

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
SEPTEMBER 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 and employment at industrial establishments decreased in July and there was a further decline in wholesale prices. The distribution of goods, as indicated by railroad freight shipments, maintained record totals and the sales of merchandise, though showing the usual seasonal decline, continued to be relatively heavy.

Production in basic industries, according to the index of the Federal Reserve Board, declined one per cent in July. Mill consumption of cotton, steel ingot production, and sugar meltings were considerably smaller than in June.

Production New building operations during the month, as measured by the value of permits granted and of contracts awarded, showed more than the usual seasonal decline.

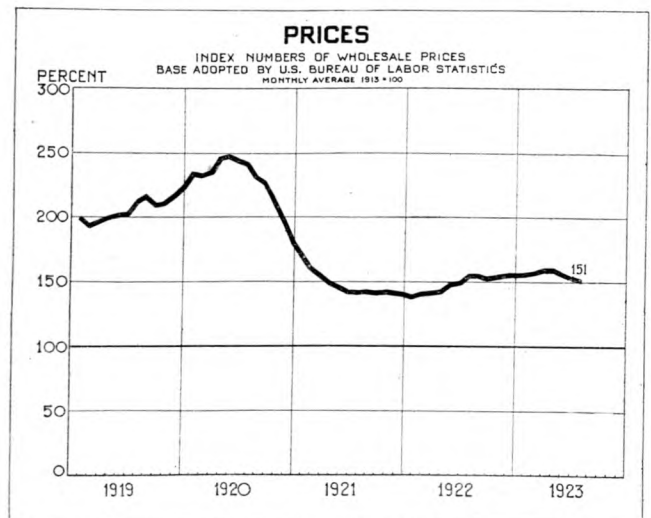
Employment at industrial establishments located in various sections of the country decreased 2 per cent during July. Manufacturers of automobile tires and cotton goods showed large reductions in number of employees. There were some further announcements of wage advances, but these were not as numerous as in the three previous months. Average weekly earn-

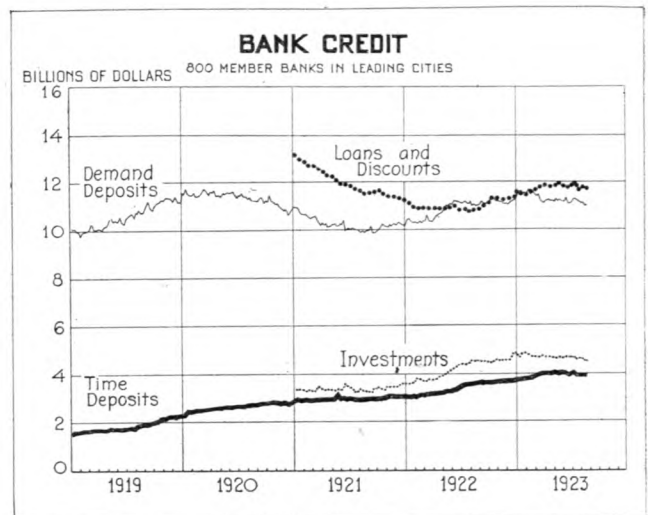
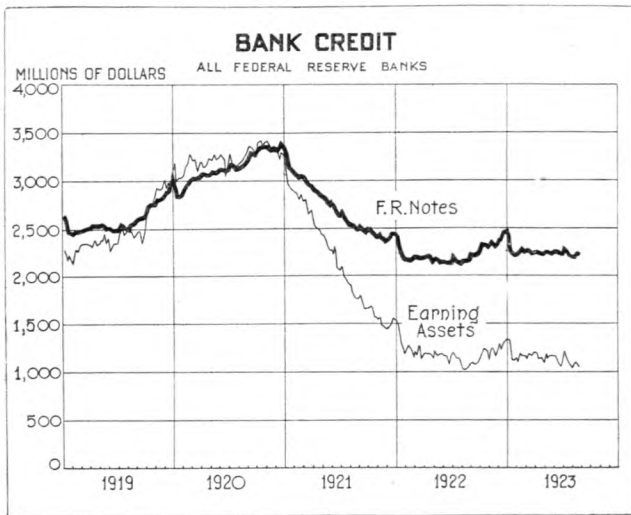
ings of factory workers, due to a decrease in full-time operations, were 3 per cent less than in June.

Crop forecasts of the Department of Agriculture on the basis of condition on August 1 indicated that yields of wheat and rye would be below July estimates, while larger yields of cotton, corn, oats, and barley were forecast. Due to a seasonal increase in grain shipments and continued large shipments of industrial raw materials and manufactured goods, car loadings in the last week of July reached the largest total on record.

The volume of wholesale trade was about the same in July as in June, while there was a decline in retail trade, which was largely seasonal in nature.

Trade Among the wholesale lines, sales of drygoods and clothing were larger than in June, while sales of groceries, hardware, and shoes were considerably smaller. Business in all reporting lines was larger than in July, 1922, and the average increase, as indicated by the Federal Reserve Board's index of wholesale trade, was 13 per cent. Sales of department stores were 10 per cent larger than a year ago, while mail order sales showed a gain of 27 per cent. Stocks of





department stores showed a seasonal reduction during July and were smaller than in any month since January.

Wholesale commodity prices declined during July for the third consecutive month and the index of the

Wholesale prices

Bureau of Labor Statistics was 5 per cent below the April peak. Prices of all groups of commodities, except house furnishings, were lower in July. The largest declines occurred in quotations of clothing, drugs and chemicals, farm products, and building materials. During the first half of August price changes were more moderate and quotations of cotton, spring wheat, hogs, sheep, and rubber advanced.

Since the middle of July the volume of bank credit in use has shown a reduction, largely because of the

Bank credit

substantial liquidation of loans on stocks and bonds at New York City banks. Between July 18 and August 15 loans of member banks in leading cities secured by stocks and bonds decreased by \$94,000,000 to the lowest point for the year,

\$258,000,000 below the amount outstanding at the beginning of the year. Commercial loans, however, increased so that the net reduction in total loans for the period amounted to \$60,000,000. Security investments declined \$73,000,000 to a new low level for the year.

The volume of discounted paper held at the Federal reserve banks showed a slight decrease, while their holdings of acceptances and United States securities reached new low points for the year. Between the middle of July and the middle of August gold holdings of the Federal reserve banks increased by \$21,100,000, reflecting in part net gold imports during July of \$27,400,000. Federal reserve note circulation increased by about \$15,000,000 and there were also substantial increases in the volume of gold certificates and National bank notes in circulation.

Slightly firmer tendencies in money rates during the month were reflected in a gradually increasing proportion of commercial paper sales at 5¼ per cent, as compared with 5 per cent in the previous month.

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SUMMARY OF BUSINESS CONDITIONS IN THE THIRD FEDERAL RESERVE DISTRICT

DURING late July and early August there has been a slight, but noticeable, quickening in several lines of business. Although buying is still conservative in most cases, purchasers are showing greater interest, and inquiries are increasing. But certain industries continue to report a slack demand for their products, and although much of this is due to seasonal causes, price fluctuations have also had an effect. Goods are still moving to consumers in large quantities, however, and sales in wholesale lines, though slightly smaller than they were last month, are running well ahead of those in July, 1922. Retail trade, too, is active and shows a healthy increase over last year. Another measure of the activity of business is found in the reports of selected banks on debits to individual accounts, which have continued to exceed those of a year ago by a considerable margin. In addition, freight car loadings are still making new records. Except during the week ending July 7, when transportation was lighter because of Independence Day, and during the second week in August, when business was generally suspended out of respect for the late President; freight car loadings have been at the rate of over 1,000,000 a week since early in June. Never before has there been such a heavy movement of freight for so long a period, and it is especially noteworthy as heretofore the only time when such a volume has been even approached was during the fall of the year when loadings are at the peak.

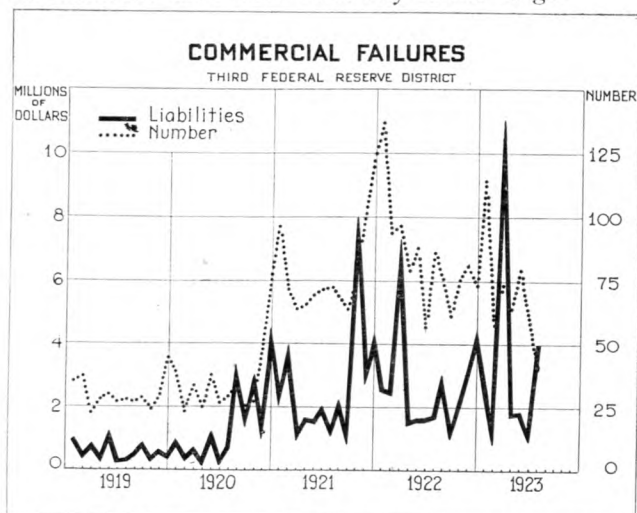
Following a period of decline for three months, building permits issued in this district showed an increase during July, and contracts awarded were about equal to those in June. The situation in the building industries seems to have improved somewhat; materials are being more promptly delivered and labor conditions are easier. As to the general labor situation, a more ample supply of workers is apparent in most industries, and wage increases are becoming less common.

The last two conditions are partly due to a continued curtailment of operations in several lines. Additional textile mills have reduced working schedules, and certain other plants, including those making some classes of iron and steel products, are operating at a lower rate. The decline in operations, however, is probably less

than it was a month ago, and is less than some observers expected. Reduced operations have of course tended to prevent a heavy accumulation of stocks, and, as far as can be determined from reports, stocks in the majority of cases are still only light or moderate.

Prices have continued to decline, but the rate has been more gradual than in the last three months, and in some cases there have been reactions from low levels. The index number of the Bureau of Labor Statistics at the end of July stood at 151, as against 153 on June 30, and 159 at the peak in March and April. It is worthy of note that the July index is 4 points below that of a year ago. Much of this decline, however, is due to the decrease in prices in the fuel and lighting group, the index of which is now 28 per cent less than it was in July, 1922. Farm products show no change from the general price level of a year ago.

A factor in the business situation to which it is worth while calling attention is the number and total liabilities of business failures, which are shown in the accompanying chart. It will be noted that in this district the general trend of failures has been downward since early in 1922. In fact, the number reported during July was the smallest since October, 1920. But the liabilities have been relatively rather large.



The number of business failures in this district is at the lowest point in over two years, but liabilities are relatively high
Source—Dun's Review

SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of August 23, 1923

Third Federal Reserve District

| Business | Demand | Prices | Finished stocks | Labor situation | | Collections |
|--------------------------|--------------|----------------------|-------------------|----------------------|---------------------|--------------|
| | | | | Supply | Wages | |
| Bricks | Good | Firm | Light | Generally sufficient | Unchanged | Fair |
| Chemicals | Poor | Lower | Light to moderate | Sufficient | Unchanged | Fair |
| Cigars | Fair to good | Firm | Moderate | Some scarcity | Some increases | Fair |
| Coal, anthracite | Good | Firm | Light | Some scarcity | Unchanged | Good |
| Coal, bituminous | Poor | Unchanged to lower | Moderate to heavy | Sufficient | Unchanged | Fair |
| Coke | Poor to fair | Firm | Moderate | Sufficient | Unchanged | Fair |
| Cotton goods | Poor to fair | Unsteady | Moderate | Sufficient | Unchanged | Fair |
| Cotton yarns | Poor to fair | Unsteady | Light | | | Fair |
| Drugs, wholesale | Fair to good | Unchanged to lower | Moderate to heavy | | | Fair to good |
| Drygoods, wholesale | Fair | Unchanged | Moderate | | | Fair |
| Floor coverings | Fair to good | Unchanged | Moderate | Sufficient | Unchanged | Fair to good |
| Furniture | Fair | Unchanged | Moderate | Sufficient | Unchanged | Fair |
| Groceries, wholesale | Fair | Irregular | Moderate | | | Fair |
| Hardware, wholesale | Fair | Unchanged to lower | Moderate | | | Fair |
| Hosiery, full-fashioned | Fair | Unchanged to lower | Moderate | Sufficient | Unchanged | Fair to good |
| Hosiery, seamless | Fair | Unchanged to lower | Moderate | Sufficient | Unchanged | Fair to good |
| Iron and steel | Fair | Unchanged to lower | | Some scarcity | Unchanged | Fair |
| Leather belting | Good | Unchanged | Moderate | Sufficient | Unchanged | Fair to good |
| Leather, heavy | Poor | Unchanged to lower | Heavy | Sufficient | Unchanged | Good |
| Leather, upper | Fair | Unchanged | Moderate | Sufficient | Unchanged | Good |
| Lumber | Fair | Unchanged to lower | Light to moderate | Sufficient | Unchanged | Fair to good |
| Paint | Fair | Unchanged to lower | Moderate | Sufficient | Unchanged | Fair |
| Paper | Fair | Unchanged | Moderate | Sufficient | Unchanged | Good |
| Paper boxes | Fair | Unchanged | Moderate | Sufficient | Unchanged | Fair |
| Rubber tires | Poor | Unchanged | Heavy | Sufficient | Unchanged | Poor to fair |
| Rubber, mechanical goods | Fair to good | Unchanged | Light to moderate | Sufficient | Unchanged | Fair |
| Shoes, manufacture | Fair | Unchanged | Moderate | Sufficient | Unchanged | Fair to good |
| Shoes, retail | Fair | Unchanged | Moderate | | | Good |
| Shoes, wholesale | Fair | Unchanged | Moderate | | | Fair to good |
| Silk goods | Poor to fair | Lower | Moderate to heavy | Some scarcity | Unchanged | Fair |
| Silk, thrown | Poor to fair | Lower | Light to moderate | Some scarcity | Unchanged | Fair |
| Slate | Good | Firm | Light to moderate | Some scarcity | Generally unchanged | Good |
| Tobacco leaf | Fair | Unchanged | | | | |
| Underwear, heavy weight | Fair | Unchanged | Moderate to heavy | Some scarcity | Unchanged | Fair to good |
| Underwear, light weight | Fair | Unchanged | Moderate | Some scarcity | Unchanged | Fair to good |
| Woolen and worsted goods | Poor | Fall goods—unchanged | Light to moderate | Generally sufficient | Unchanged | Fair |
| Woolen and worsted yarns | Poor | Lower | Light to moderate | Sufficient | Unchanged | Fair |

WAGES AND EMPLOYMENT

The slackening of industrial activity during July is evidenced by decreases both in the number of workers employed at industrial establishments of the Third Federal Reserve District and in their average weekly earnings. Our weighted index of average weekly earnings, which advanced steadily from 109 in January to 120 in May, now stands at 116, or 3 per cent below the high figure for the year. Employment in July was 2.5 per cent less than in June, when the index was 22 per cent higher than the 1922 average.

The different industries and groups of industries

comprising the index, however, displayed widely different trends. As in June, the cotton goods, automobile, rubber, and chemical industries showed heavy losses, and the iron and steel and sugar refining industries also contributed largely to the decline. In a few, notably the car repairing, pottery, and petroleum industries, substantial increases took place, and in a few others, especially some of the food products industries, smaller advances occurred. Of the entire list of 31 industries included in the index, 16 showed losses in employment, 5 remained stationary, and in only 10 did the number on the payroll increase. The biggest de-

WAGES AND EMPLOYMENT
Third Federal Reserve District

| Industries | Number of reporting plants | Average weekly wages | | | | | | | | Employment | | | | | | | |
|-------------------------------------|----------------------------|-----------------------------------|------------|------------|------------|------------|------------|------------|----------------|-----------------------------------|------------|------------|------------|------------|------------|------------|----------------|
| | | Index numbers Average 1922=100 | | | | | | | Actual July | Index numbers Average 1922=100 | | | | | | | Actual July |
| | | Jan. | Feb. | Mar. | Apr. | May | June | July | | Jan. | Feb. | Mar. | Apr. | May | June | July | |
| | | | | | | | | | | | | | | | | | |
| All industries | 502 | 109 | 112 | 115 | 116 | 120 | 118 | 116 | \$26.06 | 114 | 117 | 120 | 120 | 120 | 122 | 119 | 197,474 |
| Metal products: | | | | | | | | | | | | | | | | | |
| Automobile parts | 18 | 110 | 108 | 113 | 114 | 119 | 114 | 111 | 26.57 | 122 | 129 | 132 | 129 | 129 | 110 | 101 | 5,594 |
| Electrical machinery | 18 | 105 | 108 | 108 | 100 | 112 | 106 | 114 | 22.56 | 112 | 114 | 123 | 124 | 120 | 117 | 117 | 3,246 |
| Foundries and machine shops | 36 | 112 | 115 | 124 | 125 | 131 | 129 | 128 | 27.10 | 114 | 117 | 121 | 122 | 121 | 123 | 119 | 5,819 |
| Iron and steel products..... | 32 | 125 | 127 | 132 | 135 | 142 | 136 | 132 | 27.90 | 121 | 122 | 128 | 130 | 132 | 135 | 125 | 21,235 |
| Car construction and repair | 9 | 109 | 114 | 118 | 119 | 127 | 126 | 127 | 31.82 | 162 | 170 | 176 | 175 | 179 | 187 | 194 | 30,826 |
| Shipbuilding | 5 | 99 | 102 | 101 | 104 | 112 | 109 | 107 | 27.20 | 112 | 118 | 117 | 121 | 122 | 122 | 122 | 11,570 |
| Textile products: | | | | | | | | | | | | | | | | | |
| Carpets and rugs | 14 | 99 | 104 | 104 | 101 | 112 | 104 | 97 | 25.58 | 111 | 113 | 113 | 115 | 116 | 114 | 113 | 4,089 |
| Clothing | 22 | 107 | 115 | 117 | 115 | 119 | 116 | 110 | 18.96 | 98 | 100 | 103 | 101 | 100 | 103 | 107 | 3,851 |
| Cotton goods | 17 | 103 | 105 | 107 | 107 | 109 | 105 | 121 | 25.40 | 104 | 103 | 104 | 103 | 99 | 95 | 76 | 5,208 |
| Felt hats | 4 | 98 | 103 | 96 | 94 | 102 | 105 | 102 | 25.34 | 119 | 121 | 121 | 120 | 122 | 124 | 127 | 5,021 |
| Knit goods | 27 | 103 | 109 | 111 | 111 | 114 | 110 | 105 | 19.55 | 103 | 105 | 107 | 107 | 108 | 111 | 111 | 5,942 |
| Silk goods | 37 | 109 | 114 | 110 | 113 | 117 | 113 | 111 | 18.77 | 105 | 105 | 107 | 107 | 104 | 107 | 102 | 12,251 |
| Worsted and woolens | 24 | 98 | 104 | 110 | 110 | 113 | 111 | 106 | 21.37 | 101 | 102 | 98 | 97 | 97 | 93 | 91 | 9,119 |
| Food products: | | | | | | | | | | | | | | | | | |
| Bakeries | 18 | 105 | 105 | 103 | 103 | 105 | 103 | 105 | 27.71 | 102 | 103 | 102 | 106 | 107 | 109 | 108 | 2,955 |
| Canneries | 8 | 85 | 82 | 131 | 107 | 112 | 110 | 97 | 17.93 | 109 | 110 | 105 | 115 | 126 | 122 | 123 | 2,713 |
| Confectionery and ice cream | 21 | 107 | 103 | 107 | 107 | 113 | 113 | 117 | 21.45 | 102 | 106 | 104 | 94 | 95 | 95 | 97 | 5,171 |
| Slaughtering and meat packing | 12 | 104 | 104 | 103 | 104 | 108 | 108 | 107 | 27.91 | 105 | 104 | 101 | 100 | 100 | 99 | 102 | 1,789 |
| Sugar refining | 3 | 99 | 98 | 110 | 112 | 106 | 101 | 109 | 29.58 | 88 | 102 | 103 | 100 | 108 | 106 | 87 | 2,029 |
| Building materials: | | | | | | | | | | | | | | | | | |
| Cement | 15 | 122 | 114 | 131 | 140 | 144 | 141 | 145 | 32.06 | 103 | 104 | 108 | 110 | 113 | 111 | 111 | 7,543 |
| Glass | 7 | 126 | 119 | 132 | 130 | 141 | 136 | 135 | 35.72 | 95 | 108 | 115 | 106 | 108 | 107 | 106 | 862 |
| Pottery | 11 | 78 | 82 | 87 | 88 | 90 | 92 | 94 | 30.44 | 88 | 91 | 95 | 97 | 100 | 107 | 114 | 2,334 |
| Miscellaneous: | | | | | | | | | | | | | | | | | |
| Boots and shoes | 16 | 105 | 103 | 109 | 103 | 101 | 100 | 98 | 17.47 | 106 | 104 | 101 | 102 | 100 | 101 | 102 | 2,538 |
| Leather | 29 | 109 | 111 | 113 | 106 | 119 | 120 | 114 | 24.59 | 104 | 104 | 105 | 105 | 102 | 101 | 99 | 8,023 |
| Chemicals and paints | 17 | 114 | 111 | 115 | 121 | 120 | 118 | 117 | 29.57 | 123 | 125 | 126 | 126 | 126 | 121 | 113 | 4,471 |
| Cigars and tobacco | 14 | 107 | 115 | 112 | 110 | 110 | 110 | 110 | 15.48 | 102 | 96 | 93 | 91 | 89 | 88 | 86 | 5,366 |
| Furniture | 17 | 105 | 107 | 110 | 109 | 110 | 116 | 108 | 23.68 | 113 | 113 | 115 | 114 | 115 | 120 | 116 | 2,772 |
| Musical instruments | 2 | 96 | 99 | 102 | 104 | 103 | 107 | 109 | 28.03 | 109 | 109 | 111 | 112 | 112 | 112 | 112 | 8,002 |
| Paper and pulp | 13 | 116 | 111 | 117 | 125 | 138 | 133 | 119 | 25.29 | 106 | 106 | 104 | 106 | 105 | 108 | 109 | 2,801 |
| Printing and publishing | 19 | 104 | 106 | 111 | 110 | 110 | 107 | 107 | 30.55 | 100 | 101 | 100 | 100 | 100 | 100 | 98 | 2,555 |
| Petroleum refining | 5 | 108 | 112 | 113 | 115 | 126 | 123 | 122 | 28.18 | 103 | 105 | 106 | 107 | 111 | 115 | 121 | 7,123 |
| Rubber tires and goods ... | 12 | 100 | 106 | 106 | 107 | 104 | 101 | 96 | 23.24 | 105 | 110 | 118 | 118 | 115 | 106 | 92 | 4,656 |

EMPLOYMENT IN PRINCIPAL CITIES
Third Federal Reserve District

| Cities | Number of reporting plants | Index numbers Average 1922=100 | | | | | | | Number employed July |
|--------------------|----------------------------|-----------------------------------|----------|-------|-------|-----|------|------|----------------------|
| | | January | February | March | April | May | June | July | |
| Allentown | 18 | 102 | 102 | 101 | 98 | 98 | 101 | 101 | 3,651 |
| Bethlehem | 4 | 112 | 114 | 113 | 112 | 111 | 115 | 114 | 515 |
| Bloomsburg | 4 | 113 | 111 | 111 | 113 | 111 | 112 | 111 | 1,411 |
| Bridgeport | 3 | 103 | 107 | 95 | 95 | 94 | 94 | 94 | 1,570 |
| Camden | 16 | 107 | 108 | 109 | 111 | 112 | 111 | 111 | 16,439 |
| Chester | 6 | 108 | 125 | 119 | 128 | 128 | 127 | 124 | 5,046 |
| Columbia | 3 | 90 | 102 | 111 | 114 | 114 | 112 | 112 | 912 |
| Easton | 8 | 101 | 103 | 105 | 104 | 113 | 108 | 112 | 2,086 |
| Harrisburg | 8 | 110 | 109 | 118 | 122 | 125 | 130 | 127 | 2,911 |
| Hazleton | 3 | 120 | 123 | 128 | 130 | 127 | 123 | 122 | 2,385 |
| Lancaster | 6 | 114 | 107 | 107 | 104 | 99 | 94 | 91 | 1,226 |
| Lebanon | 4 | 113 | 113 | 131 | 140 | 143 | 140 | 120 | 1,009 |
| Norristown | 3 | 112 | 110 | 111 | 114 | 111 | 113 | 107 | 611 |
| Philadelphia | 188 | 117 | 120 | 122 | 122 | 123 | 124 | 123 | 87,930 |
| Pottstown | 4 | 109 | 114 | 116 | 108 | 109 | 106 | 108 | 1,189 |
| Reading | 17 | 119 | 121 | 121 | 111 | 109 | 108 | 90 | 7,163 |
| Scranton | 14 | 109 | 106 | 110 | 112 | 109 | 117 | 107 | 2,391 |
| Trenton | 19 | 100 | 104 | 111 | 113 | 113 | 108 | 104 | 6,605 |
| Wilkes-Barre | 5 | 102 | 103 | 107 | 108 | 99 | 83 | 90 | 895 |
| Williamsport | 12 | 106 | 109 | 116 | 113 | 111 | 99 | 84 | 1,944 |
| Wilmington | 13 | 115 | 115 | 117 | 119 | 120 | 122 | 119 | 8,662 |
| York | 18 | 114 | 113 | 112 | 114 | 119 | 125 | 129 | 2,516 |
| All others | 126 | 111 | 112 | 113 | 115 | 114 | 116 | 113 | 38,387 |

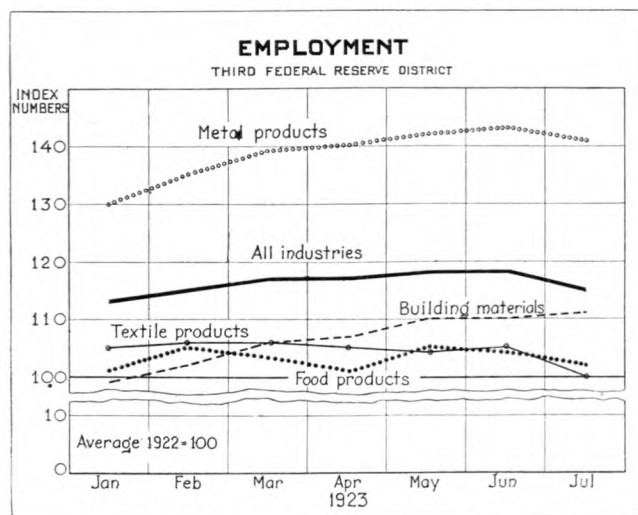
creases in employment took place in Lebanon, Norristown, Reading, Scranton, and Williamsport. In only four cities, Easton, Pottstown, Wilkes-Barre, and York, did employment increase. The accompanying tables indicate the trend in employment and wages in the principal industries, and in employment in the leading cities of the district. The accompanying chart depicts the fluctuations in the total number employed in report-

ing establishments of the five groups of industries comprising our index. It is noticeable that the metal products industries, which manufacture production goods principally, show the largest increase since 1922, whereas in textile plants and food products factories the change was relatively smaller.

In 20 of the 31 industries, average weekly earnings were less in July than in the preceding month. Nearly all of the industries reporting smaller employment also showed a reduction in average earnings—an indication that working time at those factories was also reduced. In a few instances, notably in mills making cotton goods, average wages increased considerably in the face of a decline in employment. This was a result of the retention of the relatively higher paid workmen on the payroll.

FINANCIAL CONDITIONS

Member banks in four cities of the District reported total loans and discounts on August 8 to be 646 millions of dollars, as against 628 millions on July 11. The greater portion of this advance took place in secured loans held by banks outside of Philadelphia. A corresponding increase in deposits is to be noted. Investments declined from 309 to 300 millions, principally as a result of the disposal of United States securities



Since 1922, the expansion in employment at metal manufacturing plants has been much greater than that in other industries

Source—Federal Reserve Bank of Philadelphia

owned. Comparative figures for banks in Philadelphia and the three other cities follow :

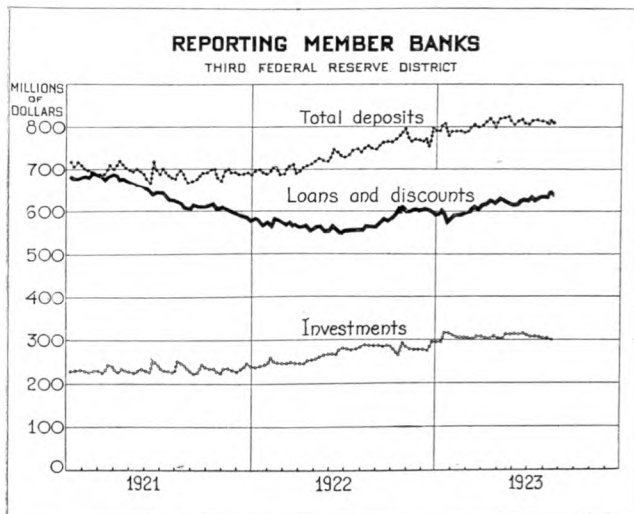
| (000's omitted) | Philadelphia | | Camden, Scranton, and Wilmington | |
|--------------------------------|--------------|-----------|----------------------------------|-----------|
| | July 11 | August 8 | July 11 | August 8 |
| Loans and discounts: | | | | |
| Sec'd by U. S. sec. | \$16,818 | \$16,603 | \$1,939 | \$1,648 |
| Sec'd by other stks. and bonds | 226,327 | 223,570 | 29,215 | 48,561 |
| All other | 324,075 | 325,892 | 29,638 | 29,663 |
| Total | \$567,220 | \$566,065 | \$60,792 | \$79,872 |
| Investments: | | | | |
| U. S. securities | \$102,587 | \$96,734 | \$21,389 | \$20,658 |
| Other securities | 149,087 | 147,446 | 36,396 | 35,756 |
| Total | \$251,674 | \$244,180 | \$57,785 | \$56,414 |
| Deposits: | | | | |
| Demand | \$608,832 | \$598,910 | \$87,313 | \$102,416 |
| Time | 85,688 | 82,586 | 20,107 | 20,387 |
| Government | 13,579 | 11,447 | 2,174 | 1,951 |
| Total | \$708,099 | \$692,943 | \$109,594 | \$124,754 |

ages changed very little during the past month, but the average of rail shares on August 20 was approximately one point below that on July 20. Liberty bonds were unchanged, but other bonds, particularly the first-grade rails, gained. Transactions in both stocks and bonds have been light.

| | August 20, 1923 | Month ago | Two months ago |
|----------------------------|-----------------|-----------|----------------|
| 20 industrial stocks | \$91.71 | \$91.72 | \$90.81 |
| 20 rail stocks | 79.53 | 80.51 | 80.60 |
| 10 first-grade rail bonds | 87.20 | 86.56 | 85.74 |
| 10 second-grade rail bonds | 82.84 | 82.76 | 82.24 |
| 10 public utility bonds | 86.26 | 86.16 | 86.07 |
| 10 industrial bonds | 93.09 | 92.92 | 93.17 |
| 4 Liberty bonds | 98.17 | 98.17 | 98.14 |

Twelve banks in this district report that acceptances to the amount of \$2,715,000 were executed during the month ending August 10. This is the smallest monthly total since March of last year, and compares with \$3,757,000 a month ago and \$3,966,000 a year ago. Purchases of bills in this district by acceptance dealers were small. During the five weeks ending August 15 purchases of five dealers within the Third Federal Reserve District averaged \$271,000 weekly and sales, \$1,628,000, as against \$464,000 and \$2,211,000, respectively, in the previous period. Comparative figures follow :

| Weekly averages for period | Sales to F. R. Bank | Sales to others | Purchases |
|----------------------------|---------------------|-----------------|-----------|
| 1923: | | | |
| July 12 to August 15 | \$1,442,000 | \$186,000 | \$271,000 |
| 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 |
| 1922: | | | |
| July 17 to August 13 | 5,440,000 | 150,000 | 596,000 |



Source—Federal Reserve Bank of Philadelphia

The reserve ratio of the Federal Reserve Bank of Philadelphia increased from 72.1 per cent on July 18 to 75.2 per cent on August 15. This was entirely due to an increase in total reserves from 235 to 256 millions, as liabilities likewise increased,—Federal reserve note circulation from 205 to 219 millions, and deposits from 120 to 121 millions. Total earning assets declined slightly from 105 to 102 millions, owing to a falling off in discounted bills from 67 to 65 millions and in purchased paper from 21 to 20 millions.

Prices of industrial shares as indicated by the aver-

Savings deposits in the Third Federal Reserve District, as reported by 80 banks, increased from \$456,910,000 on July 1 to \$461,876,000 on August 1, or 1.1 per cent. This is largely accounted for by a bank merger in Wilkes-Barre, which brought into the scope of the reporting system the savings on deposit with an institution which hitherto had not been reporting to this bank. If the Wilkes-Barre figures be excepted, the increase was from \$434,052,000 to \$436,396,000 or 0.5 per cent.

Percentage changes by cities follow:

| SAVINGS DEPOSITS Third Federal Reserve District | | | | |
|----------------------------------------------------|---------------------------|--------------------------------------------------------------|--------------|--------------|
| | Number of reporting banks | Per cent increase or decrease August 1, 1923, compared with— | | |
| | | July 1, 1923 | Aug. 1, 1922 | Aug. 1, 1921 |
| Altoona | 5 | + .7 | +13.4 | + 23.9 |
| Chester | 5 | + 1.7 | +12.9 | + 5.5 |
| Harrisburg | 4 | — .8 | +44.6 | +141.7 |
| Johnstown | 6 | + .3 | +12.6 | + 7.0 |
| Lancaster | 3 | + .9 | +33.2 | + 62.5 |
| Philadelphia | 9 | + .4 | + 6.5 | + 7.8 |
| Reading | 3 | + 1.1 | +13.0* | + 23.0* |
| Scranton | 6 | + 2.1 | +12.2 | + 20.8 |
| Trenton | 6 | + .6 | + 7.5 | + 12.4 |
| Wilkes-Barre | 5 | +11.5* | +18.1* | + 20.5* |
| Williamsport | 4 | + .2 | + 8.7 | + 14.6 |
| Wilmington | 5 | + .2 | + 9.0 | + 22.6 |
| York | 5 | + .3 | +11.8 | + 21.6 |
| Others | 14 | + .4 | +13.4 | + 13.4 |
| Totals | 80 | + 1.1* | + 8.9* | + 11.9* |

* Percentages increased by recent bank mergers.

The current offering rate for 90-day bills is $4\frac{1}{8}$ per cent, and bid $4\frac{1}{4}$ per cent. Neither supply nor demand is large, but apparently the limited quantity of bills now being created is sufficient. Short maturities are in greatest request. Bills offered in this district largely cover transactions involving the following commodities: grain, hides, flour, sugar, silk, tobacco, and cotton.

Many of the larger buyers of commercial paper are on their summer vacations, and, therefore, sales in August will as usual total small. In Philadelphia, business is reported to be almost at a standstill, and a similar condition exists in the other large eastern centres. The bulk of the buying is coming from the smaller cities and towns.

Some brokers advanced their selling rates from 5 to $5\frac{1}{4}$ per cent, but otherwise rates are about the same as they were a month ago. Choice names are still salable at 5 per cent, but the percentage of sales at $5\frac{1}{4}$ and $5\frac{1}{2}$ per cent is larger than it was in July. The supply of paper is good and is more than sufficient for present requirements. Many of the country banks have refused to purchase at less than $5\frac{1}{2}$ per cent, and state that they anticipate firmer money rates in the autumn.

Six dealers in this district report sales during July to the amount of \$6,572,000. This is a considerable decrease as compared with June, when sales totaled \$8,582,000, and is also smaller than the business of July, 1922, during which month sales were \$7,138,000. Out-of-town institutions bought about 70 per cent of the total, their purchases amounting to \$4,509,000. Philadelphia buyers took only \$2,062,500.

Rates at which transactions were made varied from 5 to $5\frac{3}{4}$ per cent. But only 3 per cent of the total was sold at more than $5\frac{1}{4}$ per cent. Sales at 5 per cent were considerably in excess of those at $5\frac{1}{4}$ per cent.

During a month of dull trading sterling and most of the continental currencies fell to lower levels, the increasing tension in the European political situation being a contributing cause to the decline. But the former neutral currencies, with the exception of Spanish pesetas, were firm or showed slight gains. Sterling is about 3 cents under the quotations prevailing a month ago, and French and Belgian francs have both touched new low levels. The spread between these two currencies is still about 100 points. Marks declined precipitously, the lowest point being reached on August 21, when they were quoted at 6,250,000 to the dollar. The rise in the Reichsbank's discount rate to 30 per cent apparently had little effect upon quotations. Swiss francs and the Scandinavian currencies are higher than they were during the middle of July, and although guilders have fluctuated somewhat, they too are slightly stronger than they were a month ago. Italian lire gained a few points late in July, but more recently they have weakened in sympathy with sterling and francs.

Little can be said about the Far Eastern exchanges which, on the whole, have fluctuated but little. South American currencies, especially Argentine pesos and Brazilian milreis, have shown a downward tendency. Canadian dollars are somewhat stronger.

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

Foreign exchange rates

| Noon cables | Par value | August 20, 1923 | July 20, 1923 | August 20, 1922 |
|--------------------|-----------|-----------------|---------------|-----------------|
| London | \$4.8665 | \$4.5558 | \$4.5933 | \$4.4830 |
| Paris | .1930 | .0557 | .0558 | .0800 |
| Antwerp | .1930 | .0445 | .0484 | .0759 |
| Milan | .1930 | .0430 | .0431 | .0454 |
| Berlin | .2382 | .00000018 | .000003 | .000916 |
| Vienna | .2026 | .000014 | .000014 | .000014 |
| Amsterdam | .4020 | .3936 | .3923 | .3898 |
| Copenhagen | .2680 | .1861 | .1747 | .2162 |
| Stockholm | .2680 | .2661 | .2653 | .2652 |
| Madrid | .1930 | .1347 | .1427 | .1564 |
| Berne | .1930 | .1808 | .1768 | .1907 |
| Buenos Aires | .9648 | .7322 | .7651 | .8240 |
| Shanghai | .7227 | .6991 | .7013 | .7719 |

RETAIL TRADE

Reports received from the retail trade indicate that August sales are fully equal to those of last August. The large advertised sales held during the month, however, have not been uniformly successful, although the majority have come up to expectations. In the anthra-

RETAIL TRADE
Third Federal Reserve District

| | Comparison of Net Sales | | Comparison of Stocks | | Rate of Turnover | | Percentage of orders outstanding July 31, 1923, to total purchases in 1922 |
|------------------------------------|----------------------------|------------------------------------------------------|----------------------------------|----------------------------------|-------------------------|-------------------------|----------------------------------------------------------------------------|
| | July, 1923 with July, 1922 | July 1 to July 31, 1923 with July 1 to July 31, 1922 | July 31, 1923 with July 31, 1922 | July 31, 1923 with June 30, 1923 | July 1 to July 31, 1923 | July 1 to July 31, 1922 | |
| All reporting firms | +13.6% | +13.6% | + 8.0% | - 7.0% | 2.6 | 2.5 | 11.4% |
| Firms in—Philadelphia | +14.2 " | +14.2 " | + 2.8 " | - 9.7 " | 2.9 | 2.7 | 12.0 " |
| —Allentown, Bethlehem and Easton.. | +10.3 " | +10.3 " | + 9.5 " | - 2.4 " | 2.1 | 2.2 | .... |
| —Altoona | +19.0 " | +19.0 " | + 9.2 " | - 3.5 " | 2.6 | 2.4 | .... |
| —Chester | +32.9 " | +32.9 " | -19.6 " | + .3 " | 1.5 | 1.2 | .... |
| —Harrisburg | + 5.4 " | + 5.4 " | +23.4 " | - 5.2 " | 2.0 | 2.3 | .... |
| —Johnstown | +17.2 " | +17.2 " | +10.8 " | - 6.6 " | 2.8 | 2.6 | .... |
| —Lancaster | +14.1 " | +14.1 " | +12.6 " | - 2.1 " | 2.2 | 2.2 | .... |
| —Reading | +11.5 " | +11.5 " | + 7.6 " | - 7.5 " | 1.9 | 1.8 | 10.3 " |
| —Scranton | +26.4 " | +26.4 " | +32.3 " | + 1.9 " | 2.5 | 2.6 | .... |
| —Trenton | + 7.2 " | + 7.2 " | + 7.3 " | - 2.7 " | 2.3 | 2.4 | .... |
| —Wilkes-Barre | +22.7 " | +22.7 " | +25.3 " | - 5.3 " | 2.6 | 2.6 | .... |
| —Williamsport | - .8 " | - .8 " | +20.9 " | + 1.2 " | 1.9 | 1.6 | .... |
| —Wilmington | - 6.3 " | - 6.3 " | +18.5 " | + 1.0 " | 1.4 | 2.4 | 7.9 " |
| —York | + 2.6 " | + 2.6 " | + 3.2 " | - 3.7 " | 2.1 | 2.1 | .... |
| —All other cities..... | +20.3 " | +20.3 " | +25.1 " | - .4 " | 2.2 | 2.3 | 10.3 " |
| All department stores..... | +12.2 " | +12.2 " | + 7.6 " | - 7.1 " | 2.6 | 2.5 | 12.5 " |
| Department stores in Phila.... | +11.6 " | +11.6 " | + 3.5 " | - 9.4 " | 2.8 | 2.6 | 14.1 " |
| Dept. stores outside Phila.... | +13.2 " | +13.2 " | +14.1 " | - 3.7 " | 2.3 | 2.3 | 10.1 " |
| All apparel stores..... | + 9.5 " | + 9.5 " | + 3.6 " | - 9.1 " | 2.8 | 2.7 | 5.8 " |
| Men's apparel stores..... | | | | | | | |
| —in Phila. | - 3.2 " | - 3.2 " | + 5.7 " | - 1.4 " | 2.0 | 2.2 | .... |
| —outside Phila. | + 3.3 " | + 3.3 " | +10.0 " | - 3.2 " | 1.6 | 1.6 | 17.1 " |
| Women's apparel stores..... | | | | | | | |
| —in Phila. | +21.2 " | +21.2 " | - 9.8 " | -21.1 " | 5.3 | 3.9 | 4.4 " |
| —outside Phila. | + 2.6 " | + 2.6 " | +13.7 " | - 9.4 " | 2.7 | 3.2 | 9.0 " |
| Credit houses | +20.2 " | +20.2 " | +40.8 " | + 3.6 " | 1.6 | 1.9 | 6.8 " |

cite coal regions, especially in the Wyoming Valley, the possibility of a strike on September 1 has caused consumers to exercise caution, and reports from a number of stores in those localities state that sales are decreasing. Furniture, household articles, and jewelry have met with a good demand. In jewelry, however, the majority of sales are of low or medium priced articles. Buying by the stores for the fall season is well under way, and purchases are in most cases either equal to last year's or larger; but there is a feeling that the higher prices asked should be met by increased caution and more conservative buying. Prices for the majority of articles for fall trade are higher than they were a year ago. This is particularly true of wearing apparel for both men and women, in which the increase averages from 5 to 15 per cent. The price of furniture, which was advanced in June, is now said to be weakening, owing to the comparatively poor sales by the manufacturers at the advanced figures asked. Stocks of merchandise in the retail stores are moderate, but are larger than they were a year ago.

The accompanying table, compiled from reports of retail establishments in the Third Federal Reserve Dis-

trict, shows that business in July was larger by 13.6 per cent than in July, 1922. Nearly all divisions show a gain, but the number of stores reporting a decrease in sales as compared with last year's is considerably larger than it was last month.

WHOLESALE TRADE

Sales in all the reporting wholesale lines were smaller in July than in June, but showed a considerable increase as compared with those of July, 1922. Prices at wholesale have not changed greatly during the month, but the trend of quotations on a number of food stuffs, including such important articles as sugar, coffee, and flour, has been downward. Stocks in the hands of wholesalers are for the most part moderate. During July, collections were slower in all lines, but except in drugs were better than they were a year ago.

August billings of shoes will probably exceed those of last August by a goodly sum, and sales for September shipment are increasing and by some are said to be considerably larger than those for the same period of last year. "Style" shoes for women are particularly active. Suedes are

by far the most desired line, but a fair demand for patent leather shoes is also reported. Houses that handle the more staple lines likewise report that sales for early autumn are good.

Prices have varied but little in recent months, but lately suede shoes have advanced, and a number of lines of low-priced shoes are slightly cheaper. Collections are somewhat slower than they were last month, but are better than a year ago. A few reports, however, state that they are extremely slow.

During July, sales in this district, as reported to the Federal Reserve Bank, decreased 20.8 per cent from those of June, but were 35.8 per cent larger than in July, 1922. The ratio of accounts outstanding to sales on July 31 was 313.9, on June 30, 263.4, and on July 31, 1922, 384.5.

Groceries at wholesale are in fair demand, and preliminary reports indicate that sales in August are in about the same volume as in July.

Groceries Some, however, state that business is not quite as active as it was a month ago. Purchases by retailers are in large part for prompt delivery, but contracts have been made for future shipment for fair-sized quantities of canned goods.

The declines in prices during the month outnumber the advances. Articles which are quoted lower include sugar, coffee, flour, canned and dried fruits, beans, soaps, and vinegar. Commodities on which prices have advanced include canned vegetables, butter, and sardines. The greatest request has been for canned vegetables and fruits, cereals, sugar, soft drinks, and preserving accessories. Stocks in the hands of wholesalers are moderate and are probably about the same as they were a month ago, but on this point reports vary considerably, 12 saying that they are heavier, 15 unchanged, and 16 lighter.

Sales during July were smaller by 2.7 per cent than those in June, but were larger by 23.8 per cent than in July, 1922. The ratio of accounts outstanding to sales increased from 99.4 in June to 102.8 in July.

July sales of wholesale drygoods were 16.7 per cent less than in June, but 22.0 per cent greater than in July, 1922. In recent weeks the demand has

Drygoods slackened somewhat and buyers are purchasing mainly for immediate needs. The bulk of the sales are for delivery within 30 days, and comparatively few contracts have been placed for delivery beyond 60 days. Underwear, sweaters, outing flannel, blankets, gloves, laces, handkerchiefs, and heavy cottons and woolsens are some of the articles for which a demand is noted.

The chart on page 11 shows clearly the two principal selling seasons for drygoods at wholesale, and illustrates the fact that during the first seven months of 1923 sales were much larger in dollars than in the corresponding period of 1922. Higher prices no doubt account for a part of this increase. Stocks in the hands of wholesalers are reported to be either heavy or moderate and have increased during the past month. Collections are fair, and the ratio of accounts outstanding to sales is 265.5, as compared with 238.6 in June.

Sales by 32 wholesale hardware firms during July were 14.5 per cent less than those in June, but 23.4 per cent above those of July, 1922. Our index of sales for July was 111, as compared with 125 in June, and 129

Hardware in May, which was the month of greatest activity so far this year. Contractors and builders continue to be the largest purchasers, although mines and general manufacturing industries are taking fair quantities. As might be expected, building hardware is in the greatest demand, and plumbing and heating materials are also in good request.

Prices on the whole are firm, but here and there declines are reported. Stocks for the most part are moderate, although with some firms they are rather heavy. As a rule stocks have not changed since last month, but in a few instances they show a tendency to decrease.

Collections are only fair, and are somewhat slower than they were a month ago, as is indicated by the ratio of accounts outstanding to sales, which was 163.3 in

WHOLESALE TRADE Third Federal Reserve District

| | Number of reporting firms | Percentage of increase or decrease in— | | | | | | |
|-----------------------|---------------------------|----------------------------------------|------------|-------------------------------------------------|------------|----------------------------------------|------------|------------|
| | | Net sales July, 1923, compared with— | | Accounts outstanding July, 1923, compared with— | | Ratio of accounts outstanding to sales | | |
| | | June, 1923 | July, 1922 | June, 1923 | July, 1922 | July, 1923 | June, 1923 | July, 1922 |
| Boots and shoes | 14 | -20.8% | +35.8% | -6.7% | +13.4% | 313.9% | 263.4% | 384.5% |
| Drugs | 15 | -2.6 " | +10.1 " | -9 " | +19.3 " | 149.3 " | 146.3 " | 133.6 " |
| Drygoods | 20 | -16.7 " | +22.0 " | -7.3 " | +16.6 " | 265.5 " | 238.6 " | 277.7 " |
| Groceries | 53 | -2.7 " | +23.8 " | -5 " | +13.5 " | 102.8 " | 99.4 " | 112.6 " |
| Hardware | 32 | -14.5 " | +23.4 " | -3.5 " | +20.0 " | 163.3 " | 145.1 " | 165.0 " |

July, as against 145.1 in June. But comparison with July, 1922, when the ratio was 165.0, shows that payments are more prompt than they were a year ago.

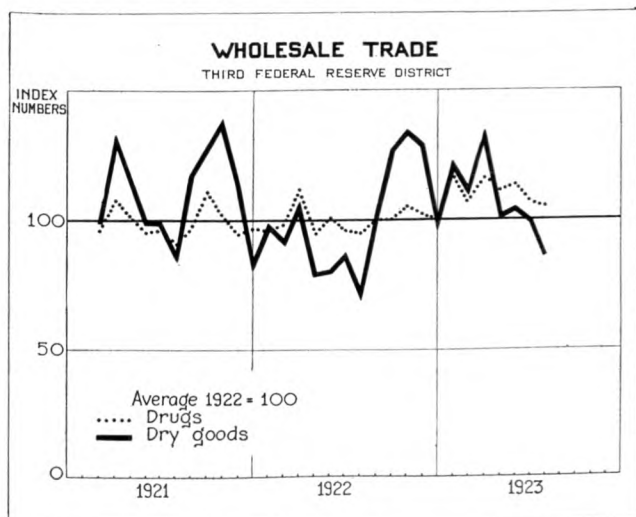
The demand for drugs is reported by most firms to be good and by the balance as fair. In the majority of cases it is either equal to or better than that of a month ago. Patent medicines are in fair request and toilet articles are selling well.

The accompanying table shows that prices of botanical drugs declined sharply during the month and that the index number of prices of drugs and fine chemicals also is lower.

| Week ending | * Price index of 40 botanical drugs | | * Price index of 35 drugs and fine chemicals | |
|-----------------|-------------------------------------|-------|----------------------------------------------|-------|
| | 1923 | 1922 | 1923 | 1922 |
| July 30 | 131.1 | 106.1 | 186.3 | 148.4 |
| August 6 | 126.2 | 106.8 | 185.8 | 148.4 |
| August 13 | 126.1 | 107.0 | 185.2 | 148.9 |
| August 20 | 123.3 | 107.2 | 184.8 | 148.9 |

* Compiled by Oil, Paint and Drug Reporter.
Normal index number predicated on price as of August 1, 1914.

The following chart indicates that dollar sales of drugs were considerably larger during the first seven months of this year than they were in the corresponding period of 1922, the higher prices prevailing this year being in part responsible for this increase. The chart further shows that seasonal fluctuations in drug sales are much smaller than they are in drygoods.



Seasonal fluctuations in sales of drygoods are much more violent than in the case of drugs. Higher prices are only partly responsible for heavier sales in the first half of the year in 1923, as compared with 1922

Source—Federal Reserve Bank of Philadelphia

Sales at wholesale in July were 2.6 per cent smaller than in June, but as compared with July, 1922, they were 10.1 per cent larger. Stocks in the hands of

wholesalers range from moderate to heavy and as compared with a month ago, most of the reports state, are either unchanged or heavier. Collections vary from fair to good, and the ratio of accounts outstanding to sales increased from 146.3 in June to 149.3 in July.

CHEMICALS

Seasonal factors and decreased activity in the textile, tanning, iron and steel, rubber tire, and paper industries have been reflected in a lessened demand for chemicals, which at present is poor. However, as manufacturers of paint and of linoleum are still busy, there is a good request for lithopone. Total sales of chemicals during the first half of 1923 have in many cases exceeded those in a similar period in 1922. Although contract withdrawals have decreased recently, they have been well maintained on alkalis, which are in good export as well as domestic demand. The absorption of caustic soda and soda ash on contract has been above the average; but because bleaching powder deteriorates in hot weather, producers of this have lowered their prices in order to reduce stocks. Owing to the lack of orders for some chemicals, such as linseed oil, salicylates, quicksilver, menthol, arsenic, calcium arsenate, bleach and chlorine, many dealers have resold at a loss supplies delivered to them on contract. Consequently, producers report that new orders for these and many other chemicals are difficult to obtain. A few manufacturers, however, state that business has recently improved somewhat.

Sales of fertilizers have averaged about 10 or 15 per cent larger than they did last year, and some purchasers have already contracted for 1924 requirements. But there is much hesitancy in placing contracts, especially for nitrates. Manufacturers of medicinal and pharmaceutical preparations report that the demand for their products has been exceptionally good and that sales are considerably larger than they were a year ago. Because the call for calcium arsenate by southern cotton growers proved much smaller than was expected and both domestic production and imports were increased, arsenic and calcium arsenate have been in excess supply and prices have fallen sharply. But recently some improvement in the demand for the latter has been reported. Salicylates also have suffered a reduction in price, on account of keen competition, reselling, and the weakness of phenol. Imported chemicals, as a rule, have been duller than domestic chemicals, owing to large supplies of the former.

During the past month the general trend of prices of industrial chemicals has been downward, as is indicated by the index of 25 representative chemicals, compiled by the "Oil, Paint and Drug Reporter," which decreased from 420.0 on July 21 to 412.6 on August 18. But comparatively few important changes in price have been made by producers, because of the steady absorption of supplies on contract. Some manufacturers, how-

ever, report that owing to "protection against decline" clauses in 1923 contracts, prices were reduced 10 or 15 per cent.

Production of chemicals has continued at a high rate, although some chemical plants have begun to curtail operations. Mill stocks of finished goods are in most cases moderately light, but in a few instances they are reported to be heavy. Stocks of raw materials are moderate and stationary. Some requests for postponed shipments have been received. The supply of labor, both skilled and unskilled, is for the most part sufficient.

Collections are reported to be fairly good in many cases, but in others they are said to be from poor to fair and to have slowed up.

BUILDING

During July, the value of building permits issued in 14 cities of the Third Federal Reserve District reached \$14,882,548, an increase of \$1,988,287 over the June figures, but \$1,016,148 less than the total for July, 1922. The increase during July was more than accounted for by the advance of nearly \$3,000,000 which took place in Philadelphia. Contracts awarded in this district during July, as distinguished from the value of permits issued, amounted to \$19,496,783, and showed little change from the figure for June, which was \$19,801,413. There was considerable decline, however, in the value of contracts awarded for residential building, the July total being \$5,917,114, as against \$8,382,503 in June.

In the accompanying table will be found building statistics for July and for the first seven months of the current year, together with similar information covering the corresponding period in 1922.

Although numerous manufacturers of building bricks

report a slackening in demand during the past month, orders for future delivery are in many cases large, especially in Philadelphia. Some firms have sufficient orders to insure operations for several months, and many look for renewed buying before long. Refractories report that though sales are as heavy as they were a month ago, they are only fair.

Quotations on building bricks and fire bricks are strong in most cases, but in some sections certain manufacturers are inclined to shade prices on a few types of building bricks. In Philadelphia, common bricks are in general quoted at \$22 a thousand, which has been the price prevailing for some time past.

Stocks in practically all cases are light, and some operators have none. Plants manufacturing building bricks are operating on the average at about 95 per cent of capacity. Refractories are working at a somewhat slower rate, in general about 80 per cent. Few reports are made of scarcity of labor, except among fire-brick plants, where skilled workers are obtained with difficulty. Wage rates on the whole have not changed during the past month for either skilled or unskilled workers.

Collections in general are somewhat less prompt than they were a month ago, and may be classed as fair.

Manufacturers of lumber have enjoyed fairly good business during the past month, but wholesalers report only moderate sales. Since the first of August, however, inquiries have increased, and the general outlook is considered good.

Wholesale dealers have had fewer orders than during the same period last year, but manufacturers and planing mills have noted a considerable increase. Orders, for the most part, are for delivery within the next sixty

BUILDING PERMITS
Third Federal Reserve District

| | July, 1923 | | | July, 1922 | | | January to July inclusive | | | |
|----------------------|------------|------------|----------------|------------|------------|----------------|---------------------------|----------------|---------|----------------|
| | Permits | Operations | Estimated cost | Permits | Operations | Estimated cost | 1923 | | 1922 | |
| | | | | | | | Permits | Estimated cost | Permits | Estimated cost |
| Allentown | 92 | 104 | \$302,700 | 88 | 98 | \$321,575 | 642 | \$3,383,420 | 573 | \$1,818,650 |
| Altoona | 180 | 180 | 336,887 | 153 | 153 | 242,709 | 1,218 | 2,183,410 | 1,153 | 1,686,937 |
| Atlantic City* | 108 | 108 | 532,602 | 267 | 267 | 857,524 | 1,743 | 6,292,727 | 2,475 | 5,263,868 |
| Camden | 93 | 139 | 225,470 | 93 | 138 | 446,720 | 635 | 5,062,407 | 685 | 2,733,624 |
| Harrisburg | 54 | 60 | 152,155 | 66 | 140 | 778,445 | 587 | 4,769,430 | 595 | 2,820,016 |
| Lancaster | 61 | 83 | 131,505 | 70 | 70 | 142,550 | 596 | 2,077,310 | 546 | 1,389,175 |
| Philadelphia | 1,460 | 1,920 | 11,346,155 | 1,359 | 1,972 | 10,531,810 | 8,774 | 86,525,250 | 8,603 | 62,960,455 |
| Reading | 298 | 302 | 202,700 | 249 | 250 | 187,825 | 2,018 | 3,292,130 | 1,979 | 2,766,596 |
| Scranton* | 132 | 132 | 279,971 | 143 | 143 | 1,140,301 | 932 | 2,258,201 | 895 | 3,324,656 |
| Trenton | 164 | 182 | 463,492 | 112 | 138 | 522,625 | 1,053 | 4,382,426 | 883 | 2,737,956 |
| Wilkes-Barre* | 94 | 94 | 280,268 | 111 | 111 | 336,697 | 708 | 1,867,980 | 856 | 2,692,986 |
| Williamsport* | 113 | 113 | 102,033 | 90 | 90 | 105,966 | 644 | 815,069 | 662 | 1,071,649 |
| Wilmington | 86 | 86 | 389,902 | 101 | 101 | 129,448 | 683 | 2,364,876 | 584 | 1,959,239 |
| York | 118 | 118 | 136,708 | 127 | 127 | 154,501 | 996 | 1,463,843 | 875 | 788,114 |
| Total for July..... | 3,053 | 3,621 | \$14,882,548 | 3,029 | 3,798 | \$15,898,696 | 21,229 | \$126,738,479 | 21,364 | \$94,213,921 |

* Do not report operations.

days, but some mills have fair-sized bookings to be shipped at a later date. Hardwoods as a rule are selling more actively than are soft woods for building purposes. Railroads and mines have been buying rather actively. Cancellations are rare, but it is thought that anthracite mines will request postponement of shipments in the event of a miners' strike.

Prices on building lumber have declined during recent weeks, but certain hardwoods have been fairly firm. Quotations are steady on cypress and spruce. In spite of recent reductions on many items, stocks are reported as only light or moderate; indeed, one large producer of hardwoods states that he has never carried such light supplies. But in many instances there is a tendency to increase stocks. Transportation from southern points is very satisfactory; in fact, some dealers state that deliveries are being made in a surprisingly short time.

Operations vary considerably in different mills, and although many are running on full time, the average is about 90 per cent of capacity. Unskilled labor is in much better supply, and less than one-third of the firms reporting to us now find any difficulty in obtaining sufficient men. Skilled labor is still scarce in many plants, but in this respect too the situation shows improvement. Wage increases are so rare as to be almost negligible.

Collections range from fair to good. They show little change as compared with those of last month, but they are more prompt in many cases than they were at this time in 1922.

Paint and varnish manufacturers have done only a fair business during the past month, but since the first of August activity has increased somewhat, and reports from salesmen who have recently gone out on the road indicate a goodly volume of business in prospect. Several firms are optimistic concerning conditions in the fall, which is usually a good season in the paint trade. Orders for the most part are for immediate delivery, and practically all are to be shipped within the next 60 days. In several instances, however, it is said they are for somewhat smaller quantities than is customary, as dealers are keeping stocks at a minimum.

Prices in certain lines are firm, but in others weakness has developed, and several manufacturers on July 1 reduced quotations on ready-mixed paints from 15 to 25 cents a gallon. This reduction just about offsets the advance made early in May.

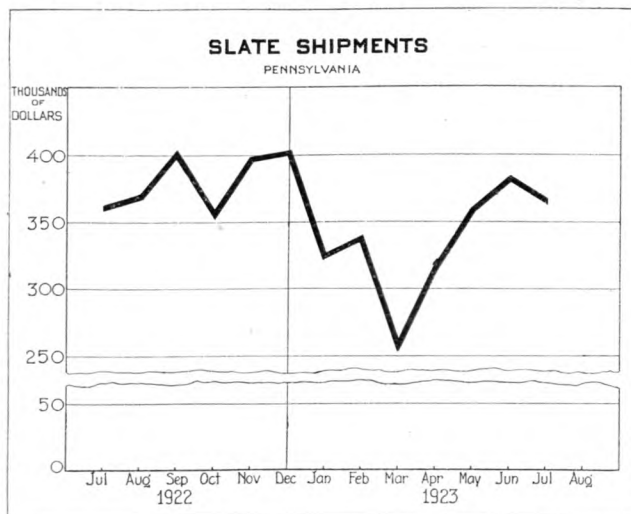
Finished stocks in manufacturers' hands are only moderate and are stationary in tendency. Supplies of raw materials too are not large and have shown little change during recent weeks. Prices on several raw materials, including turpentine, linseed oil, and lead, are lower than they were a few weeks ago, and deliveries are prompt. Linseed oil weakened in consequence of the August 1 report of the Department of Agriculture,

which estimated the flaxseed crop at 19,100,000 bushels, as compared with 18,000,000 bushels on July 1. Also, lower seed prices are reported in Buenos Aires.

Operations vary from 50 to 100 per cent of capacity, depending upon the character of the product manufactured, and the general average is about 75 per cent. Both skilled and unskilled labor are in sufficient supply, and a few firms even state that workers are plentiful. No reports have been received of wage advances to unskilled workers, and in only one case have skilled laborers received an increase and that was one of 10 per cent.

Collections are fair, and in general are slower than they were a month ago.

Slate manufacturers have continued to enjoy good business during recent weeks, and the demand has stimulated production considerably. Black-board slate has been selling especially well because of the extensive construction of school buildings. Sales of structural and sanitary slate are also heavy. In this connection it is worthy of note that manufacturers can make prompt deliveries on ribbon stock than on clear grades. Because of the heavy demand for certain sizes of roofing slate, shipments are necessarily delayed in some cases, but other sizes can be supplied promptly. The accompanying chart shows shipments during the past year in dollar figures, as reported to the National Slate Association by firms representing approximately 75 per cent of the production in this district. It will be noted that with the exception of July, shipments have been steadily increasing since March, and it is estimated that they are now running about 25 per cent ahead of last year's. Prices are firm, and the special discounts that were offered by some producers a year ago to stimulate trade have been discontinued.



The curve represents shipments by companies that produce approximately 75 per cent of the output of slate in Pennsylvania
Source—National Slate Association

It is difficult to estimate the present percentage of operations, as this is practically limited only by the supply of labor. For some time there has been a shortage of both skilled and unskilled workers, but it is found that men who drifted away from the industry during the war years are gradually returning. Stocks are rather light, except in some of the slower moving grades, of which moderate supplies are carried.

Collections are said to be satisfactory.

IRON AND STEEL

Despite the fact that July and August are usually dull months, several steel companies have booked more business than they have for some time past. Plates have been quite active, railroads and oil companies being the largest purchasers. Pig iron too has shown improvement and in the past few weeks has been more active than in several months. General manufacturing plants and railroads are buying fair-sized tonnages of iron bars, and automobile plants, locomotive builders, and other industries have placed moderate orders for iron and steel castings. Business received by manufacturers of machinery and tools has depended largely upon the character of the industries they supply. Sales to canners have been large, but firms that sell to paper mills and to certain textile plants have had only a fair demand. Orders for pipe and pipe couplings vary considerably, and sales in several cases have declined somewhat during recent weeks. Hardware manufacturers as a rule have enjoyed good business, especially those catering to the plumbing and building trades. In general, business in iron and steel has been fairly good, and considering the season, there is no cause for com-

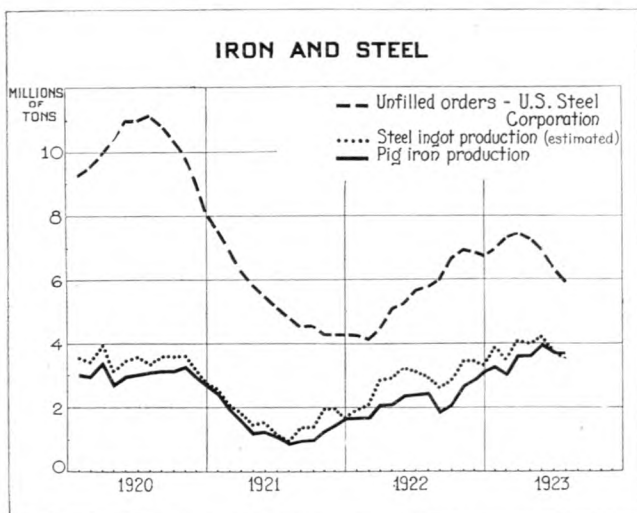
plaint. In most lines deliveries can be made within a few weeks, and under present conditions mills are able to take small filling-in orders, which were hard to work in when the pressure for immediate delivery was greater. Only two cases of cancellations are reported, both for small amounts, and one of these was caused by inability to make prompt delivery.

Many firms are preparing to go on the eight-hour day, but it is yet too early to determine what effect this will have upon the market. As was generally expected, the unfilled orders of the United States Steel Corporation declined during July, and the total on August 1, 5,910,763 tons, is the smallest reported since a year ago. It is significant, however, that the decline during July amounted to 475,498 tons, as against 595,090 tons in June, which confirms the report that demand in July showed some improvement. Unfilled orders have been decreasing during the past four months, as is seen in the accompanying chart. It will be noted, however, that production of both steel ingots and pig iron has declined relatively little from the peak reached in May.

The output of pig iron during July amounted to 3,678,334 tons, as compared with 3,676,445 tons in June. But when the fewer working days in July are taken into consideration, it is apparent that the daily rate was lower in the latter month. Several furnaces were blown out toward the end of July, and as a result only 298 were blowing early in August, as compared with 323 on July 1. In this district, however, only one furnace shut down, the number active on August 1 being 46. Contrary to expectations, the production of steel ingots fell off only slightly, the July total being 3,515,966 tons, as against 3,748,890 tons in June. Part of this decline is due to the usual mid-summer slackening because of the heat. In this district operations in the various iron and steel industries average about 80 per cent of capacity. Less than one-half of the firms reporting to us now find any scarcity of unskilled labor; skilled workers are somewhat more difficult to obtain, but the situation is better in this respect than it has been for several months. Wage increases are rather uncommon, though in a few instances rates for skilled workers have been advanced from 5 to 10 per cent since last month.

Prices on finished iron and steel have been steady during the month, but pig iron and scrap have weakened considerably. Philadelphia 2 X pig iron on August 21 was quoted at \$25, furnace, as compared with \$26.80 on July 17. Several grades of old material are now from \$1 to \$2 below prices prevailing during the middle of July. Finished stocks are light or moderate in most cases, except in pig iron of which rather heavy supplies are being carried in some instances.

Collections are fair and show little change since last month.



Although the production of pig iron and of steel ingots has declined recently, it is still at a very high level. The decrease in unfilled orders has been more pronounced than the falling off in production

Source—Iron Age

COAL

A few days after the resumption of the conference between anthracite operators and miners at Atlantic City on July 23, negotiations were broken off because of the inability of the conferees to reach an agreement

Anthracite

upon the demands of the miners for recognition of the union and for the acceptance of the principle of the "check-off". At the request of the United States Coal Commission, operators and miners resumed negotiations on August 20, but the conference was again terminated on the following day because of inability to agree upon changes in wage rates. On August 8 the United States Coal Commission issued its report on "Labor Relations in the Anthracite Industry", in which the outstanding recommendations were that any agreement between operators and miners shall be considered to have been renewed at the end of the specified period, "except in respect to such provisions as either party may have expressed a purpose to change by serving notice of such purpose on the other party ninety days before the renewal date"; and that in case no agreement be reached within sixty days of the renewal date, that fact shall be reported to the President of the United States, who shall then appoint a person or persons to inquire into the facts of the controversy and make a public report. Another recommendation is that the renewal dates of the anthracite and bituminous agreements be set sufficiently far apart to avoid the likelihood of strikes in both industries occurring at the same time.

The inability of operators and miners to reach an agreement, and the possibility of a strike on September 1, have caused the demand for domestic sizes of anthracite to be even greater than heretofore. The call for steam sizes, however, is but fair, and several operators continue to store these grades. Although no accurate figures are available regarding householders' stocks, it is generally agreed that they are considerably larger than they were at this time last year. Stocks in retail dealers' yards on July 1 were estimated by the United States Geological Survey to be about 13 per cent larger than on June 1, but smaller than at the same time in recent years.

Prices have been very firm during the month. Company mines supplying Philadelphia quote from \$8.15 to \$8.35, f. o. b. mines, for stove coal, as against independents' quotations of from \$9.25 to \$11.00.

Production has been maintained at slightly over 2,000,000 tons weekly, and the estimated output for the last four weeks, and for the corresponding period of 1922, was as follows. The smaller totals in 1922 were due to the strike. The decreased output during the second week in August was caused by the general suspension of work on August 10 out of respect for the late President.

| | 1923 | 1922 |
|-----------------|--------------------|-----------------|
| July 21 | 2,005,000 net tons | 28,000 net tons |
| July 28 | 2,080,000 " " | 27,000 " " |
| August 4 | 2,018,000 " " | 29,000 " " |
| August 11 | 1,735,000 " " | 40,000 " " |

As is to be expected, the majority of mines are operating at capacity. This high percentage of operations has tended to cause a shortage of both miners and miners' helpers in several collieries, but labor conditions on the whole are said to be fair.

Although the bituminous market has been dull during the past month, sales of high grade coals have improved slightly. Low grades, however, are in poor demand. The bulk of sales continue to be made in the spot market, but certain producers are making shipments on contracts that were closed some time ago. Railroads are the most active buyers at this time, and indeed have been the heaviest purchasers for some weeks past. Those grades of bituminous which are suitable for household purposes have been in some request recently, because of the situation in the anthracite industry, but sales of this type have not reached large totals.

According to a recent report issued jointly by several Government bureaus, stocks of bituminous coal on July 1 totaled 45,000,000 net tons, as compared with 42,000,000 net tons on June 1. It is estimated that the average stocks on July 1 were sufficient to last about 37 days at the rate of consumption during June, which was somewhat less than that of the preceding months.

Contract prices have changed but little during recent weeks, but spot quotations on certain low volatile coals sold in this district are somewhat easier. Pool 10 coal, for delivery in Philadelphia, was quoted on August 13 at from \$2.10 to \$2.50 per net ton, f. o. b. mine, as compared with from \$2.20 to \$2.35 on July 16.

Production has been maintained at about the same rate as during recent months—somewhat over 10,500,000 tons weekly. The estimated output for the last four weeks for which figures are available, and for the corresponding period of 1922, was as follows. The reduced output during 1922 was caused by the miners' strike.

| | 1923 | 1922 |
|-----------------|---------------------|--------------------|
| July 21 | 10,676,000 net tons | 3,692,000 net tons |
| July 28 | 10,804,000 " " | 3,952,000 " " |
| August 4 | 10,579,000 " " | 4,313,000 " " |
| August 11 | 9,978,000 " " | 4,606,000 " " |

In spite of the relatively large output, operations in this district do not average over 60 per cent of capacity, and for some time in the past numerous high-cost

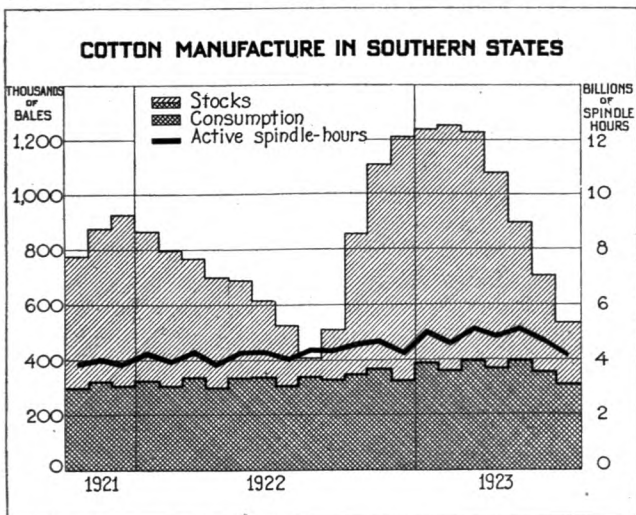
mines have suspended work. The closing of these mines has released labor for other operations, and as a result workers are in ample supply. The transportation situation also is described as satisfactory, and no reports have been received of lack of cars.

Coke production has been better adjusted to demand during recent weeks, as a result of which prices have become more stable. Some interest is being

Coke shown in contracts for the fourth quarter of the year, but many of the iron furnaces in this district are not yet willing to close for future requirements. Furnace coke for delivery on contract for the remainder of the present quarter is quoted at about \$5 a ton. Spot furnace coke on August 21 was quoted at \$4.50, as against \$4.75 on July 17. Foundry grade is now selling in the spot market at \$5.50, which is 25 cents more than the quotation a month ago. Some producers are preparing to furnish coke for household use in case of an anthracite strike, and already they have made some fair-sized sales.

Production of beehive coke has continued to decline, as is indicated by the figures below showing estimated output for the last four weeks.

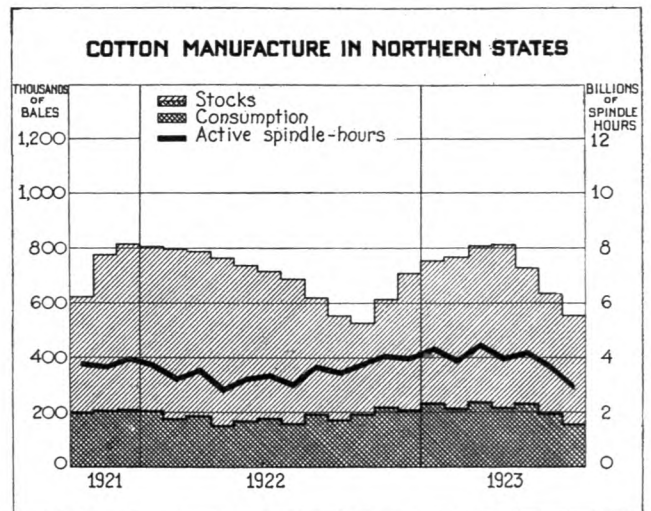
| | 1923 | 1922 |
|-----------------|------------------|------------------|
| July 21 | 360,000 net tons | 104,000 net tons |
| July 28 | 361,000 " " | 111,000 " " |
| August 4 | 345,000 " " | 110,000 " " |
| August 11 | 327,000 " " | 112,000 " " |



Since late in 1921, when mill activity, as represented by spindle-hours, was approximately equal in the northern and southern states, operations in the cotton-growing states have been continuously at a higher rate than in the north
Source—Department of Commerce

COTTON

Because of a condition report by the Department of



Recent curtailment of manufacturing operations in cotton-growing states as well as in northern states has resulted in a reduced consumption of raw cotton. But the percentage of decrease has been smaller in the south than in the north. Stocks held by consuming establishments in the latter section have been relatively heavier than in the cotton-growing states
Source—Department of Commerce

Raw cotton Agriculture which was not as good as anticipated, and because of increasing complaints of insect damage east of the Mississippi and continued drought in the southwest, raw cotton prices have risen, quotations of spot middling increasing from 22.45 cents a pound on July 31 to 25.75 a pound on August 21. However, the decreased domestic consumption and the dull export demand are still depressing factors.

The accompanying charts reflect the curtailment of operations in both northern and southern mills. That the curtailment in the former was more drastic than in the latter is shown by the fact that the consumption of cotton in the northern states was 32.8 per cent smaller in July than in May, whereas the consumption in the cotton-growing states decreased only 21.5 per cent during those months. The total consumption in July was 461,575 bales, as compared with 620,965 bales and 542,166 bales in May and June, respectively. But because of the large quantities of cotton consumed in the first five months of 1923, the total domestic consumption during the cotton year, which ended July 31, was 6,664,710 bales, not including linters, or 754,890 bales larger than during the 1921-22 season. Stocks of cotton in consuming establishments in the cotton-growing states were much greater during the first three months of 1923 than during a similar period in 1922. But after March they were sharply reduced and on July 31, 1923, aggregated only 532,203 bales in comparison with 529,368 bales on the same date in 1922. Stocks in the northern states on July 31, 1923, were 557,027 bales. Supplies of cotton are usually low in July and August and increase as the new crop is marketed.

As a result of the unsettled conditions in Europe, exports of cotton from this country have declined. During the past season, total exports were 4,822,589 bales, not including linters, as compared with 6,184,094 bales in 1921-1922. The world's takings of American cotton since August 1 have been considerably less than during the same time in the previous two years, as shown by the following table:

| Supply and takings of American cotton* | | | |
|---------------------------------------------------------------|---------------------|---------------------|---------------------|
| In bales | Season of 1923-1924 | Season of 1922-1923 | Season of 1921-1922 |
| Visible supply, American, at end of previous season (July 31) | 877,741 | 1,968,159 | 4,112,651 |
| Crop in sight, American, on August 17 | 196,946 | 239,849 | 340,604 |
| Total | 1,074,687 | 2,208,008 | 4,453,255 |
| Visible supply, American, on August 17 | 792,324 | 1,671,252 | 3,829,636 |
| World's takings of American to August 17 | 282,363 | 536,756 | 623,619 |

* Figures compiled by New York Cotton Exchange.

The carryover of cotton in the United States has been reduced from 6,534,360 bales and 2,831,553 bales in 1921 and 1922 to 2,087,919 bales on August 1, 1923, and therefore the interest of the trade is centered on the growth of the new crop. The condition on July 25, as reported by the Department of Agriculture, was 67.2 per cent of normal, representing a decline of 2.7 per cent during the month. And assuming an average yield per acre of 143.9 pounds, the Department predicted a crop of 11,516,000 bales. This report came

as a surprise to the trade, for numerous private estimates had led to the belief that the condition of the crop had improved during the month. Lack of moisture in the southwest and rains and the weevil in the east were probably the main causes of this depreciation. Since July 25 the weather has been generally unfavorable through most of the cotton belt.

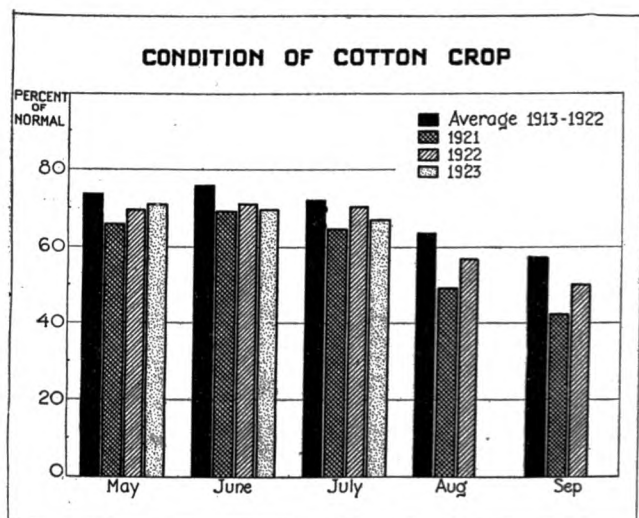
As shown by the accompanying chart, the condition of the crop on July 25 was lower than on the same date last year, and than the ten-year average. The crop usually shows a slight improvement from May 25 to June 25, a small depreciation from June 25 to July 25, and a marked deterioration during August and September.

During the past month the demand for cotton yarns has been only poor or fair, and orders are smaller than they were a year ago. Lack of confidence in yarn values and a dull demand for their own products has caused manufacturers of cotton goods to buy cautiously and mainly for current requirements. However, a number of dealers have succeeded in booking some orders for delivery up to and including December. But spinners, as a rule, have hesitated to take much future business at the prevailing prices. Consequently, it is reported that some dealers sold yarns short, until the publication of the cotton report by the Department of Agriculture on August 1, after which many of them covered on their sales. The bulk of the business during the month was in carded yarns, and weaving yarns in some instances sold better than knitting yarns. The insulating trade is reported to have placed several large orders. Of the future commitments, about 65 per cent are for delivery within 60 days, about 25 per cent, in the succeeding month, and 10 per cent, after 90 days.

In sympathy with raw cotton values, prices of carded cotton yarns have declined more or less steadily since March, and on July 31 averaged from 24 to 27 per cent lower than the peak quotations in March. The reduction in combed yarn prices during the same period averaged from 14 to 20 per cent. But following the government cotton report, which was not as good as expected, and the increase in the price of the raw commodity, yarn quotations were advanced somewhat.

Many dealers state that they have received requests for postponed shipments. Stocks of yarn in the hands of dealers are at present moderately light and are either stationary or decreasing. Collections, which are only fair, are either unchanged or slower than they were last month, and are not as prompt as they were a year ago.

Like other textiles, cotton goods have been in from poor to fair request during the past month. Although the wide disparity in price between spot and October cotton was largely eliminated, continued fluctuations in raw cotton quotations on new crop months, caused buyers to operate mainly on a hand to mouth basis. But demand



The condition of the cotton crop has been poorer than the ten-year average, in each of the last three years and in 1921 and 1922 marked depreciation occurred during August and September

Source—Department of Agriculture

was stimulated somewhat by the bullish government cotton report, and some future orders were booked. Many producers, however, have refused to consider business for delivery in the last quarter of the year at the prevailing quotations. More trading in gray goods, mainly in print cloths, is reported. Orders for most cotton goods are smaller than usual at this period of the year, and of the business on the books nearly all is for delivery within 60 days, although some mills state that about 25 per cent is for shipment after that period.

Keen foreign competition, principally British and Japanese, has reduced United States exports of gray goods. It will be noted in the following chart that in June, 1921, exports of unbleached cotton cloth from this country were 40 per cent as large as those from Great Britain. But since that date the margin has widened, and in June, 1922 and 1923 our exports of the same goods were respectively only 19 and 8.8 per cent as great as those of the United Kingdom. Total cotton

are operating at from 50 to 60 per cent of capacity, on the average, although a few plants are running three-quarters or more of their equipment. Stocks of finished goods are, in general, moderate and stationary, but some manufacturers state that they are light and others report them to be heavy. Raw materials are moderate and are either stationary or decreasing. Labor, both skilled and unskilled, has been adequate for the most part, and wages have been changed in but few cases.

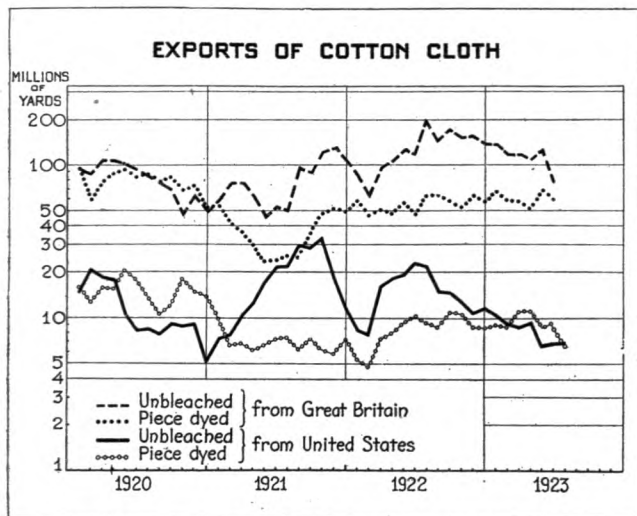
A number of manufacturers state that prices are lower than they were last month. But increased inquiries and orders, following the publication of the government cotton report, caused quotations on many kinds of print cloths, sheetings, and other goods to strengthen. Cancellations and requests for postponed shipments were received by one-half of the mills reporting to this bank.

Collections, which are only fair, are either unchanged or slower than they were last month.

WOOL

The local raw wool market has continued quiet during the past month. Openings of light-weight woolen and worsted goods have as yet failed to increase the demand for the raw material appreciably. Consequently, sales have been small and mainly to fill current needs only. Some dealers report that three-eighths blood wool has sold better than other grades.

In a preliminary estimate, the Department of Agriculture announced on August 1 that the United States wool clip for 1923 would approximate 228,031,000 pounds, as compared with 220,155,000 pounds in 1922 and 223,062,000 pounds in 1921. Part of this wool has

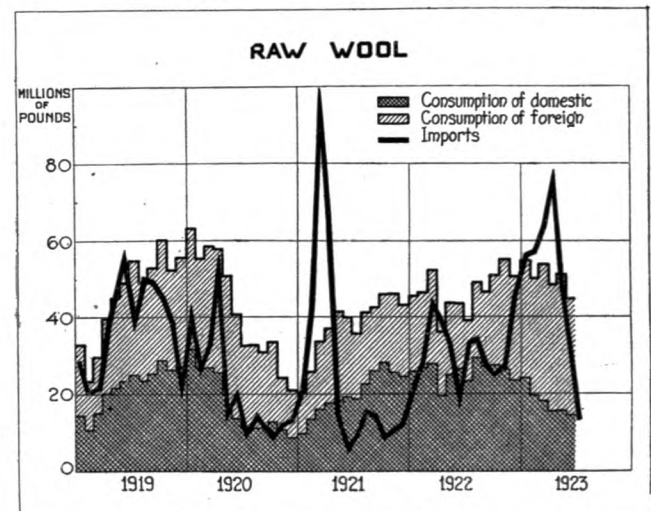


The decline in the exports of unbleached cotton cloth from the United States during the past year is largely attributable to foreign competition. At the same time there has been an increase in the proportion of piece-dyed goods exported

Sources—Department of Commerce and British Government Reports

cloth exports from the United States during the fiscal year ending June 30, 1923, decreased 11.73 per cent in quantity, but increased 12.46 per cent in value, as compared with those of the preceding year. The greater valuation has been due not only to higher prices prevailing in this country, but to the fact that a larger percentage of finished goods than of grays has been exported. As shown by the chart, piece-dyed goods have been exported from the United States in an increasing proportion as compared with unbleached cotton cloth. From March to July of this year exports of the former have exceeded those of the latter for the first time since February, 1921.

Because of the slack demand, mills in this district



The recent peak in receipts of foreign wool was exceeded only in March 1921, when anticipation of the Emergency Tariff caused exceptionally large imports. Especially significant is the larger proportion of foreign wool consumed in 1923

Source—Department of Commerce

already been sold, but because of the inactivity of western markets, considerable quantities have been shipped to the east on consignment. As a result, stocks of raw wool in the hands of dealers have increased and in a number of cases are reported to be fairly heavy.

During the latter part of 1922 and the early part of 1923, the consumption of wool in the United States was greater than at any time since 1920, as shown by the accompanying chart. But during June the curtailment of operations by many mills was reflected in the smaller quantity of wool consumed. Since August, 1922, consumption of domestic wool has steadily decreased, and since November, 1922, the greater proportion of the wool consumed has been of foreign origin. Imports of wool increased sharply during the last quarter of 1922 and the early part of 1923, and from January to May substantially exceeded the total consumption of wool, both domestic and foreign, for the only time since the first quarter of 1921. Stocks of foreign wool are large, but they have been reduced somewhat by reshipment to foreign ports. Heavy imports in 1921 were due to anticipation of the duty imposed by the Emergency Tariff Act.

The London wool auctions will not be resumed until September 4. At the fourth series prices were reduced from 5 to 10 per cent, but some withdrawals were made, owing to unsatisfactory bids. Prices in this country have also receded from the peak quotations, and because of some concessions they are still rather weak. Many of the low grade wools have been reduced in price relatively more than the fine and medium qualities.

During the past month little change has occurred in the demand for woolen and worsted yarns, which in general have been in poor request. **Woolen and worsted yarns** Manufacturers have continued to buy cautiously, mainly for current requirements and have in many cases asked for immediate delivery. The size of the individual order is reported to be much smaller than usual at this time of the year. However, inquiries are increasing, and in a few cases in which prices have been reduced sufficiently, a fair amount of future business has been booked. A number of spinners state that manufacturers have demanded a lower grade of yarns for sweaters and bathing suits. Carpet yarns have been in fair request. Nearly all of the business on the books is for delivery within the next 60 days, but a few mills have succeeded in booking some orders for shipment after that period.

Yarn values have begun to reflect the continued poor demand, and although many of the reports received by this bank state that quotations have not been changed, the majority indicate that they have been reduced. Complaints are made that because of increased costs, these concessions mean only a very small profit

to the spinner, or even a loss. Few cancellations have been received, but many requests to postpone shipments, especially from the weaving trade, are reported.

Operations vary, some spinners having curtailed production, while others are still running most of their equipment. The average is from 80 to 85 per cent of capacity. Wool consumption in this district, as reported by 81 establishments, decreased 13.8 per cent in July from the June figure. Most plants have hesitated to accumulate stocks of finished goods, which as a rule are moderately light. Stocks of raw wool range from light to moderate and are decreasing. Skilled and unskilled labor has been sufficient and wages are unchanged.

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

Business in woolen and worsted goods is still unsatisfactory for the most part, although some manufacturers report that the demand has increased since last month. **Woolen and worsted goods** Buyers of men's wear have shown little inclination to purchase additional fall goods and in some instances have refused to accept the goods they had previously ordered. Owing to the popularity of the woolen pile fabrics, dress goods have been in better request than men's wear. Fabrics for infants' wear have sold actively. Because of the hand to mouth character of the buying, orders on the books are mainly for delivery within 30 or 60 days, and some mills have very few orders at all.

During the past month most manufacturers of men's wear and many producers of dress goods have held their openings of spring fabrics. But as yet comparatively few orders for the former have been received. On July 31 the American Woolen Company displayed its light-weight lines of women's wear at advances in price over those of a year ago ranging from 1 to 5.8 per cent. The response of buyers was reported to be excellent, and on August 4 these goods were withdrawn from sale. This is in marked contrast to the poor demand which followed last month's opening of men's wear goods by the same company.

Production schedules of different mills vary widely. A number of plants are operating at capacity, but many manufacturers are running little more than half of their equipment. This curtailment has largely prevented the accumulation of stocks of finished goods, which though at present moderately light, are either stationary or increasing. Stocks of raw material in mill hands range from light to moderate and are stationary or decreasing. Skilled labor is now reported to be scarce in only a few cases, and unskilled help is in adequate supply.

Manufacturers are still meeting with resistance to present prices, but quotations on fall goods are in general the same as they were last month. However,

because of increased costs, prices on light-weight fabrics for spring have been increased by many producers over those of a year ago.

Collections have slowed up since last month and are only fair.

SILK

In general, the raw silk market has been quiet during the past month and sales have been small. Silk goods were in dull demand, and because of the continued fluctuation of raw silk values, manufacturers showed little inclination to anticipate future requirements. Moreover, owing to the incoming crop, silk stocks in Yokohama have increased, and, according to H. L. Gwalter, were 35,000 bales on August 20. Consequently, prices of raw silk have declined, quotations on Kansai double-extra cracks reaching \$7.60 a pound on August 1, the lowest price since June, 1922, and 24 per cent less than the peak quotations in April and May. However, following August 1 a short buying movement occurred and prices strengthened somewhat. This was probably due to cable advices from Japan to the effect that many reelers and dealers in that country had agreed to curtail production and maintain the values of raw silk.

The following table shows that during the past season, which ended on June 30, exports of raw silk from Japan totaled 314,500 bales, over 94 per cent of which were absorbed by the American market. Total imports of raw silk into the United States during the same period were 391,882 bales. The stocks held by the Japanese Syndicate in 1921 and 1922 have been liquidated.

| Season ending June 30 | Exports to | | Stocks | |
|--------------------------|------------|--------|----------|-----------------------|
| | America | Europe | Yokohama | Japanese Syndicate |
| 1918 | 224,071 | 33,305 | 7,000 | ..... |
| 1919 | 221,951 | 22,292 | 6,000 | ..... |
| 1920 | 241,418 | 12,079 | 23,000 | ..... |
| 1921 | 162,554 | 18,899 | 20,000 | 42,000 |
| 1922 | 279,151 | 30,672 | 8,000 | 4,500 |
| 1923 | 296,400 | 17,650 | 17,000 | ..... |

* H. L. Gwalter & Company, Inc.

According to figures of the Silk Association of America, stocks of raw silk in American warehouses on August 1 were 22,914 bales, as compared with 25,865 bales on July 1 and 27,474 bales on August 1, 1922. Imports and deliveries to mills, however, increased from 23,727 bales and 27,824 bales respectively on July 1 to 25,622 bales and 28,572 bales on August 1. The monthly average of deliveries to mills for the first seven months of 1923 was 31,932 bales, which compares with an average of 27,866 and 27,808 bales for a similar period in 1921 and 1922.

Lack of confidence in the raw silk market has caused manufacturers to restrict their purchases of pure thrown silk to small quantities mainly for immediate needs. Like that for silk goods, the demand has been only poor or fair, and many throwsters report that it has decreased since last month. However, after the middle of August, some throwsters have reported increased inquiry and a better request. Of the business on the books, nearly all is for shipment within the next 60 days, although a few plants have orders that are to be delivered in from 60 to 90 days.

During the month prices have been weak, and some throwsters have reduced them in keeping with the lower quotations on raw silk. In this district many establishments are running only from one-half to two-thirds of their equipment. Stocks of both finished goods and raw materials are either stationary or decreasing, but supplies of the former range from light to moderate, while stocks of the latter are light. Skilled and unskilled labor is still in insufficient supply, but wages remain unchanged.

Collections, which are only fair, are either unchanged or slower than they were last month.

During the past month the demand for silk goods has been from poor to fair, largely because of the fluctuation of raw silk prices, which on August 1 reached the lowest point since June, 1922. Buying has been mainly for immediate needs, though in some instances where sufficient concessions were granted, a fair amount of future business was booked. The size of the individual order was, as a rule, much smaller than is usual at this period of the year. The various crêpes continued in best demand, but there was an increasing interest in satin-finished goods. Sales of satin to the drygoods and shoe trades are reported by some manufacturers to have shown marked improvement over those of last year. Nearly all business on the books is for shipment within the next 60 days, but some producers state that from 20 to 40 per cent of their orders are for delivery after 60 days.

Plant operations in this district vary from 25 to 100 per cent of capacity, the average being from 65 to 75 per cent. Mill stocks of finished goods are stationary or increasing and now range from moderate to heavy. But manufacturers are buying only small quantities of raw silk, and their stocks of raw materials are moderately light and are either stationary or decreasing. Some scarcity of labor, both skilled and unskilled, is still reported, but as a rule the supply is adequate. Wages in general remain unchanged.

Quotations on silk goods are from 5 to 10 per cent lower than they were last month, and are still weak. One-half of the plants reporting to this bank have received cancellations of orders, but they are in general for unimportant quantities. Requests to postpone shipments have also been received.

**Raw
silk**

**Thrown
silk**

**Silk
goods**

Collections are now only fair and in general are slower than they were a month ago.

HOSIERY

The hosiery business continues to be very uneven, some mills having received a fair business, but others complaining that the market is unusually dull. It is probable, however, that the total business is not far from the average for this season of the year. A declining market is seldom one of large transactions, and because of the industry's great productive capacity, it may be that until prices become more stable, reports of poor business will be received.

The prices of silk and cotton yarns have again declined, and on this account many manufacturers have named lower prices for their hosiery. Some, however, have not changed quotations, stating that as their earlier prices were based on yarns below the then existing levels, the present decline has only brought yarns down to their base price.

A considerable quantity of hosiery for infants has been sold for next spring, but some buyers, appearing to be alarmed by the reductions in quotations made by a number of manufacturers shortly after the opening of the season for infants' hosiery, have refrained from purchasing. The demand for cotton hosiery for the Argentine has ceased. The main reason for that buying was an increase in the tariff in that country and the desire to get goods in before the change became effective. Reports from Buenos Aires state that the stock on the market is large.

Women's chiffon stockings are in increasing demand for fall wear, but wool and silk mixtures, which should be active at this season, are in only fair request. In the regular silk lines, full-fashioned hosiery is more active than seamless, but comparatively few of the mills making either variety are working at capacity. Men's half hose continue to sell more freely than women's hosiery, and a number of mills making the former are running on full time.

The Department of Commerce reports that 313 hosiery establishments, representing 391 mills in the United States, produced 4,196,623 dozen pairs during June, as compared with 4,563,466 dozen pairs in May, and that unfilled orders on June 30 were 10,145,426 dozen pairs, as against 10,490,063 dozen pairs on May 31.

In the Third Federal Reserve District the reports from hosiery manufacturers tabulated below show that production in mills selling to the wholesale trade decreased 12.6 per cent in July, as compared with June, and that in mills selling to the retail trade the falling off was 12.3 per cent. Unfilled orders on July 31, as compared with June 30, show a decline of 15.5 per cent in the wholesale mills and of 15.8 per cent in the retail mills.

HOSIERY INDUSTRY Third Federal Reserve District

| In terms of dozens of pairs | July, 1923, compared with June, 1923 | July, 1923, compared with July, 1922 |
|------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Firms selling to the wholesale trade: | | |
| Number of reporting firms—33 | | |
| Product manufactured during month | -12.6% | + 13.4% |
| Finished product on hand at end of month | + .8 " | + 34.5 " |
| Orders booked during month.... | -23.7 " | - 26.6 " |
| Cancellations received during month | +17.0 " | +524.1 " |
| Shipments during month | -18.2 " | + 7.0 " |
| Unfilled orders on hand at end of month | -15.5 " | + 40.0 " |
| Firms selling to the retail trade: | | |
| Number of reporting firms—9 | | |
| Product manufactured during month | -12.3% | + 3.2% |
| Finished product on hand at end of month | + 4.5 " | + 5.8 " |
| Orders booked during month.... | +19.1 " | + 24.2 " |
| Cancellations received during month | +34.7 " | + 51.8 " |
| Shipments during month | -23.4 " | - 11.5 " |
| Unfilled orders on hand at end of month | -15.8 " | + 7.5 " |

UNDERWEAR

Sales of underwear for the spring of 1924 have been in considerable volume, and some mills are booked for a large part of their productive capacity. Men's balbriggans appear to have met with a better demand than other lines, but sales of ribbed wear have been numerous. Women's wear has not sold as freely as men's. Prices obtained are for the most part from 10 to 15 per cent higher than at the opening a year ago, and deliveries in some cases extend as far ahead as April.

Orders for winter underwear for shipment in October and November have been placed, but the volume of business has been somewhat smaller than was expected, in view of the fact that the jobbers were known to have sold a large part of their early purchases. It has been reported, however, that they have received numerous requests from retailers for postponed delivery, and that this has led them to fear that ultimately some business may be cancelled and to hesitate to make further commitments until the present uncertainty is removed.

The price of cotton yarns has declined during the month but that of underwear has not changed, as manufacturers state that their quotations were not based on high yarn prices. Stocks of underwear in mills are in most cases said to be moderate or heavy, but in some instances this is because large contracts have been taken which call for September shipment and goods have been made up in advance. A few reports of scarcity

in skilled labor have been received, but no change in wages has been made.

Collections are said to be either good or fair in most of the reports, but a few state that they are slow.

In the following table the reports of firms in the Third Federal Reserve District are summarized. The effect of the opening of the lines for next spring is reflected in the increase of unfilled orders at the end of July, as compared with those of a month earlier.

UNDERWEAR INDUSTRY
Third Federal Reserve District

| In terms of dozens | July, 1923, compared with June, 1923 | July, 1923, compared with July, 1922 |
|------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Summer underwear: | | |
| Number of reporting firms—11 | | |
| Product manufactured during month | - 10.0% | + 199.1% |
| Finished product on hand at end of month | + 31.5 " | - 9.4 " |
| Orders booked during month.... | + 90.2 " | + 13.4 " |
| Cancellations received during month | | |
| Shipments during month | - 6.8 " | + 140.6 " |
| Unfilled orders on hand at end of month | + 20.0 " | + 71.4 " |
| Winter underwear: | | |
| Number of reporting firms—5 | | |
| Product manufactured during month | + 3.7% | + 40.8% |
| Finished product on hand at end of month | - 11.8 " | - 4.5 " |
| Orders booked during month.... | | |
| Cancellations received during month | | |
| Shipments during month | + 50.2 " | - 37.2 " |
| Unfilled orders on hand at end of month | - 9.2 " | + 80.3 " |

FLOOR COVERINGS

Manufacturers of carpets and rugs report that the total of new orders taken during the month has been small and that cancellations have increased. Some orders have been scaled down, and numerous requests have been received to postpone delivery. This mid-summer dulness, however, is by no means unusual. Retail sales of rugs, in conjunction with the August furniture sales, are stated by some to be smaller than was expected. The question of price is also said to enter into the situation, for although it is too early to say what the new quotations in October may be, many buyers are expressing the opinion that prices will not be higher than those prevailing at present, and may be lower. These opinions appear to be based upon the easier situation in the raw material markets. Cotton yarns have declined sharply, and woolen yarns have also receded somewhat from earlier quotations.

Most mills continue to operate at capacity, but some have reduced operations because of lack of orders.

Stocks are increasing and are reported to vary from moderate to heavy. A number of mills, however, continue to be sold up and have no excess stocks. Collections are generally said to be good, but some firms report they are only fair.

Linoleum plants are still operating at capacity and are well supplied with orders, although in some instances new bookings have decreased. The demand is for both felt and cork-base goods. An especially large business in the former is reported by firms selling in the agricultural districts. Complaints of late shipment by manufacturers are still received but are not as numerous as they were a month ago. Collections in certain parts of the south are slow, but otherwise they are prompt.

Labor in nearly all branches of the manufacture of floor coverings is now sufficient, and no wage changes are reported.

FURNITURE

Reports from furniture manufacturers indicate that conditions in the industry have shown little or no change during the past few months. In most instances demand is reported as being only fair and but little changed since last month. In some cases, indeed, the volume of purchasing is less now than it was either last month or last year. But the majority of producers state that current business is as good as it was at this time last year, or even better. The present slackness is undoubtedly, in part at least, a seasonal condition, but uncertainties as to price are also no doubt responsible for the hesitancy of buyers. It is quite noticeable, for example, that buyers are covering only their immediate needs. Order, in many instances, are for smaller quantities than they were last year, and purchasers are in general demanding prompt delivery. From 90 to 95 per cent of the orders now on the books of manufacturers in this district are for delivery within 60 days. Cancellations are no larger than usual, however, and but few requests are being received for postponement of shipments. Prices of furniture, in general, are reported as being the same as those of a month ago, but some manufacturers report lower quotations on certain raw materials. Collections are only fair and are rather slower than they were last month.

Production has been curtailed somewhat since early spring, but most manufacturers report that factory operations are being maintained at from 75 to 85 per cent of capacity. In several instances plants are being operated at or near capacity, especially by those manufacturers who have special contracts for furnishing hotels and apartments. Stocks of both finished products and raw materials are in most cases moderate. As to raw materials, the majority of manufacturers report that they are decreasing or are stationary, whereas stocks of finished furniture have in many instances increased.

The labor situation is considerably easier. Although many employers still report difficulty in obtaining sufficient numbers of skilled workmen, the supply of unskilled labor is adequate, which affords a marked contrast to the situation in April and May. Employment at the 17 furniture factories reporting to this bank declined more than 3 per cent from June to July. Also indicative of the easier labor situation is the fact that increases in wages have practically ceased. Average weekly earnings, as reported to this bank, reached a high level for the year of \$25.24 in June but declined in July to \$23.68.

LEATHER

After a month of steady prices, during which the turnover was of fair size, hides weakened about the middle of August and lost a large part of the advance in price recorded since the end of June. Comparatively few of the hides traded in have been for manufacture into sole leather, the majority sold being of selections more suited for other purposes. Light native cow hides are still 2 cents per pound above the June low price of 10 cents, but heavy Texas steers and butt brands are only ½ cent per pound higher than their June lows of 12½ cents. Country and small packer hides have weakened in sympathy with large packer hides, and Argentines are also weak.

Calf skin prices are firm, and inquiries are fairly numerous. Light-weight skins suitable for the making of suede leather are in particularly good request and are commanding a premium. Goat skins have ceased to decline, and although trading in them has not been active, tanners are buying more freely than they have for several months. India is still in the monsoon season, but reports from that country state that the weather is improving and that by September the quality of the skins will be better.

Although the leather markets as a whole continue to be dull, the volume of business has increased over that of a month ago. Shoe manufacturers are buying only for immediate needs, the individual order is small, and the tanners are still carrying the great bulk of the stocks of leather. In heavy leathers, curtailment of production not only continues but has increased. The full effect of this, however, has not yet become effective in the leather market, owing to the length of time required for tanning, and total stocks of heavy leather at the end of June showed a further increase, although stocks of offal are slightly lower. The figures compiled by the Department of Commerce indicate that the changes in the month of June were as follows:

| | | |
|------------------------------|------|----------|
| Backs, bends and sides..... | +1.7 | per cent |
| Belting, butts | +4.0 | " " |
| Offal, sole and belting..... | -1.1 | " " |

As time passes, the lack of a steady export demand is becoming more keenly felt and is particularly noticeable in the unbalanced prices of shoulders, bellies, and heads, as compared with butts, notwithstanding the fact that No. 1 butts have declined from a top price of 75 cents to 70 cents.

Leather belting sales have kept up fairly well during the last two months, and the volume has exceeded expectations. The decrease in general manufacturing activity since April has not been reflected in the billings of belting, and the large total of these sales is said to be partly the result of an increase in the use of leather for belting. Manufacturers, however, have now caught up with their orders, and at present the business is largely from hand to mouth. Harness leather is dull, but prices hold fairly firm.

In upper leathers, suede calf in brown and black is in greatest request and has advanced in price in the face of an otherwise weak leather market. Tanners are unable to supply the demand, and it is reported that some shoe manufacturers in an effort to secure this stock have placed orders for their needs with a number of tanners. Grain calf leather in brown for both men's and women's shoes is in fair demand, and patent leather, although not in as great request as during last season, is selling in considerable quantity. Kid leather has been dull, the call for neutral shades, such as field mouse and beige, has decreased sharply, and neither black nor brown kid, although in slightly better request than a month ago, is selling actively. A few fairly large sales of black kid are reported, but these have only been made possible by the granting of considerable concessions in price.

According to figures compiled by the Department of Commerce, the following are the changes in the stocks of upper leathers during June:

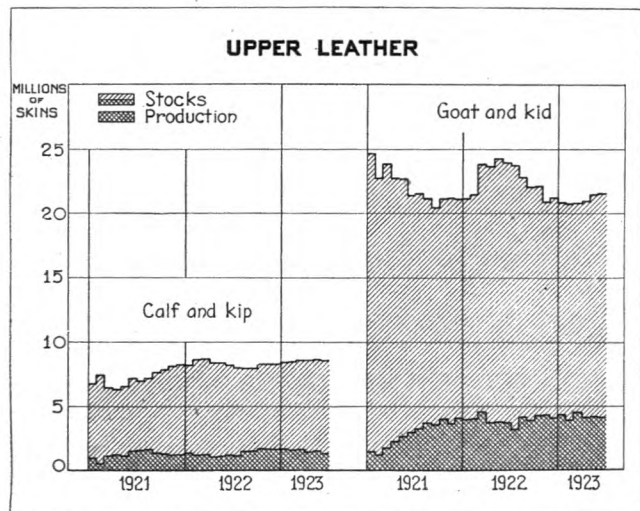
| | | |
|--------------------|------|----------|
| Cattle side | - .4 | per cent |
| Calf and kip | -1.7 | " " |
| Goat and kid | +1.6 | " " |
| Cabretta | -4.1 | " " |

A study of leather exports reveals the fact that exports of calf leather have been larger since 1921 than in the pre-war years, but that in kid leather the reverse is true, and that shipments of this have in late years been much smaller than they were before the war. Figured in square feet, the average monthly exports of calf leather were 775,204 in 1913, 967,761 in 1921, and 1,839,777 in 1922; and of kid leather were 8,190,581 in 1913, 2,425,445 in 1921, and 3,495,042 in 1922. A comparison of the prices of calf and kid leathers in 1913 and at the present time may give the explanation of the reversal in exports. In 1913, when the average price of No. 1 calf leather was about 32½ cents per foot, that of the top grade of black kid was 35 cents. During the past year the prices of these leathers have varied but little, and the quotations have been

about 45 cents per foot for calf leather and 75 cents per foot for kid leather of the same grades as quoted for 1913—an increase of about 37½ per cent for calf and of 115 per cent for kid.

Labor in the tanneries is in good supply, and wages are unchanged. Collections are from fair to good.

The accompanying chart shows the monthly production and stocks of two of the principal leathers used in shoe uppers:

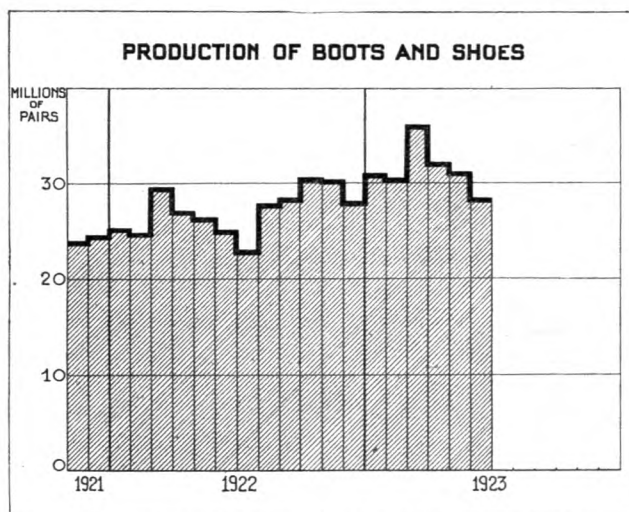


Since 1921, stocks have been high relative to output, being equivalent to from four to six months' production
Source—Department of Commerce

Shoe manufacturers in this district report that both wholesalers and retailers are purchasing very cautiously and only for early shipment. Most of the factories, however, have secured sufficient orders to keep them busy at their present rate of production until the end of September, and a few have orders extending into October. Salesmen are now home and will not start out on the road until about Labor Day. Prices, for the most part, are unchanged, but slight reductions have been made by some manufacturers of cheap lines. Keds, however, are higher. The heavy demand for suede footwear for women has resulted in an advance in the price of that leather and a small increase in the quotations on shoes made of it.

In women's lines the demand for suede shoes overshadows that for all others, but patent-leather shoes with numerous cut-outs and varied trimmings, continue to sell in fair volume. Satins, however, have become less active. The price of leather has been fairly steady, although it is reported that sales of black kid have been made at concessions, and that sole leather prices, too, have been shaded in order to close large transactions. Cotton goods for linings are lower.

Stocks of shoes in manufacturers' hands are moderate. Except for a few reports of shortage of skilled labor in the fitting room, the supply of labor has been sufficient, and wages are unchanged. An increasing



Production in each month of 1923 has largely exceeded that in the corresponding months of 1922, and the seasonal variations have been similar in both years
Source—Department of Commerce

number of firms complain that collections are poor, although others find no difficulty in securing prompt settlement of accounts. The accompanying chart shows the production of shoes in the United States by months since November, 1921. Considerable comment has been heard in the trade to the effect that the decrease in production during June, 1923, as compared with May, is evidence of a poor shoe business. In June the output was 28,196,000 pairs and in May, 30,926,000 pairs, a loss of 9.1 per cent. But as compared with June, 1922, when the production was 24,831,000 pairs, there was an increase of 13.2 per cent.

In the following table, compiled from the reports of firms in the Third Federal Reserve District, it will be seen that production in July decreased 9.8 per cent from that of June. This was caused in large part by the usual shut-down in the first week in July for inventory and repairs. In July, 1922, however, the production was 34.6 per cent smaller than in this July.

BOOT AND SHOE INDUSTRY
Third Federal Reserve District

| Number of reporting firms—33 (In terms of pairs) | July, 1923, compared with June, 1923 | July, 1923, compared with July, 1922 |
|-----------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Product manufactured during month | - 9.8% | +34.6% |
| Shipments during month..... | -10.3 " | +22.4 " |
| Orders booked during month..... | -28.7 " | -11.6 " |
| Orders on hand at end of month... | -10.9 " | +17.8 " |
| Cancellations received during month | + 4.8 " | -26.2 " |
| Stocks (unsold) on hand at end of month | + 5.6 " | - .5 " |
| Number of operatives on payroll... | + .9 " | +13.9 " |

Shoes at wholesale are in fair demand, and sales for August and September shipment are said to be larger

than those of a year ago. From the table on page 10 it will be seen that sales in July were 35.8 per cent greater than in July, 1922, but showed a seasonal decrease of 20.8 per cent as compared with those of June.

Retail shoe sales during August have, as usual, been small, and the reduction sales have been only partially successful in clearing off left-overs from the past season. The accompanying table indicates that sales in July were 38.2 per cent smaller than in June and were larger than in July, 1922, the increase amounting to 2.5 per cent. Stocks have decreased somewhat as compared with those of a year ago, but are moderately large.

RETAIL SHOE TRADE
Third Federal Reserve District

(In terms of dollars)

| | |
|-------------------------------------------------------------------------|--------|
| 1. Net sales: | |
| (a) July, 1923, as compared with June, 1923.... | -38.2% |
| (b) July, 1923, as compared with July, 1922.... | + 2.5" |
| 2. Stocks (selling price): | |
| (a) July, 1923, as compared with June, 1923.... | - 6.4% |
| (b) July, 1923, as compared with July, 1922.... | - 7.9" |
| 3. Rate of turnover (times per year based on cumulative period): | |
| (a) July 1 to July 31, 1923..... | 3.0% |
| (b) July 1 to July 31, 1922..... | 2.6" |
| Number of stores reporting above items: | |
| 1..... | 22 |
| 2 and 3..... | 19 |

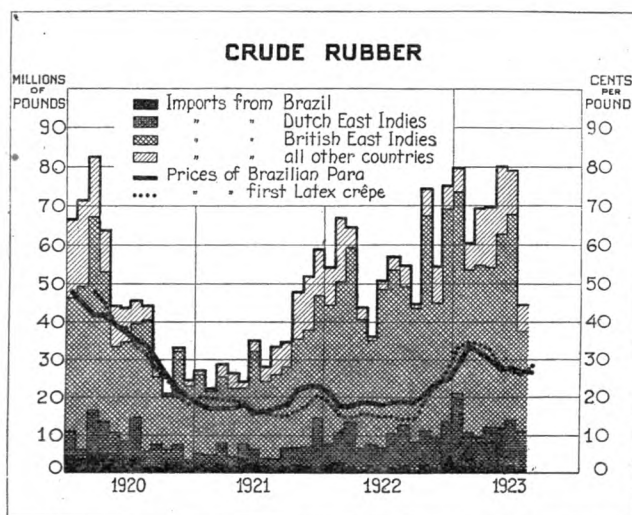
RUBBER

Heavy imports and a curtailed demand for crude rubber resulted in a decrease in the price of first latex crêpe of about 30 per cent from February to July. Toward the latter part of July, however, a short buying movement caused quotations to strengthen somewhat, and in spite of the decline, prices, as shown by the following chart, are considerably higher than they have been in the past two years. The sharp rise which occurred in 1922 was largely due to the Stevenson restriction plan. Previous to the inauguration of this plan, the prices of first latex crêpe or plantation rubber, which is a product of the East Indies, were lower than those of Brazilian Para, but when the plan went into effect, they rose more quickly, and to a higher level than did the prices of the latter.

Notwithstanding the higher quotations, imports of crude rubber into the United States during the first half of 1923 were much larger than during a similar period in 1921 and 1922. But as a result of the poor

demand, imports dropped sharply in July. The greater percentage of rubber imported from "all other countries" has largely been due to heavy shipments from the United Kingdom, where stocks have in consequence been materially reduced. An increasing proportion of rubber has been imported from the Dutch East Indies, which are not directly subject to the restriction plan. During the first seven months of 1923 14.9 per cent of our total imports came from that source, as compared with 12.5, 12.1, and 13.4 per cent during similar periods in 1920, 1921, and 1922.

Because crude rubber prices have not been maintained at the level prescribed under the Stevenson plan, it is reported that the standard export percentage will be reduced from 65 to 60 per cent.



In spite of higher prices caused by the Stevenson restriction plan, imports of rubber into the United States during the first half of 1923 were much larger than in the corresponding period of the preceding three years

Sources—Department of Commerce and Dun's Review

During the past month mechanical rubber goods have for the most part been in fairly good request, but sales in a number of cases have decreased. This is partly due to seasonal factors, but many consumers are buying more conservatively. However, total sales for the first half of this year have in most instances substantially exceeded those for a similar period in 1922. Both transmission and conveyor belting are reported to have been in fair request, and the demand for hose has been excellent. Garden hose has sold especially well. Of the orders on the books, about three-quarters are for delivery within 60 days.

In general, factories making mechanical goods in this district are operating at from 75 to 100 per cent of capacity. Mill stocks of finished goods are moderately light and are either stationary or decreasing. Supplies of raw material range from light to moderate and are stationary. Both skilled and unskilled labor are reported to be in adequate supply.

Prices have been changed in but few cases, which is in marked contrast to the fluctuations in the prices of tires. Collections are only fair.

The tire industry has been in a very unsettled condition during the past few months. Under the spring dating plan, dealers had bought large quantities of tires in the expectation of a heavy demand from consumers. But the cold spring weather retarded sales, and dealers were carrying surplus stocks of tires when in June prices were reduced. As a result, the demand from dealers was greatly curtailed. Recently, however, some manufacturers report that there has been a slight improvement in sales.

As shown by the following table, production has been considerably reduced. During June the output of pneumatic casings dropped 19.2 per cent, and at the end of that month stocks were heavier than at any time this year or in 1922. Shipments during June, 1923, were 20.1 per cent smaller than in June, 1922. Some tire manufacturers in this district are operating only about 50 or 60 per cent of their equipment. Collections are reported to be only fair or poor.

Pneumatic casings*

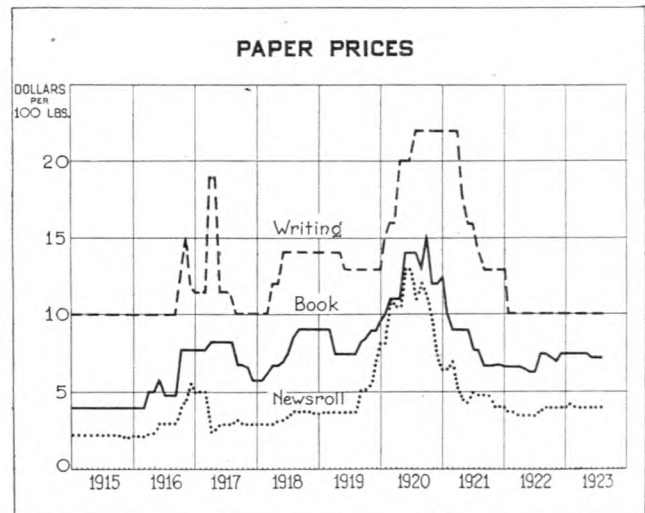
| | Inventory | Production | Shipments |
|-----------------|-----------|------------|-----------|
| 1923 | | | |
| June | 7,040,600 | 2,956,943 | 2,502,185 |
| May | 6,906,594 | 3,659,986 | 2,757,764 |
| April | 6,088,272 | 3,539,326 | 2,976,160 |
| March | 5,670,601 | 3,865,726 | 3,322,637 |
| February | 5,224,387 | 3,217,987 | 2,588,639 |
| January | 4,695,916 | 3,127,270 | 2,994,297 |
| 1922 | | | |
| December | 4,599,208 | 2,656,942 | 2,934,079 |
| November | 4,964,976 | 2,733,134 | 2,379,708 |
| October | 4,682,958 | 2,674,662 | 2,588,770 |
| September | 4,612,037 | 2,504,744 | 2,502,106 |
| August | 4,629,392 | 2,905,209 | 3,029,823 |
| July | 4,834,106 | 2,476,636 | 2,695,095 |
| June | 5,042,147 | 2,838,890 | 3,133,260 |
| May | 5,523,095 | 2,721,503 | 2,639,273 |
| April | 5,464,336 | 2,401,187 | 2,086,651 |
| March | 5,183,286 | 2,645,790 | 7,073,963 |
| February | 4,691,329 | 2,084,308 | 1,562,365 |
| January | 4,174,216 | 2,055,134 | 1,596,806 |

* Reports by about 60 manufacturers to the Rubber Association of America.

PAPER

Manufacturers and wholesalers report only a fair demand for paper and little change during the past month. Present dulness is ascribed to the usual mid-summer lull. Most of the orders now on the books of the manufacturers call for delivery within the next 60 days. Cancellations and requests for postponement of shipment are negligible.

Prices are generally unchanged although one wholesaler reports that offerings of attractive business lead



Source—Dun's Review

to concessions. Manufacturers, however, find little resistance to present prices. The above chart shows price fluctuations of news, book, and writing paper since 1915.

Stocks of paper in the hands of dealers are about normal and manufacturers report their own stocks to be moderately light with no tendency to increase. The majority are operating at close to capacity and find no difficulty in obtaining labor. Collections are good.

The American Pulp and Paper Association has published preliminary figures for June on stocks, production, etc., as reported by mills throughout the country. These figures follow:

| Figures in net tons | Number of mills | Stocks at beginning of month | Production | Shipments | Stocks at end of month |
|---------------------------|-----------------|------------------------------|------------|-----------|------------------------|
| Newsprint | 65 | 18,133 | 133,692 | 132,311 | 19,514 |
| Book | 41 | 22,690 | 43,548 | 41,625 | 24,613 |
| Paperboard (total)* | 82 | 20,267 | 86,817 | 86,153 | 20,931 |
| Boxboard * | 47 | 8,909 | 56,432 | 55,688 | 9,653 |
| Wrapping | 80 | 34,036 | 53,294 | 49,337 | 37,993 |
| Bag | 21 | 5,738 | 7,830 | 6,783 | 6,785 |
| Fine | 86 | 34,397 | 26,216 | 25,067 | 35,546 |
| Tissue | 42 | 6,904 | 9,148 | 8,555 | 7,497 |
| Hanging | 8 | 926 | 3,650 | 3,199 | 1,377 |
| Felts and building.. | 13 | 2,107 | 9,126 | 8,909 | 2,324 |

* Boxboard figures also included in total paperboard.

Only a fair call for chip and newsboard boxes is reported by manufacturers, but demand is said to be better than either a month or a year ago. The majority of the orders are for prompt delivery, and very few requests for postponement of shipments and no cancellations have been received.

Little change in prices has taken place during the past month and manufacturers are about equally divided as to whether or not there is any marked re-

sistance to present quotations. However, competition is keen.

Stocks of both finished goods and materials are moderate and stationary. Reports of operations vary from 25 per cent to 100 per cent of capacity, but the majority give 75 to 90 per cent. Labor is in sufficient supply and collections are said to be fair.

TOBACCO

Packers and dealers report a fair demand for Pennsylvania tobacco. Small manufacturers have in general restricted their purchases to immediate needs, but in some instances increased inquiry from these sources is noted. Large factors have been somewhat more active in their buying.

Packers state that little if any of the 1922 crop remains in the hands of growers. Wrappers of that crop are selling at from 25 to 30 cents per pound, and fillers at from 12 to 15 cents.

Based on a condition of 76 per cent on August 1, the estimate of the 1923 Pennsylvania tobacco crop is 56,286,000 pounds. This compares with 56,760,000 pounds last year, and with a ten-year average of 54,878,000 pounds. Dry weather has retarded growth, and it is said that the crop is three weeks late, but more recently showers have improved matters considerably.

Manufacturers who produce nationally known brands of cigars report a good demand for their products, and an increase over last month in orders received. Others find the demand to be only fair, and reports of increases and decreases, as compared with a month ago, are about equal in number. Practically all orders are for delivery within the next sixty days.

Prices are firm and the same as last month's, and manufacturers report only moderate stocks of finished products. Very few firms are increasing their stocks of cigars, and some are shipping as fast as they can be made. Raw materials on hand are in fair quantities.

| (000's omitted) | Production in first five months | | |
|-------------------------|---------------------------------|------------|------------|
| | 1921 | 1922 | 1923 |
| Cigars, large: | | | |
| Class A | 726,166 | 919,643 | 1,013,173 |
| Class B | 788,037 | 589,593 | 644,015 |
| Class C | 1,029,674 | 926,999 | 1,036,932 |
| Class D | 68,195 | 41,197 | 44,109 |
| Class E | 12,394 | 12,819 | 11,185 |
| Totals | 2,624,466 | 2,490,251 | 2,749,414 |
| Cigars, small | 311,144 | 273,685 | 232,344 |
| Cigarettes, small | 19,417 | 6,245 | 7,461 |
| Cigarettes, large | 20,428,786 | 18,521,802 | 25,272,063 |
| Tobacco (pounds) | 141,258 | 155,625 | 158,654 |

Reports of the Commissioner of Internal Revenue indicate that the total production of large cigars in May was 575,916,000, as against 532,534,000 in April and 569,209,000 in May, 1922. Moreover, for the first five months of the year the production of large cigars was likewise in excess of that for the same period in 1921 and 1922.

Some plants are operating at capacity, but the general average is 80 per cent, and some of the smaller plants are operating at as low as 50 per cent. Skilled labor is available in sufficient quantities, but some scarcity of unskilled workers is reported by several factories, with the result that a number of wage increases during the past month have been granted to the latter. The index number of this bank shows a

United States crops August 1, 1923

| CROP | Per cent normal | Acreage | | Estimated production | | Farm price | |
|--------------------|-----------------|-------------|-------------|----------------------|--------------------|-----------------|-----------------|
| | | 1923 | 1922 | 1923 | 1922 | 1923 | 1922 |
| Wheat ..... | .... | 58,253,000 | 56,770,000 | 793,376,000 bus. | 862,000,000 bus. | \$0.842 per bu. | \$0.971 per bu. |
| Corn | 84 | 103,112,000 | 103,234,000 | 2,981,752,000 " | 2,891,000,000 " | .874 " " | .644 " " |
| Oats | 81.9 | 40,768,000 | 41,822,000 | 1,315,853,000 " | 1,201,000,000 " | .378 " " | .351 " " |
| Rye ..... | ..... | 5,234,000 | 5,148,000 | 64,774,000 " | 95,500,000 " | .544 " " | .705 " " |
| Hay | 82.6 | 76,031,000 | 74,345,000 | 97,385,000 tons | 112,800,000 tons | 11.87 " ton | 10.97 " ton |
| Apples | 63.8 | ..... | ..... | 187,501,000 bus. | 201,000,000 bus. | 1.312 " bu. | 1.336 " bu. |
| Peaches | 61.3 | ..... | ..... | 47,272,000 " | 56,700,000 " | 1.814 " " | 1.614 " " |
| Pears | 61.8 | ..... | ..... | 14,942,000 " | 18,700,000 " | " " | 1.471 " " |
| White potatoes .. | 80.5 | 3,892,000 | 4,228,000 | 379,558,000 " | 451,000,000 " | 1.227 " " | 1.148 " " |
| Sweet potatoes ... | 80.0 | 1,007,000 | 1,128,000 | 93,071,000 " | 110,000,000 " | 1.233 " " | 1.284 " " |
| Tobacco | 83.1 | 1,762,000 | 1,763,000 | 1,473,837,000 lbs. | 1,325,000,000 lbs. | .219 " lb. | .... |

decline in employment in this district by cigar and tobacco firms from 88 in June to 86 in July.

Collections are fair and show little change since last month.

AGRICULTURE

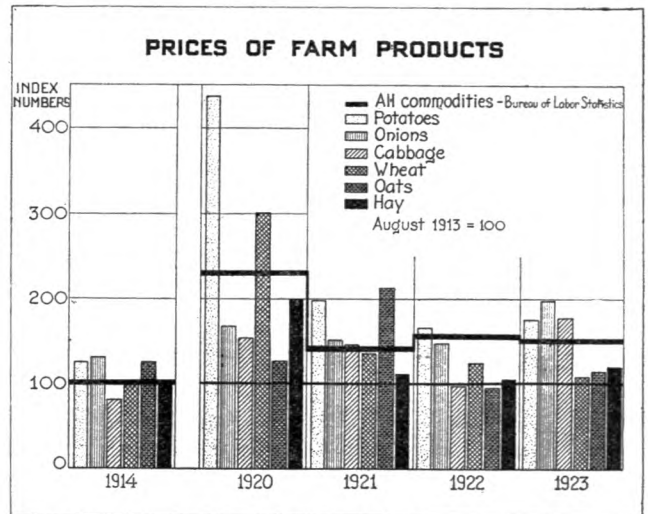
Crop conditions generally throughout the United States were slightly more promising on August 1 than they were a month previous. The Department of Agriculture's estimate of the composite condition of all crops on that date was 97.4 per cent of normal—an increase of one per cent since July 1, and .7 per cent higher than the final per acre yields last year. The total acreage planted to twenty important crops this year also shows a slight increase, .6 per cent, as compared with 1922. There is a wide variation, however, in the condition of different crops and in different sections of the country. The total estimated yield of important products in terms of last year's output is as follows:

| | | | |
|---------------|--------|----------------------|-------|
| Corn | 103.1% | White potatoes | 84.3% |
| Wheat | 92.0" | Sweet potatoes | 85.0" |
| Oats | 109.5" | Hay | 86.3" |
| Barley | 108.6" | Apples | 93.5" |
| Rye | 67.9" | Peaches | 83.4" |
| Tobacco | 111.2" | Pears | 79.7" |

The table on page 27 shows the condition, yield per acre, total production, and farm prices of important crops on August 1:

It is noteworthy that with the exception of wheat and rye, which show a marked decline from last year's prices, most other farm products are somewhat higher. Market quotations on wheat, moreover, have advanced considerably from the low levels reached in July.

In the states of the Third Federal Reserve District



Prices of wheat, oats, and hay have been close to pre-war levels during the past two years, whereas the general prices have been about 50 per cent higher than in 1914. Figures for 1923 are August 1 quotations, and other quotations are yearly averages

Sources—Department of Commerce and Department of Agriculture

the combined crop condition on August 1 was less satisfactory than in the United States as a whole. Although the total estimate for the country—97.4 per cent—was exceeded in the case of Delaware, with 98.5 per cent, crops in New Jersey and Pennsylvania were estimated at only 82.2 and 85.9 per cent, respectively. In Pennsylvania, continued dry weather during most of July caused a further decline in the condition of most field crops. Wheat improved, but corn, oats, hay, and potatoes, as well as the fruits, lost ground during July. The accompanying table gives the Department of Agriculture's statement of the condition of important crops in Pennsylvania on August 1:

Pennsylvania crops, August 1, 1923

| CROP | Per cent normal | Yield per acre | Estimated production | | |
|----------------|-----------------|----------------|----------------------|-----------------|------------------|
| | | | 1923 | 1922 | 10-year average |
| Wheat | 91 | 18.5 bus. | 24,106,000 bus. | 25,234,000 bus. | 24,197,000 bus. |
| Corn | 82 | 40.2 " | 61,315,000 " | 69,212,000 " | 64,470,000 " |
| Oats | 71 | 27.0 " | 32,079,000 " | 41,242,000 " | 39,393,000 " |
| Rye | 92 | 16.0 " | 3,632,000 " | 3,740,000 " | 4,012,000 " |
| Hay | 62 | .94 tons | 2,879,000 tons | 4,880,000 tons | 4,278,000 tons |
| Apples | 63 | .... | 10,706,000 bus. | 11,400,000 bus. | *10,731,000 bus. |
| Peaches | 69 | .... | 1,709,000 " | 1,560,000 " | *1,303,000 " |
| Pears | 57 | .... | 544,000 " | 576,000 " | 547,000 " |
| Potatoes | 68 | 78.9 bus. | 20,430,000 " | 28,512,000 " | 24,398,000 " |
| Tobacco | 76 | 1,224 lbs. | 56,286,000 lbs. | 56,760,000 lbs. | 54,878,000 lbs. |

In New Jersey, however, wheat, corn, rye, hay, and sweet potatoes showed an improvement on August 1 as

compared with a month previous, but the condition of other crops, except truck, was less satisfactory. The

New Jersey Department of Agriculture reports that a month. The condition of important New Jersey crops general betterment occurred in the condition of truck is shown in the following table: crops, owing to local showers in the early part of the

New Jersey crops, August 1, 1923

| CROP | Per cent normal | Yield per acre | Estimated production | | 10-year average |
|----------------------|-----------------|----------------|----------------------|----------------|-----------------|
| | | | 1923 | 1922 | |
| Wheat | 91 | 20.0 bus. | 1,480,000 bus. | 1,540,000 bus. | 1,515,000 bus. |
| Corn | 88 | 41.4 " | 9,761,000 " | 9,912,000 " | 10,837,000 " |
| Oats | 62 | 22.0 " | 1,496,000 " | 2,232,000 " | 2,242,000 " |
| Rye | 92 | 17.8 " | 1,157,000 " | 1,159,000 " | 1,213,000 " |
| Hay | 53 | .88 tons | 274,000 tons | 485,000 tons | 487,000 tons |
| Apples | 56 | .... | 1,789,000 bus. | 2,610,000 bus. | 2,073,000 bus. |
| Peaches | 76 | .... | 2,231,000 " | 2,000,000 " | 1,494,000 " |
| Pears | 63 | .... | 568,000 " | 405,000 " | 427,000 " |
| White potatoes | 52 | 76.0 bus. | 6,080,000 " | 16,435,000 " | 11,073,000 " |
| Sweet potatoes | 73 | 107.0 " | 2,140,000 " | 3,500,000 " | 2,515,000 " |

The present outlook for Delaware crops is considered better than in New Jersey or Pennsylvania or than in to be fairly good, except in the case of tomatoes and the United States as a whole. The table below gives potatoes, and the combined condition of all crops is the August 1 estimate of crop conditions in that state:

Delaware crops, August 1, 1923

| CROP | Per cent normal | Yield per acre | Estimated production | | 10-year average |
|----------------------|-----------------|----------------|----------------------|----------------|-----------------|
| | | | 1923 | 1922 | |
| Wheat | 92 | 19.0 bus. | 1,938,000 bus. | 1,766,000 bus. | 1,991,000 bus. |
| Corn | 88 | 33.9 " | 6,065,000 " | 5,439,000 " | 6,814,000 " |
| Oats | 70 | 24.5 " | 172,000 " | 161,000 " | 145,000 " |
| Rye | 93 | 14.0 " | 70,000 " | 70,000 " | 26,000 " |
| Hay | 60 | .90 tons | 70,000 tons | 118,000 tons | 98,000 tons |
| Apples | 72 | .... | 936,000 bus. | 980,000 bus. | 501,000 bus. |
| Peaches | 73 | .... | 203,000 " | 320,000 " | 238,000 " |
| Pears | 75 | .... | 213,000 " | 158,000 " | 176,000 " |
| White potatoes | 60 | 67.8 bus. | 610,000 " | 960,000 " | 948,000 " |
| Sweet potatoes | 80 | 116.0 " | 928,000 " | 1,720,000 " | 771,000 " |

THIRD FEDERAL RESERVE DISTRICT



DEBITS TO INDIVIDUAL ACCOUNTS Third Federal Reserve District

| | July, 1923 | June, 1923 | July, 1922 |
|--------------------|-----------------|-----------------|-----------------|
| Altoona | \$18,096,000 | \$18,860,000 | \$13,177,000 |
| Chester | 24,704,000 | 25,321,000 | 18,309,000 |
| Lancaster | 24,626,000 | 25,495,000 | 20,990,000 |
| Philadelphia | 1,495,459,000 | 1,752,826,000 | 1,416,261,000 |
| Scranton | 82,843,000 | 78,170,000 | 49,394,000 |
| Trenton | 62,353,000 | 61,290,000 | 49,782,000 |
| Wilkes-Barre | 44,393,000 | 45,500,000 | 29,081,000 |
| Williamsport | 19,058,000 | 18,619,000 | 17,411,000 |
| Wilmington | 35,617,000 | 35,922,000 | 36,323,000 |
| York | 19,411,000 | 21,110,000 | 17,588,000 |
| Total 10 Cities... | \$1,826,560,000 | \$2,083,113,000 | \$1,668,316,000 |

COMPILED AS OF AUGUST 23, 1923

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

REPLACING WORN CURRENCY THROUGH THE RESERVE BANKS

There is at present about \$4,700,000,000 of currency in circulation in the United States. While a considerable part of it at any given moment is in the safes of individuals, business concerns, or banks, yet much of it is in people's pockets or in process of passing from hand to hand, and so is subject to wear. In this country paper money, which forms about four-fifths of our whole supply of currency, is generally preferred above coin because of its lightness and convenience. But paper money wears out rapidly and has to be replaced frequently. The life of a \$5 note, for example, is on the average about ten months.

The work of keeping the paper currency in good condition is done very largely by the Federal reserve banks, which in the course of their daily business handle all forms of currency and coin, eliminating that which is unfit for further circulation. This service is a large item in their annual costs of operation.

The process of replacement ordinarily works in about this way: When a man has a worn-out bill—whether it be a Federal reserve note, a Federal reserve bank note, a legal tender note, a silver or gold certificate, or a national bank note—he takes it to his bank and receives in return for it a note fit for circulation; or, if he wishes, obtains credit for it in his deposit account. Banks which are members of the Federal reserve system ordinarily do not keep more currency on hand than they are likely to need for the day-to-day use of their customers. Accordingly, shipments of currency are constantly passing between member banks and their Federal reserve banks, and notes unfit for further circulation are usually sent along with shipments of currency, which for the time being may be in excess of requirements. Such a shipment the Federal reserve bank places to the credit of the transmitting member bank in its deposit account for use as the member bank desires. A non-member bank may also ship notes at its own expense direct to the Federal reserve bank for replacement, or, at the expense of the reserve bank as payment for cash collections.

Currency received by the Federal reserve banks in these ways is first counted and is then sorted according

to denomination and kind, and mutilated and badly worn currency is eliminated. All Federal reserve notes fit for circulation issued by reserve banks other than the one handling them are shipped immediately to the respective issuing banks, inasmuch as no reserve bank is permitted under the law to pay out notes of another Federal reserve bank. Notes of other types which are fit for use are held in the vaults until needed, and all notes which are unfit for further circulation are canceled and shipped to Washington for redemption.

Currency is supplied to banks in amounts and denominations as desired. Since much currency fit for further circulation is returned to the reserve banks, all shipments of currency cannot be made in new money, the supply of which is apportioned to the banks according to the volume of their business. A member bank draws currency from the Federal reserve bank in just the same way that an individual draws currency from his own bank, and such withdrawals are charged to its deposit account.

The volume of currency handled each year by the Federal reserve banks reaches in the aggregate a very large figure. In 1922 all twelve Federal reserve banks received from member and non-member banks \$7,755,000,000 in paper money and coin. Payments to banks amounted to \$7,629,000,000. A measure of the work involved is given by the fact that 1,431,506,000 pieces of paper currency and 2,048,942,000 coins were counted in that year.

In carrying forward these operations the Federal reserve banks now do much work which the Government formerly performed through the sub-treasuries. On May 29, 1920, an Act of Congress was approved providing for the discontinuance of the sub-treasury system, which was established in 1846, and the transfer of its currency functions to the Federal reserve banks. Although this transfer of functions brought about some increase in the cost of carrying on the currency operations of the reserve banks, the total cost of maintaining the country's currency was substantially reduced.