BUSINESS AND FINANCIAL CONDITIONS

IN THE

THIRD FEDERAL RESERVE DISTRICT
PHILADELPHIA MAY 1, 1921

By RICHARD L. AUSTIN, Federal Reserve Agent and Chairman
FEDERAL RESERVE BANK of PHILADELPHIA

GENERAL SUMMARY

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HAS the liquidation process been completed? Is business now at the turning point, prepared for a return to normal activity? These are the pertinent questions which are being asked constantly and for which no satisfactory answers have as yet been advanced.

A survey of industrial conditions during the first three weeks of April reveals the futility, when generalizing on the entire situation, of attempting to answer them either affirmatively or negatively. The conditions in no two industries are identical. The silk industry is receiving a large volume of orders, whereas the iron and steel industry displays continued weakness. Between these two industries as the limits, all other lines show either improvement or decreased activity, varying in degree.

Shoe factories are producing at a rate considerably in excess of January, and a hopeful sign is to be found in the increased interest in staples, which were neglected a month ago. The demand for specialties continues active.

The woolen and worsted manufacturing industry has shown marked improvement. The business in spring goods was unexpectedly heavy and the interest shown in these has partially carried over to fall lines, of which a fair volume of orders has been booked. The market for cotton goods, apart from a decided interest in ginghams and a few other lines, shows little sign of betterment.

Coal production, both anthracite and bituminous, has fallen off due to the lack of demand. Domestic buyers have been inactive, principally because of the curtailment in iron and steel production and the decrease in railroad traffic. The Car Service Division of the American Railway Association reports that during the week ending

April 8 there were 507,427 idle cars, which is 21 per cent of the country's total number. This sets a new record and is an increase of 210,000 idle cars over the beginning of the year. 261,294 coal cars were included in the total number of idle cars. The coal strike in Great Britain has resulted in numerous inquiries for American coal. Should this strike continue for any length of time, the foreign demand may serve to offset in part the decreased consumption in the United States.

Retail trade continues fairly active, but shows definite signs of retardation. Reports from department stores in this district for the month of March showed sales only 1.8 per cent in excess of March, 1920, and stocks of goods 19.0 per cent less. As compared to February, 1921, stocks increased 5.9 per cent. Retail prices are lower than a year ago, but the sale of an increased number of units accounts for the present volume. Consumers continue to demand merchandise of good quality and are intolerant of attempts to substitute cheaper grades. At the same time, however, they are not displaying the extravagance which characterized the war period and the latter part of 1920.

Dun's and Bradstreet's index numbers of commodity prices declined 4.2 per cent during March. Dun's index decreased 2.1 per cent in February and it would appear that a quickening in the rate of price decline has occurred. An analysis of the index shows that, from the viewpoint of manufacturers, this fact is not as significant as would appear. The drop in March reflects principally large declines in the prices of food materials such as grains, flour, dairy and garden products. The clothing group, in which Dun's include textile raw materials and finished products, and hides and leather, decreased only 2.3 per cent in March, as compared to 7.8 per cent in February and 6 per cent in January. The metals group declined 1.2 per cent in March, 3.8 per cent in February and 7.3 per cent in January. In these two groups, therefore, prices were not dropping as rapidly as theretofore.

Early in April a questionnaire was sent to firms throughout the district asking for information on employment, payrolls and wage reductions. Replies were received from 447 firms which employed in all 140,101 workers on April 1, 1920. On April 1, 1921, they had only 107,625 employees, a decrease of 23 per cent. This does not fully measure the extent of unemployment, however, as a large number of those employed at the latter date were working part time. The payroll of these concerns for the week nearest to April 1, 1920, was $4,069,574, and for the week nearest to April 1, 1921, was $2,675,494, a decrease of 34 per cent. This decline in payroll is accounted for

EMPLOYMENT AND WAGES

In the Third Federal Reserve District — April 1, 1921 compared to April 1, 1920

	Number of concerns reporting	Number of employees			Amount of pay-roll		
		Apr. 1, 1920	Apr. 1, 1921	Percentage changes	Apr. 1, 1920	Apr. 1, 1921	Percentage changes
Iron and steel	96	58,531	39,558	−32%	$1,798,999	$924,581	−49%
Textiles	84	22,288	18,542	−17	570,486	444,992	−22
Building materials	59	7,311	5,119	−30	218,248	129,536	−41
Leather and leather products	45	11,194	7,818	−30	300,999	186,285	−38
Printing and publishing	21	6,329	5,401	−15	179,705	150,776	−16
Paper and paper products	18	3,833	3,229	−15	127,188	97,622	−23
Tobacco and tobacco products	20	5,380	6,327	+18	102,716	86,548	−15
Public utilities	36	10,576	10,708	+ 1	383,284	370,851	− 3
Chemicals	8	1,493	1,204	−19	34,936	26,695	−23
Rubber	9	3,109	2,192	−29	91,327	54,566	−40
Coal	5	1,420	1,156	−18	53,606	50,230	− 6
Confectionery	9	4,350	3,397	−22	97,832	83,473	−14
Furniture	20	2,989	2,009	−33	78,572	48,404	−37
Hats	7	378	268	−29	8,533	5,502	−35
Fertilizer	6	616	505	−18	17,574	11,543	−34
Wooden boxes	4	304	192	−37	7,569	3,890	−48
Totals	447	140,101	107,625	−23%	$4,069,574	$2,675,494	−34%

by reduced wages and part-time work, as well as the decreased number of employees. It appears that 44 per cent of the firms made reductions in the wages of unskilled workers, 41 per cent in skilled workers, and 11 per cent in office workers.

There is given on page 2 a table showing the number of employees and the amount of the pay rolls, divided by industries:

SYNOPSIS OF BUSINESS SITUATION

Compiled as of April 21, 1921 — Philadelphia Federal Reserve District

Business	Demand	Prices	Raw material or merchandise situation	Collections	Finished stocks
Automobiles	Good	No change	Easily obtainable—cheaper	Good	
Cement	Good	Holding steady	Easily obtainable—cheaper	Good	
Hardware	Improved	Downward	Adequate in most lines	Fair	
Lumber	Improved	Downward	Ample	Good	
Paint	Excellent	Downward	Ample—prices lower	Good	
Coal, Anthracite	Fair—declining	Lower		Fair	
Coal, Bituminous	Negligible	No change		Slow	
Carpets and rugs	Slight	Lower	Ample		Heavy
Cotton goods	Fair—"spotty"	Lower	Ample	Fair to good	Low
Cotton yarns	Slight improvement	No change	Ample	Fair to good	Heavy
Groceries	Improved	Lower	Easily obtainable—cheaper	Fair to good	Adequate
Iron and steel	Declining—poor	Lower	Easily obtainable—cheaper	Fair	
Paper	Limited	Lower	Easily obtainable—cheaper	Fair	Low
Paper boxes	Improved slightly	Lower	Easily obtainable—cheaper	Fair	None
Pottery	Elec. products—negligible Tableware—fair	Lower	Ample	Variable	Heavy
Shoes	Good	Firm	Ample in general Scarcity in certain colored leathers	Fair	Heavy in staples Very low in specialties
Silk	Very good	Firm to slight advances	Ample in general Shortage in certain numbers	Good	Very low
Tobacco	Good for cheaper products None for more expensive	Cheap products—lower Better products—firm	Low-grade leaf—plentiful, cheap High-grade leaf—scarce, high	Fair	More than adequate
Hosiery—Seamless	Silk lines—good Cotton—"spotty"	Some increase Firm at low levels	Ample	Fair to good	Adequate
Full fashioned	Very good	Firm	Adequate	Fair to good	None
Underwear—Light weight	Very good	Firm to slight increase	Adequate	Fair	None
Heavy weight	Poor	Firm	Adequate	Fair	
Wool cloth	Good	Firm	Abundant	Fair to good	Very low
Wool yarns	Fair		Abundant	Fair	Adequate
Wool, raw	Fluctuating	Low		Good	

The April 15 estimates of the local offices of the Pennsylvania Bureau of Employment indicated that unemployment was still on the increase. It will be seen in the table below, however, that two of the five cities showed a decrease in the latest period under consideration:

	Feb. 15	Mar. 15	Mar. 31	April 15
Philadelphia......	80,000	83,000	91,000	101,000
Altoona..........	19,625	23,350	27,975	27,750
Harrisburg.......	20,360	20,735	20,200	17,050
Johnstown.......	7,700	7,260	9,830	11,115
Scranton.........	13,100	12,770	18,580	20,730
Totals..........	140,785	147,115	167,585	177,645

An improvement in collections is reported by many, but they are principally firms which manufacture or handle textiles or shoes. Iron and steel concerns are still slow, owing to the curtailment in operations and the difficulties in securing payment from the railroads and other large customers.

Dun's report 63 failures in the Third Federal Reserve district in March, with liabilities of $1,082,419, as compared to 71 failures, with liabilities of $3,701,526, in February. In March, 1920, there were 33 failures and liabilities were $644,376.

FINANCIAL CONDITIONS

Federal Reserve Banks

THE reserve ratio of the Federal Reserve Bank of Philadelphia on April 15 was 54.8 per cent, which shows little change from the ratio of 54.5 per cent on March 18. This condition arises from the fact that reserves decreased slightly and a decrease in Federal Reserve note circulation from $241,622,000 to $235,815,000 was balanced somewhat by an increase in total deposits from $104,286,000 to $107,478,000. Borrowings of member banks on April 15 were $144,496,000, a decrease of 4 per cent from March 18.

The peak of borrowing by member banks in this district was attained on February 19, 1920, with a total accommodation of $255,000,000. On April 15, 1921, the bills discounted were 43 per cent below the peak. The loans of the system as a whole did not reach their high point until November 5, 1920—$2,826,825,000, and are now 25 per cent below that amount.

Member Banks

A comparison of the reports of 58 member banks in this district on April 15 and March 18 shows a decrease in total loans and investments from $851,439,000 to $839,342,000, an increase in total deposits from $708,340,000 to $709,863,000, and a decline in borrowings from the Federal Reserve Bank from $117,522,000 to $108,748,000. The items which make up the total loans and investments are listed below, with percentages of change:

	March 18	April 15	
Loans and discounts:			
Secured by U. S. obligations...........	$36,617,000	$37,767,000	+ 3.2%
Secured by other stocks and bonds....	198,630,000	202,885,000	+ 2.1%
All other...........	372,881,000	366,191,000	− 1.8%
Investments:			
United States securities...............	87,469,000	76,327,000	−13.8%
Other securities.....	155,842,000	156,172,000	+ .2%
Totals..............	$851,439,000	$839,342,000	− 1.5%

Savings Deposits

For the first time since last October the deposits reported by 24 savings banks in this district show a decrease. The decrease only amounts to 0.2 per cent but gains in significance with the statement that 15 out of 24 institutions participated in the decline. Deposits on April 1, 1921, as compared to April 1, 1920, increased 5.9 per cent. Comparative figures are given below:

	In Philadelphia	Outside Philadelphia	District totals
1921—Apr. 1.....	$256,336,000	$53,066,000	$309,402,000
Mar. 1.....	256,901,000	53,100,000	310,001,000
Feb. 1.....	256,575,000	52,431,000	309,006,000
Jan. 1.....	252,607,000	51,377,000	303,984,000
1920—Dec. 1.....	243,506,000	51,237,000	294,743,000
Nov. 1.....	242,990,000	49,156,000	292,146,000
Oct. 1.....	242,304,000	49,848,000	292,152,000
Apr. 1.....	242,892,000	49,085,000	291,977,000

Debits to Individual Account

The figures obtained from clearing house members, showing debits to the accounts of individuals, firms, corporations and the United States Government, are thought to be accurate indicators of the business situation. In the table given below the percentages of change are derived from the average figures for the four weeks ending on the specified date:

Districts	April 13, 1921, compared to Mar. 16, 1921	April 13, 1921 compared to April 14, 1920
Boston	−0.1%	−26.4%
New York	−8.2	−24.3
PHILADELPHIA	−1.9	−14.6
Cleveland	−1.6	−17.7
Richmond	−2.2	−19.2
Atlanta	−9.4	−34.3
Chicago	−8.4	−26.3
St. Louis	−9.9	−31.3
Minneapolis	−1.0	−25.2
Kansas City	−7.6	−25.5
Dallas	−4.6	−15.0
San Francisco	−3.8	−11.6
United States	−6.6%	−23.4%

Debits in the Philadelphia district for period ending April 13, 1921, declined only 1.9 per cent from the period ending March 16, 1921, whereas the country as a whole shows a decline of 6.6 per cent. Compared to the previous year Philadelphia shows a decline of 14.6 per cent, the lowest of any district with the exception of San Francisco. The largest declines from last year are in the great farming sections of the Middle West.

Certificate of Indebtedness Issues

An active demand for United States certificates of indebtedness has marked all recent issues of these securities. The issue of April 15, which bears interest at 5½ per cent, brought forth subscriptions of $52,535,000 in this district, or 176 per cent in excess of the amount finally allotted here—$19,047,000. This allotment was only 10 per cent of the total for the country, whereas subscriptions were over 16 per cent of the total.

Bankers Acceptances

Sales of bankers acceptances in the Third Federal Reserve district during the first few weeks of April did not keep pace with the earlier months of the year. This is due in part to the fact that many institutions preferred to invest in United States certificates of indebtedness. As compared to last year, sales have been much larger.

The supply of bills has decreased, but is ample for the requirements of the market. Factors in reducing the supply are the disposition of business firms to liquidate acceptances covering goods in warehouses, and the lessening in import and export business. Latest reports of the Department of Commerce show that March exports totaled $384,000,000 as compared to $820,000,000 in the previous year; and imports totaled $252,000,000 against $524,000,000 last year.

Commercial banking institutions are the largest purchasers of acceptances, but it is stated that industrial and business corporations have purchased considerable amounts with the funds released by curtailment of their operations. Acceptance dealers complain of the State laws restricting investments of savings banks and insurance companies, as they feel that this class of paper furnishes an investment combining security and liquidity in a high degree. The purchases of the Federal Reserve Bank of Philadelphia have averaged $2,741,000 weekly thus far in 1921, as compared to a weekly average of $1,469,000 in 1920, and $270,000 in 1919.

Inquiries among accepting banking institutions in Philadelphia show that during the month ending April 10 eleven of these institutions accepted bills aggregating $4,561,000, as compared to $5,321,000 in the previous month, a decline of 14 per cent. The total amount of their acceptances outstanding on April 10 was $13,150,000; on March 10 the amount was $14,095,000. Cotton, wool, silk, leather and oil figure largely among the commodities covered by these acceptances.

Selling rates quoted by dealers operating in the district are given on the next page, with comparative rates a month ago and a year ago:

Maturity	Eligible members' bills — April, 1921	Eligible members' bills — March, 1921	Eligible members' bills — April, 1920
Thirty days	5½ 5⅝	5⅝ 5¾	5⅝ 5¾
Sixty days	5½ 5¾	5¾ 5⅞	5¾ 5⅞
Ninety days	5⅝ 5¾	5⅞ 6	5⅞ 6
	Eligible non-members' bills — April, 1921	**Eligible non-members' bills — March, 1921**	**Eligible non-members' bills — April, 1920**
Thirty days	5⅝ 5¾	5¾ 6	5¾ 5⅞
Sixty days	5¾ 5⅞	5⅞ 6⅛	5⅞ 6
Ninety days	5¾ 5⅞	5⅞ 6¼	5⅞ 6¼

Commercial Paper

Commercial paper sales have, on the whole, fallen behind last year, but this is due, in part at least, to the fact that the supply of good paper is limited. A disposition on the part of most business concerns to curtail operations to the filling of immediate needs has cut down most of the financing necessary and has impelled them to fill this need by borrowing from the banks, because of the high rates in the open market. The paper of concerns in very good standing has found a ready sale at rates as low as 7 and 7¼ per cent, though the average is still holding around 7½ to 7¾ per cent. A month ago the lowest quotations were 7¼ to 7½ per cent.

RETAIL TRADE

CONSIDERED as a whole, retail trade in this district continues active and may be said to be holding up fairly well. Easter trade for the most part was in excess of that of last year in terms both of number of sales and dollars, although prices were generally 20 to 25 per cent below those of last year. A number of stores reported a decrease in the value but an increase in the number of sales. The total increase of Easter business over that of last year was not relatively so great as that of last Christmas season over the same period of 1919, which would indicate that retail business is retarding. This is accounted for in part by the lower prices on April 1 as compared with those which prevailed at the end of last year, but even taking this factor into consideration, sales are undoubtedly slowing up materially. Retailers however look for good business during the remaining spring and summer.

The demand is active for silks, silk wearing apparel, women's ready-to-wear clothing, hosiery, millinery, shoes, and many household articles. Men's and boys' clothing and hats are moving slowly, although many specialty stores handling only men's wear report good sales in such merchandise. Purchasers are exceptionally careful in their shopping, and retailers have found that with a certain class of trade sales can be affected more easily by stressing the quality factor rather than price. The price, too, must meet with the customer's approval, for if it is not satisfactory and a cheaper grade of merchandise is offered at the desired price, the sale is usually lost. The

RETAIL TRADE

Net sales	March, 1921, compared to March, 1920	Jan. 1 to Mar. 31, 1921, compared to Jan. 1 to Mar. 31, 1920
Firms in Philadelphia (15)	+ .9%	+2.0%
Firms outside Philadelphia (31)	+4.6%	+2.1%
All reporting firms (46)	+1.8%	+2.0%
Stocks of goods	Mar. 31, 1921, compared to Mar. 31, 1920	Mar. 31, 1921, compared to Feb. 28, 1921
Firms in Philadelphia	−20.4%	+5.4%
Firms outside Philadelphia	−14.3%	+7.3%
All reporting firms	−19.0%	+5.9%
Stocks compared to sales	Average stocks Jan. 1 to Mar. 31 compared to average sales Jan. 1 to Mar. 31	
Firms in Philadelphia	330.5%	
Firms outside Philadelphia	465.8%	
All reporting firms	361.9%	
Orders compared to purchases	Orders outstanding Mar. 31, 1921, compared to total purchases in 1920	
Firms in Philadelphia	7.6%	
Firms outside Philadelphia	6.1%	
All reporting firms	7.3%	

highly advertised low price sales on cheap quality merchandise still meet with some response, but are by no means as successful as a few months ago. In some classes of goods, more especially in shoes, the deciding factor with the majority of purchasers is style. The supply of most articles handled by the retail trade is ample to meet present demand, with the exception of women's full-fashioned silk hosiery, certain styles of shoes, and several silk lines of which there is a shortage.

The demand for silks, which came as a result of National Silk Week, continues unabated with Canton crepes still leading popular fancy. While the pre-Easter demand in women's ready-to-wear garments was mainly for suits, at the present time, dresses, coats and wraps are in active request, and business in these is highly satisfactory to merchants. Retailers in general express themselves as well pleased with the trade thus far during 1921.

AGRICULTURE

AN encouraging feature of the agricultural situation this spring is that the supply of farm labor is more plentiful and at lower wages. The winter weather has been mild and cover crops have done exceptionally well.

The Department of Agriculture of New Jersey reports the condition of wheat in that state on April 1 to be 96 per cent of normal, compared with 82 per cent last year, and an average for the past ten years of 87 per cent. Rye on the same date was reported at 95 per cent of normal, as compared with 86 per cent last year and an average of 89 per cent for the past ten years.

The average condition of winter wheat throughout the United States on April 1 was 91 per cent of normal, as compared with 75.6 per cent on April 1, 1920, 99.8 per cent on April 1, 1919, and 83.6 per cent the average condition for the past ten years.

At intervals the temperature was so high that fruit buds of the peach, apple and cherry trees were developed to a stage approximately one month ahead of normal. Most unfortunately at this time when the buds were far developed frost came, on March 28–29, with the temperature falling to 20 degrees, resulting in serious damage to peach and apple orchards throughout the district. The loss to fruit growers is variously estimated at from 75 to 90 per cent, but it is too early in the season to determine this with any degree of accuracy.

It is estimated that the acreage in the main crops sown in this section will not exceed last year's figures despite the fact that farmers had a poor season last year. Heavy farm crops were held over last fall in expectation of better prices. With few exceptions last year's crops were grown at high cost. A heavy slump in prices, especially in white potatoes, has led the growers to try diversified farming.

Supplies, such as seeds, tools, machinery and fertilizer are ample. Seed prices show an appreciable decrease since last year. Small reductions in tools and machinery prices are recorded but farmers are restricting purchases. Mixed fertilizer prices have receded slightly but not enough to induce much buying. Prices of raw materials used in home fertilizer mixing have declined considerably. In illustration of this, the list below gives figures this year as compared with last year:

	March 29, 1920	March 29, 1921
Nitrate of soda	$3.85 per 100 lbs.	$2.60 per 100 lbs.
Dried blood	8.75 per unit	3.00 per unit
Tankage	8.00 per unit	2.75 per unit
Acid phosphate, 16%	19.00 per ton	15.00 per ton
Nebraska potash	2.25 per unit	1.75 per unit
Muriate of potash	2.50 per unit	1.15 per unit

A survey of the livestock on farms in the United States has been taken and comparing 1920 with 1921 it will be seen by the table given below that there has been a slight decrease this year.

Animals on farms	Jan. 1, 1920	Jan. 1, 1921
Horses	20,785,000	20,183,000
Mules	5,041,000	4,999,000
Milch cows	23,619,000	23,321,000
Other cattle	44,750,000	42,870,000
Sheep	47,114,000	45,067,000
Swine	71,727,000	66,649,000
Totals	213,036,000	203,089,000

COAL AND COKE

Anthracite

SLIGHT reductions in retail prices of prepared sizes of anthracite coal, effective April 1, resulted in some quickening of demand, but on the whole the result has been rather disappointing to the dealers. The buying public apparently shows no desire to lay in winter stocks of coal at the present time and at the present prices. Although dealers and operators assure consumers that no further price reductions are contemplated, there has not been the expected increase in demand. Probably the larger part of the month's deliveries remains stored in the yards of dealers. The lack of retail demand may be partly accounted for by the fact that the remarkably mild winter has left many consumers with a large part of last winter's supply on hand, but there is no doubt that initial price reductions have led purchasers to expect further reductions before fall. The greatest difficulty is being experienced in steam sizes. Industrial curtailment and soft coal competition are forcing dealers to store large amounts.

New mine prices on prepared sizes 50 cents lower than last year's scale have been announced by all the railroad coal companies except one, and retail prices universally are from 75 cents to $1.50 lower than winter prices. Mine and retail quotations and freight rates per ton from Scranton to Philadelphia, effective April 1, are shown in the accompanying table:

	Mine	Retail	Freight
Broken	$7.25	$13.50	$2.92
Egg	7.25	13.50	2.92
Stove	7.55	13.75	2.92
Nut	7.55	13.75	2.92
Pea	5.90	10.50	2.55

Although the above quotations represent average retail prices in this district, there has been some further retail price cutting and prices have been quoted as low as $12.75 for egg, $13.00 for stove and nut, and $10.50 for pea.

Reports to the Anthracite Bureau of Information show that shipments for the month of March amounted to 5,737,771 gross tons as compared with 5,966,101 tons during February and 6,077,821 tons in March, 1920. The total shipments for the coal year ending March 31 amounted to 69,366,731 tons, which is only 448,303 tons less than the total shipments for the previous year.

Firms in this district report collections as being fair, but tending to slowness.

Bituminous

If the strike in Great Britain should continue for any length of time, it is quite possible that South American and European markets will be again opened to American export trade as Great Britain, according to available estimates, has no very extensive stocks of coal for export at the present time.

At home the soft coal industry has been characterized by further decreases in output. Demand continues at a very low ebb and there are no present indications of improvement except in the possibility of export demand. Estimates of the Geological Survey show that total production for the week ending April 2 was 5,797,000 net tons, a daily average of 1,054,000, which shows a decrease of 670,000 tons or 11 per cent from the previous week's figures of 6,467,000 tons and a daily average of 1,078,000 tons. This decrease is not entirely attributable to slackening of demand, however, because of the occurrence of "Mitchell Day," a widely celebrated holiday in the union mining districts.

Consumers have evinced little desire to contract for next fall's deliveries at present prices and quotations have shown little tendency towards further declines. Prices have not changed greatly during the past month, some grades showing an increase while others show a decrease. The following table shows spot prices quoted on April 12 and on March 15:

	April 12	March 15
Pool 1	$3.50	$3.50
Pool 10	2.75	2.50
Pool 11	2.25	2.30
Pool 9	3.25	3.25
Pool 34	2.00	2.15

Some wage cuts and further reductions of forces and of operating time are being made in the non-unionized mines, but the wage contract with the unions prevents any reductions at union mines before April 1, 1922. Collections on the whole are fair but in the case of the railroads a marked slowness is reported.

Coke

Further price declines, decrease in production, and a reduction of wage scales have characterized the coke industry during the past month. At the present rate, it is doubtful if more than one-fifth of the nation's productive capacity is being utilized. Reports from the Geological Survey estimate daily average production of coke for the week ending April 2 at 16,000 tons, which represents a six per cent decline from the daily average for the previous week and only slightly more than 20 per cent of the daily average for the week ending April 3, 1920.

Absence of demand, coupled with the existing oversupply, has induced further price cutting until prices as low as $4.00 for furnace and $5.50 for foundry have been quoted by some independents. This reduction to a figure which is only 22 per cent of the peak prices of 1920 has failed to stimulate demand. As production figures are materially less than the rate of metallurgical consumption, it is evident that consumers are drawing largely upon their existing stocks of coke rather than purchasing even at this low figure.

The demoralization in the industry has forced a large number of independents to cut the wage scale from 10 to 15 per cent, although no such action has as yet been taken by the largest producer, a Steel Corporation subsidiary.

IRON AND STEEL

PRICE movements in the iron and steel industry during the past month have been confusing. In face of reports from firms in this district reporting still further price reductions in iron and steel products, several of the larger independents, on April 8 and April 9, announced advances in price of $2.00 per ton on bars, plates and structural steel shapes. Following this action the U. S. Steel Corporation, after a conference between Judge Gary and the presidents of the subsidiary companies, announced reductions on standard steel products from 6 to 15 per cent lower than the Industrial Board prices, which had been adhered to by the Corporation since March 21, 1919. This increase by the larger independents and subsequent reduction by the Corporation subsidiaries has made the average prices of the two groups identical. Even with this new level, steel and iron prices quoted are from 67 to 108 per cent higher than average prices in April 1914. The following table taken from the Iron Age shows the new prices announced by the Corporation as compared with the Industrial Board Prices:

	New	Old
4 x 4 in. and heavier billets, per gross ton	$37.00	$38.50
Slabs, per gross ton	38.00	41.00
Bars, per 100 lbs.	2.10	2.35
Plates, per 100 lbs.	2.20	2.65
Structural shapes, per 100 lbs.	2.20	2.45
Wire rods, per gross ton	48.00	52.00
Plain wire, base	3.00	3.00
Wire nails, per keg, base	3.25	3.25
Tin plate, per base box	6.25	7.00
Sheet bars and small billets, per gross ton	39.00	42.00

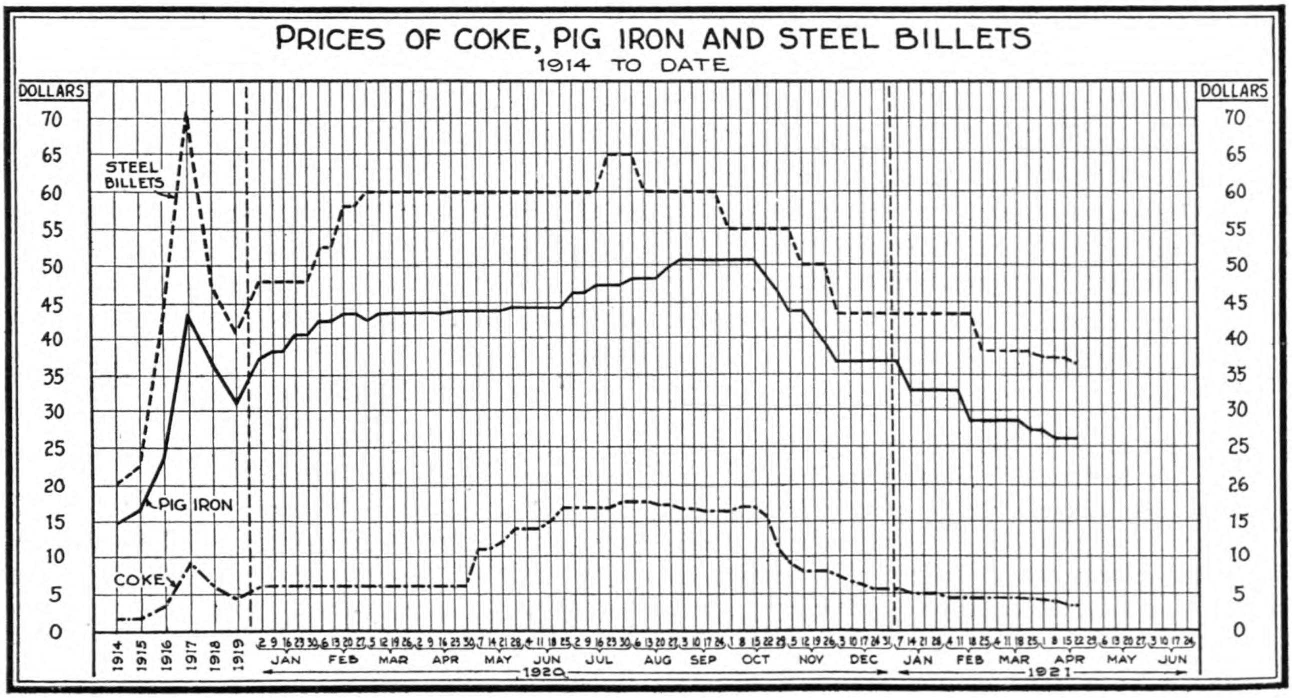
No reductions were announced in prices of steel rails, sheets, tubular products and hoops. In spite of this apparent stabilization of prices by identical quotations of the larger independents and the Corporation, it is questionable whether the smaller independents will be able to maintain this level of prices in face of the existing small demand.

Some firms in this district report a further decline in sales and, in most instances, lower quotations on standard iron and steel products. Although there has been an improved demand from automotive manufacturers, it has been far below expectations. Even if it were a normal demand, however, the effect on the iron and steel industry would be almost negligible since the total consumption of iron and steel by automobile and truck manufacturers is only about 5 per cent of the total product. The expected spring building program has failed to materialize and hence there is little demand from this quarter. The deplorable financial conditions of railroads have prevented any considerable purchases of rails or structural shapes by them and the effect has been very noticeable in the steel industry. Another appreciable factor in the situation is that those consumers who have been able to buy but who have not been compelled to do so have tended to delay purchases in the belief that a closer approach to the pre-war price scale is probable. Whether the recent reduction of prices by the Corporation will be sufficient to induce buying is uncertain, for no immediate increase in demand has followed the price adjustment. It must be remembered, however, that the items of expense entering into the manufacture of iron and steel are nearly 100 per cent higher than before the war. Coke at $4.00 is slightly less than double the pre-war price, while wages in the industry approximate 100 per cent above the pre-war level.

Prices of other raw materials have increased materially and the present high freight rates have practically doubled the cost of assembling the raw materials necessary to the manufacture of iron and steel products. The table at the top of the next column indicates the present assembly costs for the raw materials used in producing one ton of iron in the Pittsburgh district, as compared with costs in 1912:

	1912	1921
Rate from mine to dock on two tons of ore	$1.10	$2.06
Boat rate and unloading	1.20	2.48
Lake to furnace	1.92	2.80
Freight on 1 1/10 tons coke	.80	2.80
Freight on ½ ton limestone	.32	.80
Slag disposal	——	.54
Total	$5.34	$10.48

Another important factor in explaining the present lack of demand is the almost total cessation of export demand. As European industrial activity approaches a state of normalcy it becomes increasingly apparent that our own industry will encounter severe competition, not only in the foreign field, but at home, as well. Much lower production costs have enabled German, Belgian, French and British concerns to seriously underbid us in South American and Southern European markets. Freight concessions on returning Atlantic steamers have allowed Belgian concerns to offer steel billets delivered at our Atlantic ports as low as $28.00 per ton. Present high domestic freight rates have permitted successful foreign competition at the Gulf and Pacific ports. Belgian bars have recently been delivered to San Francisco at 2.30c. whereas domestic bars at 2c. Pittsburgh with 1.665c. freight to the coast would cost 3.66c. delivered



PRICES OF COKE, PIG IRON AND STEEL BILLETS
1914 TO DATE

As a consequence of this fear of foreign competition, great interest has been evidenced by the trade in the proposed protective tariff legislation.

Reports from firms in the Third Federal Reserve district indicate a considerable decrease in demand for pig iron, castings and steel shapes and bars even in the face of the slight increase of inquiries from agricultural, structural and automotive manufacturers. It is quite evident that structural work in this district is far below the usual spring volume while the automobile industry is not furnishing more than 60 per cent of last spring's demand.

Firms manufacturing nails, chains, wire, wire products and similar products also report an extremely light demand and practically no increase over last month. Those concerns manufacturing automobile castings and frames and motor parts report increased sales, but only about 50 per cent of last spring's demand.

Operations show further curtailment, and production a continued decline over last month. The small independents in this district report a meager hand-to-mouth business, while many furnaces and mills are entirely closed down or are preparing to close down in the near future. Further price reductions during the month have entirely failed to stimulate demand. The daily average production of pig iron for the country as a whole showed a greater reduction in March than in any previous month. According to reports published in the Iron Age, the total pig iron production for March was 1,595,522 tons, or 51,468 tons daily, as compared to 1,937,257 tons in February, or 69,187 tons daily. During the month of March a net loss of fifty blast furnaces was recorded, which indicates that only 102 blast furnaces are in operation at the present time. Statistics gathered by the American Iron and Steel Institute indicate that steel ingot production for March was 1,570,978 gross tons, which represents a decline of over 10 per cent from February's output of 1,749,477 tons. Unfilled orders of the United States Steel Corporation as of March 31 amounted to 6,284,765 tons, a reduction of 649,102 from February's figure of 6,933,867. This figure represents the eighth consecutive monthly decrease and brings the unfilled tonnage close to the previous low point of 6,284,638 in September, 1919. The figure for March shows a total decline of almost 50 per cent from the record unfilled tonnage of the Corporation in April, 1917, which amounted to 12,183,083 tons. It is doubtful if the present output of the industry in general is more than one-third of capacity. Reports from firms indicate that production in this district is less than 30 per cent of capacity and that even this output is not being entirely consumed, hence stocks are accumulating in the hands of producers.

Curtailment of operations has resulted in universally reduced employment and, in the case of independents, in wage reductions varying from 5 to 30 per cent. Reports received from 96 firms in this district show that the total number of workers carried on the payroll in this month is about two-thirds the total personnel in April, 1920. A reduction of 32 per cent in number of workers is reported and a total reduction in total wages paid of 47 per cent from the amount paid out for wages in April, 1920. Of the 96 reporting firms, 44 reduced wages 10 per cent or less; 33 firms reduced wages more than 10 per cent, while in the remaining firms the scale remained the same. The average income per worker, of course, has been reduced to a far greater extent on account of the curtailed working hours. Wage reductions continue in the industry in spite of the failure of the Steel Corporation to take any action in regard to wages and working hours. The reports of the Bureau of Labor indicate that unemployment during the past month was more marked in the iron and steel industry than in any other, a decrease of 6½ per cent from February being reported.

Little difficulty is being encountered with cancellations as most business is being taken in small orders for immediate delivery and buyers are not over-extending. Collections are characterized as fair.

Machinery

The outlook in the machinery and machine tool manufacturing industry is hardly more favorable than that in iron and steel. Demand is slack and prices have shown a decidedly downward tendency in the past month, some reductions of 10 to 15 per cent having been made. With industry curtailed as at present, it is not surprising that manufacturers are unwilling to make new capital expenditures when they already have large amounts of idle equipment and machinery on hand. Revival in the automobile industry has been hardly sufficient to react appreciably upon the machinery and tool manufacturers, although some orders are being reported. Demand for agricultural equipment and machines has shown some quickening, but farmers generally are not in a financial position to make extensive purchases. Representative firms in this district report that present orders are not sufficient to necessitate operations at more than 40 per cent capacity on an average, although many concerns are operating at 20 per cent or less. Employment shows a corresponding decrease and wage reduction is becoming more prevalent as the available supply of skilled labor is increasing materially. Raw materials are easily obtainable and at considerably reduced prices. In general the industry is affected by the same factors which are causing such marked inactivity in other industries. The nature of the product necessitates general industrial activity before demand for machine products becomes evident. Reduced prices of raw materials and wage reductions have enabled manufacturers to materially reduce prices, but there seems to be an almost total absence of demand at any price. The same factors abroad have contrived to bring about an almost total cessation of export demand.

Cancellations are offering little difficulty at present, but collections are not more than fair and are especially slow in the case of railroads.

AUTOMOBILES

THE advent of spring has been accompanied by a pronounced revival of demand for automotive products. Dealers in this district report an improved demand and a large increase in volume of sales as compared to last month. This improvement has been especially noticeable in the case of certain popular medium and low priced pleasure cars and in the case of second-hand cars. A few dealers in these types report an actual increase in volume of business over March and April of last year, which were peak months in the automobile industry. An actual increase in sales over last year, however, is exceptional, and dealers in most models report sales of from 60 to 80 per cent of the 1920 peak.

The demand for high-priced pleasure cars, however, while larger than during the winter months, does not show as great an increase as in the case of the medium and low priced models. It is noticeable, moreover, that those cars, the prices of which were reduced last September, are in much better demand than the makes which did not announce reductions. Sales of heavy-duty trucks, while somewhat advanced over last winter, are far below normal and do not nearly approach the volume of sales attained during the peak months of 1920. This has been caused by the curtailment of industrial operations, leaving many firms with large numbers of idle trucks on their hands at the present time.

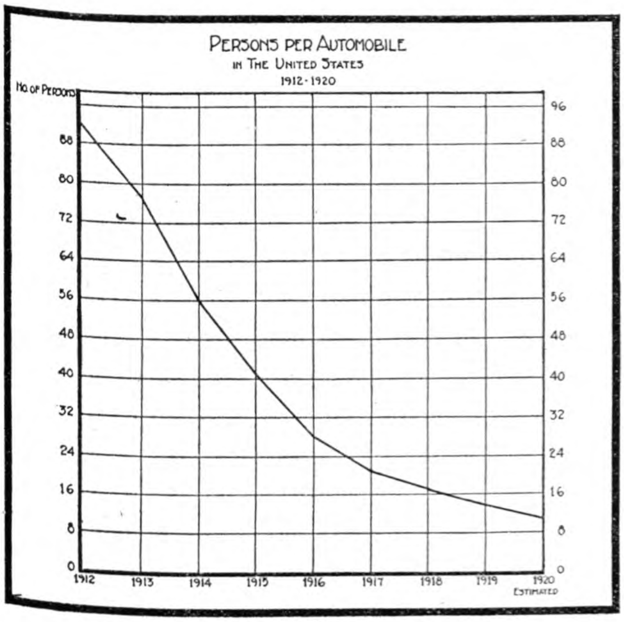
Although the trade is generally optimistic over the outlook for the future, the more conservative dealers feel that this natural seasonal improvement appears much larger than the facts would warrant when contrasted with such an exceptionally dull winter as was the last one. Although many dealers reported a 100 per cent increase in sales in April over the preceding months, it must be remembered that sales during January, February and March were, in many instances, to quote one firm, "practically nothing."

Operations and employment during the fall and winter months did not average more than 25 per cent of normal and many plants were entirely closed. The spring revival has resulted in increased operations according to reports from firms in this district, quite a number of which are preparing to operate at capacity while operations in general at the present time approximate 60 per cent of normal. With the resumption of operations in March and April, workers, in numerous instances, have been re-employed at wages 15 to 30 per cent lower than last year's scale. Raw materials, especially castings, are plentiful and obtainable at much lower prices than last year.

Although practically no reductions in prices of standard models have been made since the cuts of last September, many dealers are making what is, virtually, an actual price reduction by including with the new car extra parts such as accessories or tires, which amount to from $50 to $200 in some instances.

Little difficulty with cancellations is being encountered this spring, and collections are generally considered to be good, although there was some slowing up in March due to the income tax payments in that month.

Last year's production of trucks and automobiles in the United States was 2,241,000, the largest output in the history of the industry. It is estimated that there are now more than nine million trucks and automobiles in use in the country, of which number about 90 per cent are automobiles. The following chart shows the rapid growth of the automotive industry, as compared to population, from 1912 to 1920:



In this eight-year period the number of cars has increased from a ratio of one car to 94 persons in 1912 to the remarkable figure of one car to 11 persons in 1920. Whether the pronounced flattening out of the curve in recent years indicates the approach of a "saturation point" is problematical.

COTTON

THE condition of the cotton goods market at the present time is spotty. No decided change was evident during the past month; demand continues active in some lines, while others show considerable inactivity. The market for ginghams and sheetings is the strongest, while heavy cotton fabrics show the weakest tendencies. Sales are practically all in the spot market and, despite the fact that the season for placing orders for fall delivery is already well advanced, little interest is shown in orders for future delivery. The cutting up trade and manufacturers of cotton garments continue to defer buying with hopes of lower prices and although stocks of retailers are low, they are buying far less than in normal years.

The dictates of fashion and the refusal of the consumer to buy high-priced goods have caused the inactivity in those lines which is so apparent. The spring season has already shown a considerable demand for low-priced gingham dresses and aprons and as a result sales in this line are nearly normal in volume. Manufacturers of ginghams are reported as sold up and are operating at full capacity. The demand for heavy cotton fabrics used in the manufacture of tires reflects the inactivity in that industry and plants devoted to the manufacture of this grade of goods have curtailed operations to a large extent.

There seems to be no general trend of operations. In some lines stocks of finished goods in the hands of manufacturers are sufficient for current demand and they are reluctant to increase such supply. In other lines the demand is sufficient to absorb the capacity of the plant. Generally, buying is on a hand-to-mouth basis and manufacturers are operating only on orders. Except in the instances referred to where there is an active demand, prices continue to decline.

The cotton yarn market has reflected the trend of the cotton goods market to a large degree, but some increase in interest has been noted. Sales to manufacturers of low-priced cotton goods and low-priced hosiery have improved somewhat. Activity was evident in January and February, and a number of mills increased production at that time. The recession of the early part of

March found manufacturers with increased stocks on hand and as a result mills have been curtailing operations, and the present demand is being met largely from stocks.

There has been comparatively little change in yarn prices during the month, and at present they are about on a par with those of 1913.

The consumption of raw cotton in the United States during March was larger than any month since September, and according to the monthly report of the Census Bureau, a total of 437,933 bales was consumed. This is 20,325 more bales than in February and 137,856 less than March of last year. Despite this fact there were fewer spindles in operation during March than in February, the total being 32,104,946, a reduction of 353,582. The greater portion of this reduction was in the cotton-growing states, the mills throughout that district showing 317,794 of the total reduction. Consumption of linters in March was 37,991 bales, in comparison with 31,597 during March of 1920.

We are advised by the Federal Reserve Bank of Dallas, Texas, that: "Planting of cotton in southern part of the state is now progressing normally. The season has been rather unfavorable and crop planting will be somewhat delayed in other parts of the state. Fair season in ground conditions. Little labor shortage. Low prices of last crop and heavy amount unsold will probably make effort at reduction of acreage more successful than usual. Recent cold weather and excessive rains in some places have slightly injured outlook, but except for reduced acreage there is promised fairly normal conditions for the future. Cotton is moving slowly and still being held pretty strongly."

The Atlanta Reserve Bank states: "Preparation for planting has progressed rapidly and is probably more advanced than for average years. Conservative estimates place reduction of cotton acreage compared with last year from 10 to 20 per cent. However, there is no let up in the campaign for reduction of from 25 to 50 per cent. Amount of fertilizer used up to the present time is estimated at only one-third to one-half of the amount used up to the same time last season and reports indicate this ratio will not be increased during the remainder of the season. Weather conditions have been good for early farm work." The stock of cotton on hand, exclusive of linters, and the active spindles for the past two months as compared with March of last year is as follows:

	Mar. 31, 1921	Feb. 28, 1921	Mar. 31, 1920
In manufacturing establishments.......	1,337,790	1,335,435	1,854,996
In warehouses........	5,235,360	5,597,019	3,240,197
Active spindles.......	32,104,946	32,458,528	34,697,812

No cancellations have been reported in either the cotton goods market or in the yarn market, and in the raw cotton market the evil is apparently a thing of the past. Collections have shown a slight improvement and may be classed as fair to good at the present time.

WOOL

Wool Cloth

DEFERRED openings of fall lines caused an unusually heavy demand during the months of March and April. An unexpected demand for spring tricotines found the majority of manufacturers unprepared to meet it. Fall orders for these goods are numerous. The majority of mills report operations as being in excess of a year ago. Practically all lines are selling well, with velours, tricotines, and other twilled materials in the lead. Some concerns report that men's suitings were oversold at the first openings, and demand for them continues so heavy that independent firms are counting upon the overflow orders for their share of fall business.

Finished stocks on hand are low. Most of them are the result of cancellations and are not in demand this year. Other stocks which meet this year's requirements were purchased and manufactured at high costs, and must be sold at prices entailing great loss. Little change in prices has been noted since last month, and this is considered by some an indication of stabilization.

Many plants are operating at capacity, others at 50 to 75 per cent with plans for expansion as soon as reorganization of their forces can be accomplished. The number of employees is being steadily augmented, appreciable additions to forces having been made since January 1. It is thought that owing to late openings and generally curtailed operations up to that time, production on the whole will be considered below normal.

No cancellations of recently placed orders are recorded, and collections are improving, being characterized as fair to good.

Yarns

Worsted yarn production is marked by varied conditions. The following incident illustrates the uncertain condition of the market. A firm informed us rather early in April that demand had fallen off since last month, and compared with a normal year was "very much sub-normal, with inquiries for prices and small sample lots, but nothing in the way of a tangible order." In the middle of the month, this same firm advised us that several of their larger customers had placed good-sized orders for yarns, which they felt reflected a decided improvement over last month.

Generally speaking, demand does not keep pace with the increased activity among woolen goods manufacturers. These are operating from stocks on hand and when forced into the market are ordering on a hand-to-mouth program. Timidity on all sides is limiting trading.

Another firm manufacturing only the finest counts from the best imported Australian wool has been running at capacity all during the war and since. Present orders, however, although large are entirely for immediate delivery. Another large yarn manufacturer is operating at 100 per cent capacity, but states that his orders are all to cover spring business; no forward orders have been placed to care for fall deliveries. Manufacturers of the medium and lower counts, however, have not participated in this business, operations being reported at from one-third to two-thirds of normal.

Raw materials are easily obtainable at low prices. The employment situation indicates improving conditions, all mills reporting additional workers over the number on January 1.

Prices of yarns, on the whole, are unchanged since last month, although some recessions are noted. No forward orders being placed, there is little opportunity and no desire to cancel. Collections show improvement and are generally regarded as fair.

Raw Wool

The "see-sawing" on the tariff question has kept raw wool dealers in a state of perplexity—demand strengthening and weakening with the varying rumors. Present demand is negligible and stocks continue to accumulate. It is stated that much of the wool on hand was consigned at prices considerably above the market and cannot be moved at present prices, which are low and are being forced down by pressure of foreign wool. Prices on the finer grades of wool show little or no change since last month, but the lower grades are being neglected and their prices are but nominal.

In spite of the little trading, there is record of some cancellations; when the market is threatened with lower prices, orders placed at slightly higher levels are immediately canceled.

Collections are characterized as good.

SILK

ALL present signs point to a return of normal demand in the silk industry. During March the demand for spring silks was exceptionally active and duplicate orders were numerous. A shortage in many of the more desired lines developed, as the industry was unable to produce the quantities called for, due to the delayed buying season and the scarcity of certain raw silks. April, foreshadowing the close of the spring distributive season, witnessed a slight falling off in this demand, which was counterbalanced, however, by orders for fall goods. Jobbers are beginning to buy for forward deliveries and production is being increased daily. Retailers are also buying in good volume for retail sales of silks and silk wearing apparel have been exceptionally good and continue so at the present time.

Prices of silk goods have been holding firm and manufacturers anticipate no further downward revision until wages in the mills are decreased.

When mill operations were resumed in January, reductions of 25 to 30 per cent in wage schedules were announced. This cut, coupled with the decline in raw materials, resulted in a readjustment of prices, which at the present time are about 40 per cent below the peak levels of early 1920.

Prices of raw silk are firm. The efforts of the Japanese government to stabilize prices in that country have thus far been successful and as a result have engendered a spirit of confidence in the American trade. There are no indications of a further relapse in the market, but neither is a radical increase in prices looked for, or indeed desired. A slight advance of prices in some quarters however was noted during April.

The demand for raw materials is active, but almost entirely for immediate delivery. Although mill owners are optimistic as to the coming months, they have not expressed their confidence by making large commitments for future delivery of silk. They are following a more or less hand-to-mouth policy, which is giving to the market conservative strength.

Collection conditions in the silk industry are generally characterized as good. In most cases where accounts are past due, interest is being exacted and this practice has had considerable influence in improving the collection situation.

CARPETS AND RUGS

OPERATIONS in the carpet and rug industry have been maintained at a low level. Many prospective customers withheld their orders because of the expectation of lower prices after April 1. This was, in large measure, realized, as quite a number of firms in this district reduced prices 25 per cent. Sales at a large auction sale in New York realized prices 25 to 35 per cent below those of November. The confidence engendered by these reductions was reflected in improved demand during the month of April. This improvement, however, is slight and conditions are far below normal.

Wilton and Body Brussels manufacturers are still experiencing labor difficulties. Manufacturers are unwilling to operate their mills at former wage scales and employees, thus far, have not accepted reductions.

Other manufacturing conditions are satisfactory—raw materials are plentiful at considerably lower prices, and the orders received are for actual needs which obviates cancellations.

HOSIERY

GENERAL improvement was noted in the market conditions of the hosiery industry during the past month, the feature of the situation being the marked increase in demand for all silk lines. The strike in the majority of Philadelphia full-fashioned hosiery mills continues, and with this source of supply cut off, the quickening of interest in these goods resulted in a deluge of orders for mills in the Reading district. One manufacturer writes that never before in the history of his business has he experienced so great a demand, which he attributes to the Philadelphia strike.

Notwithstanding this extraordinary demand for full-fashioned hosiery and the fact that raw materials registered an increase during the month, mill prices have shown no change. Present quotations are on a par with those of January 1, but are more than 50 per cent below those of last spring, and manufacturers claim they do not yield a legitimate profit. Orders being placed are all for rush shipment and little attention is being given to forward deliveries.

As a result of the inability to secure immediate delivery on full-fashioned hosiery, buyers have turned to mock fashioned and seamless silk lines and manufacturers of these goods also report increased business. Finished stocks have been rather thoroughly absorbed in distributive channels and most mills are now working on orders. Prices for these goods have stiffened considerably.

Demand for mercerized and lisle hosiery continues spotty but the number and size of orders show improvement as compared to last month. The general call for these goods at the present time is estimated at 50 per cent of that of a normal year. Jobbers are not anticipating requirements, and although their stocks for the most part are liquidated, they are placing orders only when there is an immediate outlet. As an example of the present buying policy of the jobbing trade, one manufacturer cites the case of a customer who normally orders 50 to 100 cases. The first order received this year was for five cases, followed by two more when these were delivered, with later a third order also for two cases. It may be seen, therefore, that manufacturers are now carrying the stocks which ordinarily would be in jobbers' warehouses. Prices for these goods stiffened somewhat during the past month and at present appear to have reached a firmer basis.

Considered as a whole, the hosiery industry has greatly improved its position since the first of the year. Collections are reported as fair to good.

OPERATIONS IN THE HOSIERY INDUSTRY

	March, 1921 compared to Feb. 1921	March, 1921 compared to March 1920
Firms selling to the wholesale trade:		
Product manufactured during March	+15.8%	−65.6%
Finished product on hand March 31	−10.6%	−23.7%
Raw materials on hand March 31	+ 6.3%	−48.6%
Orders booked during March	−30.6%	+105.8%
Unfilled orders on hand March 31	+17.4%	−55.1%
Firms selling to the retail trade:		
Product manufactured during March	+87.8%	−83.6%
Finished product on hand March 31	−18.7%	−41.6%
Raw materials on hand March 31	+ 7.3%	−46.4%
Orders booked during March	+ 8.8%	+48.5%
Unfilled orders on hand March 31	+34.9%	−84.6%

UNDERWEAR

DUPLICATE orders for light-weight underwear resulted in a spirited market during the past month. Practically no interest was displayed in these goods until the active revival of mid-January, although during a normal year orders are completely placed and largely made up and ready for shipment by that time. The demand fell off during February, for jobbers, having ordered sufficient underwear during the preceding month to meet their early needs, refused to anticipate developments. The warm weather of late February and March resulted in a public demand which was wholly unexpected. Buyers therefore re-entered the markets during March, and the volume of orders placed increased with each succeeding week until at the present time the business offered is beyond the industry's ability to handle in the required time.

The majority of mills are now booked to capacity until the end of the light-weight season, but because of the shortness of the season, due to late buying, it is doubtful whether the business of any mill will total more than 75 per cent of normal for the season. All things considered, this is viewed by manufacturers as highly satisfactory, being far beyond anticipations at the beginning of the year. At a number of mills which have not yet booked to capacity, prices have been advanced slightly and orders are being received at the new level. Prices in general are firm on a basis of 50 to 60 per cent below those of last year.

Openings have been made by all mills in this district manufacturing heavy-weight underwear but the response has not reached expectations. Several mills have booked sufficient orders to maintain total capacity until the end of August, but the majority thus far have received but little business. Jobbers, taken as a group, are making only small-sized commitments, although they are watching developments very closely. The price factor is one of the chief deterrents to buying activity; jobbers demand lower quotations while manufacturers are firm in their stand for present levels which they maintain allow for only a meager profit. Another disturbing element is the uncertainty as to the volume of stocks carried over from the past winter. The estimates vary, but nothing of a definite nature is known. The situation is similar in all respects to that which existed when 1921 spring underwear was offered to the trade last fall, and manufacturers cite the present shortage in these goods as ample reason why buyers should not delay in placing orders for heavy weights. Few if any mills are producing for stock, for they refuse to speculate on a demand which may, or may not arise, to consume stock which would accumulate under such a policy.

The following table reflects manufacturing operations in the underwear industry during the month of March:

CONDITIONS IN THE UNDERWEAR INDUSTRY

	March 1921 compared to Feb. 1921	March 1921 compared to March 1920
Product manufactured during March	+85.8%	−29.5%
Finished product on hand March 31	− 8.9%	+143.4%
Raw materials on hand March 31	− 3.6%	−45.8%
Orders booked during March	−13.5%	+317.3%
Unfilled orders on hand March 31	+10.0%	−60.4%

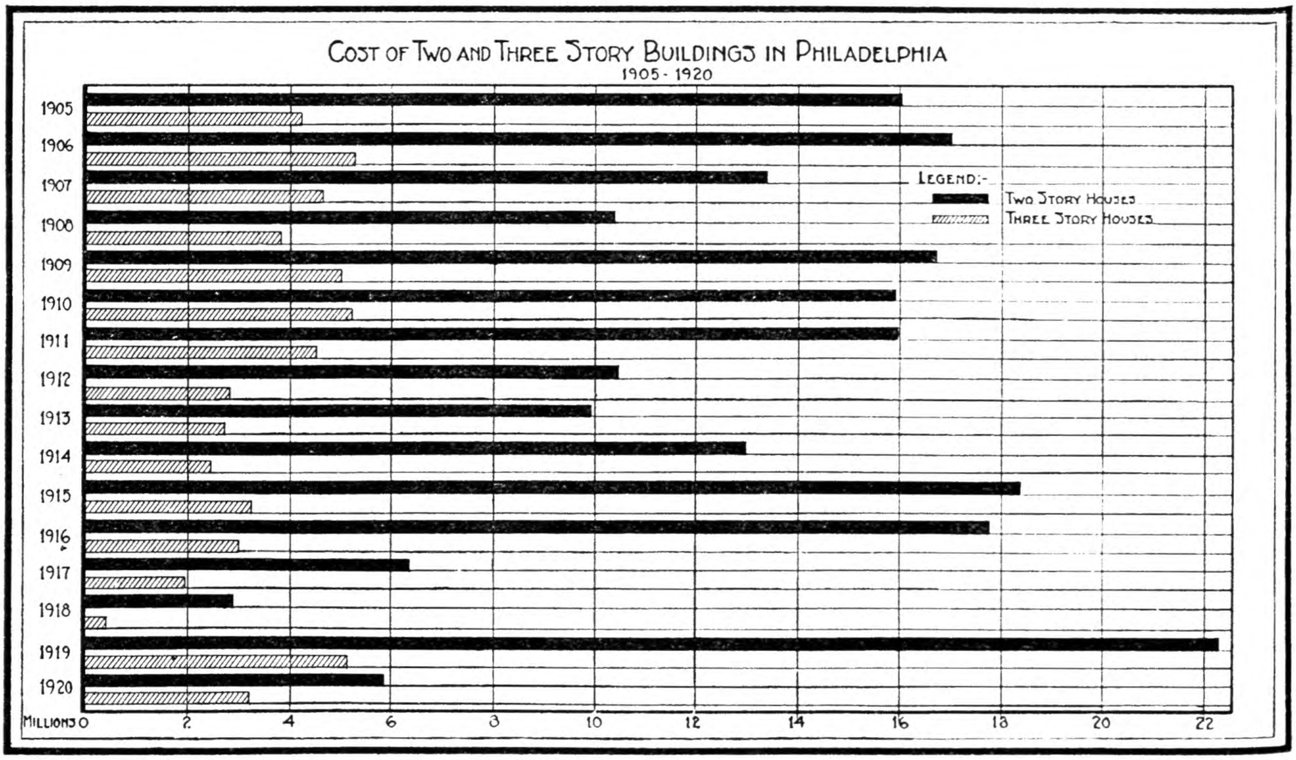
REAL ESTATE AND BUILDING

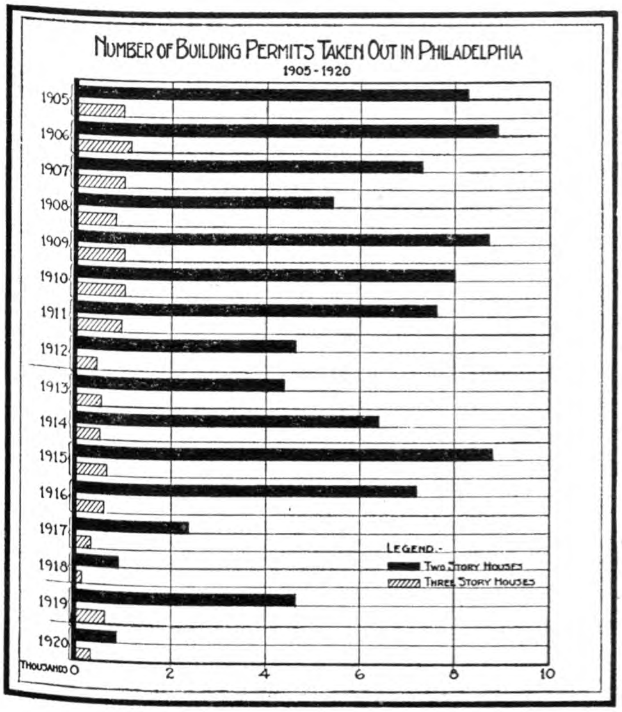
ONE of the far-reaching ills that we inherited from the world war is a scarcity of houses. During the conflict, the high costs of building materials and their shortage, together with high labor costs and the stressing of war material production, resulted in a serious decline in home building. As a consequence, the supply of small homes became unequal to the demand and rentals soared.

In the chart below is given the number of building permits and their estimated costs issued in Philadelphia for the construction of two and three story houses from 1905 to 1920, inclusive. During the years 1905 to 1917 a total of 98,074 permits for dwellings of that kind was issued, an annual average of 7,544. From 1918 to 1920 the average was only 5,094.

A number of operative builders, realizing the need for houses, started to build in 1919 even in the face of high costs. Difficulties of one kind or another held up construction work in some cases and many of them were completed at a time when money had become scarce and purchasers were few. It is estimated that 1,200 of the houses built at that time remain in the hands of the builders, some of whom have resorted to renting in order to lighten the carrying costs.

The type of house within the means of the working man is scarce. Rentals are high and monthly leases are the rule. In a few instances

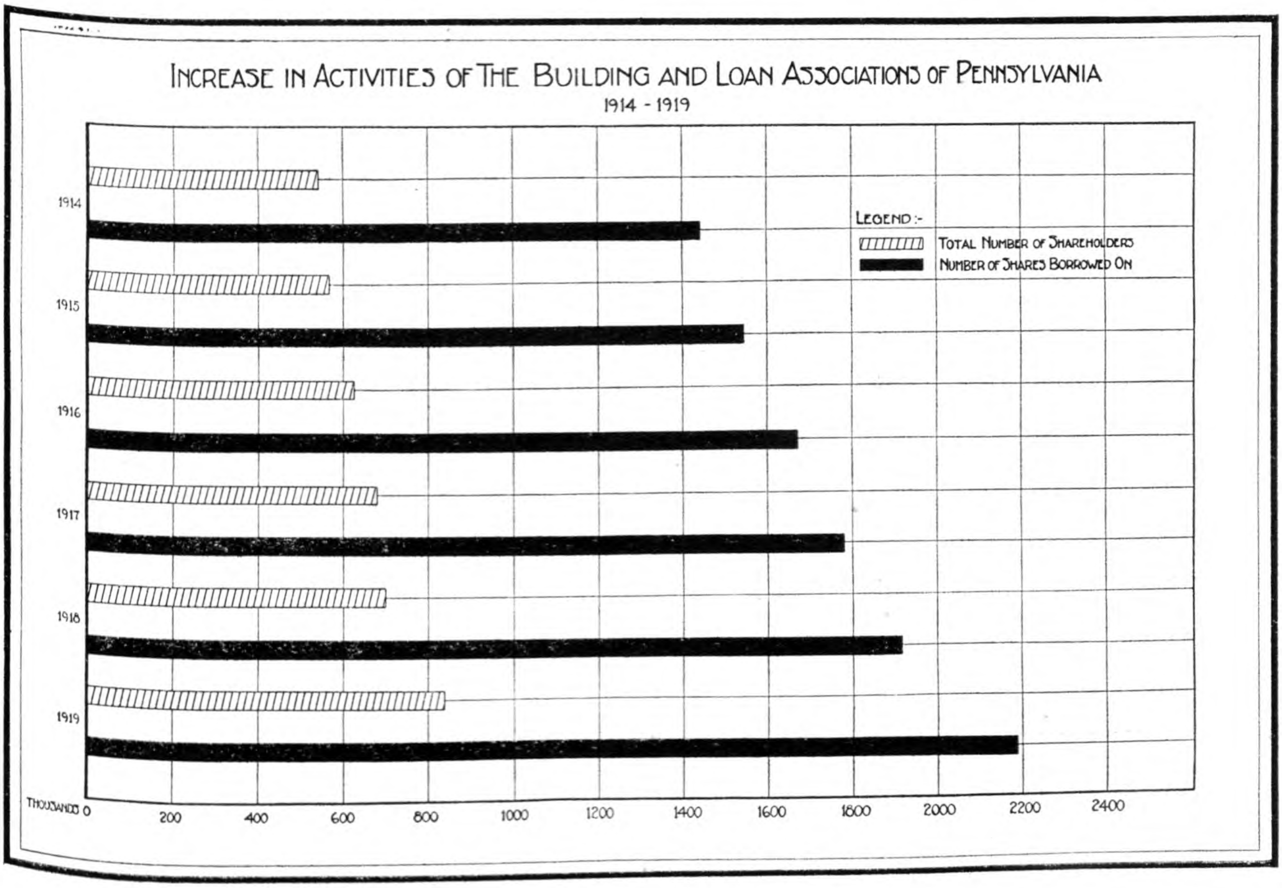


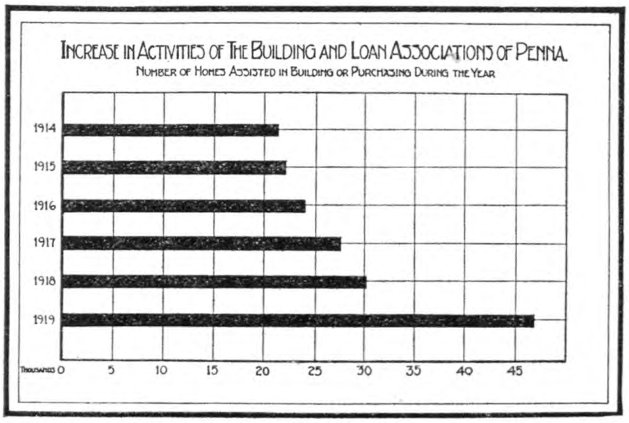


rentals have been slightly advanced, but in general, they are about the same as last year. While applications for medium-priced houses and apartments are still numerous, the demand is not quite so insistent as last spring.

Mortgage money has been difficult to obtain for the past two years and has commanded large bonuses. Within the past month or two, however, a slight betterment is noted and premiums have decreased considerably. The scarcity of mortgage money to be obtained from banking institutions and high rentals impelled many to purchase homes through building and loan associations. The chart on page 19 shows a steady increase in the number of members and the number of houses bought through these associations from 1914 to 1919.

The more expensive homes, which were not so much in demand during the height of the real estate boom, are enjoying a boom at present. This is particularly the case with suburban





properties. While in some instances sale prices on these are reported as receding slightly, on the whole, they remain about the same as last spring.

The situation in the business districts has been as strained as that in the residential sections. A year ago, it was almost impossible to rent office space in desirable buildings in the center of the city, and even now there is but little choice among the offices available.

Reports from the cities throughout the district are almost monotonously unanimous in their building news, the advices stating that there is little or no building at present, but that construction plans calling for an expenditure of large sums of money are in the hands of architects awaiting a decline in building costs.

The increased cost of building a typical two-story house is illustrated by the following table compiled by a prominent builder, and published in the "Philadelphia Home Builder":

COMPARISON OF COST OF TWO-STORY DWELLING

Six rooms and bath, based upon a building operation embracing 100 houses

	1914	1920	1921
Ground	$500.00	$600.00	$600.00
STREET IMPROVEMENTS			
Sewer	$22.50	$60.00	$60.00
Water pipe	15.00	30.00	30.00
Curb (plain)	6.00	16.50	16.50
Cartway paving	25.00	90.57	90.57
	$68.50	$197.07	$197.07
GENERAL CONDITIONS			
Plans	$1.00	$2.00	$2.00
Survey	3.50	5.00	5.00
Building permits and affidavits	5.00	7.50	7.50
Water permit (brick and stone)	1.80	1.80	1.80
Electric service			
Gas service		4.00	4.00
Fire insurance on building materials	.10	.10	.10
Fire insurance on buildings	1.60	3.87	2.58
Plant and tools	5.00	15.00	12.00
Sales expense	64.00	176.00	144.00
Advertising	32.00	88.00	72.00
Office expense	29.40	78.60	65.50
Compensation insurance		7.93	6.80
Taxes	11.25	25.00	77.45
Interest	101.25	263.00	219.40
Title company's charges	69.75	150.25	123.75
Deed—acknowledging, revenue and recording	4.00	8.50	5.00
Expense—placing first mortgage	20.00	220.00	108.00
Expense — placing second mortgage	23.00	278.00	125.00
Supervision	18.00	36.00	36.00
Supplies	5.00	15.00	12.00
	$395.65	$1,445.55	$1,036.18

	1914	1920	1921
CONSTRUCTION			
Excavation	$40.95	$99.45	$93.60
Stone masonry	145.54	408.70	354.42
Brick masonry	226.25	703.67	659.71
Rough carpentry	255.42	955.41	555.67
Finish carpentry	266.00	850.00	610.00
Plastering	104.61	385.04	269.42
Cement work	83.00	258.54	198.76
Cut stone	7.70	16.00	16.00
Structural steel	11.80	48.47	33.63
Roofing and spouting	50.00	120.00	110.00
Plumbing and gas fitting	167.00	545.00	442.00
Heating	166.00	440.00	368.00
Electric wiring	30.00	81.25	65.00
Stairwork	37.50	166.00	125.00
Labor—general	25.00	50.00	50.00
Tile work	5.50	12.00	9.90
Iron fence and clothes poles	17.00	30.00	25.00
Sheet metal work	35.00	105.00	85.00
Cabinet work	22.70	56.00	40.00
Hardware—finish	11.00	35.00	32.00
Hardware—rough	11.00	33.00	24.00
Painting and glazing	100.00	225.00	215.00
Art glass	8.75	15.00	15.00
Range and connection	21.50	65.00	65.00
Gas water heater and connection	12.00	35.00	26.00
Parquetry floor	48.60	143.75	129.60
Flue lining and crocks	2.10	8.85	8.85
Grading—general	3.15	6.65	6.30
Paperhanging and decorating	42.75	110.00	106.88
Lighting fixtures	44.25	90.00	85.00
Sodding and seeding	2.43	4.85	4.05
Numbering houses	.65	1.00	1.00
	$2,005.15	$6,103.64	$4,842.79

CEMENT

MANUFACTURERS of cement are encouraged by a revival in their industry, which had been dormant for the past few months. Fine weather, apparent ease in securing raw materials, excellent freight service, and reductions in the price of bituminous coal have all contributed to make ideal working conditions.

The volume of orders received this month is substantially in excess of last month and demand is almost equal to that of a normal year. Small construction operations and jobbing form the basis of a large number of present orders. Railroads are still holding up their orders, while state and municipal road construction is somewhat slow in getting under way.

Last year was said to be the largest cement year on record, and it may be recalled that cement mills experienced some difficulty with production on account of the coal shortage. Many of the plants are working close to capacity.

The number of employees is appreciably greater than on January 1. Manufacturers have their storehouses filled and are ready to meet demand.

For the past few months cement prices have held relatively steady, but during the last thirty days a reduction from $1 to 40 cents has been made on the price of cotton containers, which makes the net price to the consumer much more reasonable.

Cancellations are not causing much concern. In a few isolated cases cancellations were avoided by adjusting the contract price to meet market quotations.

Collections are reported to be good at the present time.

HARDWARE

IMPROVEMENT throughout the hardware trade has been a development of the past month. Demand increased and the volume of business transacted was considerably greater in April than during the previous month, but was somewhat below that of last year. Analysis of this activity shows that the major portion of current sales represents a flood of small orders for merchandise for immediate use; that is, seasonable goods such as farming implements, garden tools, wire fencing and netting. Stocks of merchandise are fully adequate to meet the demand.

The movement of most finished products from manufacturers to dealers is regarded as satisfactory, except in wire products, such as poultry wire and window screening. Difficulty was experienced last year also from this source as wire factories were unable to supply demand. For this reason, stocks on hand at present are low and shipments come through slowly.

The general price trend has been steadily downward, minor changes in prices being noted almost every month, especially in cast iron and wrought steel goods. Wire products, on the other hand, are holding relatively firm. Notwithstanding the constant declines, hardware prices have not yet reached pre-war levels.

Collections have improved considerably as compared with a few months ago. It is stated by one of the reporting firms that concerns which formerly took forty-five to sixty days to meet their bills are now paying in thirty days. Outstanding accounts in most cases show a substantial decrease over the previous month. The collection situation may be summed up as "fair."

WHOLESALE HARDWARE TRADE

	Mar. 1921 compared to Feb. 1921	Mar. 1921 compared to Mar. 1920
Net sales during month	+30.2%	−19.2%
Accounts outstanding at end of month	+ 4.1%	−14.0%

Ratio of accounts outstanding to sales:

March, 1921	172.2%
February, 1921	213.3%
January, 1921	195.2%
December, 1920	165.0%
November, 1920	188.6%
October, 1920	153.7%

LUMBER

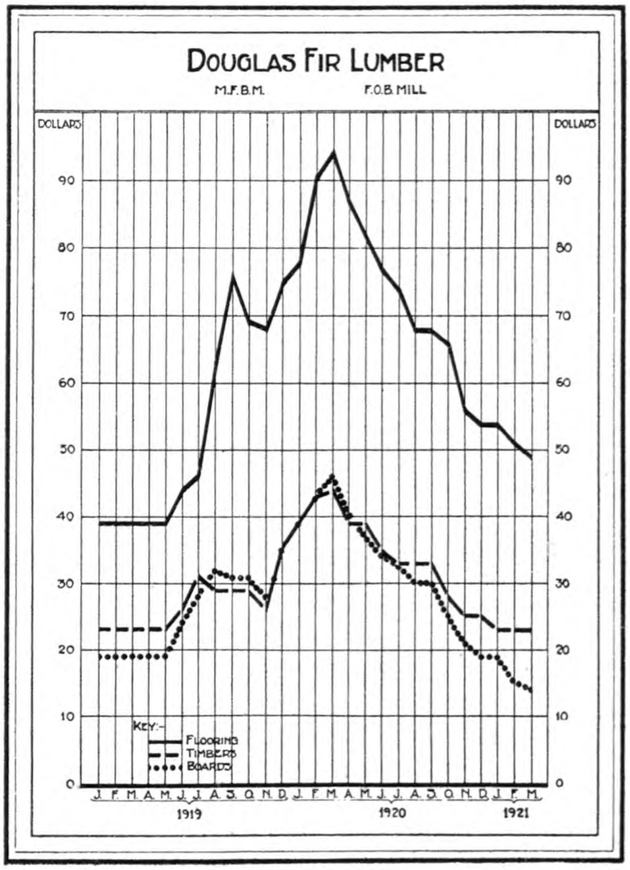
THE tone of the lumber industry shows improvement over the month of March. Prices are getting down to a level where they will be more attractive to buyers and the raw material supply is adequate to meet present demand. The demand for lumber has improved slightly, as the inactivity which has characterized building and construction during the past months has apparently been broken to some extent, due to the favorable weather for repairing and construction. The greater part of the repair work being done is in the outlying districts where wages seem to be lower. In Philadelphia and other large cities, high wages continue to retard building. The executive board of National Congress of the Building Construction Industry has inaugurated a national movement to rehabilitate the industry. Their aim is to restore confidence by eliminating wasteful strife and substituting a co-operative association which will unite all factions and interests for the public welfare.

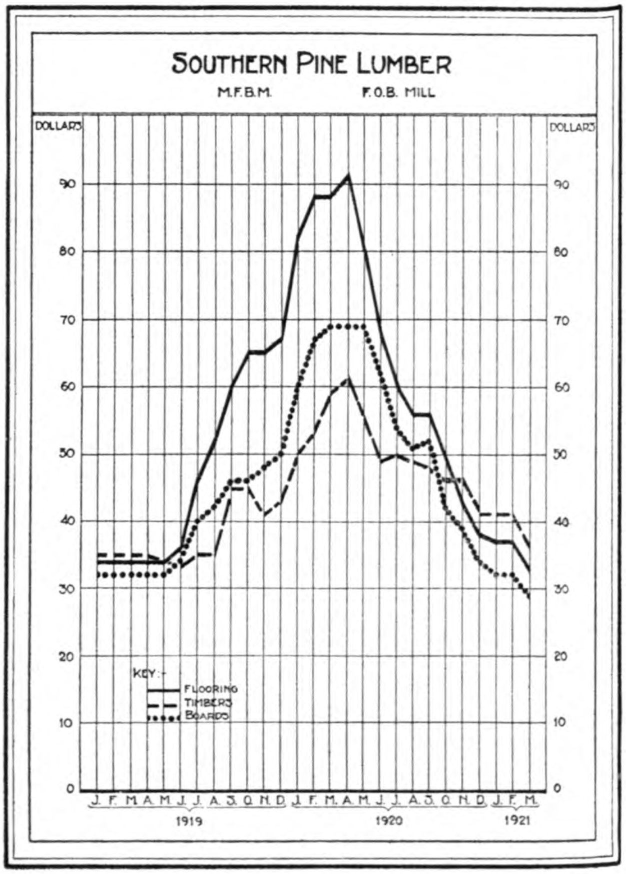
The production of lumber is approximately 55 per cent of normal, but the supply in the hands of dealers is fully adequate to meet present demand. Of the orders received 80 per cent are being filled from stocks on hand, whereas under normal conditions only about 50 per cent of the orders are filled from stock.

The price trend of lumber has been and continues downward, and is now at the lowest point reached since the war. There is little stability in the market for Southern Pine and Douglas Fir.

The figures shown in the charts below were compiled from average monthly quotations taken from the American Contractor, and cover a period from January, 1919, to March, 1921. These have been classified into the two most important structural woods, Southern Pine and Douglas Fir. It will be seen that these two grades of lumber started to move upward in May, 1919, reaching their peak in April, 1920, and since then they have been coming down. Some grades of hardwood flooring have dropped as much as $100 per thousand feet.

The number of men employed in the various lumber mills and yards has decreased considerably since the first of the year.





Cancellations have become almost nil and are no longer a source of annoyance. The majority of reporting firms characterize collections of outstanding accounts as good.

PAINT

SIGNIFICANT improvement in the paint industry has been noted during the past month. This is attributed to the decline of prices and a much increased demand due to the impetus which the mild spring weather has given to house painting. Many men temporarily out of employment are taking advantage of this opportunity to renovate both the exterior and interior of their homes. During the period of high prices many people postponed painting their houses until it became imperative to do so in order to preserve them.

According to manufacturers, reductions since last November approximate about 25 per cent on all heavy paints, including house paints, but quotations on stains, varnishes and enamels are holding relatively firm.

Raw materials are said to be in ample supply and the prices of these are lower. To illustrate the reductions which have occurred, we list below the high and present prices on some of the oils used in the manufacture of varnish and paint:

	High	Present price
Perilla oil at Pacific coast	$0.25 lb.	$0.07 lb.
Soya bean oil	.18 lb.	.04 lb.
China wood oil (coast)	.30 lb.	.07½ lb.
Linseed oil	2.00 gal.	.51 gal. (in tanks) .58 gal. (in barrels)

Manufacturers are commenting upon the method followed by dealers and jobbers in placing orders. They say that where formerly they received only one order in a week from an individual, they now receive from three to five orders, which shows that business over the counter is extremely heavy. Shipyards and railroads are buying little as yet.

Cancellations are no longer a source of annoyance, and collections in general are said to be good.

SHOES

RETAIL shoe stores experienced a most active Easter business and the reports received are unanimous in the statement that the volume of sales in terms of both number of pairs sold and dollars exceeded the 1920 Easter trade. This was true despite the fact that prices averaged 20 per cent below the level of last spring. Business continued active during April, and the volume of sales for the first three weeks compared very favorably with the similar period of after-Easter trade in 1920.

Women's shoes were in much more active demand than men's during March, but in April the sales of men's shoes showed improvement over the previous month. Public demand thus far this spring has been confined almost exclusively to the specialty goods. For women, the strap effects in gray and brown kid, calf and ooze have been in most active request, and blacks have also participated to some extent. Walking oxfords in brown kid and calf have also been popular. Boots are totally neglected, and stores report that it has been impossible to move them at prices much below present replacement values. Brogues continue to be the leading seller for men.

The deciding factor with most purchasers is style, with quality and price being given only secondary consideration. Retailers delayed placing orders for spring goods so long that many were unable to secure shipments in time for the Easter trade, thereby losing a portion of business which otherwise would have been theirs. In spite of this experience, buyers still refrain from ordering for future delivery and the business now in the hands of manufacturers is practically all for immediate shipment.

Many manufacturers have sent salesmen on the road with fall samples, but the orders received have totaled barely 25 per cent of the normal for this period of the year. Having anticipated this response to fall openings, other firms have not concerned themselves with fall goods and have made no announcements as to prices. The hesitancy on the part of buyers is attributed in large measure to uncertainty as to the public reaction to fall styles and prices. So many retailers are stocked with goods which cannot be moved that they are unwilling to contract for future supplies until such times as the public taste evidences itself in definite form.

In general, it may be said that the shoe manufacturing industry at the present time is operating close to capacity and that business for the spring and summer seasons is approaching normal. The most encouraging factor in the situation during the past month was the increased demand for staples.

While most raw materials continue in ample supply with prices firm at low levels, a scarcity has been noted in some of the grades of leather used in producing those shoes in most active demand at the present time. Collection conditions continue to be characterized as fair.

PAPER

NO decided change in the conditions which prevailed in the paper industry during February and the first part of March has been apparent in the month just past. Buyers continue their inquiries, but only a small proportion of these materialize in actual orders. More caution on the part of consumers of paper is noticed. Very few of them are placing orders on a price from one dealer, but there is a decided tendency to shop around in search of lower quotations. The expectation of lower prices before the goods are actually required is leading to frequent postponements in the placing of orders. Surveying the industry as a whole, there has been a weakening demand throughout, with the actual orders placed barely reaching 50 per cent of normal.

Heavy papers, box board, sheathing and rougher grades of wrapping paper continue in lightest demand, while writing paper, print paper, and the finer grades of wrapping paper, although not experiencing the same degree of inactivity, are also decidedly weak. The decline in the volume of business, which has been taking place since last October, has caused the dealers to maintain smaller stocks.

Manufacturers in many cases have continued to operate their plants for stock, feeling that it is to their advantage to retain their experienced employees during this period of inactivity. As a result, jobbers and wholesalers can obtain immediately from the mills practically all grades of paper. This condition prevails in spite of the fact that the industry is maintaining practically the same curtailed operations as last month; namely, 60 to 75 per cent of capacity. The employment situation is also unchanged.

The steady decline in prices on practically all kinds of paper continued during March and the first part of April, another rather general drop of 10 per cent having been reported. Present prices of bond and book papers are now about equal to those which obtained a year ago, while prices of rougher grades of paper have dropped even more rapidly since the peak of last September. During 1920, however, the increase in the price of the rougher papers was larger than the high-grade bond and writing papers, and consequently their drop during the general decline of the last six months has been more rapid. There seems to be no real standard for prices at present, especially for rougher papers, as there are frequent changes and prices are influenced to a large extent by competition.

The raw material situation is easy at the present time and prices continue downward. There is no real basis for price quotations on pulp or waste paper however as these prices also are influenced largely by competition. Many manufacturers are still operating on pulp wood bought at war-time prices.

Practically no cancellations are reported. Buyers in most instances are not carrying large stocks and what they buy is usually sold before it is ordered. There is still a tendency to look for lower prices and for this reason orders are at a minimum. Collections are reported as fair except in sections which depend on agricultural conditions, where they are reported as poor.

PAPER BOXES

THE latter part of March and early April witnessed a better demand in the paper box industry. Inquiries are numerous at present and indicate that buyers are preparing to place orders in large volume. The industry has been in an extremely inactive position since last fall, however, and the slight actual increase which has been noticed, although giving a more encouraging aspect to the situation, has not raised the total demand to more than 50 to 60 per cent of normal. This is at best less than half of the demand of last year at this time, when plants were operating at 120 to 130 per cent of normal. Buyers of paper boxes are apparently well stocked with supplies purchased prior to the period of inactivity, and orders being placed are for small quantities and of varied types. Confectionery lines offer the smallest demand at the present time while that for parcel post containers, shipping boxes and the like remains fairly steady but for limited quantities.

In only a few instances are paper box manufacturers able to manufacture for stock, practically all orders being for special designs which are not available for sale in the open market.

There is no uniformity in prices. In the endeavor to secure the small orders now being placed, manufacturers are giving little attention to costs. As a result, the confidence of purchasers has been shaken, and numerous inquiries are being made before even the smallest orders are placed.

All raw materials are easily obtainable at continually declining prices. The closing of some mills which manufacture board primarily for the paper box industry indicates that the demand is at a low point. Board which sold during the war for $115 to $130 a ton is now selling about $30, which is within a few dollars of the pre-war level. There was some feeling of stability in the board market during the early part of March and in fact some of the mills increased prices slightly, but this disappeared toward the end of the month and the mills again reduced their prices to the present low level. The various grades of paper have declined in price, but are still considerably above normal. There has been some interest shown in patterned papers and in colored goods, however.

The number of employees in the industry has decreased as compared to the figures of January 1, and as a result labor is easily obtained and shows a willingness to meet changing conditions. Reports indicate that skilled labor is not overabundant, however, for most factories are using every effort to keep their present organization intact and retain their skilled help.

Collections are generally reported as fair, but a number of the larger manufacturers appear to be in a somewhat better position, characterizing them as good.

POTTERY

DEMAND for pottery generally is limited and much below that of a normal year. Manufacturers of hotel and restaurant ware are exceptions, however, and while their demand is not so insistent as at this time last year, it is holding up well. A recent influx of Japanese ware, cheaper than the domestic, has had a slightly deterrent effect upon the market.

Potteries manufacturing electrical and other porcelain products dependent upon building activities are extremely dull, operating only a few days a week. Most plants have endeavored by curtailing hours of operations to retain practically their full force, thus insuring to every worker at least a partial income. The output is going largely into stock as demand is variously placed at from only 10 to 33 per cent of normal.

Finished stocks are large and more than sufficient for present needs. One firm ventures the opinion that stocks on hand are adequate to supply a normal demand for 90 days, and could take care of the present rate of demand for nine months. This affords a good indication of the limited demand for these products.

Raw materials are easily obtainable, but prices are only slightly lower and in most instances continue firm. This is said to be due to the continued call for tableware.

Last month's prices on finished products have been maintained, and are on the whole 20 to 25 per cent below peak prices.

Conflicting reports concerning cancellations would indicate that each plant has had different experiences. Some report no cancellations of orders received since January; others characterize orders as unstable, being revoked a few days after placement; while an equal number have not received cancellations but have been requested to hold for future shipment.

Collections seem similarly dependent upon individual conditions among the firms, being reported as good, fair and poor; the last condition prevails especially in Southern accounts. Those supplying foreign trade complain that collections are at a standstill in Cuba and the South American countries.

WHOLESALE GROCERIES

IMPROVEMENT was noted in the wholesale grocery market during March and April. The volume of net sales for March materially exceeded the February sales and indications are that April business has kept pace with that of the previous month. Increased sales are normally to be expected this time of the year, however. Buyers are still conservative and both wholesale and retail grocers are purchasing only for immediate needs and are confining their sales largely to staples. The poorest business was done in the mill districts where shut-downs have occurred with consequent unemployment.

Although a pessimistic attitude was evidenced in many of the reports, the figures for March offer some encouraging features. First, increased sales and declining prices were reported during the month as compared with February, and as compared with March, 1920, the decrease in total sales was not great considering the difference in the price levels of the two periods.

Prices continued to decline during April, the general level being about 5 per cent lower than that of the previous month. Peas, coffee, butter and cheese have been quite firm as a rule. Dried fruits, with the exception of California peaches and prunes, may also be included in this list. Sugar remained steady during March, but declined slightly about the middle of April. The greatest weakness was shown in canned goods. There are still large stocks of these goods on hand, although prices are said to be below the estimated cost of production. Lard experienced a noticeable decline. Flour prices have fallen steadily and the latest quotations on some grades are a dollar below those of two weeks previous. Slight reductions have occurred in rice and beans. Groceries of all kinds are easily obtainable and deliveries are prompt. Wholesalers are hesitant about making purchases, for stocks of goods on hand are ample.

Collections are reported as good in many cases and fair in all others. In general, accounts receivable show no change, even though the volume of sales increased during the same period. A few concerns reported an increase in accounts outstanding, but this was more than offset in practically every case by a greater volume of sales.

WHOLESALE GROCERY TRADE

	Mar. 1921 compared to Feb. 1921	Mar. 1921 compared to Mar. 1920
Net sales during month	+18.6%	−27.9%
Accounts outstanding at end of month	0.0%	−25.1%

Ratio of accounts outstanding to sales:

March, 1921	90.8%
February, 1921	106.3%
January, 1921	106.7%
December, 1920	101.3%
November, 1920	102.7%
October, 1920	99.3%

TOBACCO

THE past month has witnessed a tendency on the part of many large concerns in the cigar manufacturing industry to reduce prices of their medium-grade cigars. There is a pronounced demand throughout the trade for a cheaper cigar of reasonably good quality, and firms which have not reduced prices on their standard lines have introduced new varieties at somewhat lower prices. As a result practically all firms which have met this demand for low-priced goods have received, or are beginning to receive, an increased volume of orders. On the other hand, the demand for high-grade cigars continues to be of very limited proportions, and factories dealing only in this type of goods have somewhat curtailed their operations. Many small country factories are also operating on a reduced time schedule, indicating that current demand is largely for standard and well-advertised goods.

Firms which are producing the cheaper products have increased production materially and are preparing to operate on a full time basis. The industry as a whole, however, is still operating considerably below normal. In many quarters there is a feeling that even though reductions have been made these are rather premature and therefore the increased operations by concerns quoting the new prices is not a sign of general improvement.

The leaf market has been dull throughout the past month. Manufacturers are purchasing only such stocks as they actually need and most of them have sufficient supplies on hand for present purposes. Packers are well stocked in some lines, but there is a scarcity of old tobacco for use in present production, and prices are consequently high. There is practically no demand for filler tobacco of this year's crop, and as a result the market is flooded and prices are extremely low. The supply of binders and wrappers is somewhat limited, however, and they are bringing higher prices.

The buying activity on the part of large packers, which was noticed in Lancaster County early in March, subsided about the middle of the month. Several weeks later local packers began combing the county for any remaining high-grade supplies. Most of the sales were below 16 cents and averaged less than the prices paid by manufacturers two weeks previous. All the high-grade tobacco in the county apparently has been disposed of, so that these activities also subsided about the middle of April.

Collections are reported as good in some cases and fair in others.

COMPILED AS OF APRIL 22, 1921

This business report will be sent regularly without charge to any address upon request.

CHARGES TO DEPOSITORS' ACCOUNTS
Other than Banks' or Bankers', as Reported by Clearing Houses

	Weeks Ending		
	Apr. 15, 1921	Mar. 18, 1921	Apr. 14, 1920
Altoona	$3,124,000	$3,538,000	$3,413,000
Chester	4,220,000	5,187,000	5,213,000
Harrisburg	6,811,000*	6,240,000*	4,927,000
Johnstown	5,049,000*	4,855,000*	4,590,000
Lancaster	5,946,000	5,529,000	7,553,000
Philadelphia	290,116,000*	331,786,000*	363,227,000
Reading	8,755,000	6,308,000*	6,400,000
Scranton	16,310,000	13,351,000	15,907,000
Trenton	10,555,000	10,500,000	11,385,000
Wilkes-Barre	8,070,000	8,442,000	8,002,000
Williamsport	4,369,000	4,061,000	4,837,000
Wilmington	7,235,000	8,463,000	8,240,000
York	4,525,000	4,385,000	5,181,000
Totals	$375,085,000*	$412,645,000*	$448,875,000

*Larger number of banks reporting.

RESOURCE AND LIABILITY ITEMS
of Member Banks
in Philadelphia, Camden, Scranton and Wilmington

	At the close of business (In thousands of dollars)		
	Apr. 15 1921	Mar. 18 1921	Apr. 23 1920
Loans and discounts:			
Secured by U. S. securities	$37,767	$36,617	$118,566
Secured by other stocks and bonds	202,885	198,630	205,435
All other	366,191	372,881	585,067
Investments:			
United States bonds	44,456	43,971	
U. S. Victory notes	10,025	10,144	9,427
U. S. certificates of indebtedness	21,846	33,354	59,554
Other bonds, stocks and securities	156,172	155,842	
Total loans, discounts and investments	$839.342	$851,439	$1,018,422
Demand deposits	632,188	634,660	665,827
Time deposits	40,950	38,905	26,700
Borrowings from Federal Reserve Bank	108,748	117,522	187,875

STATEMENT
Federal Reserve Bank of Philadelphia
(In thousands of dollars)

RESOURCES	Apr. 15, 1921	Month ago Mar. 18, 1921	Year ago Apr. 16, 1920
Gold reserve	$184,724	$184,740	$138,148
Other cash	3,428	3,783	705
Total reserve	$188,152	$188,523	$138,853
Discounts—Secured by U. S. securities	$104,274	$109,403	$176,231
Discounts—all other	40,222	41,440	33,160
Purchased bills	16,856	13,482	2,981
U. S. securities	30,588	33,642	32,321
Total earning assets	$191,940	$197,967	$244,693
Uncollected items	$57,072	$58,941	$67,904
All other resources	592	537	699
Total resources	$439,564	$448,038	$453,949

LIABILITIES	Apr. 15, 1921	Month ago	Year ago
Capital paid in	$8,600	$8,609	$8,198
Surplus	17,010	17,010	8,805
Profit and loss	...	...	21,018
Government deposits	2,715	1,132	2,931
Members' reserve account	103,666	101,939	104,832
Other deposits	1,097	1,215	6,312
Total deposits	$107,478	$104,286	$168,412
Federal Reserve notes	$235,815	$241,622	$245,238
Federal Reserve Bank notes	16,117	17,889	19,020
Deferred availability items	51,360	56,146	54,337
All other liabilities	3,184	2,476	4,276
Total liabilities	$439,564	$448,038	$453,949

BUSINESS INDICATORS

	April 15, 1921	Percentage increase or decrease compared with	
		Previous month	Year ago
Philadelphia banks:			
Loans	$736,003,000	+2.9 %	—10.4 %
Deposits	615,777,000	—1.7 %	—12.3 %
Ratio loans to deposits	119.5%	115 %*	117 %*
Federal Reserve Bank:			
Discounts and collateral loans	$144,495,612	—4.4 %	—23.9 %
Reserve ratio	54.8%	54 %*	44 %*
90-day discount rate	6%	6 %*	6 %*
Commercial paper	7½%	7½%*	7 %*

	March, 1921	Percentage increase or decrease compared with	
		Previous month	Year ago
Bank clearings:			
In Philadelphia	$1,765,680,000	+14.0 %	—17.2 %
Elsewhere in district	127,377,711	+35.0 %	— 5.7 %
Total	$1,893,057,711	+ 15.2 %	—16.6 %
Building permits, Phila.	2,851,380	+111.9 %	—61.2 %
Post office receipts, Phila.	1,376,987	+ 16.8 %	— 2.6 %
Commercial failures in district (per Bradstreet's)	61	52 *	0 *
Latest commodity index figures:			
Annalist (food prices only)	179,893	—7.6 %	—44.0%
Dun's	174,404	—4.2 %	—32.4%
Bradstreet's	113,749	—4.2 %	—45.1%

*Actual figures