

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
OCTOBER 1, 1923

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## SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES

The volume of merchandise distributed during August, as indicated by railway traffic and wholesale and retail trade, was large. Production of certain basic commodities and industrial employment showed further slight decreases.

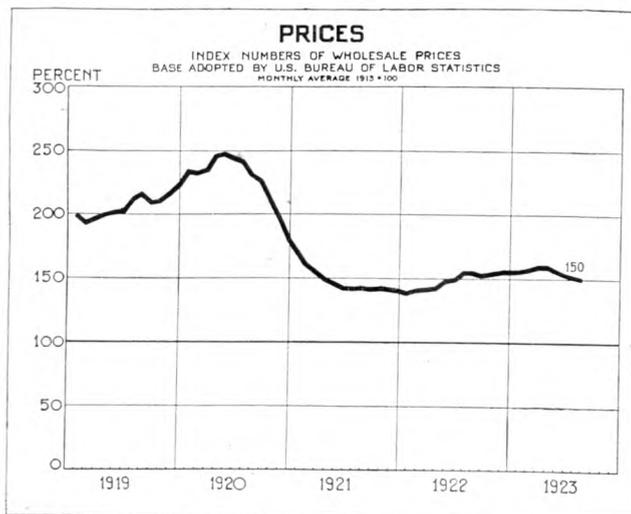
The Federal Reserve Board's index of production in basic industries declined two per cent during August, and was at the lowest point for this year. The August output, however, was 27 per cent larger than a year ago and production in every month this year has been at a higher level than in any month of the previous five years. Lower production index in August reflected reduced output, after a correction for the usual seasonal trend, of pig iron, woolen goods, flour and cement. Cotton consumption, sugar meltings, lumber cut, and bituminous coal production increased. The number and value of new building projects, as measured by permits granted in 168 leading cities, increased during August, but actual contract awards were smaller than in July.

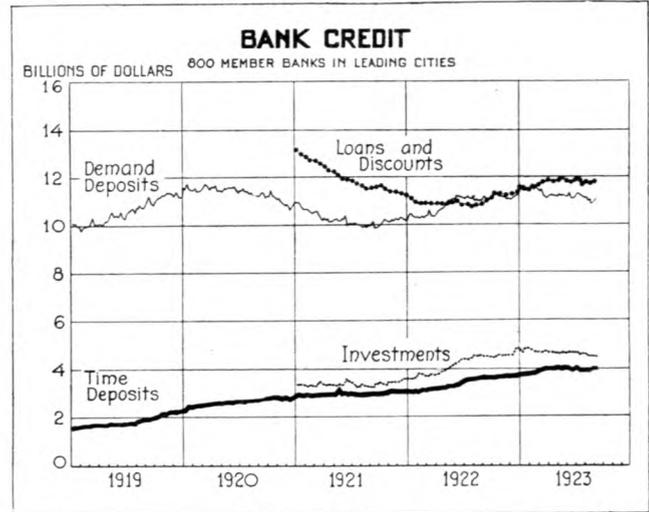
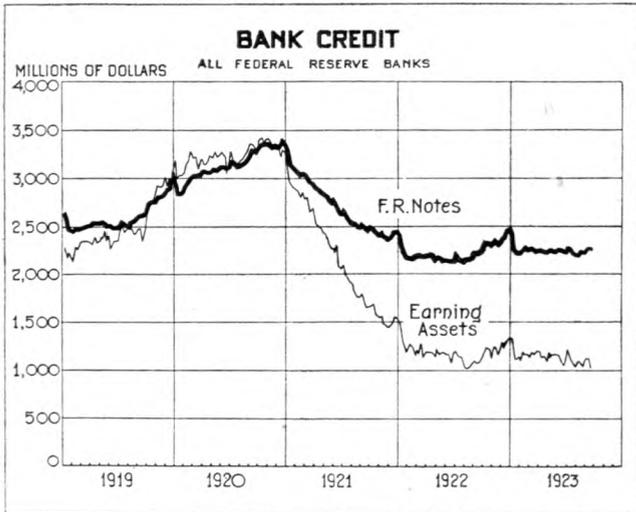
Employment at industrial establishments throughout the United States was slightly smaller in August, while average weekly earnings advanced about one per cent.

Increases in wages amounting to ten per cent were granted to anthracite coal miners, and readjustment of wages and hours in the steel industry continued, but wage advances during August were fewer than in any month since last winter.

The principal changes in crop estimates shown by the September 1 forecast of the Department of Agriculture were a large reduction in the expected cotton crop, slight decreases in the probable yield of wheat, barley, and oats, and increases of yields of corn, tobacco, and potatoes.

Railroad freight shipments were larger in August than in any previous month on record. This was due to a seasonal increase in shipments of coal, miscellaneous merchandise, and agricultural products. Wholesale trade, according to the index of the Federal Reserve Board, increased 12 per cent in August, which is more than the usual seasonal increase, and sales were the largest of any month in three years. Sales of clothing, drygoods, and shoes showed substantial gains as compared with July and were larger than a year ago. Retail trade also increased in August and sales in all reporting lines were larger





than in August, 1922. Department store sales in all sections of the country averaged 12 per cent above last year's level.

The general level of wholesale prices, according to the index of the Bureau of Labor Statistics, remained relatively constant in August, the change for the month being a reduction of less than one-fifth of one per cent, compared with declines of about two per cent in each of the three preceding months. Prices of building materials, house furnishings, and fuel were materially reduced, while prices of farm products and foods increased. Prices of certain raw materials, particularly cotton and silk, advanced substantially during September, while prices of petroleum and copper declined.

After a decline during July and the first part of August the volume of bank credit in use showed a seasonal increase during the last week of August and the first two weeks of September. Total loans and demand deposits of member banks in principal cities increased during recent weeks, reversing the trend of the preceding two months. Loans chiefly for commercial and agricultural purposes increased by \$122,000,000 and reached a high

point for the year. Investment holdings of these banks, on the contrary, continued to decline, and on September 12 were lower than at any time since the middle of October of last year.

Between August 22 and September 19 the amount of accommodation extended to member banks by Federal reserve banks in industrial districts declined, while in agricultural districts the seasonal demand for credit and currency resulted in a considerable growth of Reserve Bank credit in use.

The demand for currency arising out of crop moving and fall trade has been reflected in an increase of \$82,000,000 in money in circulation between August 1 and September 1. Of this amount about \$44,000,000 represents an increase in Federal reserve note circulation.

Money rates were firmer during the first two weeks of September, but eased somewhat after the fifteenth, partly because Government disbursements were temporarily in excess of tax collections.

The Treasury issued on September 15, \$200,000,000 of six months certificates bearing 4¼ per cent interest, compared with 4 per cent borne by six months certificates issued in June.

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## SUMMARY OF BUSINESS CONDITIONS IN THE THIRD FEDERAL RESERVE DISTRICT

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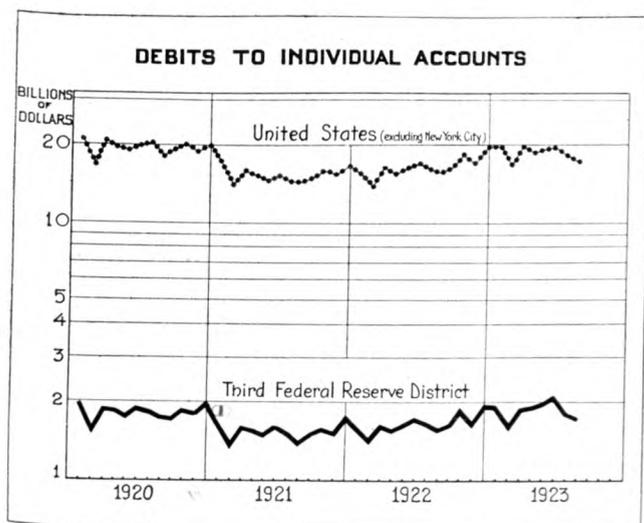
**G**RADUAL and seasonal improvement in some lines, tempered by irregularity in others, has marked the business situation since the middle of August. At the same time prices, although still fluctuating, showed a tendency to rise. In certain industries sales have not been quite up to expectations, and buyers as a rule have purchased sparingly for future delivery.

Retail sales, however, were maintained during August and continued to run well ahead of last year's; and preliminary reports for September indicate that the cool weather has brought out purchasers in goodly number. Wholesale buying was larger during August than in July and was considerably above that of August, 1922. Another measure of the activity of business is found in the volume of payments by check as reported by selected banks. The accompanying chart shows monthly debits for both the Third Federal Reserve District and the United States, excluding New York City, since

1920. It will be noted that the curve for this district follows closely that for the United States, and it is quite evident that the volume of payments this year has been maintained at a rate well in excess of that for the corresponding months of 1922.

Textile industries have been more active during the month, and both buying and production have increased. The disaster in Japan had a stimulating effect upon the silk market, but conditions are unsettled and will probably remain so until it is known how great the destruction actually was. Demand for iron and steel products has not increased as much as was generally expected, but producers are optimistic. Building permits issued in this district during August compare favorably with those in July, and most building materials are moving satisfactorily. The hide market has been more active during recent weeks, and leather has at least held its position.

Paper manufacturers report an improvement in demand, and the printing and publishing industry also is more active. In both cases, however, business is said to be running behind that of last September. Manufacturers of cigars and of confections have felt an increased demand recently, and both are booking Christmas orders in large volume. Bituminous coal has shown but slight improvement since last month, although prior to the settlement of the anthracite strike, not a few sales were made for household use. Prepared sizes of anthracite have continued in excellent request, and production was at a high rate up to the time of the strike, which caused a loss of approximately 6,000,000 tons. As was anticipated, quotations on anthracite at the mines were advanced from 60 cents to \$1 a ton soon after mining was resumed on September 19. Many crops in the district have been adversely affected by the dry summer, but recent heavy rains have improved them somewhat. Tobacco and the various fruits are in



The volume of payments by check, as measured by debits to individual accounts, although showing a seasonal decline during the past two months, has been considerably above that of last year

Source—Federal Reserve Bulletin

## SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of September 22, 1923

Third Federal Reserve District

Business	Demand	Prices	Finished stocks	Labor situation		Collections
				Supply	Wages	
Bricks	Fair	Weak	Moderate	Some scarcity	Unchanged	Fair
Cigars	Good	Firm	Moderate	Sufficient	Unchanged	Fair to good
Coal, anthracite	Good	Higher	Light	Some scarcity	Higher	Fair
Coal, bituminous	Fair	Unchanged to lower	Moderate to heavy	Some scarcity	Unchanged	Fair
Coke	Fair to good	Lower	Moderate	Sufficient	Unchanged	Fair
Confectionery	Good	Firm	Moderate	Some scarcity	Unchanged	Fair to good
Cotton goods	Fair to good	Higher	Moderate	Some scarcity	Generally unchanged	Fair
Drugs, wholesale	Fair to good	Advancing	Moderate			Fair
Drygoods, wholesale	Good	Unchanged to higher	Heavy			Fair
Floor coverings	Fair to good	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Gas and Electric fixtures	Good	Unchanged	Moderate	Some scarcity	Unchanged	Poor to fair
Glass	Fair to good	Unchanged to lower	Light	Sufficient	Unchanged	Fair
Groceries, wholesale	Good	Higher	Moderate to heavy			Fair
Hardware, wholesale	Good	Firm	Moderate to heavy			Fair
Hosiery, full-fashioned	Fair	Unchanged to higher	Moderate	Sufficient	Unchanged	Fair
Hosiery, seamless	Fair	Unchanged to higher	Moderate	Sufficient	Unchanged	Poor to fair
Iron and steel	Fair	Unchanged to lower	Moderate	Some scarcity	Generally unchanged	Fair
Leather belting	Good	Unchanged	Moderate	Sufficient	Unchanged	Fair
Leather, heavy	Poor	Unchanged to lower	Heavy	Sufficient	Unchanged	Fair
Leather, upper	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair
Lumber	Good	Weak	Moderate to heavy	Sufficient	Unchanged	Fair
Oils, crude	Fair	Lower	Heavy	Sufficient	Unchanged	
Oils, refined	Good	Unchanged to lower	Moderate to heavy	Sufficient	Unchanged	
Paint	Fair to good	Unchanged	Moderate	Sufficient	Unchanged	Fair
Paper	Fair	Contracts firm, spots weak	Moderate	Sufficient	Unchanged	Fair to good
Printing and publishing	Fair	Unchanged to lower		Some scarcity	Unchanged	Fair to good
Shoes, manufacture	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair but slower
Shoes, retail	Fair	Unchanged	Moderate			Fair
Shoes, wholesale	Good	Unchanged	Moderate			Fair
Silk goods	Fair to good	Higher	Moderate	Scarcity	Unchanged	Fair to good
Silk, thrown	Fair	Higher	Light	Sufficient	Unchanged	Fair to good
Sugar	Good	Higher	Light	Sufficient	Unchanged	Good
Underwear, heavy weight	Good	Unchanged to higher	Light	Sufficient	Unchanged	Fair
Underwear, light weight	Good	Unchanged to higher	Light	Sufficient	Unchanged	Fair
Woolen and worsted goods	Poor to fair	Unchanged	Moderate to heavy	Sufficient	Unchanged	Fair
Woolen and worsted yarns	Poor	Unchanged to lower	Light to moderate	Sufficient	Unchanged	Fair

good condition, but vegetables and grains are only fair.

The tendency to buy for immediate needs only, which has been a noticeable feature for several months, still continues. This may be explained in part by the improvement in transportation that has taken place since last fall. When deliveries are slow and uncertain, it is not unusual for buyers to place orders ahead, and even to duplicate orders. On the other hand, when deliveries are reasonably prompt, there is a greater tendency to purchase only for immediate requirements. The achievements of the railroads during the past few months have almost completely allayed fears of a tie-up in transportation, such as occurred last fall. With new records being made in freight car loadings almost weekly, there has nevertheless been a surplus of cars every week since the middle of May. The accompanying chart shows the surplus and shortage of freight cars by weeks since the beginning of 1922. That there can be both a surplus and a shortage at the same time is explained by the fact that one section of the country may have an ample supply, while another is short. The greatest shortage occurred in the latter part of October, 1922, but since then there has been a gradual improvement. And since late in May, if holiday weeks be omitted, freight car loadings have been at the rate of over 1,000,000 weekly. It is noteworthy that the volume of miscellaneous shipments and of merchandise in less than carload lots has exceeded all previous records; in fact, it is the heavy movement of these items that brings the totals to such high figures, as grain

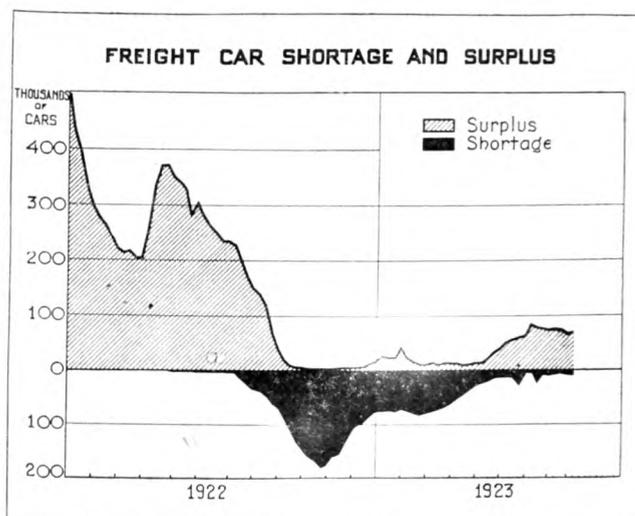
shipments have not shown as great a seasonal increase as usual.

Wholesale commodity prices, which have been declining since April, recently turned upward. Although the index of the Bureau of Labor Statistics declined one point to 150 during August, the other well-known indexes showed gains. Bradstreet's advanced from \$12.8201 on July 31 to \$12.9143 at the end of August, and Dun's rose from \$186.675 to \$187.981 during the same period. Professor Irving Fisher's weekly index of 200 commodities on September 14 was 156, as compared with the low point of 153 that prevailed during the first three weeks of August.

### EMPLOYMENT AND WAGES

Both employment and earnings in most of the industries of the Third Federal Reserve District continued to decline during August. The number of wage earners employed at 503 reporting establishments was 1.2 per cent less than in July; total weekly wages declined 3.3 per cent, and average weekly earnings 2.1 per cent. Although 22 of the 31 industries included in the survey reported declines in employment ranging from .1 to 17 per cent, in a few, notably the cotton goods, canning, glass, and chemical and paint industries, substantial increases occurred. With but few exceptions, total weekly payrolls and average weekly earnings also declined in August as compared with July. The reduction in average weekly earnings is a reflection of shorter working hours or of the hiring of lower paid workers, as wage rates were practically stationary. No reductions in wages were reported, and only a negligible number of increases. The accompanying table shows the changes in employment, payroll, and average weekly earnings in the principal industries of the district.

With the present month the scope of the monthly employment survey conducted by this bank has been extended to include the entire area of Pennsylvania, New Jersey, and Delaware, instead of only that portion of these three states included in the Third Federal Reserve District. This expansion, which has been undertaken in co-operation with the Departments of Labor and Industry of New Jersey and Pennsylvania, will enable us to publish information showing fluctuations in employment and wages in these two states and for the three states combined. The first results of this new survey have enabled us to expand our list of report-



In spite of exceptionally heavy freight car loadings during the past year, the surplus of cars has been greater than the shortage since last May. This is in striking contrast with the great shortage in the fall and winter of 1922  
 Source—American Railway Association

ing firms to more than one thousand in the three states. The number of industries or groups of industries represented in the survey has been increased from 31 to 48 of the most important in the three states. In general, the classification of industries is that used by the Census of Manufacturers, although in some instances, notably car construction and repair, and engines, machines, and machine tools, two or more census groups have been combined. The following tables show the number of plants reporting in the leading industries of the three states and the number of wage earners reported for the payroll period ended nearest to August 15, 1923, as compared with the total number of wage earners in each of these industries as given by the 1919 Census

of Manufacturers. No later figures are available showing the total number of wage earners employed in these industries, but the 1919 figures may be considered approximately representative of present employment in most industries. In a number of industries the totals for either Pennsylvania or New Jersey are not shown in order to avoid revealing individual figures. In certain instances, such as shipbuilding, total employment has declined materially since 1919; hence the present total of 7 reporting plants and 12,636 wage earners probably represents much more than 11.9 per cent of the total employment in that industry. In the next issue of the Business Review, comparative figures will be published showing the changes in employment, total wages, average weekly earnings, and wage rates in each of the industries included in the survey.

**WAGES AND EMPLOYMENT**  
**Third Federal Reserve District**

Group	Number of reporting plants	Employment			Total weekly payroll			Average weekly wages		
		July	August	Per cent change	July	August	Per cent change	July	August	Per cent change
<b>All industries (31)</b> .....	<b>503</b>	<b>196,494</b>	<b>194,138</b>	<b>- 1.2</b>	<b>\$5,118,422</b>	<b>\$4,950,536</b>	<b>- 3.3</b>	<b>\$26.05</b>	<b>\$25.50</b>	<b>-2.1</b>
<b>Metal products:</b>										
Automobile parts .....	18	5,594	5,342	- 4.5	148,659	135,283	- 9.0	26.57	25.32	- 4.7
Electrical machinery .....	18	3,246	2,900	-10.7	73,225	59,474	-18.8	22.56	20.51	- 9.1
Foundries and machine shops.....	36	5,819	5,665	- 2.6	157,717	152,109	- 3.6	27.10	26.85	- .9
Iron and steel products .....	31	20,975	20,619	- 1.7	577,665	557,247	- 3.5	27.54	27.03	- 1.9
Car construction and repair .....	9	30,826	30,909	+ .3	980,760	974,456	- .6	31.82	31.53	- .9
Shipbuilding .....	5	11,570	11,019	- 4.8	314,714	296,906	- 5.7	27.20	26.94	- 1.0
<b>Textile products:</b>										
Carpets and rugs .....	14	4,089	3,962	- 3.1	104,588	100,142	- 4.3	25.58	25.28	- 1.2
Clothing .....	22	3,851	3,573	- 7.2	73,024	67,549	- 7.5	18.96	18.91	- .3
Cotton goods .....	17	5,208	6,346	+21.9	132,309	132,867	+ .4	25.40	20.94	-17.6
Felt hats .....	4	5,021	5,055	+ .7	127,222	107,423	-15.6	25.34	21.25	-16.1
Knit goods .....	28	5,942	5,859	- 1.4	116,188	110,808	- 4.6	19.55	18.91	- 3.3
Silk goods .....	37	12,251	12,564	+ 2.6	229,984	292,218	+27.1	18.77	23.26	+23.9
Worsted and woolens .....	25	9,227	9,024	- 2.2	196,466	186,624	- 5.0	21.29	20.68	- 2.9
<b>Food products:</b>										
Bakeries .....	18	2,955	2,799	- 5.3	81,892	76,491	- 6.6	27.71	27.33	- 1.4
Canneries .....	8	2,713	2,986	+10.1	48,649	54,987	+13.0	17.93	18.41	+ 2.7
Confectionery and ice cream .....	21	5,171	5,164	- .1	110,899	98,211	-11.4	21.45	19.02	-11.3
Slaughtering and meat packing.....	12	1,789	1,714	- 4.2	49,929	48,164	- 3.5	27.91	28.10	+ .7
Sugar refining .....	3	2,029	1,685	-17.0	60,017	46,909	-21.8	29.58	27.84	- 5.9
<b>Building materials:</b>										
Cement .....	15	7,543	7,684	+ 1.9	241,866	227,906	- 5.8	32.06	29.66	- 7.5
Glass .....	7	862	921	+ 6.8	30,793	29,079	- 5.6	35.72	31.57	-11.6
Pottery .....	11	2,334	2,394	+ 2.6	71,039	73,742	+ 3.8	30.44	30.80	+ 1.2
<b>Miscellaneous:</b>										
Boots and shoes .....	16	2,538	2,458	- 3.2	44,349	38,310	-13.6	17.47	15.59	-10.8
Leather .....	29	8,023	7,642	- 4.7	197,302	182,265	- 7.6	24.59	23.85	- 3.0
Chemicals and paints .....	16	3,612	4,346	+20.3	117,468	125,936	+ 7.2	32.52	28.98	-10.9
Cigars and tobacco .....	14	5,366	5,373	+ .1	83,066	76,327	- 8.1	15.48	14.21	- 8.2
Furniture .....	17	2,772	2,592	- 6.5	65,642	59,068	-10.0	23.68	22.79	- 3.8
Musical instruments .....	2	8,002	7,511	- 6.1	224,322	205,356	- 8.5	28.03	27.34	- 2.5
Paper and pulp .....	13	2,801	2,673	- 4.6	70,824	64,004	- 9.6	25.29	23.94	- 5.3
Printing and publishing .....	20	2,586	2,441	- 5.6	78,926	67,429	-14.6	30.52	27.62	- 9.5
Petroleum refining .....	5	7,123	6,655	- 6.6	200,708	197,291	- 1.7	28.18	29.65	+ 5.2
Rubber tires and goods .....	12	4,656	4,263	- 8.4	108,210	105,955	- 2.1	23.24	24.85	+ 6.9

## EMPLOYMENT IN REPORTING PLANTS

## Pennsylvania and New Jersey

	PENNSYLVANIA				NEW JERSEY			
	Number of reporting plants	Number of wage earners		Per cent reported of 1919 total	Number of reporting plants	Number of wage earners		Per cent reported of 1919 total
		Reported Aug., 1923	Total for State, 1919			Reported Aug., 1923	Total for State, 1919	
<b>All industries</b> .....	<b>652</b>	<b>263,775</b>	<b>860,672</b>	<b>30.6</b>	<b>311</b>	<b>102,089</b>	<b>349,812</b>	<b>29.2</b>
<b>Metal manufactures:</b>								
Automobiles, bodies and parts.....	20	6,422	14,708	43.7	6	1,930	5,519	35.0
Car construction and repair.....	9	28,114	94,546	29.7	..	.....	.....	...
Electrical machinery and apparatus.....	21	3,596	24,228	14.8	15	8,836	26,135	33.8
Engines, machines and machine tools.....	19	8,917	18,283	48.8	20	5,258	8,150	64.5
Foundries and machine shops.....	57	13,538	71,087	19.0	10	1,677	25,033	6.7
Heating appliances and apparatus.....	11	2,451	9,129	26.8	..	.....	.....	...
Iron and steel blast furnaces.....	12	12,130	14,619	83.0	..	.....	.....	...
Iron and steel forgings.....	10	4,243	6,197	68.5	..	.....	.....	...
Steel works and rolling mills.....	42	47,605	171,715	27.7	4	729	13,811	5.3
Structural iron work.....	9	3,570	10,722	33.3	3	701	2,115	33.1
Miscellaneous iron and steel products.....	17	13,851	19,064	72.7	18	6,985	7,978	87.6
Shipbuilding.....	..	.....	.....	...	4	4,942	50,251	9.8
Non-ferrous metals.....	..	.....	.....	...	7	3,680	7,414	49.6
<b>Textile products:</b>								
Carpets and rugs.....	12	3,565	7,626	46.7	3	931	917	101.5
Clothing.....	23	3,423	37,872	9.0	12	3,013	18,374	16.4
Hats.....	4	5,055	5,414	93.4	7	1,322	3,303	40.0
Cotton goods.....	14	3,357	12,907	26.0	8	1,701	9,261	18.4
Silk goods.....	43	14,689	53,052	27.7	29	5,128	32,326	15.9
Woolens and worsteds.....	24	8,783	22,798	38.5	13	7,002	14,490	48.3
Knit goods and hosiery.....	44	10,094	44,156	22.9	3	490	4,853	10.1
Dyeing and finishing textiles.....	..	.....	.....	...	10	4,635	14,492	32.0
Other textile products.....	..	.....	.....	...	8	1,775	9,107	19.5
<b>Foods and tobacco:</b>								
Bakeries.....	21	4,947	16,410	30.1	..	.....	.....	...
Canneries.....	..	.....	.....	...	8	3,144	2,685	117.1
Confectionery and ice cream.....	20	5,281	11,010	48.0	..	.....	.....	...
Slaughtering and meat packing.....	13	2,130	4,438	48.0	..	.....	.....	...
Sugar refining.....	3	1,685	3,221	52.3	..	.....	.....	...
Cigars and tobacco.....	19	6,255	30,380	20.6	6	1,611	10,161	15.9
<b>Building materials:</b>								
Brick, tile, and terra cotta products.....	13	2,066	15,897	13.0	9	1,261	3,544	35.6
Cement.....	14	7,334	7,443	98.5	..	.....	.....	...
Glass.....	24	8,075	21,602	37.4	..	.....	.....	...
Pottery.....	..	.....	.....	...	13	4,430	5,717	77.5
<b>Chemicals and allied products:</b>								
Chemicals and drugs.....	18	2,096	10,554	19.9	23	6,597	18,421	35.8
Paints and varnishes.....	..	.....	.....	...	3	429	1,994	21.5
Petroleum refining.....	5	6,655	8,235	80.8	3	9,979	10,178	98.0
<b>Miscellaneous industries:</b>								
Lumber and planing mill products.....	8	2,414	16,295	14.8	..	.....	.....	...
Furniture.....	17	2,331	10,954	21.3	6	1,090	2,136	51.0
Leather tanning.....	21	5,828	13,749	42.4	12	2,565	5,499	46.6
Leather products.....	3	283	1,529	18.5	..	.....	.....	...
Boots and shoes.....	25	5,132	13,317	38.5	7	1,109	2,835	39.1
Paper and pulp products.....	14	3,783	9,843	38.4	10	2,033	6,803	29.9
Printing and publishing.....	19	3,144	22,792	13.8	3	399	4,691	8.5
Rubber tires and goods.....	4	933	4,880	19.1	16	3,413	14,014	24.4
Novelties and jewelry.....	..	.....	.....	...	12	3,294	7,605	43.3

**EMPLOYMENT IN REPORTING PLANTS**  
**Pennsylvania, New Jersey and Delaware**

	Number of reporting plants	Number of wage earners in report- ing plants, August, 1923	Total number of wage earners in all plants, 1919	Per cent reported of 1919 total
<b>All industries (47)</b> .....	<b>1,016</b>	<b>399,682</b>	<b>1,354,435</b>	<b>29.5</b>
<b>Metal manufactures:</b>	323	193,278	679,172	28.5
Automobiles, bodies and parts .....	26	8,352	20,227	41.3
Car construction and repair .....	10	31,462	108,090	29.1
Electrical machinery and apparatus .....	36	12,432	50,363	24.7
Engines, machines and machine tools .....	39	14,175	26,433	53.6
Foundries and machine shops .....	68	15,683	96,998	16.2
Heating appliances and apparatus .....	13	4,357	10,526	41.4
Iron and steel blast furnaces .....	13	12,432	15,106	82.3
Iron and steel forgings .....	11	4,628	7,024	65.9
Steel works and rolling mills .....	46	48,334	186,535	25.9
Structural iron work .....	12	4,271	12,837	33.3
Miscellaneous iron and steel products .....	35	20,836	27,042	77.1
Shipbuilding .....	7	12,636	106,462	11.9
Non-ferrous metals .....	7	3,680	11,529	31.9
<b>Textile products:</b>	259	76,967	303,665	25.3
Carpets and rugs .....	15	4,496	8,543	52.6
Clothing .....	35	6,436	56,412	11.4
Hats .....	11	6,377	8,717	73.2
Cotton goods .....	23	6,808	22,168	30.7
Silk goods .....	72	19,817	85,378	23.2
Woolens and worsteds .....	37	15,785	37,288	42.3
Knit goods and hosiery .....	47	10,584	49,009	21.6
Dyeing and finishing textiles .....	11	4,889	21,873	22.4
Miscellaneous textile products .....	8	1,775	14,277	12.4
<b>Foods and tobacco:</b>	98	26,616	93,026	28.6
Bakeries .....	22	5,170	22,633	22.8
Canneries .....	11	3,180	4,144	76.7
Confectionery and ice cream .....	22	5,357	14,063	38.1
Slaughtering and meat packing .....	14	2,790	8,121	34.4
Sugar refining .....	4	2,253	3,221	69.9
Cigars and tobacco .....	25	7,866	40,844	19.3
<b>Building materials:</b>	76	23,633	62,013	38.1
Brick, tile, and terra cotta products .....	22	3,327	19,441	17.1
Cement .....	15	7,684	7,443	103.2
Glass .....	25	8,084	27,544	29.3
Pottery .....	14	4,538	7,585	59.8
<b>Chemicals and allied products:</b>	62	28,680	53,784	53.3
Chemicals and drugs .....	42	8,713	29,016	30.0
Explosives .....	9	2,904	1,217	238.6
Paints and varnishes .....	3	429	5,138	8.3
Petroleum refining .....	8	16,634	18,413	90.3
<b>Miscellaneous industries:</b>	198	50,508	162,775	31.0
Lumber and planing mill products .....	8	2,414	20,092	12.0
Furniture .....	23	3,421	13,090	26.1
Musical instruments .....	3	7,568	13,353	56.7
Leather tanning .....	36	9,094	23,499	38.7
Leather products .....	5	647	3,423	18.9
Boots and shoes .....	32	6,241	16,152	38.6
Paper and pulp products .....	25	5,841	18,814	31.0
Printing and publishing .....	23	3,545	27,853	12.7
Rubber tires and goods .....	22	5,444	18,894	28.8
Novelties and jewelry .....	12	3,294	7,605	43.3
All other industries .....	9	2,999		

**FINANCIAL CONDITIONS**

Figures of reporting member banks in the Third Federal Reserve District give evidence of little change in loans and discounts during the past month. In fact, commercial loans have fluctuated within a range of only four millions of dollars since the middle of June. Secured loans have gained, from 269 millions on June 13, to 283 millions on September 12; but investments declined from 311 to 291 millions in the same period, and deposits fell from 817 to 804 millions.

Comparing the condition of these banks on September 12 with that of a year ago, we find that commercial loans have advanced from 318 to 358 millions, and secured loans from 263 to 283 millions. Investments, which on September 13, 1922, were 281 millions advanced to 318 millions at the beginning of this year, but have since dropped to 291 millions.

In the four weeks ending September 19 the earning assets of the Federal Reserve Bank of Philadelphia decreased from 97 to 94 millions, Federal reserve note circulation increased from 211 to 218 millions, and reserves advanced from 254 to 259 millions; but deposits declined one million. The reserve ratio, at 77.3 per cent, remains unchanged from that of August 22. In August of last year the bills discounted held by the Philadelphia bank reached a low point of 36 millions. Thereafter to the end of that year these bills increased with comparative steadiness, reaching 49 millions on December 31. In 1923 the trend was generally upward, to 78 millions at the beginning of July, but since that time the total has fallen to 59 millions.

Security prices have lately declined. The average price of 20 industrial shares on September 20 was \$88.16, as compared with \$91.71 a month ago, and railroad shares declined from \$79.53 to \$78.36. The average of 40

bonds fell from \$87.35 to \$86.46, but four Liberty issues advanced from \$98.17 to \$98.24. The renewal rate for call money, after ranging between 5 and 5½ per cent from August 20 to September 17, declined to 4¾ per cent on September 18, to 4½ per cent on the 19th, and to 4¼ per cent on the 20th.

Sales of stocks averaged somewhat higher than in August, but can hardly be called active. The daily average up to September 20, excluding Saturdays, was only 711,000 shares.

Five dealers operating within the Third Federal Reserve District report a small increase in the sales of acceptances during the four weeks ending September 11. The weekly average was \$1,860,000, as compared with \$1,628,000 a month ago, and \$1,524,000 a year ago. The Federal Reserve Bank continued to be by far the largest purchaser, but the out-of-town banks have

manifested increasing interest. Local banks bought in only negligible amounts. Comparative sales and purchases within the district were as follows:

Weekly average for period	Sales	Purchases
1923:		
August 16 to September 11.....	\$1,860,000	\$424,000
July 12 to August 15 .....	1,628,000	271,000
June 14 to July 11 .....	2,211,000	464,000
May 16 to June 13 .....	1,749,000	320,000
1922:		
August 14 to September 17.....	1,524,000	323,000

Bills are reported to be scarce and the demand is from fair to good, with the result that bills of from 30 to 90 days' maturity move freely at offering rates. These are from 4 to 4⅛ per cent for acceptances up to 90 days, and 4½ per cent for those running from 150 to 180 days. The bid rate was ⅓ of one per cent higher.

\* Savings deposits in the Third Federal Reserve District increased in only negligible amount during August.

**Savings deposits** In four cities, conspicuous for their industries, decreases are reported for the month. Percentage changes were as follows:

**SAVINGS DEPOSITS**  
**Third Federal Reserve District**

	Number of reporting banks	Per cent increase or decrease September 1, 1923, compared with—		
		Aug. 1, 1923	Sept. 1, 1922	Sept. 1, 1921
Altoona .....	5	+1.0	+13.2	+ 24.7
Chester .....	5	+ .1	+11.9	— 7.5
Harrisburg .....	4	— .8	+42.3	+138.3
Johnstown .....	6	+1.2	+14.3	+ 9.1
Lancaster .....	3	+1.1	+31.9	+ 63.2
Philadelphia .....	9	— .1	+ 6.9	+ 8.4
Reading .....	3	—1.0	+12.2	+ 22.7
Scranton .....	6	+ .4	+14.4	+ 21.1
Trenton .....	6	—1.3	+ 6.2	+ 11.2
Wilkes-Barre .....	5	+ .7	+20.7	+ 19.9
Williamsport .....	4	+ .3	+ 8.5	+ 15.8
Wilmington .....	5	+ .4	+ 9.6	+ 23.8
York .....	5	+1.4	+12.5	+ 22.2
Others .....	14	+ .4	+15.4	+ 13.1
Totals .....	80	+ .01	+ 9.5	+ 12.4

The outstanding influence on European exchanges this month was the news of the earthquake in Japan, which caused a sharp decline in sterling and had a depressing effect on some of the more important continental currencies. The so-called neutral exchanges followed continental movements rather closely. Sterling sank to a

**Foreign exchange**

**Bankers' acceptances**

level of \$4.5099, the lowest quotation since December of last year, but later it recovered, on receipt of more reassuring news from Japan and because of the brighter outlook in the European political situation. Continental exchanges later moved upward, although continuing irregular, and both French and Belgian francs are at present stronger than they have been for some time past. Marks, pursuing their downward course, were offered at as high as 120,000,000 to the dollar, and some of the larger New York banks have discontinued further quotations. Guilders fell somewhat, as did Spanish pesetas. Swiss francs are lower than they were at this time last month, and the Scandinavian currencies receded. Norwegian kroner fell to a level not touched since July 31 of this year. Italian lire have shown a tendency to strengthen as a result of improved relations between Italy and Greece.

As was to be expected, quotations on Japanese yen for a time were entirely nominal, pending authentic news from Yokohama. Other Far Eastern currencies show little change from last month, with the exception of Chinese tael, quotations on which have tended upward. Argentine and Chilean pesos are quoted at a somewhat better rate than at this time last month, while Brazilian milreis are weaker. Canadian dollars are also slightly weaker.

A comparative table is given below, showing changes in quotations that have occurred since last month and since the corresponding date of last year.

Foreign exchange rates

Noon cables	Par value	Sept. 20, 1923	August 20, 1923	Sept. 20, 1922
London .....	\$4.8665	\$4.5436	\$4.5558	\$4.4329
Paris .....	.1930	.0590	.0557	.0765
Antwerp .....	.1930	.0495	.0445	.0723
Milan .....	.1930	.0448	.0430	.0423
Berlin .....	.2382	.00000000824	.00000018	.000705
Vienna .....	.2026	.000014	.000014	.000014
Amsterdam ...	.4020	.3931	.3936	.3874
Copenhagen ...	.2680	.1806	.1861	.2083
Stockholm ...	.2680	.2654	.2661	.2651
Madrid .....	.1930	.1351	.1347	.1519
Berne .....	.1930	.1771	.1808	.1870
Buenos Aires .	.9648	.7598	.7322	.8042
Shanghai .....	.7227	.7105	.6991	.7711

Sales of commercial paper since Labor Day have been increasing, and a better demand is reported from both city and country banks. The higher rates at which paper is selling have proved an inducement to buy. Most of the transactions have been at  $5\frac{1}{2}$  per cent, but a number of sales have been made at  $5\frac{3}{4}$  and  $5\frac{3}{4}$  per cent. One of the large Philadelphia banks has been a purchaser of considerable sums, but at not less than  $5\frac{1}{2}$  per cent. Some dealers, however, failed to share in these transactions, as they declined to sell the names

### Commercial paper

wanted at better than  $5\frac{1}{4}$  per cent. A few notes are still held at 5 per cent, but no sales at that rate have been made in this market. In the Chicago district, however, some paper has sold at that rate.

The banks in the anthracite coal region, which were entirely out of the market last month because of the threatened strike, have now re-entered it, and purchases have recently been made by banks in that locality which have not been interested in commercial paper for many months. The announcement of an issue of six months certificates by the Government at  $4\frac{1}{4}$  per cent has made the return received from paper purchases seem particularly attractive. Commercial paper continues in good supply and the higher rates do not appear to have curtailed the demand for money.

Six dealers in this district report sales during August to the amount of \$4,903,000. This is the smallest total in any month since this service was inaugurated in May, 1922. The former low record was in November, 1922, when sales amounted to \$5,717,000. Only one of the reporting dealers had larger sales in August, 1923, than in August, 1922. The main cause for the unusually small business was the almost total absence of buying by Philadelphia banks. Purchases by them were only \$432,500. In August, 1922, the total sales by the six dealers were \$5,971,483, of which Philadelphia banks took \$2,407,500. Rates at which transactions were closed varied from 5 to  $5\frac{1}{2}$  per cent, but the majority of the sales were at  $5\frac{1}{4}$  per cent.

### RETAIL TRADE

Sales at retail in September are running well ahead of those for the corresponding period of last year, and although this month is a short one for business, because it contains five Sundays, it is probable that the total sales will exceed those of September, 1922. In the anthracite regions, the settlement of the strike has stimulated business, and sales are increasing. But stores in New Jersey report that the long continued trolley strike was harmful to trade, and that business decreased.

The list of articles in good request is a long one and includes furniture, carpets and rugs, linoleums, house-furnishings, pianos and phonographs, women's dresses, dress materials both of wool and of silk, men's clothes, men's furnishings, and gold jewelry. Prices at retail show very little change during the month, and retailers report that with the exception of silks, silk hosiery, and some cotton materials they can purchase merchandise readily at former figures. In fact, in some lines increased anxiety to sell has resulted in slightly lower prices from manufacturers. The buying policy of the retailers is to purchase very closely and make as few future commitments as possible. The fact that in this district the rate of turnover for the first half of 1923 increased 0.2 and in the two-month period, July 1 to August 31, 0.1, as compared with the same periods of 1922, shows that retail trade is being carried on with

**RETAIL TRADE**  
Third Federal Reserve District

	Comparison of Net Sales		Comparison of Stocks		Rate of Turnover		Percentage of orders outstanding Aug. 31, 1923, to total purchases in 1922
	August, 1923 with August, 1922	July 1 to Aug. 31, 1923 with July 1 to July 31, 1922	Aug. 31, 1923 with Aug. 31, 1922	Aug. 31, 1923 with July 31, 1923	July 1 to Aug. 31 1923	July 1 to Aug. 31 1922	
All reporting firms.....	+13.4%	+13.4%	+10.5%	+ 7.3%	2.7	2.6	10.5%
Firms in—Philadelphia .....	+12.6 "	+12.9 "	+ 6.6 "	+ 9.2 "	3.1	2.9	11.4 "
—Allentown, Bethlehem and Easton...	+10.1 "	+10.1 "	+ 9.3 "	+ 2.3 "	2.1	2.2	....
—Altoona .....	+16.1 "	+17.5 "	+14.8 "	+10.9 "	2.5	2.4	....
—Chester .....	+35.6 "	+34.3 "	+24.9 "	+17.0 "	1.4	1.0	....
—Harrisburg .....	+20.1 "	+12.7 "	+19.4 "	+ 2.3 "	2.0	2.2	....
—Johnstown .....	+16.0 "	+16.5 "	+18.6 "	+ 7.4 "	2.8	2.8	....
—Lancaster .....	+15.0 "	+13.2 "	+11.3 "	+ 5.1 "	2.0	2.0	....
—Reading .....	+20.1 "	+15.7 "	+ 9.3 "	+ 4.8 "	1.9	1.8	7.9 "
—Scranton .....	+21.0 "	+25.0 "	+41.7 "	+10.3 "	2.3	2.4	....
—Trenton .....	+ 7.2 "	+ 6.8 "	+ 6.1 "	— .4 "	2.4	2.4	....
—Wilkes-Barre .....	+13.0 "	+17.4 "	+22.3 "	+ 6.0 "	2.5	2.6	....
—Williamsport .....	— .04 "	— .4 "	+18.4 "	+ 9.2 "	1.9	2.4	....
—Wilmington .....	+10.9 "	+ 6.7 "	+15.1 "	+ .6 "	1.5	1.7	6.7 "
—York .....	+11.5 "	+ 7.0 "	+ 3.7 "	+ 9.0 "	2.1	2.0	....
—All other cities.....	+19.6 "	+21.2 "	+22.9 "	— .1 "	2.2	2.3	11.5 "
All department stores.....	+11.3 "	+12.0 "	+ 9.1 "	+ 5.6 "	2.7	2.6	11.8 "
Department stores in Phila....	+ 9.7 "	+11.0 "	+ 5.9 "	+ 6.9 "	3.0	2.8	13.7 "
Depart. stores outside Phila...	+14.5 "	+13.9 "	+14.4 "	+ 3.8 "	2.3	2.3	9.1 "
All apparel stores.....	+24.8 "	+19.9 "	+14.8 "	+22.9 "	2.9	2.7	5.2 "
Men's apparel stores.....	+13.7 "	+ 9.7 "	+12.4 "	+20.1 "	1.7	1.7	8.5 "
—in Phila. ....	+11.6 "	+ 4.6 "	+ 4.2 "	+21.9 "	2.0	2.0	....
—outside Phila. ....	+16.8 "	+15.8 "	+20.4 "	+18.6 "	1.4	1.5	8.5 "
Women's apparel stores.....	+29.5 "	+23.3 "	+ 1.8 "	+22.3 "	4.4	3.5	5.2 "
—in Phila. ....	+36.1 "	+28.7 "	— 3.0 "	+25.5 "	5.1	3.7	5.2 "
—outside Phila. ....	+ 6.1 "	+ 4.2 "	+16.2 "	+15.1 "	2.5	2.9	5.6 "
Credit houses .....	+19.5 "	+24.1 "	+26.3 "	— 1.7 "	2.3	2.3	7.2 "

smaller stocks, in comparison with sales, than it was last year. Stocks on August 31, in a number of stores, showed a rather large increase; this is ascribed not only to the ability of the producers to make early shipment, but also to the improved traffic conditions on the railroads, which have resulted in a faster movement of freight and earlier deliveries than were anticipated by the buyers.

At this period of the year retail stores, especially in the large cities, commence to take on employees. It is reported by some stores that considerable difficulty is experienced in securing the number required. Although reports state that charge accounts are increasing in number, collections continue to be good.

The accompanying table, compiled from reports of retail establishments, shows that sales in August exceeded those of last August by 13.4 per cent. Gains were made in all parts of the district except Williamsport. For some months past stores in that locality have not shared in the large gains that have been made elsewhere in the district.

### WHOLESALE TRADE

Increasing demand is noted by all the reporting wholesale trades, and sales in all lines in August were considerably larger than in August, 1922. As compared with July, notable increases were made in boots and shoes, and drygoods, and smaller gains occurred in drugs and hardware. But grocery sales decreased slightly.

The prices of shoes and of hardware are about the same as they were last month, but in drygoods most articles made of cotton are higher, in sympathy with the large increase in the quotation for raw cotton. Advances in grocery prices outnumber the declines, and marked gains are recorded in sugar, flour, and dairy products. In wholesale drugs, fine chemicals have advanced sharply, and the range of botanical drug quotations is slightly above that of a month ago.

During August, collections varied considerably in the different lines, as is shown by the figures for the ratio of accounts outstanding in the table on page 12.

Demand for drygoods has increased during the month, but sales continue in nearly all instances to be for shipment within sixty days; in fact,

**Drygoods**

a considerable majority call for shipment within thirty days. The list of articles in request covers the entire line, but especially good sales are reported in outing flannel, blankets, hosiery, underwear, sweaters, and holiday goods.

Stocks in the hands of wholesalers, as usual at this time of year, are heavy, and most firms state that they increased during the month.

Sales of drygoods at wholesale during August increased 31.8 per cent, as compared with July, and were larger than in August, 1922, by 9.8 per cent. Collections are in most instances said to be fair. The ratio of accounts outstanding to sales is 214.1 as against 263.5 a month ago, and 206.1 a year ago.

Wholesalers report that drugs are in fairly good demand and that sales are slightly greater than those of a month ago. Toilet articles are in excellent

**Drugs**

request, and the call for seasonable patent medicines is good. Botanical drugs are in somewhat better demand than they were last month, and prices have stiffened slightly. The price index of 40 botanical drugs advanced from 123.3 at the close of August to 123.4 on September 17. Fine chemicals and prepared drugs have advanced sharply in price, as is shown by a rise of 13 per cent in the index number during the month. The following table gives the price indices of 40 botanical drugs and 35 drugs and fine chemicals, as compiled by the "Oil, Paint and Drug Reporter."

Week ending	Price index of 40 botanical drugs		Price index of 35 drugs and fine chemicals	
	1923	1922	1923	1922
August 27 .....	123.4	106.0	184.7	149.2
September 3 .....	123.3	106.1	184.7	155.0
September 10 .....	123.3	105.9	208.5	155.6
September 17 .....	123.4	108.0	208.6	156.0



Source—Federal Reserve Bank of Philadelphia

Sales at wholesale in August were 5.3 per cent greater than in July, and 10.0 per cent greater than those of August, 1922. Stocks held by the distributors are moderate and about the same as they were a month ago. Collections are only fair, although more prompt than they were in July. The ratio of accounts outstanding to sales in August was 144.4, as compared with 152.2 in July and 136.2 in August, 1922.

The net sales of 33 hardware firms in this district during August showed an increase of 3.4 per cent over those in July, and a gain of 14.3 per cent over those of August, 1922.

**Hardware**

However, our August sales index, compiled from the reports of 20 representative firms, was 111 which was the same as last month, although 14 points under the figure for June.

Builders and contractors continue to be the heaviest consumers, but good sales are reported in hardware used by plumbers and heating contractors. Sporting goods and electrical supplies are also selling in fair quantities. Supplies for mechanics and for manufacturing plants are in request.

**WHOLESALE TRADE  
Third Federal Reserve District**

	Number of reporting firms	Percentage of increase or decrease in—						
		Net sales Aug., 1923, compared with—		Accounts outstanding Aug., 1923, compared with—		Ratio of accounts outstanding to sales		
		July, 1923	Aug., 1922	July, 1923	Aug., 1922	Aug., 1923	July, 1923	Aug., 1922
Boots and shoes .....	12	+50.7%	+32.1%	+13.7%	+19.9%	254.2%	325.3%	287.6%
Drugs .....	14	+ 5.3 "	+10.0 "	+ 3.5 "	+16.7 "	144.4 "	152.2 "	136.2 "
Drygoods .....	20	+31.8 "	+ 9.8 "	+ 7.1 "	+14.1 "	214.1 "	263.5 "	206.1 "
Groceries .....	50	- 1.2 "	+14.2 "	+ 1.1 "	+12.6 "	104.9 "	103.3 "	107.8 "
Hardware .....	33	+ 3.4 "	+14.3 "	+ .6 "	+13.3 "	167.3 "	171.2 "	168.6 "

Stocks on hand are from moderate to fairly heavy and have changed but little since last month. Prices in general remain firm and unchanged. Collections continue to be only fair, but show some improvement over those of last month. The ratio of accounts outstanding to sales was 167.3 in August, as compared with 171.2 in July. A slight improvement is also noted over the ratio of August, 1922, which stood at 168.6.

Sales of shoes at wholesale during September have been stimulated by the settlement of the anthracite coal strike and by the unusually early spell of cool weather. Preliminary estimates indicate that sales will be larger than they were in September, 1922, in spite of the fact that the demand for the Jewish holiday trade was poor.

Women's and children's lines have been especially active, but men's, too, have sold freely. For women, suede continues to be the most desired material, but patent and calf grain leathers and satins are good sellers. Mat kid is in increasing demand, which is a natural sequence of the large sales of black suede.

Prices continue to be steady, and the only change of note is an advance in quotations for satin shoes. This is a result of the advance in the price of all silks because of the destruction of a large quantity of raw silk by the earthquake in Japan.

During August, sales in this district, as reported to the Federal Reserve Bank, increased 50.7 per cent, as compared with July, and 32.1 per cent as compared with August, 1922. The ratio of accounts outstanding to sales on August 31 was 254.2; on July 31, 325.3; and on August 31, 1922, 287.6.

The majority of preliminary reports from wholesale grocers state that because of their shipping to customers quantities of canned goods that were ordered in May or June, September sales are greater in volume than were those of August. But many report that September sales show no change from those of August. In general, however, the demand for groceries is good.

Canned vegetables, canned fish, dried fruits, cereals, sugar, preserving jars and cans, flour, and canned fruits are in strong demand. Deliveries of the new pack of canned fruits and vegetables and of dried fruits to the wholesalers have been heavy, and the latter are shipping them to retailers as fast as possible. Wholesalers' price lists show that more commodities have advanced than have declined in price. Stocks in the hands of wholesalers are reported as being from moderate to heavy and in general are considerably larger than they were last month, because of heavy deliveries of the new pack canned goods and of dried fruits and vegetables.

Wholesale grocery sales during August were 1.2 per cent smaller than those of July, but 14.2 per cent greater than in August, 1922. The ratio of accounts outstanding to sales increased from 103.3 in July to 104.9 in August.

## SUGAR

At the close of last month refiners began active buying of raw sugar in nearby positions, and in consequence Cuban raws, for prompt shipment, advanced from  $4\frac{1}{8}$  cents, c & f, to  $4\frac{1}{2}$  cents, c & f, during the last week of August. The heavy demand has continued this month, and at the close of the second week of the month practically all of the sugar in September loading positions had been purchased by refiners. Prices also steadily advanced. By the second week of the month, Cubas for prompt shipment were selling at 5 cents, c & f, and on the 22d they were selling at from  $5\frac{1}{2}$  to  $5\frac{5}{8}$  cents, c & f. The dulness prevailing in the raw sugar market during July and the greater part of August resulted in many sugar ships being withdrawn from the sugar trade, and consequently a scarcity of bottoms has been noticeable this month. Refiners, therefore, have not been able to secure promptly all the raw sugar they desired, and after the middle of the month practically all sales were for early October delivery. Prices of Porto Rican sugars closely followed those of Cuban and advanced from 6.28 cents, delivered, at the beginning of the month, to 7.03 cents on the twentieth of the month, equivalent to  $4\frac{1}{2}$  and  $5\frac{1}{4}$  cents, c & f, for Cubas.

Canadian refiners have been fairly heavy buyers of Santo Dominican, Peruvian, and other full-duty sugars at prices close to the equivalents for Cubas and Porto Ricos. English refiners have been competing actively with the Canadians for the limited offerings of these sugars.

The grinding season in Cuba came to a close during the first week of this month with the closing of Central Santa Lucia. The production of this central was 155,401 bags, as compared with 307,069 last year. Guma-Mejer, the Cuban sugar statisticians, on September 5 stated that the total crop of the island for this year was 3,602,910 tons, or 333,487 less than that of last year. In fact, the Cuban crop is 500,000 tons less than the lowest estimate of 4,100,000 tons made by the Cuban authorities at the beginning of the grinding season. Insufficient rainfall during the growing season was the principal cause of the disappointing yield.

Receipts at Cuban shipping ports are decreasing weekly and so are the total stocks on the island. Himely reports that stocks are smaller than they were a year ago. On September 15 the total sugar stocks in Cuba were only 363,553 tons, as against 364,773 on the same date last year, and 1,205,328 on September 15, 1921.

The American beet sugar crop reports continue to be very favorable. The Department of Agriculture estimates the September 1 condition to have been 91 per cent of normal, or 3 per cent above the average September 1 condition. On this basis the Department estimates the total beet crop at 6,533,000 short tons, the equivalent of 835,000 short tons of beet sugar. The

following table gives the condition on September 1 and the forecasts of production of sugar beets in the principal production states of the country.

Condition of sugar beets and forecasts of production				
State	Condition September 1		Production	
	10-year average	1923	1922, final estimate	1923, forecast from Sept. 1 condition
	Per cent	Per cent	Short tons	Short tons
California .....	88	86	424,000	538,000
Colorado .....	88	95	1,466,000	1,890,000
Idaho .....	90	97	273,000	384,000
Nebraska .....	90	86	703,000	541,000
Utah .....	91	97	819,000	941,000
Michigan .....	85	83	692,000	897,000
Ohio .....	86	91	220,000	385,000
Wisconsin .....	88	85	67,000	129,000
Other states .....	..	..	519,000	827,000
United States ....	88.2	91	5,183,000	6,532,000

Total beet sugar production in the United States		Short tons
1921, final estimate .....		1,020,000
1922, final estimate .....		675,000
1923, forecast from condition of beets, Sept. 1..		835,000

Despite the buying that has occurred on the sugar exchange, the receipts of raw sugar at the ports of Baltimore, Boston, New York, and Philadelphia for the first three weeks of the month were not as large as for the same period of last year. Lack of bottoms was probably the chief cause of this. The following data, compiled by the "American Sugar Bulletin," show how receipts for the same periods of both years compare.

#### Receipts of raw sugar at Atlantic ports

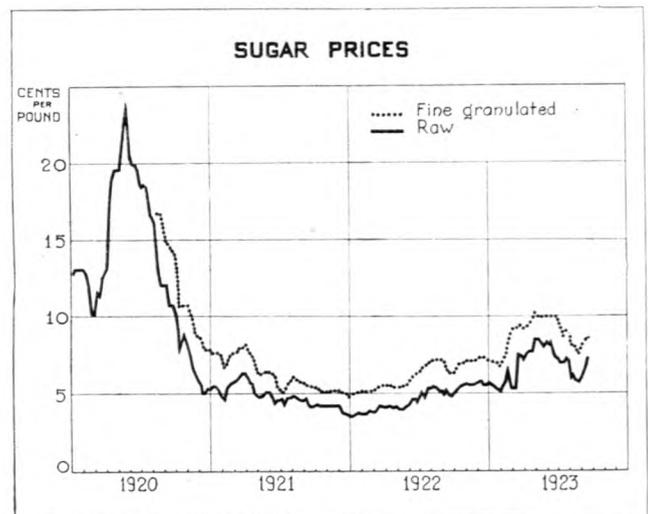
Tons (2240 lbs.)	August 31 to September 21, 1923	September 1 to September 22, 1922
From Cuba .....	57,271	113,728
From Porto Rico .....	11,271	6,500
From Philippine Islands .....	5,706	6,898
From other countries .....	1,753	1,551
Total receipts .....	76,001	128,677

The demand for refined sugar has been considerably stronger than it was in September, 1922. Heavy preserving of fruits and the making of jellies has created an enormous demand from housewives, and the confectionery industry is now in its busiest season. Wholesale grocers, the majority of whom were carrying only light stocks, have been buying heavily and pressing for immediate shipment. As a result, the price of fine granulated sugar at the refineries advanced from 7.90 or 8.00

#### Refined sugar

cents at the beginning of the month to 8.75 or 8.90 cents at the end of the third week of the month. On September 17 one refiner who was withdrawn from the market for over a week re-entered at 8.25 cents, but soon advanced to 8.40 cents and then to 8.75 cents. Some second hands were offering fine granulated at 8.20 cents early in the third week of the month, but all of those offerings were withdrawn after the middle of that week.

The following chart showing the prices of fine granulated and raw sugars from 1920 to date illustrates the fact that price movements in August and September of 1922 and of 1923 were very similar. In both years prices declined during August until the close of the month and then advanced steadily through most of September.



Price movements in August and September of 1922 and 1923 were similar. In both years prices declined during early August, but advanced sharply at the close of that month and during September

Sources—Weekly Statistical Sugar Trade Journal and American Sugar Bulletin

On account of the temporary scarcity of bottoms, receipts of raw sugar at the refineries during the first three weeks of the month were light, and meltings were much smaller than for the same period last year. Consequently, refiners' stocks have decreased rapidly and are now rather light, being about 31 per cent smaller than they were a year ago and 25 per cent less than the average stocks carried at the refineries from January 1 to September 14. On September 21 refiners' stocks at northern Atlantic ports amounted to 80,473 tons and on September 22, 1922, to 115,417 tons.

Meltings for the first three weeks of the month at the refineries at Baltimore, Philadelphia, New York, and Boston amounted to 151,500 tons, as compared with 185,000 tons for the same period in 1922. This represents a decline of 18 per cent.

Export inquiry for refined sugars has been negligible. Most of the European countries are beginning their beet sugar production season and consequently are not

in need of foreign sugars. As the "Journal des Fabricants de Sucre" of Paris estimates that the continental production of beet sugar will be 600,000 tons greater this year than last, it is very probable that our exports next year will be considerably smaller than those of 1923.

### CONFECTIONERY

Most of the manufacturing confectioners in the district are now at work on Christmas orders, and activities at the factories are greater than they were a month ago. Producers of hard candies, chocolate-coated candies, and chocolates report that the demand is good and that Christmas orders are being booked in large volume. A few makers of chocolate-coated piece candies state that the early bookings of Christmas orders were not as large as those of a year ago; but they attribute this decrease to the fact that retailers expected prices to drop after the reduction in sugar in August and therefore made only hand to mouth purchases. In general, orders for Christmas candy are larger than they were last year, some firms stating that their bookings are as much as 25 per cent greater. Firms which sell in the South report that the demand from cities in the cotton-belt is especially good, and much heavier than it was last fall. Manufacturers of chocolate-coating, bar chocolate, baking chocolate, and cocoa also find their products to be in good request, and their factories are more active than they were a year ago. Many confectioners are operating at capacity, and the average of factory operations throughout the district is about 90 per cent. The majority of orders booked specify delivery within 60 days, but about 10 per cent are for delivery at a later date.

In consequence of the drop in sugar prices last month, some candy makers on September 1 reduced their prices on penny and piece goods to the same level as prevailed last January; but this procedure was not general. As prices of box candies have remained practically unchanged during the year, no reductions in this class were expected, and prices are firm. Sugar, which towards the close of last month dropped to  $7\frac{1}{2}$  cents per pound, has steadily advanced during this month to 8.75 or 8.90 cents at the refinery. Cocoa beans, glucose, nuts, and other raw materials have shown little change in price since last month.

Stocks of candy at the factories, in general, are moderate and are increasing, as the major portion of the Christmas orders will not be shipped until late in October or November. Stocks of chocolate-coating held by the manufacturers are heavy, but are decreasing rapidly, as candy makers are now consuming great quantities. Most confectioners have moderate supplies of raw materials on hand and have contracted for their requirements up to the close of the year.

Some difficulty in securing girl workers and young men is being experienced at certain factories in Phila-

delphia, but most manufacturers in the district state that the supply of workers is adequate. Wages are unchanged.

Collections are reported as being from fair to good, and they show practically no change from those of last month or of September, 1922.

### BUILDING

Fourteen cities in the Third Federal Reserve District report the value of building permits issued during August as \$13,294,661, a decline of \$1,587,887 from the July figure. This loss was more than accounted for by a decrease of over \$3,000,000 in Philadelphia. That the decline for the entire district was not greater is partly due to a large increase in Harrisburg. As shown in the table on page 16, permits issued during August were also less, by over \$2,000,000, than those for the corresponding month in 1922. There was a drop of approximately \$4,000,000 in the value of contracts awarded during August, the total being \$15,324,493, as against \$19,496,783 in July.

Demand for building and fire-bricks is only fair, and most manufacturers report a falling off in orders from last month. In a few cases the demand is

**Bricks** greater than it was at this time last year, but the majority of firms state that orders this month are smaller than those of September, 1922. The majority are for delivery within 60 days, although some are for up to and beyond 90 days. Quotations on both building and fire bricks are somewhat weak, but remain practically unchanged.

Stocks in general are reported to be moderate and show a tendency to increase. Stocks of raw materials are either stationary or decreasing. Individual orders are somewhat smaller than usual, but cancellations and postponements are rare. Manufacturers of building bricks are operating at an average of 70 per cent of capacity, which is less than that of last month. Production of refractories is slightly lower than it was last month, the average of operations in this district being about 75 per cent. In both cases orders already taken will insure production for from ten days to three months.

The supply of both skilled and unskilled labor is reported as sufficient in the majority of cases, although one manufacturer of building bricks has been forced to reduce production on account of scarcity of workmen.

Collections are fair, very little change being noted from those of last month or of last year at this time.

Most manufacturers report a good demand for lumber, but several state that sales during late August and early September were smaller than in the month previous. A few of the larger manufacturers, however, report an increase in sales over last year's. Some wholesale dealers state that demand is stronger than it was a month ago,

**BUILDING PERMITS**  
Third Federal Reserve District

	August, 1923			August, 1922			January to August inclusive			
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	1923		1922	
							Permits	Estimated cost	Permits	Estimated cost
Allentown .....	90	116	\$156,850	89	106	\$414,280	732	\$3,540,270	662	\$2,232,930
Altoona .....	163	166	198,067	129	129	226,864	1,281	2,381,477	1,282	1,913,801
Atlantic City* .....	116	116	489,936	212	212	722,690	1,859	6,782,663	2,687	5,986,558
Camden .....	143	163	746,727	103	112	305,605	778	5,809,134	788	3,039,229
Harrisburg .....	69	78	1,131,277	81	102	251,265	656	5,900,707	676	3,071,281
Lancaster .....	67	67	440,445	58	58	416,525	663	2,517,755	604	1,805,700
Philadelphia .....	1,346	1,848	8,246,280	1,349	2,194	10,945,830	10,120	94,771,530	9,952	73,906,285
Reading .....	263	274	329,250	299	307	690,275	2,281	3,621,380	2,278	3,456,871
Scranton* .....	127	127	267,210	144	144	269,730	1,059	2,525,411	1,039	3,794,386
Trenton .....	176	198	594,415	141	154	331,088	1,229	4,976,841	1,024	3,069,044
Wilkes-Barre* .....	95	95	266,708	97	97	239,601	803	2,134,688	953	2,932,587
Williamsport* .....	80	80	55,590	118	118	159,676	724	870,659	780	1,231,325
Wilmington .....	95	95	244,578	104	104	230,483	778	2,609,454	688	2,189,722
York .....	121	121	127,328	120	120	148,743	1,117	1,591,171	995	936,857
Total for August...	2,851	3,544	\$13,294,661	3,044	3,957	\$15,352,655	24,080	\$140,033,140	24,408	\$109,566,576

\* Do not report operations.

**NEW BUILDINGS AND ALTERATIONS**

	1923						1922					
	New buildings			Alterations			New buildings			Alterations		
	Permits	Oper.	Est. cost	Permits	Oper.	Est. cost	Permits	Oper.	Est. cost	Permits	Oper.	Est. cost
Allentown ....	61	87	\$130,150	29	29	\$26,700	64	81	\$393,080	25	25	\$21,200
Altoona .....	76	79	175,153	87	87	22,914	48	48	198,270	81	81	28,594
Camden .....	76	94	707,825	67	69	38,902	53	62	264,490	50	50	41,115
Harrisburg ...	60	65	1,110,477	9	13	20,800	67	87	230,240	14	15	21,025
Lancaster .....	29	29	417,950	38	38	22,495	40	40	407,825	18	18	8,700
Philadelphia ..	722	1,203	7,595,920	624	645	650,360	685	1,497	10,157,145	664	697	788,685
Reading .....	76	87	214,950	187	187	114,300	82	90	585,875	217	217	104,400
Trenton .....	150	170	550,402	26	28	44,013	122	135	306,803	19	19	24,285
Williamsport ..	30	30	39,585	50	50	16,005	65	65	143,968	53	53	15,708
Wilmington ...	68	68	223,393	27	27	21,185	...	...	.....	...	...	.....
York .....	54	54	112,035	67	67	15,293	44	44	83,365	76	76	65,378

but weaker than in the corresponding period of 1922. Orders in the majority of cases are for delivery within 60 days, and in a few instances for delivery in 90 days.

Several manufacturers and dealers state that prices are weak in some of the middle and lower grades and that a further reduction in quotations has occurred since last month. Hardwood prices have suffered no further decline, as hardwoods continue to be in good demand for floorings. Spruce is also steady in price, although inactive. One manufacturer states that his industrial customers are buying only for immediate needs, but that inquiries have been increasing incidental to the resumption of fall buying.

Manufacturer's stocks are reported to be from moderate to heavy, which is also the case with most dealers. Cancellations and postponements of shipments are infrequent, and individual orders are somewhat smaller than is usual at this time of the year, which tends to support the view expressed by some that buyers are holding off.

Several mills are operating at capacity, the average of operations in this district being about 85 per cent. The supply of both skilled and unskilled labor is said to be adequate, and in a few cases even plentiful.

Collections in the main are fair. Little change has occurred since last month, but they are spoken of as being less satisfactory than at this time last year.

Demand for glass is reported as being from fair to good, with sales approximating those of last month.

**Glass** The opinion is general that it is in excess of the demand at this time last year and is comparable in some cases to that of this spring. Most orders being booked are for delivery within 60 days, although some are for beyond the 90-day period. Prices, while regarded as fairly firm, are still maintained at the levels quoted last month. Some shading of quotations was in evidence in an effort to bring out early fall purchases, but the tendency of buyers seems to be to await further price reductions before placing extensive orders. Stocks of finished goods are light, and supplies of raw materials are both light and stationary.

Very few requests for cancellations or postponements of shipments are noted, and the individual order is somewhat larger than is usual at this time of the year. Factories are operating at from 65 to 100 per cent of capacity, which is practically the same as last month. Orders remaining to be filled, it is claimed, will insure the maintenance of this rate of production for from three to six months.

The supply of skilled labor, though sufficient in most cases, is not plentiful, but unskilled workmen are easily obtained. Collections are fair. Some firms report a seasonal slowing up owing to the absence of executives from their offices during the vacation period, but no appreciable change is noted over collections of either last month or last year.

**Paint** Paint and varnish manufacturers report a good seasonal business, although the opinion is expressed that fall buying is unusually late in getting well started. Demand has increased since last month, however, and sales are in excess of those of this time last year, in one instance by as much as 25 per cent. No important change is observed in the size of orders usually received at this time of the year, and very few postponements of shipments or cancellations are recorded. Delivery is, in most cases, requested within 60 days, although in some instances immediate shipment is specified.

During the latter part of August some price cutting was noted in dry colors, and early in September pig lead advanced slightly; but these factors were not of sufficient moment to affect the prices of finished stock. Consequently, quotations are reported as generally strong, and have changed but little since last month.

Manufacturers report only moderate supplies of finished goods and raw materials on hand, as they prefer not to become heavily stocked until the extent of the fall demand becomes more apparent. Some increase in operation has occurred, the average rate among firms reporting to us being about 83 per cent of capacity, which is 8 per cent greater than last month's average. The supply of both skilled and unskilled labor continues to be sufficient.

Collections are only fair and are somewhat slower than they were both last month and last year.

**Gas and electric fixtures** Manufacturers of gas and electric fixtures report a good demand, and sales are larger not only than they were a month ago, but than at this time last year. The majority of orders are for delivery within the next sixty days, but in certain cases shipments are to be made after that period. Some firms have sufficient orders on the books to warrant operations at the present capacity for two or three months. No reports are made of cancellations or of postponement of shipments. Prices have been steady and show little change since last month. Finished stocks are said to be either light or moderate and are stationary in tendency. Supplies of raw materials are not large.

Operations are about the same as they were last month, and unskilled labor is in sufficient supply. Several manufacturers, however, find difficulty in obtaining skilled labor.

Collections are rather unsatisfactory, and although they show little change since our last report, they are said to be slower than they were a year ago.

### REAL ESTATE

Real estate dealers report a good demand for houses of low rentals, and in Philadelphia a healthy demand for those renting up to \$80. In fact, the supply of houses that rent at less than \$50 or \$60 is said to be inadequate to meet present needs, but the supply of apartments is sufficient. Rents have changed but little since last year, but sale prices are somewhat higher. The supply of offices and commercial buildings is adequate, and in general rents are unchanged. There is a great call for houses selling at less than \$10,000.

Few of the houses being built are for renting purposes, the majority being for operative builders, and in some cases for owners. Construction costs, although somewhat lower than they were in the spring, are higher than they were a year ago, and in a few instances prospective operations have been postponed because of increased costs. It is said, however, that both labor and materials are more easily obtainable than they were earlier in the year.

In most cases builders are able to finance their operations, but because of the size and number of operations, mortgage funds are not plentiful. Buyers of houses are in some instances finding it difficult to finance their purchases, as building and loan associations have in many cases loaned all their available funds. Trust companies are lending from 50 to 60 per cent of the value of houses, as set by their own appraisers, which, however, is somewhat less than the selling price. The prevailing interest rate is 6 per cent, and although practically no trust companies are charging commissions, mortgage brokers are asking from 2 to 5 per cent on first mortgages and from 5 per cent upward

on second mortgages. Certain banks are lending to individual owners, but probably the majority are financing operative builders.

### IRON AND STEEL

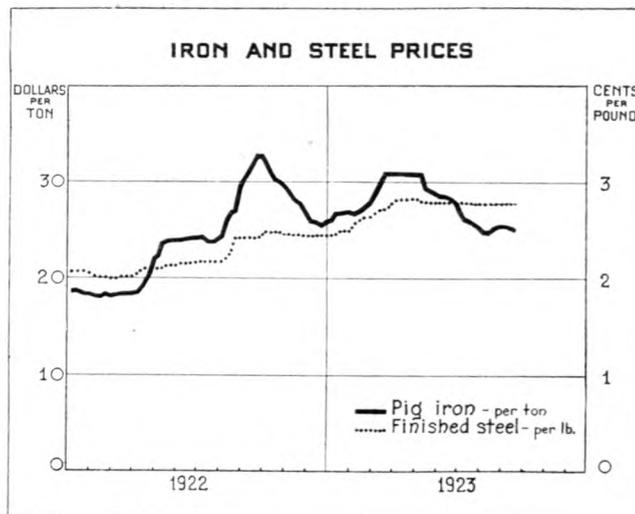
Most divisions of the iron and steel industry report only fair business since the middle of August. It was generally expected that there would be a considerable quickening following the hot season, but so far the looked-for improvement has not come. For a short time around the first of September, pig iron showed increased activity, largely because of the possibility of higher coke prices caused by the anthracite strike, but sales again fell off and are now only fair. Foundries are buying moderate supplies, but other consumers are purchasing conservatively. In iron and steel castings the situation is somewhat better, although with these, too, activity is irregular. Sales are being made to street car builders, coal companies, and miscellaneous industries, depending upon the location of the foundries. Iron bars are in only fair request, railroads and locomotive works being the most active buyers. The call for plates and shapes is moderate and shows little change. Makers of machinery and tools as a rule are receiving a fair amount of business, as are manufacturers of light and heavy hardware. Activity with manufacturers of miscellaneous iron and steel products varies considerably, depending upon the character of the product, but in most cases it is fair. Unfilled orders of the United States Steel Corporation declined for the fifth consecutive month, the 5,414,663 tons reported on August 31 being 496,100 less than the figure on July 31.

Reduction in operating schedules has continued during the month, and it appears that this slackening, which at first was considered largely seasonal, is partly due to a decrease in demand. Evidence of the curtailment is found in production figures for August. The output of pig iron was 3,435,313 gross tons, as against 3,678,334 tons in July. The number of furnaces in blast on September 1 was 270, as compared with 298 on August 1, a loss of 28. In this district nine furnaces were blown out, leaving 37 active at the end of August. The estimated total output of steel ingots in August was 6,679,441 tons, or 165,200 tons more than the revised figure for July. But when the number of working days is taken into consideration, it is evident that the daily rate was lower. In fact, the estimated daily production was the smallest of any month during the current year.

The average percentage of operations in the various lines of the iron and steel industry is about 80, which figure reflects a certain amount of curtailment. Very few reports are made of scarcity of unskilled labor, but in some instances manufacturers find difficulty in obtaining skilled workers. In 36 foundries and machine

shops in this district the number of employees was 2.6 per cent less in August than in July, and the total payroll declined 3.6 per cent. During the same period there was a decline of 1.7 per cent in employment and of 3.5 per cent in the payroll total in 31 plants manufacturing miscellaneous iron and steel products.

Prices of finished steel have been practically unchanged since last month, but some grades of pig iron have advanced slightly. Philadelphia 2 X pig iron, which on September 4 was quoted at \$26, furnace, or \$1 above the price prevailing during the middle of August, fell off 50 cents a ton following the settlement of the anthracite strike, and is now listed at \$25.50. The accompanying chart shows the weekly composite price on several grades of pig iron and on various finished steel products. It will be noted that although pig iron has declined approximately 20 per cent since May 1, quotations on finished steel have been relatively stable.



Although prices of pig iron have been declining since May and are now over 20 per cent below the quotations in the spring, steel prices have been relatively stable

Source—Iron Age

Collections throughout the industry are fair, and show little change since last month.

### COAL

On September 8 representatives of the anthracite miners and operators, meeting at Harrisburg, accepted Governor Pinchot's peace proposal, and on September 17 the agreement was ratified by the miners at a meeting of the Tri-District Convention. On September 19, the men returned to work, and the new contract was signed to remain in force until August 31, 1925. This document embodies the four points of the Governor's proposal, which were the eight-hour day, a 10 per cent wage increase for all classes of mine workers, permission for the union to have a collector of dues and assess-

ments at the pay window, and recognition of the principle of collective bargaining. Provision was also made for the Board of Conciliation to conduct a thorough investigation into the alleged inequalities of the present wage scale and to make revisions if and wherever necessary.

The demand for domestic sizes was good up to September 1 and became insistent after that date on account of the strike. But with the ending of the trouble the market became easier, especially in steam sizes. In cases where facilities for stocking were available, the supply of steam size coal at the mines is heavy, and up to the time of the strike was increasing.

Prices were firm and unchanged until the first of September, after which date quotations were entirely nominal. On September 23, however, new quotations were issued, showing an advance of about 11 per cent on domestic sizes. Company quotations on stove coal, which, until the strike, had ranged from \$8.15 to \$8.35, f.o.b. mines, were advanced to from \$9.05 to \$9.25.

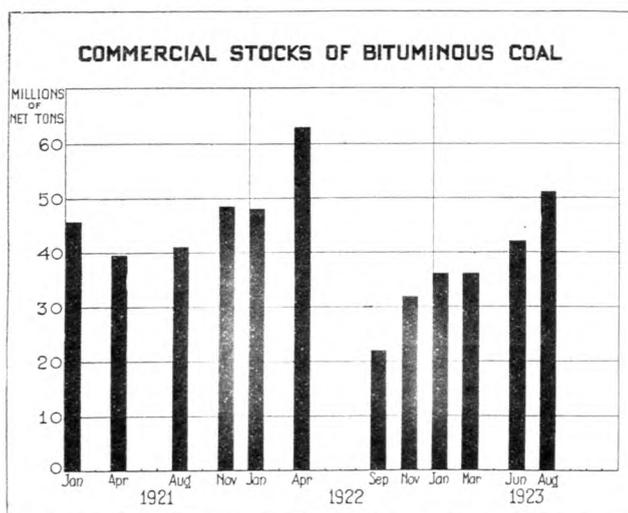
Production, of course, is greatly below normal, operations up to September 19 being confined solely to river dredging and washing. The output for the week ending September 8 is estimated at approximately 5,000 net tons, as compared with 1,893,000 net tons in the previous week. The following table shows the estimated output for the last three weeks and for the corresponding three weeks of last year. The decreased production of 1922 was due to a strike.

Week ending	1923	1922
August 25 .....	2,165,000 net tons	37,000 net tons
September 1 .....	1,893,000 " "	37,000 " "
September 8 .....	5,000 " "	51,000 " "

No labor disturbances of any kind were reported in the anthracite fields during the period of inactivity.

Little improvement has occurred in the market for bituminous coal in this district since the middle of

August, but for a short period, while the outcome of the anthracite strike was in doubt, some sales were made for domestic purposes. The bulk of sales are in the spot market, in which prices are from 50 cents to \$1 below contract quotations. Of the various classes of consumers, railroads appear to be the most active buyers. In spite of the general dullness, there has been a considerable amount of quiet purchasing, some of which has been going into stocks. In many cases, consumers are carrying fairly heavy supplies. The Department of Commerce and the Department of the Interior have made surveys of stocks of bituminous coal at various times during the past three years, the results of which are shown in the accompanying chart. It will be noted that stocks have been increasing steadily since



Estimated commercial stocks of bituminous have been increasing since last September. The strike of last year was the cause of the sharp decline in stocks between April and September, 1922.

Sources—Departments of Commerce and Interior

last September, and that on August 1 they were more than twice as large as on September 1, 1922.

Production has been increasing since the middle of August and in the second week in September was at a higher daily rate than at any time since the first week of 1923, although the total output was less than that of the previous week. This decrease in total tonnage is attributable to the celebration of Labor Day. Estimated production for the last four weeks and for the corresponding period of 1922 was as follows:

Week ending	1923	1922
August 25 .....	11,383,000 net tons	6,736,000 net tons
September 1 .....	11,737,000 " "	9,359,000 " "
September 8 .....	10,485,000 " "	8,791,000 " "
September 15 .....	11,386,000 " "	9,737,000 " "

Operations in this district average about 65 per cent of capacity, and although some reports are made of shortage of miners, the labor supply in general is adequate.

Prices have been practically unchanged during the month, but certain grades are slightly lower. Pool 10 coal, for delivery in Philadelphia, is quoted at from \$2.00 to \$2.35 a ton, f.o.b. mine, as compared with from \$2.10 to \$2.50 a month ago.

With the advent of the anthracite strike, the demand for coke for both foundry and domestic use increased, as was to be expected. Contract prices of Connellsville coke advanced to \$5.00 and even \$5.50 per ton. The settlement of the strike, however, quieted the market, and this, together with the blowing out of a considerable number of blast furnaces, has caused prices to recede. Present quotations for some fourth quarter contracts are \$5 per ton

for beehive coke and from \$6.25 to \$6.50 per ton for the better foundry grades. On September 12, spot furnace coke was quoted at \$4.50 per ton, as compared with \$5.00 per ton of the previous week, and spot quotations for foundry grade were \$5.75 per ton, or 25 cents less than in the week before.

Production of beehive coke has continued to decline, as is shown in the table below. The figures indicate the estimated output for the last four weeks.

Week ending	1923	1922
August 25 .....	327,000 net tons	116,000 net tons
September 1.....	322,000 " "	138,000 " "
September 8.....	345,000 " "	137,000 " "
September 15.....	317,000 " "	124,000 " "

### OILS

The refinery demand for Pennsylvania crude oils is considerably lighter in many cases than it was a year ago. Shipments of California oil to this section have been rather heavy during recent months, and this, combined with the heavy production both in California and in the mid-continent field, has tended to reduce demand for Pennsylvania crude oil. As a result, producers' stocks in several instances are heavier than they were a year ago and are increasing. During the first six months of this year production has run slightly ahead of that for the corresponding period of 1922, as is shown in the accompanying table. Since May, however, output has been less than it was a year ago.

#### Pennsylvania Crude Oil

	1923	1922
January .....	635,000 Bbls.*	541,000 Bbls.
February .....	506,000 " "	559,000 " "
March .....	643,000 " "	630,000 " "
April .....	629,000 " "	598,000 " "
May .....	673,000 " "	661,000 " "
June .....	629,000 " "	639,000 " "
July .....	616,000 " "	622,000 " "
Total for first six months.	4,331,000 " "	4,250,000 " "

\* Barrels of 42 United States gallons.

Several price changes have occurred since May 1, at which time Pennsylvania crudes, with the exception of Bradford-Allegheny oils, which were quoted at \$4.00, were listed at \$3.75 a barrel. Reductions of 25 cents a barrel were made on May 3, May 11, June 18, and July 10. The present quotations, therefore, are \$3 for Allegheny oils, and \$2.75 for other Pennsylvania grades.

There is a good demand for some refined products, and prices are fairly firm. Tank wagon quotations on gasoline range from 17 to 19 cents a gallon in this district, as against 17 to 20 cents a month ago.

### COTTON

During the past two seasons the world's consumption of American cotton has greatly exceeded the production. Consequently, world stocks of American cotton have been materially reduced, having declined from 9,351,000 bales on August 1, 1921, to 3,100,000 bales on the same date in 1923. Therefore, it was important that a heavy crop of cotton be produced this year, and plantings in 1923 were the largest in the history of the country. But drought in the Southwest, excessive moisture in the states east of the Mississippi, and insect depredations have greatly damaged the crop.

The condition on August 25 was reported by the Department of Agriculture to be 54.1 per cent of normal, representing a decrease of 13.1 per cent from the July 25 figure, as compared with an average decline of 8.9 per cent during similar periods in the past ten years. With the exception of 1921, this condition is the lowest on record for that date. And assuming an average yield per acre of 134.8 pounds of lint, the Department predicted a crop of only 10,788,000 bales. Moreover, since August 25, in spite of the fact that the drought in the Southwest has been effectively broken, the weather has been generally unfavorable through most of the cotton belt. Heavy rains in Texas and Oklahoma, following the drought, have threatened the crop in those states.

As a result the demand for raw cotton has been greatly stimulated, and spot sales, especially in Texas, have been large. Sales of cotton goods, too, which began to improve in August, showed a decided gain during September. On August 24 the total world's takings of American cotton were 43.6 per cent smaller in 1923 than in 1922, but on September 21 they were only 39.3 per cent smaller as is shown by the following table. Exports from July 31 to September 21, as estimated by the New York Cotton Exchange, were 28 per cent larger in 1923 than in 1922.

As a result of these conditions, raw cotton prices have risen sharply during the past month, from 25.45

#### 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)	869,968	1,968,159	4,112,651
Crop in sight, American, on September 21 .....	1,487,389	1,556,359	1,463,208
Total .....	2,357,357	3,524,518	5,575,859
Visible supply, American, on September 21 .....	1,429,088	1,995,653	3,777,579
World's takings of American to September 21 .....	928,269	1,528,865	1,798,280

\* Figures compiled by New York Cotton Exchange.

cents per pound for spot middling on August 24 to 30.75 cents per pound on September 19. As compared with 22.45 cents per pound, which was the lowest point reached by spot cotton this year, quotations have risen about 35 per cent. That raw cotton values during 1923 have been comparatively high may be seen by the following chart, which shows the trend of spot cotton prices since 1911. In March of this year quotations reached the highest point since September, 1920. And although they decreased during the succeeding four months, excepting June, raw cotton values have recovered much of the ground lost by the decline.

**Cotton goods**

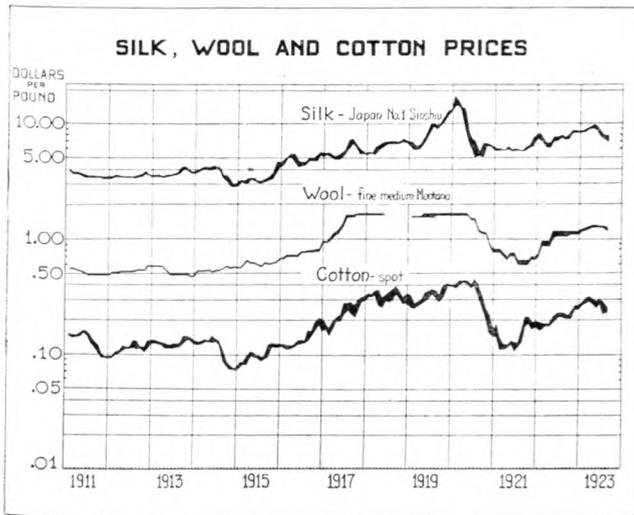
increase in demand and the advance in quotations. Larger sales in September have been mainly due to seasonal influences and to the sharp rise in raw cotton following the publication of the Government report on September 1. Gray goods, and to a lesser extent finished goods, have shared in the improvement. However, the demand for tapestry has continued to be poor, and draperies are reported to be in only fair request. Sales of towels have increased somewhat, but the demand is still weak and buying is mainly for immediate requirements. Manufacturers state that southern competition is keen, especially on the lower grades of towels. On September 18 quotations on gingham for the spring of 1924 were named by the largest factor and were substantially the same as those for the spring season of 1923.

The trend of prices during the month has been upward, and advances have been especially noticeable on gray goods. But quotations on raw cotton have increased relatively more than those on cotton goods. Whereas the former were advanced about 35 per cent from the low point reached on July 31, quotations of print cloths on September 22 were only from 21 to 22 per cent higher than they were during the early part of August.

Production schedules of some mills have been increased from 5 to 20 per cent, and many plants in this district are now operating at from 60 to 90 per cent of capacity. At the present rate of production, unfilled orders will insure operations for from 10 to 90 days. Stocks of finished goods in the hands of producers are moderate and are either stationary or increasing, but stocks of raw material range from moderate to heavy and are either stationary or decreasing.

The improvement in the cotton goods industry is reflected in statistics of employment. Reports of 17 manufacturers in this district show that from July to August employment increased 21.9 per cent. Although the supply of labor has in most cases been sufficient, some producers state that skilled help is scarce. Wages of the latter were raised about 8 to 10 per cent early in September by many tapestry mills.

Collections show little change since last month, and in the majority of instances are only fair.



Except for the sharp break in 1920, the trend of raw silk, wool, and cotton prices since 1911 has been upward. The fluctuations of raw silk and raw cotton prices show striking similarity

Sources—*Journal of Commerce, Textile World and Silk Association of America*

This sharp advance in price has occurred in spite of the fact that cotton ginnings prior to September 1 were large for that time of year. The following table shows the ginnings for Texas and all other states during the past 4 years. It may be seen that the ginnings for Texas were abnormally large, but that the returns from the remaining states were smaller than in 1921 or 1922. This indicates that the crop in the former state is early and that in most other states it is late.

Cotton ginned prior to September 1*				
In running bales	1923	1922	1921	1920
Texas .....	1,088,072	564,957	414,616	329,457
All other States .....	53,265	241,232	71,171	22,132
Total .....	1,141,337	806,189	485,787	351,589

\* Department of Commerce.

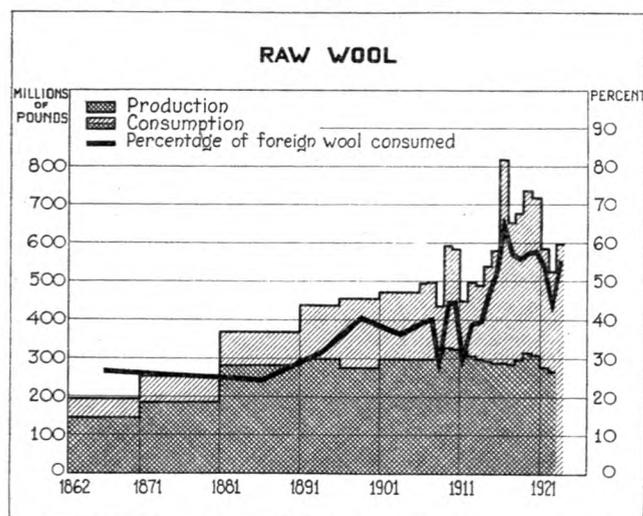
The most important features of the cotton goods market during the past month have been the decided

**WOOL**

An increase in the demand for raw wool during the past month has been reported by dealers in the Philadelphia market. Buying has not as yet assumed large proportions, but a better feeling is noticeable in the trade. Seasonal factors and the strength of wool displayed at foreign auctions are believed to be largely responsible for the improvement. Owing to the vogue of brushed knit goods, low quarter blood wools have been in better request, and some dealers report that sales of "B" pulled wools and noils have also increased.

Prices of wool in the local market, which concessions had rendered weak and irregular, have become steadier as a result of the increased demand. The chart on page 21, representing the average monthly quotations of fine medium Montana wool, shows that since 1911 the trend of prices has been upward. Although values have declined somewhat from the levels reached earlier this year, they are still comparatively high.

As shown by the accompanying chart, the consumption of wool in the United States has more than trebled during the past 60 years. Owing to the unusual wartime needs, the consumption was especially heavy from 1916 to 1920. On the other hand, the domestic production of wool increased but slightly from 1881 to 1909, and since that date has decreased. As a result, the proportion of foreign wool consumed in the United States has risen sharply since 1890. From 1915 to 1923, with the single exception of 1922, this country has consumed a larger percentage of foreign wool than of domestic.



Domestic production of wool has not substantially changed in 40 years, but consumption has increased greatly and was especially heavy from 1916 to 1920. Consequently, the imports of foreign wool have grown steadily. Figures are for fiscal years ending June 30

Source—United States Tariff Commission

During the past month woolen and worsted yarns, which have been in poor request, showed only a slight improvement in demand, but spinners are more optimistic. Since the buying of yarns has for some time been mainly from hand to mouth, spinners feel that any appreciable increase in the call for woolen and worsted goods will be reflected in a better demand for yarns. Moreover, raw wool has displayed considerable strength at the London sales. Because of the good request for brushed wool sweaters and scarfs, sales of knitting yarns of the lower grades have increased. The demand for hand-knitting yarns has also improved somewhat. However, the poor response of buyers at the openings of spring goods has prevented manufacturers from knowing what their yarn specifications

for the light-weight season will be, and consequently weaving yarns have been in dull request. Most of the business on the books is for delivery within 60 days.

A few spinners are operating at or near capacity, but many mills have curtailed production and are running only from one half to three quarters of their equipment. This curtailment of operations has largely prevented the accumulation of stocks of yarn, which are reported to be either light or moderate. The supply of labor has been sufficient. Wool consumption in this district, as reported by 81 establishments, decreased 10.93 per cent in August from the July figure.

Prices have continued weak during the past month, and some spinners have reduced them in order to stimulate demand. But the majority state that quotations have not been changed. Collections are fair.

Although some producers of woolen and worsted goods report that the demand has increased during the past month, business in general is still only fair or poor, and orders are much smaller than is usual at this period of the year. Nearly all of the openings of light-weight fabrics have been held, but the response of buyers, especially of buyers of men's wear, was for the most part unsatisfactory. Some lines of dress goods, however, sold fairly well. The desire of buyers for something different has led many manufacturers of women's wear to show new kinds of fabrics for spring. Novelties such as camel's hair cloth are reported to be in better demand than staples, and substantial orders for the former have been placed. Fall business in both men's wear and dress goods has continued to be mainly from hand to mouth. Producers of women's cloakings state that the demand for bolivias for fall and winter wear has fallen off decidedly, and in some cases cancellations for large quantities have been received.

Because of the lack of orders, many mills are running less than half their equipment. Although some exceptionally fortunate plants are operating at or near capacity, the average for this district is about 50 per cent. The curtailment that has occurred in the majority of mills has been sufficient to prevent large accumulations of finished goods. However, production in a number of cases has exceeded the demand, and stocks in those instances are moderately heavy. In order to move stocks, some firms are reported to have made concessions. But as compared with a month ago, prices of fall goods, though weak, have for the most part remained unchanged. Higher costs have made it necessary to advance quotations on spring goods over those of last year.

Curtailment of operations in the woolen and worsted industry has been reflected in statistics of wages and employment. Reports from 25 manufacturers in this district show that employment decreased 2.2 per cent from July to August and that average weekly earnings decreased 2.9 per cent during the same period. Labor,

both skilled and unskilled, is now reported to be sufficient or plentiful. Collections show little change since last month.

### SILK

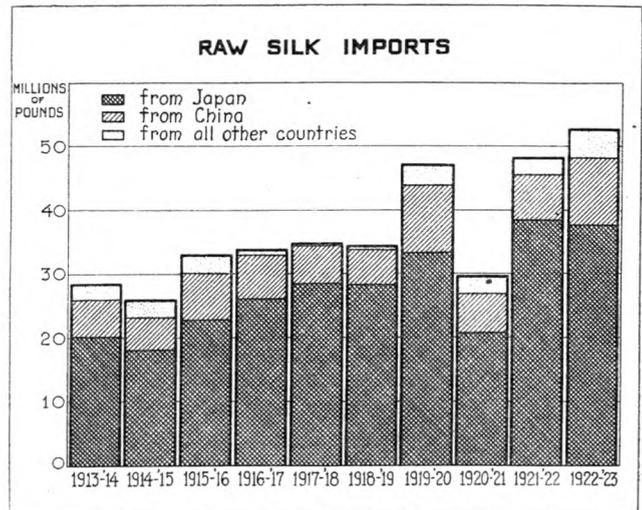
As a result of the disaster in Japan, unsettled conditions have prevailed in the raw silk trade during the past three weeks. At the opening of the New York market on September 4, most of the importers and dealers refused to make quotations. But in some cases spot sales were made at large increases in price. On September 5 the Raw Silk Trade Council voted to suspend all operations in Japanese silks until September 11, and this date was later extended by recommendation of the same body. Consequently, until trading in Japanese silks was resumed, business was restricted mainly to Chinese and Italian silks, although a few sales of the former were also made at prices ranging from \$11.50 to \$12.00 per pound for Kansai double extra cracks.

On September 17, the Raw Silk Trade Council decided that operations in Japanese silks should be renewed according to the individual judgment of each trader. But many of them preferred to remain inactive because of inadequate information as to the extent of damage to the raw silk industry in Japan. However, some sales were made on a basis of \$11.25 to \$11.50 per pound for Kansai double extra cracks, and although prices declined somewhat they were on September 22, about 35 per cent higher than those quoted before the disaster. Prices of Chinese and Italian silks have moved in sympathy with those of Japanese silks.

As yet, the extent of damage to Japan's raw silk industry has not been definitely determined. The first authentic information was received by the Silk Association of America, which on September 15 announced that only 28,000 bales of raw silk had been destroyed. But three days later a cable from Ambassador Woods at Tokio was received by the Department of Commerce which estimated the destruction of silk in Yokohama at 42,000 bales and the number saved at about 8,000. The cable also stated that the filatures were practically undamaged and that brokers in Japan anticipate shipping silk from Kobe in the near future.

The importance of Japan to the silk industry in this country is shown by the accompanying chart. Of the total raw silk imported into the United States during the past ten fiscal years, Japan supplied from 70 to 80 per cent. Imports from China were next in size, and "other countries" furnished only a very small proportion of the total. The latter was especially true in 1917, 1918, and 1919. In 1922-23, however, although total imports of raw silk increased 9.3 per cent over those of the preceding year, imports from Japan decreased slightly.

Although stocks of raw silk on hand in American warehouses increased somewhat during August, they



The great part of raw silk imported into this country has come from Japan and China. Imports were especially heavy in 1921-22 and 1922-23, but were small in 1920-21 because of business depression in that year. Figures are for fiscal years ending June 30

Source—Department of Commerce

were comparatively small on September 1, as shown by the following table. But imports during August were greater than during any month since October, 1922, and deliveries to mills also increased.

#### Silk imports, stocks and deliveries to American mills\*

In bales	Imports during month	Deliveries to American mills	Storage at end of month
1923:			
August .....	36,092	33,547	25,459
July .....	25,622	28,573	22,914
June .....	23,727	27,824	25,865
May .....	25,814	24,509	29,962
March .....	28,336	33,515	39,436
January .....	32,593	34,680	47,087
1922:			
August .....	39,813	34,772	32,515
July .....	25,575	24,996	27,474
June .....	35,598	29,529	26,895
May .....	34,842	33,284	20,826
March .....	19,746	26,651	22,077
January .....	40,177	33,842	31,139
1921:			
August .....	34,590	33,557	18,899
July .....	36,107	33,762	17,866
1920:			
August .....	17,966	19,101	51,130
July .....	17,272	10,846	52,265

\* Silk Association of America.

Higher prices of raw silk, resulting from the earthquake in Japan, have caused a sharp advance in quotations on pure thrown silk. On September 20 prices of Japan double extra organzine were about 35 per cent higher than they were before the disaster. But although some throwsters

**Thrown silk**

report a good request for spot goods, others state that the demand is only fair or poor. Many manufacturers have preferred to wait until conditions in the raw silk market become more stable, and meanwhile are buying pure thrown silk only for immediate needs. However, the call for artificial silk and for silk and fibre mixtures is reported to have strengthened decidedly during the past month. Because of their increasing use and their comparatively low price, the demand for these yarns has steadily grown.

Operations in this district vary widely. Whereas some throwsters are running less than one half of their equipment, others are operating at about three fourths of capacity. Stocks of both finished goods and raw materials are fairly light and are decreasing. In most instances the supply of labor is adequate. Collections are fairly good.

Conditions in the silk goods industry, like those in the raw and thrown silk trades, have been considerably upset, as a result of the disaster in Japan. **Silk goods** The demand for silk fabrics had in many cases begun to improve during the latter part of August, and after news of the catastrophe had reached this country, buyers attempted to place large orders. But because of uncertainty as to price and as to their ability to secure supplies of the raw material, manufacturers refused to accept any large amount of business and as a rule have taken only small orders from their old customers for early delivery. A number of producers state that although crêpes of all kinds continue in good request, satins, especially satin-faced goods, are increasing in popularity.

During the past month the majority of producers in this district have operated from 70 to 90 per cent of their equipment. Stocks of raw material are decreasing and in general are fairly light, some plants having on hand little more than a month's supply. Stocks of finished goods are moderate and are either stationary or decreasing. About one half of the manufacturers reporting to this bank state that skilled help is scarce, but that unskilled labor is adequate.

Prices of broad silks, which last month were for the most part weak, are now strong, and many producers have advanced them. The increases in some cases range from 10 to 20 per cent. Collections are fairly good.

### HOSIERY

The uncertainty in the silk situation, caused by the calamity in Japan, outweighs all other considerations in the hosiery business at present. Since the disaster, quotations on Japanese raw silk until September 17 were in many cases nominal; small quantities could be bought, but only at about 40 per cent above former prices. After the re-opening of the market on that date a few traders were willing to operate and prices declined slightly from the peak. Many manufacturers of silk hosiery who withdrew their product from the mar-

ket, pending developments, re-opened them, but their prices varied considerably. One of the leading manufacturers, whose output was sold until the end of the year, has advised his customers that he will fulfill his contracts, and many other producers also hope to be able to make their stated deliveries. It is known, however, that mills have fair stocks of hosiery, and therefore it is hoped that an acute shortage will be averted.

As of July 31, the Department of Commerce makes the following report of finished hosiery in the mills:

Men's full-fashioned .....	52,625	dozens of pairs
Men's seamless .....	2,159,241	" " "
Women's full-fashioned .....	751,919	" " "
Women's seamless .....	2,419,267	" " "
Boys' and misses'—all styles .....	552,147	" " "
Children's and infants'—all styles ..	789,213	" " "
Athletic and sporting—all styles ....	38,178	" " "
	6,763,091	" " "

In this report no account is taken of merchandise in process of manufacture. Although it is not possible to state definitely how many of the above number are of silk, it may be said that about 80 per cent of both men's and women's full-fashioned hosiery produced is of silk, and that a considerable percentage of seamless is undoubtedly made of the same material. Stocks in the hands of wholesalers and retailers are not known, but are thought to be of usual size. The demand for silk hosiery since the Japanese catastrophe, however, has not been abnormally large.

### HOSIERY INDUSTRY Third Federal Reserve District

In terms of dozens of pairs	Aug., 1923 compared with July, 1923	Aug., 1923 compared with Aug., 1922
<b>Firms selling to the wholesale trade:</b>		
Number of reporting firms—29		
Product manufactured during month .....	— 1.4%	+ 6.3%
Finished product on hand at end of month .....	+ 1.1 "	+ 30.6 "
Orders booked during month ....	+44.0 "	+ 21.1 "
Cancellations received during month .....	—47.9 "	+266.9 "
Shipments during month .....	— 5.7 "	+ 8.8 "
Unfilled orders on hand at end of month .....	— 7.9 "	+ 40.3 "
<b>Firms selling to the retail trade:</b>		
Number of reporting firms—11		
Product manufactured during month .....	+ 6.7%	+ .1%
Finished product on hand at end of month .....	+ 4.0 "	+ 17.0 "
Orders booked during month ....	+ .6 "	— 6.5 "
Cancellations received during month .....	—44.3 "	+ 8.3 "
Shipments during month .....	— 2.2 "	— 11.6 "
Unfilled orders on hand at end of month .....	— 2.5 "	+ .7 "

Various manufacturers report that the demand for hosiery in general is fair: in women's wear, for silk and fibre mixtures and for mercerized; in men's wear, for silk and fibre mixtures, mercerized, cotton, and wool and fibre mixtures; and in children's wear, for silk and fibre and for mercerized. The call for infants' wear has been somewhat disappointing. Because of the advance in cotton yarns, some quotations on cotton hosiery have been raised, especially on low end goods. Mercerized yarn advanced about 5 per cent and cotton yarn about 10 per cent. Comparatively little demand has developed for women's wool mixtures, and as the season is now passing when these should be made, it is apparent that they will be worn much less than they were last year.

Several of the largest producers of artificial silk have announced their intention of maintaining prices at the former levels. Some fears had been expressed that quotations would be advanced in sympathy with the price of pure silk.

With one or two exceptions, labor is in sufficient supply. This confirms our report on page 6, which shows that in the knit goods industry, which includes hosiery, the number of employees decreased 1.4 per cent as compared with July. The average weekly wages also decreased, from \$19.55 in July to \$18.91 in August. Although collections are said by most firms to be fair, the number reporting them as poor has increased considerably.

The Department of Commerce reports that 305 identical establishments, representing 382 mills in June and 384 mills in July, produced 4,224,422 dozens of pairs in June and 3,762,881 in July, a decrease of nearly 11 per cent; and that unfilled orders at the end of the month fell from 9,420,733 dozens of pairs in June to 8,136,673 in July, a loss of over 13 per cent. In the Third Federal Reserve District the reports from hosiery manufacturers, tabulated on page 24, show that production in August, as compared with July, decreased 1.4 per cent in mills selling to the wholesale trade, but increased 6.7 per cent in mills selling to the retail trade. Unfilled orders on August 31, as compared with July 31, decreased 7.9 per cent in wholesale mills and 2.5 per cent in retail mills.

### UNDERWEAR

During the past month a considerable improvement in business has been noted by manufacturers of underwear. Orders for winter weights for late autumn delivery have increased, and both jobbers and retailers are reported to have purchased more freely. The strength in cotton yarns has undoubtedly been partly responsible for this betterment. It has materially lessened the probability of cancellations by retailers, as prices for underwear are firm and in a few cases advances have

been asked. As September is one of the periods of heaviest deliveries, shipments have already been made to and accepted by retailers.

In spring weights, too, orders have been in good volume, and a number of large mills making men's wear have withdrawn from the market. It is not definitely known whether these mills are entirely sold up for the season, or, having sold a large part of their output, prefer to take no more contracts at the old price in view of the advance in cotton yarns. This advance has averaged about 10 per cent during the past four weeks. Mills making women's wear report a good demand for both vests and union suits, and a few report that practically their entire output is contracted for. But it is thought that on the whole the sales of women's wear have not been as good as of men's wear.

Some mills find that sales are not as large as they were at this time in 1922, and give as the reason that a number of buyers have no faith in the present cotton situation. Nearly all the plants are operating at from 50 to 100 per cent of capacity, and the average of operations is probably about 70 per cent. Stocks of underwear in the mills are reported by the majority to be light. Labor, both skilled and unskilled, is in sufficient supply, and collections are from fair to good.

In the following table the reports of firms in the Third Federal Reserve District are summarized:

### UNDERWEAR INDUSTRY Third Federal Reserve District

In terms of dozens	Aug., 1923 compared with July, 1923	Aug., 1923 compared with Aug., 1922
<b>Summer underwear</b>		
Number of reporting firms—11		
Product manufactured during month .....	-12.1%	+ 9.4%
Finished product on hand at end of month .....	+22.4 "	-12.9 "
Orders booked during month ...	-18.2 "	+17.5 "
Cancellations received during month .....	-76.3 "	-33.3 "
Shipments during month .....	-22.3 "	+21.9 "
Unfilled orders on hand at end of month .....	+23.2 "	+48.3 "
<b>Winter underwear</b>		
Number of reporting firms—8		
Product manufactured during month .....	+47.2%	+24.5%
Finished product on hand at end of month .....	-14.5 "	-16.2 "
Orders booked during month ...	+11.5 "	-13.1 "
Cancellations received during month .....		
Shipments during month .....	+55.7 "	+36.3 "
Unfilled orders on hand at end of month .....	-21.4 "	+39.5 "

### FLOOR COVERINGS

The approach of the end of the season is, as usual, marked by comparative dulness in floor coverings. Manufacturers of carpets and rugs, however, state that conditions are better than they were a month ago. Cancellations have ceased, and in a number of cases requests have been received from buyers to reinstate their orders; but this, in some instances, it was impossible to do, as the mills had in the meantime sold these goods elsewhere. New business, too, is larger, and as some of this calls for prompt shipment by express, it appears that stocks in jobbers' and retailers' hands are light. Some manufacturers have increased their stocks and are able to fill orders promptly; but this condition exists almost exclusively in the higher grades.

The largest factor has announced an auction sale to begin on Monday, October 1, and to continue throughout that week, at which 87,000 bales, or approximately 260,000 individual carpets and rugs, will be offered for sale. Of these, about 25 per cent are said to be fall goods and 75 per cent patterns for the spring of 1924. The goods will be offered for October, November, and December delivery. At the same time, this factor will show his full spring line and announce prices for delivery after January 1.

Manufacturers claim that costs are higher than they were at the April opening, and that therefore lower prices are unlikely. This view has recently been strengthened by the rapid and large advances in the quotations on cotton yarns. But the buyers reply to this that present prices have retarded sales; that wool yarns are lower than they were a month ago, and that the tone of the market is distinctly easy.

Operations in the mills have not increased, and a number of them are working on only part time. During August, as is shown by the table on page 6, employment in carpet and rug mills decreased 3.1 per cent as compared with July. The average weekly wage fell from \$25.58 in July to \$25.28 in August. Labor is in sufficient supply. Collections are reported as either fair or good.

Linoleums in all grades continue in good request, and mills are somewhat behind on deliveries. One large manufacturer lowered his prices about 5 per cent in September, but otherwise quotations are unchanged. All the plants in this district are running at capacity. Collections have improved and are good.

### LEATHER

Packer hides have shown considerable activity, and though early in the month most selections sold at prices below previous quotations, more recently prices have advanced and in some cases are higher than they were a month ago. The only net declines of more than a half cent per

#### Hides and skins

pound are in branded cowhides, which had not sold freely until the reduction in price, and in extra-light Texas steers, which are inactive but usually sell at the same price as branded cows.

Calfskin prices have held firm, and recently advanced 1 cent to 18 cents for packer skins. The demand has been so steady that the market has been kept almost clear of stock. Goatskins displayed considerable activity in late August and early September, but since then have become more quiet. Prices are firm in both the foreign and spot markets. Although American tanners have operated moderately abroad, many of them prefer to buy lots now in this country or that are due to arrive at an early date. Sheepskins are firm at the present range of prices, which are about 10 per cent below the peak of last spring. The supply, however, is small, and it is thought that a slight renewal in the demand would be quickly reflected in values.

The slight improvement in the sales of heavy leather noted last month has not continued; sales are small, the market is dull, and prices for most descriptions are barely steady. Shoe manufacturers continue to buy only for immediate needs, and the finding trade is less active. Belt makers are buying in fair volume but are not stocking leather. During July, the last month for which figures have been issued, the production of butts was 139,775, and as stock in the hands of tanners increased about 38,000 during that month, it is clear that over 100,000 butts were sold during July.

Stocks of both backs, bends, and sides, and of offal, sole and belting, increased 2.3 per cent during July and were heavier than at any time this year. Buyers maintain that in the face of these stocks it would be ill-advised to purchase except for their immediate needs. The export demand has not increased, and leather merchants who have recently visited Europe report that the prospects are poor for an improvement in the call from that quarter in the near future.

Upper leathers are somewhat more active than heavy leathers. For suede the demand continues, but is not so urgent as it was last month, and the supply appears to have increased. For patent leather and grain calf a good call exists. In grain calf, black is gaining in popularity, especially in men's weights. Except in these leathers, however, the volume of business is not large. During July, stocks of upper leathers show only the following slight changes:

Cattle side, decreased .....	1.0	per cent
Calf and kip, decreased .....	.7	" "
Goat and kid, increased .....	1.3	" "
Cabretta, increased .....	1.8	" "

Sheep leather for chamois is meeting with a ready sale, but for hat leather the demand has decreased considerably; and for bag leather, in the form of skivers, the volume of sales has been small, but is now beginning to increase.

Harness leathers are dull, and some manufacturers state that the main cause of this is the sale of surplus stocks by the United States Government at prices below the cost of production.

Leather goods are active, and sales are exceeding those of a year ago. Ladies' cases are in particularly good request, and some manufacturers report that they have sufficient orders booked to take care of their output for the balance of the year. Sales of travelers' luggage are fully equal to those of the corresponding period in 1922. Bags and suit cases are in fair demand at about last year's prices, and trunks are selling well. Owing to the advance in the prices of bass-wood and hardware and to the higher labor cost, quotations on trunks are from 10 to 15 per cent higher than they were a year ago.

The supply of labor in the leather industry is sufficient, and as is shown by the table on page 6, employment in this trade decreased 4.7 per cent in August as compared with July. The average weekly wage was lower, too, and stood at \$23.85 in August, as against \$24.59 in July.

Collections in some lines are said to be slower. Firms selling in the oil districts, such as Oklahoma, state that accounts are noticeably slow. And in many parts of the country firms are allowing their bills to run to maturity instead of discounting them as has been usual.

Very few shoe manufacturers in this district are able to obtain orders except for prompt shipment. The volume of daily sales, however, is fair, and the rate of production, which increased in August, appears to have been maintained since then. Shoe salesmen are out on the road and report that there is a fair business for early shipment but little inclination to buy ahead.

The demand for staple shoes is relatively small, and this applies to women's, misses', growing girls', and small children's lines. In this connection it should be of interest to note that, at the convention of New York State Shoe Retailers held in September, a motion was introduced by the resolutions committee which after reciting at considerable length the difficulties of manufacturers, jobbers and retailers of shoes caused by the rapid changing of styles, recommended "that the National Association of Tanners, Shoe Manufacturers, Wholesalers and Retailers, unite in efforts and counsel to devise some effective plan whereby a reasonable element of style, stability and control, may be re-established in the shoe industry."

For women's shoes, suede leather is easily the leading material, although it is doubtful whether the percentage of shoes made of it in recent orders is as large as it was last month. Patent, grain calf, and mat kid leathers all figure in the orders. Satin, too, is popular. These materials are called for in low cuts with straps or with gores. For children a bewildering assortment of colors and leathers is shown in com-

bination. Patent and calf leathers, however, predominate.

Prices for shoes are generally unchanged, but on satin pumps higher quotations are made because of the advance in the price of satin brought about by the disaster in Japan.

In July, in part because of the annual holidays, production in this country fell to 25,120,728 pairs, as compared with 28,187,973 in June. Production for the first seven months of this year, however, was more than 18 per cent greater than in the corresponding period of 1922, and was more than 10 per cent greater in July than in July, 1922.

Labor, in nearly all cases, is reported to be in sufficient supply. The table published on page 6 shows that employment in this district in the boot and shoe industry decreased 3.2 per cent in August as compared with July, and that the individual wage also fell from \$17.47 to \$15.59 in the same period.

Collections in an increased number of cases are reported as slow, but by many are said to be fair. The following table, compiled from the reports of firms in the Third Federal Reserve District, shows that production in August was 14.6 per cent larger than in July.

**BOOT AND SHOE INDUSTRY**  
**Third Federal Reserve District**

Number of reporting firms—33 (in terms of pairs)	Aug., 1923 compared with July, 1923	Aug., 1923 compared with Aug., 1922
Product manufactured during month	+14.6%	+21.8%
Shipments during month . . . . .	+41.8 "	+19.2 "
Orders booked during month . . . . .	-14.5 "	-20.5 "
Orders on hand at end of month . . . . .	-19.6 "	+18.4 "
Cancellations received during month	+15.0 "	+98.4 "
Stocks (unsold) on hand at end of month . . . . .	-7.4 "	+ 1.0 "

Wholesale sales of shoes are in good volume; the demand, however, in nearly all cases is for prompt shipment. From the table on page 12 it will be seen that sales in August were larger by 50.7 per cent than in July, and by 32.1 per cent than in August, 1922.

Retail shoe sales during September have been increasing and according to preliminary reports promise to be larger than in September of last year. The early advent of the Hebrew holidays this year is believed to be the cause of the comparatively light business at that time, but the subsequent cool weather has stimulated buying considerably. The following table shows that sales by reporting firms in August decreased as usual and were 7.9 per cent smaller than in July. Compared with those of August, 1922, however, they increased 11.6 per cent. Stocks at the end of August were larger

than they were a month previous, but smaller than at the corresponding time in 1922.

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**RETAIL SHOE TRADE**  
**Third Federal Reserve District**

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(In terms of dollars)

**1. Net sales:**

(a) Aug., 1923, as compared with July, 1923....	- 7.9%
(b) Aug., 1923, as compared with Aug., 1922....	+ 11.6"
(c) July 1 to Aug. 31, 1923, as compared with July 1 to Aug. 31, 1922.....	+ 6.8"

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**2. Stocks (selling price):**

(a) Aug., 1923, as compared with July, 1923 .....	+ 11.7%
(b) Aug., 1923, as compared with Aug., 1922 ..	- 4.9"

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

(a) July 1 to Aug. 31, 1923 .....	2.7%
(b) July 1 to Aug. 31, 1922 .....	2.3"

Number of stores reporting above items:  
1.....21      2 and 3.....19

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**PAPER**

Since Labor Day there has been some improvement in the call for paper, but manufacturers and wholesalers alike state that buying has not been as heavy as was expected, and that on the whole the demand is still only fair. Paper mills report that the orders booked this month were smaller than those received in September, 1922, but larger than those booked last month. Some improvement as compared with August has been noted by makers of book paper, and plant operations are now at about 75 per cent of capacity. Wrapping paper producers also report an increase in demand, but orders are not yet sufficient to take their entire output, and consequently mill stocks are accumulating. Mills making tag stocks and manilas are operating at only about 65 per cent, because of rather small purchases by tag makers. Boxboard manufacturers report only a fair demand, especially for news and chip boards, and some closed their plants for a week early in the month. Wall paper mills, however, are seasonally very busy and are operating at capacity or overtime. One large manufacturer of wall paper states that the orders on the books on September 1 were 50 per cent greater than on the same date last year. The call for envelopes is heavier than it was last month, and envelope factories are operating at about 70 per cent. Tissues and coarse krafts are still in light request, and mills making these grades are running at only about 60 per cent. Practically all of the orders received by the mills are for prompt shipment. Paper wholesalers report that their sales this month are larger than those in August, particularly on

the book grades, as the printing trades are buying more freely than they did during July and August. However, the increase in demand has not been large.

Contract prices are holding firm on all grades of paper, except on coarse krafts, which are weak; but in the spot market some concessions are still obtainable on nearly all grades, on large orders. Imported and domestic chemical pulps are more firm than they were last month, although some concessions are still being made to big buyers. Prices of mechanical pulp are firm and unchanged.

Finished stocks at most mills are light, although at wrapping-paper plants they are moderate and at some kraft mills heavy. But curtailment of production at the kraft plants is causing stocks to decrease. Supplies of raw materials at the mills are moderate and are remaining practically stationary.

Skilled labor is in sufficient supply at all paper mills, and during the month the supply of unskilled labor has increased, so that it is more than ample for the needs of the industry. Wages are unchanged. Collections are reported as being from fair to good and more prompt than they were last month.

**PRINTING AND PUBLISHING**

Although the printing and publishing industry, in general, is more active than it was during the summer months, many job printers report that the demand is not as heavy as it was in September, 1922. A few, however, state that they have more orders booked than they had a year ago and that their plants are running at close to capacity. But the average of plant operations for commercial printers is only about 70 per cent. Catalogues and advertising pamphlets for nearly all lines of industry make up the major part of job printers' orders. Some firms have also received large orders for direct-by-mail advertising circulars. Magazine publishers report that the demand for advertising space is good, and that since August 1 there has been a steady increase in their sales of advertising space over those of the same period last year. The automobile, rubber tire, and automobile accessories industries have been heavy purchasers. Subscription sales, too, are good for this season of the year and show a small increase over those of last September. Book publishers are very busy on the Christmas trade orders and are working at capacity. Lithographers report that window display advertising continues in good request and that the 1924 calendar work is especially heavy at present. Practically all lithographic plants are operating at capacity.

Price cutting among commercial printers is still severe, and the printers complain that in some instances competitors have cut prices below production costs. Competition for catalogue orders has been especially keen. Printing and publishing costs show little change from those of June. Slight concessions in paper prices

are still obtainable, but the costs of other materials and of labor remain unchanged.

On the whole, the supply of labor is sufficient for the needs of the industry, except in the binderies of the large publishing houses, where some difficulty in securing competent girl workers has been experienced. Wages are unchanged at the same levels as fixed by the Typhothetæ about two years ago.

Collections are reported as being from fair to good and more prompt than during July and August.

**CIGARS**

The demand for cigars is stronger than it was a month ago, but some manufacturers state that it is less active than it was in September, 1922. In general, however, the call for cigars is good, and orders for the Christmas trade have been booked in large volume. Special Christmas packings are in heavy request, but on account of the high cost of making such packings, several manufacturers have merely wrapped their standard packages in special holiday paper. The five cent cigar seems to be losing in popular favor, nearly all of the producers of this grade reporting that it is not selling as well as it did earlier in the year. On the other hand, the ten cent cigar is growing in popularity, and many of the large cigar makers report that it is their best seller. Class B and Class D cigars are also in good request. Most of the large manufacturers are operating at close to capacity, and the smaller producers at about 75 per cent. The majority of orders are for immediate delivery, only a few firms reporting any for delivery beyond 60 days. Cigar jobbers state that the current demand is rather poor and that retailers are buying only from hand to mouth. However, they are receiving many Christmas orders for de-

livery in the latter part of November or early in December.

Production of large cigars in August was smaller than that of August, 1922. As the preceding chart shows, the production of Class C grades increased and that of Class A goods declined considerably.

Cigar prices are very firm and remain unchanged. Tobacco leaf prices are also firm, and some grades are higher than they have ever been before.

A very good crop of cigar tobacco leaf is in prospect in the northern leaf-growing states, and the Department of Agriculture estimates from the condition of the crop on September 1 that this year's production will be 20 per cent greater than last year's. But on September 11, ten days after the Department made its estimate, heavy frosts occurred in Wisconsin and Ohio, and considerable damage was wrought to the crop still standing in the fields. The following figures are the Department's estimates of the production of cigar tobacco leaf in the principal growing states on September 1:

**Estimated tobacco production**

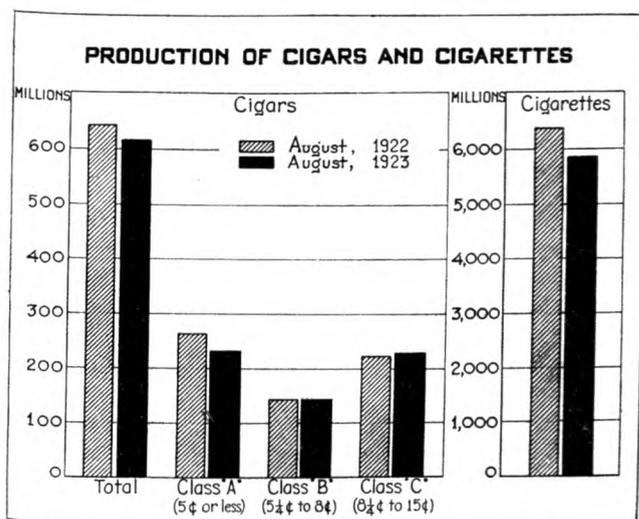
State	1923 (From conditions on Sept. 1)	1922
Pennsylvania .....	57,408,000 lbs.	56,760,000 lbs.
Massachusetts .....	16,530,000 "	11,925,000 "
Connecticut .....	48,165,000 "	35,000,000 "
New York .....	2,272,000 "	2,200,000 "
Ohio .....	59,623,000 "	46,800,000 "
Wisconsin .....	52,734,000 "	45,600,000 "

Stocks of cigars at the factories are moderate and at many plants are larger than they were a year ago. In general, the supplies of raw materials held by manufacturers are also moderate.

At most factories, the supply of labor is sufficient, although during the month the available supply of skilled cigar workers has decreased considerably. Consequently, a few factories report that both skilled and unskilled labor is somewhat scarce. Wages are unchanged. Collections vary from fair to good and show little change since last month.

**AGRICULTURE**

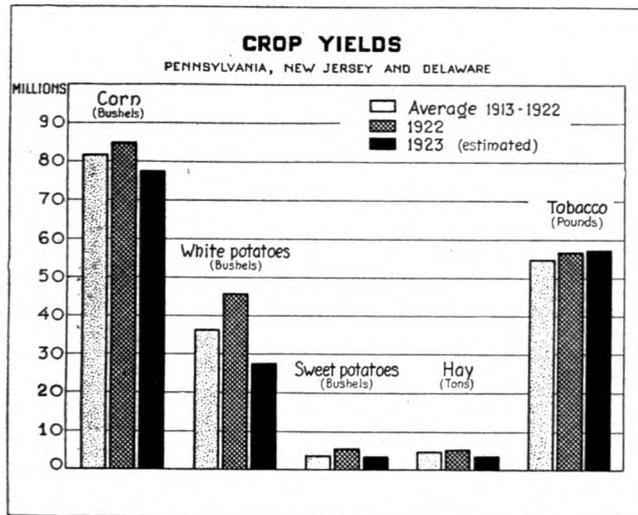
Heavy showers at the close of last month and during this month helped the late truck crops of the district considerably, but the rains came too late to overcome the havoc wrought by the summer drought on most crops. Late potatoes, tomatoes, and cabbage and pastures are in much better condition than they were last month. But the county agents and the state departments of agriculture in this district report that the output of corn, potatoes, sweet potatoes, oats, buckwheat, barley, and hay will be smaller than that of a



The production of small cigarettes in August, for the first time this year was less than for the corresponding month of 1922  
Source—Commissioner of Internal Revenue

year ago and less than the ten-year average. Only the tobacco crop in Pennsylvania promises to be larger than in 1922. Corn is somewhat stunted in growth and is from ten days to two weeks behind normal development. The early white potato crop was extremely poor, but the late crop is more promising. Oats, barley, and buckwheat were severely hurt by drought in the early growing stages, and the stands in many districts were rather poor. The second cutting of hay has been very meagre, and in some regions no second cuttings were possible. Dry weather was the cause of the unfavorable condition of sweet potatoes; many of the plants that were set out dried up, and continual replanting was necessary. The following chart shows how the 1923 estimated yield of some important field crops compares with last year's output and with the average production of each for the past ten years.

In New Jersey the condition of late truck crops, although not as good as it was last year, has improved since the middle of August. The tomato yield is expected to be up to the average, and the late potato crop is greatly superior to the early crop. Lima and string beans have been satisfactory, and beets and celery are in fair condition. Sweet corn, however, has been ravaged by the ear corn worm, and late cabbage fields have been greatly injured by insects. The blight has been heavier than usual in many parts of the state and has caused considerable injury to celery, egg plants, squash, and spinach. Late tomatoes and potatoes, too, have suffered from blight on the dry, sandy soils. Considerable damage to late potatoes from blight is also reported in some counties of Pennsylvania.



The yields of all important field crops in this district, except tobacco, are smaller than last year's and than the ten-year average. Production estimates for 1923 are based on the condition of crops on September 1. Tobacco figures are for Pennsylvania only. Source—Department of Agriculture

The fruit crops of this district are expected to be large. True, the apple crop is not so good as was expected at the start of the season, but it is only slightly smaller than the average production of the past three years. The peach crop is fully 25 per cent greater than it was last year and 50 per cent greater than the three-year average. The pear crop in Pennsylvania does not promise to be quite up to normal, but in New Jersey a yield 50 per cent in excess of last year's is expected. The grape crop in Pennsylvania is above the average, but not as good as it was in 1922; in New Jersey a heavy yield is in prospect. The cranberry crop of New Jersey is estimated to be 10 per cent larger than last year's and 40 per cent above the average production of the past ten years.

On account of the poor condition of pastures during the summer, the dairy herds in many counties are thin and scraggy and below their normal condition for September. Some dairymen kept herds in good condition by feeding hay and grain, but these were exceptions, as most of the farmers depended chiefly on pastures for feed, which they supplemented with light rations of

Estimates of crop production†  
(In thousands of units)

Crop	Pennsylvania			New Jersey			Delaware		
	1923	1922	10-year average	1923	1922	10-year average	1923	1922	10-year average
Corn	62,062 bus.	69,212 bus.	64,470 bus.	9,416 bus.	9,912 bus.	10,837 bus.	6,143 bus.	5,439 bus.	6,595 bus.
Oats	31,996 "	41,242 "	39,393 "	1,682 "	2,232 "	2,242 "	176 "	161 "	175 "
Buckwheat	4,434 "	5,203 "	5,091 "	153 "	220 "	216 "	77 "	76 "	106 " †
Potatoes	20,539 "	28,512 "	24,398 "	6,360 "	16,435 "	11,073 "	724 "	960 "	949 "
Sweet potatoes	235 "	280 "	268 "	2,322 "	3,500 "	2,515 "	934 "	1,720 "	901 "
Tobacco	57,408 lbs.	56,760 lbs.	54,878 lbs.	.....	.....	.....	.....	.....	.....
Hay (tame)	3,018 tons	4,880 tons	4,278 tons	312 tons	485 tons	487 tons	82 tons	116 tons	96 tons
Apples	10,521 bus.	11,400 bus.	10,731 bus.*	2,045 bus.	2,610 bus.	2,073 bus.*	859 bus.	980 bus.	667 bus. †
Peaches	1,907 "	1,560 "	1,303 " *	2,495 "	2,000 "	1,494 " *	231 "	320 "	189 " †
Pears	526 "	576 "	547 " *	629 "	405 "	427 " *	221 "	158 "	189 " †
Cranberries	.....	.....	.....	220 bbls.	200 bbls.	150 bbls.	.....	.....	.....

\* Average production for past three years.  
† Average production for past five years.  
‡ Estimates for 1923 based on September 1 condition.

## September 1 condition of minor crops

Crop	Pennsylvania			New Jersey			Delaware	
	Per cent of normal			Per cent of normal			Per cent of normal	
	1923	1922	Average 10 years	1923	1922	Average 10 years	1923	Average 5 years
Cowpeas .....	80	87	90	85	98	92	95	89
Soy beans .....	85	90	87	85	87	86	95	88
Tomatoes .....	77	93	86	77	81	78	86	70
Cabbage .....	76	87	85	67	93	84	..	..
Pastures .....	68	80	85	60	92	87	74	83
Onions .....	77	89	88	63	91	86	..	..
Grapes .....	83	95	77	89	87	83	90	72

hay. However, pastures are much better now than they were early in August, and the general condition of dairy herds is decidedly superior to what it was on August 1. The effects of the summer's drought will be felt deeply by owners of herds this winter, when many who usually produce abundant hay for their needs will have to buy in the market. The short crop, together with poor pastures and the necessity of giving the herds hay during the summer, has resulted in the smallest hay stocks in many years in the dairymen's barns at the close of September.

In general, hogs and other livestock are in good condition and about normally developed for September. Several county agents report that there are fewer hogs

on the farms in their counties than there were at the close of last September, but the majority state that the numbers are about the same.

Farm labor is still in scant supply, although it is somewhat more plentiful than it was last month. Unless the fall weather is extremely favorable, some of the crops will rot in the fields before the limited supply of men can harvest them. In certain counties farmers are pooling their labor and harvesting their crops jointly.

From the view point of production the agricultural industry in this district is closing an unfavorable season. The yields of all crops, with the exception of fruits and tobacco, are below normal.

COMPILED AS OF SEPTEMBER 22, 1923

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

# FEDERAL RESERVE DISTRICTS

