

BUSINESS AND FINANCIAL CONDITIONS

IN THE
THIRD FEDERAL RESERVE DISTRICT
PHILADELPHIA  APRIL 1, 1922

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

GENERAL SUMMARY

CONTENTS

For summary of Federal Reserve Board on business conditions throughout the United States, see pink slip inserted in this report.

	PAGE
Bankers' acceptances	7
Bricks	15
Building and real estate.....	11
Building materials	15
Cigars	28
Coal, anthracite	18
Coal, bituminous	18
Coke	19
Commercial paper	6
Commodity index numbers.....	4
Confectionery	29
Cotton goods	20
Cotton, raw	20
Drugs, wholesale	9
Dry goods, wholesale	9
Financial conditions	6
Floor coverings	24
Foreign exchange	7
General summary	1
Glass	16
Groceries, wholesale	10
Hardware, wholesale	10
Hides and skins.....	25
Hosiery	23
Iron and steel.....	16
Leather	25
Lumber	15
Paint	15
Paper	26
Petroleum	19
Printing and publishing.....	27
Retail trade	8
Savings deposits	7
Securities	6
Shoes	25
Silk goods	22
Silk, raw	23
Synopsis of business conditions.....	2
Underwear	24
Wholesale trade	9
Wool, raw	21
Woolen and worsted cloth.....	21
Woolen and worsted yarns.....	21

AT no time since the beginning of the period of readjustment early in 1920, have developments in the business situation in the Third Federal Reserve District been so conflicting as during the past month. Many industries that normally should have received a large volume of orders under the impulse of approaching spring report not only no

improvement in demand but in fact a decline. On the other hand, sales in a number of industries not dependent upon seasonal conditions have increased. The reactions, however, have outweighed the gains, and as a result no general improvement has occurred during March. It was confidently expected that the turn of the first quarter of 1922 would find business more active. But viewed from the standpoint of the actual demand for both raw materials and finished products,—and it must be so viewed, since the ultimate aim of all business is to sell either goods or services,—the situation today is but little better than that of January 1. It is true, however, that fundamental readjustments have continued, and that to the extent of these readjustments business is in a stronger position. Unquestionably a firm foundation for real progress is being laid, and the point of departure for a return to normal conditions is nearer.

The most encouraging factor in the situation at the present time is the prospect of considerable building activity during the coming spring and summer. For several months the value of permits issued has been large, and during recent weeks many contracts have been let. In fact, actual construction is under way in numerous instances. About one-half of the permits issued are for dwellings and repairs and alterations, and there is no doubt but that the home building movement will be brisk. Building material manufacturers, who last month reported an increasing number of inquiries, have received fair-sized orders, and the demand is steadily improving. Stocks are not large for this time of the year, but manufacturers are able to fill all orders.

SYNOPSIS OF BUSINESS CONDITIONS

THIRD FEDERAL RESERVE DISTRICT

BUSINESS	DEMAND	PRICES	FINISHED STOCKS	RAW MATERIAL OR MERCHANDISE SITUATION	COLLECTIONS
Bricks	Good	Firm	Plentiful	Plentiful	Poor
Carpet and rugs	Fair	Firm	Light	Plentiful	Good
Cigars	Poor	Steady	Medium	Plentiful	Fair to poor
Coal, anthracite	Fair	Firm	Heavy		Poor
Coal, bituminous	Fair	Firm	Heavy		Fair to poor
Coke	Fair	Higher	Heavy		Fair
Confectionery	Poor	Steady	Light	Advancing in price	Poor
Cotton goods	Poor	Firm	Increasing	Plentiful	Poor
Cotton, raw	Poor	Firm		Plentiful	Poor
Drugs, wholesale	Fair	Slightly stronger	Lower	Lower	Fair
Dry goods, wholesale	Poor	Firm	Low	Plentiful	Poor
Glass	Good	Lower	Medium	Plentiful	Fair
Groceries	Poor	Advancing	Light	Plentiful	Poor
Hardware	Improved	Firm	Light	Plentiful	Fair
Hosiery	Fair	Firm	Low	Plentiful	Fair
Iron and steel	Slightly improved	Higher	Light	Moderate	Fair
Leather	Light	Steady	Heavy	Plentiful. Lower in price	Fair
Linoleum	Good	Steady	Low	Sufficient. Advancing price	Fair
Lumber	Fair	Firm	Plentiful	Plentiful	Fair
Oils, crude	Poor	Firm	Heavy		Fair
Oils, refined	Slightly improved	Firm	Heavy		Fair
Paint	Fair	Steady	Plentiful	Plentiful	Poor
Paper	Small	Steady	Medium	Plentiful	Poor
Printing and publishing	Poor	Lower		Plentiful	Fair
Shoes	Fair	Slightly lower	Medium	Plentiful	Slow
Silk	Poor	Lower to firm	Medium	Plentiful	Fair
Underwear, heavy weight	Poor	Steady	Medium	Plentiful	Fair
Underwear, light weight	Fair	Lower	Low	Plentiful	Fair
Wool and worsted goods	Poor	Firm	Medium		Fair
Wool and worsted yarns	Poor	Firm	Medium	Increasing	Poor to fair
Wool, raw	Poor	Slightly stronger	Medium		Good

Considerable improvement in the iron and steel situation has been felt throughout the United States during the past four weeks, but plants in this district have received less new business than those in other parts of the country. Operations here average about 45 per cent of capacity, as compared with 60 and 70 per cent in other iron and steel centers. It is undoubtedly true, however, that real betterment has occurred not only in construction materials, the demand for which is partly seasonal, but also in iron and steel products generally. The demand, however, is not well distributed, some producers having received a large volume of orders, and others but few. In connection with the improvement, it is to be noted that practically all orders are for immediate or early deliveries. Perhaps the most favorable element in the iron and steel situation is the increased buying by the railroads.

The possibility of a strike when the wage agreements terminate on April 1 has continued to influence business in the coal industry, but to a more limited extent than during February. The demand for anthracite coal was somewhat smaller during March than in the preceding two months, owing to the fact that stocks both at the mines and in the yards of dealers are large. With the knowledge that the supply is adequate to meet all needs for the remainder of the coal-using season, consumers of domestic sizes have purchased only for immediate requirements. The demand for bituminous coal, too, fell off slightly during March, as the railroads and public utilities ceased buying as soon as they had laid in stores sufficient to carry them through the expected period of the strike. Practically all buying, of course, has been for immediate shipment. This is in part due to the uncertainty as to prices after April 1. Although the demand has been rather steady during the past two months, it has never exceeded the supply, and as a result there have been no price increases.

In the textile industries there was distinct disappointment during the month because, instead of increasing as was expected, the demand for many products fell off. Operations, however, have not been curtailed to any extent. The feeling is general that a buying movement cannot be long delayed, and for this reason manufacturers are of the opinion that less is to be lost in continuing to operate for stock than in radically reducing production or in closing the plants. As a result, stocks of finished goods, which have been light during recent months, are now accumulating. In the cotton industry the demand for goods and yarns is poor. Little new business has

been received in recent weeks. Although cotton goods mills are operating on the filling of old orders, yarn spinners are operating almost entirely for stock. Sales of raw cotton in this district have been exceedingly small. Activity in the raw wool market, too, has decreased somewhat, but prices have remained firm at close to their recent high levels. Woolen and worsted yarns are in poor demand. Practically the only sales, and these were very small, were made to the knitting trade, particularly the hosiery branch. The demand for wool cloth has fallen off, there being almost no demand for materials for men's wear and but little for goods for women's wear. The silk industry, too, reports decreased activity. Silk goods have not been moved in large volume. There has been little call for silk yarns, and raw silk sales have been small. Manufacturers are greatly disappointed at the results of the spring season to date.

Conditions in the hosiery industry have improved somewhat during the past month. The demand for full-fashioned silk hosiery has been fairly good, and to a more limited extent this is true also of seamless silk lines. But all orders are for prompt shipment, and the prices quoted are those that prevailed before raw silk quotations began their advance last November. No new business in heather hosiery has been placed, but manufacturers are operating on the large volume of orders for next fall's delivery, received some months ago. The underwear industry, too, has had slightly better business during the month. Light weight underwear has sold more freely, as prices have been reduced to the level of last August. But there has been little buying of the heavy weight goods. The carpet and rug industry is between seasons at the present time, and there is little buying. Fair-sized sales have been reported, however, of low end rugs. The industry is awaiting the auction sale scheduled for the first week in April, as manufacturers expect that after that there will be a resumption of general buying. In connection with floor coverings it is interesting to note that the linoleum industry is particularly active. The demand is heavy, operations are proceeding at capacity, prices of both raw materials and finished goods are firm, and the situation as a whole is good.

Conditions in the shoe industry became less satisfactory during the month. The immediate shipment orders for the pre-Easter trade fell off, and very little business was placed for delivery after Easter. The volume of orders for the Easter trade this year has not been so large as that of 1921, in spite of the fact that retail stocks of the styles now in vogue

are very small. Some retailers, however, have on hand fairly large supplies of shoes carried over from last season, and in the hope of disposing of these have restricted their purchases of new goods. In the upper leather industry, practically the only activity is in patents and elk and ooze for women's specialty shoes. Goat and calf leathers are in poor demand, and the call for the general run of sole leathers is small. On the other hand, sales of leather belting have increased. The raw hide and skin markets are inactive, both goat and calf skins having declined in demand and in price. Hides, too, have sold but poorly.

The situation in the paper industry has as a whole changed little. The demand for fine paper lines has improved, and current sales are equal to those of this time last year. Coarse papers, however, have been sluggish, and the demand for wrapping papers has decreased decidedly. The printing industry reports no improvement in demand, present orders being sufficient to maintain operations at about 60 per cent of capacity.

There is still little activity in the cigar industry, except in the cases of a few manufacturers whose brands are nationally distributed. Dealers are buying only as they need goods for immediate disposal, and then in but small lots. The leaf tobacco market is slightly more active, although sales are not large.

Confectionery manufacturers report that the demand for candies has been small, in spite of the fact that the pre-Easter season is usually a good one.

The small demand reported by practically all manufacturers and wholesalers of consumers' goods is no doubt the direct result of the present retail trade situation. Retail business has been poor, the volume of sales in February being 6.5 per cent less than that of those in February, 1921. Reports of sales during the first three weeks of March indicate that there has been no improvement, but retailers are hopeful that there will be a real betterment during the few remaining weeks before Easter.

It is indeed encouraging to note that in spite of the decrease in the demand for many goods, operations, as evidenced by employment figures, have not fallen off; in fact, the increased production in iron and steel centers has resulted in greater employment in the district as a whole. On March 15, there were 217,850 unemployed in the six cities of Altoona, Harrisburg, Johnstown, Philadelphia, Scranton and Williamsport, as reported by the Pennsylvania State Department of Labor—a decrease of 7 per cent from the figures for February 14.

Recent statistics indicative of general conditions throughout the country are just as conflicting as the reports from various industries concerning the demand for goods. The most favorable development perhaps is the advance in the commodity price index numbers, the result almost entirely of the increased price for farm products. In view of the fact that the decrease in the purchasing power of the farm class has been one of the chief deterrents to a general improvement of business conditions, the increase in the return which this class is now receiving for its products is distinctly favorable. Moreover, freight car loadings have been steadily increasing. The total for the week ending March 4 was 803,255, which was the first to exceed the 800,000 mark since early last November. In large part this is the result of coal shipments on orders received during the latter part of February. The decrease in the number of commercial failures, in both the country as a whole and in this district, is still another favorable sign. There were 2,331 failures in the United States in February, as compared with 2,723 in January and 2,444 in December. In the third district, the February failures totaled only 93, as against 136 in January and 124 in December.

On the other hand, the value of new securities issued during February was \$6,912,500 less than in January; the unfilled orders of the United States Steel Corporation declined more than 100,000 tons during February; and the reports of collection conditions were decidedly unfavorable. The latter is one of the most discouraging elements in the business situation. In but very few cases have collections been reported as good, and returns have been received from many sources to the effect that they are worse today than for many months.

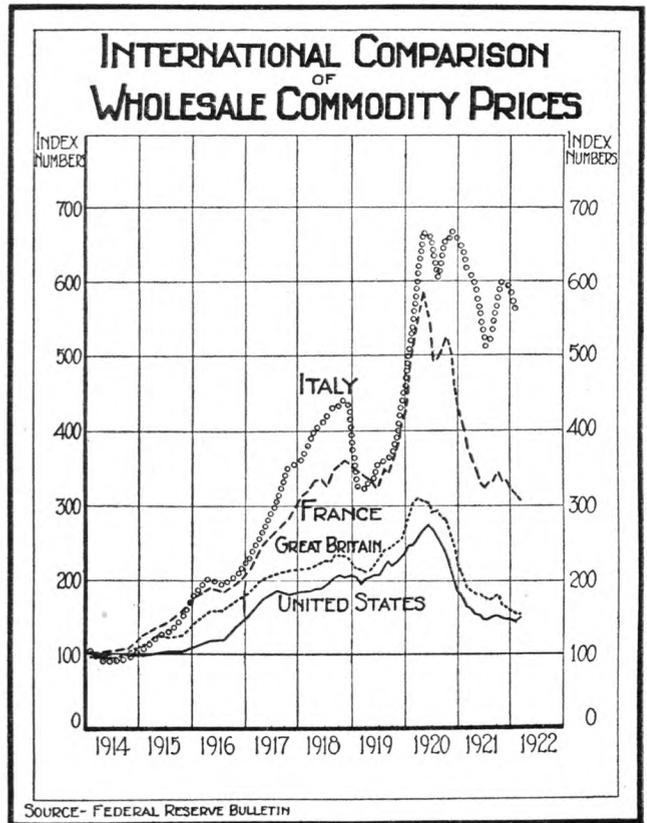
COMMODITY INDEX NUMBERS

Commodity prices throughout the United States, as shown by the various index numbers, increased during February. The Bradstreet number rose from 11.419 to 11.600, or 1.6 per cent; the Dun number, from 164.974 to 169.721, or 2.9 per cent; and that of the Bureau of Labor Statistics, from 148 to 151. Of the commodity groups which make up the Bureau of Labor Statistics index, that of farm products showed the most pronounced advance. Food products also were higher, as were number of items in the miscellaneous group. The following table gives the index numbers for February, as compared with those for January and February, 1921.

INDEX NUMBERS OF WHOLESALE PRICES, BY
GROUPS OF COMMODITIES
(1913=100)

	1921 February	1922 January	1922 February
Farm products	129	116	126
Food, etc.	150	134	138
Cloths and clothing.....	198	183	183
Fuel and lighting.....	218	183	183
Metals and metal products....	146	117	115
Building materials	221	202	202
Chemicals and drugs.....	178	159	159
Housefurnishing goods	277	214	213
Miscellaneous	180	146	150
All commodities	167	148	151

Wholesale prices in the principal foreign countries have continued to show the same tendencies as they have shown for some time. The decline in England was slightly smaller than it has been in recent months, and the increase in Germany somewhat larger. The accompanying chart shows the movement of commodity index numbers in Italy, France, Great Britain and the United States. The closing up of the gap between the commodity prices of Great Britain and the United States is in a large measure responsible for the strengthening of Sterling exchange during the past two months. The table below gives the United States and foreign price indices, and shows their recent percentage of change.



INDICES OF WHOLESALE PRICES

Base of 1913 = 100 unless otherwise noted

Country	Latest quotation	Peak quotation	Percentage decline from peak	Percentage change during		
				Dec.	Jan.	Feb.
United States:						
Federal Reserve Board	142—Feb. average	264—May, 1920	46.2	-1.4	0	+ 2.8
Bureau of Labor Statistics.	151—Feb. average	272—May, 1920	44.5	0	-.7	+ 2.0
Dun's.....	140—Mar. 1	218—May 1, 1920	35.8	0	0	+ 2.9
Bradstreet's	126—Mar. 1	227—Feb. 1, 1920	44.5	0	+ .8	+ 1.6
Great Britain:						
Economist.....	158—Feb. 28	310—Mar. 31, 1920	49.0	-2.4	- 1.9	-.6
Statist.....	156—Jan. 31	313—April 30, 1920	50.2	-2.5	-.6	
France	306—Feb. 28	588—April 30, 1920	48.0	-1.8	- 3.7	- 2.5
Italy	562—Jan. average	670—Nov., 1920	16.1	0	- 5.5	
Japan.....	204—Feb. average	321—Mar., 1920	36.4	-2.3	- 1.4	- 1.0
Canada.....	169—Feb. 15	263—May 15, 1920	35.7	+1.2	- 1.2	+ 6.0
Sweden*	166—Feb. 15	372—Dec. 15, 1918	55.4	-1.1	- 1.2	- 2.4
Shanghai†	110—Dec. 31	112—Aug. 31, 1921	1.8	+ .9		
Calcutta‡	178—Jan. average	218—Jan., 1920	18.3	0	- 1.1	
Norway	253—Feb. 28	425—Sept. 30, 1920	40.5	-2.5	- 3.3	- 2.7
Germany#	4713—Mar. 1	4713—Mar. 1, 1922	0	+5.6	+10.0	+23.6
Denmark§	182—Mar. 1	403—Nov. 1, 1920	54.8	-5.3	-.6	+ 2.8
Holland.....	161—Jan. 31	392—year 1918	58.9	0	- 2.4	
Egypt.....	169—Feb. average	354—Feb., 1920	52.3	-6.1	- 1.2	+ .6
Switzerland.....	171—Mar. 1	326—Jan., 1920	47.5	-1.1	- 2.8	0

*July 1, 1913 to June 30, 1914 = 100.

†End of July, 1914 = 100.

§July, 1912 to June, 1914 = 100.

‡Sept., 1919 = 100.

#Middle of 1914 = 100.

FINANCIAL CONDITIONS

An easing in monetary conditions has enabled commercial paper dealers to sell good paper at as low as $4\frac{1}{2}$ per cent, whereas a month ago few sales were made at less than 5 per cent. Acceptance rates have followed the trend of call money downward and are offered by the dealers at $3\frac{5}{8}$ to $3\frac{3}{4}$ per cent, as compared with 4 to $4\frac{1}{8}$ per cent last month. Demand for both classes of paper has been good during the last few weeks.

The discounted bills held by the Federal Reserve Banks continued to decline in the four-weeks period ending March 15. This decline amounted to 194 millions of dollars, but counter-balancing items, such as an increase of 9 millions in the holdings of acceptances, and 213 millions in United States securities, brought the total of the earning assets to a point 28 millions higher than on February 15. The reserve ratio is slightly lower than it was a month ago. This is due to increases in the liabilities—in deposits and Federal Reserve note circulation—which more than offset the increase of 25 millions in total reserves.

As compared with their highest points in 1920, the circulation of Federal Reserve notes and the holdings of discounted bills are now down 35.7 per cent and 79.1 per cent respectively. The accompanying table gives figures from the latest report, and for a month ago and a year ago:

	Mar. 15, 1922	Feb. 15, 1922 (000's omitted)	Mar. 18, 1921
Bills discounted	\$592	\$786	\$2,225
Bills bought	87	78	123
Securities	598	385	311
Total earning assets...	\$1,277	\$1,249	\$2,659
Total reserves	3,101	3,076	2,415
Federal Reserve note circulation	2,189	2,170	2,963
Total deposits	1,913	1,857	1,775
Reserve ratio	75.6%	76.4%	51.0%

The reports of more than 800 reporting member banks in the principal cities of the country disclose comparatively little change in the item of loans and discounts during the month ending March 8; but there was a decrease of 143 millions of dollars in their holdings of investments. Turning to the liabilities, we find that an increase of 99 millions in demand deposits and of 101 millions in time deposits was very nearly counterbalanced by a decrease of 172 millions in Government deposits. Comparative figures are given herewith:

	Mar. 8, 1922	Feb. 8, 1922 (000's omitted)	Mar. 11, 1921
Loans and discounts*	\$10,896	\$10,873	\$12,680
Investments	3,623	3,766	3,295
Total loans, discounts and investments*	\$14,519	\$14,639	\$15,975
Demand deposits	\$10,334	\$10,235	\$10,535
Time deposits	3,105	3,004	2,910
Government deposits	278	450	41
Total deposits	\$13,717	\$13,689	\$13,486

*Inclusive of rediscounts with Federal Reserve banks.

SECURITIES

The security market has given evidence of continued strength during the month, and the higher prices for stocks have been accompanied by greater activity. The number of shares sold in the week ending March 15 was larger than in any week since the beginning of the year, the daily average running well toward the million mark. Bond prices, too, with the exception of the industrial group, are noticeably stronger than they were a month ago, as the following tabulation shows:

	March 21	Month ago	Beginning of year
Stock averages:			
20 industrials	\$88.11	\$85.81	\$78.91
20 railroads	80.07	78.08	73.48
Bond averages:			
10 first grade rails.....	86.59	86.04	85.00
10 second grade rails....	84.34	82.46	81.12
10 public utilities	84.95	83.09	80.67
10 industrials	92.61	92.77	91.54
4 Liberties	98.32	96.94	96.88

COMMERCIAL PAPER

An increased demand for commercial paper began to manifest itself early in March, and at about the same time rates of call money in New York declined, causing commercial paper to sell at lower rates. Until that time, although there were offerings at less than 5 per cent, little paper was finding a market under that price. Since March 6, however, $4\frac{3}{4}$ per cent has been the prevailing rate and a number of sales at $4\frac{1}{2}$ per cent have also been reported.

In the city there has been a notable increase in buying, and banks which for some time have been out of the market have purchased a fair quantity. In the country districts the amount of business has, as a whole, increased, but there are still a number of sections in which local conditions are such that there is little or no buying.

New York and Chicago districts are reported to be large buyers of paper. Although there has been an increase in the number of names offered, the demand has improved so rapidly that, in the opinion of some dealers, the greatest difficulty in the near future

will be to secure sufficient paper to meet this increased demand.

The market quotations at which nearly all paper is selling are $4\frac{1}{2}$ and 5 per cent.

BANKERS' ACCEPTANCES

Bankers' acceptances have been moving freely over the greater part of the past month at $4\frac{1}{8}$ per cent for all maturities up to 150 days. Within the past week, however, the offering rates of the dealers have declined to $3\frac{5}{8}$ and $3\frac{3}{4}$ per cent. Ninety-day bills have sold most easily. The small supply of bills available and the lower rates for call money that have prevailed over part of the period have been factors in increasing the demand. The reports of the 12 accepting banks in this district give statistical evidence of the falling off in supply. The amount of bills executed during the month ending March 10 totaled only \$2,365,000, as compared with \$5,007,000 in the previous month. Comparative figures on amounts executed and outstanding follow:

	Executed during month ending	Outstanding on date given
1921—March 10	\$5,325,000	\$14,127,000
April 10	4,558,000	13,234,000
May 10	5,611,000	12,892,000
June 10	2,795,000	10,798,000
July 10	3,121,000	9,286,000
August 10	4,852,000	8,756,000
September 10	5,312,000	9,009,000
October 10	4,507,000	9,902,000
November 10	6,325,000	11,824,000
December 10	3,564,000	11,231,000
1922—January 10	4,445,000	10,784,000
February 10	5,007,000	10,149,000
March 10	2,365,000	9,884,000

The acceptances that have been executed recently by the banks in this district have been principally to finance foreign trade, and they cover such commodities as sugar, wool, leather, hides and skins, silk, grain, and coffee. February purchases of bankers' acceptances by the Federal Reserve Bank of Philadelphia consisted mainly of bills covering cotton, silk, grain, coffee, tobacco, oil, wool, and copper, in the order given. The amount bought in February was \$14,610,000, as compared with \$8,923,000 in January. The tabulation which follows shows the importance of each type of transaction in the bills so purchased during the past four months:

	February 1921	January 1921	November December, 1921
Dollar exchange	2.3%	9.0%	6.9%
Warehousing .....	.7 "	7.9 "	6.7 "
Domestic shipments	15.8 "	19.7 "	15.6 "
Exports	30.7 "	31.7 "	36.3 "
Imports	50.5 "	31.7 "	34.5 "
Total purchases	100.0%	100.0%	100.0%

SAVINGS DEPOSITS

The trend of savings deposits during February was generally upward, but the increase for the 80 banks reporting to us was only .2 of one per cent. The nine banks in Philadelphia report a slight decrease in deposits, from \$267,913,000 on February 1 to \$267,828,000 on March 1; but this was more than counterbalanced by an increase from \$157,525,000 to \$158,642,000 in the savings deposits of the 71 banks outside of that city. Chester, Philadelphia and Trenton were the only cities showing a decline in February.

The following table gives a comparison of the March 1 figures with those of the previous month, of a year ago, and of two years ago:

	Number of reporting banks	Per cent increase or decrease compared with		
		Feb. 1, 1922	Mar. 1, 1921	Mar. 1, 1920
Altoona	5	+1.5%	— .8%	+16.8%
Chester	5	— .3 "	—15.4 "	— .3 "
Harrisburg	4	+2.4 "	+27.4 "	+71.7 "
Johnstown	6	+ .1 "	— 4.7 "	+ 8.5 "
Lancaster	3	+2.2 "	+ 8.1 "	+28.7 "
Philadelphia	9	— .03 "	+ .6 "	+ 7.2 "
Reading	3	+ .9 "	+ .7 "	+21.0 "
Scranton	6	+1.1 "	+12.1 "	+36.1 "
Trenton	6	— .2 "	— 2.8 "	+ 5.9 "
Wilkes-Barre	5	+1.7 "	+16.0 "	+34.3 "
Williamsport	4	+ .1 "	+ 1.5 "	+22.9 "
Wilmington	5	+ .2 "	+ .7 "	+ 6.2 "
York	5	+5.5 "	+10.1 "	+77.6 "
Others	14	+ .5 "	+ 6.5 "	+21.4 "
Total	80	+ .2 "	+ 1.8 "	+11.5 "

FOREIGN EXCHANGE

The rapid advance which occurred in most European exchanges during the first two months of the year has been halted, and many of these currencies have lost a considerable portion of their early gains. Sterling, for example, has lost .0632 cents since March 1, after a rise which carried it from \$4.2089 on January 3 to \$4.4408 on March 1. Francs have also suffered a considerable reaction since the latter date, but lire have been fairly steady during the month. The neutral currencies have moved in sympathy with sterling, although losses in these moneys have been less pronounced than in the case of the pound. The exact reasons for this recent reaction are difficult to determine, but recent political developments have been a factor in the situation. It is significant, for instance, that the break in sterling occurred at the time the British Premier threatened to resign. Uncertainty as to the Genoa Conference and further discussions of reparations have also had their effect.

Even after this recent reaction, however, most of the European currencies are in far stronger positions than they were a year ago, as is shown by the accompanying table of exchange rates on March 21, on February 21, and on March 21, 1921. This is in spite of the fact that even greater net gains were made by these currencies during the first two months of 1921 than during the same period this year. Marks furnish a striking exception to this general trend, however, as they were quoted at .3522 cents on March 21, as against 1.65 cents on the same date last year. For this adverse showing, the payment of reparations and the continued inflation of the currency are largely responsible. The stronger position of the majority of European currencies is undoubtedly attributable in large part to general improvement in the European economic and financial situation. In England, for instance, the index number of wholesale prices has fallen from 208 in March, 1921, to 158 at the present time. The latter figure is only 7 points higher than the latest figure of the

Bureau of Labor Statistics. In France and in the neutral countries, as well, commodity prices have fallen steadily during the past year. A comparison of the foreign trade figures for that country in 1920 and 1921 is also significant. Whereas in 1920 French imports exceeded exports by over 23,000,000,000 francs, in 1921 the excess was less than 2,000,000,000 francs.

FOREIGN EXCHANGE RATES

	March 21, 1922	February 21, 1922	March 21, 1921
London	\$4.3776	\$4.3977	\$3.9238
Paris .....	.0899	.0913	.069825
Antwerp .....	.0845	.0869	.0730
Copenhagen .....	.2122	.2092	.1740
Stockholm .....	.2612	.2656	.2335
Madrid .....	.1552	.1594	.1405
Amsterdam .....	.3775	.3836	.3450
Buenos Aires .....	.8312	.8349	.7578
Shanghai .....	.7198	.7147	.6425
Berne .....	.1946	.1953	.1743
Milan .....	.0508	.0502	.04055
Berlin .....	.003522	.004573	.0165
Vienna .....	.000139	.000218	.00305

RETAIL TRADE

Trade in the retail stores in this district continues to show a decrease as compared with 1921. This, however, is not unexpected, for that year Easter fell in March. This year Easter does not come until April 16, and therefore March retail business would naturally suffer in comparison with that of a year ago. Moreover, in 1921 we had an abnormally warm and clear season, with the result that the pre-Easter trade was decidedly good. In

fact, a fairly general business revival took place at that time.

Though employment conditions improved during the first two weeks in March, the betterment is of too recent date to have had as yet any noticeable effect upon buying. The shopper is demanding a combination of low price and high quality, and in many instances looks the entire field over before arriving at a decision. Even then he purchases with

	COMPARISON OF NET SALES		COMPARISON OF STOCKS		RATE OF TURN-OVER*	Percentage of Orders outstanding Feb. 28, 1922, to Total purchases in 1921
	Feb., 1922, with Feb., 1921	Jan. 1 to Feb. 28, 1922, with Jan. 1 to Feb. 28, 1921	Feb. 28, 1922, with Feb. 28, 1921	Feb. 28, 1922, with Jan. 31, 1922		
All reporting firms (78).....	- 6.5%	-10.3%	- 1.4%	+ 3.2%	3.0%	8.0%
Firms in—Philadelphia	- 7.1 "	- 9.7 "	- 2.5 "	+ 1.5 "	3.7 "	8.4 "
—Trenton	- 3.5 "	- 9.9 "	- 3.2 "	+ 4.3 "	2.2 "	5.7 "
—Wilmington	-18.3 "	-21.9 "	-23.9 "	- 2.2 "	1.5 "	....
—All other cities.....	- 4.3 "	-11.1 "	+ 5.2 "	+10.1 "	2.1 "	7.1 "
All department stores.....	- 6.1 "	-10.5 "	+ 2.4 "	+ 3.0 "	3.0 "	9.3 "
Department stores in Phila.....	- 7.0 "	- 9.7 "	+ 1.7 "	+ .5 "	3.6 "	10.3 "
" " outside Phila..	- 4.4 "	-12.1 "	+ 3.9 "	+ 9.2 "	2.1 "	6.6 "
All apparel stores.....	-11.9 "	-16.6 "	-16.0 "	+ 6.6 "	3.5 "	4.3 "
Apparel stores in Phila.....	-11.1 "	-15.3 "	-16.2 "	+ 7.3 "	4.3 "	4.0 "
" " outside Phila.....	-17.1 "	-24.4 "	-14.2 "	0.0 "	1.3 "	8.0 "
Men's apparel stores.....	- 4.1 "	- 6.8 "	-17.0 "	- 4.9 "	1.8 "	....
Women's apparel stores.....	-18.2 "	-22.7 "	-13.1 "	+10.0 "	4.8 "	4.4 "
Credit houses	+ 8.9 "	+20.0 "	-10.7 "	- 8.0 "	2.4 "	4.7 "

*Times per year, based on cumulative period.

great care and only what is necessary. In the anthracite coal regions, there has been a noticeable hesitation in business. This is ascribed to the threatened closing down of the mines on April 1 and the consequent husbanding of resources.

Price changes during the past month have been very small, most lines of merchandise, for the time being at least, having ceased to decline. However, there are cases in which, in order to move an accumulation of goods, special inducements in price have been made to the retail buyer and have been passed on by him to the consumer. In men's clothing the prices for spring wear show scarcely any change from those of last autumn. But the price of worsted cloth, from which a majority of these are made, has advanced.

The question of overhead charges is one that is much discussed by store managers. The attempt to reduce these has only partially succeeded, and the decreases in the main items are comparatively small and are not keeping pace with the decline in the cost of merchandise. Collections are slower than usual, and further credit has been refused to an increased number of prospective purchasers, because previous transactions have not been paid for.

Last month we told of our intention to make a further subdivision of the reports made to us, in the hope that they might be more helpful to those who co-operate with us in this work. This month we are able to carry out part of our purpose. For the first time we present separate figures for the department and apparel stores, both in Philadelphia and outside of it; also for the credit stores in the district. We have listed separately the stores in Trenton and in Wilmington, and within a few months we expect to give separate figures for stores in a number of other cities of the district.

WHOLESALE TRADE

The addition of wholesale drugs and wholesale dry goods to the lines already reporting to this Federal reserve bank has increased the number reporting for February from two to four. The number of reporting firms in the entire wholesale group has been raised from 75 to 104.

Wholesale drug sales showed a slight increase during February over those of both January, 1922, and of February, 1921. Dry goods sales, on the other hand, are decreasing in spite of seasonal influences which would ordinarily increase the volume of busi-

ness. Hardware sales advanced slightly—0.2 per cent—over those of the preceding month; but as compared with a year ago, they show a falling off of 16.6 per cent. This is the first increase in wholesale hardware since December, when sales gained .4 per cent over those of November. Figures from the wholesale grocery trade show a decrease in February sales of 1.4 per cent, as compared with a decline of 12.7 per cent from those of February of last year. In this line the last increase was reported in October, 1921, when sales were 2.9 per cent greater than those of September, but 19.1 per cent less than those of October, 1920.

The physical volume of goods sold is, no doubt, equal to that of a year ago. But measured in dollars the amount of business is less than it was last year. Stocks are maintained at the lowest possible point, and retailers are buying only for imperative needs.

WHOLESALE DRUGS

The wholesale drug trade for February, as reported by 15 firms in the Third Federal Reserve District, shows an increase in sales of 2.4 per cent over those of January, 1922, and an increase of 2.8 per cent over those of February, 1921. The prevalence of colds and grippe has been a prominent cause of this improvement. Druggists, however, are buying cautiously, and wholesalers are carrying the minimum amount of stocks. The steady depletion of stocks without the usual replacement has caused advances in price, especially in cases where supplies were low.

Collections are characterized as being from fair to good.

WHOLESALE DRY GOODS

February sales of wholesale dry goods, as shown by 14 reporting firms for this district, are 5.1 per cent below those of January, 1922, and 5.5 per cent below those of February, 1921. Retailers are buying only enough stock to cover their shelves. At this time the market is ordinarily active as a result of the Easter trade, but indications point to a reduction of this seasonal business this year.

Firms doing a country-wide business report that sales are larger in the agricultural districts of the West than they have been for several months. Credit conditions also are improved in the West and the South, although collections are still far from satisfactory. The amount of the accounts outstanding on the books of reporting firms, for February, was

3.8 per cent greater than for January, and 2.5 per cent greater than for February of last year.

WHOLESALE GROCERIES

Favorable factors in the wholesale grocery trade are more numerous than they were a month ago, but the unfavorable ones are still effective, and little improvement has occurred. Rising prices on certain staple commodities have been a rift in the clouds, and jobbers as a rule are feeling more encouraged. But the feeling is by no means universal, and many firms report a number of factors that are depressing. The chief of these are relatively small volumes of sales, narrow margins of profit, keener competition, some failures, and slower payments. One firm is of opinion that the rise of prices is unfortunate, inasmuch as the general reduction of wages and the widespread lack of employment mean that an advancing market will not be supported. In the mining regions, business activity is being affected by the impending coal strike.

On the other hand, it is pointed out that retailers' shelves are almost bare, and that retailers must therefore purchase regularly to supply every-day needs. This is true regarding even staple goods. Wholesalers as well as retailers are buying conservatively. For example, in regard to canned goods it is reported that they purchase only one or two cars at a time and order no more until this supply is disposed of. Particularly in the mining regions are grocers keeping stocks low for the time being.

The canned goods situation is the subject of much discussion at present, as ordinarily at this season of the year future orders are placed for the coming pack. Canners rely upon these orders as a basis of credit for financing their operations. Although the present spot prices are higher than the future quotations of the canners, jobbers are hesitant about covering, as they in turn are not booking many orders from retailers. On the other hand, some wholesalers have received more future orders than usual, and in turn have ordered freely from canners. Spot demand for canned goods is improving, however, and prices on many lines are rising. The supply on the market is reported to be small with the entire trade, including wholesalers, retailers, and chain stores.

Prices of many of the most important grocery staples have advanced within the past month. The index number of food prices compiled by the Bureau of Labor Statistics shows an increase from 134

in January to 138 in February. This compares with 150 in February, 1921. Sugar is firmer, and refiners now quote 5.50 cents per pound as compared with 5 cents a few weeks ago. Raw sugar is also slowly rising, and now stands at 4.11 cents for Cuban sugar, the highest price since early in December. The price of flour advanced after the advance in wheat, but flour has been weaker since the more recent decline in the wheat market. Dried fruits, beans, coffee, and fats are also rising. On the other hand, eggs have fallen radically, dairy products are fluctuating at levels well below those prevailing at this time last year, and a number of other grocery commodities are declining slowly. Prices for vegetables are generally higher in the produce markets than they were a year ago.

Collections are still poor but in general have improved slightly within the past month. The slight decline in the ratio of accounts to sales in the accompanying table shows that payments were better in February than in January.

Statistics regarding the grocery trade are given this month in the table showing all the wholesale figures. The slight decline in sales, as compared with those of January, is more than accounted for by the smaller number of business days in February. Last February was the poorest month of the year in sales, except December. The fact that this February has proved to be worse than last shows that the wholesale grocery trade is starting this year in a less advantageous position than it held at the beginning of 1921. The fall in prices will partly, but not entirely, account for this difference.

WHOLESALE HARDWARE

Reports from wholesale hardware firms in this district indicate that sales during March will show the usual seasonal improvement over those of the quiet winter months. This improvement was evident even in February, for sales during that month showed a slight advance over those of January. And the present month has seen a further strengthening of demand, especially for such seasonal goods as builders' hardware, poultry wire, and screen wire cloth. In the farming districts considerable betterment is reported, although customers in these sections are still unable to purchase their normal requirements. Sales in the mining districts are poor. Of course, the volume of sales, measured in dollars, still continues to be substantially smaller than that

of the same period last year. Sales for February, for instance, were 16 per cent below those of the same month of 1921. But this difference is more than accounted for by the shrinkage in values that has occurred since that time, so that in physical vol-

ume current business exceeds that of last year. Business is not yielding as great a profit, however, as competition is very severe and prices are weak on many products.

Collections are only fair.

CONDITION OF WHOLESALE TRADE DURING FEBRUARY, 1922

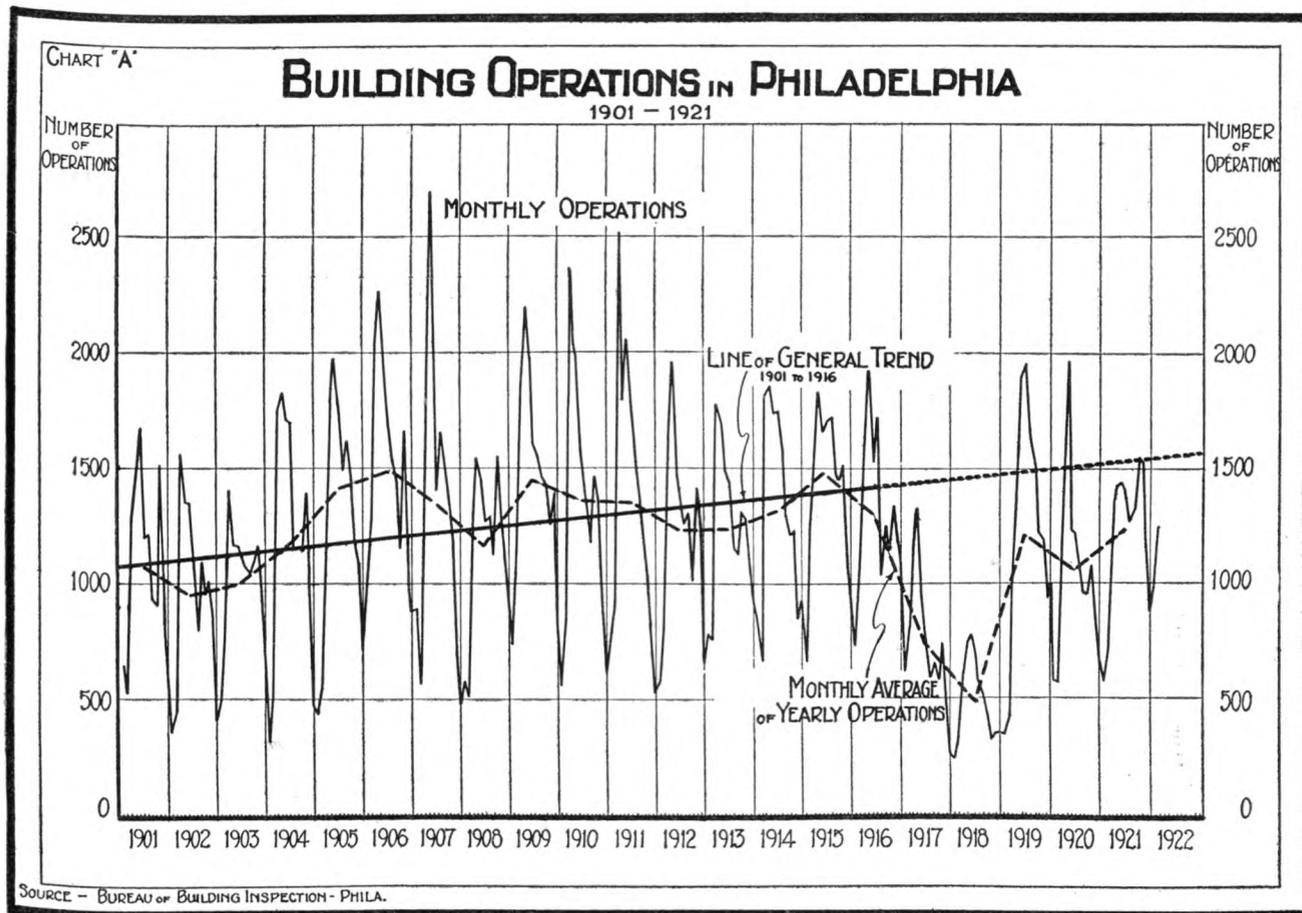
	PERCENTAGE OF INCREASE OR DECREASE IN				Ratio of Accounts Outstanding to Sales Feb., 1922
	Net Sales		Accounts Outstanding		
	Feb., 1922, compared with	Feb., 1921	Jan., 1922 with	Feb., 1921	
Drugs (15)*	+2.4%	+ 4.3%†	+6.3%	- 3.1%	138.1%
Dry goods (14)*	-5.1 "	- 5.5 "	+3.8 "	+ 2.5 "	270.7 "
Groceries (50)*	-1.4 "	-12.7 "	-2.5 "	- 4.5 "	115.7 "
Hardware (25)*	+ .2 "	-16.6 "	+2.8 "	-19.4 "	207.7 "

* Number of reporting firms.
† Revised.

BUILDING AND REAL ESTATE

Perhaps the most promising element in an otherwise discouraging industrial situation is the prospect of normal activity in building during the present year. Much has been said concerning the housing shortage in Philadelphia and other large cities. The extent of this shortage in Philadelphia is indicated graphically by the accompanying charts.

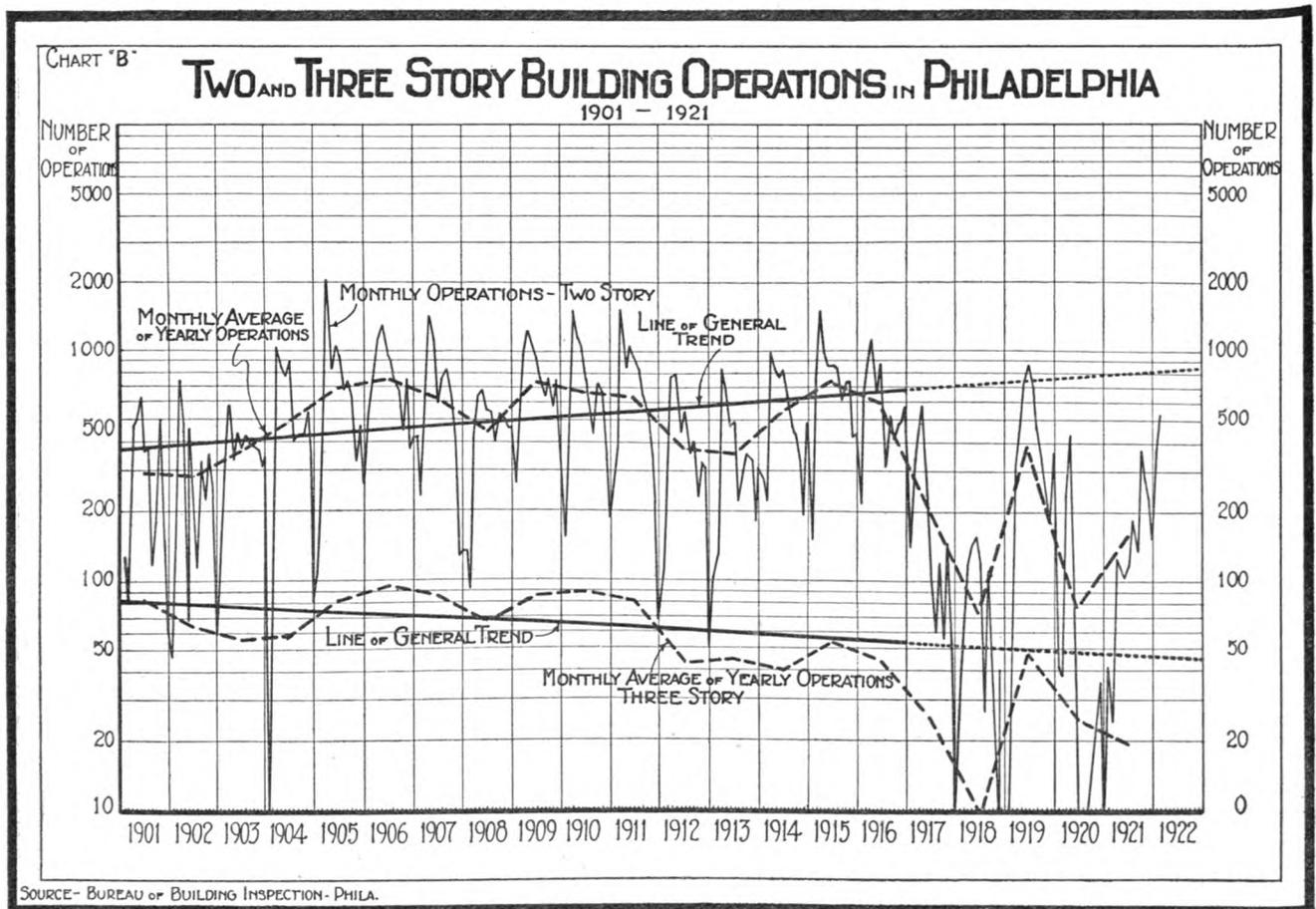
Chart A shows the number of building operations in Philadelphia each month from January, 1901, to February, 1922, and the monthly average for each year of that period. It is evident that although building operations showed violent seasonal fluctuations and also moderate yearly changes, the general trend from 1901 to 1916 was definitely upward. This



normal growth is shown on the chart by the sloping straight line. The position of this straight line is computed by a method that eliminates all seasonal and cyclical fluctuations. The broken extension of the line after 1916 indicates the general course which building operations probably would have followed if the war had not intervened. The pronounced falling-off in operations since our entry into the war is seen in the radical departure of the curves representing actual construction from this assumed normal. It is true that construction has recovered somewhat since the end of the war, but the monthly average for none of the last three years equalled that of any year in the period from 1903 to 1916, except that of 1908, when there was an industrial depression.

In Chart B it is seen that similar tendencies have been evident in the number of two-story houses erected during the same years. It is interesting to note that in the case of three-story houses the trend of operations has been steadily downward during the entire period,—a tendency peculiar to this type

of construction. Reference to Chart C will show, however, that the value of building operations in 1919 and 1920 was even greater than in the years immediately preceding our entrance into the war. But a comparison of Charts A and C clearly indicates that in value building operations were out of proportion to their physical volume,—a reflection, no doubt, of the excessive inflation in building costs following the war. It will be noticed on Chart C that the trend of construction in Philadelphia has been practically the same as that in 20 large cities of the United States during the period from 1914 to date. This chart, as well as Chart B, is drawn on a logarithmic scale, which shows the relative increases and decreases, or the percentage rate of change, to better advantage than it shows absolute fluctuations. In this case relative changes are more pertinent than absolute changes, because such widely disproportionate values are being compared. For example, the values shown for the 20 cities are approximately ten times as great as those for Philadel-



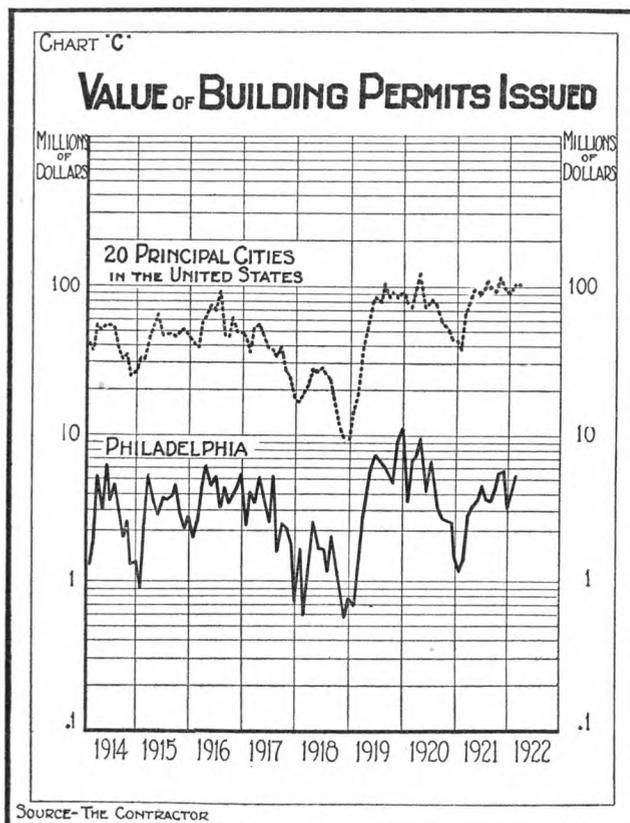
phia. Hence, a comparison of fluctuations in the two curves would be impossible were they drawn on an ordinary chart.

Reports indicate that this shortage is more acute in the case of residential structures than in any other class of buildings. The table, "Building Operations in Philadelphia," shows that whereas industrial and business construction has continued without serious interruption since 1914, the building of houses and apartments has been cut down materially, and that a serious shortage still exists in spite of attempts in 1919 to supply the need for homes. Indeed, although the total of operations in 1921 was larger than in any year since 1916, house building comprised but a small portion of the aggregate. The majority of the permits issued last year were for small jobs, such as the construction of garages and the alteration and repair of old buildings.

According to reports from builders and real estate dealers, the present demand in Philadelphia and other cities of this district is largely for dwellings to sell at low prices and for apartments to rent at moderate rates. In fact, the greatest need is for homes costing less than \$6,000 and for apartments renting for \$50 per month and under. Reductions in individual incomes within the past year or two have made even more acute this demand for moderately priced dwellings. The question of greatest importance at the present time is whether or not construction costs are low enough to enable builders to meet this need.

Mention has been made of the fact that building was discouraged in the period immediately following the war because of excessive costs. The Department

of Labor's index of building material prices reached a maximum of 341 in April and May, 1920, and averaged for that year 308. In computing this index number prices in 1913 were taken as being equal to 100. Although prices have fallen greatly since that time, they are still double what they were in 1913, according to this index, which now stands at 202.



BUILDING OPERATIONS IN PHILADELPHIA

	Number of Operations by Classes of Buildings							
	1914	1915	1916	1917	1918	1919	1920	1921
Residential:								
Two-story	6,418	8,806	7,204	2,386	884	4,642	923	1,912
Three-story	475	623	516	297	62	568	299	222
Frame	24	43	28	39	11	74	68	78
Apartments	33	9	4	5	..	4	9	15
Business:								
Office buildings	20	39	36	41	33	32	26	29
Stores	68	74	72	25	6	46	46	83
Warehouses	22	34	54	34	26	38	38	33
Hotels	3	2	3	2	1	1	0	1
Banks	2	4	3	3	1	1	5	7
Garages	394	595	878	833	480	1,322	1,153	1,569
Institutional:								
Churches	15	16	19	12	6	8	12	22
Schools	6	13	21	2	1	1	3	4
Industrial:								
Manufacturing buildings	64	77	102	72	48	97	89	67
Workshops	64	65	88	62	43	67	95	118
Alterations and repairs	3,226	2,983	2,846	2,337	2,103	3,792	5,133	4,902
Additions	1,614	1,659	1,546	1,177	914	1,921	2,043	2,638
All others	3,261	2,730	2,193	1,650	1,331	1,895	2,570	2,954
Total number	15,709	17,772	15,613	8,977	5,950	14,509	12,512	14,654
Total value*	\$35,420	\$39,444	\$49,897	\$34,016	\$15,453	\$65,089	\$55,305	\$42,791

* In thousands of dollars.

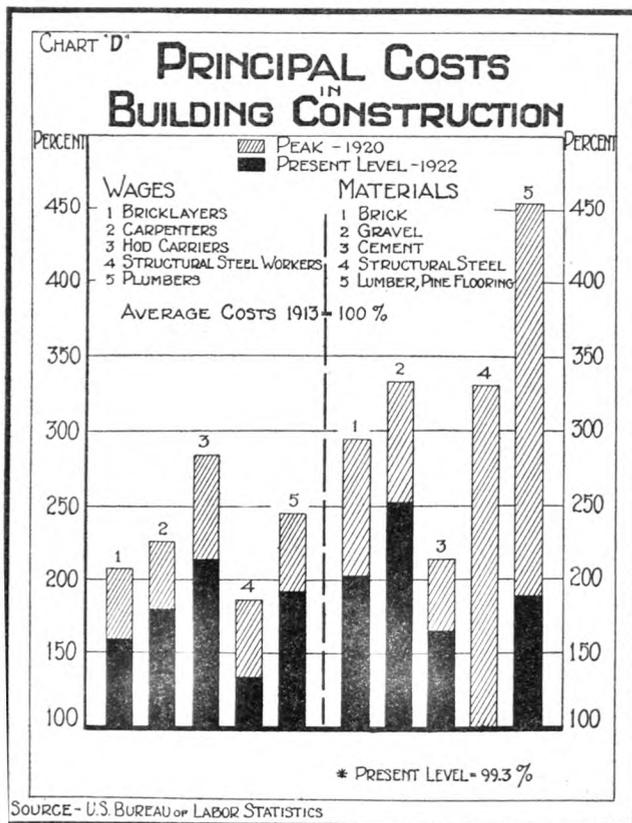
The National Federation of Construction Industries, however, publishes another index number, also compiled by the Department of Labor, which shows present building material prices as being only 60 per cent above those of 1913. Chart D, which accompanies this article, gives the relative prices of certain basic building materials at their maximum points and at present, as compared with their levels in 1913. It is evident that although building materials have declined greatly in price since 1920, they are still much higher than they were in 1913 and well above the general level of commodity prices, which is shown by the Department of Labor index number to be 151.

Wages, also, in the building trades rose considerably after the war, but they, too, have declined somewhat. They are by no means uniform, however, throughout the United States. In Philadelphia and certain other cities reductions were made last year, and the same rates are being paid this spring. But in many other cities, notably New York, the maximum wage scales are still being adhered to, and builders complain that the higher wages being paid there are drawing local workers to that center. This has been made possible in New York because of the stimulation afforded to building by recent tax ex-

emption laws. It has been estimated that the present level of wages paid in the building trades in Philadelphia is about 75 per cent above that of 1913. Chart D shows the changes that have occurred in the wage rates paid to workers in certain building trades since 1913.

Another factor that contributed to the delay in the revival of residential building was the lack of funds available for mortgages during the period from 1919 to 1921. But of late a larger volume of such funds has been available. Financial institutions are exercising considerable caution, however, in lending for real estate operations. Trust companies, for example, are unwilling to make loans on the basis of either the present selling price or the cost of construction. But they are willing to lend 60 per cent of their own valuation of the property, and this is based upon what they believe that property will be worth after a period of from three to five years. This figure, of course, is somewhat less than the present market value. It is evident that bankers consider that construction costs are still too high. However, builders report that it is possible to obtain funds from individual mortgage investors up to 60 per cent of the actual cost of construction. Interest rates on first mortgages are 6 per cent, with charges in most cases for expenses of appraisal and the like.

Although these factors affecting construction are not altogether favorable, the large volume of building already contracted for this year is evidence of renewed confidence in the building situation. The total number of operations for which permits were issued in Philadelphia during January and February of this year exceeds that of any previous similar period. In other parts of the district also, especially in southern New Jersey, a revival in building is already manifest. The table showing permits issued



BUILDING PERMITS ISSUED AND THEIR ESTIMATED COST

(14 Cities—Third Federal Reserve District)

Cities	February, 1922		January, 1922		February, 1921	
	No.	Estimated Cost	No.	Estimated Cost	No.	Estimated Cost
Allentown	34	\$151,100	20	\$66,900	26	\$33,075
Altoona	63	80,737	31	36,362	47	155,241
Atlantic City	224	439,262	236	902,827	161	143,443
Camden	48	294,855	72	339,010	46	72,345
Harrisburg	33	165,450	19	432,625	26	50,050
Lancaster	32	80,800	23	74,700	16	34,695
Philadelphia	1,242	5,381,435	976	4,411,320	715	1,345,170
Reading	148	221,551	85	141,650	154	60,600
Scranton	37	116,430	16	60,925	20	47,473
Trenton	45	67,920	50	95,860	79	79,335
Wilkes-Barre	66	247,898	30	93,862	29	35,774
Williamsport	33	47,550	10	13,210	18	29,325
Wilmington	47	951,770	40	198,617	54	47,101
York	29	28,580	15	10,655	39	19,525

Totals 2,081 \$8,275,338 1,623 \$6,878,523 1,430 \$2,153,152

in the fourteen principal cities of the district is evidence of this improvement in building.

The preponderance of residential building is shown by the fact that in number, over 40 per cent, and in value, more than 35 per cent, of these prospective operations is represented by this class of construction. This preponderance of home building is not greater than normal, as a larger number of permits than usual were for minor operations such as garages, alterations and repairs. And a few permits for high-priced office buildings lessened the relative importance, in value, of residential construction. Thus it is apparent that in Philadelphia definite steps are being taken to supply the need for new construction.

BUILDING MATERIALS

LUMBER

Bad weather in February and early March held back the local lumber market for a while, but there are evidences now that builders are beginning to place a larger number of orders. Manufacturers, however, are not yet feeling the improved demand, as the yards have sufficient lumber on hand to meet current needs and also a number of their orders are for future delivery. The greatest demand at present is for yellow pine in those grades used in the early stages of building. This is particularly strong from the southern New Jersey towns. Spruce is meeting with considerable competition from fir, which is being shipped from the West by boat. Hardwood manufacturers report that they have not yet had a noticeable increase in sales, although the call for the better grades has been fairly steady for some months. The cheaper hardwoods are still difficult to dispose of, as the industrial demand for all lumber is small.

Operations at mills are steadily increasing. Statistics of lumber movements published by the National Lumber Manufacturers' Association for the country as a whole show an increase each week in the number of feet cut. Orders are larger than shipments, and though both are growing, they are still smaller than the amount cut, which shows that stocks are being accumulated in preparation for the spring demand. Stocks with both manufacturers and dealers, however, are not generally considered to be too large for this season, except that supplies of the low grades of lumber, particularly of hardwoods, are entirely too plentiful.

Prices in general are firm, and on some grades

have been advancing. Hardwoods, however, even of better quality, have been slowly falling since last fall, and, according to some manufacturers, are still weak. Others, however, have advanced their quotations on these grades. Dealers' prices on hardwoods have been lower during the past month. The general level of lumber prices is lower than it was a year ago, but higher than it was last summer. Some freight rate reductions were secured on southern hardwoods last month, and the rate by water from the Pacific Coast has also been reduced. Certain firms have reduced wages recently, but in general few changes have been made since the rather drastic cuts of last year. There is an abundance of labor throughout most of the lumber-mill sections of the country.

Collections, although reported as poor in some cases, are generally considered to be fair.

BRICKS

Since last month the demand for bricks has been steadily improving. Builders and contractors who are planning operations this year are making inquiries, and many of them have already placed orders for delivery when needed. The dates of delivery extend over the next six months. The demand is particularly good from towns and cities in southern New Jersey, especially Atlantic City.

Practically all plants are now operating at capacity or are planning to do so shortly. Operations during the winter averaged about 50 per cent, but were increased in February to 80 per cent. Stocks are fairly large, owing to the fact that many yards accumulated reserves during the winter. But they are not considered too heavy for this time of the year, especially in view of the large number of orders now being received. At least one manufacturer has already disposed of his reserve supplies and is planning to increase the capacity of his plant.

Prices are firm. Common hard bricks delivered are quoted at \$16 a thousand or higher, varying among the different yards and with the length of the haul. This price is still 100 per cent above that of 1914, but the costs of production are said to have risen by an equal amount. Coal and freight rates are higher than they were at that time. The prevailing wages for unskilled labor in 1914 were \$1.75 for a ten-hour day; the rates now range from \$3 to \$4 a day for the same class of laborers. The average of wages paid to both skilled and unskilled workers is about \$4.50 a day.

Collections are from poor to fair.

PAINT

Slow, steady improvement is taking place in the paint industry, but as yet the volume of business has not been up to normal for this season. Dealers are as a rule buying sparingly, as their spring demand has not yet developed. The large volume of new building contemplated will stimulate the paint business less than might be supposed, for it is estimated that not more than one-third of the paint sold goes into new construction. The remainder goes partly to industries and partly to retail dealers. The industrial demand has been light for a year or more, and as yet has shown little improvement. Retailers that sell mixed paints to individual consumers have not yet purchased in any appreciable volume. Most orders are for immediate delivery, and customers still refrain from covering for future needs. White lead manufacturers have guaranteed their prices until June, and some firms report that their customers consequently ordered rather freely during January and February. But as retail sales have been retarded by bad weather, this buying has recently fallen off.

Manufacturers are gradually increasing operations as the spring season approaches, and are building up reserves to care for the expected demand. Some mills, however, are following a more conservative policy and are, as nearly as possible, balancing production with demand. But it requires some time to make paint, and demand must be anticipated to a certain extent. Few dealers have as yet supplied themselves with the usual spring lines.

Prices of finished paints have not changed for some months, except on certain isolated lines. The guaranteed quotations on white lead, mentioned previously, have prevailed for several months. Turpentine prices fell the latter part of February and early in March, but have been firmer recently. The linseed oil market has been dull for the past few weeks, with prices lower at about 80 cents a gallon for domestic oil, and from 73 to 75 cents for the English product.

Collections are still poor.

GLASS

Local dealers in building glass are already feeling the increased building activity. One large house reports that it has already booked more orders for future delivery than in several years. Glass is one of the final products used in construction, and therefore builders are not as yet purchasing for immediate delivery, but are covering their needs by contract-

ing for the future. Practically all of the demand is for use in construction work; retail stores and industries are buying but little. The demand for wire glass is about two-thirds of normal.

The price of plate glass was reduced between 25 and 30 per cent in December, and that of window glass was lowered 20 per cent in January. Dealers' prices on window glass are at present about 40 per cent below the 1920 maximum, and on plate glass, 60 per cent below. Mirrors have been reduced approximately 60 per cent, and wire glass 30 per cent, since 1920. The present general level of prices is from 30 to 50 per cent above that of 1913. Builders have generally shown confidence in present quotations by placing orders for spring and summer requirements. Foreign competition is an element in the situation that is serving to keep prices down.

Factories are still operating at about 60 per cent of capacity. Stocks held by manufacturers are not above normal, and dealers have kept their supplies down to a minimum. No wage reductions have been reported recently.

Opinions regarding collections vary among the different firms. From customers who sell glass at retail they are slow, but builders as a rule are paying more promptly.

IRON AND STEEL

February witnessed a substantial improvement in the iron and steel industry, but betterment in this district was not as pronounced as in other sections of the country, and was decidedly erratic in character. Furthermore, indications are that during March there has been a noticeable slackening in the rate of improvement, not only locally but in the country as a whole. Indeed, in this district it is doubtful if there has been any more than a very moderate improvement in the situation since January. True, inquiries have widened considerably since the first of the year, and the volume of orders actually placed has also increased somewhat; but most of this improvement has been of a nature to have been expected at this time of the year. One encouraging feature in the situation, however, is the fact that many firms manufacturing pumps, compressors, engines and power transmission machinery report a slight but distinct improvement in demand. The improved building situation has been reflected in larger orders for structural steel, and firms manufacturing ~~house~~-heating apparatus have increased their pur-

chases of iron in anticipation of a better demand for their products. Public utilities and municipalities have entered the market to a greater extent for cast iron pipe, and have placed some contracts for future delivery. Automobile manufacturers and railroads have also shown more interest in the market, the latter group having placed contracts for car bodies and parts. The carriers, however, are not purchasing in normal quantities, and many producers feel that so long as this is true no permanent betterment can occur.

During February a larger volume of business was placed with steel plants of the Corporation and of the independents, but the former obtained most of the new orders. These were procured, however, only after severe competition and by means of further price concessions. During March prices on some products in which considerable business was done have been advanced. Bars, shapes, and plates, which were obtainable at 1.35 and 1.40 cents per pound, have been raised by the leading independents to the old level of 1.50 cents. But these products are still obtainable from some small firms, which failed to obtain a sufficient "backlog" of orders during February, at the former level. The recent advances mark the second attempt of the independents to turn the tide of price decline which has continued steadily since August, 1920. Whether or not these new levels will be maintained is problematical. In October a similar attempt was made to raise prices after an increase in orders, but at that time purchasing diminished and prices again resumed their downward course. Producers are unanimous in stating that present costs absolutely prohibit a lower level, but consumers continue to "shop around" in search of bargains. And the freight rate question is still uppermost in the minds of both manufacturers and purchasers.

An inspection of price history during the present year shows a very marked reduction in most products and, in some cases, a return to a level very close to that existing before the war. Plates, bars, and shapes, for instance, declined to 1.35 cents in February, a figure which is actually lower than the average price, about 1.50 cents, of these products of 1913. Of late, however, these products have been advanced to the latter level. Attempts to stiffen prices have also been extended to pig iron, although these quotations are still unsteady. No. 2 X Philadelphia, for instance, has advanced from \$20.34 on February 28 to \$21.26 on March 7, following a loss of \$1 in the early part of February. This price is only 28.6 per cent above the average price of \$16.53

in 1913, and compares with a high record of \$53.51 in September, 1920. Other grades of pig iron have declined, however,—notably No. 2 Pennsylvania, which is now quoted at \$15, and Bessemer pig iron, which fell 50 cents during the month to 20.96 on March 7. In spite of this stiffening in some products, price movements are still uncertain, and a definite upward trend has not as yet developed. Indeed, the average of steel prices as shown by the composite price prepared by the Iron Age, was only 1.998 cents on March 7, as against 2.019 cents on February 7 and 2.771 cents on the same date last year. The former figure, however, is only 20.1 per cent higher than the 1913 average price of the same products, which was 1.663 cents.

Production strengthened considerably during February, as indicated by reports of pig iron and steel ingot output. Pig iron production continued its steady upward trend, the daily average tonnage reported being 58,214, as compared with 53,063 in January. This figure is still far below the record daily output, of 113,942 tons, reported September, 1918. Steel ingots were also produced in larger quantities, a total of 1,742,345 tons for the month being reported by the American Iron and Steel Institute. This is a net gain of 148,863 tons over January's total. The report of the American Bridge Builders' and Structural Society also evidences the improvement in February. Orders for 78,700 tons of fabricated structural steel, equivalent to 43½ per cent of the entire capacity of the country, were contracted for during the month. Unfilled orders of the Steel Corporation decreased more than 100,000 tons during February, being 4,141,069 tons on the last day of that month,—the lowest figure since December, 1914. This decrease was due largely to the great increase in operations of the Corporation during that month. Improvement has been less pronounced in this district, however, than in other parts of the country. A few plants are still closed down entirely, but the majority are operating at a fraction of capacity. Operations, in general, have increased since January, but this month was an exceptionally poor one. A surprisingly large number of firms report that production is at the same rate or even less than that prevailing in August. Increased operations, where they occurred, were almost entirely attributable to normal seasonal influences. Plants supplying automobile manufacturers generally increased in activity, and manufacturers of structural steel and cast iron pipe were also more active. Employment is practically unchanged and wages remain stationary.

A recent report of the Metal Manufacturers' Association of Philadelphia, comprising 132 plants in this district, reported that the total number of employees on the payroll on March 1 amounted to 39,383, as against 96,070 in July, 1920. In February there was a net decrease of 994 employees, but this is more than accounted for by a heavy falling off in ship-building employment; so that operating capacity in the other groups of manufacturers comprising the association is practically unchanged.

COAL ANTHRACITE

Demand for the domestic sizes of anthracite continues to be governed almost solely by seasonal influences. True, certain large users have stored coal in anticipation of a strike, but in the main, consumers are not concerned with the fear of a possible shortage. Indeed, domestic consumers seem as desirous as do the retail dealers of entering the new coal year with minimum stocks. Nor has the fear of a shut-down afforded any appreciable stimulus to the sales of steam coals, as users of these grades feel certain that stocks held by the operators are more than sufficient to fill their requirements during a possible strike. Buying of these grades, as well as of domestic coal, has been to fill immediate needs only. In view of these facts, retail dealers have also been buying very cautiously from the operators, except in the case of the most desired domestic sizes. Hence, producers have been compelled to store a large proportion of their current output and their reserves are heavy. Production has continued at a rate well up to the average of the present coal year, and much above the low level reached in the latter part of December. Output for the week ending March 11, 1922, was 1,982,000 tons, as compared with 1,913,000 tons in the preceding week, and 1,925,000 tons for the same period in 1921. Shipments for February, according to the Anthracite Bureau of Information, totalled 5,239,014 tons, as against 4,848,053 tons during January, and 5,966,101 tons during February, 1921.

Some retail dealers have endeavored to stimulate buying by shading prices, but the practice has not been general. Mine prices in this locality have been virtually unchanged during the past month, although scattered reductions have been made on steam coals by some of the independents. Ample evidence of the present poor demand is seen in a comparison of independent and company prices. Whereas the latter quotations are usually fairly well stabilized,

independent quotations fluctuate with changes in supply and demand. Ordinarily at this period of the year, when a good demand exists, independent prices are from 50 to 75 cents above company prices on domestic sizes. For several weeks past, however, independent quotations on broken, egg, stove, and nut coal have been from 20 to 55 cents below those of the companies.

As yet, no agreement has been reached by the operators and miners in the conference that commenced on March 15. The miners have presented a list of 19 demands, which include a 20 per cent increase in wages. The operators refuse to grant this increase; in fact, state that a reduction is necessary. It is probable that unless a compromise agreement is reached before April 1, mining of anthracite will cease on that date, as the miners announce their intention of striking then in the event of failure to reach a satisfactory adjustment.

BITUMINOUS

Purchasing of bituminous coal, which increased materially during February, has slackened somewhat in the past few days. It is true that large consumers are still taking more reserve tonnage, but as most of the railroads and public utilities have already accumulated large stocks, this demand is now falling off. Hence, production, which has increased steadily since the first of the year, has outstripped consumption, and prices have been shaded in the endeavor to move larger tonnages.

Daily average production during the week ending March 11, 1922, was 1,843,000 tons,—a figure almost as high as that reached in October, when consumers were storing coal in anticipation of a railroad strike. Indeed, the increase in output preceding that expected strike was almost parallel to the recent increase. At that time production rose steadily from 1,200,000 tons per day in August to over 1,800,000 tons per day in October, and then declined during the ensuing two months to a daily rate of about 1,200,000 again. In the past two months a similar advance has been made. During the former period, approximately two-thirds of the increased tonnage went into storage, and it is apparent that an equally large proportion of the present increase has gone into storage piles rather than actually increased industrial consumption. Hence consumers have little fear of a coal famine even in case of a protracted shut-down of union mines, for non-union output will be sufficient to fill a goodly share of current industrial needs.

COKE

The reaction in the soft coal market has been duplicated by a slight weakening of quotations on beehive coke during the past few days. Both consumption and prices, however, are better than those of last month,—a reflection of the increased iron and steel operations. Prompt furnace coke is now quoted at from \$3.25 to \$3.50, an advance of from 25 to 50 cents above the level of last month. Foundry coke is also higher in price, and ranges now from \$4.25 to \$4.75 for spot.

Production has increased steadily during the past month, totalling for the week ending March 11, 1922, 154,000 tons. This amount is several times as large as the low weekly output reached last summer. Indeed, production for the same week of 1921 was only 162,000 tons, or 5.2 per cent greater than the present output. The situation in the by-product coke industry has changed but little during the past month. The Geological Survey states that stocks at by-product plants now amount to more than a million tons. This may prove to be a factor of considerable importance in case of a protracted strike, as a large amount of this reserve would be available for domestic consumption.

PETROLEUM

In spite of a reduced demand and a lessened output of refined products, production of crude petroleum continues to be maintained at a rate much in excess of that of the same period last year. Moreover, imports of Mexican crude oil have shown but little abatement since the first of the year. And refineries are consuming only a fraction of the current production and imports. Hence, stocks of crude petroleum have increased considerably since December 31. On that date they amounted to 183,890,000 barrels, according to estimates of the United States Geological Survey, and, during January, these stocks increased 11,554,000 barrels, which brought the total amount of crude in storage up to 195,444,000 on January 31. Although official figures for February are lacking, the American Petroleum Institute estimates that stocks of crude oil increased over 8,000,000 barrels in that month. Thus, the present stocks are well over 200,000,000 barrels, an amount which is equal to nearly five months' supply at the rate of consumption maintained during 1921. The following table shows daily average production for the first ten weeks of 1922 and 1921, according to estimates of the American Petroleum Institute.

DAILY AVERAGE GROSS PRODUCTION (Barrels)

	1922	1921
January 7	1,413,450	1,221,075
January 14	1,430,710	1,230,770
January 21	1,418,200	1,254,590
January 28	1,415,950	1,267,415
February 4	1,418,300	1,282,615
February 11	1,413,600	1,273,200
February 18	1,410,050	1,270,725
February 25	1,410,450	1,260,135
March 4	1,420,050	1,253,680
March 11	1,429,200	1,245,125

In the face of this heavy production and lessened demand, prices have been fairly well maintained, although some weakness has developed of late in certain Western crudes. Quotations on Eastern crude are unchanged, Pennsylvania crude being quoted at \$3.55 per barrel on March 13, as compared with a high of \$6.10 and a low, on June 29, 1921, of \$2.25. Producers feel that the usual seasonal increase in refinery consumption will soon be sufficient to move existing stocks of crude oil without any further price concessions. But many refiners, especially the smaller ones in the mid-continent field, have curtailed their consumption in the expectation of lower prices in the near future.

Some of the refined oils, notably gasoline and automobile lubricants, have begun to feel a seasonal improvement in demand. Jobbers are buying more freely, and prices are slightly higher on these products. Export demand for gasoline has also increased. This improvement has been spasmodic, but it has been sufficient to cause slight advances in price. Industrial demand for lubricants, although still far below normal, has also increased somewhat. Kerosene, which has sold fairly well for both export and domestic consumption, has weakened with the approach of warmer weather and longer days. The demand for fuel oil has strengthened of late as a result of the expected coal strike, but consumption of this product is still far from satisfactory. Fuel oil and kerosene have been noticeably weaker in price during the past few weeks.

The larger refineries, in general, have maintained production at a rate ranging from 80 to 90 per cent of capacity, but have been forced to store a large proportion of their output. Hence stocks of practically all refined products are heavy at these plants. Smaller plants, especially skimming plants in the West, have been forced to curtail or cease operations, and in these cases stocks are quite low. The situation in the industry at the present time hinges largely upon the demand for gasoline, as this product is the standby of the industry both as regards volume and price.

COTTON

COTTON GOODS

The cotton goods market is less active than it has been for several months. Buyers are purchasing only in small lots and in some cases prefer to wait until they receive orders rather than carry even a moderately sized stock of goods. In some instances where goods are wanted at once, dealers who buy from mill agents have lost sales by not carrying a comprehensive line. They feel that these losses are less of an evil, however, than a large investment in merchandise would be under the present market conditions.

The first two weeks of March were fairly active because of the buying of sheetings by the bag trade. This was only a temporary condition, however, and the consequent recession has carried the market back to the low position it occupied during February. Converters and printers have sufficient orders on hand to insure operations for about thirty days. After that time, production will be materially reduced unless new orders are forthcoming, as the converters claim that the small margin of profit under which they operate at present makes it impossible to store their goods. This policy is in direct opposition to the one followed during normal times, when converters operate several months in advance of expected orders.

Restricted production is inevitable under present conditions, and this in turn is giving rise to economic losses that are a source of concern to mill owners and jobbers. The closing down and subsequent re-opening of a mill, for example, is a costly process; so costly, that the owner of only a moderately sized mill has stated that he would rather sell his daily production at a loss of a thousand dollars than close down entirely.

The strike in the New England mills continues, both employers and employees refusing to submit their differences to a board of arbitration. The mill owners are firm in their contention that wages are too high, as wages have dropped only a fractional part of the reduction in the prices of mill products.

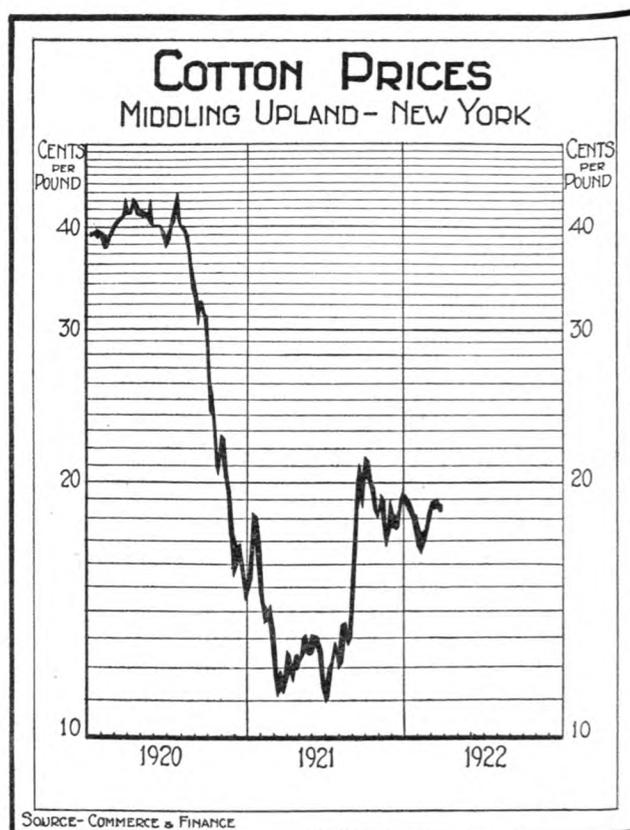
In spite of the strike in the Eastern mills, stocks of cotton goods are increasing. The rate of operations varies considerably. The large Southern mills that have selling agents in this district are operating at about normal capacity. Their production, however, is going to the filling of orders booked some time ago rather than of orders received recently. It is evident that the mills operating at normal produc-

tion are doing so by sacrificing a large part of their profit. Price concessions are being made in a few cases, but this practice is not as common as it was last fall.

RAW COTTON

The price of raw cotton has remained practically stationary during the past month. Spot cotton on the New York Cotton Exchange, as shown by the attached chart, has fluctuated between 18 and 19 cents per pound, and May contracts have averaged about 18 cents per pound. There has been no shortage of cotton to meet contract demands, but forced liquidation by owners of cotton has decreased. The recent weather has been favorable in Texas, but rains in the eastern part of the belt are beginning to interfere with preparations for the new crop.

Other factors that will have an influence upon the coming crop are the amount of fertilizer used and the boll weevil. Sales of fertilizers in cotton states, as reported by agricultural bureaus and state boards, from August, 1921, to February, 1922, inclusive, show a decrease, as compared with last year, of 16 per cent and, as compared with 1920, a decrease of 70 per cent. This, of course, is in line with informa-



tion that farmers intend raising this year's crop with as little financial outlay as possible.

Government investigations recently made public are to the effect that the boll weevils have survived the mild winter in unusually large numbers. In considering this information, however, it is well to remember that the investigations covered only a small part of the cotton belt and that the results cannot be taken as indicative of conditions in the entire cotton producing country.

The final report on cotton ginned, issued on March 20, indicates that a total of 7,976,665 bales comprised the crop of American cotton for the past season. This is a reduction of 5,294,305 bales, or 39 per cent, as compared with last year, and of 4,934,692 bales, or 38 per cent, as compared with the average for the past ten years. American takings for the season to date are 4,565,593 bales, as against 3,200,800 bales last year and 5,136,072 bales in 1920. World takings of American cotton to date are 8,756,866 bales, an increase of 31 per cent as compared with last year. This is a smaller increase than the American takings, which gained only 29 per cent over last year's figures.

Cotton consumption for February was 473,073 bales, as against 526,552 bales for January. The February figure, however, is 77,958 bales larger than that of February for last year. For the season of 1921-1922 a gain in consumption has been made of 752,096 bales over 1920-1921. The decrease from January to February, 1922, is the result, in part, of labor conditions in the New England mills and, in part, of the reduction in the number of working days during February.

WOOL

WOOLEN AND WORSTED GOODS

A very noticeable slump in the demand for woolen and worsted goods has taken place in the past two weeks, and no attempt has been made by manufacturer or jobber to disguise this fact. Though a few firms report a fairly well maintained volume of business, the majority declare that sales to the cutting up trade have fallen off to such an extent that nothing but small fill-in orders are now being received. Cancellations began to come in some time ago and have increased during the past two weeks.

The women's wear trade in particular has fallen off heavily. This is attributed to the fact that the greatly restricted purchasing power of the consuming

public has forced the retail buyer to be extremely conservative. Nevertheless, manufacturers of well-established lines have no fear for their summer and fall business. The men's wear trade continues to be dull and in some quarters has even declined. Very little improvement is looked for in this division until there has been a definite settlement of the labor troubles in the clothing trade.

Production has been curtailed, and in some instances plants manufacturing men's wear have been closed down entirely. In the women's wear division, manufacturers are operating at a much reduced rate. Stocks generally are decreasing. Prices of woolen and worsted goods are being well maintained. Some very minor concessions have been reported, but they are of practically no consequence.

Collections are reported as being fair.

WOOLEN AND WORSTED YARNS

The inactivity in woolen and worsted yarns noted last month has continued, and in some instances is even more pronounced. Although operations are being carried on at a satisfactory rate, averaging about 85 per cent, very few new orders are being received. Present operations are almost entirely against contracts placed in the past, and the length of time spinners can operate on their old contracts varies from a few weeks to three months. The majority, however, are sold ahead for a short time only, and even now stocks are rapidly accumulating. One large firm reports that 70 per cent of its present production is going into stock.

Another disturbing factor, which in part explains the increasing stocks in the hands of spinners, is the number of requests for deferred shipments of yarns coming in from knitters and weavers. Wholesalers and retailers are moving their stocks slowly and are requesting that shipments of finished goods to them be held up. This in turn affects the spinner, and a repetition of the cancellation evil is feared. As yet there have been no reports of direct cancellations, but each deferred shipment is a possible one and is a source of concern to spinners.

Weaving yarns are less active than knitting yarns, a condition that has prevailed for the past four or five months. The stock of yarns held by weavers has proved to be entirely adequate, and at the present rate of operations they are consuming these yarns but slowly. In the knitting trades conditions are slightly better, but even this improvement is largely a result of the orders that have been placed for some time.

Under normal conditions there would be a certain amount of speculative business in yarns. However, all spinners and mill agents are unanimous in reporting that the present transactions are entirely free from the speculative element.

It is generally reported that collections are fair.

RAW WOOL

The marked falling off in the demand for woolen and worsted goods, due to the refusal of the buying public to pay present high prices for such goods, has resulted in less activity in the raw wool market. For the past two weeks a more quiet tone has been in evidence in the Philadelphia market, especially since the last Government auction, which was held in Boston on March 2. Notwithstanding the fact that the wools offered at this auction were quickly taken up by buyers, the majority of wool men have adopted a very conservative attitude. Manufacturers are practically out of the market, because it is almost impossible for them to dispose of yarns and goods at prices based upon present wool costs.

Although the market has been much quieter than in recent months, prices have remained firm at high levels, and sellers are not disposed to make conces-

sions. Quotations on fine wools especially are well maintained, and the increased demand for the lower grade wools has tended to keep prices firm. One redeeming feature in the current situation, from the standpoint of the conservative element in the trade, is the practical elimination of speculators. The latter have done much to upset the trade and in a large measure have been responsible for the present inflation of the market. But the increasing scarcity of wool, together with the restrictions placed upon importation by the Emergency Tariff Bill, has also had a marked tendency to make ineffective the demand for lower prices.

Stocks of wool are far from being sufficient, even though consumption may continue at no more than the present rate. The carry-over of old wools has been greatly reduced, and supplies of territory wools are low.

Collections are satisfactory.

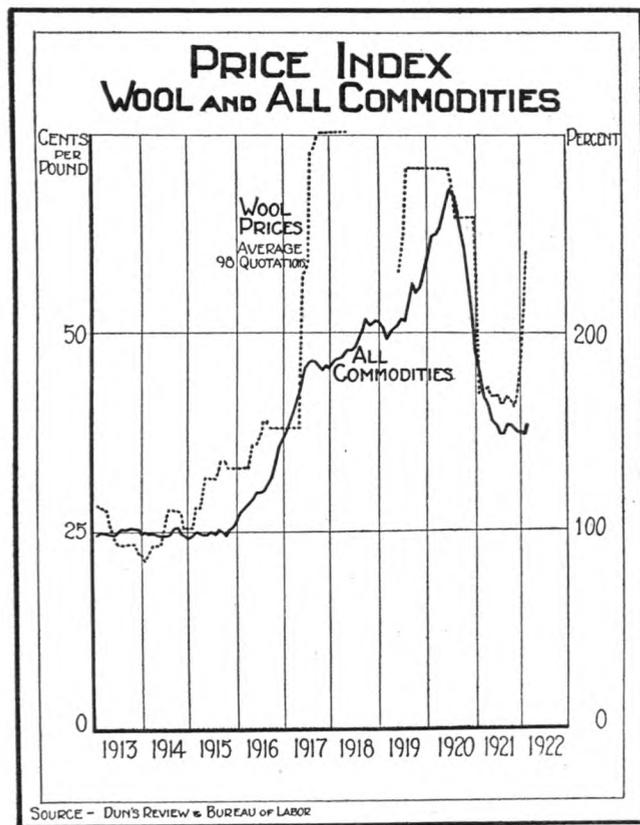
SILK

SILK GOODS

Manufacturers of broad silks and ribbons are practically marking time, although there has been a temporary spurt in business caused by the pre-Easter demand. They are speculating on how long it will be before the market is actually stabilized and as to how soon buyers will begin to place orders. The volume of business now being done, though it serves to indicate the trend of demand as regards quality, etc., is, nevertheless, in no way indicative of the needs of the country. More possible buyers are in the market now than for some time, but they are not placing orders, although they admit that they actually need silks. The prevailing sentiment among the jobbing trade is that when the time comes to buy, they will be able to get anything they desire at a moment's notice. Orders are coming in in only fair volume, and practically all are for small quantities and for immediate or near-future delivery. Cantons, georgettes, crêpes and sport silks are the leading sellers, with black, tan, white and blue the predominating colors.

Production is being maintained at a reduced rate, and it is unlikely that any increase will occur until some real degree of stabilization has been reached. Stocks are accumulating slightly in some instances, but for the most part, mills are manufacturing on order only.

Prices of silk goods have remained firm for some time, and as yet there is no evidence that a change will be made in the near future. Most raw silk going



into goods manufactured at the present time was bought at a price much lower than present quotations.

Collections are reported as being from fair to good.

RAW SILK

Although the raw silk market in this country is spotty and irregular, buyers are showing greater interest in the prices quoted. Notwithstanding the fact that much uncertainty still prevails, the number of inquiries is increasing and the tone of the market is a bit more firm. Only a small proportion of the inquiries, however, are resulting in sales. Although manufacturers may need raw silk, the majority declare that they will not buy for their future requirements until the market has settled to a genuinely stable level. Many manufacturers were caught in the wave of speculation which swept the market, and some very costly experience has led them to exercise extreme caution. In addition, they desire to eliminate, as far as possible, all speculative buying. Generally speaking, transactions in raw material continue on a hand-to-mouth basis, and requests for quick delivery reveal the fact that stocks at the mills are badly assorted as well as depleted.

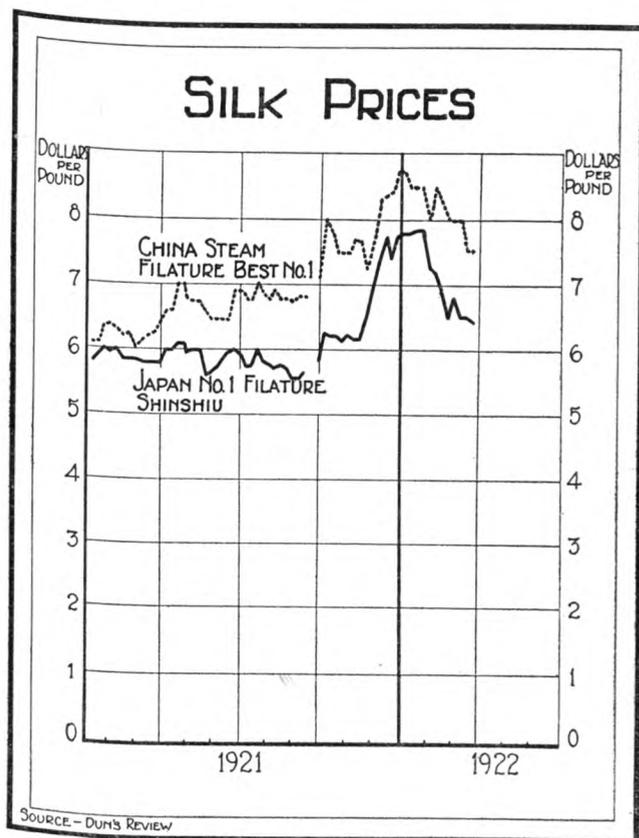
Prices of raw silk of all grades are now below the \$7 figure. Not a few manufacturers who bought raw silk at approximately \$5 declare they will not buy further until prices again approach that figure.

HOSIERY

Sales of silk hosiery are increasing, as was to be expected at this season. Some orders for full-fashioned hosiery are being placed for delivery as far ahead as June, but many call for prompt shipment. In seamless hosiery, both of silk and artificial silk, few orders are being received except for early delivery. Of silk hosiery in the standard colors fair-sized stocks are still held by jobbers and retailers, as winter sales were somewhat curtailed by the enormous demand for heather lines. New shades, including many bright colors, of which stocks are light, feature the present orders. The decline in the price of silk to a figure about 5 per cent above that prevailing before the rise of last November, is permitting manufacturers to accept business at the same prices as prevailed last fall. They are thus in a position to satisfy the demand of many buyers who flatly refused to pay any advance.

No new business is reported in heathers, but it is certain that contracts placed earlier in the year for next autumn were even larger than generally credited at the time. Cotton and mercerized hosiery is moving but slowly, and price changes are small.

The new prices announced early in March by one of the largest hosiery mills in the country, which



OPERATIONS IN THE HOSIERY INDUSTRY

	(In terms of dozens of pairs) Number of reporting firms—34	February, 1922, compared with January, 1922	February, 1922, compared with February, 1921
<i>Firms selling to the wholesale trade:</i>			
Product manufactured during February		— 3.1%	+ 87.3%
Finished product on hand February 28		+ 7.3 "	+ 11.8 "
Orders booked during February		— 57.2 "	— 64.2 "
Cancellations received during February		+132.5 "	.....
Shipments during February ..		— 1.0 "	+ 47.5 "
Unfilled orders on hand February 28		— 17.2 "	+148.8 "
<i>Firms selling to the retail trade:</i>			
Product manufactured during February		+ 1.8%	+ 85.3%
Finished product on hand February 28		+ 11.2 "	+ 19.4 "
Orders booked during February		— 58.5 "	+ 3.9 "
Cancellations received during February		+362.7 "	.....
Shipments during February ..		+ 22.2 "	+ 48.2 "
Unfilled orders on hand February 28		+ 18.2 "	+ 45.7 "

makes all kinds of hosiery, show that the changes in price as compared with the figures of last November are very small, the decline ranging from 5 cents to 25 cents per dozen in cotton stockings, and from 10 cents to 50 cents per dozen in artificial silk. An advance of 50 cents per dozen was made in women's full-fashioned silk hosiery.

Collections are not good, and have become slower since January 1.

UNDERWEAR

During the past month summer underwear has sold more freely. Buying has been resumed both by those who had not purchased early in the season and had since held off on account of the higher prices demanded, and by those whose earlier purchases had proved to be insufficient for their needs and who were therefore obliged to re-enter the market for fill-in lots. All these orders are for prompt shipment, and many of the mills are fairly well provided with business for the time being.

Prices paid have been low,—either about the same as those of last August, or in some cases slightly higher, though not more than 10 per cent higher. This is in spite of the fact that yarns have advanced from 25 per cent to 35 per cent. With some mills it appears to have been a question whether it was better to take orders at the best obtainable price or to close down, and the question has generally been answered in favor of the former alternative, as in the end the more economic one.

Sales of winter underwear have been small, buyers awaiting developments before purchasing further supplies. As in other lines, the tendency has been against purchasing for the future in anything but a small way. A publicity campaign has been planned by manufacturers of knitted underwear to stimulate its use, as considerable inroads into the business are said to have been made in recent years by nainsook underwear. For this purpose a fund is being raised, and each manufacturer has been asked to contribute a small percentage based upon his sales. The prospectus claims that the present practice of buying the bulk of supplies much nearer to the time of actual need than formerly, is to the disadvantage of the knit goods articles, as there is an overproduction of nainsook and this can be supplied in sufficient quantities to fill all needs at very short notice. Whether the condition complained of is caused by the competition of the nainsook manufacturers or is symptomatic of the times can be decided only by **future events**.

Collections are reported to be **only fair**.

CONDITIONS IN THE UNDERWEAR INDUSTRY

(In terms of dozens)	February, 1922, compared with January, 1922	February, 1922, compared with February, 1921
<i>Summer underwear:</i>		
Number of reporting firms—14		
Product manufactured during February	+10.2%	+ 50.8%
Finished product on hand February 28	-17.7 "	+649.0 "
Orders booked during February	-57.5 "	- 56.0 "
Cancellations received during February .....	.....	.....
Shipments during February.....	- 7.5 "	+ 40.1 "
Unfilled orders on hand February 28	-27.7 "	- 17.7 "

Winter underwear:

Number of reporting firms—8		
Product manufactured during February	+11.8%	.....
Finished product on hand February 28	+30.7 "	.....
Orders booked during February.	-39.4 "	.....
Cancellations received during February .....	.....	.....
Shipments during February.....	+35.1 "	.....
Unfilled orders on hand February 28	+14.0 "	.....

FLOOR COVERINGS

Carpet mills are now making the final shipments on this season's contracts and are preparing samples for the next season. As a whole, the past few months have been a satisfactory period in the industry, except as regards goods that find their principal outlet in agricultural sections of the country. For these the demand has been poor.

The manufacturer of carpets and rugs is in an exceptionally strong position. During the war and the period of prosperity thereafter, production was not increased, and little or no new machinery was added to that already installed. Therefore anything that at the present time approaches a normal demand means a period of good business, as the growth of the country has more than compensated for any excess production in the early part of the past decade.

The point on which the principal interest is now focussed is the opening for next season. It is the general belief that the largest manufacturer of carpets and rugs in this country will shortly announce his usual auction sale, and that prices will be pretty generally fixed at that event. Last autumn was the first time in several seasons that this method of marketing was not observed. At that time, owing to the rather unusual conditions in the trade, an opening at fixed prices took the place of the auction.

Collections, which until recently have been good, are now reported as being considerably slower.

All the large makers of linoleum are running their plants at full capacity, and the orders being received

justify this production. During the spring, business is usually taken for a large part of the year's production. So far, most of the orders received call for shipment within 60 days, but at the present rate of selling it will soon be impossible for some of the manufacturers to promise delivery within anything like that length of time.

Prices of finished product are practically unchanged. What changes have occurred have been slight adjustments downward and have been restricted to certain lines that were not moving freely. Of the materials used in the manufacture of linoleums, linseed oil is again higher, owing to a reported world shortage of seed, and the price of cork is very firm and gradually advancing.

Collections are somewhat slower. This is especially noted by houses who sell largely in the western and southern districts, where payments are from thirty to ninety days late.

LEATHER

No changes of moment have occurred in the price of heavy leathers, although the curtailment in production, of which we took note last month, led dealers to expect them; nor have sales as a whole increased. In fact, sales appear to have declined, except in the case of offal, which, owing to the demand for a low-priced shoe, has sold better than any other leather. Some foreign business is reported to have been closed, but the quantity is disappointing.

During January, stocks of sole leather again increased, the figures of the Census Bureau, Department of Commerce, showing a gain of 2.5 per cent. On the other hand, belting leathers decreased 3.1 per cent, and offal 2.5 per cent.

Sales of belting leather have shown a small but gratifying increase during the last few weeks. Cement manufacturers have come into the market, and for the first time since deflation began contracts for forward deliveries have been made with some of the leading steel interests. Prices in some instances have been advanced without curtailing sales.

In upper leathers the market has been dull, a condition, however, that is partly seasonal. Sales of glazed kid have decreased sharply, and as a result some tanneries have reduced the number of skins put in process. Medium and low grades have sold to the best advantage. Stocks have increased somewhat this month, but they are not burdensome. Calf leather, although more active than glazed kid, and selling at prices which are considered much cheaper

than those of the latter, has not been in good demand, except in the case of certain specialties such as smoke color and ooze leathers in grey and tan. Probably the best selling leather has been patent leather. For this the demand has been fairly satisfactory, not only in this country but also for shipment abroad. A number of orders, no one of them, however, very large, have been received from several of the foreign markets. Patent kid appears to be particularly popular in the French market.

LEATHER GOODS

Manufacturers of bags and fancy leather goods report that business shows a decided improvement over that of a year ago and that their plants are running at or near capacity. Prices are lower than they were last spring by about 15 per cent, but there has been no change during the past sixty days.

Suit cases, however, are not in vogue, the bag having supplanted the case in the fashion of the day. Trunks, also, are selling in much smaller numbers, and there has been heavy price-cutting. These reductions, though helping to market the special lots pressed for sale, have not stimulated the demand as a whole. High-grade trunks are particularly dull. Some of the articles used in the manufacture of trunks, such as lumber and canvas, have advanced in price.

HIDES AND SKINS

Further recessions in the price of hides are to be noted, as also some large sales made by the packers. It must be borne in mind, however, that when quality is taken into consideration, the decline amounts to little, as the goods being marketed now are of the poor season.

Calf skins, too, have dropped in price, but sales of them have not been large. Owing to the dullness in the finished leather, tanners are proceeding with great caution. Goat skins have come into line with other raw skins, and prices are lower than they were last month. In Calcutta they are reported to have declined about 5 per cent, and most of the foreign markets have reacted in about the same ratio. Kid tanners are placing few orders abroad, as it is very uncertain what conditions will be several months hence. Some of them declare that they will trust to being able to buy from dealers who have the skins either on spot or afloat, if it should be necessary to do so, rather than stock up now in an unstable market.

SHOES

Orders for shoes for shipment later than Easter are at the present time exceptional, and, therefore, work in the cutting rooms of local manufacturers is beginning to slow down. The amount of business that has been booked is small in comparison with that of a normal spring season. It is more than likely, however, that a considerable number of orders for late spring and early summer delivery are yet to be placed. The bargain sales of old-style shoes for women are continuing, and it would now appear that the retailer has not yet succeeded in liquidating these stocks. This may account for the fact that wholesalers and manufacturers report collections to be very slow, so slow that many orders from firms which have failed to pay old bills are being held back. This is the season when dealers and makers ordinarily ship the goods and retailers have them on their shelves. If this condition continues, there will be many lots that will have missed their market and will eventually find their way to the bargain counter.

Some instances are reported in which deliveries of sport shoes have been delayed, owing to the failure of the manufacturers of rubber soles to make shipments on time. The large increase in the demand for this type of shoe has caused a congestion of business in the rubber sole factories, and it is now feared that a considerable amount of business booked for sport shoes for prompt delivery will be lost.

Large orders have been taken for white shoes, but in these also there seems to have been a slackening. Some of the large makers of low-priced canvas shoes, who had previously declined to accept further orders calling for shipment before June, are now offering to accept new business for delivery by May 10.

Price changes during the month have been few, but those made have been downward.

Viewed as a whole, the situation in the shoe trade is far from satisfactory. The amount of business booked, especially by the factories making high-grade shoes, has been disappointing; and the credit situation referred to above, and described by some as being the worst in years, is causing a small season's business to become even smaller.

CONDITIONS IN THE BOOT (In terms of pairs) Number of reporting firms—47	AND SHOE INDUSTRY	
	February, 1922, compared with January, 1922	February, 1922, compared with February, 1921
Production	+ .9%	+12.5%
Shipments	+15.7 "	+ 8.2 "
Orders booked	-13.7 "	-22.9 "
Orders on hand.....	- 7.0 "	+69.3 "
Stocks on hand.....	+ .7 "	+ 9.3 "
Number of operatives on payroll..	+ 3.6 "	+12.3 "

PAPER

No change of importance has occurred in the paper industry since last month. Sales were low in January, but there was a slight improvement during the first week or two of February. Since that time, however, demand has fallen off again. In other words, the situation is spotty, varying at different times among different dealers and as to different grades of paper. Some local dealers, however, express the opinion that the general trend is slowly upward. The total volume of business is just about the same as it was this time last year, which was a dull period.

As to particular grades, book papers have been selling better than they did earlier in the year. Wrapping paper manufacturers, however, report no improvement. They have reduced operations to about 50 per cent of normal in order to avoid the accumulation of stocks, but unfilled orders are only about one-fourth as large as usual, and unless the demand improves, production may be cut further. This smaller consumption of wrapping paper reflects to a certain extent a decline in the business of its various consumers, but it is also due to foreign competition. A large volume of this grade of paper is being imported and is offered at prices below those quoted on the domestic product.

Mill operations have not changed to any material extent within the past month. They still vary among the different firms, but average about 60 per cent of capacity. Some mills are running on full time and are able to dispose of their output, but these are exceptional. Others produce at capacity for a period, accumulate stocks, and then run on a limited schedule until this excess is disposed of. Efforts are made to keep stocks as low as possible, but with the manufacturers they are still rather large. Dealers, however, as a rule report that they have only minimum supplies on hand and are so purchasing as to keep stocks down.

Prices in general continue to be firm. Although some changes on particular grades are announced from time to time, the drastic horizontal cuts which were so prevalent last year no longer occur. It is still possible to obtain concessions from the list prices when particularly large and attractive orders are placed, and some price-cutting has been reported. Wood-pulp prices are weaker. The larger domestic mills are standing by their previous quotations, but pulp can be bought from others, particularly foreign

producers, for less money. Pulp-wood is being purchased by manufacturers now at prices ranging well below those prevailing at this time last year.

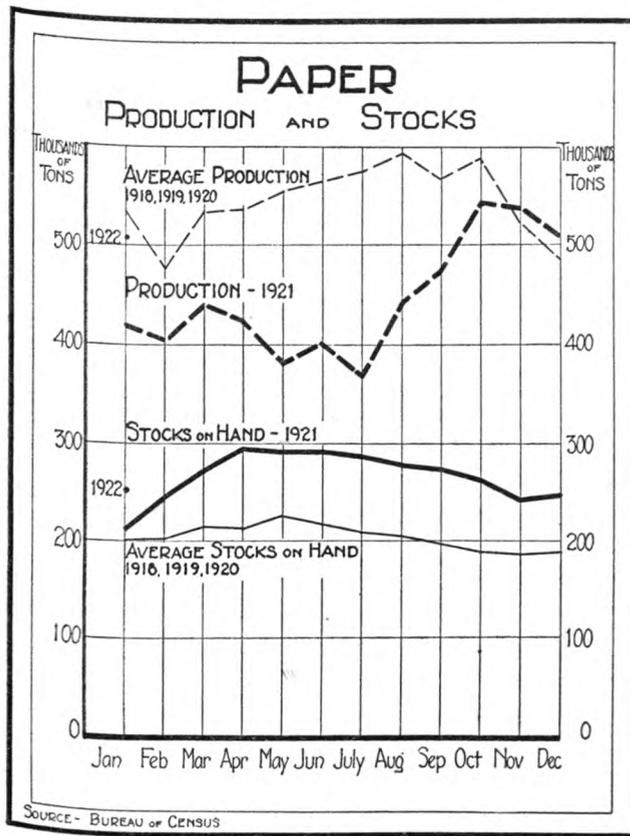
Collections in most cases are reported to be poor. The following table gives recent statistics of the paper industry. It will be seen that in general production and shipments in January were slightly below those for December, although this was not true of every grade. Comparison with January, 1921, shows that the status of the industry has improved within the last year in respect to sales. Contrary to the general impression, however, stocks are larger than they were last January. But a year ago stocks were piling up rapidly, and now they are more carefully regulated.

The chart presented herewith gives further information for last year. The light curves show the average production and stocks for each month during the three years, 1918, 1919, and 1920, and the heavy lines give the monthly figures for 1921. Thus the trend of production and stocks during last year may be compared with the average fluctuations for the three previous years. It will be noted, first, that the seasonal changes in the paper industry are slight, particularly as regards stocks. Attention is also

called to the low production during the early months of last year, and to the rise from August to October. Although production fell off in November and December, it was nevertheless above the average for these months. Finally, note should be taken of the large reserves carried throughout the year.

STATISTICAL SUMMARY OF THE PAPER INDUSTRY
—FEDERAL TRADE COMMISSION
(000's omitted)

	Production Tons	Shipments Tons	Stocks at end of month Tons
Newsprint:			
January, 1921	123,830	116,176	32,417
December, 1921	107,877	107,070	23,934
January, 1922	105,808	103,192	26,550
Book Paper:			
January, 1921	64,382	60,507	28,880
December, 1921	70,798	69,101	38,757
January, 1922	73,466	73,760	38,463
Fine Paper:			
January, 1921	22,756	18,320	34,748
December, 1921	25,843	25,232	34,000
January, 1922	27,405	26,074	35,331
Wrapping Paper:			
January, 1921	44,620	35,179	45,241
December, 1921	64,850	66,207	48,848
January, 1922	65,791	60,133	54,506
Paper Board:			
January, 1921	105,806	100,431	58,479
December, 1921	149,047	145,809	63,018
January, 1922	145,198	145,485	62,731
Total all grades:			
January, 1921	420,468	385,923	248,941
December, 1921	508,284	503,567	253,644
January, 1922	506,195	494,868	264,971



PRINTING AND PUBLISHING

Nearly all local printers and publishers agree that their business is poorer than it was in March, 1921, and that no definite improvement has occurred since January 1. In general, it is stated that orders have increased neither in size nor in number within the past three months. There are, to be sure, exceptions, but betterment is reported only in spots and by a few firms, and some of these express doubt as to whether the improvement is more than a temporary one. The greater part of the business now received is for routine job work and for commercial advertising. A few firms report a slight increase in this latter class of work with the approach of spring, but many others have experienced no such improvement. Magazine advertising is noticeably better, one large publishing house reporting a 20 per cent increase in volume since last spring. It is also stated that the sale of magazines has improved during the same period. Lithographers are not receiving any more actual orders, but they are making estimates on a large number of attractive inquiries.

Although one or two large firms and a few small ones are still running at capacity, the most general

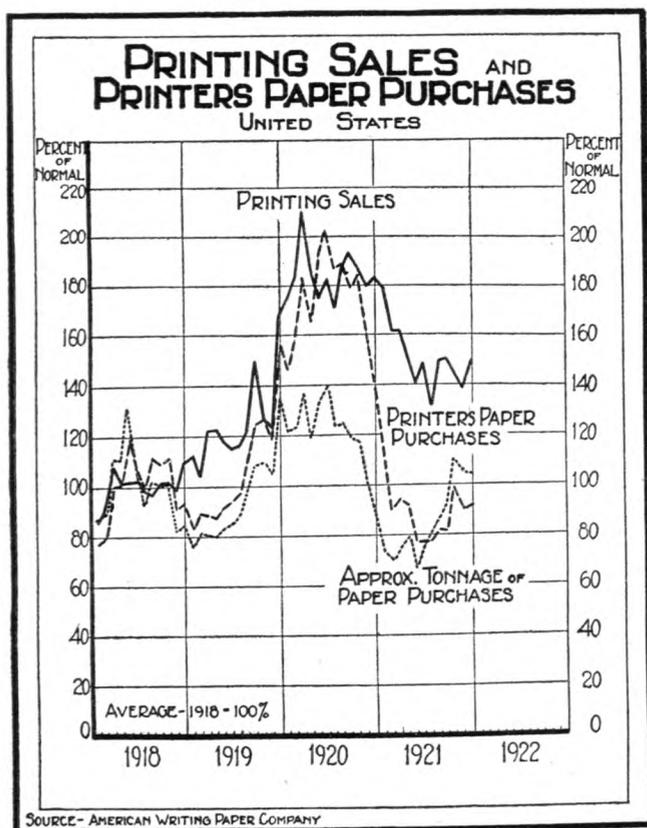
rate of operations is about 60 per cent. One large plant, which is running on full time, reports that it is working chiefly upon back orders and that unless more business is received shortly, operations will have to be reduced in a few weeks. A number of printers have increased production since the first of the year, but the majority have been running at their present rate for several months, and are upon a lower basis than at this time last year.

Regulation charges for printing have not been reduced in some time; in fact, in many cases they have not been lowered at all except insofar as the prices of paper and other materials have been lowered. But competition is so keen in the industry at present that price-cutting has been resorted to in order to get enough business to keep plants running and organizations intact. Many larger firms complain that the industry outgrew its normal demands during the recent period of prosperity, and that numerous small printers started into business who have low overhead expenses and do not keep accurate cost records. To this group is largely attributed the present demoralization of the industry. Overhead costs are a factor in keeping up the charges for printing, and these costs are naturally larger per unit of product when pro-

duction is below normal. Nor can they be reduced until more business is received. The question, then, is whether or not in normal times the supply of printing is sufficient for the present enlarged capacity of the industry. In regard to other costs, paper is considerably lower than it was a year ago, but has been firm since January 1. It is reported, however, that on large orders special concessions from list prices can usually be obtained. Although wages of unskilled laborers have been generally reduced, in only a very few cases have those of skilled workers been lowered, and the highest scale of wages ever paid is still in force.

A number of complaints regarding the slowness of collections have been noted, but most firms consider them to be fair.

The accompanying chart shows the trend of business in printing and publishing for the last four years. The data, from which the chart is made, were collected by the American Writing Paper Company and are based upon detailed reports submitted monthly by representative printing houses located in various cities of 39 states. The monthly average for 1918 is taken as normal. The chart shows graphically the large volume of business done in 1920, and the corresponding increase in paper purchases. Printing sales fell off last year but are still well above the assumed normal. Paper purchases, on the contrary, declined radically and are now about normal. The trend of prices of paper is shown by the divergence between the two lines representing paper purchases in dollars and tonnage of paper purchases. It will be noted that the latter curve is now above the former, showing that current paper prices are below those prevailing in 1918, when the normals were taken.



CIGARS

Better demand for cigars, which ordinarily begins about this time of the year, has not as yet been noticed by manufacturers in this district. The situation is spotty. A firm receives a fairly large volume of orders for a time, and this affords some encouragement; but shortly after, sales fall off again, and the aggregate for the month proves to be not much better than that of previous months. Although their stocks are low, dealers are not buying any more than they absolutely need. There are still on the market a large number of poor quality cigars of standard brands sold last year at a sacrifice in order to reduce inventories, and until these are disposed of, the de-

mand for current output will not be up to normal. As reported in previous months, a few large manufacturers in the district are still doing a big business, but these are exceptions.

The figures of the Collector of Internal Revenue for stamps sold on cigars in January, presented in the accompanying table, are not encouraging. The total number of cigars sold in that month was less than in any month within the past three years. A study of the statistics for the different classes shows that sales in dollars must have fallen off even more than in number, for the decrease has occurred largely in the four higher classes. In fact, Class A, including all cigars selling for five cents and less, has increased. The greatest decline was in Class B cigars, which have fallen off about 45 per cent. Sales of Class C cigars were only slightly smaller than during last January, but much smaller than they were two years ago.

NUMBER OF CIGARS UPON WHICH STAMPS WERE SOLD

	Collector of Internal Revenue (000's omitted)					Total
	Class A (under 6c.)	Class B (6c.-8c.)	Class C (9c.-15c.)	Class D (16c.-20c.)	Class E (over 20c.)	
1920						
January	170,566	221,449	260,905	8,410	2,305	663,634
1921						
January	127,046	147,317	176,891	9,718	1,826	462,798
February ...	130,856	162,517	187,282	13,097	2,972	496,724
March	155,633	168,066	217,195	17,527	2,922	561,343
December ...	150,971	106,688	191,603	10,725	3,677	463,664
1922						
January	161,168	96,144	176,359	8,078	1,512	443,261

As a rule, operations vary with demand. Many firms reopened factories early in the year, ran for a time, and, then, finding stocks accumulating, closed down again until these supplies were disposed of. Others have run only so many factories as were necessary to produce the number of cigars needed. In practically all cases, efforts are made to avoid the accumulation of stocks. Therefore, production among the different firms varies from 40 to 100 per cent of capacity. Labor is plentiful, but there have been no wage reductions since the small cut

put into effect when operations were resumed after Christmas. Prices have also remained stationary since the reductions made on a few brands during January.

Several firms report that collections are good, but many consider them to be poor.

Some belated buying of 1921 leaf tobacco has been done in Lancaster County recently, but a larger part of the crop still remains in the hands of the growers than is usually the case this late in the season. Prices on most of the various grades of domestic tobacco are below those of a year ago. Porto Rico, which fell practically to its pre-war level some months ago, is firm, and Havana has been advancing slightly. Some interest is being taken in the Sumatra inscriptions which will be held in Holland within the next few weeks.

The accompanying table, compiled by the United States Department of Agriculture, shows the acreage, production, and value of the various cigar types of leaf tobacco for the last three years. Total production, 1921, was about 7 per cent less than in 1920, whereas the value of the crop was one-third smaller. This reflects an average price decline within the year of about 30 per cent.

CONFECTIONERY

Demand for confectionery has been below normal this year. The Christmas business was as good or better than usual, but since January 1 orders have fallen off. Customers have limited their purchases to immediate needs, and these have not been great. Whether this is due to falling off in consumption or to the fact that dealers still have sufficient stocks on hand is not clear. Manufacturers making Easter eggs have had a normal call for these products, but that class of business is relatively small and it usually lessens the demand for other kinds of candy. Chocolate coverings have been bought in large amounts recently by ice-cream manufacturers for use in making a popular new confection. The demand for fine

PRODUCTION OF CIGAR LEAF TOBACCO

Type and district	By Types and Districts						Value		
	Acres (in thousands)			Production (in thousands of pounds)			(in thousands of dollars)		
	1919	1920	1921	1919	1920	1921	1919	1920	1921
Cigar types:									
New England	40	40	41	62,350	59,900	58,774	33,918	39,834	24,332
New York	3	2	2	3,870	2,560	2,500	871	691	482
Pennsylvania	43	43	42	56,760	64,930	61,320	10,217	7,792	7,972
Ohio, Miami Valley	48	40	30	41,387	37,282	27,707	6,208	9,320	3,602
Wisconsin	48	50	48	60,960	62,400	61,488	14,326	8,674	5,042
Georgia and Florida	6	6	6	5,700	6,340	5,700	3,095	3,360	2,605
Total, cigar types	188	181	169	231,027	233,412	217,489	68,635	69,671	44,035

candies is reported by manufacturers to be below normal even for this season, which is ordinarily one of the dullest periods of the year.

Plant operations vary in most cases between 50 and 75 per cent of capacity, although a few firms report 100 per cent production. Factories making fine confections are running at about 60 per cent of capacity. In most lines manufacturers are keeping their stocks low, but some individual firms are accumulating reserves.

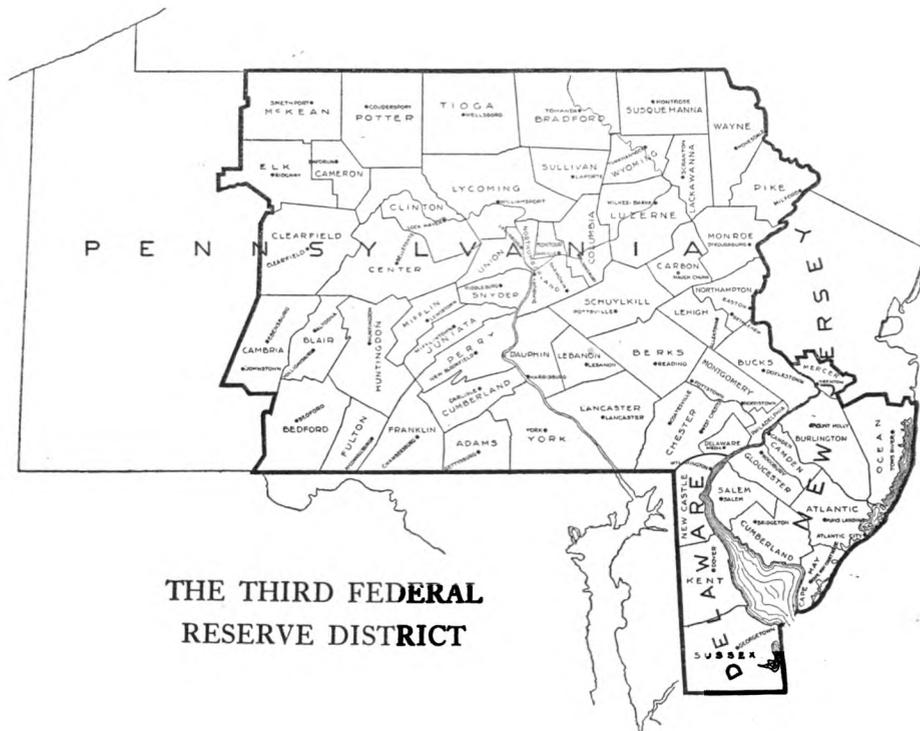
No manufacturers in this district report any general decrease in prices, although a few specific grades have been lowered. It is generally stated, however, that competition is severe and that some price-cutting has resulted. The only advance in prices noted was on chocolate coverings. This can be attributed to the aforementioned demand from ice-cream manufacturers, and to the fact that cocoa beans have risen from their abnormally low level of a few months ago and are now selling at a price which is said to

allow the growers some profit. One standard grade, which fell from 22 cents in 1920 to five cents last year, is now quoted at about nine cents, which corresponds closely with pre-war quotations. Recently, however, the rise in the prices of cocoa beans and cocoa butter has been checked, and the market has been quieter. Sugar is strong, and some refiners have lately advanced their quotations to 5.50. Corn syrup, another basic product, has also risen in price. But in spite of these advances, most of the commodities that go into the manufacture of candy are still nearer to pre-war prices than are most grades of candy. Particularly is this true of the fine grades. Wages, however, have not been reduced to any appreciable degree, and there are evidences that the industry became overexpanded during its prosperous period, which makes a downward revision of overhead costs difficult.

Practically all firms report that collections have been particularly slow since the first of the year.

COMPILED AS OF MARCH 23, 1922

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



**THE THIRD FEDERAL
RESERVE DISTRICT**

CHARGES TO DEPOSITORS' ACCOUNTS

other than banks' or bankers', as reported by Clearing Houses

	Mar. 15, 1922	Feb. 15, 1922	Mar. 16, 1921
Altoona.....	\$3,173,000	\$2,396,000	\$3,538,000
Chester.....	4,091,000	3,403,000	5,187,000
Harrisburg.....	6,741,000	5,604,000	6,240,000
Johnstown.....	4,072,000	3,475,000	4,855,000
Lancaster.....	5,026,000	4,604,000	5,529,000
Philadelphia.....	292,575,000	267,429,000	331,786,000
Reading.....	7,209,000	6,397,000	6,308,000
Scranton.....	13,432,000	12,867,000	13,351,000
Trenton.....	10,998,000	12,081,000	10,500,000
Wilkes-Barre.....	8,512,000	8,095,000	8,442,000
Williamsport.....	4,201,000	3,765,000	4,061,000
Wilmington.....	6,870,000	6,257,000	8,463,000
York.....	3,430,000	3,199,000	4,385,000
Totals.....	\$370,330,000	\$339,572,000	\$412,645,000

RESOURCE AND LIABILITY ITEMS of Member Banks In Philadelphia, Camden, Scranton and Wilmington (000's omitted)

	At the close of business		
	Mar. 8, 1922	Feb. 8, 1922	Mar. 11, 1921
Loans and discounts:			
Secured by U. S. securities	\$41,368	\$45,773	\$70,542
Secured by other stocks and bonds.....	208,642	214,238	194,274
All other.....	321,284	320,620	409,329
Investments:			
United States bonds....	48,653	48,057	43,702
U. S. Victory notes.....	11,259	7,922	10,305
U. S. Treasury notes....	14,277	22,484	.....
U. S. certificates of in- debtedness.....	5,813	8,980	13,180
Other bonds, stocks and securities.....	162,894	162,253	155,496
Total loans, discounts and investments....	\$814,190	\$830,327	\$896,828
Demand deposits.....	637,567	623,839	646,040
Time deposits.....	48,277	47,562	39,111
Borrowings from Federal Reserve Bank.....	27,108	32,507	114,457

STATEMENT Federal Reserve Bank of Philadelphia (000's omitted)

RESOURCES	Mar. 15, 1922	Feb. 15, 1922	Mar. 18, 1921
Gold reserve.....	\$227,007	\$196,531	\$184,740
Other cash.....	6,753	9,089	3,783
Total reserve.....	\$233,760	\$205,620	\$188,523
Discounts—secured by U. S. securities.....	46,638	59,502	109,403
Discounts—all other.....	13,574	20,472	41,440
Purchased bills.....	15,096	17,229	13,482
U. S. securities.....	27,751	22,502	33,642
Municipal warrants.....	102	191	.....
Total earning assets..	\$103,161	\$119,896	\$197,967
Uncollected items.....	54,143	52,754	58,941
All other resources.....	1,576	1,483	2,607
Total resources.....	\$392,640	\$379,753	\$448,038
LIABILITIES	Mar. 15, 1922	Feb. 15, 1922	Mar. 18, 1921
Capital paid in.....	\$8,855	\$8,748	\$8,609
Surplus.....	17,945	17,945	17,010
Government deposits....	1,434	6,380	1,132
Members' reserve account	110,533	97,092	101,939
Other deposits.....	1,764	1,378	1,215
Total deposits.....	\$113,731	\$104,850	\$104,286
Federal Reserve notes....	188,167	185,907	241,622
Federal Reserve Bank notes.....	7,971	7,863	17,889
Deferred availability items	55,137	53,763	56,146
All other liabilities.....	834	677	2,476
Total liabilities.....	\$392,640	\$379,753	\$448,038

BUSINESS INDICATORS

	Mar. 20, 1922	Percentage increase or decrease compared with	
		Previous month	Year ago
Philadelphia banks:			
Loans.....	\$634,632,000	+ .1%	— .2%
Deposits.....	619,797,000	+3.2%	+ 1.3%
Ratio loans to de- posits.....	102%	106%*	104%*
Federal Reserve Bank:			
Discounts and col- lateral loans.....	\$64,601,769	—11.8%	—57.2%
Reserve ratio.....	78.3%	72.4%*	54%*
90-day discount rate..	4½%	4½%*	6%*
Commercial paper....	4½%	4½%*	7½%*
	February, 1922	Previous month	Year ago
Bank clearings:			
In Philadelphia.....	\$1,560,000,000	— 8.3%	+ .8%
Elsewhere in district.	99,743,000	—29.7%	— 2.1%
Total.....	\$1,659,743,000	— 9.9%	+ .6%
Building permits, Philadelphia.....	8,275,338	+87.6%	+284.3%
Post Office receipts, Philadelphia.....	1,193,816	— 3.5%	+ 1.3%
Commercial failures in district (per Dun's).....	93	136*	71*
Latest commodity in- dex figures:			
Annalist (food prices only).....	182.571	+5.4%	— 5.7%
Dun's.....	169.721	+2.9%	— 6.7%
Bradstreet's.....	11.6001	+1.6%	— 2.2%

*Actual figures.