

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
MARCH 1, 1924

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SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES

Production of basic commodities increased sharply in January, the volume of distribution continued larger than a year ago, and the wholesale price level remained unchanged. In February there was an increase in the demand for credit for commercial purposes.

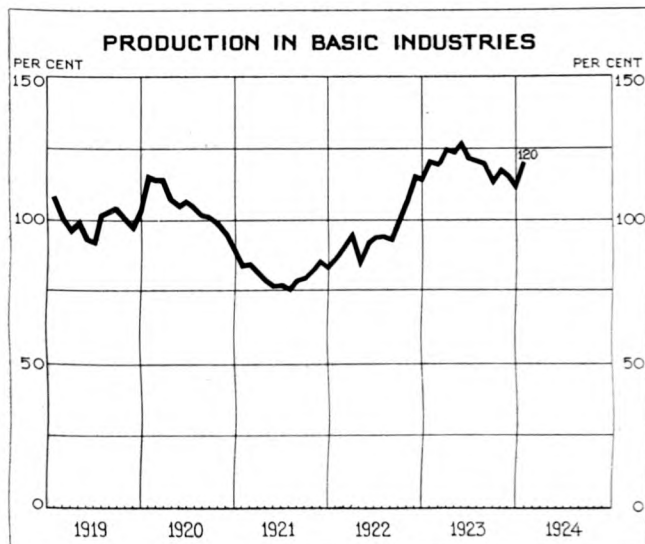
The Federal Reserve Board's index of production in basic industries increased 8 per cent in January and was at approximately the same level as a year ago. This increase followed a downward movement which had been under way since May, 1923. The increases over December, which occurred in most of the industries, were particularly large in the production of steel ingots, lumber, and bituminous coal and in mill consumption of cotton. A small but general reduction of working forces at industrial establishments resulted in a slight decline in the index of fac-

Production

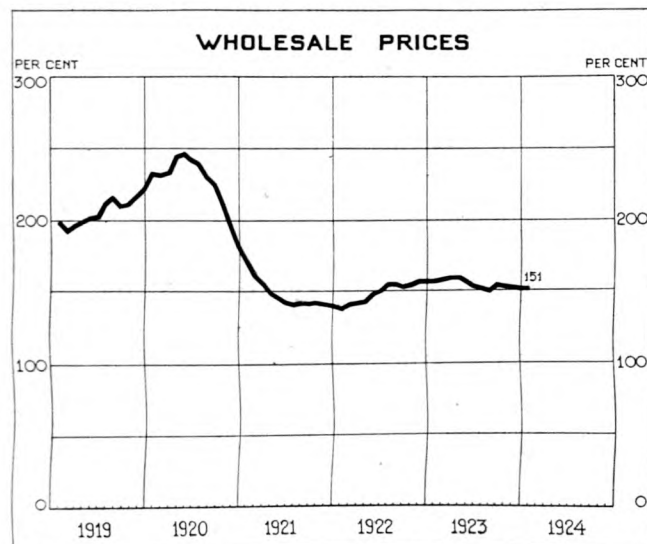
tory employment. The largest decreases occurred at plants manufacturing food products and tobacco. Contract awards for new buildings in January were slightly higher in value than in December and were 26 per cent above a year ago.

Railroad shipments, particularly of miscellaneous merchandise increased during January and total car loadings were somewhat above the high level of January, 1923. The index of wholesale trade increased 11 per cent during January and was slightly higher than a year ago. Sales of groceries, meat, and drugs were larger than in January, 1923, while sales of dry goods and shoes were smaller. Retail trade in January showed the usual seasonal decline. Compared with a year ago department store sales were 7 per cent larger and stocks of merchandise at these stores, after declining in Jan-

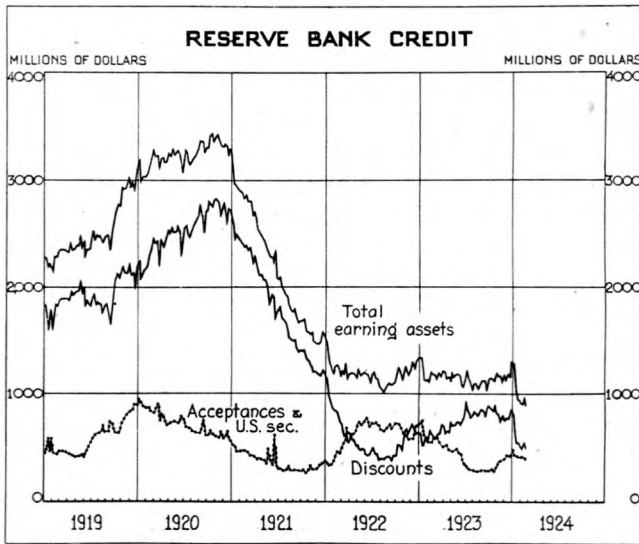
Trade



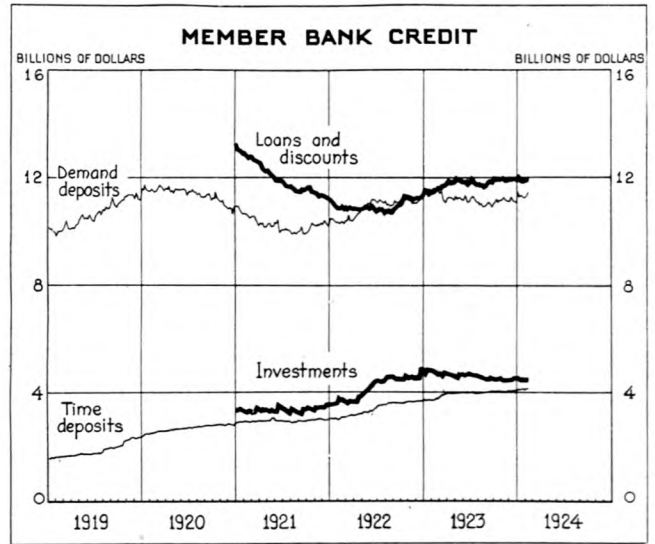
Index of 22 basic commodities corrected for seasonal variations. (1919=100.) Latest figure—January, 120.



Index of U. S. Bureau of Labor Statistics. (1913=100, base adopted by Bureau.) Latest figure—January, 151.



Weekly figures for member banks in 101 leading cities. Latest figure—February 13.



Weekly figures for 12 Federal Reserve Banks. Latest figure—February 20.

uary, were 6 per cent above last year's level. Sales of mail order houses in January exceeded those of a year ago by 11 per cent.

The wholesale price index of the Bureau of Labor Statistics remained unchanged during January and was at a level 3 per cent lower than a year ago. Prices of fuels and building materials, which had been declining since early in 1923, increased in January, while prices of farm products, foods and clothing declined. During the first two weeks of February prices of hogs, sugar, hides, lumber, and metals advanced, while prices of cotton, wheat, and silk declined.

The volume of borrowing for commercial purposes at member banks in leading cities, after an almost continuous decline for more than three months, increased considerably during the latter part of January and the first two weeks in February. This

increase was accompanied by a decline in loans secured by stocks and bonds. Total loans and investments of the reporting banks are now slightly larger than a year ago, commercial loans and loans on stocks and bonds are larger, but investments are smaller.

At the Federal reserve banks the total volume of earning assets fluctuated within narrow limits during February. The large return flow of currency and the repayment of discounts, which characterized the early weeks of the year, did not continue after January. Since the first week in February the volume of discounts for member banks has been about \$500,000,000 and the holdings of securities purchased in the open market about \$400,000,000.

The easier money conditions of January were followed in February by slightly firmer rates on acceptances and on short-term Government securities. Commercial paper rates in the New York market remained unchanged at 4¾ per cent.

Prices

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SUMMARY OF BUSINESS CONDITIONS IN THE THIRD FEDERAL RESERVE DISTRICT

Evidence of increasing activity was apparent in several of the primary industries during the past month. Distribution of goods, as measured by freight-car loadings, was heavier than during any similar period, wholesale trade was satisfactory, and sales at retail were larger than those of a year ago. Wholesale commodity prices, after declining for three months, stiffened in January, with the result that the general price level was the same as in December. Credit conditions continued easy, and money rates declined further.

Among the individual industries iron and steel is one of the outstanding leaders in the present revival. Not only is production increasing, but manufacturers state that the numerous inquiries point to substantial business for the future. Building operations, considering the season, are being maintained at a high rate. In addition, to judge from the value of building permits issued in this district during January, which was over \$2,000,000 above that for January, 1923, a large amount of construction is being planned for the spring. Moreover, most building materials are in fair request, although this is usually a dull season. Conditions in the leather trade have continued to improve, and betterment is apparent in practically all branches of the industry. Hides and skins have advanced sharply, and shoes and other finished products are selling more freely. Encouraging reports also are received as regards other lines, including rubber tires and other rubber products, tobacco, and paper. The textile situation, on the contrary, shows little improvement. Changes and uncertainties in the prices of textile products and raw materials continue to exert a depressing effect. Production schedules in the textile industries, however, have been maintained at about the same percentage of capacity as they were last month.

Employment at industrial establishments in this district decreased further in January. But wage rates were practically unchanged, though in some plants there were increases and in a few reductions.

The movement of freight has been particularly heavy during recent weeks. For a time, early in the year, it appeared that the volume of freight traffic was going to run behind that of last year, but each week loadings have increased substantially, and much of this is due to large shipments of merchandise.

The general price level since the first of the year has been relatively stable, the index of the Bureau of Labor Statistics in January showing no change from that of December. Of the 404 commodities represented in the index, increases occurred in 138, decreases in 101, and no change in 165. Among the groups in which the largest reductions took place were foods, and cloths and clothing. The greatest increase was in the fuel and lighting group, and was chiefly due to higher prices for bituminous coal, crude petroleum, and gasoline.

Easier money rates are reflected in the increasing number of sales of commercial paper at $4\frac{1}{2}$ and $4\frac{3}{4}$ per cent.

EMPLOYMENT AND WAGES

During January a further shrinkage occurred in the volume of employment and in wages paid at reporting industrial establishments in Pennsylvania, New Jersey, and Delaware. The number of wage earners on the payrolls of reporting plants decreased 2.6 per cent from December to January. This is the fourth consecutive monthly decline and represents a loss of more than 6 per cent from the volume of employment in September, 1923. Total wages paid were nearly 7 per cent less than in December, and average weekly earnings fell off more than 4 per cent.

The heaviest decrease in employment and wages—in plants engaged in car construction and repairs—is attributable principally to curtailment in one large establishment. Appreciable decreases in employment also occurred at blast furnaces, structural iron works, canneries, glass plants, and factories making explosives. Important increases in employment were reported by shipyards, textile dyeing and finishing plants, sugar refineries, pottery plants, and musical instrument factories. Twenty-eight of the 48 industries included in our survey reported smaller employment in January than in December.

A large majority of the industries also reported decreases in total wages and in average weekly earnings. Changes in wage rates, however, occurred in only 63 establishments out of 1,054 reporting. Fifty-three firms reported increases of from 1 to 20 per cent, affecting 3,889 wage-earners; and 10 establishments reported de-

SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of February 21, 1924

Third Federal Reserve District

Business	Demand	Prices	Stocks	Labor		Collections
				Supply	Wages	
Brick	Fair to good	Generally firm	Moderate	Sufficient to plentiful	Unchanged	Fair
Cigars and cigarettes	Fair to good	Firm	Moderate	Sufficient	Unchanged	Fair to good
Coal, anthracite	Fair to good	Unchanged	Moderate	Some scarcity	Unchanged	Fair to good
Coal, bituminous	Fair	Unchanged	Heavy	Sufficient	Unchanged	Fair to good
Coke	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair
Cotton goods	Poor to fair	Unchanged to lower	Moderate to heavy	Sufficient or plentiful	Generally unchanged	Fair
Cotton yarns	Poor to fair	Lower	Moderate			Fair
Drugs, wholesale	Fair	Some advances; some declines	Moderate			Fair to good
Drygoods, wholesale	Fair	Unchanged to lower	Moderate to heavy			Fair
Floor coverings	Fair to good	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Furniture	Fair	Firm	Moderate to heavy	Some scarcity	Generally unchanged	Fair
Groceries, wholesale	Fair	Firm	Moderate to heavy			Fair to good
Hardware, wholesale	Fair to good	Some advances	Moderate to heavy			Fair
Hosiery, full-fashioned	Fair	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair to good
Hosiery, seamless	Poor to fair	Lower	Moderate	Sufficient	Unchanged	Fair to good
Iron and steel	Fair to good	Firm	Moderate to heavy	Generally sufficient	Some reductions	Fair to good
Jewelry, wholesale	Fair	Unchanged	Moderate			Fair
Leather, belting	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Leather, heavy	Fair	Unchanged to higher	Heavy	Sufficient	Unchanged	Good
Leather, upper	Fair	Unchanged to higher	Moderate to heavy	Sufficient	Unchanged	Good
Lumber	Fair to good	Generally firm	Moderate	Sufficient	Generally unchanged	Fair to good
Paint	Fair	Some advances	Moderate	Sufficient	Some advances	Fair
Paper	Fair to good	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Paper, wholesale	Fair to good	Firm	Moderate			Fair to good
Paper boxes	Fair	Unchanged	Moderate	Some scarcity	Unchanged	Fair
Plumbing supplies	Fair to good	Generally unchanged	Moderate to heavy	Sufficient	Unchanged	Fair to good
Real estate	Fair to good	Unchanged		Sufficient	Unchanged	
Rubber, mechanical goods	Fair to good	Unchanged to higher	Moderate	Sufficient	Unchanged	Fair
Rubber tires	Fair	Unchanged to higher	Moderately light	Sufficient	Unchanged	Fair
Shoes, manufacture	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Shoes, retail	Fair to good	Unchanged	Moderate			Fair to good
Shoes, wholesale	Fair to good	Unchanged	Moderate			Poor to fair
Silk goods	Poor to fair	Unchanged to lower	Moderate	Some scarcity, skilled	Unchanged	Fair to good
Silk, thrown	Poor to fair	Unchanged to lower	Light	Some scarcity, skilled	Unchanged	Fair
Slate	Fair to good	Firm	Light to moderate	Some scarcity, skilled	Unchanged	Fair to good
Underwear, heavy weight	Poor	Unchanged	Light to moderate	Some scarcity, skilled	Unchanged	Fair to good
Underwear, light weight	Poor to fair	Unchanged	Light to moderate	Some scarcity, skilled	Unchanged	Fair to good
Woolen and worsted goods	Spotty	Unchanged	Moderately light	Sufficient	Unchanged	Fair to good
Woolen and worsted yarns	Fair	Unchanged to higher	Light	Sufficient	Unchanged	Fair to good

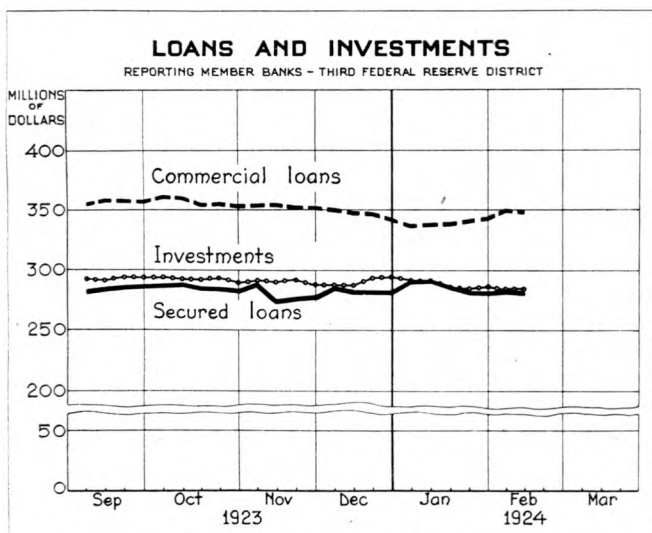
EMPLOYMENT AND WAGES
IN PENNSYLVANIA, NEW JERSEY AND DELAWARE

Group and industry	Number of plants reporting	Number of wage earners—week ended			Total weekly payroll—week ended			Average weekly wage—week ended		
		January 15, 1924	December 15, 1923	Per cent change	January 15, 1924	December 15, 1923	Per cent change	January 15, 1924	December 15, 1923	Per cent change
All industries: (48)	1,054	392,892	403,577	- 2.6	\$10,115,271	\$10,853,574	- 6.8	\$25.75	\$26.89	- 4.2
Metal manufactures:	352	190,167	199,328	- 4.6	5,204,771	5,765,183	- 9.7	27.37	28.92	- 5.4
Automobiles, bodies and parts . . .	25	7,537	7,790	- 3.2	211,050	226,667	- 6.9	28.00	29.10	- 3.8
Car construction and repair. . .	14	16,210	23,993	-32.4	394,916	860,591	-54.1	24.36	35.87	-32.1
Electrical machinery and apparatus . . .	37	18,616	18,514	+ .6	460,045	460,590	- .1	24.71	24.88	- .7
Engines, machines and machine tools . . .	36	12,634	12,761	- 1.0	342,964	360,154	- 4.8	27.15	28.22	- 3.8
Foundries and machine shops. . .	75	14,449	14,786	- 2.3	397,379	418,822	- 5.1	27.50	28.33	- 2.9
Heating appliances and apparatus . . .	16	3,793	3,726	+ 1.8	107,042	112,360	- 4.7	28.22	30.16	- 6.4
Iron and steel blast furnaces. . .	11	12,484	13,046	- 4.3	336,715	382,648	-12.0	26.97	29.33	- 8.0
Iron and steel forgings . . .	12	4,875	4,733	+ 3.0	129,925	122,302	+ 6.2	26.65	25.84	+ 3.1
Steel works and rolling mills . . .	50	50,607	50,999	- .8	1,451,941	1,424,512	+ 1.9	28.69	27.93	+ 2.7
Structural iron works . . .	12	2,862	3,031	- 5.6	71,645	80,435	-10.9	25.03	26.54	- 5.7
Miscellaneous iron and steel. . .	48	28,215	28,651	- 1.5	801,303	818,851	- 2.1	28.40	28.58	- .6
Shipbuilding . . .	9	13,761	13,252	+ 3.8	381,039	380,872	0	27.69	28.74	- 3.7
Non-ferrous metals . . .	7	4,124	4,046	+ 1.9	118,807	116,379	+ 2.1	28.81	28.76	+ .2
Textile products:	260	76,145	76,671	- .7	1,620,588	1,680,645	- 3.6	21.28	21.92	- 2.9
Carpets and rugs . . .	15	4,048	4,106	- 1.4	108,876	113,220	- 3.8	26.90	27.57	- 2.4
Clothing . . .	38	6,444	6,473	- .4	126,491	123,258	+ 2.6	19.63	19.04	+ 3.1
Hats, felt and other. . .	9	5,513	5,685	- 3.0	125,343	139,259	-10.0	22.74	24.50	- 7.2
Cotton goods. . .	24	7,494	7,645	- 2.0	180,957	186,406	- 2.9	24.15	24.38	- .9
Silk goods . . .	69	19,862	19,737	+ .6	370,977	376,215	- 1.4	18.68	19.06	- 2.0
Woolens and worsteds . . .	33	13,921	14,352	- 3.0	300,841	312,478	- 3.7	21.61	21.77	- .7
Knit goods and hosiery . . .	48	10,941	10,976	- .3	207,993	224,332	- 7.3	19.01	20.44	- 7.0
Dyeing and finishing textiles. . .	16	5,861	5,645	+ 3.8	154,604	157,300	- 1.7	26.38	27.87	- 5.3
Miscellaneous textile products. . .	8	2,061	2,052	+ .4	44,506	48,177	- 7.6	21.59	23.48	- 8.0
Foods and tobacco:	92	26,296	27,220	- 3.4	582,565	615,464	- 5.3	22.15	22.61	- 2.0
Bakeries . . .	22	4,609	4,677	- 1.5	119,436	125,733	- 5.0	25.91	26.88	- 3.6
Canneries . . .	8	2,513	2,834	-11.3	58,357	63,699	- 8.4	23.22	22.48	+ 3.3
Confectionery and ice cream . . .	22	5,604	5,811	- 3.6	110,505	116,618	- 5.2	19.72	20.07	- 1.7
Slaughtering and meat packing . . .	14	2,959	3,068	- 3.6	82,673	84,924	- 2.7	27.94	27.68	+ .9
Sugar refining . . .	3	2,771	2,702	+ 2.6	87,402	91,502	- 4.5	31.54	33.86	- 6.9
Cigars and tobacco . . .	23	7,840	8,128	- 3.5	124,192	132,988	- 6.6	15.84	16.36	- 3.2
Building materials:	78	20,268	20,522	- 1.2	562,667	580,534	- 3.1	27.76	28.29	- 1.9
Brick, tile and terra cotta products . . .	20	3,152	3,096	+ 1.8	76,389	79,887	- 4.4	24.24	25.80	- 6.0
Cement . . .	14	5,321	5,362	- .8	139,733	154,302	- 9.4	26.26	28.78	- 8.8
Glass . . .	28	7,613	7,983	- 4.6	199,659	215,040	- 7.7	26.23	26.94	- 2.6
Pottery . . .	16	4,182	4,081	+ 2.5	146,886	131,305	+11.9	35.12	32.17	+ 9.2
Chemicals and allied products:	74	29,483	29,775	- 1.0	850,463	884,066	- 3.8	28.85	29.69	- 2.8
Chemicals and drugs . . .	41	8,071	8,070	0	206,945	205,434	+ .7	25.64	25.46	+ .7
Explosives . . .	10	2,451	2,598	- 5.7	63,154	65,764	- 4.0	25.77	25.31	+ 1.8
Paints and varnishes . . .	12	1,395	1,434	- 2.7	36,824	37,458	- 1.7	26.40	26.12	+ 1.1
Petroleum refining . . .	7	16,258	16,391	- .8	502,102	535,317	- 6.2	30.88	32.66	- 5.5
Coke . . .	4	1,308	1,282	+ 2.0	41,438	40,093	+ 3.4	31.68	31.27	+ 1.3
Miscellaneous industries:	198	50,533	50,061	+ .9	1,294,217	1,327,682	- 2.5	25.61	26.52	- 3.4
Lumber and planing mill products . . .	7	2,292	2,271	+ .9	45,775	48,210	- 5.1	19.97	21.23	- 5.9
Furniture . . .	22	3,327	3,370	- 1.3	81,913	87,567	- 6.5	24.62	25.98	- 5.2
Musical instruments . . .	6	9,978	9,627	+ 3.6	283,547	299,367	- 5.3	28.42	31.10	- 8.6
Leather tanning . . .	37	8,879	8,879	0	234,087	234,672	- .2	26.36	26.43	- .3
Leather products . . .	7	706	709	- .4	13,943	14,051	- .8	19.75	19.82	- .4
Boots and shoes . . .	30	5,433	5,332	+ 1.9	98,734	96,637	+ 2.2	18.17	18.12	+ .3
Paper and pulp products . . .	24	5,920	5,848	+ 1.2	139,915	139,921	0	23.63	23.93	- 1.3
Printing and publishing . . .	24	4,013	4,037	- .6	129,170	135,371	- 4.6	32.19	33.53	- 4.0
Rubber tires and goods . . .	19	5,608	5,562	+ .8	161,383	159,426	+ 1.2	28.78	28.66	+ .4
Novelties and jewelry . . .	12	2,943	3,015	- 2.4	65,486	73,915	-11.4	22.25	24.52	- 9.3
All other industries . . .	10	1,434	1,411	+ 1.6	40,264	38,545	+ 4.5	28.08	27.32	+ 2.8

creases affecting 1,925 workers. Hence, it is apparent that the decrease of 4.2 per cent in average weekly earnings is very largely due to curtailment in working hours rather than to any change in rates of pay. In view of the decline of 2.6 per cent in employment and of 4.2 per cent in average earnings, it appears that plant operations in January were more than 6 per cent lower than in December.

FINANCIAL CONDITIONS

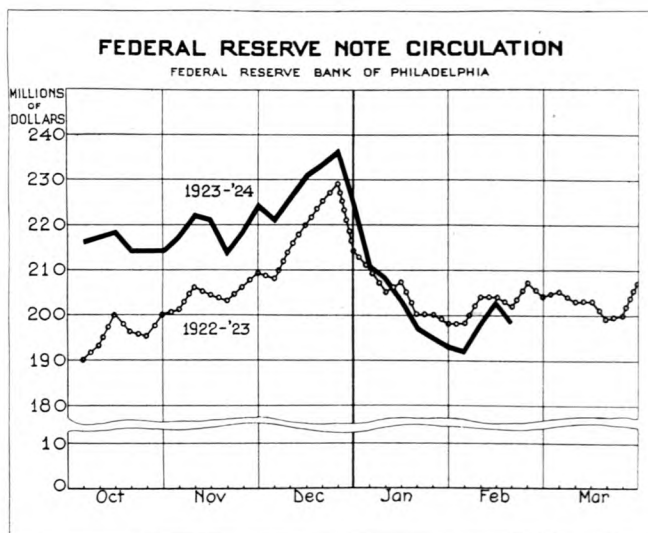
The weekly fluctuations since the beginning of September in the loans and investments of reporting member banks in Philadelphia, Camden, Scranton and Wilmington are illustrated in the accompanying chart. Commercial loans, following a decline from 361 millions on October 3 to 336 millions on January 2, have since risen and on February 13 stood at 348 millions. A year ago they totaled 334 millions. Secured loans have not pursued so regular a course; the latest figure, 280 millions, compares with 285 a month ago and 257 on February 14, 1923. Investments declined slightly in the past month, and deposits increased.



Downward tendency in commercial loans from October 3 to January 2 has been reversed in past month.

Source—Federal Reserve Bank of Philadelphia

The statement of the Federal Reserve Bank of Philadelphia as of February 20 shows a slight increase in bills discounted as compared with those of a month ago, but a falling off in purchased paper and in United States securities from 56 to 48 millions. Deposits and the circulation of Federal reserve notes changed little, but cash reserves increased from 242 to 250 millions. The reserve ratio rose from 76.4 to 79.1 per cent. The trend of circulation since the beginning of October is pictured in the chart for 1922-1923 and 1923-1924. Close correspondence in the tendencies is to be observed, but it is worthy of note that circulation in the earlier period exceeded that of the latter



Seasonal tendencies in note circulation are much the same from year to year. Note circulation this year is falling behind that of a year ago.

Source—Federal Reserve Bank of Philadelphia

during the greater part of January and in February.

Prices of railroad and industrial stocks are much the same as they were a month ago. Tendencies in the bond market were diverse, rail bonds declining in prices, and industrial, public utility, and Liberty bonds gaining. The stock market continued active, and sales ran close to a million shares per day. Sales on February 15—1,848,300 shares—were larger than on any day in the past three months. Average prices of groups of securities follow:

AVERAGE PRICES OF SECURITIES			
	February 20, 1924	January 19, 1924	December 20, 1923
Average prices of—			
20 industrial shares.....	\$96.58	\$96.60	\$94.00
20 railroad shares.....	80.63	80.79	79.80
10 first grade rail bonds.....	85.56	87.06	86.20
10 second grade rail bonds.....	83.64	84.02	82.30
10 public utility bonds.....	86.51	86.44	84.86
10 industrial bonds.....	93.76	94.34	93.08
4 Liberty bonds.....	99.48	99.40	98.73

An increase in savings deposits from \$480,131,000 on January 1 to \$483,826,000 on February 1 was reported by 79 banks in the Third

Savings deposits District. Interest credited during the month amounted to \$506,000, leaving a net excess of deposits over withdrawals of more than three million dollars. On February 1 deposits were 9.5 per cent larger than those of a year ago, and this increase was participated in by all the cities for which separate figures are listed. Comparative percentages of change follow:

SAVINGS DEPOSITS
Third Federal Reserve District

	Number of banks	Per cent of change February 1, as compared with	
		Month ago	Year ago
		Altoona.....	5	+4.1	+16.8
Chester.....	5	-.4	+10.2
Harrisburg.....	4	+1.0	+17.1
Johnstown.....	5	+1.2	+11.3
Lancaster.....	3	+3.4	+24.4
Philadelphia.....	9	+.9	+7.0
Reading.....	3	+.3	+14.4
Scranton.....	6	+1.7	+20.1
Trenton.....	6	-1.2	+7.6
Wilkes-Barre.....	5	+.2	+21.2
Williamsport.....	4	+.3	+2.8
Wilmington.....	5	+.6	+9.0
York.....	5	+2.3	+9.9
Others.....	14	+.7	+12.6
Totals.....	79	+.8	+9.5

Sales of commercial paper in this district during February have been smaller than they were in January, especially those to city banks. In some of the other districts, however, notably those of Chicago and Atlanta, a good volume of sales is reported. Borrowers are taking advantage of the present favorable rates to cover their requirements, and paper is in fair supply. Rates are the same as they were a month ago, the best names being held at $4\frac{1}{2}$ per cent and others at $4\frac{3}{4}$ and 5 per cent. It is increasingly difficult, however, to secure notes at the higher figure.

During January the sales by five reporting firms in the Third Federal Reserve District totaled \$11,157,000, the largest amount recorded since the beginning of these reports in May, 1922. Although only five dealers reported instead of six as formerly, one having ceased the selling of paper, we believe that the figures are rightly comparable, because others of our reporting firms are now selling the names formerly listed by the firm withdrawn. Sales to Philadelphia banks amounted to \$5,274,500, and outside sales to \$5,882,500.

The total amount sold at $4\frac{3}{4}$ per cent was larger than that at any other rate, but sales at $4\frac{1}{2}$ per cent were in considerable volume, while those at 5 per cent were in much smaller proportion than they have been in recent months. A few sales are still reported at $5\frac{1}{4}$ and $5\frac{1}{2}$ per cent.

A large falling off in sales of bankers' acceptances within the Third Federal Reserve District for the period from January 10 to February 13 is reported by five dealers. Transactions by these dealers are given in the following table:

TRANSACTIONS IN BANKERS' ACCEPTANCES

Weekly average for period	Sales in Third District		Purchases in Third District
	To Federal Reserve Bank	To others	
1924—			
Jan. 10 to Feb. 13.....	\$1,408,000	\$329,000	\$791,000
Dec. 13* to Jan. 9.....	2,406,000	352,000	353,000
1923—			
Nov. 15 to Dec. 12.....	2,215,000	1,045,000	867,000
Oct. 11 to Nov. 14.....	3,071,000	286,000	1,210,000
Jan. 15 to Feb. 11.....	2,815,000	135,000	299,000

*1923

Offering rates continue to be much the same as they were last month, that is, 4 per cent for 30-day bills, and from 4 to $4\frac{1}{8}$ per cent for 60 and 90 day bills. Dealers in general describe both demand and supply as fair.

Figures on acceptances created by twelve banks during the month ending on the following dates were: February 10, 1924—\$3,338,000; January 10, 1924—\$4,281,000; February 10, 1923—\$3,764,000. The total of acceptances outstanding on February 10, 1924, was \$9,849,000.

Chief among the developments in the foreign exchange market during the past month has been another fall in the value of the French franc, which, because of the political situation and alleged speculation,

declined on February 19 to a new low record of \$.0410. Quotations on sterling are substantially higher than they were at this time last month, though they too have declined somewhat since the early part of the month. On February 21 sterling was quoted at \$4.3166 for noon cables. As is usually the case, Belgian francs followed the downward course of the French franc, and on February 18 were listed at a new low of \$.0362. For the second time on record, quotations for Italian lire, which on February 18 stood at \$.0431, were higher than were those for French francs. Currencies of the former neutral continental countries have been relatively stable. Dutch guilders advanced somewhat during the early part of the month, but are now at practically the same point as they were at this time last month; and Spanish pesetas, at \$.1271 on February 18, have shown but little fluctuation in the past four weeks. Swiss francs at \$.1735 are several points below their position of a fortnight ago, but are stronger than they were at this time in January. Owing to efforts by Sweden to keep its currency as near to dollar parity as possible, Swedish kroner are now fairly stable at \$.2605, though this figure represents a decline of several points from that of last week. Norwegian kroner also declined considerably, and at \$.1314 on the 16th of this month, were lower than they have been for many months.

Far Eastern currencies, with the exception of Japanese yen, are stronger than they were a month ago.

FOREIGN EXCHANGE RATES

Noon cables	Par value	Feb. 20, 1924	Jan. 20, 1924	Feb. 20, 1923
London.....	\$4.8665	\$4.2956	\$4.2094	\$4.7154
Paris.....	.1930	.0414	.0440	.0609
Antwerp.....	.1930	.0347	.0402	.0536
Milan.....	.1930	.0429	.0433	.0483
Vienna.....	.2026	.000014	.000014	.000014
Amsterdam.....	.4020	.3723	.3698	.3968
Copenhagen.....	.2680	.1576	.1622	.1931
Stockholm.....	.2680	.2610	.2596	.2665
Madrid.....	.1930	.1270	.1265	.1568
Berne.....	.1930	.1730	.1726	.1891
Buenos Aires.....	.9648	.7712	.7366	.8423
Shanghai.....	.7745	.7050	.7023	.7135

Quotations for the latter declined on February 18 to \$.4537, as compared with \$.4609 on the corresponding date in January. This depreciation is attributed to the flotation of the recent Japanese loan and to further purchases made abroad. Quotations on both Shanghai and Hongkong tael have been steady so far this month and are substantially higher than they were at this time last month. Argentine and Brazilian currencies have been steadily advancing, and quotations

for these too are higher than they have been for several months. Chilean pesos, however, are weak and have consistently declined since early in January. They were quoted on February 18 at \$.0985. Canadian dollars have declined and are now listed at \$.969217, a low point for the month.

RETAIL TRADE

Many retail dealers, especially those outside of Philadelphia, have been awaiting the arrival of cold and stormy weather to help create a demand for winter staples, but this did not come until about February 10. The time elapsed since then has been too short for us to receive many reports on the changed conditions. Preliminary statements, however, indicate that sales during February will equal those of February, 1923. Special sales have in most cases been successful, and in furniture, floor coverings, and house furnishings have exceeded those of a year ago. Shoes and women's apparel show a gain, but furs have been dull, and men's overcoats have sold in less than normal quantity.

During January, conditions in the individual stores varied considerably, even in the same city; but total

RETAIL TRADE
Third Federal Reserve District

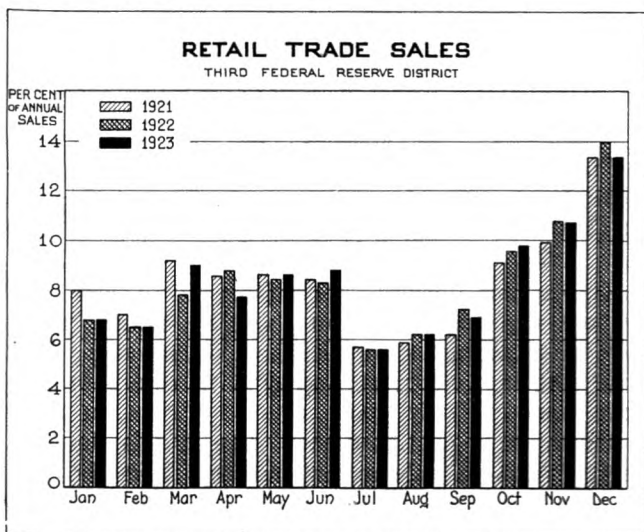
	Comparison of net sales Jan. 1924 with Jan. 1923	Comparison of stocks		Rate of turnover*		Percentage of orders outstanding Jan. 31, 1924 to total purchases in 1923
		Jan. 31, 1924 with Jan. 31, 1923	Jan. 31, 1924 with Dec. 31, 1923	Jan. 1 to Jan. 31, 1924	Jan. 1 to Jan. 31, 1923	
All reporting firms.....	+ 6.4%	+ 7.9%	- 4.1%	3.3	3.3	7.8%
Firms in—Philadelphia.....	+ 6.3 "	+ 7.3 "	- 3.5 "	3.7	3.7	8.1 "
—Allentown, Bethlehem and Easton.....	+11.7 "	+ 6.8 "	- 2.5 "	2.1	2.3	.....
—Altoona.....	- 1.6 "	+17.0 "	- 6.6 "	2.4	2.7	2.5 "
—Chester.....	.....	.....	.....	.....	.....	.....
—Harrisburg.....	+ 1.3 "	+12.0 "	- 4.8 "	2.3	2.6	.....
—Johnstown.....	-12.6 "	- 1.3 "	-14.0 "	2.7	3.1	.....
—Lancaster.....	+11.0 "	+ 2.0 "	- 5.9 "	2.8	2.5	.....
—Reading.....	+16.4 "	+ 6.7 "	- 3.1 "	2.2	2.0	10.4 "
—Scranton.....	+17.6 "	+22.6 "	- 8.9 "	2.8	2.9	.....
—Trenton.....	+ 6.9 "	- 0.7 "	- 3.4 "	2.8	2.7	.....
—Wilkes-Barre.....	+ 5.9 "	+ 8.3 "	- 2.0 "	3.1	3.2	.....
—Williamsport.....	+ 3.0 "	+ 9.0 "	- 2.9 "	2.1	2.3	.....
—Wilmington.....	+13.7 "	-10.4 "	- 7.0 "	1.7	1.5	4.6 "
—York.....	+ 8.7 "	+ 1.3 "	- 3.6 "	2.6	2.4	.....
—All other cities.....	+ 5.8 "	+ 8.6 "	- 7.6 "	1.8	1.9	6.2 "
All department stores.....	+ 4.9 "	+ 6.5 "	- 2.3 "	3.2	3.2	8.5 "
Department stores in Philadelphia.....	+ 4.5 "	+ 6.6 "	- 1.5 "	3.5	3.5	9.1 "
Department stores outside Philadelphia.....	+ 5.8 "	+ 6.4 "	- 4.2 "	2.5	2.5	7.4 "
All apparel stores.....	+15.3 "	+19.4 "	-17.9 "	4.5	4.7	4.2 "
Men's apparel stores.....	+ 6.8 "	+24.8 "	-15.9 "	2.5	2.9	10.7 "
—in Philadelphia.....	+ 3.1 "	+12.4 "	-18.3 "	2.9	3.2	.....
—outside Philadelphia.....	+11.7 "	+ 7.5 "	-14.1 "	2.1	2.3	.....
Women's apparel stores.....	+17.5 "	+ 7.3 "	-12.9 "	6.7	6.2	5.0 "
—in Philadelphia.....	+18.8 "	+ 6.8 "	-12.2 "	7.6	6.9	5.0 "
—outside Philadelphia.....	+11.6 "	+ 8.9 "	-15.1 "	3.8	4.0	4.8 "
Credit houses.....	+ 3.4 "	+12.1 "	- 0.6 "	1.8	2.0	2.9 "

* Times per year based on cumulative period.

sales in most of the centers in the eastern part of the district were higher than in January, 1923, and in the district as a whole there was an increase of 6.4 per cent. Altoona and Johnstown, however, again report a slight loss.

Stocks continue to be larger than they were a year ago, but except in a few cases are not heavy.

From the accompanying chart it will be seen that the relation of the sales made each month to the annual sales is fairly constant. The variations in March and in April are caused by the change in the date of the Easter holidays.



This chart shows, for each of the past three years, the percentage of the annual sales occurring in each month. For example, sales in December, 1923, amounted to 13 per cent of the total for that year, whereas those in December, 1922, were 14 per cent of the 1922 total.
Source—Federal Reserve Bank of Philadelphia

WHOLESALE TRADE

Wholesale trade during February has, as a whole, improved but little over that of January, but this is not an unusual condition, especially in those lines which are affected by a late Easter. During the month few price changes of note have occurred. Drugs and fine chemicals have risen slightly and are considerably higher than they were a year ago. On the other hand, the downward tendency of raw silk and artificial silk has been reflected in lower quotations for the finished products made from them.

The accompanying table of indices gives the monthly changes for the past three years in the several wholesale lines for which statistics have been collected by the Philadelphia Federal Reserve Bank.

During January, sales in all lines except drugs and dry goods were heavier than in January, 1923. In drugs, dry goods, and paper they were larger than in December, but in the other lines they decreased. The great difference in the figures for jewelry is quite usual, as December is by far the best month and January one of the poorest in that trade.

INDEX NUMBERS OF MONTHLY SALES—WHOLESALE TRADE

Average of 1923 = 100

	Boots and shoes	Drugs	Dry goods	Groceries	Hardware
1921					
January				88	76
February		87	87	85	72
March		98	115	101	94
April		92	100	87	105
May		86	87	87	90
June		87	87	91	91
July		82	76	90	75
August		95	89	103	98
September		124	86	111	93
October		116	93	121	96
November		98	86	99	93
December		73	84	73	93
1922					
January	50	87	86	75	61
February	57	89	81	74	61
March	113	101	93	84	89
April	113	87	69	72	95
May	89	92	70	85	98
June	79	87	76	92	91
July	54	87	62	83	79
August	80	91	90	90	89
September	118	91	111	89	94
October	126	96	118	99	103
November	116	92	113	102	99
December	99	91	86	93	94
1923					
January	75	106	106	87	81
February	78	98	98	86	78
March	150	106	117	93	107
April	104	101	89	93	113
May	110	103	91	98	115
June	92	98	88	105	110
July	73	95	75	103	96
August	108	100	94	104	101
September	113	95	128	104	100
October	117	107	127	118	117
November	92	95	110	112	91
December	86	96	78	96	91
1924					
January	78	104	93	93	83

The volume of orders placed with wholesale dealers in shoes for shipment during February, March, and

Shoes

early April is good, and some report it to be larger than it was at this time a year ago. Since the tenth of February, the colder and more stormy weather has resulted in an increased sale of rubber goods by retailers, but except in rare cases they have not been forced to go to the wholesalers to replenish stocks. In fact, it is now so late in the season that re-orders for rubber goods are certain to be unimportant. Wholesale houses report that the stocks in retailers' hands are either light or moderate. Stocks held by wholesalers, as shown in the accompanying table, are larger than they were last year. The demand has covered a wide range, and novelty shoes for women,

WHOLESALE TRADE
Third Federal Reserve District

	Percentage of increase or decrease in						Ratio of accounts outstanding to sales		
	Net sales Jan. 1924 compared with		Stocks Jan. 1924 compared with		Accounts outstanding Jan. 1924 compared with				
	Dec. 1923	Jan. 1923	Dec. 1923	Jan. 1923	Dec. 1923	Jan. 1923	Jan. 1924	Dec. 1923	Jan. 1923
Boots and Shoes.....	- 8.8%	+ 4.6%	+25.9%	- 0.3%	- 8.7%	+ 3.0%	285.0%	280.6%	294.3%
Drugs.....	+ 8.4	- 2.7	.....	.....	+ 7.1	+ 6.9	135.0	147.0	124.5
Dry Goods.....	+19.5	- 4.9	+11.2	+26.0	- 1.8	+ 6.7	236.5	288.0	210.7
Groceries.....	- 2.7	+ 5.0	+ .3	+ 3.3	- 2.4	+ 3.5	112.0	115.0	114.2
Hardware.....	- 8.6	+12.3	+ 1.8	+ 6.0	- 1.9	+11.3	179.1	167.7	181.4
Jewelry.....	-71.0	+ 3.1	+ 6.5	+ 2.9	-45.0	+14.1	416.6	219.6	386.0
Paper.....	+18.6	+ 1.0	- 1.6	-10.9	+ 7.7	- 0.7	149.9	165.0	152.5

misses, and children, and also more staple lines of oxfords for men, women, and children, have all been bought with considerable freedom. Collections have decreased somewhat during the month, and more than the usual number of slow accounts are reported. The ratio of accounts outstanding to sales stood at 285.0 on January 31, at 280.6 on December 31, and at 294.3 on January 31, 1923. Sales during January were 8.8 per cent smaller than in December, but gained 4.6 per cent over those of January, 1923.

Business in dry goods during February has been decidedly spotty; some firms state that it shows improvement, but almost as many say that it is either unchanged or poorer as compared with that of a month ago. In nearly all lines, the merchandise sold is for delivery within 60 days, and the majority of it is for shipment within 30 days. The best call is for white goods, gingham, wash goods, linens, summer underwear, work suits, and popular priced hosiery. Prices are generally unchanged, but a slight decrease is noted in the quotations for silk piece-goods and hosiery, and a still larger decline in articles made either wholly or in part of artificial silk.

During January, sales were 19.5 per cent greater than in December, but were 4.9 per cent smaller than in January, 1923. Collections were better in January than they were in December, but not as good as in January, 1923. This may be seen from the accompanying ratios of accounts outstanding, which were 236.5 on January 31, 288 on December 31, and 210.7 on January 31, 1923. Stocks are in most cases heavy and at the end of January were larger by 11.2 per cent than on December 31, and by 26.0 per cent than on January 31, 1923.

According to our new index of wholesale hardware sales, the figure for January, which was 83, represented a loss of 8 points from the number for December, but a gain of 2 points over that for January, 1923. In the table on page 9 are given the index

numbers for each month of the past three years.

The total sales of 31 hardware firms reporting in this district were 8.6 per cent smaller in January than in December, but 12.3 per cent greater than in January, 1923.

The demand for hardware is from fair to good but is perhaps slightly weaker than it was last month. Mine, mill, and contractor supplies have been selling well, and plumbing, electrical, and light hardware fixtures have been in fairly good request. Prices on many products are higher than they were at this time last year, though in only a few instances have they advanced over those of the preceding month. Stocks are either moderate or heavy and are larger than they were a month ago.

The ratio of accounts outstanding to sales was 179.1 in January, as compared with 167.7 in December and 181.4 in January of last year.

Wholesalers report that the demand for drugs is fair and slightly greater than it was in January. Pharmaceuticals, chemicals, spraying materials, and seasonable patent medicines are at present the best sellers. The botanical drug market is still quiet; prices have continued to soften and are considerably lower than they were a year ago. Fine chemicals and drugs are in good demand, and quotations are increasing and are considerably higher than they were at this time last year. The price indexes of 40 botanical drugs and 35 drugs and fine chemicals, as compiled by the "Oil, Paint and Drug Reporter," are given in the table on page 11.

Reports from wholesale druggists show that January sales were 8.4 per cent larger than those for December, but 2.7 per cent smaller than those for January, 1923. Jobbers' stocks vary from moderate to heavy and are about the same as they were last month. Collections range from fair to good. The ratio of accounts outstanding to sales in January was 135.0,

	Price index of 40 botanical drugs		Price index of 35 drugs and fine chemicals	
	1924	1923	1924	1923
January 28.....	109.6	125.1	197.6	171.6
February 4.....	108.4	127.6	197.6	171.6
February 11.....	108.3	143.7	197.6	171.6
February 18.....	108.3	150.1	201.3	171.5

as compared with 147.0 in December and with 124.5 in January, 1923.

The demand for groceries is fair and about the same as it was last month, but greater than in February, 1923. Canned goods, bulk syrups and molasses, dried fruits and vegetables, and staple groceries

Groceries

are at present the most active sellers. Prices are firm, and during the month there have been few changes. Flour, sugar, coffee, syrup, beans and salted fish have advanced, but canned milks, cheese, prunes, raisins, and lard have declined. Stocks held by wholesalers vary from moderate to heavy, but are lighter than they were in January.

Our reports from wholesale grocers show that sales in January were 2.7 per cent smaller than those in December, but 5.0 per cent greater than those of January, 1923. The ratio of accounts outstanding decreased from 115.0 in December to 112.0 in January.

Sales of jewelry at wholesale during February although not large, will probably exceed those of February, 1923, in spite of the fact that in some cases buying has been delayed on account of the

Jewelry

late date on which the spring holidays fall this year. In January, as is shown in the table on page 10, sales

were 3.1 per cent larger than in January, 1923, but of course were much smaller than in December, the decrease being 71.0 per cent. A number of dealers were somewhat surprised at the good showing in January, as they felt that the month would be unusually dull because of the exceedingly large business done in December. Diamonds were inactive during a large portion of January, because of a flurry in December business which was accompanied by a sharp increase in prices. The ratio of accounts outstanding stood at 416.6 on January 31, at 219.6 on December 31, and at 386 on January 31, 1923, indicating that as compared with a year ago collections are slower.

The accompanying chart pictures the increase in indicated jewelry sales in each month of 1923, except January, as compared with the corresponding month in 1922. The chart is compiled by estimating that the excise tax paid represents 5 per cent of the total sales.

Distributors report that the demand for paper is fairly strong and about the same as it was a month ago. Fine papers, particularly bond, are selling well, and the call for book papers is tolerably good. Tissues

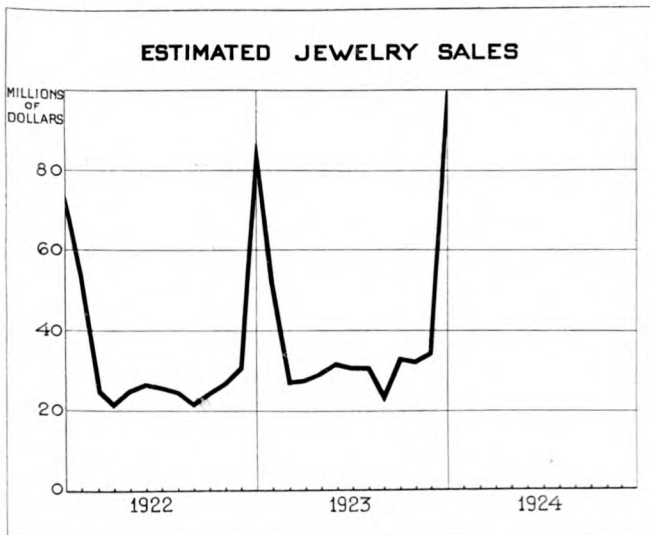
Paper

and coarse papers are moving in fair volume, but heavy importations of foreign kraft paper still cause considerable price weakness in some grades of kraft. Newsprint and cover papers are in good demand. Prices, except on certain kraft papers, are firm and practically the same as they were last month. Stocks held by wholesalers are moderate in size and practically the same as they were in December but slightly less than in January, 1923. Collections are fair and are more prompt than they were a year ago.

Our reports from distributors show that wholesale paper sales in January were 18.6 per cent larger than in December and 1.0 per cent greater than in January, 1923. The ratio of accounts outstanding to sales in January was 149.9, as compared with 165.0 in December and 152.5 in January, 1923.

BUILDING

During January, 1,754 building permits were issued by thirteen cities in the Third Federal Reserve District, representing a proposed expenditure of \$11,944,406. This is an increase of 58 permits and of \$3,182,081 over the figures for the preceding month, and of 281 permits and of \$2,196,387 over the totals for January of last year. The number of permits issued in most of the reporting cities, however, is smaller than it was in December, though, with the exception of Trenton, the cost of operations in each of the cities is greater. Most of the gain in the District was made in Philadelphia, which reported that in January 884 permits were granted, representing a total cost of \$8,642,525, as compared with 814 permits at a total cost of \$5,298,995 during the preceding month.



These sales for the United States are estimated on the basis of the Federal excise tax paid. Source—Jewelers' Circular

BUILDING PERMITS
Third Federal Reserve District

	January, 1924			January, 1923		
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost
Allentown.....	42	82	\$419,500	19	35	\$107,725
Altoona.....	66	66	47,968	61	69	141,300
Atlantic City*.....	136	136	643,908	173	173	1,144,564
Camden.....	55	92	531,648	51	52	551,798
Harrisburg.....	40	55	197,600	37	49	151,925
Lancaster.....	36	40	272,445	28	28	238,625
Philadelphia.....	884	1,249	8,642,525	747	967	6,504,100
Reading.....	118	133	241,025	128	131	345,925
Scranton*.....	74	74	252,215	40	40	187,955
Trenton.....	100	118	189,239	49	52	84,183
Wilkes-Barre*.....	58	58	208,724	42	42	100,933
Williamsport.....	***	***	***	13**	13**	19,105**
Wilmington.....	73	73	181,079	66	80	149,286
York.....	72	72	116,530	32	32	39,720
Total for January.....	1,754	2,248	11,944,406	1,473	1,750	9,748,039

* Operations not reported.

** For comparative purposes, not included in total.

*** No figures available for the month of January, 1924.

NEW BUILDINGS AND ALTERATIONS

	1924						1923					
	New buildings			Alterations			New buildings			Alterations		
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost
Allentown.....	26	66	\$397,550	16	16	\$21,950	9	25	\$98,250	10	10	\$9,475
Altoona.....	13	13	29,907	53	53	18,061	14	22	107,700	47	47	33,600
Camden.....	22	59	493,150	33	33	38,498	28	29	531,450	23	23	20,348
Harrisburg.....	30	40	175,550	10	15	22,050	29	40	122,525	8	9	29,400
Lancaster.....	19	23	248,945	17	17	23,500	10	10	206,650	18	18	31,975
Philadelphia.....	404	761	8,227,050	480	488	415,475	284	498	6,083,885	463	469	420,215
Reading.....	27	42	117,700	91	91	123,325	22	25	223,825	106	106	122,100
Trenton.....	77	95	160,100	23	23	29,139	30	32	72,068	19	20	12,115
Williamsport.....	***	***	***	***	***	***	7	7	18,145	6	6	960
Wilmington.....	44	44	150,204	29	29	30,875	46	60	135,925	20	20	13,361
York.....	40	40	81,330	32	32	35,200	12	12	28,745	20	20	10,975

*** No figures available for the month of January, 1924.

The call for bricks is fair and in a few instances good, and though opinion is about evenly divided as to whether or not it is better than it was at this time last month, most manufacturers say it is not as strong as it was a year ago. Delivery dates on orders now on the books range from within 60 days to beyond 90 days, but the majority fall before the middle of April.

Prices in general are firm, though in one instance it is reported that prices on common bricks are weakening as a result of keen competition among manufacturers. Quotations on fire and the better grades of building bricks are the same as they were a month ago. Very little resistance is being offered to present prices, and consumers are placing orders in good volume. Manu-

facturers state that unfilled orders will insure a high rate of operation for from one week to six months. Though several plants are operating at full capacity, a few have closed down for repairs; the general average rate of operations is slightly higher than it was during January.

Stocks of finished goods are in most cases moderate and are increasing. Supplies of raw materials are moderate, and these are, in the main, stationary. The supply of both skilled and unskilled labor is sufficient and in several instances plentiful. There has been no change in wages during the month.

Collections are fair and the same as they were at this time last month; but they are slower than they were in February, 1923.

The call for lumber is tolerably good, and since in some cases it is better than it was at this time last month, and in others not so good,

Lumber

no distinct change in the general demand can be observed. Very few of the orders now taken are for delivery beyond 90 days, the greater part being for shipment either immediately or within 60 days.

With a few exceptions prices are firm and the same as they were at this time last month. Quotations on northern white pine, hemlock, and cypress are steady, as are prices for hardwood flooring, laths, and shingles. Some cutting of prices on yellow pine was reported, but it was attributed to competition and not to any weakness in the market. Manufacturers of boxes and crates say that there is some resistance to prices but that in general sales are not curtailed on this account.

Stocks of finished lumber are moderate and nearly stationary, but supplies of raw materials, though also moderate, are increasing. Manufacturers are running their mills at an average rate of 81 per cent of capacity, which is about the same as that of January. To fill orders already taken, the mills will be required to maintain this rate for from one to six months. Some scarcity is reported in the supply of skilled labor, but unskilled labor is plentiful. On January 15 there were 2,292 workers on the pay-rolls of 7 lumber and planing mills in this district, an increase of .9 per cent over those on December 15. The average wage during this period declined 5.9 per cent.

Collections are fairly good and practically the same as they were at this time both last month and last year.

The demand for paint is little more than fair, but manufacturers are not complaining as sales in January and during the first part of February were greater than they were during December and at this time

Paints

last year. Considerable optimism exists among dealers in this district, who are of opinion that the unusual rate at which construction work is being started points to a good demand for paints and varnishes in the spring.

During the first week of February an additional advance in the price of pig lead resulted in higher quotations for lead pigments. But some dealers, on account of sharp competition, have been forced to cut prices on already mixed house paints and on some grades of varnish stains. Others report that their prices have not changed during the past month and that quotations are firm. Spot prices for linseed oil are steady at 92 cents per gallon for tank car lots.

Stocks of finished goods are moderate and in some cases light, but supplies of raw material are fairly heavy. Stocks of both are held at very nearly stationary levels, though the former are tending slightly to increase. Manufacturers reporting in this district are operating at an average rate of something over 77 per cent of

capacity, which is higher than the figure for this time last month. Unfilled orders will insure this rate of production for from one week to two months. Of those now being filled the majority are for shipment either immediately or within 60 days, though as usual some are for delivery up to and beyond 90 days. The supply of both skilled and unskilled labor is sufficient and in several instances plentiful. In one case there was an advance of ten per cent in the wages of skilled workmen.

Collections are only fair, and though they are about the same as they were at this time last year, are not as satisfactory as they were during January.

Manufacturers report that the call for plumbing supplies is tolerably good, but dealers state it is little better than fair. Both are agreed that

Plumbing supplies

the demand is stronger than it was a month ago and fully as good as at this time last year, if not better. As is true in most of the other building trades at this time, both producers and dealers see indications of a good spring business in plumbing supplies, as a result of an unusually extensive building program in this district. Unfilled orders are of about the same size as those of a month ago, and the greater part are for delivery either at once or within 60 days. Both manufacturers and dealers, however, have many orders on which shipments are specified for from 60 to 90 days and beyond.

Prices are firm and in most cases the same as those of January. Quotations on several iron, brass, and lead products are slowly advancing, and considerable resistance to present prices is being offered.

Stocks of finished goods and raw materials are in general moderate, though a few manufacturers say that supplies of the former are heavy. It is difficult to ascertain definitely whether or not manufacturers' stocks are increasing or diminishing, as reports vary on this subject. However, stocks on the shelves of dealers are increasing, which is the result of anticipating consumers' requirements rather than of unsatisfactory sales.

Manufacturers are operating at an average rate of approximately 87 per cent of capacity, and it is variously estimated that unfilled orders will insure this rate of production for from two weeks to three months. There is no shortage of either skilled or unskilled labor, and in some instances, the supply is plentiful.

Collections are from fair to good, and are about the same as they were last month, but more prompt than they were in February, 1923.

The demand for slate is from fair to good, and though not as strong as it was a month ago, it is better than during February, 1923. Most of the unfilled orders for roofing, blackboard, and electrical slate are

Slate

for delivery within two months, and while there are instances in which shipments are specified for up to and beyond three months, weather conditions have a great

deal to do with deliveries of roofing slate, and shipping dates are often changed. The size of the individual order is somewhat smaller than it was in January, which is entirely seasonal.

Prices of the better grades are firm, and very little change has occurred during the month. Quotations for a few specialty products are slightly higher, but these gains have been largely offset by reductions in prices of inferior grades of slate.

Stocks of finished goods are mostly from moderate to light, but a few producers say their supplies are heavy. While several state that stocks are increasing, an equal number report them to be decreasing. Supplies of raw materials range from light to heavy, depending upon facilities for working quarries and mills during the winter months.

Notwithstanding the seasonal nature of the slate industry, firms reporting to us are operating at an average rate of nearly 80 per cent of capacity. The supply of skilled workers is scarce in several instances, but unskilled labor is plentiful.

Collections are either fair or good and are about as they were both at this time last month and during February, 1923.

REAL ESTATE

Builders report that the call for workmen's houses costing \$6,000 or less is still very strong and that the supply of houses ranging from \$6,000 to \$10,000 continues to be inadequate. But the demand for residences costing \$10,000 and more has been satisfied, and except in the suburbs, is almost negligible. In some sections apartment houses are still in request, but the supply of office buildings seems to be adequate for all present needs. Industrial and public structures, particularly school buildings, are still in good demand, and several new contracts for this type of work have recently been let.

Real estate dealers report that a ready market exists for houses selling at from \$6,000 to \$10,000 and that the demand is heaviest for those selling between \$6,000 and \$7,000. A fair market still exists for those ranging from \$10,000 to \$15,000, but sales of higher-priced houses are slow and difficult to make. In the cities, few houses are vacant and rents remain firm. Individual dwellings renting at from \$40 to \$50 are in big demand, as are apartments that rent at from \$50 to \$75. In fact, the supply of such buildings is still inadequate, but the call for homes which rent at higher prices has been fully met. The prices of building sites have not changed materially during the past quarter, and dealers report that commercial sites and locations for offices are not difficult to obtain.

Mortgage money is scarce, and builders have found it very difficult to finance new dwelling operations. The majority of building and loan associations have made loans up to their legal capacity, and the banks are refus-

ing to extend them further loans. Many insurance companies, however, are investing in sound mortgages, and the extreme scarcity of funds which existed three months ago has been somewhat relieved. Trust companies are lending funds on first mortgages up to 60 per cent of the appraised value of completed buildings and up to 50 per cent of the cost of new construction. The majority of trust companies are lending money only on completed structures, and many report that they have used all their available funds. In fact, the mortgage loans of all trust companies are considerably larger than they were a year or six months ago. The rate of interest charged by trust companies on mortgage loans is unchanged at 6 per cent; and no commissions are charged, though a nominal fee is exacted to defray the expenses of appraising and of recording titles. Second mortgage funds are extremely scarce and heavy commissions are charged by mortgage brokers for securing them. The rate of commission varies from 5 to 10 per cent, the latter being the most frequent. For first mortgage funds, brokers ask from 2 to 5 per cent, the prevailing rate on high-class mortgages being 2 per cent.

On account of this scarcity of funds, some operative builders have been obliged temporarily to rent many of the houses they have built only for sale, until mortgage funds become more plentiful. However, no difficulty in securing satisfactory rentals and tenants has been experienced.

Building materials are at present in plentiful supply, and the prices of most materials, except lumber, are slightly lower than they were a year ago. The supply of labor is adequate, and builders report that on very short notice they are able to obtain more men than they need.

IRON AND STEEL

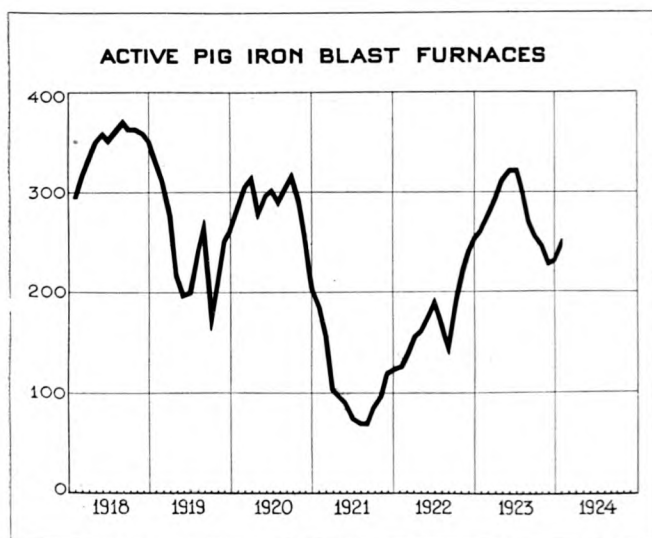
The past month has brought forth additional requests for many products in the iron and steel industry, and indications of good business in the future are commented upon by many manufacturers in this district. The demand for pig iron is fairly good, and some substantial sales have been recently made by foundry interests in Philadelphia. The call for soft steel bars is better than that for any other rolled product, and the demand for iron bars is also improving. Automobile manufacturers are taking sizable quantities of iron and steel castings and of steel stampings. Makers of machinery and tools are fairly busy, and though in some instances the demand for their products is characterized as good, in others, though the inquiries are numerous, actual sales are light. The call for scrap steel, plates, and structural shapes is slightly better than it was a month ago, and deliveries have been made to foundries and automobile supply houses. Some improvement is also seen in the demand for wire and wire rods and for both light and heavy hardware. Miscellaneous products such as axles, springs, bolts, nuts, and bearings are mov-

ing well, and substantial sales have been made to the usual class of consumers. One manufacturer reports the closing of a large contract for road-making equipment and for other types of heavy outside machinery.

Generally speaking, prices are firm, though concessions have by no means disappeared and a few quotations are lower than they were during January. On the other hand, prices on several miscellaneous products have increased, offsetting the declines, so that the "Iron Age's" composite price index of finished steel remains constant at 2.789 cents per pound. At the first of the month quotations for Philadelphia 2X pig iron declined from \$24.26 to \$23.63 per net ton, but the price rose to \$24.13 on February 12, and has since remained steady.

For the first time since June, production of pig iron is again increasing. In January 3,018,890 tons were produced, as compared with 2,920,982 tons during December, an increase of 97,908 tons. Steel furnace companies were responsible for the gain.

On January 31 there were 226 blast furnaces in operation in the entire country, four less than at the end of December. That the total number of furnaces in blast has been declining since July of last year is shown in the accompanying chart depicting the trend of operations since 1918.



In July of last year the number of furnaces in blast was as large as in 1920, but in the following months the number declined sharply until December, when it again increased.

Source—Iron Trade Review

In this district at the end of January there were 34 furnaces blown in and 31 blown out, a gain of 3 over the number in operation on December 31. Corporation companies are operating at close to 90 per cent of capacity, which rate is higher than it was a month ago. The average rate of operations in this district is estimated at between 75 and 80 per cent of capacity. Unfilled orders of the United States Steel Corporation on

January 31 stood at 4,798,429 tons, an advance of 353,090 tons from the total at the end of December.

With but one exception, manufacturers reporting to us are having no difficulty in securing an adequate supply of both skilled and unskilled labor. A few wage changes have been made, and the tendency has been downward. On January 15 there were 14,449 employees on the pay-rolls of 75 foundries and machine shops in this district, a decrease of 337 from the number employed in the same plants on December 15. Average weekly wages fell from \$28.33 to \$27.50, a reduction of 2.9 per cent.

Collections are from fair to good and much the same as they were at this time last month.

COAL

Demand for domestic sizes of anthracite has slackened during the past month, especially that for egg and pea. Steam sizes, which have been moving slowly for several months, are in somewhat better request, but no permanent strengthening in the market is apparent.

Though prices are not particularly firm, no changes have been made by dealers. Some independent mines have reduced quotations on domestic sizes by from 50 to 75 cents, but Company quotations are the same as they were in the latter part of January. It is reported that steam coal is moving under contract prices and that in the few instances in which spot sales have been made, quotations have been below the cost of production. On February 18 stove coal was quoted at \$8.90 per net ton, Company price, which is the same as it was on January 28; and rice was listed at \$2.50 per net ton, as it was a month ago.

During the past few weeks production has not been as great as it was in the corresponding weeks of last year, but it is still maintained at a high level. In the following table, output is given in tons for the past four weeks and for the same period in 1923.

PRODUCTION OF ANTHRACITE*

Week ending	1924	1923
January 19.....	1,884,000 net tons	2,010,000 net tons
January 26.....	1,782,000 " "	2,119,000 " "
February 2.....	1,893,000 " "	2,056,000 " "
February 9.....	1,906,000 " "	2,023,000 " "

* As estimated by the Geological Survey.

Some operators believe that a curtailment of production will occur shortly on account of a heavy surplus of steam size stocks. At present, however, the mines are working at close to capacity, and there is the customary shortage of miners and miners' helpers in some sections of this district.

The recurrent cold waves that have swept the East and Central West at various times during the past month have caused fluctuations in the demand for bituminous, but generally speaking, sales in this district so far this month have shown no material increase over those in January. Operators state that most of the tonnages now being shipped are under contracts made in the spring of 1923 and that sales of spot coal are almost at a minimum. Few railroads as yet have entered the market, though several are expected to do so within the next thirty days. Spot prices are from 60 cents to \$1.00 less than contract prices, but in some instances consumers have demanded and received reductions in prices made under previous contracts. In Philadelphia on February 18 pool 10 coal was quoted at from \$1.70 to \$2.00, the same as it was this time last month.

Production has been at record levels since the first of the year, and the total output since January 1 is greatly in excess of the figure for the corresponding period of last year. Weekly output is well above 11 million tons, as will be seen in the table below, which gives production in tons for each of the past four weeks. For comparative purposes, figures for the corresponding four weeks of last year are also given.

PRODUCTION OF BITUMINOUS*

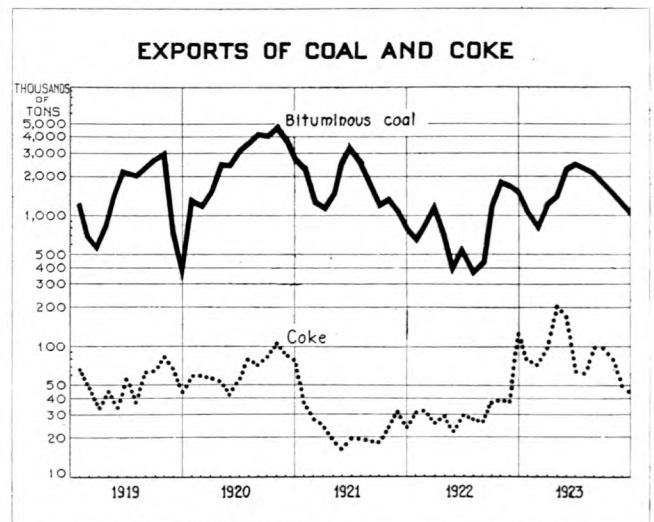
Week ending	1924	1923
January 19.....	11,622,000 net tons	10,925,000 net tons
January 26.....	11,569,000 " "	10,985,000 " "
February 2.....	11,315,000 " "	10,686,000 " "
February 9.....	11,531,000 " "	10,725,000 " "

* As estimated by the Geological Survey.

It was expected that part of this large supply would be exported to England, where the striking railway men threatened to engender a strike among the coal miners. Upon the speedy settlement of the difficulty, however, the hope of increased sales on that account was abandoned. Exports of bituminous are declining, as will be seen in the chart below, which depicts the trend of foreign shipments during the past 5 years. It will be noted that the movements of coke are very similar to those of bituminous.

Very little scarcity of labor is reported, as the continued curtailment of operations in many mines has made available an increased supply of both miners and helpers.

In consequence of the improvement in the demand for iron and steel products the call for coke is stronger than it was at this time last month, and prices have recently advanced. Furnace and foundry coke are quoted at \$4.15 and \$5.00 per net ton re-



Exports of bituminous reached the highest point, for the last five years, during October, 1920, and the largest shipments of coke were made in April of 1923.
Source—Department of Commerce

spectively, and these quotations are from 15 to 25 cents higher than they were a month ago.

The output of beehive coke has been fairly steady since the beginning of the year, at between 250,000 and 300,000 tons, but total production up to the present time is less than it was for the same period last year. Figures showing the output in tons during the past four weeks and for the same four weeks of 1923 are given in the table below.

PRODUCTION OF BEEHIVE COKE*

Week ending	1924	1923
January 19.....	251,000 net tons	328,000 net tons
January 26.....	263,000 " "	343,000 " "
February 2.....	262,000 " "	348,000 " "
February 9.....	287,000 " "	359,000 " "

* As estimated by the Geological Survey.

COTTON

Although the final ginning report of the 1923-24 cotton crop will not be issued until March 20, the size of the crop is known with practical certainty, and as it is too early for trustworthy estimates on the planting of the next crop, the main factor now influencing the market is the demand in this country and abroad for the comparatively small supply of American cotton remaining. The following table shows how this amount compares with that of the past two years, and also gives the world's takings of American cotton.

It is undoubtedly true that the sale of most cotton fabrics for spring has up to the present been curtailed

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 February 16.....	9,640,971	9,368,635	7,864,609
Total.....	10,510,939	11,336,794	11,977,260
Visible supply, American, on February 16.....	2,980,467	3,015,451	4,135,568
World's takings of American to February 16.....	7,530,472	8,321,343	7,841,692

* Figures compiled by New York Cotton Exchange.

both by the higher quotations and by the general apathy in all textile lines. Reduced sales have checked production as compared with that of a year ago, especially in the North. During January the domestic consumption of cotton totaled 576,644 bales, as against 461,560 bales in December and 610,306 bales in January, 1923.

Exports continue to show a gain over those of the previous year and since August 1 have amounted to 3,870,156 bales, an increase of nearly 500,000 bales for the present cotton year.

The range in the daily quotations for spot cotton in New York has been fairly wide during the month. On January 21 the spot price was 32.90 cents, but by February 4 it had advanced to 34.85 cents. Since that time, however, it has declined sharply, and on February 20 was 29.90 cents.

Dealers in the Philadelphia market find that demand for cotton yarns is dull, unsatisfactory conditions being largely a reflection of apathetic business in cotton fabrics. Buyers evidently lack confidence in the stability of prices. Their customers have displayed opposition to quotations and for the most part are buying finished goods very conservatively. Consequently, manufacturers of cotton goods have for the most part bought yarn only for current needs, and dealers find that about three-quarters of the business on their books is for delivery within the next 60 days. Recent weakness in raw cotton, which resulted in lower prices for yarn, has not been conducive to increased buying for the future.

It is reported that knitting yarns for underwear and hosiery are selling but poorly to eastern producers, though some dealers have experienced a steady request from manufacturers in the West and South. On the whole the call for weaving yarns has probably been better than that for knitting yarns. Although few customers have bought yarns actively, some producers who are fairly busy have made larger purchases than others. Thus yarns for cotton dress goods and plush have sold better than yarns for tapestry, towels, underwear, and

hosiery. It is interesting to note that, according to a few dealers, certain manufacturers of cotton fabrics are experimenting with different yarns in an attempt to produce novelty goods.

As noted above, recent weakness in raw cotton, in conjunction with only moderate or poor demand for yarns and resistance to prices on the part of buyers, has caused reductions in quotations on yarn. On February 20 prices for carded yarns were on the average about 7 per cent lower than those of a month ago, and combed yarns were 6 per cent lower. In some instances a rather wide range of quotations among different dealers is noticeable, and prices are described as very unsatisfactory to both spinners and dealers. Supplies in the hands of the latter are moderate. Collections are fair.

Business in cotton goods is "spotty," but on the whole, demand ranges from poor to fair. Buyers give little evidence of abandoning their policy of purchasing mainly for current needs, and producers find that from 80 to 100 per cent of the orders on their books are for delivery within the next 60 days. However, drapery and upholstery fabrics, plush, and cotton dress goods have been in active request. On the other hand, towels, tapestries, and hair cloth continue to move but slowly. Makers of tapestry report that the volume of business placed by wholesalers is smaller than that of a year ago and that retailers are buying very conservatively, preferring to let producers carry the stocks. Towel manufacturers find that cheaper grades of towels to be used in sales by department stores have sold in small amounts for immediate delivery. The market for gray goods is rather quiet, and quotations are extremely sensitive to fluctuations in raw cotton.

Notwithstanding continued resistance to prices on the part of buyers, quotations on finished goods are generally unchanged from those of last month. In some lines, however, keen competition for business is reported and prices have been reduced. Quotations on gray goods are lower than they were last month, owing to weakness in raw cotton and to selling by second hands.

Operations in the cotton goods industry in this district are still restricted, and many plants are running only one-half to two-thirds of their equipment. As a rule, demand for cotton fabrics has not kept pace with supply, and stocks of finished goods in the hands of manufacturers are reported to be moderately heavy. Supplies of raw material are of medium size. Labor is either sufficient or plentiful, and though in most cases wages remain unchanged, a slight reduction has been made in many towel mills.

Collections, which are fair, show little change since last month except for a tendency to slow up somewhat in the hair cloth and towel trades.

WOOL

The call for raw wool in the Philadelphia market is less strong than it was during the preceding month, and dealers attribute this mainly to the opening of fall lines of goods for men's wear by the largest producer at lower prices than the trade in general had anticipated. Not only were sales to mills reduced, but activity among raw wool dealers was also checked, and reports of contracting for the new clip wools in the West are less numerous. Some dealers, however, have found that carpet wools for both immediate and future delivery are in better request. Demand continues to favor the lower grades of wool, and mills manufacturing woollens are reported to have made moderate purchases of noils and waste.

Notwithstanding smaller sales, prices for raw wool as a rule remain firm. The reasons for this are various. In the first place, foreign markets for wool continue to display strength, and prices in this country compare unfavorably with those abroad. Moreover, dealers have allowed their stocks to become depleted, and in the local market, supplies are reported to be very light, especially of foreign wools. That stocks of wool in the country as a whole are relatively small is indicated by the following figures of the Departments of Commerce and Agriculture. Since the first of the year, however, imports of raw wool have increased considerably. During January, they aggregated 30,785,931 pounds, in contrast with 11,797,032 pounds during the preceding month, 7,882,870 pounds during September, 1923, and 56,312,747 pounds during January, 1923.

Business in woolen and worsted yarns is rather "spotty." Although a number of spinners continue to report that the demand is poor, many state that it has increased and is fair. Spinners differ also as to the number of future orders taken. Some find that most of the business on the books is for shipment within the next 60 days, but others report that from 25 to 50 per cent of the orders are for delivery after that period. On the whole, though business is not as good

as it was a year ago, appearances indicate that it is gradually expanding.

In a few instances weaving yarns for men's wear have shown the greatest improvement. But this has not been general and some spinners find that yarns for men's wear are selling in small amounts only. Some firms report that worsted knitting yarns for outer wear, especially in light and bright colors for spring sweaters, are moving more actively, and though makers of bathing suits are still buying sparingly, a few spinners note increased interest from this trade. Carpet yarns are in moderate request.

Quotations on yarns are firm, and notwithstanding decided resistance on the part of buyers, many spinners reporting to this bank have made advances ranging from 3 to 10 per cent during the past month. But spinners still consider present prices unsatisfactory from the standpoint of profits. The amount of business booked has enabled numerous producers to operate at or near capacity without accumulating large supplies of yarn, but in a number of plants operations continue to be restricted. Wool consumption in this district, as shown by returns from 81 establishments, was 26 per cent greater in January than in December. As a rule, stocks of finished goods in the hands of producers are light, and supplies of raw materials are of medium size. Labor, both skilled and unskilled, is in either sufficient or plentiful supply, but no reductions in wages are reported.

Collections range from fair to good.

During the past month the market for woolen and worsted goods has been featured by the opening of heavy-weight lines and the naming of prices on staple and fancy fabrics for men's wear by the largest producer. On January 31 quotations on staple fabrics were announced, and much to the surprise of the trade, which had expected substantial advances, prices on many numbers were about the same as they were a year ago. On the average, quotations were slightly higher than those for the fall season of 1923, but considerably lower than those named at the openings of 1924 spring lines. The same is true of quotations an-

Woolen and worsted goods

WOOL STOCKS IN AND AFLOAT TO THE UNITED STATES*
In pounds

	Dealers				Manufacturers	Total
	Total	Boston	Philadelphia	All others		
December 31, 1923.....	175,150,787	108,592,531	17,714,510	48,843,746	170,840,582	345,991,369
September 20, 1923.....	216,864,338	126,048,294	23,503,276	67,312,768	180,395,847	397,260,185
June 30, 1923.....	232,032,947	147,555,952	31,537,599	52,939,396	215,989,803	448,022,750
March 31, 1923.....	174,150,542	119,682,792	25,341,283	29,126,467	235,787,655	409,938,197
December 31, 1922.....	177,715,894	117,552,127	23,203,634	36,960,133	250,767,717	428,483,611
September 30, 1922.....	206,303,157	127,517,286	28,554,899	50,230,972	245,504,564	451,807,721
June 30, 1922.....	181,203,498	108,167,907	24,039,626	48,995,965	225,081,781	406,285,279

* Departments of Commerce and of Agriculture.

nounced on February 18 for fancy goods for men's wear, which averaged only 1½ per cent higher than those of a year ago.

Although many independent producers have delayed the showing of their lines, prices named by those who have held openings correspond to quotations named by the largest producer. In considering these prices it is interesting to note that quotations on raw wool are about the same as they were in February, 1923, or slightly higher, and that in many mills wages have advanced. But it must be remembered that during last fall prices for raw wool were considerably lower than they are at present, and that some producers are reported to have purchased wool at the lower quotations.

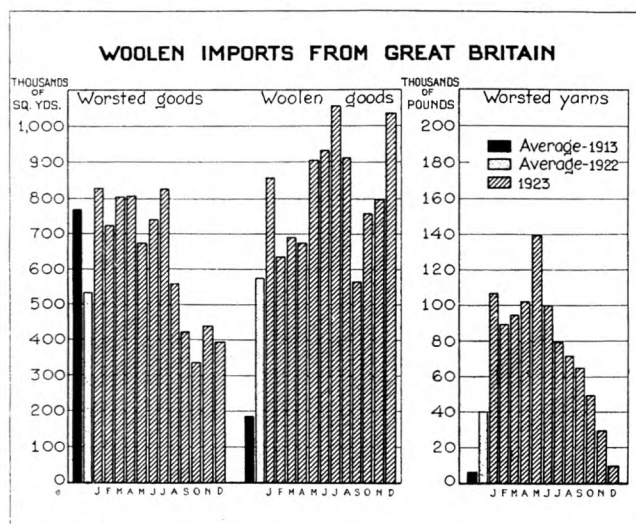
It is still too early to form a trustworthy conclusion as to the amount of business booked, but reports indicate that buyers have been conservative in making commitments for the future. Unseasonable weather is said to have delayed the liquidation of stocks of heavy weight clothing in the hands of retailers. This has tended to make retailers cautious in ordering ahead and has also reduced their purchasing power. As a result, clothing manufacturers have found that business in spring suits has been comparatively dull, and they in turn have placed but few duplicate orders for spring fabrics and are now exercising caution in ordering heavy-weight piece goods for fall.

Many producers, however, find that business is better than it was last month, and some firms have taken orders for delivery after the next 60 days, though the majority state that the bulk of their business is for delivery during the next two months. Conditions in this district are unequal, some manufacturers reporting that the demand is good, others that it is still quiet. In general, fancy dress goods in light colors for spring continue to sell most actively. Makers of women's wear have recently noticed a good request for twills with hair line stripes. Woolen cassimeres for men are selling poorly, but other woolen fabrics are in better demand. In fact, it is reported that some producers have enjoyed especially good business in woollens. Competition with Great Britain in woolen goods and worsted yarns has increased sharply since 1913, as is indicated by the accompanying chart. But during 1923, imports of worsted fabrics from Great Britain were on the average smaller than they were during 1913. Imports of worsted goods and yarns slackened considerably during the second half of 1923 owing to dull business in this country.

Operations in mills making woolen and worsted goods have in a number of cases been increased during the past month, and many producers are running from three-quarters to all of their equipment. In some plants, however, operations are still curtailed. Stocks of finished goods are moderately light and have decreased, while supplies of raw materials are of medium

size and have tended to increase. The supply of labor is adequate, and wages in general are unchanged.

Collections are either fair or good.



In spite of the protective tariff, imports of woolen goods and worsted yarns from Great Britain have increased sharply since 1913; imports of worsteds goods have declined.

Source—British Government Statistics

SILK

Quietness has featured the raw silk market during the past month, and prices have weakened, Kansai double extra cracks decreasing from \$8.25-\$8.30 per pound on January 19 to \$7.45-\$7.50 on February 21. Factors affecting both the supply and demand were responsible for the lower quotations. In the first place, finished goods are not moving actively, and because of the uncertainty of future demand, manufacturers are carrying fairly light supplies of raw material and are purchasing raw silk mainly as required. Moreover, notwithstanding a sharp increase in shipments of raw silk to mills during January, imports have continued to exceed deliveries, with the result that stocks in warehouses have accumulated, as the table on page 20 shows. Since last July, supplies of raw silk have nearly doubled, and during January were greater than at any time since February, 1923, when stocks were rapidly decreasing owing to good demand from mills. In addition to the above factors, continued fluctuations of the yen in foreign exchange have retarded trade, and lower prices for raw silk at Yokohama have contributed to weakness in the domestic market.

Of great importance to consumers has been the sharp reduction of quotations on artificial silk during the past month. Prices were lowered by from 10 to 33 per cent, the greatest decreases being on the coarse sizes. In view of the fact that quotations on artificial silk have been remarkably stable during the past two

SILK IMPORTS, STOCKS AND DELIVERIES—AMERICAN MILLS*

In bales	Imports during month			Storage at end of month			Deliveries to American mills		
	1924	1923	1922	1924	1923	1922	1924	1923	1922
January.....	36,364	32,593	40,177	44,398	47,087	31,139	32,925	34,680	33,842
February.....		33,759	19,950		44,615	28,982		36,231	22,107
March.....		28,336	19,746		39,436	22,077		33,515	26,651
April.....		27,414	21,438		28,657	19,268		38,193	24,247
May.....		25,814	34,842		29,962	20,826		24,509	33,284
June.....		23,727	35,598		25,865	26,895		27,824	29,529
July.....		25,622	25,575		22,914	27,474		28,573	24,996
August.....		36,092	39,813		25,459	32,515		33,547	34,772
September.....		28,837	38,492		27,367	36,795		26,929	34,212
October.....		31,229	46,569		32,679	45,893		25,917	37,471
November.....		27,944	36,733		35,398	47,159		25,225	35,467
December.....		28,835	33,057		40,959	49,174		23,274	31,042
Total.....	36,364	350,202	391,990				32,925	358,417	367,620
Monthly average....	36,364	29,184	32,666	44,398	33,367	32,350	32,925	29,868	30,635

* Silk Association of America.

years, the decline in prices was unexpected. Some producers have granted rebates to consumers on goods shipped during January.

Expanding imports, lessened demand, increasing stocks, and the economies of quantity production have been mentioned as being mainly responsible for reductions in price. The accompanying table illustrates the rapid expansion of the domestic artificial silk industry during the past few years. It is noteworthy that imports of artificial silk yarns, threads, and filaments were 87 per cent greater in 1923 than in 1922.

DOMESTIC PRODUCTION AND IMPORTS OF ARTIFICIAL SILK*

In pounds

Year	Domestic production	Imports of artificial silk, yarns, and threads
1923.....	35,490,000	3,906,037
1922.....	24,406,400	2,087,775
1921.....	15,000,000	3,667,180
1920.....	8,000,000	1,846,875
1919.....	8,000,000	1,148,513
1918.....	5,828,000	93,099
1917.....	6,687,000	552,244
1916.....	4,744,000	836,980
1915.....	4,111,000	2,718,689
1914.....	2,445,000	2,923,356

* Silk Association of America, Textile World, Department of Commerce.

Many manufacturers continue to report a fair request for silk fabrics, but the expected improvement in demand has failed to develop to any great extent. In fact, some producers find that demand is poor and less active than it was a month ago. As in other branches of the textile industry, buyers hesitate to make future commitments for silk goods and are

confining their purchases mainly to current requirements. Moreover, during the past month reductions in both pure and artificial silk have increased the conservatism of buyers. As a result, few manufacturers have been able to book orders for delivery after the next 60 days.

The style trend for spring is still more or less uncertain, but buyers have manifested a preference for novelties and prints, and piece-dyed fabrics such as georgettes and crêpe-de-chines have retained their popularity over yarn-dyed goods such as taffeta. Demand for narrow ribbons from the millinery trade continues to be much more active than that for the wide variety.

In consequence of the decline in raw silk, resistance to broadsilk prices on the part of buyers has increased, with the result that many producers have lowered quotations. But reductions have been conservative, in some instances amounting to no more than 2 or 5 per cent. However, in knitted wear, hosiery, and other goods in which considerable artificial silk is used, cuts have been more drastic, owing to the sharp decrease in quotations on artificial silk.

Stocks of finished fabrics, which a month ago were heavy, have tended to decrease during the past month and the majority of producers now report them to be moderate. Supplies of raw material are light. Operations in the silk goods industry in this district vary considerably; but few plants are running on full time, and most manufacturers are operating from 50 to 80 per cent of their equipment. It is noteworthy that whereas manufacturers of cotton and woolen goods find that labor is plentiful, a few producers of silk fabrics and many silk throwsters still report some scarcity of experienced help in spite of curtailed operations. This is mainly due to the fact that a larger percentage of female labor is used in the manufacture of silk goods than in other textile industries.

Collections are fairly good.

Demand for thrown silk is still rather quiet, having shown little improvement during the past month. Business continues on a hand-to-mouth basis. But this is not to be wondered at in view of the weakness in raw silk, the sharp reductions in the price of artificial silk, and the uncertain demand for silk products. A few throwsters, however, report a fairly good demand for their products, and find that mixtures of artificial and pure silk have sold most actively. Spun silk is in dull request.

Thrown silk

Quotations on thrown silk are in most instances weak, and the trend of prices is downward, especially on combination yarns in which artificial silk is used. Some throwsters find that resistance to prices has been particularly noticeable on hosiery tram. As a rule, throwsters are carrying fairly light stocks of both finished goods and raw materials. Operations continue in general to be restricted, and for this district they range from 50 to 80 per cent of capacity. But notwithstanding curtailment, many throwsters have experienced difficulty in securing skilled help.

Collections are for the most part satisfactory, though in a number of cases they are reported to be slow.

HOSIERY

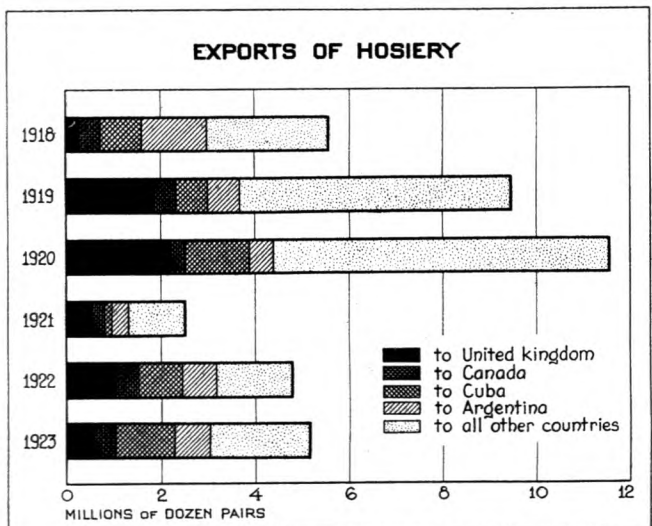
The feature of the month in the hosiery trade has been a reduction in the price of artificial silk, in some cases amounting to more than 30 per cent. This very large and generally unexpected drop has had a serious effect upon the trade, which, because of the recent severe fluctuations in silk and cotton, had not been in a satisfactory condition for some months. During this period of disturbed silk and cotton quotations, prices on artificial silk had been unchanged, and this led to a considerable increase in its use in hosiery; in some cases it was used alone, but more frequently in combination with pure silk, mercerized cotton, or wool. Many jobbers either had stocks of such hosiery on hand or had contracted for it with the mills, so that although the reduction in hosiery prices is much smaller than that on the raw material, jobbers are nevertheless facing a loss. This situation has led many of them to demand a reduction on goods already contracted for, and in other instances to cancel orders. Some hosiery manufacturers have in turn asked the artificial silk makers to grant them a rebate in price equal to the recent decline.

In the face of this disturbance, silk quotations are lower, and at the same time cotton and mercerized yarns have also eased off. Quotations on hosiery, too, have been revised downward, and as stocks in the hands of both manufacturers and wholesalers are at least moderate, the trade has become somewhat demoralized. A number of manufacturers say that at present it is difficult to sell hosiery at a price which assures any

profit, and therefore some mills are working at only a small percentage of their capacity.

Some manufacturers whose output is fancy hosiery or specialties report a fair business, but in chiffons, which recently have been in good request, complaint is heard of many rejections on account of alleged irregularities or imperfections. This has resulted in the sale at low prices of a considerable quantity of irregulars or seconds, and these sales have had a bad effect upon the market.

The export business during the past year, as is illustrated in the accompanying chart, has failed to show much increase over that of 1922, and except to Cuba and "all other countries," was no better. In fact, shipments to the United Kingdom decreased sharply and were smaller than in 1921, which was a very poor year.



Exports of hosiery during 1922 and 1923 have been only about half of what they were in the two years following the war. Source—Department of Commerce

Collections are in most cases described as either fair or good, but a number of firms so reporting state that they are slower than they were a year ago, and a minority find them poor.

The Department of Commerce announces that in December the production of hosiery in 448 mills was

HOSIERY INDUSTRY

In dozen pairs	December	November
Production.....	3,710,254	4,428,588
Shipments during month.....	3,607,999	3,811,010
Finished product on hand at end of month.....	7,450,563	7,413,476
Orders booked during month.....	3,207,613	4,415,921
Cancellations received during month....	267,615	279,583
Unfilled orders on hand at end of month.	8,964,584	9,775,697

4,400,590 dozen pairs. These establishments produced 70.9 per cent of the total value of hosiery as given in the census of manufactures in 1921. The comparative figures for the 391 mills reporting for both November and December are set forth in the accompanying table.

A further analysis of the above figures discloses the fact that the totals of unfilled orders at the end of December in full-fashioned hosiery for both men and women were larger than at the end of November, but that in seamless hosiery they were smaller.

UNDERWEAR

The market for underwear is for the most part quiet, though some producers reporting to this bank find that demand is slightly more active than it was during the preceding month. As in many other textile lines, buyers are extremely cautious in making commitments for underwear. The majority of producers are meeting with but slow response to their offerings of heavy-weight lines, which were recently opened, and the call for spring underwear is dull.

Conservatism on the part of buyers is attributable to a number of causes. In the first place, demand for lightweight underwear from retailers has been poor, and consequently jobbers are placing few duplicate orders with manufacturers. Mild weather has delayed the liquidation of stocks of heavy-weight underwear in the hands of retailers. This has not only reduced the purchasing power of retailers, but has increased their caution in ordering for the future. Moreover, buyers lack confidence in the stability of prices. Because of higher raw material costs, many producers of underwear made sharp increases on spring goods, and the openings of heavy-weight lines show advances ranging from 5 to 20 per cent over the prices of a year ago. Jobbers seem to doubt their ability to merchandise underwear at these figures and resistance to quotations is pronounced. Recent weakness in raw cotton has not tended to increase their confidence. However, though in a number of cases prices for underwear are weak, few concessions are reported.

As a result of the above factors, the amount of fall business which has been booked compares quite unfavorably on the whole with that of a year ago. But in a few cases, by offering attractive values and prices, some producers have received a fair number of orders for heavy-weight underwear. For example, a manufacturer of children's knit underwear, who raised his prices only 5 per cent over those of a year ago, received enough business to keep his plant busy until about the first of September. Some makers of men's and boy's underwear were equally fortunate and report that demand is fairly good. But ladies' cotton underwear for both spring and fall is in poor request. One producer reports that for old established lines

of ladies' underwear, orders total not more than 40 per cent of those of 1923, while on a new line of men's goods, orders are booked well ahead. The vogue of silk underwear for ladies has reduced the demand for the cotton variety considerably.

Operations in this district vary, but the majority of mills are running from 50 to 80 per cent of their equipment. A few plants have increased operations somewhat during the past month. Stocks of underwear and of yarns in the hands of producers are moderately light, and both are tending to decrease. The supply of labor is as a rule sufficient, and wages are in general unchanged. In a few instances, however, skilled help is reported to be scarce, and in isolated cases slight advances in wages have been made.

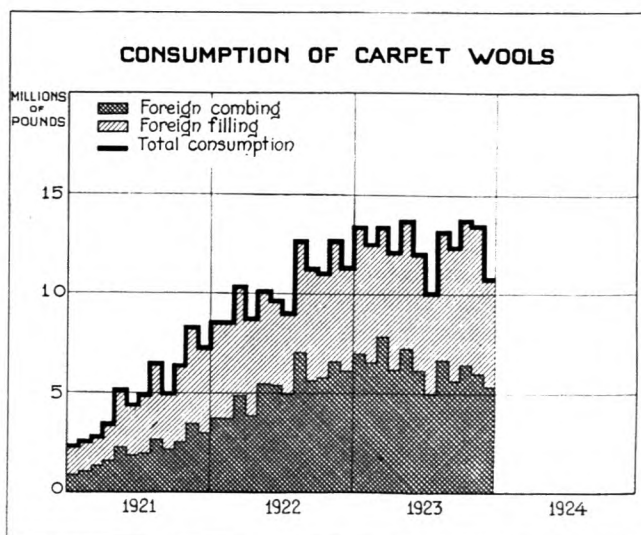
Collections show little change since last month and range from fair to good.

FLOOR COVERINGS

Sales of carpets and rugs during January varied considerably, even among mills producing the same type; and although the majority of our reports indicate that business has improved since the first of February, some state that orders have decreased. In nearly all cases the orders booked are small and call for early shipment. Buyers state clearly that they have no desire to buy either for stocking purpose or for future delivery.

The rate of production has changed but little during the month, but what change has occurred has been in the nature of an increase. Stocks are either moderate or heavy and in some cases have grown larger.

Manufacturers report that buyers are in many instances objecting to the prices asked but that they are maintaining them firmly, as the cost of carpets and



The change in the demand for carpets and rugs from those of high quality to those of cheaper grade is reflected in the consumption of filling wools over that of combing wools during the second half of 1923.

Source—Department of Commerce

rugs shows no tendency to decrease. Prices of raw materials, especially of wool and worsted yarns, are firm or higher, and labor, though plentiful, is receiving the same wages as it has in recent months. Moreover, as the total production is less than it was a year ago, the overhead expense is somewhat higher.

The accompanying chart shows that the consumption of carpet wools increased in 1923 as compared with 1922 in every month except December, and that in both of these years it was far heavier than in 1921. During 1922 and the first half of 1923 combing wools constituted the larger part of the consumption, but in the second half of 1923 filling wools were used in larger quantities than combing wools.

Linoleums are in good demand, and some of the manufacturers are sold well ahead on most descriptions. Inlaid linoleums are perhaps in slightly poorer request than the other kinds. Felt-base lines are selling well, and one of the largest manufacturers made an advance in price on February 1. Raw materials are either firm or higher in price, with the exception of lithopone, which has recently declined somewhat.

Collections in all lines of floor coverings are either fair or good.

FURNITURE

Only a fair demand for furniture is reported by manufacturers in this district. Though the call for several of their products is stronger than it was a month ago, it is noticeably weaker than it was during February, 1923. Radio cabinets are in good request, especially in the cheaper qualities, but the call for bedroom and dining room furniture is only fair. Living room sets, too, are moving rather slowly, but as sales of the better grades of these follow closely the rate at which new building and remodeling is completed, manufacturers expect that the next few months will mark the beginning of greatly increased business. Makers of miscellaneous articles of furniture are working on orders for immediate shipment, which is also true of manufacturers of complete suits. Practically none of the orders now on the books are for delivery beyond 90 days, and most are for shipment in not more than 30 days. Manufacturers reporting to this bank are operating at an average of 85 per cent of capacity, which is about the same as that of last month.

Prices are strong, and in but few cases have any reductions been made since this time last month. These few are said to be wholly the result of sharp competition among makers of some of the lower priced furniture. Stocks of finished goods are in most cases moderate, though in a few they are either heavy or light. Supplies of raw materials are almost in all instances moderate and are very much the same as they were during the preceding month.

There is a scarcity of skilled workers in several factories in the Third Federal Reserve District, but

unskilled labor is plentiful. On January 15, 3327 wage earners were employed in 22 furniture factories reporting to us, at average weekly wages of \$24.62, or 5.2 per cent less than the average earned by 3390 employes on December 15.

Collections may scarcely be characterized as fair. They are distinctly poorer than they were a year ago, but much the same as they were in January.

LEATHER

Throughout the month, the price of hides has steadily advanced, both in this country and in the Argentine.

Hides and skins As large packers are said to have contracted up to the present slaughter on nearly all selections, the position of the market is a strong one. Some tanners, however, state that the recent advances in hides have carried prices beyond the basis of present leather quotations. The following table shows the extent of these increases.

CHICAGO PACKER HIDES

	Week ending November 24, 1923	Week ending January 19, 1924	Week ending February 16, 1924
Heavy native steers.....	13½ cents	14½ cents	16 cents
Heavy Texas steers.....	11 "	13 "	15½ "
Butt brands.....	11 "	13 "	15½ "
Branded cows.....	7½ "	9 "	11 "
Heavy native cows.....	12 "	12½ "	12½ "
Light native cows.....	9½ "	11-11¼ "	12 "
Branded bulls.....	7 "	7¾-8 "	10½ "

Argentine frigorificos, in response to heavy buying both for European and American account, have advanced to 18½ cents.

Calf skins, too, have been active in a quickly advancing market, and almost the entire supply is said to have been purchased. On January 19 the best bid for Chicago packer skins was 18¾ cents, which was the last recorded price. But packers declined to accept the bid, and shortly afterwards sales were made at 20 cents, and more recently at 21½ cents. European buying

STOCKS OF RAW HIDES AND SKINS

	Cattle	Sheep and lamb	Calf and kid	Goat and kid
Dec. 31, 1920...	7,793,762	13,773,089	4,577,681	11,721,505
Jan. 30, 1921...	7,061,067	13,755,042	4,916,736	9,679,847
Dec. 31, 1921...	5,819,219	12,661,438	3,990,427	10,379,703
Jan. 30, 1922...	5,347,279	10,971,445	4,473,948	10,799,335
Dec. 31, 1922...	6,345,676	9,151,484	4,461,946	8,730,219
Jan. 30, 1923...	6,086,120	9,915,681	4,360,239	10,186,623
Dec. 31, 1923...	5,086,286	7,400,296	2,935,094	9,926,128

has been partly instrumental in raising prices. Goat skins, especially those suitable for the manufacture of colored kid, have ceased to decline, and on larger sales have in some instances advanced slightly from the low quotations.

Stocks of raw hides and skins in this country have decreased considerably during the past three years, as is shown by the accompanying table.

The market for heavy leather during the month has shown a marked improvement; the volume of business has increased and prices have risen, but the advance is said by some tanners to have been less than the increase in the price of hides. The shoe trade has bought much more freely than during recent months, and sales to belting manufacturers, though not showing as great a gain, have increased. Belting manufacturers report that orders are in good volume but that buyers continue to cover only immediate needs.

The accompanying table shows that production, except of belting butts, decreased in December, and that stocks of backs, bends, and sides and of belting butts were practically unchanged, while those of offal, sole, and belting decreased. Since January 1 the wetting of hides is said to be on about the same scale as in December, although some small tanners who were then very inactive have increased their wettings slightly.

HEAVY LEATHER*

December, 1923, as compared with November, 1923	Production during month	Stocks at end of month
Backs, bends and sides	-5.2%	+ .01%
Belting butts	+2.4 "	- .1 "
Offal, sole and belting	-2.6 "	-3.5 "

* Figures compiled by the Department of Commerce.

From the following statistics of leather production for the past three years it will be seen that in spite of the drastic curtailment during the latter part of 1923, the output of each description except goat and kid and cabretta was considerably greater in 1923 than in 1922.

Upper leathers have moved rather unevenly but on

ANNUAL PRODUCTION OF LEATHER*

	1923	1922	1921
Backs, bends and sides	18,732,180	17,734,603	18,063,096
Belting butts	1,471,100	1,073,801	1,195,116
Offal, sole and belting	135,166,967	121,637,004	100,103,807
Cattle, side, upper	18,570,726	16,431,749	12,595,982
Calf	16,621,568	13,643,610	12,667,607
Goat and kid	49,187,019	50,032,197	37,255,827
Cabretta			

* Figures compiled by the Department of Commerce.

the whole have shown an improvement. Calf leather has increased both in demand and in price, but the advance in price is reported to be only about 60 per cent of the gain during recent months in the quotations on raw calf skins. Grain calf in black and the light shades of brown, in white and some of the bright colors, is selling freely, and the call for suede continues to be good. Kid leather in black shows only a slight improvement, but the lighter shades of brown have strengthened considerably. The darker shades, however, are neglected, as the fashion for spring shoes has changed. Patent leather continues to sell in good volume, and cattle side leather for cheaper shoes is in some cases replacing calf because of the advance in the price of the latter. The accompanying table shows that stocks of upper leathers increased during December, but not as rapidly as the production of cattle side and kid leathers. The output of calf leathers was slightly less in December than in November.

UPPER LEATHERS*

December, 1923, as compared with November, 1923	Production during month	Stock at end of month
Cattle side	+13.5%	+2.0%
Calf and kid	- 1.1 "	+ .8 "
Goat and kid	+10.7 "	+3.2 "
Cabretta		+1.1 "

* Figures compiled by the Department of Commerce.

Labor in the tanneries in all branches of the trade is plentiful, and except in two kid leather factories, wages are unchanged. In these, a reduction of 5 per cent in one and of ten per cent in the other has been put into effect.

Collections are in general reported as satisfactory.

Production of shoes in December, totaling 22,676,436 pairs, was smaller than that in any month since 1921, but the output for the year 1923 was the largest of which there is accurate information. The previous record was made in 1919. In the following table is given the annual production in some recent years.

SHOE PRODUCTION*

1914	292,666,468 pairs
1919	331,224,628 "
1921	286,771,101 "
1922	323,876,458 "
1923	351,114,273 "

* Figures compiled by the Department of Commerce.

Since January 1, output in the factories of this district has increased, and at many the orders on hand are sufficient to keep them running at capacity until Easter.

During the past few weeks women's shoes have sold more freely than formerly, and styles for early spring are now fairly definitely decided on. Straps and sandals are to continue in vogue, and although many variations of these are offered, it appears that few extremely new models are being adopted. Lighter browns will take the place of the darker shades for both women's and men's wear.

Prices are in most cases unchanged, but a few manufacturers have made slight reductions. Stocks of shoes in the factories are in most cases reported as moderate, but in some they are heavy and in a few light. Collections are in a number of instances stated to be slow, and the reason given is the large unsold stock of rubber goods in the hands of jobbers and retailers. But a large proportion of manufacturers report that collections are fair.

Exports of shoes in 1923 totaled 7,696,857 pairs, a gain of 36.8 per cent over those of 1922. Men's shoes showed the largest increase, 69.7 per cent. Cuba was our best customer, and Mexico came next.

At wholesale, the total sales of shoes in January were smaller than in December but were larger than in January, 1923; a majority of the firms, however, reported decreases. Fuller details of the sales at wholesale will be found on page 9.

At retail, the colder and more stormy weather of February has somewhat stimulated the sale of shoes and rubber goods, and a fair business is reported. Women's shoes are in better request than men's, and the best sellers are those in black and brown suede, patent leather, and satin. In the men's departments tan high shoes and oxfords take the lead; and for children, flexible stitch-downs are in request. Stocks, although lower than in the previous month, continued to be larger than they were a year ago.

RETAIL SHOE TRADE
Third Federal Reserve District

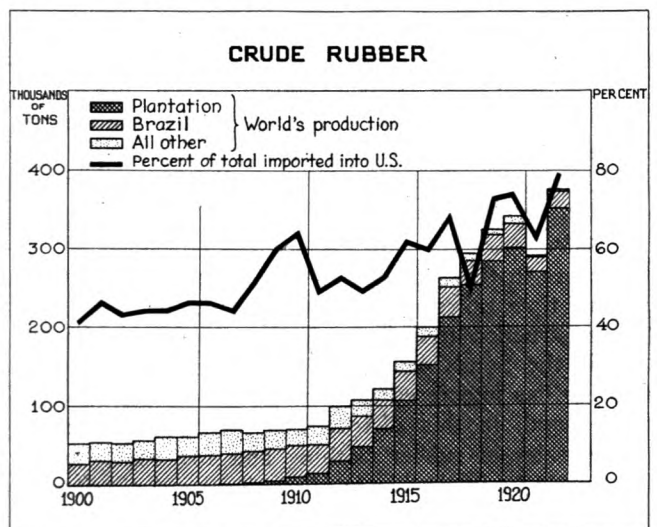
1. NET SALES (in terms of dollars):	
(a) January, 1924, as compared with December, 1923.....	-26.9%
(b) January, 1924, as compared with January, 1923.....	+14.0"
2. STOCKS (selling price):	
(a) January, 1924, as compared with December, 1923.....	-12.9"
(b) January, 1924, as compared with January, 1923.....	+2.9"
3. RATE OF TURNOVER (times per year based on cumulative period):	
(a) January 1 to January 31, 1924.....	3.5"
(b) January 1 to January 31, 1923.....	3.1"
Number of stores reporting above items:	
1.....	19
2.....	17
3.....	17

RUBBER

Mainly because of inactive demand from consumers, the market for crude rubber has been rather quiet. Notwithstanding improvement in the call for tires and other rubber products, and contrary to the expectations of the trade, manufacturers have been very conservative in making commitments for the future. The bulk of the business in crude rubber has been in small amounts for current requirements. Moreover, though imports of crude rubber are much smaller than those of a year ago, they have increased considerably since last September, as the table on page 26 indicates. During the past month developments in rubber restriction have unsettled business in crude rubber. The "standard" production of Malaya was reduced by only 10,000 tons, instead of by a larger amount anticipated by the trade, and the exportable percentage was allowed to remain at 60.

As a result, prices for crude rubber have weakened and on February 19 first latex crêpe was quoted at 25½ cents per pound, in contrast with 28⅞ cents on November 22 and 26⅞ cents on January 5. Although present quotations for crude rubber are higher than they were during the two years immediately preceding the adoption of the Stevenson restriction plan, they are still only about two-fifths as high as they were in the six-year period from 1913 to 1918.

In view of the fact that the United States uses about three-fourths of the world's production of rubber, as is indicated by the following chart, attempts by the British to control prices by artificial means are of great interest to this country. Plantation rubber comprises about 90 per cent of the total production of rubber, and of this



Owing to enormous expansion in the amount of plantation rubber produced, the world's production of crude rubber has increased greatly in the last decade. In 1900 the United States imported only 41 per cent of the total output, but by 1922 the percentage had risen to 79.

Source—Department of Commerce

IMPORTS OF CRUDE RUBBER INTO THE UNITED STATES*

Month	1924		1923		1922		1921		1920	
	Quantity in pounds	Value in dollars	Quantity in pounds	Value in dollars	Quantity in pounds	Value in dollars	Quantity in pounds	Value in dollars	Quantity in pounds	Value in dollars
Jan.	49,080,640	\$12,066,929	79,763,620	\$14,310,825	54,010,946	\$8,110,912	26,911,753	\$7,922,433	66,427,415	\$27,967,228
Feb.			60,379,290	13,150,823	66,744,240	10,827,106	21,933,165	6,885,677	71,354,904	30,646,535
Mar.			69,280,706	19,041,565	64,215,222	10,999,040	28,508,995	8,683,368	82,477,607	37,383,161
Apr.			69,580,014	21,925,814	43,407,359	7,272,098	26,087,408	5,505,177	63,629,269	29,489,666
May.			80,107,447	24,953,222	35,725,240	5,427,605	23,890,838	4,051,921	44,099,902	19,788,550
June.			79,188,711	23,941,937	50,952,024	7,422,114	34,624,748	5,831,817	43,538,723	19,961,307
July.			44,634,798	13,008,840	56,854,758	8,259,754	27,647,874	4,214,459	45,454,437	19,982,559
Aug.			42,741,430	11,612,618	54,332,275	7,884,512	33,103,804	4,938,038	44,047,264	20,097,267
Sept.			25,902,645	6,509,319	44,344,862	6,202,136	34,546,411	4,750,534	27,883,748	10,957,854
Oct.			39,473,412	7,345,347	74,315,183	10,189,101	47,642,303	6,694,418	20,516,090	7,518,880
Nov.			34,822,867	9,236,078	54,343,659	7,837,851	51,741,184	7,721,644	32,955,016	11,688,128
Dec.			66,596,926	16,991,331	75,164,624	11,410,959	58,644,821	8,370,344	24,161,761	7,314,638
Total.			692,467,527	\$185,057,719	674,410,392	\$101,843,188	415,283,304	\$73,772,677	566,546,136	\$242,795,773
Monthly Average.			57,705,627	\$15,421,477	56,200,866	\$8,486,932	34,606,942	\$6,147,723	47,212,178	\$20,232,981

* Department of Commerce.

over 72 per cent is grown in British colonies, from which its export can be controlled by taxation. But the Dutch East Indies are not directly subject to the restriction plan, and the fact that exports from this source are increasing has caused no little concern to the advocates of restriction. During 1923, 16.2 per cent of our total imports came from the Dutch East Indies, in comparison with 13.7 and 12.8 per cent respectively in 1922 and 1921.

Business in mechanical and hard rubber goods is in general satisfactory, and with a few exceptions producers and dealers in this district report that sales are either fair or good. Since January 1 demand has with many firms tended to increase, though in an equal number of cases it has remained about the same. As a rule, buyers are making few commitments for the future, preferring to purchase mainly for spot delivery. However, a number of producers find that the volume of business received compares favorably with that of a year ago.

Dealers in the Philadelphia market state that at the present time railroads are buying cautiously, but that the construction trade is purchasing more actively, except in the South where it is reported that inclement weather has interfered with building activity. On the other hand, in this district the open winter has retarded sales of rubber clothing and footwear, leaving sizable stocks in the hands of retailers and distributing agents. Dealers, however, have received an excellent amount of business in rubber soled keds and tennis and sport shoes, and they are now making shipment on orders placed last fall. Manufacturers report a fair request for rubber heels for immediate delivery. In

mechanical goods, a moderate number of orders for various kinds of hose, belting, and packing have been placed with producers and distributing agents. Some manufacturers find that heavy belting has sold best, while others report this to be true of hose. A fair volume of filling-in orders for garden hose have been received by producers. Makers of hard rubber goods state that demand for their products is fair, and that at present the radio and automotive industries are purchasing the largest amounts. Rubberized fabrics such as motor topping have likewise sold well, mainly to automobile manufacturers rather than to jobbers.

On January 1 mechanical and other rubber goods containing cotton fabrics were increased in price by from 5 to 10 per cent by the majority of producers. This advance was mainly due to the higher cost of cotton fabrics. Quotations on rubber heels and hard rubber goods were not raised. In a number of cases opposition to present prices on the part of buyers is reported, especially in some lines of hard rubber goods where competition is said to be keen.

In this district most plants making rubber products are running from three-quarters to all of their equipment, and since January 1 operations have in a number of instances been increased. In general, stocks of finished goods are about the same as they were a year ago, or somewhat larger. At the present time, however, they are tending to diminish, owing to shipments of spring merchandise. As a rule, the supply of labor is adequate. While many manufacturers and distributors have experienced little difficulty with collections, others find they are rather slow. Complaints from distributors of rubber footwear are particularly noticeable.

PNEUMATIC CASINGS*

Month	Inventory		Production		Shipments	
	1923	1922	1923	1922	1923	1922
January.....	4,695,916	4,174,216	3,127,270	2,055,134	2,994,297	1,596,806
February.....	5,224,387	4,691,329	3,217,987	2,084,308	2,588,639	1,562,365
March.....	5,670,601	5,183,286	3,855,726	2,645,790	3,322,637	2,073,963
April.....	6,088,272	5,464,336	3,539,326	2,401,187	2,976,160	2,086,651
May.....	6,906,594	5,523,095	3,659,986	2,721,503	2,757,764	2,639,273
June.....	7,040,600	5,042,147	2,956,943	2,838,890	2,502,185	3,133,260
July.....	6,471,124	4,834,106	1,992,989	2,476,636	2,539,425	2,695,095
August.....	6,058,387	4,629,392	2,355,915	2,905,209	2,807,432	3,029,823
September.....	5,397,557	4,612,037	2,029,581	2,504,744	2,623,775	2,502,106
October.....	4,876,352	4,682,958	2,361,340	2,674,662	2,819,583	2,588,770
November.....	4,689,329	4,964,976	2,399,725	2,733,134	2,456,296	2,379,708
December.....	4,329,300	4,599,208	2,437,148	2,656,942	2,603,617	2,934,079
Total.....	67,448,419	58,401,086	33,933,936	30,698,139	32,991,810	29,221,899
Monthly average.....	5,620,702	4,866,757	2,827,828	2,558,178	2,749,318	2,435,158

* Rubber Association of America.

Conditions in the rubber tire business have improved considerably. Not only has demand increased since January 1, but quotations have strengthened and operating schedules have been raised. True, only a few producers, as yet, indicate that business is good, but many find it fair.

As a result of drastic curtailment of operations during the second half of 1923, stocks of tires in the hands of manufacturers have been sharply reduced. In this district stocks of finished goods are much smaller than they were a year ago, and in a number of cases are reported to be fairly light. That this is true for the country as a whole is shown by the accompanying figures of the Rubber Association of America. Since June, 1923, shipments of tires have exceeded production, with the result that supplies dropped from 7,040,600 on July 1 to 4,329,300 on January 1, 1924, the smallest total since January, 1922. And in consequence of larger sales, manufacturers have again increased operations. In some cases producers in this district are running most of their equipment.

Early in January a number of manufacturers advanced prices by from 5 to 15 per cent. The higher cost of cotton fabrics was probably the main reason for this, but other factors were the strengthening demand for tires, the reduced inventories, and the lessening of price competition among producers.

The development of balloon tires is of great importance to the industry and is causing considerable discussion. The India Rubber World reports that some manufacturers in Trenton are already producing balloon tires and that others are planning to do so in the near future. However, according to the Standard Daily Trade Service, confusion over wheel and rim changes and the comparatively high prices quoted,

are factors that will militate against the popularity of the new tire. Recently, one of the large producers of balloon tires cut prices by 20 per cent.

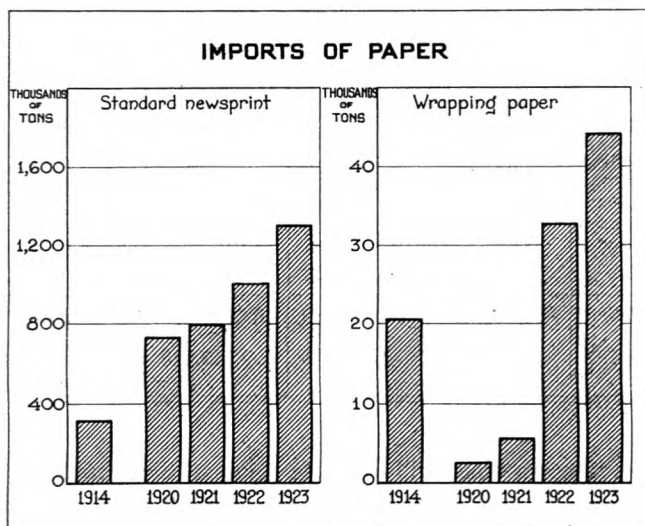
Some manufacturers and dealers in rubber tires have experienced difficulty in making collections, and on the whole they are but fair.

PAPER

In general, the paper industry is more active than it was in January, but the demand is not quite as heavy as it was in February, 1923. The call for book and fine papers is fair, and most mills are operating at about 80 per cent. Plants producing wrapping papers have more orders on hand than they had last month, and in this district they are operating at close to capacity. The demand for toilet tissues and crêpe towels has greatly increased, and the mills making these are running on full time. Paperboard, particularly box boards, and building paper are in better request than they were a month ago, and production at the mills has been increased to 90 per cent of capacity. Fine tissues and glazed paper are in fair demand, and the spring season for wall papers is opening with much promise. Paper converters report that business is fairly good, the majority running their factories at 80 per cent. Tablets are selling in considerable volume and envelopes are in demand. Practically all orders are for prompt shipment, very few mills having more than 30 days' business on hand. Jobbers report that sales show little if any increase over those of January. However, as is shown in the table on page 10, wholesale paper sales in January were slightly larger than those of January, 1923.

Imports of newsprint and wrapping paper during the year 1923 were more than 25 per cent greater than those of 1922. As illustrated in the following

chart, imports of wrapping paper were nearly 20 times as large as in 1920, and more than twice as great as in 1914. The imports of newsprint were nearly twice those of 1920 and four times those of 1914.



Imports of newsprint and wrapping paper have increased steadily during the past four years and in 1923 were the largest on record. In that year newsprint imports were four times as great as in 1914, and imports of wrapping paper were twice as large.

Source—Department of Commerce

Paper prices are now relatively firm, and there have been practically no changes since last month. Buyers are still seeking concessions on book and wrapping papers, but, except on some grades of kraft paper, none have been granted. Mechanical and chemical pulps have declined about 5 per cent in price during the month.

Finished stocks at the mills vary from light to moderate and are increasing slightly. Supplies of raw materials are moderate and show little change since last month. Both skilled and unskilled labor is in ample supply at all mills, and wages have not changed. Collections are reported to be from fair to good and are slightly more prompt than they were in January.

PAPER BOXES

Although several box makers have more orders on hand than they had in January, the majority report that the demand is no greater than it was a month ago. As a result, factories are still operating at reduced capacity, the average rate for the district being about 75 per cent. Cheap candy boxes are in good request, but the call for high grade boxes is only fair. The hardware, foodstuffs, electrical supplies, and shirt industries are active buyers, but the underwear and hosiery trades are making only small purchases. The shoe industry is becoming more active, and manufacturers of shoe boxes state that they have received more orders from this industry than for several months.

Fancy specialty boxes are in moderate demand and are selling better than they were last month. The call for folding boxes is good, but paper tubes, particularly mailing tubes, are in poor request. Corrugated boxes and fibre shipping containers are in slightly greater demand than they were in January, but most factories are still operating at only three-fourths of capacity. On the whole, however, the call for boxes is better than it was a year ago. About 85 per cent of the orders received by box makers are for delivery within 60 days, and very few commitments for future delivery are being made.

Some weakness is still displayed in prices, but price-cutting is not so severe as it was a month ago, and many manufacturers report that quotations are firm. Box board prices have fluctuated only a little during the month and are practically the same as they were in January.

Stocks of finished boxes at the factories vary from light to moderate, and supplies of board are moderate. The supply of unskilled labor at all factories is plentiful, but at some of the set-up box factories skilled workers, particularly table workers, are scarce. Wages are unchanged. Reports concerning collections vary greatly, but in general collections are fair and the same as they were last month.

TOBACCO

Leaf dealers report that the demand for cigar tobaccos, particularly the cheaper grades, is fairly good and that the market is slightly more active than it has been for the past three months. The majority of dealers state that sales thus far in 1924 exceed those of January and of February, 1923. The large cigar manufacturers are the principal buyers, but the smaller producers are purchasing more heavily than in January.

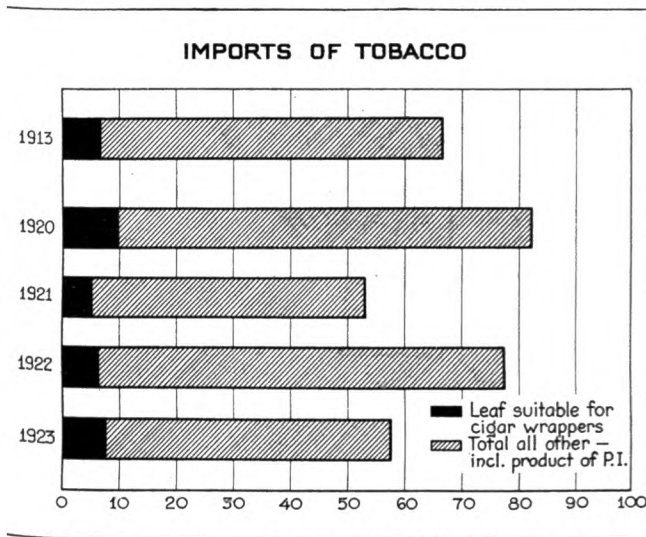
The Lancaster tobacco market has been rather inactive, but considering the season, business is fairly good. Only a few thousand cases of 1922 packings remain unsold, and the 1923 packings are not yet ready for marketing. February and March are always dull months in that market, and little business is expected. Prices of Pennsylvania tobacco are very firm. The 1922 packed wrappers are selling at from 28 to 32 cents per pound, actual weight, and fillers at from 10 to 15 cents. Packers have been buying the 1923 crop in large quantities and are now actively engaged in preparing it for market. Leaf dealers estimate that the farmers have sold fully 75 per cent of last year's crop at very attractive prices. The 1923 wrappers and binders, in the bundle, are bringing from 15 to 23 cents per pound, and fillers from 4 to 6 cents. At these prices the growers have been selling freely, and they show little desire to hold their crops for later sale.

Cable advices from Cuba state that excessive rains in some of the provinces have wrought considerable damage to the new crop, which is now growing. The extent of the injury has not been fully ascertained, but it seems certain that the new crop of Havana tobacco will not be as large as was earlier estimated. Even so, the yield should exceed that of 1923.

The market for 1923 Connecticut tobacco has been quite active, and buyers have purchased both the shade-grown wrappers and Havana Seed in considerable quantities. The quality of the 1923 crop is exceptionally good, and despite high prices, the new tobacco is being readily sold to dealers and manufacturers.

Withdrawals of Sumatra, Java, and Havana tobacco from the warehouses have been large during the month, but chiefly on old contracts. Importers are now preparing their plans for the new Sumatra inscriptions at Amsterdam, and many will sail for Holland next month.

Imports of tobacco leaf in 1923 were smaller than in any year since the close of the war with the exception of 1921, and were about 9 million pounds less than in 1913. However, as the following chart shows, the 1923 imports of leaf suitable for cigar wrappers exceeded those of 1913 and of every year following the war with the exception of 1920.



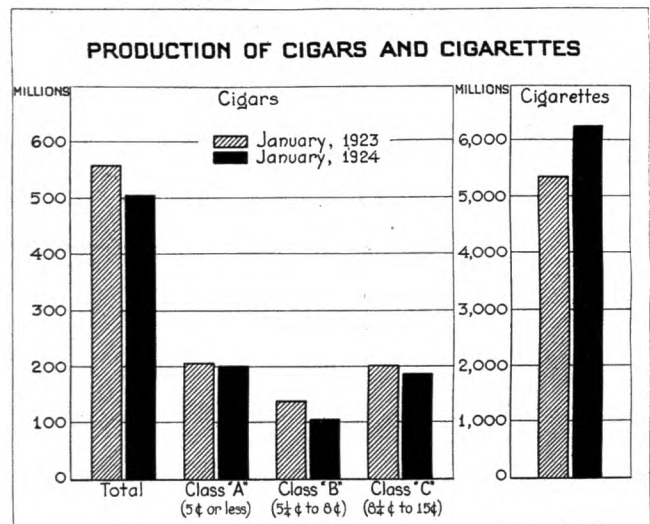
Considering the season, the demand for cigars is fairly good, most manufacturers reporting that it has changed but little since last month. In general, the call for cigars is slightly less than it was in February, 1923. Class C grades continue to be the best sellers, but class B and class A brands are in some-

Cigars and cigarettes

what better demand than they were a year ago. Production continues at the same rate as in January; some factories are operating at capacity and some at only 60 per cent, but the average rate for the district is about 80 per cent.

American cigarettes are in good demand, and most factories are working at close to capacity, but the call for Turkish cigarettes continues to be only fair. As a result the output of Turkish cigarettes is greatly curtailed, and few factories are operating at more than 60 per cent. Snuff and chewing tobacco are in fair request, and manufacturers of these are running their plants at 80 per cent of capacity. Practically all orders on manufacturers' books are for prompt shipment. Jobbers of cigars and tobacco report that their sales are fairly good and slightly exceed those of a year ago.

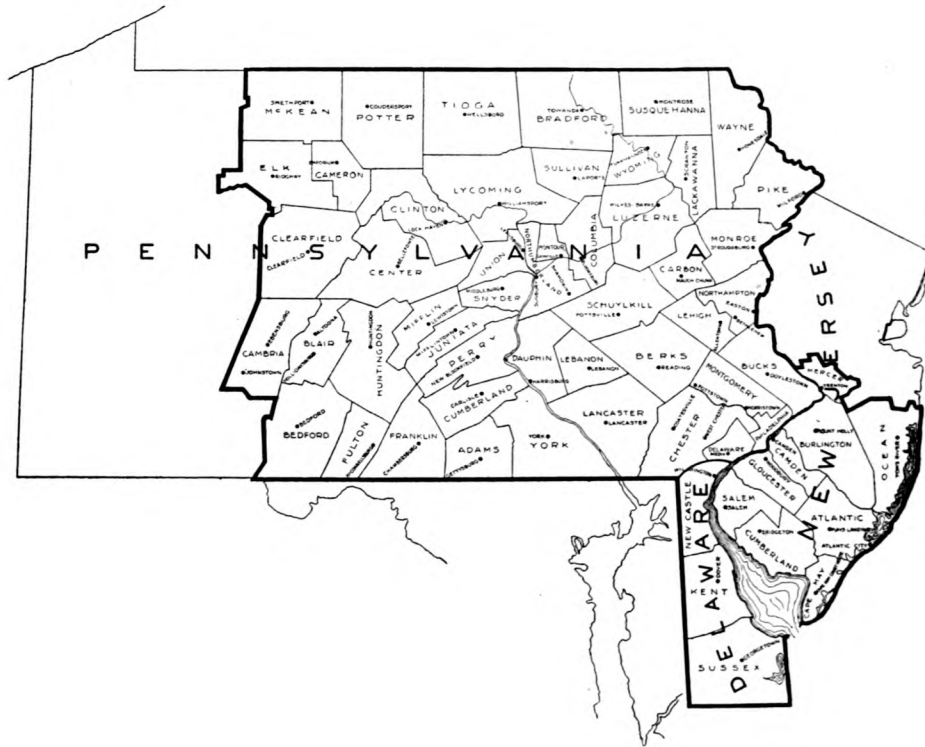
The following chart, based upon figures compiled by the Commissioner of Internal Revenue, shows that the output of large cigars in January, 1924, decreased 9.9 per cent, but that of cigarettes increased 17.0 per cent, as compared with the totals for January, 1923.



Cigar, cigarette, and tobacco prices are firm and unchanged. Tobacco leaf prices, too, are well maintained, despite the assertion of some cigar manufacturers that the price is statistically too high. Stocks of finished tobacco products at the factories vary from light to moderate and show little change since last month. Stocks of raw materials also vary from light to moderate. Both skilled and unskilled labor is in ample supply, and wages have not changed. Collections range from fair to good and are the same as they were last month.

COMPILED AS OF FEBRUARY 21, 1924

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



HOW OUR BUSINESS REVIEW IS COMPILED

Business is no longer satisfied to know only the facts about its own branch of industry. It goes further, embracing within the scope of its interest business conditions in all lines and in all countries. Lacking the facilities to survey this broad field himself, the average man must depend upon those sources of information which come to him without cost or at a reasonable fee.

The Federal reserve banks occupy a position of advantage in the collection of this information. For their own guidance they were early under the necessity of becoming acquainted with the facts of business, and to obtain this knowledge with exactness they had recourse to the original sources—the business men and bankers of their respective districts. Feeling under obligations to those who had helped them, and feeling, too, that the general dissemination of accurate information on business conditions would be of value, they started the publication of monthly reports. These reports were prepared without bias, political or otherwise, gained the confidence of the business community, and with the passing of the years it becomes ever easier to secure its assistance in conducting this co-operative undertaking for the common benefit. It is simply the desire of the reserve banks to give business men reliable tools with which to shape their own affairs. Accuracy of information without forecast is the test of the finished articles.

The great bulk of the information contained in the Philadelphia report is gathered at first hand from the business men, farmers, bankers, traders and others who make up the business world of the Third Federal Reserve District. Data coming from secondary sources are taken only from those of accepted reliability and are checked in so far as this may be possible. All individual interviews, letters and statistical reports are held in strict confidence and the articles which are published in the monthly reports are purely résumés of the data which have been received.

Business conditions that appear good to one man frequently seem only fair to another, with the result that reports which confine themselves to general comment are at times difficult of interpretation and combination into a composite picture of the current situation. The reserve banks recognize this, and their striving for greater accuracy finds expression in the establishment of statistical reporting systems which serve to substantiate and make exact the general comment. Statis-

tical information on retail trade, including department stores, mail order houses, and three or four types of chain stores, and data on sales in many wholesale lines are now available. Employment and certain branches of manufacturing, too, are now covered statistically. Existing financial statistics have been supplemented by weekly reports on loans, deposits, etc., from banks in over one hundred of the principal cities of the country, and monthly information is available on savings deposits and money rates in a great many centers. The old figures on bank clearings have been replaced by weekly figures on debits reported by banks which are members of clearing house associations throughout the country. Checks drawn on the accounts of banks and bankers are not included, but those drawn on all other accounts (individuals, firms, corporations, and the United States Government) are comprised within the debit figures reported, whether these checks have gone through the clearings or not. Thus the debit figures are entirely indicative of the dollar volume of business.

The development of the statistical reporting systems is of particular interest. The method followed is substantially this: After consultations with trade associations and firms in a particular line of business, a reporting form is devised which those in the trade believe will furnish helpful statistics to them. Representative firms are then requested to report to the reserve banks each month on such a form. After all of the reports for a particular month have been received, the figures for each item are added together and the composite results for the industry or trade as a whole are published, showing percentages of increase or decrease for the various items, for the month, in comparison with preceding periods.

Experience gained over the past four or five years stresses the necessity of broadening still further the basis of information upon which the business reports rest. Little new material in the financial field is suggested at this time, but there is much scope for further research in the business world. In preparing a better foundation for these business reports, however, recognition will not be lost of the necessity for presenting the data in such form that its significance may be still more easily understood. It is the desire of the reserve banks to make available to the average man the best information on business conditions that it is possible to obtain. The degree of success which attends their efforts depends largely upon the co-operation which they receive.