

# BUSINESS AND FINANCIAL CONDITIONS

IN THE  
THIRD FEDERAL RESERVE DISTRICT  
PHILADELPHIA  AUGUST 1, 1922

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

## GENERAL SUMMARY

### CONTENTS

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

	PAGE
Agriculture .....	27
Bankers' acceptances .....	5
Building .....	11
Cement .....	12
Cigars .....	26
Coal, anthracite .....	14
Coal, bituminous .....	15
Coke .....	15
Commercial paper .....	5
Cotton goods .....	18
Cotton, raw .....	16
Drugs, wholesale .....	8
Dry goods, wholesale .....	8
Financial conditions .....	4
Floor coverings .....	23
Foreign exchange .....	6
Groceries, wholesale .....	7
Hardware, wholesale .....	8
Hides and skins .....	25
Hosiery .....	22
Iron and steel .....	9
Leather .....	24
Lumber .....	11
Paint .....	13
Paper .....	25
Paper boxes .....	26
Plumbing supplies .....	14
Pottery .....	13
Retail trade .....	7
Savings deposits .....	6
Securities .....	5
Shoes .....	23
Silk goods .....	20
Silk, raw .....	21
Steel .....	9
Tobacco leaf .....	27
Underwear .....	22
Wholesale trade .....	7
Wool, raw .....	20
Woolen goods and worsted goods .....	18
Woolen yarns and worsted yarns .....	19

a very few has there been a decline in buying, and in these cases the falling off may be attributed almost entirely to seasonal conditions. In the coal regions, of course, the volume of both wholesale and retail sales has decreased materially. The situation throughout the district, however, is better, although the rate of improvement has unquestionably been slower than would have been the case but for the strikes. These have affected industry as a whole almost entirely on the production side. They have influenced sales only insofar as they have caused many manufacturers to refuse orders for delivery in the future, owing to the uncertainties both as to supply and the prices of coal. Already many firms have reported the depletion of their reserve stocks and their inability to obtain coal of the grades desired.

As a result of the rapidly dwindling reserves, the coal market has been very active in recent weeks. During June the demand was small, because of the expected settlement of the strike and the anticipated freight-rate reduction effective July 1. But as prospects of a settlement grew more remote and as the need for coal became imperative, buying on a larger scale revived. Ordinarily, coal sales decline at this period of the year, but the present unusual circumstances have caused a marked increase. Since present stocks of coal are about one-third what they were on April 1, and since current consumption is far in excess of production, the effect that a long continuance of the strike would have upon industry and commerce is apparent.

The iron and steel industry, perhaps, has been most adversely affected by the labor situation. The

**I**N spite of the deterrent effects of the coal, railway, and several minor strikes now in progress and of the usual mid-summer influences, business during the past month in the Third Federal Reserve District has continued active, and the large majority of industries report further gains. In only

**SYNOPSIS OF BUSINESS CONDITIONS**  
**THIRD FEDERAL RESERVE DISTRICT**

BUSINESS	DEMAND	PRICES	FINISHED STOCKS	RAW MATERIAL OR MERCHANDISE SITUATION		COLLECTIONS
				SUPPLY	PRICE	
Cement	Excellent	Increasing	Light	Coal badly needed	Firmer	Fair
Cigars	Good	Firm	Very light	Adequate		Fair
Coal, anthracite	Good	Firm	Light			Poor
Coal, bituminous	Good	Higher	Light			Fair
Coke	Good	Higher	Light	Scarce	Higher	Fair
Cotton goods	Light	Firm	Fairly heavy	Fine counts scarce	Firmer	Fair
Cotton yarns	Increasing	Higher	Decreasing		High and fluctuating	Fair
Drugs, wholesale	Poor, but slightly improved	Firm	Decreasing slightly	Scarcer	Higher	Fair
Dry goods, wholesale	Fair and increasing	Firm	Normal		Firm	Fair
Floor coverings	Excellent	Firm	Light	Sufficient	Firm	Good
Groceries, wholesale	Slightly improved	Few changes	Below normal; decreasing	Easily obtainable		Fair
Hardware, wholesale	Good but decreasing	Slightly higher	Light and increasing		Steel higher	Fair
Hosiery, full-fashioned	Fair	Firm	Light	Easily obtainable	Firm	Good
Hosiery, seamless	Poor	Firm	Normal	Easily obtainable	Firm	Good
Iron and steel	Good	Higher	Light		Higher	Fair
Leather belting	Fair and improving	Firm	Heavy but decreasing	Plentiful	Firm	Good
Leather, heavy	Good	Higher	Heavy but decreasing	Scarce	Higher	Good
Leather, upper	Good	Higher	Heavy but decreasing	Easily obtainable	Higher	Good
Lumber, building	Excellent	Firm	Light		Firm	Fair
Paint	Excellent	Firm to higher	Light	Light	Rising	Good
Paper	Good	Higher	Normal	Adequate	Higher	Fair
Paper boxes	Fair (slight improvement)	Firm	Light		Higher	Fair
Plumbing supplies	Excellent	Firm to higher	Light	Easily obtainable	Higher	Fair
Pottery	Excellent	Firm to higher	Light	Coal shortage; clay easily obtainable		Fair
Shoes, manufacture	Fair and improving	Firm	Normal	Easily obtainable	Higher	Fair
Shoes, retail	Fair	Firm	Light	Easily obtainable	Unchanged	Fair
Silk	Poor but improving	Firm	Fairly heavy		High	Fair and improving
Tobacco	Fair	Wrappers higher Fillers lower	Heavy			
Underwear, heavy weight	Fair	Firm	Normal	Easily obtainable	Firm	Good
Underwear, light weight	Fair and increasing	Higher	Normal	Easily obtainable	Firm	Good
Woolen goods	Good but decreasing	Higher	Light	Plentiful		Good
Worsted goods	Fair and increasing	Lower	Light	Plentiful		Good
Woolen yarns	Fair	Firm	Light		Slightly lower	Fair
Worsted yarns	Light	Firm	Light		Slightly lower	Fair

demand for practically all products has increased considerably, and buyers have attempted to order for future delivery. Large orders have come from railroads, oil producers, automobile manufacturers, the structural industries, and to a lesser extent from manufacturers of machinery and machine tools. But producers have been forced to reject much of this business, because of the serious production difficulties with which they are confronted. There is a growing scarcity of both skilled and unskilled labor, and wages in many quarters have been increased. This shortage is in part due to the hot weather, causing laborers to seek outdoor work, and in part to the higher wages paid in the building trades. In fact, the tremendous boom in construction in this district has taken laborers from many industries. Another check upon production is the fact that the present supply of raw materials is limited because of the coal strike, and prices are advancing rapidly. This has resulted in steadily increasing iron and steel quotations. Operations in the iron and steel industry now average about 65 per cent, but on the basis of the volume of business offered, most plants could run at very close to capacity.

Building activity in the district has expanded materially during the past month, reflecting the increased value of permits issued during June. There was a seasonal decline in permits issued in May, and it was expected that a further decrease would be shown in June. But, on the contrary, the value of the permits issued in fourteen of the larger cities in this district during that month was \$18,177,759, as against \$13,844,813 in May, \$17,022,500 in April, and \$14,116,292 in March. The number of houses being built is exceptionally large, as is that of office buildings also. Although the construction industries have drawn from many others for their labor supply, there is still a shortage in many sections, and this is particularly true in Philadelphia. As a result of this activity, manufacturers of building materials have enjoyed exceptionally good business and report general improvement during July. In fact, the demand for several products is so good that they are unable to supply it. Sales of building lumber, although slightly smaller than in June, have been excellent. Reports of better business have been received from manufacturers of pottery, bricks, cement, paint, and plumbing supplies. The cement industry is now operating at capacity, the paint industry at very close to capacity, and the potteries at about 80 per cent. Stocks of all building materials are low and are decreasing, and manufacturers report short-

age of labor. Although raw materials are easily obtainable, prices have been advancing recently, and the trend of finished building materials is therefore upward. But actual quotations have been raised in only a very few cases.

In the textile industries, the most encouraging development of the past month has been the increased demand for worsted cloth and silk goods, both of which have been especially inactive for a number of months. The hosiery demand has declined sharply, but this is largely a seasonal condition. Aside from these, there have been few important changes. The call for cotton goods and woolen and worsted yarns has been light, and that for wool cloth, somewhat smaller than during the past two months; but the underwear industry has reported a slight improvement in demand. Although silk manufacturers have received a large number of orders, the improvement has not been reflected in increased activity in the raw silk market. Prices have eased off somewhat, but the carry-over is small and therefore any radical decline in price is improbable. Carpet and rug manufacturers have continued to receive a large volume of orders, and many report they have sufficient business on hand to assure capacity operations during the remainder of the producing season. Linoleum demand, too, is heavy. Stocks have been completely disposed of, and several producers are unable to guarantee shipments within the desired dates. In the textile industries, also, labor shortages are reported.

Considerable improvement is found in the shoe industry. Fall orders in large volume have been received during the month, and operations have been increased to about 65 per cent of capacity, and are still expanding. No changes have been made in shoe quotations, but they are stiffening, and few, if any, concessions are being made. As a result of this improved situation, there has been betterment in the leather business. All grades of upper leathers are in increased demand, and the heavy leathers too are selling well. Export business has increased considerably, and since the leather industry in so large a measure depends upon its export business for real prosperity, this improvement is especially encouraging. Leather prices are advancing. Production schedules in the industry average about 70 per cent of capacity, and manufacturers report that more hides and skins are being put into process every day. The hide and skin markets, also, are in better position. Supplies are small, the demand is heavy, and prices are advancing.

The paper industry reports a widespread improve-



ment, and this in spite of the fact that a seasonal decline was anticipated. Newsprint is in especially active request as a result of the increased size of the metropolitan dailies. Book papers too, have sold well. Paper prices are stiffening; no concessions are being granted, and price guarantees have been withdrawn. This betterment in the industry is attributable in part to the lessening of foreign competition. Paper box manufacturers report improvement, but owing to the severe competition within the industry, prices have not advanced, although chipboard has risen \$5 a ton.

The cigar industry is still another that has strengthened its position during recent weeks. The demand for several of the nationally advertised, high grade brands is so great that manufacturers are unable to make immediate deliveries, and the large companies manufacturing these brands are operating at capacity. The cheaper grades of cigars are not moving in as large quantities, and production of these is proceeding at about 70 per cent of capacity. Tobacco prices, especially those of the high grade wrappers, have advanced slightly, but cigar quotations are unchanged.

In view of the increased production schedules in practically all industries, and of the reports of labor shortages that have become so common of late, there is of course, no unemployment problem. This is well shown in the estimates of the Pennsylvania State Department of Labor, which reports only 82,400 unemployed in the six cities of Altoona, Harrisburg, Johnstown, Philadelphia, Scranton, and Williamsport. This is a decrease of 11.6 per cent as compared with the figure for June 30, of 20.8 per cent as compared with the number on June 15, of 33.4 per cent with that on May 30, and of 66.1 per cent with that on January 1, 1922. The improved business situation is also reflected in the statistics on failures. R. G. Dun and Company report that in the United States during June there were 1,740 failures, with liabilities of \$38,242,450, as compared with 1,960 and liabilities of \$44,402,886, in May. In this district there were 57 failures in June, 87 in May, and 78 in April. Further evidence of better conditions is found in the debits to individual accounts. For the four weeks' period ending July 19, debits in this district totaled \$409,606,000, and for the similar period ending June 21, the figure was \$399,071,000.

The various agencies that compile wholesale commodity price index numbers report further increases. The Bradstreet number rose from 11.9039 in May, to 12.1069 in June, or 1.7 per cent, and the number

of R. G. Dun and Company from 169.997 to 173.743, or 2.2 per cent. The revised index number of the Bureau of Labor Statistics increased from 148 to 150. As was to be expected in view of the coal strike and of the large volume of building activity throughout the country, the greatest increases in prices occurred in the fuel and lighting and building material groups. Food articles advanced 1.4 per cent, but farm products declined .8 per cent. The following table gives the index numbers of the Bureau of Labor Statistics for May and June, 1922, and for June, 1921, by commodity groups.

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

	1921 June	1922 May	1922 June
Farm products .....	114	132	131
Food, etc. ....	137	138	140
Cloths and clothing.....	172	175	179
Fuel and lighting.....	191	216	225
Metals and metal products.....	133	119	120
Building materials .....	163	160	167
Chemicals and drugs.....	133	122	122
House-furnishing goods .....	196	176	176
Miscellaneous .....	125	116	114
All commodities .....	142	148	150

## FINANCIAL CONDITIONS

The Federal Reserve Banks of San Francisco and Dallas have lowered their rates of discount during the month just past, and at present the rate of three of the reserve banks stands at 4 per cent, that of seven at 4½ per cent, and of two at 5 per cent. In the open market a larger proportion of the commercial paper sold has been moving at 4 per cent, and we are informed that one moderate-sized block changed hands in New York at 3¾ per cent. For a time, dealers offered acceptances at 2⅞ per cent, but no purchases were made at that rate in this district. The prevailing rates here on this class of paper are 3 and 3⅛ per cent.

Holdings of discounted bills by the Federal reserve banks have fluctuated during the four weeks from June 21 to July 19, but the result is an increase from 422 to 443 millions of dollars in this item. To this must be added an increase of 28 millions in purchased paper, and there must be deducted 13 millions, representing a decline in the holdings of United States securities. The net result is a gain of 35 millions in total earning assets. Deposits have risen from 1,854 to 1,942 millions, and total reserves from 3,148 to 3,169 millions. Following a sharp increase over the holidays, the Federal reserve note circulation resumed its downward trend, and now



stands at 2,132 millions, as compared with 2,126 millions on June 21, and 2,194 millions on July 5. The reserve ratio declined from 79.1 per cent to 77.8 per cent in the course of the four-week period.

The statements of the reporting member banks in the principal cities of the country show conflicting tendencies, depending on whether the latest statement is compared with that of the previous week or that of the previous month. This is shown in the following table, which also includes figures for the first of the year.

REPORTING MEMBER BANKS—UNITED STATES

	July 12, 1922	Week ago	Month ago	Beginning of year
(000's omitted)				
Loans and discounts:				
Sec'd by U. S. securities..	\$271	\$286	\$309	\$499
Sec'd by other securities..	3,537	3,551	3,526	3,184
All other (commercial)...	7,031	7,001	7,109	7,523
Total * .....	\$10,839	\$10,838	\$10,944	\$11,206
Investments:				
U. S. securities.....	\$2,081	\$2,090	\$1,997	\$1,469
Other securities .....	2,291	2,310	2,272	2,096
Total .....	\$4,372	\$4,400	\$4,269	\$3,565
Total deposits .....	\$14,783	\$14,680	\$14,730	\$13,684

\* Includes rediscounts with Federal reserve banks.

It will be observed that in comparison with conditions existing at the beginning of the year, there has been a large decrease in loans secured by United States securities, and in "all other" loans and discounts, which consist chiefly of accommodations for business purposes. In contrast with these, loans secured by other stocks and bonds, and investments in securities by these banks, are much higher. The increase in deposits gives evidence of the accumulation of funds. The latest week under review, however, exhibits tendencies the reverse of some of these, though whether this reversal will continue cannot yet be determined. Business activity on an increasing scale would ultimately call for an expansion in loans, but thus far better business has manifested itself more in the payment of old debts than in the assumption of new obligations.

SECURITIES

Although the past month has been marked by quiet trading in the security markets, stock prices have regained the ground lost in the last three weeks of June, and bond prices have resumed the upward movement which was halted for a short time during that month. A withdrawal of funds from New York occasioned a temporary rise in the rates for call

money early in July, but since that time there has been a return to the rates prevailing in the middle of June, when the renewal rate varied from 3 to 3½ per cent.

A comparison of the latest security prices with those of previous periods is given below:

	Points increase or decrease compared with			
	July 19, 1922	Month ago	Beginning of year	Year ago
Average of—				
20 railroad stocks .....	\$86.82	+4.20	+13.34	+15.23
20 industrial stocks .....	96.69	+3.67	+17.78	+28.48
10 first-grade rail bonds...	91.20	+3.11	+ 6.20	+15.16
10 second-grade rail bonds.	87.06	+1.77	+ 5.94	+13.82
10 public utility bonds.....	87.90	+ .55	+ 7.23	+15.00
10 industrial bonds .....	95.26	+ .81	+ 3.72	+11.04
4 Liberty bonds .....	100.72	+ .63	+ 3.84	+12.60

COMMERCIAL PAPER

Sales of commercial paper in this district during July have not been large, and reports of the dealers differ considerably. Brokers who handle the paper of the large nationally known firms and corporations have been able to dispose of a fair amount of the large banks at 4 per cent. But the country and smaller city institutions, which are usually buyers of paper bearing higher rates of interest, have purchased only in a very small way. Therefore, the notes of smaller and less well known borrowers have sold poorly, and the dealers whose principal business is in this class of notes have reported an extremely dull market.

The supply has increased slightly, some new names appearing that have not been in the open market recently. Such names have sold readily. The demand in New York has been good, and many of these new and very desirable names have been bought up so quickly there that our local buyers have frequently missed the opportunity of purchasing.

Sales of six reporting firms in the Third Federal Reserve District during June total \$7,372,000, as compared with \$9,588,000 in May, and are almost exactly the same as in June, 1921. Of the total June sales, 50 per cent were in the city and 50 per cent outside. About half the total sold at 4¼ per cent, nearly 30 per cent at 4 per cent, 15 per cent at 4½ per cent, and less than 7 per cent at over 4½ per cent.

BANKERS' ACCEPTANCES

Transactions in bankers' acceptances in the Third Federal Reserve District have been on a smaller scale recently. The Federal Reserve Bank continues to be the principal purchaser of these bills. A few are being bought by other banks in Philadelphia, but

out-of-town institutions are purchasing to only a very limited extent. An analysis of the reports of five dealers is given below. In this table the figures have been reduced to weekly averages, as the original reports in some instances cover four, and in others five, weeks.

AVERAGE WEEKLY TRANSACTIONS IN THIRD FEDERAL RESERVE DISTRICT AS REPORTED BY FIVE DEALERS IN BANKERS' ACCEPTANCES

(000's omitted)

Period covered	Purchases		Sales			Total
	To F. R. Bank	Local	To other banks	To others		
Feb. 13-Mar. 12	\$420	\$1,842	\$220	\$555	0	\$2,617
Mar. 13-Apr. 16	530	2,548	417	22	0	2,987
Apr. 17-May 14	790	2,208	361	48	\$35	2,652
May 15-June 11	827	2,949	46	15	0	3,010
June 12-July 16	489	2,599	114	24	0	2,738

The supply of bills has been fair. According to the reports of twelve accepting banks in this district, the acceptances executed during the months preceding the dates given were as follows: July 10—\$2,895,000; June 10—\$4,612,000; May 10—\$3,274,000. The export of cotton and grains; the import of silk, sugar and coffee; and the warehousing of sugar, figure prominently in the transactions which have given rise to acceptances recently offered in this district.

Little change has occurred in rates, although bills are selling more freely at 3 per cent than heretofore. Dealers have offered bills at 2<sup>7</sup>/<sub>8</sub> per cent, but have not been able to dispose of paper at that rate in this district.

SAVINGS DEPOSITS

Savings deposits as reported by 80 banks in this district show an increase during June of 0.3 per cent, but this is due in large part, if not altogether, to the crediting of interest by many of the banks. In the city of Scranton, in the heart of the anthracite coal region, this factor is responsible entirely for the increase. Of the six banks in that city, four reported smaller deposits on July 1 than on June 1, and of the two which did not, one writes that it credited interest to the amount of almost \$73,000. This sum, if deducted from the totals for July 1, would show a net decrease during June for that city. The declines reported by the banks in Johnstown, Altoona, and Wilkes-Barre, and by a number of the banks included under the heading "Other," are directly ascribable to the coal strike. Better industrial conditions and employment account for higher totals in the cities which report increases.

The table following shows the changes in savings deposits by cities:

	Number of reporting banks	Per cent increase or decrease July 1, compared with		
		June 1, 1922	July 1, 1921	July 1, 1920
Altoona .....	5	-.5%	+ 6.2%	+ 18.7%
Chester .....	5	- 2.5 "	- 9.9 "	- 9.6 "
Harrisburg .....	4	+14.0 "	+64.1 "	+110.3 "
Johnstown .....	6	- .8 "	- 4.9 "	+ 1.2 "
Lancaster .....	3	+ 4.3 "	+20.8 "	+ 33.0 "
Philadelphia .....	9	- .3 "	+ 1.2 "	+ 6.0 "
Reading .....	3	+ 1.5 "	+ 8.7 "	+ 20.3 "
Scranton .....	6	+ .1 "	+10.6 "	+ 31.9 "
Trenton .....	6	+ 2.5 "	+ .4 "	+ 4.8 "
Wilkes-Barre .....	5	- 1.3 "	+ 4.4 "	+ 26.5 "
Williamsport .....	4	+ .3 "	+ 4.1 "	+ 19.5 "
Wilmington .....	5	+10.0 "	+11.8 "	+ 17.1 "
York .....	5	+ .4 "	+ 7.9 "	+ 50.9 "
Other .....	14	- .7 "	+ 1.9 "	+ 16.7 "
Totals .....	80	+ .3%	+ 2.6%	+ 10.1%

FOREIGN EXCHANGE

The pound has displayed its usual strength during the past month and advanced nearly three cents, reaching \$4.45 on July 18. But most of the other European currencies have experienced violent and erratic fluctuations. Trading in francs has been especially active, and this currency fell rapidly during the early part of July, reaching a low point of 7.80 cents on July 8, but subsequently recovering to 8.41 cents. Belgian francs and Italian lire also weakened during the early part of the month, and later recovered most of their losses. Marks have been especially weak, being quoted at .18 cents on July 8, the lowest level in their history. The fluctuations in Continental rates are still attributable largely to the political situation in Europe and to the discussions over the settlement of the reparations problem.

The currencies of the former neutral countries have generally been stronger, however, following the lead of sterling to higher levels. Swedish crowns have been especially steady and strong, reflecting the general improvement in the trade of that country and in its banking and financial position.

The accompanying table shows the foreign exchange rates on the principal financial centers on July 20, on June 20, and on July 20, 1921.

FOREIGN EXCHANGE RATES—NOON CABLES

	July 20, 1922	June 20, 1922	July 20, 1921
London .....	\$4.4531	\$4.4236	\$3.592375
Paris .....	.0841	.0865	.07756
Antwerp .....	.0794	.0822	.07553
Milan .....	.0460	.0489	.04502
Berlin .....	.001988	.003144	.012955
Vienna .....	.000034	.000068	.001335
Amsterdam .....	.3886	.3834	.3161
Copenhagen .....	.2161	.2123	.1532
Stockholm .....	.2602	.2552	.2086
Madrid .....	.1555	.1555	.1292
Berne .....	.1919	.1894	.1646
Buenos Aires .....	.8189	.8034	.6370
Shanghai .....	.7736	.7832	.65675

## RETAIL TRADE

Sales in retail trade during July appear to be almost equal to those of July, 1921, except in districts affected by the coal and railroad strikes. Stores in both the hard and soft coal sections of the district reported a very large decrease in June business, and July sales continued to fall rapidly, as compared with the same periods of 1921. The longer the strikes last, the scarcer money becomes, and naturally purchases are limited to the bare necessities. In Philadelphia, although there is a feeling of caution engendered by the continuance of strike conditions, particularly on the railroads, it is difficult to trace the actual results of this hesitancy as far as retail purchases are concerned. Sales in women's apparel stores in the city are not as close to the totals of July, 1921, as are those in department and men's apparel stores. Many of the articles usually bought by women at this time of the year are particularly dull. Among these are ribbons, neckwear, veilings and gingham, of which latter, stocks are above normal. On the other hand, hosiery, gloves (especially of fabric), and all white garments, including hats and shoes, have been selling freely. In the men's departments tropical weight suits, hosiery, shirts and underwear are all being sold in normal quantities. Furniture, floor coverings and other household wares are already feeling the effects of the increases in residential building.

Collections in all except the coal mining districts are reported as good.

## WHOLESALE TRADE

During June, net sales of both dry goods and groceries increased, but sales of drugs and hardware declined. The seasonal lull in wholesale hardware, which is normally expected in mid-summer, was hastened by the coal strike. In all the wholesale reporting lines, orders placed by retailers are conservative, and with the exception of canned goods for fall, there is an almost total lack of future buying. In all but a few isolated cases, such as sugar, wholesale prices have remained unchanged. Price advances are strenuously resisted by retailers because of the moderate size of the demand from consumers.

### WHOLESALE GROCERIES

That the demand for groceries is slowly increasing is confirmed by the decided improvement in June sales, which were 9 per cent larger than those for May and 1.7 per cent heavier than the sales of last June. In many cases this increase may be attributed to the lively demand for sugar for preserving and canning, but retailers are buying generally though conservatively. The most active sellers are staples, coffee and canned goods such as peas being in request. The call for luxuries is very limited. For example, raisins are extremely dull, and California canned fruits, which sold freely last season because of the destruction by frost in this section, are not now in demand. This dulness, however, had been anticipated, because this year's fruit crop is about normal. It is also reported that sales of dried fruits

	COMPARISON OF NET SALES		COMPARISON OF STOCKS		RATE OF TURN-OVER*	Percentage of orders outstanding June 30, 1922, to total purchases in 1921
	June, 1922, with June, 1921	Jan. 1 to June 30, 1922, with Jan. 1 to June 30, 1921	June 30, 1922, with June 30, 1921	June 30, 1922, with May 31, 1922		
All reporting firms (104).....	- 1.9%	- 5.8%	- 4.2%	- 5.4%	3.1	7.3%
Firms in—Philadelphia .....	+ .7 "	- 4.1 "	- 6.8 "	- 7.7 "	3.8	7.6 "
—Chester .....	-12.7 "	-22.7 "	.....	.....	...	.....
—Harrisburg .....	- 1.1 "	- 1.5 "	+ 5.6 "	- 2.8 "	2.7	.....
—Lancaster .....	- 9.1 "	-10.0 "	- 4.9 "	- 3.6 "	2.5	12.9 "
—Reading .....	+ 1.0 "	- 3.8 "	+ 4.7 "	- 1.4 "	2.0	8.2 "
—Trenton .....	+ 1.6 "	- 2.4 "	- .4 "	- 3.4 "	2.7	.....
—Wilmington .....	+ 1.9 "	- 5.4 "	-17.3 "	+ .3 "	1.8	4.3 "
—All other cities.....	-12.2 "	-13.1 "	+ 2.3 "	- .8 "	2.5	5.3 "
All department stores.....	- 1.0 "	- 5.2 "	- 3.2 "	- 6.2 "	3.0	8.5 "
Department stores in Phila.....	+ 3.8 "	- 2.3 "	- 6.5 "	- 9.1 "	3.6	10.0 "
Department stores outside Phila...	- 8.7 "	- 9.8 "	+ 1.8 "	- 2.0 "	2.5	6.0 "
All apparel stores.....	- 8.3 "	- 9.8 "	- 6.9 "	- 3.3 "	3.6	3.7 "
Men's apparel stores—						
—in Phila. ....	+ 5.2 "	+ 1.3 "	+ 1.8 "	+ .7 "	3.0	.....
—outside Phila. ....	- 7.7 "	-12.5 "	- 1.6 "	+ .4 "	1.5	19.9 "
Women's apparel stores—						
—in Phila. ....	-14.6 "	-15.5 "	- 7.7 "	- 7.1 "	5.4	2.8 "
—outside Phila. ....	+ 3.9 "	- 7.9 "	+ 1.1 "	- 6.5 "	4.0	.....
Credit houses .....	+21.5 "	+12.5 "	- 8.2 "	- .1 "	2.4	4.7 "

\* Times per year, based on cumulative period.



and canned tomatoes are small, but that future orders for canned goods are being placed for delivery in the fall. However, the great majority of orders in the wholesale grocery business are for immediate delivery.

On the average, prices are unchanged, but sugar, cheese, beans, coffee, sardines, canned meat, and butter are higher. The most striking advance was in the price of sugar, which rose because of the active seasonal demand. Flour quotations first increased and then declined, and raisins also are now lower.

Stocks are somewhat below normal, and show a tendency at this time of year to decrease. Though they are lower than the "normal" of the war period, they are heavier than the "normal" of pre-war times. Because of a light pack of peas last year, supplies of them are very low, and wholesalers are finding difficulty in obtaining all their requirements both of June peas and of sugar.

Collections are only fair, and have not improved. The coal strike has not only reduced the volume of business, but has made collections slower in that region, because retailers find it difficult to obtain money. In June, accounts outstanding showed a 10 per cent increase.

#### WHOLESALE DRY GOODS

During June, sales of wholesale dry goods increased 8.3 per cent. On the whole, the July demand has improved, especially for seasonable merchandise and staple white goods for immediate delivery. Articles for women and children seem to move more rapidly than those for men, and customers generally desire substantial goods. Near the coal regions, the volume of sales has been diminished about 20 per cent by the strike. For the same reason, merchants are experiencing difficulty with slow payments in this area, but in other districts collections have improved.

The majority of stocks are about normal, and since last month have become slightly larger. No change has occurred in the general level of dry goods prices, but there have been minor changes downward, for at the present time price is a most important factor in the selling of goods.

#### WHOLESALE DRUGS

Although the demand for wholesale drugs has improved somewhat since the period of stagnation early in July, it is still light, and sales during June showed a decrease. Retailers had become so accustomed to falling prices that the strengthening of quotations because of scarcity has had little effect in stimulating orders, except in a few items like gums and saffron flowers, stocks of which are very low.

In spite of a firmer tendency, the general level of prices is nevertheless almost unchanged, although botanical drugs have advanced because the production, both foreign and domestic, threatens to be curtailed by higher costs of collection. Supplies in the hands of wholesalers are of almost the same size as they were two months ago, but they have decreased slightly except where new lines have been added.

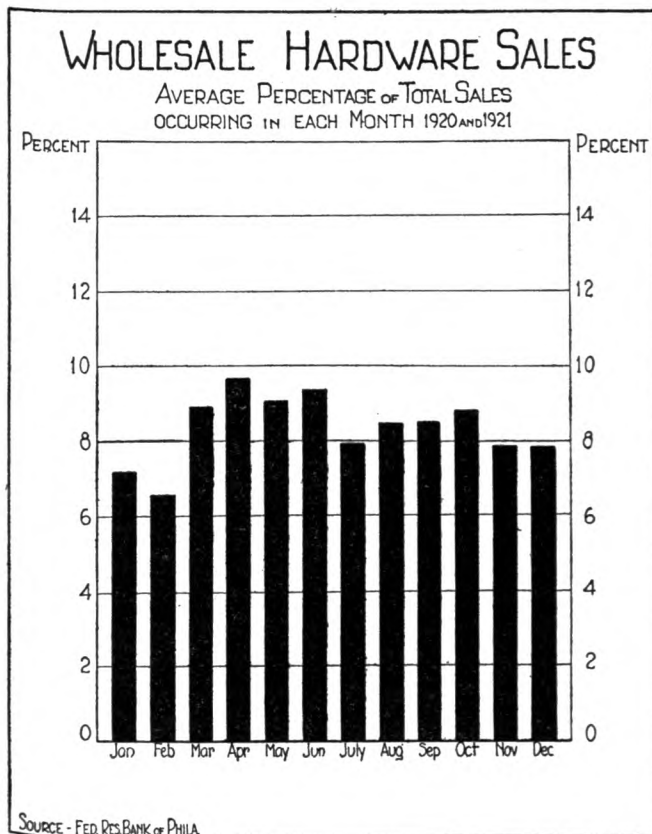
Some retailers are failing to take advantage of discounts offered. The ratio of accounts outstanding to sales, in June, was 130.4 per cent, whereas in May the ratio was 124.7 per cent.

#### WHOLESALE HARDWARE

During June the volume of sales reported by twenty-five hardware firms in this district showed a material decline from that of the previous month. Indeed, the majority of firms report a decrease in the value of sales as compared with that of the same month last year, although the total was slightly greater. That this decline during June is not in accord with the usual experience of these firms is shown by the accompanying chart, giving the average percentage of annual sales in each month of the year during 1920 and 1921. Sales increased during early spring and reached a maximum for the year in April, then declined in May, and recovered again in June. July apparently is normally a dull month in the wholesale hardware trade, and in its first ten days has already witnessed a further shrinkage in sales. This slackening during June and July is probably largely attributable to the almost total cessation of purchasing by coal operators during the suspension. Building activity is still chiefly responsible for what demand there is, the call being especially good for

#### CONDITION OF WHOLESALE TRADE DURING JUNE, 1922

	No. of reporting firms	Percentage of increase or decrease in				Ratio of accounts outstanding to sales June, 1922
		Net sales June, 1922, compared with		Accounts outstanding June, 1922, compared with		
		May, 1922	June, 1921	May, 1922	June, 1921	June, 1922
Drugs .....	15	-5.5%	+ 1.6%	+ .9%	+ 3.6%	130.4%
Dry goods .....	14	+8.3 "	-11.9 "	- 3.3 "	-10.3 "	244.3 "
Groceries .....	51	+9.2 "	+ 1.9 "	+10.0 "	+ 7.1 "	100.8 "
Hardware .....	28	-7.5 "	+ .5 "	- 1.2 "	0.0 "	164.4 "



only have given way to a market distinctly in the sellers' favor, to stiffening quotations, and to sales for delivery in the third and fourth quarters. Moreover, despite the fact that a seasonal decline in the volume of sales is to be expected at this time, most manufacturers in the district report further betterment in business during the past thirty days. But congestion is becoming acute in some plants, as orders continue to be received in large volume while production and shipments are being delayed by the lack of adequate fuel supplies. After nearly four months of the strike, fuel supplies are becoming dangerously low in some cases, and replenishment is possible only with difficulty and at much higher prices. Added to the curtailed production of fuel the strike of railroad workers has resulted in many delays in delivery of both raw materials and finished goods. Furthermore, scarcity of labor is now becoming a serious problem. In practically all localities in the district a shortage of skilled mechanics is reported, and increasing difficulty is being experienced in obtaining even common labor. The building boom, which has attracted many laborers away from the iron and steel industry, is partly responsible for this shortage; and the warm weather has led many workers to seek employment on outside work during

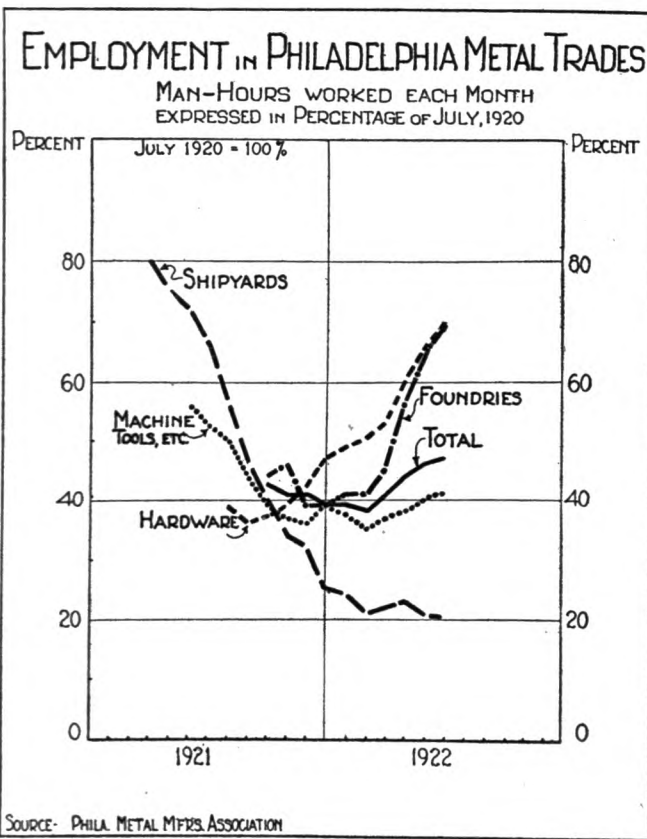
plumbing materials, tools, paints, and builders' hardware. Steel companies and railroads are also buying more freely.

Manufacturers report a generally improved demand from dealers and a more pronounced tendency on their part to replenish and enlarge their nearly depleted stocks. Furthermore, sales for future delivery are being made more easily than hitherto. Although prices are still from 10 to 20 per cent lower than they were last year, there have been many advances during the past few weeks, especially on bolts, nuts, screws, and other steel goods.

Collections are reported by hardware manufacturers as good and as improving. But dealers find them only fair. Indeed, the June report showed an increasing ratio of accounts outstanding to sales, which indicates slower collections.

### IRON AND STEEL

Many local manufacturers whose sole concern, a few months ago, was to sell enough of their product, even at unprofitable prices, to enable them to operate their plants, are now faced with serious production difficulties which are delaying shipments. A buyers' market, low prices, and orders for immediate delivery



the summer. Operations, however, have generally increased since last month, but the increase has by no means been equal to the increase in sales. A wide diversity in rate of operations still exists. A few firms report capacity production, but the majority are still operating at from 50 to 75 per cent of maximum.

A fair picture of the local situation in several branches of the iron and steel industry is shown in the accompanying chart. This gives the fluctuations in man-hours worked by certain groups of firms reporting to the Philadelphia Metal Manufacturers' Association. All values are expressed in percentages of man-hours worked in July, 1920, when activity was very great in practically all metal manufacturing industries.

In spite of difficulty in obtaining coke, pig iron production during June was heavier than in any month since January, 1921, when 2,414,753 tons were produced. June output amounted to 2,356,418 tons, as compared with 2,309,348 in May, and only 864,642 in July, 1921. On the last day of June, 190 blast furnaces were active, as against 175 one month previous. The accompanying chart shows the extent to which production of pig iron has recovered from the low point reached last year.

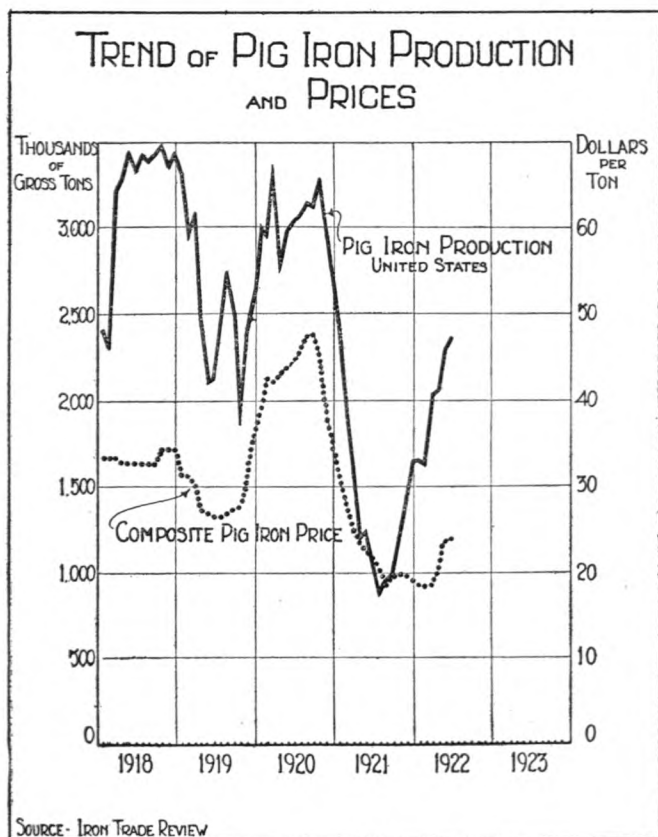
Whether a further increase will occur in July is

dependent upon the fuel situation, as demand is still very good. Steel ingot output during June was 2,634,477 tons for the 30 companies reporting to the American Iron and Steel Institute. Although this figure is slightly less than the total for May, 2,711,141 tons, the daily average was over 1,000 tons greater, owing to the fact that there was one more working day in May than in June.

In spite of the high rate of operations maintained by the Steel Corporation, orders continue to be received at a rate in excess of current production. Unfilled tonnage on the books of the corporation amounted to 5,635,531 on June 30, or 381,303 tons more than the total on May 31. This is the largest tonnage reported since April 30, 1921, when orders for 5,845,224 tons were on hand.

One of the most encouraging factors in the present situation from a sales standpoint is the diversity of the demand. Orders are not confined to one class of buyers, but are coming from nearly all groups of steel consumers. Extraordinary activity in automobile production has resulted in an active market for sheets, and structural shapes are being taken in large quantities by builders. Industrial users are coming into the market more generally, and railroads have increased their orders for cars and parts and rails, especially since the strike, which has reduced their own manufacturing operations. An improved market exists for machinery and machine tools, and heavy stocks of tools are being gradually reduced. Oil producers are especially active buyers, and large sales of wire rope are being made to them. The shipyards are the only large consumers which are not buying in satisfactory quantities at the present time.

Prices of iron and steel products have generally been firm or have advanced slightly during the past thirty days. Of late, however, some recessions have occurred in certain grades of pig iron. The chart showing production of pig iron also shows the average price of a number of grades during the same period. Increasing production generally has been accompanied or followed closely by higher quotation. Prices of certain standard iron and steel products are given in the following table:



	July 18, 1922	June 20, 1922	July 19, 1921
Philadelphia No. 2X pig iron, per ton	\$27.64	\$27.32	\$21.85
Valley furnace No. 2 pig iron, per ton	24.00	24.00	19.50
Basis valley furnace pig iron, per ton	24.00	25.00	19.00
Iron bars, Philadelphia, per lb.	.01925	.0196	.0210
Tank plates, Pittsburgh, per lb.	.0170	.0160	.0180
Sheets, black, No. 28 Pittsburgh, per lb.	.0315	.0315	.0325
Wire nails, Pittsburgh, per lb.	.0240	.0240	.0275

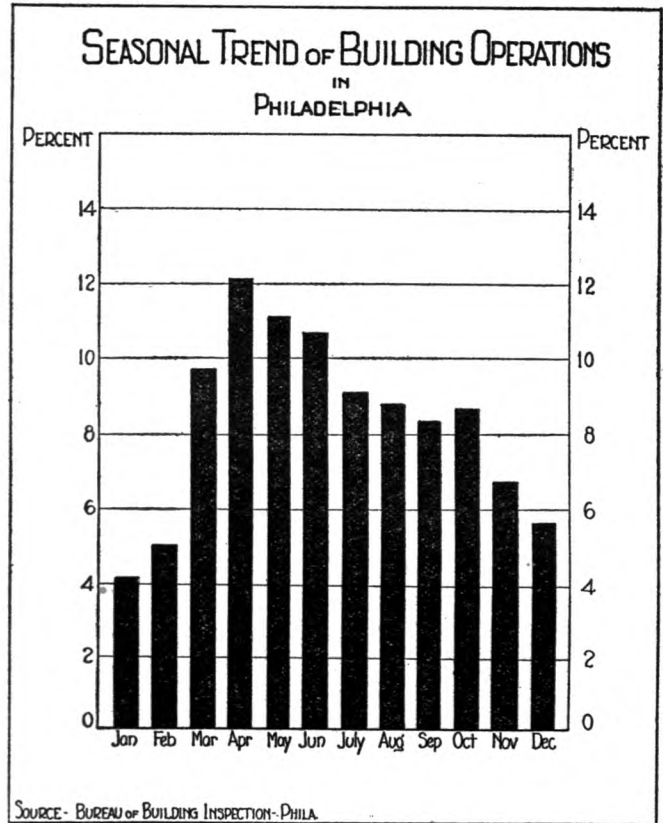


## BUILDING

The building boom continues almost without slackening in most of the cities of the Third Federal Reserve District, although a large portion of this activity is confined to construction for which permits were issued earlier in the year. Residential building continues to preponderate, but the erection of large office buildings and hotels, especially in Philadelphia, is proceeding at a more rapid rate than hitherto. Indeed, although in most cities of the district a natural seasonal decline occurred in the estimated cost and number of operations for which permits were issued, in Philadelphia a very marked increase was recorded, as is shown in the accompanying table. In May, 1,483 permits were issued for 2,288 operations, at an estimated cost of \$8,872,050, whereas in June, 1,492 permits were issued for 2,461 operations, estimated to cost \$13,190,220.

This increase of 7.6 per cent is all the more surprising in view of the usual seasonal distribution of building operations which is shown in the accompanying chart. This chart gives the average per cent of the total yearly operations for which permits were issued in each of the months of the year. The values obtained are averages for each month of the five-year period from 1917 to 1921. It is apparent that a normal increase in operations occurs between January and April, and that a steady decline takes place during the remainder of the year, except in October when there is a slight increase.

Building costs are mounting, owing to increasing prices of materials and to scarcity of certain classes of building mechanics. Building material manufacturers report a heavy demand for practically all products, and this demand has brought higher prices on numerous items, which have been reflected in higher construction costs. Lumber, both softwood



and hardwood, has advanced, and bricks and some paints are also up. Higher prices, however, have not as yet been a deterrent to building, as is evidenced by the steady activity in nearly all parts of the district.

## LUMBER

Demand for soft woods and all types of general construction and building lumber has been especially good all spring. The majority of the firms report a slight decline in orders during July as compared with June, but still say that their business in these lines is

### BUILDING PERMITS ISSUED AND THEIR ESTIMATED COST

	JUNE		JANUARY TO JUNE, INCLUSIVE					
	Number	Est. cost	Number	Est. cost	Number	Est. cost		
Allentown .....	85	\$228,900	68	\$207,968	485	\$1,497,075	361	\$768,393
Altoona .....	130	356,426	184	243,947	1,000	1,444,228	963	846,450
Atlantic City .....	532	348,058	237	1,096,770	2,208	4,406,344	1,134	2,306,579
Camden .....	133	378,428	114	183,507	592	2,286,904	478	1,023,546
Harrisburg .....	100	402,116	45	426,395	529	2,041,571	274	1,233,445
Lancaster .....	78	259,930	33	106,795	476	1,246,625	303	499,258
Philadelphia .....	1,492	13,190,220	1,406	4,587,395	7,244	52,428,645	6,422	16,617,010
Reading .....	273	368,300	278	297,250	1,730	2,578,771	1,608	1,242,675
Scranton .....	195	1,065,572	64	206,019	752	2,384,355	342	1,045,219
Trenton .....	152	508,638	134	149,731	771	2,215,331	752	1,947,593
Wilkes-Barre .....	124	581,324	77	94,975	745	2,356,289	426	830,276
Williamsport .....	106	58,683	36	63,945	572	965,683	250	1,016,172
Wilmington .....	86	215,998	84	172,640	483	1,829,791	490	720,758
York .....	138	215,166	113	38,302	748	633,613	619	529,992
<b>Total .....</b>	<b>3,624</b>	<b>\$18,177,759</b>	<b>2,873</b>	<b>\$7,875,639</b>	<b>18,335</b>	<b>\$78,315,225</b>	<b>14,422</b>	<b>\$30,627,366</b>

from 25 to 40 per cent ahead of what it was during the same period in 1921. Spruce, hemlock, and both short-leaf and yellow pine have been in exceptional demand.

The call for hardwoods on the other hand is still erratic, and though orders are increasing, they are still far below normal. Within the last month, the demand from certain types of industries requiring well-seasoned, high-grade hardwoods has shown an increase, and hardwoods for interior finishings and for the manufacture of textile spindles and automobile bodies have been most active. But the furniture industry is still very dull, and its requirements are much below normal. Mills are still experiencing difficulty in disposing of their lower grades of hardwood lumber, though there are some reports that the increased business in the machine and other industries has caused an improved demand for these grades for use as crating.

The majority of the mills are operating at about 80 per cent of capacity, and in spite of heavy rains which impeded logging operations in certain sections of the south, they are experiencing no difficulty in filling all their orders. Mill stocks are normal and are showing some tendency to increase. Manufacturers are hesitant, however, about running ahead of demand, and seem unwilling to build up any large reserves. Stocks of well-seasoned hardwoods are in general low, though a few wholesalers have unusually large supplies on hand.

Stocks of building lumber are small throughout the industry and this is especially true of the regular sizes of long and heavy lumber. Reserves held by the sheeting mills, however, are large. This does not represent a discrimination in demand, but means merely that an unusually large number of sheeting mills are in operation at this time.

Prices of the better grades of hardwoods have advanced \$5 a thousand within the last month. This is mostly accounted for by the increased demand and the general shortage of well-seasoned stocks. Short-leaf pine has, however, fallen off from \$1 to \$2 a thousand during the same time. A drop in demand during recent weeks accounts for this in part, but it is also attributable to the competition of Pacific Coast lumber. Freight rates of \$12 a thousand have been granted on recent shipments by water, as compared with the all-rail rate of \$20 a thousand. The present rate controversy has led to a quotation as low as \$10 a thousand. The arrival of large shipments has on several occasions during recent months glutted the New York and Boston markets and

seriously deranged general price levels. In spite of the fact that this trade is new and far from well organized, it has offered serious competition in coast cities to Southern pine and other building lumbers. The ability of the Pacific Coast manufacturers to supply the longer lengths at the same price as the shorter lengths has been an added point in their favor.

Wages in the hardwood industry, which employs mountaineer labor, have increased slightly, and now average \$3.50 a day. Mills employing negro labor report that there is a shortage of men at this time, which is very largely due to the heavy demand for workers in the cotton fields. Ever since the war, when so many colored laborers migrated to the northern industrial centers, there has been a general shortage of lumbermen in certain sections.

Collections are fair, but fail to show any improvement. There seems to be a tendency on the part of the owners of lumber yards to advance large credits to the contractors who buy from them. The contractor as a rule does not pay his lumber bill until he can secure some return on the money he has invested in his building operations. In the meantime the retailer must wait on him and the mill on the retailer. This system has been very hard on some mill owners, who have experienced difficulty in financing themselves during the interim.

#### CEMENT

The cement industry has been very active during the last three months and demand is still exceptionally good. Only the month of June fell below anticipations, and that was largely due to the extremely wet weather which prevailed throughout the month and seriously handicapped open air construction. Some manufacturers report an increase in demand of from 8 to 12 per cent over that of the period from May to July of last year. In the cement industry the year 1920 was the greatest ever experienced, but contrary to the experience of business in general, 1921 was almost as good, and 1922 bids fair to surpass them both in output. There was a falling off in orders during the last two weeks of June in anticipation of the reduction of freight rates, which went into effect on July 1; but this decline has been partially overcome, and large orders are being booked for both immediate and future delivery. The majority are for immediate delivery, and as most of the firms already have a large number of orders under contract and are making regular monthly deliveries on these, shipments during the last two weeks have been on the increase.

Stocks vary, but the general impression seems to

be that they are slightly less than normal and are declining rather rapidly. Some firms have increased prices 20 cents a barrel to meet the increasing costs of fuel and labor, but this does not hold true throughout the industry. The various types of rock used in the manufacture of cement, with the exception of gypsum, are generally mined on the companies' properties, and only coal is difficult to secure. The fuel demands of the cement industry are very large, and the recent increase of \$2 a ton in the price of coal will seriously affect it. Several of the plants report that their supply of coal is limited and that unless they meet with greater success in their efforts to secure a regular supply, they will be compelled to close down. Such coal as they are able to get, even at the higher prices, is proving to be of poor quality and highly unsatisfactory.

Wage costs have also increased, most of the mills reporting a rise of approximately 10 per cent. There is a tightening up of labor throughout the industry, and some firms are experiencing difficulty in securing workers even at the increased wages.

Collections are from fair to good, but are failing to show any great improvement.

#### PAINT

Conditions in the paint industry are entirely satisfactory as regards demand and supply. Though most of the firms report a slight decline in orders during July as compared with June, they ascribe this entirely to seasonal fluctuations, and to the fact that they have filled and are now filling the large orders received in April, May, and June. With one exception, all of the firms have caught up with the demand and are now able to fill orders as rapidly as they come in. All firms report an increase in business, for both June and July, of from 20 to 40 per cent, as compared with the corresponding months of 1921. Figures compiled by the National Paint, Oil and Varnish Association, covering the sales of 150 manufacturers, show that "Ninety-four per cent (94%) of the firms reported an equal or increased tonnage for this year up to June first, as compared with the same period in 1921. Fifty-six per cent (56%) reported an equal or greater tonnage than for the same period in the paint industry's greatest year, 1920. Tonnage totals show that the first six months of 1922 showed an increase of 28 per cent over those of the same period in 1921."

Industrial demand is still very low, and it has only been within the past three weeks that orders of any

size have been forthcoming. Stocks on hand in most plants are light, though there is a tendency to manufacture as rapidly as possible for the fall demand. Supplies of raw materials are adequate and easily obtainable. All the plants reporting are operating at from 80 to 100 per cent of capacity. The price of white lead in oil has increased a quarter of a cent a pound. Prices of paint materials on July 10, 1922, as compared with prices on July 10, 1921, were as follows:

	July 10 1921	July 10 1922
Linseed oil, per gal.....	.87c.	.90c.
Turpentine, per gal.....	.58c.	1.32c.
White lead in oil, per lb.....	.12½c.	.12¾c.

The only increase in the price of ready mixed paints has been that of ten cents a gallon on paint retailing at \$2.50 a gallon, which represents an increase of only 3¼ per cent. This increase has been inaugurated by some of the largest New York houses, but up to the present time competition has been too keen to permit any of the Philadelphia houses to follow their lead. It is significant in that it shows the trend of prices rather than for any material effect it will have upon the industry. Paint manufacturers, following the lead of their national association, are apparently bending every energy to hold prices to their present levels in an effort to remove every impediment to the continuance of the present building boom.

Labor conditions at the present time are satisfactory, although some plants report slight difficulty in securing efficient workers at the present rates of pay.

Collections are generally found to be good, but some firms note a falling off, and one manufacturer finds his the poorest in several months.

#### POTTERY

Manufacturers of sanitary ware are encouragingly active, and report considerable increases in business over that of two months ago and large and decided increases over that of a year ago. The sanitary pottery industry consists almost entirely of the manufacture of patented specialties, which makes each manufacturer's business very largely a law unto itself. The industry as a whole, however, is dependent upon the building trades, and a very active period of construction, such as that prevailing at the present time, is bound greatly to increase the demand. A close analysis of the business shows that a complete revolution has been brought about within the past five years and that where formerly there was one bathroom, modern homes now contain from two to



three. The quality of the fixtures installed has also shown a decided improvement.

As regards operations there is a wide discrepancy among the various plants, the percentage varying from 25 to 100. The average for all the plants is about 80 per cent. Manufacturers report that as it requires eight weeks to complete the product after it has been started through the processes of manufacture and that since they operate almost entirely on builders' specifications, it is unwise to attempt to build up any stocks except in a few staple lines. Stocks of finished goods on hand at the present time are low and are decreasing. The bulk of orders are for immediate shipment, which means delivery in from two to three months, and the majority of the plants have sufficient orders to keep them going for the next three months.

Raw materials are plentiful and no difficulty is reported in obtaining either foreign or domestic clays. Heavy rains slowed up operations in some of the clay pits, but only temporarily. Prices of both the finished product and raw materials, with the exception of coal, remain unchanged.

No change has occurred in the wages paid the skilled workers, and the wage agreement, which runs to November 1, guarantees to them the same wages as they received at the peak of prices. Common labor has been reduced from 54 to 40 cents an hour. In the larger industrial centers, particularly Trenton, New Jersey, both skilled and unskilled laborers are plentiful.

Collections are improved, and as demand becomes greater, the slow accounts are gradually being eliminated by the credit departments.

#### PLUMBING SUPPLIES

The demand for plumbing and heating goods has increased since June and shows a great improvement over that of last July. Indeed, several plants report that their orders are 50 per cent greater than they were a year ago. All types of brass and iron fittings, and large amounts of both wrought iron and cast iron pipe, are much sought after.

Demand is for immediate delivery, but many firms report that they are unable to accept orders for shipment in less than 90 days. Of the plants reporting their percentage of operations, only three are running at less than capacity. Stocks of finished products throughout the industry for the most part are light and are declining. Raw materials, on the other hand, are plentiful and show only a slight upward trend in

price. Increases in the price of the finished product, which were expected to result from the increase in demand, were in some cases not effected. Manufacturers, instead, absorbed the 10 per cent decrease in freight rates and kept prices at their old levels. Some plants are experiencing considerable difficulty in securing sufficient coal, and report reductions in output on that account. The railroad strike, however, has not seriously affected shipments.

There is a growing scarcity of both skilled and unskilled labor, and some plants report that the shortage of moulders has greatly curtailed their production.

**Collections** are much improved and are now rated as **fair**.

### COAL

#### ANTHRACITE

The continuance of the suspension of operations in the anthracite field and the apparent failure of the Government's attempts to bring about a settlement, coupled with the fear of the possible effects of the railroad strike, have led many domestic consumers to enter the market for prepared sizes. Dealers report that there has been a considerably larger number of inquiries during the past thirty days for domestic sizes. But dealers' stocks are so nearly depleted that they have been able only partially to fill these orders or have been compelled to refuse them altogether. Indeed, reserves of all grades of anthracite, except pea coal, have nearly disappeared except in the yards of a few retailers in country districts. Operators' stocks also are practically exhausted. Buckwheat is in fair demand, and on this, increased prices have been received by some of the independent operators. Pea coal has also been moving in better quantities to industrial consumers, following the depletion of stocks of the finer sizes. A ready market has been found for the fine coals being dredged from rivers in the anthracite district, and production of these has risen steadily to a weekly total of 23,000 tons in the week ending July 8.

The suspension of work in the anthracite region has continued to be complete, as all of the mine workers except maintenance men are still out. No coal has been mined since April 1, and the only production has consisted of the few thousand tons of steam sizes dredged from rivers. All attempts to settle the differences between operators and workers have been unsuccessful, and there is now no apparent prospect of an early resumption of mining. Large withdrawals of savings from banks in the anthracite region

and lessened retail sales there indicate a considerable reduction in the mine workers' purchasing power. Many workers have left the mining districts; others have obtained employment in building trades, as construction is very active in those regions.

Dealers report that collections from retail consumers are becoming slower and are poor at the present time. Collections from industrial consumers, however, are said to be fair.

### BITUMINOUS

Since the first of July, when the railroad freight rate reductions became effective, demand for all grades of bituminous coal has increased materially. The railroads have been the most urgent buyers, as their stocks have grown considerably smaller since April 1. Some of the larger industrials which have been operating at a high rate, notably steel and cement plants, are also buying more actively. Their stocks have been almost depleted in some instances, but many small industrial plants still have three or four months' supply on hand. Public utilities are also buying, but less freely, as their reserves are believed to be heavier than those of other bituminous consumers. High grade steam coals are in the best demand, but many consumers are experiencing considerable difficulty in obtaining coal of satisfactory quality and have been forced to accept inferior grades. High grade gas coals are also reported as being difficult to obtain.

Prices of spot coal, especially in the higher grades, have strengthened considerably since the first of the month. Quotations on high volatile and gas coals now range from \$3.50 to \$4 per ton, and the better grades of low volatile coal in the Central Pennsylvania field have been selling at from \$4.25 to \$4.50. During the first few days of July the Coal Age average of spot prices advanced and on July 3 reached \$3.51, as against \$3.44 on June 26. In most instances operators are now receiving the "maximum fair price" established by Secretary Hoover's conference.

Production, which had been increasing fairly steadily during May and June, has suffered an abrupt decline in the present month. After reaching a maximum during the strike, of 5,363,000 tons in the week ending June 24, output declined to 5,226,000 tons in the following week, and fell off sharply to 3,678,000 tons in the week ending July 8. Although production was slightly higher in the following week—4,114,000 tons—it was still more than a million tons less than the maximum weekly output during

June. This loss in production is not attributable to an extension of the strike nor to labor difficulties in non-union fields, but to a local congestion of traffic resulting indirectly from the strike of railway shopmen.

Virtually no change in the strike situation has occurred, and there has been but little change in the number of men out. The President's attempt to adjust the differences between the United Mine Workers and the soft coal operators by arbitration has been unsuccessful, and he has invited the operators to resume operations with the assurance of state and government protection from any possible attempts at violence. As in the case of the anthracite industry there is no present indication of an early settlement of the differences between operators and mine workers.

### COKE

The high rate of iron and steel operations has resulted in a continued heavy demand for furnace and foundry coke. Prices have increased rapidly, and Connellsville furnace coke was quoted at \$11.00 per ton, and foundry at the same price, on July 18, as compared with \$6.50 and \$7 respectively on June 20. Supplies of spot coke are very scarce and difficult to obtain, even at the advanced prices established during the past few weeks. This is true in spite of the fact that production has increased considerably, as most of this increase has been made by furnace interests for their own consumption. Difficulty in obtaining sufficient supplies of beehive coke, owing to greatly curtailed operations in the Connellsville field, has been responsible for a much greater demand for and increased production of by-product coke.

During June the output of by-product ovens reached 2,580,000 tons, a total even greater than the monthly average for 1920, 2,565,000 tons. The June total was over five times as large as the production of beehive coke in the same month, although this showed a substantial increase over the output for May. The accompanying table, giving monthly production of beehive and by-product coke during the first six months of this year, illustrates the preponderance of the latter product.

1922	Beehive (tons)	By-product (tons)
January .....	496,000	1,879,000
February .....	549,000	1,795,000
March .....	732,000	2,137,000
April .....	528,000	2,208,000
May .....	432,000	2,537,000
June .....	458,000	2,580,000

# COTTON

## RAW COTTON

Of the two forces, supply and demand, which must ultimately determine the price of cotton, public interest is at present centered in the supply, because it is the more uncertain. Not only has our domestic consumption maintained its previous level, but since the first of June has even increased, and to such extent that the takings approximate the weekly average of domestic consumption for the whole season, which is about 123,000 bales. The June consumption, according to the Census Bureau, was 507,869 bales of lint, which was about 12,000 bales in excess of the consumption in June, 1921. In other words, the present demand seems to be fairly constant at a level which is unusually high for this time of the year. It is believed by cotton men that price changes within the limits of 21 and 25 cents would not greatly affect cotton goods prices, and therefore would not appreciably curtail our domestic consumption of cotton. Exports, though they fluctuate violently from week to week, and in general are below the average, have been fairly heavy, as may be seen from the figures for the week ending July 7, of 168,709 bales, or about 50,000 bales in excess of the weekly average. The most uncertain element affecting the demand is the political and financial future of Germany, because an upheaval there would greatly decrease her consumption, which heretofore has been heavy.

Since the demand at present is fairly steady, we must look to the coming crop for features of commanding interest. When on July 3 the Department of Agriculture estimated the condition of the crop on June 25 at 71.2 per cent of normal, trading became very active and cotton quotations sharply advanced. Private estimates had placed the condition on the same date at about 73 per cent, and the government forecast was more bullish than the market had anticipated. At the same time, this year's estimated plantings were announced to be 34,852,000 acres, which, as compared with the 31,673,000 acres planted last year, is an increase of 10 per cent. Assuming an average yield of 160 pounds per acre, this year's crop was predicted to be 11,065,000 bales. That 160 pounds per acre is a conservative forecast is seen by comparing it with the ten-year average from 1912 to 1921, which was 169.3 pounds, and with the average of the five years preceding 1920, which was 161.2 pounds per acre. However, the following table shows that the yield per acre for the

past 15 years has been pretty constantly decreasing, which may be largely ascribed to the activities and spread of the boll weevil.

### TEN-YEAR AVERAGES OF THE COTTON YIELD

Period	Average yield of lint per acre (in lbs.)
1898-1907.....	190.4
1899-1908.....	187.9
1900-1909.....	184.9
1901-1910.....	182.6
1902-1911.....	186.3
1903-1912.....	186.7
1904-1913.....	187.5
1905-1914.....	187.8
1906-1915.....	186.2
1907-1916.....	181.6
1908-1917.....	179.6
1909-1918.....	176.1
1910-1919.....	176.8
1911-1920.....	177.6
1912-1921.....	169.3

After the sudden rise following July 3, the quotations fluctuated according to the weather reports. The price even declined somewhat, on account of favorable weather, on account of the quietness of the Liverpool market, which remembered that last year's forecast was too low, and on account of the decline of the German mark. However, it is generally believed that a crop of at least 12,000,000 bales will be required to fill the world's needs; and though such a yield is possible with very favorable weather, cotton men think that the odds are against its realization. Only rarely has the condition of the crop improved during July. Moreover, since the boll weevil is very prevalent, a few days of excessively wet weather would do severe damage. Consequently, the all-important factor is the extent to which the crop may be destroyed by the weevil.

### STOCKS IN BALES AT SIX INTERIOR TOWNS

	Week of July 21, 1922	Week of July 21, 1921
Dallas .....	5,920	38,244
Shreveport .....	5,000	64,047
Little Rock .....	19,117	56,128
Memphis .....	70,886	263,804
Augusta .....	66,542	100,021
Houston .....	47,335	218,363

From the above table it is evident that as compared with last year, stocks in the southern towns have greatly decreased. Though an actual shortage before the new crop arrives is no longer anticipated, it is apparent from the following figures of the New York Cotton Exchange that the carry-over will be very small.



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 July 21 of each season....	10,673,820	11,295,591	12,052,069
Total .....	14,786,471	14,239,473	15,266,006
Visible supply, American, on July 21 of each season....	2,171,013	4,166,837	3,000,050
World's takings of American to July 21 of each season..	12,615,458	10,072,636	12,265,956

On chart number 1 is shown a comparison of stocks, prices and production, which illustrates the smallness of the total stocks remaining at the end of the present season, and the price fluctuations since 1917. Should consumption during the next season continue at the present rate, it will exceed the Government's estimated yield, and the resulting deficit must necessarily be supplied from the diminutive carry-over from this season.

COTTON YARNS

Since June 15 the demand for cotton yarns has as a whole slightly improved, and underwear companies

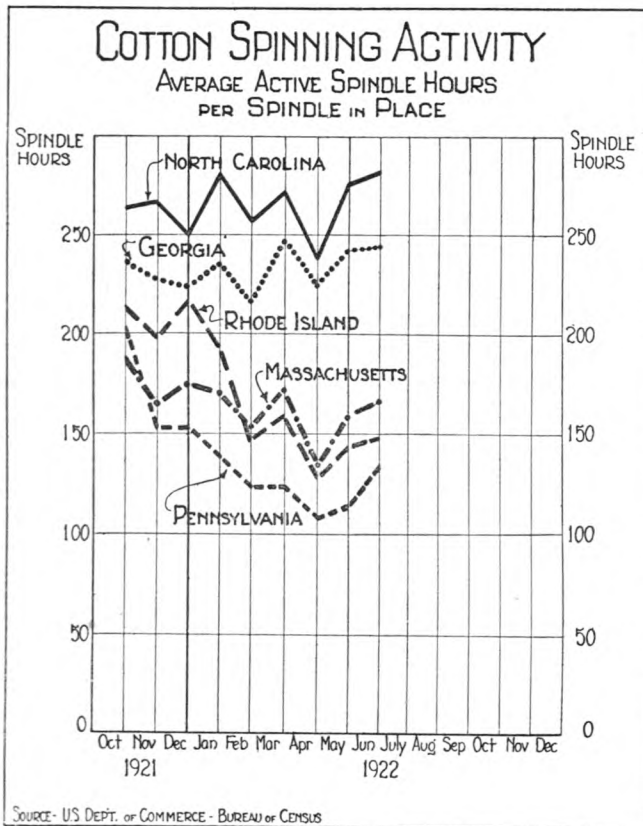


Chart Number Two

are beginning to place orders. However, before July 4, the call for mercerizing yarns greatly decreased, as a result of quietness in the hosiery industry and the seasonal lull which is normal at that period. After the stimulation caused by the first rise in raw cotton, buyers became cautious, and further advances, instead of increasing the demand, served to curtail it. As a result of this conservatism, orders, though fairly numerous, became small in size, for customers purchased only enough to cover their sales of finished products. An order for 20,000 pounds would now be considered large. With the exception of those coming from mills on strike, 75 per cent of the orders are for delivery immediately or in the near future, because the yarn consumers cannot secure future orders for their own product.

Southern cotton mills are producing actively, and about 85 per cent of their spindles are turning; but in this district the average of operations is much less, because several mills are shut down completely.

The number of active hours per spindle in New England, Pennsylvania, and the South is represented on chart number 2. The declining activity in Pennsylvania is attributed to the fact that, in comparison with the South, wages are higher and the working

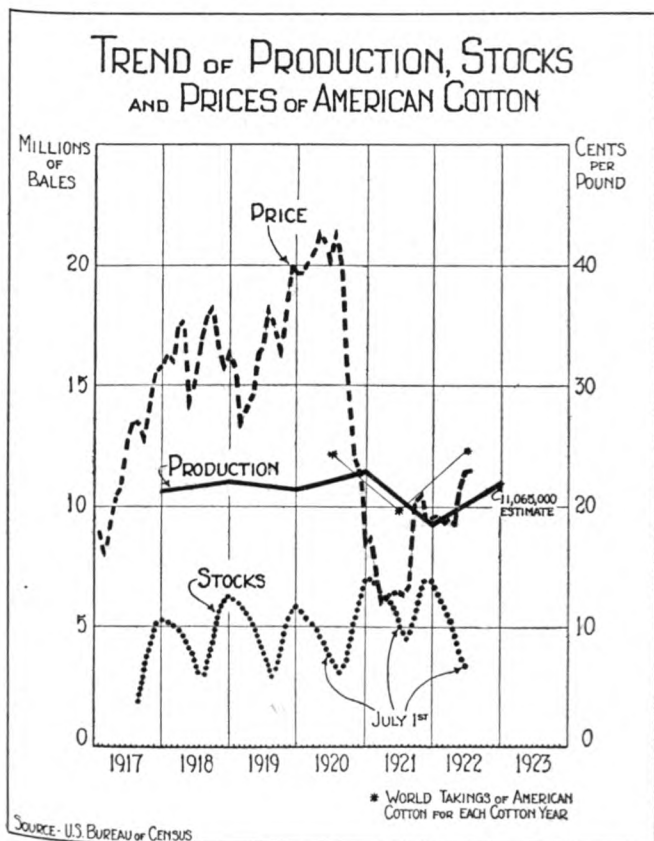


Chart Number One

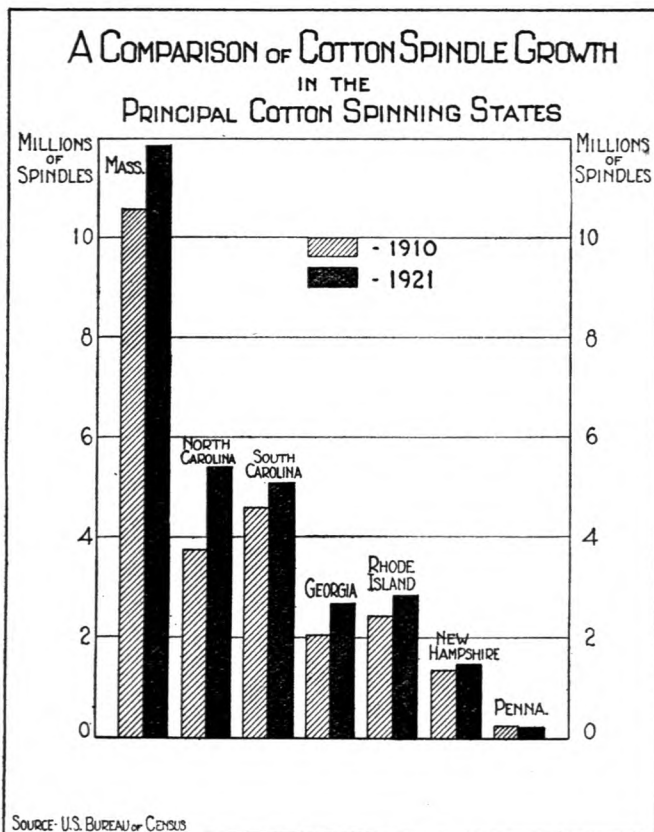


Chart Number Three

hours per week are fewer. Although the same reasons may be fundamentally responsible for the decreased productivity in the New England mills, the immediate cause is, of course, the strike.

The comparative importance of the great spinning centers, as contrasted with this district, and the gains in the number of cotton spindles from 1914 to 1919 is shown on chart number 3. The largest increase of spindles occurred in North Carolina, and the gain in Georgia, although actually less than in Massachusetts, was relatively greater.

Most counts of cotton yarn are easily obtainable, but stocks have been decreasing, and fine-count yarns are scarcer because of the shortage of long staple cotton. Most of the distress stocks have disappeared from the market, and therefore concessions are found less frequently. Prices have become much stronger, and spinners are holding firmly to their asking prices.

Collections are fair and are improving.

#### COTTON GOODS

Extreme quietness has been the distinguishing feature of the cotton goods business during the past month. Trading was halted by the holiday early in

July, and now consumers are apparently wary of the cotton fluctuations. Tissues, swisses, dotted goods and denims are in request; and fine goods and gingham are being sold, but at low prices. The flannel business, though spotty, has improved, and the demand for furniture coverings, especially mohair plush, is fair. However, percales, sheetings, and gray goods seem to be unwanted. In short, the tone of the market is dull, and as advances of raw cotton prices no longer stimulate demand, the volume of sales is very small, for customers refrain from buying and refuse to place future orders.

Prices, although advancing, are still low, and in order to obtain business, many lines of cotton cloth must be sold on a close margin of profit. Stocks of goods are moderately plentiful, and in some cases they are heavy. The plush mills are operating at about 85 per cent, but firms making other cotton products are less active. Reports indicate that skilled labor is scarce.

Collections are fair, and most of the mills are being discounted.

#### WOOL

##### WOOLEN AND WORSTED GOODS

The demand for worsteds is still poor, but since June 15 the requests for these goods have shown a noticeable increase, especially in semi-novelties. Producers of woolen goods, however, report that during the past month the demand for their product has fallen off. But in spite of this, woolens are still selling in much larger volume than worsteds. The business in cloakings and fancy-back coatings, which was exceedingly good a month ago, is now reported to have declined, and doubtless this fact is responsible for the lessened demand for woolens. Moreover, the early July trading both in men's wear and dress goods was interrupted by the holidays and by the hesitancy which preceded the opening of the spring lines. Although the reports received are conflicting, the majority of orders are for future rather than immediate delivery, and the proportion of future orders is considerably larger than it was at this period last year.

The percentage of operations in the worsted mills of the district has increased since last month from 40 to 50, but the activity of the woolen mills has decreased, and these are now running at 80 per cent of capacity. Most of the blanket looms in this district have been stopped by the auctions of the heavy stocks of Government blankets.

Stocks of finished goods in the mills are light and are decreasing, and some mills are keeping no stock because they are working only on order. Moreover, retailers and jobbers, fearing the uncertainty of the raw wool market and being dubious regarding the strength of the demand from consumers, are holding small supplies. Although there is little uniformity in the size of the stocks of raw material owned by the manufacturers, perhaps the majority are below normal. These yarns are easily obtainable, but they now cost at least 50 per cent more than they did last year. Although the prices of the goods have not kept pace with those of the raw material, they have increased about 15 per cent since April, and in spite of the fact that many quotations have been merely nominal, the market has become stronger.

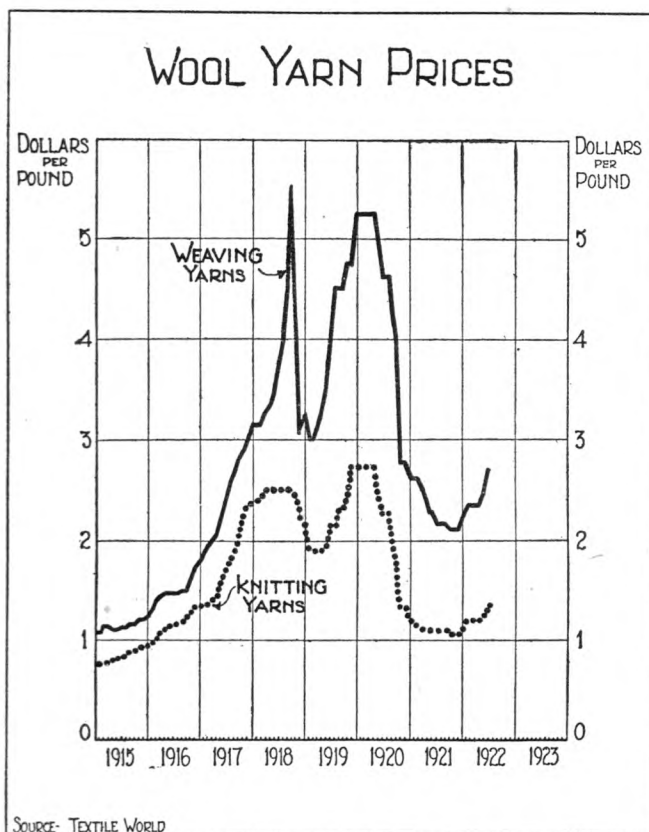
Since the quotations of the American Woolen Company have often served as a guide for the rest of the trade, its announcement on July 17 of prices on spring goods is of importance. The opening prices were somewhat higher than those of last year, but lower than the quotations announced in June. The previous level of woolen quotations was maintained, but prices of worsteds and serges, which have not been selling so readily, were reduced. For example, 3192 Fulton serge, which is typical of the whole line of goods, is now \$2.50, as compared with \$2.42½ last year and \$2.67½ in June.

Collections are much improved and are now fairly good.

#### WORSTED AND WOOLEN YARNS

The inactivity that existed in the worsted yarn market last month still continues. This lack of business is due largely to two causes, the present uncertainty regarding both the amount of duty which will be imposed on wool and the date when the tariff bill will be passed, and the difficulty of selling goods at prices based on current wool quotations. Neither knitters nor weavers are buying actively. Only scattering orders are being placed by knitters, although there is a little demand for specialty yarns from hosiery manufacturers; and, with the exception of novelty yarns for women's wear, weaving yarns also are in small request.

Likewise, woolen yarns as a whole are selling but poorly, because orders for yarns for cloakings and coatings ceased about the last of June. Moderate quantities, however, are being sold for hand knitting and for summer sweaters. Sales of carpet yarns for Axminsters and Wiltons continue to be heavy.



Although the activity of worsted spindles during the past month has slightly increased, the ratio of active worsted spindles to the total number does not exceed 55 per cent in this district. For the entire country, however, the figures of the Bureau of Census for June 1 show a somewhat greater production, the percentage of active spindle hours to the total reported being 65.3 for worsted spindles, and 88.6 for woolen.

Most of the orders received are for delivery in two or three months. Because of the uncertainty of the raw wool market, most spinners are working only upon order, and consequently stocks of finished goods are low. However, since a three months' supply is usually maintained, the quantities of raw wool held by manufacturers are fairly large.

Though still firm, yarn prices are now about stationary; but until July 1, when the quotations for the raw material had ceased to advance, yarn prices were constantly rising. However, the prices of yarns did not strengthen as rapidly as those of raw wool, and at times yarn quotations were more than 25 cents less than the replacement costs as based on the raw wool prices of that date. The trend of the market is illustrated by the accompanying chart, which shows the actual price changes of both weaving and knit-



ting yarns. It is notable that whereas during 1918 and 1920 the advances of weaving yarns were relatively much greater than those of knitting yarns, the price increases of the past spring, although actually greater for weaving than for knitting yarns, have been relatively the same.

Collections are fair, but are becoming slower because the finished product is not being consumed.

### RAW WOOL

The feverish buying which characterized the raw wool market in May has subsided, and trading is now extremely quiet. The present dulness is the natural reaction from the rapid price rise during the period of activity, and it has been accentuated by the fact that manufacturers think it impossible to sell at a profit goods made from wool bought at current quotations. These causes, together with the uncertain tariff situation and the normal mid-season lull, resulted in a cessation of purchases at the moment when manufacturers felt that the price was not likely to advance further. No increase in business is expected by the trade until there is a renewed demand from worsted and woolen mills after the results of the openings of the spring lines become known.

In spite of the slowness of the trading, prices have not materially declined, but in all quotations there have been some recessions. That the price level has not been lowered to a greater extent must be attributed to the inherent strength which the market derives from insufficiency of the existing supplies to meet a world-wide increase in consumption. Though a real scarcity seems to exist when the world's supply and demand are considered, there are sufficient quantities of wool in the hands of dealers in this district for business to be transacted if manufacturers wished to order. In fact, since the market became inactive, arrivals, both domestic and foreign, have caused the stocks of dealers to increase. Fine wools continue to be scarce, and some manufacturers, such as those making light-weight worsteds, are finding it more profitable to take their cheaply purchased wools out of bond in the face of the emergency duty rather than buy wools suited to their needs in the open market. Since approximately 86,000,000 pounds of wool were held in bond on June 1, the effect which the influx of this wool would have upon prices, in case the duty were materially reduced, has added to the uncertainty which will exist until the duty is actually fixed. It is estimated that farmers in the northwestern states of Idaho, Montana, Oregon and

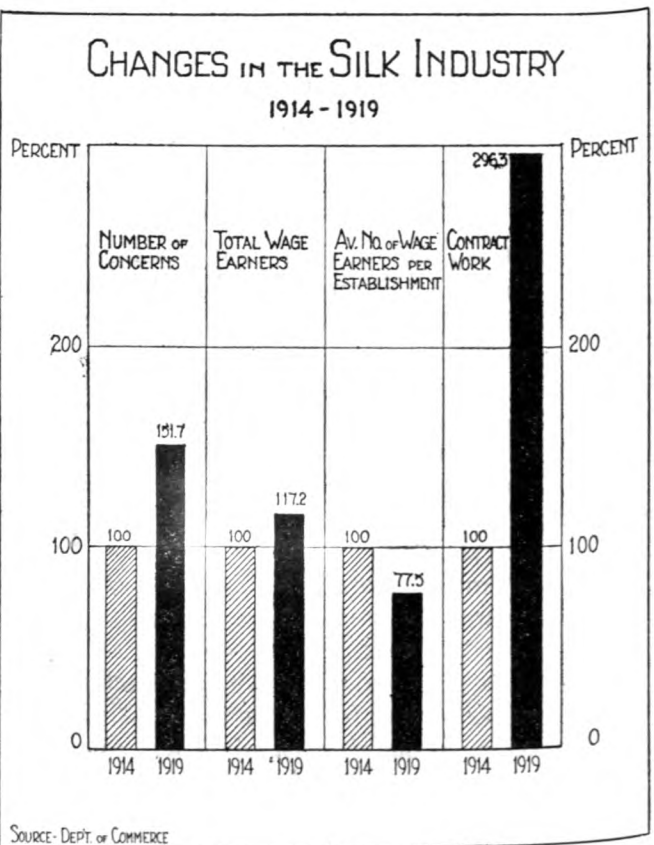
Washington have sold from 80 to 90 per cent of their clip. But the Texas and New Mexico wools are not selling rapidly, because the buyers and sellers cannot reach an agreement as to prices.

Owing to a decreased demand from the woolen mills, and an increased output by the worsted mills, the supply of noils, which previously had been low, has now increased. Evidence of this fact may be seen in the reduction of more than 10 cents per pound in the quotation on noils.

### SILK

#### SILK GOODS

The trade in broad silks, which jobbers have carried on this spring with stocks of goods bought several months ago at prices considerably below the present level, has at last been reflected in more orders for the mills. During June, the demand for broad silks increased over that of the preceding months this year, and it was 50 per cent better than the demand of last June. White is the popular color. However, this activity is confined largely to the crêpes and piece-dyed fabrics. Skein-dyed goods are selling with great slowness, and silk men cannot re-



member a time when taffetas and messalines were as little in demand as they are today. However, ribbon manufacturers are somewhat more optimistic regarding the future, for their business during June increased slightly. Orders continue to be of the "fill-in" type, approximately one-half of them being spot orders and the rest for delivery in the near future. It is significant that purchasers no longer place orders for six months in advance, but limit their future buying to a period of one or two months.

Because of the slightly better demand, production during last month somewhat increased, the present percentage of activity averaging 50. The supply of crêpes shows a tendency to exceed the demand. Although a large proportion of the machinery is idle, the shift from the light, soft fabrics of the past to the heavy goods of the present has tended to prevent the consumption of raw silk and the value of the finished product from diminishing.

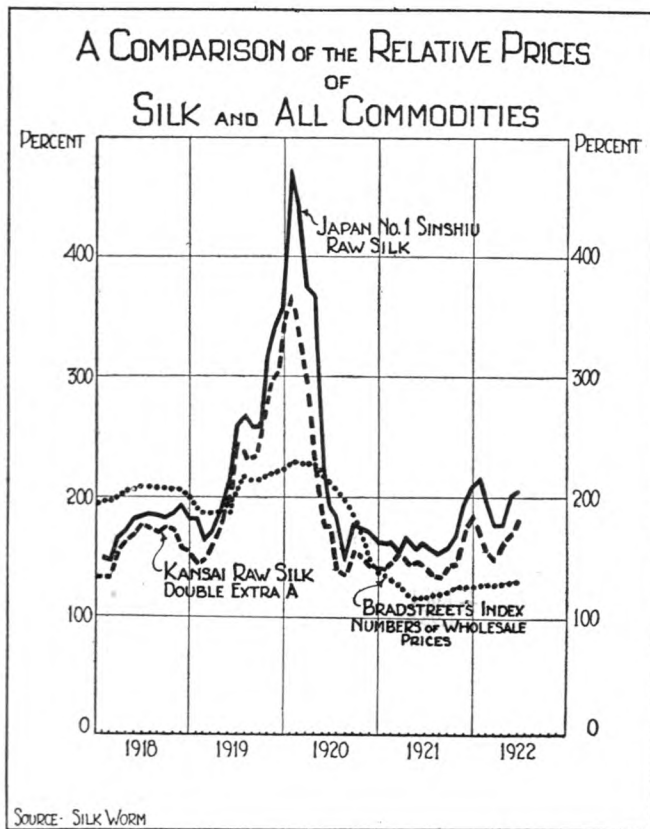
From the accompanying chart drawn from the census figures, it is evident that although between 1914 and 1919 the number of plants increased 52 per cent, the number of wage earners increased only 17 per cent. This means that the average size of the silk establishments decreased much more than can be accounted for by the more efficient use of machinery. Moreover, in the same period the amount of work done on order increased almost 200 per cent. All this points to a condition of affairs that detracts considerably from the stability of the industry.

On account of the lack of demand, stocks of finished goods in the hands of manufacturers have become very burdensome. Since the cheaply bought supplies held by jobbers were adequate to supply the retailers' needs, producers' stocks increased in spite of the curtailment of production. However, the quantity of raw silk owned by the mills is small, and because quotations on the raw material have been advancing during 1922, the prices of finished goods have been somewhat strengthened. But the slight increase is not shared alike by the piece-dyed and yarn-dyed silks, for when compared with the production costs, the prices of the latter are much the lower.

Since the stocks of jobbers are moving, collections are improving, but current bills are being paid more promptly than accounts of long standing.

#### RAW SILK

When the silk year ended on June 30, prices of raw silk were gradually rising, for the Japanese stocks



had been well liquidated. But this increase in quotations caused a lull in buying, which, after July 10, resulted in a decline equivalent to the previous advance. In spite of the fact that manufacturers are receiving orders from the jobbers, they feel that prices obtainable for the finished goods will not justify the purchase of raw silk at the high quotations of early July, and they are filling present orders with silk bought at more favorable prices. The recent decline was the result of the cessation of buying rather than of any inherent weakness in the market, for the Japanese carry-over was small. It is of interest to note that the Bank of Japan has withheld accommodation to manufacturers of raw silk in order to lower the price of cocoons, for it realizes that silk exports will be materially decreased if the quotations are too high.

As indicated by the accompanying chart giving a comparison of the trend of raw silk prices with Bradstreet's index, the price of silk has fluctuated widely since 1913, being at present considerably higher.

That the American consumption had already fallen off in June is shown by the following table compiled by the Silk Association of America.

BALES				
	Storage 1st of month	Imports	Storage end of month	Consumption
1921				
June .....	20,541	26,172	15,521	31,192
1922				
January .....	24,804	40,177	31,139	33,842
February .....	31,139	19,950	28,982	22,107
March .....	28,928	18,641	22,077	25,546
April .....	22,077	21,438	19,268	24,247
May .....	19,268	34,842	20,826	33,284
June .....	20,826	35,598	26,895	29,529

As a result of heavier imports and smaller deliveries to mills during the month, the silk in storage increased over 6,000 bales.

Although the decreased consumption has made the market inactive, the present level of prices is high, and this is thought to be due to a real scarcity of raw silk. An idea of the smallness of the Japanese carry-over may be gained from the following table:

Season ending June 30	Exports from		Stocks (bales)	
	Yokohama to America (bales)	Yokohama to Europe (bales)	Yokohama	Japanese Syndicate
1918.....	224,071	33,305	7,000	.....
1919.....	221,951	22,292	6,000	.....
1920.....	241,418	12,079	23,000	.....
1921.....	162,554	18,899	20,000	43,000
1922.....	279,200	30,700	8,000	4,500

There is little actual information regarding the exact amount of silk in Japan. But the heavy stocks held last year by the Imperial Raw Silk Syndicate have been gradually absorbed by a rising market at a considerable profit to the Syndicate. The liquidation of these stocks removes some of the uncertainty which formerly existed as regards prices.

## HOSIERY

A decided reduction in new business during July is noted in most lines of hosiery. Of full-fashioned silk hosiery some mills had previously sold their output for the balance of the year, and all had a considerable portion of their production for the next three months under contract. This branch of the industry is therefore not affected by the present dullness. A somewhat similar condition exists in those mills making woolen hosiery, and wool and artificial silk mixtures. Sales of these had been so large earlier in the year that many factories are booked to capacity for August, September and October delivery. Manufacturers of seamless silk and artificial silk hosiery are now feeling the reduced demand most keenly, because few of them had received any contracts except for delivery within six or eight weeks, and many have now almost finished filling these and are curtailing production.

Prices for hosiery show very little change. The advance in yarns has stopped all reductions, and it

has been most difficult to get any business at an advance, though many manufacturers claim it is impossible to manufacture at the old prices except at a loss.

In some parts of the district a slight reduction in wages has been made, but this is by no means general. Collections, except in a few instances, are reported as good.

Reporting firms in the Third Federal Reserve District summarize their business for the past month as follows:

## OPERATIONS IN THE HOSIERY INDUSTRY

(In terms of dozens of pairs) Number of firms reporting—36	June, 1922, compared with May, 1922	June, 1922, compared with June, 1921
<i>Firms selling to the wholesale trade:</i>		
Product manufactured during June	— .8%	+19.3%
Finished product on hand June 30.	— 3.6 "	+28.1 "
Orders booked during June.....	+10.4 "	+10.1 "
Cancellations received during June	—45.3 "	.....
Shipments during June.....	+ 6.1 "	+25.2 "
Unfilled orders on hand June 30..	—16.4 "	+ 6.7 "
Number of firms reporting—13		
<i>Firms selling to the retail trade:</i>		
Product manufactured during June	+13.3%	+31.2%
Finished product on hand June 30.	— 8.4 "	+38.3 "
Orders booked during June.....	+14.8 "	+ .6 "
Cancellations received during June	—16.9 "	.....
Shipments during June.....	+ 8.7 "	.....
Unfilled orders on hand June 30..	+19.8 "	—29.2 "

## UNDERWEAR

The event of major importance in the underwear trade has been the opening of Balbriggan and ribbed lines for the spring of 1923. Before the opening a conference of manufacturers and jobbers was held, at which the manufacturers explained that owing to the increased cost of yarns it would be impossible to sell their products at the same prices as were made at the opening last year. To this the jobbers replied that they considered it an extremely poor time to increase prices and that they believed the consumer would not pay an advance. The result appears to have been that an increase was made which was so small that it could be absorbed by the jobber and the retailer and not passed to the consumer. On this basis, it is reported that contracts of considerable size were placed, and the opening proved much more auspicious than was thought possible.

Orders for fall weights continue to be received by the mills, and prices for these are firm and in most cases somewhat above the opening prices of last January.

The following table shows the output of the reporting **manufacturers** in the Third Federal Reserve District.



## CONDITIONS IN THE UNDERWEAR INDUSTRY

(In terms of dozens)	June, 1922, compared with May, 1922	June, 1922, compared with June, 1921
Number of reporting firms—15		
<i>Summer underwear:</i>		
Product manufactured during June	-40.4%	-55.0%
Finished product on hand June 30	+ 8.3 "	.....
Orders booked during June.....	+32.8 "	+13.8 "
Cancellations received during June	.....	.....
Shipments during June.....	-32.1 "	-56.5 "
Unfilled orders on hand June 30..	+51.7 "	-47.0 "

Number of reporting firms—8

<i>Winter underwear:</i>		
Product manufactured during June	+18.0%	.....
Finished product on hand June 30	+23.2 "	.....
Orders booked during June.....	+89.1 "	.....
Cancellations received during June	.....	.....
Shipments during June.....	+65.6 "	.....
Unfilled orders on hand June 30..	+10.4 "	.....

## FLOOR COVERINGS

The majority of the mills making Wiltons and Axminsters have booked orders sufficient to enable them to operate at full capacity for the balance of the season. Manufacturers of velvets and tapestries, however, are not so fortunately placed; of these, some report that their plants are working at capacity and are sold ahead, but others state that since the first of July business has slackened considerably and that production will be curtailed unless there is an early change in the situation. Although this diminution in orders is considered to be largely seasonal, manufacturers appear to be loath to make merchandise for stock. Wool fibre goods show little activity, and plants in which they are made are producing only a small part of their possible output.

Skilled labor is reported as being scarce, and the men now seeking employment are for the most part unsatisfactory. Weavers are on strike in two of the Philadelphia mills, but it is said that a number of them have already returned to work.

Prices of rugs and carpets are generally unchanged, but raw materials continue to advance, and cotton yarn is 80 per cent higher than at the opening of the season.

Manufacturers of linoleum are still operating at capacity, and are well supplied with orders. Since the first of July the orders received have been fewer than those of a month ago, but this is not unexpected, as July is usually one of the smallest months in the year in this industry. Some manufacturers have orders on hand sufficient to keep production at the maximum until well into the autumn, and nearly all are now behind in deliveries. As with carpets, prices of raw materials are higher, but finished products are unchanged.

The labor turnover is reported as increasing, because of the growing activity in other lines, particularly the building trades. In these a shortage of labor exists, and this is causing certain building firms to offer very attractive wages in an attempt to secure the necessary men.

In all lines of floor coverings collections are good.

## LEATHER

### SHOES

Orders for shoes for early autumn delivery are now being placed with considerable freedom, and factories in this district are better supplied with business than they have been for several months past. Prices have become stable, the decline has ceased, and in some cases advances have been paid. The fear of style changes is still causing some buyers to hold back, but now that the big event of the season for which many were thought to be waiting is a thing of the past—the National Shoe and Leather Exposition and Style Show, at Boston—there can be little left to be shown in the way of novelties. A great variety of two-color effects in pumps,—black, brown and gray, being the most used colors,—appear at the moment to be the leaders, but many plainer shoes of black or brown in calf and kid leathers are also being shown. High boots, which it is predicted will come back with the longer skirt, have not so far been ordered in any quantity.

The Department of Commerce reports that 26,901,540 pairs of shoes were manufactured during May, as compared with 27,193,801 in April and 29,686,011 in March, the latter being the largest output for this year. The strikes that for several months have closed the factories in Rochester and Cincinnati continue, and production in those centers is very small. Production of shoes in the Third Federal Reserve District during June, as shown herewith, decreased 8.6 per cent as compared with that in May, 1922. This, however, is quite usual at this season of the year. In comparison with production in June, 1921, the decrease is 14.7 per cent.

## CONDITIONS IN THE BOOT AND SHOE INDUSTRY

(In terms of pairs)	June, 1922, compared with May, 1922	June, 1922, compared with June, 1921
Number of reporting firms—46		
Production .....	- 8.6%	-14.7%
Shipments .....	- 9.8 "	- 6.3 "
Orders booked .....	+17.0 "	+25.3 "
Orders on hand.....	+15.0 "	-35.1 "
Cancellations .....	-33.5 "	.....
Stocks on hand.....	+ 1.0 "	+54.6 "
Number of operatives on payroll....	+ .4 "	- .6 "

The Bureau of Business Research of the Harvard University School of Business Administration has published the result of its exhaustive investigation into the cost of carrying on business in shoes at retail and finds that the operating expenses in 1921 were 27.8 per cent of sales.

Retail sales in this district during June show a gain of .7 per cent over those of the previous month and, except in sections suffering from strike conditions, must be considered as satisfactory. Stocks continue to decline and at the end of June, 1922, were 14.1 per cent less than at the same time in 1921.

#### RETAIL SHOE TRADE

(In terms of dollars)

1. NET SALES:
  - (a) June, 1922, as compared with May, 1922... + .7%
  - (b) June, 1922, as compared with June, 1921... - 7.2"
  - (c) Jan. 1 to June 30, 1922, as compared with Jan. 1 to June 30, 1921..... -13.3 "
2. STOCKS (selling price):
  - (a) June, 1922, as compared with May, 1922... - 7.9%
  - (b) June, 1922, as compared with June, 1921.... -14.1 "
3. RATE OF TURNOVER (times per year based on cumulative period):
  - (a) Jan. 1 to June 30, 1922..... 2.9
  - (b) Jan. 1 to June 30, 1921..... 3.1

Number of stores reporting above items:

1a.....26	2a.....22
1b.....26	2b.....22
1c.....26	3a.....22
	3b.....16

#### LEATHER

The change for the better in the entire leather trade noted by us last month is now proved to have been the opening of a season of considerable activity. Sales have continued to increase in both domestic and foreign markets, and prices have either advanced or are being maintained more firmly. In heavy leathers, all lines are higher in price than they were a month ago, from two to three cents per pound being the average increase. With the advancing markets, sales have increased, so that although stocks in some cases are heavy, the trade as a whole views the situation much more optimistically than at any time for some months. Leather belting sales are showing a gratifying increase each month, and although the volume of business is not yet normal and stocks are still heavy, prices are much more firmly held, and the improvement in general business is shown in the purchase of belting by many different industries.

Calf leather, especially in the heavier weights suitable for men's shoes, is in much better demand, sales are larger, and prices have advanced from 5 to

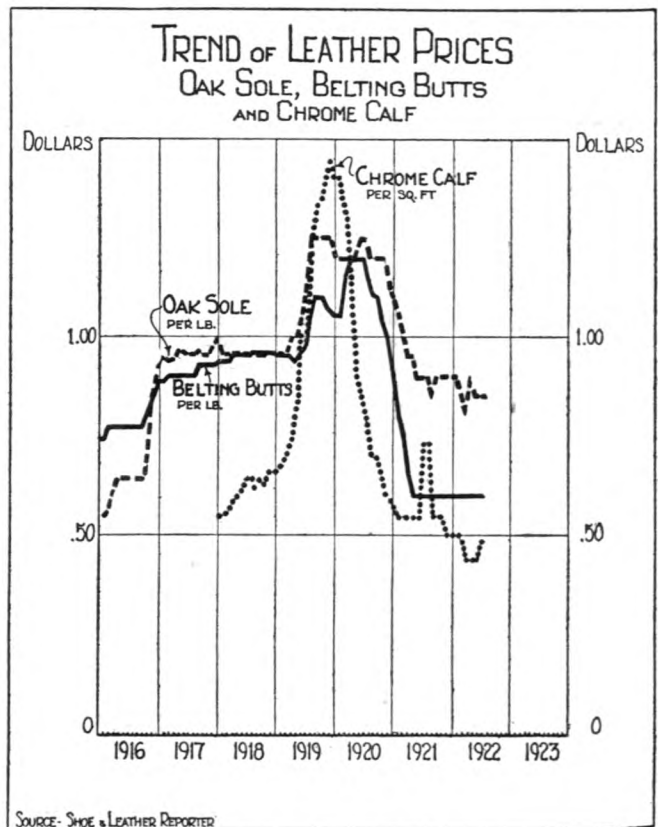


Chart Number One

8 per cent. Browns are selling particularly well, but the orders for black also show a considerable increase. Kid leather, which up to last month was in very poor demand, has had a remarkable recovery both in the domestic and foreign markets, and stocks are reported to have been reduced materially. Many tanners are oversold on certain grades, and production, which had been decreasing because of the poor demand and the heavy stocks, has begun to increase. Those tanners who had hesitated to purchase raw stocks for importation have been obliged to buy quite heavily from dealers' spot stocks in order to meet the increased business offered them. Patent leather sales, although good, have not increased.

Chart number 1 shows the course of prices in three standard leathers since January, 1916. Chart number 2 illustrates the fact that exports are returning to more nearly normal conditions. The total value of leather exports in May, 1922, was \$4,369,351, an increase of \$825,169 over the previous month, and the largest of any month since September, 1920. In quantity, the shipments during May amounted to about 89 per cent of the average monthly shipments for three years prior to the war.

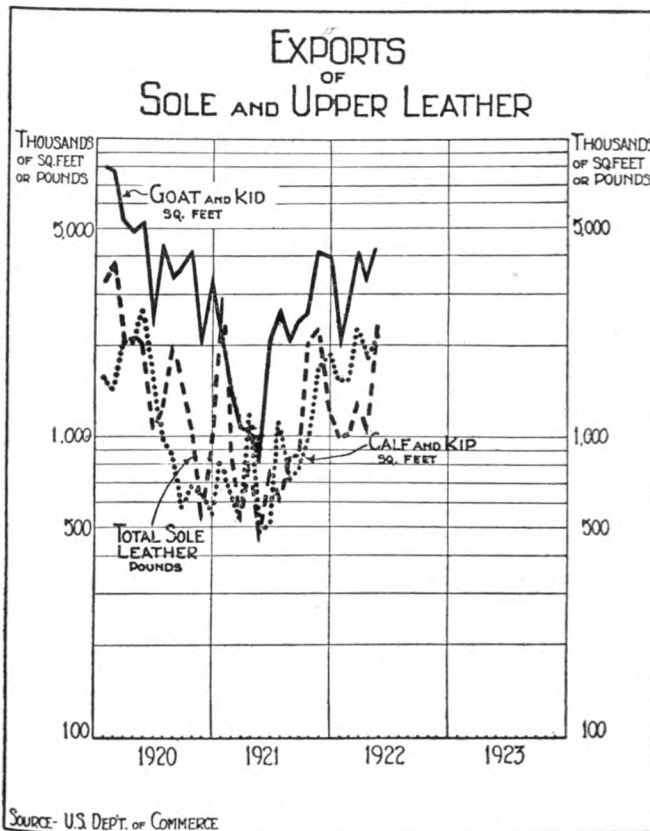


Chart Number Two

### HIDES AND SKINS

During the past month prices for all kinds of hides and skins have steadily advanced. This has been caused by the increase in the demand for all leathers. The stock of native hides has been reduced to a very low point by purchases of both packer and country hides. Under such circumstances the strength of the market is readily understood, and prices are being easily maintained, even though the advance has been both rapid and of good proportion. Seventeen and a half cents per pound has been paid for packer heavy native steers, and the asking figure is 18 cents. Calf skins have risen even more rapidly than hides, and 22 cents is asked in Chicago for best selection. Goatskins have been purchased freely both from stock in warehouse and for shipment from abroad, and prices have advanced from 10 to 20 per cent above those of early June.

The report issued by the Department of Commerce shows that changes in the stocks of raw hides and skins during May were as follows:

Cattle hides—decreased .....	3.4 per cent
Sheep and lamb skin—decreased.....	5.9 per cent
Calf and kid—increased.....	6.5 per cent
Goat and kid—increased.....	4.6 per cent

Chart number 3 indicates the price fluctuations in packer heavy native steers, Chicago City calf skins and Patna goat skins from the beginning of 1916 to July 1, 1922. At the latter date prices for all three of the above standard selections were very little above the lowest during this entire period of seven and a half years.

### PAPER

The demand for paper has continued its upward trend, and the majority of firms report increased business. Some, however, have experienced the usual seasonal decline, although to a less degree than was anticipated. Demand for the coarser grades of wrapping and kraft paper is still erratic, but it is showing a gradual improvement. The better grades of fine papers are in excellent request, and several houses report an increase in sales of from 5 to 10 per cent over June sales, and an increase of from 30 to 50 per cent over those of July a year ago. Newsprint is still the most active among papers and the National Association of Paper Manufacturers reports that the mills making it are operating at 100 per cent capacity,

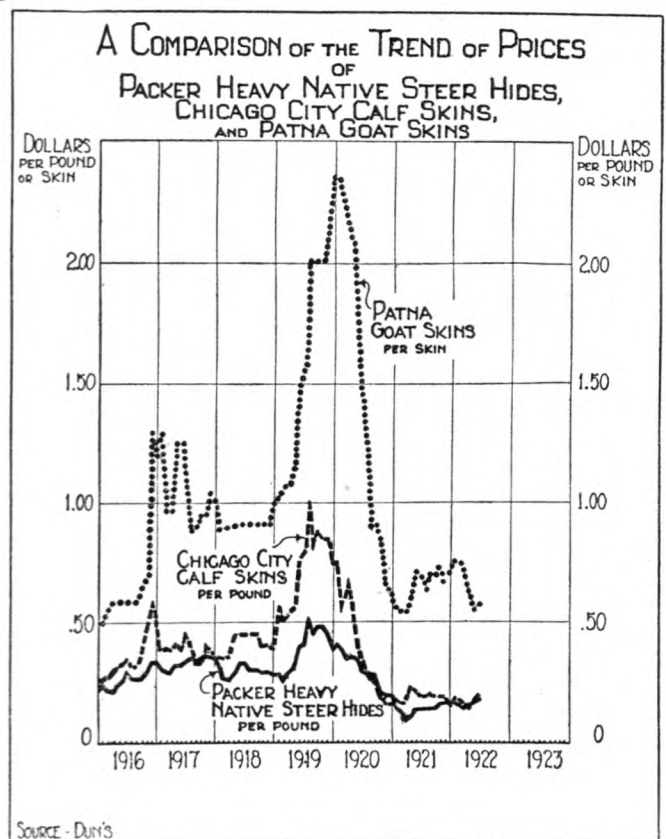


Chart Number Three



as compared with a general average throughout the industry of 92 per cent.

There is a belief on the part of some wholesale distributors that retailers and printers are at present selling largely from stocks which they have on hand, and are refraining from buying now in order that they may stock up at the lower prices which they anticipate. Wholesalers are of opinion that the first advance in prices will cause heavy purchasing and seriously jeopardize prompt deliveries.

The scarcity of coal has not materially affected production as yet. Indeed, in spite of the scarcity, several manufacturers have paid the higher prices and increased their output, in expectation of an increase in the price of paper. Several manufacturers to date have been seriously inconvenienced by the strike of railroad employees; others do not anticipate any serious stoppage of shipments in the immediate future.

Foreign competition, which was the bugbear of the paper industry several months ago, though still of some importance, has almost disappeared. Canada, of course, will always be the source of a large amount of our pulp and newsprint, and importations from that country have been increasing. But from Europe, manufacturers anticipate relatively little competition that will be effective. There have been several large importations of newsprint, and also of kraft, from the Scandinavian countries and more recently from Finland, but deliveries are so uncertain that up to the present time the effect on the general market has been of slight importance. Casein, used in coated book papers, has advanced five cents a pound, and in consequence, this grade of paper has risen one-quarter cent a pound.

Newsprint has advanced \$5 a ton within the past month. Stocks of paper held by mills and wholesalers are normal throughout the industry, but those of the majority of the retailers and printers are low. Cancellations of present mill quotations have been general, and manufacturers have stopped accepting orders for future delivery which will require over thirty days to bill. This leaves them in a position to adjust prices without long notice.

The labor situation is on the whole satisfactory, though some difficulty has been experienced during the past month in securing competent workers at present wages. Wages in this section are reported to be lower than those paid in several western cities.

Collections have failed to show any improvement, and some manufacturers note a slight decline.

## PAPER BOXES

Opinions among manufacturers vary as to the situation in the paper box trade, but all are agreed that a more wholesome atmosphere pervades the industry. Severe competition has been the rule in late years, especially since the war. Prices have been quoted which could not under any circumstances net the manufacturer a profit, and both large and small manufacturers have been compelled to take severe losses, according to the trade. But in the last six weeks manufacturers have much more generally come to accept the view that prices must be maintained at levels which will assure a reasonable profit, and the result is that the severe price cutting of the last ten months is on the decline. Moreover, there has been a rather widespread increase in the business in specialties, and the decrease reported by several firms engaged in the general trade may be accounted for by seasonal conditions.

Because of the increase in the price of raw materials, purchasers of paper boxes are entering the market more actively, and orders, though still small, are becoming more plentiful. Chip board, the staple indicator of prices in the industry, has advanced \$5 a ton in the last six weeks and is now variously reported as selling at from \$37.50 to \$40.00. The price of jute container liner has increased approximately 10 per cent during the same period. Despite the fact that the summer months are very poor ones for the manufacturers of candy boxes, several firms report that they are working on future orders for the fall and holiday trade.

Stocks of raw materials, though higher, are plentiful at the new prices, and no manufacturer reports difficulty in securing an adequate supply. This is largely accounted for by the fact that during the war and immediately after its close the productive capacity of the country was very largely increased.

There is some shortage in the supply of skilled workers, but this is an item which varies with the locality, and labor conditions in general are satisfactory. The bulk of the industry still pays wages almost as great as those it paid during the war.

Collections remain unchanged and are described as being from fair to good.

## TOBACCO

### CIGARS

There is considerable difference of opinion among cigar manufacturers as to conditions in the industry

at the present time, but the prevailing impression is that business is showing a continuation of the June increase. The larger firms, and particularly those located in Philadelphia and having a national distribution, report that their business has shown a decided improvement. Demand during the summer months is stimulated by a large vacation trade in the better grades of cigars. Manufacturers whose business is largely in the coal mining districts report a falling off in orders, and those catering to the steel and farming sections report an increase. Orders are still very largely for immediate delivery, but there is a growing tendency on the part of jobbers and wholesalers to order ahead and to return to the old practice of placing orders for regular weekly shipments.

The larger companies have increased operations decidedly and are now running at from 80 to 100 per cent of capacity. Three firms report the opening of a total of six new plants during the last month. Operations by smaller companies vary from 20 to 70 per cent of capacity, and average about 50 per cent.

Prices of cigars have not changed within the last month, but two firms report that they plan to manufacture a five-cent cigar. Prices of domestic filler and wrapper tobaccos have declined slightly, but foreign wrappers have increased. Stocks of finished cigars are almost universally light, as most manufacturers, though keeping apace with demand, refuse to go ahead of it. Stocks of raw materials are adequate, and the lower grades of domestic tobacco in particular are very plentiful.

Skilled labor is becoming scarcer. A few increases in wages are reported, but they do not in any case amount to more than \$1 a thousand.

Collections are satisfactory, but show little if any improvement; and some firms find them slower.

#### LEAF TOBACCO

No changes of importance have occurred in the domestic leaf market within the last two months. The demand for old tobacco of the 1920 and earlier crops is good, but the supply of this is limited, and there have been no large purchases. The 1920 crop is almost entirely out of the growers' hands, with the exception of a certain amount packed by a few cooperative farmers' organizations.

During the past month, there has been a drop in price of from two to four cents a pound. For standard Pennsylvania tobacco the price at present is around 22 cents. This is in contrast to the increase shown by Java and Sumatra tobaccos, which have advanced sharply above the prices that prevailed a

year ago. Both Porto Rico and Havana tobaccos, which dropped earlier in the year, have also stiffened.

The 1922 crop of Pennsylvania tobacco is reported to be in excellent condition, and bids fair to be of much better quality than last year's. It is still too early to gauge accurately the size of the crop, but reports received from the tobacco growing sections show that a larger yield per acre is in prospect. The Government forecast, however, predicts that in Pennsylvania, Wisconsin, and the New England states, the crop will be smaller than in 1921. This is to be accounted for by a decrease in the acreage planted.

#### AGRICULTURE

Weather conditions during the months of June and July have on the whole been very favorable throughout the district, and crops have made splendid progress. Some sections have suffered from too much rain, but the damage done has been very small, although some difficulty was experienced in getting the wheat harvested and a portion of the hay was put up under conditions not conducive to the best curing of the product. Agriculturists are of the opinion that if early August brings settled weather conditions, the potato and other crops will escape without any appreciable amount of damage due to rot.

The Bureau of Statistics of the Pennsylvania Department of Agriculture estimated the condition of the wheat crop of the state on July 1 to be 96 per cent of normal, and indicated a yield of 19.2 bushels per acre and a total production of 25,328,600 bushels, as compared with 25,271,600 bushels last year, and with an average production of 24,079,870 bushels for the past ten years. Lancaster County reported on July 10 that though none of the wheat had been threshed at the time, their inspection indicated that the crop in that particular district would be about 10 per cent less than normal, owing to disease and imperfect pollination. The average estimate of counties reporting throughout the district was between 90 and 100 per cent of normal.

According to one agriculturist, this spring has been the best for the hay crops within the last ten years. Conditions throughout the district seem to be unusually good, and excessively heavy yields of clover, timothy, and alfalfa are reported. Corn has shared the benefits of the excellent growing weather, and most districts report their stand to be almost uniformly good. In some places, however, there has been such an excess of rain as to drown out the corn in the lower levels. The condition of the Pennsyl-

vania crop on July 1, as indicated by the State Department of Agriculture, was 95 per cent of normal, but as there is an increase of over three per cent in the area planted this year, and as an average of 45 bushels per acre is predicted, a total production of 60,142,500 bushels is looked for. Oats, rye, and buckwheat are all in good condition, and satisfactory yields are anticipated. The potato crop is large this year and is well matured. A tendency toward rotting, however, has been noticed in some localities, which is due to the long periods of heavy rainfall.

The tobacco crop of the district is at least 10 per cent ahead of its normal growth for this season of the year, and prospects are excellent. The fruit crop, however, is only fair. Both the peach and apple crops are short, and the prospects are for a yield of from 50 to 70 per cent of normal. This represents a great improvement over last year, but conditions in the industry are still not entirely satisfactory. The berry crop has been good this year, and prevailing prices have on the whole been higher than they were a year ago.

Vegetables are well advanced, and though it is still too early to predict the yield of some of the trucking operations, the condition of the crops at this time gives every evidence of an excellent return. Both wholesalers' and canners' stocks are low, and those canneries which have opened report that they are paying higher prices than last year. The tomato growers were under a disadvantage early in the month, when their product had to compete with large shipments of southern tomatoes which arrived on the New York market far behind schedule. Prices were much lower than a year ago, and the New Jersey product at one time sold on the New York market for from \$2 to \$2.50 a crate, as compared with prices of from \$3.50 to \$4 last year. This, however, was only a temporary derangement, and prices have recently stiffened.

Because of the long rainy spring, plant pests are slightly more numerous this year than last. Scale and scab have been causing some damage to the apple crop, and rust and mould to the wheat crop. The Colorado potato beetle has also made its appearance in great numbers this year and caused serious damage in some sections.

Prices of butter, eggs, and poultry have held up well throughout the past year, and farmers, finding greater profits in these lines, have begun actively to develop them. The Pennsylvania Department of Agriculture reports that the number of laying hens is approximately two per cent greater than usual,

and that the number of chicks hatched is over four per cent greater than normally. Government statistics compiled by the Bureau of Markets show radical fluctuations in the price of farm products during the first six months of 1922, and a decided decline since July, 1921, in all products except potatoes. It is to be noted, however, that there has been substantial recovery since January, 1922.

#### ESTIMATED VALUE OF FARM PRODUCTS IN PENNSYLVANIA

	July, 1922	June, 1922	May, 1922	Apr., 1922	Mar., 1922	Feb., 1922	Jan., 1922	July, 1921
Wheat .....	\$1.09	\$1.25	\$1.26	\$1.25	\$1.22	\$1.07	\$1.04	\$1.29
Corn .....	.71	.69	.65	.64	.60	.58	.58	.76
Rye .....	.91	.94	.90	.92	.85	.92	.87	1.13
Oats .....	.51	.51	.50	.48	.46	.47	.46	.55
Buckwheat .	1.01	.96	.81	.86	.81	.87	.79	1.07
Potatoes ...	1.28	1.13	1.23	1.23	1.30	1.32	1.24	.55
Hay .....	15.70	18.00	16.75	16.70	16.25	15.50	15.00	15.60
Eggs .....	.26	.24	.23	.22	.34	.42	.55	.28
Butter .....	.36	.38	.41	.39	.41	.43	.49	.35

Source, Weather Crops and Markets.

A very noticeable improvement has occurred in the quality of the live stock imported and produced within the district during this last spring. Several large shipments of thoroughbreds have been noted, and especially in the dairy industry the quality of the herds is showing rapid improvement. This movement in the interest of better stock has been fostered in many communities by the publicity and financial assistance given by the banks. Pig raising clubs throughout the district have done much to increase and foster the production of hogs, and several counties very distinctly show the impress of this movement both in the number and quality of their droves. Sheep are on the decline in some counties because of unfavorable conditions and the ravages of dogs, but over a period of the last three years there has been relatively little change in their number.

Interesting statistics compiled by the United States Department of Agriculture and the New Jersey Department of Agriculture, show that though in the country as a whole there was a radical decline in the number of beef cattle, sheep and swine between the years 1920 and 1922, in New Jersey the only decrease was in the number of swine. It is interesting further to note that in New Jersey, the average price per head of all varieties of farm animals was considerably higher than the same averages for the whole country. This is in part due to the excellent quality of the New Jersey stock and in part to the advantageous position of New Jersey in relation to New York and Philadelphia markets.



## STOCKS OF FARM ANIMALS

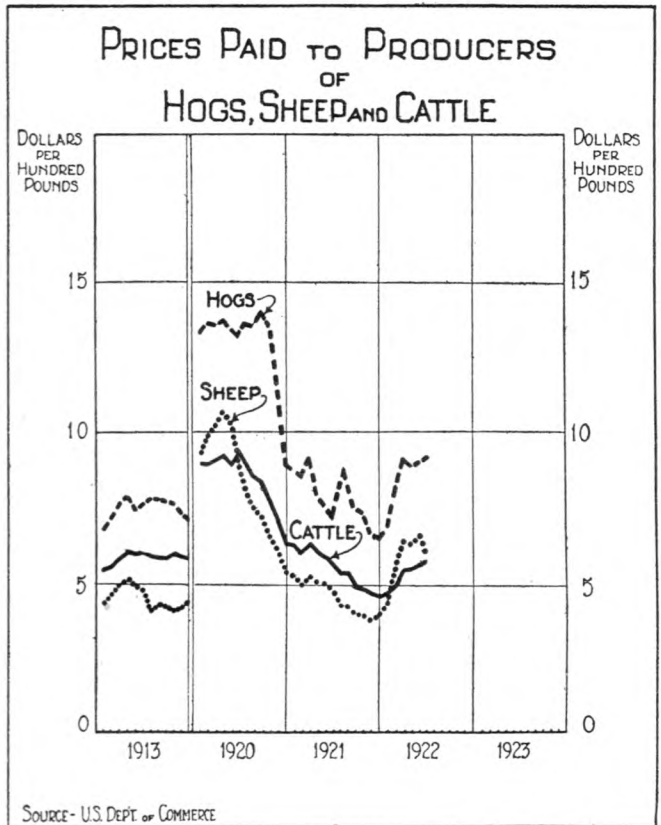
Compilation by the United States and New Jersey Department of Agriculture

	NEW JERSEY		UNITED STATES		
	Number	Value per head	Number	Value per head	
Horses..Jan. 1, 1922	72,000	133.00	19,099,000	70.48	
1921	72,000	144.00	19,208,000	84.31	
1920	73,000	153.00	19,766,000	96.51	
Mules .....	1922	6,000	151.00	5,436,000	88.26
1921	6,000	161.00	5,455,000	116.69	
1920	6,000	172.00	5,427,000	148.42	
Milk Cows ....	1922	151,000	86.00	24,028,000	50.97
1921	148,000	110.00	23,594,000	64.22	
1920	148,000	128.00	23,722,000	85.86	
Other Cattle ...	1922	31,000	37.60	41,324,000	23.78
1921	30,000	47.70	41,993,000	31.36	
1920	31,000	55.10	43,398,000	43.21	
Sheep .....	1922	10,000	7.40	36,048,000	4.80
1921	10,000	10.50	37,452,000	6.30	
1920	10,000	11.00	39,025,000	10.47	
Swine .....	1922	132,000	17.00	56,996,000	10.06
1921	126,000	20.00	56,097,000	12.97	
1920	139,000	25.20	59,344,000	19.07	

Source, Department of Agriculture.

The accompanying chart shows the relative prices of hogs, sheep, and cattle as reported by the United States Department of Commerce and indicates their fluctuations during the past three years.

This year has been most favorable for dairying. Pastures are in good condition, and the yield of milk has been high. Price agreements have held up quotations, and with the decline of the seasonal surplus the milk market will be in balance again. Present efforts of the distributors are bent on maintaining consumption throughout the summer vacation months. Prices in New York have advanced a cent a quart to the producer, but the Philadelphia



market, which was higher than the New York market, has remained stationary, and prices in the two markets are now approximately equal. Stocks of butter are low, but production is increasing. Owing to an increased demand in Europe, there have been fewer importations into the United States, and prices have advanced two cents a pound during the last month.

### CHARGES TO DEPOSITORS' ACCOUNTS

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

	July 12, 1922	June 14, 1922	July 13, 1921
Altoona.....	\$3,347,000	\$3,385,000	\$3,209,000
Chester.....	4,693,000	4,096,000	4,078,000
Harrisburg.....	7,765,000	7,447,000	6,853,000
Johnstown.....	4,791,000	4,826,000	4,962,000
Lancaster.....	5,268,000	5,099,000	4,390,000
Philadelphia.....	324,151,000	320,087,000	289,668,000
Reading.....	7,998,000*	7,994,000*	.....
Scranton.....	12,920,000	10,855,000	17,474,000
Trenton.....	11,992,000	10,701,000	10,552,000
Wilkes-Barre.....	7,046,000	6,808,000	8,578,000
Williamsport.....	4,380,000	4,263,000	4,295,000
Wilmington.....	8,098,000	6,998,000	7,132,000
York.....	4,368,000	3,428,000	3,717,000
<b>Totals.....</b>	<b>\$398,819,000</b>	<b>\$387,993,000</b>	<b>\$364,908,000</b>

\*Not included in total.

### RESOURCE AND LIABILITY ITEMS

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

	At the close of business		
	July 12, 1922	June 14, 1922	July 13, 1921
<b>Loans and discounts:</b>			
Secured by U. S. securities	\$16,032	\$22,939	\$69,410
Secured by other stocks and bonds.....	225,121	219,546	192,948
All other.....	315,246	315,186	370,144
<b>Investments:</b>			
United States bonds....	54,467	54,814	46,993
U. S. Victory notes.....	8,523	11,440	6,330
U. S. Treasury notes....	19,708	15,402	9,271
U. S. certificates of indebtedness.....	10,796	6,353	7,976
Other bonds, stocks and securities.....	182,953	178,268	157,711
<b>Total loans, discounts and investments....</b>	<b>\$832,846</b>	<b>\$823,948</b>	<b>\$860,783</b>
Demand deposits.....	684,436	667,954	625,106
Time deposits.....	51,086	50,324	41,316
Borrowings from Federal Reserve Bank.....	13,442	14,811	76,504

### STATEMENT

Federal Reserve Bank of Philadelphia  
(000's omitted)

RESOURCES	July 12, 1922	June 14, 1922	July 13, 1921
Gold reserve.....	\$211,677	\$221,144	\$206,565
Other cash.....	7,533	7,739	3,019
<b>Total reserve.....</b>	<b>\$219,210</b>	<b>\$228,883</b>	<b>\$209,584</b>
Discounts—secured by U. S. securities.....	29,628	32,567	83,388
Discounts—all other.....	9,859	9,287	33,055
Purchased bills.....	19,711	19,857	2,538
U. S. securities.....	34,491	32,123	28,457
<b>Total earning assets..</b>	<b>\$93,689</b>	<b>\$93,834</b>	<b>\$147,438</b>
Uncollected items.....	50,123	55,304	56,826
All other resources.....	1,935	2,018	1,492
<b>Total resources.....</b>	<b>\$364,957</b>	<b>\$380,039</b>	<b>\$415,340</b>
LIABILITIES	July 12, 1922	June 14, 1922	July 13, 1921
Capital paid in.....	\$9,003	\$8,991	\$8,613
Surplus.....	17,945	17,945	17,564
Government deposits....	1,703	4,440	1,200
Members' reserve account	106,053	107,305	101,613
Other deposits.....	1,344	1,171	1,417
<b>Total deposits.....</b>	<b>\$109,100</b>	<b>\$112,916</b>	<b>\$104,230</b>
Federal Reserve notes....	180,087	178,776	223,653
Federal Reserve Bank notes.....	5,138	5,633	9,345
Deferred availability items	42,329	54,427	48,487
All other liabilities.....	1,355	1,351	3,448
<b>Total liabilities.....</b>	<b>\$364,957</b>	<b>\$380,039</b>	<b>\$415,340</b>

### BUSINESS INDICATORS

	July 17, 1922	Percentage increase or decrease compared with	
		Previous month	Year ago
<b>Philadelphia banks:</b>			
Loans.....	\$663,090,000	+ .3%	- 1.5%
Deposits.....	681,635,000	+2.1%	+12.6%
Ratio loans to deposits.....	97.3%	99.0%*	111.2%*
<b>Federal Reserve Bank:</b>			
Discounts and collateral loans.....	\$38,181,198	-20.7%	-67.5%
Reserve ratio.....	77.3%	80.5%*	65.4%*
90-day discount rate..	4½%	4½%*	5½%*
Commercial paper....	4-4½%	4-4½%*	6½-6¾%*
	June, 1922	Percentage increase or decrease compared with	
		Previous month	Year ago
<b>Bank clearings:</b>			
In Philadelphia.....	\$1,953,627,000	+ 6.9%	+10.4%
Elsewhere in district..	117,393,641	- .5%	+ 4.6%
<b>Total.....</b>	<b>\$2,071,020,641</b>	<b>+6.4%</b>	<b>+10.1%</b>
<b>Building permits, Philadelphia.....</b>	<b>13,190,220</b>	<b>+48.7%</b>	<b>+187.5%</b>
<b>Post Office receipts, Philadelphia.....</b>	<b>1,281,446</b>	<b>- 3.8%</b>	<b>+10.0%</b>
<b>Commercial failures in district (per Dun's).....</b>	<b>57</b>	<b>87*</b>	<b>71*</b>
<b>Latest commodity index numbers:</b>			
Annalist (food prices only).....	193.672	+5.8%	+15.5%
Dun's.....	173.743	+2.2%	+ 8.7%
Bradstreet's.....	12.1069	+1.7%	+12.8%

\*Actual figures.

