

BUSINESS AND FINANCIAL CONDITIONS

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
MAY 1, 1923

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SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES

Further increases in the production of basic commodities, in wholesale prices, employment, wage rates, and wholesale and retail trade, took place in March.

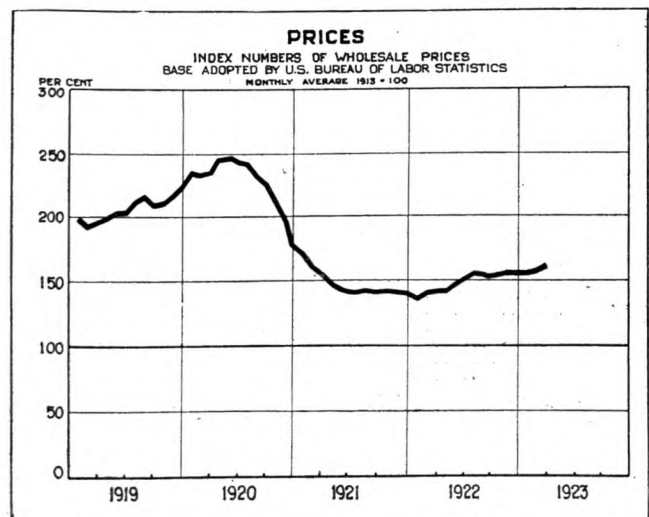
Production in basic industries, according to the Federal Reserve Board's index, increased 4 per cent in March to a level 8 per cent higher than at the 1920 peak and 67 per cent above the low point of 1921. The output of pig iron, steel ingots, automobiles, and crude petroleum, and the mill consumption of cotton exceeded all previously reported monthly totals. Building operations showed a further large expansion, and the value of contracts let for residences in March was the highest on record. Railroad freight shipments have been larger every week this year than in the corresponding weeks of the past four years. Car shortage has been reduced to the lowest point since September as a result chiefly of the addition of new equipment, a de-

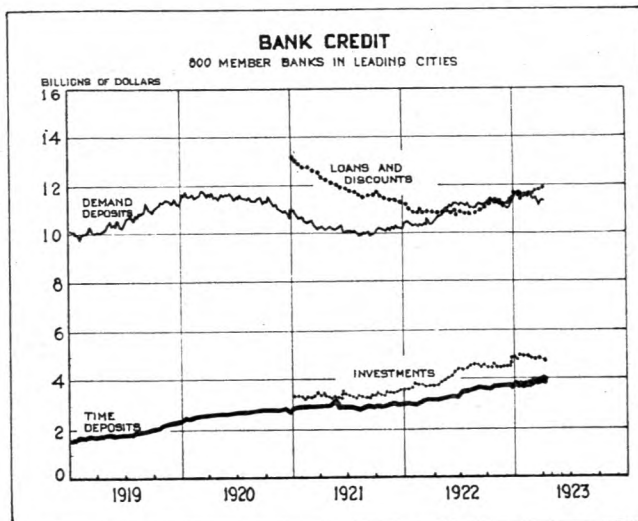
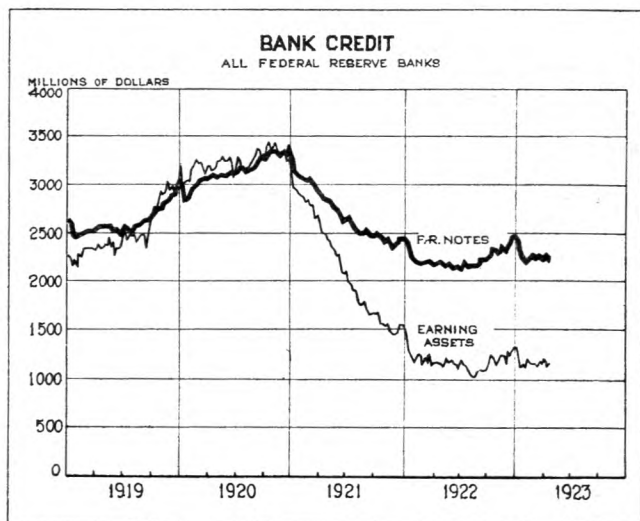
crease in the number of bad order locomotives and cars, and a concerted effort to increase the average loadings.

Employment in the building trades and in many lines of manufacturing continued to increase in the eastern states. The surplus of unskilled labor in the West, reported in earlier months, is being gradually absorbed by the seasonal increase in farm work. A number of leading textile mills, steel mills and packing plants announced general wage advances ranging between 11 and 12½ per cent, and numerous wage advances in other industries also were reported.

March sales by department stores reporting to Federal Reserve Banks were 22 per cent above those of

March a year ago, partly because Easter purchases were made in March this year, whereas last year such purchases were largely deferred until April. Stocks of goods held by department stores were 6 per cent larger than those





held a year ago but this increase was not as large as the increase in sales, and hence the rate of stock turnover has been somewhat more rapid. Sales by mail-order houses were larger than for any month since November, 1920, and 35 per cent larger than in March, 1922. Wholesale trade in all reporting lines was larger than in March a year ago.

Wholesale prices as measured by the Bureau of Labor Statistics' index advanced 1.2 per cent during March, and were 15 per cent above the low point of January, 1922. As in recent months the prices of metals and building materials showed the greatest increases, while fuel prices showed a further decline from recent high levels.

Wholesale prices

Compared with a year ago, metals were 37 per cent and building materials 28 per cent higher. The cost of living increased slightly more than 1 per cent during March to a level of 3 per cent higher than a year ago.

During the month prior to April 11 a more moderate

growth in the demand for credit from member banks in leading cities resulted in an increase of about \$48,000,000 in their loans made largely for commercial purposes, as compared with an increase of \$235,000,000 in the preceding month. Through withdrawal of funds from investments and a further inflow of gold, member banks have been able to meet demands of their customers for increased credit and currency independently of the Reserve banks.

Consequently, the total volume of Federal Reserve bank credit, measured by total earning assets has remained relatively constant during the past month, and in fact since the seasonal liquidation at the turn of the year. The volume of Federal Reserve notes in circulation has also changed but little as the larger demand for hand-to-hand money has been met chiefly by an increase in other forms of money in circulation.

There has been little change in money rates from those prevailing in March.

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SUMMARY OF BUSINESS CONDITIONS IN THE THIRD FEDERAL RESERVE DISTRICT

HEAVY production and distribution, but somewhat decreased buying, have featured the business situation in the Third Federal Reserve District during the past month. The decline in demand, however, is not an unfavorable sign, for it indicates that both wholesalers and retailers have adopted a conservative policy. Even where they are unable to secure all the goods they desire, buyers are not placing duplicate orders, as they did during the boom period of late 1919 and early 1920. Nor is there today the great speculative buying of goods which was so prevalent at that time, and which in so large a measure contributed to the reaction. Manufacturers also are following a conservative policy, in refusing to accept business for very distant deliveries. And they are making a conscious effort to keep prices within limits that will assure a steady volume of orders. Quotations on some products, it is true, have risen during the month, but the number and size of these increases have been much smaller than during January, February, and March. These developments, as contrasted with the feverish buying activity and the rapid price increases of the first three months of the year, are most favorable signs.

The labor situation, however, is serious. Production is proceeding at a high rate, but in view of the number of orders on the books, it should be greater, and would be were it not for the acute labor shortage. Manufacturers have been almost unanimous in reporting a scarcity of both skilled and unskilled workers, and wage scales are rising rapidly. A large number of these increases have been made voluntarily in an effort to keep working forces intact, but in other cases they have been granted as the result of demands. Thus far, therefore, there are no important labor disturbances, and the seriousness of the labor problem is at present almost entirely a matter of scarcity. The freight situation is also retarding production. Some improvement has been made during the month, but it is still far from satisfactory.

The heaviest buying in the past four weeks has occurred in the building material industries. So great has been the call for cement, plumbing supplies, and

pottery that some firms have been forced to limit the size of the orders they will accept and to refuse entirely the business offered by new customers. Sales of iron and steel products have fallen off considerably, but are still very good. Production of these products and of building materials is proceeding at as high a rate as is possible under the existing labor and transportation difficulties.

In the textile industries, a falling off has occurred in the demand for cotton yarns and goods, and underwear. Cotton goods sales, however, are still heavy and are better than they were in April, 1922. Sales of silk goods have increased during the month, and worsted goods have continued in large request. Silk prices have advanced because of wage increases and the higher cost of raw silk, but the prices of finished goods by no means reflect the entire increase in production costs. The openings of the fall lines of carpets and rugs were made early in April, and the volume of business booked, at prices from 5 to 10 per cent above those of last October, was very satisfactory. Almost all of the textile industries have reported labor shortage and wage increases. The demand for linoleum has continued excellent in spite of price increases varying from 2 to 12 per cent. Linoleum manufacturers, too, have reported labor scarcity and higher wages, and also a shortage of some raw materials.

Shoe manufacturers have received but little new business during the past two weeks, but they are working at a fairly high rate on orders previously booked for late spring and early summer delivery. Here, too, there is a scarcity of labor and wages have been advanced. But prices have not increased, except on some of the novelty shoes. Sales of leather have been much smaller than those of last month.

Paper manufacturers report the acceptance of considerable business for prompt delivery, but they are refusing future orders except at prices that will prevail at the date of shipment. Producers of book and magazine papers are from four to six weeks behind on deliveries. Paper prices have made no general advance, although in a few cases increases are reported. Paper

SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of April 23, 1923

Third Federal Reserve District

Business	Demand	Prices	Finished stocks	Labor situation		Collections
				Supply	Wages	
Automobiles	Good	Firm	Moderate			Good
Cement	Good	Firm	Moderate	Scarce	Increasing	Good
Cigars	Good	Firm	Moderate	Some scarcity	Unchanged	Good
Clothing	Fair	Higher	Moderate to light	Some scarcity, skilled	Advanced	Fair
Coal, anthracite	Good	Decreasing	Light	Sufficient	Unchanged	Fair to good
Coal, bituminous	Fair	Decreasing	Moderate	Sufficient	Unchanged	Fair
Coke	Good	Decreasing	Light	Sufficient	Unchanged	Fair to good
Cotton goods	Fair to good	Firm	Moderate to light	Sufficient	Unchanged	Good
Cotton yarns	Poor	Decreasing	Light	Sufficient	Increased	Fair to good
Drugs, wholesale	Good	Lower trend	Moderate to heavy			Fair
Dry goods, wholesale	Fair	Higher	Moderate			Fair to good
Floor coverings	Excellent	Higher	Light	Some scarcity	Higher	Good
Flour	Fair	Advancing slightly	Light at mills	Some scarcity	Firm to higher	Fair
Groceries, wholesale	Fair	Unchanged	Moderate to light			Fair
Hardware, wholesale	Good	Advancing	Moderate to heavy			Fair
Hosiery, full-fashioned	Fair	Unchanged to higher	Moderate	Some scarcity	Firm to higher	Good
Hosiery, seamless	Fair	Unchanged to higher	Moderate	Some scarcity	Firm to higher	Good
Iron and steel	Good	Firm	Light	Scarce	Increasing	Fair
Leather belting	Good	Unchanged	Moderate	Some scarcity	Unchanged	Good
Leather, heavy	Fair	Unchanged	Moderate	Sufficient	Some increases	Good
Leather, upper	Fair	Unchanged	Moderate	Sufficient	Some increases	Good
Lumber	Good	Firm	Light	Some scarcity	Some increases	Fair to good
Paints	Good	Firm	Moderate	Some scarcity	Firm to higher	Fair
Paper	Very good	Firm or advancing	Light	Scarce	Firm to higher	Fair to good
Paper boxes	Good	Firm	Light	Scarce	Firm to higher	Fair to good
Plumbing supplies	Good	Advancing	Light	Scarce	Firm to higher	Good
Pottery	Good	Advancing	Extremely light	Scarce	Increasing	Good
Shoes, manufacture	Fair to good	Unchanged	Moderate	Some scarcity	Some increases	Fair to good
Shoes, retail	Fair to good	Unchanged	Moderate			Good
Shoes, wholesale	Fair to good	Unchanged	Moderate			Fair to good
Silk goods	Fair to good	Higher	Moderate to light	Scarcity	Higher	Fair to good
Underwear, heavy weights	Poor to fair	Unchanged to higher	Moderate	Some scarcity	Some increases	Fair to good
Underwear, light weights	Fair	Unchanged to higher	Moderate to light	Some scarcity	Some increases	Fair to good
Woolen and worsted goods	Good	Strong	Moderate to light	Some scarcity	Higher	Fair to good
Woolen and worsted yarns	Poor	Higher	Light	Scarcity, skilled	Higher	Good

boxes have continued in good demand, but production has been considerably retarded by a lack of sufficient labor and a heavy labor turnover.

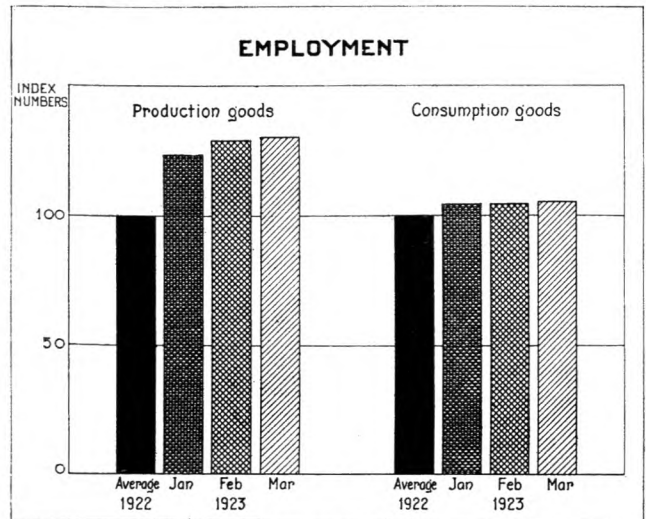
The demand for cigars is now increasing after having declined materially during the last week of March and the first week of April. Some cigar manufacturers report a scarcity of skilled workers, but others state that they have an adequate supply. Operations in the cigar plants in this district average from 80 to 85 per cent of capacity. Cigar prices have not been increased recently, although the cost of production has risen considerably and is about 15 per cent greater than at this time last year.

The bituminous coal market as a whole has been inactive during the month and prices have continued to weaken. High grade steam coals have moved fairly well, but the low grades are a drug on the market. Export sales have not reached any great proportions, and shipments have been small, owing in part to the lack of bottoms and to the higher ocean freight rates. Domestic sizes of anthracite are still in fairly large request, although sales are much smaller than they were last month. Shipments, however, are still very heavy. Independent operators have lowered quotations to a point more in line with company quotations, but this action has not yet been reflected to any great extent in lower retail prices.

EMPLOYMENT AND WAGES

In the manufacturing establishments of the Third Federal Reserve District, both employment and wages increased in March. Our weighted index of employment, which now represents 501 reporting firms employing over 200,000 operatives, increased from 117 in February to 120 in March, as compared with an average of 100 in 1922.

Most of the 31 industries represented in the index contributed to the general expansion in employment, but the increases were not as widespread as in February. In the latter month only four industries—meat packing, cigars and tobacco, boots and shoes, and cotton goods—reported a decline in employment as compared with the preceding month; whereas, in March three of these four industries showed further declines, and in addition five other industries reported fewer employees than in February. The greater part of the general improvement is attributable to the heavy increases which occurred in the metal manufactures, as the textile group showed little if any improvement, and most of the food-products industries showed declines. The expansion of employment during recent months has been much more pronounced in establishments manufacturing production goods, *i. e.*, those to be used in further manufacturing processes, than in the industries producing consumption goods. Thus, the car repairing, electrical machinery, cement, and chemical industries, and foundries and machine shops, have shown an expansion of from 8 to 76 per cent over the 1922 averages, whereas the clothing, carpet and rug, boot and shoe, and baking industries, which supply the needs of the ultimate



Employment in industries manufacturing production goods was 30 per cent greater in March, 1923, than the average of the year 1922, whereas factories producing consumption goods showed an increase of only 5 per cent. Apparently this indicates that a much steadier demand exists for the latter class of products than for the former.

Source—Federal Reserve Bank of Philadelphia

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Employment in reporting plants in principal cities

Third Federal Reserve District

Cities	Number of reporting firms	Index numbers Average 1922=100			Number employed March
		January	February	March	
Philadelphia ..	193	117	121	121	91,262
Camden	16	107	108	109	16,057
Wilmington ...	14	115	115	119	8,642
Reading	17	121	128	122	7,855
Trenton	18	100	104	111	6,926
Chester	6	108	125	119	4,819
Allentown	18	102	103	102	3,652
Harrisburg ...	9	110	108	116	2,710
Williamsport ..	12	108	100	106	2,695
Hazleton	3	120	123	128	2,505
Scranton	14	109	106	110	2,460
York	18	114	120	112	2,185
Easton	8	94	94	154	1,962
Lancaster	7	112	106	106	1,906
Bridgeport	3	103	107	95	1,577
Bloomsburg	4	113	111	111	1,420
Pottstown	4	109	114	116	1,271
Lebanon	4	113	113	131	1,102
Wilkes-Barre ..	5	102	103	107	1,062
Columbia	3	89	105	115	751
Norristown	3	112	110	111	631
Bethlehem	4	112	114	113	507
All others	118	110	110	114	37,689
Total	501				201,646

Wages and Employment
Third Federal Reserve District

Industries	Number of reporting firms	Average weekly wages				Employment			
		Index numbers Average 1922=100			Actual	Index numbers Average 1922=100			Actual
		January	February	March	March	January	February	March	March
All industries	501	109	113	115	\$25.39	115	117	120	201,646
Metal products:									
Automobiles and parts.....	19	110	108	114	27.32	121	127	131	7,471
Electrical machinery.....	18	104	106	107	21.45	112	114	123	3,417
Foundries and machine shops.....	37	110	115	123	25.91	114	125	129	6,383
Iron and steel products.....	32	127	129	132	28.18	119	120	128	21,631
Locomotive and car construction and repair.....	9	110	115	118	29.50	162	170	176	27,920
Shipbuilding.....	5	99	102	101	25.58	112	118	117	11,046
Textile products:									
Carpets and rugs.....	14	99	104	107	28.09	111	113	113	4,104
Clothing.....	21	106	117	117	20.74	99	99	101	3,309
Cotton goods.....	17	103	105	107	22.57	104	103	104	7,115
Felt hats.....	4	98	103	96	23.87	119	121	121	4,817
Knit goods.....	26	103	108	111	20.78	103	105	107	5,750
Silk goods.....	37	109	115	110	18.73	105	105	107	12,922
Worsted and woolens.....	24	98	104	110	22.07	101	102	98	9,827
Food products:									
Bakeries.....	18	105	105	103	27.08	102	103	105	2,876
Canneries.....	8	80	77	97	18.84	109	110	105	2,325
Confectionery and ice cream.....	20	108	104	110	20.44	99	100	95	4,545
Slaughtering and meat packing.....	11	103	103	102	26.88	106	105	102	1,685
Sugar refining.....	3	99	98	110	29.80	88	102	103	2,401
Building materials:									
Cement.....	15	122	114	131	29.05	103	104	108	7,312
Glass.....	7	126	119	132	34.97	95	108	115	937
Pottery.....	10	75	80	84	28.08	88	90	94	1,814
Miscellaneous:									
Boots and shoes.....	17	105	104	109	19.45	106	103	101	2,547
Leather.....	29	111	114	116	24.58	104	104	105	8,492
Chemicals and paints.....	17	114	111	107	26.98	123	125	126	4,989
Cigars and tobacco.....	14	107	115	112	15.79	102	96	93	5,824
Furniture.....	17	105	107	109	23.89	113	113	115	2,760
Musical instruments.....	2	96	99	102	26.37	109	109	111	7,951
Paper and pulp.....	13	116	111	117	24.84	106	106	104	2,668
Printing and publishing.....	20	108	108	106	33.26	100	105	105	4,667
Petroleum refining.....	5	108	112	113	25.98	103	105	106	6,211
Rubber tires and goods.....	12	100	106	106	25.58	105	110	118	5,930

consumer, have shown only slight, if any, increases since 1922. This is evident from the accompanying chart, giving a comparison of the changes in employment in these two groups.

Numerous wage increases also occurred during March, so that average weekly earnings rose from \$24.74 to \$25.39 or 2.6 per cent. The weighted index shows that average weekly earnings in the 31 industries represented are now 15 per cent above the 1922 level and 5 per cent above the January level. As in the case of employment, however, a great divergence exists between the different industries, a few showing little or no increase, and others increases as high as 30 per cent over the 1922 average.

FINANCIAL CONDITIONS

The reserve ratio of the Philadelphia Federal Reserve Bank moved upward in the four weeks ending April 18, owing to a marked increase in reserves and little change in note and deposit liabilities. Earning assets fell from 119 to 100 millions, as a result of declines of 12 millions in discounted bills, of 3 millions in purchased bills, and of 4 millions in holdings of United States securities. For the Federal Reserve System as a whole, the reserve ratio declined slightly, reserves decreased from 3,193 to 3,178 millions, note circulation fell off from 2,231 to 2,220 millions, and discounted bills increased from 630 to 643 millions.

Reporting member banks in the Third District increased their commercial loans in negligible amount in the four weeks ending April 11, but increased their secured loans from 280 to 294 millions. Investments, too, gained 3 millions, the net result of an increase of 6 millions in Government securities and of a falling off of 3 millions in other securities. Demand deposits decreased from 711 to 706 millions, and time deposits increased from 84 to 88 millions.

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	\$18	\$20
Sec'd by other stocks and bonds	276	262	237
All others (commercial)....	333	332	334
Total	\$627	\$612	\$591
Investments	305	302	306
Total deposits	795	795	777
Federal Reserve Bank:			
Discounts	\$50	\$62	\$58
Commercial paper	25	28	26
United States securities	25	29	29
Total earning assets	\$100	\$119	\$113
Federal res. note circulation...	198	198	205
Total deposits	120	119	116
Total reserves	236	216	225
Reserve ratio	74.2%	68.1%	70.1%

* For reporting member banks April 11; for Federal Reserve Bank April 18.

The level of stock prices on April 20 was materially lower than it was a month ago, and public utility, industrial, and Liberty bonds also fell off. Railroad bonds, however, gained. Activity in the stock market slackened perceptibly, and up to the 21st of the month there were only 5 million-share days, as compared with 10 in the same period of March, and 11 in February. Comparative averages of security prices follow:

	April 20, 1923	Month ago	Two months ago
Securities (average prices):			
20 industrial stocks	\$101.38	\$105.38	\$103.56
20 railroad stocks	87.35	89.60	90.17
10 first-grade rail bonds	85.72	84.49	87.25
10 second-grade rail bonds...	82.45	81.27	84.04
10 public utility bonds	86.65	87.25	88.25
10 industrial bonds	92.57	92.90	94.61
4 Liberty bonds	97.24	97.86	98.62

An increase of 0.6 per cent in savings deposits during March is reported by 80 banks in this district.

Savings deposits

Changes in the same month of the three preceding years were: 1920, +0.5%; 1921, -0.1%; 1922, +0.2%. Deposits this year increased from \$446,773,000 on March 1 to \$449,252,000 on April 1, or \$2,479,000, and of this last sum only \$62,000 represented the crediting of interest. As compared with the figures of a year ago, the gains have been most conspicuous in the industrial cities outside of Philadelphia. Percentage changes by cities follow:

Savings deposits in the Third Federal Reserve District

	Number of reporting banks	Per cent increase or decrease April 1, 1923, compared with—		
		March 1923	April 1922	April 1921
Altoona	5	+ .8	+13.4	+ 14.6
Chester	5	+1.4	+ 6.8	- 7.8
Harrisburg	4	+1.3	+34.6	+100.1
Johnstown	6	+1.0	+ 6.4	+ 1.3
Lancaster	3	+1.4	+37.0	+ 45.3
Philadelphia	9	+ .4	+ 4.5	+ 5.3
Reading	3	+ .6	+ 8.4	+ 11.0
Scranton	6	+2.4	+ 2.4	+ 16.2
Trenton	6	+ .04	+ 9.4	+ 7.9
Wilkes-Barre	5	+ .2	- 4.0	+ 8.3
Williamsport	4	- .2	+ 9.3	+ 14.1
Wilmington	5	+ .3	+17.4	+ 18.1
York	5	-3.0	+14.5	+ 23.4
Others	14	+1.0	+ 3.6	+ 10.7
Total	80	+ .6	+ 5.4	+ 7.7

Average weekly sales of bankers' acceptances in this district by five dealers fell off sharply in the five weeks ending April 15. Demand since then has increased somewhat in other districts, but is not active in this. Under the impulse of this improvement, offering rates, which during the first few weeks of the month were from 4 to 4½ per cent, were marked up to 4¼ and 4¾ per cent, but subsequently declined to 4⅛ and 4¼ per cent.

The supply of bills is rather small, but twelve banks in this district reported \$4,240,000 of acceptances executed in the month ending April 10, as against \$3,513,000 in the previous month, and \$3,097,000 a year ago. From the dealers' reports it appears that the exporting of cotton and grain, the importing of coffee, sugar, hides, and silk, and the warehousing of cotton, sugar, and tobacco, are among the transactions giving rise to many of the acceptances executed recently.

Comparative weekly averages, based on the reports of the five dealers, are given on page 8.

Weekly averages for period—	Sales to F. R. Bank	Sales to others	Purchases
1923:			
March 12 to April 15.....	\$1,208,000	\$116,000	\$525,000
February 12 to March 11....	2,424,000	182,000	642,000
January 15 to February 11..	2,815,000	135,000	299,000
1922:			
March 12 to April 16.....	2,548,000	439,000	530,000

Sales of commercial paper in this district continue to be small, with the country banks doing most of the buying. Many other sections of the country report that an active market exists for commercial paper. Chicago, the Pacific coast, New England, and New York are good markets. The supply of commercial paper is not as large as it was early in the year, when, according to figures collected by the Federal Reserve Bank of New York, it had increased from less than \$750,000,000 at the end of December to \$825,000,000 at the end of February. And it is thought that in recent weeks borrowers have been using the banks rather than the open market, because they could secure money at the same rate from the banks as from the dealers and save the commission they would otherwise have to pay to the latter.

Although quotations are much the same as at the opening of April, more paper is selling at 5 per cent than was the case several weeks ago, when the prevailing rate was $5\frac{1}{4}$ per cent. During the month rates on different offerings have ranged from 5 to $5\frac{1}{2}$ per cent.

The following table gives the total sales made in this district by six dealers in each month from May, 1922, to March, 1923, inclusive.

Sales by six dealers	
1922	
May	\$9,588,000
June	7,372,000
July	7,238,000
August	5,985,000
September	7,864,000
October	7,033,000
November	5,717,000
December	6,788,000
1923	
January	9,477,000
February	6,825,000
March	5,932,000

Sales in March, it will be noted, were smaller than in any month save November; smaller even than in August, which is always one of the poorest months of the year. Sales in March to Philadelphia banks totaled only \$2,054,500, and the balance, \$3,877,500, was taken by out-of-town institutions. Rates varied from $4\frac{3}{4}$ to

$5\frac{1}{2}$ per cent, with a great preponderance of the total at 5 per cent. A rather unusual feature is the report of transactions at $4\frac{7}{8}$ per cent; it is seldom that sales are made in less than multiples of $\frac{1}{4}$.

Sales by five dealers in this district in March, 1923, were \$4,402,000, as against \$7,460,000 in March, 1922, a decrease of more than 41 per cent. And in the same period, according to the report of the Federal Reserve Bank of New York the outstanding commercial paper increased by approximately \$125,000,000.

Francs have been the center of interest in the foreign exchange situation during the past month, and although they have fluctuated considerably, first rising sharply and then falling, a comparison of present quotations with those of a month ago shows little change. Belgian francs have moved in sympathy with French francs and are likewise about the same as they were last month. Sterling has been rather inactive and has lost several points since the middle of March. Numerous reasons are advanced for this, but rather heavy purchases of American securities are probably the chief factor in the decline. With rising interest rates in this country, capital has tended to flow in from London, and in addition the British Government has been buying Liberty Bonds, which, it will be remembered, are acceptable in payment of the debt due to the United States. At any rate there has been a considerable increase in the number of bills offered on London, and buyers have not been purchasing heavily, partly because of the Franco-German situation.

Marks were steady at \$.000047 until April 17, when they fell sharply, and on the following day touched \$.000032. The efforts of the German Government to stabilize exchange had previously been successful, and upon the Reichsbank's announcement that it would continue its stabilization policy, rates on Berlin improved, touching \$.000038 on April 20. Germany has made rather heavy sales of certain neutral currencies that she had recently acquired, and this has been an important cause of lower rates on Denmark, Switzerland, and Holland. Another factor tending to depress these currencies has been the drop in sterling. Spanish pesetas have lost several points, probably because of the Moroccan situation.

The Far Eastern exchanges, with the exception of Japanese yen, after rising toward the end of March, fell off rather sharply, following the announcement by the United States Treasury that the Government's silver requirements under the Pittman Act would be filled by July 1. Rates on Argentine and Chile declined slightly, and Brazilian milreis dropped considerably. The decline in Brazilian currency was attributed to an unfavorable trade balance and somewhat depleted gold reserves. Canadian dollars fluctuated within narrow

limits and at present show little change from last month.

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

RETAIL TRADE

After Easter, retail trade is apt to be dull for several weeks, as a result of the natural reaction from the heavy buying preceding the holiday. This year unusually cold and stormy weather accentuated the decrease in retail buying, but recently sales have been improving. Although the total sales for April cannot be expected to show again over those of last April—Easter then falling on the fifteenth—the improved status of trade and the higher prices as compared with last year will compensate for at least part of this difference. Merchandise in most lines has continued to advance, and on many articles it is becoming more difficult to obtain early delivery. Household goods are in great demand because of the continuance of building in all sections of the country. Prices of furniture and floor coverings have again risen. Nearly all goods for fall trade are considerably higher than were spring and summer lines, and the retailer is exercising caution in purchasing articles that have risen greatly.

The following table, compiled from reports of retail merchants in the Third Federal Reserve District, shows

Foreign exchange rates

Noon cables	Par value	April 20, 1923	March 20, 1923	April 20, 1922
London	\$4.8665	\$4.6577	\$4.6923	\$4.4183
Paris .....	.1930	.0666	.0651	.0931
Antwerp .....	.1930	.0576	.0563	.0857
Milan .....	.1930	.0495	.0485	.0542
Berlin .....	.2382	.000038	.000048	.003524
Vienna .....	.2026	.000014	.000014	.000133
Amsterdam .....	.4020	.3919	.3949	.3795
Copenhagen .....	.2680	.1891	.1918	.2122
Stockholm .....	.2680	.2677	.2661	.2599
Madrid .....	.1930	.1535	.1546	.1555
Berue .....	.1930	.1816	.1853	.1945
Buenos Aires .....	.9648	.8304	.8404	.8049
Shanghai .....	.7082	.7411	.7590	.7492

Condition of retail trade during March, 1923

	COMPARISON OF NET SALES		COMPARISON OF STOCKS		RATE OF TURNOVER*		Percentage of orders outstanding Mar. 31, 1923, to total purchases in 1922
	Mar., 1923 with Mar., 1922	Jan. 1 to March 31, 1923 with Jan. 1 to March 31, 1922	March 31, 1923 with March 31, 1922	March 31, 1923 with Feb. 28, 1923	Jan. 1 to Mar. 31, 1923	Jan. 1 to Mar. 31, 1922	
All reporting firms (136)	+ 34.1%	+21.7%	+10.8%	+ 9.3%	3.1	2.8	8.5%
Firms in—Philadelphia	+ 25.8 "	+18.6 "	+10.4 "	+ 8.1 "	3.9	3.6	8.8 "
—Allentown, Easton and Bethlehem....	+ 37.6 "	+23.7 "	+ 3.2 "	+ 9.8 "	2.5	2.1	.....
—Altoona	+ 29.2 "	+20.9 "	+ .1 "	+ 9.7 "	2.7	2.3	8.0 "
—Chester	+131.4 "	+78.4 "	.....	.....	.....	.....	.....
—Harrisburg	+ 34.0 "	+21.3 "	+25.0 "	+13.7 "	2.5	2.6	.....
—Johnstown	+ 52.0 "	+33.3 "	+13.2 "	+15.6 "	3.0	2.9	.....
—Lancaster	+ 41.0 "	+26.3 "	+11.2 "	+11.5 "	2.5	2.1	13.3 "
—Reading	+ 42.0 "	+27.3 "	+10.8 "	+ 9.6 "	2.2	1.9	5.4 "
—Scranton	+ 70.5 "	+36.5 "	+12.5 "	+ 9.2 "	3.4	2.7	.....
—Trenton	+ 30.4 "	+18.6 "	— 5.0 "	+ 6.3 "	2.7	2.2	.....
—Wilkes-Barre	+ 61.5 "	+29.4 "	+21.8 "	+12.3 "	2.9	2.6	.....
—Williamsport	+ 37.1 "	+14.2 "	+ 9.5 "	+ 9.9 "	2.2	2.2	.....
—Wilmington	+ 52.5 "	+26.0 "	+ 7.4 "	+ 8.6 "	1.6	1.3	5.0 "
—York	+ 34.7 "	+24.5 "	— 1.7 "	+ 7.0 "	2.5	2.0	.....
—All other cities.....	+ 42.1 "	+21.0 "	+20.6 "	+15.5 "	1.9	1.7	7.8 "
All department stores	+ 29.8 "	+19.9 "	+11.8 "	+ 7.7 "	3.1	2.8	9.5 "
Department stores in Phila....	+ 21.8 "	+17.3 "	+12.1 "	+ 6.0 "	3.7	3.5	10.0 "
Depart. stores outside Phila....	+ 40.0 "	+23.3 "	+11.3 "	+10.0 "	2.5	2.2	8.4 "
All apparel stores	+ 47.6 "	+24.8 "	+ 6.2 "	+15.5 "	3.6	3.0	4.4 "
Men's apparel stores							
—in Philadelphia.....	+ 37.1 "	+22.5 "	+23.1 "	+16.1 "	3.0	2.7	.....
—outside Philadelphia	+ 72.7 "	+34.1 "	+ 1.4 "	+ 9.5 "	1.9	1.5	8.8 "
Women's apparel stores							
—in Philadelphia.....	+ 43.3 "	+27.9 "	— 6.0 "	+11.8 "	6.9	5.2	4.9 "
—outside Philadelphia	+ 29.2 "	+11.9 "	+ 9.6 "	+23.9 "	3.4	3.3	3.7 "
Credit houses	+ 51.7 "	+38.9 "	+16.8 "	+ 6.4 "	2.5	1.9	2.3 "

* Times per year, based on cumulative period.

that the gain in sales, as compared with March, 1922, was 34.1 per cent. This unusual increase is not due altogether to improvement in general business conditions, but in large part to increased prices, and to the fact that the Easter trade last year fell in April.

WHOLESALE TRADE

Not only were sales in all of our reporting wholesale lines larger in March than in February, but they were also heavier than those of March, 1922. The increase over February was to be expected, however, because of the fewer business days in that month. The improvement over last year's sales, especially in dry goods and shoes, must be attributed to the influence of an early Easter, to an increased physical volume of trade and to the advance in wholesale prices. This advance in prices is shown in the index of all commodities, compiled by the Bureau of Labor Statistics, which was 159 for March, 1923, as compared with 142 for March, 1922.

Sales at wholesale during April have been retarded by the poorer retail demand for shoes caused by the after-Easter dullness, which this year has been rather more marked than usual because of the cold weather of early April. Business is being booked in fair volume, but it is not expected that April shipments will compare favorably with those of last April, because of the large pre-Easter trade included in that month. Shoe prices have not changed except on very modish patterns, and next fall lines now being shown are therefore meeting with fair success. Collections have improved during the month but are still slow in some parts of the south.

During March sales in this district, as reported to the Federal Reserve Bank, increased 115.3 as compared with February and 28.1 per cent as compared with March, 1922. This latter figure was no doubt largely influenced this year by Easter business. The ratio of accounts outstanding decreased from 257 per cent for February to 162 per cent for March and compares with 176 per cent, the figure for March, 1922.

March sales of wholesale drygoods showed an increase of 23.3 per cent over those of February and a still greater gain of 28.6 per cent over the figures for March, 1922. However, the present demand for drygoods is quiet, and many firms report that since Easter business has fallen off. Except with a few houses, over 90 per cent of the orders on the books are for prompt delivery. The merchandise in greatest request is hosiery, dress ginghams, cotton underwear, and summer dress goods such as voiles and crêpes.

Prices of nearly all textile products reflect the advances in the costs of raw materials and labor, but wholesalers report that so far the raising of wholesale prices has not greatly affected the demand for goods. In some cases it has caused retailers to delay or reduce their orders, but on the other hand a few firms report that business in certain lines has been stimulated by rising prices. Wholesale stocks are not increasing.

During March, collections made their customary improvement. This is indicated by the decline of the ratio of accounts outstanding to sales from 230.4 per cent for February to 210.6 per cent for March. Collections were also more prompt than in March of last year.

The demand for drugs from wholesalers is very good, as is reflected in the heavy sales in March, which were 8.6 per cent larger than those of February, and 5.8 per cent greater than those of last March. That sales in January and February were 21.6 and 9.9 per cent larger respectively than in the corresponding months of last year bears out the assertions that the wholesale drug business is excellent.

Since January, stocks have been increasing in preparation for the early summer business and now range from moderate to heavy. The majority of firms report heavy stocks. Quotations on botanicals in the crude drug markets have been increasing this spring because of the scarcity of many items. Now, however,

Condition of wholesale trade during March, 1923

	Number of reporting firms	Percentage of increase or decrease in—				Ratio of accounts outstanding to sales		
		Net sales March, 1923, compared with—		Accounts outstanding March, 1923, compared with—				
		Feb., 1923	Mar., 1922	Feb., 1923	Mar., 1922	Mar., 1923	Feb., 1923	Mar., 1922
Boots and shoes.....	13	+115.3%	+28.1%	+43.3%	+25.0%	162.0%	257.0%	176.0%
Drugs	16	+ 8.6 "	+ 5.8 "	+ 3.0 "	+24.1 "	131.5 "	138.4 "	112.5 "
Dry goods	20	+ 23.3 "	+28.6 "	+12.7 "	+15.9 "	210.6 "	230.4 "	233.6 "
Groceries	63	+ 9.7 "	+12.4 "	- .5 "	+17.3 "	106.3 "	117.0 "	102.1 "
Hardware	35	+ 41.2 "	+23.6 "	+12.5 "	+23.7 "	160.1 "	199.5 "	159.2 "

the arrival of shipments from abroad has caused prices on some items to decline, and during the past month the index of botanical drugs has remained unchanged, as may be seen from the table below. Quotations on menthol weakened because of the arrival of a shipment from Japan. In the heavy chemical group, the chemical metal derivatives, such as copper sulphate, sugar of lead, and tin and zinc salts have been very strong on account of advancing prices of the basic metals during the first quarter of the year.

Price index numbers*			
	Week ending April 23	Last month	Last year
Of 40 botanicals (normal—136)	151.7	151.8	106.4
Of 35 drugs and fine chemicals (normal—60)	171.6	172.8	152.2

* Compiled by "Oil, Paint and Drug Reporter."

Almost half of our reporting firms have advanced wages. A few report some scarcity of help, especially of female workers.

The decrease in the ratio of accounts outstanding to sales from 138.4 per cent for February to 131.5 per cent in March was to be expected, but collections are less prompt than they were in March of last year.

Sales in March, as reported by 35 wholesale hardware firms, were 41.2 per cent larger than those of February, and 23.6 per cent above those of March, 1922. Our index of sales increased from 89 in February to 122 in March.

Demand for practically all products is good, and although there is some tendency to duplicate orders, it is not widespread. Stocks are heavy in the majority of cases, and in spite of the large sales are generally increasing. Prices continue to advance, and not a few houses find considerable resistance is being offered to the higher quotations.

Collections are somewhat slow and are about the same as they were a year ago. The March ratio of accounts outstanding to sales was 160.1, as compared with 199.5 for February, and 159.2 for March, 1922.

During the past month the demand for groceries at wholesale has barely held its own. Although many firms report that their present volume of business is about the same as that of a month ago, others report a decrease.

March sales were 9.7 per cent greater than those of February and 12.4 per cent larger than the sales of March, 1922. Future orders for goods of the 1923 pack are somewhat larger than were the future orders at this time last year, but they are not as plentiful as usual. However, orders for Wisconsin canned peas are reported to be good.

The following table gives index numbers of wholesale grocery sales, based on reports of 38 firms in this district:

Index numbers of wholesale grocery sales					
(Average sales in 1922=100)					
	1919	1920	1921	1922	1923
January	112	151	103	88	110
February	94	135	99	86	107
March	107	167	118	96	115
April	116	170	101	83	
May	138	178	100	97	
June	137	200	106	105	
July	152	199	104	94	
August	131	137	115	140	
September	142	152	107	102	
October	154	136	111	114	
November	162	140	108	117	
December	138	118	93	116	

Wholesale stocks are moderately light, and in the great majority of cases they continue to decrease. As far as can be determined, retail stocks range from light to moderate. The memory of 1920 has caused retailers to buy more conservatively.

Since canned goods must be used by housewives for some time yet, they are in ready demand by retailers. The most active commodities last month were canned vegetables, canned fruit, sugar, dried fruit, cereals, macaroni, flour, and coffee. In general, wholesale prices have changed but little. However, refined sugar has fluctuated between 8.60 cents and 9.85 cents a pound. Soaps and paper bags have advanced.

Although the freight congestion is being slowly relieved, deliveries are still delayed. To many points it is necessary to allow from 50 to 100 per cent more time for shipments than was allowed before the war.

Collections improved as usual during March, and the ratio of accounts outstanding to sales fell from 117.0 per cent for February to 106.3 per cent for March. However, in comparison with the ratio of 102.1 per cent for March, 1922, this year's figure was higher.

FLOUR

Although domestic purchases of flour are larger than they were a year ago, foreign buying is lighter, and millers state that the demand is only fair. The flour market has remained practically stationary since February, and the demand shows little or no improvement over that of the previous months of this year. Bran, middlings, and other mill feeds were in exceptionally good request during the first three months of the year, but some mills report that their sales of middlings have declined sharply this month. The call for bran and other feeds, however, is still strong.

On account of the heavy buying, millers have been getting from 10 to 15 per cent more for feeds this year than they got in April, 1922. Flour prices, however, are from \$1.25 to \$1.50, or from 15 to 18 per cent, lower than last year. And wheat is about 20 cents per bushel, or 15 per cent, lower.

In March, exports of flour from the port of Philadelphia were forty thousand barrels less than in March, 1922. Exports of wheat, however, were two million bushels larger, while exports of corn were nearly 1¼ million bushels less. The rising price of corn and the relatively low cost of wheat seem definitely to have checked corn shipments and increased wheat exports. The countries of Europe, which are our best grain customers, have found that they can buy wheat nearly as cheap as corn, and are therefore buying more nearly as they did before the war.

The following table, based upon statistics compiled by the Commercial Exchange of Philadelphia, shows how the exports of grain and flour in March, 1923, from the port of Philadelphia, compare with those in March in the two previous years:

Exports of flour and grains from port of Philadelphia				
Exports	Flour	Wheat	Corn	Rye
	(bbls.)	(bus.)	(bus.)	(bus.)
March, 1923	33,002	4,231,275	561,711	64,786
February, 1923	40,559	3,262,915	1,504,813	17,143
March, 1922	73,865	1,965,645	1,756,790	58,502
March, 1921	36,445	1,471,654	1,996,269	45,894

Receipts of flour and wheat at Philadelphia were considerably heavier during the first three months of 1923 than in the first quarter of 1922. The increased wheat shipments were largely absorbed by foreign countries and were exported, but the heavier flour shipments were absorbed by local consumers. The consumption of wheat by Philadelphia millers is not as heavy as it was a year ago, and apparently western millers are sharing in the Philadelphia market to a greater extent than they did last year. The following figures, gathered by the Commercial Exchange of Philadelphia, show the receipts and exports of flour and wheat for the port of Philadelphia during the first quarter of 1923 and of 1922:

Receipts and exports of flour and wheat				
	1923	1922	Increase	Decrease
Receipts				
Flour (bbls.) ..	900,005	713,966	186,039	.....
Wheat (bus.) ..	13,848,402	11,842,127	2,006,275	.....
Exports				
Flour (bbls.) ..	94,614	139,271	.....	44,657
Wheat (bus.) ..	13,015,620	8,934,991	4,080,629	.....

Philadelphia public warehouse stocks of both flour and wheat were 33 per cent greater on April 2, 1923, than they were a year ago, and slightly greater than on March 1.

Public warehouse stocks		
	Flour (bbls.)	Wheat (bus.)
April 2, 1923	211,072	2,153,108
March 1, 1923	200,854	2,027,632
April 1, 1922	153,028	1,578,268

The average of mill operations in this district is about from 70 to 80 per cent. The mills in inland cities, which are dependent only on domestic trade, are running at capacity, but the seaport mills, which do considerable export business, are operating at only 60 per cent. Most millers have large supplies of grain on hand, but their stocks of finished products are light, as very few mills will accumulate stocks.

A scarcity of both skilled and unskilled labor is noted at many mills, and recently a general advance of 5 per cent in wages was granted. Collections are rather slow and on the whole are only fair.

The Department of Agriculture on April 1 estimated the condition of winter wheat in the whole United States to be 75.2 per cent of normal. The total production, the department estimates, will be 572,317,000 bushels, as compared with 586,204,000 bushels, the final estimate of the 1922 crop. This forecast has served to stiffen wheat prices, and since the first of the month cash wheat prices have advanced about 8 cents per bushel in the Philadelphia market. Future quotations on the Chicago market for May wheat have risen about 5 cents per bushel, or a little more than 4 per cent.

BUILDING

The value of building permits issued during March in fourteen cities of the Third Federal Reserve District reached the impressive total of \$31,844,831, as compared with \$9,877,412 in February. As is shown in the table below, permits issued during March, 1922, totaled \$14,116,292, or less than one-half the value of those issued last month. In Philadelphia alone permits amounted to \$21,064,685, a new record, the previous high point being \$13,190,220 in June, 1922. Two-story dwellings accounted for \$7,503,675, or nearly one-third, of the permits issued in Philadelphia.

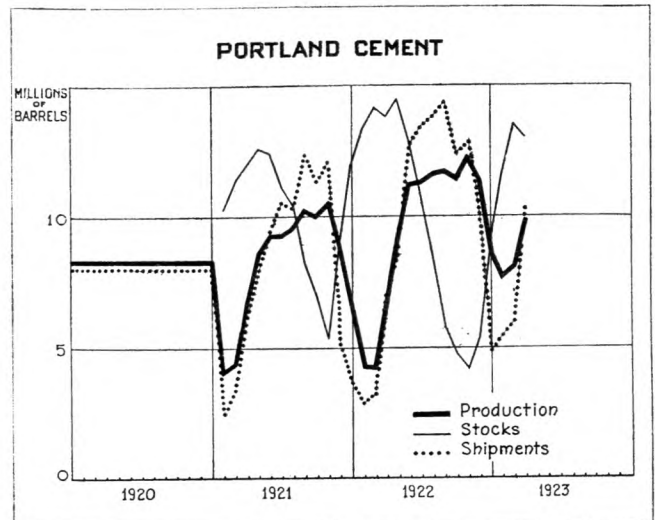
Wholesalers continue to report a good demand for building lumber, although there has been a slight lull in buying during the past few weeks. This is chiefly because retail dealers are carrying heavy stocks which, though largely sold, they have not been able to move from their yards because of bad weather or shortage of labor. With

manufacturers, business has continued to be excellent, and many report even larger orders than during the previous month. In not a few cases manufacturers are refusing further orders or limiting the size of those they are accepting. The bulk of the demand is for delivery within sixty days, and practically no commitments are being made for delivery beyond that length of time.

Wholesale dealers report little change in quotations during the past month, but prices have been quite firm, and the slackened buying has tended to check further advances. Numerous manufacturers, however, have marked up their lists somewhat. Manufacturers' stocks vary greatly, but in general they are either moderate or light. Operations average nearly 90 per cent of capacity, and in several cases scarcity of labor, especially skilled labor, is causing a curtailment. Because of this, wages to both skilled and unskilled workmen have been advanced from 5 to 25 per cent during recent weeks.

Collections with manufacturers are fair, and some wholesalers report them to be good. In both cases they show little change from last month, but several find them slower than they were a year ago.

Portland cement manufacturers in this district are receiving exceptionally heavy orders, indeed, in some instances they are refusing further business, and in a few cases are making commitments only to old customers. Sales are larger than those both of a year ago and a month ago. A large proportion, probably two-thirds, are for future delivery, and of these over one-half are for delivery more than 90 days in the future. Manufacturers are scrutinizing orders carefully and are avoiding any busi-



Shipments and production of Portland cement in March were considerably above those for the same month of the previous two years. Stocks are now decreasing, as is usual at this season. The figures for production and shipments in 1920 are monthly averages.

Source—U. S. Geological Survey

ness that appears speculative; nevertheless, it is felt that some duplicate orders have been placed.

Practically all the plants in this district are now producing at capacity, and stocks on hand vary from moderate to heavy. In most cases, however, stocks are decreasing and will doubtless continue to do so, as is customary, until the fall, when they will again begin to accumulate. The accompanying chart shows the monthly production and shipments, and the stocks at the end of each month, since 1920, and average monthly shipments and production for the year 1920.

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

	1923			1922			January to March, inclusive			
							1923		1922	
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	Permits	Estimated cost	Permits	Estimated cost
Allentown	122	215	\$1,265,120	106	.....	\$157,195	175	\$1,464,345	160	\$375,195
Altoona	170	175	285,021	171	.....	267,328	263	454,006	265	384,427
Atlantic City	335	335*	1,087,605	399	.....	970,659	726	2,951,069	859	2,312,748
Camden	110	184	737,400	120	.....	369,150	205	1,395,861	240	1,003,015
Harrisburg	120	272	2,961,355	93	.....	307,300	186	3,188,105	145	905,375
Lancaster	121	121	386,670	141	.....	387,250	174	748,195	196	542,750
Philadelphia	1,359	2,615	21,064,685	1,464	.....	9,210,010	2,874	34,368,745	3,682	19,002,765
Reading	304	324	878,525	379	.....	983,735	552	1,434,055	612	1,346,936
Scranton	122	122	586,503	129	.....	284,967	202	894,713	182	462,322
Trenton	168	216	1,171,084	156	.....	472,423	276	1,978,616	251	636,203
Wilkes-Barre	94	94*	235,256	93	.....	347,037	173	451,901	189	688,797
Williamsport	45	45	478,440	105	.....	149,425	82	523,125	148	210,185
Wilmington	107	107	235,922	82	.....	97,457	230	930,956	169	1,247,844
York	131	131	471,245	119	.....	112,356	249	705,695	163	151,591
Total for December	3,308	4,956	\$31,844,831	3,557	.....	\$14,116,292	6,367	\$51,489,387	7,261	\$29,270,153

* Do not report operations.

It will be noted that both production and shipments are larger at present than they have been for the past two years, and that although stocks are heavier than they were at this time in 1921, they are somewhat below those of the corresponding period of last year. Stocks of raw materials for the most part are moderate and show little change.

In spite of the heavy demand, prices have not been advanced since last October, and although present quotations are lower than those of the peak of 1922—which was reached in late summer—they are somewhat above those prevailing at this time last year. Costs of production are advancing, and practically every establishment during recent weeks has granted wage increases varying from 5 to 25 per cent, to both skilled and unskilled labor. Unskilled labor, which is the more important in the cement industry, is especially scarce. The freight situation on the whole appears to be satisfactory.

Collections vary from fair to good and, as compared with those both of last year and of last month, show no change.

The majority of paint manufacturers report continued good business, but certain makers of colors and of special paints find it only fair. In some lines higher prices have caused the loss of numerous orders, and it is said that in colors there is considerable competition from foreign sources.

Paint

Among the larger manufacturers operations are at or near capacity, and no great scarcity of labor has developed. For the most part employees have been with manufacturers for many years, and labor turnover is relatively small. The chief problem facing producers is the steadily rising cost of raw materials, especially lead and linseed oil. The market for these is very firm and in some cases they are difficult to obtain.

Collections have been rather slow, but have recently improved somewhat, although they cannot be classed as better than fair.

So great is the demand for sanitary pottery that many manufacturers have limited the size of orders, and others have declined to make further commitments. The Brotherhood of Operative Potters has been on strike since November 1, 1922, and the consequent reduction in operations has prevented any increase in stocks, so that goods at present are being shipped as soon as manufactured. The great majority of orders are for immediate delivery, but in many instances delivery will be impossible for several months.

Stocks are for the most part light or only moderate; indeed, some manufacturers report them lower than ever before in their experience. Supplies of raw materials, too, are only fair, but there seems to be no difficulty in procuring them.

Because of the strike there is a distinct shortage of skilled labor, and unskilled labor also is scarce. Sev-

eral operators are now breaking in new men, and this has relieved the situation somewhat in the past few weeks. Wage increases varying from 5 to 16 per cent have been granted in nearly all cases to both skilled and unskilled labor, but wages of skilled labor are still below those paid when the strike began. Operations average about 75 per cent of capacity, but many manufacturers whose production is low at present, state that they expect to be running at capacity as soon as their new men are better trained, and this they believe will be a matter of only a few weeks.

Prices are strong, and some increases have been made during the past month. Because of the heavy demand, little or no resistance is being offered to these advances.

Collections vary from fair to good and show practically no change since last month, although certain operators find them more prompt than they were a year ago.

Manufacturers and dealers in plumbing supplies report an excellent demand for their products, and in some cases they have been obliged to limit sales and to refuse not a little business.

Plumbing supplies

Several of them are unable to accommodate any new customers. Orders for the most part are for immediate delivery, but certain manufacturers are unable to make delivery for some time in the future. Under these conditions, prices have advanced, over those prevailing last year and over those of a month ago. Here and there considerable resistance is being offered to these increases, but this has not affected sales appreciably.

Stocks vary considerably, but in general they are moderate or light, although certain manufacturers and dealers report them to be heavy. Where stocks are heavy there is of course no difficulty in making immediate shipments. Among manufacturers operations average about 90 per cent of capacity, labor supply usually being the controlling factor. The supply of both skilled and unskilled labor is reported to be short, especially of skilled workmen. In the majority of cases wage increases of from 5 to 25 per cent have recently been granted to both classes of workers.

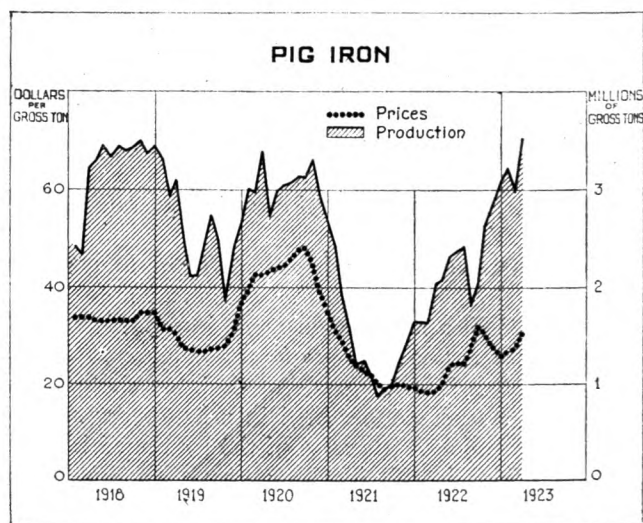
The freight situation is still hampering business to some extent, but an improvement has been noted in recent weeks. Collections on the whole are fair, and though they have changed but little during the past month, are slower in many instances than they were at this time last year.

IRON AND STEEL

A slight lull in buying has developed in the iron and steel industry during the past two weeks, but the feverish activity that characterized the market earlier in the year could hardly be expected to continue indefinitely. The larger interests especially have curtailed buying, as they had already made extensive purchases. However, the call for most products has continued good.

Manufacturers of iron and steel castings report a brisk demand, and some of them have been obliged to limit the size of orders. Forging shops are fairly busy, but some are having difficulty in securing raw materials. Plates and structural shapes are in such good request that producers are accepting only limited portions of the orders they receive. Pig iron manufacturers too are busy, and many of them have their books filled for the second quarter of the year and have made substantial commitments for the third, although now they are receiving fewer inquiries. Machinery and tools are moving well, and the majority of orders are for immediate delivery.

The active business of the entire industry is reflected in the statement of unfilled orders of the United States Steel Corporation. On March 31 there were 7,405,332 tons, an increase of 119,343 tons over those of February 28. That there was not a greater relative increase is evidence of the high rate of shipments. The accompanying chart shows the monthly production of pig iron, together with the composite price of several grades. It will be noted that the output for the first three months of 1923 exceeds that for the preceding five years, and that prices have returned to about the level of 1919. Although quotations have been firm during the past week, there have been many increases from the prices prevailing during the middle of March. Philadelphia 2 X pig iron, however, is unchanged at \$32. The "Iron Age" composite price of pig iron on April 17 was \$30.79, as against \$29.96 on March 13, and the same journal's composite price of finished steel during that period advanced from 2.710 cents to 2.810 cents.



Production of pig iron during March of this year was at the highest rate on record. Although prices have risen considerably during the past year, they are still nearly 40 per cent below the peak of 1920.

Source—"Iron Age"

Operations are at an exceptionally high rate, and during March new records were made in the output of both steel ingots and pig iron. Pig iron production totalled 3,521,275 tons. The nearest approach to this was in October, 1916, when 3,508,849 tons were produced. The output of steel ingots during March, by 30 companies that made 87.50 per cent of the total in 1921, was 3,402,007 tons, as against 2,919,017 tons in February. The highest previous figure had been 3,352,196 tons in October, 1918. A gain of 15 active blast furnaces was made during the month, bringing the total to 293 on April 1. In this district 6 furnaces were blown in, and 39 are now in blast. The average percentage of operations for the various branches of the industry in this district is about 90.

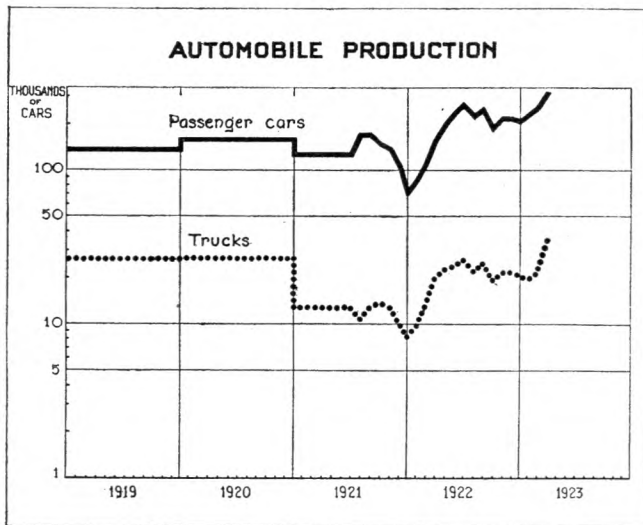
Almost daily the shortage of both skilled and unskilled labor becomes more acute, and in many cases lack of labor has been an important cause of curtailed production. On April 9 the United States Steel Corporation announced an 11 per cent increase in wages, which brings the hourly wage for common labor to 40 cents, a 20 per cent advance to 36 cents having been granted on September 1, 1922. This action of the Corporation was followed by numerous independent companies. The average weekly earnings of employees in the iron and steel industry, as reported to the Federal Reserve Bank of Philadelphia by 32 firms, increased in March from \$27.57 to \$28.18. The wage index of iron and steel workers advanced from 129 to 132.

Collections, on the whole, are unchanged from last month and may be classed as fair.

AUTOMOBILES

Sales of both passenger cars and trucks during the past three months have in general been considerably larger than those in either the first or last quarter of 1922. In only one or two instances has there been a slight falling off. As regards pleasure cars there is a distinct and growing preference for closed bodies, and the percentage of sales of this type is increasing. In numerous instances dealers are behind on deliveries, either because they have been unable to obtain sufficient cars from the factory, or on account of the earlier buying by customers this year. As a result, stocks in most cases are considerably lighter than is customary for this period. Indeed, some dealers state that never in their experience have their stocks been so depleted at this season of the year.

To supply the demand, manufacturers have pushed production to such an extent that output during March was the highest on record, totaling 318,424 passenger cars and 34,593 trucks. The ratio chart on page 16 shows average monthly production of passenger cars and trucks for 1919 and 1920 and for the first six months of 1921, and actual monthly production thereafter. It will be noted that the output of passenger cars for the first three months of 1923 is far above that for the cor-



Production of both passenger cars and trucks in March set a new record. For 1919, 1920, and the first six months of 1921, average monthly, instead of actual, production is shown
Source—National Automobile Chamber of Commerce

responding period of last year, which year, it will be remembered, set a record of over 2,500,000 cars. At the present rate the total for 1923 will easily exceed that of 1922. Manufacturers are experiencing some trouble in the delivery of raw materials, steel being especially difficult to obtain. In addition, prices on nearly all materials are rising. Prices of cars, however, have been steady on the whole, although one or two small advances have recently been made. An offsetting factor tending to hold prices in check, in spite of the rising costs of materials, is the strong competition among manufacturers.

Collections are good, and dealers state that they are having no difficulty in obtaining payments that fall due under financing plans.

COAL

As usual at this season, the demand for domestic sizes of anthracite has slackened to some extent, but sales are still large and shipments are heavy.

Anthracite The market for steam sizes, however, continues to weaken, and many operators who have space have commenced storing. The large tonnage of bituminous coal that is coming on the market has, of course, affected considerably the demand for steam sizes of anthracite.

Production has been maintained at a high level, averaging over 2,000,000 tons a week, with the exception of the week after Easter, when the holidays caused a reduced output. Shipments during March, as reported to the Anthracite Bureau of Information, amounted to 7,183,518 tons. Only six times before have shipments exceeded 7,000,000 tons and that was during the war years of 1917 and 1918. Estimated production for the past four weeks and for the corresponding weeks of

1922 is given below. The small production during the first two weeks of April last year was due to the outbreak of the miners' strike.

Week ending	1923	1922
March 24	2,126,000 net tons	2,095,000 net tons
March 21	2,008,000 " "	1,896,000 " "
April 7	1,602,000 " "	9,000 " "
April 14	2,067,000 " "	6,000 " "

Operations in most cases have been maintained at capacity, and the supply of cars has been adequate. A slight scarcity of miners is reported in a few instances, and occasionally a local strike has developed; but the labor situation in general is good.

Several independent operators have reduced their list prices on domestic sizes, bringing them more into line with company quotations, and both independent and company mines have lowered their quotations on pea coal and the various grades of buckwheat. Independent prices on steam sizes are now in line with or below company rates.

Retailers report that collections from industrial users are good, but that from householders they are only fair.

The bituminous market has continued to be sluggish during the past month, and the chief demand has been for the higher grades of steam coal.

Bituminous Low sulphur gas coals are only in fair demand, but high sulphur Fairmont gas coal is somewhat more steady, largely because of the export demand. Certain operators are closing contracts for export in May and June, but temporary lack of bottoms and increasing shipping rates have somewhat affected sales. Rates to Hamburg and the French Atlantic ports since March have advanced about fifty cents a ton. In the domestic market the most active buyers are the industries, especially iron and steel plants. Railroads and public utilities have bought but sparingly. Several embargoes are still in force to New England points, shipments thither being possible only with permits, and this has had considerable effect upon business in this district.

Prices on many grades have continued to weaken, and pool 10 grade is now quoted at from \$2.45 to \$2.85, as against \$3.20 a month ago. The lower prices have tended to force the closing of some high-cost mines that produce an inferior grade of coal, but these shut-downs have as yet not resulted in a better car supply for the other mines. Because of the continued lack of cars, operations in this district average no more than 50 per cent of capacity, and the supply of miners is ample. In spite of these factors, production continues at a high rate and has averaged nearly ten and a half million tons a week, except in the week following Easter, when the holidays caused a reduction. Esti-

mated total output for the last four weeks was as follows:

Week ending:	
March 24	10,428,000 net tons
March 31	10,430,000 " "
April 7	9,629,000 " "
April 14	10,393,000 " "

A recent study by the United States Geological Survey of stocks of commercial coal indicates that on March 1 they were about 36,000,000 tons, as against 38,000,000 on February 1. These figures indicate the high rate of consumption caused by heavy operating schedules in most industries.

The coke market has weakened considerably during the past month, partly because many furnaces have covered their needs, and partly because export shipments have been curtailed by congestion at ports. Production, on the other hand, has continued at a fairly high rate, and the estimated output of bee-hive coke for the last four weeks is as follows:

Week ending:	
March 24	384,000 net tons
March 31	388,000 " "
April 7	428,000 " "
April 14	420,000 " "

Because of the decreased demand, quotations have softened since last month. Connellsville furnace grade on April 17 was quoted at \$6.00, as against \$7.50 on March 20; and during the same period foundry grade declined from \$8.50 to \$7.00.

COTTON

Strong as is the statistical position of the old cotton crop, the uncertainty regarding the size of the coming yield caused the price of spot cotton to decline in the period following March 19 until it reached 28.55 cents a pound on April 2. Since that date the market has fluctuated violently, and on April 21 the price fell to 27.30 cents a pound. Although the total domestic consumption in March was the largest ever known, the average daily consumption decreased. Among the other causes of the reaction in cotton prices has been the heavy selling of the new crop, which tended to widen the spread between the old crop quotations and the new. Other bearish factors have been the larger sales of fertilizer in the South and the prospect of an increased acreage. These have been offset, however, by the same bullish argument as has affected the cotton market all winter, namely, that visible stocks, which are already low, are being rapidly depleted. Although the weather reports have been both favorable and unfavorable, rains have delayed planting in much of the cotton belt east of the

Mississippi. The weather during the coming month will be a factor of prime importance in determining the size of this year's crop.

Domestic takings and exports of American cotton

In bales	Season of 1922-1923	Season of 1921-1922	Season of 1920-1921
Northern mill takings to April 20	2,107,006	1,935,815	1,495,091
Southern mill takings to April 20	3,792,983	3,058,302	2,144,821
Total American mill takings to April 20	5,899,989	4,994,117	3,639,912
Exports to April 20	4,211,971	4,614,029	3,963,153

The table above shows that although the exports of American cotton are somewhat smaller this year than they were last, the domestic takings are so much heavier that the total consumption to date is half a million bales larger than last year's and about 2½ million bales larger than that of 1921. How far this consumption has reduced the supply of American cotton is indicated in the table below:

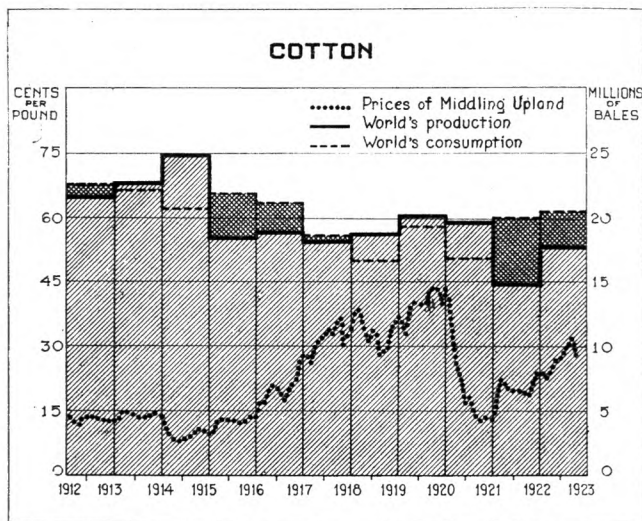
Supply and takings of American cotton

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 April 20	10,248,940	9,133,532	9,170,769
Total	12,217,099	13,246,183	12,114,651
Visible supply, American, on April 20	1,974,538	3,518,464	4,494,520
World's takings of American to April 20	10,242,561	9,727,719	7,620,131

The chart on page 18 shows the large discrepancy between world supply and world consumption during the last two years that resulted from two short crops. If the consumption of cotton is as heavy this year as it was last, the damage done to the American crop by the boll weevil will largely determine whether or not there will be another deficit this year.

The dulness in the cotton yarn market during the past month has resulted from the fact that customers generally had covered their requirements and preferred not to buy heavily until the effect of the coming crop reports on the trend of raw cotton prices is more apparent. Consequently, few large contracts were placed, and the new business transacted was very small. However, some

Cotton yarns



The dark shaded areas show the seasons in which the world's supply of cotton failed to equal the consumption. Although the consumption during the last two years was the heaviest since the end of the war, the crops were the smallest since the bumper yield in 1914-1915 and as a result stocks have become depleted.

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

customers have requested shipment on orders that they had previously held up. Of the future orders on the books, 65 per cent on the average are for delivery within 60 days, and about 30 per cent during the month thereafter.

After holding firm for several weeks in the face of a falling cotton market and a dull demand, quotations on carded yarns declined during the second week of April. Prices on combed yarns continue to be extremely low in comparison with those on carded and on some counts are almost the same. During the war the large profits made on combed yarns caused a surplus of equipment to be installed for spinning them. Now that they have been replaced by carded yarns for many uses, such as the manufacture of tires, combed yarns are in excess supply.

Stocks of yarns are fairly light. The mills located in this district have moderate, but decreasing, supplies of raw cotton. They report an adequate supply of labor. Wages have been increased from 7½ to 12½ per cent for skilled labor and from 5 to 10 per cent for unskilled.

The freight situation has improved greatly, but shipments to points in New England are still delayed. Collections are fairly good, and are much better than they were last January.

The weakness of the raw cotton market which began near the end of March has caused new orders for cotton goods to diminish, and the demand is not as strong as it was during the first three months of the year. Still, the business booked in most lines has been fairly good, and in comparison with that of the same period in 1922 it is

Cotton goods

decidedly better. Narrow fabrics and mohair plush are in good request, but the call for cretonnes and other draperies has been only fair. The falling off in demand affected cloth quotations but little, because they had lagged somewhat behind cotton prices when the latter were rising rapidly. Prices of goods declined slightly during the latter part of March, but since that time they have remained firm.

With the exception of a few lines, such as flannels, in which it is customary to place business far in advance, the great majority of orders on the books are for delivery immediately or within 60 days. Few mills desire to book orders too far ahead because of the risk of possible cancellations. Of the future commitments, from 25 to 40 per cent are for delivery in from 60 to 90 days.

Converters in this district are operating almost at capacity, but the production schedules of cotton mills in general average about 85 per cent. Most manufacturers report that sufficient labor is available. Some have advanced wages 10 per cent, but most of them have made no changes during the month. Owing to the heavy demand since the first of the year, stocks of finished goods are light and are decreasing. Supplies of yarns in the hands of weavers are moderate.

As in last month, collections are good, and in general are more prompt than they were a year ago.

WOOL

Both the present condition and the future outlook of the worsted cloth industry are good. Manufacturers of men's wear have booked all the initial heavyweight business that they desire. In fact, many mills have been forced to limit the size of the orders taken, especially for coatings. Initial orders for dress goods are also satisfactory and are much heavier than they were last year, when dress goods were in small request. The high grade dress goods have been in the greatest demand, because of the reaction of consumers against the poor quality of some of the goods bought last year. Although this season worsted suitings are preferred to woolen for men's wear, the chief interest is centered in worsteds of the poorer qualities. Manufacturers of cassimeres report that their product is in good request. Of the orders now on the books, 45 per cent are scheduled for shipment within 60 days, 35 per cent in from 60 to 90 days, and 30 per cent for shipment after 90 days.

Owing to advances in wages and in the cost of yarns, prices are tending upward, but few mills have taken business at prices higher than their opening quotations. It is significant that both weavers and clothing manufacturers have attempted to prevent the prices of

their products from being advanced to such an extent as would check the movement of goods. The memory of events in 1920 seems to have had a great influence on the fixing of prices this spring.

Mills are running about 90 per cent of their looms. Weavers and menders are found to be scarce, especially by mills that do not run steadily, and in some districts semi-skilled labor is also difficult to obtain. Wages have in general been advanced from 10 to 12½ per cent. Supplies of yarn in the hands of weavers are moderate and are decreasing, as also are stocks of finished goods. Many mills are shipping their product out as fast as it is woven.

Collections are fairly good. They have changed but little since last month, but are more prompt than they were a year ago.

Although spinners are well supplied with business, the call for yarns is now quiet. Weavers have already bought enough yarn to cover their initial requirements, and they are unwilling to contract for yarns at the present high prices because of their fear that the cloth made from them cannot be sold profitably. Sales of hand-knitting yarns are not as heavy as they were a year ago, but mohair-upholstery yarns are in excellent request. Of the total orders booked, from 30 to 60 per cent are for delivery in the next 60 days, from 20 to 35 per cent in the succeeding month, and from 20 to 30 per cent after 90 days. This of course does not refer to mills that spin on commission.

During the past month, yarn quotations have advanced. The tendency of some mills to offer concessions, which was apparent a month ago, has disappeared with the disposal of the accumulations of yarns. Stocks, especially of worsted yarns, are light and decreasing. Spinners' supplies of raw wool are also decreasing, but they still range from moderate to heavy.

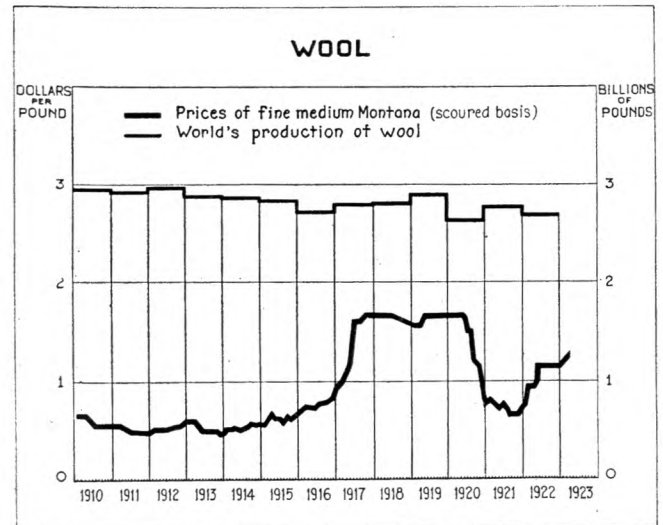
The majority of mills in this district are running at close to capacity. In many sections skilled help is scarce, and wages have advanced from 10 to 12½ per cent.

Collections are good and tend to improve.

Since most mills have sufficient wool for their needs, the market has been comparatively inactive. During the past month interest has centered in the further trend of demand toward fine grades in order to satisfy the desire of consumers for high-class fabrics, and the purchase of the new clip in the West. Now that shearing has begun in some of the western states, domestic wool will start to move eastward. But most of the buying of western wool has so far been done by the American Woolen Company and by a large Boston wool house, because western growers have held out for such high prices that many dealers felt they could not turn the wools over at a profit. The Christianburg and Jericho wool pools

in Utah were bought for 50 and 51 cents respectively. Last year the Jericho wool sold for 40 cents.

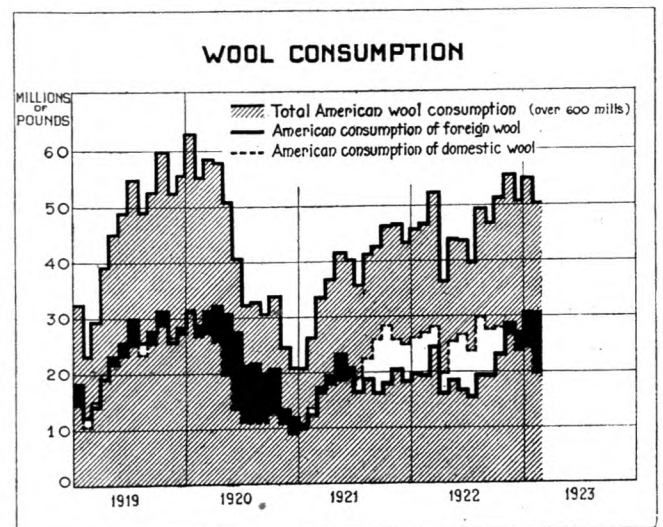
Not only has the actual weight of the world's wool clip decreased during the last ten years, as is shown by the chart below, but in many producing countries the percentage of merino wool has tended to diminish. Thus the supply of fine wools has become increasingly short. The world's clip has dwindled to such an ex-



Although the production of wool in 1917, 1918 and 1919 was stimulated by high prices, the general trend of production since 1912 has been downward. The sharp decline in the clip of 1920 was caused by the heavy killing of sheep.
Sources—Department of Commerce, "Textile World"

ent that the good sorts of all grades are scarce, and with the decrease in supply, prices have tended upward.

Though the monthly consumption of wool by the mills reporting to the Department of Commerce has



The total area under the top line shows the quantity of wool entering production in over 600 mills in this country. Black areas indicate the excess of foreign over domestic wool consumed, and white areas the reverse.
Source—Department of Commerce

increased greatly during the last two years, as indicated by the following chart, it has not quite reached the level of 60 million pounds attained during the boom of 1919. During 1921 and 1922, the greater part of the wool consumed was of domestic origin; but when, late in last year, the supplies of domestic wool ran low, the use of imported wools began to exceed that of domestic wools, just as it did in 1919 and 1920.

CLOTHING

Since clothing manufacturers have but recently opened their lines of fall suits, it is too early to determine how large a demand will develop. But so far the demand for medium-priced fall suits is good, and the overcoat business booked by salesmen on their early trips was excellent. Although it is difficult to make an exact comparison of prices of the heavy-weight lines of this year with those of 1922, because of changes in style and quality, it may be said that nearly all are higher, owing to advances in the costs of raw material and labor. It is significant, however, that the increases have been conservative, and that in general clothiers have preferred to cut their margin of profit than to curtail sales. So far, clothing firms have encountered very little resistance to their price advances.

At present, manufacturers of men's clothing are still engaged in filling orders for spring suits that were booked late last year. The current spring demand is solely for prompt shipment, but for this time of year, it is fair and is heavier than it was a year ago. Of the orders now on the books nearly all are for shipment within 60 days, only a few manufacturers having orders for later delivery. Prices on spring suits are higher than they were last year, but there have been few changes during the past month.

Finished stocks of suits range in size from moderate to light, but stocks of overcoats are nearly exhausted. Supplies of raw material are fairly light and tend to decrease. Operations in the men's clothing industry in this district average about 84 per cent of capacity.

The supply of unskilled labor is adequate, but more than half of our reporting firms state that skilled help is scarce; and in the clothing trades skilled labor is of much greater importance than unskilled. Wages in general have been advanced from 10 to 30 per cent for skilled employees, and from 5 to 25 per cent for unskilled. The usual advance in each case was 10 per cent.

Collections are fair. They are about the same as they were last month, but are slightly more prompt than they were a year ago.

Shirt makers are now filling the orders booked last fall for April delivery. Owing to freight congestion,

considerable difficulty is encountered in making deliveries on time. The orders at present on the books are for delivery within two months, and salesmen have now started on their trips to get fall business. Owing to the increased cost of raw materials and labor, the trend of shirt prices is upward, and many numbers have been advanced. Wages in many cases have been raised 15 per cent, and good help, both skilled and unskilled, is difficult to obtain.

Shirt makers find that collections are fair, but payments from agricultural districts still lag.

SILK

The movement of silk goods continues to be fairly brisk and is somewhat larger than it was a month ago.

Silk Goods In many establishments, monthly sales are running 100 per cent ahead of the corresponding months of last year, and from 30 to 50 per cent of the orders are for future delivery. Of the future business booked, 60 per cent is to be delivered within 60 days and 30 per cent in between 60 and 90 days. Not only printed fabrics but also solid colors have been in request. Crêpe de chine, canton crêpes, and romaines are selling well, and the call for charmeuse, taffeta, and satin crêpe has slightly increased. However, the demand for yarn-dyed goods is poor, and there is still a tendency to neglect the staple fabrics for the fancy varieties and for the mixed goods of fibre silk.

The percentages of plant operations reported average 72, but ribbon mills are running only half of their machinery. Production difficulties have been increased both by the scarcity of skilled labor and by demands for higher wages. The majority of mills have granted increases ranging from 10 to 20 per cent, to both skilled and unskilled labor. These advances, together with the high price of raw silk, have caused nearly all mills to raise their prices. The decided resistance of customers to price advances, however, has caused quotations on silk goods to lag behind those on the raw material, and this is also true of wool and cotton fabrics. But some firms feel that the resistance of jobbers and retailers is weakening.

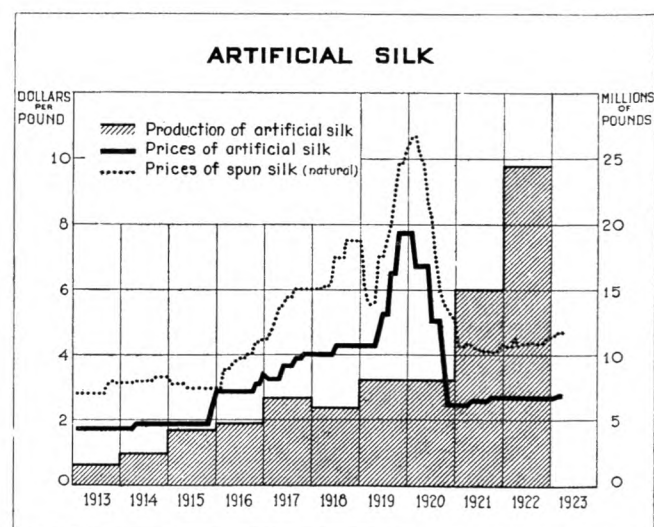
Since raw silk quotations are now higher than at any time since January, 1920, stocks of raw silk held by manufacturers are moderately light. These are decreasing in volume, as are also stocks of finished goods.

Collections have changed but little since last month and are fairly good. They are much more prompt than they were a year ago.

During April, raw silk prices reached their highest point since January, 1920, when Sinshiu no. 1 filature

was quoted at \$17.40 a pound. During April, Sinshiu no. 1 rose to \$9.45, and Kansai double-extra cracks to \$9.80 a pound. These increases have been due both to the supposed scarcity in Japan and to the large consumption in knit goods and heavy crêpes. But the high silk prices during the past month have made the market inactive.

The accompanying chart shows both the very rapid increase in the production of fibre silk in 1921 and 1922 and its price relative to that of spun silk during the last decade. In the last ten years, the production of artificial silk in this country has increased over 1500 per cent, and since 1920 it has expanded from 8,000,000 to 24,406,000 pounds. However, in spite of the increase in both domestic production and imports, the demand has continued to grow faster than the supply. Although some fibre silk has been consumed in cloth, it has been used most extensively in knit goods.



The increase in the production of artificial silk during the last two years has been extremely rapid. The prices of spun (natural) silk and of artificial silk are now 66 and 58 per cent respectively above the 1913 levels.

Sources—Silk Association of America, War Industries Board

HOSIERY

Little change has taken place in the hosiery markets during the past month. Chiffon stockings for early delivery continue to be the most sought-for line. Prices for them are strong, and the mills can sell all they are able to make. The output, however, is small when compared with the total hosiery production.

Full-fashioned silk hosiery in the usual weights is not selling freely, and it is reported that large sales have been made of surplus stock priced at considerably below the asking quotations of most manufacturers. This unsatisfactory condition, together with the high cost of silk—quotations for which are at the highest point in more than two years—has postponed the naming of prices for delivery in the second half of the year,

but some manufacturers have issued new price lists for early delivery and have made advances of \$1 per dozen. Other manufacturers feel that the present is a poor time to issue price lists showing advanced quotations when it is not possible to sell freely at old prices.

Seamless stockings made of a combination of silk and fibre, for which the demand has been good during the early months of the year, have now become considerably less active. And business in heavier hosiery, such as mixtures of wool and silk and wool and fibre for fall wear, has been dull. Mills have taken orders for a part of their output, but the total booked is thought to be considerably smaller than was contracted for at this period last year.

Infants' mercerized hosiery, although in greater request than during the past few months, is not selling as freely as was expected at this season, which is usually one of considerable activity. Cotton yarns are somewhat lower in price than they were a month ago, but silk, worsted, and woolen yarns are all strong and generally higher in price. Further shortage in labor, especially of skilled labor, is reported from some parts of the district, and a number of manufacturers state that they have raised wages from 5 to 10 per cent. Collections are reported for the most part to be good.

The summary of reports from manufacturers in the Third Federal Reserve District, tabulated below, shows that during March, production by firms selling to the wholesale trade increased 12.2 per cent as compared

Conditions in the hosiery industry During the month of March

In terms of dozens of pairs	March, 1923, compared with February, 1923	March, 1923, compared with March, 1922
Firms selling to the wholesale trade:		
Number of reporting firms—32		
Product manufactured during month	+ 12.2%	+ 1.9%
Finished product on hand at end of month	— .1 "	+ 27.7 "
Orders booked during month	+ 8.6 "	+ 139.4 "
Cancellations received during month	+ 114.8 "	— 50.1 "
Shipments during month	+ 9.9 "	+ 4.9 "
Unfilled orders on hand at end of month	— 3.1 "	+ 61.2 "
Firms selling to the retail trade:		
Number of reporting firms—10		
Product manufactured during month	+ 13.3%	+ 9.1%
Finished product on hand at end of month	— 10.7 "	— 24.0 "
Orders booked during month	+ 1.5 "	+ 25.9 "
Cancellations received during month	+ 45.4 "	+ 26.9 "
Shipments during month	+ 46.9 "	+ 23.1 "
Unfilled orders on hand at end of month	— 6.3 "	+ 76.9 "

with February and 1.9 per cent as compared with March, 1922; and that the output of firms selling to the retail trade was 13.3 per cent greater as compared with February and 9.1 per cent as compared with March, 1922. Orders on hand at the end of the month increased 61.2 per cent among firms selling to the wholesale trade and 76.9 per cent with firms selling to retail houses, as compared with March 31, 1922.

UNDERWEAR

Comparatively little new business has been booked during the past month by manufacturers of either summer or winter underwear. Many mills have already sold all they can deliver during the spring season, so that the supply now available for early shipment is small, and further business can be anticipated only on a small scale. The amount of winter underwear sold earlier in the season is estimated in some quarters to be 80 per cent of the probable requirements, and though that figure may be too high, it can safely be said that a considerable majority of next fall's business has been placed. Some manufacturers report that because of the heavy demand they were obliged to allot their product among the buyers. The prices now asked for the unsold balance are decidedly higher than those prevailing at the opening of the season, and buyers do not seem eager to place further business. Prices for cotton yarns have weakened somewhat in sympathy with the decline in raw cotton, but wages have in many cases

been advanced, and labor is nowhere plentiful, either skilled or unskilled.

Collections are said to be from fair to good.

Reports received from manufacturers in the Third Federal Reserve District, tabulated above, show that during March the production of summer underwear decreased 25 per cent and that of winter underwear declined 18.5 per cent, as compared with March, 1922, and that orders on hand at the end of the month increased 80.7 per cent in summer weights and 105.4 per cent in winter weights, as compared with March 31, 1922.

FLOOR COVERINGS

Most of the carpet and rug manufacturers opened their lines for the fall season during the first few days of April, and the response by buyers was satisfactory. The demand for Axminsters, although sufficient to absorb the season's output of most of the mills, was not as large as in October last. The goods were allotted, as they were in October, but the surplus orders were considerably less. Velvets and tapestries have been freely bought, and sales of these are fully as large as at the previous opening; indeed, mills have contracted for all they desired to sell. Prices for Axminsters, velvets, and tapestries are from 5 to 10 per cent higher than those named last October. Some firms, which made these advances during the season, made no price change in April, but others, which had been taking orders at October prices, raised their quotations. The majority of Wilton manufacturers have shown their new lines, but as the old quotations held good through April, they have not as yet published new price lists. The prices for Wiltons that have been announced are about 10 per cent higher for worsted, and 5 per cent higher for woolen, than those of last October and November. A considerable business has been booked for Wiltons subject to prices to be announced, but the total business in this branch of the industry is decidedly less than it was at the last opening. This applies particularly to woolen Wiltons, which appear to be in fair supply. All parts of the country have been represented in the opening purchases, and the continued prosperity of the carpet and rug industry is ascribed to the large amount of building going on throughout the United States. Notably good business is reported in the Pacific states and in the South.

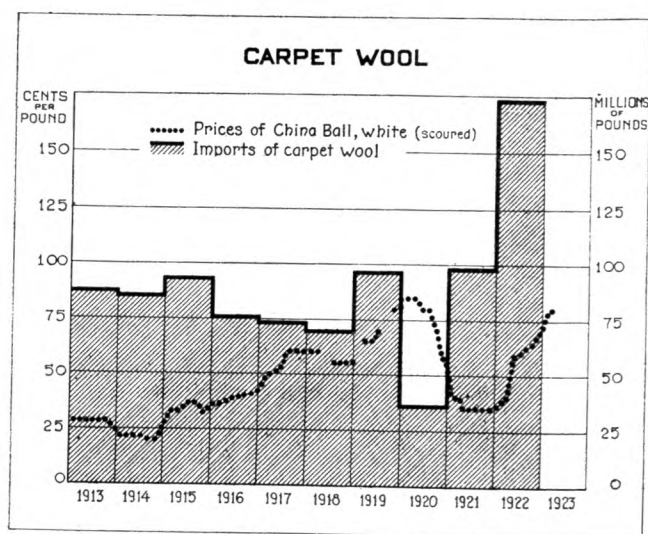
Raw material prices are still strong. Carpet wools are higher, and cotton and jute quotations are firmly maintained. The supply of labor, though not large, is sufficient to enable the mills to run at the same high rate of productivity. But wages have been advanced in nearly all the mills; in those making Wiltons and Axminsters, by 10 per cent, and in those making velvets and tapestries by about 5 per cent.

Although ingrains and wool fibres are not as active as the makes above mentioned, the demand has improved.

Conditions in the underwear industry
During the month of March

In terms of dozens	March, 1923, compared with February, 1923	March, 1923, compared with March, 1922
Summer underwear:		
Number of reporting firms—15		
Product manufactured during month	+ 22.9%	— 25.0%
Finished product on hand at end of month	— 22.9 "	+ 4.4 "
Orders booked during month....	+ 20.6 "	+129.1 "
Cancellations received during month	+148.0 "	+108.4 "
Shipments during month.....	— 4.4 "	— 7.7 "
Unfilled orders on hand at end of month	— 2.6 "	+ 80.7 "
Winter underwear:		
Number of reporting firms—7		
Product manufactured during month	— 27.1%	— 18.5%
Finished product on hand at end of month	— 9.0 "	+ 26.5 "
Orders booked during month....	— 34.1 "	+ 43.4 "
Cancellations received during month .....	.....	.....
Shipments during month.....	+ 10.3 "	+ 21.4 "
Unfilled orders on hand at end of month	— 3.4 "	+105.4 "

The accompanying chart, which depicts the annual imports of carpet wools and the price of one of the principal kinds of them, shows that from 1915 to 1918, or during the period of the war, imports—and it must be noted that all carpet wools are imported—decreased steadily because of the same difficulties that confronted all importers during that period; and also that the price of these wools, because of the small supply, steadily increased. In 1922 imports made the largest gain in any one year of the period and were 173,000,000 pounds. Prices also rose and about doubled during the year, and they have continued to advance up to the present time. It is probable that about 10 per cent of the imports in 1921 and 1922 were used for the manufacture not of carpets but of clothing, in the form of tweeds.



The great activity during the past year in the carpet and rug industry is reflected in the large amount of carpet wool imported in 1922—173,000,000 pounds—and in its steadily advancing price. Since 1912 and prior to 1922 the largest importations of carpet wool were in 1915, 1919, and 1921. In these years the total imports were 93, 96, and 97 million pounds respectively.

Sources—National Association of Wool Manufacturers, "Monthly Summary of Foreign Commerce"

Linoleums are selling in larger volume than ever before, and production is unable to keep pace with the demand. Price advances were made by manufacturers in either March or April, but all sections of the country continued to pour in orders. The price advances were from 2 to 12 per cent, according to make and grade. Raw materials are steadily rising and in some cases are said to be difficult to obtain. A scarcity of rags is reported by makers of felt-base goods, and linseed oil and lithopone have risen to the highest prices in recent months. Labor, too, is scarce, and advances in wages have been made by all local manufacturers. The price now paid to new common labor varies from 40 to 45 cents per hour.

The freight movement in the entire floor-covering in-

dustry, although steadily improving, is still slow, and factories report that delay in incoming materials has in some cases been quite serious and that complaints from customers on outgoing freight are still numerous.

Collections are reported to be good by nearly all manufacturers, although slow payments are reported by some.

LEATHER

In many shoe factories in this district the great majority of the orders booked are for shipment within six weeks, but some manufacturers have secured business up to October. These latter are making lines of shoes for children and misses which are fairly staple. For women's wear comparatively few orders for next fall have as yet been booked. The sale of shoes at retail during the two weeks following Easter were as usual small, and this resulted in the placing of a reduced business with the factories during the early part of the month. It is estimated that production in April will prove to be lower than that of the preceding months of the year.

Novelty shoes, largely because of the increase in the cost of making, but partly also on account of the high cost of the leather used in them, are somewhat higher than they were a month ago; but for the most part shoe prices have not changed. The leathers most used for novelty shoes are suede, in grey, sand, and black, and glazed kid and calf in white, red, green, and blue. The total production of the bright colored leathers, however, is not large. Patent leather is again becoming popular, and orders call for its use in a large proportion of the business booked for fall wear.

Production of shoes in the United States during February, as reported by the Department of Commerce, was 29,590,670 pairs, and for the first two months of this year was 60,148,346. In January and February, 1922, 49,671,164 pairs were made. Exports in February totaled 591,295 pairs, as compared with 395,661 pairs in the same month last year.

Raw material prices, except for some of the novelty leathers and some grades of patent leather, which are somewhat higher, are unchanged. Scarcity of labor in the fitting rooms has resulted in some further increases in wages. Collections are reported by most manufacturers to have improved and are from fair to good. Numerous complaints of slow collections in the South, however, continue to be heard.

In the Third Federal Reserve District production of shoes, as shown in the table on page 24, increased, as compared with February and with March, 1922. Orders on hand at the end of March, however, showed a decrease as compared with February, but an increase as compared with March, 1922:

Conditions in the boot and shoe industry

Number of reporting firms—36 (In terms of pairs)	March, 1923, compared with February, 1923	March, 1923, compared with March, 1922
Product manufactured during month	+16.6%	+10.0%
Shipments during month	+29.5 "	+ 8.4 "
Orders booked during month.....	+96.7 "	+46.6 "
Orders on hand at end of month...	-14.3 "	+50.4 "
Cancellations received during month	+30.6 "	-28.4 "
Stocks (unsold) on hand at end of month	-19.7 "	-25.2 "
Number of operatives on payroll...	- .9 "	+ 5.2 "

Sales of shoes by wholesale houses are in good volume, but the after-Easter dulness in the retail trade has affected the volume of new wholesale orders. From the table printed on page 10 it will be seen that March sales represented a gain of 115.3 per cent as compared with those of February, and of 28.1 per cent as compared with those of March, 1922. In the retail shoe stores, business was, as usual, dull for about two weeks following Easter, and the late snow and cold have probably accentuated this decrease in sales. An improvement, however, is now noted; but sales during the month will naturally be smaller than in 1922, when Easter fell on April 15.

During March the sales at retail in this district showed a large increase, as compared with February, 1923, and with March, 1922.

Retail shoe trade

(In terms of dollars)

1 Net sales:

(a) March, 1923, as compared with Feb., 1923..	+88.6%
(b) March, 1923, as compared with March, 1922	+37.3 "
(c) January 1 to March 31, 1923, as compared with January 1 to March 31, 1922.....	+22.4 "

2. Stocks (selling price):

(a) March, 1923, as compared with Feb., 1923..	- .7%
(b) March, 1923, as compared with March, 1922.	-17.1 "

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

(a) January 1 to March 31, 1923.....	3.2
(b) January 1 to March 31, 1922.....	2.3

Number of stores reporting above items:
1.....29 2 and 3.....26

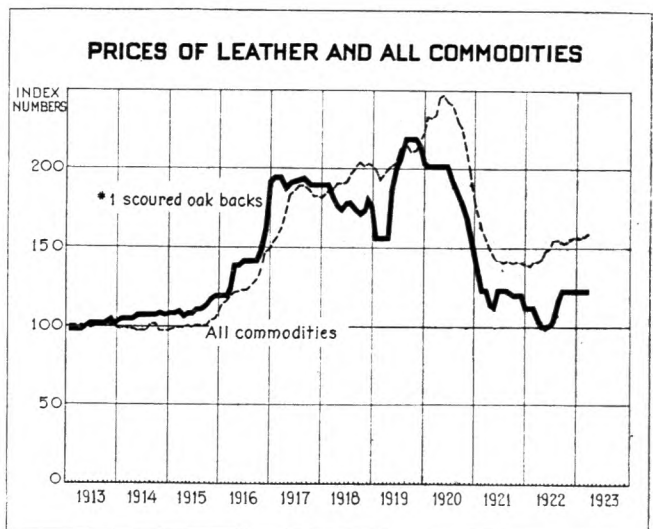
Sales of nearly all kinds of leather have decreased during April. This decline is no doubt seasonal, but nevertheless sellers are showing an increased anxiety to reduce stocks, and quotations for some descriptions are barely steady, in spite of a strong hide market.

Leather

Shoe factories have in most cases covered their needs for the balance of the spring orders and have not yet secured enough orders for fall to warrant their entering the market in a large way.

Of the heavy leathers, sole leather is not active, and shoulders and bellies, although selling in fair volume, are in less request than they were a month ago. Butts continue to be called for, although in these too it is doubtful if the demand is as urgent as formerly. In upper leathers, only the novelties, which constitute but a small percentage of the production, are selling well. Suedes and white and bright colored kid and calf are sold about as fast as tanners can produce them. Patent leather is also in increasing demand, and the prices of all these leathers are either firm or higher. Brown kid is in fair request, but black kid and calf grain leather in black and brown are not meeting with an active call, and our reports indicate that stocks of these are increasing.

The accompanying chart shows that the index number of scoured oak backs, from which the best soles are



The price of scoured oak backs, from which the best quality and largest quantity of soles are made, has not kept pace in recent months with the advancing commodity prices. Prices are expressed as index numbers on a 1913 base.

Sources—U. S. Bureau of Labor Statistics, War Industries Board, "Dun's Review"

made, was higher than the all-commodity number during the first 3½ years of the war, but that since that time, except for a short period in 1919, leather has been lower than the all-commodity number and that in March, 1923, was more than 35 points below that figure. It shows, too, that leather has not shared in the general advance in prices during the first quarter of this year.

The following table gives the changes in production and stocks of the leading leathers between February, 1922, and February, 1923:

	Production	Stocks
Backs, bends and sides	- 1.9%	-21.4%
Belting, butts	+72.3 "	-10.0 "
Offal, sole and belting	+16.2 "	-23.9 "
Cattle, side upper	+25.9 "	-13.0 "
Calf and kip	+45.9 "	- 1.9 "
Goat and kid	} * - 1.6 " }	- 3.4 "
Cabretta		-18.4 "

* Production not separated.

These figures, compiled from the report of the Department of Commerce, show the great improvement that has occurred in the leather business during the year, and that despite a large increase in production, stocks have decreased greatly. Leather belting sales are large and are estimated at 80 per cent of the maximum reached in that industry in 1921. That they have continued to remain at about the same figure during the past few months shows that manufacturing activity in this country is being maintained on a large scale. Tanners state that collections are excellent.

During the past month the packers have sold at unchanged or higher prices the balance of their winter hides. Sales of the April salting have not been made in sufficient volume to establish prices, but offerings of this better quality are at higher figures than were paid for February and March hides. Foreign markets are strong, and stocks everywhere are moderate. Calf skins have shown fair activity, and prices are well maintained. Goat skins have been quiet, but some tanners have purchased spot lots and have obtained only slight concessions in price. Foreign markets, although in some instances somewhat lower than they were a month ago, are generally firm, but the reports are that tanners are buying but little. Prices of sheep skins continue firm, and supplies of some grades are said to be small, tanners reporting difficulty in securing sufficient quantities for their needs.

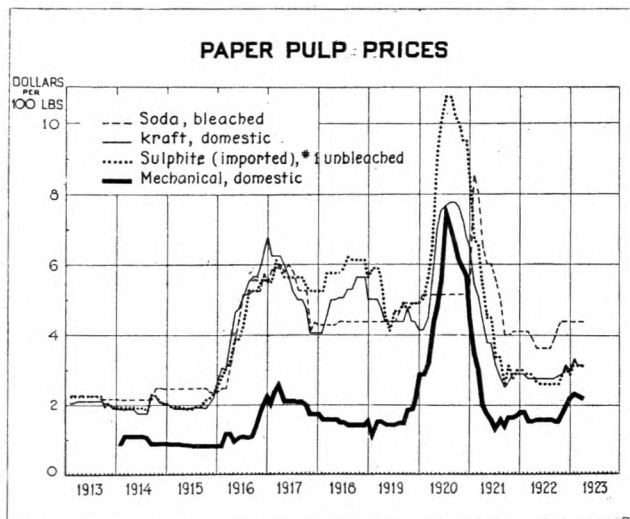
Hides and Skins

PAPER

The demand for all grades of paper is good, and production throughout the district continues at a high rate. Mills making book and magazine papers are operating at capacity and are from four to six weeks behind in deliveries. The demand for manila papers, building papers, building boards, and card boards is very good, and mills making these are running at capacity. Wrapping papers, too, are in good request, although a few manufacturers report that orders show a decrease as compared with last month. The call for writing, ledger, and fine papers is heavy, and mills making these grades are on the whole operating at capacity. Crêpe toweling and toilet papers are in better demand

than they were last month, and plant operations in this branch of the industry are at about 80 or 85 per cent. Envelope manufacturers state that their orders show a considerable increase over last month and their factories are running at from 70 to 80 per cent. The call for tissue papers also shows some improvement, but the heavy buying season for these is not yet at hand. The demand for boxboard is only fair, and chip and news-board mills are operating at only 65 or 70 per cent. Container board mills are running at about 85 or 90 per cent. Most of the orders booked by paper mills are for prompt shipment, as the majority of manufacturers will not accept orders for future delivery, except at market price on date of delivery. Wholesalers report that the demand for nearly all grades of papers is excellent and that on account of slow deliveries from New England and western mills their stocks of some grades are very light. Most of the wholesalers state that their customers are still buying only from hand to mouth, though a few find that orders for future delivery are increasing.

Many grades of both fine and coarse papers have advanced from 2 to 5 per cent in price during the month, but no general increases have been made. Some grades of paper board, however, particularly building, news, and chip boards, declined in price at the beginning of the month. News and chip board dropped \$5 per ton or about 8 per cent. On the whole, paper prices are holding very firm. Chemical pulp prices have advanced slightly during the month, and are from 2 to 5 per cent higher than they were a month ago. The strike in Sweden has now been settled, but several months will necessarily be required to make up the loss of 3½



Although mechanical, unbleached sulphite, and kraft pulps reached their record prices during the summer of 1920, soda pulp did not attain its peak price until January, 1921. Even though present quotations on paper pulps are from 50 to 100 per cent above the 1913 prices, they are only from 30 to 50 per cent of the peak prices.

Source—"Paper Trade Journal"

months' production. Mechanical pulp has declined about five per cent during the month, and prices are holding firm at \$41 to \$42 per ton, f. o. b. mill.

The chart on page 25, which shows paper pulp prices from 1913 to date, illustrates how far pulp prices have fallen from the peak quotations of 1920-1921. However, it will be seen that bleached soda pulps and mechanical pulps are twice as high as in 1913, although kraft and unbleached sulphite pulps are only 1½ times the 1913 price.

Stocks of finished paper at the mills are moderate and are mostly on order, and stocks of raw materials also are moderate. Many manufacturers are buying only for immediate needs although large users of chemical pulps have contracted for a four or five months' supply of these materials. Very few mills are contracting for more than a thirty day supply of coal.

Both skilled and unskilled labor is scarce at many mills, although most plants have sufficient labor of all classes. In general, the mills in small towns are well supplied, but those in the cities are short. Many paper makers have granted wage advances of 10 per cent during the month, but the increase is not general.

Several manufacturers report that outbound shipments to New England points are still greatly delayed, and a shortage of cars to other points is also noted. One paper maker states that he was obliged to hold 15 per cent of his output in storage last month, because of embargoes on New England roads. Manufacturers report that collections are better than they were last month and on the whole are good, but wholesalers find them only fair.

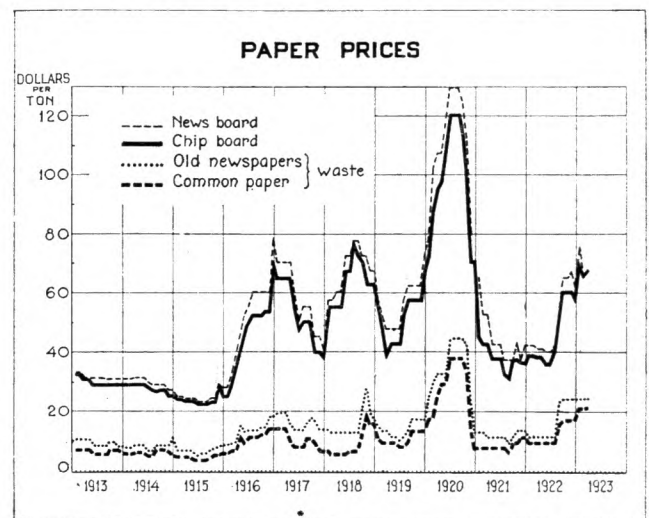
PAPER BOXES

Some box makers report that the call for their products has weakened since the close of March, but the majority have noted little change as compared with last month, and on the whole the demand is fairly good. Orders from candy, shoe, and underwear manufacturers have decreased; but the hardware, shirt, auto accessory, and electrical and radio supply industries are buying heavily. Hosiery manufacturers are taking more boxes than in many months, but their purchases are not yet large. Folding boxes and mailing tubes are in good request, as are also extra fancy boxes for jewelers and perfumers. Plant operations vary from 50 to 100 per cent, the average for the district being 75 or 80 per cent. Manufacturers of fibre shipping containers and corrugated boxes report that the demand is fairly good, and much better than it was a month ago. But they complain that most of their customers are buying only from hand to mouth. Production in this branch of the industry is about 80 per cent of capacity. The vast majority of orders booked are for delivery within sixty days, less than 10 per cent being for beyond that period.

Some slight increases in price have occurred, but keen competition has prevented most manufacturers

from attempting to make any advances. At the beginning of the month both chip and news board declined \$5 per ton, to \$57.50 and \$62.50 respectively. Strawboard, jute liner, and container board have held very firm and are at the same levels as they reached last month. Glue has advanced about 5 per cent during the month.

The following chart shows the price levels of news and chip board and of waste papers from 1913 to date. In 1920, prices of board and waste paper reached a level nearly twice as high as the present prices of these materials. During the years 1913 to 1915 board prices fluctuated less violently than they have since.



The fluctuations in waste paper prices follow closely those in paperboard; in fact, the price of paperboard tends to determine the price of waste paper. From 1916 to date the paperboard industry has been less stable than it was in the years previous, and price advances and declines have been extremely violent during this period.
Source—"Paper Trade Journal"

Stocks of finished goods at the factories are either moderate or light, and these are all on order. The supplies of board, glue, and other raw materials in the hands of manufacturers are moderate and slightly below normal. The policy of box makers is to buy only for immediate needs.

Several manufacturers report that the supply of both skilled and unskilled labor is inadequate at their factories and complain of a heavy turnover despite their having granted recent increases in wages. Production at some large factories is limited to 85 per cent of capacity by the lack of sufficient labor. Wages have been raised about 5 per cent at several factories, but no general advance has taken place in the industry.

Deliveries of materials by railroads are not as prompt as they were a month ago, and many manufacturers, especially of fibre and corrugated boxes, state that shipments from their western mills are delayed about two weeks because of embargoes and lack of cars. Collections show little improvement as compared with those of last month or of April, 1922, and on the whole are only fair.

TOBACCO

Although the demand for cigars was rather light during the closing week of March and the first week of April, there has been a distinct increase in purchases since. The majority of manufacturers, both large and small, report that the call for their goods is greater than it was either in March or in April, 1922.

Cigars Makers of class B cigars state that since the first of the month the demand has been very good, and several of the large factories, which were operating on only part time in March, have returned to a full-time schedule. Class C cigars, particularly ten-cent brands, are in excellent request, and several of the large manufacturers are oversold on this size. The five-cent cigar, too, is in good demand, although on account of the high prices prevailing for tobacco leaf some manufacturers are limiting their output of this grade. One big cigar maker, who contemplated the production of a five-cent cigar at the beginning of the year, abandoned the plan because he could not make a cigar of the quality he desired to retail at five cents. The average of operations in this district is approximately 80 or 85 per cent of capacity. The majority of large factories are operating at above 85 per cent, but the small factories are running at from 50 to 100 per cent. Most of the orders booked by cigar makers are for immediate shipment, less than 10 per cent being for future delivery.

The accompanying chart, based upon sales of internal revenue stamps, shows that in March, 1923, the sales of large cigars were 8.5 per cent, and of small cigarettes 38.6 per cent, greater than those of March, 1922.

Prices of cigars are firm and unchanged, but tobacco leaf prices are still advancing slightly. Although the costs of production are from 12 to 15 per cent higher

than in April, 1922, the makers of cigars have not found it advisable to raise their prices, which on the whole are the same as they were a year ago.

Stocks of cigars held by most manufacturers are moderate and at many factories are decreasing. A few report that stocks are light and that they are planning further expansion and a larger output. In general, manufacturers' stocks of tobacco leaf are moderate.

At several factories a scarcity of skilled operatives is apparent, although the majority of manufacturers have an adequate supply of all grades of labor. However, in Philadelphia, the labor supply is not as plentiful as it was last month and skilled cigar makers are scarce. A few manufacturers have advanced wages about 10 per cent in order to bring their rates up to the general level established two months ago. But in general, wages are unchanged.

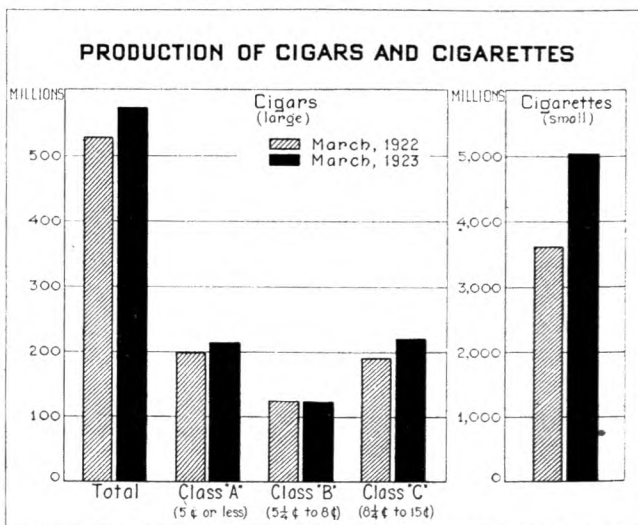
Collections are slightly better than they were last month and are from fair to good.

Purchases in the Philadelphia and Lancaster leaf markets have been light during the past five weeks and considerably smaller than they were in April, 1922. Leaf packers and dealers report that although many inquiries have been received from cigar manufacturers, buying is on the whole for immediate needs only.

Most of the 1922 crop of Pennsylvania tobacco has been purchased, less than 10 per cent being still held by the growers, as against about 50 per cent last April. Current quotations on 1922 wrappers vary from 18 to 20 cents per pound, and fillers are bringing from 4 to 7 cents per pound, a considerable advance over the fall prices of 17 cents for wrappers and 3 cents for fillers. Jobbers report that the Pennsylvania farmers will realize 30 per cent more for their 1922 crop than they got for that of 1921.

At the first four sales of Sumatra tobacco at Amsterdam, Holland, record-breaking prices were established and the prices ranged about 20 per cent higher than in 1922. At the first sale the quality of the tobacco offered was not so high as last year, but at the three later sales better qualities were forthcoming. For the very choice lots of light shade wrappers the prices ranged from \$7 to \$10 per pound without duty and freight. Cigar manufacturers view these prices with much concern and are trying to induce smokers to use cigars with darker wrappers, as these wrappers can be bought at a fair price. Manufacturers point out that a light wrapper does not necessarily mean a cigar is mild, as it is the blending of tobaccos in the filler and binder that determines flavor and strength. Despite the very high prices, brokers bought heavily at Amsterdam, and dealers report that many inquiries are being received, although actual buying by manufacturers has not yet become extensive.

The supply of Wisconsin and New England binders



The total production of large cigars in March was 13 per cent greater than in February and 3 per cent greater than in January. Cigarette output in March was 9 per cent larger than in February, but 5 per cent less than in January. All classes of large cigars are included in the total shown in the chart.

Source—Commissioner of Internal Revenue

is only about half as large as had been anticipated, and leaf dealers believe there will be an actual shortage of these grades before the 1923 crop is ready for use. The Ohio crop, which is of good quality, is now almost entirely in the jobbers' hands.

AGRICULTURE

The cold weather that has prevailed this spring throughout the district has retarded agricultural activity and greatly delayed spring plowing and planting. But on the other hand it has checked the development of fruit buds, so that little damage has been done to the trees and a normal crop of peaches and apples is in prospect. Reports from Pennsylvania, New Jersey, and Delaware Departments of Agriculture show that though plowing is greatly retarded everywhere, no damage has been inflicted upon the fruit trees by frosts except in some sections of southern New Jersey and parts of Delaware, where some peach buds were killed.

On April 1 the condition of the rye crop in New Jersey was 92 per cent of normal, as compared with 93 per cent last year and with 90 per cent, the average condition on April 1 for the past ten years. In Pennsylvania the condition of the crop was 91 per cent of normal, as compared with 95 per cent on April 1, 1922. In Delaware it was 98 per cent of normal. Despite a

very poor start due to the long drought last fall, the condition of the wheat crop in the three states is up to the average of the past ten years. Good precipitation and generous snow protection during the winter in the principal wheat districts decreased the losses that usually occur through winter killing. In New Jersey the condition of the winter wheat crop on April 1 was 89 per cent of normal, as compared with 90 per cent last year and with 88 per cent, the average condition on April 1 for the past ten years. The condition of the winter wheat in Pennsylvania on April 1 was 87 per cent of normal, as compared with 93 per cent one year ago; and in Delaware it was 98 per cent.

The preceding table, based upon reports from county farm bureaus and state departments of agriculture, shows the agricultural conditions in the Third Federal Reserve District.

Only in the southern and low lying counties along the Delaware and Susquehanna rivers will the spring plowing be three fourths completed by the close of April. Usually at this time about three fourths of the entire acreage in the District is ready for planting and seeding.

Estimates of the acreages of cash crops that will be planted this year show a decline in several counties from the 1922 figures. County agents believe that the potato and spring wheat acreage will be smaller, and that in some counties the total acreage will be smaller because of the scarcity of farm labor. But on the whole the acreage of oats, corn, and truck crops will be about the same as was planted last year, and in the tobacco growing districts larger plantings of this crop than in 1922 are forecast.

The farm labor supply is a matter of much concern, and as at present it is considerably smaller than in 1922, a real shortage is in prospect by harvest time. The Pennsylvania Department of Agriculture estimates that 20 per cent of the farmers of the state are unable to get the help they need, and in New Jersey the present labor supply is estimated at 80 per cent of last year's and at 74 per cent of the normal. The scarcity of farm labor is most pronounced in the industrial counties, as the farmers cannot compete with other industries in wages under present conditions. In Lancaster County, Pennsylvania, where agriculture is of great importance, the farm labor supply is at present adequate.

On the whole, the agricultural outlook in this district is good. The weather has been distinctly favorable to the fruit crops and also to the grain crops during the late winter and spring. But the size of the harvest will depend to a great extent upon labor, and present indications point to a severe shortage of help.

Agricultural conditions
(estimated)

Locality	Per cent spring plowing completed by April 30	Per cent acreage ready for planting April 30	Per cent of normal condition winter wheat crop April 1	Damage to fruit buds April 15
Pennsylvania .....	..	..	87	Negligible
Lancaster Co., Pa...	66	60	85	None
Northumberland Co., Pa.	75	50	95	None
Franklin Co., Pa....	90	90	90	None
Bradford Co., Pa....	75	50	85	None
Cumberland Co., Pa.	90-95	90	Normal	Negligible
Huntingdon Co., Pa.	30	0	95	None
Clinton Co., Pa....	100	50	90	Negligible
Dauphin Co., Pa....	95	90	85	Negligible
Berks Co., Pa.....	50	40	80	None
Bucks Co., Pa.	85	60	60	None
New Jersey	50-55	50	89	15 to 20% (to peaches in southern part)
Gloucester Co., N. J.	85	85	..	None
Delaware	60	50	98	Slight to peaches

COMPILED AS OF APRIL 23, 1923

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