations appear to be growing smaller.

Reports from twelve large mutual savings banks in the district showed deposits of $273,000,000, as compared with $250,000,000 a year ago, a gain of 9.2 per cent. The number of depositors increased from 524,000 to 538,000 or 2.7 per cent. Neither the figures showing increase in deposits nor the increase of depositors indicate any distinct tendency toward thrift. Accompanying letters in many cases emphasize the fact that old depositors continued to add steadily to their savings, whereas new accounts were frequently transitory.

During the first few weeks of February retail trade was hampered by bad weather conditions, though sales compare favorably with a year ago. At this time trade is customarily somewhat dull due to its being a midway point between the seasons. Spring goods are scarce and dealers find it impossible to secure complete stocks. Manufacturers and jobbers are allotting their products among their customers as best they can.

Chemicals, etc.

The release of nitrate of soda for agricultural purposes has resulted in an appreciable lowering in the prices of fertilizers, the decrease being estimated at about 10 per cent from prices ruling a year ago. Demand is good, but not beyond the ability of manufacturers to supply it. Raw materials are available in better quantities than a year ago.

Certain chemical manufacturers who specialize in wood alcohol and other products derived from the distillation of wood, have been hindered by the extreme shortage of hard wood. A large producer states that it is able to have cut only 25 per cent of its requirements. This scarcity of raw material, combined with an active demand, has resulted in price increases during the past year considerably in excess of 50 per cent.

Pigments used in the manufacture of paints have been in active request for some time past, and a leading manufacturer reports that his plants are operating at 100 per cent of capacity, as compared to 60 per cent in February, 1919. The present heavy demand dates from April of last year and shows no present signs of abatement. Prices do not show much change. Raw materials are in good supply at slightly higher price levels. A high degree of optimism permeates the paint trade and those who furnish raw materials to it.

Coal

The production of anthracite coal for the year 1919 totaled approximately 86,200,000 tons, as compared to 98,826,084 tons in 1918. Though this represents a decrease of 12,400,000 tons, the supply appears to be sufficient to satisfy demand. Shipments over the nine anthracite coal-carrying roads in January amounted to 5,713,319 tons according to the Anthracite Bureau of Information, as compared to 6,138,460 in December, and 5,638,383 tons in January, 1919.

Late in January and during the first few weeks in February weather conditions and car shortages have tended to restrict production of bituminous coal. Prices hold firm for the most part and demand is steady. Shippers of coal are much embarrassed by the large amount of money tied up by the confiscation of coal and its delivery to other than the original consignee. Much delay arises in determining the price of such coal and the collection of the accounts, during which time the shippers must get very unusual bank credits to carry themselves. This makes a serious situation for the shippers and absorbs a large amount of bank credit.

Cotton

The demand for raw cotton during the last thirty days has somewhat decreased, principally due to the fact that the mills are well covered against their sales of finished goods and yarns. Most of the manufacturers seem to be pursuing a conservative policy as regards the purchase of raw material and are covering their wants from time to time. The export demand has also fallen off, due in large measure to the depreciation of foreign exchange. While there has been a decline in the price of cotton for future delivery on the exchanges, the holders of actual cotton in the south generally have not met this decline and seem willing and able to hold their cotton until they can get the higher prices which they anticipate. While the manufacturing demand is at present comparatively small, the thought is advanced that the urgent call for all kinds of cotton manufactures will force the mills into the market again within a short time. It is reported to us that the acreage for the new crop will probably be as large as last season, but a shortage of good seed is noted.

Cotton yarn manufacturers are well sold ahead and are gradually bringing their mill production nearer to capacity. Demand fell off lately. Fabricators of finished goods have been making inquiries for delivery in the third quarter of this year, but yarn spinners show little disposition to commit themselves so far ahead. Prices to-day are considerably higher than they were a year ago, in some cases as much as 100 per cent. While recognizing the danger of such a level, spinners state that raw material and manufacturing costs make them necessary and they can see little possibility of a decrease at this time. One yarn manufacturer gives it as his opinion that the ultimate consumer is experiencing a shortage of textiles and that the demand arising from necessary purchases will easily take care of all they can produce.

Cotton goods manufacturers are running at capacity, insofar as conditions will permit, but lately there seems to have been a falling off in demand. This is ascribed to the tendency of jobbers to wait until it can be seen whether or not the retailers will have ready sale for the goods shipped to them at very high prices. Export demand is still fairly strong. Opinion as to price tendencies is conflicting, some manufacturers saying that the tendency is still upward, while others feel that we have reached the peak and that lower prices may be seen within the next few months. If export demand is further curtailed as a result of the exchange situation the latter opinion would seem to be logical.

Furniture

The output of furniture during the past year has increased largely, and some manufacturers are going to considerable expense to put up new plants to increase their production. Demand seems to have no limit and prices are rarely questioned by purchasers. Raw materials, especially veneers, built-up panels and various grades of lumber, are scarce.

Strikes and raw material shortages have seriously impeded the production of pianos and sales therefore bulk small, although the demand is strong. Prices have advanced and show no disposition to halt. Talking machines and records cannot be manufactured in sufficient supply to meet the demand. During the war production was seriously curtailed and the thought is presented that the prohibition of intoxicants has resulted in much larger expenditure for musical instruments and other home comforts.

Iron and steel

Demand for iron and steel has been exceedingly heavy and manufacturers had brought their production nearly to capacity a short time ago. Lately, however, weather difficulties have seriously impeded car movements and material and fuel shortages have been troublesome, resulting in large cuts in production. The price of Eastern Pennsylvania No. 2X pig iron a year ago was $36.15 and it is now quoted at $45.35 to $46.35 per ton. Prices of very nearly all products have advanced markedly during the past few months in keeping with the enormous demand which has deluged manufacturers with orders. The demand covers practically all kinds of products—sheets, tin plate, bars, pipe, tubes, etc. Many manufacturers are booked far ahead, while others are holding off in their acceptance of orders with the thought that they may book orders at more advantageous prices at a later date. Steel castings have not felt the same demand as have most of the other lines, but reports indicate that this line is picking up and that prospects are much better.

The demand for chain has been heavy during the past six months but manufacturing operations have not been up to capacity due to raw material shortage. Heavier chains have not been in such active request. Prices of chain generally have been kept in check as manufacturers fear the results of a runaway market. While not so optimistic over the last half of the year, prospects for the first six months are declared to be good.

The output of wire rope is restricted by fuel and material shortages. Demand is strong and urgency of delivery is placed before price considerations. In common with nearly all iron and steel lines labor shortage is holding back production.

The extreme prosperity of the automobile industry has created a practically unlimited demand for sheet steel and plants which manufacture this product are placed favorably. Prices compared to a year ago show an average increase of $21.00 per net ton. Manufacturers have faith in continued prosperity for a long time to come in this line.

Boiler manufacturers are running for the most part at 100 per cent of capacity and cannot catch up with demand. Shortages of plates and tubes are disturbing to some. Prices trend upwards.

The demand for street railway cars has been active though the output is not up to capacity. Raw materials are scant in supply and upwards in their price tendencies. The outlook is considered good. The demand for the car wheels for locomotives and railroad cars has been slack but at a later date this business is expected to increase considerably, with the entry of the railroads into the market for new equipment. Locomotive manufacturers are now operating at about 70 per cent of capacity and look for prosperous conditions during the coming year.

Meats

The market for beef and pork has been affected by the drop in foreign exchange with a consequent decrease in meat prices. Cattle and hogs appear to be in sufficient supply to care for all demands. The immediate outlook is dominated by the export situation as the domestic demand holds fairly steady and is not in excess of the present supply.

Paper

The demand for paper is much heavier than a year ago. This demand extends to practically all kinds—book, newsprint, wrapping and writing papers and cardboards. Prices have advanced materially. Manufacturers seem to average about 90 per cent of capacity but are hindered by the extreme scarcity of wood-pulp and paper stock and inadequate transportation facilities. Many producers have been allotting their output to their customers as they cannot cope with the demand. The labor situation is causing some trouble due to the constant demands for higher wages and the shortage of operatives.

There seems to be no present expectation of any decrease in demand. It is thought that if consumers would be more reasonable in their demands for immediate delivery and recognize the difficulties at present surrounding production, the return of more normal conditions would be hastened.

Pottery

Pottery manufacturers report that they are running their plants at as near capacity as conditions will permit, our reports indicating operations at 80 to 100 per cent capacity. This compares with 50 to 60 per cent of capacity a year ago. The demand for sanitary pottery, porcelain and specialties is far in excess of supply and orders have been booked for some time ahead.

Raw materials have for the most part been in fair supply, though certain ingredients and fuel have been scarce. Prices are increasing. Labor is scarce and is continually demanding wage increases. Confidence in the future of the industry for the coming year is expressed by reporting firms.

Rubber

The demand for mechanical rubber goods is good though it is not beyond the ability of the manufacturers to meet it. Some trouble in securing raw materials is reported and orders for such commodities have to be placed far in advance. Rubber is somewhat lower in price compared with a year ago, but cotton fabric is exceedingly scarce and very expensive.

Hose manufacturers report a large call for their product. There appears to have been little diminution in demand for the last few years, and no cessation is looked for at this time. Though the factories are being operated at capacity, they are producing only in sufficient volume to meet the demand. Prices are higher than a year ago.

Vulcanized fibre has been actively sought after by both foreign and domestic buyers, though purchases for foreign account now show some decrease. Plants are running to full capacity, but unfilled orders on hand are increasing. Prices are approximately 10 to 15 per cent higher than a year ago. Though present conditions would indicate capacity production for some time to come, protracted delays on the part of foreign buyers in placing their orders would seriously affect business, as a large part of the output is usually exported.

Shipbuilding

Shipbuilding plants in this district are now operating for the most part at 85 to 100 per cent capacity. New orders are rather difficult to procure, especially in view of the higher prices quoted, because of increased production costs. There is a feeling that cargo carriers of smaller than 10,000 tons are already in sufficient supply, and that little good will be gained by increasing production of such ships. The point is raised that our merchant marine is not well-balanced, that is, we are very well supplied with freighters of smaller sizes, but lack a sufficient number of tankers, passenger ships and cargo carriers of large size and greater speed. Plants are fairly well booked-up for the coming year. With the exception of the yards engaged on work for the Shipping Board, considerable difficulty is met with in securing materials. Labor is giving little trouble at this time.

Cargo space is becoming more available and the general sentiment is that, with the exception of certain specialized types of vessels mentioned above, our merchant marine is ample in size to care for our needs for some time to come. The inadequacy and throttling effect of the present shipping laws is emphasized by all who have reported to us and little hope is expressed that our merchant marine will become a permanent part of the nation's equipment unless there are radical changes in the present laws.

The active program of the Emergency Fleet Corporation contemplates the construction of 2,311 ships of 13,592,711 deadweight tons. On February 1, the condition of the work was as follows:

	Number	Deadweight tons
Ships delivered	1802	9,943,544
In wet basin	213	1,227,234
On ways	253	1,989,033
Keels not laid	43	432,900
	2311	13,592,711

There has been a very large reduction in the number of active ways. At present only 253 are being used, whereas last June 434 were active.

Silk

Silk mills report an active demand for their product. Raw materials are difficult to secure but are available when ordered sufficiently in advance. Prices of silk goods are high, whereas the raw material recently declined somewhat. Labor conditions are troublesome, and the construction of new mills is emphasizing the shortage of operatives which had already existed.

Wool

Supplies of wools of the finer grades are low and little is offered on the market at present. Later, however, some fine foreign wools will be available. Government sales in England and in this country have been marked by very low prices for the low-grades in order to induce buying. Undoubtedly large quantities are sold but there are few commodities at this time in which they can be used, as the public demands only the finest products.

Yarn manufacturers report an excellent demand for their products and, insofar as labor conditions will permit, they are operating their plants to capacity. Supplies of wool in the hands of the mills are fairly ample and they are able to cover their needs from time to time, though only at prices which are much higher than a year ago. Finished goods manufacturers are equally as busy and have been compelled to allot their output among their customers. Good business for the coming year is anticipated, unless the financial situation should become serious.

Financial

The operations of this bank decreased somewhat during the month of January. Investment operations for the month totaled $656,620,000, as compared to $852,038,000 in December, and the average daily earning assets decreased from $243,809,000 to $239,-284,000. The average annual rate of return on all earning assets increased from 4.22 per cent to 4.36 per cent.

Federal reserve notes in actual circulation at the end of January amounted to $223,585,000, as compared to $237,050,000 at the end of December. At no time since the end of last year have they been below $220,000,000 and latest figures are approaching the levels attained toward the end of December. The reserve position remains unchanged around 40 per cent.

Operations of the transit department were somewhat smaller in January, as might be expected, following the large holiday business in December. The total amount of checks handled in December was $1,395,056,000; in January the figure was $1,329,-506,000.

The rate for commercial paper in the open market holds firm at 6 per cent, which is the legal maximum for the State of Pennsylvania.

STATEMENT

Federal Reserve Bank of Philadelphia

RESOURCES	Feb. 18, 1920	Month ago	Year ago
Gold reserve	$134,491,033	$128,825,192	$132,954,981
Legal tender, silver, etc.	466,596	183,557	362,303
Total reserve	**$134,957,629**	**$129,008,749**	**$133,317,284**
Bills discounted, members:			
Secured by Government war obligations	$154,512,890	$162,488,730	$173,938,888
All other	54,491,670	33,926,084	13,892,312
Bills bought in open market	7,205,696	7,790,214	2,409,783
United States securities	32,305,900	35,461,400	12,665,400
Total earning assets	**$248,516,156**	**$239,666,428**	**$202,906,383**
Mutilated and fit notes on hand:			
Federal reserve notes	$13,780,135	$8,592,275	$7,307,305
Federal reserve bank notes	278,479	95,494	350,145
Due from depositary banks—war loan deposit account	——	41,752,500	63,956,375
Uncollected items	91,519,410	85,583,766	69,051,267
All other resources	2,462,714	2,650,341	2,005,491
Total resources	**$491,514,523**	**$507,349,554**	**$478,894,250**

LIABILITIES	Feb. 18, 1920	Month ago	Year ago
Capital paid in	$8,129,650	$7,886,550	$7,472,900
Surplus	8,805,132	8,805,132	1,304,172
Profit and loss	7,076	——	——
Government deposits	2,725,632	362,347	8,975,347
Due to members—reserve account	107,925,799	106,228,359	101,407,519
Collection items	84,926,422	81,494,340	56,655,673
Gross deposits	**$195,577,853**	**$188,085,046**	**$167,138,540**
Government deposits—special account	——	$42,173,006	$67,480,017
Federal reserve notes outstanding	$249,374,750	230,186,965	221,675,275
Federal reserve bank notes outstanding	26,952,000	28,628,000	11,088,000
All other liabilities	2,668,062	1,584,855	2,735,346
Total liabilities	**$491,514,523**	**$507,349,554**	**$478,894,250**

RESOURCE AND LIABILITY ITEMS
of member banks
in Philadelphia, Scranton, Camden and Wilmington

	At the close of business		
	Feb. 13, 1920	**Jan. 16, 1920**	**Feb. 14, 1919**
	[In thousands of dollars—i.e., 000's omitted.]		
United States bonds to secure circulation......	$11,097	$11,097	$11,497
Other United States bonds and notes..........	38,822	41,885	44,904
Certificates of indebtedness..................	49,900	58,716	113,187
Total United States securities owned	$99,819	$111,698	$169,588
Loans secured by United States securities.....	79,818	89,065	147,033
All other loans and investments	744,646	706,101	620,808
Total loans and investments	$924,283	$906,864	$937,429
Reserve with Federal Reserve Bank..........	59,838	65,301	62,289
Cash in vault	17,916	16,650	19,650
Net demand deposits on which reserve is computed............................	665,604	668,121	631,872
Time deposits	26,070	23,156	21,316
Government deposits.........................	5,899	35,180	43,513
Number of banks reporting	56	56	56

CHARGES TO DEPOSITORS' ACCOUNTS
other than banks' or bankers', as reported by Clearing Houses

	Weeks ending		
	Feb. 18, 1920	**Jan. 21, 1920**	**Feb. 19, 1919**
Altoona..........................	$3,101,000	$2,715,000	$2,528,000
Chester	4,775,000	5,497,000	4,980,000
Harrisburg	2,720,000	4,239,000	5,937,000
Johnstown.......................	3,626,000	3,275,000	2,916,000
Lancaster	5,341,000	5,881,000	4,329,000
Philadelphia	331,070,000	387,236,000	302,813,000
Reading	5,711,000	5,451,000	4,641,000
Scranton	12,068,000	12,169,000	10,798,000
Trenton	11,188,000	11,183,000	12,796,000
Wilkes-Barre	8,722,000	8,188,000	6,729,000
Williamsport.....................	3,805,000	3,806,000	2,846,000
Wilmington......................	9,356,000	8,942,000	8,926,000
York	4,094,000	4,046,000	3,090,000
Totals	$405,577,000	$462,628,000	$373,329,000

BUSINESS INDICATORS

	Feb. 16, 1920	Percentage increase or decrease compared with	
		Previous month	Year ago
Philadelphia banks:			
Loans	$804,350,000	+ 1 %	+ 4 %
Deposits	$672,931,000	— 4 %	+ 4 %
Ratio of loans to deposits	120 %	113 %*	118 %*
Federal Reserve Bank:			
Discounts and collateral loans	$201,744,000	+ 3 %	+ 7 %
Cash reserve	40 %	40 %	42 %*
90-day discount rate	6 %	4¾ %*	4¾ %*
Commercial paper	6 %	6 %*	5½ %*

	Jan. 1920	Percentage increase or decrease compared with	
		Previous month	Year ago
Bank clearings:			
In Philadelphia	$2,175,741,688	— 1 %	+ 19 %
Elsewhere in district	136,567,460	+ 3 %	+ 21 %
Total clearings	$2,312,309,148	— 1 %	+ 19 %
Building permits, Philadelphia	$3,533,790	— 68 %	+ 450 %
Post office receipts, Philadelphia	1,281,947	— 7 %	+ 11 %
Commercial failures in district (per Bradstreet's)	36	28 *	41 *
Latest commodity index figures:			
Annalist (food prices only)	289.402	— 2 %	+ 3 %
Dun's	$253.748	+ 2 %	+ 10 %
Bradstreet's	$20.8690	+ 2 %	+ 18 %

*Actual figures.

This business report will be sent regularly to any address upon request.

ON THE HORIZON

The Federal Trade Information Service remarks in drawing attention to the gold situation in this country: "The reserve gold stock of the United States was depleted in 1919 by the shipment of $292,796,000 to Europe for the purpose of maintaining export trade and allowing our Allies to pay their bills. The value of gold under conditions of minimum cost was fixed by Congress many years ago at $20.67 per ounce. To-day the purchasing power of an ounce of gold is $9.00 and the cost of production has so far increased that it is no longer possible to produce gold at a profit.

"As a result, the gold mines of the United States are being closed down at an alarming rate. Many of these mines will never be reopened because of the great expense of retimbering and unwatering, especially in the deep mining districts. Many mining camps are now dead; whole cities of homes abandoned, and thousands of skilled gold miners are out of employment. . . .

"At the Chicago convention in 1918 and again at St. Louis in 1919, the American Bankers' Association passed a strong resolution asking the Congress of the United States to take some steps to preserve the gold standard of the United States. In November last, the American Mining Congress called a National Conference of bankers, economists, and gold producers in St. Louis to discuss the gold situation. It was shown that while the production in the United States in 1915 was $101,000,000; in 1919 it was but $58,000,000, a loss of 42 per cent; and estimates indicate that the production for the present year will be less than $40,000,000.

" . . . During 1919, the manufacturers of the United States used $80,337,600 worth of gold, $21,848,800 more than was produced in the United States, and the indications for the present year are that the American jewelry buyers will demand far more for manufacturing purposes than the total demands of 1919. . . ."

The gold in the bank reserves of the United States limits the expansion of credit; and as these reserves have been steadily falling by export, reduced production and increased commercial use of gold, it is believed that the legal limit of gold reserves can not be long maintained. John Clausen, Vice-President of the Chemical National Bank, calls attention to the fact that the present ratio of depletion, no matter what the cause, will soon eliminate the possibilities of the commercial supremacy on the part of the United States, which by virtue of its natural resources and usual industrial efficiency and financial foresight should easily remain the leader among nations.

"In an effort to rectify this disturbing situation various types of proposed legislation have been introduced into Congress. One bill provides that manufacturers of gold articles may pay the increased cost of gold production in order that there will be sufficient gold produced to satisfy trade requirements. This bill proposes a tax on gold used in such a way and the payment of a premium on new gold produced out of the fund established."

The following letter on the attitude of the Federal Reserve Board toward the trade acceptance was recently addressed to the American Acceptance Council by Governor Harding of the Board:

"The Board is advised by letter from your Executive Secretary, dated October 22, that the American Acceptance Council, organized to encourage the use of bankers' and trade acceptances, is at this time conducting a campaign in the interests of trade acceptances.

"Your activities in this connection are observed by the Board with satisfaction. It is a matter of public knowledge, justified by frequent and emphatic expressions from the Board, that the purposes of the Federal Reserve Act would in many cases be better served by the general adoption of trade acceptances in lieu of book accounts and 'one name' paper. The acceptance has the added security of a second name, it usually evidences upon its face that it represents a commercial, industrial or agricultural transaction, and gives reasonable assurance that it will be liquidated at maturity by proceeds from the sale of the identical goods involved. For these reasons, the Board believes that this class of credit instrument is often more desirable than single name paper as an investment for the funds of the Federal reserve banks, and has backed this belief by authorizing a preferential rate for trade acceptances.

"There are, of course, some branches and kinds of business which are not adaptable to the use of trade acceptances, and the question of such adaptability must be left to the judgment of those interested. The Board does not undertake to urge the use of the trade acceptance against the wishes of interested parties, but merely takes the view that the trade acceptance represents generally a convenient and scientific kind of credit instrument, and has no hesitancy in recommending that it be utilized wherever practicable."

Regarding the ownership of railroad securities, the Association of Railway Executives issues the following statements:

"Individuals, numbering over 1,000,000, own outright about $10,000,000,000 in railroad securities. Over 600,000 are stockholders with an average holding of $13,956.

"Life insurance companies, with 53,000,000 policies in force, own nearly $2,000,000,000 of railway securities.

"Savings banks, with 10,000,000 depositors, own $847,000,000.

"Fire and marine insurance companies, casualty and surety companies own a total of $549,000,000.

"Benevolent associations, colleges, schools, charitable institutions, etc., own $350,000,000.

"Trust companies, State and National banks own $865,000,000.

"According to statistics compiled for the Association of Life Insurance Presidents in 1918, 27.65 per cent of life insurance companies' assets were invested in railroad bonds, and during the first half of 1919 the percentage of railroad bonds held by the life insurance companies was 26.25 per cent of the total assets of these companies."

In his annual report for the fiscal year 1919, the Comptroller of the Currency in discussing the foreign exchange situation says:

"The quotations for foreign exchange represent nothing but the depreciation in value of paper currency of foreign countries.

The only way to bring foreign exchange back to the old gold parity is to re-establish the credit of foreign countries. This should be done—

(1) By putting the millions of working men and women back to work, so that human energy may be fully utilized in increased production and the creation of wealth.

(2) By thrift, economy, and saving—to widen the margin between the cost of living and the wealth created.

(3) By avoidance by foreign nations of purchase and importation of luxuries and by the refusal even to import essentials when these can be produced at home.

(4) By every possible effort to increase the production abroad of those things for which a market can be found in this country; and at the present prices prevailing here the list of such articles is long and extensive.

"Substantially the only use which peoples in this country have for European exchange—which no longer means gold but merely paper currency of the different European nations—is to apply those currencies to the purchase of merchandise or securities in Europe at prices at which they can afford to import that merchandise or those securities to this country, pay the shipping charges and insurance, and then dispose of them here without loss."