

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
APRIL 1, 1924

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SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES

Employment at industrial establishments increased in February and the output of basic commodities was slightly larger. Distribution, both at wholesale and retail, continued large; wholesale prices were somewhat higher; and there was a further increase in the volume of borrowing for commercial purposes.

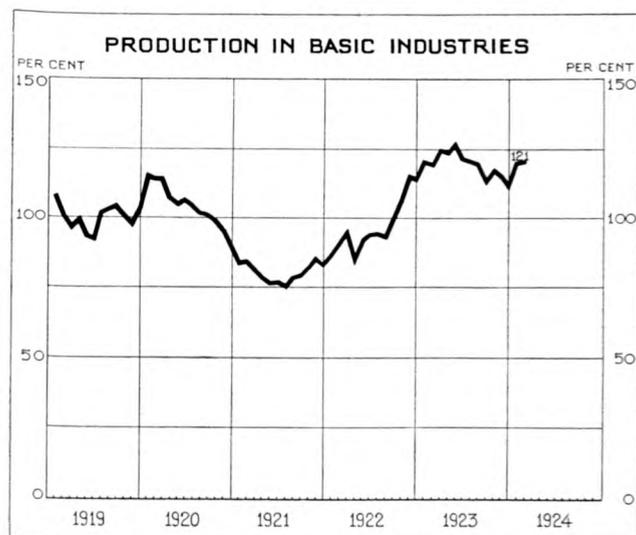
The Federal Reserve Board's index of production in basic industries, adjusted to allow for length of month and other seasonal variation, increased less than 1 per cent in February. Production of pig iron, steel ingots, and flour increased, while mill consumption of cotton and production of cement and lumber declined. Factory employment advanced 1 per cent in February, following successive decreases during the three preceding months. Increases in working forces were reported by most industries and were particularly large at iron and steel plants, automobile factories, and textile finishing establishments. Fuller employment

through reduction of part-time work is indicated by an increase of over 5 per cent in average weekly earnings. Building activity was slightly less than in January, though contracts awarded were 7 per cent larger than a year ago.

Railroad shipments in February were in greater daily volume than in January and car loadings of practically all important commodities were larger than a year ago. The daily average volume of wholesale business increased about 5 per cent in February, but was slightly smaller than a year ago. Sales of meat, dry goods, and hardware were larger than in February, 1923, while sales of shoes were smaller. Department store sales in February averaged about the same daily volume as in January and about 8 per cent more than a year ago, while merchandise stocks at these stores at the end of the month were 6 per cent above last year's level. Business of mail order houses and chain stores

Production

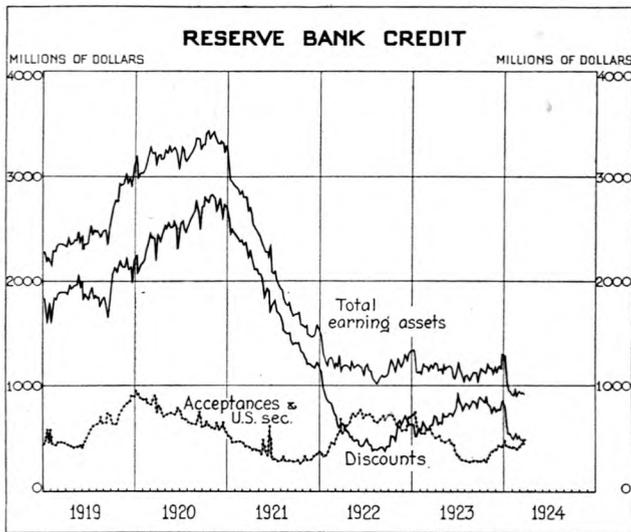
Trade



Index of 22 basic commodities corrected for seasonal variation. (1919=100.) Latest figure — February, 121.



Index of U. S. Bureau of Labor Statistics. (1913=100, base adopted by Bureau.) Latest figure — February, 152.



Weekly figures for 12 Federal Reserve Banks. Latest figure — March, 19.



Index for 33 manufacturing industries. (1919=100.) Latest figure—February, 99.

also showed increased activity in comparison with January.

Wholesale prices, as measured by the index of the Bureau of Labor Statistics, advanced slightly in February. Prices of fuel, metals, and building materials increased, while prices of farm products, clothing, and chemicals declined. During the first two weeks in March price declines occurred in wheat, cotton, silk, hides, and rubber, and price advances in hogs, copper, and crude petroleum.

The volume of borrowing for commercial purposes at member banks in leading cities in the early part of March continued the increase which began in the latter part of January, and on March 12 total loans of the reporting banks were higher than at any

time since the seasonal peak at the turn of the year, and about \$275,000,000 higher than a year ago.

At the Federal reserve banks during the four week period ending March 19 a further decline in the volume of discounts for member banks and of acceptances was offset by an increase in the holdings of United States securities, so that total earning assets were at about the same level as in February. Federal reserve note circulation continued to decline, while the total money in circulation increased.

Easier money conditions were reflected in a slight decline in rates for commercial paper to 4½ per cent and also in lower rates for bankers' acceptances and reduced yields on Treasury certificates. The March offering of \$400,000,000 of one year Treasury certificates bearing interest at 4 per cent, as compared with 4¼ per cent on a similar issue sold in December, was oversubscribed.

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SUMMARY OF BUSINESS CONDITIONS IN THE THIRD FEDERAL RESERVE DISTRICT

Although some hesitation has developed during the past month on the part of buyers in certain lines, business continues to be on a large scale. Production of basic commodities increased slightly in February, freight-car loadings were in greater volume than in any corresponding period, and sales by most of the wholesale trades reporting to this bank were larger than they were a year ago. Retail trade, too, was above that of last year. The general price level at the end of February, the last month for which figures are available, showed a slight increase over that of January.

Activity is rather unevenly distributed among the different industries. Iron and steel are not in as great demand as they were a month ago, and prices are somewhat weaker; but production is at a high rate. In February, the output of both steel ingots and pig iron was larger than at any time since last October. In the textile industries conditions are still unsatisfactory. This is said to be largely due to lack of confidence in future prices on the part of both buyers and sellers. Lower quotations on raw cotton have been reflected in reduced prices on cotton goods, but these have not stimulated business. A similar situation prevails in the silk market. Building operations are at a high rate, and, considering the season, most building materials are in good request. The estimated value of building permits issued in this district during February, however, was below that of January although greater than that of last February. The leather trades are not as active as they were last month, and prices of hides are weaker. Bituminous coal is in poor request, partly because of seasonal influences and partly because of large stocks; an additional factor tending to weaken the market is the fact that operators and miners have reached an agreement regarding a contract for three years beginning April 1, 1924. Paper manufacturers and dealers report that business is better than it was last month or a year ago, and that the granting of price concessions has ceased.

It will be noted that those reports that are unfavorable come for the most part from manufacturers. With distributors, goods are selling actively, as is evidenced by the fact that of the seven wholesale lines reporting to this bank, five showed sales in excess of last year's. Further substantiation of the fact that a

large volume of goods is moving into the hands of consumers in this district is found in the figures for sales at retail, which were 10.7 per cent larger than in February, 1923. That retail trade is large is not surprising in view of the generally full employment at substantial wages. Reports to this bank from 1,032 industrial establishments in Pennsylvania, New Jersey, and Delaware showed that the number of employes on February 15 was 0.9 per cent greater than it was on January 15 and that total wages paid increased 5.1 per cent. The larger total of wages paid is probably attributable to longer working hours rather than to increase in wage rates.

The general price level, as measured by the index of the Bureau of Labor Statistics, advanced from 151 in January to 152 in February. The increase was largely due to higher prices for coke, petroleum, gasoline, pig iron, and other metals. But since March 1 quotations have declined on such basic commodities as pig iron, raw cotton, raw silk, hides, rubber, and wheat.

Credit conditions are easy. Money rates were a trifle firmer up to the middle of March, but since then they have declined.

EMPLOYMENT AND WAGES

The total number of workers employed at identical manufacturing establishments in Pennsylvania, New Jersey, and Delaware changed only slightly from January to February. Total wages paid were more than 5 per cent larger, and average weekly earnings at reporting establishments increased more than 4 per cent, indicating longer working hours and more active operations. Average weekly earnings in all industries are now about the same as they were in October, 1923, but are from two to three dollars above the level of a year ago. The increase in earnings was quite general among the reporting industries, only five of the forty-eight industries included in the survey showing a decrease. As actual changes in rates of pay were inappreciable, these larger earnings probably reflect proportionately fuller employment. The greatest advance in earnings occurred at lumber mills, hat factories, and plants manufacturing novelties and jewelry. In the last instance, employment also increased, but in the first two industries small decreases occurred.

**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		
		February 15, 1924	January 15, 1924	Per cent change	February 15, 1924	January 15, 1924	Per cent change	February 15, 1924	January 15, 1924	Per cent change
All industries: (48)	1,032	392,190	388,759	+ .9	\$10,519,860	\$10,007,054	+ 5.1	\$26.82	\$25.74	+ 4.2
Metal manufactures:	350	191,248	189,283	+ 1.0	5,446,363	5,179,185	+ 5.2	28.48	27.36	+ 4.1
Automobiles, bodies and parts..	25	7,584	7,536	+ 0.6	214,444	211,050	+ 1.6	28.28	28.01	+ 1.0
Car construction and repair...	14	14,826	16,260	- 8.8	368,573	394,916	- 6.7	24.86	24.29	+ 2.3
Electrical machinery and apparatus.....	36	17,457	18,101	- 3.6	451,843	442,520	+ 2.1	25.88	24.45	+ 5.8
Engines, machines and machine tools.....	39	13,699	13,469	+ 1.7	386,693	362,870	+ 6.6	28.23	26.94	+ 4.8
Foundries and machine shops..	74	14,430	14,412	+ 0.1	411,527	397,057	+ 3.6	28.52	27.55	+ 3.5
Heating appliances and apparatus.....	16	4,023	3,891	+ 3.4	122,191	108,675	+12.4	30.37	27.93	+ 8.7
Iron and steel blast furnaces..	12	14,582	12,663	+15.2	418,794	341,708	+22.6	28.72	26.98	+ 6.4
Iron and steel forgings.....	9	4,196	4,190	+ 0.1	111,487	113,152	- 1.5	26.57	27.01	- 1.6
Steel works and rolling mills..	49	52,475	50,544	+ 3.8	1,552,297	1,450,114	+ 7.0	29.58	28.69	+ 3.1
Structural iron works.....	12	2,819	2,778	+ 1.5	74,850	71,348	+ 4.9	26.55	25.68	+ 3.4
Miscellaneous iron and steel..	48	27,458	27,554	- 0.3	834,673	785,929	+ 6.2	30.40	28.52	+ 6.6
Shipbuilding.....	9	13,594	13,761	- 1.2	377,802	381,039	- 0.8	27.79	27.69	+ 0.4
Non-ferrous metals.....	7	4,105	4,124	- 0.5	121,189	118,807	+ 2.0	29.52	28.81	+ 2.5
Textile products:	251	72,858	72,999	- 0.2	1,637,289	1,544,809	+ 6.0	22.47	21.16	+ 6.2
Carpet and rugs.....	14	4,065	3,923	+ 3.6	114,693	103,176	+11.2	28.21	26.30	+ 7.3
Clothing.....	39	6,351	6,517	- 2.5	121,288	124,024	- 2.2	19.10	19.03	+ 0.4
Hats, felt and other.....	8	5,234	5,695	- 8.1	128,342	125,212	+ 2.5	24.52	21.99	+11.5
Cotton goods.....	24	7,634	7,514	+ 1.6	180,042	176,187	+ 2.2	23.58	23.45	+ 0.6
Silk goods.....	65	17,581	17,792	- 1.2	353,905	333,596	+ 6.1	20.13	18.75	+ 7.4
Woolens and worsteds.....	31	12,763	13,038	- 2.1	289,229	280,822	+ 3.0	22.66	21.54	+ 5.2
Knit goods and hosiery.....	46	10,916	10,596	+ 3.0	223,630	202,685	+10.3	20.49	19.13	+ 7.1
Dyeing and finishing textiles..	16	6,240	5,863	+ 6.4	179,987	154,604	+16.4	28.84	26.37	+ 9.4
Miscellaneous textile products.	8	2,075	2,061	+ 0.7	46,173	44,506	+ 3.7	22.25	21.59	+ 3.1
Foods and tobacco:	88	27,526	26,711	+ 3.1	628,829	597,151	+ 5.3	22.84	22.36	+ 2.1
Bakeries.....	21	4,712	4,565	+ 3.2	122,755	117,909	+ 4.1	26.05	25.83	+ 0.9
Canneries.....	6	2,583	2,455	+ 5.2	57,552	57,255	+ 0.5	22.28	23.32	- 4.5
Confectionery and ice cream..	22	5,776	5,604	+ 3.1	115,780	110,505	+ 4.8	20.05	19.72	+ 1.7
Slaughtering and meat packing	12	2,835	2,801	+ 1.2	76,273	78,010	- 2.2	26.90	27.85	- 3.4
Sugar refining.....	4	4,423	3,476	+27.2	140,758	109,548	+28.5	31.82	31.52	+ 1.0
Cigars and tobacco.....	23	7,197	7,810	- 7.8	115,711	123,924	- 6.6	16.08	15.78	+ 1.3
Building materials:	77	21,131	20,827	+ 1.5	602,356	567,154	+ 6.2	28.51	27.23	+ 4.7
Brick, tile and terra cotta products.....	19	3,186	3,095	+ 2.9	84,115	75,133	+12.0	26.40	24.28	+ 8.7
Cement.....	14	5,355	5,321	+ 0.6	152,336	139,728	+ 9.0	28.45	26.26	+ 8.3
Glass.....	27	7,706	7,604	+ 1.3	211,360	199,459	+ 6.0	27.43	26.23	+ 4.6
Pottery.....	17	4,884	4,807	+ 1.6	154,545	152,834	+ 1.1	31.64	31.79	- 0.5
Chemical and allied products:	74	29,938	29,478	+ 1.6	905,597	850,463	+ 6.5	30.25	28.85	+ 4.9
Chemicals and drugs.....	41	8,113	8,071	+ 0.5	216,001	206,945	+ 4.4	26.62	25.64	+ 3.8
Explosives.....	10	2,452	2,451	+ 0.0	67,761	63,154	+ 7.3	27.63	25.77	+ 7.2
Paints and varnishes.....	12	1,486	1,395	+ 6.5	39,870	36,824	+ 8.3	26.83	26.40	+ 1.6
Petroleum refining.....	7	16,494	16,253	+ 1.5	536,895	502,102	+ 6.9	32.55	30.88	+ 5.4
Coke.....	4	1,393	1,308	+ 6.5	45,070	41,438	+ 8.8	32.35	31.68	+ 2.1
Miscellaneous industries:	192	49,489	49,461	+ 0.1	1,299,426	1,268,292	+ 2.5	26.26	25.64	+ 2.4
Lumber and planing mill products.....	8	2,341	2,427	- 3.5	52,995	48,093	+10.2	22.64	19.82	+14.2
Furniture.....	21	3,282	3,235	+ 1.5	81,868	79,380	+ 3.1	24.94	24.54	+ 1.6
Musical instruments.....	5	9,994	9,887	+ 1.1	289,475	281,081	+ 3.0	28.96	28.43	+ 1.9
Leather tanning.....	34	8,109	8,130	- 0.3	214,049	212,134	+ 0.9	26.40	26.09	+ 1.2
Leather products.....	8	718	723	- 0.7	14,771	14,349	+ 2.9	20.57	19.85	+ 3.6
Boots and shoes.....	28	5,375	5,378	- 0.1	104,010	100,238	+ 3.8	19.35	18.64	+ 3.8
Paper and pulp products.....	24	5,763	5,920	- 2.7	147,038	139,915	+ 5.1	25.51	23.63	+ 8.0
Printing and publishing.....	24	3,903	4,013	- 2.8	126,386	129,170	- 2.2	32.39	32.19	+ 0.6
Rubber tires and goods.....	20	5,776	5,758	+ 0.3	154,140	164,473	- 6.3	26.69	28.56	- 6.5
Novelties and jewelry.....	10	2,643	2,589	+ 2.1	66,554	58,828	+13.1	25.18	22.72	+10.8
All other industries.....	10	1,586	1,401	+13.2	48,140	40,631	+18.5	30.35	29.00	+ 4.7

In employment there was a considerable variation among the different industries in the nature and extent of the changes reported. The principal increases—of 15 per cent and 27 per cent respectively—were reported by blast furnaces and sugar refineries. Notable increases also occurred at textile dyeing and finishing establishments, canneries, paint and varnish factories, and coke plants. Fairly large decreases in employment were reported by cigar factories, hat factories, and car construction and repair shops. In the last instance the decrease is attributable principally to a reduction in working forces at one large establishment. The table on page 4 shows the changes in employment and wages in the principal industries.

FINANCIAL CONDITIONS

Total loans and discounts of reporting member banks in the Third Federal Reserve District rose from 628 millions on February 13 to 631 millions on March 12. The gain in commercial loans—from 348 to 353 millions—was more marked, but secured loans declined from 280 to 278 millions. Investments increased and deposits decreased.

In the four weeks ended March 19 the earning assets

BANKING CONDITIONS Third Federal Reserve District

Figures in millions of dollars	Latest*	Changes in course of		
		Four weeks	Six months	One year
Reporting Member Banks				
Secured loans.....	278	- 2	- 5	- 2
Commercial loans.....	353	+ 5	- 5	+21
Total loans and discounts.....	631	+ 3	-10	+19
U. S. securities owned.	102	- 2	- 9	-16
Other securities owned.	187	+ 7	+ 7	+ 3
Total investments....	289	+ 5	- 2	-13
Demand deposits.....	672	-13	-19	-40
Time deposits.....	130	+ 3	+26	+46
Government deposits..	10	0	0	0
Federal Reserve Bank:				
Bills discounted.....	41	+ 2	-18	-20
Purchased bills.....	16	- 9	- 2	-12
U. S. securities.....	25	+ 2	+ 8	- 4
Total earning assets.	82	- 5	-12	-36
Federal reserve note circulation.....	199	+ 1	-19	+ 1
Total deposits.....	119	+ 1	+ 2	0
Cash reserves.....	260	+10	+ 1	+44
Reserve ratio.....	81.7%	+2.6%	+4.4%	+13.6%

*Reporting member banks—March 12, 1924.
Federal Reserve Bank—March 19, 1924.

of the Federal Reserve Bank of Philadelphia declined from 87 to 82 millions, owing to a falling off of seven millions in purchased paper and United States securities as against a gain of but two millions in discounted bills. An increase of ten millions in cash reserves, offset by only small increases in the note and deposit liabilities, served to raise the reserve ratio.

The ruling rate for call money on the stock exchange was 3 per cent on March 20, and it was reported that money was loaned outside the exchange at 2 per cent. A month ago the rate was $4\frac{1}{4}$ per cent.

Prices of industrial stocks declined from the levels of a month ago, but bonds and railroad stocks rose.

Statistics of security prices and transactions are given below:

THE SECURITY MARKET

	March 20, 1924	February 20, 1924	March 21, 1923
Averages of—			
20 industrial stocks.....	\$95.88	\$96.58	\$105.23
20 railroad stocks.....	81.45	80.63	89.67
40 bonds.....	87.86	87.37	86.51
4 Liberty bonds.....	99.53	99.48	97.77
Stock sales* (in shares)	1,031	842	1,391
Bond sales*.....	\$14,410	\$8,534	\$11,423
Call money (ruling rate)....	3%	$4\frac{1}{4}$ %

*000's omitted.

Seventy-nine banks in the Third Federal Reserve District report an increase of .3 of one per cent in savings deposits during February.

Savings deposits This compares with a gain of 1.1 per cent in February of last year, and of .2 of one per cent two years ago. All of the cities except Trenton report larger deposits on March 1 than on February 1. Little interest was credited during the interim, so that the increase may be regarded as being due almost entirely to an excess of deposits over withdrawals. Comparative percentages of change are shown on the next page.

During March only a comparatively few banks in the city were buyers of commercial paper, but they purchased freely. Some institutions

Commercial paper outside of Philadelphia also bought a fair amount, and although the sales to them are expected to fall considerably short of the rather large February transactions, the total sales in this district will in all likelihood be as large as they were a month ago. Early in the month rates were slightly higher than they were during February, but later they eased off and a number of sales were made at $4\frac{1}{2}$ per cent. Most of the country banks, however, are demanding a higher rate and some of them will not buy at less than 5 per cent.

SAVINGS DEPOSITS
Third Federal Reserve District

	Number of banks	Per cent of change March 1, as compared with	
		Month ago	
		Month ago	Year ago
Altoona.....	5	+2.1	+15.6
Chester.....	5	+1.7	+10.5
Harrisburg.....	4	+1.0	+15.8
Johnstown.....	5	+1.3	+10.7
Lancaster.....	3	+1.0	+22.5
Philadelphia.....	9	+ .4	+ 6.9
Reading.....	3	+1.5	+16.7
Scranton.....	6	+ .02	+16.2
Trenton.....	6	-4.3	+ 1.7
Wilkes-Barre.....	5	+ .7	+19.8
Williamsport.....	4	+ .8	+ 2.8
Wilmington.....	5	+3.2	+ 8.7
York.....	5	+1.8	+ 9.3
Others.....	14	+ .8	+11.0
Totals.....	79	+ .3	+ 8.7

The sudden change in the situation was largely caused by the break in call money rates in New York, and the resultant seeking for other investment channels for the large sum of loanable funds. The supply of paper is small, as borrowers do not appear to be greatly in need of funds, and the recent increase in the demand has absorbed a large part of the paper owned by the dealers.

During February, five reporting firms in the Third Federal Reserve District sold paper to the amount of \$8,430,000, and in February, 1923, to the amount of \$6,457,000. Of the former total, \$2,655,000 was purchased by city banks and \$5,775,000 by outside institutions. Almost 70 per cent of the amount sold was closed at $4\frac{3}{4}$ per cent, and the balance was almost equally divided between $4\frac{1}{2}$ per cent and 5 per cent. Only a small fraction of 1 per cent was marketed at $5\frac{1}{4}$ per cent.

A fair demand for acceptances in this district was noted by dealers during the four weeks ended March 12. Sales were larger than in the preceding month and a year ago, but the activity of the market did not approach in intensity the business stimulated by the decline in the rate for call money on March 20 and 21. The rate for 90-day bills, which had been steady at 4 per cent for some time, declined to $3\frac{3}{4}$ per cent, and for six-months' bills from $4\frac{1}{8}$ to $3\frac{7}{8}$ per cent.

The transactions of five dealers are summarized herewith:

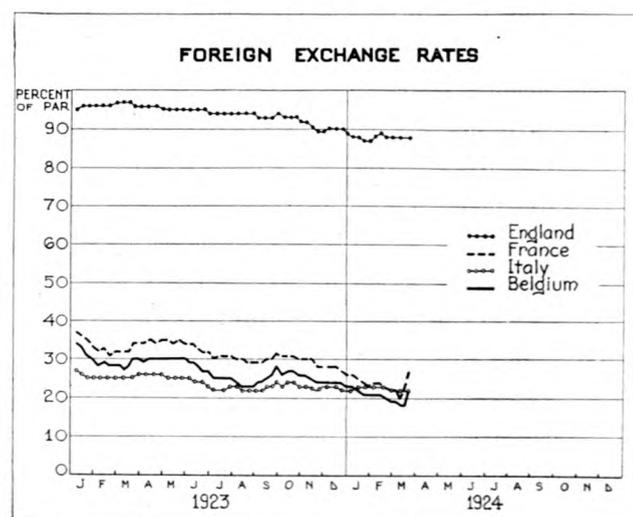
Twelve accepting banks report an increase in the sum of acceptances executed. For the month ending March 10 the total was \$4,569,000, in the previous month, \$3,338,000, and a year ago, \$3,513,000.

TRANSACTIONS IN BANKERS' ACCEPTANCES

Weekly average for period	Sales in Third District		Purchases in Third District
	To Federal Reserve Bank	To others	
1924:			
February 14 to March 12....	\$2,863,000	\$366,000	\$622,000
January 10 to February 13....	1,408,000	329,000	791,000
December 13* to January 9....	2,406,000	352,000	353,000
1923:			
February 12 to March 11....	2,424,000	182,000	642,000

* 1923.

Completely overshadowing in interest and importance all other developments in the foreign exchange market during the past month has been the unprecedented fall and rapid recovery in the value of French francs. For some time past, political and speculative influences had caused French currency to depreciate more and more, until the heavy pressure of selling orders forced francs down to \$.0349 on March 8, a new low for noon cables. The French Government then took measures to halt the decline, with the result that a loan of \$100,000,000 was made by financial interests in this country to be used to stabilize the franc. Immediately upon the announcement of this measure, the currency strengthened and rose sharply each day thereafter until, on March 22, the franc reached \$.0523, a high point for the year.



Between October and March the tendency of all four of the leading European currencies was downward, the decline of French francs being most pronounced. But in March both French and Belgian francs recovered sharply.

Source—Federal Reserve Bank of New York

On March 22 sterling was listed at \$4.3038, a distinct improvement over the quotation of \$4.2632 on

FOREIGN EXCHANGE RATES

Noon cables	Par	March 20, 1924	February 20, 1924	March 20, 1923
London.....	\$4.8665	\$4.2941	\$4.2956	\$4.6923
Paris.....	.1930	.0512	.0414	.0651
Antwerp.....	.1930	.0406	.0347	.0563
Milan.....	.1930	.0433	.0429	.0485
Vienna.....	.2026	.000014	.000014	.000014
Amsterdam.....	.4020	.3706	.3723	.3949
Copenhagen.....	.2680	.1564	.1576	.1918
Stockholm.....	.2680	.2635	.2610	.2661
Madrid.....	.1930	.1289	.1270	.1546
Berne.....	.1930	.1730	.1730	.1853
Buenos Aires.....	.9648	.7626	.7712	.8404
Shanghai.....	.7745	.7012	.7050	.7590

March 10. During the second week of the month, heavy selling of sterling, supposedly to cover contracts in French francs, was responsible for the decline at that time. This was also true of Dutch and Swiss currencies, both of which fell on March 10 to new low levels for the year, the former to \$.3695 and the latter to \$.1722. On March 11, Italian lire were also quoted at a record low of \$.0413, but quotations have since advanced and are now listed at \$.0427. The decline was thought to be partly on account of the effect of the recent Italian loan to Poland. Belgian francs followed closely the movement of French francs and have advanced almost one cent since their fall to a record low of \$.0316 on March 10. Spanish pesetas are now quoted at \$.1285, a higher figure than they have reached at any time since the first of February; but Norwegian kroner, though they have gained appreciably since, declined on February 25 to \$.1325, the lowest quotation since 1921. A strike among paper and pulp mill workers in Norway, preceded by a walk-out among dock employees, has had an unfavorable effect on the exchange market and has tended to aggravate an already rather tense financial situation. Quotations on Swedish kroner are higher than they have been for several weeks and are steady at \$.2635. South American currencies are lower than they were last month, the greatest shrinkage being recorded in Brazilian milreis, which have declined from \$.1211 to \$.1049 during the past four weeks.

Chinese tael (Hong Kong) are stronger at \$.5053 than they were a month ago, but Japanese yen failed to hold their position, and owing to Japan's unfavorable trade balance and a decline in silk production, quotations fell to a new low record on March 14 of \$.4193. Canadian dollars on March 15 were listed at \$.966109, the lowest point since 1922, but shortly after, recovered, and are now quoted at \$.971660.

RETAIL TRADE

Retail sales in March will probably not exceed those of last March, because of the fact that there is one less business day in this March than last, and because the

pre-Easter season falls in April. But reports of business are so encouraging that these disadvantages may be overcome.

Prices on the whole are steady, but the changes that have taken place are in favor of the buyer. Some concessions have been obtained on rugs, cotton goods, and hosiery, and merchandise of nearly all kinds is reported to be in plentiful supply.

During February sales in this district gained 10.7 per cent over those of February, 1923, indicating that special sales, which always play a prominent part in February's business, were successful; and some of the stores state that the furniture sales broke previous records. In nearly all parts of the district improvement is noted, and in Altoona and Johnstown, where decreases have occurred during recent months, gains are now recorded. In Scranton, however, the gains are less than those of recent months. In Philadelphia the department stores made an especially good showing, but in the men's apparel stores sales were not altogether satisfactory.

WHOLESALE TRADE

The volume of wholesale trade, as is usual at this season, has become greater during March than it was in the months immediately preceding. It is thought, however, that in some lines, such as drygoods and shoes, sales will not be as large as they were in March, 1923. Prices have not varied greatly, but the reductions probably outnumber the advances. Among the commodities reduced are manufactures of cotton and of silk and some food products, butter, eggs, and sugar.

During February, sales of paper and shoes were larger than in January or in February, 1923; but sales of drygoods were smaller than in either of those months. Sales of drugs, groceries, and hardware were smaller than in January but larger than in February, 1923, whereas in jewelry the reverse was true. Collections have as a rule become slower and in most lines compare unfavorably with those of January and of February, 1923. Stocks are for the most part increasing.

At this season of the year particularly, the drygoods sold at wholesale consist largely of cotton goods,

Drygoods and as the quotations for these have been falling, buyers have been cautious, and sales in March

are said to be the same as those of February, or somewhat smaller. Moreover, buyers have limited their purchases as to time, and all orders are for shipment either in March or April. The articles for which the demand is best are ginghams, dress goods, laces, hosiery, summer underwear, shirts, notions, ready-to-wear goods, and play suits. No advances in price are noted, but nearly all cotton goods, fibre silk hosiery, and some numbers of silk and of cotton hosiery are lower than they were last month.

RETAIL TRADE
Third Federal Reserve District

	Comparison of net sales		Comparison of stocks		Rate of turnover*	
	Feb., 1924 with Feb., 1923	Jan. 1 to Feb. 29, 1924 with Jan. 1 to Feb. 28, 1923	Feb. 29, 1924 with Feb. 28, 1923	Feb. 29, 1924 with Jan. 31, 1924	Jan. 1 to Feb. 29, 1924	Jan. 1 to Feb. 28, 1923
All reporting firms	+10.7%	+ 8.7%	+ 8.1%	+ 4.7%	3.2	3.2
Firms in—Philadelphia	+11.2 "	+ 8.9 "	+ 7.8 "	+ 2.3 "	3.6	3.6
—Allentown, Bethlehem & Easton	+16.8 "	+14.5 "	+12.5 "	+ 7.5 "	2.0	2.1
—Altoona	+ 3.2 "	+ 0.8 "	+10.2 "	+11.2 "	2.3	2.5
—Chester	+33.3 "	+21.4 "				
—Harrisburg	+ 3.7 "	+ 2.5 "	+10.5 "	+ 9.3 "	2.1	2.2
—Johnstown	+ 5.2 "	- 2.5 "	+13.4 "	+18.8 "	3.2	3.5
—Lancaster	+ 8.4 "	+11.1 "	+ 4.9 "	+10.8 "	2.4	2.3
—Reading	+ 5.5 "	+10.7 "	+ 7.1 "	+ 6.5 "	2.0	2.0
—Scranton	+ 9.3 "	+13.6 "	+23.7 "	+10.6 "	2.4	2.6
—Trenton	+11.4 "	+10.3 "	- 0.7 "	+ 8.1 "	2.8	2.5
—Wilkes-Barre	+14.4 "	+ 9.4 "	+ 5.3 "	+11.9 "	2.8	2.6
—Williamsport	+ 6.5 "	+ 5.6 "	+ 8.0 "	+14.2 "	1.9	2.0
—Wilmington	+13.8 "	+14.7 "	+ 0.8 "	+ 3.2 "	1.9	1.6
—York	+10.2 "	+ 9.9 "	+ 1.5 "	+13.4 "	2.4	2.2
—All other cities	+12.5 "	+ 9.1 "	+10.4 "	+ 5.9 "	2.0	2.0
All department stores	+ 9.6 "	+ 7.3 "	+ 7.4 "	+ 3.7 "	3.1	3.1
Department stores in Philadelphia	+10.5 "	+ 7.5 "	+ 7.2 "	+ 0.4 "	3.5	3.5
Department stores outside Philadelphia	+ 7.2 "	+ 6.7 "	+ 7.8 "	+10.9 "	2.4	2.4
All apparel stores	+15.4 "	+16.0 "	+12.8 "	+16.3 "	3.9	3.8
Men's apparel stores	+ 6.0 "	+ 8.8 "	+12.6 "	+12.8 "	2.2	2.3
—in Philadelphia	+ 1.8 "	+ 6.1 "	+12.6 "	+19.5 "	2.6	2.8
—outside Philadelphia	+13.0 "	+13.1 "	+12.6 "	+ 6.7 "	1.9	1.9
Women's apparel stores	+17.6 "	+17.5 "	+ 4.3 "	+14.9 "	5.6	5.1
—in Philadelphia	+17.4 "	+18.2 "	+ 5.9 "	+16.8 "	6.4	5.7
—outside Philadelphia	+18.2 "	+14.5 "	- 0.7 "	+ 9.2 "	3.2	3.1
Credit houses	+11.6 "	+ 7.8 "	+11.1 "	+ 1.3 "	2.2	2.2
Shoe stores	+15.0 "	+14.6 "	- 1.4 "	+ 2.2 "	3.2	2.8

* Times per year based on cumulative period.

During February, sales were smaller by 4.8 per cent than in January, and by 5.7 per cent than in February, 1923. Collections are not as good as they were in either the previous month or the previous year, as is shown by the ratio of accounts outstanding, which was 250.2 on February 29, 236.5 on January 31, and 230.2 on February 28, 1923. Stocks are heavier than they were at the end of either January, 1924, or February, 1923, the gains being 1.4 per cent and 20.7 per cent respectively.

Sales of shoes at wholesale in March show but little change from those of February. Up to the time of writing, repeat orders have been disappointingly small, but as Easter is almost three weeks later this year than it was last, these may be received next month. The demand for women's shoes in patent leather and satins continues to be good, but that for suedes, especially in black, is decreasing. For men's wear, tan oxfords lead, though black oxfords are also wanted. For children, tans and patent leather are the

most popular. Prices are unchanged, and practically all orders are for shipment before Easter.

Sales during February were larger by 2.3 per cent than in January and by 3.7 per cent than in February, 1923. Stocks are 7.3 per cent greater than they were at the end of January, but 4.2 per cent smaller than they were a year ago. The ratio of accounts outstanding was 284.3 on February 29, 283.6 on January 31, and 299.1 on February 28, 1923.

The call for drugs is fair, and though practically unchanged since last month, is slightly better than it was in March, 1923. Staple goods, spraying materials, and seasonable patent medicines are at present the best sellers. Dulness still prevails in the botanical drug market, and prices have continued to soften. The demand for fine drugs and chemicals is fairly good, but not as strong as it was last month, and consequently prices are slightly lower. The price indexes of 40 botanical drugs and 35 drugs and fine chemicals, as

WHOLESALE TRADE
Third Federal Reserve District

	Index number (1923 Av. = 100)	Percentage of increase or decrease in								
		Net sales Feb. 1924 compared with		Stocks Feb. 1924 compared with		Accounts outstanding Feb. 1924 compared with		Ratio of accounts outstanding to sales		
		Jan. 1924	Feb. 1923	Jan. 1924	Feb. 1923	Jan. 1924	Feb. 1923	Feb. 1924	Jan. 1924	Feb. 1923
Boots and shoes.....	80	+ 2.3%	+ 3.7%	+ 7.3%	- 4.2%	- 0.1%	- 2.2%	284.3%	283.6%	299.1%
Drugs.....	99	- 4.7"	+ 0.7"	- 6.8"	- 0.6"	- 1.0"	+ 2.0"	141.9"	137.8"	138.1"
Dry goods.....	89	- 4.8"	- 5.7"	+ 1.4"	+20.7"	+ 0.6"	+ 2.5"	250.2"	236.5"	230.2"
Groceries.....	90	- 3.1"	+ 6.1"	- 1.5"	+ 6.1"	+ 1.3"	+ 7.5"	117.7"	112.5"	116.4"
Hardware.....	81	- 2.4"	+14.1"	+ 2.0"	+ 5.0"	+ 2.2"	+10.7"	189.9"	179.5"	193.6"
Jewelry.....	..	+18.9"	- 0.6"	+ 6.1"	+ 7.4"	+ 4.2"	+18.0"	344.3"	392.9"	294.2"
Paper.....	..	+ 2.0"	+ 3.5"	+13.5"	+ 0.2"	+ 3.5"	+ 5.2"	149.1"	147.0"	146.7"

compiled by the "Oil, Paint and Drug Reporter," are given in the table below.

	Price index of 40 botanical drugs		Price index of 35 drugs and fine chemicals	
	1924	1923	1924	1923
February 25....	108.2	155.2	201.3	172.2
March 3.....	108.2	152.4	199.3	172.6
March 10.....	108.2	152.3	200.0	172.5
March 17.....	108.1	152.3	200.9	172.8

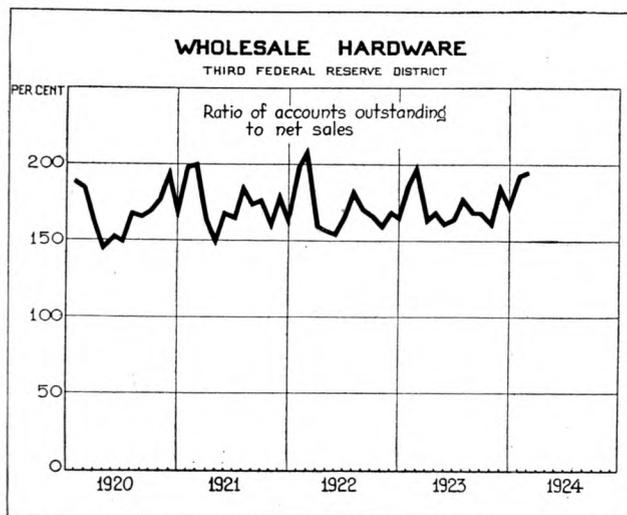
Wholesale drug sales in February were 4.7 per cent smaller than those for January, but 0.7 per cent larger than those for February, 1923. Jobbers' stocks are moderate and smaller than they were last month. Collections range from fair to good. The ratio of accounts outstanding to sales in February was 141.9, as compared with 137.8 in January and with 138.1 in February, 1923.

In February our wholesale hardware sales index number was 81, or 2 points less than the January number. The aggregate net sales of

Hardware
31 hardware firms reporting to us were 2.4 per cent smaller than the total during the preceding month, but 14.1 per cent greater than in February of last year. During the past month the demand for wholesale hardware, chiefly from builders, contractors, and factories, has been fair, and the call for radio supplies and for seasonal goods such as farming implements, is in some instances characterized as good. Quotations on several articles are slightly higher than they were a month ago, and most firms reporting to us say that prices are also higher than they were at this time last year.

Collections are mostly described as fair, though in several cases they are said to be poor. The ratio of accounts outstanding to sales was 189.9 in February,

as compared with 179.5 in January and 193.6 in February, 1923. In the chart below is depicted the trend of collections by months since 1920.



Collections in the wholesale hardware trade are slowest in January and February in each year.

Source—Federal Reserve Bank of Philadelphia

In general, the wholesale paper trade is more active than it was last month, and the demand is good. Fine papers and book papers are selling well, and the call for tissues is better than in any previous month of the year. Wrapping, kraft, and building papers are moving in greater volume than they did last month, and prices have become firm. The demand for newsprint is well sustained, but box cover papers are in only fair request. Some changes in price have occurred, such as an advance in building papers and a slight decline in box cover papers, but on the whole prices have held firm. Stocks held by wholesalers are slightly larger than they were last month but are by

no means heavy. Collections are fair and a trifle slower than they were in February.

Our reports from distributors show that wholesale paper sales in February were 2.0 per cent larger than in January and 3.5 per cent greater than in February, 1923. The ratio of accounts outstanding to sales in February was 149.1, as compared with 147.0 in January and 146.7 in February, 1923.

The wholesale jewelry market, though quiet, is strong, and March sales are expected to be as usual somewhat larger than those of February, and about the same as those of last March. The demand is a

Jewelry

fairly broad one and embraces clocks, watches, silver plated table ware, flexible bracelets, mountings for the remounting of old diamonds, and low grade diamonds. For the top grades of diamonds the call is poor. According to the figures compiled by the Treasury Department, imports of diamonds in the United States during 1923 exceeded those of any previous year excepting 1919, when conditions in the jewelry business were without parallel. The increase, however, is in cut stones; imports of rough stones have not gained, but are in fact smaller than they were before the war. The following table shows the value of imports of cut diamonds, but the variations in the price per carat, as shown in the accompanying chart, have a considerable bearing on the quantity imported.

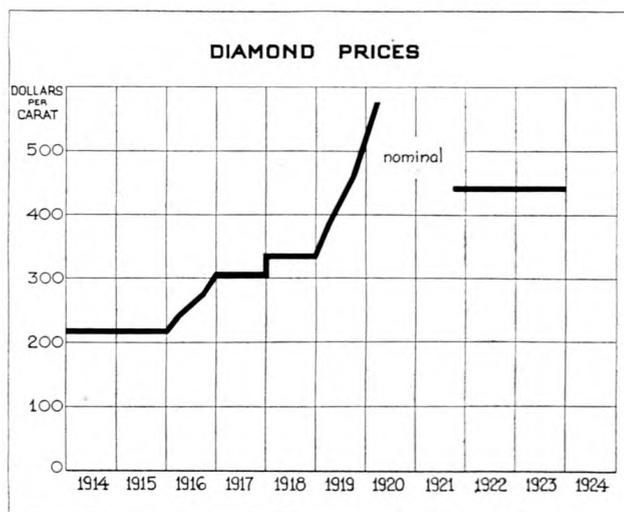
IMPORTS OF CUT DIAMONDS

1913.....	\$24,800,000
1914.....	12,000,000
1915.....	13,140,000
1916.....	24,200,000
1917.....	18,400,000
1918.....	7,000,000
1919.....	64,200,000
1920.....	45,400,000
1921.....	26,300,000
1922.....	43,200,000
1923.....	53,000,000

Sales during February were 18.9 per cent larger than in January, but 0.6 per cent smaller than those of February, 1923. Collections are somewhat slower than they were a year ago, as is shown by the ratio of accounts outstanding to sales, which was 344.3 on February 29, 392.9 on January 31, and 294.2 on February 28, 1923. Stocks were 6.1 per cent heavier on February 29 than on January 31 and 7.4 per cent heavier than on February 28, 1923.

The accompanying chart depicts the course of the cutters' prices of commercial one carat Wesselton diamonds from 1914 to date. In the spring of 1920 prices had risen to \$575. Then buyers began to offer premiums, and no real market quotations are available until well into 1921. Prices of diamonds are now

105 per cent higher than they were in 1914, whereas on the same basis the general wholesale commodity index number is 57 per cent higher.



Quotations named by cutters for commercial one carat Wesselton diamonds

Source—The Jeweler's Circular Publishing Co.

The demand for groceries is fair and much the same as it was last month, but greater than in March, 1923.

Groceries

Canned goods, particularly canned fish, and dried fruits, salt fish, cheese, and staple groceries are at present selling actively. Few price changes have occurred during the month, and in general quotations have held firm. Cheese, butter, eggs, dried fruits, and sugar have dropped; but soap, coffee, canned fish, dried beans, and a few canned vegetables have advanced. Stocks held by jobbers vary from moderate to heavy and have changed but slightly.

Reports from wholesale grocers show that sales in February were 3.1 per cent smaller than those of January, but 6.1 per cent greater than those of February, 1923. The ratio of accounts outstanding increased from 112.5 in January to 117.7 in February.

SUGAR

The settlement of the railroad strike in Cuba near the end of last month resulted in heavy shipments of raw sugars to Cuban ports early in March. Consequently offerings

Raw sugar

of raw sugar for prompt shipment on the Sugar Exchange thus far this month have been large, and prices have gradually softened. On February 25, refiners made purchases of Cuban raw sugar at 5½ cents, c & f, equivalent to 7.41 cents, duty paid; but since then prices have declined an eighth or sixteenth of a cent at a time, and on March 17 refiners bought heavily at 5¼ cents, c & f, which was equal to 6.91

cents, duty paid. Further declines brought the price of Cuban raws to 5 cents, c & f, equal to 6.78 cents, duty paid, but on March 19 it again advanced to 5½ cents, c & f. Refiners have also purchased considerable quantities of Porto Rican sugar at prices conforming to those paid for Cuban, the last recorded sale for late March and early April delivery being at 6.72 cents. A sale of Philippine sugars, too, was reported on March 19, but this has not been confirmed. Buying by the refineries has been cautious, and practically all purchases they have made have been for immediate requirements.

Buyers from the United Kingdom have been active, and their purchases have exceeded in size the quantities bought during the first three weeks of March, 1923. The prices they paid were equal to those for spot sugar, c & f, New York. Belgium, Holland, and Denmark have also entered the Cuban market, and a shipment to Hong Kong has been recorded by the Cuban government. Exports to Europe from the island thus far this month have been fully 50 per cent larger than those for the corresponding weeks of last March.

In some parts of Cuba the grinding season is already drawing to a close. The Central Nueva Pas in Havana province has finished its production and has closed. Its output was 37,000 bags, instead of the 40,000 bags estimated. On the other hand, three additional centrales—Porvenir, Pennsylvania, and Bahia Honda (Pinar del Rio Province)—have started grinding during the month. The first two, Porvenir and Pennsylvania, were not expected to operate this year. Receipts of raw sugar at Cuban ports thus far in March have been heavier than they were last year. During the week ending March 8 approximately 226,000 tons arrived at the ports, an amount greater than that received in any previous week on record. The railroad strike, which was promptly settled at the close of February, undoubtedly held up much sugar that was in transit to Cuban ports and probably accounts for the huge receipts in the first week of March. The weather on the island has been fine and favorable for grinding operations.

Raw sugar receipts at the ports of Baltimore, Philadelphia, New York, and Boston for the first three weeks of March were smaller than those for the correspond-

ing period of 1923. The accompanying table shows how receipts in the same periods of both years compared.

The demand for refined sugar is only fair and at times during the month has been very light. Falling prices in the raw sugar market have caused wholesale grocers and confectioners to be extremely cautious in buying. But despite a rather light demand, prices on refined sugar held firm at from 8.60 to 9.00 cents for hard granulated at the refineries during the first two and a half weeks of the month. On March 18, however, all refiners lowered their quotations on fine granulated to 8.50 or 8.60 cents per pound, a reduction of from 10 to 40 points. Since then one refiner has further lowered his list to 8.40 cents. Several small-sized lots were offered by second hands during the first half of the month at from 25 to 35 points below the highest quotations of the refiners, and these were quickly sold. Since the middle of the month, however, second-hand offerings have been few.

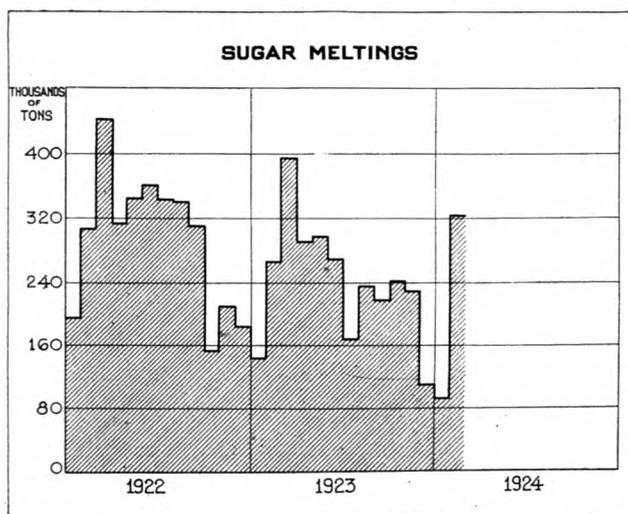
Foreign purchases of refined sugar have been small, and export business is dull. Exports of refined sugar thus far this year have been only about one-third of what they were in the corresponding period of last year. The export trade has practically ceased to be a factor of importance in our refined sugar market.

Refiners' stocks, up to the 10th of the month, were considerably larger than they were last year, and during the latter half of February were accumulating rapidly. But since March 10 they have fallen slightly below the amounts on the same dates of March, 1923, and

RECEIPTS OF RAW SUGAR AT ATLANTIC PORTS*

Tons (2240 lbs.)	February 29 to March 21, 1924	March 2 to March 23, 1923
From Cuba	258,855	292,859
From Porto Rico	35,103	45,522
From Philippine Islands	9,695	5,294
From other countries	1,228	856
Total receipts	304,881	344,531

*American Sugar Bulletin.



Source—American Sugar Bulletin

now seem to be about normal for this time of the year. Meltings for the first three weeks of the month at the refineries in Baltimore, Philadelphia, New York and Boston amounted to 222,000 tons, as against 238,000 tons for the same period in 1923. This represents a de-

crease of 6.7 per cent. Meltings at Atlantic Ports during February, 1924, were larger than in February of the two preceding years, but as is shown in the chart on page 11, the meltings for January were smaller than in either January, 1923, or January, 1922.

CONFECTIONERY

In general, the demand for candies is not as heavy as it was in March, 1923, but the majority of manufacturers find it better than it was last month. Hand-to-mouth buying by the jobbers and retailers, and the late Easter, are responsible for this condition. In 1923, Easter came early in April, and consequently the heavy buying for the Easter trade was done in March. Manufacturers have, of course, booked large orders for Easter, but as buyers hesitate to order ahead, the volume of business does not equal that of a year ago. Producers of hard candies report that their staple lines are not moving as well as they were last month, but the demand for jelly beans is heavy. Staple varieties of chocolate-coated penny piece goods are not selling as well as in February, but there is an excellent demand for coated Easter eggs. The call for box chocolates exceeds that of a month ago, but is not as heavy as in March, 1923. Bar chocolate, baking chocolate, chocolate coating and cocoa are in good request, and makers of these report better business than in last month or in March, 1923. The average of factory operations in this district approximates 80 per cent of capacity. Most manufacturers agree that sales thus far this year exceed

Quotations for candies are holding firm and have remained practically unchanged during the past two months, though a few manufacturers are offering such slight concessions as freight allowances. Prices of raw materials have fluctuated within narrow ranges, but the trend of sugar and cocoa beans has been upward. As shown in the preceding chart, cocoa beans are higher than they were at the close of last year, but considerably cheaper than in the early months of 1923.

Stocks of finished products at the factories vary from moderate to light, and supplies of raw materials are moderate. A slight scarcity of skilled labor is reported by a few manufacturers, but on the whole both skilled and unskilled labor is in ample supply. Wages are unchanged. Collections are fair, and though slower than they were a year ago, are about the same as in February.

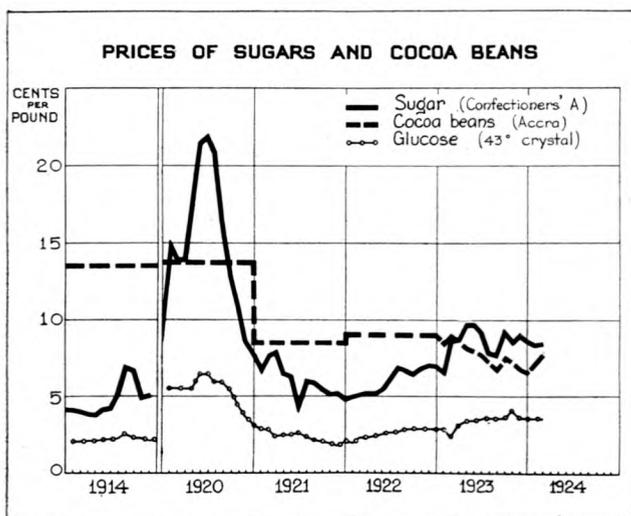
BUILDING

Fifteen cities in the Third Federal Reserve District report that 1,892 building permits of an estimated cost of \$9,989,406 were issued during February. Owing to a fire which destroyed important statistical data, Williamsport officials were unable to report building operations for January. This fact, together with the adding of Bethlehem, Pennsylvania, to the list of reporting cities, makes comparison of totals with the preceding month impossible. Including the Bethlehem figures, the total number of permits granted last month was 145 less than in the corresponding month of last year, and the estimated cost declined \$1,833,168. In Reading, Scranton, Wilkes-Barre, Atlantic City, Camden and Philadelphia, the number of permits issued was greater than in January, but the estimated cost was less, while in Altoona and Trenton the reverse was true. In Philadelphia 956 permits, representing a proposed expenditure of \$7,173,885, were issued, as compared with 884 permits granted in January at an estimated cost of \$8,642,525.

The demand for bricks is in general fair and in some instances good. It is better than it was at this time both last month and last year, and with the promise of a large building program ahead, manufacturers are inclined to be optimistic. Some orders now on the books are for delivery either within 60 days or from 60 to 90 days, but the greater part are for shipment in late spring.

Prices in most cases are firm and unchanged since last month, though a few manufacturers state that weakness has developed in quotations for face bricks and for some grades of fire bricks. In Philadelphia, prices on common bricks fluctuate around \$21 per thousand. In only one instance is there said to be any resistance to present quotations.

Stocks of finished building bricks are mostly moderate and stationary, though some inventories are char-



Sugar and glucose are higher than they were in 1914, but cocoa beans are lower.

Sources—Frank G. Alden, Inc., *Dun's Review, Sugar, New York Commercial, and Journal of Commerce*

in volume those of the same period of 1923, but they complain that the extreme caution of buyers is making business very uncertain. Few producers have more than 20 days' business on hand.

BUILDING PERMITS
Third Federal Reserve District

	February, 1924			February, 1923			January and February			
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	1924		1923	
							Permits	Estimated cost	Permits	Estimated cost
Allentown.....	22	27	\$121,200	19	35	\$107,725	64	\$540,700	53	\$199,225
Altoona.....	58	60	98,888	61	69	141,300	124	146,856	93	168,985
Atlantic City*...	149	149	380,509	173	173	1,144,564	285	1,024,417	391	1,863,464
Bethlehem*.....	12	12	16,060	5	5	2,500	38	100,381	23	47,850
Camden.....	84	84	240,529	51	52	551,798	139	772,177	95	658,461
Harrisburg.....	37	42	135,000	37	49	151,925	77	332,600	66	226,750
Lancaster.....	44	44	620,860	28	28	238,625	80	893,305	53	361,525
Philadelphia....	956	1454	7,173,885	747	967	6,504,100	1840	15,816,410	1515	13,304,060
Reading.....	133	155	225,325	128	131	345,925	251	466,350	248	555,530
Scranton*.....	91	91	220,950	40	40	187,955	165	473,165	80	308,210
Trenton.....	84	98	309,696	49	52	84,183	184	498,935	108	807,532
Wilkes-Barre*...	71	71	182,951	42	42	100,933	129	391,675	79	216,645
Williamsport*...	36	36	67,240	13	13	19,105	36**	67,240**	24**	25,580**
Wilmington.....	55	55	103,778	66	80	149,286	128	284,857	123	695,034
York.....	60	60	92,535	32	32	39,720	132	209,065	118	234,450
Total for Feb...	1892	2438	\$9,989,406	1491	1768	\$9,769,644	3672	\$22,018,133	3069	\$19,673,301

*Operations not reported.

** Figures for January not available.

NEW BUILDINGS AND ALTERATIONS

	1924						1923					
	New buildings			Alterations			New buildings			Alterations		
	Permits	Oper-ations	Estimated cost	Permits	Oper-ations	Estimated cost	Permits	Oper-ations	Estimated cost	Permits	Oper-ations	Estimated cost
Allentown.....	7	12	\$73,800	15	15	\$47,400	19	21	\$63,600	15	15	\$27,900
Altoona.....	16	18	65,200	42	42	33,688	5	5	13,248	27	27	14,440
Camden.....	31	31	216,505	53	53	24,024	18	28	76,575	26	26	30,088
Harrisburg.....	29	31	119,875	8	11	15,125	19	26	57,500	10	11	17,325
Lancaster.....	23	23	548,250	21	21	72,610	11	11	91,350	14	14	31,550
Philadelphia....	453	942	6,522,925	503	512	650,960	368	876	6,248,835	400	419	551,125
Reading.....	35	57	162,125	98	98	63,200	12	14	149,075	108	108	60,530
Trenton.....	65	79	296,106	19	19	13,590	35	71	646,330	24	37	77,019
Williamsport...	21	21	58,150	15	15	9,090	15	15	23,470	9	9	2,110
Wilmington.....	37	37	84,662	18	18	19,116	38	72	515,659	19	19	30,089
York.....	28	28	85,480	32	32	7,055	60	60	150,500	26	26	44,230

acterized as either heavy or light. Supplies of raw materials range from moderate to heavy and are also stationary. Stocks of fire bricks are either heavy or moderate and are unchanged, as are also supplies of raw materials.

Manufacturers reporting to us are operating at from 60 to 100 per cent of capacity, and though some factories are closed entirely at this time, the average rate of production of those that are working is estimated to be close to 74 per cent, a higher schedule than that maintained during February. Unfilled orders now held will insure this rate for from two weeks to the end of the year, the average being approximately two months. The supply of both skilled and unskilled labor is sufficient and in several cases plentiful. One firm an-

nounces a reduction of 10 per cent in the wages of its skilled workers, but no other changes are reported in this district. Collections are fair and practically the same as they were a month ago.

Manufacturers report that the demand for lumber is good, but dealers classify it as little better than fair. Considerable difference of opinion exists among both as to whether or not it is as good as it

Lumber

was a month ago, but most of them agree it is better than it was in March, 1923. The call for white pine is fairly steady, but prices are somewhat lower than they were at the beginning of the year; but spruce and hemlock are as usual moving at unchanged quotations. Hardwoods are in good request, especially floorings, and

prices for these too are firm. Demand for both yellow and North Carolina pine is good, and prices have fluctuated but little. There has been a strong call for laths and shingles, especially from suburban builders. Some dealers are quoting several grades of building lumber at somewhat higher levels than those of a month ago, but no general increase has occurred. Though many orders now taken are for delivery up to and beyond 90 days, the majority are for within 60 days.

Stocks of both finished goods and raw materials are moderate and stationary, though the latter begin to show indications of decreasing. Manufacturers reporting to us are operating at an average rate of over 90 per cent of capacity, which is practically the same as that in the preceding month. The supply of both skilled and unskilled labor is sufficient, and no wage changes are noted. On February 15, 2,341 workmen were employed in 8 lumber and planing mills in this district, earning an average weekly wage of \$22.64. These figures represent a reduction of 3.5 per cent in the number of employees on January 15, but an advance of 14.2 per cent in average wages.

Collections for the most part are fair and have changed very little from those at this time last month and last year.

The call for most products of the glass industry is somewhat less than fair, and a rather unusual falling off in business has taken place during the past month. In the case of window and plate glass, however, the decline is attributed to the fact that few of the many building operations now going on have reached the stage at which glass products are needed. One manufacturer reports that orders for glass to be used in new church buildings are unusually numerous. The majority of the orders now on the books are for delivery within 60 days, though some are for shipment up to and beyond 90 days.

Prices are in general firm, but quotations on a few grades of building glass are not as strong as they were a month ago. There is little resistance to present prices, except in the case of those bottle manufacturers whose wares are in competition with machine-made products. Stocks of both finished goods and raw materials are either moderate or light and practically unchanged.

Operations are at approximately 80 per cent of capacity, which is a somewhat lower rate than the average maintained during February. Unfilled orders are sufficient to insure this schedule of production for from three weeks to six months. In practically all cases the supply of both skilled and unskilled workers is reported as plentiful. Wages are virtually unchanged from those in February.

Collections range from fair to good, and are the same as they were a month ago and at this time last year.

Manufacturers report that the call for paints and varnishes is fair and about the same as it was a month ago. Until recently, the demand has been consistently better than it was in March, 1923, but at present it is thought to be somewhat poorer. With the approach of spring, however, repainting of the interiors and exteriors of buildings is expected to increase consumption of both paints and varnishes. Colors in oil have been in good demand, as has also the call for red lead, much of which is being used in the manufacture of glass. Lithopone and zinc oxides are holding up well, but litharge is moving more slowly of late.

Prices are relatively stable. Quotations for pig lead are firm, and consequently there has been little or no change in the price of lead pigments. Chrome yellow advanced slightly during the first part of the month, but owing in no small measure to keen competition, it failed to maintain its position. Quotations on dry colors and most grades of varnish were unchanged. The figure for spot delivery of linseed oil has declined to 90 cents per gallon for carload lots.

Stocks of both finished goods and raw materials are from moderate to light and are tending to increase. Manufacturers are operating at an average rate of nearly 80 per cent of capacity, which is about the same as it was during February.

Most of the orders now taken are for immediate delivery, there being but few for shipment beyond 30 days. The supply of both skilled and unskilled workmen is sufficient, and no wage changes were made during the month. Collections are but fair, and though they are the same as in February, they are not as satisfactory as they were a year ago.

The market for gas and electrical fixtures varies, some manufacturers reporting good sales and an equal number poor. Though the demand is better than it was a month ago, it is somewhat weaker than in March of last year. Most of the orders already taken are for delivery within 60 days, but a fair portion are for delivery at a later date. Quotations are generally firm at February levels. Some resistance to prices is offered in the cheaper grades of lighting fixtures, and in a few cases quotations have been shaded. Stocks of both finished goods and raw materials range from moderate to light and are stationary.

Manufacturers reporting in this district are operating at an average of approximately 60 per cent of capacity, which is close to the rate that prevailed a month ago. Unfilled orders will insure the maintenance of the present rate for from one week to two months, the average being about five weeks. The supply of skilled labor is scarce, but no shortage of unskilled workmen is reported. In one instance an increase of 10 per cent was granted in the wages of skilled operatives. Collections are from poor to fair

Glass

Paint

Gas and electric fixtures

and are slower than they were a year ago, but the same as at this time last month.

The call for pottery is good, and manufacturers say that it is not only better than it was a month ago, but considerably stronger than during the corresponding period of last year. As in several other branches of the building trade, manufacturers of sanitary pottery and other porcelain products are preparing for a good spring trade as building progresses.

Prices are firm and practically the same as they were at this time last month. In isolated cases, it is true, some shading of quotations has been in evidence, but this has been due to competition rather than to any weakness in the market. A few firms report that resistance to prices is being encountered in the market for imported English porcelain and various smaller wares, but in general prices are accepted without serious objection.

Stocks of finished goods are either stationary or decreasing and range from moderate to light. Supplies of raw materials are moderate and for the most part stationary. As is to be expected in this, the busiest season in the industry, many firms are operating at capacity, and the average rate of production in this district is approximately 88 per cent. Some factories are putting their output into stock, but in others, unfilled orders, most of which are for delivery within two months, are numerous. Orders now on hand will insure the maintenance of the present rate of production for an average period of three months. The supply of both skilled and unskilled labor is either sufficient or plentiful, and with one exception, in which the earnings of skilled operatives were reduced 10 per cent, no wage changes have been made during the past month.

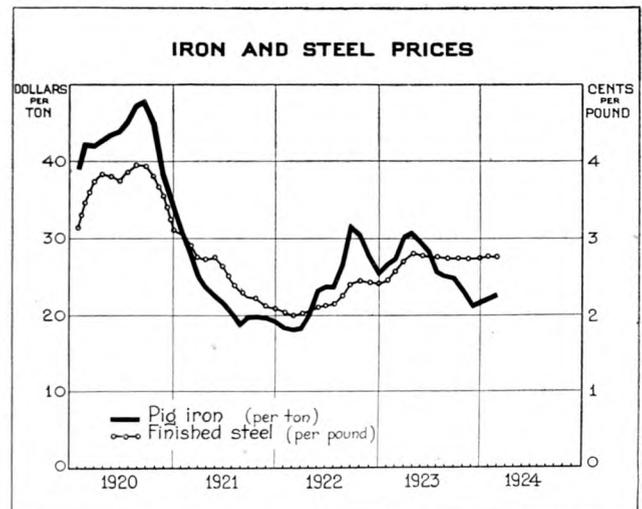
Collections are fairly good and are much the same as they were in February and at this time last year.

IRON AND STEEL

At the beginning of the year the mid-winter dulness in the iron and steel industry gave way to a marked increase in buying, which created a brisk activity throughout the market. Part of this was undoubtedly due to the low prices prevailing then, as it was commonly believed that prices had reached the lowest levels compatible with production costs and with standards of quality. The subsiding of the demand for pig iron and several steel products which has occurred in the past two weeks is difficult to explain, except by the theory that consumers have never wholly given up the belief that another reduction in prices is imminent. This, at least, according to several responsible sources is the most plausible reason. Not all iron and steel products have fallen off in demand. The call for light and heavy hardware is somewhat better than it was during February, and requests for machinery and tools, if no more

numerous, are at least as plentiful as they were a month ago. There has been an unmistakable decrease, however, in the call for iron bars, which all manufacturers reporting to us classify as poor. Oil supply companies, the railroads, and automotive interests have been taking fair quantities of iron and steel castings, but when the enormous requirements of these three industries are considered, the present demand cannot be characterized as more than fair. Orders for crude steel are not holding up to last month's levels, but this is attributed to the fact that consumers using this product as a raw material are allowing stocks to decrease. The call for plates and structural shapes is fair and is about the same as it was during the preceding month, with building contractors and oil companies taking most of the deliveries. Sales of scrap steel and pipe are smaller than they were during February, and the market for these is dull. Rails are moving slowly, but the demand for spikes, cars, engine equipment, and special track has improved, owing to the placing of several substantial contracts by railroad and traction companies. Miscellaneous articles, such as ball bearing clips, steel pens, fabricated steel strips, and steel shelving, are in fairly good request by a wide variety of consumers. Aside from a few orders placed for moderate tonnages, little activity in the pig iron market has been evident during the past month in this district.

Prices have felt the effect of the lessened demand, and not only have concessions been granted, but quotations themselves in several instances have been reduced.



After a steady decline since May, 1923, the composite price of pig iron turned upward in recent months; but that of finished steel has been fairly steady for nearly a year.

Source—Iron Age

In the second week of March the price of Philadelphia 2X pig iron declined from \$24.26 to \$24.13 per net ton. The *Iron Age's* composite prices of pig iron and finished steel both declined during the month, the former

9 cents and the latter .029 cents. According to statistics kept by this periodical, the composite price of finished steel is now as low as it has been at any time in the past twelve months. The chart on page 15 shows the trend of these composite prices of pig iron and finished steel by months since January, 1920.

On the basis of the annual rate at which the industry is now producing steel ingots, it is estimated that manufacturers are operating at over 91 per cent capacity, which compares favorably with the average rate of 87 per cent maintained during February. There were 3,780,663 tons of steel ingots produced in February, an increase of 219,275 tons over the total output during January. Pig iron production also advanced last month, the output totaling 3,074,757 tons, as compared with 3,018,890 tons during January, an increase of 55,867 tons. Notwithstanding the greater production, unfilled orders of the United States Steel Corporation continued to grow. At the end of February orders on their books aggregated 4,912,901 tons, representing an increase of 114,472 tons over the total on January 31.

The supply of both skilled and unskilled labor is in general sufficient, there being but few instances in which any scarcity is reported, and that in each case is in the ranks of skilled operatives. On February 15, there were 14,430 workers employed in 74 foundries and machine shops in this district, earning an average weekly wage of \$28.52. This represents an increase of 0.1 per cent over the number of workmen employed on January 15, and an increase of 3.5 per cent in the average wage during that period.

Collections are fairly good, but are not quite as satisfactory as they were at this time last month.

COAL

With the end of the winter approaching and with dealers showing a disinclination to carry more than moderate stocks over into the spring season, the demand for domestic anthracite has noticeably lessened. The call for steam sizes too is weaker than it was a month ago, though a few operators say that it shows signs of strengthening. Purchasers are thought to be waiting to learn whether or not a reduction in prices will be made on April 1.

Circular prices have changed little if any during the month, but in several instances individual companies have made reductions in the price of both domestic and steam grades. On March 17 Company stove and barley sizes were quoted at from \$8.90 to \$9.25 and at \$1.50, respectively, which were the same as those listed at this time last month.

All collieries reporting to us are operating at capacity, and production throughout the Third Federal Reserve District has been high. Though output for the entire country declined during the week in which Washington's

Birthday occurred, it recovered in the succeeding week and is now close to the level maintained in the industry a year ago. In the table below are presented figures showing the output in tons for each of the past five weeks and for the corresponding periods in 1923.

PRODUCTION OF ANTHRACITE*

Week ending	1924	1923
February 16.....	1,900,000 net tons	1,826,000 net tons
February 23.....	1,655,000 " "	1,838,000 " "
March 1.....	1,866,000 " "	2,104,000 " "
March 8.....	1,882,000 " "	2,049,000 " "
March 15.....	1,941,000 " "	2,057,000 " "

*Estimated by the Geological Survey.

Practically no shortage of either miners or miners' helpers was reported this month, and labor disturbances were negligible.

Until the new contract between the miners and operators was made at Jacksonville, Florida, the demand for bituminous was increasing, but with the uncertainty regarding future production at an end,

consumers relapsed into their former policy of cautious buying and at present the call is barely fair. Most of the contracts placed come from public utility sources, and very little business is being received from railroads and household consumers. Some activity is reported in the spot market, where prices are from 25 to 50 cents lower than contract prices. Though quotations have declined in several sections of the country, there has been no change in prices during the past month in this locality. One operator states that as his mine is now submitting quotations below the actual cost of production, a further reduction in prices is impossible.

Production declined in the week ending February 23 on account of the holiday, and since then the trend has been downward. Output so far this year, however, has been greater than it was in 1923, and over 100,000,000 tons more bituminous have been mined during the coal year ending March 15 than during the similar period of the preceding year. Output in tons for each of the last five weeks is given in the table below, together with the figures for each of the corresponding weeks in 1923.

PRODUCTION OF BITUMINOUS*

Week ending	1924	1923
February 16.....	11,139,000 net tons	10,431,000 net tons
February 23.....	10,367,000 " "	10,324,000 " "
March 1.....	10,705,000 " "	10,946,000 " "
March 8.....	9,617,000 " "	10,628,000 " "
March 15.....	9,640,000 " "	10,428,000 " "

*Estimated by the Geological Survey.

Some non-union mines are running on full time, but union companies are operating either three or four days a week, or at a rate not exceeding 65 per cent of capacity. There is an ample supply of both miners and miners' helpers in this locality.

Orders for coke are not as numerous as was expected a few weeks ago, but manufacturers believe that the

Coke

hope of lower prices has kept blast furnace interests out of the market, and that those who have not yet covered their second quarter requirements will shortly be compelled to do so. Spot prices of furnace coke have recently declined and now range from \$4.00 to \$4.25 per net ton at the ovens, and quotations on foundry grades declined 25 cents on March 17, to \$4.75 per net ton.

Production of beehive coke increased during the last week in February, and the output in the week ending March 8 was greater than in any week since last September. Since then, the weekly output, while not at as high a level, has been keeping pace with the consumers' needs. Figures are given below showing the output in tons for each of the past five weeks as well as for each corresponding week in 1923.

PRODUCTION OF BEEHIVE COKE*		
Week ending	1924	1923
February 16.....	293,000 net tons	378,000 net tons
February 23.....	277,000 " "	371,000 " "
March 1.....	319,000 " "	402,000 " "
March 8.....	326,000 " "	366,000 " "
March 15.....	307,000 " "	410,000 " "

*Estimated by the Geological Survey.

OIL

For some time past several oil producers' associations have directed their efforts toward educating the public to make increased use of the various products of Pennsylvania petroleum. That some

measure of success has attended their efforts is evident from the fact that the present demand for crude oil from Pennsylvania fields is stronger than it has been for several years. Another important factor stimulating demand is that some independent refiners have been willing to pay premiums of from 15 to 25 per cent in order to obtain this high-grade oil. Because of weather conditions, the call for gasoline during January and February was somewhat better than in the corresponding months last year, but of kerosene the reverse was true. The demand for lubricating, fuel, and gas oils and for wax is good, and sales this year have been greater than those of the same period last year.

Starting at \$3.00 per barrel, the price of Northern

Pennsylvania crude oil advanced several times during January, until it reached a high figure at \$4.50 per barrel on the 30th of that month. Since then it has remained firm and unchanged. In sections of this field other than those in which premiums are paid, quotations are about fifty cents below prices listed in the Northern section. Necessarily, various refined products have also advanced, particularly gasoline and lubricating and fuel oils. On March 22 the tank-wagon price of gasoline in Philadelphia was 20 cents per gallon, which was the same as it was a month ago.

Profiting by the experience gained last year, when overproduction adversely affected the market, producers of petroleum have been restricting their output ever since November. In January, production for the entire United States totaled 56,354,000 barrels, or 2,538,000 barrels less than the total for December. Production in the Pennsylvania field also declined, from 557,000 to 541,000 barrels. The table below shows the monthly output of petroleum in the entire country since November, 1923. For comparative purposes, figures for the corresponding months of the preceding year are also given.

PRODUCTION OF PETROLEUM**		
Month	1923-1924	1922-1923
November.....	64,829,000 bbls.*	47,531,000 bbls.
December.....	58,892,000 "	50,137,000 "
January.....	56,354,000 "	51,467,000 "
February.....	55,027,000 "	48,413,000 "

*Barrels of 42 United States gallons.
**Estimated by the Geological Survey.

Stocks in the hands of producers are heavy and are increasing, but refiners state that, except in the case of gasoline, their supplies are comparatively light. Neither of these conditions is especially noteworthy, as supplies of crude oil will diminish as the curtailment of production makes itself felt, and stocks of gasoline are normally large at this time and will continue to increase until the beginning of heavy consumption in the spring.

Operations are at close to capacity, and the supply of labor is adequate. Collections may be classified as good, and compare favorably with those of a year ago.

CHEMICALS

Business in chemicals has been affected by dulness in some of the chief consuming industries and by keen competition among producers. Although manufacturers of paper and glass are reported to have purchased chemicals in fair quantities, demand from the textile and leather industries has been unsatisfactory. In fact, some makers of chemicals largely attribute the decrease in sales since March 1 to the poor demand from the

leather trade. At any rate, few industries are as active as they were at this time last year, and this is reflected in smaller sales of chemicals. Spot demand has been quiet, and though some firms find that withdrawals on contract have been fairly satisfactory, others state that they are below expectations.

Moreover, rivalry for business in nearly all chemicals is keen, and but few plants have been able to run at capacity. Recently, competition has been particularly noticeable in alkalis and in bleach and chlorine, with the result that quotations on these products reached relatively low levels. But as competition subsequently lessened, among both manufacturers and dealers, prices advanced. Conditions in the wood chemical business also are extremely competitive, and producers report that methanol, acetate of lime, charcoal, and wood alcohol are in poor request. Fertilizers are selling but slowly at relatively low prices. Owing to the activity of the paint and linoleum trades, however, the call for pigments, such as lithopone, has continued exceptionally good. Demand for dyestuffs and intermediates is fair. Dealers in fine chemicals report that prior to February 15 business was excellent, but that since that date sales have decreased. Retailers are making moderate purchases of pharmaceuticals, mainly for current needs.

The trend of prices is irregular, but quotations in general are weak and the tendency is downward. In this district but few plants reporting to this bank are running at capacity, and the majority are operating only from one-half to three-quarters of their equipment. The supply of labor is for the most part adequate, though makers of wood chemicals report a scarcity of wood cutters. Many producers state that stocks of finished goods are moderate and stationary, but a few indicate that they are heavy. As a rule, raw materials are easily obtained.

Several firms have had difficulty with collections, but on the whole they are fair.

COTTON

The continuing dulness in the cotton goods markets has more than offset other considerations which might otherwise have had a bullish effect on the price of raw cotton, and quotations for the staple, though fluctuating less than they did a month ago, are lower than they were at that time. The price of spot cotton at New York, which on February 23 stood at 29.90, fell to 28.15 on March 7, but since that date has rallied somewhat and on March 22 was 28.85. During this period another feature affecting the market adversely has been the almost daily advices of further curtailment in production both in northern and southern mills, which, the trade expects, will be reflected in next month's consumption figures.

On the other hand, exports during the past month

have increased their gain over the figures of the previous year, and domestic consumption in February—507,876 bales of lint and 41,698 bales of linters—though smaller than those for February, 1923, were larger than many anticipated. Moreover, news of the new crop, though meagre, was not reassuring. Reports of lateness in planting, caused by cold or rainy weather, indicate that the start is from 10 days to 3 weeks late in different parts of the cotton belt, and reliable figures on the acreage of course cannot yet be had.

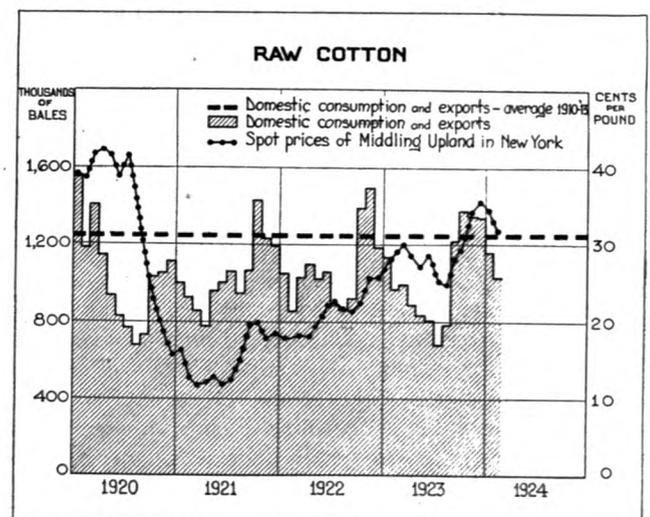
The following table compares the last crop with that of the two previous years.

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 March 21.....	10,045,194	9,991,746	8,581,832
Total.....	10,915,162	11,959,905	12,694,483
Visible supply, American, on March 21.....	2,467,963	2,468,370	3,727,848
World's takings of American to March 21.....	8,447,199	9,491,535	8,966,635

*Figures compiled by the New York Cotton Exchange.

That the use of American cotton during the past four years has been much smaller than it was in the four years immediately preceding the war is plainly indicated in the accompanying chart. In this connec-



In only eight months of the past four years has the consumption and exports of American cotton exceeded the monthly average for the years 1910-1913.

Source—Department of Commerce

tion it must be remembered that in the pre-war years the price of cotton was much lower than in the more recent years.

Lower prices have been named on many lines of finished fabrics during the past month. Reductions were made by the majority of producers reporting to this bank, and in a number of instances amounted to 10 per cent. Weakness in raw cotton was largely responsible for concessions on finished goods, but other factors were unsatisfactory demand and strong resistance to prices on the part of buyers.

These lower prices, however, do not appear to have stimulated demand for cotton goods as yet, and with a few exceptions producers state that business is but fair or poor. In fact, many manufacturers report a decrease in sales as compared with last month's. Caution is the outstanding characteristic, and the instability of prices for raw cotton is believed to be one of the principal reasons for this conservatism. Buyers show little inclination to order ahead and are confining their purchases mainly to current needs. As a result, a large majority of the business on the books of producers is for delivery within the next sixty days.

In contrast, however, with the slow movement of most cotton fabrics, a few products are selling actively. Makers of surgical elastic goods indicate that demand is good, and one producer states that sales are 40 per cent greater than they were during the first quarter of 1923. The call for crinkled bedspreads containing a large amount of artificial silk is reported to be excellent. Plush continues in good request, and one manufacturer in this district is running two shifts. On the other hand, the call for tapestry is rather dull, since demand still favors plush as a covering for furniture. Some makers of tapestry have noted keen competition with imported goods. Business in hair cloth is quiet, and demand for tapes and narrow fabrics is but fair.

There has been a marked curtailment of operation in mills making cotton goods in this district. The number of unfilled orders is smaller than it was last month, and at the present rate of production orders on hand will in few cases insure operations for more than two months. Although some of the larger producers are running most of their equipment, the majority of manufacturers are operating at from 50 to 75 per cent of capacity. As a rule, this curtailment has prevented the accumulation of finished goods, stocks of which are reported to be moderate. In some instances, however, production has exceeded sales, and stocks are increasing. Supplies of raw material are of medium size. In consequence of reduced operations many textile workers have been "laid off," with the result that the supply of labor is either sufficient or plentiful.

Collections are fairly good.

WOOL

Domestic markets for wool are at present influenced strongly by the world-wide scarcity of raw wool and dullness at the mills. Figures of the Department of Commerce indicate that the total world production of raw wool during 1923 not only fell below that of the preceding year, but also was 18.7 per cent less than the 1909-1913 average. The sharp decline in the Australian clip is noteworthy. On the other hand, demand for wool from foreign countries has been unusually active, and prices abroad have advanced steadily, with the result that they are relatively much higher than quotations in the United States. In consequence, imports of wool are comparatively small, though they have shown a seasonal increase since last November, as the accompanying figures indicate. In this connection it must be remembered that more than half of the wool consumed in this country comes from abroad, and the selling season there is drawing to a close. Domestic production of raw wool has not changed substantially in the last 40 years, but owing to the rapid growth of the woolen and worsted goods industry, imports have more than trebled since 1900. This is illustrated in the chart on page 20.

Owing to small imports, stocks of wool in the United States were depleted, and the improved demand late in 1923 and early in 1924 was followed by strengthening prices in domestic markets. Dun's average of 98 quotations on raw wool increased from 74.28 on November 9 to 82.46 on February 8, and on March 21 was 82.47. Spinners found it difficult to obtain higher prices for

IMPORTS OF RAW WOOL INTO THE UNITED STATES* In pounds

Month	1924	1923	1922	1921
January....	30,785,931	56,312,747	22,151,546	21,169,480
February...	39,289,430	57,110,596	27,834,187	42,885,968
March.....		63,706,051	43,808,872	98,103,098
April.....		77,047,391	38,988,214	65,402,831
May.....		47,172,652	32,955,949	14,744,598
June.....		30,129,497	16,940,447	5,951,755
July.....		13,422,377	33,590,515	9,396,864
August....		10,288,536	34,472,469	15,866,744
September..		7,882,870	27,891,522	14,592,459
October....		9,566,009	25,260,513	9,085,706
November..		9,814,637	26,961,700	10,946,395
December..		11,797,032	45,817,004	12,519,853
Total....		394,250,395	376,795,485	320,665,751

*Department of Commerce.

yarn from manufacturers of piece goods, and the latter in turn met with the resistance to their quotations on finished fabrics. Because of present unsatisfactory demand for many kinds of yarns and goods and the uncertainty of future business, mills are covering only

their current requirements of raw wool. Moreover, little speculation in raw wool among dealers is evident. In the West, however, some contracting for raw wool on the sheep's back is reported. Notwithstanding the slow movement of raw wool to mills, prices remain firm because of limited domestic supplies and the continued strength of foreign markets. Collections are satisfactory.

a number of carpet manufacturers have not taken the specified amount of yarns on existing contracts.

Notwithstanding the dull demand, many spinners in this district are running most of their equipment, but it is reported that unless business increases in the near future, they must either curtail production or accumulate stocks. Some mills are already operating on reduced schedules. Stocks of yarns in the hands of producers are as a rule moderate, but a few spinners report that supplies of carpet yarns are heavy and are increasing. Labor is plentiful.

Spinners complain that prices obtainable for yarns are unsatisfactory. Since last November raw wool has advanced about 11 per cent, and during the past few weeks has remained firm, mainly because of limited domestic supplies and strong foreign markets. But for the most part spinners have been unable to secure proportionate increases for yarns. Although some concessions are reported, quotations on yarn show little change from those of a month ago.

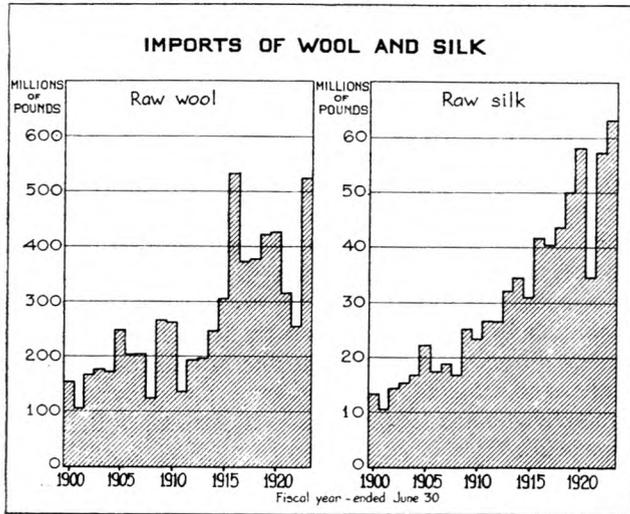
Collections range from fair to good.

Conditions in the market for woolen and worsted piece-goods continue to be unsettled; some firms are

enjoying good business, while others find that demand is dull.

Woolen and worsted goods As a rule, fancy dress goods for spring have sold fairly well, orders being mainly for prompt shipment. During recent months demand has been extremely variable, and business in dress goods has thus been complicated, but at present, buyers favor alpaca crêpes and twills with hair-line stripes. For the most part, men's fabrics have not sold as actively as women's, and some mills indicate that business is very quiet. In fact, a few have devoted some of their looms to the making of dress goods. On the other hand, certain manufacturers of men's wear report a fair request for light-weight fabrics to be delivered promptly. Makers of fancy woolen cassimeres indicate that demand is good. During the past month producers have noticed a decrease in sales of men's wear and dress goods for spring, which is partly to be expected since the light-weight season in piece goods is drawing to a close.

Fall lines of woolen and worsted fabrics have been opened by most makers of men's wear and by many manufacturers of dress goods. Some of the latter, however, have deferred the showing of their lines. Like the largest producer, independent manufacturers have named prices lower than those on spring goods and approximating those of a year ago. Producers have not only named attractive prices but included many new fabrics in the new lines, and fancy goods are again prominent in women's wear. But in general buyers have been very conservative in making commitments, especially on goods for men's wear, and orders are coming in but slowly. Some producers find that medium priced suitings have sold best, while others state that



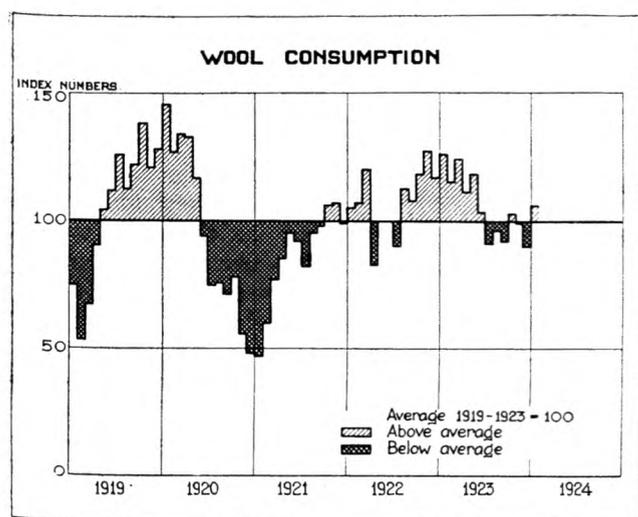
The relatively greater increase in the imports of raw silk since 1900 indicates a more rapid growth in silk manufacture than in wool manufacture, as domestic raw wool production has remained practically stationary for forty years.

Source—Department of Commerce

Cautiousness, inspired by lack of confidence in the future, has led the weaving and knitting trades to restrict their orders mainly to the small amounts necessary for current requirements. This is not surprising in view of the strong opposition to prices and the slow response of buyers to offerings of goods for future delivery. Although many weavers have opened heavy-weight lines, orders are coming in but slowly, and producers have little knowledge of the amount or kind of yarn that will be needed for fall goods. Consequently, few weavers are covering other than their immediate requirements of yarn. This is likewise true of the knitting trade. The present situation is in decided contrast with that of a year ago, when considerable business for future delivery had been taken by spinners. Some trades are buying more than others, thus reflecting conditions in the market for finished goods. For example, makers of dress goods have enjoyed a fair business in fancy goods for spring and have purchased yarns more actively than manufacturers of men's wear, who, as a rule, have received comparatively few duplicate orders. Spinners of woolen carpet yarns report that demand is quiet. Sales have slackened considerably during the past two months, and

they have received an equal number of orders for all grades.

Operations in mills in this district vary. Many plants are running on full time, but some are operating at only from 50 to 75 per cent of capacity. A few mills making men's wear are running only a small percentage of their equipment. Operations in the country as a whole during the past five years are reflected in the accompanying chart, showing the ratio between the actual consumption of wool each month and the average monthly consumption during the period from 1919 to 1923 inclusive. Operations were above the average during the latter part of 1919 and the first part of 1920, and during similar periods of 1922 and 1923. In the past several months the ratio has been below the average, but since the first of the year it has again risen above.



During the greater part of the past two years, consumption of wool has been above the average, but since last June curtailment of operations by mills has caused the amount consumed to fall below the average in several months.

Source—Department of Commerce

Although some firms report that stocks of finished goods are heavy, the majority state that they are either moderate or light. At present, stocks are tending to decrease because of shipments of spring merchandise. Supplies of raw materials are moderately light. Labor is either sufficient or plentiful. As compared with those of last month, prices on piece goods for spring are as a rule unchanged. Fabrics in best demand have commanded prices relatively higher than goods for which there is little demand. Considerable opposition to quotations is reported, especially on fine worsteds for men's wear and on staple goods.

Collections are fairly good, and according to producers, this indicates that conditions are financially sound, though buyers are cautious, especially as regards future commitments.

SILK

Demand for raw silk in the domestic market is quiet. Perhaps the most important factor responsible for this

Raw silk

dulness has been the slow movement of finished goods. This has caused producers to lose confidence in the future, with the result that they have purchased raw silk in limited amounts mainly for current use only. On the other hand, supplies of raw silk have accumulated in domestic warehouses, since, for several months prior to February, imports exceeded deliveries to mills. This is indicated by figures of the Silk Association of America, given on page 22. During February, however, this situation was reversed, with the result that stocks decreased somewhat. But they are still relatively heavy. Instability in quotations on raw silk at Yokohama and fluctuations in yen exchange have also tended to make buyers conservative.

As a result of the above factors, prices on raw silk have weakened. Kansai double extra cracks fell from \$8.20-\$8.25 on January 5 to \$6.70-\$6.75 on March 15, the lowest price since April, 1922. Lower prices, however, have not stimulated demand appreciably. In fact weakness has made many producers of finished goods more cautious, since they have been forced to grant concessions to their customers. But recently an improved sentiment has been noticeable in the domestic market for raw silk and quotations have strengthened somewhat.

According to the *Textile World*, demand for artificial silk is only fair. Sharp reductions in prices during February have apparently made buyers cautious, since it is reported that their future commitments are smaller. Quotations on artificial silk now range from \$1.45 to \$3.40 per pound, in contrast with from \$6.65 to \$7.05 per pound for Japan raw silk. The rapid growth in the use of artificial silk in this country during the past decade is reflected in the chart on page 22. During 1913 domestic production and imports of artificial silk yarns, threads and filaments were only about 13.8 per cent as large as imports of raw silk, but during 1923 they were almost 80.0 per cent as great, mainly because of the sharp increase in domestic production. The use of raw silk has also grown rapidly, as is indicated by the chart on page 20. During the fiscal year ending June 30, 1923, imports were almost five times greater than they were in 1900.

With few exceptions, consumers of thrown silk have continued their policy of purchasing only for immediate requirements, and as a result business in thrown silk is quiet and unsatisfactory. Some throw-

Thrown silk

sters indicate that demand is fairly good, but the majority find it poor. Fluctuations in raw silk and consequent changes in prices of thrown silk, in addition to the slow movement of silk goods, have made buyers cautious.

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	25,632	33,759	19,950	40,226	44,615	28,982	29,804	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	61,996	350,202	391,990				62,729	358,417	367,620
Monthly average	30,998	29,184	32,666	42,312	33,367	32,350	31,365	29,868	30,635

*Silk Association of America.

Most of the orders on the books of throwsters are for delivery within the next thirty days, and at the present rate of production unfilled orders will last only a few weeks. Operations in this district vary considerably; some firms are running at as little as 15 or 20 per cent of capacity, a few at more than 75 per cent, and the majority at about 50 per cent. But notwithstanding curtailment, some scarcity of experienced help is still reported. Throwsters apparently have as little confidence in the future as their customers, since they are reducing stocks of finished goods and raw materials, both of which are light.

thrown silk have been granted during the past month. Collections show little change since last month and range from fair to good.

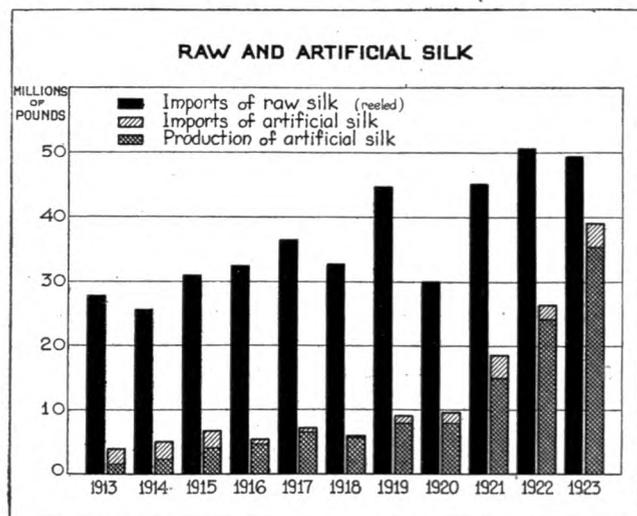
Like most other textiles, silk fabrics are as a rule moving but slowly. Some manufacturers have enjoyed

Silk goods

a fair or good request for their products, but the majority indicate that demand is poor and that sales are smaller than they were last month. One producer reports a satisfactory volume of business during the first two months of 1924, but since the end of February his sales have steadily decreased. Both buyers and sellers appear to lack confidence in the future, which is not remarkable in view of weakness in raw silk and strong opposition to quotations on finished goods. Buyers are confining their purchases mainly to current requirements, and producers have but few orders for delivery after the next sixty days. Neither retailers, jobbers, nor cutters-up are buying actively, though it is reported that business with retailers has been best. Demand continues to favor crêpes, and for spring, goods with fancy effects seem to be more popular than staples. Fancy plaid goods have sold well. Ribbons, materials for the millinery trade, and linings for coats and suits are reported to be sluggish.

Probably one of the principal reasons for caution on the part of buyers has been the fact that prices for raw silk have steadily declined. This has led buyers to request concessions on silk goods and to offer strong resistance to quotations, especially on staples and pieced-dyed fabrics. In consequence, most producers have made reductions ranging from 5 to 10 per cent during the past month.

But concessions do not appear to have stimulated trade, and a number of manufacturers have reduced operations. Curtailment, however, has not been general, since most mills are running at about the same rate as last month and a few have increased operations.



During 1913 domestic production and imports of artificial silk were only 13.8 per cent as large as imports of raw silk, but by 1923 this percentage had risen to 79.6, mainly because of the sharp increase in domestic production of artificial silk.

Sources—Silk Worm, Textile World, Department of Commerce

Competition for business is keen. Largely because of lower quotations on raw silk, some concessions on

The majority of plants in this district are utilizing from 50 to 80 per cent of their equipment, though some are operating at or near to capacity. At the present rate of production unfilled orders will insure operations in many plants for about one or two months, but in some instances orders on hand will keep the plant running only two or three weeks, and a few mills are either closed down or are operating for stock. In most cases, however, stocks of finished goods are tending to decrease, though they are still fairly heavy. Manufacturers are keeping supplies of raw materials moderately light, mainly because of declining prices and uncertain trade in finished goods. Labor is in sufficient supply, and for the most part wages have remained unchanged for some time. Collections are fair.

HOSIERY

Conditions throughout the hosiery trade continue to be of such a mixed character that it is impossible to describe the business as either good, fair, or poor. Although the great majority of our reports state that, as compared with the previous month, trade is either unchanged or poor, a fair number of mills are working at

capacity. Indeed, some are working overtime and have sufficient orders on hand to keep them busy for from 60 to 90 days. Beyond that time, however, comparatively few contracts have been closed, and sales for fall are much smaller than they have been at this season in the past two years. This is largely because only a few mills have booked orders for woolen hosiery for either men or women.

Novelties are in many instances selling better than staples, as is evident from reports by manufacturers of children's hosiery, in which line fancy-topped ribbed hosiery is the present leader. For women, silk hosiery, especially in chiffon and light weights, is in better request than are the usual weights; and light colors, such as nude and peach, are selling more readily than the staple black. Full-fashioned mills as a rule are busier than seamless mills, but orders for women's seamless hosiery of silk and fibre mixtures have been of good volume. Low-end hosiery has been dull, partly owing to the unsettlement induced by the declining prices of cotton yarns, and some mills are reported to have named very low prices for hosiery in order to attract business.

Prices for pure silk full-fashioned hosiery for women

HOSIERY INDUSTRY* Third Federal Reserve District

January, 1924	TOTAL	QUANTITY (DOZEN PAIRS)						
		MEN'S		WOMEN'S		Boys' and Misses' (all styles)	Childrens' and Infants' (all styles)	Athletic and Sport (all styles)
		Full fashioned	Seamless	Full fashioned	Seamless			
Production	1,053,707	52,611	360,133	249,296	230,461	34,207	116,338	10,661
Orders and stocks:								
Shipments during the month.....	907,247	53,324	283,488	214,545	166,313	31,278	150,376	7,923
Finished product on hand at end of month.....	1,786,653	35,933	459,664	465,026	307,425	83,214	415,438	19,953
Orders booked during the month.....	845,240	50,018	284,600	253,832	158,147	23,384	69,154	6,105
Cancellations received during the month.....	36,082	1,201	16,114	3,029	13,542	286	1,910
Unfilled orders on hand at end of month.....	2,420,168	74,873	616,685	840,434	369,030	34,320	474,086	10,740
February, 1924	TOTAL	QUANTITY (DOZEN PAIRS)						
		MEN'S		WOMEN'S		Boys' and Misses' (all styles)	Childrens' and Infants' (all styles)	Athletic and Sport (all styles)
		Full fashioned	Seamless	Full fashioned	Seamless			
Production	984,873	51,929	332,466	255,121	204,432	27,468	108,717	4,740
Orders and stocks:								
Shipments during the month.....	963,393	35,787	284,665	255,850	199,805	33,059	150,334	3,893
Finished product on hand at end of month.....	1,785,266	44,832	481,842	491,089	304,285	77,720	365,991	19,507
Orders booked during the month.....	757,484	32,502	240,979	227,443	164,744	22,025	65,233	4,558
Cancellations received during the month.....	43,463	877	26,065	3,696	7,125	352	5,348
Unfilled orders on hand at end of month.....	2,149,654	73,244	554,911	792,191	318,537	25,141	374,925	10,705

*Preliminary report prepared by Bureau of the Census.

have been fairly steady, but new numbers in lighter weights have been placed on the market by some manufacturers at prices below their regular grades. Lower quotations have also been named for all hosiery made either in whole or in part of fibre.

Production in general has changed but little. More firms, however, report that their output in March has increased than that it has decreased, as compared with the figures for the previous month. Reports to the Bureau of the Census by 148 identical mills in the Third Federal Reserve District are summarized in the tables on page 23. It will be noted that production in February was 6.5 per cent less than it was in January.

Operations during December and January by 330 identical mills situated throughout the United States, reporting to the Bureau of the Census are shown in the accompanying table.

HOSIERY INDUSTRY IN THE UNITED STATES

	December, 1923	January, 1924
Full-fashioned, men	69,228	83,172
Seamless, men	1,645,061	1,964,345
Full-fashioned, women	477,824	532,967
Seamless, women	999,259	1,191,778
Boys' and misses', all styles	513,342	595,604
Children's and infants', all styles	377,474	435,631
Athletic and sport, all styles	23,624	24,398
Total production	4,105,812	4,827,895
Total shipments during month	4,082,882	4,221,003
Total finished product on hand, end of month	7,540,163	8,601,026
Total orders booked during month	3,730,405	3,849,719
Total cancellations received during month	260,797	192,914
Total unfilled orders on hand end of month	9,619,470	9,435,031

Moderate or light stocks are reported by the great majority of the mills with which this bank is in communication, and about half the reports state that stocks have decreased during the past month. Collections are fairly good; that is, the same as they have been in recent months.

UNDERWEAR

With few exceptions makers of underwear report that business is poor, and the majority find that sales are smaller than they were last month. Weakness in raw cotton has apparently increased the conservatism of buyers, especially as regards future commitments, and as a result demand for heavy-weight underwear has been especially quiet. Jobbers hesitate to place orders for underwear at quotations that are considerably higher than those of a year ago, while many other finished cotton goods are selling for about the same as or less than last year's prices. Moreover, retailers have not purchased spring underwear freely from jobbers, who, in consequence, are placing but few duplicate orders with

producers. Not only is new business limited, but in one or two instances cancellations and requests to postpone shipments have been received, particularly from the Northwest. Few lines of underwear are selling actively, but the call for men's and children's underwear is better than that for women's.

Although some producers have booked a fair number of orders for shipment after the next three months, the bulk of the business is for delivery within the next 60 days. As compared with last month, unfilled orders show a decided decrease, and in many instances orders on hand will insure operations for not more than one or two months. A few producers, however, have received sufficient business to keep their plant busy until August or September. Operations vary considerably, but many plants are running at only 60 per cent of capacity, and the average for this district is only about 70 per cent. Curtailment has evidently prevented the accumulation of finished goods, since stocks are reported to be fairly light and are tending to decrease. Supplies of raw materials are also moderately light. As a rule, the supply of labor is adequate, and wages are unchanged.

The sharp decline in quotations on raw cotton and cotton yarns during recent months has disturbed the market for underwear. Buyers have offered strong resistance to prices and have hesitated to order for the future at existing quotations. These factors, coupled with the slow movement of spring goods, have rendered prices for underwear weak, and a number of manufacturers have made reductions during the past month. It is reported, however, that these concessions were mainly on spring underwear, and for the most part quotations remain unchanged.

Collections are in a few instances good, but in the majority of cases they are only fair.

FLOOR COVERINGS

Sales of carpets and rugs, though not large, had increased somewhat during the first three weeks of February, and greater activity was noted in the mills in this district. Our survey of employment and wages in this industry shows that during the week ending February 15 the number of wage earners in 14 reporting establishments increased 3.6 per cent as compared with that of the corresponding week of January. The total weekly payroll was 11.2 per cent larger, and average weekly earnings were 7.3 per cent higher, indicating a heavier production schedule. It had become generally understood that most carpet manufacturers had agreed to return to the custom of several years ago and hold their openings in May instead of April, and this was considered to be a constructive move by all elements in the trade.

Then came the announcement of an auction sale beginning March 3 to be held by Alexander Smith & Sons Carpet Company, the largest producers of carpets and rugs in this country, who stated that they would offer

87,000 bales of Axminster, velvet, and tapestry rugs, and 3,000 rolls of carpets of the same qualities. It was further stated that this offering represented present stocks and production, and would all be shipped during March. As usual, the auction sale was largely attended, and the merchandise was disposed of for a total of over \$5,400,000. The prices obtained, however, were considerably lower than those at the October auction, and Axminsters especially were sold at heavy reductions. After the sale the same firm issued price lists for goods for shipment before May. These quotations, while lower than former list prices for rugs, were above the figures of the auction sale. For carpets quotations were the same as in October. It is not known whether in May this company will sell at fixed prices or hold another auction.

As a consequence of the sale, several of the other large manufacturers have made reductions in their list prices, the cut being about 10 per cent on Axminsters and 7 per cent on velvets and some tapestries. No reductions have been announced by any makers of Wiltons, and many of the local manufacturers, stating that wages and the cost of materials are higher now than they were when present lists were issued, have declined to lower quotations on any of the other weaves. Some manufacturers are not optimistic regarding business during the next few weeks, although they believe that retailers are, as a rule, facing the active spring selling season with reduced stocks. During March, therefore, production has been curtailed by certain makers, especially by those whose prices remain unchanged, but others are operating their plants on former schedules. Quotations for carpet wools have been advancing, and carpet and rug manufacturers feel that on the course of wool prices next season's values will largely depend.

Linoleum and felt-base floor coverings continue to be in good demand, but as is usual during the winter, shipments by some firms are not as large as production, and therefore small stocks are available for the spring selling season, always one of the largest of the year. Some lines, however, are sold up for the season, which ends May 1, and have been withdrawn from the market. Sales have shown a gain over the corresponding months of 1923, and production, especially of felt-base goods, has increased considerably. Prices are unchanged, and raw materials also are steady. Collections in all branches of the floor-covering industry are in most cases satisfactory.

LEATHER

The hide market, which up to about the middle of February had been strong and advancing, suddenly became dull. No trading in Chicago packer hides was reported during the last two weeks of February, and at the same time the Argentine market weakened considerably. Then in the first week of

March the packers began to sell, and though their sales were not large, prices declined $2\frac{1}{2}$ cents per pound for several selections, a loss about equal to the entire gain made between the middle of January and the middle of February. During the second and third weeks of March a further decline of one cent for butt branded steers occurred, and tanners are now bidding low for other selections; but packers have declined to meet these prices, and little business has been done.

Packer calf skins, largely because of foreign demand, advanced a further one cent per pound to $22\frac{1}{2}$ cents after hides became sluggish, but the domestic buyers showed little interest, and tanners asked 23 cents. After a short period of dulness, however, packers sold some small lots for export at 22 cents, and Chicago city skins weakened considerably and were reported sold at a reduction of two cents. Goat skins of some descriptions have been in good request. China skins, many of which are especially suitable for the manufacture of colored kid, are said to have been disposed of in large quantities and at advancing prices. Some fair-sized transactions in India skins have also been closed, and skins which are cheap enough to make into lining leather for shoes have also been in demand. But, as a general rule, tanners are chary of buying raw stock for shipment, and the largest sales are of merchandise already arrived in this country. Even as early as the end of January this spot demand for skins was strong, as is indicated by the report of the Department of Commerce that during January stocks in this country were reduced 10.3 per cent to 8,903,835 skins, the lowest figure given since May, 1923. Stocks of all other raw hides and skins also declined, as follows: cattle hides, 2.9 per cent; sheep and lamb skins, 14.2 per cent; and calf and kip skins, 12.5 per cent. Stocks of all these were lower than at any time since statistics were first collected in 1920.

During March the demand for nearly all leathers has slackened, and the improvement of January and February has not been maintained. This dulness may, however, be seasonal, as shoe manufacturers have covered their requirements until Easter and have little business booked beyond that time. The increased call

Leather

LEATHER

January, 1924 compared with December, 1923	Production during month	Stocks at end of month
Backs, bends and sides	+ 6.0%	- 4.0%
Belting butts	+ 2.2 "	- 1.8 "
Offal, sole and belting	+ 3.2 "	- .3 "
Cattle side, upper	+ 15.1 "	+ 1.6 "
Calf and kip	+ .7 "	- .2 "
Goat and kid	} - .5 " {	+ 1.5 "
Cabretta		- 2.4 "

for leather in January is indicated in the accompanying table made from the report of the Department of Commerce, which shows that although production of nearly all leather increased during January, stocks at the end of the month were in most classes lower than at the beginning.

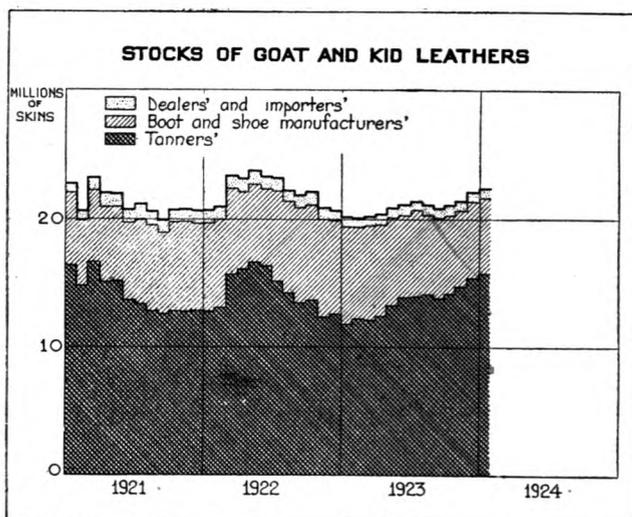
In most heavy leathers, too, the tanners, though still carrying the bulk of the finished leather, own a somewhat lessened proportion of it than they did in September, since which time the ratio has slowly decreased. The accompanying table shows this change.

PROPORTION OF FINISHED LEATHER HELD BY TANNERS

	September 30 1923	January 31 1924
	Per cent	Per cent
Chrome sole.....	79.2	65.4
Oak, union and hemlock sole.....	90.7	90.7
Belting butts.....	88.0	86.6
Offal.....	69.5	66.7

In upper leathers, however, tanners continue to hold a large proportion of the finished stocks, and this percentage has not decreased.

Stocks of kid have not only increased, but as is indicated in the accompanying chart, the proportion of it held by tanners has grown steadily during the past year.



Total stocks of kid leather at the end of 1923 were larger than at the end of either 1921 or 1922. Of this increased supply, tanners held a larger proportion and boot and shoe manufacturers a smaller proportion at the close of 1923 than in either of the previous years.

Source—Department of Commerce

Quotations for leather have ceased to advance but in most cases are fairly well maintained. Concessions in

price have been offered by kid tanners to move accumulations of black kid, but in many instances their efforts have failed, as buyers' prices are set very low. An increased call is noted for colored kid, and white kid, too, is selling well. Grain calf leather has held its advance in price, and in men's weights light tan and black, and in women's weights a medium tan and black, are called for; but the request for suedes is decreasing. In colors, grain calf is wanted, especially for children's shoes. Patent leather maintains its popularity, and sales, though not as large as they were a month ago, are fair.

Harness and saddlery leather is in fair demand, but prices are reported as either weak or lower. Stocks are from moderate to heavy, and orders are for small lots for quick shipment.

Leather belting has been selling in considerable volume, and sales, as reported to the Leather Belting Exchange, are running at an average of about 100,000 pounds weekly. But manufacturers report that buyers are resisting present prices, which, though some instances of price cutting are reported, have not changed during the past two months. Manufacturers of leather goods report variously. Some state that business is poor and that at present there is overproduction, others that the demand is fair, and still others that business is good and that they have a considerable number of orders booked for delivery next autumn as well as a good volume for early shipment. The demand appears to be best for specialties, which probably accounts for the great variations recorded above. Manufacturers of trunks and standard luggage, however, report that sales are keeping up with those of a year ago, when business was considered to be good. Prices of luggage are on an average slightly lower than they were a year ago, and in a majority of cases plants are running at capacity.

Reductions in wages in kid factories, which were noted last month, have become more general, and in a number of plants in Philadelphia wages have been reduced, the average cut being about 10 per cent. In the Camden and Wilmington tanneries, however, wages are unchanged, as no advances were made in those cities last spring, and thus the reduction in the Philadelphia plants puts wages on the same level in all these places. Although in general collections are said to be good, some tanners report a considerable decline in payments during March.

Shoe manufacturers in this district have in most cases almost caught up with their orders, and in many factories the cutting rooms have had to slow down because of lack of work. This is, of course, between seasons, but repeat orders for the early spring trade have been disappointingly small, and as yet neither wholesalers nor retailers are disposed to buy, except in a small way to meet their May and June requirements.

Prices are in nearly all cases unchanged. A few makers report slight reductions for some lines, and other manufacturers have made a small increase in the quotations for calf leather shoes; but these changes have had no effect in stimulating business. For women's shoes, suede leathers, while still ordered, are losing ground; but patent leather and satin are in request, and grain calf is in increasing call. White leather, too, promises to be a leader later in the season.

Production of shoes in the United States in January amounted to 26,397,808 pairs. This total was larger than that of December, when 22,676,436 pairs were made, but less than the output of 30,743,740 pairs in January, 1923. In the Third Federal Reserve District 110 identical factories showed a decrease of 4.2 per cent in the number of shoes made in February as compared with those turned out in January.

BOOT AND SHOE INDUSTRY* Third Federal Reserve District

Production	Number of pairs	
	February 1924	January, 1924
Boots and shoes, total.....	1,720,102	1,795,755
High and low cut (leather), total.....	1,607,702	1,680,166
Men's.....	131,927	126,819
Boys' and youths'.....	138,448	168,442
Women's.....	261,531	238,522
Misses' and children's.....	605,565	636,381
Infants'.....	470,231	510,002
All other leather or part-leather foot- wear ¹	112,400	115,589

*Preliminary report compiled by the Bureau of the Census.

¹ Includes athletic and sporting shoes (leather), shoes with canvas, satin, and other fabric uppers, slippers for housewear, and all other leather or part-leather footwear.

Skilled labor is reported to be scarce in some localities, and a few increases in the wages paid to both skilled and unskilled workers are noted. Collections are in the main fair, but a goodly number of firms state that they are slower than they were a year ago.

At wholesale, sales during February were larger than in either January or in February, 1923, as is shown in the table on page 9. But few orders have been booked for shipment later than April 15.

At retail, sales during February fell off 14.5 per cent from those of January but were 15.0 per cent larger than in February, 1923. Business during March is described as only fair and may not reach the total of last year, when the pre-Easter season fell in March. For women, pumps of suede in black, airedale, and gray, of patent leather and black satin, all with strap effects, are the best sellers. And for men, oxfords in tan and in black are wanted. Stocks show but little change from those of a year ago.

RETAIL SHOE TRADE Third Federal Reserve District

1. NET SALES (in terms of dollars):

(a) February, 1924, as compared with Jan. 1924	— 14.5%
(b) February, 1924, as compared with February, 1923	+ 15.0%

2. STOCKS (selling price):

(a) February, 1924, as compared with Jan. 1924	+ 2.2%
(b) February, 1924, as compared with Feb. 1923	— 1.4%

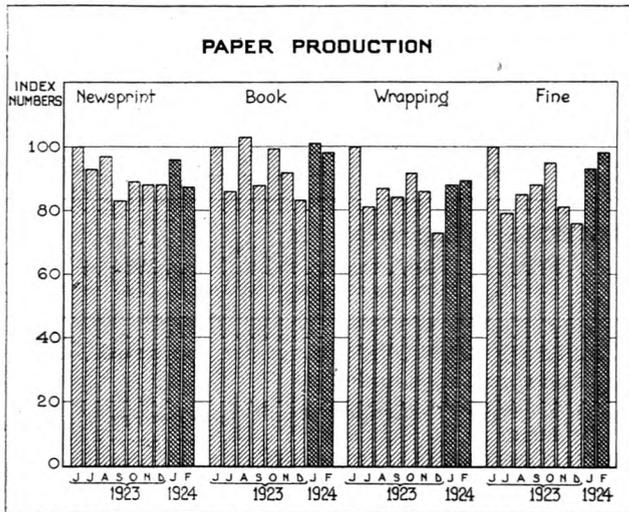
3. RATE OF TURNOVER (times per year based on cumulative period):

(a) February 1 to February 29, 1924.....	3.2
(b) February 1 to February 28, 1923.....	2.8
Number of stores reporting above items:	
1.....20	2.....18
3.....17	

PAPER

The demand for nearly all grades of paper has increased, and the majority of manufacturers report that business is better than it was either last month or in March, 1923. Book and fine papers are in good request, and operations at the mills have advanced to 85 per cent of capacity. The call for most grades of wrapping papers is also strong, and in this district the majority of mills are working at or near capacity. However, the glassine market is more or less demoralized, owing to severe price cutting among the manufacturers, and some plants are running at only 50 per cent. Toilet tissues and crepe towels are in active request, and production at these plants is close to capacity. Paperboards, particularly box boards, are selling more freely than they did in the two preceding months, and most mills are operating at 90 per cent. Manufacturers of cardboards and tag stocks report only a fair demand, and few are working at more than 70 per cent. Makers of tags state that competition is very severe and that they have sufficient orders to keep only two-thirds of their equipment in operation. Wall papers are selling well, and the mills are working at capacity. Envelopes and tablets are in good demand, and most converters are operating at 85 per cent of capacity. Buyers are still adhering to their hand-to-mouth policy, as is seen in the fact that none of the mills that report to us have more than 30 days' business on hand. Jobbers state that sales are larger than they were last month. As is shown in the table on page 9, wholesale paper sales in February were slightly greater than those of February, 1923.

Paper production, except in the book grades, has not yet this year reached the high mark of last June. The chart on page 28, which is based upon production figures compiled by the American Paper and Pulp Association for an identical number of mills in each period of two months, shows clearly that production, expressed



Except at book paper mills, monthly production has not reached the total of June, 1923, so far this year. The output of fine and wrapping paper increased in February but that of book and newsprint declined
 Source: American Paper and Pulp Association.

as an index number, except that of book paper, is smaller than it was in June, 1923.

Paper prices are now quite firm and are the same as they were last month. The slight weakness which was apparent in kraft paper prices early in February has now vanished, and the granting of concessions has virtually ceased. Mechanical and chemical pulps still display some softness, but owing to the increasing demand, especially for chemical pulps, prices are tending to stiffen.

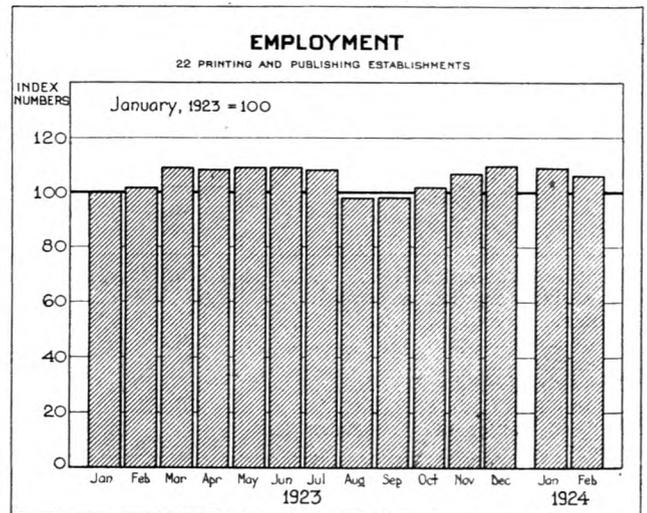
Finished stocks at the mills vary from light to moderate and show little change since last month. Mill stocks of raw materials are moderate. The supply of all classes of labor is adequate and wages are unchanged. Collections vary from fair to good and are much the same as they were last month.

PRINTING AND PUBLISHING

The majority of job printers report a better demand for printing than in either January or February, and though several state that business is better than in March, 1923, others do not find it as good. Direct-by-mail circulars and general job work are in greatest request, but a few firms have considerable catalogue work. The number of commercial advertising orders that have been received shows a slight increase over that of the two preceding months, and the radio, steel, metal products, lumber, and leather industries are the principal buyers. A few printers find business very good and are working at capacity, but the average of operations throughout the district does not exceed 75 per cent. Magazine publishers report that their sales of advertising space for April and May numbers exceed those for the same numbers of 1923, but sales for the March numbers were not as large as they were last

year. However, total sales for the issues of the first four months of 1924 surpass by a considerable amount those for the corresponding issues of 1923. Practically all industries are buying space in good quantity. Subscription sales also have increased over those of March, 1923. Publishers of books state that business is excellent, and most of them are working at capacity. Lithographers find window display advertising in big demand and that manufacturers of toilet preparations and foodstuffs are the heaviest buyers. The majority of lithographers are operating at close to capacity.

The following chart, based upon reports from 22 printing and publishing firms, shows that employment in these plants in January and February, 1924, was greater than in the same months of 1923. The number of employees in January reached the previous high marks of March, May, and June, 1923.



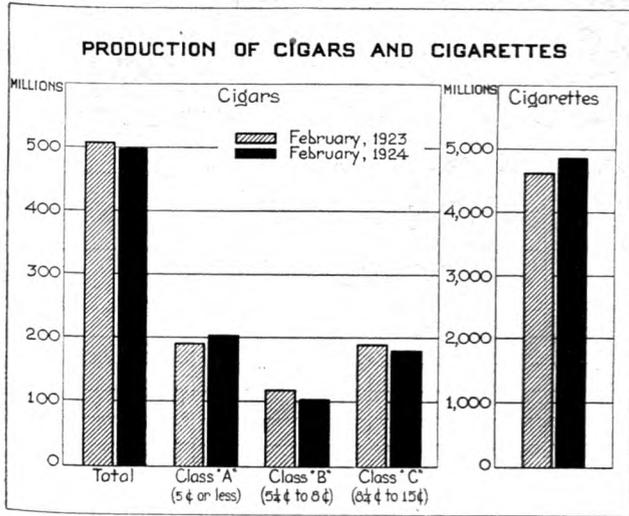
Employment during the first two months of 1924 in printing and publishing plants was greater than in the same months of 1923.
 Source—Federal Reserve Bank of Philadelphia

Printing and publishing costs have remained stationary during the past two months. Paper prices have held firm, as have the costs of inks and other materials. Competition continues to be severe, and job printers must quote their lowest prices to obtain orders.

Labor, both skilled and unskilled, is in ample supply, and wages have not changed. Collections are fair, being much the same as they were last month, and slightly slower than those of a year ago.

CIGARS

The majority of cigar manufacturers report that demand is not quite as good as it was last month or in March, 1923, and is only fair. As a rule, March is a rather dull month for the industry, and this March is no exception; but all manufacturers expect better business at the beginning of spring. Practically all orders are for immediate shipment. Class C cigars are still the best sellers, and the A and B grades are in fair demand,



Source—Commissioner of Internal Revenue

but none of these selling as well as they were last year. Production has declined only slightly, and most factories are running at the same rate as in February. Operations vary from 50 per cent to capacity, but the average for the district is from 75 to 80 per cent. Jobbers report that the demand is better than it was last month and about equal to that of March, 1923.

The accompanying chart shows that the output of large cigars in February, 1924, decreased 1.6 per cent, but that of cigarettes increased 5.0 per cent, as compared with the totals for February, 1923.

Cigar prices are firm and unchanged, and tobacco leaf prices are well maintained. Finished stocks at the factories vary from moderate to heavy and are increasing. Supplies of raw materials are moderate but are decreasing. No scarcity of either skilled or unskilled labor is noted, and wages remain unchanged. Collections range from fair to good and are the same as they were last month.

COMPILED AS OF MARCH 22, 1924.

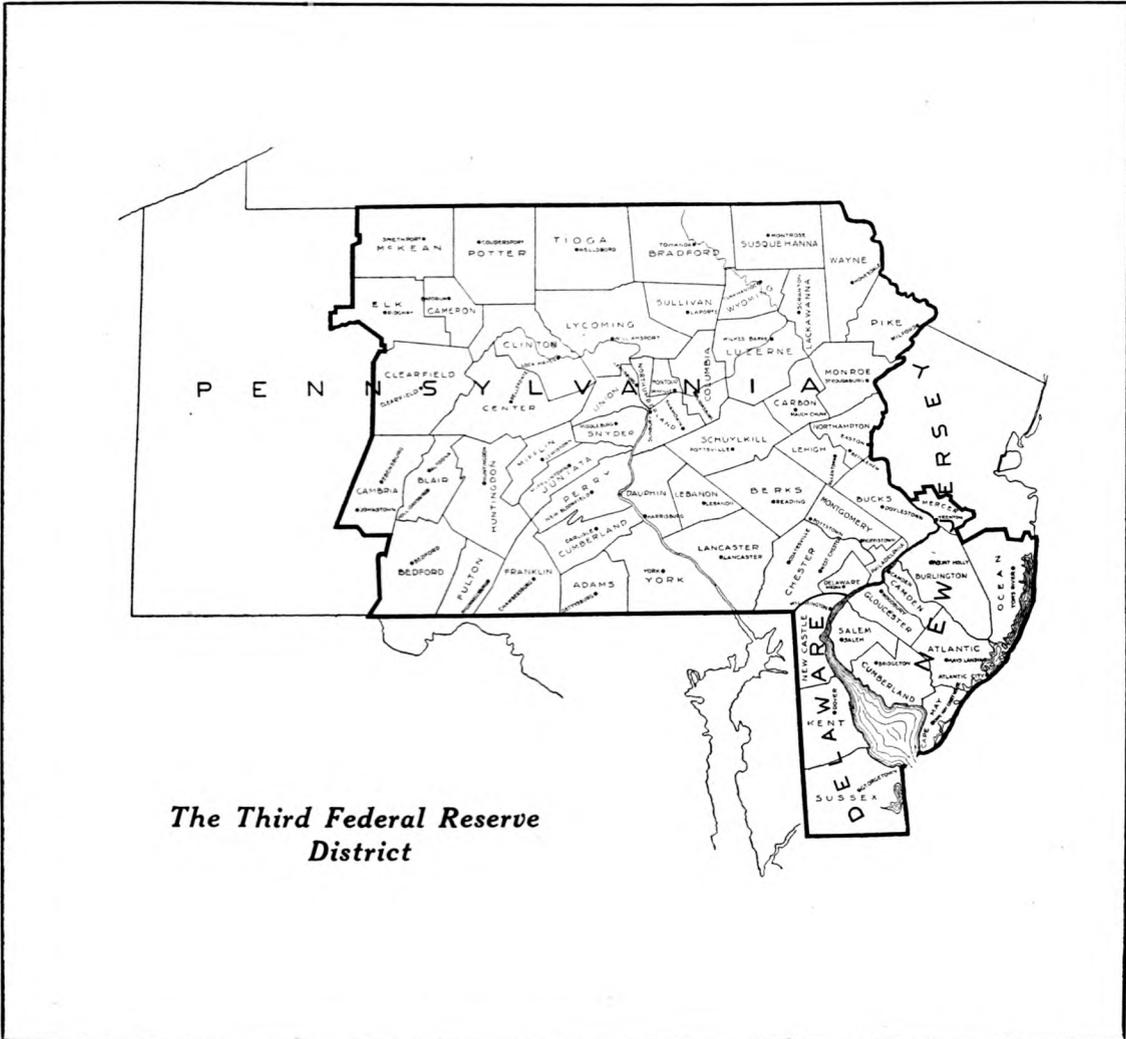
This business review will be sent regularly without charge to any address upon request

SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of March 22, 1924

Third Federal Reserve District

Business	Demand	Prices	Stocks	Labor		Collections
				Supply	Wages	
Brick	Fair to good	Firm	Moderate	Sufficient	Some reductions	Fair
Chemicals	Poor to fair	Weak	Moderate	Sufficient	Unchanged	Fair
Cigars	Fair	Firm	Moderate	Sufficient	Unchanged	Fair to good
Coal, anthracite	Fair to good	Firm	Moderate	Sufficient	Unchanged	
Coal, bituminous	Poor to fair	Weak	Heavy	Sufficient	Unchanged	
Coke	Fair	Lower				
Confectionery	Fair to good	Firm	Moderate	Sufficient	Unchanged	Fair to good
Cotton goods	Poor to fair	Lower	Moderate	Sufficient	Unchanged	Fair to good
Drugs, wholesale	Fair	Declining	Moderate			Fair to good
Drygoods, wholesale	Fair	Firm to lower	Moderate			Fair to good
Floor coverings	Fair to good	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair to good
Gas and electric fixtures	Fair	Firm	Moderate	Some scarcity	Some advances	Poor to fair
Glass	Poor to fair	Firm	Moderate to light	Sufficient	Unchanged	Fair to good
Groceries, wholesale	Fair	Firm	Moderate			Fair to good
Hardware, wholesale	Fair	Some advances	Moderate			Poor to fair
Hosiery, full-fashioned	Fair	Unchanged to lower	Moderate	Sufficient	Unchanged to lower	Fair to good
Hosiery, seamless	Poor to fair	Lower	Moderate	Sufficient	Unchanged	Fair to good
Iron and steel	Fair	Some weakness	Moderate to heavy	Sufficient	Unchanged	Fair
Jewelry	Fair	Unchanged	Moderate			Fair
Leather belting	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Leather, heavy	Poor to fair	Unchanged	Heavy	Sufficient	Unchanged	Fair to good
Leather, upper	Poor to fair	Unchanged	Moderate to heavy	Sufficient	Unchanged to lower	Fair to good
Lumber	Fair to good	Some advances	Moderate	Sufficient	Unchanged	Fair
Oils, crude	Good	Higher	Heavy	Sufficient	Unchanged	Good
Oils, refined	Fair to good	Higher	Moderate	Sufficient	Unchanged	Good
Paint	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair
Paper	Good	Firm	Moderate	Sufficient	Unchanged	Fair to good
Paper, wholesale	Good	Firm	Moderate			Fair
Printing and publishing	Fair to good	Unchanged		Sufficient	Unchanged	Fair to good
Pottery	Good	Firm	Moderate	Sufficient	Some reductions	Fair to good
Shoes, manufacture	Poor to fair	Unchanged	Moderate	Some scarcity, skilled	Some advances	Fair to good
Shoes, retail	Fair to good	Unchanged	Moderate			Fair to good
Shoes, wholesale	Fair	Unchanged	Moderate			Fair
Silk goods	Poor to fair	Lower	Fairly heavy	Sufficient	Unchanged	Fair
Silk, thrown	Poor	Weak	Light	Some scarcity	Unchanged	Fair to good
Sugar	Fair	Declining	Moderate	Sufficient	Unchanged	Good
Underwear, heavy weight	Poor	Unchanged	Fairly light	Sufficient	Unchanged	Fair
Underwear, light weight	Poor to fair	Unchanged to lower	Fairly light	Sufficient	Unchanged	Fair
Woolen and worsted goods	Irregular	Generally unchanged	Moderate	Sufficient or plentiful	Unchanged	Fair to good
Woolen and worsted yarns	Poor to fair	Generally unchanged	Moderate	Sufficient or plentiful	Unchanged	Fair to good



ADVANTAGES OF MEMBERSHIP IN THE FEDERAL RESERVE SYSTEM

PURPOSE OF THE FEDERAL RESERVE ACT

The purpose of the Act was to remedy well-defined defects in our banking and currency systems and thereby put a stop to the panics that regularly appeared whenever those systems were put under an unusual strain.

Business men were especially active in demanding reform. The Chamber of Commerce of the United States in a memorial to Congress, declared: "The defects of our present system are generally understood to constitute a menace, both to our domestic and international trade. The business men of the country should not again be exposed to the rigors of another such (currency) stringency as followed the large crop of 1912."

The recognized defects were: (1) an inelastic currency, (2) scattered reserves, (3) lack of a bank of rediscount.

The Federal Reserve Act was adopted to correct these weaknesses and it has corrected them. The Act was not made up of a conglomerate of undigested theories but is "the product of a lengthy course of development that has grown out of the discussion and analysis of the past twenty years. It is not drawn, even largely, from any single source."*

The new banking system was put into effect by the opening of the twelve Federal reserve banks in November, 1914.

The effectiveness of the system was immediately put to the test by the disturbances caused by the war and the following period of readjustment. The banks functioned successfully and our monetary and banking structure held firm and secure during the greatest strain we had ever experienced. The principal faults in the old system that inevitably brought panics and destruction under strain had been corrected. The new currency showed an elasticity that provided for all legitimate demands and was always on a par with gold. The pooling of the reserves of the member banks in the twelve great reservoirs enabled them to be applied effectively wherever the need was greatest; and the reserve banks rediscounted paper for the members in a volume that far exceeded any previous estimate of the possibilities.

MEMBERSHIP IN THE SYSTEM

Under the Federal Reserve Act, only national banks are required to be members of the Federal reserve system. Provision is made, however, for the admission of state banks and trust companies.

On June 30, 1923, the membership of the Federal reserve system included 8236 national banks and 1620 state banks and trust companies. The total resources of the national banks were \$21,502,202,000, and the resources of the state bank members aggregated \$12,293,124,000. The resources of member banks constituted about 63 per cent of the total resources of all banks in

the country and over 70 per cent of those of the banks eligible to membership.

ADVANTAGES OF MEMBERSHIP

Membership in the Federal reserve system gives many privileges and advantages of great value to the banks and to the communities which they serve.

Notable among the privileges of membership at this time are the following:

(1) *To borrow money from the Federal reserve bank at its prevailing rates.* Member banks may rediscount with the Federal reserve bank, notes, drafts or bills of exchange, the proceeds of which have been used or are to be used in producing, purchasing, carrying or marketing goods, wares, merchandise, or agricultural products, including live stock, or for carrying or trading in United States bonds or notes. Such paper must have a maturity at the time of discount of not more than ninety days, except that (a) paper drawn for an agricultural purpose or based on live stock may have a maturity of not exceeding nine months, and (b) sight or demand drafts drawn to finance domestic shipments of non-perishable, readily marketable, staple agricultural products and secured by bills of lading or other shipping documents conveying or securing title, are also eligible for rediscount.

Member banks may also borrow from the Federal reserve bank on their own promissory notes for periods not exceeding fifteen days, provided the notes are secured by United States bonds or notes, or by paper eligible for discount or purchase by the Federal reserve bank.

(2) *To obtain currency and coin, as needed, from the Federal reserve bank.* The Federal reserve bank pays the postage and insurance or expressage on shipments of paper currency, subsidiary silver and minor coin to its member banks and on shipments of paper currency and all coin from the member banks to it.

(3) *To participate in the check clearing facilities of the Federal reserve system.* The Federal reserve bank handles for its members, at par, checks on the banks appearing on the par list and checks and warrants on the United States Treasurer, giving credit according to its time schedule.

The par list comprises all member banks and all non-member banks upon whom checks can be collected at par. On August 31, 1923, over 91 per cent of the banks in the United States were on the par list. The banks not now on the par list will gradually see that the support of a system for the prompt collection of checks is to their advantage and protection, and will support it as heartily as those who now see its advantages. Expense, delay and risk are minimized by this plan.

Checks passing through the Federal reserve system are routed direct wherever possible, saving valuable time in the process of collection.

(To be continued)

* Statement of Dr. H. Parker Willis.