

BUSINESS AND FINANCIAL CONDITIONS

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
APRIL 2, 1923

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FEDERAL RESERVE BANK of PHILADELPHIA

SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES

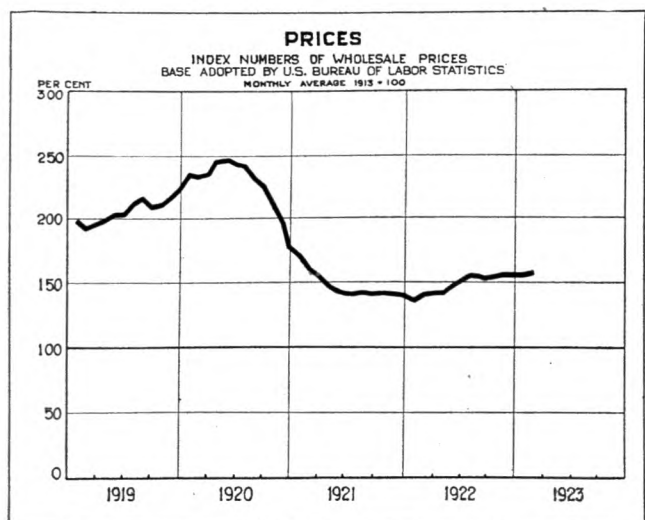
Continued active business is indicated by the maintenance of a high rate of industrial production, increases in freight traffic and employment, and a large volume of retail and wholesale trade.

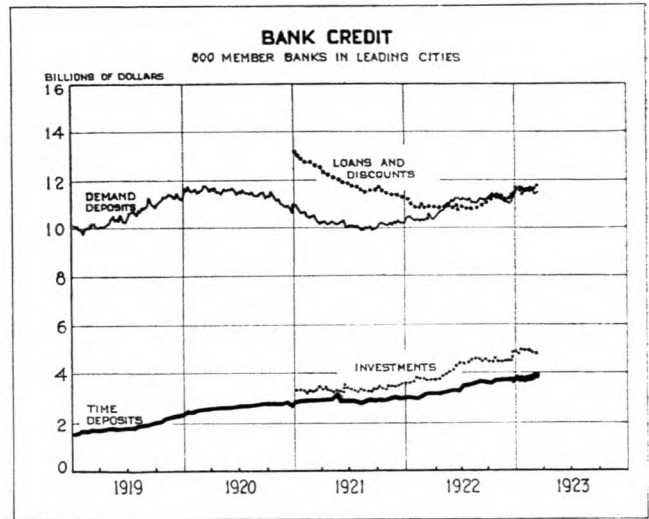
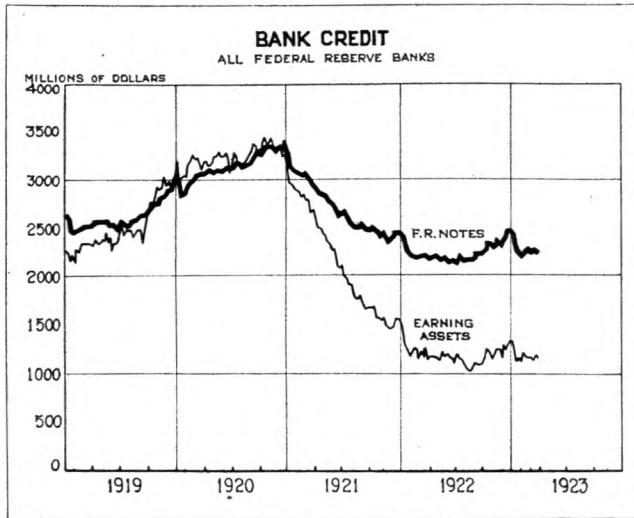
The Federal Reserve Board's index of production in basic industries for February was at the same high level as in January. The index number for these industries is now approximately equal to the highest point reached in the past. Since the low point in July, 1921, there has been an increase of 61 per cent. The volume of new building projected in February was exceptionally large for the season, particularly in western districts. Railroad freight shipments have been increasing and the car shortage, which was somewhat relieved in December and January, became more marked in recent weeks.

A continued increase in industrial employment has

been accompanied by further advances in wage rates in a number of industries. Many New England woolen mills announced a wage increase of $12\frac{1}{2}$ per cent., effective April 30. A shortage of women workers has been reported in the textile, rubber, and garment industries, and there is a shortage of unskilled labor in many industrial centers.

Wholesale and retail distribution of goods continued at a high level during February. Sales of both wholesale and retail concerns reporting to the Federal reserve banks were well above those of a year ago, but the increase was relatively more pronounced in wholesale trade. Mail order and chain store business was almost as large in February as in January despite the shorter month, and sales of five- and ten-cent stores were actually larger than in January.





The Bureau of Labor Statistics index of wholesale prices advanced slightly during February. Prices of metals, building materials, and clothing increased, while prices of fuels and farm products declined. Building materials and metals during the past year have advanced more than any other groups of commodities and are now about 25 per cent. higher than in March, 1922.

Wholesale prices

Recent increases in industrial and commercial activity have been reflected in a larger volume of loans by member banks for commercial purposes, especially in the New York, Chicago and San Francisco districts. Loans of this character by reporting member banks are now approximately \$500,000,000 larger than at the end of December. This increase has been accompanied by a reduction in holdings of investments; so that there has been only a moderate net increase in total loans and investments.

Bank credit

The larger demand for funds has not led to any

increase during the past month in the total volume of credit extended by the reserve banks. Total earning assets and loans to member banks on March 21 were approximately the same as four weeks earlier. Borrowings by member banks in the interior increased, particularly in the Chicago district, but borrowings by member banks in the New York district decreased. Since the end of February there has been a small decline in the volume of Federal reserve note circulation, which is now at approximately the same level as six months ago. Other forms of currency in circulation, however, have recently increased.

The market rates on commercial paper advanced further to a range of 5 to 5¼ per cent., and the rate on bankers' acceptances remained steady at about 4 per cent. There has been a slight increase in the yield of short term Treasury certificates as well as of Government and other high-grade bonds.

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SUMMARY OF BUSINESS CONDITIONS IN THE THIRD FEDERAL RESERVE DISTRICT

GENERAL business in the Third Federal Reserve District has continued to expand during March, but not all industries have shared in the improvement to the same extent. The demand for some commodities has grown steadily, but in the case of others there is strong evidence that the ever-mounting price level is acting as a check; in fact, the volume of orders booked by several industries has declined since last month. But even in these, sales are still large, and business as a whole continues to be exceptionally good.

As a result of the large number of orders already on the books and still being received, production is proceeding at a high rate. Indeed, the volume of production today is larger than at any time since May, 1917. But operations would be even greater were it not for the shortage of labor and the difficulties resulting from the transportation situation. Although several of the freight embargoes have been lifted, general transportation has improved but little since last month. The labor problem is one of the biggest with which manufacturers must contend at this time. The shortage of labor has now reached considerable proportions, and it is expected to become more acute with the resumption of outdoor activity. There has been much bidding among employers for help, and as a result wages have risen during the past two months. Some indication of present labor conditions is found in the employment statistics compiled by this bank. These show that the number of workers in thirty-one industries in the Third Federal Reserve District during February was 1.7 per cent larger than that in January, and that average wages increased 4.6 per cent in February. Further evidence is found in the report on unemployment issued by the Pennsylvania State Department of Labor and Industry. That bureau estimates that the number of unemployed in the five cities of Harrisburg, Johnstown, Philadelphia, Reading, and Scranton was 12,590 on March 15—a decrease of 5.9 per cent as compared with the number on March 1, and of 20.7 per cent with that on January 1. Practically none of the unemployed were industrial workers.

The price situation is still causing concern. The

general level of wholesale prices, as reported by the Bureau of Labor Statistics, increased .6 per cent in February as compared with January, the index numbers for the respective months being 157 and 156. This general index, however, does not reflect the large advances that were made in some of the commodity groups. The index of building material prices rose from 188 to 192, that of metal and metal products from 133 to 139, and the cloths and clothing group advanced from 196 to 199. The fuel and lighting group declined from 218 to 212, and farm products fell from 143 to 142. It will be seen that the prices of manufactured products expanded considerably, and reports received from manufacturers indicate that this movement has continued during March. These reports are substantiated by the index of the prices of twenty basic commodities compiled by the Federal Reserve Bank of New York. On March 3 that index stood at 159.6, on March 10 at 160.1, and on March 17 it had risen to 160.6. As pointed out above, resistance to the increasing price level is already apparent in some lines, and manufacturers fear that this resistance will become stronger as the price level rises.

As has been the case for several months, business expansion has been greatest in the iron and steel industry. In fact, the demand for iron and steel products of all classes has been so large that many manufacturers have been forced to refuse much of the business offered. Pig iron especially has shown great improvement, for in addition to the increase in the domestic demand, exports are steadily growing. To judge by present demand, production in the iron and steel industry should be at capacity, but it is doubtful whether operations total more than 80 per cent. This is due almost entirely to the scarcity of both skilled and unskilled labor. The labor situation in these industries is becoming very acute, and no relief is in sight. Prices of iron and steel products have continued to rise, but the increases have as yet had no effect upon the demand.

The call for building materials is second only to that for iron and steel products. Sales of paint, lumber, and bricks are steadily increasing, and in the case of the latter two materials, the demand is so large that deal-

SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of March 23, 1923

Third Federal Reserve District

Business	Demand	Prices	Finished stocks	Labor situation		Collections
				Supply	Wages	
Bricks	Good	Firm	Light	Sufficient	Unchanged	Fair to good
Cigars	Good	Firm	Moderate	Some scarcity	Few increases	Fair to good
Coal, anthracite	Good	Firm	Light	Some scarcity	Unchanged	
Coal, bituminous	Fair	Declining	Increasing	Sufficient	Unchanged	
Coke	Good	Firm	Light	Some scarcity	Unchanged	
Confectionery	Good	Firm to higher	Moderate	Some scarcity	Increasing	Fair
Cotton Goods	Excellent	Higher	Light			Very good
Drugs, wholesale	Fair	Firm	Moderate			Fair to good
Dry Goods, wholesale	Good	Higher	Moderate			Fair
Floor coverings	Excellent	Firm to higher	Light	Sufficient	Unchanged	Good
Gas and electric fixtures	Good	Increasing	Moderate	Some scarcity	Unchanged	Fair
Glass	Excellent	Increasing	Light	Some scarcity	Some increases	Good
Groceries, wholesale	Fair to good	Upward trend	Moderate			
Hardware, wholesale	Good	Firm or increasing	Moderate			Fair
Hosiery, full-fashioned	Fair	Firm to slightly lower	Moderate	Sufficient	Unchanged to higher	Fair to good
Hosiery, seamless	Fair	Firm to higher	Moderate	Some scarcity	Unchanged to higher	Fair to good
Iron and steel	Good	Increasing	Light	Scarce	Some increases	Fair to good
Leather, belting	Good	Firm	Moderate	Some scarcity	Unchanged to higher	Good
Leather, heavy	Good	Firm to higher	Heavy	Sufficient	Unchanged	Good
Leather, upper	Fair to good	Firm	Moderate	Sufficient	Unchanged	Good
Lumber	Good	Increasing	Light	Some scarcity	Unchanged	Fair to good
Oils, crude	Good	Increasing	Moderate	Sufficient	Unchanged	
Oils, refined	Good	Increasing	Moderate	Sufficient	Unchanged	
Paints	Good	Firm or increasing	Moderate	Sufficient	Unchanged	Good
Paper	Good	Firm	Light to moderate	Some scarcity	Few increases	Fair to good
Printing and publishing	Good	Firm to higher		Sufficient	Unchanged	Fair
Shoes, manufacture	Fair to good	Firm	Moderate	Some scarcity	Unchanged	Fair to good
Shoes, retail	Fair to good	Firm to higher	Moderate	Scarcity skilled	Higher for skilled	Fair to good
Shoes, wholesale	Good	Firm	Moderate			Fair but becoming slower
Silk goods	Fair to good	Higher	Moderate			
Silk, thrown	Poor to fair	Higher	Light			Satisfactory
Sugar, refined	Fair	Declining	Moderate	Some scarcity	Some increases	Good
Underwear, heavy weight	Good	Firm to higher	Light	Some scarcity	Unchanged to higher	Fair to good
Underwear, light weight	Good	Firm to higher	Light	Some scarcity	Unchanged to higher	Fair to good
Woolen and worsted goods	Good	Higher	Light to moderate	Scarce	Higher	Fair to good
Woolen and worsted yarns	Fair to good	Higher	Light	Some scarcity	Some advances	Good

ers and manufacturers are unable to meet it. The glass industry is receiving unprecedented orders, with automobile manufacturers and construction industries competing for the available supplies.

In the textile industries, advancing quotations during the past few weeks have had considerable effect upon the demand. This is especially true in the case of yarns. Sales of worsted yarn, cotton yarn and thrown silk, although still fairly large, have declined since last month, as manufacturers of fabrics have been unwilling to contract for further supplies at the prices quoted. This is true in spite of the fact that fabrics have continued to be in good request. Sales of broad silks have increased, and prices have advanced. Cotton goods have sold very well, but the goods that have risen most rapidly in price are now in somewhat lessened demand. Woolen and worsted goods have been in good request, but total sales for fall delivery have not been as large as was anticipated. This is attributed almost entirely to the rising prices. The hosiery industry has not shared in the expansion of business to the extent that most industries have. Indeed, difficulty has been experienced in obtaining business at prices that prevailed six months ago when yarn values were much lower than they are today. Only in the case of a few specialties has there been any advance in hosiery prices. The underwear market has not been especially active during the month. Most of the business for spring delivery had previously been placed and the total of repeat orders has not been large. Many manufacturers of fall underwear report that they had previously booked all the business they cared to accept in view of the existing price situation, but others state that they have been unable to obtain additional fall business at the new prices. Manufacturers of floor coverings report that the demand is heavy and shows no signs of slackening; and they expect even greater business upon the opening of the fall lines early in April. Sales of linoleum have continued to increase, and production is now at the highest point in the history of the industry.

As was expected, the volume of orders for shoes declined somewhat during March. This was because practically all of the business for Easter delivery had been placed during the previous months and retailers have delayed the placing of orders for shipment after Easter until the results of the Easter trade should be known. In the leather market the demand for the heavy leathers has continued active. The staple upper leathers have been in somewhat smaller request, but sales of the specialties have increased. Manufacturers of leather goods report a large increase in demand at prices about 10 per cent above those of this time last year.

Book, magazine, and wrapping papers have been in steadily increasing demand during the month. Operations in paper mills are proceeding at capacity, but in

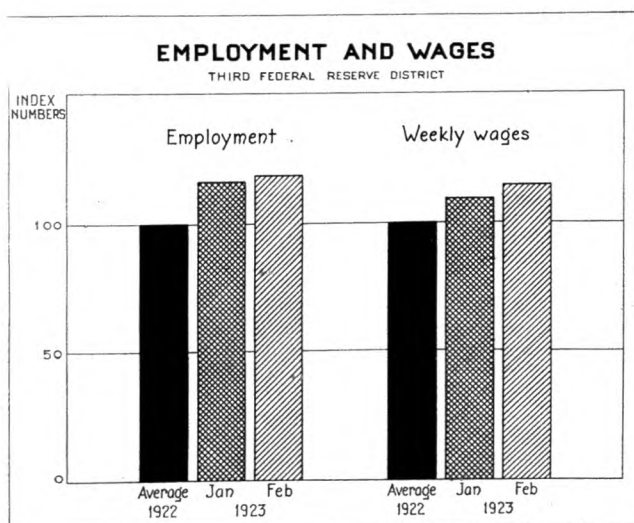
spite of this fact stocks that accumulated during January and February are decreasing. Prices of paper and chemical pulps have shown practically no change during the past five weeks, but mechanical pulp has declined from \$3.50 to \$6 per ton during that time. Wholesalers of paper report a very heavy call for kraft paper, and they are having difficulty in meeting it, owing to the paper strike in Sweden. The demand in the printing and publishing industry has increased during the month and is larger than it was in January and February. Price cutting in the printing trades has disappeared, and in some cases advances of from 5 to 10 per cent are reported.

In the cigar industry, too, the demand has increased since February, and production is proceeding at about 85 per cent of capacity. Confectionery manufacturers report that the call for their products is considerably ahead of that of March, 1922, with both staples and specialties for the Easter trade in large demand. Prices have increased since the first of the year and are now about 8 per cent above the level at that time.

Activity in the bituminous market has continued to decline, and prices have fallen off from 50 cents to \$1.00 a ton during the month. The demand for anthracite, however, is still very heavy, and production continues at two million tons weekly. There has been no change in anthracite prices. The call for coke for household use has been smaller, but total sales have been sustained by the increased needs of the iron and steel industry.

EMPLOYMENT AND WAGES

Employment and wages in the manufacturing industries of the Third Federal Reserve District during February continued the strong upward trend which was manifested during the preceding month. Our revised



Employment and wages in 479 manufacturing establishments expressed as index numbers with 1922 averages equal to 100.

Source—Federal Reserve Bank of Philadelphia

index of employment was 118 in February, as compared with 116 in January and 100 for the average of the year 1922. Average weekly wages advanced from 109 in January to 114 in February. Although the majority of the industries took part in the general advance, certain groups such as iron and steel plants, foundries and machine shops, and locomotive and car construction shops, accounted for the major portion of the gain. In a few instances, notably in the clothing, cotton goods, tobacco, and boot and shoe industries, employment declined somewhat. The chart on page 5 shows the advance that has occurred in employment and wages in January and February as compared with the averages for 1922. The two tables give the detailed figures for separate industries and separate cities respectively.

During the past month we have been able to extend the scope of these employment and wage statistics to such a point that a total of 479 manufacturing firms,

employing 192,512 operatives, is now represented in the index. Twelve new industries were added during the month, so that thirty-one of the most important groups of manufacturing plants are now included. The geographical distribution is such that separate employment reports for twenty-two cities in the district are shown. Nearly every manufacturing industry which employs more than 3000 employees in the Third Federal Reserve District, or which manufactures products with an annual value of more than \$20,000,000, is now included. The total employment of the thirty-one industries now comprising the index is close to 65 per cent of the total industrial employment in the district, and the annual value of the product of these industries is over 70 per cent of the total for the district. Hence, it is evident that the index numbers published below should be accurate indicators of the trend of wages and employment in the manufacturing industries. The in-

**Wages and employment
Third Federal Reserve District**

Industry	Number of reporting firms	Weekly wages			Employment		
		Index numbers Average 1922=100		Actual	Index numbers Average 1922=100		Actual
		January	February	February	January	February	February
All industries (weighted index)	479	109	114	\$24.53	116	118	192,512
Automobiles and parts.....	18	110	110	26.05	122	126	6,741
Locomotive and car construction and repair.....	8	112	120	28.51	169	179	23,826
Foundries and machine shops.....	36	111	118	25.02	114	124	5,953
Electrical machinery.....	18	115	117	23.46	101	103	2,869
Iron and steel products.....	31	125	128	27.36	120	121	20,136
Shipbuilding.....	5	99	102	25.86	112	118	11,169
Carpets and rugs.....	12	100	103	26.48	110	112	3,024
Clothing.....	20	106	117	20.99	99	98	3,142
Cotton goods.....	17	103	106	22.32	104	103	7,039
Felt hats.....	4	98	103	25.52	119	121	4,802
Knit goods.....	26	103	124	23.20	103	105	5,656
Silk goods.....	39	108	113	18.97	106	106	17,464
Worsted and woolens.....	22	97	102	20.61	102	102	9,160
Bakeries.....	14	106	106	28.09	100	101	2,369
Canneries.....	6	79	77	15.09	114	115	2,417
Confectionery and ice cream.....	19	107	104	18.66	100	101	4,438
Slaughtering and meat packing.....	10	104	105	28.77	104	104	1,321
Sugar refining.....	3	99	98	26.42	88	102	2,361
Cigars and tobacco.....	13	108	115	16.14	102	96	5,955
Leather.....	28	109	111	24.07	104	104	8,306
Boots and shoes.....	17	105	104	18.51	106	103	2,597
Cement.....	15	122	114	25.14	103	104	7,080
Glass.....	7	126	119	31.60	95	108	880
Pottery.....	9	80	81	24.90	83	86	1,255
Chemicals and paints.....	16	114	111	27.88	123	126	4,812
Petroleum refining.....	4	108	113	25.77	104	106	5,866
Rubber tires and goods.....	10	100	104	24.29	106	109	4,085
Paper and pulp.....	13	116	111	23.69	106	106	2,719
Printing and publishing.....	20	108	108	33.77	100	105	4,646
Furniture.....	16	104	106	23.44	114	114	2,583
Musical instruments.....	3	96	99	25.53	109	109	7,841

clusion of twelve new industries necessitated a change in the system of weighting and, in some cases, a revision of the index numbers for January. In the future we hope to retain a fixed number of reporting firms whose reports will be available early enough each month to be included. Hence, the index numbers from now on should be rarely, if ever, revised.

**Employment in reporting plants in principal cities
Third Federal Reserve District**

Cities	Number of reporting firms	Index numbers		Number employed February
		Average 1922=100		
		January	February	
Philadelphia	184	117	121	87,086
Camden	16	107	108	15,902
Allentown	19	104	105	8,278
Reading	17	121	128	8,255
Wilmington	12	109	109	5,121
Chester	6	108	125	5,077
Trenton	15	98	101	4,532
Williamsport	12	108	100	2,541
Harrisburg	8	111	109	2,480
Hazleton	3	120	123	2,413
Scranton	13	96	93	1,992
York	17	102	112	1,929
Lancaster	7	112	106	1,903
Bridgeport	3	103	107	1,778
Bloomsburg	4	113	111	1,418
Easton	7	99	100	1,347
Pottstown	4	109	114	1,256
Wilkes-Barre	5	102	103	1,017
Lebanon	4	113	113	952
Columbia	3	89	105	686
Norristown	3	112	110	626
Bethlehem	4	112	114	513
All others	113	112	111	35,410
Total	479			192,512

FINANCIAL CONDITIONS

Investments and commercial loans of member banks in Philadelphia, Camden, Scranton, and Wilmington declined slightly in the four weeks ending March 14, but secured loans and deposits advanced considerably. In a period of equal length ending March 21, the Federal Reserve Bank of Philadelphia reports an increase in discounts from 58 to 61 millions, and in purchased bills from 26 to 28 millions. Holdings of United States securities changed but little. Federal reserve notes in circulation declined, but an increase in deposits and a large falling-off in total reserves carried the reserve ratio from 70 per cent on February 21 to 68.1 per cent on March 21. Comparative figures are given in the table:

Banking statistics—Third District

000,000's omitted	Latest*	Four weeks ago	Eight weeks ago
Reporting member banks:			
Loans and discounts:			
Sec'd by U. S. securities....	\$ 18	\$ 20	\$ 20
Sec'd by other stocks and bonds	262	237	242
All others (commercial)....	332	334	330
Total	\$612	\$591	\$592
Investments	302	306	318
Total deposits.....	795	777	783
Federal Reserve Bank:			
Discounts	\$ 62	\$ 58	\$ 41
Commercial paper.....	28	26	26
United States securities.....	29	29	29
Total earning assets.....	\$119	\$113	\$ 96
Federal res. note circulation ..	198	205	197
Total deposits.....	119	116	121
Total reserves	216	225	242
Reserve ratio	68.1%	70.0%	76.0%

* For reporting member banks March 14; for Federal Reserve Bank March 21.

The average of twenty industrial stocks attained a new high point of 105.38 on March 20, as against 103.56 a month ago. Bonds and railroad stocks declined, however, and the average of forty bonds is now 5.64 points below the peak of 92.12 on September 14, 1922. Sales of both stocks and bonds are smaller in volume than they were last month. Comparisons of price averages and sales follow.

	March 20, 1923	Month ago	Two months ago
Securities (average prices):			
20 industrial stocks.....	\$105.38	\$103.56	\$97.85
20 railroad stocks.....	89.60	90.17	85.33
10 first-grade rail bonds	84.49	87.25	87.17
10 second-grade rail bonds ...	81.27	84.04	83.72
10 public utility bonds.....	87.25	88.25	87.78
10 industrial bonds.....	92.90	94.61	94.88
4 Liberty bonds.....	97.86	98.62	98.56

A further increase in savings deposits during February is reported by eighty banks in this district. Records since the beginning of 1920 show that such increase is usual at this season of the year, but the gain this year, from \$442,-083,000 to \$446,773,000, is larger than it has been heretofore. Of the total increase of \$4,690,000, only \$621,807 was due to the payment of interest. Comparison of deposits on March 1 with those on the same date in previous years shows the following changes: 1922, +5.1%; 1921, +6.9% 1920, +17.1%. Detailed changes by cities follow:

Savings deposits in the Third Federal Reserve District

	Number of reporting banks	Per cent increase or decrease March 1, 1923, compared with—		
		February 1923	March 1922	March 1921
Altoona	5	+3.1	+13.6	+ 12.7
Chester	5	+1.4	+ 6.1	- 10.2
Harrisburg	4	+2.5	+60.9	+105.3
Johnstown	6	+1.8	+ 5.4	+ .5
Lancaster	3	+2.6	+32.5	+ 43.3
Philadelphia	9	+ .4	+ 4.0	+ 4.6
Reading	3	- .4	+ 8.0	+ 8.8
Scranton	6	+3.4	+ 1.4	+ 13.6
Trenton	6	+1.3	+ 9.2	+ 6.2
Wilkes-Barre	5	+1.8	- 3.7	+ 11.7
Williamsport	4	+ .8	+11.8	+ 13.5
Wilmington	5	+3.5	+16.9	+ 17.8
York	5	+2.3	+14.8	+ 23.1
Others	14	+2.3	+ 2.7	+ 10.2
Total.....	80	+1.1	+ 5.1	+ 6.9

A falling off in acceptance transactions for the four weeks ending March 11 was reported by five dealers operating in this district. Sales averaged \$2,606,000 weekly, as compared with \$2,950,000 in the previous period, and with \$2,617,000 a year ago. Offerings are limited, and rates are still at 4 and 4 $\frac{1}{8}$ per cent. The reports of the dealers are summarized below:

Weekly averages for period:	Sales		Purchases
	To F. R. bank	To others	
1923			
Feb. 12 to Mar. 11.....	\$2,424,000	\$182,000	\$642,000
Jan. 15 to Feb. 12.....	2,815,000	135,000	299,000
Dec. 17 to Jan. 14.....	2,237,000	236,000	861,000
1922			
Feb. 13 to Mar. 12.....	1,842,000	775,000	420,000

Twelve accepting banks in the district report the total acceptances executed in the month ending March 10 as being \$3,513,000, as against \$3,764,000 in the previous month, \$2,365,000 a year ago, and \$5,325,000 two years ago. Wool, cotton, silk, coffee, paper, tobacco, skins, hides, and flour are among the commodities covered by acceptances executed locally.

Rates at which sales of commercial paper have been made have advanced about $\frac{1}{4}$ per cent since the middle of February. The minimum rate at which banks will now buy is 4 $\frac{3}{4}$ per cent, and at that figure very few sales in this district are reported. Transactions at 5 per cent form the bulk of the business, but some sales outside the city have been made at 5 $\frac{1}{4}$ and 5 $\frac{1}{2}$ per cent. In

the middle west, however, sales at 4 $\frac{3}{4}$ per cent are in considerable volume.

The total purchased by Philadelphia institutions is small, but the present range of prices is proving attractive to a number of country banks that have not been buyers of commercial paper during recent months. Dealers' lists are as a rule fairly full, and the demand for money in the open market, although not commensurate with the expansion in business, is good.

In February, sales by six reporting firms in the Third Federal Reserve District were \$6,825,000, as compared with \$9,477,000 in January. Even though it is considered that there were only twenty-two working days in February as compared with twenty-six in January, this decrease in sales is large. Philadelphia institutions purchased only \$2,760,000, while out of town sales totaled \$4,065,000. More than half of the transactions were at 4 $\frac{3}{4}$ per cent, and nearly all the rest were about equally divided between 4 $\frac{1}{2}$ and 5 per cent, although early in the month a few sales were consummated at 4 $\frac{1}{4}$ per cent. In February, 1922, five dealers sold \$4,697,000, and the same firms in February, 1923, sold \$5,170,000, a gain of 10 per cent.

The past month has been a rather uneventful one in the foreign exchange markets, and most of the rates have fluctuated within narrow limits. The volume of commercial transactions is normally small at this time of the year, and speculative trading has been limited by the uncertainty in the political situation on the Continent. Sterling, which on February 21 advanced to a high point of \$4.7219, or 97 per cent of par, following the funding of the British debt to the United States, has since weakened slightly. During most of the past month the pound has been selling within a few points of \$4.70. French and Belgian francs and Italian lire have been sluggish, pending an adjustment of the situation in the Ruhr. Lire have been quite steady, selling on March 20 at approximately the same levels as on February 20; but French francs have strengthened during the past few days, rising to 6.51 cents, as compared with 6.09 cents a month ago. Belgian francs also advanced in sympathy with French exchange.

The currencies of the former neutral countries have also been quiet and steady, although most of them experienced fractional losses. German marks have been comparatively strong, in spite of the situation in the Ruhr and the continued expansion of the already enormous Reichsbank circulation. The strength in marks is generally attributed to government support of the market. Probably the most pronounced exhibition of strength in the foreign exchange market was that exhibited by the Hongkong dollar and the Shanghai tael. The latter advanced from \$.7135 to \$.7590, and the former from \$.5298 to \$.5581, during the month ending March 20. These exchanges, of course, reflect the upward trend in silver prices.

Foreign exchange rates

Noon cables	Par value	March 20, 1923	February 20, 1923	March 20, 1922
London	\$4.8665	\$4.6923	\$4.7154	\$4.3796
Paris .....	.1930	.0651	.0609	.0897
Antwerp .....	.1930	.0563	.0536	.0843
Milan .....	.1930	.0485	.0483	.0507
Berlin .....	.2382	.000048	.000042	.003357
Vienna .....	.2026	.000014	.000014	.000148
Amsterdam .....	.4020	.3949	.3968	.3789
Copenhagen .....	.2680	.1918	.1931	.2119
Stockholm .....	.2680	.2661	.2665	.2621
Madrid .....	.1930	.1546	.1568	.1553
Berne .....	.1930	.1853	.1891	.1949
Buenos Aires .....	.9648	.8404	.8425	.8318
Shanghai .....	.7082	.7590	.7135	.7183

RETAIL TRADE

Each month the sales at retail show a gain as compared with the corresponding month of 1922, and March business should show a considerable increase in sales as compared with March of last year, for in 1922 the majority of the pre-Easter buying fell in April.

In some cases, however, sales have not come up to expectation, and for this the poor weather is held responsible. But on the comparatively few clear and warm days the volume of business done has been extremely satisfactory.

Prices in nearly all lines continue to advance, and as is usual on rising markets, purchases have increased and more contracts have been made for future delivery than at this period of last year. Except in a comparatively few lines, however, these purchases are for spring and summer merchandise, and delivery is to be made during the next three months. The retail merchant at present appears to be very conservative and not easily carried away by the perhaps over-enthusiastic salesmen of manufacturers and wholesalers.

During February, sales throughout the district gained 13.2 per cent as compared with February, 1922. This improvement was not as large as in January, but nevertheless showed a decided increase in purchasing. Women's apparel stores outside Philadelphia, however, showed a decrease of 9.5 per cent as compared with February, 1922, and was the only division of the trade that did not show an increase in sales.

Condition of retail trade during February, 1923

	COMPARISON OF NET SALES		COMPARISON OF STOCKS		RATE OF TURNOVER*		Percentage of orders outstanding Feb. 28, 1923, to total purchases in 1922
	Feb., 1923 with Feb., 1922	Jan. 1 to Feb. 28, 1923 with Jan. 1 to Feb. 28, 1922	Feb. 28, 1923 with Feb. 28, 1922	Feb. 28, 1923 with Jan. 31, 1923	Jan. 1 to Feb. 28, 1923	Jan. 1 to Feb. 28, 1922	
All reporting firms	+13.2%	+14.0%	+ 7.6%	+ 8.9%	2.9	2.8	10.7%
Firms in—Philadelphia	+13.3 "	+13.7 "	+ 6.6 "	+ 7.9 "	3.7	3.6	10.9 "
—Allentown, Easton and Bethlehem ...	+10.4 "	+15.1 "	+ 5.4 "	+ 7.7 "	2.3	2.0	.....
—Altoona	+ .7 "	+ 7.8 "	— 3.5 "	+16.8 "	2.3	2.3	10.8 "
—Chester	+67.0 "	+49.1 "	.....	.....	.....	.....	.....
—Harrisburg	+13.7 "	+15.0 "	+27.1 "	+12.5 "	2.5	2.6	.....
—Johnstown	+24.3 "	+24.1 "	+ 9.5 "	+ 4.5 "	3.0	2.6	.....
—Lancaster	+11.7 "	+18.1 "	+ 6.3 "	+ 7.3 "	2.2	1.9	16.4 "
—Reading	+18.9 "	+19.1 "	+ 9.4 "	+ 7.1 "	2.0	1.8	9.4 "
—Scranton	+14.1 "	+14.0 "	+12.7 "	+22.1 "	2.8	2.7	.....
—Trenton	+ 7.1 "	+10.7 "	+ .8 "	+ 8.5 "	2.5	2.3	.....
—Wilkes-Barre	+18.8 "	+11.8 "	+11.2 "	+14.2 "	2.5	2.6	.....
—Williamsport	+ .5 "	+ 1.9 "	+ 8.9 "	+16.5 "	2.1	2.3	.....
—Wilmington	+ 8.8 "	+14.4 "	+ 6.8 "	+ 5.9 "	1.5	1.3	4.2 "
—York	+16.9 "	+17.6 "	+ 1.8 "	+15.5 "	2.2	1.9	.....
—All other cities.....	+ 9.4 "	+ 8.1 "	+10.2 "	+ 3.6 "	1.6	1.6	12.1 "
All department stores	+12.6 "	+13.7 "	+ 8.8 "	+ 7.8 "	2.9	2.8	11.7 "
Department stores in Phila.....	+13.7 "	+14.6 "	+ 8.6 "	+ 6.0 "	3.5	3.5	12.2 "
Dept. stores outside Phila....	+11.2 "	+12.6 "	+ 9.1 "	+10.3 "	2.3	2.2	10.7 "
All apparel stores	+10.1 "	+10.7 "	+ 2.5 "	+14.2 "	3.1	3.0	6.4 "
Men's apparel stores							
—in Philadelphia.....	+15.3 "	+14.9 "	+16.5 "	— 2.2 "	2.7	2.7	.....
—outside Philadelphia	+15.3 "	+17.0 "	+ 3.8 "	+10.7 "	1.7	1.6	12.2 "
Women's apparel stores							
—in Philadelphia.....	+15.0 "	+13.9 "	— 6.6 "	+20.6 "	6.2	4.9	6.5 "
—outside Philadelphia	— 9.5 "	+ .1 "	+12.0 "	+18.3 "	3.0	3.2	7.5 "
Credit houses	+37.1 "	+31.8 "	+29.6 "	+ 6.7 "	2.3	1.9	3.0 "

*Times per year based on cumulative period.

WHOLESALE TRADE

In spite of the fact that sales in wholesale hardware, groceries, dry goods, and drugs, as figured in dollars, were smaller in February than in January, sales in all five reporting wholesale lines, showed a remarkable increase as compared with those of February, 1922. In fact, the gains range from 9.9 to 36.7 per cent. The decline in February was due rather to the shortness of the month than to any falling off in the volume of business, and March trade has been generally good.

It is customary in most wholesale lines for the ratio of accounts outstanding to sales to increase in February, but wholesale collections in all lines except drugs and groceries are more prompt than they were a year ago. In fact, drugs is the only line in which collections are slower.

Aided for the time being by rising values of raw materials, the demand for wholesale drygoods has been so well maintained that sales in February,

Drygoods though it was a short month, were only 3.4 per cent smaller than those of January. In comparison with the figures for February of last year, when orders were slack, this year's sales show a gain of 24.6 per cent. The demand at the moment may be described as being from fair to good. Since only about half of our reporting firms are offering fall merchandise, a large part of the orders being booked by wholesalers are for spot delivery. Although in a few cases more than 50 per cent of the orders on the books are for shipment further ahead than May, the majority of wholesalers have taken but little business beyond that date.

Our reports concerning inventories are conflicting. Half of them indicate that wholesalers are making slight additions to their stock, as is their custom; but others report no increases.

During the past month, prices quoted by wholesalers were raised 10 per cent on some articles in order to take care of higher costs. However, since some merchandise has not been advanced at all, the average increase was not more than 3 or 5 per cent.

Collections are fair. The February ratio of accounts

outstanding to sales, of 228.5 per cent, was higher than the ratio of 212.4 per cent for January; but in March it may be expected to decline again.

The February sales of drugs at wholesale were decidedly smaller than those in January, for the latter were increased by the influx of orders after retailers had taken inventory; but they were 9.9 per cent heavier than the sales of February, 1922. In March, which is considered the best winter month in the wholesale drug business, the demand is reported to have been fair. Orders were larger in volume and included a greater variety of items. However, our reports regarding March orders are not uniform, some firms having experienced an increase over the business booked in February, whereas others reported a decrease. Since the first of the year, the trade in some items has been stimulated by the sickness that has been prevalent, but business was lost in both January and February by delays in freight shipments.

Prices generally have continued firm, as is shown by the index of forty crude drugs compiled by the "Oil, Paint and Drug Reporter." For the week ending March 19, this index was 152.3, as compared with 150.1 the month before. Supplies of many items are low, and quotations on importations are strengthened by the high rate of sterling exchange. Since the Government surplus of phenol was disposed of, its shortage has been increasing, and the price has risen from about 12 cents to 45 cents a pound.

Collections are fairly good, but the ratio of accounts outstanding to sales was 146.9 for February, as compared with 136.3 for January. February collections were also slower than those of a year ago.

Total sales of hardware at wholesale in this district during February were considerably in excess of those of February, 1922 and 1921, but were slightly less than in January of this year.

Hardware This decline is, of course, largely attributable to the smaller number of business days in February. The thirty-five firms reporting to this bank showed a decrease of 5 per cent in net sales, and our index of hardware sales fell from 92 in January to 89

Condition of wholesale trade during February, 1923

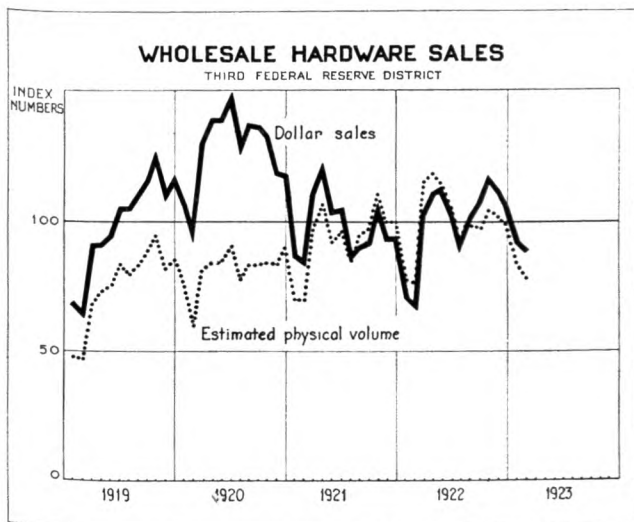
	Number of reporting firms	Percentage of increase or decrease in—				Ratio of accounts outstanding to sales		
		Net sales Feb., 1923, compared with—		Accounts outstanding Feb., 1923, compared with—				
		Jan., 1923	Feb., 1922	Jan., 1923	Feb., 1922	Feb., 1923	Jan., 1923	Feb., 1922
Boots and shoes.....	13	+3.9%	+36.7%	+4.4%	+17.5%	317.7%	291.4%	408.1%
Drugs	15	-7.9 "	+ 9.9 "	+3.5 "	+22.8 "	146.9 "	136.3 "	136.3 "
Dry goods	21	-3.4 "	+24.6 "	+3.9 "	+ 5.5 "	228.5 "	212.4 "	272.2 "
Groceries	64	-1.8 "	+17.1 "	-1.2 "	+18.9 "	116.7 "	114.4 "	116.2 "
Hardware	35	-5.0 "	+28.1 "	+1.7 "	+24.2 "	198.2 "	183.1 "	202.3 "

in February. That this falling off is usual at this season is evident from the accompanying table, which gives index numbers of hardware sales in January and February of each of the past five years. In each year, February sales were somewhat smaller than those of January.

Index of hardware sales
(Monthly average 1922=100)

	Dollar sales		Estimated physical volume	
	January	February	January	February
1919.....	69	65	48	47
1920.....	107	93	75	60
1921.....	87	84	70	70
1922.....	71	68	77	76
1923.....	92	89	84	78

The accompanying chart also shows the marked seasonal fluctuation in the wholesale hardware business. Upward trends are evident in the spring and fall, and declines in winter and mid-summer. The solid line on the chart shows the trend of the monthly volume of sales in dollars reported by the 22 firms whose figures comprise the index. The broken line indicates the estimated physical volume of these sales in each month, as compared with the monthly average for 1922. In other words, it shows what the dollar sales would have been each month if average 1922 prices had prevailed during the entire period. The Bureau of Labor Statistics' index number of wholesale metal products prices was used in arriving at this estimate. Although this index number does not represent wholesale hardware prices



Both dollar sales and estimated physical volume are expressed as index numbers, on the same basis: 1922 average—100. Evidently the decrease in dollar amounts of sales since 1920 has not been accompanied by a corresponding shrinkage in the actual amounts of goods sold.

Source—Federal Reserve Bank of Philadelphia.

perfectly, it is a fair indicator of their general movement. Hence, the broken line shows approximately the variation in the actual volume of goods sold. It is significant that, although dollar sales were much larger in 1919 and 1920 than in the succeeding two years, the difference between the physical volume of sales in 1919 and 1920 and in 1921 and 1922 was much smaller. The above table, showing the index of sales in January and February, figured in dollars, also gives an index number of the estimated physical volume of sales in the same months.

Reports received during the first two weeks of March indicate a marked recovery from the low level of sales in February. That a decided upward movement usually occurs in this month is evident from the accompanying chart. Although it is too early, as yet, to estimate the total volume of March business, it is probable that it will equal or exceed that of 1922 and 1921. Builders' hardware is in exceptionally good demand this spring, and agricultural supplies such as tools and wire netting are also selling in large quantities.

Collections, however, have not been entirely satisfactory. The volume of accounts outstanding was larger in February than in January, in spite of the decline in net sales.

Wholesale shoe dealers report that a fair volume of business has been booked for April shipment, but that because of the lull usual after Easter they expect billings to be lighter in that month than in March. If shoes now on order and due from New England factories arrive in time to be re-shipped by wholesalers during March, that month will show an unusually large increase as compared with March, 1922. But traffic conditions in New England are still very poor, and great difficulty is experienced in getting shipments through.

Some dealers report that collections are slower than they have been for some months, but others state that they are fair or good. During February, sales by the reporting firms in this district increased 3.9 per cent as compared with January, and 36.7 per cent as compared with February, 1922. The ratio of accounts outstanding increased from 291.4 per cent in January to 317.7 per cent in February, and is to be compared with 408.1 per cent, the figure for February, 1922.

Although wholesale grocery sales for February were 1.8 per cent smaller than those of the previous month,

they were 17.1 larger than the sales of February, 1922. Using the average of 1922 as a base, the index number of

wholesale grocery sales for February was 107 as compared with 110 for January. In March, the demand for spot delivery ranged from fair to good. A few wholesalers reported the demand to be somewhat poor, but the remainder of the returns were almost equally divided between "fair" and "good." In the past, March sales have averaged much heavier than those of Febru-

ary. Some firms are not yet offering 1923 pack vegetables for fall delivery, but the majority of those that are taking orders reported the fall business to be fairly satisfactory. In some cases, however, it has failed to reach the volume anticipated, largely on account of local conditions.

The spot demand has been well distributed over a general line of merchandise. But it is of interest to note that the demand for canned fish, which ordinarily is heavy during Lent, has been lighter than usual. The goods in greatest request have been canned goods,—such as peas, tomatoes, asparagus tips, corn, and fruits,—sugar, dried fruits, dry beans, coffee, milk, and Lenten articles. The first items listed were the most active. Flour has been selling slowly.

As is usual at this time of year wholesale grocery stocks are decreasing, and stocks that were heavy at the first of the year may now be described as moderate. In many cases, however, supplies on hand have diminished but little, and others have not decreased at all.

On the whole, prices have been tending upward, but California dried and canned fruits, prunes, raisins, eggs, butter, and cheese declined. The most conspicuous advances during the past month were on sugar, soaps, coffee, salt, and peanut butter.

The increase of the ratio of accounts outstanding to sales, from 114.4 per cent for January to 116.7 per cent for February, was to have been expected, but according to past experience the ratio should decline in March. Nevertheless, there are many complaints that collections are lagging and failing to improve.

SUGAR

Despite only moderate buying by both refiners and operators, raw sugar prices have held very firm during the month. On March first refiners bought considerable quantities of Cuban sugar at $5\frac{3}{8}$ and $5\frac{1}{2}$ cents, c & f, equivalent to 7.16 and 7.28 cents per pound, duty paid. Before the close of the day, however, the price advanced to $5\frac{5}{8}$ cents, c & f, equivalent to 7.41 cents, duty paid. Slight reactions occurred in the days following, and price dropped to $5\frac{1}{4}$ or $5\frac{1}{2}$ cents, c & f. However, they remained at this level for only a few days, when a recovery set in and Cuban sugars for March shipment returned to the $5\frac{5}{8}$ cents, c & f, level. A few sales were even made at $5\frac{21}{32}$ cents, c & f. Sales of Porto Rican sugar were made at prices ranging from 7.15 to 7.41 cents per pound, delivered. On March 21 the price of Cuban raw sugar fell to $5\frac{7}{16}$ cents, c & f, for both March and April shipment, but refiners showed no disposition to buy except at $5\frac{3}{8}$ cents, c & f.

United Kingdom and French refiners have purchased fair quantities of Cuban sugars during the month, and

British refiners have been more active in the market than in any previous month of this year. The United Kingdom refiners are reported to have paid the equivalent of 5.40 cents, and the French refiners 5.50 cents, per pound, f. o. b. Cuba. Canadian refiners purchased some Santo Dominican sugar at 5.78 cents, c. i. f. St. John.

Two Cuban centrales have already closed for the season. They are the Central Los Canos in Oriente Province and the Central Union at Matanzas. The grinding period at Central Los Canos lasted only thirty-eight days, and the output of Central Union was only 69,000 bags, as contrasted with an estimated production of 90,000 bags. Five other centrales, however, started operations, two of which were not expected to open this year. The weather in Cuba has been generally favorable for grinding and good rains have fallen in many sections, benefiting the late cane. In Camaguey Province, the crop is reported to be exceptionally good, but in Oriente Province the yield is rather disappointing.

The total receipts of sugar at Cuban ports thus far this year are very much larger than they were for the corresponding periods of 1922 and 1921, but slightly smaller than in 1919-1920, when the crop produced was 3,730,077 tons. The following table, based on figures compiled by the "American Sugar Bulletin," shows the receipts of new crop sugar at Cuban ports, the amounts exported, and the balance of the supply, on March 10, 1923, and on March 31, 1922 and 1921.

Cuban sugar statistics

Figures to March 10, 1923 (Estimated)	NEW CROP (In tons—2240 lbs.)		
	1922-23 to March 10	1921-22 to March 31	1920-21 to March 31
Receipts total	1,552,529	1,049,022	1,149,554
Balance of crop	2,647,471	2,947,365	2,786,486
PRODUCTION, total crop.....	4,200,000	3,996,387	3,936,040
Stock, this date	497,944	595,966	612,551
Consumption, to date	10,000	30,000	30,000
Exports to date	1,044,585	433,056	517,003
Balance supply, including all sugars	3,145,415	3,875,886	3,463,552
Centrales grinding (March 17)...	179	177	191

Exports from Cuba thus far this year to the United States are about 150,000 tons less than they were during the same period of 1922. And data compiled by the "American Sugar Bulletin" show that Cuban exports to France, Great Britain, Canada, and the Far East are also smaller than they were in the first two and a half months of 1922.

Cuban exports
(Estimated)

Destination	January 1 to March 10, 1923	January 1 to March 11, 1922
*Atlantic ports	734,163 tons	869,032 tons
New Orleans	99,050 "	103,656 "
Total United States	885,031 "	1,032,166 "
United Kingdom	54,200 "	142,085 "
France	21,121 "	40,153 "
Other European countries	22,799 "	17,485 "
Canada	20,527 "	25,410 "
Far East	None	45,781 "
Total, including old crop	1,003,678 "	1,303,080 "
Amount, old crop	None	874,817 "

* Boston, New York, Philadelphia and Baltimore.

The demand for refined sugar has not been heavy, and indeed, at times during the month, has been very light. Advances of fifteen points in refiners' prices caused a flurry of buying at the time of the advance, but this soon subsided and on the whole purchasing has been moderate. The large purchasers—bakers, confectioners, and grocers—are buying sparingly and from hand to mouth only. The housewife, too, is apparently heeding the advice of refiners not to hoard sugar, and the tendency in this direction, which had been noted, has now halted.

The export demand for refined sugar, which last year was very heavy, has been extremely light; in fact, the total exports so far this year are only 18 per cent of those for the same period of 1922. The relatively high prices that have prevailed since the beginning of February apparently have already curtailed both domestic and foreign consumption.

Atlantic port refiners, with the exception of two New York refiners, quoted 9.15 cents per pound for fine granulated at the beginning of the month. Later the nominal quotations advanced to 9.30 cents at all refineries except these two, which quoted 8.90 cents and

***Atlantic port statistics**
(Estimated)

In tons—2240 lbs.	January 1 to March 16, 1923	January 1 to March 17, 1922
Stocks (initial)	36,449	34,276
Receipts, raw (total)	771,242	934,925
Supply (total)	807,791	969,201
Meltings (total)	636,500	757,000
To trade	5,747	11,349
Requirements	642,247	768,349
Stocks (final)	165,444	200,852
Stocks (refiners)	156,520	173,308
Stocks (importers)	8,924	27,544
Exports	33,000	178,000

* Boston, New York, Philadelphia, Baltimore.

9.00 cents respectively. On March 22 all refiners established their price at 9.00 cents per pound, with the exception of the two mentioned above, who quoted 8.90 and 8.75 cents respectively.

The Atlantic port statistics, compiled by the "American Sugar Bulletin," show that meltings for the first two and a half months of this year are over 100,000 tons less than for the same period of 1922. Refiners' stocks, too, are smaller than at this time last year.

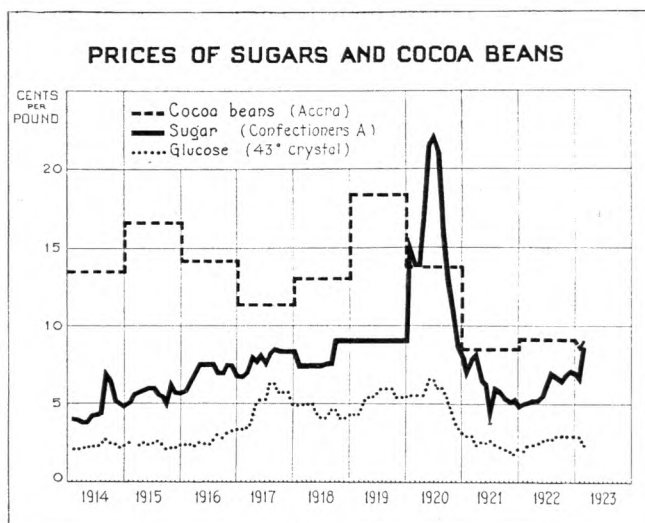
CONFECTIONERY

The demand for Easter specialties has been excellent, and the staple lines of candy and confections are in good request. Manufacturers report that sales are greater than they were during January and February and considerably larger than in March, 1922. Some state that so far this year their sales run from 25 to 30 per cent above those of the same period last year. Makers of hard candies report that the demand is excellent and that the orders received for their greatest Easter specialty, jelly beans, are larger than ever before. Manufacturers of chocolates, marshmallows, chocolate-coated and soft candies state that the demand is good and far greater than it was in the early months of 1922. This is partly accounted for by the fact that retailers had only small stocks left over from the Christmas holidays this year, whereas in 1922 their stocks were heavy. Producers of bar chocolate, marshmallow whip, cocoa, and chocolate coating report a heavy demand from the grocery and baking trades. All but about 10 per cent of the orders on the books of manufacturers are for immediate delivery, and the uncertainty of prices of raw materials is such that many manufacturers are accepting no orders for future delivery. The average of factory operations, in this district, is about 85 per cent of capacity.

Prices of candies and sweet chocolates are from 4 to 8 per cent higher than on January 1. Sugar is about 30 per cent higher, and glucose has advanced. Cocoa beans, nut meats, milk and other raw materials have not increased in price, and a few items used in candy manufacture have declined slightly. But candy boxes are from 10 to 15 per cent higher than on January 1. The chart on page 14 shows the monthly prices of cocoa, glucose, and sugar since 1914.

Stocks of finished goods at most of the factories are moderate and are decreasing. Because of the uncertainty of prices, the majority of manufacturers are carrying only light stocks of sugar and glucose; but their supplies of other materials are fairly heavy.

Several candy makers, chiefly in Philadelphia, report that skilled workers are scarce, and some are having difficulty in getting unskilled help. Girl workers, even apprentices, are especially scarce. A few manufacturers have recently increased wages about 5 per cent, but the majority have made no changes.



The quotations shown are those on the closing days of each month except for cocoa beans, which are quoted at the average annual price. Cocoa beans are cheaper than they were before the war, and glucose is only slightly higher than in 1914.

The period of steady sugar prices in 1918 and 1919 was due to control of the industry by the Sugar Equalization Board.

Sources—Frank G. Alden, Inc., "Dun's Review," "Sugar" and "N. Y. Commercial."

Delays in freight shipments are still a matter of concern to manufacturers, and several complain that slow freight deliveries have caused them some losses of orders. Though New England is the chief center of congestion and delay, shipments to the South and West are still moving slowly.

Collections vary from poor to good.

IRON AND STEEL

So heavy has been the demand for certain classes of iron and steel products that mills in many cases have been forced to refuse further business. This is especially true of bars, plates, and shapes. It is impossible to obtain quick delivery on these products, and in some instances order books are filled for the second quarter. The pig iron market has taken on considerable strength, and inquiries have been received even from England, although but recently we were importing pig iron from that country. Manufacturers of iron and steel castings have had large orders from automobile and locomotive works and from various other mills and factories. Railroads and mines are taking iron bars in large lots, and the scrap market is exceedingly active, with supplies becoming scarce. Sheets also are moving well, and manufacturers of machinery and machine tools have been busy on orders from paper mills, mines, and general industrial plants. In fact, there is no branch of the iron and steel industry that is not busy. This condition is reflected in the unfilled orders of the United States Steel Corporation, which on February 28 amounted to 7,283,989 tons, or 373,213 more than on January 31. This is the largest tonnage of unfilled

orders on the books of the corporation since January, 1921, at which time it was 7,573,614.

To meet the heavy demand, operations have been increased as much as the available labor supply will permit, and the average percentage of operations is over 80. That output has been at a high level is shown by production figures for pig iron and steel ingots. During February, pig iron production was at a daily rate of 106,935 tons, the highest on record for that month, and the largest for any month since March, 1920, at which time the daily rate was 108,900 tons. On March 1 there were 278 furnaces in blast, as against 262 on February 1, and preparations are being made to blow in additional furnaces, some of which have not been operated in over two years. Steel ingot production during February, by the thirty companies which in 1921 made 87.50 per cent of the total for the country, was 2,919,017 tons, the largest total for February since ingot statistics became available six years ago. Although this is less than the January output of 3,251,694 tons, the daily average was 121,625 tons, as against 120,433 tons in January.

The shortage of both skilled and unskilled labor is becoming more acute, and in only a few cases is the supply adequate. As a rule, labor is more plentiful in the smaller towns, but this depends largely upon local conditions. Numerous manufacturers during the month have granted wage increases of from 5 per cent upward. Transportation conditions vary with location, but many complaints are made of embargoes to New England, shortage of cars, and slow movement of freight.

Under the conditions enumerated above, prices have of course been strong, and many products have advanced. Philadelphia 2X iron is quoted at \$33, an increase of \$4 from last month, and numerous semi-finished and some finished steel products are higher. Iron bars cannot be obtained at less than 2.725 cents; this compares with 2.475 cents on February 13. The "Iron Age" composite price for finished steel on March 20 was 2.710 cents a pound, as against 2.631 cents on February 20. The same journal's composite price of pig iron advanced from \$27.38 to \$30.86 during the same period.

Collections as a rule are unchanged, but certain manufacturers consider them more prompt than they were last month.

REAL ESTATE AND BUILDING

Operative builders report more activity this spring than last year in the construction of houses, those selling from \$5,000 to \$7,500 being in the greatest demand. The majority of the present operations are being undertaken for sale. Prospective home owners themselves are building but little, and practically no houses are being constructed for renting purposes. There is a great demand for houses renting for less than \$50, and a considerable scarcity has developed in residences

of this type. Houses that rent up to \$80 are also in good request, and there is some demand for apartments. The majority of new buildings are residences, especially two-story houses. Although some apartments are being built, they are in the minority. Business and industrial construction is somewhat greater than it was last year, and new buildings are being rented without difficulty. The estimated value of permits issued during February in fourteen cities of the Third Federal Reserve District was slightly higher than it was in January, in spite of the shorter month, and as shown in the table below, it exceeded the value of permits issued in February, 1922, by \$1,602,074.

Construction costs are estimated at from 15 to 25 per cent above those of last spring, and prompt deliveries of many kinds of building materials are hard to obtain. The trend of prices is upward on practically all classes of materials used, and some builders fear that the rising costs will curtail operations and purchases. In fact, in some instances construction has been postponed because of higher costs. In many cases builders find it difficult to obtain contracts for supplies for future delivery, as dealers are uncertain about future costs and are reluctant to make commitments.

No difficulty in general is found in placing first mortgages, and trust companies are willing to lend from 50 to 60 per cent of the value set by their own appraisers. Six per cent is the ruling interest rate. Several reports have been made, however, of a scarcity of funds with building and loan associations, and second mortgages in many instances are difficult to obtain.

Builders and contractors have continued to place heavy orders for building bricks, especially in the

vicinity of Philadelphia. As a result, most manufacturers have orders on their books that will keep their plants running at capacity for several months. In some instances orders have been placed for delivery beginning next fall, but many sales are also being made to cover immediate requirements. Reports are received of Philadelphia contractors inquiring in nearby cities for bricks, in the hope of obtaining earlier delivery.

During the past two months many plants have been closed, either for repairs or because of the weather, but the majority of these have now resumed operations. In practically all cases operations are at capacity, but except in a few instances stocks are still light because of the heavy sales. Although lack of labor has not affected production materially, shortages here and there have developed, and a few wage increases have been granted. Prices are very firm at \$22 in Philadelphia and at slightly lower figures in other cities of the district.

Some reports state that collections are slower, but they still average from fair to good.

The demand for all grades of lumber has continued at such a high rate that some dealers are unable to meet it. Although numerous orders for future delivery have been placed, the majority of sales are for immediate and rush shipment. Not only are retailers and contractors buying heavily, but increasing industrial activity has brought a strong demand for the low-grade woods for crating and general factory purposes. The steadily advancing prices have apparently had little or no effect on the demand, and buyers are anxious to fill their needs at prevailing quotations.

Building permits issued and their estimated cost—February, 1923
Third Federal Reserve District

	1923			1922			January to February, inclusive			
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	1923		1922	
							Permits	Estimated cost	Permits	Estimated cost
Allentown	34	36	\$91,500	34	.....	\$151,100	53	\$199,225	54	\$218,000
Altoona	32	32	27,685	63	.....	80,737	93	168,985	94	117,099
Atlantic City	218	218*	718,900	224	.....	439,262	391	1,863,464	460	1,342,089
Camden	44	54	106,663	48	.....	294,855	95	658,461	120	633,865
Harrisburg	29	37	74,825	33	.....	165,450	66	226,750	52	598,075
Lancaster	25	25	122,900	32	.....	80,800	53	361,525	55	155,500
Philadelphia	768	1,295	6,799,960	1,242	.....	5,381,435	1,515	13,304,060	2,218	9,792,755
Reading	120	122	209,605	148	.....	221,551	248	555,530	233	363,201
Scranton	40	40	120,255	37	.....	116,430	80	308,210	53	177,355
Trenton	59	106	723,349	45	.....	67,920	108	807,532	95	163,780
Wilkes-Barre	37	37*	115,712	66	.....	247,898	79	216,645	96	341,760
Williamsport	24	24	25,580	33	.....	47,550	37	44,685	43	60,760
Wilmington	57	91	545,748	47	.....	951,770	123	695,034	87	1,150,387
York	86	86	194,730	29	.....	28,580	118	234,450	44	39,235
Total for February	1,573	2,203	\$9,877,412	2,081	.....	\$8,275,338	3,059	\$19,644,556	3,704	\$15,153,861

* Do not report operations.

Mills continue to operate at capacity in the majority of cases, but weather conditions have tended to curtail production somewhat. Stocks vary considerably. In most instances mills and wholesalers have very light supplies, and some grades are almost unobtainable. Retailers in general have laid in rather heavy stocks in preparation for the spring demand, but in certain cases they have made such heavy sales that stocks are light.

Steadily mounting prices for nearly all grades of lumber have caused some dealers to fear that the market was entering a run-a-way stage, and strenuous efforts have been made to hold quotations in check. Certain grades are considerably out of line, some rather low-grade woods bringing nearly as high prices as those of better quality.

Transportation conditions show little improvement since last month. Indeed because of recent storms it has been even more difficult than before to ship to New England and northern New York. Incoming freight from Canadian points is tied up because of the difficulty of obtaining cars in Canada to move across the border.

There is no serious labor shortage in lumber mills in this district, and in most instances wages are unchanged. But a survey of wages by the Southern Pine Association shows that on January 1, 1923, average wages were 4.9 per cent above those of last January, and that the wages of common labor were 6.4 per cent higher.

Several reports have been made of slower collections during the past month, but collections are said to be better than they were a year ago, and in general are from fair to good.

Window glass has been in good request during the past month, and owing to unusual circumstances the demand for plate glass has been exceptional.

Glass The growing popularity of closed automobiles has brought the automobile trade into the market for large amounts during the past year, and it is expected that during 1923 it will take about one-half of the entire output. Certain automobile manufacturers have purchased plate glass factories, and this action has taken a considerable amount of glass from the general market. This, together with the heavy demand from builders and furniture manufacturers, has brought about a shortage. As a result, prices have soared, and at present there are really no market quotations. Large importations of Belgian glass have been made, but they have not been sufficient to satisfy the demand. Common window glass, on the other hand, has remained uncharged in price since last fall, and supplies are sufficient to meet present requirements. Sales of window glass, as a rule, come at a time when building operations are nearing completion, and although the present season is normally a slack one, this year, owing to the continued building, they are heavier than usual.

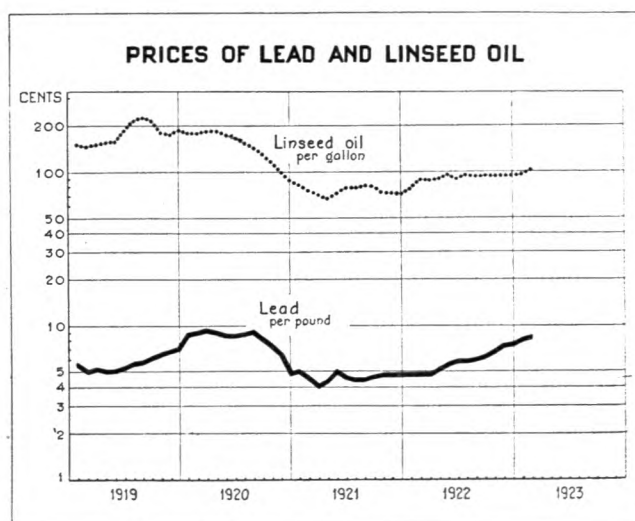
In general, operations are at capacity, but stocks are light and are decreasing. The labor supply is adequate

in this district, but there is some shortage in certain plants in the Pittsburgh region, where glass factories compete in the labor market with steel mills. Embargoes to northern points have caused difficulties as they have in other industries, but otherwise transportation is adequate. Collections are good.

Paint manufacturers report a steady increase in demand. In several instances sales during January and

Paint February were the largest for those months in several years, and orders have continued to come in during March. After the increase in prices that took place in ready-mixed paints in January and February, dealers were given an opportunity to place one order at the former prices, and since that time many additional orders have been placed at the new quotations. Not only are retailers stocking up for the spring trade, but industrial users are continuing to buy heavily. Stocks of raw materials vary from normal to heavy, and all raw materials except linseed oil and lead are easy to obtain. Linseed oil is being shipped to the western states, which is an unusual procedure, and this is one reason for its scarcity here and for the advancing prices. The supply of pig lead is inadequate to meet the demand, and prices of this product are also mounting. The ratio chart printed below shows quotations on linseed oil and pig lead since 1919. It will be noted that lead is now nearly twice as high as it was at this time last year, and is nearly up to the peak reached in 1920. Linseed oil, though still considerably below the high quotations of 1919, has been steadily rising since January, 1922.

The majority of the plants in this district are operating at capacity, and some factories making white-lead are running night and day. The labor supply is in general adequate, and no wage increases are reported. Some difficulty has been caused by the embargoes to



The upward movement in the prices of linseed oil and lead reflects the increased activity of paint manufacturers. Sources—"Dun's Review" and "Iron Age."

New England, and in certain instances orders in that district have been cancelled because of the impossibility of making delivery.

Collections are improving, both over those of last month and over those of a year ago, and may be classed as good.

Gas and electric fixtures have been in good demand during the past month, and although the majority of orders have been for immediate requirements, some sales have been made for delivery in the spring. Considerable improvement in demand is noticed as compared with the same period last year, and manufacturers are optimistic regarding the coming season. Stocks of raw materials are about normal, and no difficulty is encountered in obtaining them. Quotations on these, however, are rising steadily, especially on copper and copper products. Finished stocks in general are normal, and an attempt is being made to increase them for spring business. Hence, operations are at as high a percentage of capacity as the labor supply will permit, and they average approximately 80 per cent.

Prices have not changed during recent weeks, in spite of the rising cost of raw materials. The general trend, however, is upward. The transportation situation has presented no great difficulty, although a few customers complain of slow deliveries. Collections are rather slow and during recent months have not changed.

COAL

No slackening has been noticed in the demand for prepared sizes of anthracite during the past month, but it is said that retailers are ordering for shorter periods, as sales to domestic users from now on will depend to a great extent upon the weather. Steam sizes too have been moving well, although lower prices for competing bituminous coal and slightly less difficulty in obtaining domestic sizes of anthracite for household use have reduced sales somewhat. Only in a few cases, however, have operators commenced to store steam sizes, and in general those sizes have been moved as rapidly as they came from the mines.

Production has been maintained at about 2,000,000 tons a week, except in the week ending February 24, when, because of Washington's Birthday, output fell to 1,828,000 tons. Estimated production for the past four weeks, together with output for the corresponding weeks of 1922, is shown below.

1923		1922	
Feb. 17...	1,828,000 net tons	Feb. 16...	1,703,000 net tons
Feb. 24...	1,838,000 " "	Feb. 23...	1,701,000 " "
March 3...	2,104,000 " "	March 2...	1,913,000 " "
March 10...	2,048,000 " "	March 9...	1,982,000 " "

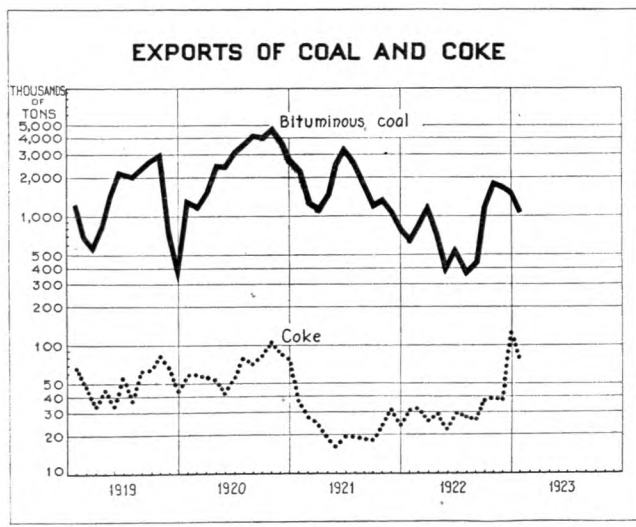
The majority of mines are operating at capacity, and as usual lack of cars has had practically no effect upon

production. Scarcity of labor in some parts of the Schuylkill region and a few local strikes have curtailed output there to some extent, but the effect of these two factors has not been great, as is shown by the production figures.

Prices for prepared sizes have been unchanged since last month, and although in general the same is true of steam sizes, one or two independents have reduced quotations somewhat on rice and barley.

The bituminous market has continued to decrease in activity during the past month, and buyers are taking only immediate requirements. Although some contracts are being made, purchasers as a rule prefer to wait until after April 1, at which time they expect conditions to be more stabilized. Industries in general are the most active buyers, and those located in New England especially are in the market. Embargoes that are in operation in that section, however, prevent deliveries, and this has of course tended to lessen sales. Recently many inquiries have been received from France and other European countries regarding coal for export, and some shipments have been made. But these sales have not been large in this district. The accompanying ratio chart shows the monthly exports of bituminous coal and coke since 1919. It will be noted that exports of coal have increased steadily since August of last year, and a continued improvement is expected, owing to the situation in the Ruhr.

Mines in this district continue to operate at only a fraction of capacity, varying from 15 to 60 per cent. As has been the case during recent months, the cause of curtailed production is lack of transportation. In spite of this difficulty, output for the country as a whole averages between ten and eleven million tons weekly.



Although exports of coal and coke declined during January, recent reports indicate a considerable increase, especially in shipments to France.
Source—Department of Commerce

Production for the past four weeks, as estimated by the United States Geological Survey, was as follows:

February 17	10,431,000	net tons
February 24	10,324,000	" "
March 3	10,946,000	" "
March 10	10,609,000	" "

There is a sufficient supply of miners for the present rate of operations, but in some instances it is reported that if demand and car supply were sufficient to permit maximum operations, there would be a shortage. Because of the light demand, spot prices have continued to soften and they now average from 50 cents to \$1 below those of a month ago. Pool 10 coal on March 12 was quoted at \$3.20, as compared with \$3.70 on February 19. Low-grade steam coals have been especially weak. Declining prices have caused certain mines to stop operations, but total production has not been affected perceptibly.

Coke sales have held up during the past month, and although sales for household purposes are now practically nil, the activity of the iron and steel industry has been responsible for substantial orders. Several inquiries for furnace coke have been received from France, and because of the situation in the Ruhr, dealers are looking forward to considerable export business. The chart on page 17 shows exports of coke since 1919. Especially noticeable is the increase since last August. Although not a little coke has been imported into this country since that month, the greater part of it was ordered before the end of the bituminous miners' strike.

Estimates of the production of beehive coke for the last four weeks for which figures are available are given below.

February 17	378,000	net tons
February 24	371,000	" "
March 3	402,000	" "
March 10	366,000	" "

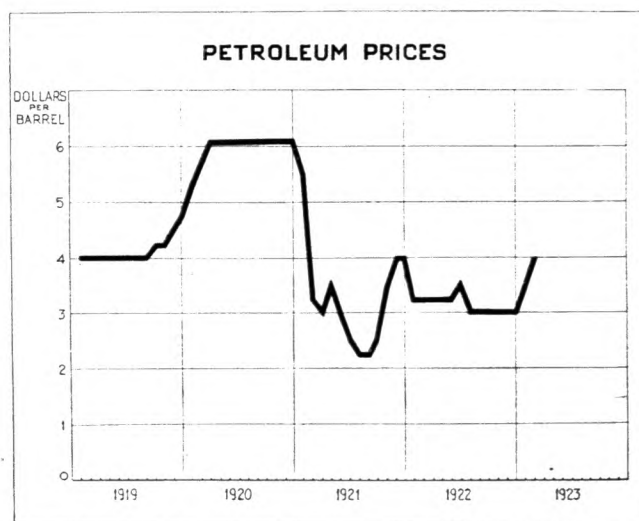
Prices were steady from the middle of February until the second week in March, at which time furnace coke advanced from \$7 to \$7.50, partly because of the foreign inquiries. Foundry coke is quoted at \$8.50, Connellsville, and is firm at that price.

PETROLEUM

The demand for kerosene and gasoline changed but little during the past month, showing a slight tendency, perhaps, to increase. Sales of fuel oil, however, have been affected by lower prices for bituminous coal, and as compared with those of January, have fallen off considerably. Industrial users have taken large quantities of lubricating oils and sales of these are about double what they were a year ago. In fact, the demand for all refined products, except wax, showed a large increase over that of last year.

Production of crude oil in the country as a whole has been at a high rate. The American Petroleum Institute estimates daily average production at 1,795,400 barrels for the week ending March 3, as compared with 1,784,700 for the previous week, and 1,420,050 for the week ending March 4, 1922. Practically all of this increased production, however, has been in the California district. Output in the Appalachian field is about 10 per cent above that of a year ago and is varying but little from month to month. It is estimated that producers' stocks of Appalachian crude oil are about 25 per cent above those of last year, but taking into consideration the increased consumption, the stocks on hand in terms of days' supply, are about the same. Some California crude oil has been brought to this district by tankers, and although it is attractive in price, its yield in lubricating oil is low, and in some cases nil. Although the present rate of crude oil production is running ahead of consumption, the quality of the oil for refining purposes is lower than in past years, and stocks of refinable oil are really not so large as the figures would indicate. Because of this and of the recent comparatively heavy demand for this season, quotations have continued to advance. Pennsylvania crude is now quoted at \$4 a barrel, as against \$3.65 a month ago and \$3.00 in March, 1922, and mid-Continent and western crudes, with the exception of California, have also advanced. Quotations on refined products are also advancing, following the increase in crude petroleum.

The accompanying chart shows the price range of Pennsylvania crude oil since 1919. It will be noted that present quotations are the same as those maintained through the greater part of 1919, but are considerably below the high point of \$6.10 reached in 1920.



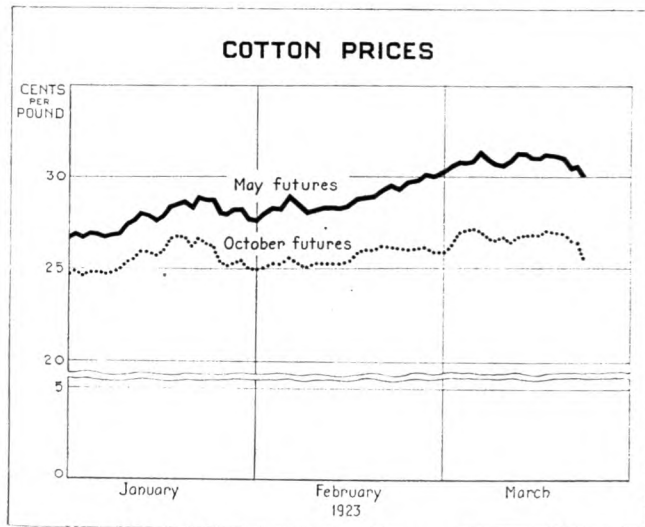
Quotations shown are for Pennsylvania crude oil. Especially noticeable is the rapid advance since the first of the year.

Source—"Dun's Review."

COTTON

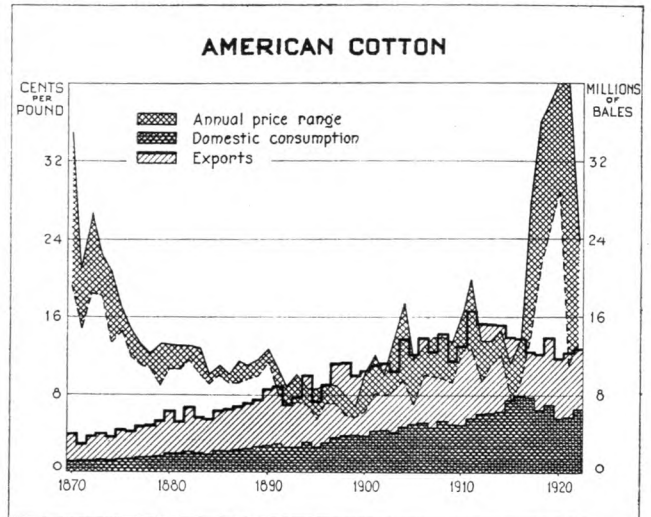
Of great significance to the cotton trade are the heavy domestic consumption and the rapidity with which stocks are decreasing. Not only was the February consumption the largest ever reported in that month, but the number of active spindles also reached a new high figure. In comparison with the figures for 1922, the increase in cotton consumed by mills in this country from this season's crop more than counterbalances the decrease in exports. The trend of domestic consumption during the last six years is shown by the chart of cotton, wool, and silk consumption on page 21. Although the supplies held by consuming establishments at the end of February were almost half a million bales larger than they were a year before, stocks in storage and at compresses were over 677,000 bales smaller.

The strong demand and the growing scarcity caused spot cotton to reach a new high price for this season, of 31.25 cents a pound. As illustrated by the chart below, quotations advanced much more rapidly on the old crop than on the new, so that the margin between May and October contracts grew from 2.03 cents on January 2 to 4.50 cents on March 2. From now on, prices, particularly those on this season's crop, will be more and more influenced by southern weather reports.



The spread between May (old crop) and October (new crop) options is now much wider than it was in January.
Source—"Journal of Commerce."

As shown by the following chart of the price and consumption of cotton for the last fifty-two years, the deliveries to American mills have steadily increased. Exports likewise gained at a fairly regular rate, until the peak was reached in 1911; but since that date, exports from this country have tended to decline. This decline was accelerated by the world war and the high prices. It will be noticed that in the four years preceding the war, exports were the largest on record.



Although the total consumption of American cotton reached its high point in 1911, domestic consumption continued to increase until 1916. Largely because of the decrease in exports, total consumption has decreased since 1911. From 1870 to 1899, the trend of prices was downward, but after 1900 it rose until it reached its highest point—43.75 cents a pound—in 1920.

Sources—Department of Commerce, "Journal of Commerce" and "Cotton Facts."

This chart is a complement to a similar one showing prices and production for a century, which was published last month.

The history of the 1922-1923 crop to date is shown by the following table:

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 March 23	9,945,562	8,581,832	8,514,821
Total	11,913,721	12,694,483	11,458,703
Visible supply, American, on March 23	2,470,438	3,728,100	4,537,554
World's takings of American cotton to March 23.....	9,443,283	8,966,383	6,921,149

* Compiled by New York Cotton Exchange.

Cotton goods, in general, have been more active during the period covered by this report than in the month preceding. Staple cotton goods, though somewhat duller than they were last month, are still in excellent demand, and orders are being booked for distant deliveries. For some merchandise, such as flannels, orders have been taken for shipment in September, but owing to their fear of cancellations, manufacturers generally are unwilling to accept orders for delivery later than July. Tapes and narrow fabrics have been selling actively, and the call for mohair plush and heavy draperies has been

good. Tapestries, however, have only been in moderate demand, and the volume of orders for towels has been small. Except in the case of towels and tapestries, orders have reached a much larger total than they had at this time last year.

The stimulation caused by the continued advance of raw cotton raised the price of cloths, especially of the heavy fabrics. As was to be expected, however, heavy cotton goods advanced less rapidly than raw cotton. As may be seen from the table below, the margin between the cost of the raw cotton and the price per pound of brown sheeting was decidedly reduced between January 3 and March 17.

Prices of cotton, raw and in cloth*					
	Jan. 2, 1914	Jan. 2, 1920	Jan. 3, 1923	Mar. 17, 1923	Mar. 23, 1923
Spot cotton	12.50c.	39.25c.	26.45c.	31.30c.	30.20c.
27" print cloth, 64 x 60, 7.60 yards					
Price per yard.....	3.75	14.50	8.25	8.25	8.75
Price per pound.....	26.25	101.50	57.75	62.70	61.25
Margin over spot cotton	13.75	62.25	31.30	31.40	31.05
36" brown sheeting, 56 x 60, 4 yards					
Price per yard.....	6.25	25.00	12.75	13.75	13.75
Price per pound.....	25.00	100.00	51.00	55.00	55.00
Margin over spot cotton per pound	12.50	60.75	24.55	23.70	24.80

* New York Journal of Commerce.

Stocks of finished goods are light, and supplies of raw cotton held by manufacturers are moderate.

Collections are very good, and a fair proportion of bills are being discounted when the invoices are received. Payments are much more prompt than they were a year ago.

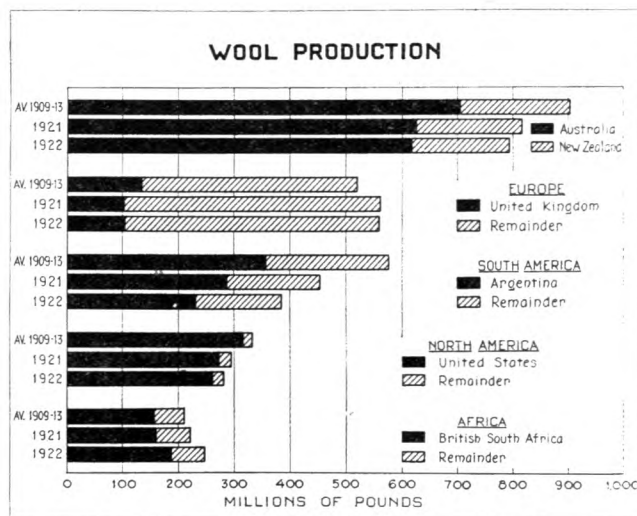
WOOL

The trend of prices rather than the state of the demand has been the chief interest in the wool trade during the month just past, for mills are well supplied and therefore the demand has remained quiet. At sales in London, Brisbane, and Melbourne during the early part of March, wool values showed a tendency to weaken; but when the Sydney sales opened later in the month, prices strengthened again. However, the uncertain situation in foreign markets did not shake the determination of our western growers to sell their clip at prices higher than the levels prevailing at Philadelphia and Boston. Firm in their belief that wool is in a strong statistical position, growers of Territory wool, in many instances,

Raw wool

have pegged their prices so high that dealers feel they cannot handle it at the figures asked, for manufacturers are offering strong resistance to further advances. As a result, the contracting done in the west has been small.

The chart printed below gives the relative importance of the commercially important sources of wool. In 1921 and 1922, production in Europe and in Africa was slightly greater than the pre-war average, but in Australia and South and North America it decreased decidedly on account of heavy killings.



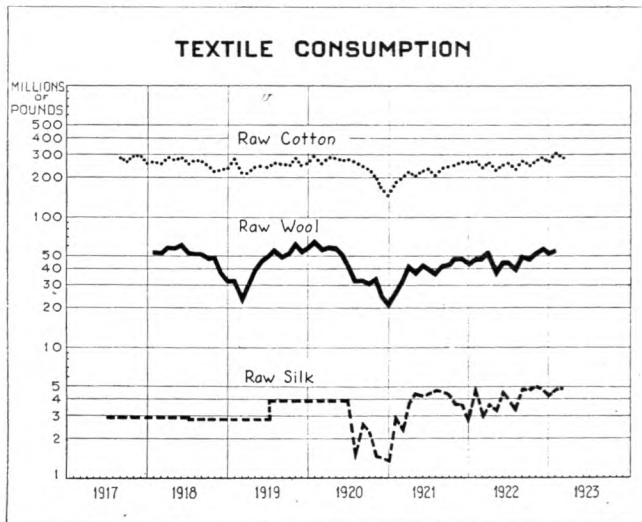
In comparison with the pre-war average, the wool clip of Europe and South Africa has increased. The heavy killing of sheep in Australia and in South and North America has greatly decreased the production in these sources. The total yield from these five sources, which furnish a large part of the world's supply, was 2,270,737,000 pounds in 1922, as compared with 2,354,735,000 pounds in 1921 and 2,545,565,000 pounds for the average of 1909-1913.

Source—Department of Commerce

The second chart shows that in common with silk and cotton, the quantity of wool entering into manufacture has increased at a fairly steady rate since the beginning of 1921. The 1922 consumption of the 616 mills that report their figures to the Department of Commerce totalled 654,126 pounds, and since several large establishments did not report, it has been estimated that the consumption of all American mills was over 800,000 pounds. By referring to the chart on wool production, it will be seen that last year this country used 2.5 times as much wool as it produced.

It is small wonder, then, that stocks of domestic wool in the hands of dealers were almost entirely exhausted before January 1. As a result of the lack of domestic wools, importations have been heavy and dealers' stocks are moderate.

Like other wools, carpet wools have been in less request because large mills have covered their requirements for the time being.



The consumption of raw cotton, wool, and silk shows the fluctuations in textile activity. Down to July, 1920, the silk line represents average imports for each fiscal year. After July, 1920, it represents deliveries to mills.

Sources—Department of Commerce and Silk Association of America.

The demand for worsted yarns is good, and that for woolen and merino yarns may be termed fair. However, the demand for worsted yarns has become more quiet than it was early in February, because mills manufacturing men's wear have already covered their initial requirements. But the demand from weavers has been so good during the past few months that some spinners have orders for as long as seven months ahead. From 50 to 100 per cent of the orders booked are for future delivery. Manufacturers of sweaters were also heavy buyers of yarns during much of the winter, but the demand from this source is now quiet. The hosiery trade likewise is buying comparatively little.

Although the general trend of yarn prices is still upward, quotations have changed but little during the month. It is reported that mill prices have tended to become more uniform, but it is also said that a few spinners whose production was not fully sold have offered slight concessions in order to attract business.

The orders on the books are sufficient to raise the average production to almost 100 per cent of capacity. The most serious difficulty at present is the inability to make freight shipments to inland points in New England. Our reports are equally divided as regards the scarcity of skilled labor. The supply of unskilled help is adequate. Many mills have increased the wages of skilled employees, the advances averaging 10 per cent.

Stocks of yarns continue to be light, but supplies of raw wool are moderately heavy and in the majority of plants are decreasing. Collections are good and are more prompt than they were either last month or at this time a year ago.

The excellent demand for spring fabrics for both men's wear and dress goods has kept mills busy in the attempt to ship these goods before Easter. So far this has been distinctly a worsted year, but the demand for fall lines, though fairly good, is not as strong as might have been hoped for after the remarkably good worsted business this spring. Some manufacturers of worsteds have noticed that the cheaper qualities are selling more readily than the finer. Like last season, pile fabrics are in vogue for coatings and cloakings, and the demand for them is very strong.

Chief among the difficulties at the present time is the growing scarcity of skilled men for weaving, and of women for mending. In many mills, a considerable number of looms are idle on account of the lack of help, and this difficulty does not seem likely to decrease, for looms must now be put on heavy weight goods. The percentages of operations reported to us average 91. The majority of mills have advanced the wages of skilled help, the average increase being 10 per cent, and many have raised wages of unskilled labor from 5 to 10 per cent.

Stocks of finished goods are only moderately light, but they are decreasing. In active periods like the present, the quantity of goods in process tends to increase. Supplies of raw materials are moderate, and mills seem to have only partially covered their requirements. These stocks are naturally decreasing. Prices tend to advance slightly, and in some cases quotations are higher than they were a month ago.

Collections are fairly good, and are more prompt than they were either last month or at this time in 1922.

SILK

The improvement felt in the silk industry in the past few months has continued during March. The demand is much better than it was a year ago, and may now be said to be from fair to good. Both canton crêpes and fancy printed fabrics, for which crêpe-de-chine and georgette are used as grounds, are in excellent request. In fact, the demand for print goods has been so strong that printers cannot turn them out as rapidly as desired. Although skein-dyed goods are still in much less demand than crêpes, taffetas are selling somewhat more readily. Ribbons, too, have been affected by the stimulation in buying, and after two years of extreme dulness, their use for sashes and millinery has caused orders for fancy ribbons to increase. Although some mills have not booked any future business, many report that from 60 to 70 per cent of their orders are for delivery in the future. However, customers have to some extent held back future orders, in the hope that the raw silk market might become lower.

In the majority of plants finished stocks are diminish-

ing, and those goods that are in the best demand are moving very rapidly. Stocks of finished goods are moderate, and those of raw materials range from moderate to light. Some mills are increasing the quantity of raw silk on hand, but most of them are letting their stocks diminish on account of the high level of present prices.

During the past month, quotations on broad silks have increased, but not in proportion to the advances on raw silk. Manufacturers are anxious not to raise the prices on their products as long as they have supplies of raw material bought at prices lower than the existing level. They feel that if raw silk prices would remain stable, this year's volume of business would be very good.

With the exception of ribbon looms, of which less than half are in operation, silk looms are running at about 75 per cent of capacity. Operations are curtailed in many sections by the scarcity of skilled labor, but except in a few instances unskilled help is reported to be sufficient. Wages of the former have been raised, the advance in most cases being 10 per cent; and a few mills have also increased the wages of unskilled help.

Collections are fairly good and are becoming more prompt. They are much better than they were a year ago.

After February 15, orders for thrown silk increased decidedly, and the volume of business booked was encouraging. During this period, both weavers and knitters placed orders, but after quotations on raw silk rose early in March, the demand for thrown silk became quiet. In comparison with last year, the current demand is much stronger. Silk yarns and fancy twists are in great demand for shipment as soon as possible. On these products quotations tend to advance, and stocks are light. Production schedules of throwsters are still low, and the keen competition has tended to force throwing prices downward. But prices of thrown silk have advanced on account of increases in raw silk.

Since freight routings are delayed, mills are now shipping almost exclusively by express at an additional expense. Collections are satisfactory.

Early in March raw silk prices advanced sharply and have since remained steady in spite of a very quiet market. Although mills are refraining from buying at the present high levels, the consumption of silk in February was heavy. How February deliveries compare with those of other months is shown by the following table. On March 1, stocks on hand in American warehouses were about 2,500 bales less than on February 1. In Yokohama, stocks are reported to be very low.

The chart on page 21 shows that the imports of silk into this country, which are a safe indicator of consumption have increased steadily since January, 1921.

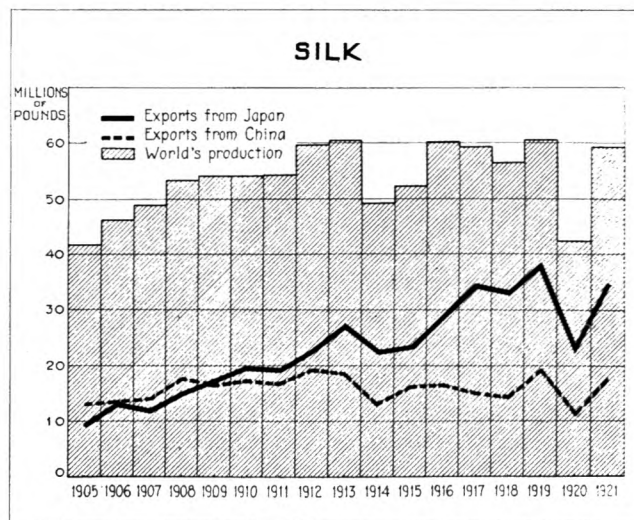
The consumption of raw materials reflects the present activity in all three textile lines.

Silk imports, stocks and deliveries to American mills*

	Imports during month	Deliveries to American mills	Storage at end of month
	Bales	Bales	Bales
1923			
February	33,750	36,231	44,615
January	32,593	34,680	47,087
1922			
December	33,057	31,042	49,174
November	36,733	35,467	47,159
October	46,569	37,471	45,893
February	19,950	22,107	28,982
January	40,177	33,842	31,139
1921			
February	12,794	16,725	27,928
January	9,499	22,176	31,859
1920			
February	27,076	30,071	65,026
January	14,405	24,000	68,021

* Silk Association of America.

Although our use of Chinese silk has increased but little during the last seventeen years, our imports of Japanese silk have increased about 300 per cent. The comparative importance of these two sources of silk is indicated by the accompanying chart.



The world's production of raw silk continued to grow steadily until it reached the total of 60 million pounds in 1913, but since that time it has attained this level only during years of peak production. Japan first surpassed China as an exporter of silk in 1909, and since that time has rapidly forged ahead. Exports are for calendar year and production for period from July 1 to June 30.

Sources—"Boston Evening Transcript," Silk Association of America

HOSIERY

Conditions in the hosiery trade are somewhat out of line with the general business situation, the improvement during the past months having been much less rapid than in other industries. Some mills are working

at capacity, but others are only running at from 30 to 50 per cent of capacity. Prices, too, are unsatisfactory, most of our reports showing that in the face of heavy advances in the prices of raw materials, quotations for hosiery have for the most part remained stationary. A few manufacturers have made slight advances on certain special numbers, but some have actually reduced prices. Labor, both skilled and unskilled, is reported to be in meagre supply, and wages have been advanced in a number of cases.

The demand for silk hosiery, both full-fashioned and seamless, is in nearly all instances for prompt shipment, and comparatively few orders specify delivery beyond sixty days. Chiffon hosiery is one of the most popular of silk lines, and the few mills which are able to produce this are well supplied with orders. Some further business in wool mixtures for shipment in July, August, and September has been taken, but these orders are somewhat fewer than those booked in the previous month. Prices of all yarns, with the exception of mercerized cotton yarn, have advanced considerably during the month. Collections are reported by many to be good, but some firms find them slower than they were last month.

Reports received from manufacturers in the Third Federal Reserve District, tabulated below, show that during February production by firms selling to the wholesale trade decreased 17.3 per cent, and that that of firms selling to the retail trade increased 3.5 per cent, as compared with February, 1922. As compared with

January, 1923, the production of firms selling to the wholesale trade increased only .1 per cent and that of firms selling to the retail trade decreased 37.7 per cent. The difference of three days in the length of the two months was probably partly responsible for this latter large decline.

UNDERWEAR

During March, sales by underwear manufacturers have been rather small. The bulk of the spring business had been placed previously, and although duplicate orders are numerous, they are for the most part small, and the total of new business is only fair. Mills in some cases are reported to be late in making deliveries, and jobbers and retailers who were attempting to operate with light stocks have found themselves short of certain lines. Some mills report the receipt of additional orders for fall, and some have booked all they wish to contract for. Others find that buyers are hesitating to pay the advance in price which they ask.

Prices of raw materials continue their upward course, and higher quotations on the manufactured product, although not universal, are fairly general. The labor situation is unchanged. In some localities a sufficient supply is reported, but in others a shortage exists and higher wages are being paid.

Collections are in most cases said to be satisfactory. Some manufacturers, however, report an increasing slowness in payments.

Returns from manufacturers in the Third Federal

Conditions in the hosiery industry

In terms of dozens of pairs	February, 1923, compared with January, 1923	February, 1923, compared with February, 1922
Firms selling to the wholesale trade:		
Number of reporting firms—33		
Product manufactured during February	+ .1%	— 17.3%
Finished product on hand February 28	+ 3.0 "	+ 35.1 "
Orders booked during February..	—13.3 "	+103.0 "
Cancellations received during February	+20.4 "	— 64.1 "
Shipments during February	+ 6.3 "	+ 2.8 "
Unfilled orders on hand February 28	— 3.1 "	+ 26.0 "
Firms selling to the retail trade:		
Number of reporting firms—12		
Product manufactured during February	—37.7%	+ 3.5%
Finished product on hand February 28	+41.5 "	— 9.5 "
Orders booked during February..	+14.8 "	+ 15.5 "
Cancellations received during February	+ 5.8 "	+ 8.7 "
Shipments during February	+27.8 "	+ 28.5 "
Unfilled orders on hand February 28	+61.0 "	+ 33.8 "

Conditions in the underwear industry

In terms of dozens	February, 1923, compared with January, 1923	February, 1923, compared with February, 1922
Summer underwear:		
Number of reporting firms—14		
Product manufactured during February	— 8.6%	—38.3%
Finished product on hand February 28	—29.0 "	+26.4 "
Orders booked during February..	—34.7 "	+90.6 "
Cancellations received during February .....	.....	.....
Shipments during February	— 6.7 "	—5.5 "
Unfilled orders on hand February 28	—12.0 "	+17.2 "
Winter underwear:		
Number of reporting firms—9		
Product manufactured during February	+55.8%	+38.6%
Finished product on hand February 28	+63.6 "	+54.9 "
Orders booked during February..	—51.4 "	—29.0 "
Cancellations received during February .....	.....	.....
Shipments during February	+13.1 "	+11.2 "
Unfilled orders on hand February 28	+ 4.3 "	+91.0 "

Reserve District tabulated on page 23 show that production of summer underwear during February decreased 38.3 per cent and that that of winter underwear increased 38.6 per cent, as compared with February, 1922. Orders on hand at the end of February were 17.2 per cent greater in the case of summer goods, and 91 per cent greater in the case of winter goods, than at the same time a year previous.

FLOOR COVERINGS

The demand for carpets and rugs shows no signs of slackening but continues heavy, and many of the manufacturers will have a considerable number of unfilled orders on their books at the end of the season in April. These orders, at the option of the buyer, will then be either replaced at the new season's prices or cancelled.

The supply of wool Wiltons, which has been short since the strike of two years ago, appears to be better than it was and more nearly equal to the demand. Worsted Wiltons, however, remain somewhat scarce. Axminsters promise to be in larger supply, as some mills, both in this district and elsewhere, have increased the number of their looms. Prices of raw materials are higher, and worsted yarn is reported to be in short supply. The largest producer has announced that he will offer his new lines for the fall of 1923 on April 2. A number of other large houses also have fixed that date for their openings, and one manufacturer has already named his prices, very few of which remain unchanged. The advances made vary from 2 to 8 per cent. Further increase in the demand for linoleum, despite higher quotations, has featured the trade during the past month, and both production and orders are at the highest point on record for this season of the year. Freight embargoes still hamper deliveries to some northern and eastern points, but as the season advances and better weather arrives the movement of freight is expected to improve.

Collections are reported to be good by nearly all manufacturers of floor coverings.

LEATHER

In a number of shoe factories in this district most of the orders booked previous to March were for delivery before April 1. As work on these progressed steadily, and as in some cases the new business booked during March has not been sufficient to keep the cutting rooms busy, the factories as a whole have not been running on as full a schedule as they did in January and February. However, the number of shoes to be finished in March will in most cases be limited only by the productive capacity of the fitting rooms. Salesmen on the road have been sending in orders for April and May shipment in fair volume, but some retailers are postponing buying until they get some idea of the

size of their Easter business, for sales at retail during the first half of March were not large. Prices of shoes have changed only slightly. A few manufacturers, especially of cheaper lines, have made some advances, largely because of the advance in the price of offal, sheep skins, and cotton goods; but most makers are willing to take orders at former prices. Much stress is being laid upon the economic aspect of the novelty shoe business by many manufacturers, wholesalers, trade journals, and even the daily papers. They all point out that the increased cost of making novelties necessarily raises the price to the consumer. However, no change in this branch of the trade has taken place and styles are fully as numerous as they have been at any time in the past. White leathers and suede in grey and sand color are among the leading leathers in high grade shoes for late spring. In lower priced lines patent leather is still very popular. In shoes of all grades a great number of color combinations are being made and sold.

The Department of Commerce reports that the production of shoes during January was 29,994,248 pairs. This total was exceeded last year only in October, when 31,093,296 pairs were made, and in December, when the figure was 30,608,948. In January, 1922, the production was 25,119,911 pairs, so that this year January shows a gain of 4,874,337 pairs, or nearly 20 per cent.

In the Third Federal Reserve District the production of shoes by reporting firms decreased 3.7 per cent in February, as compared with January, and increased 10 per cent as compared with February, 1922.

Conditions in the boot and shoe industry

(In terms of pairs) Number of reporting firms—38	February, 1923, compared with	
	January, 1923	February, 1922
Production	- 3.7%	+ 10.0%
Shipments	+ 18.5 "	+ 13.1 "
Orders booked	- 45.9 "	- 26.2 "
Orders on hand	- 8.8 "	+ 52.3 "
Cancellations	- 61.5 "	.....
Stocks	- 1.7 "	- 20.7 "
Number of operatives on payroll...	+ 1.4 "	+ 7.0 "

Wholesale shoe houses report that their March billings are much larger than were those of 1922. But they are experiencing considerable difficulty in obtaining deliveries, because of late shipment by factories and slow railroad movement, especially from New England points. Therefore, some of their outgoing shipments are delayed. From the table printed on page 10 it will be seen that sales at wholesale in February increased 3.9 per cent, as compared with those of January, and 36.7 per cent as compared with those of February, 1922.

Sales of shoes at retail during the first half of March were small, except on the few clear and warm days; but since the middle of the month they have increased and as the week before Easter is always a time of large sales, they will probably exceed those of March, 1922, by a considerable amount. During February, as shown in the following table, sales decreased 19.2 per cent as compared with January and increased 1.2 per cent as compared with February, 1922.

Retail shoe trade

(In terms of dollars)

1. Net sales:

- (a) Feb., 1923, as compared with Jan., 1923.... -19.2%
- (b) Feb., 1923, as compared with Feb., 1922.... + 1.2"
- (c) Jan. 1 to Feb. 28, 1923, as compared with Jan. 1 to Feb. 28, 1922..... + 5.8"

2. Stocks (selling price):

- (a) Feb., 1923, as compared with Jan., 1923..... + 8.5%
- (b) Feb., 1923, as compared with Feb., 1922..... -10.8"

3. Rate of turnover (i. e., times per year based, on cumulative period):

- (a) January 1 to February 28, 1923..... 2.6
 - (b) January 1 to February 28, 1922..... 2.2
- Number of stores reporting above items:
- 1.....30
 - 2a and 3a.....27
 - 2b and 3b.....26

Heavy leathers have been active, and sales are in good volume. Shoulders and bellies have been in especial demand in the domestic markets, and a better export business in offal is also reported. Prices, too, are higher.

Leather

Butts are in continued request, and the price is firm at 75 cents for best quality. Finding-leathers, however, are dull, as repair work on shoes has fallen off.

During March the call for upper leathers has centered so largely on specialties that black and brown calf and black kid have been in decreasing demand. Shoe manufacturers have been buying these only from hand to mouth, for until further reports are received from their salesmen on the road, it is impossible to form any idea of the quantity of each kind of leather that will be needed.

Patent leather in the higher grades is said to be less active, but a strong demand exists for the medium and lower grades. Sheep leathers are in good demand, and prices have been advanced from 2 to 5 cents per foot. This has considerably affected the cost of infants' shoes of the cheaper grades.

The following table shows the percentages of increase or decrease in the production and stocks of the principal leathers in January as reported by the Department of Commerce. In the face of generally in-

creased production, stocks in most lines are still decreasing.

	Production	Stocks
Backs, bends and sides.....	+12.2	-1.0
Belting butts	- 4.2	+2.1
Offal, sole and belting.....	- 2.7	-4.2
Cattle side, upper.....	+14.4	- .5
Calf and kip.....	+ 5.0	+1.8
Goat and kid.....	{ *+ 6.6 }	-2.2
Cabretta		-1.6

* Production figure not separated.

Leather belting sales continue to be excellent, and although not all presses are in operation, most plants are running as many as they can in view of the shortage of labor. Prices for belting are fairly well maintained, although some price cutting is still reported.

Freight movement to and from New England continues to be slow and is still hampering business.

The demand for traveling bags, suit cases, and small leather goods, such as toilet cases, pocket-books, etc.,

Leather goods

has increased considerably, and plants manufacturing these are running at about capacity. Prices as a rule are about 10 per cent higher than at this time a year ago. Raw materials also have advanced, and skilled labor is reported in short supply. Although the majority of orders call for prompt delivery, more future business has been booked than at this time a year ago, some orders being for delivery as far ahead as September.

The trunk business is just entering its heaviest season, and orders already booked are considerably larger than at this time last year. The demand is principally for medium-priced articles, but the more expensive lines show improvement also. Prices are from 7 to 10 per cent higher than they were last season, and all raw materials, including leather, lumber, iron and steel, and cotton goods, are considerably higher.

Harness leather has become much more active since the opening of the year, and the volume of business is satisfactory. Prices have not changed during the past six months, but are higher than they were a year ago.

Collections in nearly all leather goods lines are reported as being slow.

The market for packer hides suddenly became active about the middle of March, and approximately 300,000

Hides and skins

hides of February and March salting were quickly disposed of. It is reported that a large proportion of the total was purchased by the largest independent tanning interest. Sales were principally of branded hides and of heavy and light native steers and are said to be for manufacture into sole leather. The price of branded hides remained firm, but natives fell 1½ cents per pound below that of previous sales. Heavy natives brought only a half cent per pound more than heavy Texas and

butt-brands,—an unusually small difference in price. These sales have removed from the market the largest part of the remainder of the poor season's hides, and the prices obtained are considered to indicate considerable strength.

The Buenos Aires market is firm, and is active. Prices are about as high as they have been this year.

Calf skins are dull, and quotations are somewhat under those of a month ago; but tanners show little desire to buy skins of the present season. Goat skin prices are strong, although tanners appear to be buying sparingly. Chinas remain scarce, and though the export duty was reduced in March, Indias show little change. Sheep skins are still advancing, and sales, although not large, are reported as fair.

PAPER

On the whole, the demand for paper is very good, being even better than it was last month and much stronger than in March, 1922. Paper manufacturers, with only a few exceptions, are operating at capacity on orders booked. Magazine and book papers are in heavy request, now that text-book publishers are beginning their busy season, and mills making these papers have a fair quantity of orders for future delivery. Wrapping papers, too, are in very good demand, but nearly all business is for immediate delivery. Wall-paper manufacturers are now working at full capacity on spring business, and they state that the call is much heavier than it was a month ago and than in March, 1922. February 1 was the closing date for the shipping of fall wall-paper orders, and the demand during February was rather dull, as that is a between-season month. Makers of toilet paper, however, do

not find business so good and report that the demand shows a decrease from that of last month and that of March of last year. Toilet-paper mills are running at from 50 to 75 per cent of capacity. Paper wholesalers report that the demand is very good, notably for fine papers and for book, wrapping, and kraft papers. Their average daily sales slightly exceed those of the two preceding months of this year and are from 15 to 25 per cent greater than in March, 1922.

The preceding chart, compiled from statistics gathered by the Federal Trade Commission, shows the extent of the recovery of prosperity by the paper industry during the past six months. In January of this year the production of book and wrapping papers exceeded that of any month in the history of the industry, and fine paper output equaled the previous high monthly record. Only newsprint production did not equal previous records.

Paper prices have remained practically stationary during the month, at the advanced levels established during February. The costs of raw materials, too, are unchanged, with the exception of mechanical pulp, which is from \$3.50 to \$6 per ton, or approximately 10 per cent, cheaper than it was a month ago. The partial thaws that occurred early this month replenished the water supplies and permitted several mills to resume grinding. Consequently, mechanical pulp is not quite so scarce as it was a month ago, although it is by no means plentiful yet.

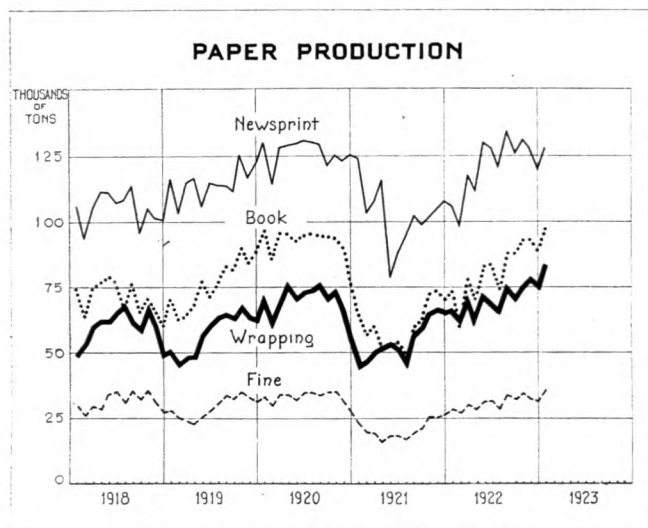
Finished stocks at the mills are either light or moderate and are remaining about stationary. Most mills now are working only on orders, so the building up of stocks has practically stopped. The majority of paper manufacturers have moderate supplies of raw materials on hand and have contracted for their needs up to August 1. Several are now placing long contracts for coal.

There is a scarcity of both skilled and unskilled workers at some plants, but at most mills the labor supply is adequate. The majority of manufacturers are paying the same wages as were in effect a month ago, although some manufacturers have made slight advances during the month to bring their rate up to those paid by other mills.

Transportation delays are not so serious as they were two months ago, and on the whole freight shipments are improving in despatch. Collections are from fair to good. They are more prompt than they were in March, 1922, and about the same as in February.

PRINTING AND PUBLISHING

The majority of printers and publishers report that the demand for their products shows considerable improvement over that of the early months of 1922. Publishers of magazines, periodicals and trade journals state that their sales of advertising space and of sub-



The quantity of paper being produced now by American mills is equal to or greater than the monthly output in 1920, the record year. Production of book and wrapping paper in January, 1923, was larger than in any previous month in the history of the industry.

Source—Federal Trade Commission

scriptions are highly satisfactory, and that although their monthly sales have remained stationary during the past three months, their total business for this quarter is from 10 to 15 per cent greater than it was for the first quarter of 1922. Publishers of books are well supplied with orders, and one large firm that publishes biblical works and textbooks reports difficulty in meeting the demand, even though it is operating at capacity night and day. Job printers find the demand better than it was a year ago, despite the fact that not quite so much spring catalog business has as yet been offered as at this time last year. One large firm of job printers reports that in the month of January it had the greatest number of production hours in the firm's history, and March production is expected to equal that of January. Advertising folders and pamphlets are in good request from all lines of industry. Lithographers state that window display advertising is in excellent demand and is being bought heavily by the food and food-products industry and by rubber and tire manufacturers. Most of the orders booked by printers and lithographers are for immediate shipment and little future business has been offered. Plant operations vary from 60 per cent to capacity, and the average is 80 or 85 per cent.

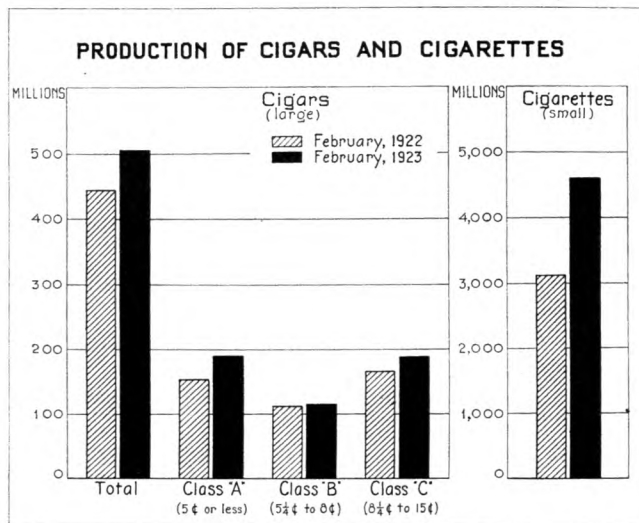
Although some price cutting is still apparent, it is not so evident as it was three months ago. Indeed, because of the increased cost of paper, most printers have been obliged to advance their prices from 5 to 10 per cent. Some firms have adopted a policy of making all estimates subject to acceptance within ten days, because of the uncertainty of paper prices, which are from 10 to 15 per cent higher than on January 1. However, paper is the only item in printing costs which has increased recently.

The supply of skilled labor is adequate to meet the present requirements of the industry, although some firms report that good compositors are scarce. Wages remain unchanged, and the labor turnover in printing plants is negligible. Magazine publishers, however, state that they are having considerable difficulty in holding girls in their mailing departments and unskilled labor in their shipping rooms. In these departments the labor turnover is large and is growing.

Collections are generally reported as fair.

CIGARS AND CIGARETTES

The dull season of the year in the cigar industry is drawing to a close, and the majority of manufacturers report that their orders are bigger than they were a month ago. The large producers of cigars find the demand excellent for this time of the year, and they report that sales are from 10 to 25 per cent greater than in March, 1922. The small manufacturers state that business has been rather dull since February 1, though better than it was a year ago. Purchases by



Although the production of cigars and cigarettes in February, 1923, did not equal that of the month of January, 1923, the output was considerably larger than in February, 1922. The short number of working days in February is the chief reason for the decline in production as compared with January.

Source—Commissioner of Internal Revenue.

the agricultural districts of the northern states and Canada are still below normal, but manufacturers attribute this to weather conditions and they look for more orders from these regions with the coming of spring. Class C cigars continue to be the most popular, but the demand for Class B and for five-cent cigars is also very good. Several makers and jobbers report that a large volume of orders for future delivery has been booked, but the major part of the commitments throughout the industry are for immediate delivery. Production in the large factories varies from 80 per cent to capacity, and in the small factories from 50 to 100 per cent. The demand for American cigarettes continues to be strong; but that for Turkish cigarettes shows no improvement and is only fair.

The chart shown above, based upon sales of internal revenue stamps, shows that in February, 1923, the production of large cigars and small cigarettes was considerably greater than in February, 1922.

Prices of cigars are firm and unchanged, but a few manufacturers who have found business dull have offered a slight concession by paying part of the freight. Cigarette prices, too, are firm, and the sharp price cutting which was so apparent among retailers some months ago has practically disappeared. The better grades of wrapper leaf still show an upward trend; but fillers and binders have stopped advancing, and indeed some grades of the latter have shown a slight softening in price. At the first two sales of Sumatra tobacco at Amsterdam, Holland, prices for the grades of wrapper desired by American manufacturers were from 20 to 25 per cent higher than in the first two sales of 1922. Some of the large cigar makers, who are heavy consumers of Sumatra wrapper, refrained

from buying at these auctions, in the hope that prices will be easier at the later sales.

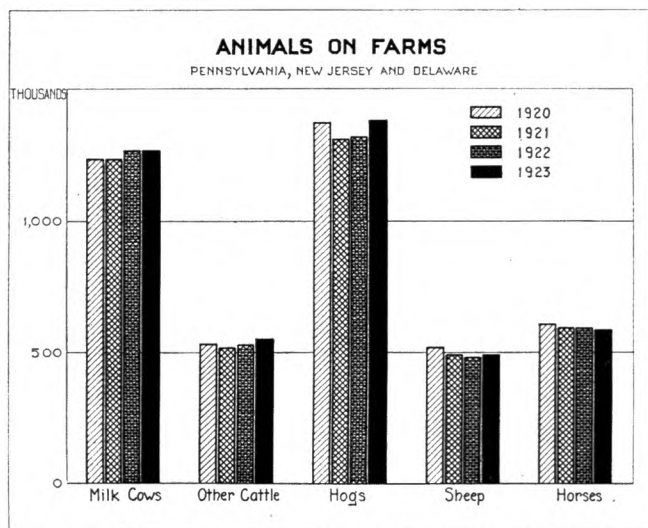
Stocks of cigars at many factories are moderate and are increasing, particularly at Class A and Class B factories; and Class C stocks are heavier than they were a month ago. Manufacturers are not alarmed over this accumulation, however, as they confidently expect their stocks to diminish during the spring and summer. Some cigar makers have been forced to curtail production slightly because of the lack of humidior space. In general, the stocks of leaf tobacco held by manufacturers are moderate.

The labor supply is sufficient at most factories, although at some a scarcity of skilled workers is noted. In Philadelphia, at present, the supply of operatives is sufficient, but in cigar-making centers outside of the city the supply is somewhat scarce, because of an increase in the number of factories. As a result, some outside manufacturers have recently advanced wages about 10 per cent. The majority, however, have made no wage advances during the month.

Collections are better than they were a month ago and are from fair to good.

AGRICULTURE

The Department of Agriculture's census of the number of animals on the farms of Pennsylvania, New Jersey, and Delaware shows that on January 1, 1923, the number of all animals, except horses, was slightly greater than on January 1, 1922. The figures for New Jersey show no decrease of horses in that state during the year, but in Delaware and Pennsylvania the number has declined. The increase was greatest in hogs



On account of the good prices that have prevailed for milk during the past four years, the number of milk cows has increased. Relatively cheap corn has resulted in an increase of hogs and cattle for fattening. The horse on the farm is being displaced to some extent by the tractor, and sheep raising in the East cannot economically compete with that in the West.

Source—Department of Agriculture

and smallest in milk cows. The foregoing chart shows that the numbers of hogs, milk cattle, and other cattle on the farms of this district is greater now than it has been since January 1, 1920, but that the number of horses and sheep is smaller. The farm animals census in the years previous to 1920 was reported by government bureaus as of April 15 instead of January 1, and therefore it is difficult to ascertain whether the total of livestock is now above or below the ten-year average. April 15 figures are not comparable with those of January 1, on account of the large numbers of young animals born in the spring.

At a conference of agronomists and fertilizer manufacturers in Baltimore, fifteen fertilizer formulas were agreed upon and adopted as meeting all soil requirements for the seven Middle Atlantic States,—New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, and West Virginia. The selection of a limited group of high-grade fertilizers, all of which are recommended by soil experts of the section concerned, is a long step forward toward establishing the use of a small number of high-grade fertilizers, instead of many brands of low-grade fertilizers. There are, at present, about two hundred different grades of mixed fertilizers sold annually in the Third Federal Reserve District. Many of these contain much less than 14 per cent of total plant food, the minimum amount that a good fertilizer should contain.

The following grades were the standards adopted by the conference:

Standard fertilizer formulas

Per cent nitrogen	Per cent phosphoric acid	Per cent potash	Per cent nitrogen	Per cent phosphoric acid	Per cent potash
0	—	12	—	6	—
2	—	12	—	2	—
2	—	12	—	4	—
2	—	10	—	6	—
3	—	8	—	3	—
3	—	10	—	6	—
3	—	8	—	8	—
4	—	12	—	0	—
4	—	8	—	4	—
4	—	8	—	6	—
4	—	12	—	4	—
5	—	8	—	5	—
5	—	10	—	5	—
6	—	8	—	4	—
7	—	6	—	5	—

In addition, four other formulas were selected to meet special soil requirements:

Special fertilizer formulas

Per cent nitrogen	Per cent phosphoric acid	Per cent potash	Per cent nitrogen	Per cent phosphoric acid	Per cent potash
0	—	10	—	4	—
0	—	10	—	10	—
4	—	8	—	10	—
10	—	5	—	0	—

Estimates of the stocks of corn, wheat, oats, and barley on the farms of the United States, on March 1,

computed by the Department of Agriculture, show that there is less corn, but slightly more wheat, oats and barley, than on March 1, 1922. As compared with March 1, 1921, the stocks of all grains are smaller, as is shown by the Department's figures:

Grain stocks on farms of United States

	March 1, 1923	March 1, 1922	March 1, 1921
Corn . . .	1,087,412,000 bus.	1,305,559,000 bus.	1,564,832,000 bus.
Wheat . .	153,134,000 "	124,253,000 "	217,037,000 "
Oats . . .	421,511,000 "	411,934,000 "	683,759,000 "
Barley . .	43,592,000 "	42,294,000 "	65,229,000 "

In Pennsylvania the stocks of corn are smaller than they were on either March 1, 1922, or March 1, 1921. Barley stocks are lighter than they were a year ago

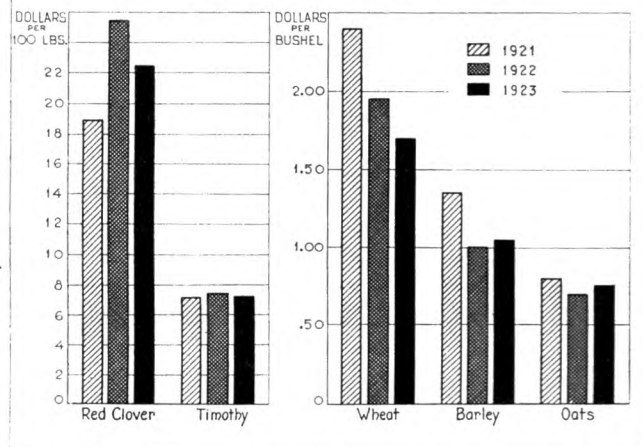
and less than the average on March 1 for the past ten years. The quantity of oats held by Pennsylvania farmers is greater than last year and also than the average for the past ten years. There were more bushels of wheat on March 1 this year than last, but they were less than the ten-year average.

Grain stocks on farms of Pennsylvania

	March 1, 1923	March 1, 1922	March 1 10 yr. average
Corn	29,761,000 bus.	32,034,000 bus.	30,109,000 bus.*
Wheat	6,085,000 "	5,906,000 "	6,245,000 "
Oats	16,909,000 "	14,466,000 "	16,075,000 "
Barley	61,000 "	84,000 "	63,000 "

* March 1, 1921 only.

WHOLESALE PRICES OF FIELD SEEDS



The yields of the crops and their prices at the time of harvest have a direct effect on the prices of the seeds. The 1922 hay crop was larger than that of the year before and the price per ton was lower; hence timothy and clover seeds are cheaper now than they were last spring. For the same reason seed wheat, seed barley, and oats are lower than in 1921.

Source—Department of Agriculture.

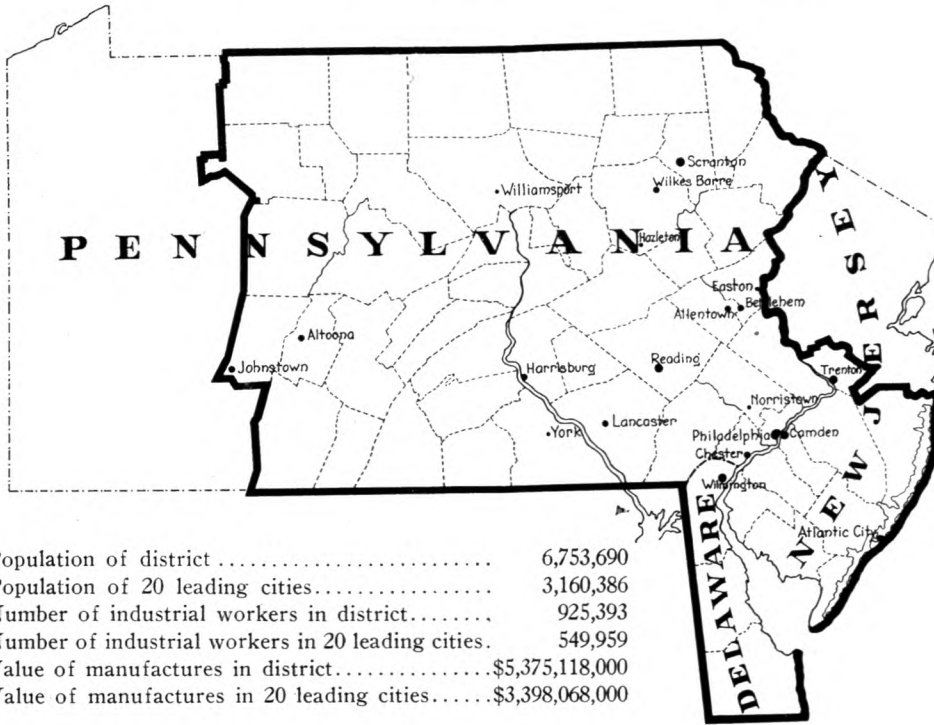
The wholesale prices of red clover and timothy seed are lower than they were last year, but higher than in 1921. Seed wheat is cheaper than for the past two years, and as the accompanying chart shows, seed barley and seed oats are cheaper than on March 1, 1921, but higher than on March 1 of last year.

Exceptionally mild weather early this month brought joy to the early truck farmers of southern New Jersey and southeastern Pennsylvania, but apprehension to the fruit growers of the district. Some spring plowing was done on the sandy soil farms in the first week of the month, but operations were brought to an abrupt halt by the return of cold weather. The fruit buds, however, were prevented from opening, and the danger of the killing by frost of much of the fruit crop was avoided. Most of the hot-bed seeding has been accomplished, and some early truck crops are appearing above the ground, under glass. Truck farmers are preparing their cold-frames for the process of hardening plants preparatory to setting them in the field. Heavy rain throughout the district has proved a boon to grain and cover crops and the stands in the fields are better than had previously been estimated.

COMPILED AS OF MARCH 23, 1923

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

THE THIRD FEDERAL RESERVE DISTRICT



Population of district	6,753,690
Population of 20 leading cities.....	3,160,386
Number of industrial workers in district.....	925,393
Number of industrial workers in 20 leading cities.	549,959
Value of manufactures in district.....	\$5,375,118,000
Value of manufactures in 20 leading cities.....	\$3,398,068,000

Twenty largest cities of the Third Federal Reserve District

City	County	Population		Number of industrial workers		Value of manufactures	
		1920	Increase since 1910	1919	Increase since 1914	1919	Increase since 1914
Pennsylvania:							
Philadelphia	Philadelphia	1,823,779	17.7%	281,105	11.9%	\$1,996,481,000	154.5%
Scranton	Lackawanna	137,783	6.1 "	14,467	15.2 "	54,630,000	90.2 "
Reading	Berks	107,784	12.2 "	29,122	20.7 "	141,561,000	165.9 "
Harrisburg	Dauphin	75,917	18.3 "	10,522	32.1 "	52,153,000	176.4 "
Wilkes-Barre	Luzerne	73,833	10.0 "	9,408	16.0 "	41,986,000	150.9 "
Allentown	Lehigh	73,502	41.6 "	14,812	8.2 "	90,834,000	167.8 "
Johnstown	Cambria	67,327	21.3 "	12,855	5.6 "	90,469,000	77.5 "
Altoona	Blair	60,331	15.7 "	12,800	19.3 "	53,946,000	138.8 "
Chester	Delaware	58,030	50.6 "	18,677	196.7 "	95,949,000	356.4 "
Lancaster	Lancaster	53,150	12.5 "	9,444	6.6 "	48,026,000	140.0 "
Bethlehem	Lehigh and Northampton	50,358	53.5 "	14,961	20.8 "	102,567,000	133.3 "
York	York	47,512	6.2 "	13,368	23.2 "	59,589,000	170.4 "
Williamsport	Lycoming	36,198	13.6 "	8,566	42.4 "	41,659,000	162.6 "
Easton	Northampton	33,813	18.5 "	4,672	15.0 "	27,012,000	160.8 "
Norristown	Montgomery	32,319	15.9 "	3,534	*10.7 "	18,334,000	117.7 "
Hazleton	Luzerne	32,277	26.8 "	3,815	39.0 "	14,830,000	165.1 "
New Jersey:							
Trenton	Mercer	119,289	23.2 "	24,547	23.8 "	122,478,000	123.4 "
Camden	Camden	116,309	23.0 "	40,906	81.5 "	218,165,000	203.7 "
Atlantic City	Atlantic	50,707	9.9 "	958	4.4 "	6,359,000	114.0 "
Delaware:							
Wilmington	New Castle	110,168	26.0 "	21,420	42.3 "	121,040,000	207.2 "

* Decrease.

HOW THE FEDERAL RESERVE SYSTEM IS ORGANIZED

The reserve banks, from a legal standpoint, are private corporations, owned by the national banks of the country and by such state banks and trust companies as have become members of the Federal reserve system. Their net earnings, however, after the payment of 6 per cent dividends and such additions to surplus as are provided by law, pass into the treasury of the United States for certain restricted uses. They also perform a number of operations for the Government, such as those connected with the sale and handling of Government bonds and notes, and the furnishing of an elastic currency. But otherwise the reserve banks have many characteristics in common with national banks. Both are chartered by the Federal government under acts of Congress and are conducted under the direction and control of their own boards of directors. Both issue currency which is redeemable on demand at the Treasury Department in Washington. Both are under Federal supervision—national banks under the supervision of the comptroller of the currency and reserve banks under the supervision of the Federal Reserve Board. The supervision exercised by the Federal Reserve Board, however, is of a different nature from that which the comptroller exercises over the national banks, as will appear below.

The composition of a reserve bank's board of nine directors recognizes the various elements of the country's population, which the reserve banks serve in their manifold daily operations. Six of the nine directors are elected by the member banks. Of these, three, known as class A directors, are representative of the member banks. They may be bank stockholders, bank directors or bank officers. The other three, known as class B directors, are representative of business in its broadest sense; they must be engaged in commerce, agriculture or some other industrial pursuit. They may be bank stockholders, but not bank directors or officers. Three other directors, making the total of nine, are known as class C directors, and represent the Federal Reserve Board at Washington by whom they are appointed. They must be residents of the district and may not be bank stockholders, directors or officers. One of them is chairman of the board of directors. He is also Federal reserve agent, and as such is the representative at the Federal reserve bank of the Federal Reserve Board.

For voting purposes the member banks are divided into three groups, the largest banks in one group, the middle-sized banks in a second group and the smallest in a third. Each group votes for two directors, and no bank may vote out of its group. This method of election, together with the conditions of eligibility which the Federal Reserve Act imposes, makes the board of directors truly representative and also serves to prevent any one interest from controlling the policies and action of a reserve bank to the prejudice of any other interest. In a still broader sense, it insures that the reserve bank shall be responsible to all the people of the country, in all of their capacities and all of their activities,

to producers and consumers alike, subject only to the restrictions of law surrounding their operation.

Specifically, the services which a reserve bank performs for the banks and through them for the people of the country include the supply of credit to banks which in turn enlarges their power to lend to their customers, the collections of checks and notes through a nation-wide organization, and the transfer of funds throughout the country by telegraph without cost. Allied with these services and that of furnishing an elastic currency are many others which result in the safer, more economical and more rapid despatch of private business.

The conduct of these operations is in the hands of the officers of the reserve banks, who are appointed by the boards of directors of the respective banks. The compensation of officers and employees is fixed by the directors, subject to the approval of the Federal Reserve Board.

The Federal Reserve Act gives to the Federal Reserve Board at Washington a power of "general supervision" over the reserve banks. It does not give to the Federal Reserve Board "control" over the reserve banks; that term is used in the

Act only to describe the duties of the directors of a reserve bank. Nor is the Federal Reserve Board an operating body. The relations, however, between the reserve banks and the Federal Reserve Board are close. As has been indicated above, three of the directors of a reserve bank are appointed by the Federal Reserve Board. Thus, instead of the kind of supervision exercised by the comptroller of the currency over national banks, which is largely critical and takes place after the fact, the Federal Reserve Board through its representatives on the boards of directors of the reserve banks has a share in the development of policies before they bear fruit in performance. The Federal Reserve Board, also, has the right to suspend or remove any officer or director of a reserve bank for cause; it has the right to review and determine rates of discount established by the directors of a reserve bank; it may require one reserve bank to lend to another reserve bank; it has the power of examination of reserve banks and to it must be reported in detail their operations. But the Reserve Board has no power to require a reserve bank to make or not to make loans to any particular member bank; the actual lending is left to the reserve banks themselves.

When the Federal Reserve Act was passed one of the purposes of Congress was to establish a system which within the restrictions of the law should meet the needs both of the various sections of the country and of the country as a whole.

Consequently, the framework of the system provides for twelve separate institutions, each controlled by its local board of directors, particularly qualified by local knowledge to serve a district's local needs, but all joined together through the Federal Reserve Board for the flow of credit from one district to another, and for such purposes as require unity of policy and practice.