

# BUSINESS AND FINANCIAL CONDITIONS

IN THE  
THIRD FEDERAL RESERVE DISTRICT  
PHILADELPHIA  DECEMBER 1, 1922

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

## GENERAL SUMMARY

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than at any time since recovery began. Both retail and wholesale trade are more active than they were a year ago, and manufacturers report decidedly good business. Some industries, it is true, have had a seasonal slackening in demand, but in none of these has the decline been greater than was to be expected. Indeed, many express surprise that the demand has not fallen off more sharply, as is usual with the near approach of the time for taking inventories.

Steel sales are slightly smaller, but nevertheless total a considerable volume. Most of the business offered, however, is for delivery before the first of the year. Local demand for pig iron has been slight, as a result of the heavy receipts of foreign iron being delivered on old contracts; and because of this and of the larger supply of domestic iron now available through increased blast furnace activity, prices have declined. More furnaces are in blast today than at any time since December, 1920. Steel ingot output in October totaled 2,872,415 tons, the largest monthly total since October, 1920. Although production is heavy, it would be greater were it not for the decided scarcity of labor and for transportation difficulties.

There is little change in the coal situation. The demand for domestic sizes is greater than the supply, but the success of distribution plans and the continued mild weather have relieved the situation somewhat. Anthracite prices as a whole have not advanced, but a few independents have increased their quotations to compensate for the fall in the price of steam sizes. These are a drug on the market at this time, and operators having storage facilities are piling up stocks. Anthracite production is slightly above normal, averaging about 2,000,000 tons per week, as the number of cars has been adequate and the labor supply ample. Indeed, some operators report a surplus of miners. The demand for

**B**USINESS conditions in the Third Federal Reserve District continue to be good, and although the rate of improvement during the past month has not been so rapid as it was during the preceding two or three months, the situation today is perhaps better

## SYNOPSIS OF BUSINESS CONDITIONS

COMPILED AS OF NOV. 23, 1922

THIRD FEDERAL RESERVE DISTRICT

BUSINESS	DEMAND	PRICES	FINISHED STOCKS	LABOR SITUATION		COLLECTIONS
				SUPPLY	WAGES	
Bricks	Excellent	Firm	Very light	Some scarcity	Rising	Good
Chemicals	Fair	Firm	Light			Fair
Cigars	Excellent	Firm	Light	Insufficient	Firm or higher	Good
Coal, anthracite	Excellent	Firm	Small	Sufficient	Steady	
Coal, bituminous	Fair	Declining	Moderate	Generally sufficient	Steady	
Coke	Good	Declining	Moderate	Generally sufficient	Steady	
Cotton goods	Good	Advancing	Light	Sufficient	Steady	Good
Cotton yarns	Good	Advancing	Light and decreasing			Good
Drugs, wholesale	Fair	Firm	Normal and decreasing			Slower
Dry goods, wholesale	Fair	Strong				Slow
Electrical supplies	Good	Firm	Normal	Sufficient	Rising	Fair
Floor coverings	Excellent	Firm	Light	Scarce	Firm or higher	Good
Furniture	Good	Advancing	Moderate to light	Scarcity skilled	Firm or higher	Fair to good
Groceries, wholesale	Good	Some advances	Heavy and increasing			Slow
Hardware, wholesale	Good	Rising	Moderate			Fair
Hosiery, full-fashioned	Fair	Firm	Moderate	Sufficient	Firm	Fair
Hosiery, seamless	Fair	Firm	Moderate	Sufficient	Firm	Fair
Iron and steel	Good	Declining	Light	Scarce	Rising	Fair
Leather, belting	Good	Advancing	Moderate	Sufficient	Firm	Fair to good
Leather, heavy	Fair	Advancing	Heavy	Sufficient	Firm	Good
Leather, upper	Fair	Advancing	Moderate	Sufficient	Firm	Good
Lumber	Good	Firm	Moderate	Scarcity in mills	Steady	Fair
Paper	Good	Firm	Moderate	Scarcity unskilled	Firm	Fair to good
Paper boxes	Good	Firm	Light	Scarcity skilled	Higher	Fair to good
Rubber tires	Good	Unchanged—low	Heavy			Slow
Shoes, manufacture	Good	Firm	Moderate	Sufficient	Firm to slightly higher	Fair to good
Shoes, retail	Fair	Firm	Moderate			Fair to good
Shoes, wholesale	Good	Firm	Moderate			Fair
Silk goods	Fair	Strong	Light	Sufficient	Steady	Fair and improving
Silk throwsters	Fair	Firm	Light	Scarce	Higher	Slow to fair
Slate	Good	Firm	Moderate	Scarce	Rising	Good
Tobacco	Good	Firm or higher				
Underwear, heavy weight	Good	Firm or higher	Moderate	Some shortage	Firm	Fair to good
Underwear, light weight	Good	Firm or higher	Normal	Some shortage	Firm	Fair to good
Woolen goods	Good	Higher	Light	Scarce	Some advances	Unsatisfactory
Worsted goods	Excellent	Higher	Light	Scarce	Some advances	Good
Woolen yarns	Good	Higher	Light	Scarce	Some advances	Slow but improving
Worsted yarns	Excellent	Higher	Light	Scarce	Some advances	Good

bituminous coal in the east is only fair, but it is reported that sales in the middle west have been large, at quotations about \$1 per ton higher than those prevailing in the local market.

Building in this district is still very active. Indeed, the number of permits issued in October in the Third Federal Reserve District—3,169—was the largest since June of this year. The estimated value of these permits, however, was much smaller. Contractors report a scarcity of labor, and as a result, in many of the building trades, wages are the highest ever recorded. Manufacturers of building materials report a good demand for their products, although normally this is a slack season with them. Building lumber sales, it is true, have declined slightly but brick manufacturers are oversold, sales of slate are the largest in recent years, and paint and electrical supplies are moving well. All producers of building materials are operating at as close to capacity as the labor situation will permit.

The textile industries are in strong position. Sales are large, but manufacturers are taking precautions to avoid any over-production such as would leave them with heavy surplus stocks at the beginning of the normal January reaction. Staple cotton goods are in constant request, and sales of yarns have been heavy. Prices of both yarns and goods have advanced, largely as a result of the spectacular movement of raw cotton. Improvement has occurred also in the demand for silk goods, and quotations have advanced because of the high level at which raw silk prices are being maintained. Many silk throwsters and weavers report a shortage of skilled labor, and in several cases wages have been advanced. Conditions in the worsted industry are especially good. The demand for cloth is very brisk and is improving in both men's and women's wear. Production has been increased, but as in other industries, is retarded somewhat by the shortage of skilled labor. As a result of the activity in worsted cloth, worsted yarn spinners, too, have had good business; indeed, several report that they are booked to capacity until next April. Prices of both worsted yarn and cloth are steadily rising. Woolen cloth and yarn are not so active as the worsteds, but business in these is greater than it was last month. Carpet yarns have been in exceptionally good demand, and spinners are booked to capacity for as far ahead as they care to accept orders. Retail carpet and rug sales have been very heavy, and manufacturers are sold up for the present season. They, too, report some scarcity of skilled labor and increases in wages. As a result of the higher cost of labor and of raw materials, quotations on finished carpets and rugs have also been increased. The advance in price throughout the woolen and worsted industries is, in large measure, a result of the continued strength of the raw wool market. Stocks of domestic wools are very light, in fact lighter than they were before the movement of the last clip. Foreign wools, however, are being received in fairly large quantities. Im-

provement has occurred in the demand for several lines of hosiery, and underwear manufacturers report increased buying of light-weight goods for next spring. Heavy-weights for the present season are sold out, and many producers are unable to accept all of the spot business offered. Underwear quotations are higher, and production in this industry, too, is being hampered by shortage of labor.

Considerable improvement has occurred in the shoe industry. Orders for delivery during the first quarter of 1923 have been received in large numbers, and in some cases, at advanced quotations. This rise in price is occasioned by higher raw material and labor costs. The leather market is still active, although there has been some lull since last month, as shoe manufacturers are unwilling to show large inventory figures at the end of the year. The hide and skin markets are slightly less active than they have been.

There has been some seasonal slackening in the demand for papers, as all large orders for the holiday season have been received heretofore. Wrapping and book papers, however, are still in good request, and mills devoted to their manufacture are working at capacity. Paper wholesalers have noted no falling off in demand, and the volume of business compares favorably with that of a month ago. The call for paper boxes has continued to be strong, but manufacturers have not been able to maintain capacity production because of the great scarcity of skilled workers. The larger cigar firms are still oversold, and the past month has been the best in point of sales during the year. Many of the smaller manufacturers are also doing a large business. The labor shortage in the cigar industry is more acute perhaps than it has ever been, and the bidding for workers has brought the wage level to a point slightly above that of the peak period of 1920. The furniture industry also is very active, more so than at any time since last June; and here too the scarcity of labor has caused difficulty.

From the foregoing summary of conditions in the several important industries of the district, it is evident that the outstanding feature is the scarcity of labor. In spite of this, however, as in all periods of prosperity, there is still some unemployment in the district. The Pennsylvania State Department of Labor reported 25,745 out of work on November 15 in the cities of Harrisburg, Johnstown, Philadelphia, Reading, and Scranton. In addition to these there are still 15,800 workers on strike. The number of unemployed, however, has shown a steady decline since February 15 and is 15.5 per cent less than the number out of work on November 1.

Second only in importance to the labor scarcity is the present transportation situation. Freight conditions are far from satisfactory and offer serious difficulties in the getting of raw materials and in the shipment of finished products. Of course, those industries for which raw materials can be shipped by motor truck report no serious delays in production, but others are decidedly ham-

pered. Wholesalers report that deliveries are from three to six weeks behind, and that in many cases goods will not be received in time for the holiday season. Shipments from the middle west and the Pacific coast are especially late. In addition to the delays, cars are also being overloaded.

Domestic wholesale prices, as measured by the index numbers, continue to advance. The Bradstreet number rose from 12.5039 in September to 13.3482 in October, and that of R. G. Dun & Company from 175.649 to 182.291. The index number of the Bureau of Labor Statistics, after declining from 155 in August to 153 in September, rose to 154 in October. Of the commodity groups comprising this index, only the fuel and lighting group showed any decline during October. Farm products continued to show large increases, owing, the Bureau states, to advances in grains, cotton, hay, eggs, and hides. The cloths and clothing group also made a large advance.

The index numbers of the principal European countries seem to have turned definitely upward. During October, prices in Great Britain advanced 1.3 per cent, in France 2.4 per cent, and in Italy 3.3 per cent. German prices, as was to be expected with the further decline of the mark, made another spectacular jump. The table below gives the index numbers for the United States and the more important foreign countries, and sets forth their percentage of change during recent months. It is to be noted that for the purposes of this

table the several United States index numbers have been reduced to a common basis, the average prices for 1913 equaling 100.

## FINANCIAL CONDITIONS

Further increases in the amount of commercial loans and discounts are reported by member banks in the larger cities of the country for the four-week period ending November 15. It is still too early to determine just how much of this increase is due to the seasonal demands for agricultural purposes, but October is normally the month of largest borrowing for harvesting and moving the crops. The figures of the next month or two should throw further light on this question. An examination of the figures by Federal Reserve districts is made in the table on page 5. In this the low points reached by commercial loans in August are compared with the latest figures. From the compilation it is evident that the Atlanta, St. Louis, Minneapolis, and Dallas districts, whose interests are largely agricultural, have had the largest percentage increases. But the manufacturing districts, too, have shared in the advance.

Loans of the reporting member banks secured by stocks, bonds, and notes are 56 millions lower than they were on October 18, and bank investments in securities decreased 39 millions.

The Federal Reserve banks report a gain of 145 millions in discounted bills, but an increase of only 1 million

Indices of Wholesale Prices  
Unless otherwise noted, base of 1913 = 100

	Latest quotation	Percentage of change during		
		August	September	October
United States:				
Federal Reserve Board.....	165 Oct. average	0	— .6	+ .6
Bureau of Labor Statistics.....	154 Oct. average	0	— 1.3	+ .7
Dun's .....	151 Nov. 1	— .7	+ 1.4	+ 4.1
Bradstreet's .....	145 Nov. 1	0	+ 3.8	+ 6.6
Great Britain:				
Economist .....	158 Oct. 31	— 3.1	— 1.3	+ 1.3
France .....	337 Oct. 31	+ 1.8	— .6	+ 2.4
Italy .....	601 Oct. average	+ 2.3	+ 1.9	+ 3.3
Japan .....	190 Oct. average	— 3.0	— 1.0	— 1.6
Canada .....	162 Oct. 15	— 1.2	— .6	— .6
Sweden * .....	155 Oct. 15	— 1.2	— 3.1	— 1.9
Shanghai .....	143 Oct. 31	— 2.3	— 2.1	+ 2.9
Calcutta † .....	177 Oct. average	— 1.7	— 1.1	+ .6
Norway .....	221 Oct. average	— 2.2	— .9	— 1.8
Germany ‡ .....	94492 Nov. 1	+107.5	+ 52.5	+114.3
Denmark § .....	180 Nov. 1	— 1.1	— 1.1	+ 2.3
Egypt .....	138 Sept. average	+ .7	— .7	....
Switzerland .....	169 Nov. 1	0	+ 1.2	+ 2.4

\* July 1, 1913, to June 30, 1914 = 100.  
† End of July, 1914 = 100.  
‡ Middle of 1914 = 100.  
§ July, 1912, to June, 1914 = 100.

Commercial Loans and Discounts

(000's omitted)	Low point in August	Nov. 15	Actual change	Per cent change
Boston .....	\$559	\$587	\$28	+ 5.0%
New York .....	2,212	2,218	6	+ .3 "
Philadelphia .....	311	337	26	+ 8.4 "
Cleveland .....	626	645	19	+ 3.0 "
Richmond .....	296	313	17	+ 5.7 "
Atlanta .....	287	336	49	+17.1 "
Chicago .....	1,001	1,007	6	+ .6 "
St. Louis .....	261	291	30	+11.5 "
Minneapolis .....	182	199	17	+ 9.3 "
Kansas City .....	346	358	12	+ 3.5 "
Dallas .....	191	219	28	+14.7 "
San Francisco .....	702	733	31	+ 4.4 "
System .....	\$7,020	\$7,243	\$223	+ 3.2%

in Federal Reserve notes, during the four-week period ending November 22. Deposits are up 53 millions and reserves 7 millions. The reserve ratio on November 22 was 76.7 per cent, a decrease of 0.9 per cent in the period.

Rates for commercial paper and bankers' acceptances are somewhat firmer than they were at the end of October, but they have not risen more than  $\frac{1}{4}$  of one per cent above the rates then quoted. Rates for call money, on the other hand, went as low as  $3\frac{1}{2}$  per cent on November 17, but varied from  $4\frac{1}{2}$  to 6 per cent in the first few weeks of the month, with 5 per cent as the ruling rate.

Pronounced weakness is reported in practically all securities. Stocks reached their high points about the middle of September, but since then have reacted considerably. Bonds, too, have shared in the general decline. Rail securities, both stocks and bonds, suffered most severely. The table below gives the highest points attained in recent months, in comparison with the latest figures:

Security Prices

	High Point		November 20	Points change
	Amount	Date		
Average of—				
20 industrial stocks...	103.43	10/14	95.82	-7.61
20 rail stocks.....	93.99	9/11	86.11	-7.88
10 1st-grade rail bonds	92.05	9/14	87.21	-4.84
10 2nd-grade rail bonds	89.27	8/24	84.44	-4.83
10 public utilities bonds	91.00	9/16	88.04	-2.96
10 industrial bonds....	96.96	9/20	93.97	-2.99
40 bonds .....	92.12	9/14	88.41	-3.71
4 Liberty bonds .....	101.00	8/2	98.33	-2.67

Diminished activity in November was also a feature of the markets. Up to the close of the 20th, the number of shares traded in was 14,959,000, as against 18,576,000 shares in the same period of October. Bond sales

also fell off from \$238,595,000 to \$189,613,000 during the same time.

Sales of commercial paper decreased rapidly during the latter part of October, and in the first three weeks of November the volume of business transacted in this district has been unusually small. Rates are slightly higher than they were a month ago, the advance varying from  $\frac{1}{4}$  to  $\frac{1}{2}$  per cent. Most of the transactions now are made at  $4\frac{3}{4}$  or 5 per cent, but an occasional sale is still recorded at  $4\frac{1}{2}$  per cent.

The city banks are buying but little. A larger demand from their customers is taking more of their available funds, and it seems probable that the higher rates prevailing for call money in New York have at-

Financial Statistics

(000,000's omitted)	Latest week	Month ago	Two months ago
<b>Federal Reserve System:</b>			
Bills discounted .....	\$614	\$469	\$420
Purchased bills .....	257	258	238
U. S. securities .....	295	409	451
Total deposits .....	1,895	1,842	1,840
Federal reserve notes .....	2,299	2,298	2,243
Total reserves .....	3,219	3,212	3,203
Reserve ratio .....	76.6%	77.6%	78.4%
<b>Reporting member banks:</b>			
<b>Loans and discounts:</b>			
Sec'd by U. S. securities....	\$303	\$284	\$266
Sec'd by other securities.....	3,687	3,762	3,556
All other (commercial) .....	7,243	7,259	7,117
Total loans and discounts.	11,233	11,305	10,939
<b>Investments:</b>			
U. S. securities .....	2,289	2,333	2,263
Other securities .....	2,252	2,247	2,237
Total securities .....	4,541	4,580	4,500
Total deposits .....	14,968	15,202	14,785

	Nov. 20, 1922	Month ago	Two months ago
<b>Money rates:</b>			
<b>Fed. Res. bank discount rates:</b>			
Boston .....	4 %	4 %	4 %
New York .....	4 "	4 "	4 "
Philadelphia .....	$4\frac{1}{2}$ "	$4\frac{1}{2}$ "	$4\frac{1}{2}$ "
Chicago .....	$4\frac{1}{2}$ "	$4\frac{1}{2}$ "	$4\frac{1}{2}$ "
Commercial paper .....	$4\frac{1}{2}$ -5 "	$4\frac{1}{2}$ - $4\frac{3}{4}$ "	$4\frac{1}{4}$ - $4\frac{1}{2}$ "
Bankers' acceptances .....	$4\frac{1}{4}$ - $4\frac{1}{8}$ "	$3\frac{3}{4}$ -4 "	$3\frac{1}{4}$ - $3\frac{3}{8}$ "
Call money ruling rate.....	$4\frac{1}{4}$ "	$4\frac{1}{2}$ "	$4\frac{1}{2}$ "
<b>Securities (average prices):</b>			
20 industrial stocks .....	\$95.82	\$102.01	\$100.14
20 railroad stocks .....	86.11	93.28	92.70
10 first-grade rail bonds .....	87.21	87.97	91.48
10 second-grade rail bonds .....	84.44	86.51	88.65
10 public utility bonds .....	88.04	89.77	90.75
10 industrial bonds .....	93.97	95.89	96.96
4 Liberty bonds .....	98.33	99.15	100.42

tracted some money from this city to that market. In the country districts the higher rates have brought into the market some buyers who had previously declined to purchase, but as others have dropped out, the net gain in country purchases is small. The supply of paper has increased but little, as borrowers do not appear anxious to sell paper through the open market at prevailing figures.

Sales by six reporting dealers in the Third Federal Reserve District during October totaled \$7,033,350, as compared with \$7,864,300 in September. Of the amount sold, 53 per cent was purchased by Philadelphia institutions and 47 per cent by buyers outside of this city. Five of these dealers sold \$5,018,550 in October, 1922, as compared with \$7,124,500 in October, 1921. Sales at  $4\frac{1}{4}$  per cent were only slightly more than 5 per cent of the total, but those at  $4\frac{1}{2}$  and  $4\frac{3}{4}$  per cent were about 80 per cent of the total. Somewhat less than 15 per cent sold at 5 per cent.

Acceptances were available in larger quantity in the period from October 16 to November 12 than during the preceding month, and as indicated by reports from five dealers, average weekly purchases increased from \$336,000 in the preceding period to \$919,000 in the latter. Sales, too, were larger, but were difficult to make at the offered rates. Since November 12 they have held their own. The average weekly transactions of the five reporting dealers within the Third Federal Reserve District are summarized below.

Bankers' Acceptances				
(000's omitted)	Sales To F. R. Bank	Sales To Others	Total Sales	Total Purchases
October 16 to November 12.	\$1,483	\$284	\$1,767	\$919
September 17 to October 15.	1,317	132	1,449	336
August 14 to September 16.	1,440	84	1,524	323
July 17 to August 13.	5,440	150	5,590	596

The figures of twelve accepting banks in this district may be taken as a further indication of the increased supply of bills. For the month ending November 10 the amount of acceptances created was \$5,661,000, as against \$3,218,000 in the preceding month. A similar advance, from \$4,507,000 to \$6,325,000, was reported in 1921, which makes this increase in bills appear to be largely a seasonal movement, probably caused by an increase in grain bills. Grains, cotton, silk, tobacco, coffee, and sugar are some of the principal commodities involved in recent transactions.

The general offering rates at present are 4 and  $4\frac{1}{2}$  per cent, as compared with  $3\frac{3}{4}$  and  $3\frac{7}{8}$  per cent a month ago.

Savings deposits in this district have not as yet shown any tangible improvement resulting from the general recovery of business. Deposits in the 80 reporting banks decreased from \$420,090,000 on October 1 to \$419,573,000 on November 1, or 0.1 per cent. By subtracting from the latter figure \$254,000 of interest credited during the preceding month, it becomes clear that withdrawals exceeded deposits by \$771,000, which is a decline of 0.2 per cent. The steadiness of employment during recent months and the upward tendency of wages in some branches led to the expectation that savings deposits would increase. That they have not done so is to be explained no doubt by increased expenditures either for living costs, investments, or the purchase of homes. Comparisons of savings deposits in different cities are given below.

Savings Deposits in the Third Federal Reserve District (80 banks)

(000's omitted)	Number of reporting banks	Per cent increase or decrease November 1, compared with		
		1922	1921	1920
		October 1	November 1	November 1
Altoona	5	-.5	+ 9.7	+ 9.5
Chester	5	+3.6	+ .7	- 11.5
Harrisburg	4	+ .7	+62.6	+104.0
Johnstown	6	+4.5	- 1.2	- 1.1
Lancaster	3	+1.6	+25.0	+ 34.1
Philadelphia	9	-.3	+ 1.5	+ 3.9
Reading	3	-.5	+ 9.9	+ 13.9
Scranton	6	-1.8	+ 2.3	+ 18.3
Trenton	6	+ .7	+ 7.7	+ 6.6
Wilkes-Barre	5	-.9	- 3.0	+ 14.7
Williamsport	4	-1.0	+ 6.4	+ 13.5
Wilmington	5	+ .3	+14.7	+ 15.7
York	5	+1.6	+12.6	+ 29.8
Others	14	-.2	- 3.3	+ 9.2
Total	80	-.1	+ 2.7	+ 6.7

The past month has been marked by violent fluctuations in the Continental exchanges. Francs, Belgian francs, and marks started downward in the latter part of October, reached low levels in the second week in November, and then in the third week showed sharp recovery. The drop was attributed to such causes as the unsettled conditions in the Near East, the failure of the Reparations Commission to arrive at a satisfactory agreement, the poor showing of the Bank of France statement, and the German proposal of voluntary bankruptcy. On October 8 French francs touched \$.0620—a new low for the year; and Belgian francs and German marks sold at the lowest point ever reached in the New York market. During the week ending November 18, Belgian and French francs recovered practically all the ground they had lost, and, following

the announcement of the increase in the Reichsbank discount rate to 10 per cent, and of the new plans to increase German financial stability, marks showed greater strength. Lire, after touching \$.0389 on October 26—a new low for the year—commenced a steady upward movement and by the middle of November were nearly 25 per cent above the low quotation. The growing strength of Italian exchange is largely due to confidence in the Fascisti Government, which took control late in October.

Since last month sterling has moved within fairly narrow limits. It is true that it suffered considerable irregularity in sympathy with Continental exchanges, but not even the crisis in the Near East has had any great effect upon it. Throughout November sterling continued strong, and the news of the Conservative victory at the polls and of the Anglo-French accord gave it further support. On November 20 the rate was \$4.4903, the highest point reached in the recent upward movement.

The former neutral exchanges have been firm. Swedish kroner touched par on November 1 and have been hovering slightly above that point for the past three weeks. Rates on South American countries have been irregular. Although rates on Argentine have been firm and Brazilian exchange has strengthened, those on Chile have weakened. Rates on Far Eastern countries, too, have shown irregularity. Shanghai and Hong Kong exchanges have been weak, but yen and rupees have gained. Canadian dollars have remained slightly above par.

The accompanying table shows the changes that have taken place since last month and also gives comparisons with quotations at this time last year.

Foreign Exchange Rates

(Noon cables)	Par value	November 20, 1922	October 20, 1922	November 21, 1921
London .....	\$4.8665	\$4.4903	\$4.4683	\$3.9998
Paris .....	.193	.0720	.0744	.0716
Antwerp .....	.193	.0675	.0689	.0694
Milan .....	.193	.0468	.0420	.0414
Berlin .....	.2382	.000155	.000248	.003628
Vienna .....	.2026	.000014	.000014	.000359
Amsterdam .....	.402	.3932	.3917	.3521
Copenhagen .....	.268	.2019	.2001	.1848
Stockholm .....	.268	.2678	.2674	.2336
Madrid .....	.193	.1530	.1536	.1376
Berne .....	.193	.1860	.1827	.1878
Buenos Aires .....	.9648	.8217	.8208	.7433
Shanghai .....	.7082	.7145	.7307	.7725

### RETAIL TRADE

Retail sales during late October improved so markedly that the loss sustained early in the month was made up. This improvement has continued during

November, and the indications are that the total sales for the month will show a gain over those of last November. Men's suits and overcoats, floor coverings, draperies, and furniture have been the articles in most general request, but women's coats and piece goods of both silk and wool have also been called for. Women's dresses and suits, however, have not sold freely. Further advances in price are fairly general. Carpets and rugs and fabrics of both wool and cotton are some of the articles for which prices are strongest.

The table on page 8 shows that sales during October in the Third Federal Reserve District were 4.7 per cent greater than in October, 1921. This gain was much smaller than that of the previous month and was not nearly so general. Several cities which in September recorded increased sales, as compared with those of a year ago, now show a loss.

### WHOLESALE TRADE

Owing to seasonal influences and to the delivery of orders that had previously been booked, the October business of the five reporting wholesale lines increased over that of September. However, in comparison with October of last year, only shoes and hardware made heavy gains. That wholesale business has not reflected the general increase of business activity to its fullest extent may be attributed to the effect of the coal and railroad strikes upon the purchasing power of the residents in this district. Not only are many men still on strike in some localities, but even those that have returned to work are buying lightly, because the loss of wages has left them short of funds. This is shown very clearly by the fact that in many lines collections are still lagging.

That the demand for wholesale groceries has strengthened is seen in the fact that October sales were 9.3 per cent greater than those of the previous month, and 2.1 per cent larger than the sales of October, 1921.

The business transacted, however, consisted almost entirely in sales to fill the actual wants of retailers or in the shipment of goods that had previously been ordered for delivery in this period. Future orders are exceedingly small in volume, and the replies from reporting firms indicate that on the average they constitute but 10 per cent of the orders booked.

The commodities that are selling most readily are seasonable goods and staples. The latter are in request because at this time of year families lay in stocks of canned goods for the winter. Canned vegetables and dried fruits in particular are moving rapidly, and canned milk, sugar, molasses syrup, nuts and raisins, cabbage, potatoes, beans, and pan-cake flour are in good demand.

Although reports are conflicting, the majority indicate that in relation to the current volume of sales,

Retail Trade

	COMPARISON OF NET SALES		COMPARISON OF STOCKS		RATE OF TURNOVER*		Percentage of orders outstanding Oct. 31, 1922 to total purchases in 1921
	Oct., 1922, with Oct., 1921	July 1 to Oct. 31, 1922, with July 1 to Oct. 31, 1921	Oct. 31, 1922, with Oct. 31, 1921	Oct. 31, 1922, with Sept. 30, 1922	July 1 to Oct. 31, 1922	July 1 to Oct. 31, 1921	
All reporting firms (145).....	+ 4.7%	+ 4.2%	+ .4%	+ 6.0%	2.8	2.6	9.5%
Firms in—Philadelphia .....	+ 5.4 "	+ 6.0 "	- .7 "	+ 7.0 "	3.3	3.1	9.1 "
—Allentown .....							
—Bethlehem & Easton .....	+11.9 "	+ 7.0 "	+ 1.8 "	- 1.3 "	2.0	1.7	4.8 "
—Altoona .....	- 1.0 "	- .8 "	-11.7 "	+ 9.1 "	2.4	2.2	37.7 "
—Chester .....	+33.7 "	+20.4 "	.....	.....	.....	.....	.....
—Harrisburg .....	+ 5.5 "	+11.0 "	+11.3 "	+ 7.2 "	2.4	2.3	.....
—Johnstown .....	+ 1.8 "	- 6.3 "	+ 1.5 "	+ 7.4 "	2.6	2.7	.....
—Lancaster .....	- 4.1 "	- .9 "	+ .4 "	+ 1.3 "	2.2	2.2	9.5 "
—Reading .....	+ 2.3 "	+ 7.4 "	- .6 "	+ 2.4 "	1.9	1.8	4.4 "
—Scranton .....	- 5.6 "	-12.7 "	+10.8 "	- .6 "	2.6	2.5	.....
—Trenton .....	+ 6.6 "	+ 7.6 "	- 1.7 "	+ 1.8 "	2.6	2.5	.....
—Wilkes-Barre .....	- 1.1 "	- 7.8 "	- 8.8 "	+ 4.2 "	2.4	2.6	.....
—Williamsport .....	- 7.9 "	- 5.4 "	+ 6.2 "	+ 6.4 "	2.8	2.9	.....
—Wilmington .....	+17.5 "	+11.1 "	- 2.6 "	+ 7.0 "	1.7	1.5	7.3 "
—York .....	+ 5.4 "	+ 3.7 "	- 4.7 "	+ 2.6 "	2.2	2.0	5.1 "
—All other cities .....	+10.7 "	+ 3.3 "	+18.1 "	+ 7.9 "	2.0	2.1	6.5 "
All department stores.....	+ 5.0 "	+ 4.5 "	+ 2.1 "	+ 6.1 "	2.8	2.7	10.9 "
Department stores in Phila....	+ 8.0 "	+ 8.1 "	+ 1.8 "	+ 6.5 "	3.2	3.0	10.6 "
Depart. stores outside Phila....	+ 1.3 "	- .2 "	+ 2.6 "	+ 5.5 "	2.3	2.3	11.5 "
All apparel stores.....	- 1.6 "	- .03 "	- 5.6 "	+ 6.6 "	2.7	2.7	3.9 "
Men's apparel stores							
—in Philadelphia .....	+ 4.6 "	+ 4.5 "	+ 2.7 "	+ 8.4 "	2.3	2.4	.....
—outside Philadelphia.....	+ 3.7 "	- .6 "	- .9 "	+ 3.1 "	1.5	1.5	4.5 "
Women's apparel stores							
—in Philadelphia .....	- .7 "	- 1.2 "	-10.0 "	+11.7 "	4.0	3.6	4.3 "
—outside Philadelphia.....	- 7.7 "	+ 1.3 "	+ 4.8 "	- .3 "	2.9	2.8	4.6 "
Credit houses .....	+29.3 "	+18.9 "	+ 9.4 "	+ 1.8 "	2.5	2.3	5.2 "

\* Times per year based on cumulative period.

stocks in the hands of wholesalers are heavier than usual. Some dealers, however, report that their supplies are light on account of delays in the arrival of goods, and still others have inventories that are normal. It is reported almost without exception that stocks are increasing, which is a normal occurrence for this time of year, because of the arrival of seasonable goods. And this year the laying in of stock has been stimulated by the feeling that requirements must be anticipated further ahead because of freight congestion.

The shipment of goods at present is so slow as to create serious problems. Not only do these delays increase the cost of doing business, but they threaten to affect the volume of sales, because much seasonable merchandise ordered from distant points may not arrive in time for proper marketing. Shipments from the Pacific coast take twice their usual time, and in proportion those from intermediate points take even longer. For example, goods sent from Chicago are said to arrive only in from three to six weeks after the date of shipment, and damage to flour is reported to have resulted from the overloading of cars.

Because of freight congestion, California fruits and beans rose above their opening quotations before the

goods themselves began to arrive in the east. During the month, prices advanced on dried beans, canned milk, cheese, canned tomatoes, sliced pineapple, and sugar. A comparison of wholesale quotations for the last of October on 41 items shows that this year's grocery prices are 2 per cent lower than those of last year, and 28 per cent lower than those of 1920.

Collections in many sections are difficult to make, and payments are very slow. But for the whole district, the ratio of accounts outstanding to sales, which in September had been 112.3 per cent, decreased to 110.3 per cent in October and evidently collections are slowly improving.

Sales in October, as reported by 35 wholesale hardware firms in this district, were 10.0 per cent greater than those in September, and 13.6 per cent greater than those of October, 1921. Demand for building hardware, in spite of the advanced season, continues strong, and sales to mines and factories have increased. Freight embargoes and transportation difficulties still delay incoming shipments, and some dealers state that they are obliged to anticipate their requirements by several weeks in order to be sure of obtaining deliver-



ies. Stocks of some lines are low, but in a few instances transportation delays have been anticipated and stocks are above normal. Prices on certain articles have continued their upward trend, in sympathy with the recent higher quotations on iron and steel products; but other prices are firm.

Collections are fair and show a slight improvement. For October the ratio of accounts outstanding to sales, which may be used as an indicator of collections, was 159.7 per cent, as against 168.5 per cent for September and 161.3 per cent for October, 1921.

In spite of the mild weather during October, the demand for drygoods has improved slightly, and sales were 6.3 per cent greater than those of the previous month. That the increase was largely seasonal is indicated by the fact that this year's October sales are only 0.7 per cent greater than the sales in October, 1921. The small improvement is no doubt a reflection of the increased buying power of consumers that has accompanied the general business revival. It is significant that the gain in drygoods is less than that in other wholesale lines.

The goods that are now selling most actively are heavy cotton and woolen goods, winter underwear, sweaters, handkerchiefs, and curtain materials. Prices of both cotton and woolen piece goods have advanced sharply within the past sixty days, as a result of higher quotations on the raw materials. All raw material markets that affect the prices of textile fabrics seem destined to remain strong because of the scarcity of the materials. That the advance in prices is due to the increasing cost of the raw products rather than to an increased demand for the finished goods is a source of concern to distributors and manufacturers alike. In wholesale drygoods, the largest advances have been in denims, shirtings, sheetings, and woolen goods.

In anticipation of the coming inventory period, stocks are being decreased. Some wholesalers report that their supplies are light; others, that they are normal in relation to current sales. The receipt of goods has been delayed by freight embargoes and railroad congestion.

Although improvement is indicated by the lower ratio of accounts outstanding to sales, which in Octo-

ber was 203.1 and in September 208.1 per cent, collections are still slow, owing chiefly to the effects of the recent coal and railroad strikes.

Sales of women's oxfords have been increasing, and it seems likely that for the balance of the season oxfords will supplant pumps for street wear. Orders for men's shoes have been fairly large, and the advance business in canvas and tennis shoes, for delivery next spring, is most encouraging and is considerably larger than the bookings at this time in 1921. During October, sales by the reporting firms increased 7.0 per cent over those of September and were 8.7 per cent greater than those of October, 1921. Collections, however, are still slow. The ratio of accounts outstanding to sales on October 31 was 211.5 per cent as against 215.9 per cent (corrected figure) on September 30. As compared with October, 1921, collections have improved greatly. At that time the ratio of accounts outstanding to sales was 248.1 per cent, an exceptionally high ratio.

Although not strong, the demand for drugs at wholesale shows moderate improvement. Sales for October were 5.1 per cent heavier than those of September, and 3.9 per cent greater than the sales in October, 1921. Much of the current demand is seasonable in nature. In relation to the present volume of sales, wholesalers' supplies are normal, with the possible exception of goods needed for the holiday season. But stocks are generally reported to be increasing.

Supplies of most crude drugs are adequate to meet the needs of a fairly quiet market, but the scarcity of a few items, such as saffron flowers, wahoo bark, sarsaparilla root, and camphor, has made them very strong. Although few price changes have been radical, the general trend has been upward. However, the drug market has not been affected by the new tariff duties to the same extent as the chemical market.

Since October and November are usually low money months for retailers, collections are slow. The October, 1921, ratio of accounts outstanding to sales was 136.5 per cent, whereas that of October of this year was 144.3 per cent. That this figure is also larger than the ratio of

Condition of Wholesale Trade During October, 1922

	No. of firms reporting	Percentage of Increase or Decrease in				Ratio of accounts Outstanding to sales October, 1922
		Net sales Oct., 1922, compared with		Accounts outstanding Oct., 1922, compared with		
		Sept., 1922	Oct., 1921	Sept., 1922	Oct., 1921	
Boots and shoes.....	13	+ 7.0%	+ 8.7%	+ 4.7%	- 4.0%	211.5%
Drugs .....	16	+ 5.1 "	+ 3.9 "	+ 3.3 "	+ 11.7 "	144.3 "
Dry goods .....	23	+ 6.3 "	+ .7 "	+ 3.7 "	- 5.1 "	203.1 "
Groceries .....	66	+ 9.3 "	+ 2.1 "	+ 5.2 "	+ 7.5 "	110.3 "
Hardware .....	35	+ 10.0 "	+ 13.6 "	+ 3.9 "	+ 13.6 "	159.7 "

143.5 for the previous month indicates that collections have not improved.

October sales of chemicals were very large, as a result of the rising market after the new tariff went into effect ;

**Chemicals**

but the activity has now somewhat subsided. The demand is still fair, but it is not evenly distributed throughout the whole list of chemicals. Orders for immediate delivery are heavier than those for the future. Exports of chemicals for the first nine months of this year were slightly lower than those for the same period of 1921. Although exports of caustic soda and borax made heavy gains, those of sal soda and soda ash dropped in value. During the war period, domestic producers expanded their production to care for the demands of other countries, but foreign manufacturers are now able to satisfy the requirements of their countries for many heavy chemicals. Exports of sulphuric acid were 27 per cent larger last year than this, but the demand for this acid is now increasing both for industrial use and for the production of fertilizers. Other acids, with the exception of muriatic, are selling freely.

Owing to the higher duties imposed under the new tariff, and because of the shortage of many chemicals, prices generally have advanced. As shown by the accompanying chart, the index of chemical and drug prices

to meet the growing use of this metal as an insecticide for such pests as the boll weevil in the cotton fields. Likewise, the unprofitable low prices of phenol that resulted from the disposal of government stocks caused a curtailment in production which has now resulted in a scarcity. Consequently phenol, and the products that depend on it, such as the salicylates, have commanded high prices. Menthol, which is produced from the Japanese black peppermint, has advanced because of the scarcity of spot stocks and the 50 cents a pound duty that is now placed upon importations of it. In contrast to these the price of linseed oil is weaker in spite of low spot stocks, because of the government forecast of a large yield of flaxseed in this country and the unusually heavy crop now being harvested in the Argentine. Under the new tariff, American manufacturers can again make oil from imported flaxseed.

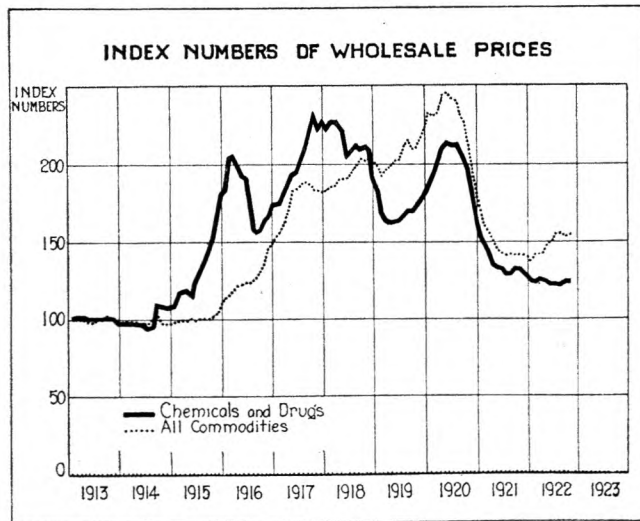
Stocks of finished products are reported to be light, and many manufacturers state that their supplies of raw materials also are low. The latter have been difficult to obtain because of freight embargoes.

Collections are fairly satisfactory and have changed but little in comparison with last year's.

**IRON AND STEEL**

Although buyers are not as eager as they were a month ago, demand for iron and steel products, with the exception of pig iron, has held up very well. Most producers in the industry have their books pretty well filled for this year, but as yet few commitments have been made for the first quarter of next year. It is noticeable that the great majority of orders are for immediate delivery. Foundries in this district have been fairly active and report increased orders from automotive industries, railroads, mines, and the building trades. Manufacturers of pipe and tube, also, have been busy. Producers of special machinery such as elevators, paper and refrigerating machines, and road rollers have been active. Screws, nuts, and bolts have been selling well. Pig iron producers, however, have had little new business, although a few weeks ago they were besieged with orders. Consumers of pig iron are buying sparingly and are apparently waiting for further reductions in price. From the chart on page 11, which shows the unfilled orders on the books of the United States Steel Corporation, it will be seen that they are higher than they have been at any time since February, 1921. At that time the unfilled orders totaled 6,933,867 tons, as against 6,902,287 tons at the close of business in October, which in turn was an increase of 210,680 tons over the September figures.

Production by all classes of steel and iron manufacturers in this district, in common with that in other sections of the country, has increased, and operations now average about 70 per cent of capacity. Pig iron production for October totaled 2,637,844 tons, as against 2,033,720 tons in September. The output for October



The index of chemical and drug prices, although higher than in 1913, is relatively lower than that of all commodities. The former index is now 124, and the latter 154  
Source—Bureau of Labor Statistics

is still much lower than that for all commodities ; but the application of the new duties has raised the prices of many chemical products of domestic manufacture on which the profit had formerly been very small. Moreover, many crude products, on which other products depend, have been in scant supply. For example, the quantity of arsenic available is small, chiefly because of the adverse conditions that had affected copper refining until last April, and the stock is apparently insufficient



Unfilled orders of the United States Steel Corporation at the end of October were at the highest point reached since February, 1921  
Source "Iron Age"

was the largest of any month since December, 1920. On November 1 there were 218 furnaces in blast, an increase of 29 from the previous month and the largest number in operation since the latter part of 1920. Another evidence of the growing activity is the greater production of steel ingots by companies which in 1921 produced 87.5 per cent of the entire output. According to the figures published by the American Iron and Steel Institute, October tonnage of steel ingots was estimated at 2,872,415, the largest monthly total during the past two years. Some further idea of the present revival may be gained from the fact that imports of steel and iron from the first to the twenty-first of September, on which date the new tariff went into effect, are estimated at 76,393 tons—the largest importation in over thirty years. Pig iron has continued to come into the Port of Philadelphia, and although few if any commitments abroad are being made at this time, delivery of past orders has tended to increase the supply in this district. This and the larger number of furnaces put in blast have been the causes of the easier iron market.

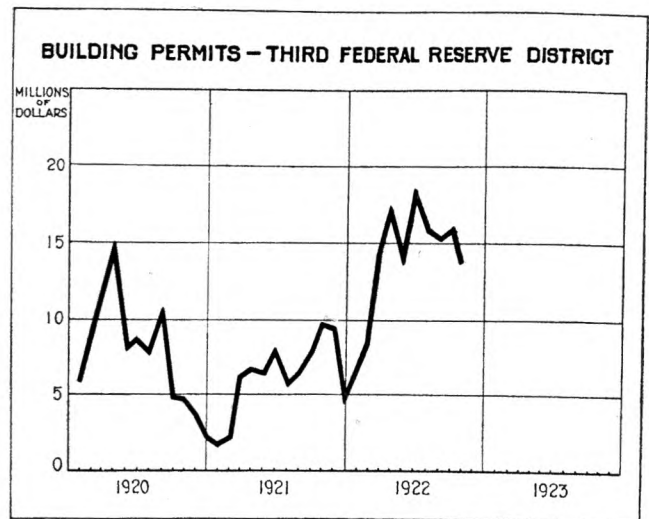
In spite of the foregoing favorable factors, the industry faces two serious difficulties, the shortage of cars and the scarcity of labor. Production has been curtailed in several instances either because incoming materials were delayed or because it was not possible to ship finished products. Movements to New England have been especially bad, several railroads serving that territory having found it necessary to enforce embargoes. The shortage of unskilled labor has grown worse, if anything, and, in addition, numerous reports have been made of difficulty in securing skilled workers. Less restriction in the matter of immigration is the remedy for this situation most frequently suggested.

Prices during the past month have weakened on some lines. In crude and semi-finished steel products this

tendency has shown itself in the disappearance of premiums, which a month ago were greatly in evidence. Pig iron quotations, however, have softened considerably, owing to the easier coke situation and the growing number of furnaces that have been put in blast. As is customary in a falling market, consumers of iron have delayed their purchases in the hope of securing lower quotations. Some producers have reached the point where they prefer to store their output rather than offer it at prevailing rates. Philadelphia 2X iron is now quoted at \$31.14, as compared with \$33.14 at this time last month. On November 14, the composite price of several grades of pig iron, as computed by the "Iron Age" was \$28.86, as against \$30.27 on October 17. The composite price of finished steel products, as calculated by the same journal, dropped from 2.460 cents on October 17 to 2.446 cents on November 14.

## BUILDING

In spite of the lateness of the season, the number of permits issued in fourteen cities of the Third Federal Reserve District during October exceeded those for the previous month by 125. True, the estimated cost of operations fell off by about two million dollars, but this decrease is largely due to the smaller value of the permits issued in Philadelphia. Seven of the fourteen cities reported a larger number of operations than for the month of September. In the accompanying chart is shown by months the value of permits issued in this district. It will be noted that the value of construction at the present time is far above that in the corresponding period of the previous two years. As indicated in the table on page 12, total construction for the first ten months of this year exceeds in value that of the same period of 1921 by nearly eighty million dollars.



The value of permits issued in 14 cities of the Third Federal Reserve District, after reaching a high point in June of this year, has recently shown a seasonal decline  
Source—Reports of building inspectors to the Federal Reserve Bank of Philadelphia

Brick manufacturers continue to report a heavy demand for their product, and although a decrease has been noted in some instances, in many cases they have sold their entire output up to the first of the year. Although most orders are for immediate delivery, owing to the market's being sold up, not a few sales have been made for delivery within the next two or three months. Such is the case especially in Philadelphia, where several contractors who are planning to continue operations on buildings throughout the winter have requested deliveries of bricks for several weeks in the future. Certain manufacturers have been obliged to refuse further orders except for such small quantities as they can produce without interference with their contracts. In nearly all cases plants are being operated at capacity, one of the exceptions being a plant in which production has been curtailed by lack of labor. Transportation difficulties have not offered serious hindrances to the industry, as the majority of deliveries are made by motor trucks. Practically the only raw material that is carried by rail is coal and this has quite generally been delivered promptly.

In the majority of instances stocks are light and in some cases nil. It is a not infrequent practice to load bricks on to trucks directly from the kilns without piling or storing. Quotations have not changed recently, but certain operators are asking slightly higher prices for small lots for immediate delivery than for those they have sold on contract. Numerous shortages of labor are reported, and during recent months wage increases of from 5 to 33 per cent have been granted; but even with these concessions, it has not always been possible to secure a sufficient number of laborers.

Collections generally are good, as manufacturers are in a position to demand prompt payment.

Demand for lumber has been strong during the past month, with manufacturers, wholesalers, and retailers.

It is true, sales have fallen off in several instances, but the decrease is not as great as might be expected at this season of the year. Building lumber is still in good request, and recently industrial users have entered the market for both low-grade hardwoods and general lumber for repair purposes. Although most sales are for immediate delivery, there is some tendency to anticipate requirements. The majority of manufacturers are operating at close to capacity. With all branches of the trade, stocks are slightly below normal, but the improved transportation situation in the south is bringing about better deliveries and in some cases stocks are being built up. The improvement in freight movements may be seen from the reports of the North Carolina Pine Association, whose shipments were 120 per cent of their cut for the four weeks ending November 4. This betterment, however, has been confined largely to the south. Cars coming through from the west coast have been greatly delayed, and local wholesalers have encountered considerable difficulty in routing shipments to points in New York and New England, because of complete or partial embargoes.

Prices, on the whole, are firm, although quotations have increased for certain grades of hardwoods. Some reports of a scarcity of skilled and unskilled labor have been received, and in one or two cases wage increase have been granted. In some of the southern district the labor supply is becoming easier, many men who have been working in the West Virginia mines having returned to the lumber mills.

Collections throughout the industry are fair.

Building Permits Issued and Their Estimated Cost—1922  
Third Federal Reserve District during the month of October

	1922			1921			JANUARY TO OCTOBER, INCLUSIVE			
	Permits	Operations	Est. cost	Permits	Operations	Est. cost	1922	1921	Permits	Est. cost
Allentown .....	71	104	\$269,373	83	.....	\$491,675	822	\$3,075,163	643	\$1,709,043
Altoona .....	176	179	174,965	131	.....	152,477	1,600	2,307,744	1,575	1,724,476
Atlantic City .....	330	330*	750,746	364	.....	1,287,275	3,259	7,397,152	2,156	4,762,817
Camden .....	118	166	437,828	91	.....	256,061	1,037	3,810,372	860	1,753,002
Harrisburg .....	71	96	160,075	58	.....	283,245	827	3,531,770	521	2,225,488
Lancaster .....	59	59	294,495	46	.....	151,438	738	2,511,515	522	1,309,431
Philadelphia .....	1,420	2,037	9,876,025	1,529	.....	5,533,225	12,632	95,496,450	12,104	33,923,630
Reading .....	292	305	354,925	236	.....	602,575	2,848	4,335,376	3,577	2,396,160
Scranton .....	115	115	293,643	68	.....	66,329	1,257	4,298,059	542	1,585,703
Trenton .....	136	162	582,615	130	.....	260,863	1,291	3,918,211	1,317	2,973,155
Wilkes-Barre .....	86	86*	287,599	78	.....	240,548	1,111	3,444,550	726	1,612,503
Williamsport .....	73	78	108,505	43	.....	160,807	964	1,476,609	439	1,392,998
Wilmington .....	111	111	127,091	113	.....	157,011	893	2,531,741	861	2,098,754
York .....	111	111	88,410	72	.....	57,271	1,238	1,106,829	959	937,228
Total for October..	3,169	3,939	\$13,806,295	3,042	.....	\$9,700,800	30,517	\$139,241,541	26,802	\$60,404,388

\* Do not report operations.

During the last two months electrical jobbers have enjoyed excellent business. Sales of equipment used in wiring buildings have been large, and specialties such as washers, toasters, and grills have been moving fairly well. The one line which has been sluggish is radio equipment, sales of which have fallen off steadily since last spring. Dealers are at a loss to explain this decline, unless it be that radio is proving to be only a passing fad; but many of them hope that an improvement will occur during the weeks prior to the holidays. Electrical contractors, too, are busy, especially in Philadelphia, where many contracts have been let for wiring office buildings and residences. In spite of rather keen competition among contractors there seems to be sufficient work for all.

The freight situation has offered considerable difficulty to both contractors and jobbers. In many cases it has been necessary to haul supplies long distances by motor truck, and in some lines stocks have become pretty well depleted. The latter condition applies especially to iron conduit pipe, which has been difficult to secure from western producers. Movements to the northwestern part of Pennsylvania also have been delayed. One dealer reports that freight which usually came through from New York or Philadelphia in 24 hours now takes from two to three weeks. It is thought, however, that transportation has improved somewhat recently.

Prices in general are firm or are advancing. Quotations on iron pipe have increased considerably in recent weeks, and insulated copper wire has moved up somewhat in sympathy with higher prices for rubber and cotton. A few specialties, it is true, have been marked down, but such decreases are the exception rather than the rule.

No shortage of electricians is noticeable in this district, the industry being one of the few in the building trades which is not suffering from lack of labor. Philadelphia contractors, nevertheless, granted an increase of 10 cents an hour to union men on November 15, bringing their hourly wage up to \$1.

Both jobbers and contractors report rather slow collections.

During recent months slate quarries of all kinds in the Third Federal Reserve District have experienced an exceptionally active demand. Sales of slate for roofing and for structural and sanitary purposes, of the output of which in the United States approximately one half is produced in this district, have shown a substantial increase over those of last year. Slate is in demand not only for new building purposes, but also to replace less satisfactory material which had to be employed during the war. Reports to the National Slate Association by twenty-five quarries, whose output is about 70 per cent of the total in this district, indicate steadily increasing pro-

duction, and this in the face of strikes which for five months closed two of the largest quarries. Sales of blackboard slate, of which the entire output in this country comes from Pennsylvania, are about 20 per cent above those of 1921, which was the largest year in the history of the business. This demand for blackboard slate is due to the exceptional amount of construction of educational buildings that is taking place. The extent of the demand for this grade is shown by the fact that recently stocks were equal to only 60 per cent of unfilled orders. This shortage is not serious, however, and will be made up by current production. Stocks of structural, sanitary, and electrical slate are sufficient to cover present orders. Prices for all grades are firm, at approximately 15 per cent below the prices of 1920.

Slate producers have been hampered by transportation conditions, but the use of priority car orders has helped to ease the situation. Skilled quarrymen are difficult to obtain, and in a few cases wage increases have been granted to unskilled labor.

### **REAL ESTATE**

In spite of the heavy building in Philadelphia and in the other cities of the Third Federal Reserve District, the demand for houses still exceeds the supply. Many real estate men point out that a considerable amount of construction is necessary to make up for the deficiencies created during the past four or five years. In general, small houses are in greater request than apartments, and the chief need is for houses renting at less than \$50. Rents have changed but little since last fall, but if anything their tendency has been upward.

Very few residences are being built for renting purposes, the majority being for the owner's use or for sale. For this reason the purchasing of houses has jumped considerably. The greatest demand is for dwellings costing from \$5,000 to \$8,000, but in certain suburban districts houses ranging up to \$12,000 find a ready sale. Building sites have advanced slightly since last fall, and construction costs have gone up from 10 to 20 per cent, because of higher wages paid in the building trades and increased prices for materials. The return on real estate in the form of rents is about 6 per cent net, which is practically the same as it has been in recent years, although it is slightly above that of the pre-war period.

Trust companies and individuals are lending from 50 to 60 per cent on buildings, at a valuation usually somewhat below present market prices, and made by their own appraisers. Loans are about evenly divided between builders who are constructing for speculation and home owners, and except in a few cases mortgage money is fairly easy to obtain. Trust companies report substantial increases in their mortgage holdings since last year. Rates are stabilized at 6 per cent, and although trust companies are not asking commissions, they usually add charges for examination of title, ap-

praisement, and the necessary mortgage papers. Brokers who place and obtain money are charging commissions of from 2 to 3 per cent on first mortgages, of from 2 to 4 per cent on second mortgages, and of 5 per cent and up for those on commercial and industrial buildings. No shortage is noted in commercial or office buildings, but new ones are readily rented. Rents for these types of buildings have not changed since last fall.

## COAL

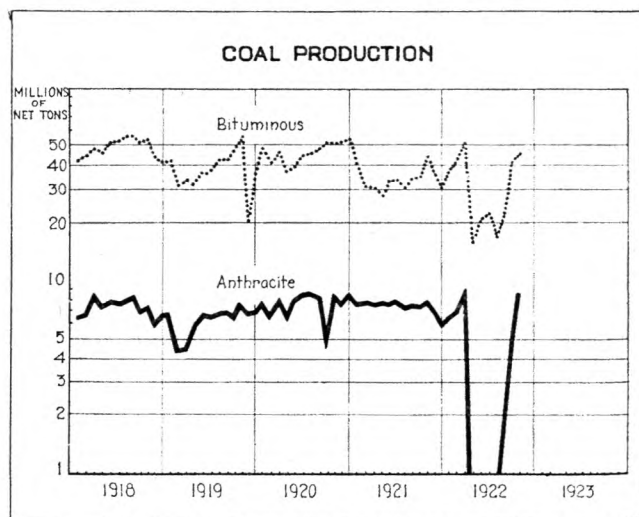
Operators and dealers continue to receive more orders for prepared sizes of anthracite than they are able to fill. Distribution of the available supply has been satisfactory on the whole, but complaints of serious shortages have been received in a few cases. Some dealers report that they are now delivering in quarter tons and even in one hundred pound bags. The program with all dealers has been "some coal for everybody", and most householders have been able to obtain sufficient supplies for short periods. Demand for steam sizes, on the other hand, has continued to weaken, and those operators who have facilities have stored some buckwheat and rice. Authorities attribute the slackened demand for steam sizes to the growing use of fuel oil and bituminous coal. Naturally, decreased sales of these sizes have brought about lower prices, and some independent mines have listed the following quotations: buckwheat, \$3.00; rice, \$2.05; barley, \$1.38. These reductions have forced certain operators to increase prices on prepared sizes. Independent operators' quotations on domestic sizes now vary between \$8.50 and \$12 per ton at the mines.

Production during the month of October averaged nearly 2,000,000 tons a week, an amount somewhat above normal. The accompanying chart indicates how great has been the recovery since the resumption of operations early in September. During the period from April to September, monthly output at the highest point was only 161,000 tons. Shipments during the month of October, as reported by nine anthracite carrying roads to the Anthracite Bureau of Information, were 6,567,928 tons, as compared with 5,872,783 tons during the same month of 1921. Practically all mines are operating at capacity, and in general car shortages have been rare. Only in a few cases are there reports of decreased production due to lack of cars, and in such cases the percentage of decrease has been small. A sufficient number of miners are available, and there are even cases in which applicants for work have been turned away owing to an oversupply of labor. One drawback in the anthracite fields is the lack of water for coal washing purposes. One operator states that it is necessary to use the same water several times and that unless there is rain shortly he will be obliged to curtail production, at least of steam sizes.

Since the middle of October sales of bituminous coal have shown a slight weakening. It is true that in one or two cases orders have been a little larger, but this is offset by the greater number of operators who report less activity. High grade coals are moving well, but sales of the low grades have fallen off. Demand is about evenly divided among railroads, public utilities, and industrial users, with industries perhaps buying a little more actively than has been their custom in recent weeks. The great majority of sales are made at spot prices, although high grade coals are selling more freely on contract. The chief difficulty in the industry continues to be traffic conditions. In many cases mines are receiving only a fraction of their necessary car supply, and operations have been reduced to as little as 10 per cent of capacity. The average percentage of full production is probably not over 50. The accompanying chart, giving

## Bituminous

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Anthracite production, after falling to less than one hundred thousand tons a month during the strike, is now slightly above normal. Bituminous output is nearly up to the previous high point of this year

Source—United States Geological Survey

ing monthly output of both bituminous and anthracite, shows how great has been the recovery since the recent strikes were brought to an end. During the past month, weekly output for the country has hovered around the 10,000,000 ton mark. That this figure is possible, in spite of car shortage, indicates that many mines that operate upon a narrow margin of profit have been able to resume production in the past few months because of the higher prices obtainable. In fact, some operators state that whereas about 750 mines were operating on the Pennsylvania Railroad in 1916, there are now 1400. Lack of car supply is thus attributable, at least in large measure, to the greater number of mines. Movement to the Lakes has been heavy, but at best it can not continue after the first of December. After that time the supply coming eastward will be larger. The advantage

accruing from this condition, however, will doubtless be offset somewhat by the greater difficulty in transportation after colder weather sets in.

Spot prices have softened considerably since last month, and in general are about a dollar a ton lower than in the first part of October. This reduction applies almost entirely to the eastern district. In the middle west, where demand has been more insistent, quotations average a dollar a ton higher than in the east.

In most cases labor is sufficient for present production, but reports are made that men are drifting from one place to another, being dissatisfied with the restricting of the amount of work they can do that has been caused by car shortages. Some operators state that although sufficient men are obtainable their quality is somewhat inferior.

Sales of coke have been only moderate, and in spite of declining prices few large buyers have entered the market. Production in the Connellsville region has been increasing steadily, and because of this and of the moderate demand, quotations on furnace coke now range from \$6.50 to \$7.50, and on foundry coke from \$8 to \$9, as compared with \$11 and \$13 respectively a month ago. Estimates of the United States Geological Survey indicate that in October, 878,000 tons of beehive coke were produced, as against 606,000 tons in September. The output of by-product coke for October was 2,806,000 tons, a figure considerably above the monthly average for the past five years. It should be remembered, however, that by-product ovens have shown a steady growth over beehive ovens in recent years. This relatively higher output is, therefore, not unexpected. The table below gives the monthly output in the United States of both kinds of coke.

Monthly Output of By-Product and Beehive Coke in the United States (Net tons)

	By-Product Coke	Beehive Coke	Total
1917 Monthly average..	1,870,000	2,764,000	4,634,000
1918 Monthly average..	2,166,000	2,540,000	4,706,000
1919 Monthly average..	2,095,000	1,638,000	3,733,000
1920 Monthly average..	2,565,000	1,748,000	4,313,000
1921 Monthly average..	1,646,000	462,000	2,108,000
Sept., 1922 .....	2,244,000	606,000	2,850,000
Oct., 1922 .....	2,806,000	878,000	3,684,000

### COTTON

Although all the raw materials from which textiles are made have been steadily advancing during this year,

no change has been so great as the sudden rise of raw cotton. Quoted on September 30 at 20.35 cents, spot prices advanced in 25 days to 24.35 cents a pound, a rise of 20 dollars a bale.

### Raw cotton

During the early ginning period, the enormous quantity of cotton ginned served to restrain the price of cotton, but when it became evident that the final yield would be less than 10 million bales, and when the Turkish situation became more hopeful, prices began to soar. The market was so strong that heavy profit taking failed to arrest the advance until the price had reached the high level of 26.80 cents a pound on November 9.

According to the Bureau of the Census, the consumption of cotton in October was 38,600 bales greater than in September and the heaviest of any single month since June, 1920. That the major part of this was used in the south is indicated by the following table of domestic consumption and exports:

Domestic Takings and Exports of American Cotton

(In bales)	Season of 1922-1923	Season of 1921-1922	Season of 1920-1921
Northern Mill takings to November 17 .....	675,036	891,987	411,864
Southern Mill takings to November 17 .....	1,519,876	1,547,133	868,814
Total American mill takings (incl. Canada) .....	2,194,912	2,439,120	1,280,678
Exports to November 17.....	1,734,598	2,113,739	1,447,779

The cotton ginnings prior to November 1, 1922, owing to favorable weather and the financial stringency of the planters, were heavier than in either 1921 or 1920. This year 8,139,839 bales of the 1922 crop were ginned in that period, as compared with 6,646,-

Supply and Takings of American Cotton \*

(In bales)	Season of 1922-1923	Season of 1921-1922	Season of 1920-1921
Visible supply, American, at end of previous season (July 31) ..	1,968,159	4,112,651	2,943,882
Crop in sight, American, to November 17 .....	5,897,933	5,072,366	3,891,932
Total .....	7,866,092	9,185,017	6,835,814
Visible supply, American, on November 17 .....	3,936,582	4,632,158	4,107,157
World's takings of American cotton to November 17.....	3,929,510	4,552,859	2,728,657

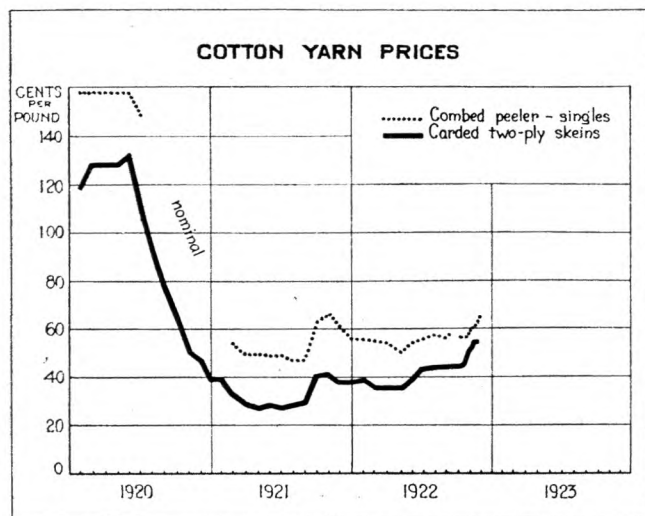
\* Figures from New York Cotton Exchange.

354 bales last year, and 7,508,633 bales in 1920. The movement of the American cotton crop up to November 17 is shown by the table on page 15.

With the exception of those of mercerized yarn, sales of all classes of cotton yarn were heavier during the past two months than during any like period in the last two years. The period of most active selling began after October 5 and extended until the early part of November. In spite of the subsequent lull, trading continued through November in fair volume. Weaving yarns were the most active, but knitting yarns for hosiery and light and heavy underwear were also in good demand. Glove manufacturers have again resumed operations, and both they and makers of insulated wire have placed large orders for yarn. The quieter trading of the latter part of November was due to the dips taken by the raw cotton market, the rapidly increasing quotations on yarn, and the fact that many mills had covered their requirements at least until January 1. Future orders, which predominated in October, have therefore decreased, but the activity in cotton goods has enhanced the buying for immediate delivery. Dealers, however, report that spinners have already booked considerable business for the early months of 1923, and occasional orders have been taken for deliveries later than April.

Supplies of yarn in the hands of spinners are light and have decreased to a marked extent, except in the case of mercerized yarns, finished stocks of which are heavier than usual.

As indicated by the accompanying chart, all yarn quotations, in sympathy with the raw material, have advanced rapidly, but carded yarns have increased to a greater extent than combed yarns. This is to be



Since the demand has been stronger for weaving than for hosiery yarns, prices of carded yarns, which are used in weaving, have made the larger relative gains

Source—"Textile World"

accounted for not only by the fact that carded yarns were proportionately lower when the rise began, but also by the heavier demand for weaving than for hosiery yarns. In comparison with October 1 quotations, those of the present time average about 20 per cent higher.

Although payments for mercerized yarn have not improved, dealers and spinners who handle other kinds report that collections are good and are much prompter than they were a year ago. Those accounts that are delinquent, however, seem to become slower.

Stimulated by the rapidly advancing price of raw cotton, cotton goods sold in large quantities during the latter part of October. Sales of heavy goods, in which the raw material represents a large part of the cost, were especially large, and the business transacted in every line was much greater than it was a year ago. However, when in early November the upward trend of cotton prices halted and the reaction began, trading in cotton goods also slackened. The volume of business done in November has nevertheless been considerable, for heavy, wide fabrics are in demand for industrial uses, the export demand has partially revived, and gray cloths are needed by converters. The call for wash goods for next spring, although somewhat increased, has by no means been as strong as that for heavy fabrics. The wash goods that are selling best are ratines, crêpes and tissues. It is to be noted that the November demand for all kinds of goods was curtailed by high prices.

Reflecting the rise in the quotations on raw cotton, prices of cotton goods advanced about 10 per cent between October 15 and November 15, the heaviest gains being in gray cloth, sheetings, denims, and drills. The trade has adjusted itself to the change in the raw cotton market with unusual promptness, but the rapid advance has made many manufacturers reluctant to book orders for delivery far into the new year. At present 75 per cent of the orders for many kinds of goods are for delivery in the future, and some mills are already partially booked up for the succeeding three months. This cautiousness is therefore natural.

Production schedules have increased during this fall, but mills making different cotton products show a wide variation in their percentages of activity. Some are operating a full day shift and others are running at only 50 per cent of capacity. The average of operations for all lines of cotton textiles is from 70 to 80 per cent.

With the exception of those making products that were dull last summer, mills have fairly light stocks of finished goods. These stocks are now decreasing because many manufacturers are averse to the accumulation of large inventories, in case a reaction should set in. Mills generally are moderately well covered on their raw materials, and their inventories are normal.

Collections are good and continue to improve. They are much better than they were at this time last year.



## WOOL

The strong demand that now exists for worsted fabrics reflects the general resumption of business activity and especially the increasing employment at higher wages. **Woolen and worsted cloth** worsteds have largely monopolized the demand for women's dress goods, and although in men's wear woollens are still in request because of their price advantage, worsteds are being called for in increasing quantities. For women's suitings, attention continues to be centered on poret twills, and wool serges are in demand for skirtings. Indeed, so great is the call for worsteds that some manufacturers are booked ahead for four or five months. Others, however, on account of the situation in the raw wool market, are refusing to accept orders for deliveries further distant than three months. As to the relative importance of immediate and future business, reports are conflicting; those who have no stock are booking future orders only, but those with some fall goods are taking orders for both future and present delivery.

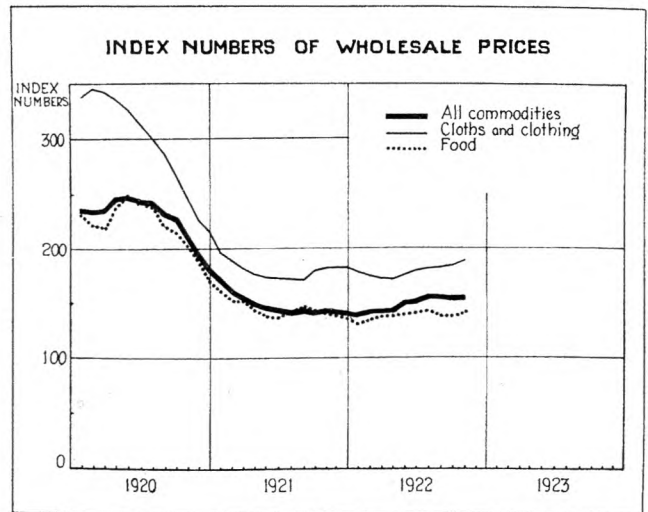
Although woolen goods are in slightly greater demand than they were last month, their sale has been diminished by price advances. However, the volume of business has been larger than that of last year, and about as many orders have been placed for future as for immediate delivery. Both worsted and woolen mills are now running as nearly on full time as the labor situation will allow and a few are operating some looms at night.

Bolivias, which have been in excellent demand all fall for women's cloakings, require much time to finish, and since the end of the season for making cloakings is approaching, looms have been shifted from bolivias to other fabrics. Plaid-back coatings have again become popular for men's wear. The call for both of these materials is indicative of the excellent demand for overcoats, which clothing manufacturers report is much heavier than it was a year ago.

Manufacturers of jersey cloth, who enjoyed four or five years of good business, state that this year has been very dull and that the demand has increased but little. Mills equipped to make this cloth are working at scarcely one-third of their capacity, for the prices obtainable on the little business existing are so low that its production is hardly profitable.

Stocks of finished goods are much depleted and are decreasing, and those of heavy weight goods have disappeared entirely. Moreover, mills have not felt safe in manufacturing fancy or novel goods for stock. Consequently, there was but little surplus to take care of the increased demand. No general statement can be made concerning the supplies of yarn held by weavers, for although some stocks are fairly heavy, others are light. Certain grades of yarn are becoming difficult to

obtain, and the prices of all are much higher. Owing to the rapid advance in yarn quotations, prices of goods have been raised from 10 to 15 per cent. The only weakening of price manifested in the market was caused by the disposal of certain stocks of fancy worsteds at concessions in order to avoid carrying them over the season. That the trend of clothing prices, which has been steadily downward since 1920, has now turned upward, is indicated by the following chart:



Owing to sharp advances in the quotations of cotton, wool, and silk, the price index of cloths and clothing is much higher than the price indices of both food and all commodities  
Source—Bureau of Labor Statistics

Manufacturers report that skilled labor is difficult to obtain and that there is considerable drifting from plant to plant. In some cases wages have been advanced from 5 to 10 per cent.

Collections are fair. Worsteds mills find that payments are improving and are much better than they were a year ago, for customers are anticipating their discount dates in order to obtain goods. In the woolen lines, however, collections are not satisfactory.

Heavy seasonal buying has made the demand for worsted yarns excellent, and it comes not only from weavers but from knitters of sweaters and bathing suits. However, the bulk of the buying has been done by weavers, who, owing to the scarcity of wool and its advancing prices, desire now to cover their needs for the approaching heavy-weight season. Consequently, worsted spinners have booked orders as far in advance as they desire, and on some grades deliveries are not being promised for earlier than March.

The October sales of woolen yarns were about the same as those of the month before, but early in November the demand improved. Future orders are now important because buyers of woolen yarns are preparing for the coming year. The call for yarns for high-grade

carpets continues to be very strong, and that for low-grade yarns has improved. Some spinners are booked up until April. As a result of the improvement in demand, worsted mills are now operating at capacity whenever they have sufficient help to run all their spindles. Spinners report that skilled labor is decidedly scarce, and in many mills wages have been advanced 5 per cent. Production is now as heavy in the Bradford system as in the French spun yarns. Woolen mills are somewhat less active than worsted, but many of them also are running on full time. Some mills have increased their working hours from 50 to 54 per week.

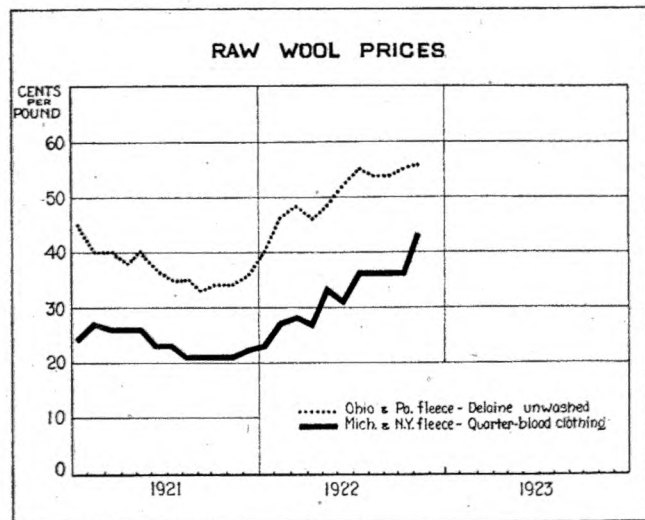
Stocks of worsted yarn in the hands of spinners are decreasing and are light because many mills have been working only on order. Although supplies of woolen yarn are also decreasing, there are some quantities of twisted yarns. Available stocks of carpet yarns are negligible. As a rule, spinners have adequate supplies for their requirements and hold fairly large inventories of raw wool.

Owing to the steady upward trend of raw wool quotations, spinners' prices are likewise advancing. During October alone, prices gained from 15 to 20 cents a pound, and quotations are still rising. They are now approaching replacement values more closely than they have in the past year.

Spinners of worsted and carpet yarns report that collections are good. However, payments for woolen weaving and knitting yarns, although improving, are not as prompt as usual.

Sharp advances in wool quotations have somewhat curbed buying, and stocks of some grades are so low that trading is limited. However, in spite of a certain slackness in demand, the world-wide scarcity of wool and the strength of

**Raw wool**

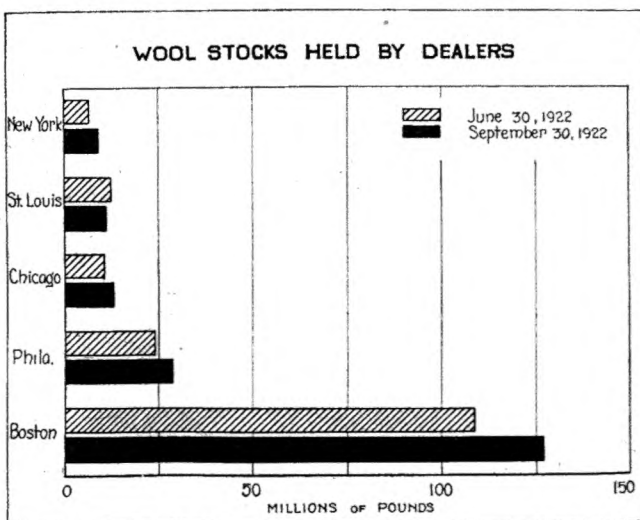


Raw wool quotations are now higher than at any time in the last two years. The recent advance was sharper in the low grade than in the high grade wools because the latter face the competition of imported merinos and the former are in demand to cheapen the cost of yarns  
Source—"Dun's Review"

foreign markets have served to maintain prices. Until the early part of November the demand was exceptionally good, and consequently prices advanced to the highest level reached in the last two years. The trend of quotations since 1920 is shown by the foregoing chart. A tendency has been noticed for spinners to take wools of a lower grade than usual in an effort to lessen the necessity for raising yarn prices. This tendency has made medium grade wools especially strong.

The domestic clip, with the exception of the Texas and California wools, has now left the hands of the growers. But the shipment of wool to the mills has been so heavy that dealers' stocks are now smaller than they were before the domestic clip "moved." In fact, good wools of all grades are very scarce. The chart below shows both the extent to which the holdings of dealers increased between June 30 and September 30, and the relative importance of the American wool markets. Much of the increase in that period was due to the influx of foreign wools, and since September 30, the supplies of dealers have decreased greatly.

As this is the clipping season in South America and Australia, wools from these sources are on their way to our markets.



Philadelphia ranks second as a storage center for wool. Stocks were increased between June and September by the movement of the domestic clip  
Source—Department of Agriculture

**SILK**

Although the silk business continues to improve, the demand is no longer concentrated solely on the crêpe fabrics. In fact, the call for these goods has increased little if any during the past month, whereas taffetas, which heretofore have been a drug on the market, have strengthened greatly. However, the demand for crêpes is still good for immediate delivery, and many mills are

booking orders for shipment during the first three months of next year. The trade expects that next year the printed crêpes will be wanted in increasing quantities, but the present activity in taffetas shows little promise of continuing beyond the holiday season. Manufacturers believe that this sudden increase in the demand for taffetas and their consequent rise in price, was largely due to speculation. Jobbers had large stocks of these goods, which they obtained last spring at low prices, and because of their low value the demand for them could be stimulated. Now that their prices have advanced, however, orders for taffetas are slackening. Although some mills, as already mentioned, have taken orders for crêpes to be delivered in the first quarter of 1923, many mills are accepting orders for delivery only in the near future.

Ribbon makers are receiving more business in preparation for the holiday rush, and manufacturers of silk underwear and glove cloth report an increasing seasonal demand for their products that is far heavier than that of last year.

Because of the high level reached by raw silk prices, quotations on many goods have advanced from 10 to 15 per cent. The buying stimulus of these rising prices has caused stocks of finished goods to decrease, so that they are even lighter now than they were a month ago. It is believed that supplies of yarn-dyed fabrics are especially low. Mill stocks of raw material are also light, and thrown silks are reported to be easily obtainable.

As in other textile lines, many manufacturers of silk are finding that skilled labor is scarce. In numerous cases wages have been advanced. Collections are considerably better than they were a year ago and are still improving.

Although orders for crêpe and hosiery tram failed to increase during the past month, many throwsters report that business has somewhat improved. But the fact that weavers are buying only enough raw silk to cover their actual orders has made the demand very erratic. No orders are being booked for future delivery. Owing to the high price of raw silk or to the approach of the inventory period, stocks are light. Prices of crêpe twists show a tendency to soften, but quotations on thrown silk generally have changed but little during the past month.

We receive conflicting statements concerning collections, some manufacturers reporting that they are slow and others that they are fairly good.

Heavy purchasing to cover the requirements of American mills, together with the supposed shortage of silk in Japan, caused silk quotations to advance steadily throughout October. But after reaching the peak of \$8.85 for Kansai Double Extra Cracks at the end of October, silk prices reacted, as the demand fell off. Since hosiery manufacturers have been inactive, the market has depended

almost entirely upon the support of the weavers, and their failure to continue buying resulted in the sale of silk in New York at prices below replacement cost.

During October both imports and deliveries to American mills eclipsed all previous records. The October importation of 46,569 bales was over 6,000 bales larger than that of last January, which previously had been the record month. But in spite of the large quantity imported, the amount in storage gained but 4,000 bales, owing to the heavy deliveries of silk to the mills. Nevertheless, the stock of silk now in storage is the largest on record since January, 1921. The following figures, compiled by the Silk Association of America, offer interesting comparisons.

Silk Imports, Stocks and Deliveries to American Mills  
(In bales)

	Storage at 1st of month	Imports during month	Deliveries to American mills	Storage end of month
<b>1922</b>				
November .....	40,743	.....	.....	.....
October .....	36,795	46,569	42,621	40,743
September .....	32,515	38,492	34,212	36,795
August .....	27,474	39,813	34,772	32,515
July .....	26,895	25,575	24,996	27,474
June .....	20,826	35,598	29,529	26,895
May .....	19,268	34,842	33,284	20,826
January .....	24,804	40,177	33,842	31,139
<b>1921</b>				
November .....	19,304	26,812	26,515	19,601
October .....	23,036	23,084	26,816	19,304
September .....	18,899	35,906	31,769	23,036
May .....	20,038	31,810	31,307	20,541
January .....	44,536	9,499	22,176	31,859
<b>1920</b>				
November .....	49,807	9,285	10,735	48,357
October .....	51,523	9,396	11,112	49,807
September .....	51,130	17,017	16,624	51,523
May .....	44,457	20,275	22,325	42,407
January .....	77,616*	14,405	24,000*	68,021*

\* Estimated.

## HOSIERY

The demand for hosiery has increased, and mills for the most part are not only producing larger quantities, but also have more orders on their books than they have had for some months. This is especially true in seamless lines made of cotton, mercerized cotton, or a mixture of fibre and silk. Seamless mills, which several months ago were running at a very low rate of production and were depending upon orders received from day to day, are now in the comfortable position of having a considerable portion of their output already sold for deliveries during January, February, and March. The principal complaint now heard is that although all raw materials, with the exception of fibre, have again advanced sharply, the prices of finished products, with a

few exceptions, remain unchanged, and in the cases in which it has been possible to get an advance in price, the increase has been much less than the gain in the raw materials.

Full-fashioned mills continue to receive a fair amount of business, and a number of them are well sold ahead; but others are without the forward business to which they have become accustomed during the past year. This, however, is not the season when the full-fashioned or, for that matter, the seamless silk mills ordinarily receive a large volume of new business. Manufacturers of full-fashioned hosiery likewise complain that it has been impossible to advance prices, even though both raw and thrown silk are again higher than they were a month ago.

The reports received from firms in the Third Federal Reserve District may be summarized as follows:

Operations in the Hosiery Industry		
(In terms of dozens of pairs)	October, 1922 compared with Sept., 1922	October, 1922 compared with October, 1921
Number of reporting firms—37		
<i>Firms selling to the wholesale trade:</i>		
Product manufactured during October .....	+ 16.6%	— 9.4%
Finished product on hand October 31 .....	+ 4.7 "	+ 28.2 "
Orders booked during October .....	+ 6.1 "	— 2.6 "
Cancellations received during October .....	+363.2 "	+ 94.2 "
Shipments during October .....	+ 13.5 "	— 10.0 "
Unfilled orders on hand October 31 .....	+ 39.6 "	— 2.1 "
Number of reporting firms—13		
<i>Firms selling to the retail trade:</i>		
Product manufactured during October .....	+ 15.3%	— 12.8%
Finished product on hand October 31 .....	— .6 "	+ 12.7 "
Orders booked during October .....	+ 39.5 "	+ 26.5 "
Cancellations received during October .....	+ 89.0 "	+145.3 "
Shipments during October .....	— 4.7 "	— .9 "
Unfilled orders on hand October 31 .....	+ 29.7 "	+ 9.2 "

## UNDERWEAR

As the season for heavy weight underwear for this year draws to a close, mills report an increased demand. In many cases the orders call for overnight shipment, and as spot stocks in the mills are low, a large number of such orders have necessarily been declined. Even in cases in which the buyer was willing to accept shipment within two or three weeks, refusals of orders have been numerous, as many manufacturers have already sold all they can deliver during the balance of this year, and a number are booked full for January delivery. Prices for heavy weight goods for 1923 have been named by some mills, but as yet the majority of manufacturers have hesitated to open their lines because they

believe that if they announced figures based on present yarn prices, their quotations would be so high as to discourage business. Of the mills that have named prices, the majority specify deliveries only during January, February, and March, and the price advance in these cases is between 5 and 10 per cent. Any buyer who purchased on this basis would perforce have to carry the stock for some months. There have been offerings, however, for more distant delivery, but such prices have been on a sliding scale. This arrangement provides for a comparatively small advance over present prices for delivery during the first quarter of 1923, an additional advance for delivery during the second quarter, and a still further increase for shipment in the third quarter. The volume of orders booked by any of the firms for heavy goods for 1923 is difficult to determine, reports varying considerably. It seems almost certain, however, that no very important quantities have been contracted for.

Following the opening of spring underwear last August, at which time a considerable proportion of the total business was placed, a period of dullness ensued which lasted for almost two months. Since then, however, a decided increase in activity has occurred. Salesmen who are on the road on their second trip report that many buyers who previously had refused to place orders are now purchasing, and mills report that they have far more business booked for spring than at the corresponding time in 1921. In fact, the business now taken may be said to be satisfactory. Prices are firm and in a number of cases have shown slight advances.

A summary of the business done by reporting firms in the Third Federal Reserve District follows:

Conditions in the Underwear Industry		
(In terms of dozens)	October, 1922 compared with Sept., 1922	October, 1922 compared with October, 1921
Number of reporting firms—14		
<i>Summer underwear:</i>		
Product manufactured during October .....	+34.6%	—20.6%
Finished product on hand October 31 .....	+28.5 "	+69.7 "
Orders booked during October .....	+ 2.6 "	—28.3 "
Cancellations received during October .....	.....	.....
Shipments during October .....	+11.0 "	—46.5 "
Unfilled orders on hand October 31 .....	+ 6.6 "	—31.0 "
Number of reporting firms—10		
<i>Winter underwear:</i>		
Product manufactured during October .....	+14.9%	— 4.3%
Finished product on hand October 31 .....	+25.4 "	+92.0 "
Orders booked during October .....	+59.0 "	— .6 "
Cancellations received during October .....	.....	.....
Shipments during October .....	— 1.6 "	— 3.1 "
Unfilled orders on hand October 31 .....	—20.1 "	+40.0 "

## FLOOR COVERINGS

All the principal lines of carpets and rugs continue to be in excellent demand, and most of the mills are declining to accept further business, either because they have already sold their season's output, or having orders booked for several months ahead, are unwilling, on account of the very strong yarn markets, to make further commitments. In fact, it is reported that some manufacturers have been forced to divide their output pro rata among their customers. A further advance of 10 per cent was announced on November 1 by the largest manufacturer, but as it is understood that he had previously contracted for his entire production, this is considered only as an indication that future prices are to be higher. Buyers continue to clamor for early shipment, and thus it appears that both jobber and retailer are quickly disposing of any goods they have in stock. Increased capacity, made possible by the installment of new looms by several manufacturers, will result in an increase in production, but a considerable portion of this new machinery will not be in operation until late in the present season. Slight re-adjustments upwards in wages are reported in some mills, and in others the operatives are now seeking a new wage scale.

Collections are found by most firms to be good.

Orders continue to come in to linoleum manufacturers in large numbers, and several of them report they are oversold,—a rather unusual condition at this season, when ordinarily the rush of orders is over and manufacturers begin to build up stock for their spring trade. A few changes in price are announced on some grades, but these are unimportant, and for the most part prices are unchanged. Raw material prices are firm, and only slight fluctuations occurred during the month. Common labor in some centers is scarce. A further advance of 2 cents an hour to 38 cents is reported by one manufacturer.

Collections are good, but anticipation of payments is less frequent.

## LEATHER

Manufacturers in this district have booked considerable business for shipment during the first quarter of 1923, and are now in a better position in

**Shoes** regard to orders for future delivery than they have been for many months. This statement, however, does not apply to manufacturers who specialize in high grade shoes for women, for in these the styles change so often that it is impossible for the retailer to anticipate his needs for more than a few weeks. In these factories, however, business for prompt delivery is in a volume that is considered satisfactory for this period of the year. Patent leather continues to hold its pre-eminence as the most popular material, and to judge from the early bookings it promises again to

be the leader for spring wear. But calf and kid are also being cut extensively.

The past month has witnessed further price advances in nearly every article that enters into the manufacture of a shoe—leather both for soles and uppers, drills for lining, and both cotton and silk thread. Wages in some factories are also higher, so that today the cost of turning out the finished shoe is considerably above what it was a month ago. This increase has in most cases been reflected in an advance in selling price. But some manufacturers are continuing to sell their product at the same price, either because they were fortunate enough to purchase their supplies on a lower market than now prevails, or because they have decided that it is better policy to absorb the extra cost themselves. In some cases, factories report that considerable inconvenience has been experienced through delay in the receipt of materials, caused either by the slow movement of freight on the railroads, or by an absolute embargo against the transportation of these supplies. Out-going shipments have been delayed in the same ways.

The Department of Commerce reports that during the first nine months of this year 239,497,238 pairs of shoes were manufactured in this country. In 1919, which was the record year in the production of shoes, the output of this country was 330,644,022 pairs, or about 91,000,000 pairs more than have been made in three quarters of the present year. An average monthly production of 30,500,000 during the fourth quarter of 1922 would make this year the largest on record. This output may not be attained, but it is likely that the total figures will not fall far short of it, as the last available records show that 28,961,051 pairs were produced during September. Collections are generally reported as being from fair to good, and more prompt than they were a year ago.

A summary of the business done by boot and shoe manufacturers reporting in the Third Federal Reserve District shows that production in October increased 6.7 per cent as compared with September, and 2.6 per cent as compared with October, 1921. Unfilled orders increased 16.2 per cent as compared with September, and 4.8 per cent as compared with October, 1921.

Conditions in the Boot and Shoe Industry

(In terms of pairs) Number of reporting firms—42	October, 1922 compared with Sept., 1922	October, 1922 compared with October, 1921
Production .....	+ 6.7%	+ 2.6%
Shipments .....	+ 5.6 "	+ 9.9 "
Orders booked .....	+ 49.2 "	+ 36.3 "
Orders on hand.....	+ 16.2 "	+ 4.8 "
Cancellations .....	+ 171.8 "	.....
Stocks on hand.....	+ 3.7 "	- 35.2 "
Number of operatives on payroll...	+ .9 "	+ 7.1 "

The wholesale shoe business in November, notwithstanding extremely unfavorable weather conditions, has

been in good volume, and the indications are that sales will compare favorably with those of a year ago. The movement of freight has improved, and but few complaints are heard on that score. From the report published on page 9 it will be seen that sales in the wholesale shoe trade during October increased, as compared with those of both the previous month and the previous year. The sales of shoes at retail have not maintained the improvement, as compared with those in 1921, which was promised by the September increase. But they are now gaining, and this in spite of the fact that the continuance of the mild and dry days has probably tended to check buying. Retail sales during October, by the reporting firms in this district, although 19.2 per cent larger than in September, were 6.5 per cent less than in October, 1921, as shown by the accompanying table.

Retail Shoe Trade	
(In terms of dollars)	
1. NET SALES:	
(a) October, 1922, as compared with September, 1922 .....	+19.2%
(b) October, 1922, as compared with October, 1921 .....	- 6.5 "
(c) July 1 to October 31, 1922, as compared with July 1 to October 31, 1921.....	- 1.0 "
2. STOCKS (selling price):	
(a) October, 1922, as compared with September, 1922 .....	+ 1.2 "
(b) October, 1922, as compared with October, 1921 .....	-22.9 "
3. RATE OF TURNOVER (times per year based on cumulative period):	
(a) July 1 to October 31, 1922.....	2.6
(b) July 1 to October 31, 1921.....	2.1
Number of stores reporting above items:	
1.....	28
2 and 3.....	24

Since the first of November, activity in nearly all leathers, although still considerable, has slackened. Sales continue in fair volume, however, and there are unfilled orders on tanners' books for moderately large quantities. Prices in some instances have made further advances and in all lines are being firmly maintained. But buyers are hesi-

**Leather**

tant, and recent orders are smaller than heretofore and are mostly to cover absolute needs. Various explanations are offered to account for this condition of affairs. Some say that shoe manufacturers have bought all they require until January 1, and will not purchase anything that will increase their inventories on that date. Others assert that the long spell of dry weather has reduced repair work and thus affected the finding trade. Still another group believes that the widespread idea that for the time being leather prices are at their peak, has discouraged the laying in of stocks and even the purchasing against orders, until the leather is absolutely needed. All of these probably have some basis of truth, and each has no doubt contributed to the present condition.

Reports of the Department of Commerce for the past few months show that the tanning of heavy leathers has not increased but that light leather is being made in larger quantities. It is perhaps better to examine the figures for "leather in process of tanning" rather than the actual production figures, for, since leather tanning is a process that takes considerable time, the gain or loss in business will be more accurately reflected in the changes in the number of hides and skins in process than in the amount of finished leather. The table below shows the stocks of the principal leathers in process of tanning.

Stocks of finished leather on September 30, as reported also by the Department of Commerce, continued as a whole to decrease. However, two of the items show a slight gain, and the decreases in the others—except in offal—are less than they were a month previous.

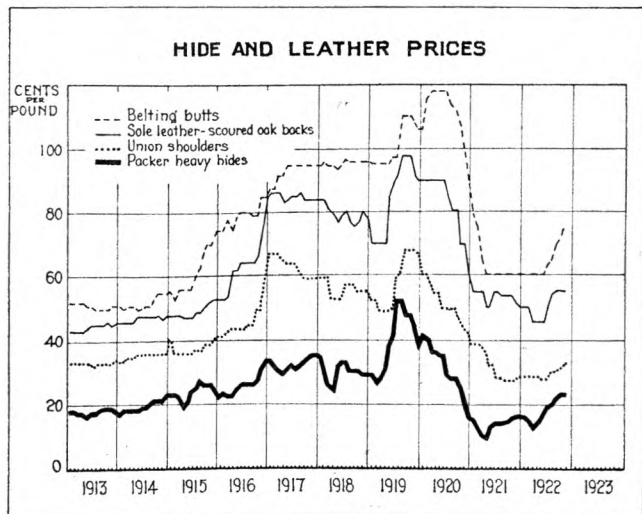
Backs, bends and sides.....	-1.9
Belting butts .....	- .3
Offal, sole and belting.....	-5.2
Cattle side, upper.....	- .6
Calf and Kip.....	+ .2
Goat and Kid.....	-3.3
Cabretta .....	+1.9

It appears probable that since the date of this report stocks have further decreased, as sales are said to have more than kept pace with production during the past sixty days.

The chart on page 23 shows the range of prices, over the last ten years, of heavy packer hides, scoured oak backs, union shoulders, and belting butts. The first item is the raw stock of the tanner of heavy leather ;

Stocks in Process of Tanning

1922	Oak and Union backs, bends and sides	Butts and butt bends	Chrome sides	Calf and Kip	Goat and Kid	Sheep and Lamb
June .....	5,728,017	388,766	2,135,163	3,771,718	7,437,953	3,510,138
July .....	5,641,158	391,270	2,239,926	3,819,914	7,555,183	3,625,358
August .....	5,724,710	370,287	2,084,308	4,197,383	7,658,513	3,605,064
September .....	5,670,179	379,783	1,977,837	4,098,995	7,756,361	3,909,660



Prices of leather, except union shoulders, are now proportionately higher than those of hides, as compared with pre-war levels. However, manufacturing costs have experienced a material rise during the past eight years

Sources—War Industries Board, "Dun's Review," Tanners' Council

the others, some of the principal products made. The difference between the cost of manufacture during the past few years and that of the pre-war period accounts, in part at least, for the greater difference now existing between prices on raw stock and those on finished stock, except in the case of shoulders, which are on a lower basis than in 1914. Belting butts, however, are much higher; so that considering the two together, which is a necessity for the tanner, the price is well above the pre-war level.

Leather belting sales, despite the higher prices, continue to increase, and during the weeks ending October 21 and October 28,—the most recent recorded—were 122,684 pounds and 122,229 pounds respectively. During the fourth week in October, 1921, the sales totaled 70,326 pounds. Collections in the leather trade are generally reported as good, but some cases of slower payments by shoe manufacturers have been noted.

There has been but little change in the prices of hides and skins during the past month, and the business transacted has been on a considerably reduced scale.

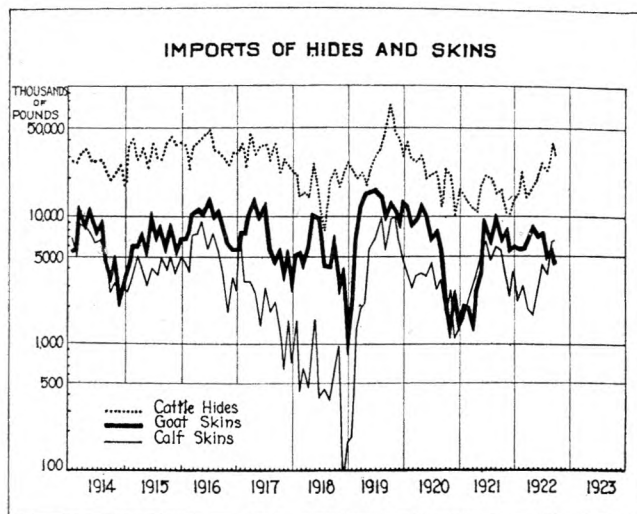
### Hides and skins

Hide prices, following an uninterrupted advance for several months, have made no further gains, and although packers are willing to sell heavy native steer hides at 23 cents—the same price as a month ago—buyers are holding back. In light native cow hides accumulation is reported and the trade believes that packers would gladly sell. But the asking price has been held at 18 $\frac{5}{8}$  cents, even though sales are reported to have been made by small packing houses at a reduction of 2 cents per pound. Argentine hides are also weaker. After declining 1 $\frac{1}{2}$  cents per pound they gained a half cent, thus suffering a net loss of 1 cent per pound.

Calf and goat skins did not change during the month.

The gain of the past few months was maintained, but tanners are fairly well supplied with raw stock and are making few new contracts. Desirable lots for early delivery may find a market, but purchases in the markets of origin have been much smaller.

The accompanying chart shows the imports of cattle hides, calf skins, and goat skins since 1914. Except during the period following the declaration of war and the period of the post-war drop, inflation, and subsequent fall the variations have not been unusual. It is noteworthy that in no one of the three are importations at the present time larger than they were during the early part of 1914. At that time business as a whole was not good.



Violent changes are shown in the imports of hides and skins in the periods following the declaration of war, the armistice, and again during the wave of liquidation in the second half of 1920, and the recovery in the first half of 1921. Imports of these products are now no greater than during the early part of 1914, a period of business inactivity

Source—Department of Commerce

## RUBBER

The spectacular rise in the prices of crude rubber that occurred during October has established prices of plantation rubber on a plane almost 50 per cent higher than the previous level. First latex crepe, one of the best grades of plantation rubber, which was quoted on September 29 at 15 cents, had advanced by October 23 to 22 $\frac{3}{4}$  cents a pound, and in spite of reactions, the level of 23 cents has been well maintained through November.

Because of overproduction on the English and Dutch estates, crude rubber had for two years been selling at quotations far below its cost when landed in New York. Since voluntary restriction of production had failed, heavy stocks had continued to accumulate and therefore a price rise was not generally expected. However, a rapid advance resulted from the acceptance by the British Colonial Office of the plan proposed by the rub-

ber committee headed by Sir James Stevenson. After the necessary legislation had been passed in Ceylon, the Straits Settlements, and the Federated Malay States, the proposed plan became effective on November 1. The scheme involves the levying of a graduated scale of export duties on all shipments of rubber exceeding 60 per cent of a producer's output between November 1, 1919, and October 1, 1920. If the exports of a producer are less than 60 per cent of this "standard" output, he is charged a minimum rate only. If changes should become necessary, means are provided for raising or lowering the 60 per cent limit, according to variations in the London quotations on smoked sheet.

However, the Stevenson report was not altogether responsible for this rise in prices. The upward movement was accentuated by heavy buying. Imports for the first nine months of this year were 205,655 tons, as compared with 119,466 tons during the same period of 1921. Some tire manufacturers are thought to have been forced into the market for supplies. No recent data are available, but it is believed that the heavy production of tires during this year has consumed the large stocks of crude rubber that manufacturers still held last spring. Their size at that time is indicated by the following table compiled by the Rubber Association of America from data supplied by manufacturers and dealers holding about 95 per cent of the total stocks in the United States.

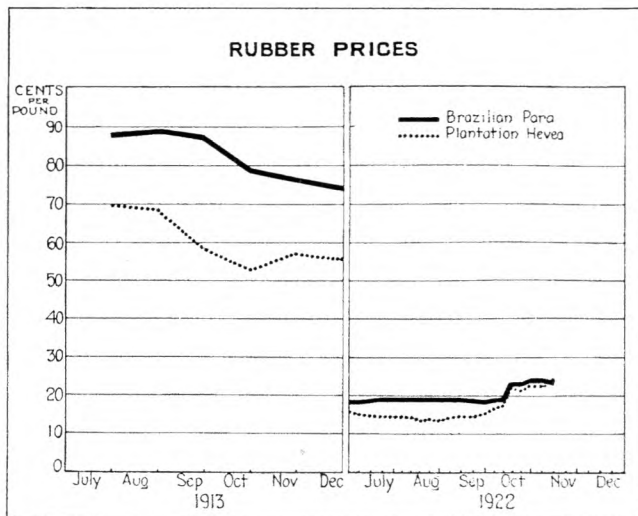
Inventory of Crude Rubber in the United States						
(Long tons)	On hand			Afloat		
	June 30 1922	Dec. 31 1921	July 31 1921	June 30 1922	Dec. 31 1921	July 31 1921
Manufacturers . . . .	60,070	68,651	58,188	8,419	7,772	.....
Importers and Dealers . . . . .	22,040	26,119	15,030	24,847	27,217	*24,351

\* Total of manufacturers' and importers' stocks afloat.

As shown by the accompanying chart, prices of both Para and plantation rubber have advanced sharply, but the new level attained in October is less than one-third of the price that Para rubber commanded in 1913. Overproduction, which resulted when the large estates planted by English and Dutch interests came into bearing, forced the price too low, and the readjustment, which has been started by artificial means, would eventually have come about anyhow through the natural working of the law of supply and demand.

The tire industry is in the anomalous position of maintaining enormous production schedules without making any but small profits. During July and August, tire makers reduced prices to a point far lower than had ever been reached before. Extremely severe competition has occurred between the larger and smaller manufacturers, and although this

**Rubber tires**



Heavy production of plantation rubber caused a sharp decline in price between 1913 and 1922. The increase in October resulted from the adoption of the Stevenson plan to restrict production of plantation rubber  
Sources—War Industries Board and "Dun's Review"

price-cutting war has provided the automobile owner with cheap tires, it has failed to secure profits for stockholders of tire companies. Moreover, the demand from dealers was affected adversely by the falling market. The exceptionally good weather during the early fall, however, and the need for original equipment on the large output of closed cars served partially to counteract the seasonal decline that is usual at the end of summer. The volume of business was much less in September and October than it had been during the summer, but now that the time has arrived to book orders for spring dating, the demand has again improved. Tire companies generally are following their previous policy of financing the dealer on these orders by taking trade acceptances. Deliveries on them will be made immediately or in the near future.

The increase in demand has no doubt been caused in part by the psychological effect of higher quotations on raw materials. Both cotton fabric and crude rubber are decidedly higher, and the advance in the latter has been so sensational as to create the impression that the price of tires is bound to rise. Even if it does, however, the date when it will occur will depend both upon the attitude of large manufacturers regarding the expediency of continuing their "war" on smaller competitors, and upon the size of the individual stocks of crude rubber now on hand.

That price-cutting and the financial difficulties arising from falling inventory values have eliminated many of the smaller companies is indicated by the table on page 25. However, one cause of these failures has now largely been eliminated, for since prices of raw material are advancing, stocks on hand are a source of strength rather than of danger.

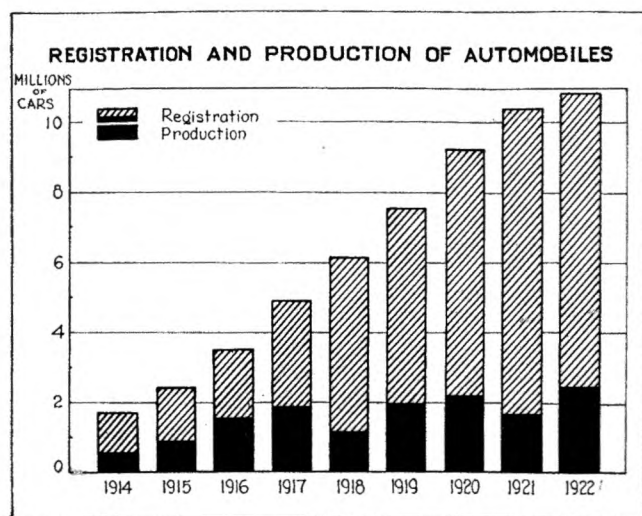


### Failures Among Tire Manufacturers

	Number	Average liabilities	Total liabilities
1922 (Jan. 1 to Sept.)	22	\$154,446	\$3,390,000
1921	25	386,360	9,659,000
1920	18	175,583	3,165,000

From data of R. G. Dun & Co.

About eleven million cars are registered in this country, and as it is usual to assume that 3.5 tires is the average consumption of one car during a year, the cars now registered need about 38,000,000 casings each year for replacements alone. The trend of automobile production and registration in this country is shown by the chart below. Since more than 80 per cent of the cars in existence are located in the United States, the opportunities for export trade are limited.



The continued increase in registrations explains the growth in the demand for tires. The registration shown for 1922 is for six months only, but the production is estimated for the entire year. Both pleasure cars and trucks are included in the compilation.

Sources—Department of Commerce and National Automobile Chamber of Commerce

Current demand for mechanical rubber goods, though spasmodic, is still, in general, fair. Mechanical goods reflect conditions in many lines, but not in textiles. Therefore the activity in textile mills has not helped to counteract the lack of buying from iron and steel plants. The railroads are ordering large quantities of steam and air hose, and this is the period of the year in which gas manufacturers place their orders. But the call for belting has been meagre, and the demand for rubber for radio equipment has almost disappeared. The majority of all orders booked are for immediate delivery.

Production schedules are being slowly increased, and operations in plants making mechanical goods of all kinds average perhaps 70 per cent of capacity. However, those making hose are more active than the others.

Stocks of raw material are light because the time is approaching for taking inventories. Supplies of finished products are about normal, but are decreasing.

Quotations on mechanical goods have remained unchanged for the last half year, but by some in the trade it is held not unlikely that price advances will be made by those companies that are not covered on raw materials. Crude rubber and wages have both advanced, and cotton fabric is from 15 to 25 per cent higher than it was two months ago. Collections are slow.

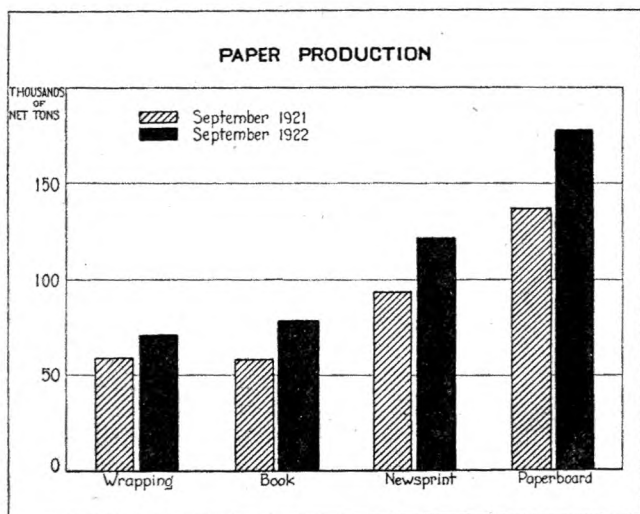
### PAPER

The decided gains made in orders booked by paper manufacturers during October have not, in some cases, been maintained during November, and since the first of the month a few manufacturers have noted a decline in the number of inquiries received. This is especially true of producers of manila papers, card boards, and box boards. The holiday orders were practically all placed with these mills during October, and a slight seasonal decline has now occurred. Manufacturers of book and wrapping papers state that though their holiday business is over, no falling off in demand has been noted. The call for tissue towels and toilet papers is greater than it was a month ago, although the request for these is always more or less steady, and makers of the two grades state that their stocks are very light. Manufacturing stationers are in the midst of the dull season, since the major demand for school supplies is over, and rising paper prices have served to add to the periodic inactivity by slowing up buying. Envelope makers are experiencing a slightly better demand than last month and state that their business is about 20 per cent greater than it was last year. Wholesalers report that the request for all grades of paper continues to be active and that November business will equal that of October, when many of them sold a larger tonnage than in any month in their history.

Most of the paper mills in this district are operating at full capacity on orders booked a month ago. A few, however, chiefly cardboard and boxboard mills, are working at only from 60 to 80 per cent of capacity. Envelope makers have increased operations considerably during the past four months and are running their plants at from 70 to 95 per cent of capacity. Very few orders for future delivery of any grades of paper are being received, the greater percentage being for immediate shipment.

To what extent the paper industry has recovered from last year's depression may be gleaned from the chart on page 26, which shows that the production of all papers was much larger in September, 1922, than in September, 1921.

Prices for all grades of paper are either firm or slightly higher than they were a month ago. One or



The above chart includes the following grades: WRAPPING—Kraft, Manila, Fibre, etc.; BOOK—Machine finish, Sized and Super-calendered, and Coated; NEWSPRINT—Standard and Special grades of News; PAPERBOARD (total)—Straw, Fibre, Leather, Chip, etc. Except in the case of wrapping paper, the total number of mills whose production is listed was the same last year as this  
 Source—Federal Trade Commission

two grades of paper board, however, show a slight softening of price; but at the most the decline has not exceeded ten per cent. Raw materials are still continuing their upward trend, as shown by the following table:

Prices of Raw Materials				
	Current Prices		Oct. 23, 1922	
Mechanical pulp, No. 1 imported, per ton (ex-dock).	\$38	to \$45	\$34	to \$40
Mechanical pulp, No. 1 domestic, per ton (f. o. b. pulp mills)	36	to 42	32	to 36
Sulphite (foreign), No. 1 strong unbleached (ex-dock, Atlantic Ports) per 100 lbs.	2.90	to 3.20	2.75	to 3.00
Sulphite (domestic), bleached per 100 lbs. (f. o. b. pulp mill)	4.75	to 5.25	4.50	to 4.75
Soda pulp, bleached per 100 lbs. (f. o. b. pulp mill)	4.25	to 4.50	4.25	to 4.50

Finished stocks at the mills and raw materials in the hands of manufacturers are reported to be either normal or light. No paper makers are carrying heavy stocks. Some mills are not able to secure all of the coal they would like to have, because of transportation difficulties; but no real shortage of this necessity is apparent at any plants. Wholesalers' stocks are somewhat depleted on account of slow deliveries from western mills, but this is only a temporary condition due to railroad congestion. Their orders from eastern mills are coming through quite promptly.

The shortage of unskilled labor at the mills is not so acute as it was a month ago, although several manufacturers are still having much difficulty in securing this grade of workers. Mills in country districts are able to secure all the common labor they require, because of the completion of the harvests and the consequent release of farm workers for industrial needs. In the larger centers, although there is a shortage of unskilled help, skilled paper workers are available in sufficient numbers. Envelope manufacturers, however, report much difficulty in securing skilled operatives. Wages have changed little. A few manufacturers have granted slight advances during the month, but these are exceptions.

Mills, in general, find collections good and much better than at this time a year ago. Wholesalers and envelope makers state that their collections are only fair.

### PAPER BOXES

In general, the demand for boxes of all kinds has been better this month than during October. The holiday request for special boxes is larger this year than it was last, and manufacturers of staple lines, with the exception of hosiery boxes, state that their sales are heavy. Makers of hosiery boxes report that orders from the seamless trade are being received in larger volume than they were a month ago, but that the full-fashioned trade is still comparatively dull and sales of boxes are far from satisfactory. However, a few manufacturers of boxes for the latter trade have received some moderate sized orders for January and February delivery. Candy boxes are in urgent request, as are also shoe and shirt boxes, and the demand for hardware and folding boxes is especially good. Orders for corrugated boxes have fallen off somewhat, which is unusual for the month of November, as holiday orders are normally received in large volume until the latter part of the month. Factories manufacturing corrugated boxes have been operating at 90 per cent of capacity on orders booked in October. Plant operations have on the whole been increased during the month. Factories making other than hosiery boxes are running at full capacity and a few are working overtime. Manufacturers making hosiery boxes are operating at from 65 to 90 per cent of capacity. Most of the orders received by boxmakers are for immediate delivery.

Prices remain unchanged and in general are based upon a \$58 rate for chip board. Some price cutting by smaller manufacturers is still in evidence, but the scope of the movement is very limited. The paper box industry is in a much stronger position than it was last summer.

Chipboard prices are showing a tendency to decline, as the mills making this grade have filled their holiday

orders and now find the demand somewhat sporadic. Waste paper, the chief raw material used in the manufacture of chip board, has dropped nearly 20 per cent in price during the month. Prices on fine newsboard are firm and unchanged. Strawboard and jute liner, for use in corrugated boxes, remain at the same level as they reached last month, and western mills making these materials are still some weeks behind in shipments. In general, raw material prices are about the same as they were a month ago; no further advances have occurred, and a decline in only one grade of board is noted.

The shortage of skilled workers has become rather acute, and several manufacturers are employing unskilled laborers as apprentices and teaching them the trade. Skilled girl workers are particularly scarce, and many firms complain that they frequently work only three or four days per week. To relieve this situation many girl apprentices are being employed and the wages of skilled box workers in a few plants have been advanced from 3 to 5 per cent.

Reports on collections vary. Most firms state that they are only fair, but some characterize them as good.

### FURNITURE

The great majority of furniture manufacturers and cabinet makers report that the demand for their products is better than it has been for the past three months and greater than it was in November of last year. All kinds of home and office furniture are in good request. Tables, chairs, kitchen cabinets, dining room suites, library suites, parlor suites, and office tables and desks are moving in large volume from the mills. One large chair manufacturer states that although normally a decrease in orders is noted from November 1 to January 1, his orders this year have been constantly increasing. Makers of phonograph cabinets report that their business shows constant improvement over last year's and that November orders are more numerous than were those of last month. The demoralized state of the phonograph industry, which was caused by the forced liquidation of two large companies early in the year, is now practically a thing of the past, and the extent of recovery is reflected in the increased activity of cabinet manufacturers. Plant operations throughout the district vary from 70 per cent to full capacity, and average about 85 per cent. The majority of orders being booked by factories are for immediate delivery only, although some are being received for delivery in sixty days.

The following figures based on combined returns to Associated Furniture and to the Federal Reserve Bank of Chicago show the comparative status of the industry for October, 1922, and September, 1922, in the Third Federal Reserve District and in the United States:

	Third Federal Reserve District	United States
Number reporting .....	8	98
Production, percentage of normal..	86.2	89.8
October orders .....	\$307,468	\$4,939,553
September orders .....	266,573	4,106,408
October shipments .....	211,703	3,697,709
September shipments .....	185,766	3,286,125
October cancellations .....	5,761	109,696
September cancellations .....	9,512	86,707
November 1, unfilled orders.....	299,580	5,965,483

Many manufacturers have advanced their prices during the month, but the movement has not been general. Furniture prices have now reached a level only 5 per cent below their level at this time last year. Raw materials, especially glass and mirrors, are advancing. Lumber prices during the past month have remained almost steady, but they are higher than they were last summer, and manufacturers who must enter the market now, are forced to pay more for their chief raw material. Most of them, however, have an ample stock of raw materials on hand for their requirements up to January 1, except of glass and mirrors, which are difficult to obtain. But stocks of finished products at factories are light and are decreasing. The most disconcerting factor, particularly to manufacturers located in country districts, is the delay in the shipping of goods to customers, caused by railroad congestion. One manufacturer states that 50 per cent of his deliveries are being held up, and all complain that transportation difficulties are affecting their business.

The supply of skilled labor is scarce, but not so much so in industrial centers as in country districts. This is due perhaps to a seasonal decline in building operations and to the desire of many skilled carpenters to work indoors during the cold weather. Wages in the industrial centers remain firm and are the same as they were a month ago. In the country districts they have advanced about 5 per cent recently. Cabinet workers are a group of well paid artisans, and manufacturers have generally established close contact with their men and tried to obtain a healthy understanding between men and management. The result has been that open shop conditions prevail, the men are well paid, and strikes scarcely ever hamper the industry.

Reports on collections vary. Some firms state that they are good, but the majority find that they are only fair.

### TOBACCO

Manufacturers of cigars report that their sales this month have been larger than in any month of the year.

## Cigars

The holiday trade, together with the regular demand, has caused many of the larger firms to be from a month to six weeks behind in deliveries, and they are still following the practice of allotting shipments to their customers. Within the past month several large manufacturers have opened additional factories in Pennsylvania, New Jersey and Maryland, but their production is still insufficient to meet the demand. Jobbers and retailers who rely upon the big companies for their supplies, realizing that they will not be able to fill their holiday wants and their regular requirements, are turning to the smaller manufacturers for more cigars. In consequence, the smaller producers are busier than they have been for months. The majority of firms, both large and small, report that their factories are running on a 100 per cent basis, or as close to capacity as the supply of skilled labor, which is very short, will permit. Only a few are operating at less than capacity.

The five-cent cigar seems to be growing in popular favor, and manufacturers who make a five-cent brand state that there has been no let up in the request for it. Indeed, most of them are operating their five-cent cigar factories overtime as many hours as they can, in order to supply the demand. An additional large producer has announced that he will soon begin the manufacture of a five-cent grade in order to meet the demand from his jobbers. However, the decided upward price trend of the 1922 tobacco crop makes the future of this brand somewhat uncertain, and some manufacturers state that they will either have to discontinue making it or raise the price next year.

Despite the marked increase in the output of five-cent cigars, the better popular grades (2 for 15 cents,

10 cents, and 2 for 25 cents) have shown little loss in favor. The foregoing chart shows that September, 1922, production of Class B and Class C cigars was somewhat less than that of September, 1921, whereas the production of Class A cigars showed a marked increase in September, 1922. But the gain made by Class A is not due alone to greater output of the five-cent brand, because package goods, stogies, and cheroots also fall under Class A.

Prices for cigars are firm and unchanged, but tobacco prices are still rising. Active buying of Pennsylvania leaf by manufacturers and dealers in the early part of the month forced the average price of 1922 tobacco about  $1\frac{1}{2}$  cents per pound above the level reached last month. The general price level of all grades of fillers and wrappers is considerably above last year's level, and manufacturers are greatly concerned lest they should be forced to raise prices.

Stocks of cigars in the hands of producers are much smaller than they were a month ago and in general are light. Raw materials can be obtained in nearly any quantity at prevailing prices.

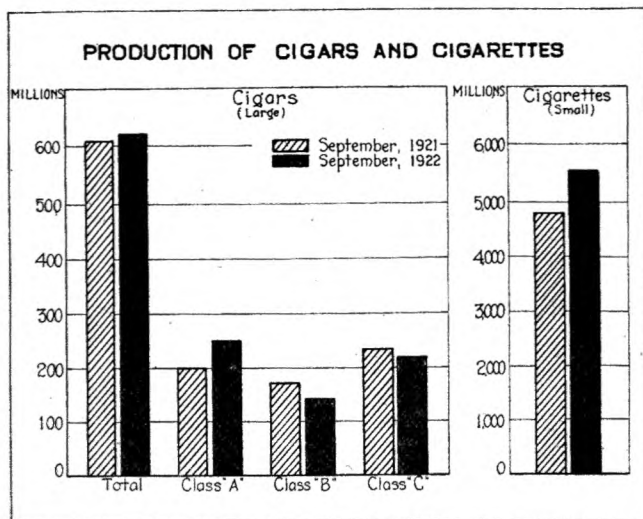
The present freight congestion has embarrassed manufacturers somewhat, and many report that they are making much larger shipments by express than they did a month ago, in order to make more rapid delivery to their customers.

Additional wage advances have been granted by several firms during the past month in factories located in the smaller towns and cities, but in Philadelphia few advances have occurred. The wage scale throughout this district is now as high as it was at any time in 1920, and a few manufacturers state that they are paying slightly higher wages than ever before. The shortage of skilled cigar workers has become so acute that capacity operation in many plants is virtually impossible, and as a result competitive bidding for skilled operatives has forced the wage scale upward.

Collections are reported as being from fair to good but show a tendency to be a trifle slower than a month ago, except with the large manufacturers, who say that collections are very good.

Though the preliminary estimates of the domestic tobacco crop by the Department of Agriculture show that the 1922 crop is 280 million pounds larger than the 1921 output, the production of cigar tobaccos is actually much smaller than it was last year. Virginia, North Carolina, Kentucky, and Tennessee, which grow chiefly tobaccos for pipe and cigarette smoking and for chewing, show great increases in production. But Connecticut, Pennsylvania, Wisconsin, and Massachusetts, the principal states growing cigar tobacco, have decidedly smaller crops than a year ago. The figures for these states, as given by the Department of Agriculture, follow:

## Tobacco leaf



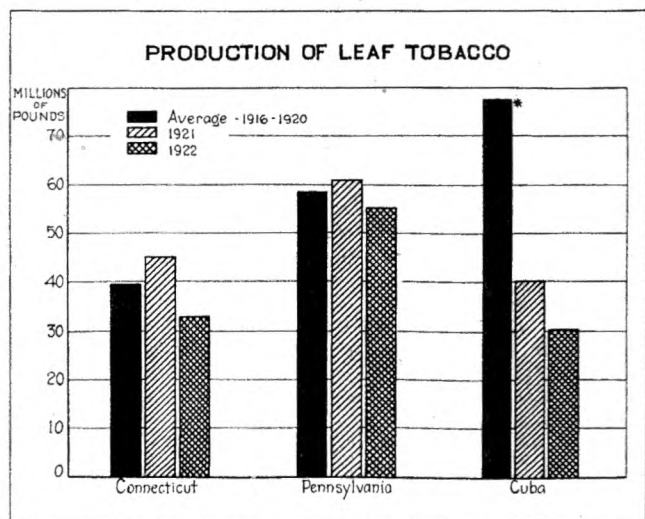
The total output of cigars in September, 1922, was slightly greater than in September, 1921. Production of Class B and Class C grades was smaller than for the same month last year, but the increase in the number of Class A cigars more than equalled this decrease. Cigarette production was three-quarters of a billion greater than in September, 1921.

Source—Commissioner of Internal Revenue

Tobacco Production  
(In lbs. 000's omitted)

	1921 Subject to final revision in Dec.	1922 Preliminary estimate	% Decrease or increase over 1921
Massachusetts .....	13,700	11,050	-19%
Connecticut .....	45,074	33,031	-27 "
Pennsylvania .....	61,320	55,104	-10 "
Wisconsin .....	61,488	47,642	-23 "
Virginia .....	91,850	173,052	+88 "
North Carolina ...	252,000	308,610	+22 "
Kentucky .....	325,710	454,045	+39 "
Tennessee .....	78,750	99,286	+26 "

The Cuban and Porto Rican crops are also considerably smaller, and though no accurate figures are available on the Java and Sumatra yields, reports from these two important wrapper growing regions state that the crop is not up to last year's. The cigar manufacturer is confronted with a short crop this year, but whether this short crop justifies the sharp advances which have taken place in the past two months is a matter of conjecture. The accompanying chart shows how the 1922 output in Pennsylvania, Connecticut, and Cuba compares with the 1921 production and with the average for the five years from 1916 to 1920.



The Connecticut crop suffered from excess of rain early in the summer and from drought in the late summer. In Cuba, the great difference between this year's crop and the five-year average is due in part to the exceedingly heavy yield in 1920, and in part to the subsequent reduction of acreage by the planters

\*Average for years 1916, 1917, 1918, and 1920. No 1919 figures available.  
Sources—Department of Commerce and Department of Agriculture

Little change has occurred in the Pennsylvania tobacco market during the past month. Prices for 1921 tobacco remain practically at the same level as they reached last month, but the 1922 crop has advanced

slightly. Most of the 1921 crop is now in the manufacturers' hands and the balance is held by dealers, the farmers' stocks having been disposed of. Purchases of 1921 leaf by dealers and manufacturers during August and September were very heavy; but during November manufacturers have not bought in any large amounts. The prevailing price for 1921 wrappers, cured and packed in cases, ranges from 23 cents to 27 cents per pound, and 1921 fillers are bringing from 8 cents to 12 cents per pound, with fancy grades touching 15 cents. Farmers are receiving from 15 cents to 22 cents per pound for their 1922 wrappers in the bundle, and for fillers from 3 cents to 6 cents. This is from 50 to 60 per cent higher than was paid the farmer for the 1921 crop a year ago. About 50 per cent of the 1922 crop is still owned by farmers.

Although it is a trifle early to tell how the 1922 crop compares with last year's in quality, most leaf tobacco men state that it is just as good or a little better. There does not appear to be as much spotting or discoloration of the leaves in this year's crop, but there is a great deal more tobacco that is flea bitten, owing largely to the long continued dry spell late in the season.

## AGRICULTURE

Although the long dry spell which has prevailed throughout this district since August was partially relieved by showers during October and this month, the Weather Bureau figures show that the precipitation, as measured at the five observation stations, has been much below normal. The October rainfall was only two thirds of the normal, and November figures show that precipitation was below the average. The effects of the drought are reflected in the stands of winter wheat and cover crops, which are not so good as they were a year ago. Estimates by the various state and county agricultural agencies place the condition of winter wheat at 80 per cent of what it was in November, 1921, and of cover crops at from 75 to 80 per cent of normal. Also, the acreage planted to winter wheat is reported as being 5 per cent smaller than in 1921, but this is probably due to intentional reduction by farmers, because of the continued low price for wheat. Fall plowing for spring crops has been greatly interfered with by the drought. The report of the Pennsylvania Department of Agriculture states that only 53 per cent of the usual amount of fall plowing had been done by November 1. The New Jersey Department of Agriculture estimates that 78 per cent of the normal amount had been plowed in that state on the same date.

Preliminary crop estimates compiled by the New Jersey and Pennsylvania Departments of Agriculture confirm previous reports as to the bountiful nature of the 1922 food production in this district. Corn,

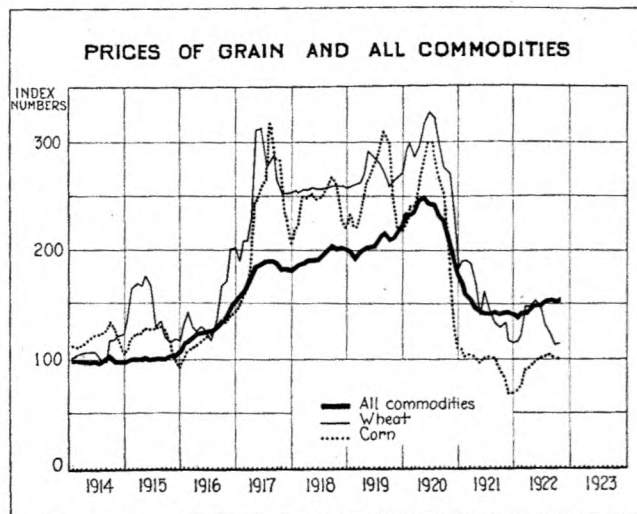
buckwheat, and tobacco are the only crops that have shown a decreased output as compared with 1921. The potato and apple crops are several million bushels greater than they were last year and considerably above the ten-year average. The table below shows the agricultural output of the two states.

Harvesting in the Third Federal Reserve District is now virtually over. Corn husking has been practically finished, except in a few counties where difficulty in securing harvest hands is encountered. The corn huskers who move from farm to farm during the fall have been scarce and are demanding from 50 to 80 per cent more pay than last year, and many farmers are doing the husking themselves rather than meet the wages asked. In Chester County the prevailing rate of pay was five cents per shock in 1921, as against nine cents this year.

Farmers in some parts of the district are showing a tendency to hold their crops in storage in larger amounts than they did last year, but this is not true of most counties. Though many a farmer would like to hold his crops for better prices, the need for ready cash and the lack of storage space compel him to dispose of a certain amount immediately after harvest. An averaging of the estimates from the various county farm bureaus shows approximately the following percentages of 1922 crops still owned by the growers: corn 90, sweet potatoes 90, barley 90, buckwheat 90, potatoes 50, rye 90, wheat 50, apples 50. However, the number of bushels is greater than it was last year, because, with the exception of corn and buckwheat, the yields were larger than in 1921.

With the exception of potatoes, farm products are higher this month than they were last, and as compared with prices in November, 1921, the majority are considerably higher. But the prices of farm products are much lower than the all-commodity price, as is seen

in the accompanying chart. Only larger yields and cheaper production costs have enabled the farmer to show a better income for this year than last.



Wheat is lower than it was a year ago, but corn is considerably higher, and the price of all commodities is also greater. At no time during the last nine years have grain prices fallen so far below the all-commodity level as in 1921 and 1922

Sources—Department of Agriculture and Bureau of Labor Statistics

Since September there has been a shortage of farm labor, and the Blair County Farm Bureau states that help is scarcer than it has been at any time during the last five years. The wages of farm hands are about the same as they were a year ago, although in a few counties they are slightly higher. By the month the pay ranges from \$25 to \$40, with room and board; by the day, without board, it varies from \$2 to \$3. In the face of the active bidding for labor for other industries, and in view of the present restricted immigration,

New Jersey and Pennsylvania Crop Estimates

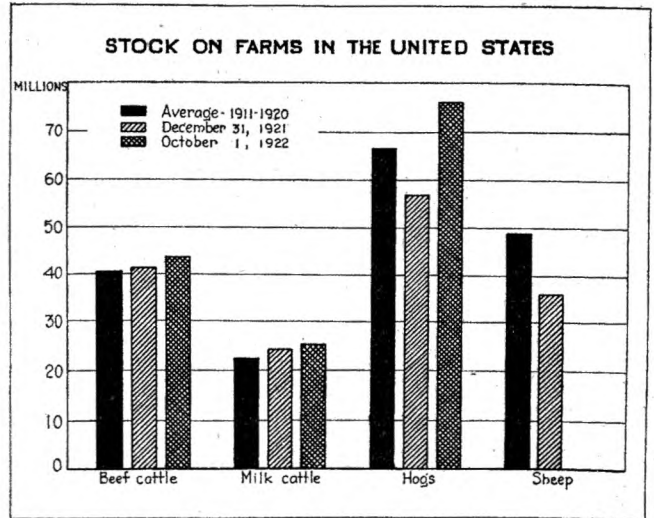
Crop	State	1922 Production	1921 Production	Average Production for past 10 years,	1922 Yield per acre
Corn	N. J.	10,122,000 bus.	11,327,000 bus.	10,883,000 bus.	42 bus.
Corn	Pa.	71,503,000 "	76,272,000 "	63,707,000 "	45 "
Buckwheat	N. J.	168,000 "	168,000 "	220,000 "	21 "
Buckwheat	Pa.	4,640,000 "	5,175,000 "	5,310,000 "	20 "
Potatoes	N. J.	14,550,000 "	9,025,000 "	10,423,000 "	150 "
Potatoes	Pa.	27,720,000 "	21,586,000 "	24,435,000 "	105 "
Sweet potatoes	N. J.	3,200,000 "	1,870,000 "	2,441,000 "	160 "
Pears	N. J.	504,000 "	185,000 "	426,000* "	
Pears	Pa.	576,000 "	220,000 "	495,000 "	
Apples	N. J.	2,610,000 "	667,000 "	1,758,000* "	
Apples	Pa.	11,400,000 "	2,208,000 "	8,768,000 "	
Commercial apple crop	N. J.	522,000 (bbls.)	132,000 (bbls.)	478,000 (bbls.)*	
Commercial apple crop	Pa.	1,216,000 "	221,000 "	842,000 "	
Cranberries	N. J.	200,000 "	160,000 "	142,000 "	
Grapes	N. J.	85 per cent	40 per cent	80 per cent	
Grapes	Erie Co., Pa.	33,000 (tons)			3 tons
Tobacco	Pa.	53,300,000 (lbs.)	61,320,000 (lbs.)	55,611,000 (lbs.)	1300 lbs.

\* Average for past three years.

farmers anticipate a big shortage of farm labor and a decided cut in crop acreage next year.

The latest livestock census figures compiled by the Department of Agriculture show that beef cattle, milk cattle, and hogs are increasing in numbers; but the number of sheep is steadily declining. No trustworthy figures are available on the number of sheep on farms in the United States in 1922, but on December 31, 1921, the total was considerably lower than the ten-year average, and for several years it has been decreasing annually. The accompanying chart shows how the numbers compare with those of 1921 and with the ten-year average.

There is only one conclusion to be gathered from this, namely, that the American farmer has found the raising of beef and milk cattle and hogs to be more profitable than sheep raising. In rough, mountainous districts, where pasturage is too poor for the profitable raising of other cattle, sheep will hold their own. Perhaps the greatest factor in the decrease of sheep has been the gradual disappearance of the free and open pasture range on the great plains.



The number of cattle and hogs on farms is now considerably above the ten-year average. The number of sheep in the United States has been declining annually during the last decade, but figures are not yet available for 1922

Source—Department of Agriculture

COMPILED AS OF NOVEMBER 23, 1922

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

## ***BUSINESS CONDITIONS THROUGHOUT THE UNITED STATES***

***AS REPORTED BY  
FEDERAL RESERVE BOARD***

***DECEMBER 1, 1922***

**S**UBSTANTIAL increases of productive activity are reported by basic industries during October. Due principally to increased activity in anthracite coal mining, mineral output was 19 per cent larger than in September. Production of pig iron, and consumption of cotton were the largest in two years. The total number of railroad cars loaded was nearly at a maximum, yet car shortage on November 1 was the largest ever reported.

Increased production in October has been accompanied by continued increase in the volume of employment. Average pay per worker was larger in many industries, due in most cases to an increase in hours of work. Steel mills, metal mines and building contractors still report a shortage of skilled laborers.

Wholesale trade showed comparatively little change during October. Retail trade continued to be greater than a year ago, and also larger than in September. Total payments by check for 140 cities, not including

New York, were 11 per cent larger in October than in September, and 13 per cent larger than in October, 1921.

The wholesale price index of the Bureau of Labor statistics was 154 in October, as compared with 153 in September, and 142 in October, 1921. Prices of farm products and clothing showed particularly large increases during October, while fuel prices continued to decline.

The increased business activity has not been reflected in the movement of total loans of member banks in leading cities. There were slight increases in the southern and western districts and also in New England, but these increases were more than offset by reductions in other districts, especially in New York and Chicago. Rates on various classes of loans have remained firm or have shown a slight upward tendency. Demand and time deposits both decreased during the four weeks, though again western and southern districts recorded slight increases.