

BUSINESS AND FINANCIAL CONDITIONS

IN THE
THIRD FEDERAL RESERVE DISTRICT
PHILADELPHIA JULY 1, 1922



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GENERAL SUMMARY

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improvement has been marked. Several of the industries that heretofore had not been affected by the general upward movement have recently reported considerably heavier sales, and this, coming at a time when a decline was to be expected, is especially significant as indicative of the underlying trend of business.

Steady improvement both in demand and in production is reported by the iron and steel industry. Large sized orders for delivery as far in advance as 90 days have been booked, but the great majority of manufacturers are unwilling to accept future business, in view of the continued uncertainty as to the duration of the coal strike. The market is distinctly in the seller's favor, and as a result prices are still advancing. However, no rapid rises, such as those of May, have occurred recently. Operations have expanded, but the industry is now confronted with several production difficulties, the most important of which, perhaps, is the growing scarcity and the advancing price of coke. There is also a shortage of skilled labor, and in some quarters even of unskilled labor. Thus far, the reduction in freight rates, which is to take effect on July 1, has had no effect on the industry other than the delaying of shipments until that date.

ALTHOUGH June is normally a month of declining industrial activity, it has not proved to be such this year, and the betterment in general conditions first noted late in April has continued. It is true, the gains made during the last month have been smaller than those of May, but the

The greatest improvement reported by any industry has occurred in the construction and building material trades. The permits issued during May in the Third District were slightly less than those issued during April, but were considerably in excess of those of May, 1921. In Philadelphia, however, the increase has continued, the total number for May

SYNOPSIS OF BUSINESS CONDITIONS

THIRD FEDERAL RESERVE DISTRICT

BUSINESS	DEMAND	PRICES	FINISHED STOCKS	RAW MATERIAL OR MERCHANDISE SITUATION	COLLECTIONS
Bricks	Excellent	Increasing	Very light	Advancing in price	Good
Cigars	Good	Firm	Light	Foreign tobacco higher in price Domestic tobacco slightly lower	Good
Coal, anthracite	Poor	Slightly higher	Light		Poor
Coal, bituminous	Good	Higher	Medium		Fair
Coke	Good	Unchanged	Light		Fair
Confectionery	Fair	Lower	Light	Advancing in price ; plentiful	Fair
Cotton goods	Improved	Advancing	Normal	Rapidly rising prices	Fair
Drugs, wholesale	Light	Unchanged	Normal	Plentiful	Fair
Dry goods, wholesale	Fair	Same	Light	Advancing prices	Fair
Floor coverings	Excellent	Unchanged	Light	Advancing prices ; supply sufficient	Good
Glass	Excellent	Higher and increasing	Decreasing	Slightly advancing prices	Fair to good
Groceries, wholesale	Fair	Firm	Light	Ample	Fair
Hardware, wholesale	Good	Slightly higher	Light	Slightly advancing prices	Fair
Hosiery, full-fashioned	Good	Slightly lower	Light	Advancing prices ; easily obtainable	Good
Hosiery, seamless	Fair	Slightly lower	Normal	Advancing prices ; easily obtainable	Good
Iron and steel	Good	Slightly higher	Light	Scarce	Fair
Leather, belting	Fair and improving	Firm	Heavy but decreasing	Firm in price ; plentiful	Good
Leather, heavy	Fair and improving	Advancing	Heavy but decreasing	Advancing ; supply decreasing	Good
Leather, upper	Fair and improving	Unchanged	Heavy but decreasing	Firm in price ; plentiful	Good
Lumber	Good	Advancing	Light		Good
Paints	Good	Firm	Decreasing	Advancing in price	Fair
Paper	Fair	Firm	Medium	Sufficient	Fair to good
Shoes, manufacture	Fair and improving	Slightly lower	Normal	Firm in price ; plentiful	Fair
Shoes, retail	Fair	Unchanged	Light	Slightly lower in price	Fair
Silk, manufacture	Poor	Firm	Heavy	Advancing prices	Fair
Underwear, heavy weight	Poor	Advancing	Normal	Advancing prices	Good
Underwear, light weight	Fair	Unchanged	Light	Advancing prices	Good
Wool goods	Fair and improving	Advancing	Above normal	Advancing in price	Fair
Worsted goods	Poor ; improving slightly	Advancing	Light	Advancing in price	Slower
Wool yarns	Fair	Stronger	Normal	Prices high and firm	Fair
Worsted yarns	Fair	Stronger	Light	Prices high and firm	Poor

being 1,483, as compared with 1,415 for April, and 1,311 for May of last year. Operations are proceeding rapidly as well on large structures as on houses, and a scarcity of skilled mechanics is reported by many contractors. Manufacturers of building materials report that business is better than at any time within the last two years, and price advances have been common. The demand for bricks is far in excess of the supply, and is approximately double that of last year. Prices have been raised from \$1 to \$2 a thousand, as a result of the increased cost of coal and of the higher wages now being paid by many manufacturers. The call for lumber, too, is in excess of present production, and there is a scarcity in certain grades. The seasonal demand for glass began late in May, and in recent weeks sales have increased rapidly. The call for wire glass, chiefly for use in office buildings, is much better than it has been for many months. The paint industry, also, reports large gains in the volume of business.

Developments in the coal markets have been largely the result of the conference called by Secretary Hoover late in May. Prior to the conference, there had been a very rapid advance in spot quotations for bituminous coal, and sales had been large in spite of this rise. Immediately upon the calling of the meeting, however, the price advance was abruptly halted and sales fell off, as consumers expected that the conference would result in lower quotations. At the meeting a maximum price was established, and although in recent weeks quotations have advanced slightly, in no case have they reached this maximum. Sales too have been larger during the past few weeks, and are growing, as reserve stocks in consumers' hands dwindle. The production of bituminous coal in non-union mines has increased steadily since the latter part of April, and during the week ending June 10 reached the 5,000,000 ton mark for the first time. Consumption, however, exceeds production by from three to four million tons a week, and stocks have therefore been cut into very heavily. The stores of bituminous coal, estimated at about 60,000,000 tons when the strike was called on April 1, now probably total less than half of that amount. With the exception of a few scattered purchases for next fall's needs, the market for the domestic sizes of anthracite is inactive. Sales of steam sizes, however, have increased, and prices have advanced. Stores of anthracite coal, too, have been largely depleted, and production for the present coal year is more than 17,000,000 tons behind that of the same period of

the last coal year. With operations increasing in practically all industries, and with the available supplies of coal being reduced at a rapid rate, the coal strike becomes an industrial problem of greater magnitude each day.

Moderate improvement is reported by the textile industries. Buyers of cotton goods are still very cautious, but sales have been stimulated by the advance in raw cotton quotations. The call for the heavier cotton goods has been greater than that for the finer grades. Some few orders for future delivery have been placed, but the demand is still mainly for immediate delivery. Gray goods prices are stronger, but have not reflected the full advance in the raw material. With the exception of gingham, supplies of which are heavy, stocks of cotton goods are generally reported to be normal for this time of the year. Production schedules in the industry are being maintained at about 85 per cent of capacity. Raw cotton is very strong at this time, owing to the small supply and to the increased demand in this country, and for export to England and Germany. The strength of prices is in large part attributable to unfavorable weather conditions in the cotton growing states, and to the early appearance of the boll weevil.

Betterment in conditions is also reported by the woolen cloth industry, but worsted goods manufacturers find that the call for their products is still extremely poor. In spite of this fact, however, prices have again been advanced. Sales of both woolen and worsted yarns have increased slightly, and prices have strengthened. Stocks of yarns are not heavy. The raw wool market has been somewhat less active than during May, but sales have continued large. Prices have not decreased, and a scarcity, especially of the finer goods, has developed. Sales of the Ohio fleeces have been very good, as these are being used to supplement the Australian wools, which have not been imported to any extent because of the high emergency tariff. The western territory clip, with the exception of that of Montana, has been almost completely bought up, and the demand for wools is so good that for the first time in several years considerable wool has been contracted for on the sheep.

After a slight reaction about June 1, raw silk prices have again advanced and the market is fairly active. Importations have increased materially, but consumption has kept pace with them, and stocks therefore have shown no change. Silk throwsters report slightly increased business, hosiery manufac-

turers being large purchasers of yarns. The call for broad silks, however, has shown no improvement, with the exception of that for crepes. Sales of cantons and crepes de chine have been particularly good, and at present the demand cannot be supplied. Prices are slightly higher. Stocks of all other silks, however, are large, and as a result the production of silks averages only 40 per cent of capacity. Considerable business is still being taken by full-fashioned hosiery manufacturers, and many producers are booked to capacity until September; others, until the end of the present year. Seamless silk hosiery is selling well, but shipments are confined mainly to dates within five or six weeks. The cotton and mercerized lines are inactive, with the exception of a few kinds of infants' wear. In the underwear industry there has been some replacement business for light weight goods, but few fall orders have been forthcoming, because of the advances in yarn quotations. As a result of this rise, the formal openings of the spring lines have been delayed.

Activity in the floor covering industries continues at a rapid rate, and orders are still being received in large volume. The rate of gain has been relatively greater in the lower grades, especially of tapestries, velvets and ingrains, than in the finer qualities. However, Axminsters and Wiltons are still selling well, and many mills are booked to capacity. In this industry, as in several others, a scarcity of skilled workmen is noticed. The linoleum industry is still operating at capacity and is finding it difficult to meet the demand.

After several months of relative inactivity, better conditions are reported by the shoe industry. Most of the new business is confined to early deliveries, but orders also have been received for shipment during August and September. The total fall business thus far booked, however, is small, since the buying season has been so long delayed. Little change has occurred in prices, although raw materials are higher. In the leather industries there has been marked improvement. Heavy leathers have sold well, and upper leathers also are in much better demand. Sales of calf are large, and the increased call for kids is marked. Stocks of leather had been exceptionally heavy, but they have been reduced considerably, and operations in a number of plants have expanded. Of distinct encouragement to the industry is the large increase in the volume of export business. The hide markets, too, are in stronger position, and stocks are small in both the domestic and foreign markets.

Sales of paper have increased slightly during the

past month, although there is evidence of a seasonal decline in some lines. Wrapping paper is not in as good demand as are the finer grades. There has been some price-cutting on book papers, but prices in general are firm. The printing and publishing industry reports improvement during recent months, because of the large increase in the volume of advertising. Some reaction has occurred during June, but no general movement toward a decline in demand is noted. Price-cutting in this industry continues.

Sales of cigars have increased materially during the past month, and production throughout the district is greater. Confectionery manufacturers also are experiencing good business, in spite of the fact that this is normally a dull season. In some quarters price-cutting is indulged in, but quotations as a whole are firmer as the result of a rising raw material market.

Weather conditions in this district during the past month have been most favorable for agricultural purposes, and crops have made excellent progress. Judging by their present condition, the yield this year will be large.

Perhaps the most striking evidence of the growing strength of business conditions is found in the continually decreasing number of unemployed. In the six cities of Altoona, Harrisburg, Johnstown, Philadelphia, Scranton and Williamsport, there were 104,055 unemployed on June 15, as reported by the Pennsylvania State Department of Labor, the lowest figure since December 30, 1920. This total does not include the number of striking miners, as these cannot be considered as among those who are unemployed through lack of work. This figure represents a decrease of 15.9 per cent from the estimate for June 1, of 25.3 per cent from that of May 15, and of 32.8 per cent from that of May 1. In Philadelphia there were 56,100 unemployed on June 15, 69,600 on May 30, 82,600 on May 15, and 95,700 on May 1.

The number of commercial failures in the United States, as reported by R. G. Dun & Company, continues to decline. In May there were 1,960 failures, with total liabilities of \$44,402,886, as contrasted with 2,167 failures in April, with total liabilities of \$73,058,637. In the Third Federal Reserve District, however, the number of failures increased slightly during May, the figure for that month being 87, with liabilities of \$1,568,262, and for April, 78, with liabilities of \$1,468,343.

From the standpoint of the business community,

considerable encouragement is to be found in the further rise in the wholesale commodity index numbers. The three numbers regularly reported in these columns showed an advance for the month of May over those for the month of April. The Dun figure for the latter month was 168.096, and for May, 169.997. The Bradstreet index number rose from 11.7044 to 11.9039. The Bureau of Labor Statistics has revised its series of index numbers, regrouping many of the commodities, adding a large number of new articles, and using the 1919 census data for weighting purposes in place of the 1909 data heretofore employed. The revised figure for May was 148, an increase of 3.5 per cent over the figure for April, and of 2.1 per cent over that for May, 1921. The following table gives the commodity group figures for May, and those for April of this year and for May, 1921.

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

	1921 May	1922 April	1922 May
Farm products	118	129	132 +
Foods	139	137	138 +
Cloths and clothing.....	173	171	175 +
Fuel and lighting.....	200	194	216 +
Metals and metal products.....	138	113	119 +
Building materials	165	156	160 +
Chemicals and drugs.....	134	124	122 +
Housefurnishing goods	209	175	176 +
Miscellaneous	126	116	116
All commodities	145	143	148

Of the more recent changes in foreign index numbers, the gain of only 3.6 per cent in the German

figure is of special significance. Although this is a new high level, the rate of increase is decidedly less than it has ever been since commodity prices in Germany began to mount so rapidly. The French index number, too, increased slightly during May. The table below gives the index numbers for the United States and the principal foreign countries, and shows their percentage changes during recent months.

FINANCIAL CONDITIONS

Notwithstanding the improvement in general business, the statements of the reporting member banks throughout the United States show a decline in the amount of commercial loans outstanding. The item "all other loans and discounts," which is mainly representative of the borrowings of the business public, is now one per cent less than it was a month ago and 13.3 per cent less than last year. In dollars, the decline in the course of the year was \$1,086,000,000. The percentage decrease in loans and discounts secured by United States obligations is even greater, but the sum involved is not as large. Offsetting these declines, we find an increase in the loans secured by stocks and bonds, of 3.4 per cent in the course of the four weeks ending June 14, and of 16.5 per cent during the year ending on that date. Total loans and discounts are now \$934,000,000 below a year ago.

The increase in the amount of available funds has been absorbed to some extent by larger investments

INDICES OF WHOLESALE PRICES
Base of 1913=100 unless otherwise noted

Country	Latest quotation	Peak quotation	Percentage decline from peak	Percentage change during		
				March	April	May
United States:						
Federal Reserve Board.....	158—May average	269—May, 1920	41.3	+ .7	+ 1.4	+ 6.0
Bureau of Labor Statistics**..	148—May average	247—May, 1920	40.1	+ .7	+ .7	+ 3.5
Dun's	141—June 1	218—May 1, 1920	35.3	— 1.4	+ .7	+ 1.4
Bradstreet's	129—June 1	227—Feb. 1, 1920	43.2	— .8	— 1.6	+ 1.6
Great Britain:						
Economist	162—May 30	310—Mar. 31, 1920	47.7	+ 1.3	— .6	+ 1.9
Statist	158—Apr. 30	313—Apr. 30, 1920	49.5	+ 1.3	+ .6	.....
France	317—May 31	588—Apr. 30, 1920	46.1	+ .3	+ 2.3	+ 1.0
Italy	524—May average	670—Nov., 1920	21.8	— 5.2	— 1.1	— .6
Japan	197—Apr. average	321—Mar., 1920	38.6	— 1.5	— 2.0	.....
Canada	167—May 15	263—May 15, 1920	36.5	— 1.8	0	+ .6
Sweden*	164—May 15	372—Dec. 15, 1918	55.9	— 1.2	+ .6	— .6
Shanghai	150—Apr. 30	150—Apr. 30, 1922	0	+ 1.3	— 1.3	.....
Calcutta†	187—May 31	218—Jan. 31, 1920	14.2	+ 1.7	0	+ 2.7
Norway	231—May 30	425—Sept. 30, 1920	45.6	— 5.1	— 1.7	— 2.1
Germany‡	6809—June 1	6809—June 1, 1922	0	+25.1	+ 7.7	+ 3.6
Denmark§	179—June 1	403—Nov. 1, 1920	55.6	— 2.2	— .6	+ 1.1
Holland	159—Apr. 30	392—Year 1918	59.4	0	— 1.9	.....
Egypt	148—Apr. average	354—Feb., 1920	58.2	— 9.5	— 3.3	.....
Switzerland	161—May 1	326—Jan. 1, 1920	50.6	— 4.7	— 1.2	.....

* July 1, 1913 to June 30, 1914=100.
** Revised index numbers.
† End of July, 1914=100.

‡ Middle of 1914=100.
§ July, 1912, to June, 1914=100.

in securities. The reporting banks increased their holdings of securities by \$251,000,000 in the period from May 17 to June 14, and by \$729,000,000 in the course of the past year.

Borrowings from the Federal Reserve banks declined \$66,000,000 during the period from May 24 to June 21. There was also a falling off of \$40,000,000 in United States securities, and a gain of \$16,000,000 in purchased bills. The net decrease in earning assets was \$90,000,000. The amount of Federal Reserve notes in circulation changed little, but deposit balances declined \$63,000,000 and total reserves gained \$12,000,000. The reserve ratio of the Federal Reserve banks on June 21 was 79.1 per cent, which was the highest since the early days of the system.

Comparative statistics of all reporting member banks in the United States and of the Federal Reserve System appear below.

The market for bankers' acceptances continues to be limited, and the supply of this class of paper, though small, seems to be sufficient to satisfy the needs of purchasers. The same condition held true in the commercial paper market during the first part of June, but within the past week active buying has reduced the holdings of dealers. Commercial paper rates hold steady, and the general selling rate is $4\frac{1}{4}$ per cent. In the case of bankers' acceptances the range over the past month was from 3 to $3\frac{1}{4}$ per cent, with the majority of sales at $3\frac{1}{8}$ per cent. The rediscount rates of the Federal Reserve banks of New York and Boston have been reduced from $4\frac{1}{2}$ to 4 per cent, the new rate being effective at the former institution as of June 22, and at the latter, as of June 23.

SECURITIES

The security markets have not regained the activity which featured the middle of April, and sales

during the past three weeks have averaged even less than in the same period of May. The call money renewal rate, however, reached a lower daily average—3.04 per cent—in the week ending June 14 than in any similar period since the beginning of the year, and on June 21 was $2\frac{3}{4}$ per cent.

Prices of industrial and railroad stocks have declined, as have likewise most of the classes of bonds, although Liberty bonds and first-grade rails are an exception. Comparative security prices follow:

	June 21, 1922	May 24, 1922	June 22, 1921
Average of—			
20 railroad stocks	\$82.62	\$85.94	\$67.00
20 industrial stocks	93.02	94.70	66.23
10 first grade rail bonds..	88.09	87.67	74.15
10 second grade rail bonds	85.29	86.32	71.33
10 public utility bonds....	87.35	88.02	71.29
10 industrial bonds	94.45	94.74	83.64
4 Liberty bonds	100.09	99.90	88.11

COMMERCIAL PAPER

During June the commercial paper business has resolved itself into a contest of rates between buyer and seller. The result is that the volume of business transacted has been small. Exceptional names have been sold to a comparatively limited number of buyers at 4 per cent, but the majority of the institutions both in the city and outside have declined to purchase at that rate, and the largest volume has been at $4\frac{1}{4}$ per cent, with a fair volume at $4\frac{1}{2}$ per cent.

In an effort to prevent country buyers from purchasing bonds and other investments not so liquid as commercial paper, some brokers early in June raised rates slightly, but the general tone of the market has been a steady one throughout the month, with little change in rates. Outside of this district, Pittsburgh, which bought a considerable amount of paper during May, has become quiet, but New York has bought heavily, particularly since the reduction to 4 per cent in the discount rate by the Federal Reserve Bank of that district.

REPORTING MEMBER BANKS—UNITED STATES

	June 14, 1922	May 17, 1922	June 15, 1921
	(In millions of dollars)		
Loans and discounts:			
Sec'd by U. S. securities...	309	329	657
Sec'd by other securities...	3,526	3,411	3,026
All other (commercial)...	7,109	7,176	8,195
Total	10,944	10,916	11,878
U. S. securities owned.....	1,997	1,797	1,463
Other securities owned.....	2,272	2,221	2,077
Total investments	4,269	4,018	3,540
Total deposits	14,730	14,326	13,738

FEDERAL RESERVE SYSTEM

	June 21, 1922	May 24, 1922	June 22, 1921
	(In millions of dollars)		
Earning assets:			
Bills discounted	422	487	1,754
Purchased bills	121	105	39
U. S. securities.....	555	596	289
Total	1,098	1,188	2,082
Fed. Res. note circulation...	2,126	2,128	2,639
Total deposits	1,854	1,917	1,697
Total reserves	3,148	3,135	2,620
Reserve ratio	79.1%	77.5%	60.4%

The supply of commercial paper has increased but little; it was sufficient, however, during the first three weeks of June for the demand. Since then brokers' lists have been cut down and are now very small. The expansion in business has so far not been reflected in the demand for credit through the medium of commercial paper. This would indicate that manufacturers and merchants have enough money to take care of their present needs. It may be that some liquidation of securities bought with surplus funds during the period of business depression has taken place and that this liquidation has supplied the necessary funds.

Sales of six reporting firms in the Third Federal Reserve District during May total \$9,588,000. Of this sum, \$5,372,000 was sold to Philadelphia institutions and \$4,216,000 sold outside of the city. Sales were 40 per cent greater than in May, 1921. These reports show that more paper was sold at $4\frac{1}{4}$ per cent than at any other rate, but the amount sold at 4 per cent was nearly as large. With the exception of a comparatively small percentage sold at $4\frac{3}{4}$ and 5 per cent, the balance was at $4\frac{1}{2}$ per cent.

BANKERS' ACCEPTANCES

Sales of bankers' acceptances in the Third Federal Reserve District, as reported to this bank by five dealers, for the four-week period ending June 11, averaged higher than in the three preceding periods, as can be seen from the table which follows:

	Purchases	Sales
Weekly averages for period—		
From Feb. 13 to Mar. 12.....	\$420,000	\$2,617,000
From Mar. 12 to Apr. 16.....	530,000	2,987,000
From Apr. 17 to May 14.....	790,000	2,652,000
From May 15 to June 11.....	827,000	3,010,000

However, this more favorable showing comes almost entirely from larger purchases by the Federal Reserve Bank, and the amounts sold to other banking institutions declined greatly in the last period. Many of the acceptances have been offered at 3 per cent, but purchasers have been loath to bid less than $3\frac{3}{8}$ per cent, and show a preference for bills of the shorter maturities.

The supply of acceptances is not large, but is sufficient to care for the present demand. In this district the amount created by the twelve reporting accepting banks has been increasing over the past four months. The amounts executed for the preceding monthly periods were as follows: June 10—\$4,612,000; May 10—\$3,274,000; April 10—\$3,097,000; March 10—\$2,365,000; February 10—\$5,007,000.

The exportation of grain, cotton and general merchandise, the importation of sugar and coffee, and the domestic shipment of cotton are some of the principal transactions involved in the acceptances which have come into the market lately.

SAVINGS DEPOSITS

A further decline of 0.7 per cent during May in savings deposits is reported by banks in this district. As they now stand, these deposits are only 1.9 per cent above the figures of a year ago. Apparently the general increase in business has not yet been felt either long enough or over a sufficiently wide area to enable the people to add consistently to their savings deposits except in a few individual cities. The largest decreases during May are reported by Scranton and Wilkes-Barre, as was to be expected in view of the coal strike. This strike also probably was a factor in causing the decline reported by Johnstown.

The table below compares deposits on June 1, 1922, with those on May 1, 1922, and on June 1 of the two previous years:

	Number of reporting banks	May 1, 1922	June 1, 1921	June 1, 1920
Altoona	5	+ .5%	+ 6.0%	+18.5%
Chester	5	— .4"	— 9.8"	— 6.0"
Harrisburg	4	+1.8"	+42.4"	+76.2"
Johnstown	6	—1.6"	— 5.9"	+ 2.0"
Lancaster	3	+1.4"	+ 8.7"	+30.1"
Philadelphia	9	— .4"	+ 1.0"	+ 6.3"
Reading	3	+1.5"	+ 6.4"	+21.8"
Scranton	6	—1.9"	+10.8"	+34.1"
Trenton	6	+1.5"	— 1.2"	+ 4.0"
Wilkes-Barre	5	—3.7"	+ 6.1"	+29.1"
Williamsport	4	+ .4"	+ 5.3"	+22.0"
Wilmington	5	— .2"	+ 1.1"	+ 6.6"
York	5	— .2"	+ 7.7"	+54.7"
Other	14	—1.4"	+ 2.5"	+15.5"
Totals	80	— .7%	+ 1.9%	+ 9.9%

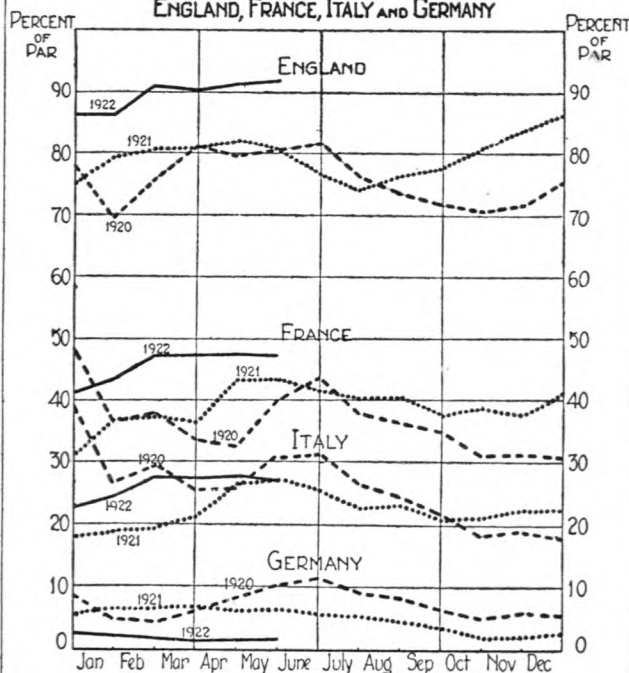
FOREIGN EXCHANGE

The outstanding feature of the last month in the foreign exchange market has been the strength displayed by sterling in the face of erratic fluctuations on the part of the other European currencies. On June 5, for the first time since July, 1919, the pound sold at above \$4.50. Following that date, however, sterling fell to \$4.3961 on June 19, but later recovered a portion of this loss. Danish and Swedish currencies and Dutch guilders also displayed unusual strength, the latter currency rising to \$3.909 on June 6, the highest level since January, 1920. Danish kronen rose to \$.2208 on the same date, the highest value in nearly three years. Most of these

COMPARISON OF FOREIGN EXCHANGE RATES

ON

ENGLAND, FRANCE, ITALY AND GERMANY



gains have been lost, however, and on June 19 practically all European exchanges were considerably lower than they were a month previous. Exchange on Vienna and the eastern European financial centers has been especially weak following the closing of the Vienna Bourse. And French, Belgian and Italian

currencies reacted violently following the failure of the Paris Bankers' Conference to arrange a loan to Germany.

Practically all of the European exchanges, with the exception of German and the eastern European rates, have been consistently stronger during the present year than during the corresponding period of 1921. The accompanying chart shows the fluctuations of English, French, Italian and German exchanges during 1920, 1921 and 1922. It will be seen that English and French currencies have been especially strong during the present year and that lire are in a much less favorable position. The position of the mark has steadily weakened, and the present quotations are much below those of the same period of 1920 and 1921.

FOREIGN EXCHANGE RATES—NOON CABLES

	June 19, 1922	May 19, 1922	June 20, 1921
London	\$4.3961	\$4.4494	\$3.786
Paris .....	.0851	.0908	.0816
Antwerp .....	.0815	.0828	.0807
Copenhagen .....	.2130	.2130	.1737
Stockholm .....	.2553	.2571	.2249
Madrid .....	.1552	.1578	.1337
Amsterdam .....	.3843	.3878	.3335
Buenos Aires .....	.8078	.8288	.6960
Shanghai .....	.7865	.8107	.6765
Berne .....	.1891	.1912	.1702
Milan .....	.0482	.0511	.0507
Berlin .....	.003022	.003355	.0144
Vienna .....	.000069	.000104	.0021

RETAIL TRADE

The improvement in general business and the consequent decrease in unemployment are beginning to have their effect on the buying in retail stores. Not

RETAIL TRADE

	COMPARISON OF NET SALES		COMPARISON OF STOCKS		RATE OF TURN-OVER*	Percentage of Orders outstanding May 31, 1922, to Total purchases in 1921
	May, 1922, with May, 1921	Jan. 1 to May 31, 1922, with Jan. 1 to May 31, 1921	May 31, 1922, with May 31, 1921	May 31, 1922, with Apr. 30, 1922	Jan. 1 to May 31, 1922	
All reporting firms (100).....	+ .1%	— 5.7%	— 1.5%	— 2.7%	3.1	6.1%
Firms in—Philadelphia	+ 1.4"	— 4.3"	— 1.1"	— 2.8"	3.6	6.2"
—Chester	— 6.8"	—24.7"	— 1.5"	— .5"	.9	....
—Harrisburg	— .6"	— .9"	— 6.0"	+ 1.7"	2.9	....
—Lancaster	— 6.8"	—10.7"	+ 3.1"	— .5"	2.5	10.8"
—Trenton	+ .7"	— 3.0"	+ 2.5"	— 2.0"	2.6	....
—Wilmington	+ 9.2"	— 7.4"	—19.0"	+ .8"	1.7	3.2"
—All other cities.....	— 4.8"	—10.2"	— .7"	— 4.0"	2.4	5.3"
All department stores.....	— .2"	— 5.7"	+ .1"	— 1.8"	3.0	7.1"
Department stores in Phila.....	+ 2.6"	— 3.8"	+ .6"	— 1.4"	3.4	7.5"
Department stores outside Phila...	— 4.8"	— 9.0"	— .9"	— 2.5"	2.5	5.5"
All apparel stores.....	— 4.4"	— 9.6"	— 7.5"	— 6.2"	3.6	3.0"
Men's apparel stores—						
—in Phila.	+ 3.9"	— .8"	— .1"	— 5.8"	3.0	....
—outside Phila.	— 3.2"	—13.3"	+ .7"	+ 1.6"	1.4	13.5"
Women's apparel stores—						
—in Phila.	—10.8"	—15.6"	—11.2"	—11.1"	5.4	2.3"
—outside Phila.	+ .8"	— 6.6"	.....	.....	...	....
Credit houses	+22.6"	+ 9.8"	— 5.0"	— 2.5"	2.3	2.8"

* Times per year, based on cumulative period.

that money is being spent lavishly, but that everyday necessities are being purchased more freely. Merchandise of the very highest and lowest grades is not selling to good advantage; the demand is for medium priced articles. Men's and women's seasonable apparel is being bought, but very carefully, and only after the value has been tested by inspection of stock in a number of stores. Increase in the number of new homes is expected to be reflected later in heavy purchases of furniture, floor coverings and other household articles, but as most of the new dwellings will not be completed until late summer or early autumn, this buying will not begin much before August.

Prices have been stable, and it is estimated that about 80 per cent of the number of articles handled in department stores have ceased to decline. In many instances quotations have advanced. This hardening of prices is generally attributable to the advance in raw materials.

Purchases by stores for fall trade are heavier than they were at this period last year, and although not normal, indicate greater confidence in the future. The table on page 8 shows that retail trade during May in the Third Federal Reserve District was .1 per cent larger than in May, 1921.

WHOLESALE TRADE

Of the four reporting wholesale lines, all except drugs have showed a steady improvement in demand during the first three weeks of June. In dry goods, sales in May were slightly less than those in April, but in the other lines, appreciable gains were made. Nearly all retailers, however, continue to buy cautiously, for they are both uncertain of the strength of the consumer demand, and fearful of possible reductions in manufacturers' prices. It is reported that wholesale stocks are gradually decreasing. Prices in all lines have remained fairly stable, and even in cases where striking advances have occurred in quotations on raw materials, the question whether or not the prices of the finished goods can be raised will depend upon the attitude of the ultimate consumer.

WHOLESALE DRUGS

In comparison with the totals both of the previous month this year and of the same month a year ago, wholesale drug sales during May showed a decided increase. As reported by 16 firms, May sales were 6.3 per cent heavier than those of April, and 8.4 per cent heavier than those of May, 1921. These figures refer to the value in dollars, and as drug prices have declined since last year, the actual quantities sold have increased even more. Yet, in spite of the satisfactory nature of May business, many wholesalers are of opinion that since June 1, the demand has weakened. It still compares favorably, however, with the demand a year ago, and as yet the falling off has not been sufficient to influence prices.

Wholesalers refuse to make concessions on account of small fluctuations in demand, because they believe that the supplies which they now hold have enough intrinsic value to justify the current prices. Present stocks are becoming lighter, and are perhaps a little below normal.

Another favorable indication in the May reports was the further decline from last month of 2.1 per cent in the ratio of accounts outstanding to sales, and a decrease of .6 per cent in comparison with the same ratio for June, 1921.

WHOLESALE DRY GOODS

In spite of the fact that the sales of dry goods in May were only .4 per cent less than in April, the comparison with May, 1921, was disappointing, the decrease being 17.8 per cent. This difference is probably to be accounted for, in part, by the injurious effect of the coal strike upon wholesale business in this district. Many retailers located in the coal districts are purchasing only from 25 to 50 per cent of their normal requirements. Outside of the coal regions, however, the demand has improved since last month, and although ribbons and broad silks sell very slowly, many other lines, especially tissues, organdies, and ratines, are moving rapidly. This quickening of demand has resulted perhaps from the expanding purchasing power which has accompanied the decrease in unemployment. Sales of wash goods,

CONDITION OF WHOLESALE TRADE DURING MAY, 1922

		Percentage of Increase or Decrease in		Ratio of Accounts	
		Net Sales	Accounts Outstanding	Outstanding to Sales	
		May, 1922, compared with	May, 1922, compared with	May, 1922	
		April, 1922	May, 1921	April, 1922	May, 1921
Drugs	(15)*	+ 6.3%	+ 8.4%	- 2.1%	- .6%
Dry goods	(15)*	- .4 "	- 17.8 "	- 7.2 "	- 9.8 "
Groceries	(50)*	+ 17.4 "	- 2.4 "	+ 4.0 "	+ 1.4 "
Hardware	(27)*	+ 4.1 "	+ 9.0 "	+ 1.2 "	- 1.6 "

* Number of reporting firms.

although still unsatisfactory, have been somewhat stimulated by favorable weather.

Stocks held by wholesalers are low and have decreased since last month. Retailers' stocks are also diminishing, because of cautious buying.

Failures and protested checks continue to be reported, and in some cases collections are somewhat slower. Nevertheless, as compared with that of April, the May ratio of accounts outstanding to sales was 7.2 lower, and 9.8 per cent less than the ratio for May of last year.

WHOLESALE GROCERIES

The wholesale grocery trade has shown a gradual improvement throughout the last month. May sales increased 16.5 per cent over those of April, and were only 3.2 per cent less than in May, 1921. This increase becomes more significant when it is remembered that the general level of prices has been falling and that the summer season is a dull one in the wholesale grocery trade.

There is little buying for future delivery, though orders are being placed for certain of the better grades of canned goods and general staples. Wholesalers report that those retailers who are ordering ahead are exercising the greatest care in their selections.

Reports of stocks on hand are very conflicting, the number of firms reporting reductions since May, 1921, being practically the same as those who report increases. The policy in this regard seems to vary with the firm. Stocks held are low throughout the trade, and wholesalers seem to feel that the same condition prevails in the retail trade. In the coal mining regions business is reported especially slow and stocks small.

Prices, with the exception of sugar, have shown relatively little change within the past month. The price of refined sugar has advanced from 5.40 cents on May 10 to 6 cents on June 17. Stocks of sugar held by jobbers have become quite low, and the slightest concessions bring brisk buying. Moreover, the seasonal demand is showing a decided increase, and this tends to raise prices. Large purchases by Europe, particularly Great Britain and France, have decreased the Cuban stocks, and this fact, together with the re-entry of American canners and preservers into the market, accounts for the rise in price. Prices of both dried and canned beans, of coffee, sugar syrups, and dried fruits have risen slightly during the month. Quotations on certain of the better grades of canned fruits have also advanced, but canned vegetables have declined.

Collections are fair and improving, except in the coal mining districts, where they are becoming slower.

WHOLESALE HARDWARE

In the wholesale hardware trade conditions continued to improve during May. Both net sales and accounts outstanding were greater in value than they were in April. Accounts outstanding showed only a slight increase, and though they were slightly less than in May of last year, sales were over 8 per cent larger. Thus, in spite of much lower values this year, business in the wholesale hardware trade has been considerably better than last. Indeed, in view of the price decline, the physical volume of sales is much greater. The accompanying table shows the condition of the wholesale hardware trade in May as compared with April and with May, 1921.

Reports indicate that business has continued in good volume during June. Sales of hardware in the coal-mining districts are, of course, considerably lessened by the strike. During the past month, country merchants have made increased purchases of farm supplies, paints and building hardware. Automobile accessories, fishing tackle and sporting goods are also in increased seasonal demand. But purchasing continues to be in small amounts and for immediate delivery. Prices are firm in most instances, although some advances have been made on nails, steel goods, and pipe.

Collections have shown some improvement but are still reported as being only fair.

IRON AND STEEL

Steady improvement in nearly all branches of the iron and steel industry is still evident in this district. Although the coal strike has embarrassed some producers, and the reduction of freight rates has in some instances deterred buying, betterment has been fairly continuous and widespread. Hesitancy has again developed among buyers as regards future contracts for distant delivery, and producers likewise are reluctant to accept contracts too far ahead, because of the uncertainty of future fuel costs. Consumers are pressing for immediate delivery wherever possible. Coke, both furnace and foundry grades, is scarce, and a few producers have been forced to close down or curtail operations on account of the shortage and high cost of this material. Even those producers that use steam sizes of anthracite, in some instances report difficulty in obtaining this fuel in

sufficient quantities. Other raw materials, in general, are easily obtainable, but at advanced prices.

One problem facing many producers, which may well prove to be a serious one, is that of obtaining sufficient labor. Not only has unemployment ceased to be a feature in this industry, but many firms are experiencing great difficulty in securing skilled mechanics. Even unskilled labor is scarce in some localities, although higher wages have frequently been offered. In nearly all instances plants have increased their working forces since last month and are employing larger numbers than they did last year.

Improved demand has been reflected in widespread expansion of operations. Although there are, of course, some exceptions to the general trend, most firms report an increase since last month and a very marked betterment as compared with the same month of 1921. A few plants report capacity output at the present time, but the general average is probably not above 60 per cent of maximum.

Blast furnace activity in this district has remained approximately the same during the past month, and still lags considerably behind that in other sections. The best demand for pig iron is coming from manufacturers of cast-iron pipe and building-trade supplies, but there is a good demand from steel manufacturers, and for foundry iron from jobbing foundries. Stocks of the latter material are now very low, as a large share of the tonnage delivered last month has been from stock. Manufacturers producing parts for automobiles and trucks are especially active, and demand for structural shapes is better than it has been at any time during the present year. Railroads and public utilities are still doing the bulk of the purchasing of structural steel, but there has been some recession in the purchasing by the railroads in the past month. Naturally, firms manufacturing coal-mining machinery and supplies have experienced a material falling off in business since the commencement of the strike. And export demand is still very poor, as price competition from European producers is still almost prohibitive in the export market. Most buyers are specifying immediate delivery.

Although the price trend is still definitely upward on iron and steel products, advances have been less pronounced during the past month than previously. One blast furnace company, which is well supplied with business for the third quarter of the year, is asking \$26 for No. 2 plain, \$27 for No. 2 X, and \$29 for No. 1 X. But in most cases prices are still from \$24.50 to \$25.00 for No. 2 plain, from \$25 to \$26 for No. 2 X, and from \$25.50 to \$26.50 for No.

1 X. Plates, shapes, and bars are now established at 1.70 cents, Pittsburgh, although 1.60 cents is quoted when deliveries are at mill convenience. Sheets are still quoted at 3.15 cents for black, 4.15 cents for galvanized, and 2.40 cents for blue annealed. Nails and wire products are practically unchanged in price.

In spite of the coal strike there was a greater gain in production of pig iron during May than in April. During the month there was a net gain of thirteen furnaces in blast, and production amounted to 2,306,679 gross tons, or 74,409 tons per day, as compared with 2,072,114 tons, or 69,070 tons per day, in April. The output in May was the largest of any month since January, 1921, and contrasts with only 27,889 tons in August of last year. Production of steel ingots also showed a similar increase during May. Output by thirty companies producing 87 per cent of the country's total amounted to 2,711,141 tons, according to a report of the American Iron and Steel Institute. This is an increase of 266,628 tons over the total for the preceding month, and is in contrast with a low output of only 803,376 tons in July, 1921. Unfilled tonnage on the books of the United States Steel Corporation also increased, despite the high rate of activity maintained by steel producers during May and a falling off in railroad purchasing. Unfilled orders on May 31 amounted to 5,254,228 tons, as compared with 5,096,917 tons on April 30, and 5,482,487 tons on May 31, 1921.

SHIPBUILDING

Shipping and the shipbuilding industry are still at a very low ebb, as compared with their prosperity during the war and the post-war period. Both at home and abroad, however, the volume of ocean trade is increasing, and idle shipping space is again being utilized. Exports of the United States have increased from \$279,000,000 in January to \$308,000,000 in May of this year, and in the same period imports have increased from \$217,000,000 to \$254,000,000. The Port of Philadelphia has shared in this revival. During May, arrivals and sailings of vessels engaged in foreign trade numbered 337, with a gross tonnage of 1,499,526—the largest total in over a year. In the coastwise trade 537 arrivals and sailings were recorded, which is a gain of 193 vessels over the total for the same month in 1921.

Improvement in shipping has been reflected in some betterment in the shipbuilding industry, but this has been slight. There is still only a very small amount

of new construction under way and few new orders being placed in the Delaware River yards, but there has been a noticeable increase in inquiries. The volume of repair work in local yards has shown but little change during the past year. In the absence of orders for ship construction, local companies are engaging in general engineering work and, in one instance, in the manufacture of steel railroad passenger cars. But only a fraction of capacity—from 5 to 30 per cent—is being utilized at the present time.

In spite of curtailed operations, however, the position of the industry is much better than it was last year. Stocks of raw materials, which were exceedingly heavy when the depression arrived, have been greatly reduced, and raw materials are now available at a fraction of their cost during the post-war period. Moreover, wages have been lowered from 30 to 50 per cent from the high levels prevailing after the war. Thus, construction of ships at the present time is possible at less than half the cost of a year or two ago.

BUILDING

Both in number and value the building permits issued during May in the fourteen cities of the Third Federal Reserve District showed a natural seasonal decline from the totals of the two preceding months. Even so, however, the total for the month—\$13,844,813—was over twice as large as that for May, 1921. For the first five months of the present year, the total value of permits issued exceeded that of the same period of last year by more than 160 per cent. The accompanying table gives the building permits issued in the fourteen principal cities of the district, and their estimated cost, during the present year as compared with 1921.

Activity in construction has continued during the

past month. Building has been especially extensive in Atlantic City and in Philadelphia and its suburbs. Many building workers have been attracted to Atlantic City from Philadelphia, with the result that a shortage of skilled workmen has occurred here. Manufacturers of building materials report a large and increasing demand, and prices have advanced considerably on many items in the past two months.

BUILDING BRICKS

The great improvement which has been noted in the brick industry during the last two months has continued, and the volume of orders is still increasing. Manufacturers have disposed of practically all of the stocks they had accumulated during the winter and are now seeking means of increasing their output. Philadelphia, always one of the great brick-manufacturing centers, is experiencing a shortage. Stocks are thoroughly depleted, and builders are forced to depend on present production to supply their demands. There is some complaint among manufacturers, however, that they have difficulty in disposing of their better grades of bricks, builders seeming to prefer for the bulk of their work the cheapest grades obtainable.

The decrease in freight rates has not made itself felt as yet, but if the demand continues as heavy as at present, it will be only a short time before up-state plants will be able, at the reduced rates, to sell profitably in the city. Brick manufacturers report that although they are anxious to keep prices at the present level in order to avoid any reduction of building operations, they have found it necessary to make increases of from one to two dollars a thousand because of the price of coal.

Labor is becoming scarcer, and one manufacturer reports two wage increases within the last month and

BUILDING PERMITS ISSUED AND THEIR ESTIMATED COST

	1922		May 1921		JANUARY TO MAY, INCLUSIVE			
	Number	Est. cost	Number	Est. cost	1922	Est. cost	Number	Est. cost
Allentown	98	\$397,900	72	\$255,450	400	\$1,268,175	293	\$560,425
Altoona	313	424,296	305	172,888	870	1,087,802	779	602,503
Atlantic City	413	943,114	267	111,674	1,676	4,058,286	897	1,209,809
Camden	124	184,016	86	166,908	459	1,908,476	364	840,039
Harrisburg	94	319,075	49	223,555	429	1,639,455	229	807,050
Lancaster	87	157,195	67	124,399	398	986,695	270	392,463
Philadelphia	1,483	8,872,050	1,430	3,569,890	5,752	39,238,425	5,016	12,029,615
Reading	361	532,400	312	367,750	1,457	2,210,471	1,330	945,425
Scranton	188	619,052	77	131,545	557	1,318,783	278	839,200
Trenton	168	651,294	145	645,631	619	1,706,693	618	1,797,862
Wilkes-Barre	179	269,058	95	140,318	621	1,774,965	349	735,301
Williamsport	148	190,404	54	89,414	466	907,000	214	952,227
Wilmington	118	163,118	94	146,481	397	1,613,793	406	548,118
York	217	121,841	134	98,889	610	418,447	506	491,690
Total	3,991	\$13,844,813	3,187	\$6,244,792	14,711	\$60,137,466	11,549	\$22,751,727

a half. Unskilled labor is now getting forty cents an hour in some plants.

It is of interest to note that in both the brick and paint industries national advertising campaigns have been launched by the trade associations of these particular industries in an effort to stabilize and increase the demand for their respective products. It is too early to secure definite information concerning results, but the feeling in both industries is that the new campaign is proving successful.

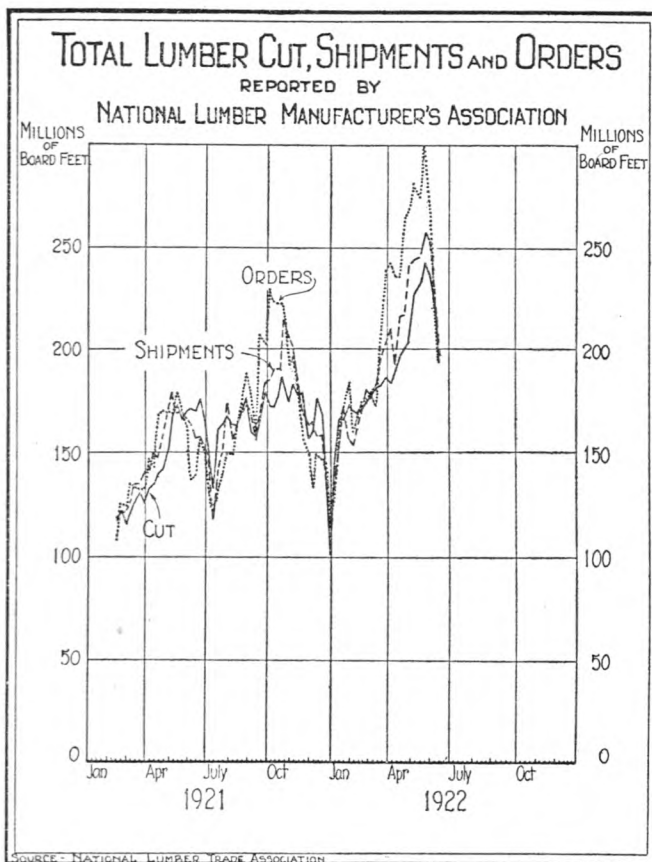
Collections show marked improvement and are now reported to be satisfactory.

LUMBER

May was the best month that the lumber industry has had since 1920, and, although there are evidences that the peak has been reached, business continues at practically the same rate. Manufacturers, wholesalers, and retailers are all feeling the betterment. The largest part of the demand is still for structural lumber, but industrial users are also entering the market again, particularly manufacturers of automobiles. Furniture makers are not yet buying actively. For these reasons, the soft woods, particularly the cheaper and medium grades of pine, which go into the early stages of construction, have felt greater improvement than the hard woods. The better grades of the latter, however, are moving more freely, but the poorer grades are still relatively inactive. As compared with last June, all lines have felt marked improvement.

Builders are now placing orders for sufficient lumber to cover their operations. One retailer reports that although the number of new orders received has fallen off since early in May, those already booked will assure him a large volume of deliveries until August. Some dealers, however, report that practically all of their business is for immediate delivery. Manufacturers show an inclination to refuse future orders, because of the trend of prices upward.

Most lumber mills are being operated at capacity wherever possible, but floods in the South have made necessary a material curtailment in production this spring. Output for several weeks has been well below both orders and shipments, and the large stocks held early in the season are being rapidly depleted. The yards also are disposing of their reserves, and supplies of dry lumber are said to be light. Dealers are, as a rule, building up their stocks of new lumber. It is reported that certain items are becoming more difficult to obtain. Mills still have a sur-



plus of the low grades of hardwood and are making every effort to produce as little of these as possible.

Prices are steadily advancing under the impetus of improved demand and diminishing stocks. Increases of from 10 to 20 per cent have been made within the last 60 days, the largest advances occurring in construction lumber, such as yellow pine flooring. Quotations on maple and ash have also risen, because of better demand from automobile manufacturers. Fear is expressed in some quarters that rising prices will be harmful to the lumber business by causing a curtailment in demand, and one dealer reports that he is now buying less than he was before the advances occurred. Freight rates have long been named by lumber interests as a chief cause of high prices, but it is now generally believed by the trade that prospective reductions in this item of expense will not be reflected in prices, because of the present upward trend of the market.

Collections have improved somewhat, and in the majority of instances are considered to be good.

GLASS

The glass industry, except in those branches that manufacture industrial glass, is doing a good busi-

ness. Orders are increasing, and both manufacturers and dealers report that the demand is excellent. Many builders, contractors and glaziers who have been holding off in anticipation of a further decline in price, now find their buildings nearing completion, and in the face of a firm and increasing market are hastening to cover their needs at present prices. The demand is very largely for glass for houses, offices, schools and hotels. All the firms interviewed report a much better business than at any time during the last two months, and two large houses find their sales to be twice as heavy, in tonnage, as they were a year ago.

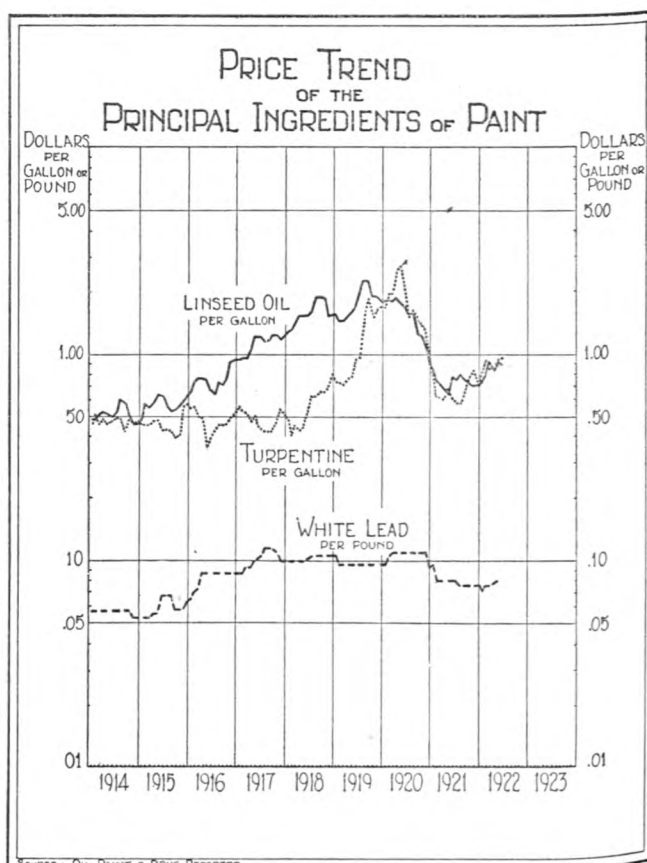
An interesting situation has developed in the plate glass trade. The revival of the automobile industry has been such as to create a demand from that source which bids fair to offer severe competition to other classes of consumers, and may actually cause a shortage. The largest manufacturer of automobiles is said to be in the market for approximately fifteen million square feet, and others will consume ten million more. This represents a demand from this single industry equal to almost one half of last year's output of fifty-three million square feet. This year, however, production will be close to seventy-five million square feet. In response to the unusual demand, prices have advanced approximately 14 per cent within the last week, and some manufacturers are reported as taking orders for future delivery only upon the understanding that they will receive the price current on the date of delivery.

Till quite recently there has been only a limited demand for wire and other forms of industrial glass. Wire glass factories are running at about eighty per cent of capacity and report that they are selling one half of their product and putting the rest into stock. Window and plate glass factories report full operation.

Stocks in the hands of jobbers, though still high, are rapidly becoming smaller. Collections have improved and are described as being from fair to good.

PAINT

The improvement noted in the paint industry during the month of May has continued during June. Manufacturers of both ready mixed paint and white lead report increasing orders. The larger portion of the demand, however, is for repainting, and it is only within the last few weeks that the demand for paint to be used on new construction has made itself felt in the trade. Manufacturers report increased shipments to the coal mining districts, which they ac-



count for by the fact that the men are taking advantage of their enforced idleness to paint their homes. Good as was the demand at this time last year, it is better today, and most manufacturers report an increase of sales amounting to from 15 to 30 per cent over those of the same period a year ago. Industrial demand alone shows relatively little improvement since last month. Factories using paints in their manufacturing processes are still buying as sparingly as possible, and the railroads have not as yet entered the market.

With two exceptions manufacturers report that they are operating on full time. Stocks which had been built up during the winter have been very largely disposed of.

There has been no change in the price of ready mixed paint. Both pig lead and white lead in oil, however, have increased during the last month, and in both instances by about one quarter of a cent a pound. Pig lead has increased 23 per cent in price since January, and white lead in oil, 2 per cent. Turpentine during the same period has advanced 16 per cent in value. Linseed oil has been subject to violent fluctuations, and the price at this time (88 cents) represents a decrease of 4.5 per cent since

January. Manufacturers say that they are making an effort to hold prices to present levels and will advance them only as fast as they are compelled to do so by increases in the price of raw materials.

Collections are becoming better and are reported in most instances as being satisfactory.

COAL

ANTHRACITE

Stagnation still prevails in the retail market for domestic sizes of anthracite. The continuance of the strike, however, has frightened some consumers who had delayed purchasing in the expectation of lower prices next fall, and a few have placed orders for part of next winter's requirements. But dealers' stocks of domestic sizes are nearly exhausted, and there is little activity of any kind in the retail trade.

In the steam market, however, buckwheat is in noticeably stronger demand as a result of the increasing scarcity of bituminous coal. Prices on buckwheat have advanced during the past month, and most sales are now being made at \$3.75 or \$4 per ton, and occasionally at \$4.25.

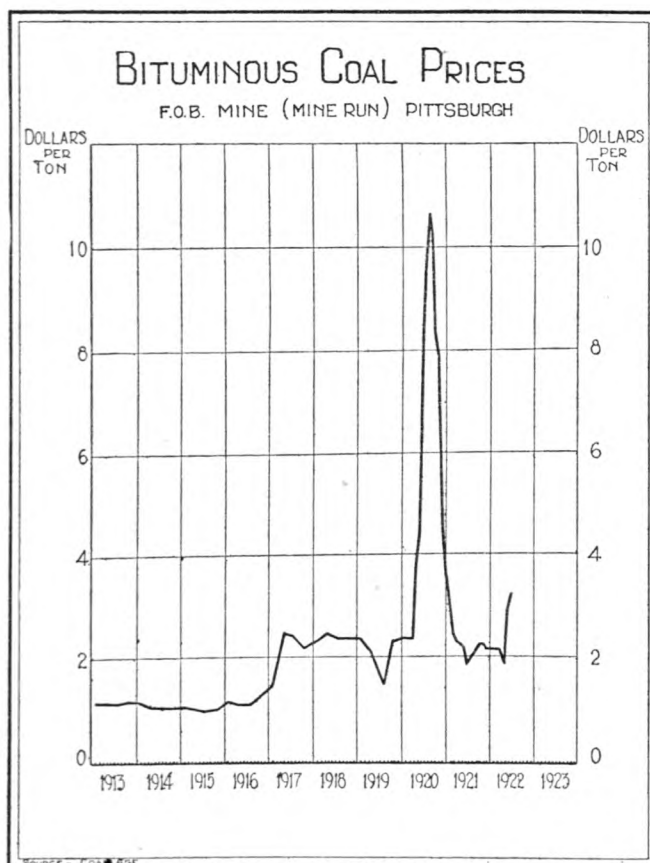
Production in the anthracite district is still at a standstill, and no coal is being mined. A few thousand tons of fine sizes are being dredged from the rivers weekly, and operators handling this product are finding a ready market for it because of the growing industrial demand for steam coal. But the total amount dredged from rivers during the first ten weeks of the present coal year was only 76,000 tons, an almost negligible quantity. Thus, in spite of the fact that the anthracite working year is well advanced, output is over 17,000,000 tons less than that of the corresponding period last year. Hence, it is apparent that should the strike continue much longer, a stringency of supply may develop next fall.

At the present time, there is little prospect of an early settlement of the strike. The representatives of the miners refuse to accept the operators' demands for a decrease in wages, and they have also declined the operators' suggestion that differences be settled by an arbitration board to be appointed by the President. Negotiations between the two groups have ceased, and a deadlock exists. Many mine workers have left the anthracite district, and banks report a considerable reduction in savings deposits since the commencement of the strike.

BITUMINOUS

The third month of the coal strike has witnessed further increases in production and lower quotations

on bituminous coal. Following Secretary Hoover's first conference with the soft coal operators, in the latter part of May, the rapid advance in prices which had occurred during that month was abruptly halted, and quotations on most grades declined from 50 cents to \$1 per ton. This fall in prices, however, is attributable in part at least to a falling off in demand, as market prices in general have been somewhat below the maximum level agreed upon at the conferences. Buyers have exhibited less anxiety since the conferences were held, and the announcement of the reduction in freight rates effective July 1 has also been a deterrent to purchasing. Increasing production in non-union fields is another factor that has strengthened the position of purchasers. During the last few days, however, demand has again improved and prices have moved upward, but not above the maximum levels voluntarily established. Present quotations in nearly all districts are from \$3 to \$4 per ton at the mine, although a few grades have sold above the latter figure. The *Coal Age* average of spot prices stood at \$3.31 on June 19, as compared with \$3.08 on June 5, and \$2.05 before the commencement of the strike. The accompanying chart shows the fluctuations in this index



of soft coal prices during the period from January, 1913, to June, 1922.

Production of bituminous passed the 5,000,000 ton mark, for the first time since the commencement of the strike, in the week ending June 10. As seen in the accompanying table, giving weekly output of bituminous coal during the first ten weeks of the strike, production has shown an almost unbroken increase since April 22. This has been due largely to increased output in many non-union districts which suffered from strikes during April and May. In the Westmoreland district, for instance, loss due to strikes has declined from 35.6 per cent of the maximum possible output in the week ending April 29, to only 8 per cent in the week ending June 10. The Somerset County field of Pennsylvania, another non-union district, lost 56 per cent of its total operating time on account of strikes in the week ending May 6, and only 34.4 per cent in the week ending May 27. The decline in the week ending June 3 was due to the observation of Memorial Day.

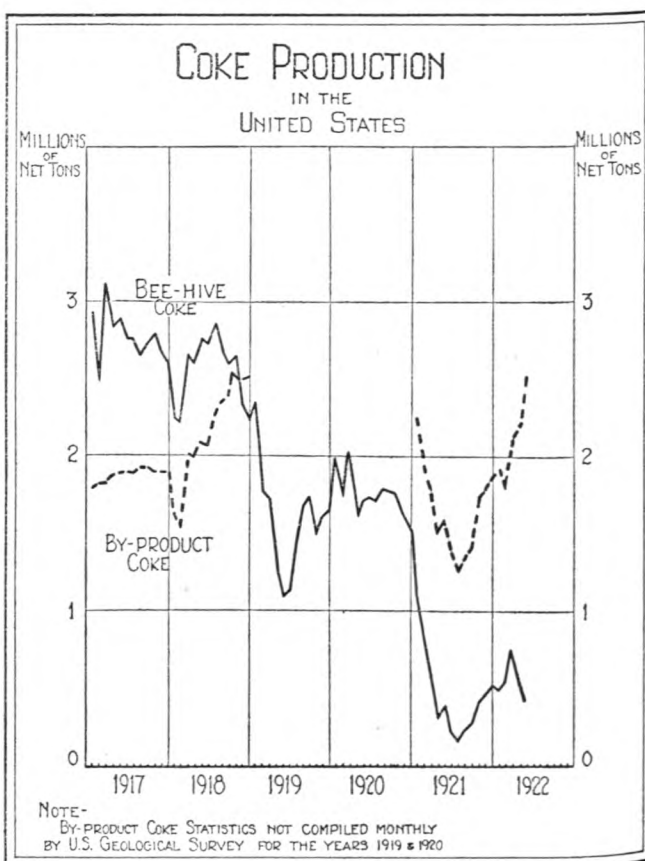
Although no accurate measure of coal stocks has been made recently, it is evident that they have been reduced by at least one-half since April 1. Current consumption is from 3,000,000 to 4,000,000 tons in excess of weekly production, which necessitates a considerable drain upon consumers' reserves. Many local consumers, however, report that they still have several weeks' supply on hand.

PRODUCTION OF BITUMINOUS COAL (Weekly output during first ten weeks of strike)

Week ending	Tons
April 8.....	3,835,000
" 15.....	3,656,000
" 22.....	3,575,000
" 29.....	4,175,000
May 6.....	4,164,000
" 13.....	4,433,000
" 20.....	4,481,000
" 27.....	4,889,000
June 3.....	4,616,000
" 10.....	5,134,000

COKE

Beehive coke is still in scant supply, in spite of heavier production during the past month. Weekly output has increased considerably since the first few weeks of April, and is now established at about 100,000 tons; but this is insufficient to meet the demands of iron and steel manufacturers, and existing supplies are fast disappearing. Indeed, the spot market has been almost non-existent of late, and current quotations—\$7 and \$7.50—for furnace and foundry are only nominal. But few future contracts are being made by producers, owing to uncertainty as



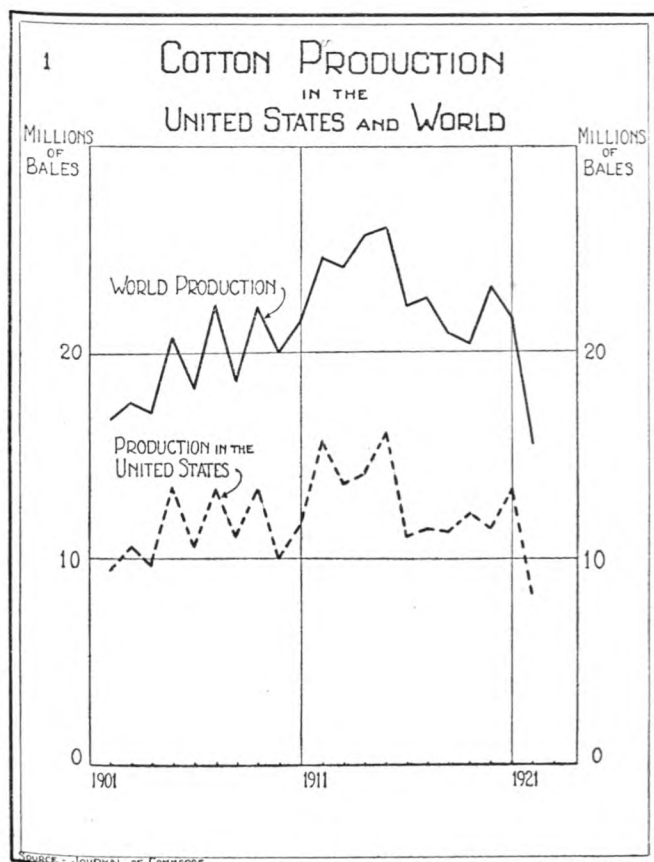
to the future prices of coal. This scarcity of coke and the inability to place contracts has prevented many operators from blowing-in their furnaces, as it would be extremely hazardous to attempt to operate with only the spot market to depend upon. Many steel manufacturers have been forced to rely largely upon by-product ovens for their coke, and some are dependent upon them entirely. Hence, consumption of by-product coke has greatly increased, and in some localities the heavy supplies which existed prior to the strike have been nearly depleted.

By-product ovens have maintained a high rate of activity in spite of the coal strike. Indeed, for several years now, the output of this product has far exceeded that of beehive coke, as is shown by the accompanying chart giving production of beehive and by-product coke since 1917.

COTTON

RAW COTTON

The price has been the center of interest in the raw cotton market during the past month, because of its phenomenal advance. Although some setbacks have accompanied it, the rise has been fairly continuous



and at times very rapid. The general belief in a cotton shortage, as a result of late planting, floods in Texas, rainy weather, and the widespread appearance of the boll weevil in a year when it may be especially destructive because the cotton plant had a late start, caused a bullish sentiment, which has constantly forced the market upward. Between April 21 and June 23, spot cotton in New York rose 4.15 cents a pound, and in the same length of time, October cotton increased from 17.58 to 21.70 per pound. Not only is it of interest to note the gain over the whole period, but also the sharp rise in the four days preceding June 10, when the price jumped 1.95 cents a pound, or \$9.75 a bale.

New York quotations for middling upland cotton on June 9 of each year have been as follows:

1912....11.65 cents	1916....12.85 cents	1920....40.00 cents
1913....12.75 "	1917....23.80 "	1921....12.70 "
1914....13.65 "	1918....30.05 "	1922....22.55 "
1915....9.65 "	1919....32.75 "	

As shown by the table above, this year's price, although much lower than the war-time quotations, is about 75 per cent higher than last year's price. The present advancing trend is the result of the conflict between a decreasing supply and an increasing demand.

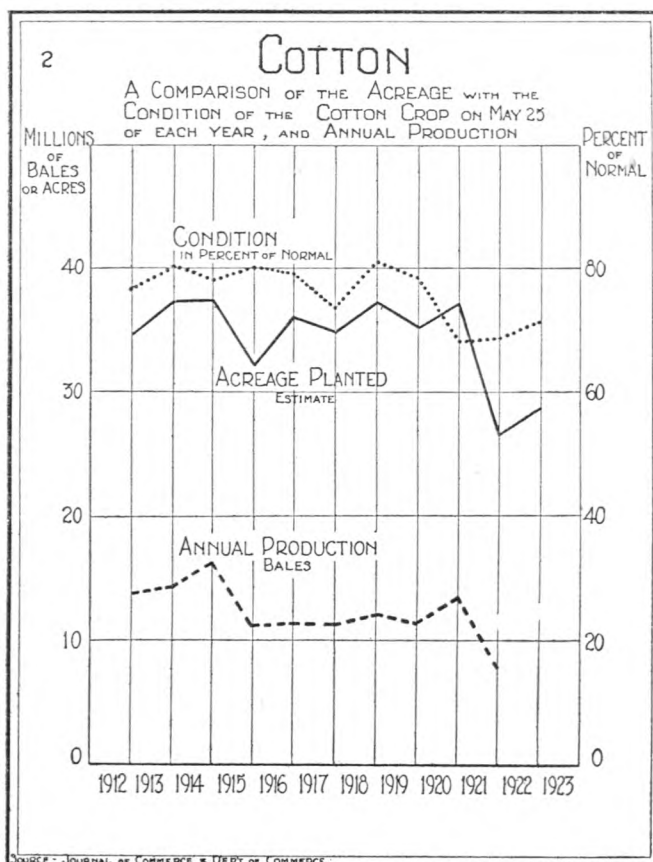
Although it is the world's supply which influences price, accurate data can be obtained only for that part of it grown in the United States. As indicated by chart No. 1, our own production has been high in comparison with the total crop, for in 1920 we produced 68.4 per cent of the world's cotton. Therefore the following figures, compiled by the New York Cotton Exchange on June 9, showing the supply and world's consumption of the American crop of 1921-1922, may be taken as a good indication of the cotton situation over the world as a whole.

SUPPLY AND TAKINGS OF AMERICAN COTTON

	Season of 1921-1922 (bales)	Season of 1920-1921 (bales)	Season of 1919-1920 (bales)
Visible supply, American, at end of previous season (July 31).....	4,112,651	2,943,882	3,213,937
Crop in sight, American, to June 23 of each season..	10,222,957	10,845,869	11,813,713
Total	14,335,608	13,789,751	15,027,650
Visible supply, American, on June 23 of each season	2,681,912	4,510,848	3,397,502
World's takings of American to June 23 of each season	11,653,696	9,278,903	11,630,148

For the same reason, estimates regarding the probable yield of the crop now planted in the United States are also of importance. On May 25, the condition of the present crop was reported by the Department of Agriculture to be 69.6 per cent of "normal." In chart No. 2, which compares the estimated condition and acreage on May 25 of each year with the yield when the crop was picked, the figure for the acreage planted this year has been taken from the Journal of Commerce, since the government estimate will not be announced until July. It will be seen that there has been a striking correlation between the acreage and the yield in 1915, 1920, and 1921. How large this year's production will be can be predicted only after considering both the increase in acreage and the condition of the cotton.

The sufficiency of the cotton now being grown plus the carryover from last season depends not only on the quantity produced this season, but on the domestic and foreign consumption. In this country there has been a lively demand, both speculative and commercial, and it is significant that the mill takings of the last ten months have been about 23 per cent greater than for the same period of last season. Of the cotton used in the United States, the southern



mills have been consuming about 70 per cent, but now the New England mills are buying more heavily. The May consumption of 496,000 bales was larger than that for April by 50,000 bales, and the weekly consumption rate has been constantly increasing. The average total weekly consumption for the current season has been about 240,000 bales, almost equally divided between domestic takings and exports; and if consumption continued until August at this average rate, the present visible supply would be almost depleted.

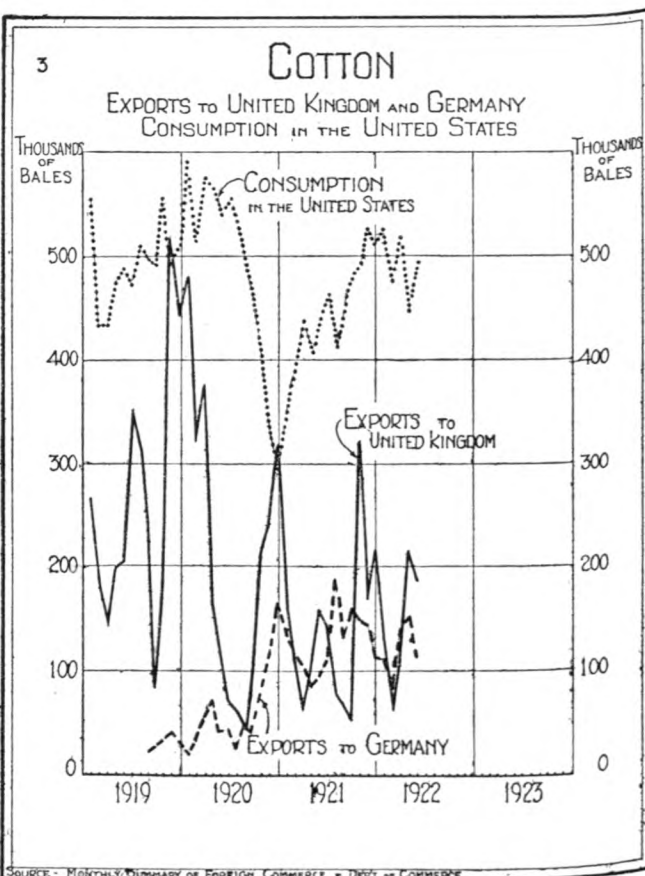
Not only has our domestic consumption been increasing, but also our exports. Exports to both England and Germany, as shown by chart No. 3, have been rising during April and May, and foreign spinners fear a shortage. Excepting the United States, the largest consumers of American cotton are England, Japan and Germany, and the latter also handles cotton destined for Czecho-Slovakia, Austria, Poland and Finland. For the half year ending January 31, 1922, the total world consumption of American cotton was estimated at 5,803,626 bales, and the revival of exportation to England and Germany indicates that consumption during the remainder of the year may be just as heavy, because the stocks kept at

Liverpool and Bremen are not increasing but are being forwarded to spinners.

COTTON GOODS

The rapid advance in the price of raw cotton has strengthened the cloth market; but after a period of activity as a result of this stimulation, trading has again become more quiet. Those goods which were most affected by the rise in the raw material were the heavy unfinished goods, in which the cost of the cotton is large in proportion to the other expenses of production. Thus, although converters and printers made considerable purchases of gray goods, it is only natural that the effect of the advance in the raw material should have been less quickly felt in the fine finished goods. Of the latter, however, voiles and lawns are in some request. Also, after a period of extreme dullness, the demand for both towels and upholstery coverings has slightly improved; but for sheets, pillow cases and gingham it is light.

In spite of the quietness which is again evident, the volume of sales from May 10 to June 10 exceeded that of the previous month, and the business transacted was quite satisfactory. Mail orders were

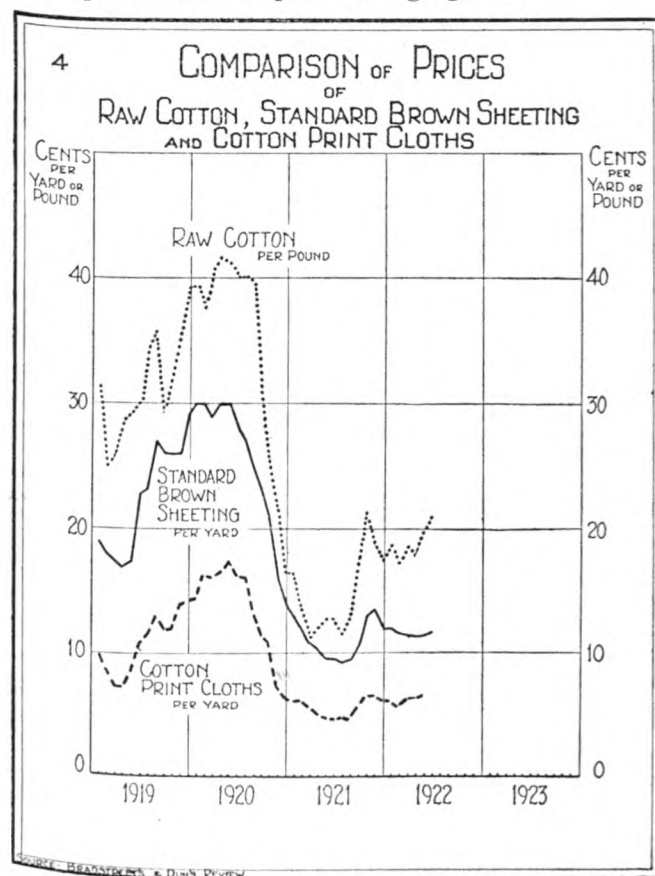


increased by the rise in raw cotton, but the majority of the orders from all sources were for immediate delivery.

Notwithstanding a quiet demand, cloth prices generally have strengthened during the month, and are now firm at the new levels. As shown by the chart No. 4, the relative increases were not as great here as in the raw material. The advance affected cotton goods of nearly every description with the exception of towels, plushes, and a few staple goods. In these lines the demand was too light to stand an increase in price, and manufacturers state that the prices of some finished goods, such as gingham and printed percales, are very low in comparison with the costs of production.

With the exception of the plush mills, which are operating at about 60 per cent, the cotton goods production is 85 per cent of capacity. It is worthy of note that unemployment is apparently decreasing, because calls for men no longer bring a quick response of good applicants.

Although there are conflicting estimates regarding the size of the stocks in the hands of manufacturers, they are generally reported to be normal. However, stocks of towels are heavy, and distributors hold large quantities of draperies and gingham.



Although in the cotton trade there have been some failures, collections are fair, and in several cases the number of delinquent firms is reported to be smaller.

WOOL

WOOLEN AND WORSTED GOODS

Although business in worsted goods continues to be poor in the extreme, sales of woollens for women's wear, especially for pile fabrics and fancy-back cloakings, have somewhat improved. But in men's wear, the fact that fall commitments have already been made, and the further fact that repeat orders are being checked by advancing prices, have caused activity to decrease. What worsted business exists is in either fancy goods or "tropicals" for summer wear, and whether this month has been more or less active than the preceding has been determined for the manufacturer of worsteds largely by his type of product. All reports agree, however, that sales of worsteds are at least 75 per cent lower than they were at this time last year. The majority of the orders are for immediate delivery.

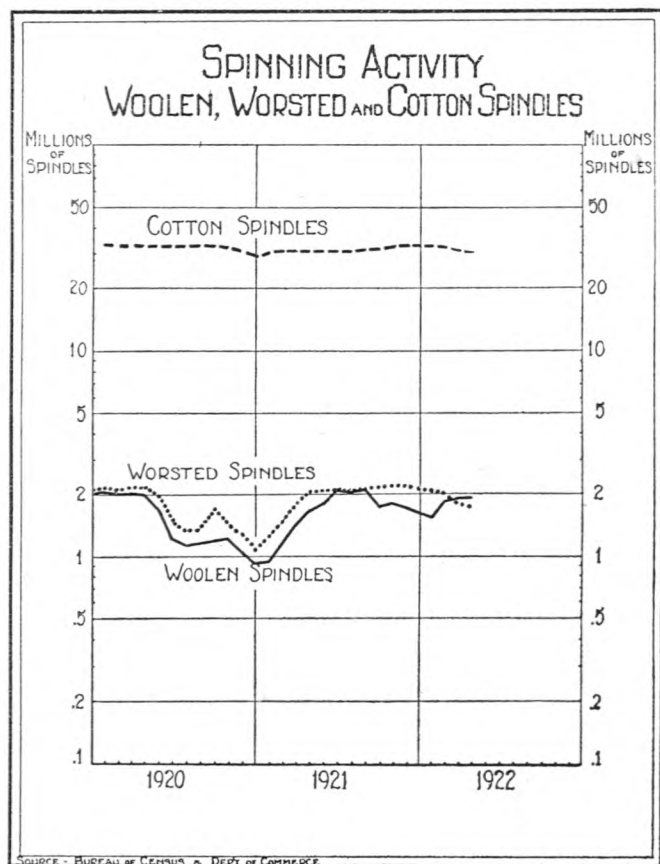
The striking difference in demand between woollens and worsteds has been reflected in the productivity of the mills. Though the activity in the woollen trade is 80 per cent, mills which make worsteds only are running at 33 per cent of capacity.

Stocks of worsted goods held by manufacturers are low, but the better demand for woollen cloth, together with the advancing quotations on raw wool, has led manufacturers to stock woollens in the expectation of a speculative gain. Moreover, because of the strength of the raw material, both woollen and worsted prices have steadily advanced. The American Woollen Company, for example, has raised its worsted quotations three times this spring.

Collections are becoming slower and in some cases are distinctly poor.

WOOLEN AND WORSTED YARNS

Although trading in woollen yarns during the month was more active, the demand for worsted yarns declined. Notwithstanding the advance in raw wool quotations, worsted buyers continued to be indifferent, and the effect of the rising market was depressing rather than stimulating. With the possible exception of yarns for the knitting trade, staple yarns have not been in request. But novelty yarns are reported to be selling more readily. Except in orders for novelties, buyers are specifying deliveries in from 60 to 90 days.



Regarding the size of stocks held by manufacturers, our reports are conflicting, but many state that supplies are low. Moreover, there are many spinners who operate only upon order, and these carry no stocks except what are about to be delivered. In such cases the percentage of operations and the changes in demand are closely allied. The productivity of spinners throughout the district averages 75 per cent. As indicated by the accompanying chart, showing the activity of worsted, woolen, and cotton spindles, the number of worsted and woolen spindles in operation is subject to changes which are relatively much greater than the variation in the number of cotton spindles. It is also significant that though worsted spindles outnumbered woolen spindles up to March, 1922, the latter now predominate.

Because of the constantly rising prices of the raw material, yarn quotations for this month show a general advance. Some spinners, however, who are still working up supplies of low-priced wool, are making concessions.

In those lines in which goods are moving, collections are very satisfactory, but in those that are inactive they are slower.

RAW WOOL

Prices of raw wool are still firm, but the great activity which characterized this market a month ago has now subsided. Speculative buying has largely ceased, and mills are purchasing only in order to cover their needs. Eastern manufacturers are showing some tendency of late to resist the payment of higher prices, and this has added to the quietness of the market. Nevertheless, when compared with that of the previous month, the volume of sales between May 10 and June 10 showed a marked increase. The demand for carpet wools is especially strong and as all of these are of foreign origin, imports have been heavy, totaling 65,258,000 pounds during the first four months of 1922, as compared with 30,485,000 pounds during the same months of 1921. In addition to their use in carpets, these wools are now being consumed in the manufacture of rough woolen fabrics.

Much of the territory wool from the West, with the exception of that from Montana, has already been absorbed, and the Ohio clip is now moving rapidly. Because they are being used to supplement the decreasing supply of high-grade imported merinos, the Ohio delaine fleeces are commanding higher prices than the territory wools. Ohio farmers are receiving for fine clips, which shrink about 60 per cent when scoured, prices as high as 57 cents a pound. The present high level of quotations for all wools has been reached by continual advances, the average price of 98 grades having increased between May 5 and June 9 from 59 to 72 cents per pound, or about 22 per cent.

Not only has this rising price trend reflected the potential scarcity of wool in the world, but it has made business increasingly difficult for the dealers because of the additional risk and capital involved, and their stocks have therefore been reduced. Supplies of the finer grades of wool are especially light in the eastern warehouses. Moreover, the advancing market has caused cancellations to be prevalent, and eastern dealers have signed contracts with western farmers only to have them broken before delivery was made.

Many customers who formerly requested extension of time are now taking advantage of discounts, and collections generally are reported to be good.

SILK

RAW SILK

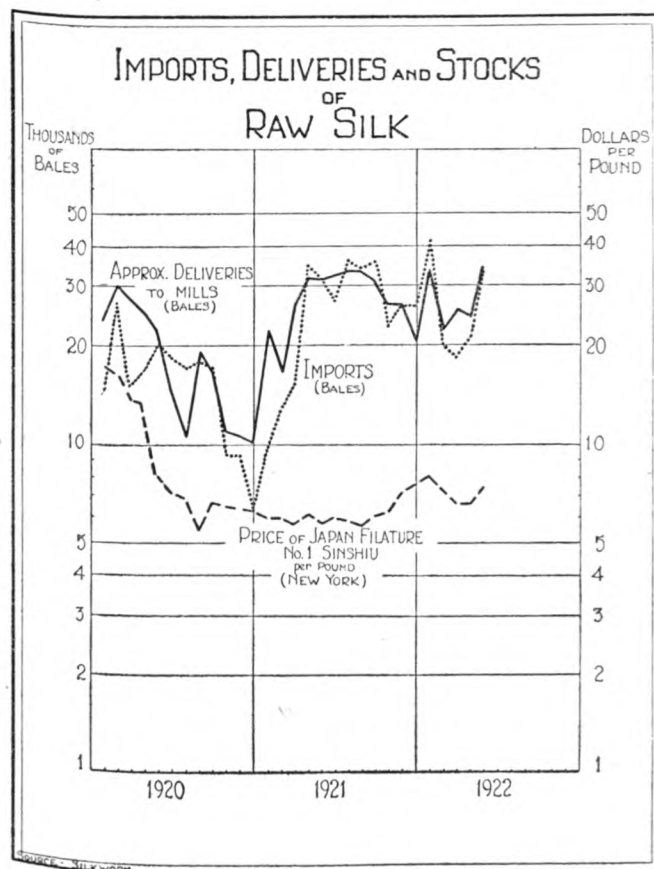
After a sharp reaction in the early part of June, silk prices have now regained the high level of May.

On June 12, Kansai double extra A was quoted at \$7.90, and Kansai No. 1 at \$7.35 a pound. The previous reaction was the result of the liquidation by the Japanese Syndicate of silk which had been damaged in storage. Although sold below the market price, it was shunned by both American and European buyers, for only a part of the amount sold was suitable for export. Following its monthly custom, the Syndicate has again released 2,000 bales of its stock.

In comparison with the record of the preceding three months, imports during May showed a marked increase. However, since consumption also advanced, from 24,247 to 33,284 bales, the quantity of silk in storage gained but little. The present status of raw silk in this country is indicated by the following figures of the Silk Association:

1922	Storage 1st of month	Imports	Storage end of month	Consumption
January	24,804	40,177	31,138	33,842
February	31,139	19,950	28,982	22,107
March	28,922	18,641	22,077	25,546
April	22,077	21,438	19,268	24,247
May	19,268	34,842	20,826	33,284

On the chart below are shown the imports and consumption of raw silk in the United States, to-



gether with the price of Sinshiu No. 1, since January, 1920. Although the price is far below the high point of early 1920, the volume of imports during last month was almost as great as that of the peak month of last year, and much higher than the maximum of 1920. A study of the price curve will show the influence of the Silk Syndicate, which was formed in 1920.

Silk throwsters are receiving increased business, and many of their mills are running at 80 per cent of capacity. Prices of thrown silk fluctuate with the demand.

SILK GOODS

With the exception of that for crepe fabrics, manufacturers continue to find the demand for broad silks extremely light. Jobbers, on the other hand, have a steady call for silk goods, as trade has been stimulated by the warm weather and by the low prices made possible by advantageous purchases of goods when manufacturers liquidated their stocks. The presence of these low-priced supplies in jobbers' hands completely cuts off the manufacturer from the effective demand, except in one class of goods, namely, crepes. In these, heavy buying has caused stocks to become depleted. Once again, manufacturers are faced with the unfortunate situation of a sharp demand for one line and stagnation in all others. For example, jobbers are forced to carry broken color assortments of crepes and sport silks, and this class of goods is more active than ever before; but taffetas and messalines have not been so dull for years. Moreover, this inactivity extends also to the foulards and satin-faced weaves, and ribbon makers find that the restrictive influence of price makes the demand for their product unsatisfactory. The season for spring silks now having passed, manufacturers are receiving a few attractive requests for fall goods, but the major portion of the orders are small in size and call for quick delivery.

Owing to the situation above described, the general rate of operations is not greater than 40 per cent. Only those mills are running in which the looms are adapted to the making of crepe weaves, and the industry fears that if all of these looms were operated on full time, even the crepes would be over-supplied. In spite of a slight increase in production, the Paterson mills are now running at only 20 per cent of capacity, as compared with a productivity one year ago of 50 per cent.

We receive conflicting reports as to the supplies of raw silk held by manufacturers, but their stocks

of finished goods, although not increasing, are heavy. Very few continue to produce for stock, since the price of the raw material is both high and unsteady. Although the demand will not permit a sharp advance, the rising silk market has somewhat strengthened the price of the finished goods. But silk men would welcome such a lowering of prices for broad silks as would bring them more nearly in line with cotton fabrics.

Collections are unchanged and continue to be satisfactory.

HOSIERY

Hosiery manufacturers report that there has been no further increase in activity but that orders booked are somewhat smaller than in the previous month. Full-fashioned mills have made sales that will keep them busy until the end of September and have some orders for shipment over the balance of the year. But seamless mills, generally, are working on orders to be shipped within the next six weeks. However, certain manufacturers have booked some August and September business. All lines of cotton and mercerized hosiery, except infants' wear, are extremely dull.

Prices, as a rule, are about the same as they were a month ago, although some orders have been taken at reductions ranging from five to ten per cent. The best selling hosiery is a full-fashioned silk stocking for women to retail at about \$2 per pair.

OPERATIONS IN THE HOSIERY INDUSTRY

(In terms of dozens of pairs) Number of firms reporting—44	May, 1922, compared with April, 1922	May, 1922, compared with May, 1921
<i>Firms selling to the wholesale trade:</i>		
Product manufactured during May	+ .2%	+27.7%
Finished product on hand May 31.	— 4.5 "	+38.5 "
Orders booked during May.....	—50.3 "	—29.4 "
Cancellations received during May	—40.1 "	.....
Shipments during May.....	+ 6.6 "	+29.9 "
Unfilled orders on hand May 31..	—13.5 "	+15.3 "
<i>Firms selling to the retail trade:</i>		
Product manufactured during May	— 3.9%	+25.3%
Finished product on hand May 31.	—25.6 "	+58.1 "
Orders booked during May.....	+32.8 "	+31.6 "
Cancellations received during May	+32.9 "	.....
Shipments during May.....	+ 4.5 "	+18.4 "
Unfilled orders on hand May 31..	+10.2 "	—20.4 "

All yarns, worsted, cotton and silk, have advanced sharply in sympathy with the strength of the raw material markets. Sales of yarns at the new quotations, however, have been small, for, as stated above, prices for finished hosiery are lower rather than higher. Therefore it is most difficult for mills that are not fortunate enough to have on hand stocks of yarns purchased on a lower market, to meet pres-

ent competitive prices. The table presented herewith shows the operations of reporting mills in this district.

UNDERWEAR

The continued advance in yarns has made the marketing of underwear increasingly difficult. Only those manufacturers who bought yarn at lower prices than now prevail and are willing to sell their finished product at prices based on their purchases, are able to secure a satisfactory volume of business.

Advances in price on either light or heavy weight underwear are fought by both wholesaler and retailer, who reiterate the statement that the consumer is in no mood to pay a higher price than he has been paying. Nevertheless, the manufacturer is faced with the actual high figures for yarn, which are based on the strength of raw cotton and wool, and is therefore unable to meet the buyers' views. Some fill-in orders for light weights are still being received, but the advance demanded for fall goods, over the opening prices of last January, has greatly reduced the volume of business for autumn delivery. It will, however, have the effect of stopping any intended cancellations.

The opening of lines for the spring of 1923, which was expected to take place at about this time, seems to be held in abeyance because of the improbability of the success of an opening at present. The output of the reporting manufacturers in the Third Federal Reserve District is shown by the following table:

CONDITIONS IN THE UNDERWEAR INDUSTRY

(In terms of dozens) Number of reporting firms—15	May, 1922, compared with April, 1922	May, 1922, compared with May, 1921
<i>Summer underwear:</i>		
Product manufactured during May	— 11.4%	— 4.0%
Finished product on hand May 31.	+ 12.7 "	.....
Orders booked during May.....	+ 36.7 "	—25.4 "
Cancellations received during May	— 10.2 "	.....
Shipments during May.....	— 21.4 "	—20.5 "
Unfilled orders on hand May 31..	— 49.6 "	—90.8 "
Number of reporting firms—7		
<i>Winter underwear:</i>		
Product manufactured during May	+ 7.2%	.....
Finished product on hand May 31.	+ 23.5 "	.....
Orders booked during May.....	+140.5 "	.....
Cancellations received during May	.....	.....
Shipments during May.....	+ 19.0 "	.....
Unfilled orders on hand May 31..	+ 3.9 "	.....

FLOOR COVERINGS

For some months past, the demand for carpets and rugs has centered largely in the higher grades, Wiltons and Axminsters,—a condition that was in marked contrast to the situation in many lines of

business, for in most cases the reduced purchasing power of the public had forced orders into medium and low priced articles. Now, however, without any reduction in the demand for the higher qualities, a heavy buying movement has set in for the lower grades, and manufacturers of velvets, tapestries and ingrain are, in most instances, able to run their plants at full capacity. For the first time since the strike in the Wilton factories last year, supplies of Wiltons appear to have caught up with the demand, and orders for speedy delivery have become less urgent. Rag rug makers have also had a good spring and early summer trade, but orders are now beginning to slacken, as is to be expected at this season. Business, however, is still being booked at a rate considerably higher than at the same period in 1921.

Price changes have been infrequent and when made have been very slight. Raw materials are strong, cotton and wool yarns and jute having all advanced in price.

When summer begins, the linoleum business usually slackens, but this year there appears to be no lessening of orders, and plants, although running at capacity, are not only showing no accumulation of stocks but are even behind on many of their deliveries. Linseed oil is lower in price than it was a month ago, but is considerably above quotations of early spring. Jute, owing to the short Indian crop, has advanced sharply.

Collections in all floor-covering lines are good.

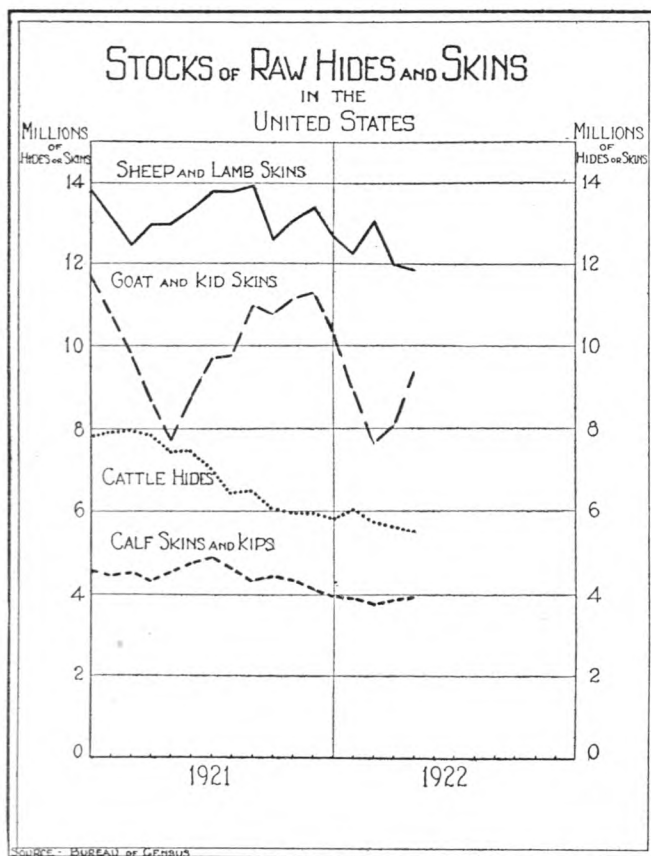
LEATHER

HIDES AND SKINS

Sales of both domestic and foreign hides have increased, as have also prices. Unsold stocks are reported to be small, and both packer and country markets have been cleared of all desirable lots.

Calf skins are also active and higher. Heavy weights are in better demand than light weights, but good selections in light weights also find ready sale. During the warm season, country skins, not as a rule being taken care of as well as skins from animals slaughtered in the city, have to be marketed quickly to avoid deterioration. Therefore, these skins have not shown as great strength as the others.

Goat skins have ceased to decline. In fact, the primary markets have advanced from the low figures of several weeks ago. Some tanners have bought in these markets, though not largely; but other tanners who were in need of stock preferred buying skins



either in warehouses in this country or on ships scheduled to arrive early. Sheep skins also are firmer and have advanced from the recent low prices.

Stocks of hides and skins of cattle, calf, goat and sheep, as shown by the accompanying chart, are all much lower now than at the beginning of 1921. The decline in all of these, excepting goat skins, has been fairly steady during the past sixteen months. Goat skins decreased for the first four months of 1921 very sharply, falling off about 4,000,000 skins, or over one-third. They then increased for seven months, gaining 3,500,000, and almost reached the figure of January 1. From that point another sharp decrease took place, and in four months' time, or by February, 1922, stocks were down again to about the same point as in April, 1921. Since February, stock has increased. On April 30 of this year, the stocks of cattle hides, sheep and goat skins were each about 2,000,000 less than on January 1, 1921, and the stock of calf skins fell over 500,000 during the same period. Because of these reductions, it is likely that any further increase in the demand for finished leathers will be promptly reflected in the price of raw hides and skins.

LEATHER

The leather business in practically all its branches has taken a turn for the better. In heavy leathers the market is much broader. Whereas formerly certain lines only were selling, there is now a demand for all tannages and all parts. This has enabled the tanner to reduce stocks where accumulation had been heaviest. Prices, too, have improved, and the advances have not in any way checked sales. Buyers are more disposed to purchase for the near future, not merely from hand to mouth as they have been doing, and are thus showing confidence in the stability of present prices. Production has not increased, and as sales were large during the latter part of May, stocks on hand at the end of that month, when the figures are published, are expected to show a decided decrease. And as June billings promise to be fully as large as those of May, it would appear that the heavy stocks carried by tanners for the past eighteen months are at last being steadily reduced.

Sales of belting butts and leather belting continue to increase. The largest business for many months in both of these was recorded in May, and since then sales have been running at about the same rate. Harness leather, however, is quiet, and prices are somewhat lower. In the coal regions, owing to strike conditions, orders have been noticeably smaller.

Calf leather is much more active. Heavy skins for men's wear are selling particularly well, and lighter skins, for women's wear, also show improvement. Orders for black, although not so large as those for browns, are increasing.

Kid leather, owing in part to the considerably lower prices accepted by tanners, has been marketed in larger quantity, and this leather is showing a gain in popularity and is now being cut for fashionable styles of women's pumps. Sales of kid, however, cannot be said to be large, but as the improvement comes at a time when manufacturers had become discouraged over the continued neglect of this product, it has created a much more cheerful sentiment in the trade.

Sheep leather, in common with all the others, shows a better tone, particularly as regards the de-

mand from the hat and bag industries. Chamois also is selling freely.

Patent leather, which for months has been the leading upper leather, is still sought, but not so urgently as formerly. There is at the moment a let-up in the demand. However, this is thought by some to be only a temporary lull caused by the hot weather.

Stocks of most of the principal leathers decreased even prior to May. On April 30 the report of the Department of Commerce gave the figures as follows:

Sole leather (backs, bends and sides).....	decrease 0.2	per cent
Cattle splits (equivalent sides).....	decrease 0.9	" "
Goat and kid.....	decrease 0.8	" "
Sheep and lamb.....	decrease 3.8	" "

The only increases of importance were:

Offal (sole and belting).....	increase 0.9	per cent
Cattle side upper.....	increase 2.9	" "

One of the most satisfactory changes in the condition of the leather industry has been the improvement in export trade. The figures at bottom of page show the changes in the principal items.

Since April, the figures are expected to show even greater increases, as compared with those of the previous year.

LEATHER GOODS

Fancy leather articles, including small bags, have sold much better during the past three weeks than for several months. Improvement, however, is not unusual at this period of the year, as many of these articles are sold to travelers and tourists. Prices for the most part are unchanged. In larger articles, too, sales are better. This year foreign travel promises to be the heaviest since 1914, and luggage for that purpose is in demand. The suit case is regaining some of its popularity, replacing the traveling bag, which during the last season or two has been the better seller. High grade trunks are still sluggish, but medium priced lines are selling freely. The size of the individual order in all leather goods business is very small, and it is evident that dealers are determined not to stock up. This is emphasized by the fact that manufacturers are receiving many orders by telegraph asking for shipment immediately by express.

	April, 1922	April, 1921	10 months ending April, 1922	10 months ending April, 1921
Grain and finished splits (sq. ft.).....	1,379,432	704,917	8,493,930	6,978,147
Calf and whole kip (sq. ft.).....	1,886,240	1,296,453	14,769,509	7,612,503
Goat and kid (sq. ft.).....	3,312,337	1,105,422	30,252,399	27,225,993
Patent upper leather (sq. ft.).....	2,588,450	347,644	.....	9,986,459
Sole leather (lbs.).....	1,069,839	822,489	.....	12,838,987

In both suit cases and trunks, however, very severe price-cutting has been carried on, and the business therefore is not in a satisfactory condition as far as profits are concerned. Collections have improved and are now considered to be fully up to normal.

SHOES

Manufacturers of shoes have recently been able to secure more business than for several months. The majority of these new orders are for shipment within five or six weeks, but there is a decided increase in the contracts made for delivery in August and September. Several causes have contributed towards this improved condition. First in importance have been the increased sales during the second half of May and the first half of June, by both wholesaler and retailer. These sales depleted stocks, and replacement orders became necessary. Those manufacturers having stocks of desirable styles on hand were the most fortunate, as prompt delivery was wanted. Another cause is that although small reductions have been made in some cases, the price of shoes is becoming more stable and therefore one of the risks of buying has been reduced. Further than that, the second and possibly more important risk in

the market, caused by the very radical and almost incessant style changes, shows signs of decreasing. Not that new styles are not being brought out, but that styles are less radical and changes somewhat less frequent. The styles most in demand for immediate use are one-strap pumps made of patent leather, satin, and various white leathers, but kid pumps, made of both black and brown, have gained somewhat in popularity. For later delivery, patent leather, although still called for, is not specified in so large a percentage of shoes as before, and orders for calf and kid are becoming more frequent. Fancy brocades for evening wear by women also promise to be used next autumn.

Exports, which according to the accompanying chart had reached a low point early in the present year, are improving, women's shoes showing a better position in April, as compared with the previous year, than either men's or children's. During the month of April, 1922, 209,307 pairs of women's shoes were exported, as compared with 161,081 pairs in April, 1921. Exports of both men's and children's shoes, on the other hand, decreased. Cuba has recently been a very good buyer of children's shoes, and conditions in that market are reported as being greatly improved.

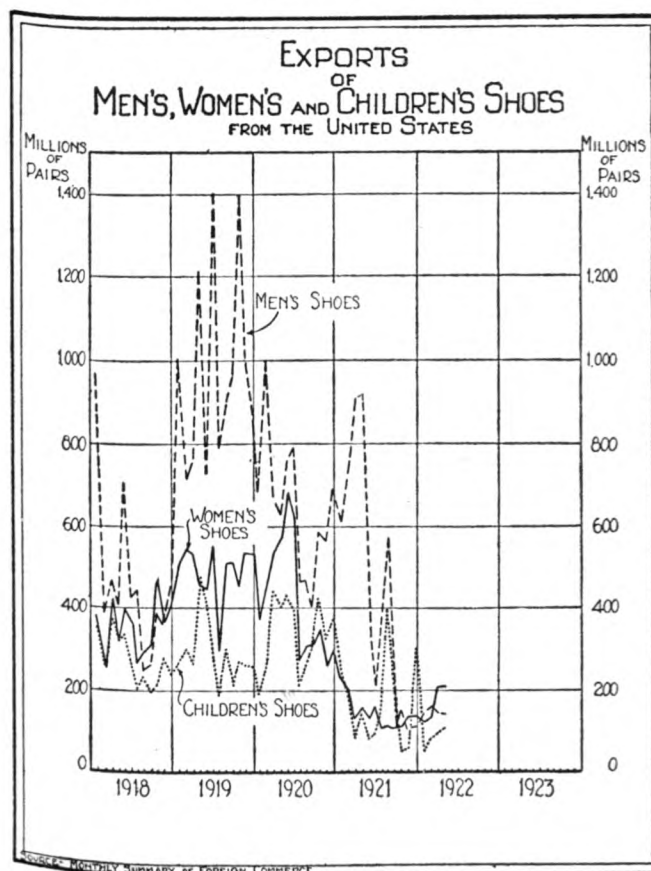
Production of shoes in our local factories, as shown herewith, increased 3.3 per cent, as compared with April, 1922, and decreased 6.2 per cent as compared with May, 1921.

CONDITIONS IN THE BOOT AND SHOE INDUSTRY

	May, 1922, compared with April, 1922	May, 1922, compared with May, 1921
Number of reporting firms—47		
Production	+ 3.3%	— 6.2%
Shipments	—12.8 "	+ 2.2 "
Orders booked	+ 2.1 "	—34.7 "
Orders on hand.....	— 4.0 "	—44.6 "
Cancellations	+43.5 "	.....
Stocks on hand.....	— 7.3 "	+61.0 "
Number of operatives on payroll....	— 4.6 "	— 2.9 "

Retail sales in this district during May, as compared with April, 1922, show a loss of 15.4 per cent, but this was caused by an abnormal sale in the pre-Easter period of the first half of April. Compared with those of May, 1921, sales were only 4.9 per cent less, notwithstanding the lower prices now prevailing. Stocks have been reduced 7.3 per cent since a year ago.

The strike which has kept Lynn factories closed has been settled, the workmen agreeing to accept the 15 per cent reduction in wages suggested by the State Board of Arbitration. All the factories are



now starting up, but it will be some time before they are back on a full production schedule.

RETAIL SHOE TRADE

1. NET SALES:
 - (a) May, 1922, as compared with April, 1922... —15.4%
 - (b) May, 1922, as compared with May, 1921... — 4.9"
 - (c) Jan. 1 to May 31, 1922, as compared with Jan. 1 to May 31, 1921..... —14.5 "
 2. STOCKS (Selling price):
 - (a) May, 1922, as compared with April, 1922... — 3.7%
 - (b) May, 1922, as compared with May, 1921.... — 7.3 "
 3. RATE OF TURNOVER (Times per year based on cumulative period):
 - (a) Jan. 1 to May 31, 1922..... 2.8
 - (b) Jan. 1 to May 31, 1921..... 3.1
- Number of stores reporting above items:
- | | |
|-----------|-----------|
| 1a.....26 | 2a.....22 |
| 1b.....26 | 2b.....16 |
| 1c.....26 | 3a.....22 |
| | 3b.....16 |

PAPER

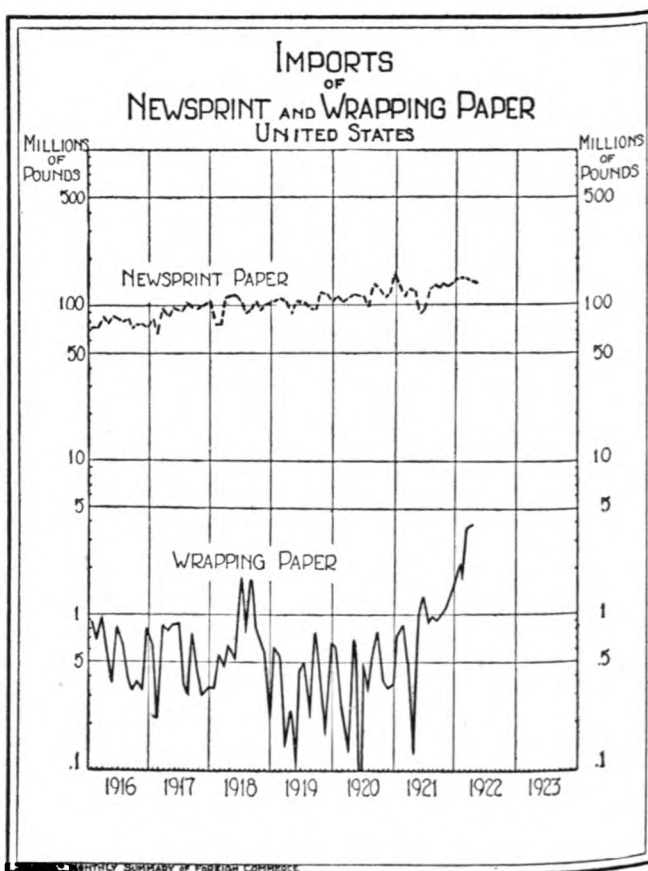
Since May 1 the demand for paper has continued its upward trend, although within recent weeks seasonal factors have slackened the rate of improvement in some lines. These influences, however, have not been as great as usual, and the summer slump has not yet definitely begun. The fine-paper division of the trade seems to be the most active, although book papers are also selling well under the impetus of betterment in the printing and publishing trade. The demand for newsprint is excellent throughout the country, as the size and circulation of newspapers continue to increase. But the call for the coarse grades of paper is erratic. Manufacturers report a gradual improvement in the demand, but local jobbers state that their sales of these lines have been much lighter in recent weeks. Orders in all divisions of the trade are still for immediate delivery, and though some dealers report a slight increase in the size of individual sales, they are still small.

Mill operations in this district are as yet materially reduced, and some firms are running at only 50 per cent of capacity. In certain cases, the restricted output is due to the scarcity and the high price of coal. For the entire country and for all grades, production is close to 80 per cent of capacity. Federal Trade Commission statistics show a decline of about 10 per cent in the production of all grades during April, as compared with March, but an increase of 25 per cent over the output of April, 1921. Shipments did not fall to so great an extent, and a reduction in stocks on hand was affected. Stocks are still rather large as compared with the small reserves held during

1920, but it is quite usual for them to be greater in the spring than at other times of the year.

Prices in general are fairly firm. Competition has resulted in some price-cutting, which has recently been more severe on book paper than on the other grades. This is particularly true of large orders. Adjustments downward have been made in the wrapping paper market by certain manufacturers and on certain grades on which quotations were above the prevailing market prices. Little change has occurred in pulp prices. There are indications that foreign manufacturers of pulp are planning to raise their quotations, and some of them have in fact already done so. Collections have improved and are now reported to be from fair to good.

The question of foreign competition in the paper industry is not now discussed as much as it was a few months ago, although imports this year have been heavy. This country depends largely upon Canada for its supply of newsprint, and the greater part of the increase in imports of this grade was from that country. Foreign wrapping paper is also coming in in much larger quantities, but the amount imported is relatively small and constitutes only a slight part of the total consumption. Furthermore, exports



practically offset imports. The injury done to domestic producers is said to be great not because of the amount imported, but because of the numerous offerings of the same lots to many individuals at prices below those on domestic paper. The trend of imports of newsprint and wrapping paper since 1916 is shown on the chart on page 26. Imports of book paper, not given on the chart, have declined materially within the past year, and for the first four months of this year totalled but 16 per cent of the aggregate for the same period in 1921.

Importers state that European paper is becoming increasingly difficult to market because of irregularity in shipments. Paper cannot be sold for delivery on arrival at port, because no reliable estimates can be made as to when it will arrive; and frequently the importer has had to enter the market and purchase paper for his customer. This situation makes it necessary for him to carry large stocks in order to insure prompt delivery. Another factor that will work against the sale of foreign paper is the danger of a rise in prices. Foreign producers have threatened to increase quotations, and in some cases advances have already been announced. Increases have also been made on foreign pulp. These may be seen in the following table showing monthly average import prices on certain grades of paper and on pulp.

MONTHLY AVERAGE IMPORT PRICES

	Newsprint (pound)	Wrapping (pound)	Book paper (pound)	Bleached chemical pulp (pound)
1920-April	\$.0413	\$.0679	\$.0692	\$.0549
December ..	.0519	.1005	.1188	.0906
1921-April .....	.058	.0644	.2844	.0599
October ....	.0405	.0365	.1007	.0343
1922-January ...	.036	.0357	.1057	.0358
February ..	.0346	.0361	.1205	.0382
March .....	.035	.0364	.1156	.0411
April .....	.0341	.0372	.1605	.0389

PRINTING AND PUBLISHING

During the late spring months the printing and publishing business was much better than it was earlier in the year. Orders increased with the growing volume of commercial advertising and with enlarged demand for catalogues and various kinds of job printing. This improvement was felt by practically all firms, but many report that within recent weeks orders have begun to diminish slightly. This is but the beginning of the normal seasonal decline, which ordinarily reaches its lowest point during July and August. Some printers, however, have experienced no decrease in demand and are of opinion that because of recent improvement in the general business

situation, such a falling off in printing will occur this year only to a slight extent, if at all.

Lithographers also enjoyed a good demand during the spring, and magazine advertising was on a larger scale, being much better in many cases than last year. Business booked for the summer issues of magazines, however, shows a decline as great as is usual at this time, possibly greater. But prospects for the fall are exceedingly bright. One publication already has as much advertising scheduled for certain fall issues as was printed in the corresponding issues last year, and these numbers will not be closed for several months. Publishing houses in general report that the demand for books is excellent.

Operations in printing establishments have almost uniformly been increased within the last three months, although those plants that are feeling the beginning of summer inactivity are gradually curtailing their output. A number of shops are operating night forces, but some are running at as low as one-third of plant capacity. A rough estimate would place the current output of the printing trade at an average of about 75 per cent.

Much discussion is heard in printing circles concerning the cost of doing business. This is partly due to agitation by the Typothetae in favor of more accurate cost systems. A uniform method of determining costs has been worked out by the United Typothetae of America and has been adopted by many printing firms. Within the past year price-cutting in the trade has been severe, and those establishments keeping accurate cost systems claim that prevailing quotations are so low as to divest business of any possible profits, and that those shops which are cutting prices are doing so either in ignorance or in disregard of costs. Material reductions in the prices charged for printing have been effected by this keen competition.

As to individual cost items, practically the only one that has declined to any appreciable extent is paper. Certain standard grades of paper are now from two-thirds to one-half lower in price than they were two years ago. Ink has come down somewhat. But practically no reductions of importance have occurred in either of these items within recent months. Wages have not been reduced at all, except those of certain unskilled workers. There was a strike in the industry last year over the question of a forty-four hour week, and the compositors are still nominally on strike; but master printers state that they can secure all the workmen they need. Production per man is greater now than it was a year

ago, and a saving has been effected in this way rather than by reducing wages. Through this and various other inside economies, costs in general are being gradually lowered. The Typothetae of Philadelphia has, since January, been making a monthly analysis of the principal hour-costs in 21 large printing establishments of the city. These figures, given below, show a slight decline in most of the departments from month to month.

HOUR COSTS IN PHILADELPHIA PRINTING SHOPS, 1922

Department	April	March	February	January
Hand composition	\$2.71	\$2.45	\$2.65	\$2.92
Linotype composition ...	2.64	2.50	2.62	2.94
Monotype keyboard	1.35	1.37	1.29	1.59
Monotype caster	1.52	1.40	1.71	1.66
Platen press, small, h.f..	1.58	1.54	1.82	1.71
Platen press, large, h.f..	1.89	1.87	1.87	2.08
Platen press, small, m.f..	1.72	1.69	1.67	1.83
Platen press, large, m.f..	1.87	1.77	1.91	1.83
Kelly press	2.25	2.32	2.41	....
Automatic presses	2.51	2.22	2.79	2.95
Pony cylinder	3.31	3.02	2.86	3.43
Medium cylinder, h.f....	3.29	3.22	3.50	3.45
Large cylinder, h.f....	4.08	4.22	3.93	4.48
Medium cylinder, m.f....	3.46	3.14	2.90	3.07
Large cylinder, m.f....	2.89	3.12	3.17	3.07
Cutting machine	1.80	1.79	1.98	1.81
Folding machine	1.96	2.12	1.95	1.97
Bindery C-machines ....	.90	1.04	.93	1.20
Bindery D-hand .....	.69	.69	.64	.78

An improvement in collections has occurred, and they are now in general considered to be fair, and in a few cases, good.

CIGARS

The demand for cigars has shown a marked improvement during the month of June. Manufacturers both in the city of Philadelphia and throughout the district report increased sales. This is the more remarkable when it is remembered that June, July and August are usually subject to a seasonal falling off in demand. The large factories still have the better of the business, and the same firms as last month reported that they were operating at 100 per cent of capacity report this month that they cannot fill the demand and are largely oversold. Firms which a month ago were operating at from 60 to 70 per cent of capacity report that they are putting on workers and increasing their output by from 10 to 15 per cent.

The better grades of cigars have the best sale, and Philadelphia houses with distributing organizations covering the entire country find that their higher priced cigars almost uniformly outsell their cheaper makes. Orders are still largely for immediate shipment, but the number of standing orders has in-

creased. Cigar manufacturers believe this is a hopeful sign and one that points to greater stability in the industry.

The price of domestic tobacco has decreased slightly during the last month, which may be accounted for by the inferior quality of remaining portions of the 1921 crop still in the hands of farmers and dealers. Foreign tobaccos have increased sharply, and cigar men complain of the excessively high levels reached by Java and Sumatra during the recent inscriptions in Holland. All firms report collections to be satisfactory, and most of them consider them to be good.

CONFECTIONERY

Conditions in the confectionery industry are in general considered to be good for this season. Many manufacturers report an increase in sales within the last month, although others are beginning to notice the decline that ordinarily starts about this time of the year. If the seasonal factor could be eliminated, it is clear that business would show improvement during recent weeks. Orders are now practically all for immediate delivery, excepting those from some of the summer resorts. The booking of orders for fall delivery usually begins after July 1 and continues until September or October. Shipments are at their maximum in October and November.

As compared with last year, the majority of firms report a slight decrease in sales as measured in dollars, and reference to reports of a year ago indicates that manufacturers considered business to be exceedingly dull at that time. Standards have undoubtedly changed since, for comparison was then being made with the abnormally heavy demand of 1920. It is clear, however, that the present situation is more favorable than that of last June, for at that time prices were declining rapidly and stocks of raw materials bought at peak prices were excessive, so that losses were great. Moreover, the confectionery industry had experienced rapid expansion during 1919 and 1920, and the depression of 1921 caused a number of failures which resulted in large quantities of goods being thrown on the market at sacrifice prices.

Plant operations vary widely among the different establishments. In only exceptional cases is production at capacity; a large number of firms are running at from 40 to 50 per cent, and some at as high as 75 per cent. In most cases, however, current output is considered to be little if any below normal for June,

at which time the demand is light and production for stock is inexpedient because of the fact that candy spoils quickly in hot weather. Therefore, finished stocks are at a minimum.

Changes in prices within recent months have been limited, although some price cutting is still being indulged in and cheaper values are gradually being reached either by actual reductions in quotations or by increasing sizes. In penny candies prices are about 25 per cent lower than they were last June, and considerable declines had occurred prior to that date. Fine confections have not been reduced as much as other lines. The possibility of prices increasing is beginning to be mentioned by many manufacturers because of recent advances in the prices of raw materials. Sugar is rising slowly but steadily, and refiners have reached a six cent basis for the first time since last June. Corn syrup is also higher, and cocoa beans have advanced steadily since the first of the year. These products are still readily obtained and manufacturers as a rule are not stocking up on them, although supplies on hand are reported to be heavy in a few cases.

Collections have shown a little improvement in recent months. They are now reported in most cases to be fair, whereas in March they were considered poor.

AGRICULTURE

Agricultural conditions in the Third Federal Reserve District have undergone a decided change for the better within the past month. A prolonged wet spell, however, during the earlier part of the month did retard the growth of some crops and cause considerable damage to alfalfa. A fairly large portion of the first growth of alfalfa had been cut, but before the farmers had time to put it up, much of it had been destroyed by the continual rains.

Frost damage though severe did not injure the fruit crops as greatly as was feared. The peach crop of New Jersey is reported as approximately 65 per cent of normal, and the apple crop throughout the district as from 50 to 75 per cent of normal. The fruit crops are in a much better condition than they were at this time last year. Clover, which suffered severely from frost last year, is in excellent condition at the present time, as are all the other forage crops.

New Jersey reports the wheat crop of the state to be 94 per cent of normal. Corn, white potatoes, and rye are also all in better condition than they were a year ago.

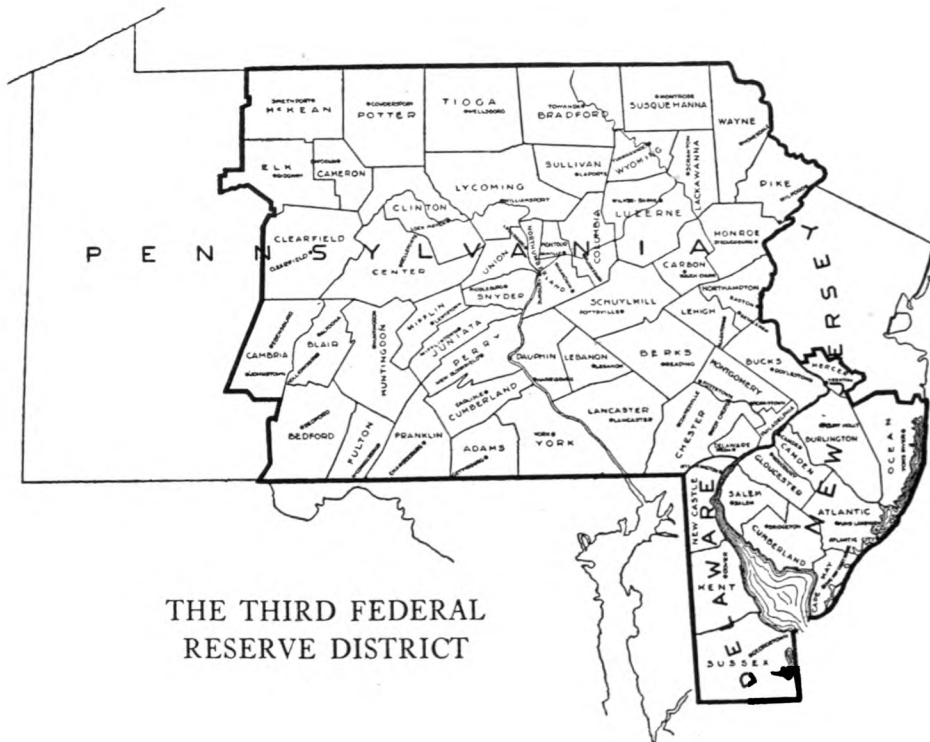
Certain sections of the district report damage to crops by rosy aphid, and heavy damage to peas by green aphid. Moreover, a large acreage of peas has been plowed under because the yield would not have been large enough to justify harvesting it. Striped beetles are making inroads on cantaloupes in some sections of New Jersey. In Juniata County, Pennsylvania, red rust is causing considerable damage to wheat.

Farmers in some sections are mixing their own fertilizer this year, but the great majority of them are buying the ready mixed article. Those who are making their own preparations are effecting a saving of approximately \$10 a ton. Because of the high price of fertilizers and the uncertainty as to the prices which they will secure for their products, many farmers are using less fertilizer this year than is their custom. They are looking forward to securing more lime for purposes of fertilization when railroad freight rates are reduced. At the present time it frequently happens that the freight on a carload of fertilizer amounts to half its value.

Farm labor is considerably cheaper this year than it was last, \$2.50 a day being a good average. But it is more difficult to secure. Some sections are experiencing a positive shortage. The mining districts, however, report an excess of workers, because of the closing down of the mines and the miners' accepting work on the farms.

Certain sections in the district are noticeably short of hogs and beef cattle. One New Jersey county reports only half as many hogs as last year and only one quarter as many as there were three or four years ago. A similar complaint comes from Delaware, where the shortage of hogs is such as to make it difficult to dispose of the corn profitably.

The dairy industry throughout the district seems to be in good condition. The supply of milk is adequate, and the excellent system of distribution, together with an advertising campaign, has increased consumption to a considerable degree. Every effort is being made to reduce seasonal fluctuations in both demand and production and to put the industry on a more stable basis.



THE THIRD FEDERAL
RESERVE DISTRICT

COMPILED AS OF JUNE 23, 1922

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

CHARGES TO DEPOSITORS' ACCOUNTS

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

	June 14, 1922	May 17, 1922	June 15, 1921
Altoona.....	\$3,385,000	\$3,024,000	\$3,190,000
Chester.....	4,096,000	4,445,000	4,459,000
Harrisburg.....	7,447,000	7,778,000	7,056,000
Johnstown.....	4,826,000	4,594,000	4,866,000
Lancaster.....	5,099,000	4,825,000	4,871,000
Philadelphia.....	320,087,000	322,072,000	307,859,000
Reading.....	7,994,000	8,412,000	7,267,000
Scranton.....	10,855,000	11,710,000	15,754,000
Trenton.....	10,701,000	13,407,000	11,100,000
Wilkes-Barre.....	6,808,000	7,655,000	8,546,000
Williamsport.....	4,263,000	4,464,000	3,644,000
Wilmington.....	6,998,000	6,751,000	7,621,000
York.....	3,428,000	4,337,000	3,923,000
Totals.....	\$395,987,000	\$403,474,000	\$390,156,000

RESOURCE AND LIABILITY ITEMS

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

	At the close of business		
	June 14, 1922	May 17, 1922	June 15, 1921
Loans and discounts:			
Secured by U. S. securities	\$22,939	\$28,551	\$72,861
Secured by other stocks and bonds.....	219,546	208,257	189,094
All other.....	315,186	315,620	376,752
Investments:			
United States bonds....	54,814	51,243	46,533
U. S. Victory notes....	11,440	9,425	8,660
U. S. Treasury notes....	15,402	15,468	22,968
U. S. certificates of indebtedness.....	6,353	6,911	24,504
Other bonds, stocks and securities.....	178,268	180,688	157,607
Total loans, discounts and investments....	\$823,948	\$816,163	\$898,979
Demand deposits.....	667,954	657,235	622,920
Time deposits.....	50,324	50,407	41,468
Borrowings from Federal Reserve Bank.....	14,811	16,538	100,306

STATEMENT

Federal Reserve Bank of Philadelphia
(000's omitted)

RESOURCES	June 14, 1922	May 17, 1922	June 15, 1921
Gold reserve.....	\$221,144	\$216,500	\$176,235
Other cash.....	7,739	7,377	5,019
Total reserve.....	\$228,883	\$223,877	\$181,254
Discounts—secured by U. S. securities.....	32,567	39,568	104,111
Discounts—all other.....	9,287	9,315	34,969
Purchased bills.....	19,857	19,633	8,149
U. S. securities.....	32,123	32,336	48,489
Total earning assets..	\$93,834	\$100,852	\$195,718
Uncollected items.....	55,304	50,694	67,426
All other resources.....	2,018	1,937	2,059
Total resources.....	\$380,039	\$377,360	\$446,457
LIABILITIES	June 14, 1922	May 17, 1922	June 15, 1921
Capital paid in.....	\$8,991	\$8,914	\$8,616
Surplus.....	17,945	17,945	17,010
Government deposits....	4,440	888	1,303
Members' reserve account	107,305	107,688	105,406
Other deposits.....	1,171	1,189	1,954
Total deposits.....	\$112,916	\$109,765	\$108,663
Federal Reserve notes....	178,776	183,122	226,633
Federal Reserve Bank notes.....	5,633	7,535	11,078
Deferred availability items	54,427	48,852	70,159
All other liabilities.....	1,351	1,227	4,298
Total liabilities.....	\$380,039	\$377,360	\$446,457

BUSINESS INDICATORS

	June 19, 1922	Percentage increase or decrease compared with	
		Previous month	Year ago
Philadelphia banks:			
Loans.....	\$660,798,000	+1.8%	— 5.0%
Deposits.....	667,471,000	+3.1%	+11.0%
Ratio loans to deposits.....	99.0%	100.3%*	115.7%*
Federal Reserve Bank:			
Discounts and collateral loans.....	\$48,157,478	— 2.9%	—64.0%
Reserve ratio.....	80.5%	76.6%*	57.8%*
90-day discount rate..	4½%	4½%*	6%*
Commercial paper....	4½%	4½%*	6¾%*
	May, 1922	Percentage increase or decrease compared with	
		Previous month	Year ago
Bank clearings:			
In Philadelphia.....	\$1,828,183,000	+ 4.7%	+13.6%
Elsewhere in district..	117,927,000	+59.9%	+ 6.5%
Total.....	\$1,946,110,000	+7.3%	+13.1%
Building permits, Philadelphia.....	8,872,050	—21.9%	+148.5%
Post Office receipts, Philadelphia.....	1,332,031	+ 1.2%	+15.3%
Commercial failures in district (per Dun's).....	87	78*	69*
Latest commodity index numbers:			
Annalist (food prices only).....	183.130	— .1%	+11.8%
Dun's.....	169.997	+1.1%	+ 2.4%
Bradstreet's.....	11.9039	+1.7%	+12.1%

*Actual figures.