

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
FEBRUARY 1, 1924

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

SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES

Production of basic commodities showed further decline in December and wholesale prices receded slightly. Christmas trade was somewhat larger than a year ago. Changes in the banking situation in January reflected chiefly an unusually large return flow of currency after the holiday season.

The index of production in basic industries declined 4 per cent in December to the low point of the year.

Production

The decrease for the month reflected principally a large reduction in consumption of cotton, but also reduced operations in the woolen, petroleum, sugar, and lumber industries. Production of pig iron and anthracite increased. The Federal Reserve Board's index of factory employment decreased 1 per cent, and was 4 per cent lower than in the spring. The largest decreases were at plants manufacturing food products and railroad equipment. Building contract awards in

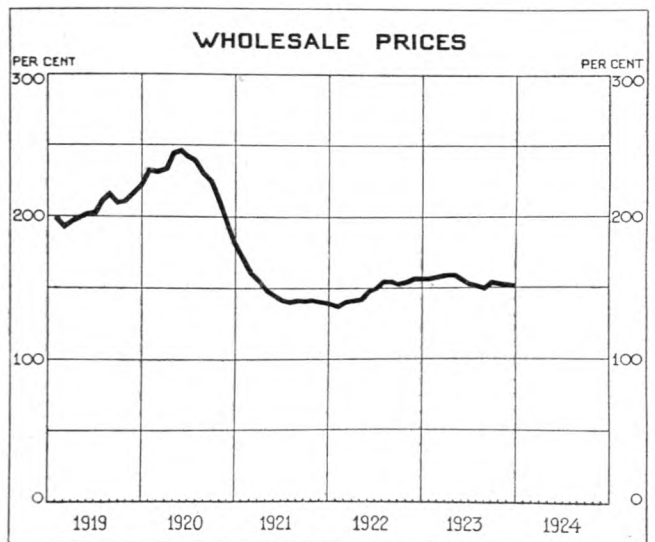
December were smaller than in November, but almost 25 per cent larger than a year ago.

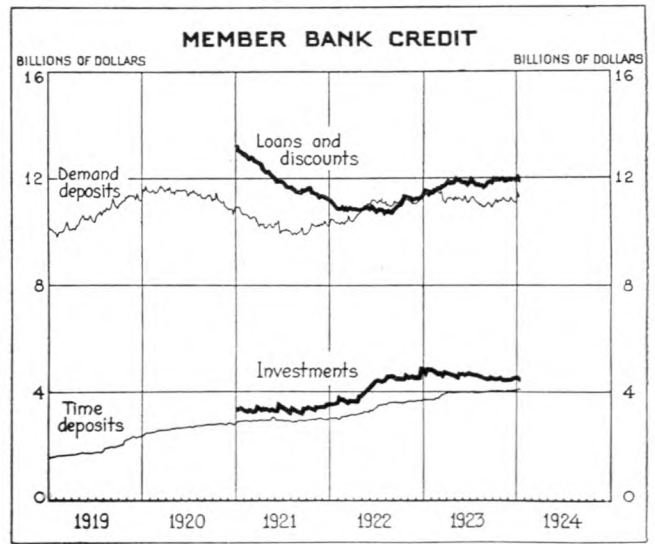
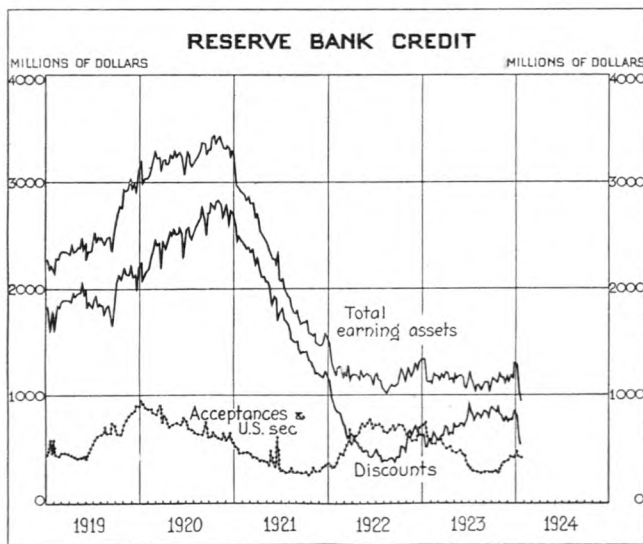
Railroad shipments continued to decrease during December and were slightly less than in December, 1922.

Trade

Loadings of coal and grain were smaller than a year ago, while loadings of miscellaneous merchandise and live stock were in larger volume. The volume of wholesale trade showed more than the usual seasonal decrease and was at about the same level as a year ago. Sales of meat, hardware, and drugs were larger than in December, 1922, while sales of dry goods and shoes were smaller. Retail trade, though larger in December, 1923, than in any other month on record, did not show as large an increase over November as is usual at the Christmas season.

Wholesale prices, according to the index of the Bureau





of Labor Statistics, decreased less than one per cent during December. The chief reductions occurred in prices of fuel and building materials, while prices of clothing and metals increased, and prices of farm products remained unchanged. During the first two weeks of January prices of corn, wheat, pig iron, petroleum, and lumber advanced, while quotations on cotton, sugar, and copper were lower.

The volume of credit extended by the Federal reserve banks showed the usual sharp increase during the latter part of December in response to holiday requirements for credit and currency and financial settlements falling due on the first of January. With the passing of the seasonal demands there was an unusually rapid return flow of currency to the reserve banks, reflected both in an increase of reserves and a decrease of Federal reserve note circulation. Member banks used the currency returned from circulation to reduce

their borrowings, with the consequence that the earning assets of the Federal reserve banks declined by \$360,-000,000 during the four weeks following Christmas, or approximately \$150,000,000 more than during the corresponding period of 1923. At the middle of January the volume of reserve bank credit outstanding was below \$1,000,000,000 for the first time since early in 1918.

Loans made largely for commercial purposes by member banks in principal cities declined between December 12 and January 16 to a point \$264,000,000 lower than at the peak in October and to about the level of July, 1923. This decrease in loans, which was general throughout the country, was accompanied by a movement of funds to the financial centers and an increase in loans on securities, principally in New York.

Easier money conditions in January are reflected in a further slight decline in the rate on prime commercial paper to 4¾ per cent, compared with 4¾ to 5 per cent in December, and in increased activity in the investment markets.

Bank Credit

TABLE OF CONTENTS

	PAGE		PAGE		PAGE
Automobiles	16	Employment and wages	3	Securities	6
Bankers' acceptances	7	Financial conditions	6	Shipbuilding	16
Building	13	Floor coverings	24	Shirts	22
Cement	13	Flour	10	Shoes	25
Cigars	27	Foreign exchange	7	Shoes, wholesale	9
Clothing, men's wear	21	Groceries, wholesale	10	Silk goods	22
Coal, anthracite	17	Hardware, wholesale	10	Silk, raw	22
Coal, bituminous	17	Hides and skins	24	Sugar, raw	11
Coke	18	Hosiery	23	Sugar, refined	12
Commercial paper	7	Iron and steel	15	Summary, district	3
Cotton goods	20	Leather	24	Summary, national	1
Cotton, raw	19	Lumber	13	Synopsis of business conditions	4
Cotton yarns	19	National summary	1	Underwear	23
District summary	3	Paint	14	Wholesale trade	9
Drugs, wholesale	10	Paper	26	Woolen and worsted goods	21
Drygoods, wholesale	9	Paper boxes	27	Woolen and worsted yarns	20
Electrical supplies	15	Retail trade	8	Wool, raw	20
		Savings deposits	6		



SUMMARY OF BUSINESS CONDITIONS IN THE THIRD FEDERAL RESERVE DISTRICT

Customary first of the year quiet prevailed in most trades and industries early in January, but since the middle of the month activity has been growing. Distribution of goods by wholesalers was lighter in December than in November, but retailers as a rule enjoyed a good holiday business. Freight car loadings declined sharply in the last few weeks of 1923, a usual occurrence at that season of the year. Manufacturing activity, however, has been fairly well maintained, and although numerous factories, especially those in the textile industries, are running on reduced schedules, the average rate of operations is comparatively high.

Optimism is apparent in most lines, and the majority of industries have entered the year with a considerable degree of confidence. This feeling is supported by the fact that stocks of goods in the hands of ultimate distributors are of moderate size, and that industrial workers as a rule are fully employed at substantial wages. It is true that employment decreased about 2 per cent in this district during December, but this was partly due to temporary shutdowns for the purpose of taking inventories. In contrast to these favorable factors, there is the complaint, especially in the cotton trade, that manufacturers are meeting with resistance to prices and that concessions are demanded which prevent goods being marketed at a reasonable profit. But the general price level has continued relatively stable, and although the index of the Bureau of Labor Statistics at the end of December stood at 151, as compared with 152 at the end of the previous month, decreases in price appeared to be smaller than during the previous month. The largest decreases, which took place in the fuel and lighting and building material groups, were caused by lower prices for bituminous coal, for certain grades of lumber, and for portland cement. Farm products as a group fell slightly, higher prices for wheat, cotton, and wool being offset by reductions in corn and beans.

Turning to the conditions in the individual industries, a marked improvement is noted in the demand for iron and steel products. Pig iron is selling better than it has for some time past, and prices are firm. Steel manufacturers are looking forward to sizeable orders from the automotive industry, which is preparing for another good year. The leather trade has also been

enjoying a better demand; nearly all grades of hides have been selling readily, and stocks are lower; heavy leathers, too, show improvement. In the textile industries a better sentiment is noted in the silk and woolen trades, but cotton continues quiet. Men's clothing is said to be moving slowly, largely because of unseasonable weather. Bituminous coal is still sluggish, and additional mines have shut down; anthracite, on the other hand, is selling well. Most building materials are in fair request, considering the season of the year, as construction has been relatively active. The value of building permits issued in the Third Federal Reserve District declined in December, it is true, but such an occurrence is usual at that period. Paper and paper boxes are in fair request, and cigar manufacturers also report moderately good business.

In four of the five wholesale lines in which this bank collects figures, sales in December were smaller than in November, and in some instances were also less than in December, 1922. Wholesale trade, however, usually falls off in December, as orders for the holidays have been placed previously and retailers try to hold stocks at a minimum at the time of taking inventory. Retail trade, as usual, reached the high point of the year in December, during which month sales were 6.3 per cent larger than they were a year ago. But it is asserted that unseasonable weather was the cause of smaller increases than were generally expected. Still, those stores that have held sales during January report the volume to be about equal to that of the same period last year.

Credit conditions are easy, and money rates are slightly lower than they were a month ago. Some commercial paper has been sold recently at $4\frac{1}{2}$ per cent, but for other names the market held at $4\frac{3}{4}$ and 5 per cent.

EMPLOYMENT AND WAGES

Employment in manufacturing establishments in Pennsylvania, New Jersey, and Delaware decreased more than 2 per cent in December, according to reports received by this bank from more than a thousand establishments in 48 industries. The largest decreases, of 15 and 21 per cent respectively, occurred in car-repair shops and sugar refineries. Material reductions were recorded also in plants making machinery, in miscel-

SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of January 22, 1924

Third Federal Reserve District

Business	Demand	Prices	Finished stocks	Labor situation		Collections
				Supply	Wages	
Automobiles	Fair to good	Firm	Moderate			Fair to good
Cement	Fair to good	Firm	Light to moderate	Sufficient	Unchanged	Fair to good
Cigars	Fair	Firm	Light to moderate	Sufficient	Unchanged	Fair to good
Clothing, men's wear shirts	Poor Fair	Unchanged to lower	Moderate	Sufficient	Unchanged	Poor to fair
Coal, anthracite	Good	Firm	Moderate	Some scarcity	Unchanged	Fair
Coal, bituminous	Fair	Unchanged	Heavy	Sufficient	Unchanged	Fair
Coke	Fair	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair
Cotton goods	Poor	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair to good
Cotton yarns	Poor to fair	Lower	Light to moderate			Fair to good
Drugs, wholesale	Fair	Some advances, some declines	Moderate			Fair to good
Drygoods, wholesale	Fair	Unchanged to higher	Moderate			Fair to good
Electrical supplies	Fair to good	Firm	Moderate			Fair
Floor coverings	Fair to good	Unchanged	Moderate to heavy	Sufficient	Unchanged	Fair to good
Flour	Fair	Firm	Moderate	Sufficient	Unchanged	Fair
Groceries, wholesale	Fair	Steady	Moderate to heavy			Fair to good
Hardware, wholesale	Fair to good	Firm	Moderate: decreasing			Fair to good
Hosiery, full-fashioned	Fair	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair to good
Hosiery, seamless	Fair	Cotton, firm Silk, unchanged to lower	Moderate	Sufficient	Unchanged	Fair to good
Iron and steel	Fair to good	Unchanged to higher	Moderate	Some scarcity	Unchanged	Fair to good
Leather belting	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Leather, heavy	Fair	Unchanged to higher	Heavy	Sufficient	Unchanged	Good
Leather, upper	Poor to fair	Some advances, some declines	Heavy	Sufficient	Unchanged	Good
Lumber	Fair to good	Firm	Moderate	Some scarcity	Unchanged	Fair to good
Paint	Fair	Unchanged to higher	Moderate to heavy	Sufficient	Unchanged	Poor to fair
Paper	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Paper boxes	Fair	Weak	Light to moderate	Sufficient	Unchanged	Fair
Shipbuilding	Poor	Unchanged		Sufficient	Unchanged	Fair
Shoes, manufacture	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Shoes, retail	Fair to good	Unchanged	Moderate			Good
Shoes, wholesale	Fair	Unchanged	Moderate			Poor to fair
Silk goods	Fair	Unchanged	Heavy	Sufficient	Unchanged	Fair
Sugar	Fair	Lower	Light	Sufficient	Unchanged	Good
Underwear, heavy weight	Poor to fair	Higher	Light	Sufficient	Unchanged	Fair to good
Underwear, light weight	Poor to fair	Higher	Light	Sufficient	Unchanged	Fair to good
Woolen and worsted goods	Poor	Unchanged	Moderate	Sufficient	Unchanged	Fair
Woolen and worsted yarns	Poor to fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good

EMPLOYMENT AND WAGES
IN PENNSYLVANIA, NEW JERSEY AND DELAWARE

Group and Industry	Number of plants reporting	Number of wage earners week ended			Total weekly payroll week ended			Average weekly wages week ended		
		December 15, 1923	November 15, 1923	Per cent change	December 15, 1923	November 15, 1923	Per cent change	December 15, 1923	November 15, 1923	Per cent change
All industries: (48)	1,063	404,259	413,975	- 2.3	\$10,917,239	\$10,948,388	- .3	\$27.01	\$26.45	+ 2.1
Metal manufacturers:	350	196,199	203,184	- 3.4	5,745,230	5,766,482	- .4	29.28	28.38	+ 3.2
Automobiles, bodies and parts...	25	7,790	7,783	+ .1	226,667	217,672	+ 4.1	29.10	27.97	+ 4.0
Car construction and repair...	14	23,993	28,394	- 15.5	860,591	911,713	- 5.6	35.87	32.11	+ 11.7
Electrical machinery and apparatus.....	36	16,233	16,217	+ .1	400,006	385,714	+ 3.7	24.64	23.78	+ 3.6
Engines, machines and machine tools.....	36	13,195	13,959	- 5.5	374,523	367,836	+ 1.8	28.38	26.35	+ 7.7
Foundries and machine shops...	74	14,564	14,892	- 2.2	412,576	413,585	- .2	28.33	27.77	+ 2.0
Heating appliances and apparatus.....	18	5,773	5,944	- 2.9	176,221	177,697	- .8	30.53	29.90	+ 2.1
Iron and steel blast furnaces...	11	13,046	13,277	- 1.7	382,648	383,005	- .1	29.33	28.85	+ 1.7
Iron and steel forgings.....	12	4,733	4,984	- 5.0	122,302	136,660	- 10.5	25.84	27.42	- 5.8
Steel works and rolling mills...	49	50,624	51,151	- 1.0	1,415,516	1,447,043	- 2.2	27.96	28.29	- 1.2
Structural iron works.....	12	3,031	3,248	- 6.7	80,435	87,935	- 8.5	26.54	27.07	- 2.0
Miscellaneous iron and steel...	47	25,919	27,331	- 5.2	796,491	769,763	+ 3.5	30.73	28.16	+ 9.1
Shipbuilding.....	9	13,252	11,888	+ 11.5	380,872	347,764	+ 9.5	28.74	29.25	- 1.7
Non-ferrous metals.....	7	4,046	4,116	- 1.7	116,382	120,095	- 3.1	28.76	29.18	- 1.4
Textile products:	262	76,418	77,226	- 1.0	1,665,939	1,670,228	- .3	21.80	21.63	+ .8
Carpets and rugs.....	14	3,571	3,881	- 8.0	96,968	108,746	- 10.8	27.15	28.02	- 3.1
Clothing.....	39	6,816	6,746	+ 1.0	129,783	123,981	+ 4.7	19.04	18.38	+ 3.6
Hats, felt and other.....	9	5,875	5,939	- 1.1	142,000	140,978	+ .7	24.17	23.74	+ 1.8
Cotton goods.....	24	7,645	7,427	+ 2.9	186,436	172,061	+ 8.4	24.39	23.17	+ 5.3
Silk goods.....	70	19,834	20,478	- 3.1	377,158	392,376	- 3.9	19.02	19.16	- .7
Woolens and worsteds.....	33	14,352	14,300	+ .4	312,478	312,010	+ .1	21.77	21.82	- .2
Knit goods and hosiery.....	48	10,551	10,604	- .5	213,585	202,462	+ 5.5	20.24	19.09	+ 6.0
Dyeing and finishing textiles...	17	5,722	5,782	- 1.0	159,351	171,901	- 7.3	27.85	29.73	- 6.3
Miscellaneous textile products	8	2,052	2,069	- .8	48,180	45,713	+ 5.4	23.48	22.09	+ 6.3
Foods and tobacco:	94	27,289	28,107	- 2.9	616,908	617,494	- .1	22.61	21.97	+ 2.9
Bakeries.....	22	4,677	4,829	- 3.1	125,733	123,312	+ 2.0	26.88	25.54	+ 5.2
Canneries.....	9	2,865	3,039	- 5.7	64,269	65,729	- 2.2	22.43	21.63	+ 3.7
Confectionery and ice cream...	22	5,811	6,132	- 5.2	116,618	122,352	- 4.7	20.07	19.95	+ .6
Slaughtering and meat packing	14	3,068	2,929	+ 4.7	84,924	78,863	+ 7.7	27.68	26.92	+ 2.8
Sugar refining.....	3	2,702	3,444	- 21.5	91,502	103,455	- 11.6	33.86	30.04	+ 12.7
Cigars and tobacco.....	24	8,166	7,734	+ 5.6	133,862	123,783	+ 8.1	16.39	16.01	+ 2.4
Building materials:	81	23,378	23,458	- .3	651,713	664,351	- 1.9	27.88	28.32	- 1.6
Brick, tile and terra cotta products.....	21	3,271	3,169	+ 3.2	84,071	83,927	+ .2	25.70	26.48	- 2.9
Cement.....	15	7,802	7,871	- .9	222,272	229,994	- 3.4	28.49	29.22	- 2.5
Glass.....	28	7,983	8,077	- 1.2	205,040	213,925	- 4.2	25.68	26.49	- 3.1
Pottery.....	17	4,322	4,341	- .4	140,330	136,505	+ 2.8	32.47	31.45	+ 3.2
Chemicals and allied products:	75	29,851	30,220	- 1.2	885,999	901,460	- 1.7	29.68	29.83	- .5
Chemicals and drugs.....	41	8,070	8,054	+ .2	205,434	205,339	0	25.46	25.50	- .2
Explosives.....	10	2,598	2,700	- 3.8	65,764	74,888	- 12.2	25.31	27.74	- 8.8
Paints and varnishes.....	12	1,450	1,375	+ 5.5	37,749	35,765	+ 5.5	26.03	26.01	+ .1
Petroleum refining.....	8	16,451	16,776	- 1.9	536,959	546,077	- 1.7	32.64	32.55	+ .3
Coke.....	4	1,282	1,315	- 2.5	40,093	39,391	+ 1.8	31.27	29.96	+ 4.4
Miscellaneous industries:	201	51,124	51,780	- 1.3	1,351,450	1,328,373	+ 1.7	26.43	25.65	+ 3.0
Lumber and planing mill products.....	8	2,410	2,366	+ 1.9	50,969	51,810	- 1.6	21.15	21.90	- 3.4
Furniture.....	22	3,373	3,374	0	86,796	81,624	+ 6.3	25.73	24.19	+ 6.4
Musical instruments.....	6	9,627	9,992	- 3.7	299,367	313,990	- 4.7	31.10	31.42	- 1.0
Leather tanning.....	38	8,929	9,041	- 1.2	235,990	232,671	+ 1.4	26.43	25.74	+ 2.7
Leather products.....	7	709	749	- 5.3	14,051	15,194	- 7.5	19.82	20.29	- 2.3
Boots and shoes.....	29	5,045	5,328	- 5.3	92,431	90,627	+ 2.0	18.32	17.01	+ 7.7
Paper and pulp products.....	24	5,848	5,941	- 1.6	139,921	141,716	- 1.3	23.93	23.85	+ .3
Printing and publishing.....	25	4,070	3,960	+ 2.8	136,460	133,279	+ 2.4	33.53	33.65	- .4
Rubber tires and hoods.....	20	5,711	5,411	+ 5.5	162,531	140,011	+ 16.1	28.46	25.88	+ 10.0
Novelties and jewelry.....	11	2,876	2,934	- 2.0	71,156	69,134	+ 2.9	24.74	23.56	+ 5.0
All other industries.....	11	2,526	2,684	- 5.9	61,778	58,327	+ 5.9	24.46	21.73	+ 12.6

laneous iron and steel plants, structural iron works, carpet mills, canneries, confectionery establishments, and shoe and leather products factories. These decreases in employment are no doubt in part attributable to curtailed operations during the inventory period. A few industries reported increases; notably, shipbuilding 11 per cent, and cigars and tobacco, paints and varnishes, and rubber products, 5 per cent.

The monthly report of the Bureau of Labor Statistics shows similar tendencies in the country as a whole. General employment decreased 1.5 per cent, the largest shrinkage being in sugar refineries, car-repair shops, and confectionery establishments. Noticeable increases occurred in rubber-tire factories and cotton mills.

Total weekly wages paid in this district also fell off in December, but much less than employment, with the result that average weekly earnings increased more than 2 per cent. The largest increase in per capita earnings—about 12 per cent—occurred in the two groups showing the greatest decline in employment—car-repair shops and sugar refineries. Thirty of the 48 industries reported increased per capita wages, whereas only 14 reported increased employment. Average weekly earnings of \$27.01 in all industries, reported in December, were higher than in any previous month of the year and represent an advance of nearly 12 per cent over the figure for January, 1923. The accompanying table shows for each month of 1923, the average earnings in manufacturing establishments reporting to this bank.

January	\$24.21	July	\$26.05
February	24.53	August	25.50
March	25.39	September	26.21
April	25.61	October	26.69
May	26.71	November	26.45
June	26.26	December	27.01

FINANCIAL CONDITIONS

In the period from December 19 to January 16, reporting member banks in this district reduced their commercial loans from 346 to 338 millions, but secured loans increased from 281 to 285 millions. Investments declined from 293 to 285 millions, and deposits increased from 789 to 795 millions. A comparison of the figures for January 16 with those for preceding dates follows.

Following the usual seasonal tendency, the bills discounted and the circulation of Federal reserve notes, as reported by the Federal Reserve Bank of Philadelphia, declined during the four weeks ending January 23. Deposits increased and total reserves decreased. The reserve ratio rose owing to a larger proportionate decline in liabilities than in cash reserves.

Sales of bonds increased markedly in January, and the prices of all classes of these securities, given in the accompanying table, moved upward. Prices of stocks also advanced.

Securities

REPORTING MEMBER BANKS—THIRD DISTRICT Changes in principal items

All figures in millions of dollars	Jan. 16, 1924	Changes in course of		
		Six months	One year	Two years
Secured loans	285	+ 9	+23	+36
Commercial loans	338	-18	+ 8	+22
Total loans and discounts	623	- 9	+31	+58
U.S. securities owned	106	-16	-25	+30
Other securities owned	179	- 6	- 8	+14
Total investments	285	-22	-33	+44
Demand deposits	673	-21	-44	+50
Time deposits	122	+17	+56	+75

FEDERAL RESERVE BANK OF PHILADELPHIA Changes in principal items

All figures in millions of dollars	Jan. 23, 1924	Changes in course of		
		Four weeks	Six months	One year
Bills discounted	39.7	-22.4	-22.7	- 1.5
Purchased bills	33.7	+ .7	+13.4	+ 8.1
United States securities	21.1	+ 8.1	+ 3.7	- 8.3
Total earning assets	94.5	-13.6	- 5.6	-1.7
Fed. reserve note circulation	191.0	-42.0	-12.5	- 6.5
Total deposits	120.2	+ 2.7	+ 2.7	- .8
Cash reserves	237.6	-21.5	- 2.9	- 4.3
Reserve ratio	76.3%	+2.4%	+1.4%	+ .3%

AVERAGE PRICES OF SECURITIES

	Jan. 21, 1924	Dec. 21, 1923	Jan. 22, 1923
Average prices of—			
20 industrial stocks	\$97.28	\$93.51	\$97.25
20 railroad stocks	80.85	79.74	85.10
10 first grade rail bonds	86.82	86.01	87.05
10 second grade rail bonds	83.75	82.34	83.67
10 public utility bonds	86.62	84.70	87.60
10 industrial bonds	94.32	93.07	94.71
4 liberty bonds	99.63	98.95	98.64

Largely as a result of the crediting of interest, savings deposits, as reported by seventy-nine banks in the Third Federal Reserve District, increased 3.7 per cent during December. If the interest paid be eliminated the net excess of deposits over withdrawals was 1.2 per cent. As compared with those of a year ago, savings deposits on January 1 show an increase of 10.1 per cent. Percentages of change for various cities are as follows:

SAVINGS DEPOSITS
Third Federal Reserve District

	Number of banks	Per cent of change December 1, compared with	
		Month ago	Year ago
Altoona.....	5	+2.2	+15.8
Chester.....	5	+1.0	+13.4
Harrisburg.....	4	-2.1	+18.3
Johnstown.....	5	+ .2	+12.2
Lancaster.....	3	+4.5	+27.0
Philadelphia.....	9	+4.1	+ 7.9
Reading.....	3	+2.1	+13.5
Scranton.....	6	+4.9	+12.8
Trenton.....	6	+8.9	+11.9
Wilkes-Barre.....	5	+1.3	+23.0
Williamsport.....	4	+ .9	+ 4.6
Wilmington.....	5	+ .9	+ 9.9
York.....	5	+2.8	+12.2
Others.....	14	+1.5	+13.6
Totals.....	79	+3.7	+10.1

The supply of commercial paper has increased since January 1, and most dealers report that they have good lists. The demand, however, has

Commercial paper not increased in proportion to the offerings, although, because of the increase of loanable funds and lower rates for call money, more banks have entered the market as buyers. No large purchases such as were reported in December have been made, so that it is doubtful if sales during January in this city will be as heavy as they were in December. Rates are lower; sales at $4\frac{1}{2}$ per cent, in considerable volume, are reported outside of this district, and within it some short maturities have sold at that rate, but the bulk of the business continues to be closed at either $4\frac{3}{4}$ or 5 per cent.

During December the sales by six reporting firms in the Third Federal Reserve District equalled \$7,857,500. The same firms sold \$5,971,500 in November, 1923, and \$6,787,500 in December, 1922. Sales to Philadelphia institutions totaled \$4,710,000, and outside sales \$3,147,500. A few sales were made at $5\frac{1}{4}$ and $5\frac{1}{2}$ per cent, but the combined sales at these rates were only slightly more than 2 per cent of the total. The balance of the transactions were at $4\frac{3}{4}$ and 5 per cent, with the majority at the higher figure.

Although sales to the reserve bank by five dealers operating within the Third Federal Reserve District were maintained at a level somewhat in excess of that of the previous four weeks, sales to others during the month ending January 9 declined materially, and the total fell off. The weekly average of \$2,758,000, however, compares favorably with that of a year ago. The supply of bills in this district was limited and the demand for them only fair. The offering rate for 30 day bills was 4 per cent, and for 60 and 90 day bills, $4\frac{1}{8}$ per cent. Acceptances executed by twelve banks in this district increased from \$3,099,000 in the month ending December 10 to \$4,281,000 in the succeeding month.

Transactions of five dealers within this district are summarized below:

DEALINGS IN BANKERS' ACCEPTANCES
Third Federal Reserve District

Weekly average for the period	Sales in Third District		Purchases in Third District
	To Federal Reserve Bank	To others	
1924—			
Dec. 13*—Jan. 9.....	\$2,406,000	\$352,000	\$353,000
1923—			
Nov. 15—Dec. 12.....	2,215,000	1,045,000	867,000†
Oct. 11—Nov. 14.....	3,071,000	286,000	1,210,000
Sept. 12—Oct. 10.....	2,520,000	281,000	324,000
Dec. 17.**—Jan. 14.....	2,237,000	236,000	861,000

* 1923. ** 1922. † Revised figure.

Wide fluctuations and unusually large shrinkage in the values of the more important European currencies were the outstanding features in the

Foreign exchange foreign exchange market during the past month. Political developments in England are thought to have been the cause of the decline in sterling, which since the middle of December has fallen more than 16 cents to a new low level of \$4.2094 on January 21. French francs declined precipitately during the second and third week in January and were quoted at as low as \$.0427, a new record in the history of the market. The decline was attributed to speculation, which for a time threatened to push quotations to below the 4 cent mark. A partial recovery, however, was made on January 16, followed by a second decline, and on January 21 francs were quoted at \$.0440. Belgian francs declined in sympathy, and these also touched a new low level on January 14, at \$.0403. Italian lire are fairly steady at \$.0436, and for the first time on record, quotations for several days this month were higher than those for French francs. Currencies of the former neutral countries have all depreciated during the month. Swiss francs fell from \$.1751 on December 28, to \$.1730 on January 18, and both Spanish pesetas and Dutch guilders were quoted on the latter date at \$.1272 and \$.3711 respectively; lower levels than they have touched at any time in several months. Scandinavian exchanges, too, have declined. Norwegian kroner reached a new low record on January 18 at \$.1412, and Swedish kroner were quoted at \$.2606.

Far Eastern currencies have also fallen from last month's levels, and Japanese yen in particular felt the effects of heavy purchases made abroad. A new low point was recorded on January 15, when quotations declined to \$.4338. Since that time, however, they have recovered to some extent, and on January 21 were quoted at \$.4559. Chinese tael (Hongkong) are lower than they have been since early in October. With the exception of Chilean pesos, quotations on which are lower, South American currencies are stronger than they were at this time last month. Canadian dollars are listed at \$.977304, a substantial improvement over quotations at the end of December.

FOREIGN EXCHANGE RATES

Noon cables	Par value	Jan. 21, 1924	Dec. 21, 1923	Jan. 21, 1923
London.....	\$4.8665	\$4.2094	\$4.3528	\$4.6558
Paris.....	.1930	.0440	.0512	.0636
Antwerp.....	.1930	.0402	.0452	.0574
Milan.....	.1930	.0433	.0431	.0471
Vienna.....	.2026	.000014	.000014	.000014
Amsterdam.....	.4020	.3698	.3789	.3952
Copenhagen.....	.2680	.1622	.1783	.1873
Stockholm.....	.2680	.2596	.2633	.2686
Madrid.....	.1930	.1265	.1306	.1560
Berne.....	.1930	.1726	.1743	.1863
Buenos Aires.....	.9648	.7366	.7311	.8431
Shanghai.....	.7745	.7023	.7241	.7241

RETAIL TRADE

Preliminary reports indicate that sales in the retail stores of this district during January are about the same as they were in January, 1923. In many stores the usual

sales of white goods, men's and women's apparel, and carpets and rugs have been held. Estimates of the results of these sales are that white goods and apparel were purchased in as large a volume as they were a year ago, but that floor coverings did not move as freely.

In the accompanying table will be found the summary of sales in the retail stores in this district for December and for the year 1923. In December a larger number of stores than in recent months, failed to show a gain in sales as compared with those of the same month a year ago, but the results as a whole indicate improvement in nearly all localities; and for the district, the increase was 6.3 per cent. In most of the cases in which the sales were not equal to those of a year ago, the open and mild weather was said to be the cause. In only a few reports was the total business for the year less than in 1922; in the majority of instances satisfactory gains were recorded, as is indicated by the increase of 12.3 per cent by all reporting firms.

RETAIL TRADE
Third Federal Reserve District

	Comparison of net sales			Comparison of stocks		Rate of turnover*		Percentage of orders outstanding Dec. 31, 1923 to total purchases in 1922
	Dec., 1923 with Dec., 1922	July 1 to Dec. 31, 1923 with July 1 to Dec. 31, 1922	Jan. 1 to Dec. 31, 1923 with Jan. 1 to Dec. 31, 1922	Dec. 31, 1923 with Dec. 31, 1922	Dec. 31, 1923 with Nov. 30, 1923	July 1 to Dec. 31, 1923	July 1 to Dec. 31, 1922	
All reporting firms.....	+ 6.3%	+ 9.8%	+12.3%	+ 8.5%	-16.5%	3.6	3.6	7.0%
Firms in—Philadelphia.....	+ 6.5 "	+10.4 "	+12.0 "	+ 5.7 "	-16.0 "	4.3	4.1	7.0 "
—Allentown, Bethlehem and Easton..	+ 6.2 "	+ 4.3 "	+10.1 "	+ 5.5 "	-22.2 "	2.7	2.7	.....
—Altoona.....	- 2.9 "	+ 8.6 "	+ 6.7 "	+13.9 "	-13.2 "	2.9	3.1	.....
—Chester.....	+21.9 "	+14.0 "	+17.0 "	.....	-10.7 "	1.7	2.1	.....
—Harrisburg.....	+ 9.6 "	+10.3 "	+14.7 "	+15.0 "	-17.7 "	3.3	2.8	.....
—Johnstown.....	- 2.6 "	+ 4.2 "	+12.1 "	+13.4 "	-16.1 "	3.0	3.4	.....
—Lancaster.....	+ 4.3 "	+ 7.7 "	+13.7 "	+ 7.5 "	-20.2 "	2.6	2.7	.....
—Reading.....	+ 6.5 "	+10.2 "	+14.8 "	+10.6 "	-11.7 "	2.4	2.4	7.1 "
—Scranton.....	+12.2 "	+17.9 "	+21.0 "	+26.2 "	-16.6 "	3.0	3.2	.....
—Trenton.....	+ 7.5 "	+ 7.4 "	+ 9.8 "	+ .7 "	-21.8 "	3.1	3.3	.....
—Wilkes-Barre.....	+11.4 "	+12.7 "	+16.9 "	+ 8.2 "	-24.0 "	3.3	3.6	2.7 "
—Williamsport.....	+ 1.3 "	+ 1.9 "	+ 4.4 "	+39.6 "	-22.0 "	2.3	2.9	.....
—Wilmington.....	+ 3.5 "	+ 6.0 "	+17.3 "	+16.0 "	- 5.1 "	2.1	2.3	2.5 "
—York.....	+ 4.3 "	+ 4.3 "	+ 8.7 "	+ 6.5 "	-21.7 "	2.6	2.6	.....
—All other cities.....	+ 3.3 "	+ 7.8 "	+12.6 "	+14.2 "	-16.4 "	2.6	2.8	2.0 "
All department stores.....	+ 5.9 "	+ 9.2 "	+11.7 "	+ 7.2 "	-16.9 "	3.7	3.6	6.9 "
Department stores in Philadelphia.....	+ 6.2 "	+ 9.5 "	+11.4 "	+ 5.5 "	-15.9 "	4.2	4.1	8.6 "
Department stores outside Philadelphia.....	+ 5.3 "	+ 8.4 "	+12.3 "	+10.1 "	-18.5 "	2.8	3.1	4.5 "
All apparel stores.....	+ 8.4 "	+10.8 "	+15.5 "	+12.4 "	-15.2 "	3.7	3.7	4.0 "
Men's apparel stores.....	- .2 "	+ 5.1 "	+10.5 "	+10.6 "	- 6.6 "	2.3	2.5	18.1 "
—in Philadelphia.....	- 4.9 "	- .2 "	+ 5.6 "	- 3.7 "	- 7.1 "	2.7	2.9	.....
—outside Philadelphia.....	+ 6.6 "	+11.2 "	+17.0 "	+25.1 "	- 6.8 "	2.0	2.2	18.1 "
Women's apparel stores.....	+10.1 "	+17.4 "	+17.2 "	+ 4.7 "	-21.2 "	5.5	4.9	3.0 "
—in Philadelphia.....	+12.3 "	+20.6 "	+18.9 "	+ .4 "	-20.4 "	6.3	5.2	3.1 "
—outside Philadelphia.....	+ 2.0 "	+ 5.3 "	+ 9.6 "	+19.5 "	-23.4 "	3.3	3.8	.....
Credit houses.....	+11.2 "	+ 5.9 "	+19.4 "	+32.0 "	- 7.2 "	2.9	3.2	3.4 "

* Times per year based on cumulative period.

WHOLESALE TRADE
Third Federal Reserve District

	Number of reporting firms	Percentage of increase or decrease in						
		Net sales Dec. 1923, compared with		Accounts outstanding Dec. 1923, compared with		Ratio of accounts outstanding to sales		
		Nov. 1923	Dec. 1922	Nov. 1923	Dec. 1922	Dec. 1923	Nov. 1923	Dec. 1922
Boots and Shoes.....	13	- 6.2%	-13.4%	-12.7%	- .3%	274.8%	298.7%	242.2%
Drugs.....	15	+ .1"	+ 4.4"	- 7.9"	+ 8.5"	151.0"	156.6"	142.6"
Dry Goods.....	19	-27.6"	-10.1"	-15.2"	+ 8.2"	285.2"	243.6"	236.9"
Groceries.....	60	-12.6"	+ 2.5"	- 9.4"	+ 3.8"	117.4"	113.2"	114.0"
Hardware.....	31	- 1.5"	+ 4.1"	- 7.1"	+ 9.2"	168.6"	179.2"	161.1"

WHOLESALE TRADE

Business in January in most of the wholesale reporting lines is said to be improving slowly, and except in groceries will probably exceed that of December. Reports vary greatly, however, as to how it compares with business in January, 1923. Prices for most lines are steady, but sharp advances have been made on knit underwear and fine drugs.

During December, sales in all reporting lines except drugs decreased as compared with those of November, but in hardware the loss was small. Drug sales were almost the same as in November. Sales of groceries, drugs, and hardware were larger than in December, 1922, but those of shoes and dry goods were smaller. Collections during December showed an improvement over those of November in shoes, drugs, and hardware, but were poorer in all lines than they were in December, 1922.

Salesmen for wholesale shoe houses have been on the road only a short time but are said to be sending in fair-sized orders. For prompt delivery men's boots and women's oxfords are in strongest demand,

Shoes

but for spring delivery women's pumps and sandals, men's oxfords, and misses' and children's pumps, sandals, and oxfords are all in fair request. The open winter in this section of the country has retarded sales of rubber goods, and this, as much as any one thing, accounts for the decrease in sales as compared with those of a year ago.

The accompanying chart shows that there are two sales peaks in each year and that collections appear to be slower in the autumn than in the spring.

Wholesalers have been buying during the past month, and though their purchases may not be as large as they were a year ago, they have been in considerable volume. Some report that in certain instances they have been able to obtain concessions in price, and that most of these have been made by manufacturers in New England.

Stocks in the hands of wholesalers on December 31 were in most cases larger than those of a year ago, which, according to some, was caused by larger stocks

of rubber goods. Collections vary considerably; some firms report them to be good, but a larger number state that they are fair or poor.

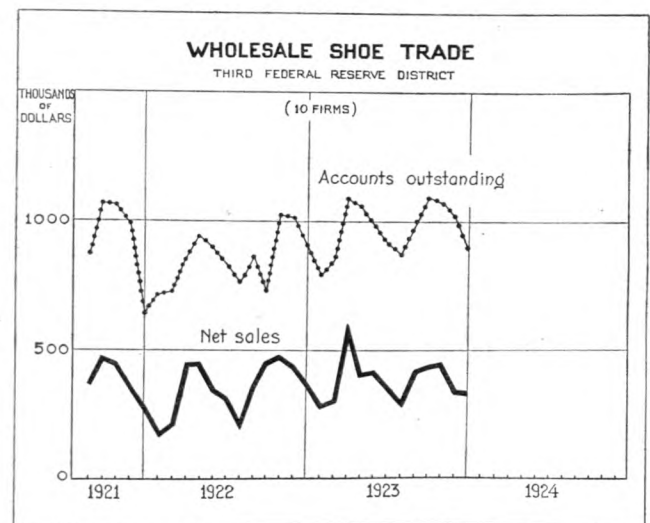
During December, sales in this district, as reported to the Federal Reserve Bank, decreased 6.2 per cent from those of November and were 13.4 per cent smaller than in December, 1922. The ratio of accounts outstanding to sales stood at 274.8 on December 31, 298.7 on November 30, and 242.2 on December 31, 1922.

Sales of gingham and wash goods for spring have increased, but as a whole, improvement has been slight in the wholesale drygoods trade since Christmas. Prices have not decreased, and there have been

Drygoods

some advances. Quotations on knitted underwear have risen sharply, and some other cotton lines are firmer. Stocks of merchandise in the hands of wholesalers are, as a rule, slightly larger than they were a year ago, but some reports state that they have decreased.

During December, sales declined, and were smaller by 27.6 per cent than in November, and by 10.1 per



Wholesale distribution of shoes in this district reached a peak in March, 1923, the month in which production of shoes, as reported by the Department of Commerce, also touched the high point.
Source—Federal Reserve Bank of Philadelphia

cent than in December, 1922. Collections, too, are not as good as they were in November. The ratio of accounts outstanding to sales was 285.2 on December 31, 243.6 on November 30, and 236.9 on December 31, 1922.

Jobbers report that the demand for drugs is only fair and about on a par with that of December. Seasonable

Drugs

goods, such as cough medicines and gripe pills, are in good request, and the call for toilet articles is better than it was last month. The botanical drug market is quiet, and prices have fallen sharply from last month's levels. Buying of fine chemicals is increasing and as a result prices are higher than they were a month ago. The trend of quotations is shown in the table below, which gives the price indexes of 40 botanical drugs and 35 drugs and fine chemicals, as compiled by the "Oil, Paint and Drug Reporter."

	Price index of 40 botanical drugs		Price index of 35 drugs and fine chemicals	
	1924	1923	1924	1923
December 31...	120.7*	122.5**	190.2*	177.2**
January 7.....	120.7	125.1	193.3	176.2
January 14.....	114.2	125	195	174.4
January 21.....	111.6	125.1	197	174

* 1923
** 1922.

Our reports from wholesale druggists show that December sales were 0.1 per cent larger than those for November, and 4.4 per cent greater than those of December, 1922. Stocks held by jobbers vary from moderate to heavy and are about the same as in December. Collections range from fair to good. The ratio of accounts outstanding to sales in December was 151.0, as compared with 156.6 in November and with 142.6 in December, 1922.

During December the net sales of 31 hardware firms in the Third Federal Reserve District were 1.5 per cent smaller than in November, but 4.1 per cent greater than those of December, 1922. On the other hand, our December sales index, compiled from the reports of 20 identical firms, was 113, an increase of 1 point over the figure for last month and of 7 points over that for December of the preceding year.

The call for hardware is from fair to good, though most firms report it less strong than it was at this time last month. Electrical goods are in request, and substantial sales of builders' supplies and light hardware have been made. Prices are firm and in general unchanged from those of a month ago; but in several instances, quotations are higher than they were during January, 1923. Stocks of finished goods are moderate and are tending to decrease, being lighter in many cases than they were at this time in December.

Collections are from fair to good and have improved over those of last month. The ratio of accounts outstanding to sales was 168.6 in December, as compared with 179.2 in November. The figure for December, 1922, was 161.1, which indicates that collections are not as prompt as they were a year ago.

The demand for groceries is only fair and is lighter than it has been for several months. The decline, however, is largely seasonal and no

Groceries

greater than usual, and jobbers' sales for the month will probably be heavier than they were a year ago. Staple groceries, canned goods, and dried fruits and vegetables are at present the most active sellers. Prices have changed but slightly and are quite firm. Sugar, evaporated milk, evaporated fruits, nuts, and mackerel are lower than they were in December; but coffee, canned vegetables, lima beans, pickles, and rice are higher. Stocks held by wholesalers vary from moderate to heavy and are practically the same as they were a month ago.

Our reports from wholesale grocers show that sales in December were 12.6 per cent smaller than those in November, but 2.5 per cent greater than those of December, 1922. The ratio of accounts outstanding increased from 113.2 in November to 117.4 in December.

FLOUR

The demand for flour is only fair, and during the past three months there has been little change in the domestic market. The majority of consumers are buying for immediate needs only, and consequently the sales by mills are of moderate size, but continuous. Prices reflect this condition, for they have held firm for the past two months; spring patents for prompt shipment being quoted at from \$6.00 to \$6.50 per barrel in car lots, the same as in November. Spot wheat prices have advanced a trifle, but only enough to cover warehousing charges. Number 2 red is selling at \$1.26 per bushel, as compared with \$1.23½ on November 1.

Grinding at mills in this district and throughout the country is still considerably below capacity. Few mills are operating at more than 80 per cent, and most of them are running at less. As a result, there has been

PUBLIC WAREHOUSE STOCK AT PHILADELPHIA*

Date	Flour, bbls.	Wheat, bus.	Corn, bus.	Oats, bus.	Rye, bus.
Jan. 2, 1924..	181,574	2,255,121	171,400	163,475	51,889
Dec. 1, 1923.	164,800	2,263,563	16,855	107,087	57,122
Jan. 2, 1923..	192,000	1,766,470	396,423	516,440	68,027

*The Commercial Exchange of Philadelphia.

no heavy accumulation of stocks, and the market is by no means over supplied. Stocks at public warehouses in Philadelphia on January 2 were about 12 per cent

greater than on December 1, 1923, but were 6 per cent smaller than on January 2, 1923. With the exception of wheat, the supplies of grains stored in Philadelphia warehouses were smaller than those of a year ago.

Exports of flour from the port of Philadelphia during the last quarter of 1923 were larger, but exports of wheat were smaller, than in the corresponding period of 1922. During the year 1923 exports of flour were 10 per cent greater, but exports of wheat were 33 per cent less, than in 1922. Corn exports fell off 66 per cent, oats, 40 per cent, and rye, 66 per cent; but barley exports were 15 times larger than in 1922.

EXPORTS OF FLOUR AND GRAINS FROM PHILADELPHIA*

Commodity	Year of 1923	Year of 1922	Increase	Decrease
Flour (bbls.).....	639,995	579,568	60,427	.....
Wheat (bus.).....	31,189,752	46,661,223	.....	15,471,471
Corn (bus.).....	4,373,397	12,459,848	.....	8,086,451
Oats (bus.).....	715,620	1,212,531	.....	496,911
Rye (bus.).....	647,828	2,326,386	.....	1,678,558
Barley (bus.).....	147,821	9,990	137,831	.....

*The Commercial Exchange of Philadelphia.

Export sales of flour during this month have not been heavy, but exporters report that many sales of moderate size have been made, and they state that business is better than it was in January, 1923. The British Isles, Germany, and the Scandinavian countries have been the principal buyers in the Philadelphia market.

Receipts of flour and of barley at Philadelphia during 1923 exceeded those of 1922; but receipts of wheat, corn, oats, and rye were smaller. The increase in flour receipts was due to an increased demand, both export and domestic; but the decrease in grain receipts was caused entirely by a decline in foreign buying.

RECEIPTS OF FLOUR AND GRAINS AT PHILADELPHIA*

Commodity	Year of 1923	Year of 1922	Increase	Decrease
Flour (bbls.).....	3,317,808	3,152,852	164,956	.....
Wheat (bus.).....	34,357,749	49,347,174	.....	14,989,425
Corn (bus.).....	6,342,734	14,913,123	.....	8,570,389
Oats (bus.).....	3,749,798	4,382,844	.....	633,046
Rye (bus.).....	726,362	2,237,420	.....	1,511,058
Barley (bus.).....	166,945	139,496	27,449	.....

*The Commercial Exchange of Philadelphia.

SUGAR

Offerings of Cuban raw sugar for prompt shipment have been much larger on the Sugar Exchange this month than they were in December. More mills were grinding in Cuba early in the month than were in operation at the same time in 1923, but a strike

of the railroad men in the eastern part of the island and torrential rains in some parts, slowed up deliveries at the Cuban ports. Consequently prices have not softened to the extent that had been anticipated. Early in the month they fell rapidly, but at 4½ cents, c & f, for spot Cuban sugars, they steadied and have since advanced slowly. On January 8, several sales of Cuban raws for prompt shipment were made at 4½ cents, c & f, equivalent to 6.28 cents, duty paid—a decline of ¾ of a cent from the price prevailing at the close of December. Since then prices have gone up, and on January 21, Cuban raw sugar for prompt shipment sold at 4¾ cents, equivalent to 6.53 cents duty paid. Some sales of Porto Rican sugars were made at prices equal to those of duty-paid Cuban, but they were of small proportions. Nearly all refiners have been buying for immediate requirements only, and the spot market has not been as active as it was in January, 1923.

English refiners and buyers have been fairly heavy purchasers of Cuban sugars this month, and the prices they paid conformed closely to the equivalents at c & f, New York. On January 10, sales to England were made at 4.47 cents, f.o.b Cuba, for January shipment, and at 4.30 cents for February delivery, equal to approximately 4.66 cents and 4.46 cents, c & f, New York. Some sales to Canada were also made at prices equivalent to those at New York.

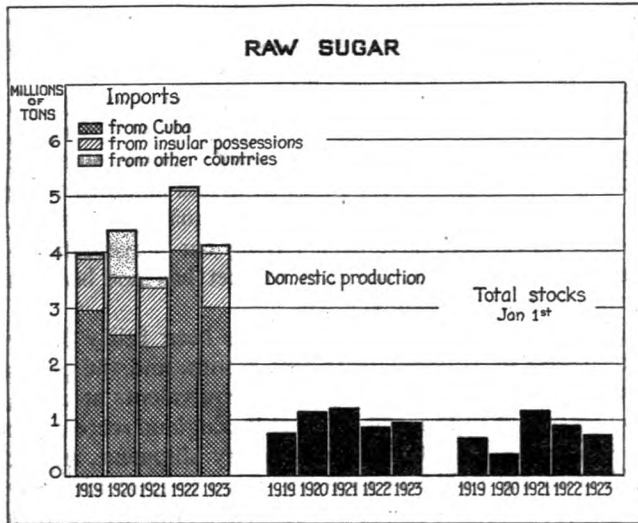
The grinding season in Cuba is now well advanced, and on January 16 reports from the island stated that 150 centrales were in operation, as compared with 121 on the same date last year. A strike of the railroad men in the eastern part of the island temporarily held up deliveries at Cuban ports, but the points at dispute were settled on January 7, and since then all interference with deliveries from this source has ceased. However, heavy rains, which continued for practically a week in some parts of the island, made cane cutting impossible, and several mills were compelled to shut down temporarily because of lack of cane. So the output of sugar on the island this month has not been as heavy as it should have been; but as we go to press the weather conditions are generally favorable, and February receipts at Cuban ports should be heavy. In Porto Rico, grinding operations are in full swing, and practically all centrales are now in operation. Heavy rains there, too, have slowed up the production of sugar at the mills, but they have greatly aided the growth of the late cane.

In 1923 our imports of raw sugars were a million tons smaller than in 1922, but Cuba maintained its position as our chief source of supply. In 1922 about four-fifths of our imports were from that island, and in 1923 about three-fourths came from there. Receipts from our insular possessions in 1923 were 100,000 tons less than in 1922, but those from full-duty countries showed an increase of 120,000 tons. As shown in the following

chart, domestic production of sugar nearly equaled one million tons and was greater than that of 1919 or 1922, but less than in 1920 and 1921. Stocks of sugar in the United States on January 1, 1923, were the smallest that they had been on that date for three years, but on January 1, 1919 and 1920, they were smaller still.

and wholesale grocers are replenishing their stocks; but, as during the past eight months, they are buying cautiously. At the beginning of the month refiners were quoting hard granulated at from 8.70 to 8.90 cents per pound, but on January 9 prices were lowered to from 8.25 to 8.60 cents and have since held firm.

The demand for refined sugar from foreign countries is better than it has been for several months. Exporters have received numerous inquiries from European buyers and have also made some sales, but the volume of such business has not been large. Our export market for refined sugar is undoubtedly decreasing in importance as the European countries revive their beet sugar industries. In 1923 our exports were only one-fourth as large as in 1922, and only 44 per cent of the average exports for the past ten years. In only two years since the beginning of the war have exports been smaller, and those years were 1914 and 1918. As the following chart shows, the production of refined sugar in 1923 was 5 per cent less than in 1922, but 21 per cent greater than the average production for the past ten years.



Imports of raw sugar in 1923 were about equal to the average imports for the last five years, but less than in 1922. Domestic sugar production in 1923 was larger than in the previous year and equal to the average output of the past five years.

Source—American Sugar Bulletin

Receipts of raw sugar at the ports of Baltimore, Philadelphia, New York, and Boston for the first three weeks of January were below those for the same period last year. The following table shows how receipts in the same periods of both years compared.

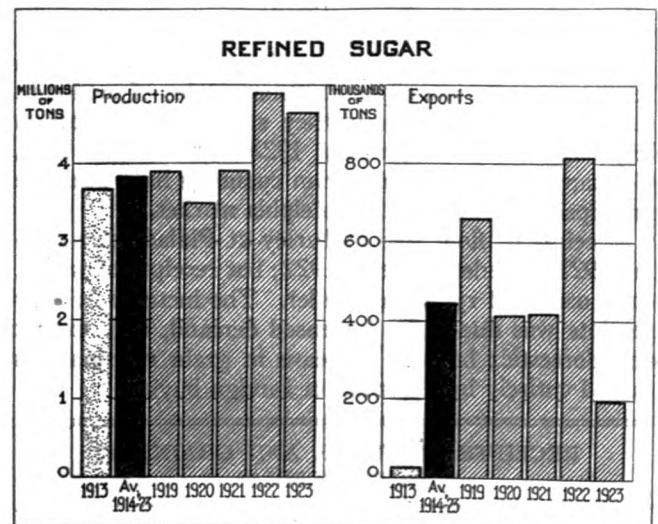
RECEIPTS OF RAW SUGAR AT ATLANTIC PORTS*

Tons (2240 lbs.)	Jan. 1 to Jan. 18, 1924	Jan. 1 to Jan. 19, 1923
From Cuba.....	71,740	93,224
From Porto Rico.....	778	802
From Philippine Islands.....	.....	2,428
From other countries.....	1,650	1,000
Total receipts.....	74,168	97,454

* American Sugar Bulletin.

Although consumers are still buying only from hand to mouth, the demand for refined sugar in this market is considerably stronger than it was last month. Beet sugars have practically disappeared from eastern cities, and the consuming area for cane sugars has been extended. Refiners state that their orders are moderate in size but numerous, and that the demand on the whole is fair. Confectioners are buying moderately,

Refined sugar

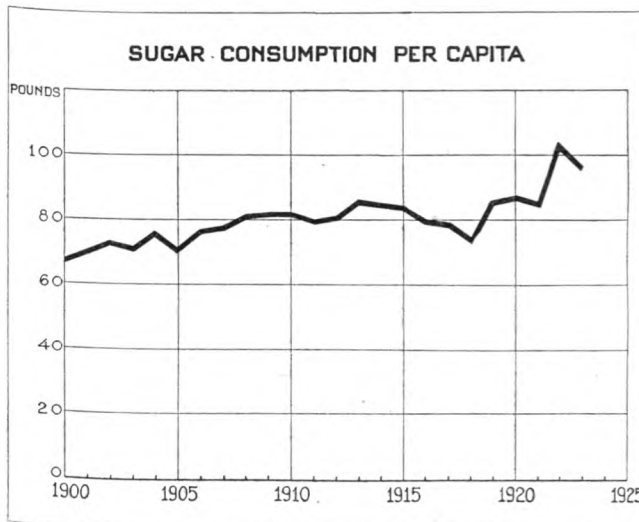


Production of refined sugar in 1923 was greater than that of any year preceding 1922 and above the ten-year average, but exports were less than one-half of the average for the past decade and only one fourth as large as in 1922.

Sources—Weekly Statistical Sugar Trade Journal and Department of Commerce

The effect of higher sugar prices in 1923 than in 1922 is shown in a decreased consumption per capita in the United States. In 1922 the per capita consumption of sugar was 103.18 pounds, but in 1923 the amount fell to 95.63 pounds, a decrease of 7¼ per cent. Even so, however, it was greater than in any year preceding 1922.

Meltings for the first three weeks of the month at the refineries in Baltimore, Philadelphia, New York, and Boston amounted to 54,000 tons, as compared with 93,500 tons for the same period in 1923. This represents a decrease of 42 per cent.



Per capita consumption of sugar in 1923, although smaller than in 1922, was larger than in any preceding year.

Source—Weekly Statistical Sugar Trade Journal

BUILDING

The reports of fourteen cities in the Third Federal Reserve District indicate that the total value of building permits issued during December was \$8,795,530, a decline of \$1,307,068 from the November figure and of \$1,844,271 from the total for December, 1922. The total number of permits granted was 1734, as against 2438 for the preceding month. In every reporting city, the number was smaller than that of November. The only increases in value noted were in Lancaster, Allentown, Trenton, and Wilkes-Barre. In Philadelphia, the number of permits decreased from 1053 to 814, and the value from \$5,406,040 to \$5,298,995.

The call for lumber is fairly good, and some dealers report that it is better than it was during December.

Lumber

One retailer remarks that quite recently the demand improved to an extent not equaled in the past three months and that several dealers to his knowledge are receiving numerous inquiries that presage a good market in the near future. Opinions differ as to whether or not the present demand is as good as it was a year ago, although manufacturers are inclined to believe that it is somewhat poorer. Certain lumber mills state that requests for wholesale lumber have increased over those at this time last month, but an equal number say they have fallen off.

Good sales of hardwood have been made, and prices are steady. The call for white pine, too, is good and quotations are stronger, especially in the better grades, as is also the case with yellow pine. The demand for North Carolina pine has increased, and prices are firmer than they were a month ago. The market for spruce and hemlock is inactive, and quotations are steady; but cypress is selling better, and prices are slightly higher than they were during the early part of December.

Most of the orders on the books of both retailers and manufacturers are for delivery within sixty days, although as is always the case, a goodly number are for up to and beyond ninety days. Stocks of finished goods are, in most instances, moderate and are either stationary or increasing. Supplies of raw materials at the mills are also moderate and are tending to increase.

Most manufacturers state that the supply of skilled labor is sufficient, but a few report some scarcity. In all but one instance, however, unskilled labor is sufficient and even plentiful. Collections are from fair to good and are either unchanged or slightly slower than they were a month ago. Dealers report a little improvement over those at this time last year, but manufacturers say they are not as good as they were during January, 1923.

The demand for cement is from fair to good, and as is to be expected at this season, has decreased from

Cement

that during December. However, most dealers say that it is better than it was at this time last year, largely on account of the moderate weather which has prevailed during the month. Many manufacturers are now producing for stock, and orders on the books are comparatively few. Of these, the greater part are for delivery beyond 90 days and even well into the second quarter of 1924. Individual orders are smaller than they were in December, but this is entirely seasonal. Prices are firm and have not changed during the past month. In one instance, prices were reported to be weak and lower.

Stocks of cement are from moderate to light, but are increasing in anticipation of the spring demand. Supplies of raw materials are moderate and are for the most part stationary. Stocks of cement in the Third Federal Reserve District at the end of December were estimated at 1,831,000 barrels, as compared with 2,245,000 barrels on the corresponding date in 1922. In the entire country, 10,581,000 barrels were estimated to be held in storage, as against 9,108,000 barrels at the close of December, 1922.

PRODUCTION OF CEMENT*

	1923	1922
September	3,293,000 bbls.	3,124,000 bbls.
October	3,342,000 "	3,922,000 "
November	3,139,000 "	2,984,000 "
December	2,553,000 "	2,406,000 "

*As estimated by the Geological Survey.

Manufacturers are operating at an average rate of something over 80 per cent of capacity, and though many are running on full time, as they were last month, others have curtailed output to some extent. Production of cement in the country during 1923 is estimated

BUILDING PERMITS
Third Federal Reserve District

	December, 1923			December, 1922			January to December, inclusive			
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	1923		1922	
							Permits	Estimated cost	Permits	Estimated cost
Allentown.....	43	72	\$319,300	20	20	\$126,650	1,032	\$5,064,370	889	\$3,351,013
Altoona.....	68	68	86,785	67	72	267,915	1,865	3,053,069	1,773	3,309,042
Atlantic City*..	164	164	416,379	313	313	751,693	2,706	9,373,512	3,878	8,975,069
Camden.....	88	139	412,349	51	56	284,295	1,286	8,121,243	1,193	4,343,192
Harrisburg.....	34	39	70,125	29	38	145,500	889	7,389,345	900	3,873,640
Lancaster.....	32	40	277,615	17	17	59,300	900	3,811,930	792	2,641,065
Philadelphia....	814	1,180	5,298,995	757	1,192	7,967,360	14,513	123,511,935	14,477	114,880,540
Reading.....	96	103	123,450	37	87	80,850	3,020	4,382,980	3,127	4,790,901
Scranton*.....	82	82	461,325	74	74	353,300	1,492	3,795,984	1,394	4,496,329
Trenton.....	111	157	704,496	56	64	141,085	1,814	7,018,235	1,454	4,315,463
Wilkes-Barre*..	49	49	259,565	43	43	289,374	1,152	3,301,698	1,317	4,165,880
Williamsport*..	38	38	33,205	24	28	18,788	1,032	1,224,954	1,036	1,535,615
Wilmington....	62	62	263,356	63	99	130,215	1,155	3,776,905	1,051	2,824,709
York.....	53	53	68,585	38	38	23,476	1,443	2,153,414	1,379	1,286,205
Totals.....	1,734	2,246	\$8,795,530	1,639	2,141	\$10,639,801	34,299	\$185,979,574	34,660	\$165,238,663

*Operations not reported.

NEW BUILDINGS AND ALTERATIONS

	1923						1922					
	New buildings			Alterations			New buildings			Alterations		
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost
Allentown.....	33	62	\$294,400	10	10	\$24,900	10	10	\$112,400	10	10	\$14,250
Altoona.....	18	18	56,989	50	50	29,796	25	30	256,705	42	42	11,210
Camden.....	47	97	386,535	41	42	25,814	32	37	276,410	19	19	7,885
Harrisburg.....	29	34	66,175	5	5	3,950	24	33	134,000	5	5	11,500
Lancaster.....	10	18	260,800	22	22	16,815	9	9	33,300	8	8	26,000
Philadelphia....	421	759	4,772,160	393	421	526,835	365	788	7,520,340	392	404	447,020
Reading.....	33	40	78,650	63	63	44,800	16	16	36,675	71	71	44,175
Trenton.....	93	138	696,811	18	19	7,685	51	43	17,725	13	13	23,360
Williamsport*..	22	22	30,095	16	16	3,110	14	16	15,955	10	12	2,833
Wilmington....	43	43	233,191	19	19	30,165	53	89	115,018	10	10	15,197
York.....	28	28	64,665	25	25	3,920	13	13	9,445	25	25	14,031

*Operations not reported.

at 137,377,000 barrels, of which 9,997,000 barrels were produced in December. This represents an increase of 22,587,000 barrels over the total for 1922, and of 1,326,000 barrels over the output in December of that year. In this district, the December production was 2,553,000 barrels, as against 2,406,000 barrels during the corresponding month of 1922. The table below gives the district output for the past four months and for the similar periods of the year before.

The supply of both skilled and unskilled labor is generally sufficient. In only one instance is there reported any scarcity of workers. Collections are from fair to good and have changed but little from either those of December or those of January, 1923.

The call for paint is little more than fair and is even reported by some dealers as being poor. The

Paint

demand is lighter than it was at this time last month, and also than in January, 1923. Sales of white lead are fairly good, but certain grades of dry colors are moving slowly, because recent energetic competition among manufacturers has made purchasers hesitate to place orders. The market for most of the minor lines of paint materials, such as casein and whiting, is quiet.

Prices in general are firm and in some instances are higher than they were during December. The rising price of pig lead resulted in the advancing of quota-

tions for lead pigments, but colors in oil, and some grades of dry colors, are quoted at the prices existing last month. Quotations for linseed oil are steady, and the spot price of 91 cents per gallon (tank car) prevails in this market.

Stocks of finished goods are from moderate to heavy and are increasing, but supplies of raw materials, though either normal or heavy, are stationary. Manufacturers reporting in this district state that of the orders they have already taken, about 70 per cent are for either immediate delivery or for shipment within 60 days. Factories are operating at a lower rate than they were during December, and at present the average is less than 60 per cent. One large manufacturer states that production has been adjusted to the demand for the time being and that for this reason operations have been curtailed. The supply of both skilled and unskilled labor is therefore adequate, and in one instance the latter is reported to be plentiful.

Collections are only fair and in some cases poor. They are not as prompt as they were at this time either last month or last year.

The demand for electrical supplies is from fair to good, and though it has changed but little since last month, is generally considered **Electrical supplies** to be better than it was in December, 1922. Inquiries regarding estimates for future work are numerous, and on this account contractors are inclined to be optimistic. One retailer observes that his business has been hurt by the cheaper chain stores, which have entered the electrical fixture trade, and which by reason of their great purchasing powers, are easily able to undersell the average dealer. Requests for radio equipment are in fair volume, and supplies for house wiring are selling well. In most of the orders taken, deliveries are specified for within 60 days, but in others for from 60 to 90 days.

Prices are firm, and except those on a few radio and wiring specialties, are the same as they were at this time last month. Stocks of finished goods are, in general, moderate, and compared with those on hand a month ago, are either stationary or decreasing.

Collections are fair; but comparisons with those of last month or of the corresponding period of 1922 are difficult, as the opinions of firms reporting to us differ widely.

IRON AND STEEL

Since the beginning of the year the demand for iron and steel has improved, and manufacturers are inclined to be optimistic in view of the fact that builders and railroads are making numerous inquiries on goods they will need in the near future. Consumers of pig iron are taking larger tonnages than they have for several weeks, and confidence in the market is now stronger. The call for plates and structural shapes

has improved, though sales of plates are still small. According to data compiled by the Department of Commerce, December sales by 117 structural steel fabricators throughout the country totalled 181,741 tons, as against 122,573 tons booked in the preceding month, an increase of 59,168 tons. The demand for hardware, steel sheets, and iron bars is fair, and is about the same as it was during the middle of December. Hardware dealers, builders, and boiler shops are the chief purchasers. Coal mines and railroads, too, are taking sizable quantities. Machinery and tools are moving slowly, and orders are somewhat fewer than they were at this time last month. Manufacturers are momentarily expecting a better call for these products on account of the increased production schedules in the automobile industry. Sales of iron and steel castings were fairly light until the first of the year, after which the demand improved. In general, the market is characterized as fair, and though some producers say it is good, others report that buying has been extremely limited. The call for scrap is better than it was at this time last month, but that for wire and wire rope is unchanged. Miscellaneous steel products, such as light drop forgings, nails, and specialty stampings, are in good request, and sales of these have increased since January 1.

Quotations for scrap, cast steel, and a few other products are higher than they were a month ago, and prices are firm. For the first time since July, the *Iron Age's* weekly composite price of finished steel, published on January 15, showed an increase, an advance of 14 points to 2.789 cents per pound. On the same date, quotations for number 2 Valley furnace pig



Sources—*Financial Review and Iron Age*

iron increased 50 cents to \$22.50 per ton, and several other advances were recorded over the country. The price of Philadelphia 2X pig iron, however, remains

unchanged at \$24.26 per ton. In the preceding chart is depicted the price trend of open hearth steel billets and of 2X foundry pig iron over a period of five years.

Production of both steel ingots and pig iron declined during December, but the output in the entire year was considerably greater than it was during 1922. The December production of steel ingots totalled 2,843,764 gross tons, as compared with 3,113,804 in November, a decrease of 270,040 tons. In 1923, 43,226,955 gross tons were produced, representing an increase of 8,658,537 gross tons over the total for the preceding year. Pig iron production during December was estimated at 2,920,982 gross tons, as against 2,894,295 in November, and although the total figure for December is greater, if the number of working days in each of the two months is contrasted, the average daily output was less than it was during November. In 1923, 40,059,308 gross tons of pig iron were produced, a total exceeding that for the preceding year by 13,178,925 gross tons. The number of furnaces in blast on January 1 was 231, the same as on December 1. In this district on the first of this month, 35 furnaces were in blast and 31 idle, a loss of one from the first of December.

Corporation companies are operating at close to 85 per cent of capacity, and the rate for the industry as a whole is somewhat higher than it was at this time last month. Unfilled orders of the United States Steel Corporation, which had been steadily declining since March, rose in December to 4,445,339 tons, an increase of 76,755 tons over the total for the preceding month.

The supply of both skilled and unskilled workers is in general adequate, though in a few cases some scarcity is reported. On December 15, there were 14,564 employees on the payrolls of 74 foundries and machine shops in this district, or a decrease of 2.2 per cent from the number of workers on November 15. Average weekly wages rose from \$27.77 to \$28.33, a gain of 2.0 per cent. Collections are from fair to good, and though reported slower in a few instances, have changed but little since this time last month.

SHIPBUILDING

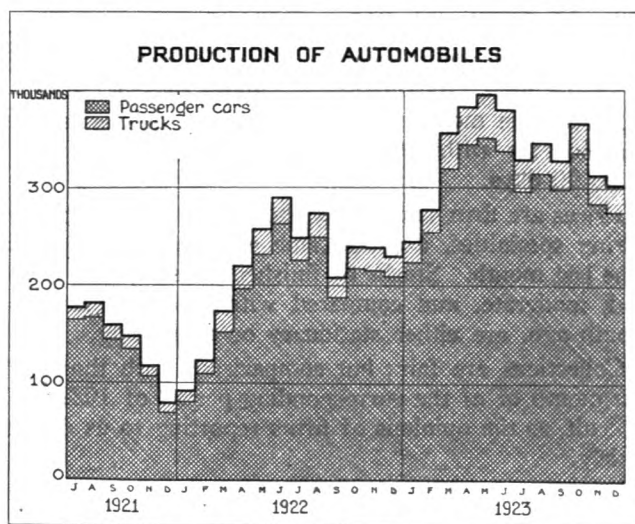
The close of 1923 marked the end of a very unsatisfactory business year in the shipbuilding industry, and according to many interested observers the market created during the war is now thoroughly deflated. American shipbuilding statistics for 1923 show that production has declined 96 per cent from the record year of 1918. Among the factors that have brought about these results are the depression in foreign trade and the placing on the market of a large number of freight vessels by the Shipping Board, which latter procedure has greatly reduced the number of orders for new ships. But the most important cause is the prevailing uncertainty in foreign affairs. Obviously

it is to commerce that shipbuilders must look for the demand for vessels, and since in 1922 there was a sufficient number of ships to carry the available merchandise to and from foreign shores, no additional vessels were required. At the present time, however, many new ships are needed to replace old vessels in the coastwise and inter-coastal trade, water traffic is increasing on the Great Lakes, and the government is taking steps to convert about fifty steamships into motorships. These facts point to a revival of business in the industry, especially for those yards that are equipped with the necessary facilities to manufacture suitable types and to install the modern Diesel engines.

At the present time shipbuilders in this district are engaged chiefly in repair work, and in one case the marine department is almost entirely shut down. There has been no recent change in prices, although quotations for some grades of raw materials are lower than they were at this time last year. There is no scarcity of either skilled or unskilled labor in this district. According to figures on employment reported to this bank, the number of workers on the payrolls of nine shipbuilding companies was 11.5 per cent greater in December than in November. Since actual work on ship construction is at a low point, this increase in employment indicates that the yards are turning on an increasing scale to the production of other commodities.

AUTOMOBILES

During the last quarter of 1923 total sales of automobiles in this district declined, as is usual at the



Production of both passenger cars and trucks was considerably greater in each month of 1923 than in the corresponding month of the year before.

Source—Department of Commerce

beginning of the winter season, but a few dealers report that their sales were greater than they were in the preceding three months. All are agreed, however, that since the first of the year demand has improved and

that the number of inquiries they are receiving point to a good market during the first quarter of 1924. In practically all cases the call for automobiles in the last three months was better than it was during the corresponding period of the previous year. Closed cars continue to be in greatest request, and the recent automobile show in Philadelphia has stimulated interest in some of the new models. Factories are able to make reasonably prompt deliveries, though in a few instances orders are being filled with some difficulty.

Prices for the most part are the same as those quoted during the third quarter of last year, and the few advances that are reported are on the new models.

Production of both passenger cars and trucks in 1923 was greater than in any year in the history of the industry. The Department of Commerce has compiled figures, based on the reports of 186 manufacturers of passenger cars and trucks, which show that in 1922 2,339,768 passenger cars and 246,281 trucks were produced, or a total of 2,586,049 motor cars. In 1923, 3,636,599 passenger cars and 376,257 trucks were produced, an increase of 1,426,807 cars over the total number of vehicles manufactured during 1922. Output in December totalled 275,268 passenger cars and 27,875 trucks, as against 284,921 and 28,066 during November. The table below gives production figures for both types of automobiles for each of the 12 months in 1922, and for the corresponding months in the previous year.

PRODUCTION OF AUTOMOBILES*				
	Passenger cars		Trucks	
	1923	1922	1923	1922
	January.....	223,819	81,696	19,720	9,576
February.....	254,773	109,171	22,161	13,350
March.....	319,770	152,962	35,260	20,022
April.....	344,639	197,224	38,056	22,640
May.....	350,410	232,462	43,678	24,097
June.....	337,362	263,053	41,145	26,298
July.....	297,330	225,086	30,663	22,056
August.....	314,373	249,492	30,829	24,692
September.....	298,911	187,694	28,638	19,462
October.....	335,023	217,566	30,166	21,795
November.....	284,921	215,352	28,066	21,949
December.....	275,268	208,010	27,875	20,354

*Figures compiled by the Department of Commerce.

Collections are from fair to very good.

COAL

The sudden drop in temperature during the first part of the month was responsible for a quickening of the demand for domestic sizes of anthracite, but soon after, the call subsided and at present is somewhat less than it was at this time last month. The

Anthracite

market for steam sizes, which has been extremely quiet for some time, has improved slightly, and this is especially true of barley coal.

Prices have undergone practically no change during the past month, aside from reductions that may have been made as concessions to purchasers of large tonnages. Spot quotations for egg and stove sizes (Company coal) are from \$8.75 to \$9.25 and from \$8.90 to \$9.25 per ton, f.o.b. mines, respectively, which are the same as those prevailing at this time last month. The spot prices of Company coal in the steam grades are also unchanged. Barley is listed at \$1.50 per ton, f.o.b. mines, and rice coal at \$2.50 per ton.

Production during the entire year of 1923 totalled approximately 95,000,000 tons, an increase of about 74 per cent over the output in 1922. During the last week in December production declined sharply to 1,236,000 tons, a falling off of 754,000 tons from the figure for the previous week. The observance of Christmas and the partial observance of the day before and the day after were responsible for the decrease. Production during New Year's week was also noticeably low; but since then output has substantially increased again, as is shown in the following table giving production figures for the last four weeks. For purposes of comparison, the output during the corresponding four weeks of last year is also given.

PRODUCTION OF ANTHRACITE*		
Week Ending	1923-24	1922-23
December 22.....	1,999,000 net tons	2,065,000 net tons
December 29.....	1,236,000 " "	1,560,000 " "
January 5.....	1,436,000 " "	1,725,000 " "
January 12.....	1,840,000 " "	2,113,000 " "

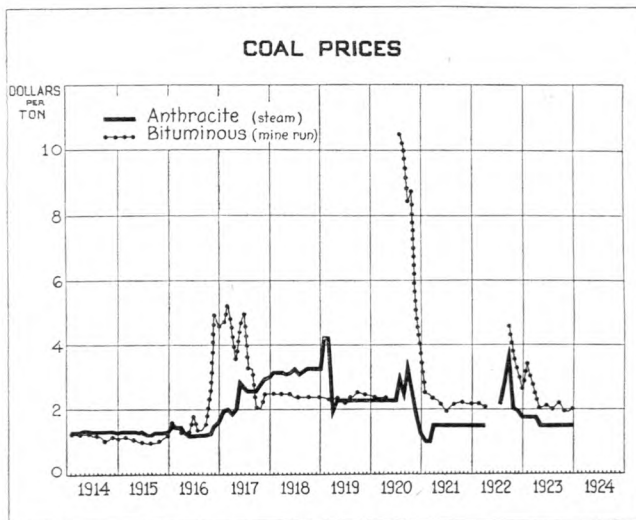
*As estimated by the Geological Survey.

Mines in this district are operating at close to capacity, and the supply of skilled miners is, in most cases, adequate. However, there is some scarcity of unskilled workers and of miners' helpers, especially of those who are needed for construction work and other labor necessary to the development of the mines. Collections are fair and are much the same as they were during last month and in January, 1923.

The bituminous market continues to be dull, and the demand is little or no better than it has been for the past three months. As was true of the anthracite market, the recent cold spell revived interest to some extent, but it was temporary and in no case resulted in any optimism among mining interests. Most operators reporting in this district regard the situation as extremely critical and state that the lack of call for bituminous is causing severe losses to those who are compelled either to curtail operations drastically or to accept prices below the cost of production.

Bituminous

Spot prices are from 50 cents to \$1.00 lower than contract quotations, and although the former are the same as they were at this time last month, they cannot be characterized as firm. In many instances quotations have been shaded, and in others, buyers have secured tonnages at practically their own prices. On January 14, pool 10 coal was quoted in Philadelphia at from \$1.70 to \$2.00 per net ton, f.o.b. mines, as against \$5.25 a year ago. In the chart below, a comparison is made between prices of mine-run bituminous and steam-size anthracite over a period of ten years.



Although prices of mine-run bituminous and steam sizes of anthracite have averaged about the same, bituminous quotations have fluctuated much more violently than have anthracite

Sources—War Industries Board and Coal Age

It is estimated that 545,300,000 tons of bituminous were produced in 1923, an increase of 123,032,000 tons over the output in the previous year. This figure has been exceeded only three times in the history of the industry, in 1917, 1918, and 1920. The output during the last week in December declined to 6,713,000 tons, which was a loss of 3,832,000 tons from the figure for the previous week. The decrease was due to the stoppage of work during the holidays. Since the first of the year, however, production has greatly increased, as is shown in the following table giving the output for the last four weeks and for the corresponding four weeks of last year.

As is to be expected, a considerable portion of the coal mined has been going into stock or has been sold under contract to railroads and industrial companies who are accumulating surplus tonnages. It is estimated that 65,000,000 tons are held in storage throughout the country, or more than 6 weeks' supply at the present rate of output.

Very few mines in this district are operating at full schedule. Many are running but two or three days

PRODUCTION OF BITUMINOUS*

Week ending	1923-24		1922-23	
December 22.....	10,543,000	net tons	11,042,000	net tons
December 29.....	6,713,000	“ “	10,495,000	“ “
January 5.....	9,068,000	“ “	10,529,000	“ “
January 12.....	11,921,000	“ “	10,993,000	“ “

*As estimated by the Geological Survey.

a week, and others have reduced the number of miners to a third of the usual complement. One operator states that during December there were 350 bituminous operations idle in Central Pennsylvania and that this was caused almost wholly by the lack of demand. Under these circumstances the supply of labor is in practically all cases sufficient, and in many instances, plentiful.

The demand for coke is fair, and no noteworthy changes have occurred in the market during the past month. On December 31, the price of furnace coke was reduced 25 cents to \$3.75 per net

Coke

ton at the ovens, but this was expected and consequently brought forth little comment. For several weeks, spot quotations for foundry grades have been steady at \$4.75, though some of the best grades are selling at as high as \$6 per net ton. Contract prices are from 25 to 50 cents higher than spot quotations, and some contracts for substantial tonnages of furnace coke were recently closed at \$4.25 per net ton.

Production of beehive coke increased somewhat during the week ending December 22, but on account of the observance of Christmas and New Year's Day, output declined in the two succeeding weeks. In the table below, figures are given showing the output in tons for each of the last four weeks and for the corresponding four weeks of last year.

PRODUCTION OF BEEHIVE COKE*

	1923-24		1922-23	
December 22.....	251,000	net tons	281,000	net tons
December 29.....	221,000	“ “	260,000	“ “
January 5.....	236,000	“ “	223,000	“ “
January 12.....	248,000	“ “	323,000	“ “

*As estimated by the Geological Survey.

Output of beehive coke in December totalled 1,063,000 net tons, compared with 2,103,000 net tons during November. In 1923, 17,915,000 net tons were produced, an increase of 9,885,000 tons over the output of 1922, which, owing to the bituminous strike in that year, was far below normal.

COTTON

In spite of the strong statistical position of raw cotton, the general trend of prices during the past month has been downward. Spot middling declined from 37.25 cents a pound on December 26 to 32.90 cents a pound on January 21. Factors affecting demand and consumption have assumed a position of major importance in determining price changes since the supply of cotton is now more or less accurately known.

The continued dulness in cotton goods and the uncertainty as to the future consumption of raw cotton are of especial significance to the trade. Reports of curtailment in both northern and southern mills because of inability to get business are increasing. Evidence of reduced operations are to be seen in government statistics on domestic consumption. During December the quantity of cotton consumed was not only 70,071 bales less than that during the preceding month, but 67,782 bales smaller than that consumed during December, 1922. This is indicated in the chart on page 22. However, total domestic consumption during the five months ending December 31, was but slightly smaller in 1923 than in 1922, while exports were 14.4 per cent greater. But supplies of cotton in this country have been materially reduced, and on December 31, 1923, stocks in consuming establishments were 15.3 per cent, and those in public storage and at compresses 13.3 per cent, smaller than they were a year ago.

The world's takings of American cotton are still running considerably behind those of a year ago, as is shown by the accompanying figures compiled by the New York Cotton Exchange.

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 January 18.....	8,983,915	8,825,593	7,266,450
Total.....	9,853,883	10,793,752	11,379,101
Visible supply, American, on January 18.....	3,253,062	3,512,870	4,466,034
World's takings of American to January 18.....	6,600,821	7,280,882	6,913,067

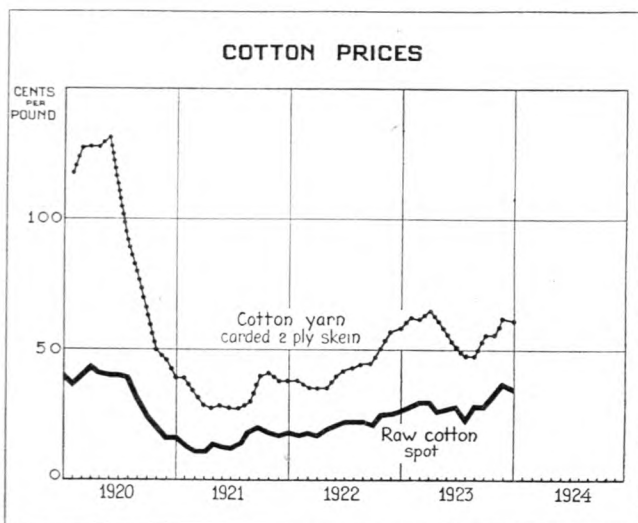
* Figures compiled by New York Cotton Exchange.

Cotton yarns continue in dull request, dealers stating that the principal reason for unsatisfactory business is the fact that manufacturers of cotton goods are finding it difficult to merchandise their products even at prices which, as a rule, do not represent re-

placement cost. In this respect the situation is little different from what it has been for some time. However, a few spinners report that demand is somewhat more active than it was last month, though opinion differs on this point. In general, sales still represent small quantities for current use. Some dealers find that yarns for towels, upholstery, and tapestry are selling poorly, but that the call from mills making plush is fair. In a few cases, a better request for knitting yarns for heavy-weight underwear is reported.

Stocks of yarn in the hands of dealers are for the most part light, but spinners' stocks are moderate. Of the orders on the books of both spinners and dealers, a large majority are for delivery within the next two months. Spinners in this district are running only about 75 or 80 per cent of their equipment, and reports indicate that the supply of labor exceeds the demand.

Mainly because of weakness in raw cotton, many dealers have made concessions on yarns and as compared with prices prevailing during the early part of December, quotations on January 21 showed a decrease of from 2 to 4 per cent on combed yarns and from 8.5 to 10.5 per cent on carded yarns. Prices, moreover, are rather irregular. Owing to the sluggish demand and to resistance to prices on the part of buyers, the margin between quotations on raw cotton and on yarn has narrowed since last spring, as is indicated by the accompanying chart. During March, 1923, prices



Since March, 1923, the margin between quotations on raw cotton and those on yarns has narrowed, but it is still greater than it was during 1921 and most of 1922.

Sources—Textile World, Cotton Facts and Journal of Commerce

of carded two-ply skeins were about 32.6 cents a pound higher than those on spot cotton, but during December, quotations on yarn were only about 25.4 cents a pound higher. It is noteworthy, however, that the margin between raw cotton and yarn prices is still greater than it was in 1921 and in most of 1922.

Collections range from fair to good.

Conditions in the market for cotton goods are, if anything, more quiet than they were last month. The situation is in decided contrast with that of a year ago, when cotton fabrics were selling actively for both immediate and future delivery. At present most of the business in both gray and finished goods is for shipment within the next 60 days, and spot demand is dull. Buyers appear to doubt their ability to sell goods at current prices, and the result is that they are purchasing very cautiously and are asking for concessions. Some producers find that resistance to quotations on staple goods is especially noticeable.

Operations in the cotton goods industry in this district continue to be generally curtailed, although a few plants are running at capacity. At the present rate of production, unfilled orders will insure operations for only 30 or 60 days. Stocks of finished goods are for the most part moderate, but in some instances they are reported to be heavy. The supply of labor is either sufficient or plentiful. Mainly because of recent weakness in prices of raw cotton, in addition to poor demand, quotations on gray goods by second hands have been reduced during the past month. Prices of goods in the finished state, however, are firm and unchanged. Collections are fairly good.

Competition of unbleached cotton cloths produced in foreign countries, principally in Great Britain, has increased in domestic as well as foreign markets. Evidence of this is to be seen in larger imports and smaller exports of unbleached cloths, illustrated in the accompanying

of exports was 28.8 per cent smaller in 1923 than in 1922; and during most of 1923 the value of imports of unbleached goods substantially exceeded that of exports, though the reverse was true during the preceding four years. In contrast with larger importations of unbleached cloths, imports of bleached goods show little gain and are still less in value than exports.

WOOL

Although demand for raw wool in the Philadelphia market is still only moderate, sentiment among the wool trade has decidedly improved.

Raw wool Dealers point to the fact that in spite of relatively poor support by buyers from the United States, raw wool markets in foreign countries are firm and quotations are advancing.

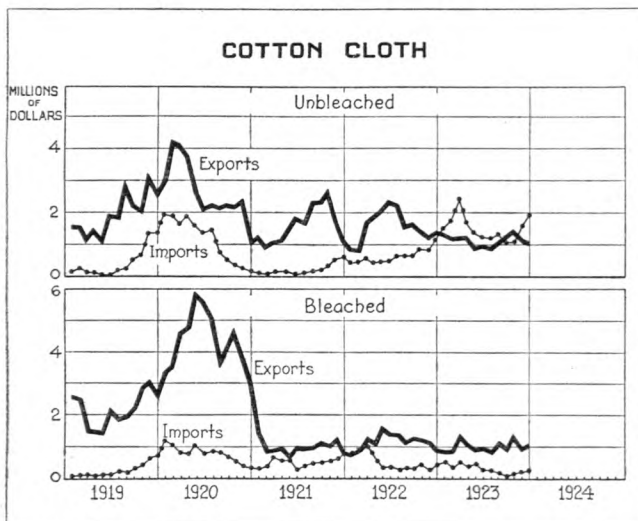
Moreover, owing to comparatively small imports during the past several months and to considerable re-exporting, stocks of wool in this country have been materially reduced. In the local market supplies of raw wool in the hands of dealers are reported to be moderately light. And though fine wools continue in dull request, medium and low grade wools are selling more actively. Some dealers find that noils are in good demand, and others report a better call for carpet wools.

However, in view of the fact that sales of woollen and worsted goods are unsatisfactory and that business during the coming heavy-weight season is very uncertain, mills are still conservative in ordering for their future needs, and demand for wool is not as good as it was a year ago. It is reported that during the past month there has been more activity among raw wool dealers than among mills.

As a result of the above factors, and notwithstanding resistance to prices on the part of buyers, quotations on raw wool in domestic markets have strengthened, increases being most apparent on quarterblood wools. In a number of cases, present prices are reported to be about the same as those of a year ago. But quotations in the United States still compare unfavorably with those in foreign countries, and as the following table shows, imports have been relatively small. During the second half of 1923 imports of raw wool were not only 81.2 per cent smaller than imports during the first half, but 67.8 per cent smaller than during a corresponding period in 1922. However, because of exceptionally large imports during the first half of 1923, total imports during the past year were somewhat greater than in 1922.

Several spinners report a fair request for yarns, but on the whole the demand continues to be rather quiet

Woolen and worsted yarns and has shown little change since last month. Manufacturers of woolen and worsted fabrics are for the most part waiting for greater activity in piece goods, their attention being centered on openings of fall lines. In some instances producers have covered



Notwithstanding higher duties imposed by the 1922 tariff, imports of unbleached cloth have increased considerably, although imports of bleached cloth show little change. Foreign competition has been an important factor in reducing exports of unbleached cloth.
Source—Department of Commerce

chart. In spite of the tariff, the total value of imports of unbleached cloths in 1923 was 130.5 per cent greater than that of imports in 1922. But the total value

IMPORTS OF RAW WOOL INTO THE UNITED STATES*
(In pounds)

Month	1923	1922	1921	1920
January	56,312,747	22,151,546	21,169,480	41,950,071
February	57,110,596	27,834,187	42,885,968	26,103,165
March	63,706,051	43,808,872	98,103,098	33,031,931
April	77,047,391	38,988,214	65,402,831	54,085,770
May	47,172,652	32,955,949	14,744,598	13,388,934
June	30,129,497	16,940,447	5,951,755	21,079,627
July	13,422,377	33,590,515	9,396,864	9,444,610
August	10,288,536	34,472,469	15,866,744	14,447,810
September	7,882,870	27,891,522	14,592,459	11,736,534
October	9,566,009	25,260,513	9,085,706	8,706,292
November	9,814,637	26,961,700	10,946,395	12,250,505
December	11,415,570	45,817,004	12,519,853	13,392,392
Total	393,868,933	376,795,485	320,665,751	259,617,641

* Department of Commerce.

part of their requirements for the heavy-weight season, as is indicated by the fact that a number of spinners have booked orders for delivery after the next 60 days. But the majority of manufacturers are very conservative in making commitments for the future, preferring to await developments in fall business. Consequently, little activity in weaving yarns has been manifest. Knitting yarns, too, are as a rule in dull request.

Most spinners are operating mainly on orders, and supplies of yarn in their possession are moderately light. A few spinners, however, report that stocks are heavy and are increasing. Operations in this district vary, some spinners running only 60 or 75 per cent of their equipment, while others are operating at capacity. Wool consumption in this district as shown by the replies of 84 establishments, was 9.9 per cent smaller in December than in November. The supply of labor is reported to be either sufficient or plentiful.

Owing to considerable resistance to prices on the part of buyers, spinners have found it difficult to raise quotations on yarn in keeping with higher prices for raw material, and as compared with those of last month, quotations are in general unchanged. But though in some instances concessions are still obtainable, a firmer tendency is noticeable. Many spinners find that collections are fairly good, but some state that buyers are not taking advantage of the discount for cash.

With the exception of a few products such as novelties and fancy fabrics for women's wear, which are selling quite actively, woolen and worsted goods continue in dull request. Demand is not as strong as it was last month, and repeat orders for light-weight fabrics are much smaller than they were a year ago. At the present time buyers show little disposition to purchase for the future, most of the business being in goods which, in many cases, can be supplied promptly from stock. The call for bolivias is especially quiet, and some producers report that stocks are heavy, though

operations are greatly reduced. Cassimeres for men's wear are in poor request. Of the orders on the books of manufacturers, a large majority are for delivery within the next sixty days.

At present, interest is centered upon openings of heavy-weight lines for next fall, and producers hope to book considerable business for future shipment. Manufacturers have prepared their samples, but as usual are waiting for the largest company to take the initiative in the showing of its lines and the naming of its prices. In view of the unsatisfactory business in fabrics for spring, and of the opposition of buyers to advances, speculation as to the prices that will be quoted has been especially keen. Present quotations are for the most part reported to be firm and in general unchanged from those of last month. In a few cases increases have occurred. On the other hand, resistance to prices on the part of buyers and the desire to liquidate surplus stocks, have led some producers to grant concessions.

A number of manufacturers are carrying heavy supplies of finished goods, but the majority find that stocks are moderate or light. At present, stocks are either stationary or are decreasing, since most manufacturers have adjusted their production schedules to demand and are running only part of their equipment. The average for this district ranges from 60 to 75 per cent of capacity. Supplies of raw materials are moderately light and are decreasing. Largely because of curtailment of operations, labor, which a year ago was rather scarce, is now in sufficient or plentiful supply.

Collections are fair.

CLOTHING

Demand for men's clothing has slackened considerably during the past month, and although a few manufacturers report a fair request for

Men's wear

heavy-weight merchandise for January sales, the majority state that business is poor. Retailers have ordered very conservatively for their spring requirements, and many producers find that the volume of advance business which has been placed is much smaller than it was last year. Clothing manufacturers give various reasons for the unsatisfactory demand, the most common being the unseasonable weather, which is reported to have hindered sales by retailers and to have delayed the liquidation of their stocks. Overproduction is also mentioned. However, by offering attractive values and prices, and by increased selling effort, a few producers have succeeded in booking a satisfactory number of orders for light-weight clothing.

Spring suits are for the most part priced about the same as they were last year. But buyers have offered considerable resistance to prices, and more than usual have compared the quotations of different manufacturers, with the result that they have won some concessions. In order to move surplus stocks of fall mer-

chandise, numerous producers have reduced prices on heavy-weight clothing during the past month.

Although with a few manufacturers stocks of finished goods are heavy, with the majority they are moderate. At present, however, they are being increased in preparation for the shipping season for spring suits, which began this month. Supplies of raw material are moderately light. Operations in the men's clothing industry in this district show marked variation, but curtailment is general, and many plants are running only from one-half to three-quarters of their equipment. Reports indicate that the supply of labor is either sufficient or plentiful.

Collections are slower than they were last month and as a rule are unsatisfactory, especially among the smaller producers.

Conservatism on the part of retailers in ordering spring goods has been a feature of business in shirts as well as in men's suits.

Shirts

Shirt makers report that a number of buyers refused to commit themselves for their usual needs prior to the holiday season, with the result that the volume of business received is below expectations. Consequently, a number of producers have sent their salesmen out again this month, in the hope of increasing their original bookings. The vogue for white shirts as distinguished from colored has continued, and broadcloth is especially popular. Spot demand has for the most part been rather quiet during the month.

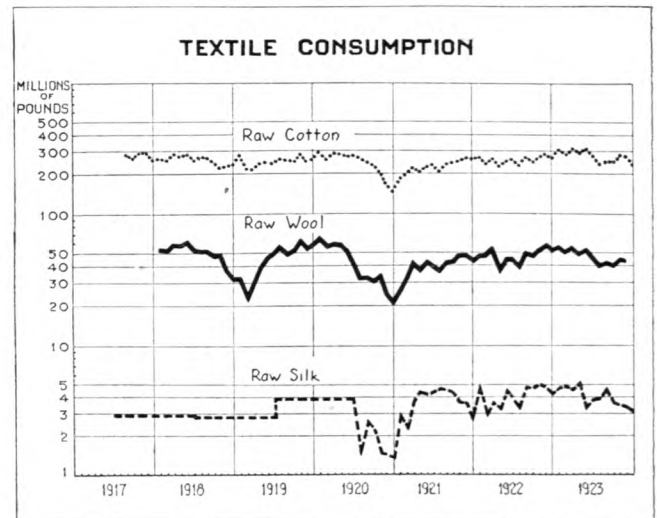
Some factories are running at or near capacity in preparation for deliveries of spring merchandise, and as a result, stocks of finished goods have increased and are reported to be moderately heavy. Manufacturers state that stocks of raw materials are of medium size, and that the supply of labor is adequate. In spite of the increased cost of raw materials, shirt prices show little change from those of last year. Collections, though fair, are not as prompt as they were a year ago.

SILK

During the past month, prices of raw silk in the New York market have fluctuated within a comparatively narrow range. On December 26, quotations on Kansai double extra cracks ranged from \$8.25 to \$8.35 per pound, on January 11 from \$8.10 to \$8.15, and on January 21 from \$8.20 to \$8.25. Business in raw silk, as a whole, shows some improvement, but demand has varied, being at times moderately active and at others rather quiet. Producers, in general, are waiting for greater activity in finished goods and are purchasing raw silk mainly for immediate needs. Fluctuations of the yen in foreign exchange, moreover, has retarded trade.

Statistics of the Silk Association of America indicate the curtailment that has occurred in domestic silk mills.

From July 1 to December 31 total deliveries to American mills were 17.4 per cent smaller this year than last. And during December, deliveries to mills reached the lowest point since February, 1922, as the accompanying chart illustrates. During the six months ending December 31, imports of raw silk were 18.9 per cent smaller in 1923 than in 1922. Although supplies of raw silk in the hands of producers are moderately light, stocks in



During 1921 and 1922 consumption of raw cotton, wool, and silk increased, but during 1923 the trend was downward. Prior to July, 1920, the silk line represents average imports for each fiscal year, but after that month it represents deliveries to mills

Sources—Department of Commerce and Silk Association of America

warehouses on January 1 were larger than they have been at any time since March 1, 1923. It is noteworthy, however, that on January 1 stocks in warehouses were 16.7 per cent smaller than they were a year ago.

Conditions in the silk goods industry have shown improvement during the past month. Some producers find that this is manifested more in the better feeling which is noticeable in the trade than in larger sales, but others report a more active demand. This, however, is of only moderate proportions, and buyers are still conservative in making commitments for the future. At present, staple fabrics are selling poorly, most of the interest of buyers being centered on novelties and fancy goods for spring.

Many plants are still operating on curtailed schedules ranging from 45 to 55 per cent of capacity. A few manufacturers, however, are running most of their equipment. Stocks of finished goods in the hands of producers as a rule are heavy, while supplies of raw materials are moderately light. The supply of labor is in general adequate. Buyers continue to offer considerable resistance to prices, especially on skein-dyed fabrics, and a few reductions have been made; but quotations for the most part show little change since last month. Collections are fair.

HOSIERY

Although the hosiery trade as a whole is not active, a slight improvement is noted in the demand for silk hosiery for women. Both full-fashioned and seamless chiffons have sold well, and medium-weight silk stockings to retail at about \$2 per pair for full-fashioned and at \$1 per pair for seamless, as well as silk and fibre mixtures, have been in fair request.

Fluctuations in the price of thrown silk have been less marked than during recent months, and quotations have been about the same as prevailed before the Japanese earthquake. This stability has enabled some manufacturers to reduce their quotations for silk hosiery.

For men's half-hose the demand has been light for all fabrics, but it is probable that fibre and silk in combination have had a better market than other descriptions.

On cotton hosiery a number of price increases are reported, but except in some lines of children's and misses' wear, nearly all manufacturers report that business has been unsatisfactory. Cotton yarns have fluctuated considerably in price and made business at a profit difficult.

Stocks of finished hosiery in the mills on January 1 were reported by a majority of the firms to be larger than they were a year previous, and only a few firms stated that their stocks were lower. Collections vary from extremely poor to very good, but in the majority of cases are said to be either fair or good.

The Department of Commerce reports that in 381 mills situated throughout the United States, production

in November was 1 per cent less than in October. Orders booked also decreased, the loss being 2.3 per cent; but as shipments decreased considerably, unfilled orders at the end of November were 11.4 per cent larger than they were at the end of October.

Operations in the reporting mills in the Third Federal Reserve District are summarized in the accompanying table. Because of the holidays, production was as usual lower than in November, the loss being 18.8 per cent in the wholesale mills and 16.3 per cent in the retail mills; it was also slightly lower than in December, 1922.

UNDERWEAR

Sales of underwear during the past month have been retarded by two widely different circumstances: the open winter, and the fact that the prices demanded are higher than those of a year ago.

In heavy weights it is reported that a considerable portion of the 1923 purchases have not passed into consumers' hands because of the mild weather, and this has not only curtailed the fill-in orders, but has had its effect on sales for 1924, for it seems to be a fairly well-established fact that a considerable part of the goods offered for January, February, and even March delivery find their way into consumers' use in the colder sections of the country during the present season. Offerings for later shipment are also affected by these conditions, and the higher prices named for second and third quarter delivery have curtailed the bookings greatly. As compared with those of January, 1923, prices are from 5 to 20 per cent higher; the lower figure, however, is named by only a few mills, and for first quarter delivery only. In an effort to keep prices down somewhat, a number of mills in New York State endeavored to reduce wages 10 per cent, but this action precipitated a strike, which has not yet been settled. Not all of the mills have formally opened their lines, but nearly all have named tentative prices.

In light weights, wholesalers who bought early in the season at prices which cannot be duplicated now and have offered the advantage of these purchases to retailers, report that even under these conditions sales to retailers are smaller than is usual at this season. Prices have been advanced by some manufacturers during the past month, but others have made no change. As compared with those of a year ago, however, prices are in many cases from 10 to 15 per cent higher. Resistance to these advances is stated by some makers to be serious. Collections are from fair to good and are in general satisfactory.

In the table on page 24 the reports of firms in the Third Federal Reserve District are summarized. It will be noted that finished stocks on hand in winter weights are smaller than they were a year ago, but that stocks of summer weights are larger than at that time. Unfilled orders for winter underwear are smaller, but

HOSIERY INDUSTRY Third Federal Reserve District

In terms of dozens of pairs	Dec., 1923 compared with Nov., 1923	Dec., 1923 compared with Dec., 1922
Firms selling to the wholesale trade:		
Number of reporting firms—28		
Product manufactured during month	-18.8%	- 5.5%
Finished product on hand at end of month	+ 5.6 "	+28.7 "
Orders booked during month	-20.9 "	+21.6 "
Cancellations received during month	+35.3 "	-31.6 "
Shipments during month	- 4.9 "	-13.3 "
Unfilled orders on hand at end of month	+ 8.3 "	- 5.2 "
Firms selling to the retail trade:		
Number of reporting firms—10		
Product manufactured during month	-16.3%	- 2.3%
Finished product on hand at end of month	+ 6.4 "	+18.0 "
Orders booked during month	-46.9 "	+10.2 "
Cancellations received during month	+31.1 "	+146.8 "
Shipments during month	-14.7 "	- 7.5 "
Unfilled orders on hand at end of month	-30.4 "	-27.0 "

for summer weights the orders show an increase, as compared with those on December 31, 1922.

UNDERWEAR INDUSTRY
Third Federal Reserve District

In terms of dozens	Dec., 1923 compared with Nov., 1923	Dec., 1923 compared with Dec., 1922
Summer underwear:		
Number of reporting firms—11		
Product manufactured during month	- 8.2%	+ 35.8%
Finished product on hand at end of month	- 6.1 "	+ 7.2 "
Orders booked during month	- 23.7 "	- 3.1 "
Cancellations received during month	+ 49.0 "	+ 326.0 "
Shipments during month	+ 130.2 "	+ 18.1 "
Unfilled orders on hand at end of month	- 16.7 "	+ 24.8 "
Winter underwear:		
Number of reporting firms—7		
Product manufactured during month	- 36.6%	+ 5.0%
Finished product on hand at end of month	+ 9.1 "	- 40.5 "
Orders booked during month	+ 408.7 "	- 27.3 "
Cancellations received during month	- 38.2 "	+ 262.3 "
Shipments during month	- 38.8 "	+ 15.9 "
Unfilled orders on hand at end of month	+ 138.6 "	- 48.1 "

FLOOR COVERINGS

Since the opening of the year, orders for carpets and rugs have increased somewhat, but the volume of business is not large, and the majority of orders call for small lots for either January or February shipment. The demand continues heaviest for tapestries and the cheaper grades of Axminsters, but high grade Axminsters are also wanted in fair volume.

Mills are for the most part running on the same production schedule as they were a month ago, but some have reduced operations. Stocks of finished goods in the mills are larger than they were a year ago, and in most cases are moderate, though some manufacturers of Wiltons state that they are heavy. Retailers' stocks, however, are as a rule reported to be light.

As is usual many of the orders held by mills called for shipment during January, and only in a comparatively few cases were these either postponed or cancelled. Shipments during January, therefore, were larger than those of the two months previous. Prices are unchanged, and in nearly all cases attempts to buy at lower figures have been unsuccessful. In the retail stores, special sales are now in progress, and preliminary reports indicate that they are meeting with success.

The demand for linoleums and felt-base goods continues heavy but shows a seasonal slackening in some lines. Plain linoleums have recently not kept pace with inlaid and printed linoleums, but all the factories in this district continue to operate at capacity.

Collections in all lines of floor coverings are reported as either fair or good, but some manufacturers state they are less prompt than they were a month ago.

LEATHER

Continued activity and an increase in price have marked the trading in hides during the month. Packers are closely sold up, and the market is strong, as is indicated by the following table. Hides reached their low point late in November, when the offerings were of better quality than those recently sold at higher prices. One of the factors responsible for the advance was the exportation to Europe of a large quantity of hides, estimated at about 300,000. Argentine hides have also risen, and sales have been of goodly size.

Hides and skins

CHICAGO PACKER HIDES

	Week ending Nov. 24, 1923	Week ending Jan. 19, 1924
Heavy native steers	13½ cents	14½ cents
Heavy Texas steers	11 "	13 "
Butt brands	11 "	13 "
Branded cows	7½ "	9 "
Heavy native cows	12 "	12½ "
Light native cows	9½ "	11-11¼ "
Branded bulls	7 "	7¾-8 "

The market for calf skins has also advanced, and exports of these too are said to have been considerable. In November, Chicago packer skins sold at 18 cents and the last sale reported was at 18¾ cents. Sheep skins also are firm, with prices at or near the highest point in recent months. New Zealand pelts are reported to have sold at 50 shillings, the highest price touched for several years; but the falling off in sterling exchange has reduced the cost to the American tanner somewhat. Goat skins declined during the month, but at the low prices reached, considerable trading is reported, and some of the foreign markets have rallied slightly. Stocks in dealers' hands in New York are said to have been reduced noticeably.

The market for heavy leathers has improved, and prices are in some instances higher than they were last month. The strength of hides and the improved statistical position of heavy leathers, illustrated in the following table, are among the causes of the betterment, but a seasonal increase in the demand for leather by shoe manufacturers has been the chief factor.

Production of backs, bends and sides was the smallest since May, 1922, and that of belting butts and of offal, sole, and belting the smallest since July of the same year. It is reported in the trade that stocks at the end of 1923 will show a further decrease.

Leather

HEAVY LEATHER*

November, 1923, as compared with October, 1923	Production during month	Stock at end of month
Backs, bends and sides.....	- 9.6%	- .5%
Belting butts.....	- 19.3 "	- .3 "
Offal, sole, and belting.....	- 17.8 "	- 1.0 "

* Figures compiled by Department of Commerce.

Belt manufacturers state that a goodly number of small orders are helping to make a business of considerable magnitude, but it is still not so large as that of a year ago. The demand for butts has improved but is not heavy.

In upper leathers the betterment is less marked than in heavy leathers, and this is true both as regards the statistical position and the demand. Production, except of cattle side, has decreased, that of goat, kid and cabretta being the lowest since July, 1922; but even so, stocks of the latter have increased slightly. Stocks of cattle side and of calf and kip decreased and were lower than they have been for several years. In fact, since these statistics were begun, in November, 1920, the stocks of cattle side leather have never been so small, and one has to go back to August, 1921, to find calf and kip stocks as low as they were at the end of November.

UPPER LEATHERS*

November, 1923, as compared with October, 1923	Production during month	Stock on hand at end of month
Cattle side.....	+ 6.5%	- 10.6%
Calf and kip.....	- 12.0 "	- 2.6 "
Goat and kid.....		+ 1.7 "
Cabretta.....	- 12.5 " **	+ 1.1 "

* Figures compiled by Department of Commerce.

** Production figures not separated.

The recent advance in the price of raw calf skins has been followed by a slight increase by some tanners in the quotations on calf leathers. The demand for light weights, both in colors and in black, in both suede and grain, has been considerable, but in heavy weights, especially in black, competition has been encountered from imported calf leather. Importations of this from Europe have been increasing in recent months and are mainly of the top-grade leather. Manufacturing costs there at present are said to be only about one-third of those in this country. Kid leathers have also sold in somewhat larger volume during the month, and the lower quotations for raw goat skins have enabled tanners to shade prices of kid, especially in the medium grades. Exports, however, which in the past have taken an important part of the production of kid leather, show little, if any im-

provement. Sheep leathers are in good demand. The glove trade has been calling for increased quantities of fleshers; skivers, too, are in better call, and chamois and hat leathers continue in fair request.

A seasonal increase in the buying of shoes has placed manufacturers in a better position than they have held for several months. Wholesalers have purchased in fair quantity, and though retailers are still slow

Shoes

to place orders, especially for women's shoes, they are buying more freely than they were a month ago. Many of the factories in this district now have sufficient orders to keep them busy through March, and some until a later date. Prices for shoes made in this district show practically no change, but reports state that a number of New England manufacturers whose plants have been doing little have shaded prices in order to secure sufficient business to insure operations at a higher percentage of their capacity. Materials used have not changed greatly. For women's and children's shoes in the medium and lower grades patent leather is popular, and in high-grade shoes it is also used to a considerable extent, as are suedes and grain calf. For men's shoes, grain calf in both black and brown is in request. Some reports of severe competition from European made shoes are received, and it will be noticed from the following table that importations have increased during recent months, though they are still small in comparison with exports.

FOREIGN BUSINESS IN BOOTS AND SHOES*

1923	Imports	Exports**
April.....	17,831 pairs	758,634 pairs
May.....	21,327 "	875,281 "
June.....	25,073 "	677,519 "
July.....	24,841 "	627,090 "
August.....	35,533 "	526,205 "
September.....	35,678 "	585,115 "
October.....	61,852 "	572,874 "
November.....		627,925 "

* Figures for some of the early months in the import column include slippers, which otherwise are excluded.

** Do not include shipments to non-contiguous American territory.

Production of shoes in the United States during November totaled 26,838,878 pairs, during October 30,704,883 pairs, and in November, 1922, 30,076,128 pairs. For eleven months of 1923, however, the production equaled 328,330,564 pairs and exceeded that for the same period of 1922 by 32,307,356 pairs.

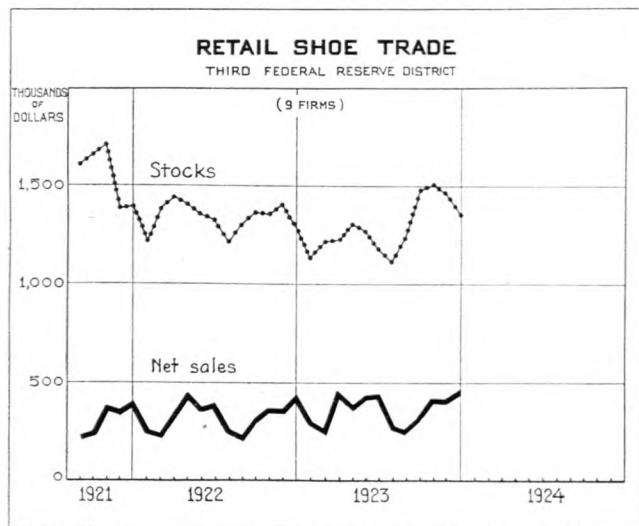
The table on page 26 summarizes the activities of the reporting firms in the Third Federal Reserve District during December. It will be seen that production decreased both as compared with November and with December, 1922, and that orders booked during the month were less than they were a year ago.

BOOT AND SHOE INDUSTRY
Third Federal Reserve District

Number of reporting firms—29 In terms of pairs	Dec., 1923 compared with Nov., 1923	Dec., 1923 compared with Dec., 1922
Product manufactured during month.	-12.6%	-21.5%
Shipments during month.....	-23.7"	-21.4"
Orders booked during month.....	-30.8"	-27.1"
Orders on hand at end of month.....	+ 2.2"	-22.0"
Cancellations received during month..	+21.5"	+13.6"
Stocks (unsold) on hand at end of month.....	+ 6.5"	+39.2"

Sales of shoes at wholesale again decreased in December and were smaller than in either November or in December, 1922, as is shown in the table on page 9.

Sales in retail in December were larger than in November, and were also greater than in December, 1922. The increase in volume for the second half of 1923 was 5 per cent as compared with the like period of 1922. The accompanying chart illustrates clearly the seasonal trends in both sales and stocks.



Sales in each of the last five months of 1923 were larger than in the corresponding month in 1921 and 1922.

Source—Federal Reserve Bank of Philadelphia

For women, gold and silver cloth for evening wear, black suede, velvet, patent leather, and brown suede in pumps for street wear, have been the best selling lines; but as is usual at this season, an increased demand is noticed for heavier low shoes in black and brown. For men, high shoes in medium tan shades in calf and kid have been in request, and for children high laced shoes of tan calf skins and shoes with patent-leather vamps with contrasting tops. Stocks, although lower than at the end of November, were larger on December 31 than at that time in 1922.

RETAIL SHOE TRADE
Third Federal Reserve District

- NET SALES (in terms of dollars):**
 - (a) December, 1923, as compared with November, 1923..... +19.1%
 - (b) December, 1923, as compared with December, 1922..... + 2.6 "
 - (c) July 1 to December 31, 1923, as compared with July 1 to December 31, 1922..... + 5.0 "
- STOCKS (selling price):**
 - (a) December, 1923, as compared with November, 1923..... - 7.6 "
 - (b) December, 1923, as compared with December, 1922..... + 5.9 "
- RATE OF TURNOVER (times per year based on cumulative period):**
 - (a) July 1 to December 31, 1923..... 3.4
 - (b) July 1 to December 31, 1922..... 2.9

Number of stores reporting above items:

1.....	19	2.....	17	3.....	16
--------	----	--------	----	--------	----

PAPER

Manufacturers report that the demand for all grades of paper is only fair and that orders received show little increase over those of December. The first two weeks of the month were very dull but this is a seasonal condition, and paper makers state that the numerous inquiries being received point to an increasing interest on the part of consumers. Book-paper mills note a strengthening of demand as compared with last month, and operations have been increased to about 80 per cent of capacity. The fine-paper market, too, is more active, and most plants are operating at approximately 80 per cent. In the wrapping and kraft paper division conditions are about the same as they were last month, and the demand continues only fair. But as most of these mills were closed for a week or ten days for the taking of inventory, stocks were reduced considerably, and operations are now at close to capacity. The call for paper board, building paper, and building boards is better than it was in December, but not as good as in January, 1923; and the average percentage of operations is about 80. Toilet tissues and crepe towels are in light demand, and fine tissues are moving in only fair volume. Glazed paper and wall papers are in request, and most factories are working at capacity. The call for envelopes is not so heavy as it was in December, but manufacturers report that it exceeds that of a year ago and that their factories are running at 80 per cent. Fibre and manila papers are in only fair demand, and few mills are operating at more than three-fourths of capacity. Jobbers report that sales are smaller than they were in December, but the majority state that they slightly exceed those of January, 1923. Consumers' stocks are

light, and consequently moderate buying started with the advent of the new year.

Although the prices of most grades of paper remain unchanged at last month's levels, considerable weakness still exists in prices on coarse papers, particularly wrapping and kraft papers. In the open market some concessions in price are still obtainable on large purchases of all grades except newsprint. Chemical and mechanical pulp prices are firm and unchanged.

Finished stocks at the mills vary from light to moderate, and supplies of raw materials are moderate. Skilled labor is in sufficient supply at all mills, and unskilled labor is plentiful. Wages are unchanged. Collections range from fair to good and are the same as they were in December and in January, 1923.

PAPER BOXES

Chip and newsboard boxes are in fair request, and considering the season, the demand is satisfactory. Very few factories are as busy as they were in December, but January is always a dull month in the industry, and many manufacturers state that business is better than it was in January, 1923. Factories making cheap boxes for the Easter candy trade are busy, but the call for expensive candy boxes is light. The shirt, underwear, hardware, foodstuffs, and electrical supply industries are buying moderately, but from the shoe and hosiery trades few orders are being received. The demand for fancy specialty boxes, such as are used by the perfume and jewelry trades, is at present light. Operations at chip and newsboard box factories in this district now average about 70 per

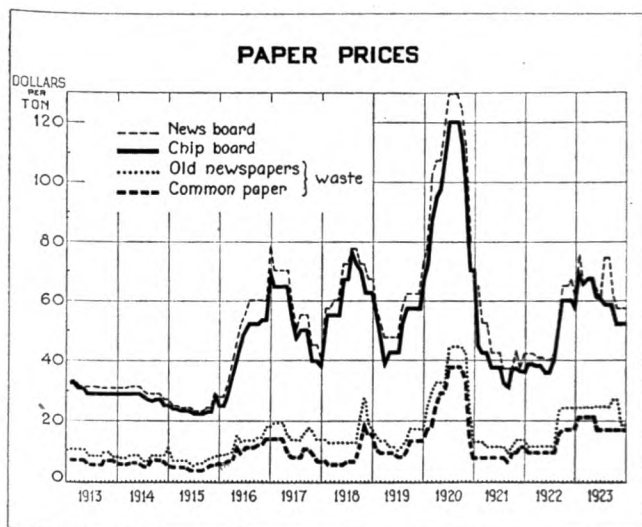
than it was in December and much the same as that of a year ago. The average of operations at these plants is about 75 per cent. Although the majority of orders specify prompt shipment, some manufacturers have received more orders for delivery after 60 days than they have booked in any of the three preceding months.

Box prices are in general weak, and though most manufacturers report no change in their prices since December, a few have lowered them about 10 per cent. In the chip and newsboard box division price-cutting is especially severe. Boxboard prices are relatively firm, and while some concessions are still to be obtained, most mills are quoting the same prices as prevailed a month ago. As the preceding chart shows, news and chip board quotations have held firm during the past three months. In the paper-stock market, common paper prices have not changed for seven months, but old newspaper dropped sharply in November. Waste paper is now about 150 per cent higher than it was in 1913, but chip and news board are only about 85 per cent higher.

Stocks of finished boxes at the factories vary from light to moderate, and supplies of board are moderate. The supply of labor is sufficient at practically all mills, but a few report a slight scarcity of skilled workers. Wages are unchanged. Collections are fair and the same as they were last month.

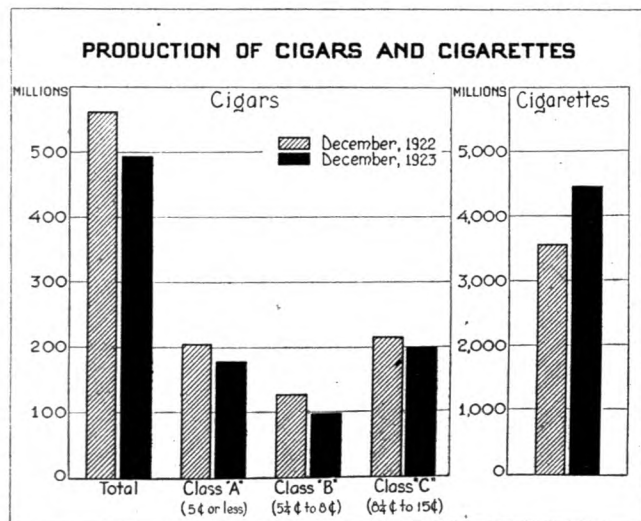
CIGARS

Although not as strong as it was a month ago, the demand for cigars is fairly good, and most manu-



Prices of waste paper and board are about twice as high as in 1914
Source—Paper Trade Journal

cent of capacity. Fibre shipping containers and corrugated boxes are in fair request, and most of the manufacturers of these report that the demand is heavier



The production of large cigars in December, 1923, decreased 12.5 per cent from that of December, 1922; but cigarette output increased nearly 25 per cent.

Source—Commissioner of Internal Revenue

facturers report that it is slightly better than that of January, 1923. The local Christmas trade was heavy, and the majority of manufacturers state that the holi-

day business exceeded last year's. Evidently stocks held by jobbers and retailers were very low after the holidays, as the large manufacturers have received many orders for prompt shipment from all parts of the country since the beginning of the year. After a two weeks' shut-down for the annual taking of inventory and making of repairs, most factories resumed operations on January 7. Manufacturers of class C and class B cigars are operating their plants at about 85 per cent of capacity; but makers of class A goods are not so active, and few factories are working at more than 70 per cent. Practically all orders are for prompt shipment, most of them specifying delivery within 30 days.

As shown in the chart on page 27, the production

of large cigars in December, 1923, decreased 12.5 per cent, but that of small cigarettes increased 25 per cent as compared with that of December, 1922. All classes of cigars show a decline in output, but the decrease was smallest in class C grades.

Cigar prices are firm and unchanged. Tobacco leaf prices, too, are well maintained and are much the same as they were a month ago. Stocks of cigars at the factories vary from light to moderate and are increasing slightly. Stocks of raw materials are moderate. The supply of both skilled and unskilled labor is adequate, and wages are unchanged. Collections range from fair to good and have not varied since last month.

COMPILED AS OF JANUARY 22, 1924

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