THE BUSINESS REVIEW

THIRD FEDERAL RESERVE DISTRICT
PHILADELPHIA AUGUST 1, 1923

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

SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES

Production of basic commodities declined in June, but ployment was maintained at last month's high level, eight shipments were exceptionally large, and the lume of wholesale and retail trade continued heavy. holesale prices showed a further decrease.

roduction

The Federal Reserve Board's index of production basic industries, which makes allowance for seasonal variations, was four per cent lower in June than in May, and stood at about the level of the late winter. Mill conmption of cotton, steel ingot output, and sugar meltgs showed particularly large reductions. The value permits for new buildings and of contracts awarded clined in June more than is usual at that season.

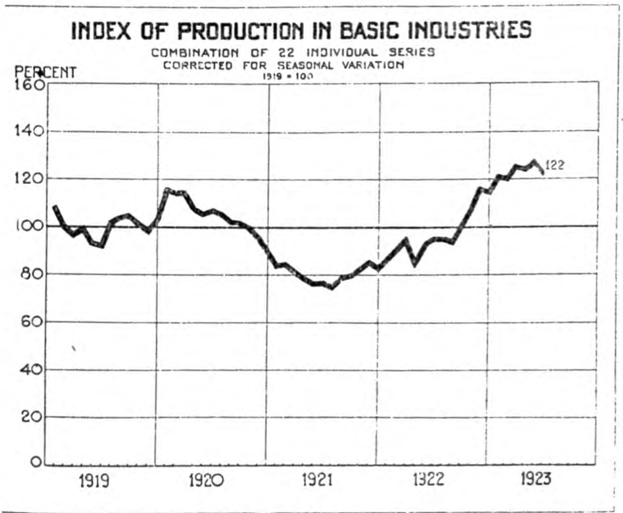
The Department of Agriculture forecasts on the sis of July 1 condition a large increase in the cotton op, a slight reduction in the corn crop, a winter wheat op of about the same size as last year, and a spring heat crop which will possibly be about forty million ishels below 1922.

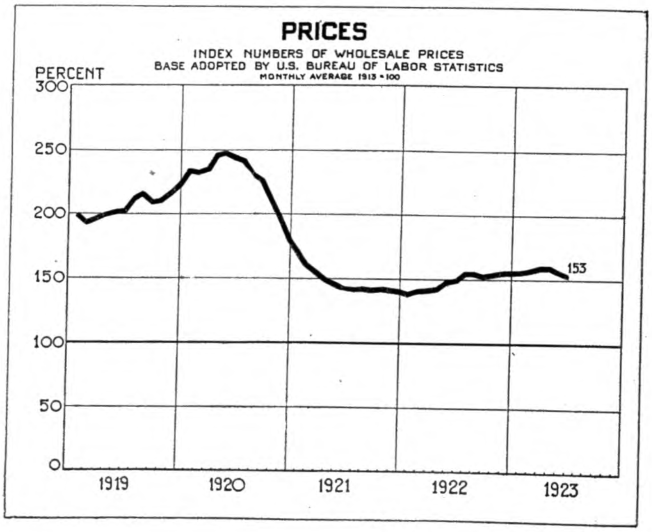
The number of factory employees at work in June in the country as a whole was about as large as in May, though a reduction is reported by New England establishments. The proportion of factories reporting full time operations decreased and consequently average earnings per employee were smaller. Wage advances continued to be reported in June, but they were not nearly so numerous as in April or May.

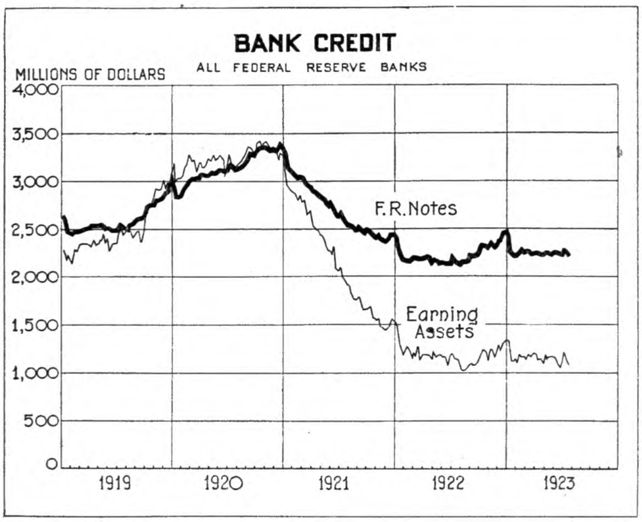
Trade

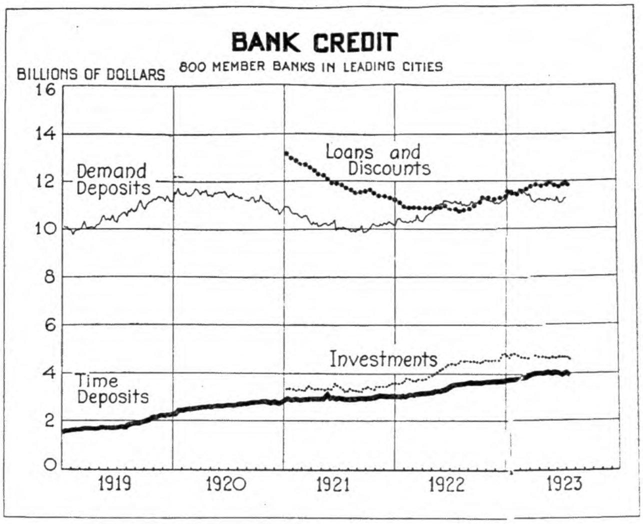
Distribution of commodities, as measured by railroad freight shipments, was active throughout June. The number of cars loaded exceeded one million in each of four successive weeks, and in the week ended June 30 was the largest on record.

The volume of wholesale and retail trade in July was about the same as in May and continued to be substantially larger than in 1922. Sales of groceries and dry goods were much larger in June, and this increase was reflected in an advance of 4 per cent in the Federal Reserve Board's index of wholesale trade. This index, which makes no allowance for seasonal changes, was 9 per cent above the June, 1922, level. Department









store and mail order sales were smaller, as is usual at this season, while sales of reporting chain stores were at about the same high level as in May. Stocks of merchandise at department stores were reduced about 6 per cent.

Wholesale prices

The decline in commodity prices, which began late in April, continued during June and the first two weeks of July, and the index of the Bureau of Labor Statistics for June was 2 per cent less than for May. The largest decline, amounting to 4 per cent, occurred in the prices of building materials, and decreases were shown also for all the other commodity groups, except house furnishings, which remained unchanged. During the first half of July price declines were shown for wheat, sugar, petroleum, and lead, while the price of corn and hides advanced.

Bank credit

Banking developments between the middle of June and the middle of July largely reflected the payment of income taxes on June 15, dividend and interest payments at the turn of the half year, the demand for additional currency for the July 4th holiday, and the return flow of currency after that date. At the end of the period the volume of member bank and Federal reserve bank credit in use was approximately at the same level as a month earlier. At the Federal reserve banks the amount of discounts for member banks on July 18 was about $100,000,000 larger than on June 13, but this increase was practically balanced by a decline in holdings of acceptances and Government securities.

During the month of June gold and gold certificates in circulation increased by over $40,000,000 and this increase is reflected in an equivalent decline of gold held by the Federal reserve banks.

Money rates were slightly firmer, as is usual at this season of the year.

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SUMMARY OF BUSINESS CONDITIONS

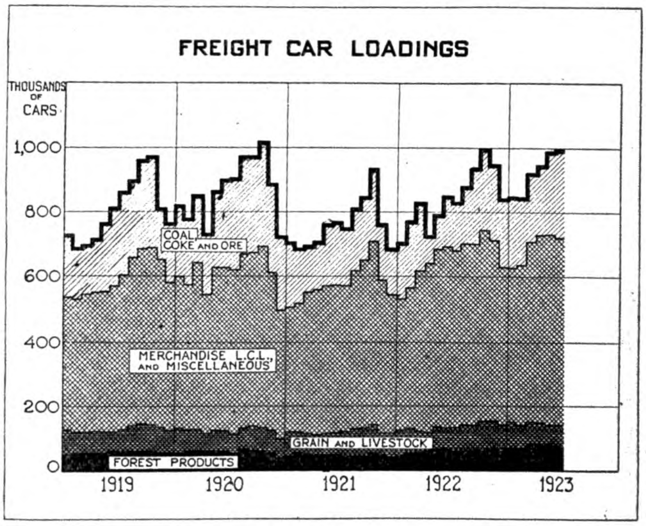
IN THE

THIRD FEDERAL RESERVE DISTRICT

CHARACTERISTIC summer dulness in most markets, slackening in the production of several of the basic industries, further declines in wholesale commodity prices, and exceptionally heavy freight car loadings have been the outstanding features of the past month. Much of the decline in sales, it is true, is attributable to seasonal influences, but cautiousness has been in evidence and a tendency to buy only for immediate needs. But a lull in buying was not altogether unexpected nor undesirable, as in many lines the pace set during the first part of the year was almost unprecedented. In practically all cases, however, sales have been in excess of those of the same period last year. In general, wholesalers and retailers are selling more actively than are manufacturers, indicating a continued movement of goods to consumers.

The slackening is evident in many industries. Pig iron is moving slowly, and although steel is selling fairly well, the unfilled orders of the United States Steel Corporation decreased for the third consecutive month. Many steel companies, however, still have fairly heavy orders that were placed some time ago. Textiles are selling poorly, and orders are mostly for prompt shipment. As is customary at this time, some orders are being placed for fall delivery in certain lines, such as hosiery, but buying is cautious. Many manufacturers of men's clothing, however, have booked orders for the fall about equal to those of last season. Floor coverings are not selling as well as they were, but many manufacturers report substantial orders on the books, and the outlook for the fall is said to be good. Raw silk prices have been unsteady and sales of silk goods are poor, the demand being mostly for small lots for prompt delivery. Little business is being placed in cotton goods. Woolen and worsted goods continue in slack demand, and some requests are being made for cancellations and deferred delivery. Shoe factories have recently obtained fair sized orders, and many of them now have sufficient business to ensure operations until September. Following a rather dull period, hides and leather have recently shown some improvement, and certain lines are now selling actively. Bituminous coal is dull, but the demand for domestic sizes of anthracite is exceptionally strong for this season. Several lines of building materials have felt the effects of the slump in operations. In this connection it is significant that permits issued in this district during June were not only of less value than those of last month, but considerably below those of a year ago. Wholesale grocers have enjoyed good business and report larger sales than in May or during the same period of last year.

In spite of the decline in sales in most lines, considerable optimism is apparent regarding conditions in the fall. The present heavy movement of goods is indicated by the accompanying chart showing average weekly freight car loadings. It will be noted that the peak of traffic is usually reached late in the fall, but that



Freight car loadings during recent weeks have been at unprecedented levels for this season of the year. Especially significant is the heavy volume of miscellaneous freight and merchandise

Source—American Railway Association

this year loadings for June were far in excess of those customary at this period. In fact, during the week ending June 30, loadings reached 1,021,770 cars—the highest in history, and for the three weeks previous they had been at the rate of over a million a week. Moreover, though reports for the first week in July indicate a smaller total, when one takes into consideration the

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SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of July 23, 1923 **Third Federal Reserve District**

Business	Demand	Prices	Finished stocks	Labor situation		Collections
				Supply	Wages	
Automobiles	Good	Unsteady	Moderate			Good
Cement	Good	Firm	Light to moderate	Some scarcity	Unchanged	Fair to good
Cigars	Fair to good	Unchanged	Moderate	Some scarcity	Unchanged	Fair to good
Clothing	Poor to fair	Unchanged	Moderate to heavy	Some scarcity, skilled	Higher	Fair
Coal, anthracite	Good	Unchanged	Light	Sufficient	Unchanged	Fair to good
Coal, bituminous	Poor	Lower	Moderate to heavy	Sufficient	Unchanged	Fair to good
Coke	Fair	Unchanged	Moderate	Sufficient		Fair to good
Cotton goods	Poor	Lower	Moderate to heavy	Sufficient	Unchanged	Fair
Drugs, wholesale	Fair to good	Unchanged to lower	Moderate			Fair
Dry goods, wholesale	Fair	Unchanged to lower	Moderate			Fair
Floor coverings	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Flour						
Groceries, wholesale	Fair to good	Generally unchanged	Moderate			Fair
Hardware, wholesale	Fair to good	Generally unchanged	Moderate			Fair
Hosiery, full-fashioned	Fair	Unchanged	Moderate	Slight scarcity	Few advances	Fair to good
Hosiery, seamless	Fair	Unchanged to lower	Moderate	Slight scarcity	Few advances	Fair to good
Iron and steel	Fair	Unchanged to lower	Moderate	Scarcity	Few advances	Fair
Leather belting	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Leather, heavy	Poor	Unchanged to lower	Heavy	Sufficient	Unchanged	Good
Leather, upper	Fair	Unchanged to lower	Moderate	Sufficient	Unchanged	Good
Lumber	Fair	Lower	Moderate	Some scarcity	Generally unchanged	Fair
Paper	Fair	Contracts, firm; spot, lower	Moderate	Some scarcity	Unchanged	Fair to good
Paper boxes	Fair	Lower	Light	Some scarcity	Unchanged	Fair to good
Plumbing supplies	Fair	Generally unchanged	Light to moderate	Some scarcity	Few advances	Fair
Pottery	Fair to good	Firm	Light	Generally sufficient	Unchanged	Fair to good
Shoes, manufacture	Fair	Unchanged	Moderate	Some scarcity	Unchanged	Fair to good
Shoes, retail	Fair	Unchanged	Moderate to heavy			Good
Shoes, wholesale	Fair	Unchanged	Moderate			Fair to good
Silk goods	Poor	Lower	Moderate	Some scarcity, skilled	Unchanged	Fair to good
Sugar	Fair	Lower	Moderate to heavy	Some scarcity	Unchanged	Good
Underwear, heavy weight	Poor	Unchanged	Moderate	Sufficient	Unchanged	Slow to fair
Underwear, light weight	Fair	Higher for spring of 1924	Light	Sufficient	Unchanged	Slow to fair
Woolen and worsted goods	Poor	Unchanged	Moderate	Sufficient	Unchanged	Fair
Woolen and worsted yarns	Poor	Unchanged to slightly lower	Moderate	Sufficient	Unchanged	Fair to good

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holiday the daily rate is seen to have been as high as that of the previous week. Especially noticeable is the heavy movement of manufactured goods, indicated on the chart by the area marked "merchandise, l. c. l., and miscellaneous". Deliveries of practically all commodities are being made promptly, and in spite of the heavy total of car loadings, there was on June 30 an increase in the surplus of serviceable equipment.

That prices have continued their downward movement is seen in the changes in various index numbers. At the end of June the index number of the Bureau of Labor Statistics stood at 153, as compared with 156 on May 31. Every group of commodities, with the exception of housefurnishing goods, registered a decline. The general index number now stands at the same level as in September, 1922. Dun's and Bradstreet's indexes also are several points lower than they were a month ago.

Reports indicate that only moderate supplies of merchandise are being carried, and although stocks are undoubtedly larger than they were a year ago, it appears that, considering the greater volume of business, they are not heavy. Another favorable factor at present is the credit situation. The money market is not strained, and legitimate business has no difficulty in obtaining funds. Fewer reports of scarcity of help are received, and wage increases are becoming much less common. The easier supply of labor is partly due to curtailed operations in many industries. Production in many lines, including pig iron and steel ingots, declined during June, but in spite of this, operations are still at a high level, especially for this season.

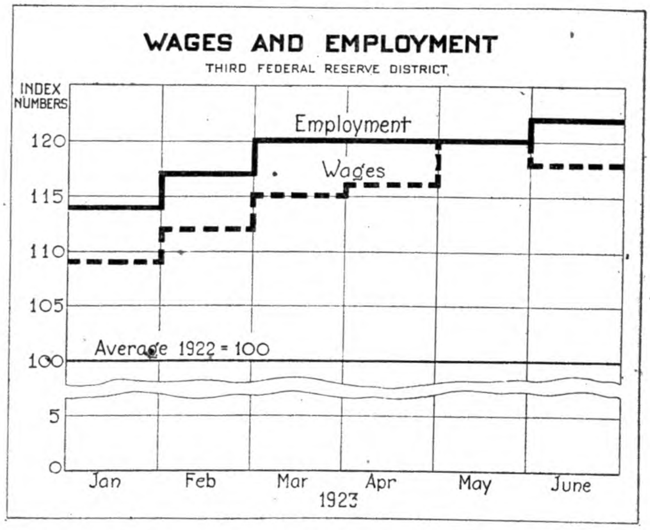
EMPLOYMENT AND WAGES

Following a steady advance during the first five months of 1923, average weekly earnings in the manufacturing industries of the Third Federal Reserve District declined during June from $26.71 to $26.26, or nearly 1.7 per cent. This is all the more striking in view of the fact that in May earnings showed a larger increase than in any previous month. Paralleling this decline in average earnings, our weighted index of employment in the same establishments increased substantially. After remaining steady during March, April, and May it advanced in June from 120 to 122, or about 1.7 per cent. This increase in employment, accompanying a decrease in earnings, reflects a somewhat easier labor situation, especially as regards unskilled workers. Advances in wages were much less pronounced than in May, and the decrease in average earnings resulted from the addition of lower paid workers to the payrolls. The accompanying tables and chart give our monthly index numbers of employment and wages in the principal industries and cities of the district.

EMPLOYMENT IN PRINCIPAL CITIES
Third Federal Reserve District

Cities	Number of reporting plants	Index numbers Average 1922=100						Number employed June
		Jan.	Feb.	Mar.	April	May	June	
Allentown ...	18	102	102	101	98	98	101	3,649
Bethlehem ...	4	112	114	113	112	111	115	516
Bloomsburg .	4	113	111	111	113	111	112	1,431
Bridgeport ..	3	103	107	95	95	94	94	1,564
Camden	16	107	108	109	111	112	111	16,388
Chester	6	108	125	119	128	128	127	5,166
Columbia	3	90	102	111	114	114	112	910
Easton	8	101	103	105	104	113	108	2,019
Harrisburg ..	8	110	109	118	122	125	130	2,963
Hazleton	3	120	123	128	130	127	123	2,407
Lancaster	6	114	107	107	104	99	94	1,258
Lebanon	4	113	113	131	140	143	140	1,176
Norristown ..	3	112	110	111	114	111	113	648
Philadelphia .	188	117	120	122	122	123	124	88,640
Pottstown ...	4	109	114	116	108	109	106	1,159
Reading	18	120	121	121	112	109	109	8,769
Scranton	14	109	106	110	112	109	117	2,614
Trenton	19	100	104	111	113	113	108	6,868
Wilkes-Barre	5	102	103	107	108	99	83	825
Williamsport	12	106	109	116	113	111	99	2,309
Wilmington ..	13	115	115	117	119	120	122	8,822
York	18	114	113	112	114	119	125	2,447
All others ...	126	111	112	113	115	114	116	39,450

The largest increases in employment occurred in the furniture, petroleum refining, and pottery industries and at car repair shops. Employment at these last establishments jumped from 179 to 187, or nearly 4.5 per cent. Marked decreases occurred in the cotton manufacturing, chemical, rubber, and automobile industries. The trend in the last two industries is normally downward at this season. Among the cities of



Average wages of industrial workers in this district declined in June for the first time this year

Source—Federal Reserve Bank of Philadelphia

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WAGES AND EMPLOYMENT

Third Federal Reserve District

Industries	Number of reporting plants	Average weekly wages: Index numbers Average 1922=100						Average weekly wages: Actual	Employment: Index numbers Average 1922=100						Employment: Actual
		Jan.	Feb.	Mar.	Apr.	May	June	June	Jan.	Feb.	Mar.	Apr.	May	June	June
All industries	**503**	**109**	**112**	**115**	**116**	**120**	**118**	**$26.26**	**114**	**117**	**120**	**120**	**120**	**122**	**201,998**
Metal products:															
Automobiles and parts	19	110	108	114	114	118	113	27.18	121	127	131	127	127	108	6,193
Electrical machinery	18	105	108	108	100	112	106	21.02	112	114	123	124	120	117	3,256
Foundries and machine shops	36	112	115	124	125	131	129	27.28	114	117	121	122	121	123	5,987
Iron and steel products	32	125	127	132	135	142	136	28.66	121	122	128	130	132	135	22,849
Car construction and repair	9	109	114	118	119	127	126	31.54	162	170	176	175	179	187	29,800
Shipbuilding	5	99	102	101	104	112	109	27.75	112	118	117	121	122	122	11,552
Textile products:															
Carpets and rugs	14	99	104	104	101	112	104	27.42	111	113	113	115	116	114	4,108
Clothing	22	107	115	117	115	119	116	20.00	98	100	103	101	100	103	3,728
Cotton goods	17	103	105	107	107	109	105	22.03	104	103	104	103	99	95	6,482
Felt hats	4	98	103	96	94	102	105	26.04	119	121	121	120	122	124	4,932
Knit goods	27	103	109	111	111	114	110	20.56	103	105	107	107	108	111	5,981
Silk goods	37	109	114	110	113	117	113	19.12	105	105	107	107	104	107	12,899
Worsteds and woolens	24	98	104	110	110	113	111	22.42	101	102	98	97	97	93	9,326
Food products:															
Bakeries	18	105	105	103	103	105	103	27.11	102	103	102	106	107	109	2,960
Canneries	8	85	82	131	107	112	110	20.31	109	110	105	115	126	122	2,699
Confectionery and ice cream	21	107	103	107	107	113	113	20.80	102	106	104	94	95	95	5,112
Slaughtering and meat packing	12	104	104	103	104	108	108	28.34	105	104	101	100	100	99	1,745
Sugar refining	3	99	98	110	112	106	101	27.30	88	102	103	100	108	106	2,465
Building materials:															
Cement	15	122	114	131	140	144	141	31.25	103	104	108	110	113	111	7,550
Glass	7	126	119	132	130	141	136	36.10	95	108	115	106	108	107	874
Pottery	11	78	82	87	88	90	92	29.75	88	91	95	97	100	107	2,205
Miscellaneous:															
Boots and shoes	16	105	103	109	103	101	100	17.84	106	104	101	102	100	101	2,507
Leather	29	109	111	113	106	119	121	26.19	104	104	105	105	102	101	8,169
Chemicals and paints	17	114	111	115	121	120	118	29.69	123	125	126	126	126	121	4,798
Cigars and tobacco	14	107	115	112	110	110	110	15.42	102	96	93	91	89	88	5,475
Furniture	17	105	107	110	109	110	116	25.24	113	113	115	114	115	120	2,879
Musical instruments	2	96	99	102	104	103	107	27.45	109	109	111	112	112	112	8,022
Paper and pulp	13	116	111	117	125	138	137	29.13	106	106	104	106	105	106	2,713
Printing and publishing	19	104	106	111	110	110	107	30.54	100	101	100	100	100	100	2,599
Petroleum refining	5	108	112	113	115	126	123	27.24	103	105	106	107	111	115	6,765
Rubber tires and goods	12	100	106	106	107	104	101	24.38	105	110	118	118	115	106	5,368

the district the largest increases occurred in Allentown, Bethlehem, Harrisburg, Scranton, and York; whereas employment fell off materially in Easton, Lancaster, Hazleton, Trenton, Wilkes-Barre, and Williamsport.

In nearly all of the industries for which figures are collected average earnings declined during June. Only five—felt hats, pottery, leather, musical instruments, and furniture—showed increases; and in three—cigars and tobacco, slaughtering and meat packing, and confectionery and ice cream—average earnings remained unchanged. The other industries reported decreases ranging from 7.1 per cent in the case of carpets and rugs to 1.0 per cent in the boot and shoe industry.

FINANCIAL CONDITIONS

Reports of member banks in the Third Federal Reserve District for the period from June 13 to July 11 show only comparatively minor changes. Loans and discounts rose from 625 millions on June 13 to 633 millions on July 3, but receded in the following week to 628 millions. Investments declined from 312 to 309 millions, and total deposits increased slightly. In comparison with a year ago secured loans have increased 33 millions, and other loans and discounts, 39 millions. Changes in the periods before and after the first of the year are given in the table:

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	July 12, 1922 to Jan. 3, 1923	Jan. 3, 1923 to July 11, 1923
Secured loans	+$30,000,000	+$ 3,000,000
Other loans and discounts	+ 8,000,000	+ 31,000,000
Investments	+ 16,000,000	+ 17,000,000
Demand deposits	+ 20,000,000	— 8,000,000
Time deposits	+ 13,000,000	+ 42,000,000

An increase in the reserve ratio from 70 per cent on June 20 to 72.1 per cent on July 18 is reported by the Federal Reserve Bank of Philadelphia. Note circulation and deposits increased, but this larger liability was more than balanced by gains in total reserves. Bills discounted declined. Figures for this bank by weeks are as follows:

(000,000's omitted in dollar figures)	June 20	June 27	July 3	July 11	July 18
Bills discounted	$71	$72	$78	$67	$67
Bills bought	20	20	19	20	21
U. S. Securities	18	18	17	17	17
Total earning assets	109	110	114	104	105
Fed. Res. notes	201	207	211	211	205
Deposits	113	112	115	117	120
Total reserves	220	228	230	235	235
Reserve ratio	70.0%	71.5%	70.6%	71.6%	72.1%

Securities

Activity in the security markets has been at a low ebb, and at no time since the beginning of July has the daily total of shares sold reached the million mark. The average of 20 industrial stocks declined from $92.76 on June 19 to $87.64 on July 12, and then rose to $91.35 on July 19. Similarly the average of 20 railroad stocks fell from $81.74 on June 19 to $76.85 on June 30, and now stands at $80.05. The average of 40 bonds has fluctuated within less than one point, but is slightly lower than it was a month ago. Price averages follow:

	July 19, 1923	Month ago	Two months ago
20 industrial stocks	$91.35	$92.76	$94.70
20 rail stocks	80.05	81.74	81.00
10 first-grade rail bonds	86.45	85.94	86.25
10 second-grade rail bonds	82.64	82.67	82.71
10 public utility bonds	85.99	86.12	86.46
10 industrial bonds	92.75	93.29	93.52
4 Liberty bonds	98.16	98.14	97.69

Bankers' acceptances

Sales of bankers' acceptances within the Third Federal Reserve District by five dealers averaged $2,211,000 weekly during the four-week period ending July 11, as against $1,749,000 in the preceding month, and $2,738,000 a year ago. The average for the past five months was $1,775,000, as compared with $2,801,000 a year ago. The supply of bills appears to have increased somewhat, but demand continues to be only fair. Hides, leather, flour, tobacco, wool, sugar, cotton, and silk account for many of the acceptances that have come into the market recently. Sales and purchases reported by these dealers were as follows:

Weekly averages for period	Sales to F. R. Bank	Sales to others	Purchases
1923:			
June 14 to July 11	$1,919,000	$292,000	$464,000
May 17 to June 13	1,514,000	235,000	320,000
April 16 to May 16	646,000	337,000	260,000
March 12 to April 15	1,208,000	116,000	525,000
February 12 to March 11	2,424,000	182,000	642,000
1922:			
June 12 to July 16	2,599,000	138,000	489,000

For acceptances up to 30 days maturity the offering rate is 4 per cent, and for acceptances of from 30 to 90 days' maturity, 4⅛ per cent. Bids are one-eighth of one per cent higher.

Savings deposits

An increase in savings deposits from $455,808,000 to $456,910,000, or $1,102,000, is reported for the month of June by 80 banks in the Third Federal Reserve District. Interest amounting to $1,355,000 was paid during that period, however, so that a net excess of withdrawals over deposits is indicated. Comparative data by cities follow:

SAVINGS DEPOSITS

Third Federal Reserve District

	Number of reporting banks	Per cent increase or decrease July 1, 1923, compared with— June 1, 1923	July 1, 1922	July 1, 1921
Altoona	5	—1.1	+11.7	+ 18.7
Chester	5	+2.6	+13.5	+ 2.3
Harrisburg	4	+1.0	+51.6	+148.7
Johnstown	6	— .2	+11.5	+ 6.0
Lancaster	3	+1.7	+35.1	+ 63.1
Philadelphia	9	— .1	+ 5.8	+ 7.1
Reading	3	+3.3	+12.7	+ 22.5
Scranton	6	— .5	+ 8.6	+ 20.1
Trenton	6	— .2	+10.4	+ 10.9
Wilkes-Barre	5	+2.2	+ 4.8	+ 9.4
Williamsport	4	+1.9	+ 9.0	+ 13.4
Wilmington	5	+ .6	+ 8.8	+ 21.6
York	5	+ .3	+12.9	+ 21.8
Others	14	+1.4	+11.9	+ 13.9
Totals	80	+ .2	+ 7.7	+ 10.6

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The activity in commercial paper in the early part of July subsided later in the month, and both city and country institutions appeared to have less money for investment in paper. Brokers report that though each day brings in some orders, most of them are for small amounts.

Commercial paper

On July 11 several of the large Philadelphia trust companies advanced their rate for call money from 5 per cent, which had been the rate for some time, to 5½ per cent. This had the effect of temporarily checking sales of commercial paper in the city. The supply of paper is sufficient for the present needs of the market and is possibly slightly larger than it was a month ago. Rates are unchanged; the bulk of the business is still done at 5 per cent, but sales are also made at 5¼ and 5½ per cent.

Six dealers in this district report that during June they sold paper to the amount of $8,582,000, as compared with $6,102,500 in May and $7,372,000 in June, 1922. Sales to the city banks totaled $3,972,000, and to out of town institutions, $4,612,000.

Rates at which transactions were made varied from 4¾ to 5¾ per cent, but at the highest rate the amount sold was less than one half of one per cent. Less than four per cent was marketed at 4¾ per cent, and the sales at 5½ per cent were also small—between one and two per cent of the total. Of the remainder, about 94 per cent, which sold at 5 and 5¼ per cent, by far the larger part was placed at 5 per cent.

Rates on practically all countries have been weak during the past month, and several currencies have touched new low levels for the current year. Sterling, after declining in late June, reached a low point of $4.5527 on July 5, but since that time it has recovered over 4 cents. Part of this recovery is attributed to the rise in the discount rate of the Bank of England, which on July 5 was advanced to 4 per cent from 3 per cent, which had been the rate in effect since July, 1922. Money had been moving toward New York for some time, partly because of the difference in the interest rates at the two centres, and it was hoped that an advance might tend to draw money back to London. Belgian and French francs fell to new low records for the current year, and marks approached the vanishing point. Much of the weakness in these currencies is attributed to the unsettled political situation in Europe. Marks at $0.000003, the quotation current for the past few days, are at the rate of over 300,000 to the dollar. Of course a great deal of the present weakness in German currency is due to the enormous increase in the circulation of the Reichsbank. Circulating notes, as shown by that bank's report on June 30, totaled over 17 trillion marks, of which over 4 trillion were added in one week. It is reported that little trading is being done in German currency in this country, the rates originating largely in Europe.

Foreign exchange

The former neutral currencies fluctuated within narrow limits, but pesetas, Swiss francs, and Norwegian kroner on July 20 were several points below the quotations of a month ago. Rates on the other neutral states have shown little change since last month.

In the Far Eastern exchanges trading has been quiet. Rates on Hong Kong and Shanghai declined rather sharply, and although rupees and yen are easier than they were a month ago, the loss has been relatively slight.

Quotations on South American centers also are below those of a month ago, Argentine pesos showing the greatest decline.

Foreign exchange rates

Noon cables	Par value	July 20, 1923	June 20, 1923	July 20, 1922
London	$4.8665	$4.5933	$4.6229	$4.4531
Paris	.1930	.0588	.0626	.0841
Antwerp	.1930	.0484	.0534	.0794
Milan	.1930	.0431	.0457	.0460
Berlin	.2382	.000003	.000009	.001988
Vienna	.2026	.000014	.000014	.000034
Amsterdam	.4020	.3923	.3922	.3886
Copenhagen	.2680	.1747	.1794	.2161
Stockholm	.2680	.2653	.2649	.2602
Madrid	.1930	.1427	.1487	.1555
Berne	.1930	.1768	.1797	.1919
Buenos Aires	.9648	.7651	.8068	.8189
Shanghai	.7082	.7013	.7245	.7736

RETAIL TRADE

Preliminary reports from retail stores indicate that July sales will probably be equal to and may exceed those of July, 1922, but will not show the large increases made in May and in June. For women's apparel, linens, swisses and voiles, are selling better than ginghams. In men's apparel, tropical weight suits sold actively in early June but have latterly become duller. Neckwear, hosiery, and underwear sales are reported to be equal to those of a year ago.

Prices as a rule have been steady and the changes have not been large. At the furniture openings in June, the prices named represented increases of from 5 to 10 per cent. Quotations on articles made in part of grass were especially strong, but reports indicate that sales were not as heavy as the manufacturers had anticipated, and that since the opening, offers have been made at reductions. Stocks of furniture in the hands of retailers are reported to be somewhat above normal. Men's suits and overcoats, and women's dress goods for fall are stated to have cost retailers more than they did last year. Shoes are unchanged in price. Muslins and linens are declining.

Deliveries of merchandise by manufacturers are being made promptly, except in the case of china, rugs,

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RETAIL TRADE
Third Federal Reserve District

	Comparison of net sales		Comparison of stocks		Rate of turnover		Percentage of orders outstanding June 30, 1923, to total purchases in 1922
	June, 1923 with June, 1922	Jan. 1 to June 30, 1923 with Jan. 1 to June 30, 1922	June 30, 1923 with June 30, 1922	June 30, 1923 with May 31, 1923	Jan. 1 to June, 30, 1923	Jan. 1 to June, 30, 1922	
All reporting firms	+23.4%	+16.9%	+ 9.2%	− 6.4%	3.2	3.0	9.3%
Firms in—Philadelphia	+18.9 "	+13.6 "	+ 4.6 "	− 8.9 "	4.0	3.8	9.1 "
—Allentown, Easton and Bethlehem	+27.4 "	+19.5 "	+ 7.5 "	− 4.4 "	2.6	2.3	......
—Altoona	+36.7 "	+18.8 "	+ .4 "	− 7.3 "	2.9	2.5	......
—Chester	+67.2 "	+49.2 "	−10.7 "	− 9.0 "	2.0	1.3	......
—Harrisburg	+21.4 "	+18.7 "	+30.4 "	− 2.3 "	2.6	2.7	......
—Johnstown	+36.3 "	+26.6 "	+22.8 "	+ 2.5 "	3.0	2.9	......
—Lancaster	+23.2 "	+19.2 "	+13.6 "	− 2.1 "	2.6	2.3	......
—Reading	+20.8 "	+20.0 "	+ 8.3 "	− 4.0 "	2.2	2.0	......
—Scranton	+46.1 "	+31.3 "	+15.7 "	+ 1.9 "	2.6	2.0	......
—Trenton	+17.8 "	+12.4 "	+ 9.9 "	− 2.9 "	3.2	2.9	......
—Wilkes-Barre	+44.6 "	+24.6 "	+26.8 "	− 5.9 "	3.1	3.0	......
—Williamsport	+ 7.0 "	+ 7.0 "	+14.9 "	− 5.1 "	2.3	2.5	......
—Wilmington	+25.5 "	+17.4 "	+13.1 "	− 4.4 "	1.7	1.6	10.2 "
—York	+18.1 "	+14.0 "	+ .2 "	− 5.9 "	2.5	2.3	......
—All other cities	+31.0 "	+18.7 "	+21.5 "	+ .5 "	2.1	2.0	10.7 "
All department stores	+21.4 "	+15.6 "	+ 9.6 "	− 7.0 "	3.1	3.0	10.7 "
Department stores in Phila.	+17.2 "	+13.2 "	+ 5.2 "	−10.3 "	3.7	3.6	11.7 "
Depart. stores outside Phila.	+26.0 "	+18.2 "	+15.0 "	− 3.1 "	2.6	2.4	9.1 "
All apparel stores	+27.5 "	+16.0 "	+ 5.7 "	− 5.1 "	3.6	3.4	3.1 "
Men's apparel stores —in Phila.	+12.9 "	+10.1 "	+10.5 "	− 6.0 "	3.0	3.0	......
—outside Phila.	+37.2 "	+20.5 "	+ 7.8 "	− 6.7 "	2.0	1.8	21.9 "
Women's apparel stores —in Phila.	+27.9 "	+19.8 "	− 7.7 "	− 7.1 "	7.0	5.5	1.9 "
—outside Phila.	+23.3 "	+ 8.2 "	+12.5 "	− 4.8 "	3.5	3.5	7.0 "
Credit houses	+40.6 "	+32.7 "	+27.3 "	+ 1.0 "	2.7	2.3	4.3 "

and linoleums, which some report as being delayed. Retailers find that it is easy to purchase goods for prompt delivery in nearly all lines. Although stocks in the retail stores are larger than they were a year ago, they cannot be considered heavy in view of the increased prices and larger volume of business. Collections are good. The above table, compiled from reports of retail establishments in the Third Federal Reserve District, shows that in June business was larger by 23.4 per cent than in June, 1922, and for the first half of 1923 increased 16.9 per cent, as compared with that period in 1922. These gains have been general throughout the district in department stores, apparel stores, and credit houses.

WHOLESALE TRADE

In all of the reporting wholesale lines except groceries sales were smaller in June than in May. However, as compared with those of last year, they were in all cases from 12 to 22 per cent larger. Retailers, in general, are buying very conservatively and mainly for current needs. Stocks of goods in the hands of wholesalers are in most instances moderate. During June collections were somewhat slower in all lines except groceries.

The wholesale shoe business, as is usual in July, is experiencing one of the slackest periods of the year.

Shoes

Sales, however, are reported to be larger than they were a year ago. The buying for prompt shipment is in lots of a few pairs, as retailers do not wish to increase greatly their present holdings. Sales for early fall delivery, although improving, are as yet small; styles are becoming better established, but are not yet sufficiently fixed to inspire confidence among retailers.

Wholesalers, after holding off for some time, have placed considerable orders for shoes to be delivered in August and early September. For women's wear suedes, satins, and patent leathers are in favor.

Collections are sometimes poor during July and August, but at present they are said to be fair. During June, sales in this district, as reported to the Federal Reserve Bank, decreased 16.9 per cent from those of May, but were 17.7 per cent larger than in June, 1922. The ratio of accounts outstanding to sales on June 30 was 263.7, on May 31, 240.9, and on June 30, 1922, 281.0, indicating a considerable improvement in collections as compared with a year ago.

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Drygoods

June sales of wholesale drygoods showed a decrease of 5.2 per cent from those in May, but were 21.0 per cent larger than those in June, 1922. At the present time retailers are buying very conservatively, mainly for immediate needs, and consequently the current demand is only fair. Underwear and hosiery are reported by some wholesalers to have been the best sellers during the month. Staple wash goods and ginghams continued in poor demand, but specialties such as colored and dotted swisses and figured voiles were more active.

Owing to deliveries of fall goods to wholesalers, stocks are increasing but are still only moderate, though certain firms report them to be heavy. In some instances the bulk of the business on the books is to be shipped within the next 30 days, but in the majority of cases from one half to three quarters of the orders are to be delivered further than 60 days ahead.

Many wholesalers reduced their quotations on cotton and silk goods during the month, but others held them steady. Underwear prices, however, were advanced by some firms. Collections are fair, and show little change since last month, as is indicated by the ratio of accounts outstanding to sales, which was 238.6 in June, as compared with 238.2 in May.

Drugs

Sales of wholesale drugs in June were 4.3 per cent smaller than in May, but as compared with June, 1922, they were 12.7 per cent larger. That sales should decrease in June is to be expected, since the demand during the summer is normally smaller than in other months. However drugs at wholesale are at present in fairly good request. Although some firms find that the demand increased during the month, more than half of those reporting to this bank state that there was little change. Seasonable goods such as toilet articles were the best sellers.

The market for crude drugs continued to be seasonally quiet as far as future business was concerned, pending more adequate information of the results of foreign and domestic collections. The trend of prices during the past month is shown by the table above.

	* Price index of 40 botanical drugs	* Price index of 35 drugs and fine chemicals
Week of June 25	138.4	186.4
Week of July 2	131.0	185.8
Week of July 9	131.1	186.3
Week of July 16	131.3	185.8
Week of July 23	131.3	185.8
Week of July 24, 1922	106.9	149.4

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

Stocks of drugs in the hands of wholesalers are in general moderate, and have not changed since last month, but some firms report that stocks are heavy and are increasing. The ratio of accounts outstanding to sales increased from 135.8 in May to 146.3 in June.

Hardware

Sales in June by 34 wholesale hardware firms in this district were 3.7 per cent less than in May, but 22.1 per cent above those of June, 1922. Our index of sales was 125 in June, as compared with 129 in May. In spite of the fact that many firms report less activity than a month ago, demand continues to be from fair to good. Builders' and contractors' supplies are still in good request, but sales have fallen off noticeably. Miners' supplies are selling actively, and general hardware for manufacturing industries is in fair demand. In only one case are any cancellations reported, and they are negligible.

Stocks range from moderate to heavy, but a greater number of firms report moderate stocks than did a month ago; and although many dealers are carrying stocks of about the same size as they were last month, a growing number are cutting down. Practically none are increasing their supplies at this time.

Collections are fair, but they are somewhat less prompt than a month ago, as is indicated by the ratio of accounts outstanding to sales, which was 157.0 in June, as compared with 153.6 in May.

WHOLESALE TRADE
Third Federal Reserve District

	Number of reporting firms	Percentage of increase or decrease in— Net sales June, 1923, compared with—		Accounts outstanding June, 1923, compared with—		Ratio of accounts outstanding to sales		
		May, 1923	June, 1922	May, 1923	June, 1922	June, 1923	May, 1923	June, 1922
Boots and shoes	14	—16.9%	+17.7%	—7.5%	+11.7%	263.7%	240.9%	281.0%
Drugs	15	— 4.3 "	+12.7 "	+2.5 "	+28.3 "	146.3 "	135.8 "	128.4 "
Dry goods	20	— 5.2 "	+21.0 "	—5.1 "	+19.5 "	238.6 "	238.2 "	244.9 "
Groceries	52	+ 6.6 "	+15.4 "	+5.1 "	+17.7 "	100.6 "	104.3 "	100.6 "
Hardware	34	— 3.7 "	+22.1 "	—1.8 "	+18.0 "	157.0 "	153.6 "	163.4 "

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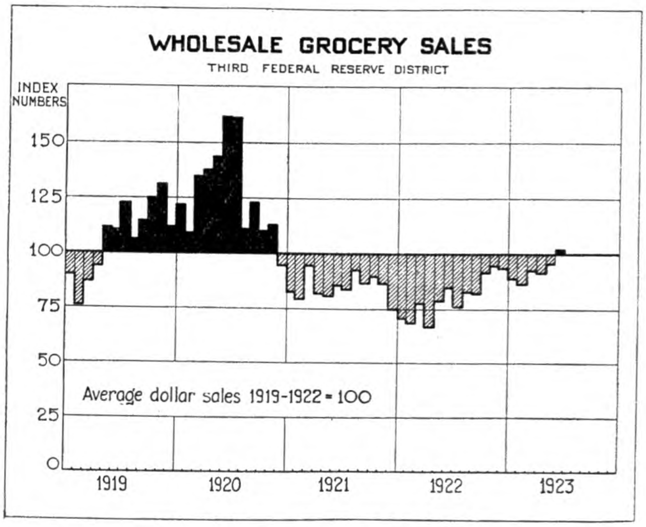
The demand for groceries at wholesale continues to be fairly good. Sales during June were larger by 6.6 per cent than in May and by 15.4 per cent than in June, 1922. Retailers are buying but conservatively, and about 90 per cent of the orders on the books of wholesalers are for spot delivery.

Groceries

As shown by the accompanying chart, dollar sales were considerably greater from May, 1919, to December, 1920, than during the period following. This was true largely because of the high prices prevailing in the former months. However, since April, 1922, the ratio has gradually approached the four-year average, and in June, 1923, slightly exceeded it.



Dollar sales in 1919 and 1920 were much larger than in the succeeding years. This difference may be largely attributed to higher prices prevailing in those years, as the actual physical volume of sales has been greater during the past nine months than at any time since June and July, 1920

Source—Federal Reserve Bank of Philadelphia

Stocks of goods in the hands of wholesalers are, in general, moderate, although some firms state that they are heavy. Our reports differ as to whether stocks are unchanged, increasing, or decreasing. Of a total of thirty-nine wholesalers, sixteen indicate that stocks are unchanged; twelve, that they are increasing; and eleven, that they are decreasing. Among the commodities reported in best demand by dealers in this district are sugar, canned goods, especially vegetables and fruits, and cereals. During the month, quotations on canned vegetables, syrup, milk, cheese, and olives have increased, but prices of sugar, flour, soap, dried fruits, beans, and coffee have declined. Quotations on flour continued to decrease, largely owing to the decline in wheat values and to the poor export demand.

The ratio of accounts outstanding to sales decreased from 104.3 in May to 100.6 in June. This shows that collections improved during the latter month.

FLOUR

The past two months have witnessed generally unsettled markets for grain and flour, accompanied by severe falling off in prices and by a further slackening in both domestic and foreign buying. Declining wheat prices have been reflected in lower quotations for flour, and recent orders have been in small volume and for small lots. Most domestic consumers are fairly well supplied with flour, much of which was purchased at higher levels than those now prevailing. Hence, consumers have been reluctant to place additional orders, especially in view of the present uncertainty as to prices. Indeed, recent decreases in price have been so severe at times as almost to demoralize the markets. The extent of these is seen from the accompanying table, which shows quotations for July wheat at Chicago and for spring patent flour in carload lots for shipment to New York:

	Wheat (per bu.)	Flour (per bbl.)
May 18, 1923	$1.19½ to $1.20¾	$6.40 to $6.75
June 18, 1923	1.10⅛ to 1.12	6.35 to 6.75
July 18, 1923	.96⅜ to .97½	5.75 to 6.25
July 18, 1922	1.14 to 1.17⅜	7.50 to 8.00

Wheat has lately touched the lowest point in years, and is now quoted at from 15 to 20 per cent below last year's levels. Flour has declined even more drastically, recent quotations being nearly 25 per cent, or $1.75 a barrel, less than at this time last year.

The slackening in sales of flour, which has caused an accumulation of stocks at the mills, has resulted in a general curtailment of operations in the district and throughout the country. Through the West and Southwest many mills have closed down. Stocks of flour at public warehouses in Philadelphia have declined somewhat during the past three months, and were lower on July 1 than at any time this year. But on the whole, stocks have been considerably heavier than they were on the same dates last year. The following table shows the amounts of flour and wheat in storage at public warehouses in Philadelphia on the first day of each month.

Public warehouse stocks at Philadelphia

First day of month	Flour (bbls.)		Wheat (bus.)	
	1923	1922	1923	1922
January	192,000	193,633	1,766,470	2,771,834
February	210,067	168,490	1,511,906	2,080,117
March	200,854	157,553	2,027,632	1,886,597
April	211,072	153,028	2,153,108	1,578,268
May	214,109	136,718	1,256,793	1,161,572
June	190,381	113,732	331,211	1,303,364
July	173,027	96,434	317,622	2,367,186

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The falling off in the foreign buying of flour and grain is indicated in the following table, giving exports from the port of Philadelphia during recent months. For the first six months, it is true, exports of flour and of most grains were in larger amounts than for the corresponding period of 1922. But the June shipments of flour and of all grains except rye were much smaller than those of June, 1922. Corn has been shipped abroad in much smaller quantities than last year, because the decline in the price of wheat has induced greater purchasing of this grain in place of corn.

Exports of flour and grain from Philadelphia

	June, 1923	June, 1922	Jan. to June, 1923	Jan. to June, 1922
Flour (bbls.)	20,295	45,187	247,976	243,271
Wheat (bus.)	1,559,926	2,889,596	20,236,691	19,151,579
Corn "	236,492	1,169,425	4,185,731	9,004,902
Oats "	10,000	19,495	436,789	194,259
Rye "	156,000	128,571	615,687	523,506

It is interesting to note, in connection with wheat exports, that a large proportion of this grain passing through the ports of Philadelphia and New York has been Canadian wheat. During the period from January 1 to May 12 exports of Canadian wheat through United States ports amounted to 46,179,000 bushels, as compared with 30,053,000 bushels of domestic wheat.

The following table shows receipts of grain and flour at Philadelphia during 1923. As in the case of exports the receipts of flour and grain, except corn, during the first six months of the year, were in excess of those during the same period of 1922. During June, however, receipts of wheat, corn, and oats were much smaller than in June, 1922; but receipts of flour, as well as of rye, continued to exceed last year's total.

Receipts of flour and grain at Philadelphia

	June, 1923	June, 1922	Jan. to June, 1923	Jan. to June, 1922
Flour (bbls.)	200,346	186,749	1,587,234	1,275,803
Wheat (bus.)	1,628,698	3,995,124	19,678,569	19,126,300
Corn "	272,608	417,406	5,908,290	10,500,537
Oats "	127,846	349,471	2,506,847	1,568,125
Rye "	172,286	129,300	639,163	536,054

SUGAR

The withdrawal of European buyers at the close of last month from the New York raw sugar market and the offering by them of raw sugars for resale caused a sharp break in both the spot and futures market at the beginning of this month. Cuban raw sugar for prompt shipment declined from 6.00 cents, c & f, to 4¾ cents, c & f. As the month progressed and Cuban holders showed no desire to sell at these prices, the market strengthened slightly and prices rose to 5⅜ and 5½ cents, c & f, for prompt shipments. But the strength was only temporary, and as the reaction set in, offerings were reported at 5⅛ cents. Refiners, however, have displayed interest in the market only on few occasions, and during the month spot sales have been relatively light, considering the season. Porto Rican sugars have sold at prices ranging from 6.75 cents to 7.16 cents, delivered, the equivalent of from 5 to 5⅜ cents, c & f, for Cuban.

Raw sugar

United Kingdom refiners have been absent from the Cuban raw market this month and have apparently confined their purchases to Java sugars. Canadian and American refiners have been the only buyers in West Indian markets, and consequently prices have softened.

In Cuba the grinding season is almost over. Only four centrales are still operating, and the 1923 crop is now definitely known to be between 3,600,000 and 3,650,000 tons. This figure is a decrease of approximately 9 per cent from the first estimate of 4,000,000 tons, made at the beginning of the year by some authorities on sugar statistics. To this fact, that the crop was smaller than the early estimates indicated, much of the increase in the price of sugars which took place after January is attributable.

The receipts of sugar at Cuban ports continue to grow smaller as the stocks on plantations are being drawn on to meet the demand for export. The total stocks on the island are estimated by Willett and Gray to be about 400,000 tons smaller than they were a year ago.

The plantings of American sugar beets are estimated by the Department of Agriculture to be 732,080 acres, or 20.8 per cent larger than last year; but dry weather has injured the crop and the per acre yield will be smaller than it was in 1922. Private sources believe that the output of American beet sugar will not exceed 750,000 tons; but if the production should reach that figure, it would be 25 per cent larger than last year. The Department of Agriculture's final report of the 1922-1923 beet sugar yield placed the output at 602,679 tons.

Receipts of raw sugar at the ports of Baltimore, Philadelphia, New York, and Boston for the first three weeks of the month were not so large as the imports in the same period of last year. The following data, compiled by the "American Sugar Bulletin," show that the raw sugar market has not been as active as it was in July, 1922.

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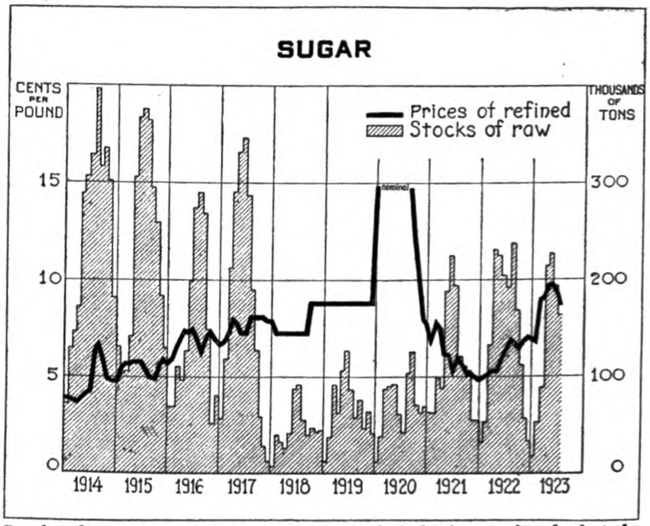
Receipts of raw sugar at Atlantic ports

Tons (2240 lbs.)	June 29 to July 20, 1923	June 30 to July 21, 1922
From Cuba	89,064 tons	213,598 tons
From Porto Rico	4,000 "	20,837 "
From Philippine Islands	10,645 "	23,065 "
From other countries	11 "	....
Total receipts	103,720 "	257,500 "

Refined sugar

The demand for refined sugars has been good and almost normal for the season, although all refiners report that wholesale grocers and large consumers are still buying very carefully. Some of the local refiners enjoyed an excellent business early in the month, because they reduced their prices to 9.25 cents per pound for fine granulated, while other refiners were holding out for 9.75 cents. But later in the month all refiners lowered their quotations until the price stood at 8.50 cents. The demand then became greater, and the market strengthened to 9.00 cents. But following this advance, buying stopped, and as raw sugar was weak, the quotations for granulated again fell. One refiner quoted 8.35 cents, but the average price was above 8.75 cents.

The invisible supplies of refined sugars are much smaller than they were a year ago, as is attested by the numerous small orders that refiners are receiving. On the other hand, refiners' stocks are heavier than usual at this time of the year, and much of the sugar that is normally carried by wholesalers and large consumers is being carried by the refiners. The following chart shows the stocks of raw sugar carried at Atlantic ports on the first of each month since 1913 and the price of granulated sugar since 1913. Although stocks are not as heavy as they were a year ago, they are moderately large.



Stocks of raw sugar in most years reach their highest point during the summer. This year they have decreased since May 1

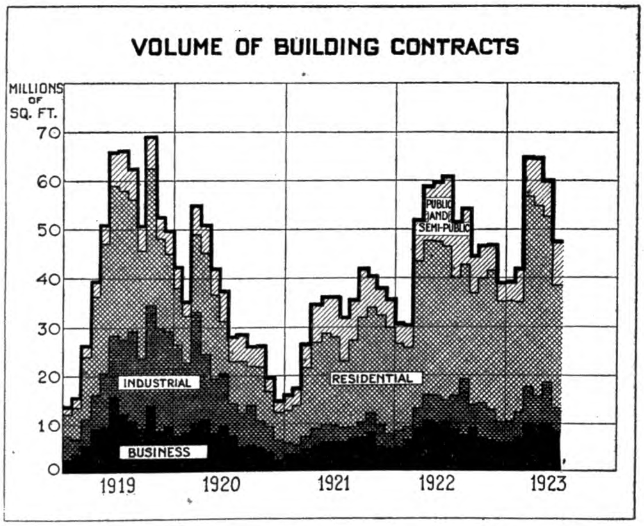
Sources—Weekly Statistical Trade Journal, Willett & Gray's Weekly, American Sugar Bulletin

Meltings for the first three weeks of the month at the refineries at Baltimore, Philadelphia, New York, and Boston amounted to 115,000 tons, as compared with 258,000 tons for the same period in 1922. This represents a decline of more than 55 per cent.

Export inquiry for refined sugars has been very light, and sales to foreign countries are much smaller than they were a year ago. The decline in price which occurred in the British refined market, and unsettled conditions on the continent, are held responsible by domestic refiners for this lack of foreign buying.

BUILDING

During June, the value of building permits issued in 14 cities of the Third Federal Reserve District declined for the third consecutive month, and was considerably below the total for June of last year. Although a large share of the decrease was in Philadelphia, most of the other cities also showed a falling off. The total for the first six months, however, has been large, as is seen in the table on page 14. In Philadelphia the cumulative total for the first half of the current year reached $111,855,931, the greatest in the history of the city. That the bulk of recent operations in 27 northeastern states has been for residential buildings is indicated by the accompanying chart, showing the volume of contracts in square feet. Especially in-



The volume of building contracts awarded in 27 northern states declined considerably in May and June. Especially noteworthy is the relatively small increase in industrial construction during recent months as compared with that of 1919 and 1920

Source—F. W. Dodge Corporation

teresting is the sharp decline in the contracts awarded during May and June. This condition is reflected in decreased sales of many classes of building materials and in a slightly easier labor situation.

Wholesale lumber dealers report that business dur-

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Lumber

ing the past month has been only fair and that the great majority of orders are for immediate delivery. This condition, however, is largely seasonal. Retailers are selling actively, but partly because of recent reductions in prices, they are keeping stocks at a minimum and are buying only for immediate needs. In one or two instances wholesalers have received requests for cancellations or postponement of shipments, but these are rare.

Manufacturers are still making fairly heavy shipments on old orders, but new business is light and inquiries are few. With them too, requests for postponement of deliveries are uncommon or negligible. In some cases dealers attribute the slackened buying to the inability of builders and others to obtain sufficient labor to start new work, and the high cost of construction also is believed to be a potent factor in the present lull.

Hardwoods in the better grades are fairly active, and lower grades are in moderate demand; but the medium qualities are somewhat sluggish. Western woods are selling in good volume, but deliveries from the coast are slow. Shipments from the south have improved considerably, and may now be described as satisfactory.

Reports as to stocks vary so greatly that no conclusions can be drawn further than that in general they are moderate. Prices have been spotty during the month, and although the general trend has been downward, a few items have been firm or have even stiffened. Wholesale prices on the average are about 10 per cent below those of a month ago. Many manufacturers are unable to obtain sufficient labor, but conditions in this respect have shown some improvement in recent weeks. No reports have been made of wage increases during the month.

Collections in general are fair. Some consider them more prompt than they were last month or a year ago, but an equal number find them slower.

Cement

Although cement continues in good request, there has been a noticeable falling off in demand in recent weeks. Manufacturers believe that this is because dealers, fearing congested transportation conditions, laid in heavy supplies early in the year. It is true that many of the orders being placed at this time are marked rush, but on the other hand, requests for shipment on contracts made last winter and this spring are not so numerous as might be expected. This is because contractors are in many instances behind their schedules on account of lack of labor and shortage of some classes of building materials. Shipments have been at a high rate, however, and in this district during June, contrary to conditions in the nation as a whole, they were larger than those of a year ago, although slightly below those of May.

Stocks are either light or moderate, those in this district totaling 3,082,000 barrels at the end of June, as against 3,342,000 barrels on May 31. As a rule stocks decrease from now until the fall, when they are once more built up.

Operations have been at a high level, and total production has been heavy. The output of plants in this district for the past four months, and for the corresponding months of 1922, was as follows:

	1923	1922
March	2,659,000 bbls.	2,189,000 bbls.
April	2,996,000 "	2,568,000 "
May	3,347,000 "	2,964,000 "
June	3,155,000 "	2,827,000 "

BUILDING PERMITS
Third Federal Reserve District

	June, 1923			June, 1922			January to June inclusive 1923		1922	
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	Permits	Estimated cost	Permits	Estimated cost
Allentown	105	133	$314,100	85	101	$228,900	550	$3,080,720	485	$1,497,075
Altoona	201	203	227,221	130	131	356,426	1,038	1,846,523	1,000	1,444,228
Atlantic City*	321	321	668,418	532	532	348,058	1,635	5,760,125	2,208	4,406,344
Camden	118	146	512,750	133	165	378,428	542	4,836,937	592	2,286,904
Harrisburg	88	105	321,100	100	116	402,116	533	4,617,275	529	2,041,571
Lancaster	89	106	390,345	78	78	259,930	535	1,945,805	476	1,246,625
Philadelphia	1,334	1,742	8,370,875	1,492	2,461	13,190,220	7,314	75,179,095	7,244	52,428,645
Reading	301	315	413,525	273	295	368,300	1,720	3,089,430	1,730	2,578,771
Scranton*	174	174	266,470	195	195	1,065,572	800	1,978,230	752	2,384,355
Trenton	164	187	578,866	152	198	508,638	889	3,918,934	771	2,215,331
Wilkes-Barre*	128	128	374,498	124	124	581,324	614	1,587,712	745	2,356,289
Williamsport*	165	165	103,354	106	106	58,683	531	713,036	572	965,683
Wilmington	101	101	241,359	86	86	215,998	597	1,974,974	483	1,829,791
York	139	139	111,380	138	138	215,166	878	1,327,135	748	633,613
Totals	3,428	3,965	$12,894,261	3,624	4,726	$18,177,759	18,176	$111,855,931	18,335	$78,315,225

* Do not report operations

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The great majority of operators report a scarcity of unskilled labor, and not a few are unable to obtain enough skilled workers. Only one plant, however, has granted any increase of wages since last month. This was an advance of 5 per cent to skilled workers and of 10 per cent to unskilled.

Quotations are quite firm and have not changed during the past month. Collections range from fair to good, and although the experience of most manufacturers shows that they differ little from those of last year or a month ago, in certain cases they are somewhat slower.

Pottery

Although a few firms report a decrease in current orders for sanitary pottery, orders already on the books are heavy, and the industry is working at a fairly high rate. Electrical porcelain also is in good demand, but other classes of pottery are moving slowly. The majority of orders being placed at this time are for prompt shipment, but makers of sanitary pottery have in many cases sufficient future orders to insure operations for several months. Requests for cancellations or postponement of shipments are rare. Many plants in the sanitary pottery industry have been behind on deliveries because of the strike of operative potters which began last fall. This strike was finally called off by the brotherhood at a conference in Philadelphia, on June 19. The union men agreed to return to work upon the present basis of pay, which was a slight reduction from that current last fall, and operators hired former employees where such a course was possible. As a result of the strike, the industry has been revolutionized, as many plants have installed machinery that does away with the necessity of employing skilled labor on many operations. The supply of labor at present is adequate in the majority of cases, and only in one or two instances have wages been advanced during recent weeks. Operations throughout the industry average about 80 per cent of capacity.

Prices in general are firm and have not changed since last month. Stocks in the various branches of the industry range from light to moderate, and for the most part are stationary. Stocks of raw materials, too, are not large.

Collections are from fair to good. In several instances they are less prompt than they were a month ago, but reports are too conflicting to warrant a comparison with last year.

Plumbing supplies

Manufacturers of plumbing supplies report a falling off in orders during recent weeks, largely attributable, they believe, to the fact that jobbers bought heavily earlier in the year and at this time dealers are selling from stock instead of placing new orders. The majority of orders being placed with manufacturers at present are for immediate delivery. With dealers, however, the demand continues to be good, though somewhat smaller than it was a month ago. With them, too, orders are mostly for prompt shipment.

Prices have varied considerably, some products holding firm, and others, such as cast iron pipe, being slightly easier.

Finished stocks in the hands of manufacturers are either moderate or light, and although in many cases they are about stationary, numerous decreases are reported. Dealers are carrying only moderate supplies, and are attempting to hold them at an even level. Plants making the various types of supplies are operating on the average at about 80 per cent of capacity. Several firms are unable to obtain a sufficient supply of either skilled or unskilled workers, but the labor situation appears slightly easier than it was a few weeks ago. A small number of operators report wage advances ranging from 5 to 10 per cent.

Collections vary considerably, but in general they may be classed as fair. Many consider them to be slower than they were last month, but opinion differs when comparison is made with those of a year ago.

IRON AND STEEL

As is customary at this season of the year, there has been a decline during the past month in the demand for most classes of iron and steel. But in spite of this, the volume of business continues to be satisfactory in the majority of lines. Of the various iron and steel products, pig iron has been moving the most slowly, furnace men stating that buyers are taking only enough for their immediate needs. Stocks at many furnaces have been increasing, and a considerable reduction in iron quotations has occurred since our last report. Foundries have in general received fairly substantial business from mines, contractors, and machine shops; and manufacturers of machinery and tools have been selling goodly amounts to railroads, manufacturers of automotive equipment, and general industrial plants. Although several hardware factories report some decrease in orders, business is still of good volume, the greatest demand being for builders' supplies. Plates and shapes are moving fairly well, with railroads and oil interests the principal purchasers. Wire and wire rod mills have noted little decrease in orders, and their products are in fair request. Forgers are receiving a moderate amount of new business. In general, it is felt that the slowing down was bound to come, and most manufacturers are not displeased with the present situation. Specifications against contracts made earlier in the year have been large, and deliveries have continued heavy. As was expected, the unfilled orders on the books of the United States Steel Corporation decreased during June. On June 30 they totaled 6,386,261 tons, as against 6,981,351 tons on May 31. This makes the third consecutive month in which unfilled orders have declined.

Production too has fallen off from the record totals

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of the previous months, as is indicated by the output of pig iron and steel ingots. The production of pig iron during June was 3,668,413 tons, as against 3,867,694 tons in May. The decrease was wholly accounted for by steel companies, as merchant furnaces were working at a higher rate than during the previous month. The number of furnaces in blast on July 1 was 322, one more than on June 1. Since the first of July, however, several furnaces have been blown out or banked. The estimated total output of steel ingots for June amounted to 3,748,890 tons, as compared with 4,195,800 tons in May. The June figure represents the smallest total since February. Operations in all classes of iron and steel plants in this district average between 80 and 90 per cent of capacity.

The great majority of plants are carrying only moderate supplies of raw materials. Stocks of finished goods are not heavy, and show little change from those of a month ago.

Prices on certain items, notably pig iron and a few heavy products, have declined, but finished iron and steel have been firm. Philadelphia 2X pig iron on July 17 was quoted at $27.56 delivered, as against $30.76 on June 19; and practically all other grades of pig iron have likewise been reduced. The composite price of several grades of pig iron, as calculated by the *Iron Age,* has declined over $2 since the middle of June. But the composite price of finished steel, as figured by the same journal, has remained unchanged during the same period at 2.789 cents a pound.

Although a scarcity of unskilled labor continues in many sections, about one half of the firms reporting to us state that they are now able to obtain all they need. The supply of skilled labor too is better, considerably more than one half of the reporting firms now finding it adequate. Wage increases for both skilled and unskilled workers are less numerous than they were last month.

Collections are fair. Although the majority of operators note little change since last month, a few consider payments to be somewhat less prompt.

AUTOMOBILES

The great majority of automobile dealers in this district report continued heavy sales during the past three months. Not only was buying much heavier than during the first quarter of the year, but it surpassed that of the second quarter of 1922 by a considerable margin. Closed cars continued to be in great demand, and in most cases sales of this type of car were larger than they were a year ago. Numerous dealers have had difficulty in obtaining deliveries from the factories, and some state that they could have sold many more cars had it been possible to get them. Under such circumstances it is not surprising that stocks of new cars in the hands of dealers are in many instances much lighter than is customary at this season. And in no case are stocks more than moderate. Prices have been somewhat irregular of late; certain well-known cars have been advanced slightly since April 1, 1923, but others have been reduced.

As was generally expected, the output in June, by companies reporting to the Department of Commerce, was lower than the record production of May. It was still at a high level, however, and a decrease in production at this time should cause no apprehension, as it is to some extent seasonal. The output for the first six months of both 1922 and 1923, as reported by approximately 90 passenger-car and 80 truck manufacturers, was as follows:

	Passenger cars		Trucks	
	1923	1922	1923	1922
January	223,706	81,693	19,398	9,416
February	254,650	109,171	21,817	13,195
March	319,638	152,959	34,681	19,761
April	344,474	197,216	37,527	22,342
May	350,180	232,431	43,012	23,788
June	336,317	263,027	40,565	25,984

Collections are good. Even those companies that sell on financing plans have had little or no difficulty in securing payments.

COAL

June and July have been active months in the anthracite industry. The tri-district convention of the miners was held in Scranton late in June, and at that time were formulated the demands to be presented to the operators at the joint conference opened in Atlantic City on July 8. Chief among the eleven demands were a 20 per cent increase in contract wages; a $2 a day increase for day laborers; a uniform eight-hour day; recognition of the United Mine Workers, and acceptance of the principle of the check-off. The operators agreed to the eight-hour day, and the remainder of the time until July 12, when a ten-day adjournment was taken, was used in a discussion of the miners' other demands. On July 8 the report of the United States Coal Commission was made public. Among the more important recommendations made by the Commission were government regulation of the anthracite industry, and "national emergency" authority for the President to take over and operate the mines and to fix both wages and prices in the event of strikes or cessation of production.

Anthracite

All these events had an effect upon the market, and the demand for domestic sizes became unprecedented for this season of the year. Retail dealers in this district were besieged with orders. So great was the demand for stove coal in Philadelphia that many retailers

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advanced their quotations from $15.00 to $15.50 a ton. Steam sizes, however, are still moving slowly, and many operators continue to store them. Retailers' stocks are larger than they were three months ago, according to a recent report of the United States Geological Survey, but not a small proportion of these stocks consists of pea coal and steam sizes.

Production has continued at an exceptionally high rate for this season of the year, and the cumulative output for the first six months of 1923 is estimated at 51,374,000 tons, the largest tonnage ever recorded for a similar period. Output for the past four weeks, and for the corresponding weeks of 1922 was as follows:

Week ending	1923	1922
June 23	2,042,000 net tons	24,000 net tons
June 30	2,105,000 " "	25,000 " "
July 7	1,580,000 " "	23,000 " "
July 14	2,051,000 " "	32,000 " "

The decrease during the week ending July 7 was due to the general observance of Independence Day, and the small totals for 1922 were caused by the strike. Some shortage of labor is reported in certain sections, and it is said that the miners are restless, pending the outcome of the present negotiations.

Quotations at the mines have remained practically unchanged during the past month. Independents' prices range from 50 cents to $3 a ton above those of the companies. With retailers, collections are from fair to good.

Bituminous

There has been no improvement in the demand for bituminous coal during the past month; in fact, some operators feel that buyers are more conservative than they were early in June. Southern coals at Hampton Roads were somewhat stronger early in July, but the tidewater activity had little effect upon sales in this territory. Practically all sales are in the spot market, as buyers show little disposition to place contracts at this time. Because of the recent decision of the United States Supreme Court regarding assigned cars, railroads are buying somewhat more freely, but this business has not assumed large proportions. That consumers are putting considerable coal into storage is indicated by a recent report of the United States Geological Survey, in which it is estimated that commercial stocks of soft coal on June 1 were about 41,000,000 tons, as compared with 36,000,000 tons on March 1. In general, gas plants and electric utilities had the largest number of days' supply. In this district it is estimated that all classes of consumers had stocks sufficient for from 30 to 60 days.

Production has apparently been stabilized at about 10,500,000 tons a week. Below is the estimated output for the past four weeks, and for the corresponding weeks of 1922. The decreased output for the week ending July 7 was due to the celebration of Independence Day.

Week ending	1923	1922
June 23	10,422,000 net tons	5,363,000 net tons
June 30	10,458,000 " "	5,226,000 " "
July 7	8,743,000 " "	3,678,000 " "
July 14	10,938,000 " "	4,123,000 " "

Mines in this district are operating at about 65 per cent of capacity, and car supply is in most cases more than adequate. The chief cause of curtailed operations is that there is no market, and for the same reason numerous additional mines have shut down. In fact, complaint is common that present quotations are below the cost of production. Pool 10 grade was quoted on July 16 at from $2.20 to $2.35 a ton, as against $2.10 to $2.45 on June 11; and during the same period several other grades dropped from 25 to 50 cents a ton.

Export business has continued to be fair, the bulk of the shipments going to Europe. It was expected that considerable Canadian business might develop as a result of the miners' strike in the Dominion, but up to the present exporters have made but few sales to that country.

Coke

The coke market has continued sluggish during the past month, and consumers have bought only moderate quantities. As the pig iron market has been dull, furnaces have bought cautiously. Recently, however, it is reported that retail coal dealers have purchased small amounts for distribution to householders in case they are unable to obtain the necessary tonnage of anthracite; but this has had no effect upon prices. Spot furnace coke is quoted at $4.50, and foundry grade is selling at $5.25, about 25 cents less than quotations of a month ago. Several ovens have closed down during recent weeks, and consequently output is somewhat lower. Production of bee-hive coke for the past four weeks and for the corresponding weeks of 1922 was as follows:

Week ending	1923	1922
June 23	413,000 net tons	110,000 net tons
June 30	399,000 " "	114,000 " "
July 7	377,000 " "	94,000 " "
July 14	376,000 " "	100,000 " "

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COTTON

An acreage report of the Department of Agriculture which was much larger than anticipated, increasing curtailment of operations in eastern mills, and generally favorable weather in most of the cotton belt, were some of the factors which influenced the cotton market during the past month. Prices fluctuated between 28.55 and 27.25 cents a pound for spot middling until July 23, when the market weakened and quotations declined sharply, spot cotton reaching 25.40 cents a pound. Although it is apparent that there has been no great scarcity of cotton during the season just closing, the total world's takings of American cotton, as shown by the following table, will greatly exceed last year's crop of 9,762,000 bales. Consequently the carryover, which on August 1, 1922, was 2,851,000 bales, will be considerably smaller on August 1, 1923.

Raw cotton

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, on July 20	11,011,320	10,661,506	11,295,591
Total	12,979,479	14,774,157	14,239,473
Visible supply, American, on July 20	949,338	2,170,077	4,166,837
World's takings of American to July 20	12,030,141	12,604,080	10,072,636

* Figures compiled by New York Cotton Exchange.

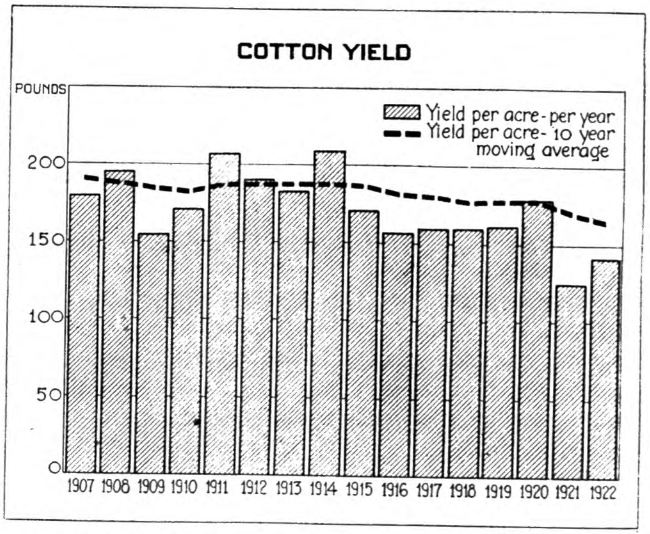
Whereas domestic consumption declined from 620,965 bales in May to 542,166 bales in June, the total domestic consumption, including linters, in the eleven months ending June 30, 1923, was 760,765 bales larger than in the corresponding period of 1921-22. Exports, however, during the same months were 1,250,321 bales less than those of last season.

Since the new crop will be called upon to supply most of the demand for cotton during the next season, all eyes are centered upon its growth. The Department of Agriculture's report issued on July 2 announced the condition as of June 25 to be 69.9 per cent, a decline of 1.1 per cent during the month that usually shows an improvement, as may be seen in the accompanying table.

Condition of cotton crop

Year	June 25	May 25
	Per cent of normal	
1923	69.9	71.0
1922	71.2	69.6
1921	69.2	66.0
1920	70.7	62.4
1919	70.0	75.6
1918	85.8	82.3
1917	70.3	69.5
1916	81.1	77.5
1915	80.3	80.0
1914	79.6	74.3
1913	81.8	79.1
1912	80.4	78.9
1911	88.2	87.8

The plantings this year were reported to amount to 38,287,000 acres, an increase of 12.6 per cent over last year's, and the largest area planted in cotton in the history of the country. Since the trade in general expected an increase of only about 8 per cent, this estimate was considered rather large because it was claimed that the Department had failed to allow for abandonment of cotton lands. But the practice of allowing for abandoned lands was discontinued after 1919, when it was found that the correspondents made such allowance in their reports on condition. Assuming an average yield of 142.6 pounds per acre, the Department predicted that this season's crop would be 11,412,000 bales. That 142.6 pounds per acre is considerably below the ten-year average from 1913 to 1922 is shown by the chart below. However, this average has declined sharply during the past two years, largely because of the depredations of the weevil, which in 1921 and 1922 destroyed so much of the crop that the yield in each of those years was reduced to 124.5 and 141.6 pounds per acre respectively.



The "moving average" represents the average yield per acre for the ten year period preceding the designated year. The almost steady decline in this average since 1914 has been largely due to increasing depredations of the boll weevil, especially in 1921 and 1922

Source—Department of Agriculture

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Since June 25 the weather has been generally favorable in most of the cotton belt. But the crop is still from two to three weeks late, except in northeastern Texas and Upper and Lower California. The former state, which produces about one-third of the entire crop, had an area planted of 14,077,000 acres and a condition of 77 per cent on June 25.

Extreme quietness has been the distinguishing feature of the cotton goods market during the month.

Cotton goods

Because of the uncertainty of raw cotton values, as well as the seasonal dullness, consumers have restricted their buying to filling-in orders for current needs, and reduced prices on many cloths have failed to stimulate demand. Tapestries are still in poor request, but the demand for plush and for velours continues to be good, and mills report that substantial orders for future shipment have been placed. But as yet little fall business has been booked in most lines of cotton fabrics, and nearly all of the orders are for delivery within the next 60 days.

Although some mills are accumulating goods as old orders are completed, the majority of manufacturers in this district are curtailing production, and it is now estimated that only from 50 to 60 per cent of the equipment is in operation. Plants making plush and velours, however, are still running at capacity. Stocks of raw materials and finished goods in mill hands are moderately heavy, but the former are stationary, while the latter are either stationary or increasing. Both skilled and unskilled labor are reported to be in sufficient supply.

Because of the slow demand, quotations on most cotton goods were reduced during the month and are now from 15 to 22 per cent lower than the peak prices in March. Collections are still fair, but they have slowed up somewhat since last month.

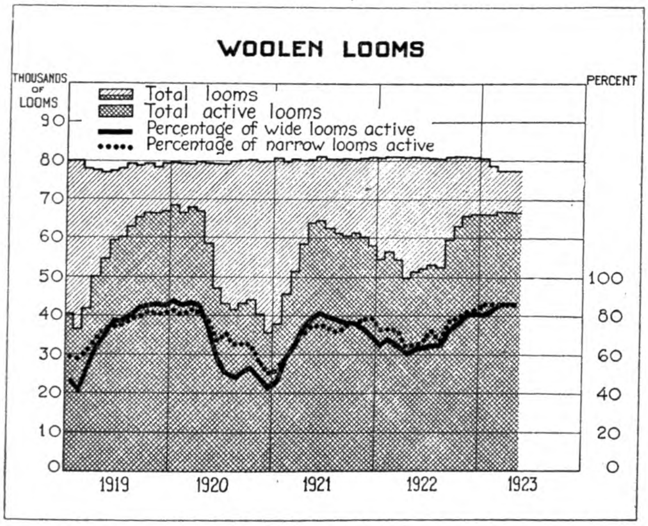
WOOL

New orders for woolen and worsted goods continue to be few and small, and little duplicate business has

Woolen and worsted goods

been received to date by manufacturers of men's wear. Because of these factors as well as numerous cancellations and requests for postponed shipments, these mills are running out of orders and are hoping that the openings of light weight spring goods will stimulate demand. On July 23 the American Woolen Company opened its lines of staple men's wear fabrics at increases averaging about 11 per cent over the prices of last spring, and 6.1 per cent above the opening quotations on fall goods. Some lines of tropical worsteds had previously been opened at advances in price ranging from 10 to 14 per cent over last season, but little business has been booked. On the other hand, most of the mills making dress goods of the pile fabric variety have received all the business they can handle and are being pressed for delivery. The demand for these goods has of late favored the lower grades, but recently there has been extensive sampling of bolivias of the better qualities. Manufacturers report that the current demand for cassimeres is slight, but mills are still busy on old orders.

Because of the lack of duplicate business, the production schedules of mills making men's wear have continued to be curtailed, and it is now estimated that only about 60 to 65 per cent of the looms in this district are in operation. Practically all business on the books is for immediate delivery. However, as noted above, manufacturers of bolivias and other pile fabrics are still running most of their equipment on old orders that were booked well ahead. Stocks of finished goods and of raw materials are reported to be moderate, but the former are stationary, while the latter are tending to decrease. The supply of labor, both skilled and unskilled, is now adequate in most cases. In contrast to the present curtailment in the production of men's wear, the following chart reflects the activity of the woolen and worsted goods industry in the country as a whole during the spring of this year. The total number of active looms during that period was greater than at any time since 1920.



During the first five months of 1923 the total number of active looms in this country was greater than at any time since early 1920. Loom activity in April of this year was nearly twice as great as the low point in 1920

Source—Department of Commerce

In spite of high production costs, manufacturers are still meeting with marked resistance to present prices, but, except for a few concessions, prices remain unchanged. Because of the inactivity in continental markets and the comparatively low prices prevailing there, woolen and worsted goods manufactured in Great Britain have been attracted to the United States. In spite of the high protective tariff, exports of these goods from the United Kingdom to this country, as shown by the chart on page 20, reached high levels dur-

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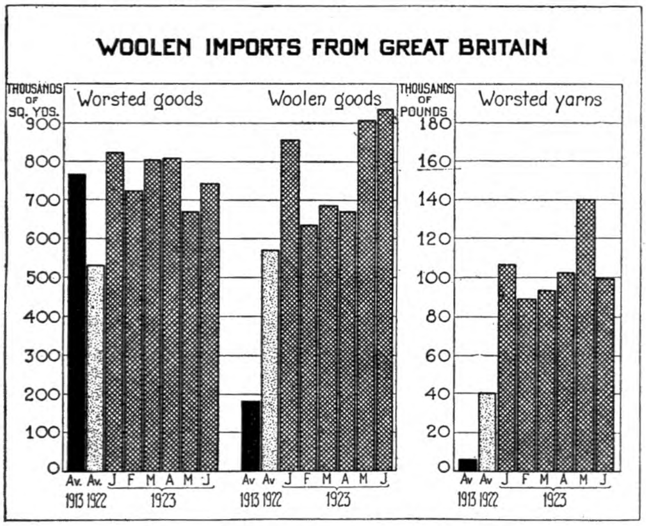
ing the first six months of 1923. This is particularly true of woolen goods, since the total for every month during that period was larger than that for the average month in 1913 and in 1922. In worsted goods the total for each of the six months was considerably greater than that for the average month in 1922, but only the January, March and April totals exceeded that for the average month of 1913.



Because of dullness in continental markets and comparatively high prices prevailing in this country, woolen imports to the United States from Great Britain reached exceptionally large proportions during the first half of 1923
Source—British Government Statistics

During the past month, collections have become noticeably slower and are now reported to be only fair.

Wool yarns

Mainly because of between season conditions, the current demand for woolen and worsted yarns has continued very light during the past month. However, a moderate number of filling-in orders have been received by many carpet yarn manufacturers, who are still busy on orders booked last spring. Duplicate business on knitting yarns for sweaters was very small. Although yarns for men's goods were in greater inquiry recently, owing to anticipation of needs for the light weight season, very little business has as yet been received. Of the orders on the books nearly all are for delivery within the next 60 days. Requests to postpone deliveries are frequent, but few cancellations have been reported.

Prices of yarn are fairly steady, but the continued lack of new business and the weakening in raw wool values have led to the granting of some concessions. As shown by the chart above, the fact that yarn prices in this country are comparatively much higher than in Europe has resulted in a large increase in exports of worsted yarn from Great Britain to the United States. Notwithstanding the high protective tariff, exports from the United Kingdom in each of the past six months were much greater than those in the average month of 1922 and of 1913.

Owing to the completion of old orders and the scarcity of duplicate business, some curtailment in operations has occurred during the past month. Wool consumption in this district as reported by 86 establishments decreased 16.5 per cent in June from the May figure. However, many spinners whose orders were booked further ahead than those of others are still operating most of their equipment. The supply of labor, both skilled and unskilled, is now stated to be sufficient in most cases. Stocks of yarns in spinners' hands are only moderate and are stationary, but stocks of raw wool are light and are either stationary or decreasing.

Collections are still fairly good, although a few firms state that they have become slower.

CLOTHING

Men's wear

Clothing manufacturers have received the bulk of the original orders for men's wear lines for fall delivery, and the business booked is reported by many to be approximately the same as that of last season. Retailers are now buying only for current needs, and the present demand may be described as from poor to fair. Orders for overcoatings were exceptionally good, since stocks had been considerably reduced by cold weather in the spring. The demand for these coatings has tended to favor the medium priced variety with the fancy back. But in fall suitings, worsteds of the better grades have sold best. Some manufacturers of men's wear report that fairly large cancellations, especially on suitings, have been received, but others find that they have been no greater than usual. About one half or two thirds of the orders on the books are to be delivered within the next sixty days, and the remainder within the succeeding month, few mills having orders for delivery after 90 days. Since the shipment of fall suitings only began during the past month, stocks of finished goods in mill hands are at present moderately heavy and in many cases are increasing. Stocks of raw materials are in general moderate, but reports differ as to whether or not they are increasing or decreasing. Although some plants are operating at capacity, the average of operations in this district is only about 75 per cent.

Because of increasing costs, the prices of fall lines of men's wear were raised about 10 per cent from those of last season, and to this advance some resistance was offered. Wages in many factories have been increased from 5 to 15 per cent. Several clothiers find that skilled labor is scarce, but more than two thirds of those reporting to us state that it is in sufficient supply.

Collections, which are only fair, have slowed up considerably since last month, and are not as prompt as they were a year ago.

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Most shirt makers have booked a volume of fall business which substantially exceeds that of last year.

Shirts But mainly because of unsteadiness in the raw cotton and raw silk markets, retailers have adopted a conservative attitude and are at present buying only for immediate needs. Cancellations, however, have been no greater than usual. Owing to increasing costs, prices are somewhat higher than they were last season, and fall bookings have largely favored the medium priced shirts.

Manufacturers have already started to make deliveries on fall orders, which in many cases were placed well ahead. Production in a number of plants approaches capacity, but in some it is restricted by scarcity of skilled labor, which is very important in this industry. Unskilled help is reported to be adequate. Wages remain in general unchanged, although some advances have been made in the past month. Stocks of finished goods in mill hands are only moderate, but stocks of raw materials are fairly heavy.

Collections are fair.

SILK

Silk goods During the past month silk goods have continued in poor request, the actual sales by mills being for small quantities and mainly for immediate delivery. Part of this dullness may be attributed to between season conditions, but the principal cause is the unsettled price of raw silk. Consequently, although some orders for August and September delivery have been received recently by mills making silk goods, the total fall business booked to date is small. Crêpes are still the strongest feature of the market. Ribbon manufacturers report that the demand is extremely poor, especially for wide ribbons, which have been inactive for some time. Narrow ribbons for lingerie and children's hats are selling in small quantities for spot requirements. About 85 per cent of the business on the books is for shipment within the next 60 days.

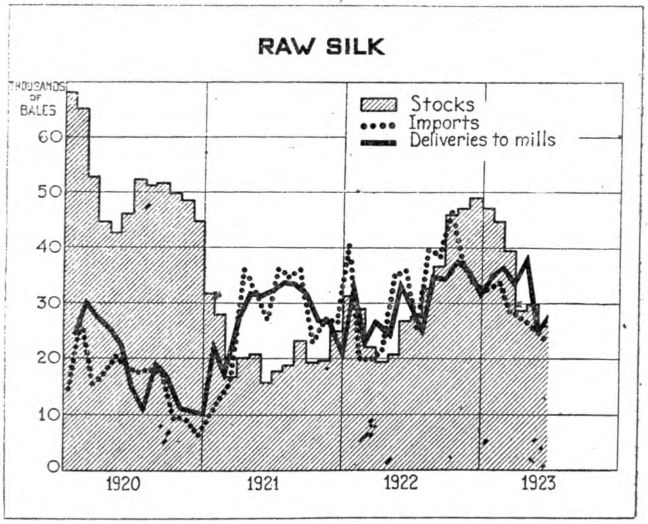
Since old orders are being completed and new demand is slow, the majority of manufacturers prefer to curtail output rather than accumulate stock, and as a result it is estimated that only about 60 per cent of the silk looms in this district are in operation. Stocks of finished goods at the mills are only moderate, but they are increasing in most cases; while stocks of raw material are fairly light and are either stationary or decreasing. Labor, both skilled and unskilled, is becoming more plentiful because of the curtailment of operations, but some scarcity is still reported. Wages in general remain unchanged.

Owing to the almost continuous decline in raw silk values and the lack of new business, broad silks have continued to decline, the reduction amounting to from 5 to 10 per cent during the month.

Collections are still fairly good, but some firms find them slower than they were last month.

Raw silk Because manufacturers have had little confidence in the stability of raw silk values and have met with strong resistance to any advances in the price of finished products, the demand for raw silk has greatly declined. As a result, prices have fallen, quotations on Kansai double-extra cracks dropping from $10.05 per pound on April 30 to $7.90 per pound on July 21. But even at these reductions only small sales for current needs have been made during the past month.

The following chart shows that although imports since February have steadily declined, deliveries to mills continued heavy until May. Since that month the latter have also decreased. It will be noticed that stocks on hand in American warehouses were greater in late 1922 and early 1923 than in any year since 1920. But during the past six months they have decreased rapidly, and on July 1, they amounted to only 25,865 bales. Yokohama stocks on the same date, as estimated by H. L. Gwalter, were 16,500 bales of white and 600 bales of yellow silk. The cocoon crop in Japan has now been marketed, and reeling is well under way.



Stocks of raw silk in American warehouses in December, 1922, were the largest since October, 1920. The high price of raw silk, however, has resulted in a considerable reduction of stocks during the present year. Imports and deliveries to mills also decreased, although the latter continued heavy until May

Source—Silk Association of America

HOSIERY

A fair amount of business is being done by hosiery manufacturers, but conditions still vary greatly, not only in mills making different products but in directly competing mills. This is very clearly shown in the reports on percentage of operations received by this bank from a large number of hosiery mills in this district. Operations at full-fashioned establishments vary from 50 to 100 per cent, the majority running at between 80 and 100 per cent. At seamless mills, opera-

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tions vary from 20 to 150 per cent, the majority running at from 60 to 85 per cent.

Orders for fall consumption are beginning to show a seasonal increase, but buyers are holding back and are displaying considerable caution. In many mills nearly all orders are for prompt shipment. Children's hosiery, especially in the lower grades, has sold more freely than other lines, but the opening of infants' hosiery for the spring of 1924 has not met with great success, though some reports say that a fair amount of business has been booked. Men's half hose continue to sell better than women's stockings, especially in heavy weights. In fact, the number of stockings in wool or wool mixtures that has been ordered for women is very small as compared with that of last year. Prices are either unchanged or lower, the largest decrease being in the cheaper grades of hosiery. It is reported that some of the large mills have been able to obtain considerable business for export, but in order to do this have been obliged to name extremely low prices.

Raw materials are lower. Considerable reductions have taken place in the price of both cotton and silk yarns, and although woolen and worsted yarns are fairly firm, some concessions in the price of these are reported. A few mills state that skilled labor is still scarce, but for the most part the supply of both skilled and unskilled labor is said to be satisfactory. Wages have ceased to advance, except in a few instances, and in these the increases have been small. Collections in general are considered to be fair or good, but an increasing number of reports state that they are becoming slow.

The following table from the report of the Department of Commerce shows the condition of business in 311 establishments, representing 389 mills in the United States. The figures are in dozens of pairs.

	April	May	Change
Production	4,305,133	4,576,932	+6.3%
Orders booked during month	4,142,399	3,753,396	—9.4 "
Unfilled orders at end of month	11,009,715	10,370,618	—5.8 "

Thus, production increased in May, but both orders booked and unfilled orders decreased. Of the decrease of 389,000 dozen pairs in orders booked, 358,000 were women's stockings.

In the Third Federal Reserve District, reports from hosiery manufacturers, tabulated below, show that in June, as compared with May, production in mills selling to the wholesale trade decreased 3.5 per cent and in mills selling to the retail trade was unchanged. Orders booked during the month decreased 6.1 per cent at wholesale mills and increased 22.3 per cent at retail mills; and unfilled orders at the end of the month decreased 12.1 per cent in the wholesale mills and increased 12.0 per cent in the retail mills.

HOSIERY INDUSTRY
Third Federal Reserve District

In terms of dozens of pairs	June, 1923 compared with May, 1923	June, 1923 compared with June, 1922
Firms selling to the wholesale trade:		
Number of reporting firms—31		
Product manufactured during month	— 3.5%	+ 8.3%
Finished product on hand at end of month	—12.5 "	+49.0 "
Orders booked during month	— 6.1 "	—14.7 "
Cancellations received during month	+ 2.7 "	+70.7 "
Shipments during month	— 1.6 "	....
Unfilled orders on hand at end of month	—12.1 "	....
Firms selling to the retail trade:		
Number of reporting firms—11		
Product manufactured during month	+ 0.0%	+ 7.3%
Finished product on hand at end of month	+ 3.3 "	— .1 "
Orders booked during month	+22.3 "	— 6.7 "
Cancellations received during month	— 4.6 "	+40.9 "
Shipments during month	— 5.3 "	—11.4 "
Unfilled orders on hand at end of month	+12.0 "	+68.4 "

UNDERWEAR

In winter underwear the mills have received only a very limited business during the month. As wholesalers are reported to have sold a large proportion of their early purchases, it was anticipated that replacement orders would by this time be in good volume, but the fear of cancellations has caused the wholesaler to wait until he is certain that he has really disposed of his merchandise before making further commitments. In summer underwear some mills agreed to open their lines for 1924 on July 16, but there were a number that declined to agree on a fixed date. Some goods were offered early in July. Most of these, however, were for early shipment, which meant that the buyers would have to take the goods, pay for them, and carry them for some time. Prices named were about equal to those of mid-season 1923; that is, they were higher than the opening quotations for that year, but not so high as the late season figures. Reports of the business booked at these early openings are conflicting, but it is thought to have reached only moderate proportions. At the opening on July 16 prices were higher than at the opening in 1922, but slightly lower than late season quotations. Some jobbers appeared to be disappointed at the prices named and buying was not general. The price of new crop cotton is about one cent per pound higher than it was at this time last year, and labor costs have risen considerably during the year. Therefore mills claim that it is not possible to sell at the prices

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they named a year ago. A number of mills failed to open their lines on July 16, so that the position of the trade is as yet very uncertain.

Collections are reported to be slower, although some state that they are fair.

The reports of manufacturers in the Third Federal Reserve District for June, as tabulated below, show that in summer underwear mills production decreased 9.2 per cent as compared with May, but increased 66.1 per cent as compared with June, 1922. In winter underwear, production decreased 3.8 per cent as compared with May and 21.4 per cent as compared with June, 1922.

UNDERWEAR INDUSTRY
Third Federal Reserve District

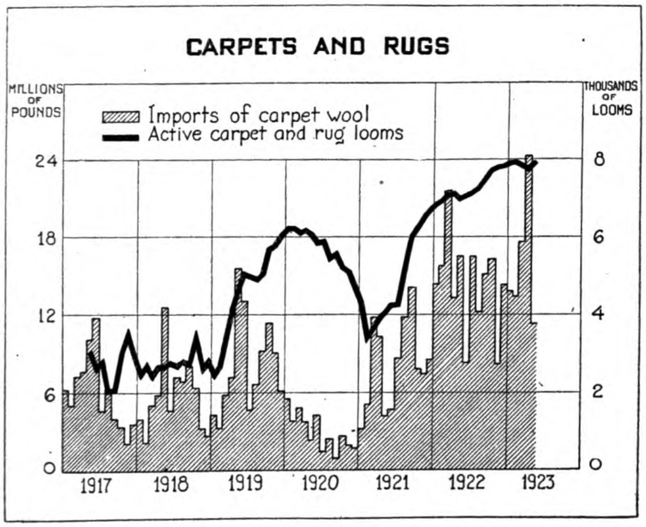
In terms of dozens	June, 1923 compared with May, 1923	June, 1923 compared with June, 1922
Summer underwear		
Number of reporting firms—13		
Product manufactured during month	— 9.2%	+ 66.1%
Finished product on hand at end of month	+27.9 "	— 40.1 "
Orders booked during month	+35.8 "	— 2.8 "
Cancellations received during month	—39.1 "	
Shipments during month	—28.0 "	+ 31.2 "
Unfilled orders on hand at end of month	+10.1 "	+ 241.6 "
Winter underwear		
Number of reporting firms—3		
Product manufactured during month	— 3.8%	— 21.4%
Finished product on hand at end of month	+25.0 "	+ 3.4 "
Orders booked during month	—49.8 "	— 98.2 "
Cancellations received during month	....	....
Shipments during month	—45.8 "	— 39.8 "
Unfilled orders on hand at end of month	— 1.4 "	— 20.3 "

FLOOR COVERINGS

During the past month new business booked for carpets and rugs has decreased considerably. Summer, however, is often a time of slack buying, and manufacturers' salesmen report that the outlook for fall business is good. Most mills are well supplied with orders, but a few are manufacturing in part for stock. The demand this season differs in one particular from that of a year ago. Then the greatest request was for the higher grades of carpets, but the call is now for the lower grades, especially in Axminsters, velvets, and tapestries. This change may be due to the higher prices this year, but on the other hand wages are also higher and employment is more general than it was a year ago. For some time the 9 x 12 has been the standard sized rug, but the recent erection of many new dwellings with small rooms has increased the demand for 8.3 x 11.3 rugs.

Inquiries for automobile carpets are reported to be increasing, but the prices that buyers are willing to pay are so low that it is difficult for manufacturers to meet their ideas of value. Quotations on carpet wool are said by some to be slightly lower than they have been, but the scarcity of this grade of wool has been a large factor in maintaining prices in the face of a generally declining raw material market. The supply has been curtailed by a decision of the U. S. Customs service that any wool which contains even a slight percentage of blooded wool is dutiable as a whole. This increases the cost so greatly that it cannot be used for the making of carpets and rugs. Moreover, some carpet wools are still being used in the manufacture of the cheaper grades of clothing. Cotton yarns have yielded considerably in price, and jute has ceased to advance and by some is quoted at lower figures.

The accompanying chart shows that during recent years, except in 1920, both importations of carpet wools and the number of active looms have increased with fair steadiness. In May, 1923, the date of the last figures available, the active looms numbered 7947, or about 87.2 per cent of the total. In September, 1919, the total number of looms was only 7632.



During each of the past six years, with the exception of 1920, carpet loom activity increased after imports had reached the peak for the year. In April of this year, imports rose to a record level, but loom activity has remained fairly constant
Source—Department of Commerce

Linoleum manufacturers continue to receive a large volume of orders, and all plants are running at capacity and have a considerable amount of future business. This varies in different works and for different qualities; some firms are sold ahead until the end of the year, others for only a month. As in carpets and rugs, the heaviest demand is for the less expensive numbers of the different grades. For example, the light weight inlaid linoleums are selling better than the heavy, more expensive lines of inlaid. Felt-base goods, which are particularly low-priced, are in great request. Im-

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ported plain linoleums are coming into this country in increasing quantities, but their presence has thus far caused American manufacturers little concern, as there is sufficient business for all.

The labor supply in all lines of floor coverings has increased and is sufficient for present needs, but the turnover is reported by some to be larger than normal. No change in wages has occurred during this month. Collections are reported by most firms as being good, and by the balance as fair.

LEATHER

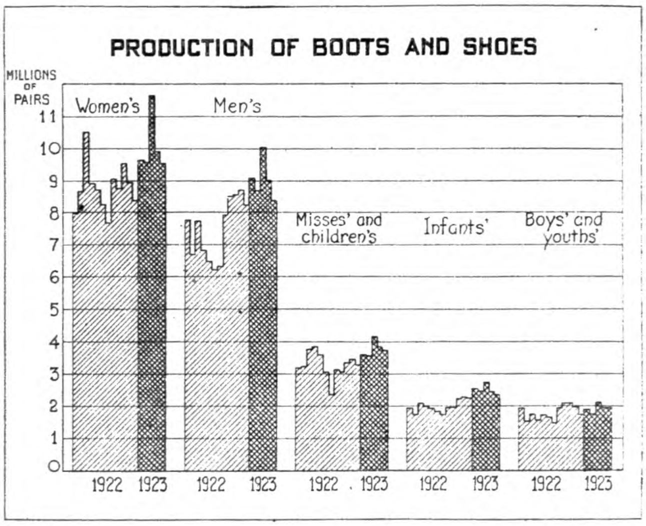
Most of the shoe factories were closed as usual during the first week of July for inventory and repairs.

Shoes Since re-opening, many of them have received orders in sufficient volume to keep them busy for about two months. This applies both to factories making women's high grade shoes and to those producing medium and low grade shoes for misses and children. Buyers have hesitated, however, to contract for delivery later than September, and orders for late fall are therefore yet to be placed.

For women's shoes, suede, patent leather, kid in field mouse and other neutral shades, and satin are the most popular materials. Some manufacturers report that cut-outs are less popular than they have been, but that straps in great variety are popular. The price of shoes remains about the same as in recent months. Leather, except those varieties that are in great demand, such as suede, patent leather, and kid in certain shades, can be purchased at concessions in price. Labor, except in the fitting room, is in sufficient supply.

Many firms find that collections are becoming slow, but a number state that they are good.

The Department of Commerce reports that production of shoes in May totaled 30,816,239 pairs. This makes the fifth consecutive month in which more than thirty million pairs were made. The following chart shows the monthly production since January 1, 1922, of high and low cut leather boots and shoes divided into the five principal classes. As compared with the corresponding months of last year, the largest percentage of gain in production during the first five months of 1923 was in infants' shoes, which increased 32 per cent. Production of men's shoes increased 27.5 per cent, and the average gain for the five classes was 17.9 per cent.



Source—Department of Commerce

In the following table of the reports of firms in the Third Federal Reserve District it will be seen that production decreased 6.3 per cent as compared with May, but was 19.3 per cent greater than in June, 1922.

BOOT AND SHOE INDUSTRY
Third Federal Reserve District

Number of reporting firms—33	June, 1923 compared with May, 1923	June, 1923 compared with June, 1922
	(In terms of pairs)	
Product manufactured during month	— 6.3%	+19.3%
Shipments during month	—11.1 "	+13.0 "
Orders booked during month	—15.1 "	—12.4 "
Orders on hand at end of month	— 4.9 "	+59.9 "
Cancellations received during month	—30.2 "	—16.5 "
Stocks (unsold) on hand at end of month	+ .5 "	—10.3 "
Number of operatives on payroll	+ 2.0 "	+11.3 "

Shoes at wholesale have not sold actively, but as might be expected, orders for fall are now increasing. From the table on page 10 it will be seen that although

RETAIL SHOE TRADE
Third Federal Reserve District

(In terms of dollars)

1. Net sales:

June, 1923, as compared with May, 1923	+ .8%
June, 1923, as compared with June, 1922	+10.8 "
January 1 to June 30, 1923, as compared with January 1 to June 30, 1922	+ 9.4 "

2. Stocks (selling price):

June, 1923, as compared with May, 1923	— 7.7%
June, 1923, as compared with June, 1922	—11.3 "

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

January 1 to June 30, 1923	3.6
January 1 to June 30, 1922	3.0

Number of stores reporting above items:
1..........22 2 and 3..........19

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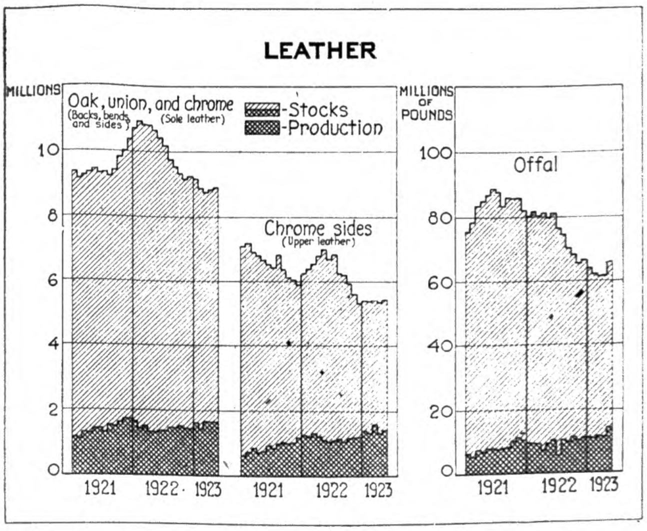
as compared with May, sales in June decreased 16.9 per cent, they were 17.7 per cent greater than in June, 1922.

As a whole, retail shoe sales are larger than they were a year ago, but some retailers state that their sales are smaller. Some conditions in the shoe trade are causing considerable discussion, especially the fact that in many retail stores a comparatively small part of the stock is turned over promptly. The great rapidity with which styles change makes for a large increase in the number of different kinds of shoes that must be stocked, and as some of each kind are sure to be left over when the next change in style occurs, a large accumulation of odds and ends is difficult to avoid. Although retail sales have been larger during the first half of 1923 than in the same period in 1922, it is doubtful if the increase has kept pace with the increase in production, which was more than 27,000,000 pairs in five months. Stocks of shoes, therefore, are probably larger now than they were a year ago.

The leather markets as a whole have been dull, and prices have in most cases continued to favor the buyer.

Leather

Curtailment in production of heavy leather has been continued in the effort not only to prevent further accumulation of finished leather, but eventually to reduce the large stocks that have been hanging over the market for several years. The following chart shows the production and stocks of three principal subdivisions of leather made from cattle hides. At the end of May, 1923, the last date for which statistics are available, production was at or near its highest point since 1920, and although stocks had decreased almost steadily for more than a year previous to March, 1923, they have since then been increasing. This situation probably has had a distinct bearing on the curtailment in production mentioned above.



Stocks have declined from the peak of 1921 and 1922, but they are still large relative to production. As a result of this, operations have been curtailed, but owing to the time involved in the tanning process, this curtailment is not yet reflected in production figures

Source—Department of Commerce

The fact that packers have been willing to sell their good season's hides at prices considerably below the pre-war average, would lead to the belief that they prefer to sell their hides, even at low prices, rather than have them tanned on contract, as has often been done in the past. The market for heavy leathers has been dull throughout the month, although some shoe manufacturers have been shopping for bargains. Upper leathers have been slightly more active than they were a month ago. Calf leather, in suede finish, has continued in good demand, and in grain leather, both in black and in light tan, has met with a fair call in the eastern markets. In kid leather, field mouse and other neutral shades have sold well. Black kid has moved more freely than it did last month, but in some cases buyers were able to secure a concession in price on sizable lots. Sheep leathers, except skivers, which are dull, are active. A good demand exists for glove and hat leathers, as also for chamois.

As a rule, labor is sufficient, and in some cases men have accepted wages which some weeks ago they refused. In several instances, however, a shortage of labor is reported and some increases in wages have been granted. Collections are good.

About the end of June the hide market became extremely weak; heavy packer steer hides declined to 14

Hides and skins

cents per pound and other descriptions to proportionately low figures. As a result, large sales were made. All the principal tanning interests participated in the buying, and much of the large accumulation of stock was marketed. Since then a firmer tone has prevailed, and cowhides have risen more than two cents per pound above the low quotations. Calf skins have been much steadier in price than hides. Chicago City skins are now quoted at 16 cents per pound and packers skins at 17 cents. Goat skins have shown considerable weakness, and as compared with early spring prices, Brazils are 15 cents per pound lower, and Javas and Patnas about $1.50 per dozen lower. In fact, nearly all descriptions can be bought at concessions in price. Tanners, however, do not appear as yet to have entered the market for any important quantities, but are keeping in close touch with the situation. Sheep skins, which had advanced with great rapidity, are weaker, but as the demand for them is good, the market has receded only slightly.

PAPER

A further decline in the demand for most of the important grades of paper and a curtailment of production have been the outstanding developments of the month in the paper industry. The call for wrapping papers has been rather light, and only a few mills have sufficient orders to warrant full operations. Several

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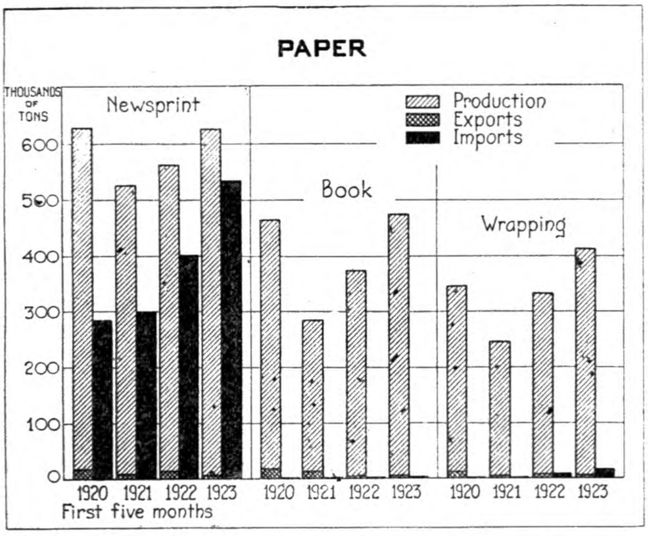
plants, however, are operating at capacity and putting their surplus output into stock. The demand for fine papers has fallen off noticeably, and wholesalers report that sales of these grades are at least 15 per cent smaller than they were in April, the peak month of the year. Fine paper mills have curtailed output and are operating at only about 85 per cent of capacity. Book papers are in better request than the two preceding grades, but here, too, a decline in demand has occurred, and book paper mills have caught up with their orders. However, most plants have some large orders for delivery next month. Tissue papers also are in rather light demand, especially so in view of the season. Wall papers are in excellent request, and producers of these are working at capacity on fall orders. The boxboard market, particularly in news, chip, and container boards, is rather dull, and plant operations are averaging only about 70 per cent. Paper converters are not as active as they were a month ago, and envelope makers report that they are running their factories at only about 75 per cent. The majority of orders are for prompt shipment, as many buyers still hesitate to make future commitments. During the first week of the month many mills were closed to make repairs and take inventories. As July is a dull month in the paper market, the inactivity which has been apparent was looked for, and most manufacturers are satisfied with the condition of business, which is variously estimated to be from 20 to 25 per cent better than in July, 1922. Paper distributors state that although the demand is only fair and shows a decline from that of the previous months of this year, on the whole their sales are running about 25 per cent ahead of those of July, 1922. However, consumers are still buying from hand to mouth, and wholesalers, in order to get their share of business, are obliged to carry complete stocks. Even though domestic production of paper during the first five months was enormous, our imports showed a considerable increase over those of the same period of 1921 and 1922. As the preceding chart shows, exports did not increase and the greater activity in the paper industry, as compared with preceding years, was due entirely to domestic industrial improvement.



Domestic production of paper during the first five months of 1923 reached comparatively large proportions. Imports of newsprint and wrapping paper, however, increased at a greater rate than production
Source—Federal Trade Commission

In consequence of the light demand, prices have softened slightly in the spot paper market, particularly the prices of kraft and manila papers; but contract prices are holding very firm. Several manufacturers prefer to curtail production rather than shade prices, as they claim that the cost of materials and labor does not justify reductions in paper prices. The boxboard market has weakened and prices, in general, are somewhat lower than they were a month ago. Pulp prices are holding fairly steady.

Finished stocks at the mills are moderate and at some plants, particularly wrapping paper mills, are increasing slightly. But no manufacturers are permitting stocks to become heavy. The majority have moderate supplies of raw materials on hand and have contracted for their materials well up into the fourth quarter of the year.

Unskilled labor is still scarce at many mills, but the supply of skilled labor is sufficient to meet the needs of the majority of manufacturers. Wages are generally unchanged, the May rates of pay being still in force.

Collections vary from fair to good, and in general show little change over last month.

PAPER BOXES

In general, the demand for paper boxes is not so heavy as it was during May and June, and it can be characterized as only fair. Very few factories have sufficient orders to assure capacity output, and the majority of box makers have curtailed production. The call for boxes from hardware makers, producers of electrical supplies, and small tool manufacturers, in particular has decreased, and there has been a falling off in the number of orders placed by many candy manufacturers. The demand for hosiery boxes, however, is fairly good, being slightly greater than it was a month ago, and underwear and shirt makers are buying in considerable quantities. Folding boxes are moving rather slowly, and the demand for mailing tubes has been light. Only a few mills that specialize in a certain kind and style of box report that business is good. Ordinarily candy manufacturers have by now placed most of their orders for the Christmas trade, but makers of candy boxes state that comparatively little Christmas business has yet been booked. Most of the candy boxes now being made are for delivery next month or early in September. Plant operations at chip and newsboard box factories vary from 40 to 95 per cent, the average for the district being about 70 per cent. Manufacturers of fiber shipping containers re-

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port that the demand for their products is rather light, and most of them are operating at not more than two-thirds of capacity. The call for corrugated boxes, however, is good, particularly from the baking and suit trades, and makers of corrugated boxes are working at from 80 to 85 per cent of capacity. Practically all of the orders booked are for delivery within 60 days.

Because of the slowing up of buying, price cutting is much more evident than it was two months ago, and competition is especially keen. Although no general reduction in box prices has occurred, many manufacturers are making some concessions. Boxboard prices have declined somewhat since June 1. Container board has fallen most, but some quotations on chip board are nearly 10 per cent lower than they were on June 1. However, the standard quotation on chip boards is $57.50 per ton, a decline of $2.50 from the June 1 price.

Stocks of finished boxes at most factories are moderately light, although a few manufacturers of hosiery boxes report that they have moderate stocks on hand, on order for August delivery. The supplies of board at most plants are moderately light, as box makers are buying very cautiously.

Skilled labor is still reported to be scarce in the majority of cases, but unskilled help is sufficient. The falling off in demand has made the labor situation less difficult than it has been for months. Wages are unchanged at the higher levels established in May.

Collections vary from fair to good and show no improvement over those of last month.

TOBACCO

The majority of cigar manufacturers report that the demand for cigars is good and better than it was a month ago. A few state that sales this month have not been as large as they were last July, but most makers, particularly specialists on Class C and Class D grades, report that they are larger. The big producers of nationally advertised brands have increased their production over that of last month, and the average of operations in their factories is from 85 to 90 per cent of capacity. Small producers of Class C grades, too, are busy and are working at close to capacity; but the small manufacturers of 5 and 8 cent cigars are operating at only about 70 per cent. Practically all orders are for prompt shipment, as none of the manufacturers reporting to this bank have orders booked for shipment beyond ninety days. Producers of American cigarettes report a large increase in orders as compared with a year ago, and most factories are operating at close to capacity. Manufacturers of Turkish cigarettes state that although the demand for their products is only fair, on the whole it is much better than it was in July, 1922. The Turkish cigarette factories in this district are working at about 65 per cent.

Cigars and cigarettes

Prices of cigars are holding firm, and during the month there have been no changes in manufacturers' prices in this district. Tobacco leaf is also strong, and many sales of Java, Havana, and Porto Rican leafs were closed at prices from 20 to 35 per cent above those of a year ago. Likewise, cigarette prices are firm. Manufacturers' stocks of cigars are moderate and are remaining stationary. In general, they are not as heavy as they were a year ago. The supplies of tobacco leaf held by cigar manufacturers are larger than they were a month ago, owing to the arrival of the 1922 Java and Sumatra tobaccos; but total stocks are by no means heavy.

The supply of skilled workers is still adequate to meet the needs of cigar makers, although it is not so abundant as it was last month. Some scarcity of unskilled labor is noted, but in general unskilled workers are more easily obtained than during the two preceding months. No changes in wages are reported.

Collections vary from fair to good and are slightly better than they were in June.

AGRICULTURE

One of the most striking developments in the markets for agricultural products during the past few weeks has been the drop in wheat prices to the lowest levels reached since 1913. July wheat futures, which were selling at $1.12 on June 15, fell rapidly during the following month and reached a low point of $.97 on July 16, after which they slightly recovered. Spot prices in this district have, of course, likewise fallen. This decline in wheat is attributable to increased competition from Canadian wheat in the face of large supplies of domestic wheat, and to a declining foreign market for the domestic product. This falling off in export demand has resulted from a gradual recovery of wheat production in foreign countries that took a large proportion of our output during the war. The heavy demands from European belligerents during the war resulted in a great extension of domestic acreage and a large increase in production. The chart on page 28 shows the acreage, production, and exports of wheat from the United States from 1910 to 1922, with the July 1 estimate for 1923.

During the three years preceding the war the average area planted to wheat amounted to 48,514,000 acres, and the annual production averaged 704,995,000 bushels. Of this total about 97,294,000 bushels, or 13.8 per cent of the crop, was exported. During the past three years, however, wheat acreage has been 60,107,000, or 23.9 per cent more than before the war, and production has increased by 124,978,000 bushels, or 17.7 per cent. Moreover, of this increased output, a much larger proportion, nearly 34.8 per cent of the total crop, has been exported.

In contrast with wheat corn has been strong in price and is selling about 30 per cent above last year's quotations. Oats and rye have declined, however, the latter

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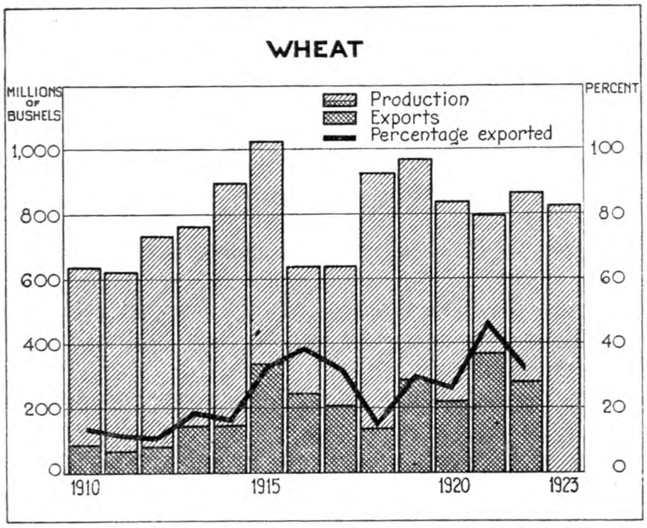
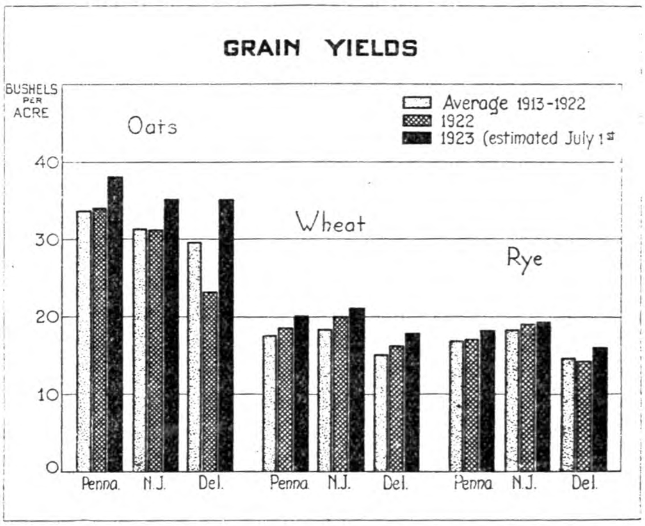


During recent years, the American wheat farmer has been dependent upon foreign markets to a far greater extent than before the war
Source—Department of Commerce



In spite of rather unfavorable weather, estimated grain yields for this district are larger than those of either 1922 or the ten year average
Source—Department of Agriculture

selling nearly 20 per cent under 1922 levels. Hay is quoted at $1.35 per 100 lbs., as compared with $1.55 in July of last year. July 1 estimates of 1923 production of grains and hay in Pennsylvania, New Jersey, and Delaware are in practically all instances less than the 1922 totals and also less than the ten-year averges. But the yield per acre, as seen in the accompanying chart, is somewhat higher in most cases. The Department of Agriculture's estimate for the United States also indicates a somewhat smaller total yield of these products in 1923 than in 1922, except in the case of oats, which shows an increase of nearly 7 per cent.

The hay and oat crops in Pennsylvania, New Jersey, and Delaware were in general in poor condition on July 1, and potatoes also were seriously affected by the drought. Indeed, the lack of rainfall is reported to have reduced the yields of second early and late crops throughout the district by from 10 to 20 per cent, and in some districts, to an even greater extent. Recent local rains, however, have helped corn, oats, and potatoes as well as fruit crops, and the general agricultural outlook on July 1 was reported as fair and as being somewhat better than on June 1.

The condition of the apple, peach, and pear crops, except the New Jersey apple crop, was much better on July 1 in the three states of the district than in the United States as a whole, where they were only from 63 to 67 per cent of normal. The peach crop in New Jersey and Pennsylvania is expected to be larger than that of last year or the three-year average.

Although farm hands are still difficult to obtain in most sections of the district, the labor situation has been somewhat relieved of late by the reduction in the yields of crops, and it is probable that the shortage of men will not seriously interfere with harvesting. Owing to the higher wages demanded by harvest hands, many farmers are doing much of the harvesting themselves. Current wages are from 20 to 25 per cent higher than those paid last year.

COMPILED AS OF JULY 23, 1923

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

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